

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2009

DAVID GRIFFING, AUDITOR



Mary Taylor, CPA
Auditor of State

City Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Julian & Grube, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 26, 2010

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**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Auditor's Report on Supplementary
Schedule of Expenditures of Federal Awards**

Mayor and Members of Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

Our audit was conducted for the purpose of forming opinions on 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 and for the year ended December 31, 2009, which collectively comprise the City of Warren's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 16, 2010

CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH GRANT NUMBER | CASH (A) FEDERAL DISBURSEMENTS |
|---|----------------|---------------------------------|--------------------------------------|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| <i>Direct Programs:</i> | | | |
| Community Development Block Grants/Entitlement Grants Cluster: | | | |
| (B) Community Development Block Grants/Entitlement Grants | 14.218 | N/A | \$ 2,261,073 |
| ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R) | 14.253 | N/A | 131 |
| Total Community Development Block Grants/Entitlement Grants Cluster | | | 2,261,204 |
| (C) HOME Investment Partnerships Program | 14.239 | N/A | 978,094 |
| ARRA - Homeless Prevention and Rapid Re-Housing Program | 14.257 | N/A | 22,477 |
| <i>Passed through the Ohio Department of Development:</i> | | | |
| Community Development Block Grants/State's Program | 14.228 | A-Z-08-298-1 | 110,464 |
| Total U.S. Department of Housing and Urban Development | | | 3,372,239 |
| U.S. DEPARTMENT OF JUSTICE | | | |
| <i>Direct Programs:</i> | | | |
| ARRA - Public Safety Partnership and Community Policing Grants | 16.710 | N/A | 52,000 |
| Edward Byrne Memorial Justice Assistance Grant Cluster: | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | N/A | 50,165 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | N/A | 4,079 |
| Total Edward Byrne Memorial Justice Assistance Grant | | | 54,244 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program / Grants to Units of Local Government | 16.804 | N/A | 252,269 |
| <i>Passed through the Ohio Department of Public Safety:</i> | | | |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States and Territories | 16.803 | 2009-RA-A02-2253 | 33,130 |
| Total Edward Byrne Memorial Justice Assistance Grant Cluster | | | 339,643 |
| <i>Passed through Ohio Attorney General's Office:</i> | | | |
| Crime Victim Assistance | 16.575 | 2009VAGENE511 | 15,913 |
| Crime Victim Assistance | 16.575 | 2010VAGENE511 | 5,404 |
| Total Crime Victim Assistance | | | 21,317 |
| Total U.S. Department of Justice | | | 412,960 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | |
| <i>Passed through Ohio Department of Transportation:</i> | | | |
| Highway Planning and Construction: | | | |
| Warren Greenway Bike trail ODOT Project | 20.205 | 77201 | 84,736 |
| US 422 Parkman Road ODOT Project | 20.205 | 78220 | 578,323 |
| Packard Music Hall Project | 20.205 | 81386 | 1,158,133 |
| East Market Street ODOT Project | 20.205 | 79823 | 1,192,260 |
| Packard Museum Expansion Project | 20.205 | 80677 | 372,520 |
| Total Highway Planning and Construction | | | 3,385,972 |
| <i>Passed through Ohio Department of Public Safety, Governor's Highway Safety Office:</i> | | | |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | HVEO-2009-78-00-00-00292-00 | 23,471 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | HVEO-2010-78-00-00-00267-00 | 5,319 |
| Total Alcohol Impaired Driving Countermeasures Incentive Grants I | | | 28,790 |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | OVITF-2010-78-00-00-00354-00 | 1,154 |
| Total U.S. Department of Transportation | | | 3,415,916 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| <i>Passed through Ohio Department of Health:</i> | | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 78-2-001-1-DS-0209 | 32,000 |
| <i>Passed through Trumbull County Health Department:</i> | | | |
| Public Health Emergency Preparedness | 93.069 | 78-100-12-PH-0110 | 15,389 |
| Immunization Grants | 93.268 | 78-100-12-IM-0209 | 8,640 |
| Centers for Disease Control and Prevention Investigations and Technical Assistance | 93.283 | 78-100-12-PI-0209 | 3,434 |
| <i>Passed through Youngstown City Health Department:</i> | | | |
| HIV Prevention Activities_Health Department Based | 93.940 | 50-2-001-2-HP-0209 | 7,833 |
| Total U.S. Department of Health and Human Services | | | 67,296 |
| Total Federal Financial Assistance | | | \$ 7,268,411 |

-Continued

**CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Continued from Page 2

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

(B) The City has established revolving loan programs 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. Activity in the revolving loan funds during 2009 is as follows:

| | |
|--|---------------------|
| Beginning loans receivable balance as of January 2009: | \$ 1,784,805 |
| Loans Disbursed: | 561,335 |
| Loan Repayments: | <u>(238,593)</u> |
| Ending loans receivable balance as of December 31, 2009: | <u>\$ 2,107,547</u> |

| | |
|--|------------|
| Cash Balance on hand as of December 31, 2009 | \$ 110,784 |
| Delinquent amounts due as of December 31, 2009 | \$ 296,605 |

(C) The City has established revolving loan programs 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. Activity in the revolving loan funds during 2009 is as follows:

| | |
|--|---------------------|
| Beginning loans receivable balance as of January 2009: | \$ 1,993,444 |
| Loans Disbursed: | 34,448 |
| Loan Repayments: | - |
| Ending loans receivable balance as of December 31, 2009: | <u>\$ 2,027,892</u> |

| | |
|--|------|
| Cash Balance on hand as of December 31, 2009 | \$ - |
| Delinquent amounts due as of December 31, 2009 | \$ - |

(D) The City has established revolving loan programs 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. Activity in the revolving loan funds during 2009 is as follows:

| | |
|--|---------------------|
| Beginning loans receivable balance as of January 2009: | \$ 2,062,852 |
| Loans Disbursed: | - |
| Loan Repayments: | <u>(126,350)</u> |
| Ending loans receivable balance as of December 31, 2009: | <u>\$ 1,936,502</u> |

| | |
|--|------|
| Cash Balance on hand as of December 31, 2009 | \$ - |
| Delinquent amounts due as of December 31, 2009 | \$ - |

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



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards***

Mayor and Members of Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

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, as of and for the year ended December 31, 2009, which collectively comprise the City of Warren's basic financial statements and have issued our report thereon dated June 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Warren's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City of Warren's internal control over financial reporting. Accordingly we have not opined on the effectiveness of the City of Warren's internal control over financial reporting.

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

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

Mayor and Members of Council
City of Warren

Compliance and Other Matters

As part of reasonably assuring whether the City of Warren's financial statements are free of material misstatements, 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedules of findings and responses as items 2009-COW-001 through 2009-COW-003.

We did note certain matters not requiring inclusion in this report that we reported to the City of Warren's management in a separate letter date June 16, 2010.

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

This report is intended solely for the information and use of the management, the Council of the City of Warren, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
June 16, 2010



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance In
Accordance With OMB Circular A-133**

Mayor and Members of Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

Compliance

We have audited the compliance of the City of Warren, Trumbull County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the City of Warren's major federal programs. The City of Warren'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 of Warren'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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City of Warren'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 of Warren's compliance with those requirements.

In our opinion, the City of Warren 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, 2009.

Mayor and Members of Council
City of Warren

Internal Control Over Compliance

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

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

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

We did note certain matters not requiring inclusion in this report that we reported to the City of Warren's management in a separate letter date June 16, 2010.

This report is intended solely for the information and use of the management, the Council of the City of Warren, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
June 16, 2010

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009**

| 1. SUMMARY OF AUDITORS' RESULTS | | |
|--|---|---|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unqualified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | Yes |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weaknesses reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unqualified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under §.510?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs (listed):</i> | Community Development Block Grants/Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants CFDA #14.218 and ARRA – Community Development Block Grant ARRA Entitlement Grants (CDBG-R) CFDA #14.253; HOME Investment Partnerships Program CFDA # 14.239; Edward Byrne Memorial Justice Assistance Grant Cluster: Edward Byrne Memorial Justice Assistance Grant CFDA #16.738, ARRA - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government CFDA #16.804 and ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States and Territories CFDA #16.803; |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A:>\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee?</i> | Yes |

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009**

| | |
|---|--------------|
| 2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS | |
| Finding Number | 2009-COW-001 |

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At fiscal year end, the City had appropriations that were greater than actual resources, which consist of actual revenues and beginning unencumbered fund balance, in the following funds:

| | <u>Actual</u> <u>Resources</u> | <u>Appropriations</u> | <u>Excess</u> |
|-----------------------|-----------------------------------|-----------------------|---------------|
| <u>Major Funds</u> | | | |
| Sewer | \$10,019,105 | \$13,623,282 | \$3,604,177 |
| Sanitation | 3,419,752 | 3,534,000 | 114,248 |
| <u>NonMajor Funds</u> | | | |
| Motor Vehicle Levy | 330,693 | 384,000 | 53,307 |
| Street Maintenance | 1,840,008 | 2,215,864 | 375,856 |
| Court Computerization | 304,327 | 308,365 | 4,038 |
| Data Processing | 766,309 | 807,964 | 41,655 |

The City is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed actual resources.

We recommend the City monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State bulletin 97-010.

Client Response: The City Auditor will attempt to monitor appropriations and actual resources throughout the year and amend the budget as necessary.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009**

| | |
|---|--------------|
| 2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) | |
| Finding Number | 2009-COW-002 |

Ohio Revised Code Section 5705.39 requires that a subdivision’s total appropriations from each fund should not exceed total estimated resources.

The City had total appropriations exceeding total estimated resources in the following funds:

| <u>December 31, 2009</u> | <u>Estimated Resources</u> | <u>Appropriations</u> | <u>Excess</u> |
|-------------------------------|----------------------------|-----------------------|---------------|
| <u>Major fund:</u> | | | |
| General Capital Projects Fund | \$1,875,999 | \$4,880,368 | \$3,004,369 |
| <u>Nonmajor fund:</u> | | | |
| Home Investment Fund | 637,481 | 850,000 | 212,519 |

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

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

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

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009**

| |
|---|
| 2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|---|

| | |
|----------------|--------------|
| Finding Number | 2009-COW-003 |
|----------------|--------------|

Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the City Auditor that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

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

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

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

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

| |
|---------------------------------------|
| 3. FINDINGS FOR FEDERAL AWARDS |
|---------------------------------------|

None.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2009**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | <u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u> |
|------------------------------|--|--------------------------------|---|
| 2008-COW-001 | Ohio Revised Code Section 5705.39 requires that subdivisions total appropriations from each fund should not exceed total estimated resources. | No | Finding 2009-COW-002 |
| 2008-COW-002 | Ohio Revised Code Section 5705.36, in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the City Auditor that revenue to be collected will be greater or less than the amount in the last certified amended certificate. | No | Finding 2009-COW-003 |

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CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2009**

DAVID N. GRIFFING, CITY AUDITOR

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, CITY AUDITOR

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

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INTRODUCTORY SECTION

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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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
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June 16, 2010

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, 2009, 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 City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City is required by state law to have an annual audit performed by the Auditor of State's Office or an independent public accounting firm, if permitted by the Auditor of State. Julian & Grube, Inc. performed the audit for the year ended December 31, 2009. The City continues to receive an unqualified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2009 provided no instances of material weaknesses in the internal control structure and three instances of significant violations of applicable laws and regulations.

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

COMMUNITY PROFILE

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 approximately 43,789 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 2,400 and banquet seating for 500) 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 downtown Riverwalk, Warren Community Amphitheatre, and Trumbull County 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, engineering 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 9,300 manufacturing plants, 9,400 wholesale distribution centers and 17 Fortune 500 corporate world headquarters are located within 80 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 associated systems, wholesale and retail distribution, as well as education, medical, and other professional services. The factors of globalization and increased competition have required significant changes in the regional economy; in order to regain competitive advantage, local manufacturing firms have implemented supplementary research divisions and embraced technological advances, resulting in increased investment, economic diversification and enhanced productivity. In addition, City officials and business leaders are placing added emphasis on the attraction of diverse corporate, retail and industrial employers to the region. As employment in heavy manufacturing has decreased, local non-manufacturing sector employment has increased, allowing the area to sustain growth despite a transition of workforce demographics.

Spearheaded by partnerships between the Warren Community Development Department, Warren Redevelopment and Planning (WRAP), and the Regional Chamber, the City's economic development team possesses significant resources to assist the establishment, expansion, or relocation of any business. Support is available with regard to site selection, financial and tax abatement assistance, business plan development, and other associated issues. Sustained growth taking place in Warren and the surrounding metropolitan area represents positive economic trends that are expected to continue into the future.

The City of Warren, through the Community Development Department, acts as the lead agency in a partnership with Trumbull County for receiving federal funding from HUD for affordable housing programs. Through these efforts, the City and county have complete several housing projects over the years such as the 2009 completion of a \$9.5 million acquisition and rehab of 188 units at the Warren Heights Apartments on the City's north end.

\$399,000 in small business loans and an economic development loan for the purchase of prime downtown property were approved through the City of Warren Revolving Loan Fund and UDAG program in 2009. These loans help retain 20 current jobs and create 14 new employment opportunities. Warren continues its program of site visits to existing companies within the City that focused on the needs and wellness of their current employers as well as giving them the chance to discuss any problems they may have or possible ways for the City to assist them in growing their business.

In cooperation with the Mahoning Valley Economic Development Corporation (MVEDC), Warren Commerce Park has been developed into a home for industry, with tenants including Charles Manufacturing, Jaro Transportation, and the Consolidated Container Company. Proximity to major highways and rail service provide a variety of transportation options, offering market advantages to all tenants. The City of Warren developed Northwest Business Park (adjacent to OH-82 with direct links to the Ohio Turnpike) through the advancement of local public-private partnerships. Currently, the park is home to the Boy Scouts regional headquarters and a number of smaller manufacturing firms. In addition, Eastgate Technology Center located on the City of Warren's east side accommodates innovative high-tech corporations.

Since 2002, over \$2.5 million has been spent on the construction of the Warren Riverwalk campus, including an outdoor amphitheatre, festival promenade, multi-purpose event area, and the exterior restoration of the Kinsman House and Land Office. The construction of the Riverwalk Stagehouse at the Warren Community Amphitheatre was completed in 2007 with several events having attendance in excess of 3,000 people. This project, together with ancillary recreational facilities, will provide first-class entertainment and cultural opportunities for residents and visitors alike. A series of concerts were scheduled for 2009 and had music sounding through the community. These concerts and other downtown festivals and events were held every week throughout the summer and into the fall.

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2009, 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

The Emergency Services Division of the Police department is comprised of one Captain, three Lieutenants, ten Sergeants and twenty three Patrol Officers. This is the only division, other than communications, that is scheduled to work seven days a week and 24 hours a day, every day of the year. The ESD also provides a security detail of two Officers for the Municipal Court, and has two K-9 units. These K-9 units are State certified for narcotics detection, tracking, patrol, and article searches. The officers of ESD are the first respondents to virtually all calls for service by the Warren Police Department. These calls ranged from the most mundane to the most dangerous emergency situations. The aggressive, but courteous tactics of the ESD officers have been largely recognized as being the primary reason that Warren has enjoyed such a low crime rate. These officers responded to 35,680 calls for service during 2009. Our officers are recognized for a banner year and the utmost respect for the hours of service and sacrifices they have shown throughout 2009.

The Warren City Fire Department received a grant through Cleveland State University for the seventh consecutive years for our annual refresher courses in Incident Command, Confined Space Operations, and Hazardous Material Response. The Fire Department has continued becoming certified in the various National Incident Management courses that are necessary to be considered for future federal grants. All firefighters are receiving continuing education through the train the trainer program to maintain Ohio Public Safety Certification.

PUBLIC WORKS

The City Engineering Department was responsible for several road projects that were completed in 2009. Resurfacing and reconstruction of a number of streets in the City was done with state and federal funds totaling \$5,623,803 including the local share of \$230,412. There were two major arteries and 13.3 miles of local streets included in these projects. Additionally, the Engineering Department was reimbursed for all of the wage and fringe expenses for the inspection and management of these projects from the grant funds.

The department has five major projects scheduled for 2010. The funding for these projects will come from grant funds from the state and federal governments totaling \$5,930,000. These projects are 100% funded from grant with no local funds being needed. The department has again secured reimbursement for their wages for the inspection and management of the project during construction. One of the projects is the completion of the Greenway Bike Trail project; it will create a bike trail along a former railroad from the south corporation limits to the north corporation limits. This project should be completed in 2011.

UTILITY SERVICE

The City of Warren's Water Department is responsible for the treating, distributing, meter reading, billing and collection for the City of Warren's water supply. They are committed to improving the quality of life in the City by strengthening our neighborhoods, delivering a safe drinking water to our citizens at an affordable cost in addition to focusing on good quality customer service to help make the City of Warren a desirable place to live and work.

Due to a down turn in the economy, there was a reduction in the average daily pumpage of approximately 1.6 MGD which resulted in a loss of \$1.4 million over last year in just five (5) of our largest users. As a result of these losses, there was a reduction in expenses by the department in any and all means available. They were able to reduce the overall overtime expenses by 24% through better management of the staff and equipment, and they have reduced staffing levels through attrition. They will continue to reduce expenses and look for new and innovative ways to generate unrealized revenue to keep the water rates in the lower tier of the state. The City of Warren is seeking the firm most highly qualified to perform an analysis of the City's current rate revenues, O & M costs, and debt service requirements to provide a Capital Improvement program for the Department and provide recommendations for the next five (5) years of operations. Recommendations shall include proposed rate modifications for the next five (5) years, other financial recommendations and associated enhancements.

The Water Pollution Control Department actively sought and obtained a storm water rate increase targeted only for storm water capital improvement programs. This rate increase allows the department to secure funding to begin capital improvements on seven (7) identified areas throughout the City that are in need of storm water control rehabilitation. The Department also obtained a Class IV Composting License from the Ohio Environmental Protection Agency which allows the Department to collect leaves in the fall from the City and surrounding communities, process them into leaf mulch and sell the mulch to offset expenses. The Department continued to expand its market with the end product, "Nature's Blend", which is manufactured from processed Biosolids. With the increase in cost of commercial fertilizers, "Nature's Blend" has become particularly attractive to the farming community and bulk sales increased dramatically.

The Water Pollution Control Department was awarded two stimulus grants in 2009. One was for the rehabilitation and reconstruction of the Mahoning Avenue Interceptor. This grant was for 1.6 million dollars. This sewer crosses under the Mahoning River at 7 locations and had a number of areas that allowed the river to add flow to the system. This project will decrease the infiltration and reduce costs to the plant. The other project was \$500,000 to convert the outflow from the plant into electricity. This will reduce the cost of operation of the plant by eliminating the cost of electricity. Both of these projects are expected to be completed in 2010.

The Environmental Services Department has continued to improve service to its customers. The department has aggressively pursued additional commercial accounts and expanded into the roll off business. These efforts have controlled costs and increased revenue while maintaining the cost to their customers without an increase. The next step for the department is to reduce the amount being transported to the landfill by removing yard waste from the waste stream. This will be accomplished by segregating them and transporting them to a compost facility. The fall leaves have been completely eliminated from the waste stream and grass clippings are next on the agenda. Although the population of the City has been declining, the amount of solid waste has not and yard waste continues to increase.

GENERAL GOVERNMENT

The Packard Music Hall is continuing to make improvements to the facility. Federal and state grants were used to make \$2,100,000 worth of improvements to the hall. These improvements included a new sound system, new rigging for the stage, a new lighting system and a lift to increase storage capacity enabling use of the basement. The Packard Music Hall Foundation continues to grow and assist in improving the hall. The foundation is preparing to purchase shows for 2010 along with the scheduling additional shows for 2011.

The City Treasurer has initiated contact with the City of Cleveland's Central Collection Agency, Division of Taxation (CCA) for the purpose of enabling the City to cross check our income tax filers with the Internal Revenue Service. The City of Warren is not of sufficient size to use the IRS services independently. With the assistance of the CCA, we will be able to use the vast data base of the IRS to verify that all tax payers required to file with the City do actually file. This is anticipated to increase income tax collections immediately.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its comprehensive annual financial report for the year ended December 31, 2008. This was the seventh 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

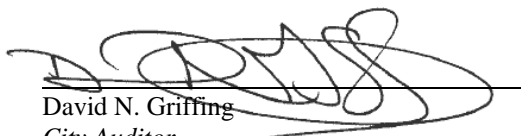
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive 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 Julian & Grube, Inc., Steve Julian, CPA and Carrie Simmons, CPA their guidance and professionalism was invaluable and greatly appreciated.

I would like to acknowledge the efforts of our new auditors in this their fifth year replacing the State Auditor's Office. The firm of Julian & Grube, Inc. has done a great job of completing the process on time. Thanks to Tammy Gearhart, CPA of their office for completing the audit so that the report could be filed on time with GFOA.

I would also like to thank all of the elected officials, department heads and their staffs for their continued 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 N. Griffing
City Auditor

CITY OF WARREN
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2009

ELECTED OFFICIALS

Executive Branch:

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

Legislative Branch:

| | |
|---------------------------------------|---------------------|
| Council Member – Council President | Robert Marchese |
| Council Member – 1 st Ward | Fiore Dippolito |
| Council Member – 2 nd Ward | Alford Novak |
| Council Member – 3 rd Ward | M. Andrew Barkley |
| Council Member – 4 th Ward | Marti Morn |
| 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 | Helen Rucker |
| Council Member – At-Large | Daniel Crouse |

APPOINTED OFFICIALS

Department of Public Safety:

| | |
|---------------------------|---------------------|
| Director of Public Safety | William D. Franklin |
| Police Chief | Timothy Bowers |
| 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 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

ADMINISTRATIVE

MAYOR

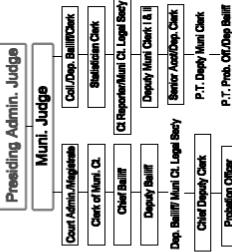
SAFETY & SERVICE DIRECTOR



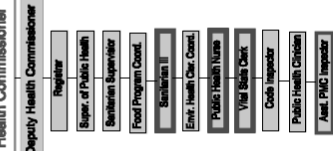
CITY COUNCIL



MUNICIPAL COURT



BOARD OF HEALTH



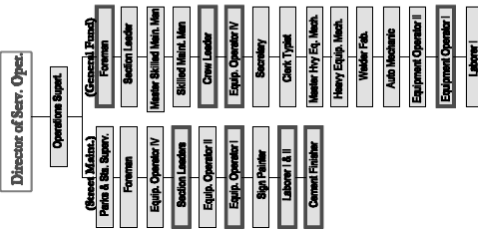
CIVIL SERVICE COMMISSION



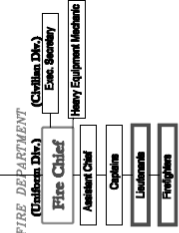
HUMAN RESOURCES



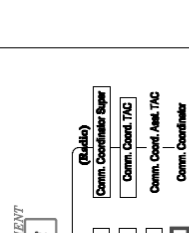
OPERATIONS DEPARTMENT



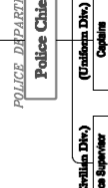
FIRE DEPARTMENT



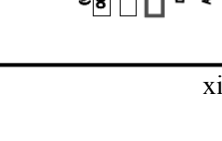
POLICE DEPARTMENT



DATA PROCESSING



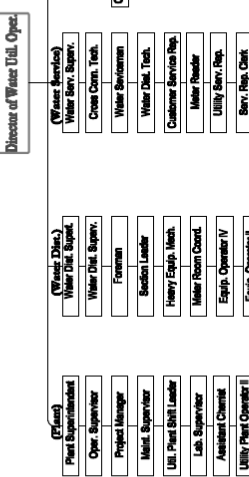
ENC., PLANI. & BLDG.



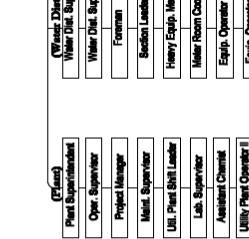
COMMUNITY DEVELOPMENT



WATER DEPARTMENT



WATER POLLUTION CONTROL



ENVIRONMENTAL SERVICES



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, 2008

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.



A stylized, handwritten signature in black ink.

President

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Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

Mayor and Members of Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

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, as of and for the year ended December 31, 2009, which collectively comprise the City of Warren's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, 2009, 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 16, 2010, on our consideration of the City of Warren's internal control over financial reporting and on 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 considered in assessing the results of our audit.

Independent Auditor's Report
City of Warren

The 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 of Warren's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund financial statements and 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 cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 16, 2010

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (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, 2009. 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 2009 are as follows:

- The total net assets of the City increased \$2,797,205. Net assets of governmental activities increased \$2,834,139 or 6.66% from 2008 and net assets of business-type activities decreased \$36,934 or 0.13% from 2008.
- General revenues accounted for \$21,793,209 or 62.20% of total governmental activities revenue. Program specific revenues accounted for \$13,243,050 or 37.80% of total governmental activities revenue.
- The City had \$31,692,120 in expenses related to governmental activities; \$13,243,050 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$18,449,070 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$21,793,209.
- The general fund had revenues and other financing sources of \$25,472,137 in 2009. This represents a decrease of \$2,594,116 or 9.24% from 2008 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$25,558,030 in 2009, decreased \$4,755,517 or 15.69% from 2008. The net decrease in fund balance for the general fund was \$85,893 or 2.04%.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$3,634,947 and expenditures of \$3,661,575 in 2009. The general capital projects fund's fund balance decreased from \$75,800 to \$49,172.
- 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, decreased in 2009 by \$36,934.
- In the general fund, the actual revenues and other financing sources were \$645,640 less than in the final budget and actual expenditures and other financing uses were \$1,895,749 less than the amount in the final budget. Budgeted expenditures and other financing uses decreased \$720,074 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, 2009 (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 2009?" 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 17-19 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 focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

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 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, 2009 (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 the general capital projects fund. Information for the 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 20-24 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 26-33 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 34 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 35-72 of this report.

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The following table provides a summary of the City's net assets for 2009 and 2008:

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

| | Net Assets | | | | | |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Governmental Activities | Business-type Activities | 2009 | 2008 |
| | 2009 | 2009 | 2008 | 2008 | Total | Total |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$ 24,157,479 | \$ 10,047,367 | \$ 25,019,165 | \$ 12,722,970 | \$ 34,204,846 | \$ 37,742,135 |
| Capital assets | <u>41,659,164</u> | <u>56,757,306</u> | <u>39,746,844</u> | <u>57,471,420</u> | <u>98,416,470</u> | <u>97,218,264</u> |
| Total assets | <u>65,816,643</u> | <u>66,804,673</u> | <u>64,766,009</u> | <u>70,194,390</u> | <u>132,621,316</u> | <u>134,960,399</u> |
| <u>Liabilities</u> | | | | | | |
| Current liabilities | 4,476,439 | 955,906 | 4,939,862 | 1,467,406 | 5,432,345 | 6,407,268 |
| Long-term liabilities | <u>15,961,998</u> | <u>36,493,267</u> | <u>17,282,080</u> | <u>39,334,550</u> | <u>52,455,265</u> | <u>56,616,630</u> |
| Total liabilities | <u>20,438,437</u> | <u>37,449,173</u> | <u>22,221,942</u> | <u>40,801,956</u> | <u>57,887,610</u> | <u>63,023,898</u> |
| <u>Net assets</u> | | | | | | |
| Invested in capital assets, net of related debt | 37,644,539 | 21,755,533 | 34,666,493 | 19,391,428 | 59,400,072 | 54,057,921 |
| Restricted | 12,251,926 | - | 12,088,530 | - | 12,251,926 | 12,088,530 |
| Unrestricted (deficit) | <u>(4,518,259)</u> | <u>7,599,967</u> | <u>(4,210,956)</u> | <u>10,001,006</u> | <u>3,081,708</u> | <u>5,790,050</u> |
| Total net assets | <u>\$ 45,378,206</u> | <u>\$ 29,355,500</u> | <u>\$ 42,544,067</u> | <u>\$ 29,392,434</u> | <u>\$ 74,733,706</u> | <u>\$ 71,936,501</u> |

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2009, the City's assets exceeded liabilities by \$74,733,706, an increase of 3.74% from 2008. At year-end, net assets were \$45,378,206 and \$29,355,500 for the governmental activities and the business-type activities, respectively.

The City's current assets decreased \$3,537,289 during 2009, which reflects the decrease in cash and cash equivalents at year-end. This is the result of overall decreasing revenues caused by the regional loss of employment and stagnant economic development.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 74.21% of total assets, compared to 72.06% at December 31, 2008. 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, 2009, were \$37,644,539 and \$21,755,533 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.

A portion of the City's net assets, \$12,251,926, 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 is a deficit of \$4,518,259.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The table below shows the changes in net assets for 2009 and 2008.

| | Change in Net Assets | | | | | |
|--------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Governmental | Business-type | Governmental | Business-type | 2009 | 2008 |
| | Activities | Activities | Activities | Activities | Total | Total |
| | 2009 | 2009 | 2008 | 2008 | | |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,251,761 | \$ 21,403,139 | \$ 4,091,566 | \$ 23,040,814 | \$ 25,654,900 | \$ 27,132,380 |
| Operating grants and contributions | 5,489,769 | - | 5,286,180 | - | 5,489,769 | 5,286,180 |
| Capital grants and contributions | <u>3,501,520</u> | <u>1,266,729</u> | <u>1,899,760</u> | <u>33,056</u> | <u>4,768,249</u> | <u>1,932,816</u> |
| Total program revenues | <u>13,243,050</u> | <u>22,669,868</u> | <u>11,277,506</u> | <u>23,073,870</u> | <u>35,912,918</u> | <u>34,351,376</u> |
| General revenues: | | | | | | |
| Property taxes | 1,566,192 | - | 1,752,172 | - | 1,566,192 | 1,752,172 |
| Income taxes | 16,411,492 | - | 17,636,767 | - | 16,411,492 | 17,636,767 |
| Unrestricted grants and entitlements | 2,908,110 | - | 2,999,526 | - | 2,908,110 | 2,999,526 |
| Investment earnings | 302,100 | 1,772 | 838,469 | 27,045 | 303,872 | 865,514 |
| Miscellaneous | <u>605,315</u> | <u>295,990</u> | <u>518,324</u> | <u>380,495</u> | <u>901,305</u> | <u>898,819</u> |
| Total general revenues | <u>21,793,209</u> | <u>297,762</u> | <u>23,745,258</u> | <u>407,540</u> | <u>22,090,971</u> | <u>24,152,798</u> |
| Total revenues | <u>35,036,259</u> | <u>22,967,630</u> | <u>35,022,764</u> | <u>23,481,410</u> | <u>58,003,889</u> | <u>58,504,174</u> |
| Expenses: | | | | | | |
| General government | 6,008,079 | - | 6,732,524 | - | 6,008,079 | 6,732,524 |
| Security of persons and property | 15,796,159 | - | 18,620,804 | - | 15,796,159 | 18,620,804 |
| Public health and welfare | 540,432 | - | 1,289,289 | - | 540,432 | 1,289,289 |
| Transportation | 3,639,586 | - | 4,644,555 | - | 3,639,586 | 4,644,555 |
| Community environment | 1,998,953 | - | 2,082,342 | - | 1,998,953 | 2,082,342 |
| Leisure time activity | 478,041 | - | 699,582 | - | 478,041 | 699,582 |
| Economic development | 2,664,643 | - | 2,981,877 | - | 2,664,643 | 2,981,877 |
| Interest and fiscal charges | 566,227 | - | 631,425 | - | 566,227 | 631,425 |
| Sewer | - | 7,252,490 | - | 7,686,872 | 7,252,490 | 7,686,872 |
| Water | - | 11,800,248 | - | 12,233,642 | 11,800,248 | 12,233,642 |
| Sanitation | - | 3,104,251 | - | 3,360,964 | 3,104,251 | 3,360,964 |
| Packard Music Hall | - | 436,046 | - | 684,553 | 436,046 | 684,553 |
| City Redevelopment | - | 20,650 | - | 50,605 | 20,650 | 50,605 |
| Downtown Parking | - | 136,918 | - | 150,089 | 136,918 | 150,089 |
| Stormwater Utility | - | <u>763,961</u> | - | <u>1,291,516</u> | <u>763,961</u> | <u>1,291,516</u> |
| Total expenses | <u>31,692,120</u> | <u>23,514,564</u> | <u>37,682,398</u> | <u>25,458,241</u> | <u>55,206,684</u> | <u>63,140,639</u> |
| Increase (decrease) before transfers | 3,344,139 | (546,934) | (2,659,634) | (1,976,831) | 2,797,205 | (4,636,465) |
| Transfers | <u>(510,000)</u> | <u>510,000</u> | <u>(602,574)</u> | <u>602,574</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 2,834,139 | (36,934) | (3,262,208) | (1,374,257) | 2,797,205 | (4,636,465) |
| Net assets at beginning of year | <u>42,544,067</u> | <u>29,392,434</u> | <u>45,806,275</u> | <u>30,766,691</u> | <u>71,936,501</u> | <u>76,572,966</u> |
| Net assets at end of year | <u>\$ 45,378,206</u> | <u>\$ 29,355,500</u> | <u>\$ 42,544,067</u> | <u>\$ 29,392,434</u> | <u>\$ 74,733,706</u> | <u>\$ 71,936,501</u> |

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Governmental Activities

Governmental activities net assets increased \$2,834,139 in 2009, after decreasing \$3,262,208 in 2008. This is due to considerably lower expenses in 2009, which reflects the City's efforts to cut costs in order to offset lower income tax revenues. Total expenses decreased \$5,990,278 or 15.90% from 2008.

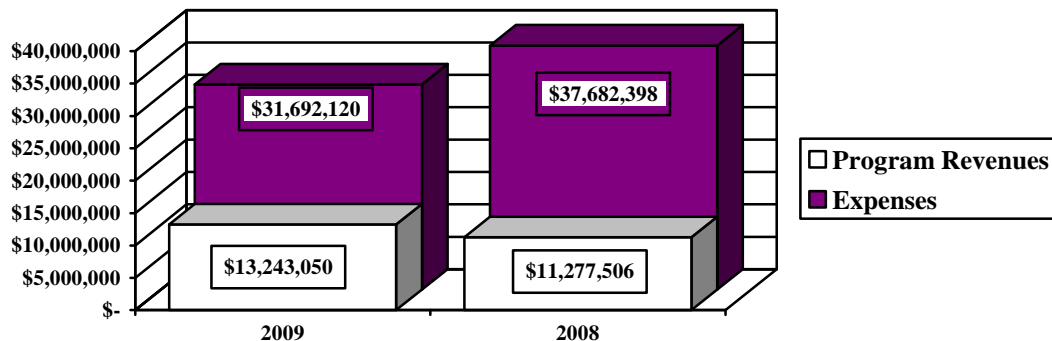
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$15,796,159 and \$18,620,804 of the total expenses of the City during 2009 and 2008, respectively. These expenses were partially funded by \$1,695,936 in 2009 compared to \$1,449,173 in 2008 in direct charges to users of the services. Transportation expenses totaled \$3,639,586 during 2009 and \$4,644,555 during 2008. In 2009, transportation expenses were funded by \$1,881,928 in operating grants and contributions, \$3,501,520 in capital grants and contributions, and \$4,400 in charges to users of services.

The City received a total of \$5,489,769 and \$5,286,180 during 2009 and 2008, respectively, in operating grants and contributions. Capital grants and contributions totaled \$3,501,520 during 2009, and \$1,899,760 during 2008. These revenues are restricted to a particular program or purpose. \$5,383,448 or 59.87% of the total grants and contributions subsidized transportation programs during 2009.

General revenues totaled \$21,793,209, and amounted to 62.20% of total governmental revenues during 2009. These revenues primarily consist of property and income tax revenue of \$17,977,684. 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 \$2,908,110. These revenues sources combine for 59.61% 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

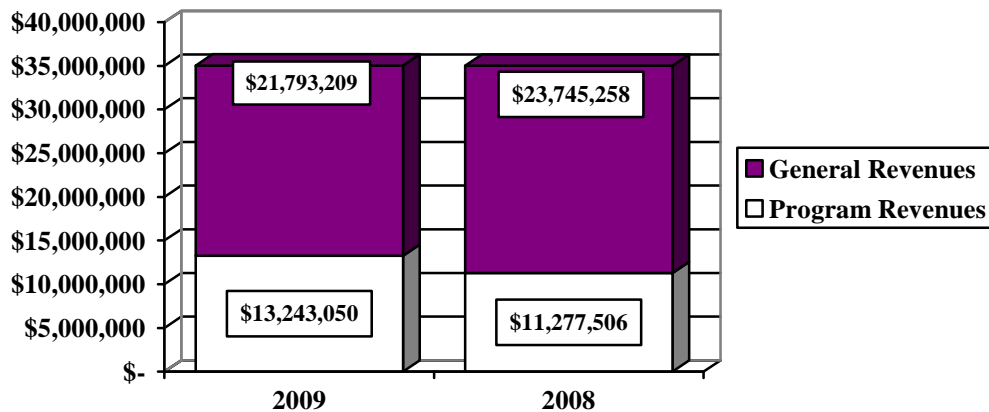
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

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 |
| | 2009 | 2009 | 2008 | 2008 |
| Program Expenses: | | | | |
| General government | \$ 6,008,079 | \$ 4,627,177 | \$ 6,732,524 | \$ 5,309,028 |
| Security of persons and property | 15,796,159 | 13,551,898 | 18,620,804 | 17,095,724 |
| Public health and welfare | 540,432 | 319,993 | 1,289,289 | 1,085,376 |
| Transportation | 3,639,586 | (1,748,262) | 4,644,555 | 593,657 |
| Community environment | 1,998,953 | 1,251,692 | 2,082,342 | 1,374,133 |
| Leisure time activity | 478,041 | 456,547 | 699,582 | 666,880 |
| Economic development | 2,664,643 | (576,202) | 2,981,877 | (351,331) |
| Interest and fiscal charges | <u>566,227</u> | <u>566,227</u> | <u>631,425</u> | <u>631,425</u> |
| Total | <u><u>\$ 31,692,120</u></u> | <u><u>\$ 18,449,070</u></u> | <u><u>\$ 37,682,398</u></u> | <u><u>\$ 26,404,892</u></u> |

The dependence upon general revenues for governmental activities is apparent, with 58.21% and 70.07% of expenses supported through taxes and other general revenues in 2009 and 2008, respectively.

Governmental Activities - General and Program Revenues



CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

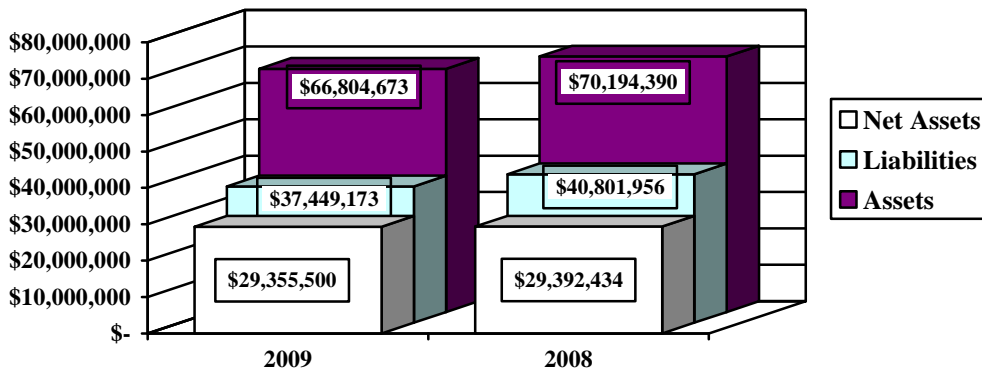
Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater enterprise funds. In 2009 and 2008, these programs had program revenues of \$22,669,868 and \$23,073,870, respectively. Capital grants and contributions increased from \$33,056 in 2008 to \$1,266,729 in 2009, due to a grant received for renovations to the Packard Music Hall. However, charges for services revenue fell from \$23,040,814 in 2008 to \$21,403,139 in 2009 which led to the slight decrease in program revenues. General revenues decreased from \$407,540 in 2008 to \$297,762 in 2009. Total revenues for 2009 were \$22,967,630, a decrease of \$513,780 or 2.19% from 2008.

Expenses for business-type activities totaled \$23,514,564 in 2009 compared to \$25,458,241 in 2008. This represents a decrease of 7.63%. Expenses decreased for all the City's enterprise funds, most notably in the sewer, water, and stormwater funds. For all business-type activities, contract services expenses decreased \$930,046 or 23.21% from 2008, and materials and supplies costs were \$570,300 or 27.93% lower. The only appreciable increase in 2009 was for personal services expenses which were \$656,158 or 6.24% higher than in 2008.

Net assets for business-type activities decreased \$36,934 or 0.13% from 2008. 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 20) reported a combined fund balance of \$13,593,262 which is \$125,468 below last year's total of \$13,718,730. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2009 for all major and nonmajor governmental funds.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

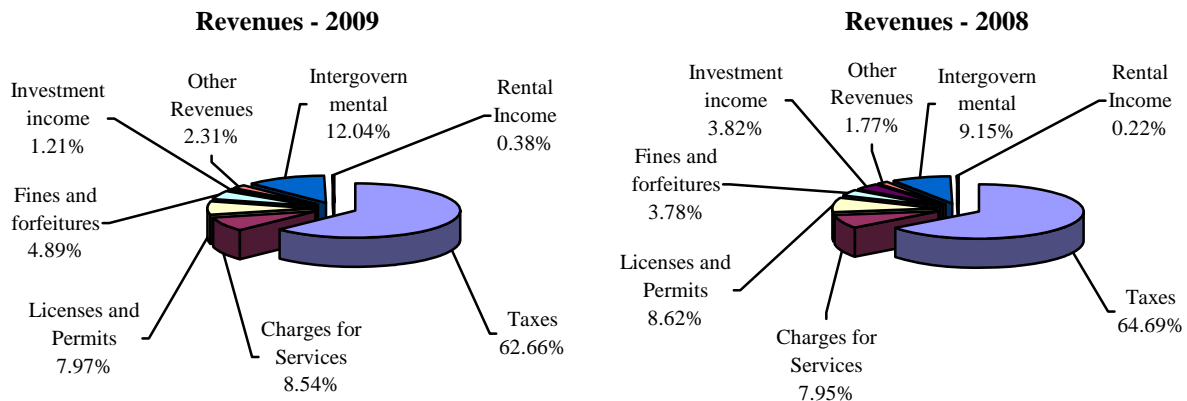
| | <u>Fund Balances</u> 12/31/09 | <u>Fund Balances</u> 12/31/08 | <u>(Decrease)</u> |
|-----------------------------------|----------------------------------|----------------------------------|---------------------|
| Major funds: | | | |
| General | \$ 4,116,332 | \$ 4,202,225 | \$ (85,893) |
| General capital projects | 49,172 | 75,800 | (26,628) |
| Other nonmajor governmental funds | <u>9,427,758</u> | <u>9,440,705</u> | <u>(12,947)</u> |
| Total | <u>\$ 13,593,262</u> | <u>\$ 13,718,730</u> | <u>\$ (125,468)</u> |

General Fund

The City's general fund balance decreased \$85,893. The table that follows assists in illustrating the revenues of the general fund.

| | <u>2009</u> <u>Amount</u> | <u>2008</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|-----------------------|------------------------------|------------------------------|------------------------------------|
| Revenues | | | |
| Taxes | \$ 15,624,357 | \$ 18,013,849 | (13.26) % |
| Charges for services | 2,130,756 | 2,212,497 | (3.69) % |
| Licenses and permits | 1,986,410 | 2,399,442 | (17.21) % |
| Fines and forfeitures | 1,219,815 | 1,052,421 | 15.91 % |
| Intergovernmental | 3,002,003 | 2,548,929 | 17.78 % |
| Investment income | 300,660 | 1,062,876 | (71.71) % |
| Rental income | 94,831 | 60,013 | 58.02 % |
| Other | <u>577,074</u> | <u>492,726</u> | 17.12 % |
| Total | <u>\$ 24,935,906</u> | <u>\$ 27,842,753</u> | (10.44) % |

Tax revenue decreased over 13% due to the slumping economy. The decrease in licenses and permits revenue is due to decreased cable fees and less building permits issued during 2009 compared to 2008. Fines and forfeitures revenue increased, which is due to an increase in bailiff fees received in 2009. Intergovernmental revenue also increased, due primarily to a large increase in estate tax revenues received from the State. The large decrease in investment income is due to the City's lower cash balances, as well as lower interest rates on the City's investments. Increased donations and reimbursements contributed to the increase in other revenues.



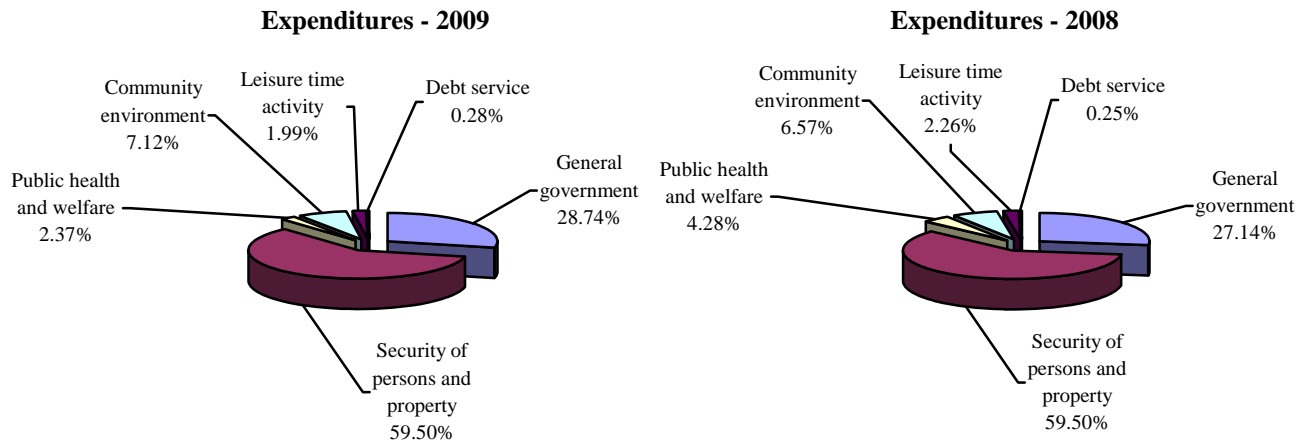
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

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

| | <u>2009</u> Amount | <u>2008</u> Amount | <u>Percentage</u> <u>Change</u> |
|----------------------------------|-----------------------------|-----------------------------|------------------------------------|
| <u>Expenditures</u> | | | |
| General government | \$ 7,109,856 | \$ 7,885,238 | (9.83) % |
| Security of persons and property | 14,722,965 | 17,286,495 | (14.83) % |
| Public health and welfare | 585,216 | 1,242,486 | (52.90) % |
| Community environment | 1,761,935 | 1,909,315 | (7.72) % |
| Leisure time activity | 491,804 | 656,999 | (25.14) % |
| Debt service | <u>69,754</u> | <u>71,314</u> | (2.19) % |
| Total | <u>\$ 24,741,530</u> | <u>\$ 29,051,847</u> | (14.84) % |

Overall, general fund expenditures fell significantly due to the cost-cutting measures employed by the City to compensate for lower revenues. The most significant reductions were in the City's security of persons and property and public health and welfare expenditures. The decrease in security of persons and property expenditures is due a reduction to the City's police force in 2009, while the decrease in public health and welfare expenditures is a result of lower State fees paid in 2009 for health services.



General Capital Projects Fund

The general capital projects fund's fund balance decreased \$26,628. Revenues, primarily intergovernmental grants, and other financing sources totaled \$3,634,947 in 2009, and capital outlays were \$3,661,575.

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.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

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 revenues and other financing sources, which decreased \$2,593,238 from \$28,758,431 to \$26,165,193. This decrease was primarily related to decreases in the budgeted amounts for income taxes and local government assistance revenue from the State. All departments within the general fund kept spending under budget which resulted in actual expenditures coming in \$1,895,749 lower than final appropriations. The departments with the largest variances between actual expenditures and final appropriations were the operations and maintenance, administrative support, police and fire departments. These variances were primarily due to lower expenditures for wages and benefits as a result of staff reductions.

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

The following table shows 2009 balances compared to 2008:

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Land | \$ 1,024,184 | \$ 1,024,184 | \$ 384,399 | \$ 384,399 | \$ 1,408,583 | \$ 1,408,583 |
| Construction in progress | 5,587,643 | 3,175,187 | 5,348,831 | 3,299,508 | 10,936,474 | 6,474,695 |
| Land improvements | 208,113 | 147,158 | - | - | 208,113 | 147,158 |
| Buildings | 3,818,992 | 3,992,315 | 6,334,662 | 7,041,107 | 10,153,654 | 11,033,422 |
| Building improvements | 4,758,614 | 4,976,572 | 10,158,049 | 10,979,666 | 14,916,663 | 15,956,238 |
| Computer equipment | 341,845 | 306,442 | 65,329 | 58,557 | 407,174 | 364,999 |
| Furniture and equipment | 593,564 | 674,082 | 4,828,844 | 5,529,740 | 5,422,408 | 6,203,822 |
| Vehicles | 895,221 | 1,107,164 | 353,680 | 637,189 | 1,248,901 | 1,744,353 |
| Infrastructure | <u>24,430,988</u> | <u>24,343,740</u> | <u>29,283,512</u> | <u>29,541,254</u> | <u>53,714,500</u> | <u>53,884,994</u> |
| Totals | <u>\$ 41,659,164</u> | <u>\$ 39,746,844</u> | <u>\$ 56,757,306</u> | <u>\$ 57,471,420</u> | <u>\$ 98,416,470</u> | <u>\$ 97,218,264</u> |

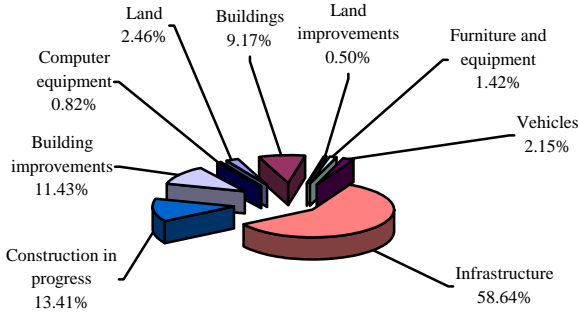
At the end of 2009, the City had \$98,416,470 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Of this total, \$41,659,164 was reported in governmental activities and \$56,757,306 was reported in business-type activities.

CITY OF WARREN, OHIO

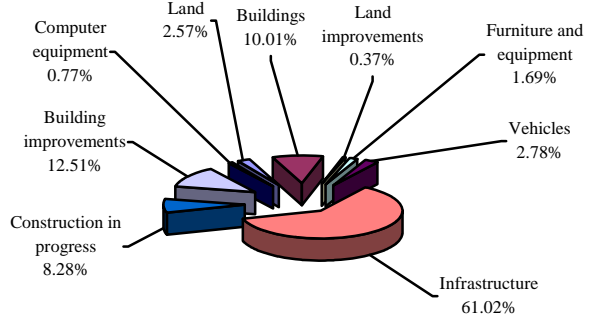
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category for 2009 and 2008.

Capital Assets - Governmental Activities 2009



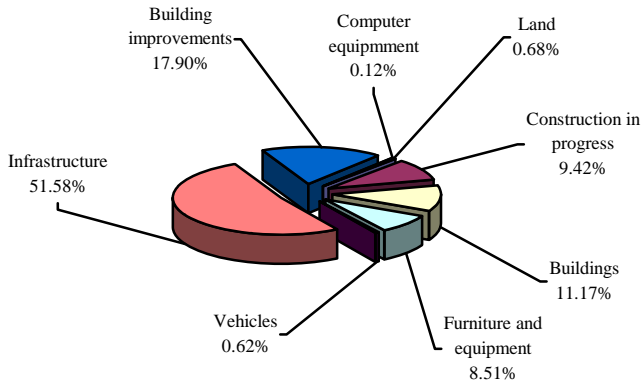
Capital Assets - Governmental Activities 2008



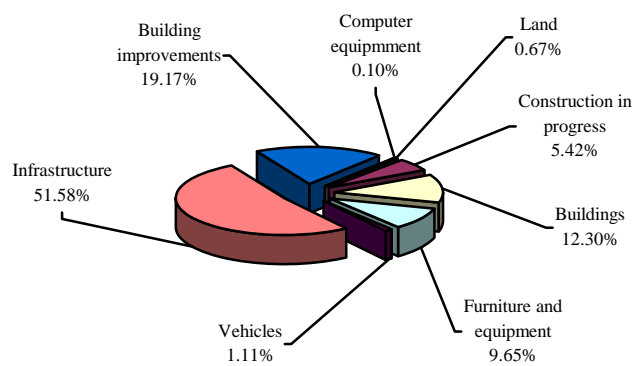
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 58.64% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2009 and 2008.

Capital Assets - Business-Type Activities 2009



Capital Assets - Business-Type Activities 2008



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 51.58% of the City's total business-type capital assets.

See Note 10 to the basic financial statements for detail on the City's capital assets.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2009 and 2008 (See Note 13 to the basic financial statements for detail):

| | <u>Governmental Activities</u> | |
|---|---------------------------------|----------------------|
| | <u>2009</u> | <u>2008</u> |
| General obligation bonds | \$ 3,647,104 | \$ 4,668,596 |
| Reinvestment partnership corporation loan | 585,000 | 645,000 |
| OWDA loans | 80,728 | 237,753 |
| HUD 108 loan | 1,560,000 | 1,630,000 |
| ODOD mortgage note | 53,928 | 148,075 |
| Police and fire pension liability | 2,636,055 | 2,692,691 |
| OPWC loan | 230,908 | 243,736 |
| Pollution remediation | 1,550,107 | 1,568,577 |
| Capital lease obligation | 240,369 | 298,551 |
| Compensated absences | <u>5,481,555</u> | <u>5,279,633</u> |
| Total long-term obligations | <u>\$ 16,065,754</u> | <u>\$ 17,412,612</u> |
| | <u>Business-type Activities</u> | |
| | <u>2009</u> | <u>2008</u> |
| General obligation bonds | \$ 2,181,000 | \$ 2,681,500 |
| Revenue bonds | 8,265,000 | 8,700,000 |
| OWDA loan | 24,606,332 | 26,390,107 |
| Capital lease obligation | 127,262 | 189,078 |
| Compensated absences | <u>1,491,494</u> | <u>1,604,558</u> |
| Total long-term obligations | <u>\$ 36,671,088</u> | <u>\$ 39,565,243</u> |

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 2010 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 2010 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 adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2010 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

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 citizens, 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, 2009

| | Governmental | Business-type | Total |
|---|----------------------|----------------------|----------------------|
| | Activities | Activities | |
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 8,121,730 | \$ 6,097,523 | \$ 14,219,253 |
| Receivables (net of allowances for uncollectibles): | | | |
| Income taxes | 3,363,693 | - | 3,363,693 |
| Real and other taxes | 2,276,879 | - | 2,276,879 |
| Accounts | 486,941 | 2,974,781 | 3,461,722 |
| Loans | 5,775,336 | - | 5,775,336 |
| Accrued interest | 84,763 | - | 84,763 |
| Special assessments | 1,016,147 | 6,639 | 1,022,786 |
| Internal balances | 209,276 | (209,276) | - |
| Due from other governments | 2,026,607 | - | 2,026,607 |
| Materials and supplies inventory | 42,527 | 45,705 | 88,232 |
| Deferred charges | 56,717 | 164,140 | 220,857 |
| Restricted assets: | | | |
| Equity in pooled cash and cash equivalents | 696,863 | 967,855 | 1,664,718 |
| Capital assets: | | | |
| Land and construction in progress | 6,611,827 | 5,733,230 | 12,345,057 |
| Depreciable capital assets, net | 35,047,337 | 51,024,076 | 86,071,413 |
| Total capital assets | <u>41,659,164</u> | <u>56,757,306</u> | <u>98,416,470</u> |
| Total assets | <u>65,816,643</u> | <u>66,804,673</u> | <u>132,621,316</u> |
| Liabilities: | | | |
| Accounts payable. | 282,963 | 157,988 | 440,951 |
| Contracts payable. | 537,067 | 96,645 | 633,712 |
| Accrued wages and benefits | 287,281 | 108,926 | 396,207 |
| Due to other governments | 844,578 | 63,207 | 907,785 |
| Accrued interest payable | 82,466 | 529,140 | 611,606 |
| Claims payable | 936,911 | - | 936,911 |
| Unearned revenue | 1,505,173 | - | 1,505,173 |
| Long-term liabilities: | | | |
| Due within one year. | 4,166,432 | 3,696,453 | 7,862,885 |
| Due in more than one year | 11,795,566 | 32,796,814 | 44,592,380 |
| Total liabilities | <u>20,438,437</u> | <u>37,449,173</u> | <u>57,887,610</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 37,644,539 | 21,755,533 | 59,400,072 |
| Restricted for: | | | |
| Capital projects | 49,172 | - | 49,172 |
| Debt service. | 1,013,994 | - | 1,013,994 |
| Street maintenance | 712,053 | - | 712,053 |
| State highway | 159,839 | - | 159,839 |
| Law enforcement | 501,540 | - | 501,540 |
| Courts | 947,689 | - | 947,689 |
| Community developments and improvements. | 7,269,608 | - | 7,269,608 |
| Police and fire pension | 901,168 | - | 901,168 |
| Public health | 696,863 | - | 696,863 |
| Unrestricted (deficit). | <u>(4,518,259)</u> | <u>7,599,967</u> | <u>3,081,708</u> |
| Total net assets | <u>\$ 45,378,206</u> | <u>\$ 29,355,500</u> | <u>\$ 74,733,706</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Program Revenues | | | |
|--|-------------------------|-----------------------------|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 6,008,079 | \$ 1,380,902 | \$ - | \$ - |
| Security of persons and property | 15,796,159 | 1,695,936 | 548,325 | - |
| Public health and welfare | 540,432 | 220,439 | - | - |
| Transportation | 3,639,586 | 4,400 | 1,881,928 | 3,501,520 |
| Community environment | 1,998,953 | 747,261 | - | - |
| Leisure time activity | 478,041 | 21,494 | - | - |
| Economic development | 2,664,643 | 181,329 | 3,059,516 | - |
| Interest and fiscal charges | 566,227 | - | - | - |
| Total governmental activities. | 31,692,120 | 4,251,761 | 5,489,769 | 3,501,520 |
| Business-type activities: | | | | |
| Sewer | 7,252,490 | 7,437,372 | - | - |
| Water | 11,800,248 | 9,631,170 | - | - |
| Sanitation | 3,104,251 | 3,157,449 | - | - |
| Packard Music Hall | 436,046 | 216,722 | - | 1,236,504 |
| City Redevelopment | 20,650 | 42,711 | - | - |
| Downtown Parking | 136,918 | 29,448 | - | - |
| Stormwater Utility | 763,961 | 888,267 | - | 30,225 |
| Total business-type activities. | 23,514,564 | 21,403,139 | - | 1,266,729 |
| Total primary government | \$ 55,206,684 | \$ 25,654,900 | \$ 5,489,769 | \$ 4,768,249 |

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 |
|------------------------------------|-------------------------------------|----------------------|
| \$ (4,627,177) | \$ - | \$ (4,627,177) |
| (13,551,898) | - | (13,551,898) |
| (319,993) | - | (319,993) |
| 1,748,262 | - | 1,748,262 |
| (1,251,692) | - | (1,251,692) |
| (456,547) | - | (456,547) |
| 576,202 | - | 576,202 |
| (566,227) | - | (566,227) |
| <u>(18,449,070)</u> | <u>-</u> | <u>(18,449,070)</u> |
| - | 184,882 | 184,882 |
| - | (2,169,078) | (2,169,078) |
| - | 53,198 | 53,198 |
| - | 1,017,180 | 1,017,180 |
| - | 22,061 | 22,061 |
| - | (107,470) | (107,470) |
| - | 154,531 | 154,531 |
| <u>-</u> | <u>(844,696)</u> | <u>(844,696)</u> |
| <u>(18,449,070)</u> | <u>(844,696)</u> | <u>(19,293,766)</u> |
| 1,298,598 | - | 1,298,598 |
| 133,797 | - | 133,797 |
| 133,797 | - | 133,797 |
| 16,411,492 | - | 16,411,492 |
| 2,908,110 | - | 2,908,110 |
| 302,100 | 1,772 | 303,872 |
| 605,315 | 295,990 | 901,305 |
| <u>21,793,209</u> | <u>297,762</u> | <u>22,090,971</u> |
| <u>(510,000)</u> | <u>510,000</u> | <u>-</u> |
| 2,834,139 | (36,934) | 2,797,205 |
| <u>42,544,067</u> | <u>29,392,434</u> | <u>71,936,501</u> |
| <u>\$ 45,378,206</u> | <u>\$ 29,355,500</u> | <u>\$ 74,733,706</u> |

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

| | <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. | \$ 1,522,880 | \$ 97,682 | \$ 3,910,775 | \$ 5,531,337 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Income taxes | 3,363,693 | - | - | 3,363,693 |
| Real and other taxes | - | - | 2,276,879 | 2,276,879 |
| Accounts | 444,271 | - | 38,452 | 482,723 |
| Loans. | - | - | 5,775,336 | 5,775,336 |
| Accrued interest | 84,763 | - | - | 84,763 |
| Special assessments. | 84,740 | - | 931,407 | 1,016,147 |
| Due from other governments | 962,404 | - | 1,064,203 | 2,026,607 |
| Materials and supplies inventory | 5,956 | - | 36,571 | 42,527 |
| Restricted assets: | | | | |
| Equity in pooled cash and cash equivalents. | 696,863 | - | - | 696,863 |
| Total assets | <u><u>\$ 7,165,570</u></u> | <u><u>\$ 97,682</u></u> | <u><u>\$ 14,033,623</u></u> | <u><u>\$ 21,296,875</u></u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 113,665 | \$ - | \$ 163,611 | \$ 277,276 |
| Contracts payable. | - | 48,510 | 488,557 | 537,067 |
| Accrued wages and benefits | 266,322 | - | 19,129 | 285,451 |
| Compensated absences payable. | 281,449 | - | - | 281,449 |
| Due to other governments | 119,247 | - | 2,864 | 122,111 |
| Deferred revenue | 2,268,555 | - | 2,426,531 | 4,695,086 |
| Unearned revenue. | - | - | 1,505,173 | 1,505,173 |
| Total liabilities. | <u><u>3,049,238</u></u> | <u><u>48,510</u></u> | <u><u>4,605,865</u></u> | <u><u>7,703,613</u></u> |
| Fund balances: | | | | |
| Reserved for encumbrances | 82,957 | 1,390,398 | 1,088,486 | 2,561,841 |
| Reserved for materials and supplies inventory | 5,956 | - | 36,571 | 42,527 |
| Reserved for loans | - | - | 5,775,336 | 5,775,336 |
| Reserved for tax advance. | - | - | 43,794 | 43,794 |
| Unreserved, undesignated (deficit), reported in: | | | | |
| General fund. | 4,027,419 | - | - | 4,027,419 |
| Special revenue funds | - | - | 2,183,565 | 2,183,565 |
| Debt service fund | - | - | 300,006 | 300,006 |
| Capital projects funds | - | (1,341,226) | - | (1,341,226) |
| Total fund balances | <u><u>4,116,332</u></u> | <u><u>49,172</u></u> | <u><u>9,427,758</u></u> | <u><u>13,593,262</u></u> |
| Total liabilities and fund balances | <u><u>\$ 7,165,570</u></u> | <u><u>\$ 97,682</u></u> | <u><u>\$ 14,033,623</u></u> | <u><u>\$ 21,296,875</u></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, 2009

| | | |
|---|--------------|----------------------|
| Total governmental fund balances | | \$ 13,593,262 |
| <i>Amounts reported for governmental activities on the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities, exclusive of internal service funds, are not financial resources and therefore are not reported in the funds. | | 41,468,883 |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. | | |
| Delinquent property taxes | \$ 727,912 | |
| Income taxes | 1,648,596 | |
| Special assessments | 1,016,147 | |
| Intergovernmental revenues | 1,227,473 | |
| Investment income | 74,958 | |
| Total | 4,695,086 | 4,695,086 |
| 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 | (3,647,104) | |
| Loans payable | (2,456,636) | |
| Note payable | (53,928) | |
| Fire and pension liability | (2,636,055) | |
| Pollution remediation obligation | (1,550,107) | |
| Compensated absences | (5,155,489) | |
| Capital lease payable | (240,369) | |
| Total | (15,739,688) | (15,739,688) |
| 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. | | (82,466) |
| 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. | | 56,717 |
| Unamortized deferred charges on refundings are not recognized in the funds. | | 121,510 |
| Unamortized premiums on bond issuance are not recognized in the funds. | | (17,754) |
| 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. | | 1,073,380 |
| An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities. | | 209,276 |
| Net assets of governmental activities | | \$ 45,378,206 |

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, 2009

| | <u>General</u> | <u>General Capital Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|---|---|
| Revenues: | | | | |
| Income taxes | \$ 15,624,357 | \$ - | \$ - | \$ 15,624,357 |
| Property and other taxes | - | - | 1,511,528 | 1,511,528 |
| Charges for services | 2,130,756 | - | 9,035 | 2,139,791 |
| Licenses and permits | 1,986,410 | - | 84,344 | 2,070,754 |
| Fines and forfeitures | 1,219,815 | - | 527,418 | 1,747,233 |
| Intergovernmental | 3,002,003 | 3,501,520 | 5,534,325 | 12,037,848 |
| Special assessments | - | - | 27,680 | 27,680 |
| Investment income | 300,660 | - | 92,962 | 393,622 |
| Rental income | 94,831 | - | - | 94,831 |
| Other | 577,074 | 4,550 | 115,691 | 697,315 |
| Total revenues. | <u>24,935,906</u> | <u>3,506,070</u> | <u>7,902,983</u> | <u>36,344,959</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 7,109,856 | - | 203,449 | 7,313,305 |
| Security of persons and property | 14,722,965 | - | 464,344 | 15,187,309 |
| Public health and welfare | 585,216 | - | - | 585,216 |
| Transportation | - | - | 1,640,909 | 1,640,909 |
| Community environment | 1,761,935 | - | - | 1,761,935 |
| Leisure time activity | 491,804 | - | - | 491,804 |
| Economic development | - | - | 3,082,605 | 3,082,605 |
| Capital outlay. | - | 3,661,575 | 259,344 | 3,920,919 |
| Debt service: | | | | |
| Principal retirement | 56,416 | - | 1,473,894 | 1,530,310 |
| Interest and fiscal charges | 13,338 | - | 520,961 | 534,299 |
| Total expenditures | <u>24,741,530</u> | <u>3,661,575</u> | <u>7,645,506</u> | <u>36,048,611</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>194,376</u> | <u>(155,505)</u> | <u>257,477</u> | <u>296,348</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 536,231 | 128,877 | 439,035 | 1,104,143 |
| Transfers out | <u>(816,500)</u> | <u>-</u> | <u>(709,459)</u> | <u>(1,525,959)</u> |
| Total other financing sources (uses). | <u>(280,269)</u> | <u>128,877</u> | <u>(270,424)</u> | <u>(421,816)</u> |
| Net change in fund balances. | (85,893) | (26,628) | (12,947) | (125,468) |
| Fund balances at beginning of year | <u>4,202,225</u> | <u>75,800</u> | <u>9,440,705</u> | <u>13,718,730</u> |
| Fund balances at end of year. | <u>\$ 4,116,332</u> | <u>\$ 49,172</u> | <u>\$ 9,427,758</u> | <u>\$ 13,593,262</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, 2009

| | | |
|---|--------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ (125,468) |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. | | |
| Capital asset additions | \$ 4,465,719 | |
| Current year depreciation | (2,620,505) | |
| Total | | 1,845,214 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Delinquent property taxes | 54,664 | |
| Income taxes | 787,135 | |
| Special assessments | 194,827 | |
| Intergovernmental revenues | (323,411) | |
| Investment income | (9,585) | |
| Total | | 703,630 |
| Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets. | | |
| | | 1,530,310 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. | | |
| Accrued interest | 9,484 | |
| Bond premium | 4,582 | |
| Deferred charges on refunding | (31,358) | |
| Bond issuance costs | (14,636) | |
| Total | | (31,928) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Compensated absences | 42,238 | |
| Pollution remediation obligation | 18,470 | |
| Total | | 60,708 |
| Internal service funds used by management to charge the costs of life and hospitalization insurance, workers compensation, data processing and risk management to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balances, is allocated among the governmental activities. | | |
| | | (1,148,327) |
| Change in net assets of governmental activities | | \$ 2,834,139 |

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, 2009

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Income taxes | \$ 17,696,292 | \$ 16,100,562 | \$ 15,703,272 | \$ (397,290) |
| Charges for services | 2,320,764 | 2,111,493 | 2,059,391 | (52,102) |
| Licenses and permits | 2,236,381 | 2,034,720 | 1,984,512 | (50,208) |
| Fines and forfeitures | 1,360,490 | 1,237,811 | 1,207,267 | (30,544) |
| Intergovernmental | 3,180,611 | 2,893,805 | 2,822,399 | (71,406) |
| Investment income | 602,424 | 548,102 | 534,577 | (13,525) |
| Rental income | 106,867 | 97,230 | 94,831 | (2,399) |
| Other | 650,314 | 591,673 | 577,073 | (14,600) |
| Total revenues | <u>28,154,143</u> | <u>25,615,396</u> | <u>24,983,322</u> | <u>(632,074)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 8,441,807 | 8,162,359 | 7,368,405 | 793,954 |
| Security of persons and property | 16,478,299 | 15,980,810 | 15,183,892 | 796,918 |
| Public health and welfare | 605,090 | 686,102 | 638,973 | 47,129 |
| Community environment | 1,914,324 | 1,936,541 | 1,824,139 | 112,402 |
| Leisure time activity | 635,006 | 588,590 | 497,132 | 91,458 |
| Total expenditures | <u>28,074,526</u> | <u>27,354,402</u> | <u>25,512,541</u> | <u>1,841,861</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>79,617</u> | <u>(1,739,006)</u> | <u>(529,219)</u> | <u>1,209,787</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 604,288 | 549,797 | 536,231 | (13,566) |
| Transfers out | (870,338) | (870,388) | (816,500) | 53,888 |
| Total other financing sources (uses) | <u>(266,050)</u> | <u>(320,591)</u> | <u>(280,269)</u> | <u>40,322</u> |
| Net change in fund balance | (186,433) | (2,059,597) | (809,488) | 1,250,109 |
| Fund balance at beginning of year | 2,536,980 | 2,536,980 | 2,536,980 | - |
| Prior year encumbrances appropriated. | 255,288 | 255,288 | 255,288 | - |
| Fund balance at end of year | <u>\$ 2,605,835</u> | <u>\$ 732,671</u> | <u>\$ 1,982,780</u> | <u>\$ 1,250,109</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, 2009

| | Business-type Activities -Enterprise Funds | | | |
|--|---|----------------------|---------------------|---------------------|
| | Sewer | Water | Sanitation | Nonmajor |
| Assets: | | | | |
| Current assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 1,552,033 | \$ 3,729,745 | \$ 65,744 | \$ 750,001 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Accounts | 1,089,903 | 1,008,821 | 621,581 | 254,476 |
| Special assessments. | 1,650 | 4,913 | - | 76 |
| Materials and supplies inventory | 22,575 | 1,147 | 21,983 | - |
| Total current assets. | <u>2,666,161</u> | <u>4,744,626</u> | <u>709,308</u> | <u>1,004,553</u> |
| Noncurrent assets: | | | | |
| Deferred charges. | 35,242 | 128,898 | - | - |
| Restricted assets: | | | | |
| Equity in pooled cash and cash equivalents. | - | 967,855 | - | - |
| Capital assets: | | | | |
| Land and construction in progress. | 1,020,220 | 2,583,486 | 35,091 | 2,094,433 |
| Depreciable capital assets, net. | 14,977,103 | 33,752,606 | 256,321 | 2,038,046 |
| Total capital assets. | <u>15,997,323</u> | <u>36,336,092</u> | <u>291,412</u> | <u>4,132,479</u> |
| Total noncurrent assets | <u>16,032,565</u> | <u>37,432,845</u> | <u>291,412</u> | <u>4,132,479</u> |
| Total assets | <u>\$ 18,698,726</u> | <u>\$ 42,177,471</u> | <u>\$ 1,000,720</u> | <u>\$ 5,137,032</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 7,013 | \$ 67,868 | \$ 44,587 | \$ 38,520 |
| Contracts payable | - | 12,680 | - | 83,965 |
| Accrued wages and benefits | 34,019 | 59,730 | 10,606 | 4,571 |
| Due to other governments | 37,195 | 11,867 | 1,639 | 12,506 |
| Claims payable | - | - | - | - |
| Current portion of general obligation bonds. | 518,500 | - | - | - |
| Current portion of revenue bonds | - | 455,000 | - | - |
| Current portion of OWDA loans | 1,469,678 | 659,109 | - | - |
| Current portion of capital lease obligations | 25,790 | - | - | 39,492 |
| Current portion of compensated absences | 159,950 | 294,460 | 43,932 | 30,542 |
| Accrued interest payable. | 272,979 | 256,161 | - | - |
| Total current liabilities | <u>2,525,124</u> | <u>1,816,875</u> | <u>100,764</u> | <u>209,596</u> |
| Long-term liabilities: | | | | |
| General obligation bonds | 1,577,460 | - | - | - |
| Revenue bonds | - | 7,717,219 | - | - |
| OWDA loans. | 9,927,038 | 12,550,507 | - | - |
| Capital lease obligations | 20,520 | - | - | 41,460 |
| Compensated absences | 333,765 | 488,604 | 83,607 | 56,634 |
| Total long-term liabilities | <u>11,858,783</u> | <u>20,756,330</u> | <u>83,607</u> | <u>98,094</u> |
| Total liabilities. | <u>14,383,907</u> | <u>22,573,205</u> | <u>184,371</u> | <u>307,690</u> |
| Net assets: | | | | |
| Invested in capital assets, net of related debt. | 2,458,337 | 14,954,257 | 291,412 | 4,051,527 |
| Unrestricted. | <u>1,856,482</u> | <u>4,650,009</u> | <u>524,937</u> | <u>777,815</u> |
| Total net assets | <u>\$ 4,314,819</u> | <u>\$ 19,604,266</u> | <u>\$ 816,349</u> | <u>\$ 4,829,342</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 |
|--|---|
| \$ 6,097,523 | \$ 2,590,393 |
| 2,974,781 | 4,218 |
| 6,639 | - |
| 45,705 | - |
| <u>9,124,648</u> | <u>2,594,611</u> |
| 164,140 | - |
| 967,855 | - |
| 5,733,230 | - |
| <u>51,024,076</u> | <u>190,281</u> |
| <u>56,757,306</u> | <u>190,281</u> |
| <u>57,889,301</u> | <u>190,281</u> |
| <u>\$ 67,013,949</u> | <u>\$ 2,784,892</u> |
| | |
| \$ 157,988 | \$ 5,687 |
| 96,645 | - |
| 108,926 | 1,830 |
| 63,207 | 722,467 |
| - | 936,911 |
| 518,500 | - |
| 455,000 | - |
| 2,128,787 | - |
| 65,282 | - |
| 528,884 | - |
| 529,140 | - |
| <u>4,652,359</u> | <u>1,666,895</u> |
| 1,577,460 | - |
| 7,717,219 | - |
| 22,477,545 | - |
| 61,980 | - |
| 962,610 | 44,617 |
| <u>32,796,814</u> | <u>44,617</u> |
| <u>37,449,173</u> | <u>1,711,512</u> |
| 21,755,533 | 190,281 |
| <u>7,809,243</u> | <u>883,099</u> |
| <u>29,564,776</u> | <u>\$ 1,073,380</u> |
| <u>(209,276)</u> | |
| <u>\$ 29,355,500</u> | |

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Business-type Activities - Enterprise Funds | | | |
|---|--|----------------------|-------------------|---------------------|
| | Sewer | Water | Sanitation | Nonmajor |
| Operating revenues: | | | | |
| Charges for services | \$ 7,432,305 | \$ 9,631,170 | \$ 3,157,449 | \$ 1,177,143 |
| Other | 10,397 | 270,923 | 13,183 | 1,487 |
| Total operating revenues | <u>7,442,702</u> | <u>9,902,093</u> | <u>3,170,632</u> | <u>1,178,630</u> |
| Operating expenses: | | | | |
| Personal services | 3,429,078 | 5,868,001 | 1,073,738 | 792,852 |
| Contract services | 916,290 | 521,817 | 1,479,132 | 159,765 |
| Materials and supplies | 345,823 | 826,347 | 223,765 | 75,855 |
| Administrative costs | 634,417 | 746,290 | 181,320 | 121,975 |
| Utilities | 641,919 | 637,862 | 1,658 | 78,476 |
| Claims | - | - | - | - |
| Other | 10,675 | 140,566 | 8,191 | 4,233 |
| Depreciation | 725,045 | 2,202,086 | 167,947 | 146,633 |
| Total operating expenses | <u>6,703,247</u> | <u>10,942,969</u> | <u>3,135,751</u> | <u>1,379,789</u> |
| Operating income (loss) | <u>739,455</u> | <u>(1,040,876)</u> | <u>34,881</u> | <u>(201,159)</u> |
| Nonoperating revenues (expenses): | | | | |
| Interest revenue | - | 1,772 | - | - |
| Special assessments | 5,067 | - | - | 5 |
| Loss on disposal of capital assets | - | (44,520) | - | - |
| Interest expense and fiscal charges. | (644,311) | (1,003,147) | (4,923) | (5,905) |
| Total nonoperating revenues (expenses) | <u>(639,244)</u> | <u>(1,045,895)</u> | <u>(4,923)</u> | <u>(5,900)</u> |
| Income (loss) before transfers and capital contributions | 100,211 | (2,086,771) | 29,958 | (207,059) |
| Capital contributions | - | - | - | 1,266,729 |
| Transfers in | - | - | - | 510,000 |
| Transfers out | - | - | - | - |
| Changes in net assets | 100,211 | (2,086,771) | 29,958 | 1,569,670 |
| Net assets at beginning of year. | <u>4,214,608</u> | <u>21,691,037</u> | <u>786,391</u> | <u>3,259,672</u> |
| Net assets at end of year | <u>\$ 4,314,819</u> | <u>\$ 19,604,266</u> | <u>\$ 816,349</u> | <u>\$ 4,829,342</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 |
|--|---|
| \$ 21,398,067 | \$ 6,536,430 |
| 295,990 | 5,926 |
| <u>21,694,057</u> | <u>6,542,356</u> |
| 11,163,669 | 187,583 |
| 3,077,004 | 151,595 |
| 1,471,790 | 34,458 |
| 1,684,002 | 291,764 |
| 1,359,915 | 32,413 |
| - | 6,518,921 |
| 163,665 | - |
| 3,241,711 | 46,792 |
| <u>22,161,756</u> | <u>7,263,526</u> |
| <u>(467,699)</u> | <u>(721,170)</u> |
| 1,772 | 11,025 |
| 5,072 | - |
| (44,520) | - |
| (1,658,286) | - |
| <u>(1,695,962)</u> | <u>11,025</u> |
| (2,163,661) | (710,145) |
| 1,266,729 | - |
| 510,000 | - |
| - | (88,184) |
| <u>(386,932)</u> | <u>(798,329)</u> |
| | <u>1,871,709</u> |
| | <u>\$ 1,073,380</u> |
| <u>349,998</u> | |
| <u>\$ (36,934)</u> | |

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

| | Business-type Activities - Enterprise Funds | | | |
|--|--|----------------------------|-------------------------|--------------------------|
| | Sewer | Water | Sanitation | Nonmajor |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 7,438,760 | \$ 9,667,563 | \$ 3,141,638 | \$ 1,158,814 |
| Cash received from other operations. | 10,397 | 270,923 | 13,183 | 1,487 |
| Cash payments for personal services | (3,560,669) | (6,117,183) | (1,103,684) | (782,285) |
| Cash payments for contract services | (1,060,513) | (587,731) | (1,487,512) | (143,949) |
| Cash payments for materials and supplies | (372,430) | (838,173) | (217,640) | (68,674) |
| Cash payments for utilities. | (641,919) | (637,862) | (1,658) | (78,476) |
| Cash payments for claims | - | - | - | - |
| Cash payments for administrative costs | (634,417) | (746,290) | (181,320) | (121,975) |
| Cash payments for other expenses | (10,675) | (140,566) | (8,191) | (4,233) |
| Net cash provided by (used in) operating activities. | <u>1,168,534</u> | <u>870,681</u> | <u>154,816</u> | <u>(39,291)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Special assessments. | 3,999 | - | - | - |
| Transfers in from other funds | - | - | - | 510,000 |
| Transfers out to other funds | - | - | - | - |
| Net cash provided by (used in) noncapital financing activities | <u>3,999</u> | <u>-</u> | <u>-</u> | <u>510,000</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition of capital assets. | - | (938,378) | - | (1,610,596) |
| Capital contributions | - | - | - | 1,266,729 |
| Principal retirement | (1,667,517) | (1,075,956) | (350,000) | (37,618) |
| Interest and fiscal charges | (599,445) | (974,426) | (11,025) | (5,905) |
| Net cash used in capital and related financing activities. | <u>(2,266,962)</u> | <u>(2,988,760)</u> | <u>(361,025)</u> | <u>(387,390)</u> |
| Cash flows from investing activities: | | | | |
| Interest received | - | 1,772 | - | - |
| Principal payments received on internal notes | - | - | - | - |
| Net cash provided by investing activities | <u>-</u> | <u>1,772</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | (1,094,429) | (2,116,307) | (206,209) | 83,319 |
| Cash and cash equivalents at beginning of year | <u>2,646,462</u> | <u>6,813,907</u> | <u>271,953</u> | <u>666,682</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 1,552,033</u></u> | <u><u>\$ 4,697,600</u></u> | <u><u>\$ 65,744</u></u> | <u><u>\$ 750,001</u></u> |

| Total Business-Type Activities - Enterprise Funds | Governmental Activities - Internal Service Funds |
|--|---|
| \$ 21,406,775 | \$ 6,536,430 |
| 295,990 | 3,305 |
| (11,563,821) | (255,447) |
| (3,279,705) | (146,167) |
| (1,496,917) | (33,079) |
| (1,359,915) | (32,413) |
| - | (6,436,553) |
| (1,684,002) | (327,750) |
| (163,665) | - |
| <hr/> | <hr/> |
| 2,154,740 | (691,674) |
| <hr/> | <hr/> |
| 3,999 | - |
| 510,000 | - |
| - | (88,184) |
| <hr/> | <hr/> |
| 513,999 | (88,184) |
| <hr/> | <hr/> |
| (2,548,974) | (126,749) |
| 1,266,729 | - |
| (3,131,091) | - |
| (1,590,801) | - |
| <hr/> | <hr/> |
| (6,004,137) | (126,749) |
| <hr/> | <hr/> |
| 1,772 | 11,025 |
| - | 350,000 |
| <hr/> | <hr/> |
| 1,772 | 361,025 |
| <hr/> | <hr/> |
| (3,333,626) | (545,582) |
| <hr/> | <hr/> |
| 10,399,004 | 3,135,975 |
| <u>\$ 7,065,378</u> | <u>\$ 2,590,393</u> |

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CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

| | Business-type Activities - Enterprise Funds | | | |
|--|--|-------------------|-------------------|--------------------|
| | <u>Sewer</u> | <u>Water</u> | <u>Sanitation</u> | <u>Nonmajor</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 739,455 | \$ (1,040,876) | \$ 34,881 | \$ (201,159) |
| Adjustments: | | | | |
| Depreciation | 725,045 | 2,202,086 | 167,947 | 146,633 |
| Changes in assets and liabilities: | | | | |
| Decrease (increase) in materials and supplies inventory | 16,070 | (853) | 113 | - |
| Decrease (increase) in accounts receivable | 6,455 | 36,393 | (15,811) | (18,329) |
| Increase (decrease) in accounts payable. | (172,115) | (54,300) | (2,368) | 2,872 |
| Increase in contracts payable | - | (21,981) | - | 16,020 |
| (Decrease) in accrued wages and benefits | (73,677) | (146,748) | (26,550) | (19,241) |
| Increase (decrease) in due to other governments. | (13,672) | (20,640) | (4,102) | 7,237 |
| Increase (decrease) in compensated absences payable. | (58,046) | (82,400) | 706 | 26,676 |
| (Decrease) in termination benefits payable | (981) | - | - | - |
| Increase in claims payable | - | - | - | - |
| Net cash provided by (used in) operating activities | <u>\$ 1,168,534</u> | <u>\$ 870,681</u> | <u>\$ 154,816</u> | <u>\$ (39,291)</u> |

Non-cash capital transactions:

At December 31, 2009 and December 31, 2008, the Water fund purchased \$17,019 and \$55,149, respectively, in capital assets on account.

At December 31, 2009, the Water fund reported a \$44,520 loss on disposal in construction in progress for an asset that did not meet the City's capitalization threshold.

At December 31, 2009, the nonmajor enterprise funds purchased \$61,273 in capital assets on account.

At December 31, 2008, the internal service funds purchased \$12,851 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <u>Total Business-Type Activities - Enterprise Funds</u> | <u>Governmental Activities - Internal Service Funds</u> |
|--|---|
| \$ (467,699) | \$ (721,170) |
| 3,241,711 | 46,792 |
| 15,330 | 1,379 |
| 8,708 | (2,621) |
| (225,911) | 5,428 |
| (5,961) | - |
| (266,216) | (27,844) |
| (31,177) | 873 |
| (113,064) | (35,888) |
| (981) | - |
| - | 41,377 |
| <u>\$ 2,154,740</u> | <u>\$ (691,674)</u> |

CITY OF WARREN, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

| | <u>Agency</u> |
|--|---------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 675,396 |
| Cash with fiscal and escrow agents. | 359,876 |
| Accounts receivable | <u>3,628</u> |
| Total assets | <u>\$ 1,038,900</u> |
| Liabilities: | |
| Due to other governments | \$ 918,264 |
| Deposits held and due to others | <u>120,636</u> |
| Total liabilities | <u>\$ 1,038,900</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, 2009

NOTE 1 - DESCRIPTION OF THE CITY

The City of Warren, Ohio (the "City") was created in 1843. 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) guidance 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 guidance issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB guidance. 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 is 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, 2009

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, with the exception of services provided and used during the fiscal year, 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

The following are the City's major governmental funds:

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

General capital projects fund - The general capital projects 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) 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 customers and to maintain the local water system of the City.

Sanitation fund - This fund accounts for the operations of providing sanitation services to 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 which account for highway patrol fines, auditors escrow, payroll and the municipal court.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2009, are recorded as deferred revenue.

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

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

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

F. Budgetary 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 required to be reported.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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 of estimated resources 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 2009.

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 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.

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 2009, 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

The City has invested funds in STAR Ohio during 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2009.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2009, interest revenue in the general fund amounted to \$300,660 which includes \$262,074 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account for municipal court activity. 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 reported as investments.

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

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded 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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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 | 5 | 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 is 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.

For purposes of establishing a liability for sick leave 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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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.

At December 31, "termination benefits payable" consist of amounts for accumulated sick leave to be paid to employees who were terminated due to lay-offs in 2009. These amounts are not included as part of the compensated absences liability as the employees who will receive them were not expected to become eligible to retire under GASB Statement No. 16 as of the balance sheet date.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

M. Interfund Activity

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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.

N. 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.

O. Restricted Assets

The City reports amounts representing assets being held by a trustee to service principal and interest debt service in a bond reserve as restricted assets in the Water enterprise fund. These amounts are required to be maintained by the trustee in accordance with the bond indenture. The City also reports assets being held in accordance with a trust agreement to invest and manage funds related to the capping of the Warren Hills landfill site as restricted assets in the general fund.

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, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2009 included the following individual fund deficits:

| | <u>Deficit</u> |
|--|----------------|
| <u>Nonmajor governmental fund:</u> | |
| Drivers alcohol treatment | \$ 1,647 |
| <u>Nonmajor internal service fund:</u> | |
| Life insurance and hospitalization | 275,959 |

These funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities.

C. Compliance

Contrary to Ohio Revised Code Sections 5705.39 and 5705.36, the City had appropriations in excess of estimated resources.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS

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 five 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 monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all City deposits was \$7,234,696, exclusive of the \$3,685,503 in repurchase agreements included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, \$2,563,383 of the City's bank balance of \$8,252,445 was exposed to custodial risk as discussed below, while \$5,689,062 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2009, the City had the following investments and maturities:

| <u>Investment type</u> | <u>Fair Value</u> | <u>Investment Maturities</u> | | | | |
|---|---------------------|------------------------------|-----------------------|------------------------|------------------------|-------------------------------|
| | | <u>6 months or less</u> | <u>7 to 12 months</u> | <u>13 to 18 months</u> | <u>19 to 24 months</u> | <u>Greater than 24 months</u> |
| Federal Home Loan Bank Federal National | \$ 2,995,610 | \$ - | \$ - | \$ 1,003,440 | \$ 1,000,290 | \$ 991,880 |
| Mortgage Association | 2,005,000 | - | - | 2,005,000 | - | - |
| STAR Ohio | 30,579 | 30,579 | - | - | - | - |
| Repurchase agreements | 3,685,503 | 3,685,503 | - | - | - | - |
| U.S. Government money market mutual funds | 967,855 | 967,855 | - | - | - | - |
| Total | \$ 9,684,547 | \$ 4,683,937 | \$ - | \$ 3,008,440 | \$ 1,000,290 | \$ 991,880 |

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. Of the City's \$3,685,503 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific obligor or a specific class or type of security. The following table includes the percentage of each investment type held by the City at December 31, 2009:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% to Total</u> |
|---|---------------------|-------------------|
| Federal Home Loan Bank | \$ 2,995,610 | 30.93 |
| Federal National Mortgage Association | 2,005,000 | 20.70 |
| STAR Ohio | 30,579 | 0.32 |
| Repurchase agreements | 3,685,503 | 38.06 |
| U.S. Government money market mutual funds | <u>967,855</u> | <u>9.99</u> |
| Total | <u>\$ 9,684,547</u> | <u>100.00</u> |

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2009:

| <u>Cash and investments per note</u> | |
|---|----------------------|
| Carrying amount of deposits | \$ 7,234,696 |
| Investments | 9,684,547 |
| Total | <u>\$ 16,919,243</u> |
| <u>Cash and investments per statement of net assets</u> | |
| Governmental activities | \$ 8,818,593 |
| Business type activities | 7,065,378 |
| Agency funds | 1,035,272 |
| Total | <u>\$ 16,919,243</u> |

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2009, consisted of the following, as reported in the fund financial statements:

| <u>Transfers from</u> | <u>Transfers to:</u> | | | | <u>Total</u> |
|-----------------------|----------------------|-------------------------------------|----------------------------------|--------------------------------|---------------------|
| | <u>General</u> | <u>General Capital Projects</u> | <u>Nonmajor Governmental</u> | <u>Nonmajor Enterprise</u> | |
| General | \$ - | \$ - | \$ 306,500 | \$ 510,000 | \$ 816,500 |
| Nonmajor governmental | 536,231 | 128,877 | 44,351 | - | 709,459 |
| Internal service | - | - | 88,184 | - | 88,184 |
| Total | <u>\$ 536,231</u> | <u>\$ 128,877</u> | <u>\$ 439,035</u> | <u>\$ 510,000</u> | <u>\$ 1,614,143</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. Transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - INTERFUND TRANSFERS - (Continued)

The general fund received transfers of \$536,231 from the law enforcement trust, court computerization and special projects-courts nonmajor governmental funds for municipal court wages, benefits and postage. The motor vehicle levy nonmajor governmental fund transferred \$128,877 to the general capital projects fund for capital expenditures. Transfers between nonmajor governmental funds consisted of \$44,351 from the CDBG fund to the guaranteed loan fund to cover a debt payment. The \$88,184 transfer from the data processing nonmajor internal service fund to the nonmajor debt service fund was required to transfer debt payments.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2009-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Warren. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed value upon which the 2008 levy (collected in 2009) was based was \$444,108,420. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mils. The City's current share of property tax is 3.5 mils of assessed value, all of which is unvoted.

NOTE 7 - LOCAL INCOME TAX

The 2 percent City income tax 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, 2009. Income tax revenue for 2009 reported in the general fund was \$15,624,357.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts (billings for user charged services), accrued interest, 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, 2009, as well as intended to finance 2009 operations.

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

Governmental activities:

| | |
|----------------------------|--------------|
| Income taxes | \$ 3,363,693 |
| Real and other taxes | 2,276,879 |
| Accounts | 486,941 |
| Accrued interest | 84,763 |
| Special assessments | 1,016,147 |
| Due from other governments | 2,026,607 |

Business-type activities:

| | |
|---------------------|-----------|
| Accounts | 2,974,781 |
| Special assessments | 6,639 |

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 9 - 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, Reinvestment Corporation and the U.S. Department of Housing & Urban Development (HUD) Section 108. The loans bear interest at annual rates ranging between 4 and 9 percent and are to be repaid over a period ranging from 5 to 20 years. The CDBG and HIP loans are reported net of an uncollectible allowance of 17.46%.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

| <u>Governmental activities:</u> | <u>Balance</u> <u>12/31/08</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/09</u> |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 1,024,184 | \$ - | \$ - | \$ 1,024,184 |
| Construction in progress | <u>3,175,187</u> | <u>2,959,519</u> | <u>(547,063)</u> | <u>5,587,643</u> |
| Total capital assets, not being depreciated | <u>4,199,371</u> | <u>2,959,519</u> | <u>(547,063)</u> | <u>6,611,827</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 672,589 | 76,531 | - | 749,120 |
| Buildings | 10,235,124 | 75,850 | - | 10,310,974 |
| Building improvements | 6,008,077 | - | - | 6,008,077 |
| Computer equipment | 1,203,760 | 168,675 | - | 1,372,435 |
| Furniture and equipment | 1,753,998 | 30,257 | - | 1,784,255 |
| Vehicles | 5,080,609 | - | (154,525) | 4,926,084 |
| Infrastructure | <u>42,483,974</u> | <u>1,815,848</u> | <u>-</u> | <u>44,299,822</u> |
| Total capital assets, being depreciated | <u>67,438,131</u> | <u>2,167,161</u> | <u>(154,525)</u> | <u>69,450,767</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Land improvements | (525,431) | (15,576) | - | (541,007) |
| Buildings | (6,242,809) | (249,173) | - | (6,491,982) |
| Buildings and improvements | (1,031,505) | (217,958) | - | (1,249,463) |
| Computer equipment | (897,318) | (133,272) | - | (1,030,590) |
| Furniture and equipment | (1,079,916) | (110,775) | - | (1,190,691) |
| Vehicles | (3,973,445) | (211,943) | 154,525 | (4,030,863) |
| Infrastructure | <u>(18,140,234)</u> | <u>(1,728,600)</u> | <u>-</u> | <u>(19,868,834)</u> |
| Total accumulated depreciation | <u>(31,890,658)</u> | <u>(2,667,297)</u> | <u>154,525</u> | <u>(34,403,430)</u> |
| Total capital assets, being depreciated, net | <u>35,547,473</u> | <u>(500,136)</u> | <u>-</u> | <u>35,047,337</u> |
| Governmental activities capital assets, net | <u>\$ 39,746,844</u> | <u>\$ 2,459,383</u> | <u>\$ (547,063)</u> | <u>\$ 41,659,164</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - CAPITAL ASSETS - (Continued)

| <u>Business-type activities:</u> | <u>Balance</u> <u>12/31/08</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>12/31/09</u> |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 384,399 | \$ - | \$ - | \$ 384,399 |
| Construction in progress | <u>3,299,508</u> | <u>2,544,618</u> | <u>(495,295)</u> | <u>5,348,831</u> |
| Total capital assets, not being depreciated | <u>3,683,907</u> | <u>2,544,618</u> | <u>(495,295)</u> | <u>5,733,230</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings | 53,733,298 | - | - | 53,733,298 |
| Building improvements | 12,321,062 | - | - | 12,321,062 |
| Water and sewer lines | 49,575,286 | 450,775 | - | 50,026,061 |
| Computer equipment | 206,903 | 13,259 | - | 220,162 |
| Furniture and equipment | 7,610,152 | 14,240 | - | 7,624,392 |
| Vehicles | <u>3,756,577</u> | <u>-</u> | <u>(27,955)</u> | <u>3,728,622</u> |
| Total capital assets, being depreciated | <u>127,203,278</u> | <u>478,274</u> | <u>(27,955)</u> | <u>127,653,597</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Buildings | (46,692,191) | (706,445) | - | (47,398,636) |
| Building improvements | (1,341,396) | (821,617) | - | (2,163,013) |
| Water and sewer lines | (20,034,032) | (708,517) | - | (20,742,549) |
| Computer equipment | (148,346) | (6,487) | - | (154,833) |
| Furniture and equipment | (2,080,412) | (715,136) | - | (2,795,548) |
| Vehicles | <u>(3,119,388)</u> | <u>(283,509)</u> | <u>27,955</u> | <u>(3,374,942)</u> |
| Total accumulated depreciation | <u>(73,415,765)</u> | <u>(3,241,711)</u> | <u>27,955</u> | <u>(76,629,521)</u> |
| Total capital assets, being depreciated, net | <u>53,787,513</u> | <u>(2,763,437)</u> | <u>-</u> | <u>51,024,076</u> |
| Business-type activities capital assets, net | <u>\$ 57,471,420</u> | <u>\$ (218,819)</u> | <u>\$ (495,295)</u> | <u>\$ 56,757,306</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

| | |
|--|---------------|
| General government | \$ 290,589 |
| Security of persons and property | 250,792 |
| Public health and welfare | 12,447 |
| Transportation | 1,962,641 |
| Community environment | 104,036 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>46,792</u> |

Total depreciation expense - governmental activities \$ 2,667,297

Business-type activities:

| | |
|--------------------|---------------|
| Sewer | \$ 725,045 |
| Water | 2,202,086 |
| Sanitation | 167,947 |
| Packard Music Hall | 30,643 |
| City redevelopment | 14,791 |
| Downtown parking | 48,059 |
| Stormwater utility | <u>53,140</u> |

Total depreciation expense - business-type activities \$ 3,241,711

NOTE 11 - COMPENSATED ABSENCES LIABILITY

Vacation, compensation time, and sick leave accumulated by governmental fund type employees have been recorded in the balance sheet to the extent the liability were due at year end. Vacation, compensation time 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, 2009, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$3,188,545 and vested benefits for sick leave totaled \$2,293,010. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$768,693 and vested benefits for sick leave totaled \$722,801 at December 31, 2009. 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

In prior years, the City entered into capitalized leases 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 on the statement of net assets in the amount of \$69,680 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 on the statement of net assets. Principal payments during 2009 amounted to \$56,416 paid by the general fund and \$1,766 paid by the street maintenance nonmajor special revenue fund.

The governmental assets acquired through capital leases are as follows:

| | <u>Equipment</u> | <u>Vehicles</u> |
|--------------------------------|------------------|------------------|
| Asset | \$ 69,680 | \$ 528,720 |
| Less: accumulated depreciation | <u>(60,726)</u> | <u>(528,720)</u> |
| Total | <u>\$ 8,954</u> | <u>\$ -</u> |

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, 2009:

| <u>Year Ended</u> | <u>Amount</u> |
|---|-------------------|
| 2010 | \$ 71,122 |
| 2011 | 68,517 |
| 2012 | 63,874 |
| 2013 | <u>63,874</u> |
| Total | 267,387 |
| Less: amount representing interest | <u>(27,018)</u> |
| Present value of net minimum lease payments | <u>\$ 240,369</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LEASES - (Continued)

B. Proprietary Capital Leases - Lessee Disclosure

In prior years, capital assets consisting of equipment have been capitalized in the sewer fund and the stormwater utility nonmajor 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 \$119,345 and \$188,538 in the sewer and stormwater utility enterprise funds, respectively, represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the enterprise funds. Principal payments in 2009 totaled \$24,198 in the sewer fund and \$37,618 in the storm water utility fund.

The proprietary assets acquired through these capital leases are as follows:

| | <u>Sewer Equipment</u> | <u>Stormwater Utility Equipment</u> |
|--------------------------------|----------------------------|---|
| Asset | \$ 119,345 | \$ 188,538 |
| Less: accumulated depreciation | <u>(77,257)</u> | <u>(113,123)</u> |
| Total | <u>\$ 42,088</u> | <u>\$ 75,415</u> |

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2009:

| | <u>Year Ended</u> | <u>Sewer</u> | <u>Stormwater Utility</u> | <u>Total</u> |
|--|-----------------------|------------------|-------------------------------|-------------------|
| | 2010 | \$ 28,224 | \$ 43,523 | \$ 71,747 |
| | 2011 | <u>21,366</u> | <u>43,523</u> | <u>64,889</u> |
| Total | | 49,590 | 87,046 | 136,636 |
| Less: amount representing interest | | <u>(3,280)</u> | <u>(6,094)</u> | <u>(9,374)</u> |
| Present value of net minimum lease payments | | <u>\$ 46,310</u> | <u>\$ 80,952</u> | <u>\$ 127,262</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 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LEASES - (Continued)

The carrying value of the property follows:

| | <u>Land</u> | <u>Building</u> |
|--------------------------------|-----------------|-------------------|
| Asset | \$ 9,000 | \$ 219,756 |
| Less: accumulated depreciation | <u>-</u> | <u>(90,649)</u> |
| Total | <u>\$ 9,000</u> | <u>\$ 129,107</u> |

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2009, the following changes occurred in governmental activities long-term obligations:

| Governmental activities: | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Balance 12/31/08</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/09</u> | <u>Amounts Due in One Year</u> |
|--|--------------------------|--------------------------|-----------------------------|---------------------|-----------------------|-----------------------------|--|
| <u>General obligation bonds</u> | | | | | | | |
| Correctional facility | 4.50-5.85% | 12/01/2010 | \$ 120,096 | \$ - | \$ (61,992) | \$ 58,104 | \$ 58,104 |
| Various purpose refunding, series 2003 | 2.00-4.00% | 12/01/2013 | 3,257,500 | - | (597,500) | 2,660,000 | 623,500 |
| Various purpose, series 2003 | 2.00-2.40% | 12/01/2013 | 336,000 | - | (62,000) | 274,000 | 63,000 |
| Multi purpose refunding, series 1996 | 3.80-6.25% | 12/01/2011 | <u>955,000</u> | <u>-</u> | <u>(300,000)</u> | <u>655,000</u> | <u>320,000</u> |
| Total general obligations bonds | | | <u>4,668,596</u> | <u>-</u> | <u>(1,021,492)</u> | <u>3,647,104</u> | <u>1,064,604</u> |
| <u>Other long-term obligations</u> | | | | | | | |
| Reinvestment partnership corporation loan | 6.09% | 8/01/2016 | 645,000 | - | (60,000) | 585,000 | 65,000 |
| OWDA loan | 3.75% | 1/01/2010 | 237,753 | - | (157,025) | 80,728 | 80,728 |
| HUD 108 loan | 5.28% | 8/01/2022 | 1,630,000 | - | (70,000) | 1,560,000 | 75,000 |
| Ohio Department of Development mortgage note | 4.00% | 11/1/2015 | 148,075 | - | (94,147) | 53,928 | - |
| Police and fire pension liability | | 5/01/2035 | 2,692,691 | - | (56,636) | 2,636,055 | 59,069 |
| OPWC loan | | 7/01/2027 | 243,736 | - | (12,828) | 230,908 | 12,829 |
| Pollution remediation obligation | | | 1,568,577 | - | (18,470) | 1,550,107 | 1,550,107 |
| Capital lease obligation | | | 298,551 | - | (58,182) | 240,369 | 60,217 |
| Compensated absences | | | <u>5,279,633</u> | <u>1,484,968</u> | <u>(1,283,046)</u> | <u>5,481,555</u> | <u>1,198,878</u> |
| Total other long-term obligations | | | <u>12,744,016</u> | <u>1,484,968</u> | <u>(1,810,334)</u> | <u>12,418,650</u> | <u>3,101,828</u> |
| Total governmental activities long-term obligations | | | 17,412,612 | <u>\$ 1,484,968</u> | <u>\$ (2,831,826)</u> | 16,065,754 | <u>\$ 4,166,432</u> |
| Add: Unamortized premium on bond issue | | | 22,336 | | | 17,754 | |
| Less: Unamortized deferred charges on refundings | | | <u>(152,868)</u> | | | <u>(121,510)</u> | |
| Total reported on the statement of net assets | | | <u>\$ 17,282,080</u> | | | <u>\$ 15,961,998</u> | |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 primarily from the general and street maintenance funds.

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 firefighters in 1967. The liability is paid semi-annually from the police and fire nonmajor special revenue funds. Payment is made from unvoted property tax revenues received into the police and fire nonmajor special revenue funds.

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 | Police and Fire Pension Liability | | |
|---------------|-----------------------------------|--------------|--------------|
| | Principal | Interest | Total |
| 2010 | \$ 59,069 | \$ 111,411 | \$ 170,480 |
| 2011 | 61,606 | 108,874 | 170,480 |
| 2012 | 64,252 | 106,229 | 170,481 |
| 2013 | 67,012 | 103,469 | 170,481 |
| 2014 | 69,889 | 100,590 | 170,479 |
| 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 | 75,957 | 1,614 | 77,571 |
| Total | \$ 2,636,055 | \$ 1,703,517 | \$ 4,339,572 |

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, 2009 was \$58,104. 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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.

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, 2009 was \$2,740,000.

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%.

During 1996, the City issued multi-purpose refunding bonds with an annual interest rate ranging from 3.80% - 6.25%. At December 31, 2009, the balance of the bonds was \$655,000.

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

| Year Ended | General Obligation Bonds | | |
|---------------|--------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2010 | \$ 1,064,604 | \$ 150,325 | \$ 1,214,929 |
| 2011 | 1,058,000 | 102,865 | 1,160,865 |
| 2012 | 747,500 | 56,623 | 804,123 |
| 2013 | <u>777,000</u> | <u>29,526</u> | <u>806,526</u> |
| Total | <u>\$ 3,647,104</u> | <u>\$ 339,339</u> | <u>\$ 3,986,443</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 are made out of the guaranteed loan nonmajor special revenue fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

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 | Loan Payable | | |
|---------------|-------------------|-------------------|-------------------|
| | Principal | Interest | Total |
| 2010 | \$ 65,000 | \$ 37,170 | \$ 102,170 |
| 2011 | 70,000 | 33,232 | 103,232 |
| 2012 | 75,000 | 28,920 | 103,920 |
| 2013 | 85,000 | 24,226 | 109,226 |
| 2014 | 95,000 | 18,845 | 113,845 |
| 2015 - 2016 | <u>195,000</u> | <u>19,345</u> | <u>214,345</u> |
| Total | <u>\$ 585,000</u> | <u>\$ 161,738</u> | <u>\$ 746,738</u> |

HUD 108 Loan - On September 14, 2006, the City received a \$1,700,000 HUD Section 108 loan. The City disbursed the loan proceeds for economic development and housing rehabilitation projects throughout the City. Interest payments (at approximately 5.28 percent) on the loan began in 2007 and principal payments began August 1, 2008. Principal and interest payments are made out of the guaranteed loan nonmajor special revenue fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

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 | Loan Payable | | |
|---------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2010 | \$ 75,000 | \$ 82,733 | \$ 157,733 |
| 2011 | 80,000 | 78,991 | 158,991 |
| 2012 | 85,000 | 74,975 | 159,975 |
| 2013 | 95,000 | 70,699 | 165,699 |
| 2014 | 100,000 | 65,902 | 165,902 |
| 2015 - 2019 | 630,000 | 243,622 | 873,622 |
| 2020 - 2022 | <u>495,000</u> | <u>56,426</u> | <u>551,426</u> |
| Total | <u>\$ 1,560,000</u> | <u>\$ 673,348</u> | <u>\$ 2,233,348</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Department of Development Mortgage Note - In November 1999, the City received a \$202,000 note from the Ohio Department of Development. This note was to fund the Mahoningside Redevelopment Project. Principal and interest payments are made out of the CDBG nonmajor special revenue fund.

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

| Year <u>Ended</u> | Note Payable | | |
|----------------------|------------------|------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2010 | \$ - | \$ - | \$ - |
| 2011 | - | - | - |
| 2012 | - | - | - |
| 2013 | 9,389 | 9,017 | 18,406 |
| 2014 | 23,182 | 1,360 | 24,542 |
| 2015 | <u>21,357</u> | <u>771</u> | <u>22,128</u> |
| Total | <u>\$ 53,928</u> | <u>\$ 11,148</u> | <u>\$ 65,076</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, 2009, the City had outstanding borrowings of \$80,728. The loan agreement requires semi-annual payments. The principal and interest payments are made out of the CDBG nonmajor special revenue fund.

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

| Year <u>Ended</u> | OWDA Loan Payable | | |
|----------------------|-------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2010 | <u>\$ 80,728</u> | <u>\$ 1,514</u> | <u>\$ 82,242</u> |
| Total | <u>\$ 80,728</u> | <u>\$ 1,514</u> | <u>\$ 82,242</u> |

Pollution Remediation Obligation - In 2000, the City discovered considerable pollution at the site of the former Mahoningside Power Plant and subsequently commenced cleanup. The estimated cost to complete the remaining remediation work as of December 31, 2009 is \$1,550,107, which is derived from contracts that assume no unexpected change orders. This entire amount is reported as a current liability on the statement of net assets. The City was approved for a \$1,358,607 grant from the Ohio Department of Development which will be used to help cover the costs of the cleanup.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

OPWC Loan - During 2008, the City entered into an agreement with Trumbull County to pay a portion of the County's loan from the Ohio Public Works Commission (OPWC). The City's share of the interest-free loan is \$256,564 and is payable over 20 years. The proceeds were used to fund the North Road Reconstruction Project. The principal and interest payments are 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 OPWC loan payable:

| Year Ended | OPWC Loan Payable | | |
|---------------|-------------------|-------------|-------------------|
| | Principal | Interest | Total |
| 2010 | \$ 12,829 | \$ - | \$ 12,829 |
| 2011 | 12,828 | - | 12,828 |
| 2012 | 12,828 | - | 12,828 |
| 2013 | 12,828 | - | 12,828 |
| 2014 | 12,828 | - | 12,828 |
| 2015 - 2019 | 64,141 | - | 64,141 |
| 2020 - 2024 | 64,141 | - | 64,141 |
| 2025 - 2027 | <u>38,485</u> | <u>-</u> | <u>38,485</u> |
| Total | <u>\$ 230,908</u> | <u>\$ -</u> | <u>\$ 230,908</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2009, the following changes occurred in the business-type activities long-term obligations:

| | Interest Rate | Maturity Date | Balance 12/31/08 | Additions | Reductions | Balance 12/31/09 | Amounts Due in One Year |
|---|------------------|------------------|----------------------|-------------------|-----------------------|----------------------|-------------------------------|
| <u>General obligation bonds</u> | | | | | | | |
| Refunding sewer improvements | 2.00-4.00% | 12/01/2013 | \$ 2,681,500 | \$ - | \$ (500,500) | \$ 2,181,000 | \$ 518,500 |
| Total general obligations bonds | | | <u>2,681,500</u> | <u>-</u> | <u>(500,500)</u> | <u>2,181,000</u> | <u>518,500</u> |
| <u>Revenue bonds</u> | | | | | | | |
| Water system | 3.80-5.00% | 12/1/2022 | 8,700,000 | - | (435,000) | 8,265,000 | 455,000 |
| Total revenue bonds | | | <u>8,700,000</u> | <u>-</u> | <u>(435,000)</u> | <u>8,265,000</u> | <u>455,000</u> |
| Total enterprise bonds | | | <u>11,381,500</u> | <u>-</u> | <u>(935,500)</u> | <u>10,446,000</u> | <u>973,500</u> |
| <u>OWDA Loans</u> | | | | | | | |
| Sewer system | 10.16% | 1/01/2012 | 2,321,142 | - | (587,433) | 1,733,709 | 647,116 |
| Buckeye | 3.54% | 7/01/2014 | 537,132 | - | (81,856) | 455,276 | 84,780 |
| Warren commerce park - phase I | 4.80% | 1/01/2017 | 73,829 | - | (13,399) | 60,430 | 14,050 |
| Wastewater treatment plant and pump station improvements | 3.04% | 1/01/2017 | 523,041 | - | (54,803) | 468,238 | 56,482 |
| Biosolids facility | 3.04% | 7/01/2017 | 3,516,400 | - | (126,978) | 3,389,422 | 380,309 |
| Griswold street sanitary sewer | 4.12% | 7/01/2018 | 839,691 | - | (69,413) | 770,278 | 72,303 |
| Warren commerce park - phase II | 3.98% | 1/01/2019 | 378,582 | - | (29,691) | 348,891 | 30,884 |
| Warren commerce park - phase II | 3.79% | 1/01/2019 | 115,682 | - | (9,158) | 106,524 | 9,509 |
| Downtown combined sewer | 3.25% | 1/01/2027 | 4,234,036 | - | (170,088) | 4,063,948 | 174,245 |
| Water system improvements | 3.95% | 7/01/2023 | 8,746,103 | - | (446,103) | 8,300,000 | 459,362 |
| Water meter replacements | 3.34% | 7/01/2028 | 5,104,469 | - | (194,853) | 4,909,616 | 199,747 |
| Total OWDA loans | | | <u>26,390,107</u> | <u>-</u> | <u>(1,783,775)</u> | <u>24,606,332</u> | <u>2,128,787</u> |
| Total bonds and loans | | | <u>37,771,607</u> | <u>-</u> | <u>(2,719,275)</u> | <u>35,052,332</u> | <u>3,102,287</u> |
| <u>Other long-term obligations</u> | | | | | | | |
| Capital lease obligation | 4.50-5.85% | | 189,078 | - | (61,816) | 127,262 | 65,282 |
| Compensated absences | | | <u>1,604,558</u> | <u>526,356</u> | <u>(639,420)</u> | <u>1,491,494</u> | <u>528,884</u> |
| Total other long-term obligations | | | <u>1,793,636</u> | <u>526,356</u> | <u>(701,236)</u> | <u>1,618,756</u> | <u>594,166</u> |
| Total business-type activities | | | 39,565,243 | <u>\$ 526,356</u> | <u>\$ (3,420,511)</u> | 36,671,088 | <u>\$ 3,696,453</u> |
| Add: Unamortized premium on bond issue | | | 16,092 | | | 12,791 | |
| Less: Unamortized deferred charges on refundings | | | <u>(246,785)</u> | | | <u>(190,612)</u> | |
| Total reported on the statement of net assets | | | <u>\$ 39,334,550</u> | | | <u>\$ 36,493,267</u> | |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - 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 was 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, 2009 was \$2,235,000.

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 was 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, 2009 was \$8,265,000.

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, 2009

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future water customer revenues, net of specified operating expenses, to advance refund the 1992 water system improvement bonds. The water revenue bonds are payable solely from water customer net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 75.89 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$11,501,590. Principal and interest paid for the current year and total customer net revenues were \$881,285 and \$1,161,210, respectively.

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 and water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2009, the City has outstanding borrowings of \$24,606,332. 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 City has pledged future water and sewer customer revenues to repay the loans. The loans are payable solely from water and sewer fund revenues and are payable through 2019. Annual principal and interest payments on the loans are expected to require all available net revenues for both the water fund and the sewer fund. The total principal and interest remaining to be paid on the loans is \$13,464,610 for the water fund and \$12,607,029 for the sewer fund. Principal and interest paid for the current year totaled \$1,169,097 and \$1,643,137 in the water fund and sewer fund, respectively.

The downtown combined sewer, water system improvements, and water meter replacement projects financed through OWDA loans are not closed out as of December 31, 2009. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2009 of \$4,063,948, \$8,300,000 and \$4,909,616, 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 | Bonds Payable | | | OWDA Loans Payable | | |
|---------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2010 | \$ 973,500 | \$ 507,177 | \$ 1,480,677 | \$ 1,295,433 | \$ 356,758 | \$ 1,652,191 |
| 2011 | 1,017,000 | 464,597 | 1,481,597 | 1,382,883 | 269,306 | 1,652,189 |
| 2012 | 1,062,500 | 419,402 | 1,481,902 | 1,066,198 | 174,362 | 1,240,560 |
| 2013 | 1,113,000 | 371,324 | 1,484,324 | 715,677 | 113,254 | 828,931 |
| 2014 | 570,000 | 319,850 | 889,850 | 722,695 | 89,451 | 812,146 |
| 2015 - 2019 | 3,305,000 | 1,115,500 | 4,420,500 | 2,149,882 | 141,143 | 2,291,025 |
| 2020 - 2022 | 2,405,000 | 244,250 | 2,649,250 | - | - | - |
| Total | <u>\$ 10,446,000</u> | <u>\$ 3,442,100</u> | <u>\$ 13,888,100</u> | <u>\$ 7,332,768</u> | <u>\$ 1,144,274</u> | <u>\$ 8,477,042</u> |

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 14 - INTERNAL NOTES PAYABLE

The City had the following internal note activity for 2009:

| | <u>Interest</u> <u>Rate</u> | <u>Issue</u> <u>Date</u> | <u>Maturity</u> <u>Date</u> | <u>Balance</u> <u>12/31/08</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/09</u> |
|---|--------------------------------|-----------------------------|--------------------------------|-----------------------------------|------------------|-------------------|-----------------------------------|
| <u>Sanitation enterprise fund</u> | | | | | | | |
| <i>General obligation notes</i> | | | | | | | |
| Environmental services vehicle acquisition | 3.150% | 6/12/08 | 6/12/09 | \$ 350,000 | \$ - | \$ (350,000) | \$ - |

NOTE 15 - 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.

Settled claims have not exceeded the self-insurance amount in any of the past three years. The liability for unpaid claims of \$936,911 reported in the internal service fund at December 31, 2009, 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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 15 - RISK MANAGEMENT - (Continued)

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 | 2009 | \$ 895,534 | \$ 6,054,013 | \$ (6,012,636) | \$ 936,911 |
| | 2008 | 730,512 | 5,866,791 | (5,701,769) | 895,534 |
| Risk management | 2009 | - | 99,804 | (94,761) | 5,043 |
| | 2008 | - | 96,000 | (96,000) | - |
| Workers' compensation | 2009 | 717,009 | 722,014 | (717,009) | 722,014 |
| | 2008 | 532,672 | 717,009 | (532,672) | 717,009 |

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. There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 16 - PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008 and 2007 were \$1,101,199, \$1,043,704 and \$1,216,075, respectively; 90.45% has been contributed for 2009 and 100% has been contributed for 2008 and 2007. The unpaid contribution to fund pension obligations for 2009, in the amount of \$105,110, is recorded as a liability.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$489,740 and \$615,822 for the year ended December 31, 2009, \$610,558 and \$732,799 for the year ended December 31, 2008 and \$595,165 and \$743,508 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 92.69% has been contributed for police and 89.50% has been contributed for firefighters for 2009. The unpaid contribution to fund pension obligations for 2009, in the amount of \$35,784 for police and \$64,661 for firefighters, is recorded as a liability.

NOTE 17 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$818,740, \$1,043,705 and \$801,007, respectively; 91.69% has been contributed for 2009 and 100% has been contributed for 2008 and 2007. The unpaid contribution to fund post-employment healthcare benefits for 2009, in the amount of \$68,012, is recorded as a liability.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$259,274 and \$240,974 for the year ended December 31, 2009, \$323,236 and \$286,748 for the year ended December 31, 2008 and \$315,088 and \$290,938 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 92.69% has been contributed for police and 89.50% has been contributed for firefighters for 2009. The unpaid contribution to fund post-employment healthcare benefits for 2009, in the amount of \$18,945 for police and \$25,302 for firefighters, is recorded as a liability.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 18 - 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 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); and,
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 | \$ (809,488) |
| Net adjustment for revenue accruals | (47,416) |
| Net adjustment for expenditure accruals | 534,658 |
| Adjustment for encumbrances | <u>236,353</u> |
| GAAP basis | <u><u>\$ (85,893)</u></u> |

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2009.

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.

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 for Contingencies," a liability has not been reported in the financial statements.

NOTE 20 - SIGNIFICANT SUBSEQUENT EVENTS

On January 27, 2010, the Ohio Water Development Authority (OWDA) approved the City of Warren Loan for the WWPC Effluent Hydroelectric Project in the amount of \$610,838. This loan will be funded through the American Recovery and Reinvestment Act (ARRA) Principal Forgiveness program. In addition, on December 12, 2009, the OWDA approved the City of Warren Loan for the Sanitary Sewer Inceptor Rehabilitation Project in the amount of \$1,407,405. This loan will be partially funded through the ARRA Principal Forgiveness program. These projects commenced in 2010.

**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 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.

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 Projects

The General Capital Projects 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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Income taxes | \$ 17,696,292 | \$ 16,100,562 | \$ 15,703,272 | \$ (397,290) |
| Charges for services | 2,320,764 | 2,111,493 | 2,059,391 | (52,102) |
| Licenses and permits | 2,236,381 | 2,034,720 | 1,984,512 | (50,208) |
| Fines and forfeitures | 1,360,490 | 1,237,811 | 1,207,267 | (30,544) |
| Intergovernmental | 3,180,611 | 2,893,805 | 2,822,399 | (71,406) |
| Investment income | 602,424 | 548,102 | 534,577 | (13,525) |
| Rental income | 106,867 | 97,230 | 94,831 | (2,399) |
| Other | 650,314 | 591,673 | 577,073 | (14,600) |
| Total revenues | <u>28,154,143</u> | <u>25,615,396</u> | <u>24,983,322</u> | <u>(632,074)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| City council | | | | |
| Personal services | 239,785 | 240,513 | 238,095 | 2,418 |
| Contract services | 32,543 | 32,043 | 26,368 | 5,675 |
| Materials and supplies. | 4,800 | 4,300 | 1,735 | 2,565 |
| Total city council | <u>277,128</u> | <u>276,856</u> | <u>266,198</u> | <u>10,658</u> |
| Municipal court | | | | |
| Personal services | 1,829,686 | 1,835,445 | 1,775,970 | 59,475 |
| Contract services | 68,152 | 67,462 | 60,187 | 7,275 |
| Total municipal court. | <u>1,897,838</u> | <u>1,902,907</u> | <u>1,836,157</u> | <u>66,750</u> |
| Victims of crimes | | | | |
| Personal services | 36,009 | 36,122 | 36,101 | 21 |
| Contract services | 1,695 | 1,700 | 1,255 | 445 |
| Materials and supplies. | 3,754 | 3,667 | 2,812 | 855 |
| Total victims of crimes | <u>41,458</u> | <u>41,489</u> | <u>40,168</u> | <u>1,321</u> |
| Operations - general | | | | |
| Personal services | 183,588 | 170,224 | 147,957 | 22,267 |
| Contract services | 21,150 | 19,610 | 16,721 | 2,889 |
| Materials and supplies. | 539 | 500 | 17 | 483 |
| Total operations - general | <u>205,277</u> | <u>190,334</u> | <u>164,695</u> | <u>25,639</u> |
| Operations - maintenance | | | | |
| Personal services | 987,235 | 915,370 | 769,429 | 145,941 |
| Contract services | 328,065 | 299,320 | 234,287 | 65,033 |
| Materials and supplies. | 58,984 | 53,853 | 23,829 | 30,024 |
| Total operations - maintenance. | <u>1,374,284</u> | <u>1,268,543</u> | <u>1,027,545</u> | <u>240,998</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Mayor | | | | |
| Personal services | \$ 357,643 | \$ 334,209 | \$ 320,193 | \$ 14,016 |
| Contract services | 22,131 | 21,031 | 18,596 | 2,435 |
| Materials and supplies. | 9,918 | 7,218 | 2,621 | 4,597 |
| Total mayor. | <u>389,692</u> | <u>362,458</u> | <u>341,410</u> | <u>21,048</u> |
| Purchasing | | | | |
| Personal services | 110,745 | 112,242 | 111,893 | 349 |
| Contract services | 19,420 | 19,420 | 16,148 | 3,272 |
| Materials and supplies. | 3,508 | 3,008 | 1,564 | 1,444 |
| Total purchasing | <u>133,673</u> | <u>134,670</u> | <u>129,605</u> | <u>5,065</u> |
| Finance | | | | |
| Personal services | 445,545 | 481,316 | 456,658 | 24,658 |
| Contract services | 52,644 | 49,344 | 49,211 | 133 |
| Materials and supplies. | 11,323 | 8,323 | 4,589 | 3,734 |
| Total finance | <u>509,512</u> | <u>538,983</u> | <u>510,458</u> | <u>28,525</u> |
| Human resources | | | | |
| Personal services | 299,962 | 337,108 | 321,131 | 15,977 |
| Contract services | 54,550 | 49,550 | 34,018 | 15,532 |
| Materials and supplies. | 2,200 | 1,700 | 149 | 1,551 |
| Capital outlay | 2,040 | 2,040 | 2,040 | - |
| Total human resources | <u>358,752</u> | <u>390,398</u> | <u>357,338</u> | <u>33,060</u> |
| Law department | | | | |
| Personal services | 771,454 | 776,954 | 774,021 | 2,933 |
| Contract services | 49,916 | 40,216 | 31,048 | 9,168 |
| Materials and supplies. | 5,890 | 5,390 | 1,705 | 3,685 |
| Total law department. | <u>827,260</u> | <u>822,560</u> | <u>806,774</u> | <u>15,786</u> |
| Civil service | | | | |
| Personal services | 17,018 | 17,018 | 11,351 | 5,667 |
| Contract services | 13,750 | 13,750 | 2,203 | 11,547 |
| Materials and supplies. | 1,000 | 1,000 | 26 | 974 |
| Total civil service. | <u>31,768</u> | <u>31,768</u> | <u>13,580</u> | <u>18,188</u> |
| Administrative support | | | | |
| Contract services | 1,638,189 | 1,637,689 | 1,367,189 | 270,500 |
| Materials and supplies. | 10,268 | 10,268 | 6,594 | 3,674 |
| Capital outlay | - | 5,000 | 4,620 | 380 |
| Other | 225,100 | 45,000 | 36,981 | 8,019 |
| Total administrative support | <u>1,873,557</u> | <u>1,697,957</u> | <u>1,415,384</u> | <u>282,573</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, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Income tax | | | | |
| Personal services | \$ 416,622 | \$ 397,283 | \$ 360,608 | \$ 36,675 |
| Contract services | 88,450 | 87,617 | 84,513 | 3,104 |
| Materials and supplies. | 16,536 | 18,536 | 14,762 | 3,774 |
| Other | - | - | (790) | 790 |
| Total income tax | <u>521,608</u> | <u>503,436</u> | <u>459,093</u> | <u>44,343</u> |
| Total general government | <u>8,441,807</u> | <u>8,162,359</u> | <u>7,368,405</u> | <u>793,954</u> |
| Security of persons and property | | | | |
| Police | | | | |
| Personal services | 8,159,056 | 8,066,411 | 7,858,330 | 208,081 |
| Contract services | 1,280,988 | 1,030,488 | 997,944 | 32,544 |
| Materials and supplies. | 282,712 | 237,712 | 168,327 | 69,385 |
| Total police. | <u>9,722,756</u> | <u>9,334,611</u> | <u>9,024,601</u> | <u>310,010</u> |
| Fire | | | | |
| Personal services | 6,290,859 | 6,252,718 | 5,847,518 | 405,200 |
| Contract services | 322,184 | 279,983 | 235,085 | 44,898 |
| Materials and supplies. | 134,898 | 104,398 | 73,254 | 31,144 |
| Total fire | <u>6,747,941</u> | <u>6,637,099</u> | <u>6,155,857</u> | <u>481,242</u> |
| Bio-Terrorism | | | | |
| Contract services | 4,010 | 4,800 | 504 | 4,296 |
| Materials and supplies. | 3,592 | 4,300 | 2,930 | 1,370 |
| Total bio-terrorism | <u>7,602</u> | <u>9,100</u> | <u>3,434</u> | <u>5,666</u> |
| Total security of persons and property . | <u>16,478,299</u> | <u>15,980,810</u> | <u>15,183,892</u> | <u>796,918</u> |
| Public health and welfare | | | | |
| Health | | | | |
| Personal services | 253,365 | 303,308 | 294,682 | 8,626 |
| Contract services | 69,233 | 80,402 | 84,805 | (4,403) |
| Materials and supplies. | 37,034 | 42,899 | 14,193 | 28,706 |
| Other. | 198,716 | 207,736 | 207,697 | 39 |
| Capital outlay | 6,683 | 8,000 | 4,045 | 3,955 |
| Total health | <u>565,031</u> | <u>642,345</u> | <u>605,422</u> | <u>36,923</u> |
| Dental | | | | |
| Contract services | 30,582 | 35,978 | 28,352 | 7,626 |
| Materials and supplies. | 9,477 | 7,779 | 5,199 | 2,580 |
| Total dental. | <u>40,059</u> | <u>43,757</u> | <u>33,551</u> | <u>10,206</u> |
| Total public health and welfare | <u>605,090</u> | <u>686,102</u> | <u>638,973</u> | <u>47,129</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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Community environment | | | | |
| Environmental health | | | | |
| Personal services | \$ 445,939 | \$ 533,843 | \$ 538,715 | \$ (4,872) |
| Contract services | 122,559 | 142,762 | 122,981 | 19,781 |
| Materials and supplies. | 9,660 | 10,612 | 9,688 | 924 |
| Other. | 6,958 | 8,250 | 7,553 | 697 |
| Total environmental health | <u>585,116</u> | <u>695,467</u> | <u>678,937</u> | <u>16,530</u> |
| Weed control | | | | |
| Contract services | 480 | 575 | 458 | 117 |
| Materials and supplies. | 1,253 | 1,500 | 515 | 985 |
| Total weed control | <u>1,733</u> | <u>2,075</u> | <u>973</u> | <u>1,102</u> |
| Mosquito control | | | | |
| Contract services | 209 | 250 | - | 250 |
| Materials and supplies. | 1,169 | 1,400 | 2 | 1,398 |
| Total mosquito control | <u>1,378</u> | <u>1,650</u> | <u>2</u> | <u>1,648</u> |
| Engineering building and plant department | | | | |
| Personal services | 939,163 | 935,945 | 901,162 | 34,783 |
| Contract services | 344,018 | 269,808 | 220,454 | 49,354 |
| Materials and supplies. | 24,916 | 19,596 | 17,476 | 2,120 |
| Other | 18,000 | 12,000 | 5,135 | 6,865 |
| Total engineering building and plant department. | <u>1,326,097</u> | <u>1,237,349</u> | <u>1,144,227</u> | <u>93,122</u> |
| Total community environment. | <u>1,914,324</u> | <u>1,936,541</u> | <u>1,824,139</u> | <u>112,402</u> |
| Leisure time activity | | | | |
| Operations - Packard Park | | | | |
| Personal services | 142,701 | 132,313 | 122,094 | 10,219 |
| Contract services | 84,345 | 78,205 | 69,903 | 8,302 |
| Materials and supplies. | 15,045 | 13,950 | 9,317 | 4,633 |
| Other. | 4,580 | 4,200 | 3,890 | 310 |
| Total operations - packard park. | <u>246,671</u> | <u>228,668</u> | <u>205,204</u> | <u>23,464</u> |
| Operations - parks | | | | |
| Personal services | 236,616 | 219,392 | 204,779 | 14,613 |
| Contract services | 105,290 | 97,625 | 67,709 | 29,916 |
| Materials and supplies. | 45,678 | 42,255 | 18,890 | 23,365 |
| Other. | 751 | 650 | 550 | 100 |
| Total operations - parks. | <u>388,335</u> | <u>359,922</u> | <u>291,928</u> | <u>67,994</u> |
| Total leisure time activity | <u>635,006</u> | <u>588,590</u> | <u>497,132</u> | <u>91,458</u> |
| Total expenditures. | <u>28,074,526</u> | <u>27,354,402</u> | <u>25,512,541</u> | <u>1,841,861</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, 2009

| | <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. | \$ 79,617 | \$ (1,739,006) | \$ (529,219) | \$ 1,209,787 |
| Other financing sources (uses): | | | | |
| Transfers in | 604,288 | 549,797 | 536,231 | (13,566) |
| Transfers out | <u>(870,338)</u> | <u>(870,388)</u> | <u>(816,500)</u> | <u>53,888</u> |
| Total other financing sources (uses). . . | <u>(266,050)</u> | <u>(320,591)</u> | <u>(280,269)</u> | <u>40,322</u> |
| Net change in fund balance | (186,433) | (2,059,597) | (809,488) | 1,250,109 |
| Fund balance at beginning of year | 2,536,980 | 2,536,980 | 2,536,980 | - |
| Prior year encumbrances appropriated . | <u>255,288</u> | <u>255,288</u> | <u>255,288</u> | - |
| Fund balance at end of year | <u>\$ 2,605,835</u> | <u>\$ 732,671</u> | <u>\$ 1,982,780</u> | <u>\$ 1,250,109</u> |

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

| | 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. | \$ 3,610,769 | \$ 300,006 | \$ 3,910,775 |
| Receivables (net of allowances of uncollectibles): | | | |
| Real and other taxes | 390,620 | 1,886,259 | 2,276,879 |
| Accounts. | 38,452 | - | 38,452 |
| Loans. | 5,775,336 | - | 5,775,336 |
| Special assessments | 861,809 | 69,598 | 931,407 |
| Due from other governments | 976,659 | 87,544 | 1,064,203 |
| Materials and supplies inventory | 36,571 | - | 36,571 |
| Total assets. | <u>\$ 11,690,216</u> | <u>\$ 2,343,407</u> | <u>\$ 14,033,623</u> |
| Liabilities: | | | |
| Accounts payable | \$ 163,611 | \$ - | \$ 163,611 |
| Contracts payable | 488,557 | - | 488,557 |
| Accrued wages and benefits. | 19,129 | - | 19,129 |
| Due to other governments | 2,864 | - | 2,864 |
| Deferred revenue. | 1,666,357 | 760,174 | 2,426,531 |
| Unearned revenue | 258,226 | 1,246,947 | 1,505,173 |
| Total liabilities | <u>2,598,744</u> | <u>2,007,121</u> | <u>4,605,865</u> |
| Fund balances: | | | |
| Reserved for encumbrances. | 1,088,486 | - | 1,088,486 |
| Reserved for materials and supplies inventory | 36,571 | - | 36,571 |
| Reserved for loans | 5,775,336 | - | 5,775,336 |
| Reserved for tax advance | 7,514 | 36,280 | 43,794 |
| Unreserved, undesignated, reported in: | | | |
| Special revenue funds | 2,183,565 | - | 2,183,565 |
| Debt service fund | - | 300,006 | 300,006 |
| Total fund balances | <u>9,091,472</u> | <u>336,286</u> | <u>9,427,758</u> |
| Total liabilities and fund equity | <u>\$ 11,690,216</u> | <u>\$ 2,343,407</u> | <u>\$ 14,033,623</u> |

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Total Nonmajor Governmental Funds |
|--|---|---|--|
| Revenues: | | | |
| Property and other taxes | \$ 259,298 | \$ 1,252,230 | \$ 1,511,528 |
| Charges for services | 9,035 | - | 9,035 |
| Licenses and permits. | 84,344 | - | 84,344 |
| Fines and forfeitures. | 527,418 | - | 527,418 |
| Intergovernmental | 5,359,237 | 175,088 | 5,534,325 |
| Special assessments | 14,521 | 13,159 | 27,680 |
| Investment income. | 92,962 | - | 92,962 |
| Other. | 115,691 | - | 115,691 |
| Total revenues. | <u>6,462,506</u> | <u>1,440,477</u> | <u>7,902,983</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 180,180 | 23,269 | 203,449 |
| Security of persons and property | 464,344 | - | 464,344 |
| Transportation | 1,640,909 | - | 1,640,909 |
| Economic development. | 3,082,605 | - | 3,082,605 |
| Capital outlay | 259,344 | - | 259,344 |
| Debt service: | | | |
| Principal retirement | 439,574 | 1,034,320 | 1,473,894 |
| Interest and fiscal charges. | 252,896 | 268,065 | 520,961 |
| Total expenditures. | <u>6,319,852</u> | <u>1,325,654</u> | <u>7,645,506</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>142,654</u> | <u>114,823</u> | <u>257,477</u> |
| Other financing sources (uses): | | | |
| Transfers in | 350,851 | 88,184 | 439,035 |
| Transfers out | <u>(709,459)</u> | <u>-</u> | <u>(709,459)</u> |
| Total other financing sources (uses) | <u>(358,608)</u> | <u>88,184</u> | <u>(270,424)</u> |
| Net change in fund balance | (215,954) | 203,007 | (12,947) |
| Fund balances at beginning of year | <u>9,307,426</u> | <u>133,279</u> | <u>9,440,705</u> |
| Fund balances at end of year. | <u><u>\$ 9,091,472</u></u> | <u><u>\$ 336,286</u></u> | <u><u>\$ 9,427,758</u></u> |

CITY OF WARREN, OHIO

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009**

| | <u>Court Computerization</u> | <u>Street Maintenance</u> | <u>Drivers Alcohol Treatment</u> |
|---|----------------------------------|-------------------------------|--------------------------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 290,368 | \$ 55,332 | \$ 15,967 |
| Receivables (net of allowances for uncollectibles): | | | |
| Real and other taxes. | - | - | - |
| Accounts | 8,314 | - | 627 |
| Loans | - | - | - |
| Special assessments. | - | - | - |
| Due from other governments | - | 802,409 | - |
| Materials and supplies inventory | - | 6,899 | - |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 298,682</u> | <u>\$ 864,640</u> | <u>\$ 16,594</u> |
| Liabilities: | | | |
| Accounts payable | \$ 3,452 | \$ 28,279 | \$ 18,241 |
| Contracts payable | - | - | - |
| Accrued wages and benefits | - | 14,270 | - |
| Due to other governments | - | 2,124 | - |
| Deferred revenue. | - | 610,553 | - |
| Unearned revenue | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>3,452</u> | <u>655,226</u> | <u>18,241</u> |
| Fund Equity: | | | |
| Reserved for encumbrances | 117,886 | 7,626 | - |
| Reserved for materials and supplies inventory | - | 6,899 | - |
| Reserved for loans. | - | - | - |
| Reserved for tax advance | - | - | - |
| Unreserved (deficit), undesignated reported in: | | | |
| Special revenue funds. | 177,344 | 194,889 | (1,647) |
| | <hr/> | <hr/> | <hr/> |
| Total fund equity | <u>295,230</u> | <u>209,414</u> | <u>(1,647)</u> |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund equity. | <u>\$ 298,682</u> | <u>\$ 864,640</u> | <u>\$ 16,594</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> |
|-----------------------------|------------------------------|----------------------------------|----------------------------|------------------------------------|----------------------------------|
| \$ 15,480 | \$ 367,053 | \$ 21,260 | \$ 105,151 | \$ 194,274 | \$ 342,209 |
| - | - | - | - | - | - |
| - | - | 75 | - | 6,434 | 20,475 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 15,480</u> | <u>\$ 367,053</u> | <u>\$ 21,335</u> | <u>\$ 105,151</u> | <u>\$ 200,708</u> | <u>\$ 362,684</u> |
| \$ - | \$ 6,679 | \$ - | \$ 800 | \$ 2,208 | \$ 10,930 |
| - | - | - | - | - | 42,124 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>6,679</u> | <u>-</u> | <u>800</u> | <u>2,208</u> | <u>53,054</u> |
| - | - | - | 56 | 504 | 29,776 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>15,480</u> | <u>360,374</u> | <u>21,335</u> | <u>104,295</u> | <u>197,996</u> | <u>279,854</u> |
| <u>15,480</u> | <u>360,374</u> | <u>21,335</u> | <u>104,351</u> | <u>198,500</u> | <u>309,630</u> |
| <u>\$ 15,480</u> | <u>\$ 367,053</u> | <u>\$ 21,335</u> | <u>\$ 105,151</u> | <u>\$ 200,708</u> | <u>\$ 362,684</u> |

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2009

| | <u>Legal Research - Courts</u> | <u>Police Pension</u> | <u>Fire Pension</u> |
|---|------------------------------------|---------------------------|-------------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 141,802 | \$ 421,054 | \$ 328,108 |
| Receivables (net of allowances for uncollectibles): | | | |
| Real and other taxes. | - | 195,310 | 195,310 |
| Accounts | 2,527 | - | - |
| Loans | - | - | - |
| Special assessments. | - | - | - |
| Due from other governments | - | 9,806 | 9,806 |
| Materials and supplies inventory | - | - | - |
| Total assets | <u>\$ 144,329</u> | <u>\$ 626,170</u> | <u>\$ 533,224</u> |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Contracts payable | - | - | - |
| Accrued wages and benefits | - | - | - |
| Due to other governments | - | - | - |
| Deferred revenue. | - | 72,246 | 72,246 |
| Unearned revenue | - | 129,113 | 129,113 |
| Total liabilities | <u>-</u> | <u>201,359</u> | <u>201,359</u> |
| Fund Equity: | | | |
| Reserved for encumbrances | 565 | - | - |
| Reserved for materials and supplies inventory | - | - | - |
| Reserved for loans. | - | - | - |
| Reserved for tax advance | - | 3,757 | 3,757 |
| Unreserved (deficit), undesignated reported in: | | | |
| Special revenue funds. | 143,764 | 421,054 | 328,108 |
| Total fund equity | <u>144,329</u> | <u>424,811</u> | <u>331,865</u> |
| Total liabilities and fund equity. | <u>\$ 144,329</u> | <u>\$ 626,170</u> | <u>\$ 533,224</u> |

| CDBG | Guarantee Loan | Highway Construction | Motor Vehicle Levy | Home Investment | Total |
|---------------------|---------------------------|---------------------------------|-------------------------------|----------------------------|----------------------|
| \$ 614,176 | \$ 85,261 | \$ 95,814 | \$ 34,631 | \$ 482,829 | \$ 3,610,769 |
| - | - | - | - | - | 390,620 |
| - | - | - | - | - | 38,452 |
| 1,810,942 | 1,936,502 | - | - | 2,027,892 | 5,775,336 |
| 861,809 | - | - | - | - | 861,809 |
| 55,341 | - | 65,060 | 34,237 | - | 976,659 |
| - | - | - | 29,672 | - | 36,571 |
| <u>\$ 3,342,268</u> | <u>\$ 2,021,763</u> | <u>\$ 160,874</u> | <u>\$ 98,540</u> | <u>\$ 2,510,721</u> | <u>\$ 11,690,216</u> |
| \$ 57,129 | \$ - | \$ 1,035 | \$ 34,858 | \$ - | \$ 163,611 |
| 442,858 | - | - | - | 3,575 | 488,557 |
| 4,859 | - | - | - | - | 19,129 |
| 740 | - | - | - | - | 2,864 |
| 861,809 | - | 49,503 | - | - | 1,666,357 |
| - | - | - | - | - | 258,226 |
| <u>1,367,395</u> | <u>-</u> | <u>50,538</u> | <u>34,858</u> | <u>3,575</u> | <u>2,598,744</u> |
| 617,173 | - | 3,651 | - | 311,249 | 1,088,486 |
| - | - | - | 29,672 | - | 36,571 |
| 1,810,942 | 1,936,502 | - | - | 2,027,892 | 5,775,336 |
| - | - | - | - | - | 7,514 |
| <u>(453,242)</u> | <u>85,261</u> | <u>106,685</u> | <u>34,010</u> | <u>168,005</u> | <u>2,183,565</u> |
| <u>1,974,873</u> | <u>2,021,763</u> | <u>110,336</u> | <u>63,682</u> | <u>2,507,146</u> | <u>9,091,472</u> |
| <u>\$ 3,342,268</u> | <u>\$ 2,021,763</u> | <u>\$ 160,874</u> | <u>\$ 98,540</u> | <u>\$ 2,510,721</u> | <u>\$ 11,690,216</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, 2009**

| | <u>Court Computerization</u> | <u>Street Maintenance</u> | <u>Drivers Alcohol Treatment</u> |
|--|----------------------------------|-------------------------------|--------------------------------------|
| Revenues: | | | |
| Property and other taxes | \$ - | \$ - | \$ - |
| Charges for services. | - | - | - |
| Licenses and permits | - | 4,400 | - |
| Fines and forfeitures. | 114,442 | - | 30,184 |
| Intergovernmental. | - | 1,450,393 | - |
| Special assessment | - | - | - |
| Investment income | - | - | - |
| Other | - | 7,943 | - |
| | <hr/> | <hr/> | <hr/> |
| Total revenues. | 114,442 | 1,462,736 | 30,184 |
| | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | |
| Current operations: | | | |
| General government | 180,180 | - | - |
| Security of persons and property | - | - | 33,486 |
| Transportation. | - | 1,640,909 | - |
| Economic development | - | - | - |
| Capital outlay. | - | - | - |
| Debt service: | | | |
| Principal retirement | - | 1,766 | - |
| Interest and fiscal charges | - | 382 | - |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 180,180 | 1,643,057 | 33,486 |
| | <hr/> | <hr/> | <hr/> |
| Excess (deficiency) of revenues over (under) expenditures | (65,738) | (180,321) | (3,302) |
| | <hr/> | <hr/> | <hr/> |
| Other financing sources (uses): | | | |
| Transfers in. | - | 300,000 | - |
| Transfers out | (5,000) | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | (5,000) | 300,000 | - |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balance. | (70,738) | 119,679 | (3,302) |
| | <hr/> | <hr/> | <hr/> |
| Fund balances at beginning of year. | 365,968 | 89,735 | 1,655 |
| | <hr/> | <hr/> | <hr/> |
| Fund balances (deficit) at end of year. | \$ 295,230 | \$ 209,414 | \$ (1,647) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| Drug Law Enforcement | Law Enforcement Trust | Enforcement and Education | Federal Forfeitures | Probation - Municipal Court | Special Projects - Courts |
|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------|--|--------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | 79,944 | - |
| 14,657 | 87,258 | 860 | - | - | 245,500 |
| - | 513,877 | - | 30,405 | - | - |
| - | - | - | - | - | - |
| - | - | - | 3,812 | - | 81 |
| - | 1,000 | - | - | - | - |
| <u>14,657</u> | <u>602,135</u> | <u>860</u> | <u>34,217</u> | <u>79,944</u> | <u>245,581</u> |
| - | - | - | - | - | - |
| - | 103,101 | 348 | 20,310 | 88,911 | 183,691 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>-</u> | <u>103,101</u> | <u>348</u> | <u>20,310</u> | <u>88,911</u> | <u>183,691</u> |
| <u>14,657</u> | <u>499,034</u> | <u>512</u> | <u>13,907</u> | <u>(8,967)</u> | <u>61,890</u> |
| - | - | - | - | - | - |
| - | (221,231) | - | - | - | (310,000) |
| - | (221,231) | - | - | - | (310,000) |
| 14,657 | 277,803 | 512 | 13,907 | (8,967) | (248,110) |
| 823 | 82,571 | 20,823 | 90,444 | 207,467 | 557,740 |
| <u>\$ 15,480</u> | <u>\$ 360,374</u> | <u>\$ 21,335</u> | <u>\$ 104,351</u> | <u>\$ 198,500</u> | <u>\$ 309,630</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, 2009

| | Legal Research - Courts | Police Pension | Fire Pension |
|--|------------------------------------|---------------------------|-------------------------|
| | <hr/> | <hr/> | <hr/> |
| Revenues: | | | |
| Property and other taxes | \$ - | \$ 129,649 | \$ 129,649 |
| Charges for services. | - | - | - |
| Licenses and permits | - | - | - |
| Fines and forfeitures. | 34,517 | - | - |
| Intergovernmental. | - | 19,611 | 19,611 |
| Special assessment | - | - | - |
| Investment income | 150 | - | - |
| Other | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total revenues. | 34,667 | 149,260 | 149,260 |
| | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | |
| Current operations: | | | |
| General government | - | - | - |
| Security of persons and property | 30,288 | 2,104 | 2,105 |
| Transportation. | - | - | - |
| Economic development | - | - | - |
| Capital outlay. | - | - | - |
| Debt service: | | | |
| Principal retirement | - | 25,753 | 30,883 |
| Interest and fiscal charges | - | 51,766 | 62,078 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 30,288 | 79,623 | 95,066 |
| | <hr/> | <hr/> | <hr/> |
| Excess (deficiency) of revenues over (under) expenditures | 4,379 | 69,637 | 54,194 |
| | <hr/> | <hr/> | <hr/> |
| Other financing sources (uses): | | | |
| Transfers in. | - | - | - |
| Transfers out | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balance. | 4,379 | 69,637 | 54,194 |
| | <hr/> | <hr/> | <hr/> |
| Fund balances at beginning of year. | 139,950 | 355,174 | 277,671 |
| | <hr/> | <hr/> | <hr/> |
| Fund balances at end of year | \$ 144,329 | \$ 424,811 | \$ 331,865 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| CDBG | Guarantee Loan | Highway Construction | Motor Vehicle Levy | Home Investment | Total |
|---------------------|---------------------------|---------------------------------|-------------------------------|----------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 259,298 |
| 9,035 | - | - | - | - | 9,035 |
| - | - | - | - | - | 84,344 |
| - | - | - | - | - | 527,418 |
| 1,998,296 | - | 117,600 | 326,259 | 883,185 | 5,359,237 |
| 14,521 | - | - | - | - | 14,521 |
| 63,116 | 1,107 | 1,805 | 1,079 | 21,812 | 92,962 |
| 14,269 | 92,000 | - | - | 479 | 115,691 |
| <u>2,099,237</u> | <u>93,107</u> | <u>119,405</u> | <u>327,338</u> | <u>905,476</u> | <u>6,462,506</u> |
| - | - | - | - | - | 180,180 |
| - | - | - | - | - | 464,344 |
| - | - | - | - | - | 1,640,909 |
| 1,996,510 | 373 | - | - | 1,085,722 | 3,082,605 |
| - | - | 52,627 | 206,717 | - | 259,344 |
| 251,172 | 130,000 | - | - | - | 439,574 |
| 11,717 | 126,953 | - | - | - | 252,896 |
| <u>2,259,399</u> | <u>257,326</u> | <u>52,627</u> | <u>206,717</u> | <u>1,085,722</u> | <u>6,319,852</u> |
| <u>(160,162)</u> | <u>(164,219)</u> | <u>66,778</u> | <u>120,621</u> | <u>(180,246)</u> | <u>142,654</u> |
| - | 44,351 | - | 6,500 | - | 350,851 |
| <u>(44,351)</u> | <u>-</u> | <u>-</u> | <u>(128,877)</u> | <u>-</u> | <u>(709,459)</u> |
| <u>(44,351)</u> | <u>44,351</u> | <u>-</u> | <u>(122,377)</u> | <u>-</u> | <u>(358,608)</u> |
| (204,513) | (119,868) | 66,778 | (1,756) | (180,246) | (215,954) |
| <u>2,179,386</u> | <u>2,141,631</u> | <u>43,558</u> | <u>65,438</u> | <u>2,687,392</u> | <u>9,307,426</u> |
| <u>\$ 1,974,873</u> | <u>\$ 2,021,763</u> | <u>\$ 110,336</u> | <u>\$ 63,682</u> | <u>\$ 2,507,146</u> | <u>\$ 9,091,472</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, 2009

| | <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 | \$ 120,000 | \$ 120,000 | \$ 115,962 | \$ (4,038) |
| Total revenues | <u>120,000</u> | <u>120,000</u> | <u>115,962</u> | <u>(4,038)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Contract services | 95,501 | 99,501 | 55,139 | 44,362 |
| Materials and supplies. | 21,186 | 21,187 | 16,469 | 4,718 |
| Capital outlay | <u>172,558</u> | <u>346,922</u> | <u>227,934</u> | <u>118,988</u> |
| Total general government | <u>289,245</u> | <u>467,610</u> | <u>299,542</u> | <u>168,068</u> |
| Total expenditures | <u>289,245</u> | <u>467,610</u> | <u>299,542</u> | <u>168,068</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(169,245)</u> | <u>(347,610)</u> | <u>(183,580)</u> | <u>164,030</u> |
| Other financing uses: | | | | |
| Transfers out | - | (10,000) | (5,000) | 5,000 |
| Total other financing uses | <u>-</u> | <u>(10,000)</u> | <u>(5,000)</u> | <u>5,000</u> |
| Net change in fund balance. | (169,245) | (357,610) | (188,580) | 169,030 |
| Fund balance at beginning of year | 188,365 | 188,365 | 188,365 | - |
| Prior year encumbrances appropriated . | <u>169,245</u> | <u>169,245</u> | <u>169,245</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 188,365</u> | <u>\$ -</u> | <u>\$ 169,030</u> | <u>\$ 169,030</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Licenses and permits. | \$ 5,584 | \$ 5,346 | \$ 4,400 | (946) |
| Intergovernmental | 1,916,606 | 1,834,876 | 1,510,222 | (324,654) |
| Other | 10,080 | 9,651 | 7,943 | (1,708) |
| Total revenues | <u>1,932,270</u> | <u>1,849,873</u> | <u>1,522,565</u> | <u>(327,308)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Personal services | 1,351,616 | 1,316,916 | 1,120,755 | 196,161 |
| Contract services | 553,115 | 529,115 | 409,680 | 119,435 |
| Materials and supplies. | 432,312 | 392,312 | 302,143 | 90,169 |
| Total transportation | <u>2,337,043</u> | <u>2,238,343</u> | <u>1,832,578</u> | <u>405,765</u> |
| Total expenditures | <u>2,337,043</u> | <u>2,238,343</u> | <u>1,832,578</u> | <u>405,765</u> |
| Excess (deficiency) of revenues over (under) expenditures. | <u>(404,773)</u> | <u>(388,470)</u> | <u>(310,013)</u> | <u>78,457</u> |
| Other financing sources: | | | | |
| Transfers in. | 380,727 | 364,491 | 300,000 | (64,491) |
| Total other financing sources | <u>380,727</u> | <u>364,491</u> | <u>300,000</u> | <u>(64,491)</u> |
| Net change in fund balance | (24,046) | (23,979) | (10,013) | 13,966 |
| Fund balance at beginning of year | 17,443 | 17,443 | 17,443 | - |
| Prior year encumbrances appropriated . | <u>22,479</u> | <u>22,479</u> | <u>22,479</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 15,876</u> | <u>\$ 15,943</u> | <u>\$ 29,909</u> | <u>\$ 13,966</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, 2009

| | <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 | \$ 30,135 | \$ 10,135 |
| Total revenues | <u>20,000</u> | <u>20,000</u> | <u>30,135</u> | <u>10,135</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 20,000 | 20,000 | 15,245 | 4,755 |
| Total security of persons and property. | <u>20,000</u> | <u>20,000</u> | <u>15,245</u> | <u>4,755</u> |
| Total expenditures | <u>20,000</u> | <u>20,000</u> | <u>15,245</u> | <u>4,755</u> |
| Net change in fund balance | - | - | 14,890 | 14,890 |
| Fund balance at beginning of year | <u>1,077</u> | <u>1,077</u> | <u>1,077</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,077</u> | <u>\$ 1,077</u> | <u>\$ 15,967</u> | <u>\$ 14,890</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, 2009

| | <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 | \$ 2,500 | \$ 2,500 | \$ 14,657 | \$ 12,157 |
| Total revenues | <u>2,500</u> | <u>2,500</u> | <u>14,657</u> | <u>12,157</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Materials and supplies. | 2,500 | 2,500 | - | 2,500 |
| Total security of persons and property. | <u>2,500</u> | <u>2,500</u> | <u>-</u> | <u>2,500</u> |
| Total expenditures | <u>2,500</u> | <u>2,500</u> | <u>-</u> | <u>2,500</u> |
| Net change in fund balance | - | - | 14,657 | 14,657 |
| Fund balance at beginning of year | <u>823</u> | <u>823</u> | <u>823</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 823</u> | <u>\$ 823</u> | <u>\$ 15,480</u> | <u>\$ 14,657</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, 2009**

| | <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 | \$ 2,504 | \$ 25,000 | \$ 87,258 | \$ 62,258 |
| Intergovernmental | 47,496 | 474,276 | 513,877 | 39,601 |
| Other | - | - | 1,000 | 1,000 |
| Total revenues | <u>50,000</u> | <u>499,276</u> | <u>602,135</u> | <u>102,859</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contractual services. | 17,000 | 17,000 | 7,498 | 9,502 |
| Materials and supplies. | 11,000 | 11,000 | 741 | 10,259 |
| Capital outlay | 6,000 | 53,042 | 47,906 | 5,136 |
| Other | - | 239,456 | 46,797 | 192,659 |
| Total security of persons and property. | <u>34,000</u> | <u>320,498</u> | <u>102,942</u> | <u>217,556</u> |
| Total expenditures | <u>34,000</u> | <u>320,498</u> | <u>102,942</u> | <u>217,556</u> |
| Excess of revenues over expenditures | <u>16,000</u> | <u>178,778</u> | <u>499,193</u> | <u>320,415</u> |
| Other financing uses: | | | | |
| Transfers out | - | (221,500) | (221,231) | 269 |
| Total other financing uses. | <u>-</u> | <u>(221,500)</u> | <u>(221,231)</u> | <u>269</u> |
| Net change in fund balance | 16,000 | (42,722) | 277,962 | 320,415 |
| Fund balance at beginning of year | <u>82,571</u> | <u>82,571</u> | <u>82,571</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 98,571</u> | <u>\$ 39,849</u> | <u>\$ 360,533</u> | <u>\$ 320,415</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, 2009

| | <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 | \$ 2,000 | \$ 2,000 | \$ 935 | \$ (1,065) |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>935</u> | <u>(1,065)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Materials and supplies. | 2,000 | 2,000 | 348 | 1,652 |
| Total security of persons and property. | <u>2,000</u> | <u>2,000</u> | <u>348</u> | <u>1,652</u> |
| Total expenditures | <u>2,000</u> | <u>2,000</u> | <u>348</u> | <u>1,652</u> |
| Net change in fund balance | - | - | 587 | 587 |
| Fund balance at beginning of year | <u>20,673</u> | <u>20,673</u> | <u>20,673</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 20,673</u> | <u>\$ 20,673</u> | <u>\$ 21,260</u> | <u>\$ 587</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 40,000 | \$ 40,000 | \$ 30,405 | \$ (9,595) |
| Investment income | 10,000 | 10,000 | 3,812 | (6,188) |
| Total revenues | <u>50,000</u> | <u>50,000</u> | <u>34,217</u> | <u>(15,783)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 28,000 | 28,000 | 8,561 | 19,439 |
| Materials and supplies. | 18,820 | 18,820 | 5,720 | 13,100 |
| Capital outlay | 21,750 | 21,750 | 20,995 | 755 |
| Total security of persons and property. | <u>68,570</u> | <u>68,570</u> | <u>35,276</u> | <u>33,294</u> |
| Total expenditures | <u>68,570</u> | <u>68,570</u> | <u>35,276</u> | <u>33,294</u> |
| Net change in fund balance | (18,570) | (18,570) | (1,059) | 17,511 |
| Fund balance at beginning of year | 86,784 | 86,784 | 86,784 | - |
| Prior year encumbrances appropriated . | <u>18,570</u> | <u>18,570</u> | <u>18,570</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 86,784</u> | <u>\$ 86,784</u> | <u>\$ 104,295</u> | <u>\$ 17,511</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Licenses and permits | \$ 60,000 | \$ 60,000 | \$ 78,398 | \$ 18,398 |
| Total revenues | <u>60,000</u> | <u>60,000</u> | <u>78,398</u> | <u>18,398</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Personal services | 23,411 | 57,911 | 47,947 | 9,964 |
| Contract services | 35,216 | 47,216 | 36,492 | 10,724 |
| Materials and supplies | - | 7,500 | 2,768 | 4,732 |
| Total security of persons and property. | <u>58,627</u> | <u>112,627</u> | <u>87,207</u> | <u>25,420</u> |
| Total expenditures | <u>58,627</u> | <u>112,627</u> | <u>87,207</u> | <u>25,420</u> |
| Net change in fund balance | 1,373 | (52,627) | (8,809) | 43,818 |
| Fund balance at beginning of year | 198,163 | 198,163 | 198,163 | - |
| Prior year encumbrances appropriated . | <u>4,416</u> | <u>4,416</u> | <u>4,416</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 203,952</u> | <u>\$ 149,952</u> | <u>\$ 193,770</u> | <u>\$ 43,818</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 180,000 | \$ 180,000 | \$ 240,201 | \$ 60,201 |
| Investment income | - | - | 81 | 81 |
| Total revenues | <u>180,000</u> | <u>180,000</u> | <u>240,282</u> | <u>60,282</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 47,700 | 99,710 | 54,909 | 44,801 |
| Materials and supplies. | 36,971 | 36,971 | 19,750 | 17,221 |
| Capital outlay | 64,037 | 186,037 | 139,866 | 46,171 |
| Total security of persons and property. | <u>148,708</u> | <u>322,718</u> | <u>214,525</u> | <u>108,193</u> |
| Total expenditures | <u>148,708</u> | <u>322,718</u> | <u>214,525</u> | <u>108,193</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>31,292</u> | <u>(142,718)</u> | <u>25,757</u> | <u>168,475</u> |
| Other financing uses: | | | | |
| Transfers out | - | (310,000) | (310,000) | - |
| Total other financing uses. | <u>-</u> | <u>(310,000)</u> | <u>(310,000)</u> | <u>-</u> |
| Net change in fund balance | 31,292 | (452,718) | (284,243) | 168,475 |
| Fund balance at beginning of year | 502,614 | 502,614 | 502,614 | - |
| Prior year encumbrances appropriated . | <u>41,008</u> | <u>41,008</u> | <u>41,008</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 574,914</u> | <u>\$ 90,904</u> | <u>\$ 259,379</u> | <u>\$ 168,475</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 YEAR ENDED DECEMBER 31, 2009

| | <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 | \$ 40,000 | \$ 40,000 | \$ 34,960 | \$ (5,040) |
| Investment income | - | - | 150 | 150 |
| Total revenues | <u>40,000</u> | <u>40,000</u> | <u>35,110</u> | <u>(4,890)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 25,600 | 37,100 | 30,853 | 6,247 |
| Total security of persons and property. | <u>25,600</u> | <u>37,100</u> | <u>30,853</u> | <u>6,247</u> |
| Total expenditures | <u>25,600</u> | <u>37,100</u> | <u>30,853</u> | <u>6,247</u> |
| Net change in fund balance | 14,400 | 2,900 | 4,257 | 1,357 |
| Fund balance at beginning of year | <u>136,980</u> | <u>136,980</u> | <u>136,980</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 151,380</u> | <u>\$ 139,880</u> | <u>\$ 141,237</u> | <u>\$ 1,357</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property and other taxes | \$ 138,473 | \$ 139,251 | \$ 128,162 | \$ (11,089) |
| Intergovernmental | - | 14,000 | 19,611 | 5,611 |
| Total revenues | <u>138,473</u> | <u>153,251</u> | <u>147,773</u> | <u>(5,478)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 3,481 | 3,481 | 2,104 | 1,377 |
| Total security of persons and property. | <u>3,481</u> | <u>3,481</u> | <u>2,104</u> | <u>1,377</u> |
| Debt service: | | | | |
| Principal retirement | 25,753 | 25,753 | 25,753 | - |
| Interest and fiscal charges | 51,766 | 51,766 | 51,766 | - |
| Total debt service | <u>77,519</u> | <u>77,519</u> | <u>77,519</u> | <u>-</u> |
| Total expenditures | <u>81,000</u> | <u>81,000</u> | <u>79,623</u> | <u>1,377</u> |
| Net change in fund balance | 57,473 | 72,251 | 68,150 | (4,101) |
| Fund balance at beginning of year | <u>352,904</u> | <u>352,904</u> | <u>352,904</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 410,377</u> | <u>\$ 425,155</u> | <u>\$ 421,054</u> | <u>\$ (4,101)</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property and other taxes | \$ 138,473 | \$ 139,251 | \$ 128,162 | \$ (11,089) |
| Intergovernmental | - | 14,000 | 19,611 | 5,611 |
| Total revenues | <u>138,473</u> | <u>153,251</u> | <u>147,773</u> | <u>(5,478)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Contract services | 4,037 | 4,037 | 2,105 | 1,932 |
| Total security of persons and property. | <u>4,037</u> | <u>4,037</u> | <u>2,105</u> | <u>1,932</u> |
| Debt service: | | | | |
| Principal retirement | 30,884 | 30,884 | 30,883 | 1 |
| Interest and fiscal charges | 62,079 | 62,079 | 62,078 | 1 |
| Total debt service | <u>92,963</u> | <u>92,963</u> | <u>92,961</u> | <u>2</u> |
| Total expenditures | <u>97,000</u> | <u>97,000</u> | <u>95,066</u> | <u>1,934</u> |
| Net change in fund balance | 41,473 | 56,251 | 52,707 | (3,544) |
| Fund balance at beginning of year | <u>275,401</u> | <u>275,401</u> | <u>275,401</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 316,874</u> | <u>\$ 331,652</u> | <u>\$ 328,108</u> | <u>\$ (3,544)</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, 2009

| | <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 | \$ 234,368 | \$ 500,000 | \$ 147,628 | \$ (352,372) |
| Intergovernmental | 1,707,743 | 3,643,298 | 1,942,955 | (1,700,343) |
| Special assessments | 9,375 | 20,000 | 14,521 | (5,479) |
| Investment income | 37,499 | 80,000 | 63,116 | (16,884) |
| Other | 11,015 | 23,500 | 14,269 | (9,231) |
| Total revenues | <u>2,000,000</u> | <u>4,266,798</u> | <u>2,182,489</u> | <u>(2,084,309)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development and assistance | | | | |
| Personal services | 403,041 | 466,041 | 334,396 | 131,645 |
| Contract services | 294,596 | 794,596 | 576,369 | 218,227 |
| Materials and supplies. | 8,882 | 8,882 | 3,231 | 5,651 |
| Capital outlay | 770,939 | 1,719,737 | 1,194,744 | 524,993 |
| Other | 647,788 | 1,322,788 | 1,023,628 | 299,160 |
| Total economic development and assistance. | <u>2,125,246</u> | <u>4,312,044</u> | <u>3,132,368</u> | <u>1,179,676</u> |
| Debt service: | | | | |
| Principal retirement. | 178,000 | 258,000 | 251,172 | 6,828 |
| Interest and fiscal charges | 37,000 | 37,000 | 11,717 | 25,283 |
| Total debt service | <u>215,000</u> | <u>295,000</u> | <u>262,889</u> | <u>32,111</u> |
| Total expenditures | <u>2,340,246</u> | <u>4,607,044</u> | <u>3,395,257</u> | <u>1,211,787</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(340,246)</u> | <u>(340,246)</u> | <u>(1,212,768)</u> | <u>(872,522)</u> |
| Other financing uses: | | | | |
| Transfers out | (99,001) | (99,001) | (44,351) | 54,650 |
| Total other financing sources uses. | <u>(99,001)</u> | <u>(99,001)</u> | <u>(44,351)</u> | <u>54,650</u> |
| Net change in fund balance | (439,247) | (439,247) | (1,257,119) | (817,872) |
| Fund balance at beginning of year | 314,888 | 314,888 | 314,888 | - |
| Prior year encumbrances appropriated | <u>439,247</u> | <u>439,247</u> | <u>439,247</u> | <u>-</u> |
| Fund balance (deficit) at end of year. | <u>\$ 314,888</u> | <u>\$ 314,888</u> | <u>\$ (502,984)</u> | <u>\$ (817,872)</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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 1,107 | \$ 1,107 |
| Other | 200,000 | 200,000 | 218,350 | 18,350 |
| Total revenues | <u>200,000</u> | <u>200,000</u> | <u>219,457</u> | <u>19,457</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development and assistance | | | | |
| Contract services | - | 1,000 | 373 | 627 |
| Total economic development and assistance. | <u>-</u> | <u>1,000</u> | <u>373</u> | <u>627</u> |
| Debt service: | | | | |
| Principal retirement. | 103,053 | 135,000 | 130,000 | 5,000 |
| Interest and fiscal charges | 96,947 | 127,000 | 126,953 | 47 |
| Total debt service | <u>200,000</u> | <u>262,000</u> | <u>256,953</u> | <u>5,047</u> |
| Total expenditures | <u>200,000</u> | <u>263,000</u> | <u>257,326</u> | <u>5,674</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(63,000)</u> | <u>(37,869)</u> | <u>25,131</u> |
| Other financing sources: | | | | |
| Transfers in | - | - | 44,351 | 44,351 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>44,351</u> | <u>44,351</u> |
| Net change in fund balance | - | (63,000) | 6,482 | 69,482 |
| Fund balance at beginning of year | <u>78,779</u> | <u>78,779</u> | <u>78,779</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 78,779</u></u> | <u><u>\$ 15,779</u></u> | <u><u>\$ 85,261</u></u> | <u><u>\$ 69,482</u></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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 131,301 | \$ 106,500 | \$ 122,450 | \$ 15,950 |
| Investment income | 3,699 | 3,000 | 1,805 | (1,195) |
| Total revenues | <u>135,000</u> | <u>109,500</u> | <u>124,255</u> | <u>14,755</u> |
| Expenditures: | | | | |
| Capital outlay | | | | |
| Materials and supplies | 139,016 | 113,516 | 59,261 | 54,255 |
| Total capital outlay | <u>139,016</u> | <u>113,516</u> | <u>59,261</u> | <u>54,255</u> |
| Total expenditures | <u>139,016</u> | <u>113,516</u> | <u>59,261</u> | <u>54,255</u> |
| Net change in fund balance | (4,016) | (4,016) | 64,994 | 69,010 |
| Fund balance at beginning of year | 22,118 | 22,118 | 22,118 | - |
| Prior year encumbrances appropriated . | <u>4,016</u> | <u>4,016</u> | <u>4,016</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 22,118</u> | <u>\$ 22,118</u> | <u>\$ 91,128</u> | <u>\$ 69,010</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 356,563 | \$ 326,000 | \$ 323,100 | (2,900) |
| Investment income | 1,203 | 1,100 | 1,079 | (21) |
| Total revenues | <u>357,766</u> | <u>327,100</u> | <u>324,179</u> | <u>(2,921)</u> |
| Expenditures: | | | | |
| Capital outlay | | | | |
| Contract services | 129,700 | 94,900 | 94,855 | 45 |
| Materials and supplies. | 150,300 | 149,100 | 106,854 | 42,246 |
| Total capital outlay | <u>280,000</u> | <u>244,000</u> | <u>201,709</u> | <u>42,291</u> |
| Total expenditures | <u>280,000</u> | <u>244,000</u> | <u>201,709</u> | <u>42,291</u> |
| Excess of revenues over expenditures | <u>77,766</u> | <u>83,100</u> | <u>122,470</u> | <u>39,370</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | 62,234 | 56,900 | 6,500 | (50,400) |
| Transfers out | (140,000) | (140,000) | (128,877) | 11,123 |
| Total other financing sources (uses). . . | <u>(77,766)</u> | <u>(83,100)</u> | <u>(122,377)</u> | <u>(39,277)</u> |
| Net change in fund balance | - | - | 93 | 93 |
| Fund balance at beginning of year | <u>14</u> | <u>14</u> | <u>14</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 14</u> | <u>\$ 14</u> | <u>\$ 107</u> | <u>\$ 93</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 686,471 | \$ 778,600 | \$ 883,185 | \$ 104,585 |
| Investment income | 57,353 | 65,000 | 21,812 | (43,188) |
| Other | 6,176 | 6,400 | 479 | (5,921) |
| Total revenues | <u>750,000</u> | <u>850,000</u> | <u>905,476</u> | <u>55,476</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Economic development and assistance | | | | |
| Personal services | 139,000 | 139,000 | 64,863 | 74,137 |
| Contract services | 9,700 | 9,700 | 454 | 9,246 |
| Materials and supplies. | 7,250 | 7,250 | - | 7,250 |
| Capital outlay | 2,000 | 2,000 | - | 2,000 |
| Other | 1,503,612 | 1,603,612 | 1,371,197 | 232,415 |
| Total economic development and assistance. | <u>1,661,562</u> | <u>1,761,562</u> | <u>1,436,514</u> | <u>325,048</u> |
| Total expenditures | <u>1,661,562</u> | <u>1,761,562</u> | <u>1,436,514</u> | <u>325,048</u> |
| Net change in fund balance | (911,562) | (911,562) | (531,038) | 380,524 |
| Fund balance (deficit) at | | | | |
| beginning of year. | (212,519) | (212,519) | (212,519) | - |
| Prior year encumbrances appropriated . | <u>911,562</u> | <u>911,562</u> | <u>911,562</u> | <u>-</u> |
| Fund balance (deficit) at end of year . . . | <u>\$ (212,519)</u> | <u>\$ (212,519)</u> | <u>\$ 168,005</u> | <u>\$ 380,524</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, 2009

| | <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 | \$ 1,327,007 | \$ 1,327,007 | \$ 1,237,630 | \$ (89,377) |
| Intergovernmental | 131,242 | 131,242 | 175,088 | 43,846 |
| Special assessments | 7,500 | 7,500 | 13,159 | 5,659 |
| Total revenues | <u>1,465,749</u> | <u>1,465,749</u> | <u>1,425,877</u> | <u>(39,872)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | | | | |
| Contract services | <u>33,250</u> | <u>33,250</u> | <u>23,269</u> | <u>9,981</u> |
| Total general government | <u>33,250</u> | <u>33,250</u> | <u>23,269</u> | <u>9,981</u> |
| Debt service: | | | | |
| Principal retirement. | 1,021,492 | 1,021,492 | 973,251 | 48,241 |
| Interest and fiscal charges | <u>268,066</u> | <u>268,066</u> | <u>240,950</u> | <u>27,116</u> |
| Total debt service | <u>1,289,558</u> | <u>1,289,558</u> | <u>1,214,201</u> | <u>75,357</u> |
| Total expenditures | <u>1,322,808</u> | <u>1,322,808</u> | <u>1,237,470</u> | <u>85,338</u> |
| Excess of revenues over expenditures | <u>142,941</u> | <u>142,941</u> | <u>188,407</u> | <u>45,466</u> |
| Other financing uses : | | | | |
| Transfers out | <u>(150,417)</u> | <u>(150,417)</u> | <u>-</u> | <u>150,417</u> |
| Total other financing uses | <u>(150,417)</u> | <u>(150,417)</u> | <u>-</u> | <u>150,417</u> |
| Net change in fund balance | (7,476) | (7,476) | 188,407 | 195,883 |
| Fund balance at beginning of year | <u>111,599</u> | <u>111,599</u> | <u>111,599</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 104,123</u> | <u>\$ 104,123</u> | <u>\$ 300,006</u> | <u>\$ 195,883</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 750,000 | \$ 4,730,368 | \$ 3,501,520 | \$ (1,228,848) |
| Other | - | - | 4,550 | 4,550 |
| Total revenues | <u>750,000</u> | <u>4,730,368</u> | <u>3,506,070</u> | <u>(1,224,298)</u> |
| Expenditures: | | | | |
| Capital outlay | | | | |
| Contract services | 20,000 | 20,000 | 1,468 | 18,532 |
| Capital outlay | <u>3,890,878</u> | <u>8,021,246</u> | <u>5,131,214</u> | <u>2,890,032</u> |
| Total capital outlay | <u>3,910,878</u> | <u>8,041,246</u> | <u>5,132,682</u> | <u>2,908,564</u> |
| Total expenditures | <u>3,910,878</u> | <u>8,041,246</u> | <u>5,132,682</u> | <u>2,908,564</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,160,878)</u> | <u>(3,310,878)</u> | <u>(1,626,612)</u> | <u>1,684,266</u> |
| Other financing sources: | | | | |
| Transfers in | - | 150,000 | 128,877 | (21,123) |
| Total other financing sources | <u>-</u> | <u>150,000</u> | <u>128,877</u> | <u>(21,123)</u> |
| Net change in fund balance | (3,160,878) | (3,160,878) | (1,497,735) | 1,663,143 |
| Fund balance (deficit) at beginning of year. | <u>(3,004,369)</u> | <u>(3,004,369)</u> | <u>(3,004,369)</u> | <u>-</u> |
| Prior year encumbrances appropriated . | <u>3,160,878</u> | <u>3,160,878</u> | <u>3,160,878</u> | <u>-</u> |
| Fund balance (deficit) at end of year . . . | <u>\$ (3,004,369)</u> | <u>\$ (3,004,369)</u> | <u>\$ (1,341,226)</u> | <u>\$ 1,663,143</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, 2009**

| | <u>Packard Music Hall</u> | <u>City Redevelopment</u> | <u>Downtown Parking</u> |
|---|-------------------------------|-------------------------------|-----------------------------|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 42,325 | \$ 148,172 | \$ 26,236 |
| Receivables (net of allowances for uncollectibles): | | | |
| Accounts | - | - | - |
| Special assessments | - | - | - |
| Total current assets | <u>42,325</u> | <u>148,172</u> | <u>26,236</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and construction in progress | 1,764,653 | 133,280 | 150,000 |
| Depreciable capital assets, net | 222,904 | 290,828 | 1,177,439 |
| Total capital assets | <u>1,987,557</u> | <u>424,108</u> | <u>1,327,439</u> |
| Total noncurrent assets | <u>1,987,557</u> | <u>424,108</u> | <u>1,327,439</u> |
| Total assets | <u>\$ 2,029,882</u> | <u>\$ 572,280</u> | <u>\$ 1,353,675</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 14,776 | \$ - | \$ 23,333 |
| Contracts payable | 77,002 | - | - |
| Accrued wages and benefits | 1,636 | - | - |
| Due to other governments | 6,545 | - | - |
| Current portion of capital lease obligations | - | - | - |
| Current portion of compensated absences payable | 18,885 | - | - |
| Total current liabilities | <u>118,844</u> | <u>-</u> | <u>23,333</u> |
| Long-term liabilities: | | | |
| Capital lease obligations | - | - | - |
| Compensated absences payable | 14,011 | - | - |
| Total long-term liabilities | <u>14,011</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>132,855</u> | <u>-</u> | <u>23,333</u> |
| Net assets: | | | |
| Investment in capital assets, net of related debt | 1,987,557 | 424,108 | 1,327,439 |
| Unrestricted (deficit) | (90,530) | 148,172 | 2,903 |
| Total net assets | <u>\$ 1,897,027</u> | <u>\$ 572,280</u> | <u>\$ 1,330,342</u> |

| <u>Stormwater Utility</u> | <u>Totals</u> |
|-------------------------------|---------------|
| \$ 533,268 | \$ 750,001 |
| 254,476 | 254,476 |
| 76 | 76 |
| 787,820 | 1,004,553 |
| 46,500 | 2,094,433 |
| 346,875 | 2,038,046 |
| 393,375 | 4,132,479 |
| 393,375 | 4,132,479 |
| \$ 1,181,195 | \$ 5,137,032 |
| | |
| \$ 411 | \$ 38,520 |
| 6,963 | 83,965 |
| 2,935 | 4,571 |
| 5,961 | 12,506 |
| 39,492 | 39,492 |
| 11,657 | 30,542 |
| 67,419 | 209,596 |
| 41,460 | 41,460 |
| 42,623 | 56,634 |
| 84,083 | 98,094 |
| 151,502 | 307,690 |
| 312,423 | 4,051,527 |
| 717,270 | 777,815 |
| \$ 1,029,693 | \$ 4,829,342 |

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

| | <u>Packard Music Hall</u> | <u>City Redevelopment</u> | <u>Downtown Parking</u> |
|--|-------------------------------|-------------------------------|-----------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 216,722 | \$ 42,711 | \$ 29,448 |
| Other | 1,429 | - | - |
| Total operating revenues | <u>218,151</u> | <u>42,711</u> | <u>29,448</u> |
| Operating expenses: | | | |
| Personal services | 258,661 | - | - |
| Contract services. | 2,019 | 1,761 | 80,157 |
| Materials and supplies. | 38,386 | 4 | 155 |
| Administrative costs. | 50,000 | - | - |
| Utilities | 65,835 | 4,094 | 8,547 |
| Other. | 3,742 | - | - |
| Depreciation. | 30,643 | 14,791 | 48,059 |
| Total operating expenses | <u>449,286</u> | <u>20,650</u> | <u>136,918</u> |
| Operating income (loss). | <u>(231,135)</u> | <u>22,061</u> | <u>(107,470)</u> |
| Nonoperating revenues (expenses): | | | |
| Special assessments | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total nonoperating revenues (expenses). | <u>-</u> | <u>-</u> | <u>-</u> |
| Net income (loss) before transfers and capital contributions. | (231,135) | 22,061 | (107,470) |
| Capital contributions | 1,236,504 | - | - |
| Transfers in | 450,000 | - | 60,000 |
| Changes in net assets | 1,455,369 | 22,061 | (47,470) |
| Net assets at beginning of year | <u>441,658</u> | <u>550,219</u> | <u>1,377,812</u> |
| Net assets at end of year | <u>\$ 1,897,027</u> | <u>\$ 572,280</u> | <u>\$ 1,330,342</u> |

| Stormwater Utility | Totals |
|-------------------------------|---------------------|
| \$ 888,262 | \$ 1,177,143 |
| 58 | 1,487 |
| <u>888,320</u> | <u>1,178,630</u> |
| 534,191 | 792,852 |
| 75,828 | 159,765 |
| 37,310 | 75,855 |
| 71,975 | 121,975 |
| - | 78,476 |
| 491 | 4,233 |
| <u>53,140</u> | <u>146,633</u> |
| <u>772,935</u> | <u>1,379,789</u> |
| <u>115,385</u> | <u>(201,159)</u> |
| 5 | 5 |
| <u>(5,905)</u> | <u>(5,905)</u> |
| <u>(5,900)</u> | <u>(5,900)</u> |
| 109,485 | (207,059) |
| 30,225 | 1,266,729 |
| <u>-</u> | <u>510,000</u> |
| 139,710 | 1,569,670 |
| <u>889,983</u> | <u>3,259,672</u> |
| <u>\$ 1,029,693</u> | <u>\$ 4,829,342</u> |

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

| | <u>Packard Music Hall</u> | <u>City Redevelopment</u> | <u>Downtown Parking</u> |
|--|-------------------------------|-------------------------------|-----------------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 216,722 | \$ 42,711 | \$ 29,448 |
| Cash received from other operations | 1,429 | - | - |
| Cash payments for personal services | (268,742) | - | - |
| Cash payments for contract services | (13,408) | (1,761) | (64,431) |
| Cash payments for materials and supplies | (31,205) | (4) | (155) |
| Cash payments for utilities | (65,835) | (4,094) | (8,547) |
| Cash payments for administrative costs. | (50,000) | - | - |
| Cash payments for other expenses | (3,742) | - | - |
| Net cash provided by (used in) operating activities | <u>(214,781)</u> | <u>36,852</u> | <u>(43,685)</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers in from other funds | 450,000 | - | 60,000 |
| Net cash provided by noncapital financing activities | <u>450,000</u> | <u>-</u> | <u>60,000</u> |
| Cash flows from capital and related financing activities: | | | |
| Aquisition of capital assets | (1,564,096) | - | - |
| Capital contributions | 1,236,504 | - | - |
| Principal retirement. | - | - | - |
| Interest and fiscal charges | - | - | - |
| Net cash used in capital and related financing activities | <u>(327,592)</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents . . . | (92,373) | 36,852 | 16,315 |
| Cash and cash equivalents at beginning of year. | <u>134,698</u> | <u>111,320</u> | <u>9,921</u> |
| Cash and cash equivalents at end of year | <u><u>42,325</u></u> | <u><u>148,172</u></u> | <u><u>26,236</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating income (loss) | (231,135) | 22,061 | (107,470) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation | 30,643 | 14,791 | 48,059 |
| Changes in assets and liabilities: | | | |
| (Increase) in accounts receivable. | - | - | - |
| Increase (decrease) in accounts payable | (19,937) | - | 22,398 |
| Increase (decrease) in contracts payable | 15,729 | - | (6,672) |
| (Decrease) in accrued wages and benefits | (7,918) | - | - |
| Increase in due to other governments. | 5,069 | - | - |
| Increase (decrease) in compensated absences payable . | (7,232) | - | - |
| Net cash provided by (used in) operating activities. | <u>\$ (214,781)</u> | <u>\$ 36,852</u> | <u>\$ (43,685)</u> |

| Stormwater Utility | Totals |
|-------------------------------|---------------|
| \$ 869,933 | \$ 1,158,814 |
| 58 | 1,487 |
| (513,543) | (782,285) |
| (64,349) | (143,949) |
| (37,310) | (68,674) |
| - | (78,476) |
| (71,975) | (121,975) |
| (491) | (4,233) |
| <hr/> | <hr/> |
| 182,323 | (39,291) |
| <hr/> | <hr/> |
| - | 510,000 |
| <hr/> | <hr/> |
| - | 510,000 |
| <hr/> | <hr/> |
| (46,500) | (1,610,596) |
| 30,225 | 1,266,729 |
| (37,618) | (37,618) |
| (5,905) | (5,905) |
| <hr/> | <hr/> |
| (59,798) | (387,390) |
| <hr/> | <hr/> |
| 122,525 | 83,319 |
| 410,743 | 666,682 |
| <hr/> | <hr/> |
| 533,268 | 750,001 |
| <hr/> | <hr/> |
| 115,385 | (201,159) |
| 53,140 | 146,633 |
| (18,329) | (18,329) |
| 411 | 2,872 |
| 6,963 | 16,020 |
| (11,323) | (19,241) |
| 2,168 | 7,237 |
| 33,908 | 26,676 |
| <hr/> | <hr/> |
| \$ 182,323 | \$ (39,291) |
| <hr/> | <hr/> |

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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| Operating revenues: | | | | |
| Charges for services | \$ 7,460,285 | \$ 9,309,300 | \$ 7,438,760 | \$ (1,870,540) |
| Other | 36,062 | 45,000 | 10,397 | (34,603) |
| Total operating revenues | 7,496,347 | 9,354,300 | 7,449,157 | (1,905,143) |
| Operating expenses: | | | | |
| Personal services | 3,487,247 | 3,570,247 | 3,567,251 | 2,996 |
| Contract services | 1,115,879 | 1,328,282 | 1,140,680 | 187,602 |
| Materials and supplies | 562,844 | 535,066 | 386,498 | 148,568 |
| Capital outlay | - | 1,920,000 | 442,350 | 1,477,650 |
| Administrative costs | 583,390 | 700,000 | 634,417 | 65,583 |
| Utilities | 601,167 | 709,932 | 643,566 | 66,366 |
| Other | 6,000 | 14,000 | 10,675 | 3,325 |
| Total operating expenses | 6,356,527 | 8,777,527 | 6,825,437 | 1,952,090 |
| Operating income | 1,139,820 | 576,773 | 623,720 | 46,947 |
| Nonoperating revenues (expenses): | | | | |
| Special assessments | 3,206 | 4,000 | 3,999 | (1) |
| Loan issuance | 1,538,649 | 1,920,000 | - | (1,920,000) |
| Debt service: | | | | |
| Principal retirement | (1,507,904) | (2,901,197) | (1,643,319) | 1,257,878 |
| Interest and fiscal charges | (1,052,535) | (2,025,071) | (595,419) | 1,429,652 |
| Total nonoperating revenues (expenses) | (1,018,584) | (3,002,268) | (2,234,739) | 767,529 |
| Net change in fund balance | 121,236 | (2,425,495) | (1,611,019) | 814,476 |
| Fund balance at beginning of year | 2,565,949 | 2,565,949 | 2,565,949 | - |
| Prior year encumbrances appropriated | 80,513 | 80,513 | 80,513 | - |
| Fund balance at end of year | \$ 2,767,698 | \$ 220,967 | \$ 1,035,443 | \$ 814,476 |

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, 2009

| | <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 | \$ 11,170,000 | \$ 11,170,000 | \$ 9,667,563 | \$ (1,502,437) |
| Other | 107,000 | 197,000 | 270,923 | 73,923 |
| Total operating revenues | <u>11,277,000</u> | <u>11,367,000</u> | <u>9,938,486</u> | <u>(1,428,514)</u> |
| Operating expenses: | | | | |
| Personal services | 6,036,813 | 6,196,814 | 6,118,618 | 78,196 |
| Contract services | 657,583 | 774,429 | 694,541 | 79,888 |
| Materials and supplies | 1,274,875 | 1,283,615 | 914,637 | 368,978 |
| Capital outlay | 1,125,585 | 1,175,844 | 1,025,443 | 150,401 |
| Administrative costs | 695,317 | 840,715 | 746,290 | 94,425 |
| Utilities | 664,809 | 752,565 | 672,177 | 80,388 |
| Other | 193,226 | 138,700 | 140,566 | (1,866) |
| Total operating expenses | <u>10,648,208</u> | <u>11,162,682</u> | <u>10,312,272</u> | <u>850,410</u> |
| Operating income (loss) | <u>628,792</u> | <u>204,318</u> | <u>(373,786)</u> | <u>(578,104)</u> |
| Nonoperating revenues (expenses): | | | | |
| Investment earnings | 49,000 | 49,000 | 1,772 | (47,228) |
| Loan issuance | 20,000 | 20,000 | - | (20,000) |
| Debt service: | | | | |
| Principal retirement | (1,090,996) | (1,090,996) | (1,075,956) | 15,040 |
| Interest and fiscal charges | (977,422) | (977,422) | (974,426) | 2,996 |
| Total nonoperating revenues (expenses) | <u>(1,999,418)</u> | <u>(1,999,418)</u> | <u>(2,048,610)</u> | <u>(49,192)</u> |
| Net change in fund balance | (1,370,626) | (1,795,100) | (2,422,396) | (627,296) |
| Fund balance at beginning of year | 5,480,307 | 5,480,307 | 5,480,307 | - |
| Prior year encumbrances appropriated | <u>1,333,600</u> | <u>1,333,600</u> | <u>1,333,600</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 5,443,281</u> | <u>\$ 5,018,807</u> | <u>\$ 4,391,511</u> | <u>\$ (627,296)</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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------------|------------------|---|
| | Original | Final | | |
| Operating revenues: | | | | |
| Charges for services | \$ 3,127,250 | \$ 3,127,250 | \$ 3,141,638 | \$ 14,388 |
| Other | 22,750 | 22,750 | 13,183 | (9,567) |
| Total operating revenues | <u>3,150,000</u> | <u>3,150,000</u> | <u>3,154,821</u> | <u>4,821</u> |
| Operating expenses: | | | | |
| Personal services | 1,163,445 | 1,163,445 | 1,103,684 | 59,761 |
| Contract services | 1,361,181 | 1,517,529 | 1,504,761 | 12,768 |
| Materials and supplies | 276,000 | 282,648 | 225,908 | 56,740 |
| Administrative costs | 180,482 | 201,213 | 181,320 | 19,893 |
| Utilities | 2,567 | 2,862 | 1,658 | 1,204 |
| Other | 2,000 | 9,000 | 8,191 | 809 |
| Total operating expenses | <u>2,985,675</u> | <u>3,176,697</u> | <u>3,025,522</u> | <u>151,175</u> |
| Operating income (loss) | <u>164,325</u> | <u>(26,697)</u> | <u>129,299</u> | <u>155,996</u> |
| Nonoperating revenues (expenses): | | | | |
| Sale of notes | 200,000 | 200,000 | - | (200,000) |
| Debt service: | | | | |
| Principal retirement | (352,750) | (352,750) | (350,000) | 2,750 |
| Interest and fiscal charges | (11,575) | (11,575) | (11,025) | 550 |
| Total nonoperating revenues (expenses) | <u>(164,325)</u> | <u>(164,325)</u> | <u>(361,025)</u> | <u>(196,700)</u> |
| Net change in fund balance | - | (191,022) | (231,726) | (40,704) |
| Fund balance at beginning of year | 264,931 | 264,931 | 264,931 | - |
| Prior year encumbrances appropriated | 7,022 | 7,022 | 7,022 | - |
| Fund balance at end of year | <u>\$ 271,953</u> | <u>\$ 80,931</u> | <u>\$ 40,227</u> | <u>\$ (40,704)</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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---------------------|---|
| | Original | Final | | |
| Operating revenues: | | | | |
| Charges for services | \$ 185,271 | \$ 236,000 | \$ 216,722 | \$ (19,278) |
| Other. | 392 | 500 | 1,429 | 929 |
| Total operating revenues | <u>185,663</u> | <u>236,500</u> | <u>218,151</u> | <u>(18,349)</u> |
| Operating expenses: | | | | |
| Personal services. | 302,346 | 302,346 | 272,114 | 30,232 |
| Contract services | 104,995 | 104,995 | 89,003 | 15,992 |
| Materials and supplies. | 57,810 | 57,810 | 38,506 | 19,304 |
| Capital outlay | 1,632,404 | 2,207,404 | 1,947,507 | 259,897 |
| Administrative costs. | 50,000 | 50,000 | 50,000 | - |
| Utilities | 72,209 | 72,209 | 66,105 | 6,104 |
| Other. | 4,000 | 4,000 | 3,742 | 258 |
| Total operating expenses | <u>2,223,764</u> | <u>2,798,764</u> | <u>2,466,977</u> | <u>331,787</u> |
| Net loss before capital contributions and transfers | (2,038,101) | (2,562,264) | (2,248,826) | 313,438 |
| Capital contributions | 1,718,075 | 2,188,500 | 1,236,504 | (951,996) |
| Transfers in | <u>196,262</u> | <u>250,000</u> | <u>450,000</u> | <u>200,000</u> |
| Net change in fund balance. | (123,764) | (123,764) | (562,322) | (438,558) |
| Fund balance at beginning of year | 10,934 | 10,934 | 10,934 | - |
| Prior year encumbrances appropriated | <u>123,764</u> | <u>123,764</u> | <u>123,764</u> | <u>-</u> |
| Fund balance (deficit) at end of year. | <u>\$ 10,934</u> | <u>\$ 10,934</u> | <u>\$ (427,624)</u> | <u>\$ (438,558)</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, 2009

| | <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 | \$ 42,000 | \$ 42,000 | \$ 42,711 | \$ 711 |
| Total operating revenues | <u>42,000</u> | <u>42,000</u> | <u>42,711</u> | <u>711</u> |
| Operating expenses: | | | | |
| Contract services | 26,000 | 26,000 | 2,046 | 23,954 |
| Materials and supplies | 7,500 | 7,500 | 4 | 7,496 |
| Utilities | 5,700 | 5,700 | 4,094 | 1,606 |
| Total operating expenses | <u>39,200</u> | <u>39,200</u> | <u>6,144</u> | <u>33,056</u> |
| Net change in fund balance. | 2,800 | 2,800 | 36,567 | 33,767 |
| Fund balance at beginning of year | <u>111,320</u> | <u>111,320</u> | <u>111,320</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 114,120</u> | <u>\$ 114,120</u> | <u>\$ 147,887</u> | <u>\$ 33,767</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, 2009

| | <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 | \$ 25,000 | \$ 26,000 | \$ 29,448 | \$ 3,448 |
| Total operating revenues | <u>25,000</u> | <u>26,000</u> | <u>29,448</u> | <u>3,448</u> |
| Operating expenses: | | | | |
| Contract services | 88,326 | 88,326 | 87,764 | 562 |
| Materials and supplies | 1,000 | 2,000 | 855 | 1,145 |
| Utilities | 8,662 | 8,662 | 8,547 | 115 |
| Total operating expenses | <u>97,988</u> | <u>98,988</u> | <u>97,166</u> | <u>1,822</u> |
| Net loss before transfers | (72,988) | (72,988) | (67,718) | 5,270 |
| Transfers in | <u>65,000</u> | <u>65,000</u> | <u>60,000</u> | <u>(5,000)</u> |
| Net change in fund balance | (7,988) | (7,988) | (7,718) | 270 |
| Fund balance at beginning of year | 1,933 | 1,933 | 1,933 | - |
| Prior year encumbrances appropriated | <u>7,988</u> | <u>7,988</u> | <u>7,988</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,933</u> | <u>\$ 1,933</u> | <u>\$ 2,203</u> | <u>\$ 270</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, 2009

| | <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 | \$ 794,500 | \$ 888,758 | \$ 869,933 | \$ (18,825) |
| Other | 500 | 500 | 58 | (442) |
| Total operating revenues | <u>795,000</u> | <u>889,258</u> | <u>869,991</u> | <u>(19,267)</u> |
| Operating expenses: | | | | |
| Personal services | 513,471 | 523,471 | 516,178 | 7,293 |
| Contract services | 159,227 | 263,666 | 107,872 | 155,794 |
| Materials and supplies | 85,703 | 85,702 | 38,826 | 46,876 |
| Capital outlay | - | 94,258 | 93,158 | 1,100 |
| Administrative costs | 44,439 | 75,000 | 71,975 | 3,025 |
| Other | - | 1,000 | 491 | 509 |
| Total operating expenses | <u>802,840</u> | <u>1,043,097</u> | <u>828,500</u> | <u>214,597</u> |
| Net income (loss) before capital contributions | (7,840) | (153,839) | 41,491 | 195,330 |
| Capital contributions | - | - | 30,225 | 30,225 |
| Net change in fund balance | (7,840) | (153,839) | 71,716 | 225,555 |
| Fund balance at beginning of year | 402,903 | 402,903 | 402,903 | - |
| Prior year encumbrances appropriated | <u>7,840</u> | <u>7,840</u> | <u>7,840</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 402,903</u> | <u>\$ 256,904</u> | <u>\$ 482,459</u> | <u>\$ 225,555</u> |

CITY OF WARREN, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - INTERNAL SERVICE FUNDS

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 other 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
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009**

| | Life Insurance and Hospitalization | Workers Compensation | Data Processing | Risk Management | Totals |
|---|---|---------------------------------|----------------------------|----------------------------|---------------------|
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 660,952 | \$ 924,123 | \$ 159,249 | \$ 846,069 | \$ 2,590,393 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Accounts | - | - | 4,218 | - | 4,218 |
| Total current assets | <u>660,952</u> | <u>924,123</u> | <u>163,467</u> | <u>846,069</u> | <u>2,594,611</u> |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Depreciable capital assets, net | - | - | 190,281 | - | 190,281 |
| Total capital assets | <u>-</u> | <u>-</u> | <u>190,281</u> | <u>-</u> | <u>190,281</u> |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>190,281</u> | <u>-</u> | <u>190,281</u> |
| Total assets | <u>\$ 660,952</u> | <u>\$ 924,123</u> | <u>\$ 353,748</u> | <u>\$ 846,069</u> | <u>\$ 2,784,892</u> |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable. | \$ - | \$ - | \$ 644 | \$ 5,043 | \$ 5,687 |
| Accrued wages and benefits | - | - | 1,830 | - | 1,830 |
| Due to other governments | - | 722,014 | 453 | - | 722,467 |
| Claims payable | <u>936,911</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>936,911</u> |
| Total current liabilities. | <u>936,911</u> | <u>722,014</u> | <u>2,927</u> | <u>5,043</u> | <u>1,666,895</u> |
| Long-term liabilities: | | | | | |
| Compensated absences payable. | <u>-</u> | <u>-</u> | <u>44,617</u> | <u>-</u> | <u>44,617</u> |
| Total long-term liabilities | <u>-</u> | <u>-</u> | <u>44,617</u> | <u>-</u> | <u>44,617</u> |
| Total liabilities | <u>936,911</u> | <u>722,014</u> | <u>47,544</u> | <u>5,043</u> | <u>1,711,512</u> |
| Net assets: | | | | | |
| Investment in capital assets, net of related debt. . . | - | - | 190,281 | - | 190,281 |
| Unrestricted (deficit) | <u>(275,959)</u> | <u>202,109</u> | <u>115,923</u> | <u>841,026</u> | <u>883,099</u> |
| Total net assets (deficit) | <u>\$ (275,959)</u> | <u>\$ 202,109</u> | <u>\$ 306,204</u> | <u>\$ 841,026</u> | <u>\$ 1,073,380</u> |

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Life Insurance and Hospitalization | Workers Compensation | Data Processing | Risk Management | Totals |
|---|---|---------------------------------|----------------------------|----------------------------|---------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 5,831,931 | \$ 30,107 | \$ 555,750 | \$ 118,642 | \$ 6,536,430 |
| Other | - | - | 5,926 | - | 5,926 |
| Total operating revenues. | <u>5,831,931</u> | <u>30,107</u> | <u>561,676</u> | <u>118,642</u> | <u>6,542,356</u> |
| Operating expenses: | | | | | |
| Personal services | - | - | 187,583 | - | 187,583 |
| Contract services | - | - | 51,791 | 99,804 | 151,595 |
| Materials and supplies | - | - | 34,458 | - | 34,458 |
| Administrative costs | - | 257,106 | 34,658 | - | 291,764 |
| Utilities | - | - | 32,413 | - | 32,413 |
| Claims. | 6,054,013 | 464,908 | - | - | 6,518,921 |
| Depreciation | - | - | 46,792 | - | 46,792 |
| Total operating expenses. | <u>6,054,013</u> | <u>722,014</u> | <u>387,695</u> | <u>99,804</u> | <u>7,263,526</u> |
| Operating income (loss) | <u>(222,082)</u> | <u>(691,907)</u> | <u>173,981</u> | <u>18,838</u> | <u>(721,170)</u> |
| Nonoperating revenues: | | | | | |
| Interest revenue | - | 11,025 | - | - | 11,025 |
| Total nonoperating revenues. | <u>-</u> | <u>11,025</u> | <u>-</u> | <u>-</u> | <u>11,025</u> |
| Net loss before transfers. | (222,082) | (680,882) | 173,981 | 18,838 | (710,145) |
| Transfers out. | - | - | (88,184) | - | (88,184) |
| Changes in net assets | (222,082) | (680,882) | 85,797 | 18,838 | (798,329) |
| Net assets (deficit) at beginning of year. | <u>(53,877)</u> | <u>882,991</u> | <u>220,407</u> | <u>822,188</u> | <u>1,871,709</u> |
| Net assets (deficit) at end of year | <u>\$ (275,959)</u> | <u>\$ 202,109</u> | <u>\$ 306,204</u> | <u>\$ 841,026</u> | <u>\$ 1,073,380</u> |

CITY OF WARREN, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

| | Life Insurance and Hospitalization | Workers Compensation | Data Processing | Risk Management | Totals |
|--|---|---------------------------------|----------------------------|----------------------------|---------------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 5,831,931 | \$ 30,107 | \$ 555,750 | \$ 118,642 | \$ 6,536,430 |
| Cash received from other operations | - | - | 3,305 | - | 3,305 |
| Cash payments for personal services | - | - | (255,447) | - | (255,447) |
| Cash payments for contract services | - | - | (51,406) | (94,761) | (146,167) |
| Cash payments for materials and supplies | - | - | (33,079) | - | (33,079) |
| Cash payments for utilities | - | - | (32,413) | - | (32,413) |
| Cash payments for claims expense | (6,012,636) | (423,917) | - | - | (6,436,553) |
| Cash payments for administrative costs. | - | (293,092) | (34,658) | - | (327,750) |
| Net cash provided by (used in) operating activities | <u>(180,705)</u> | <u>(686,902)</u> | <u>152,052</u> | <u>23,881</u> | <u>(691,674)</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers out to other funds. | - | - | (88,184) | - | (88,184) |
| Net cash used in noncapital financing activities | <u>-</u> | <u>-</u> | <u>(88,184)</u> | <u>-</u> | <u>(88,184)</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | - | - | (126,749) | - | (126,749) |
| Net cash used in capital and related financing activities | <u>-</u> | <u>-</u> | <u>(126,749)</u> | <u>-</u> | <u>(126,749)</u> |
| Cash flows from investing activities: | | | | | |
| Interest received. | - | 11,025 | - | - | 11,025 |
| Principal payment received on internal notes | - | 350,000 | - | - | 350,000 |
| Net cash provided by investing activities | <u>-</u> | <u>361,025</u> | <u>-</u> | <u>-</u> | <u>361,025</u> |
| Net increase (decrease) in cash and cash equivalents . . | (180,705) | (325,877) | (62,881) | 23,881 | (545,582) |
| Cash and cash equivalents at beginning of year. . . | <u>841,657</u> | <u>1,250,000</u> | <u>222,130</u> | <u>822,188</u> | <u>3,135,975</u> |
| Cash and cash equivalents at end of year | <u>\$ 660,952</u> | <u>\$ 924,123</u> | <u>\$ 159,249</u> | <u>\$ 846,069</u> | <u>\$ 2,590,393</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ (222,082) | \$ (691,907) | \$ 173,981 | \$ 18,838 | \$ (721,170) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation | - | - | 46,792 | - | 46,792 |
| Changes in assets and liabilities: | | | | | |
| Decrease in materials and supplies inventory | - | - | 1,379 | - | 1,379 |
| (Increase) in accounts receivable | - | - | (2,621) | - | (2,621) |
| Increase in accounts payable | - | - | 385 | 5,043 | 5,428 |
| (Decrease) in accrued wages and benefits. | - | - | (27,844) | - | (27,844) |
| Increase (decrease) in due to other governments. | - | 5,005 | (4,132) | - | 873 |
| (Decrease) in compensated absences payable | - | - | (35,888) | - | (35,888) |
| Increase in claims payable. | 41,377 | - | - | - | 41,377 |
| Net cash provided by (used in) operating activities | <u>\$ (180,705)</u> | <u>\$ (686,902)</u> | <u>\$ 152,052</u> | <u>\$ 23,881</u> | <u>\$ (691,674)</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, 2009

| | <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 | \$ 5,250,000 | \$ 6,250,000 | \$ 5,831,931 | \$ (418,069) |
| Total operating revenues | <u>5,250,000</u> | <u>6,250,000</u> | <u>5,831,931</u> | <u>(418,069)</u> |
| Operating expenses: | | | | |
| Claims expense | 5,250,034 | 6,250,034 | 6,012,714 | 237,320 |
| Total operating expenses | <u>5,250,034</u> | <u>6,250,034</u> | <u>6,012,714</u> | <u>237,320</u> |
| Net change in fund balance. | (34) | (34) | (180,783) | (180,749) |
| Fund balance at beginning of year | 841,623 | 841,623 | 841,623 | - |
| Prior year encumbrances appropriated | <u>34</u> | <u>34</u> | <u>34</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 841,623</u> | <u>\$ 841,623</u> | <u>\$ 660,874</u> | <u>\$ (180,749)</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, 2009

| | <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 | \$ 1,489,000 | \$ 1,489,000 | \$ 30,107 | \$ (1,458,893) |
| Total operating revenues | <u>1,489,000</u> | <u>1,489,000</u> | <u>30,107</u> | <u>(1,458,893)</u> |
| Operating expenses: | | | | |
| Contract services | 3,500 | 3,500 | - | 3,500 |
| Claims expense | 650,000 | 650,000 | 423,917 | 226,083 |
| Administrative costs | 750,000 | 750,000 | 293,092 | 456,908 |
| Total operating expenses | <u>1,403,500</u> | <u>1,403,500</u> | <u>717,009</u> | <u>686,491</u> |
| Operating income (loss) | <u>85,500</u> | <u>85,500</u> | <u>(686,902)</u> | <u>(772,402)</u> |
| Nonoperating revenues: | | | | |
| Investment earnings | 11,000 | 11,000 | 11,025 | 25 |
| Total nonoperating revenues | <u>11,000</u> | <u>11,000</u> | <u>11,025</u> | <u>25</u> |
| Net change in fund balance. | 96,500 | 96,500 | (675,877) | (772,377) |
| Fund balance at beginning of year | <u>1,600,000</u> | <u>1,600,000</u> | <u>1,600,000</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,696,500</u> | <u>\$ 1,696,500</u> | <u>\$ 924,123</u> | <u>\$ (772,377)</u> |

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, 2009

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Operating revenues: | | | | |
| Charges for services | \$ 772,371 | \$ 772,371 | \$ 555,750 | \$ (216,621) |
| Other | 4,593 | 4,593 | 3,305 | (1,288) |
| Total operating revenues | <u>776,964</u> | <u>776,964</u> | <u>559,055</u> | <u>(217,909)</u> |
| Operating expenses: | | | | |
| Personal services | 337,589 | 337,589 | 255,447 | 82,142 |
| Contract services | 180,257 | 192,424 | 153,060 | 39,364 |
| Materials and supplies | 7,205 | 9,206 | 6,686 | 2,520 |
| Capital outlay | 113,551 | 113,551 | 52,139 | 61,412 |
| Administrative costs | 30,960 | 44,466 | 34,658 | 9,808 |
| Utilities | 34,105 | 37,431 | 32,413 | 5,018 |
| Total operating expenses | <u>703,667</u> | <u>734,667</u> | <u>534,403</u> | <u>200,264</u> |
| Operating income | <u>73,297</u> | <u>42,297</u> | <u>24,652</u> | <u>(17,645)</u> |
| Nonoperating revenues (expenses): | | | | |
| Debt service: | | | | |
| Principal retirement | (61,069) | (61,069) | (61,069) | - |
| Interest and fiscal charges | (27,104) | (27,104) | (27,115) | (11) |
| Total nonoperating revenues (expenses) | <u>(88,173)</u> | <u>(88,173)</u> | <u>(88,184)</u> | <u>(11)</u> |
| Net change in fund balance | (14,876) | (45,876) | (63,532) | (17,656) |
| Fund balance at beginning of year | 207,254 | 207,254 | 207,254 | - |
| Prior year encumbrances appropriated | <u>14,876</u> | <u>14,876</u> | <u>14,876</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 207,254</u> | <u>\$ 176,254</u> | <u>\$ 158,598</u> | <u>\$ (17,656)</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, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Operating revenues: | | | | |
| Charges for services | \$ 250,000 | \$ 250,000 | \$ 118,642 | \$ (131,358) |
| Total operating revenues | <u>250,000</u> | <u>250,000</u> | <u>118,642</u> | <u>(131,358)</u> |
| Operating expenses: | | | | |
| Contract services | 250,000 | 250,000 | 99,804 | 150,196 |
| Total operating expenses | <u>250,000</u> | <u>250,000</u> | <u>99,804</u> | <u>150,196</u> |
| Net change in fund balance. | - | - | 18,838 | 18,838 |
| Fund balance at beginning of year | <u>822,188</u> | <u>822,188</u> | <u>822,188</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 822,188</u> | <u>\$ 822,188</u> | <u>\$ 841,026</u> | <u>\$ 18,838</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 and other governmental units. 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, 2009**

| | <u>Balance</u> <u>1/1/2009</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/2009</u> |
|---|-----------------------------------|---------------------|---------------------|-------------------------------------|
| Highway Patrol Fines | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ 37,879 | \$ 37,879 | \$ - |
| Accounts receivable | 2,745 | 3,628 | 2,745 | 3,628 |
| Total assets. | <u>\$ 2,745</u> | <u>\$ 41,507</u> | <u>\$ 40,624</u> | <u>\$ 3,628</u> |
| Liabilities: | | | | |
| Deposits held and due to others | \$ 2,745 | \$ 41,507 | \$ 40,624 | \$ 3,628 |
| Total liabilities | <u>\$ 2,745</u> | <u>\$ 41,507</u> | <u>\$ 40,624</u> | <u>\$ 3,628</u> |
| Auditors Escrow | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 162,732 | \$ 65,953 | \$ 111,677 | \$ 117,008 |
| Total assets. | <u>\$ 162,732</u> | <u>\$ 65,953</u> | <u>\$ 111,677</u> | <u>\$ 117,008</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 4,000 | \$ - | \$ 4,000 | \$ - |
| Deposits held and due to others | 158,732 | 65,953 | 107,677 | 117,008 |
| Total liabilities | <u>\$ 162,732</u> | <u>\$ 65,953</u> | <u>\$ 111,677</u> | <u>\$ 117,008</u> |
| Payroll | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 361,378 | \$ 206,542 | \$ 9,532 | \$ 558,388 |
| Total assets. | <u>\$ 361,378</u> | <u>\$ 206,542</u> | <u>\$ 9,532</u> | <u>\$ 558,388</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 361,378 | \$ 206,542 | \$ 9,532 | \$ 558,388 |
| Total liabilities | <u>\$ 361,378</u> | <u>\$ 206,542</u> | <u>\$ 9,532</u> | <u>\$ 558,388</u> |
| Municipal Court | | | | |
| Assets: | | | | |
| Cash with fiscal and escrow agents. | \$ 371,478 | \$ 4,308,488 | \$ 4,320,090 | \$ 359,876 |
| Total assets. | <u>\$ 371,478</u> | <u>\$ 4,308,488</u> | <u>\$ 4,320,090</u> | <u>\$ 359,876</u> |
| Liabilities: | | | | |
| Due to other governments | \$ 371,478 | \$ 4,308,488 | \$ 4,320,090 | \$ 359,876 |
| Total liabilities | <u>\$ 371,478</u> | <u>\$ 4,308,488</u> | <u>\$ 4,320,090</u> | <u>\$ 359,876</u> |

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Balance 1/1/2009</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/2009</u> |
|---|-----------------------------|---------------------|---------------------|-------------------------------|
| Total Agency Funds | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 524,110 | \$ 310,374 | \$ 159,088 | \$ 675,396 |
| Cash with fiscal and escrow agents. | 371,478 | 4,308,488 | 4,320,090 | 359,876 |
| Accounts receivable | 2,745 | 3,628 | 2,745 | 3,628 |
| Total assets. | <u>\$ 898,333</u> | <u>\$ 4,622,490</u> | <u>\$ 4,481,923</u> | <u>\$ 1,038,900</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 4,000 | \$ - | \$ 4,000 | \$ - |
| Due to other governments | 732,856 | 4,515,030 | 4,329,622 | 918,264 |
| Deposits held and due to others | 161,477 | 107,460 | 148,301 | 120,636 |
| Total liabilities | <u>\$ 898,333</u> | <u>\$ 4,622,490</u> | <u>\$ 4,481,923</u> | <u>\$ 1,038,900</u> |

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STATISTICAL SECTION

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CITY OF WARREN, OHIO
STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 138-147 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and the real and personal property tax. | 148-159 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 160-167 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 168-169 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 170-173 |

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF WARREN, OHIO

NET ASSETS BY COMPONENT
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 37,644,539 | \$ 34,666,493 | \$ 33,024,924 | \$ 30,967,884 |
| Restricted for: | | | | |
| Capital projects | 49,172 | 75,800 | 9,405 | 570,073 |
| Debt service | 1,013,994 | 761,906 | 483,719 | 374,727 |
| Street maintenance | 712,053 | 563,941 | 627,749 | 982,767 |
| State highway | 159,839 | 94,202 | 143,919 | 177,075 |
| Law enforcement | 501,540 | 196,316 | 450,480 | 405,984 |
| Courts | 947,689 | 1,271,125 | 1,355,089 | 1,189,849 |
| Community development and improvements | 7,269,608 | 7,661,196 | 7,687,341 | 7,866,327 |
| Police and fire pension | 901,168 | 768,867 | 596,345 | 292,210 |
| Public health | 696,863 | 695,177 | 670,709 | 679,561 |
| Other purposes | - | - | - | - |
| Unrestricted (deficit) | (4,518,259) | (4,210,956) | 756,595 | 5,137,720 |
| Total governmental activities net assets | <u>\$ 45,378,206</u> | <u>\$ 42,544,067</u> | <u>\$ 45,806,275</u> | <u>\$ 48,644,177</u> |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | \$ 21,755,533 | \$ 19,391,428 | \$ 19,416,251 | \$ 18,390,112 |
| Unrestricted | 7,599,967 | 10,001,006 | 11,350,440 | 9,833,606 |
| Total business-type activities net assets | <u>\$ 29,355,500</u> | <u>\$ 29,392,434</u> | <u>\$ 30,766,691</u> | <u>\$ 28,223,718</u> |
| Total primary government | | | | |
| Invested in capital assets, net of related debt | \$ 59,400,072 | \$ 54,057,921 | \$ 52,441,175 | \$ 49,357,996 |
| Restricted for: | | | | |
| Capital projects | 49,172 | 75,800 | 9,405 | 570,073 |
| Debt service | 1,013,994 | 761,906 | 483,719 | 374,727 |
| Street maintenance | 712,053 | 563,941 | 627,749 | 982,767 |
| State highway | 159,839 | 94,202 | 143,919 | 177,075 |
| Law enforcement | 501,540 | 196,316 | 450,480 | 405,984 |
| Courts | 947,689 | 1,271,125 | 1,355,089 | 1,189,849 |
| Community development and improvements | 7,269,608 | 7,661,196 | 7,687,341 | 7,866,327 |
| Police and fire pension | 901,168 | 768,867 | 596,345 | 292,210 |
| Public health | 696,863 | 695,177 | 670,709 | 679,561 |
| Other purposes | - | - | - | - |
| Unrestricted | 3,081,708 | 5,790,050 | 12,107,035 | 14,971,326 |
| Total primary government net assets | <u>\$ 74,733,706</u> | <u>\$ 71,936,501</u> | <u>\$ 76,572,966</u> | <u>\$ 76,867,895</u> |

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

| <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|
| \$ 29,524,698 | \$ 26,382,293 | \$ 19,496,371 |
| 768,172 | 541,032 | 357,350 |
| 372,932 | 338,675 | 326,037 |
| 611,593 | 463,622 | - |
| 148,916 | 100,897 | - |
| 819,715 | 643,336 | - |
| 977,107 | 782,106 | - |
| 6,426,196 | 6,447,060 | - |
| 310,630 | 191,177 | - |
| - | - | - |
| - | - | 9,477,900 |
| 5,273,540 | 5,697,185 | 6,481,599 |
| <u>\$ 45,233,499</u> | <u>\$ 41,587,383</u> | <u>\$ 36,139,257</u> |
| | | |
| \$ 18,245,015 | \$ 17,311,185 | \$ 19,168,104 |
| 9,169,546 | 8,486,417 | 6,097,414 |
| <u>\$ 27,414,561</u> | <u>\$ 25,797,602</u> | <u>\$ 25,265,518</u> |
| | | |
| \$ 47,769,713 | \$ 43,693,478 | \$ 38,664,475 |
| 768,172 | 541,032 | 357,350 |
| 372,932 | 338,675 | 326,037 |
| 611,593 | 463,622 | - |
| 148,916 | 100,897 | - |
| 819,715 | 643,336 | - |
| 977,107 | 782,106 | - |
| 6,426,196 | 6,447,060 | - |
| 310,630 | 191,177 | - |
| - | - | - |
| - | - | 9,477,900 |
| 14,443,086 | 14,183,602 | 12,579,013 |
| <u>\$ 72,648,060</u> | <u>\$ 67,384,985</u> | <u>\$ 61,404,775</u> |

CITY OF WARREN, OHIO
CHANGES IN NET ASSETS
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | \$ 1,380,902 | \$ 1,423,496 | \$ 1,350,401 | \$ 1,459,245 |
| Security of persons and property | 1,695,936 | 1,449,173 | 1,447,343 | 1,506,767 |
| Public health and welfare | 220,439 | 203,913 | 153,510 | 150,522 |
| Transportation | 4,400 | 33,155 | 40,450 | 45,255 |
| Community environment | 747,261 | 708,209 | 535,152 | 1,135,168 |
| Leisure time activities | 21,494 | 32,702 | 23,902 | 16,087 |
| Economic development | 181,329 | 240,918 | 218,337 | 73,629 |
| Operating grants and contributions: | | | | |
| General government | - | - | 6,226 | - |
| Security of persons and property | 548,325 | 75,907 | 155,237 | 87,594 |
| Public health and welfare | - | - | - | 715,000 |
| Transportation | 1,881,928 | 2,117,983 | 2,115,189 | 2,159,287 |
| Economic development | 3,059,516 | 3,092,290 | 2,199,113 | 2,077,372 |
| Capital grants and contributions: | | | | |
| General government | - | - | - | - |
| Transportation | 3,501,520 | 1,899,760 | 780,998 | 670,191 |
| Total governmental activities program revenues | <u>13,243,050</u> | <u>11,277,506</u> | <u>9,025,858</u> | <u>10,096,117</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Sewer | 7,437,372 | 8,067,438 | 8,976,173 | 8,265,798 |
| Water | 9,631,170 | 10,804,962 | 11,130,274 | 10,976,356 |
| Sanitation | 3,157,449 | 3,050,445 | 3,129,173 | 3,100,329 |
| Other enterprise funds: | | | | |
| Packard Music Hall | 216,722 | 204,224 | 237,197 | 218,979 |
| City Redevelopment | 42,711 | 42,711 | 42,711 | 42,711 |
| Downtown parking | 29,448 | 27,503 | 37,959 | 29,192 |
| Stormwater Utility | 888,267 | 843,531 | 804,595 | 832,444 |
| Capital grants and contributions | | | | |
| Other enterprise funds: | | | | |
| Packard Music Hall | 1,236,504 | 33,056 | - | 100,000 |
| Stormwater Utility | 30,225 | - | - | - |
| Total business-type activities program revenues | <u>22,669,868</u> | <u>23,073,870</u> | <u>24,358,082</u> | <u>23,565,809</u> |
| Total primary government | <u>\$ 35,912,918</u> | <u>\$ 34,351,376</u> | <u>\$ 33,383,940</u> | <u>\$ 33,661,926</u> |
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 6,008,079 | \$ 6,732,524 | \$ 6,108,728 | \$ 6,119,385 |
| Security of persons and property | 15,796,159 | 18,620,804 | 17,180,410 | 17,031,559 |
| Public health and welfare | 540,432 | 1,289,289 | 512,057 | 517,820 |
| Transportation | 3,639,586 | 4,644,555 | 3,948,040 | 3,834,782 |
| Community environment | 1,998,953 | 2,082,342 | 2,310,948 | 1,884,819 |
| Leisure time activities | 478,041 | 699,582 | 860,839 | 665,407 |
| Economic development | 2,664,643 | 2,981,877 | 2,066,544 | 2,595,480 |
| Interest and fiscal charges | 566,227 | 631,425 | 609,323 | 682,090 |
| Total governmental activities expenses | <u>31,692,120</u> | <u>37,682,398</u> | <u>33,596,889</u> | <u>33,331,342</u> |

| | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----|-------------------|----------------------|----------------------|
| \$ | 1,210,264 | \$ 1,225,507 | \$ 1,279,189 |
| | 1,368,960 | 1,412,462 | 1,567,813 |
| | 157,623 | 130,904 | 120,659 |
| | 48,066 | 33,050 | 44,058 |
| | 526,502 | 663,501 | 617,335 |
| | 13,646 | 17,259 | 27,456 |
| | 179,296 | 38,522 | 142,863 |
| | 40,248 | - | 191,227 |
| | 257,611 | 236,524 | 243,964 |
| | - | - | - |
| | 2,178,812 | 1,872,926 | 1,684,860 |
| | 2,673,342 | 2,054,645 | 3,021,318 |
| | - | 1,164,720 | 1,147,279 |
| | 2,017,348 | 2,766,371 | - |
| | <u>10,671,718</u> | <u>11,616,391</u> | <u>10,088,021</u> |
| | 8,743,627 | 7,653,073 | 6,800,830 |
| | 11,720,251 | 10,249,483 | 10,287,987 |
| | 3,145,870 | 3,160,832 | 3,018,624 |
| | 260,551 | 201,112 | 198,349 |
| | 40,445 | 42,711 | 44,978 |
| | 4,805 | 36,022 | 86,804 |
| | 808,058 | 806,491 | 732,880 |
| | - | - | - |
| | - | - | - |
| | <u>24,723,607</u> | <u>22,149,724</u> | <u>21,170,452</u> |
| \$ | <u>35,395,325</u> | <u>\$ 33,766,115</u> | <u>\$ 31,258,473</u> |
| \$ | 5,856,271 | \$ 5,364,746 | \$ 5,503,496 |
| | 16,406,869 | 16,118,228 | 15,483,951 |
| | 592,167 | 509,570 | 443,174 |
| | 3,272,353 | 3,447,063 | 3,581,813 |
| | 1,730,863 | 1,849,861 | 2,017,399 |
| | 905,187 | 585,728 | 680,886 |
| | 2,831,518 | 2,071,529 | 2,189,572 |
| | 668,091 | 730,212 | 630,684 |
| | <u>32,263,319</u> | <u>30,676,937</u> | <u>30,530,975</u> |

-- Continued

CITY OF WARREN, OHIO

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| Business-type activities: | | | | |
| Sewer | \$ 7,252,490 | \$ 7,686,872 | \$ 8,008,014 | \$ 8,191,531 |
| Water | 11,800,248 | 12,233,642 | 10,845,009 | 10,769,899 |
| Sanitation | 3,104,251 | 3,360,964 | 3,146,764 | 3,004,744 |
| Other enterprise funds | | | | |
| Packard Music Hall | 436,046 | 684,553 | 685,045 | 539,752 |
| City Redevelopment | 20,650 | 50,605 | 49,618 | 52,594 |
| Downtown parking | 136,918 | 150,089 | 154,011 | 74,573 |
| Stormwater Utility | 763,961 | 1,291,516 | 646,497 | 580,352 |
| Total business-type activities expenses | <u>23,514,564</u> | <u>25,458,241</u> | <u>23,534,958</u> | <u>23,213,445</u> |
| Total primary government | <u>\$ 55,206,684</u> | <u>\$ 63,140,639</u> | <u>\$ 57,131,847</u> | <u>\$ 56,544,787</u> |
| Net (expense) revenue: | | | | |
| Governmental activities | \$ (18,449,070) | \$ (26,404,892) | \$ (24,571,031) | \$ (23,235,225) |
| Business-type activities | (844,696) | (2,384,371) | 823,124 | 352,364 |
| Total primary government net expense | <u>\$ (19,293,766)</u> | <u>\$ (28,789,263)</u> | <u>\$ (23,747,907)</u> | <u>\$ (22,882,861)</u> |
| General revenues and other changes in net assets: | | | | |
| Governmental activities | | | | |
| Taxes: | | | | |
| Property taxes levied for: | | | | |
| Debt service | \$ 1,298,598 | \$ 1,448,672 | \$ 1,389,308 | \$ 1,405,834 |
| Fire pension | 133,797 | 151,750 | 144,268 | 147,074 |
| Police pension | 133,797 | 151,750 | 144,268 | 147,074 |
| Income taxes levied for: | | | | |
| General Purposes | 16,411,492 | 17,636,767 | 18,221,022 | 20,214,764 |
| Grants and entitlements | | | | |
| not restricted to specific programs | 2,908,110 | 2,999,526 | 2,995,358 | 2,894,066 |
| Investment earnings | 302,100 | 838,469 | 1,239,089 | 1,229,795 |
| Miscellaneous | 605,315 | 518,324 | 548,405 | 776,416 |
| Transfers | (510,000) | (602,574) | (327,477) | (169,120) |
| Total governmental activities | <u>21,283,209</u> | <u>23,142,684</u> | <u>24,354,241</u> | <u>26,645,903</u> |
| Business-type activities | | | | |
| Investment earnings | 1,772 | 27,045 | 57,086 | 53,205 |
| Miscellaneous | 295,990 | 380,495 | 282,751 | 234,468 |
| Transfers | 510,000 | 602,574 | 327,477 | 169,120 |
| Total business-type activities | <u>807,762</u> | <u>1,010,114</u> | <u>667,314</u> | <u>456,793</u> |
| Total primary government | <u>\$ 22,090,971</u> | <u>\$ 24,152,798</u> | <u>\$ 25,021,555</u> | <u>\$ 27,102,696</u> |
| Change in net assets: | | | | |
| Governmental activities | \$ 2,834,139 | \$ (3,262,208) | \$ (216,790) | \$ 3,410,678 |
| Business-type activities | (36,934) | (1,374,257) | 1,490,438 | 809,157 |
| Total primary government | <u>\$ 2,797,205</u> | <u>\$ (4,636,465)</u> | <u>\$ 1,273,648</u> | <u>\$ 4,219,835</u> |

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

| <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------|-----------------|-----------------|
| \$ 8,714,806 | \$ 8,129,365 | \$ 8,536,652 |
| 10,654,024 | 10,240,694 | 10,385,641 |
| 3,042,898 | 2,890,149 | 2,822,181 |
| 711,637 | 643,869 | 528,652 |
| 75,597 | 20,399 | 21,589 |
| 142,539 | 154,335 | 159,800 |
| 818,288 | 583,188 | 657,073 |
| 24,159,789 | 22,661,999 | 23,111,588 |
| \$ 56,423,108 | \$ 53,338,936 | \$ 53,642,563 |
| | | |
| \$ (21,591,601) | \$ (19,060,546) | \$ (20,442,954) |
| 563,818 | (512,275) | (1,941,136) |
| \$ (21,027,783) | \$ (19,572,821) | \$ (22,384,090) |
| | | |
| \$ 1,261,822 | \$ 1,218,505 | \$ 1,256,977 |
| 129,146 | 126,166 | 130,145 |
| 129,146 | 126,166 | 130,145 |
| 19,432,428 | 18,830,130 | 18,788,667 |
| 3,312,509 | 3,080,849 | 2,896,927 |
| 1,111,515 | 465,707 | 615,974 |
| 563,907 | 1,153,304 | 1,796,888 |
| (702,756) | (492,155) | (645,036) |
| 25,237,717 | 24,508,672 | 24,970,687 |
| 30,745 | 9,940 | 201,577 |
| 319,640 | 542,264 | 767,730 |
| 702,756 | 492,155 | 645,036 |
| 1,053,141 | 1,044,359 | 1,614,343 |
| \$ 26,290,858 | \$ 25,553,031 | \$ 26,585,030 |
| | | |
| \$ 3,646,116 | \$ 5,448,126 | \$ 4,527,733 |
| 1,616,959 | 532,084 | (326,793) |
| \$ 5,263,075 | \$ 5,980,210 | \$ 4,200,940 |

CITY OF WARREN, OHIO

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--------------------------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| General fund: | | | | | | |
| Reserved | \$ 88,913 | \$ 82,867 | \$ 505,629 | \$ 267,692 | \$ 131,711 | \$ 598,009 |
| Unreserved | 4,027,419 | 4,119,358 | 5,943,890 | 6,283,706 | 4,828,462 | 4,647,091 |
| Total general fund | <u>\$ 4,116,332</u> | <u>\$ 4,202,225</u> | <u>\$ 6,449,519</u> | <u>\$ 6,551,398</u> | <u>\$ 4,960,173</u> | <u>\$ 5,245,100</u> |
| All other governmental funds: | | | | | | |
| Reserved | \$ 8,334,585 | \$ 10,217,681 | \$ 8,234,636 | \$ 8,466,851 | \$ 6,076,124 | \$ 5,602,035 |
| Unreserved (deficit), reported in: | | | | | | |
| Special revenue funds | 2,183,565 | 2,191,594 | 2,360,982 | 2,256,060 | 3,331,847 | 3,141,354 |
| Debt service fund | 300,006 | 111,599 | 3,924 | 1,441 | 8,466 | 577 |
| Capital projects fund | (1,341,226) | (3,004,369) | (222,311) | 62,827 | 51,707 | (48,071) |
| Total all other governmental funds | <u>\$ 9,476,930</u> | <u>\$ 9,516,505</u> | <u>\$ 10,377,231</u> | <u>\$ 10,787,179</u> | <u>\$ 9,468,144</u> | <u>\$ 8,695,895</u> |

| <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|---------------------|---------------------|---------------------|---------------------|
| \$ 602,878 | \$ 55,505 | \$ 306,771 | \$ 545,555 |
| <u>5,526,525</u> | <u>3,804,593</u> | <u>1,224,226</u> | <u>1,647,182</u> |
| <u>\$ 6,129,403</u> | <u>\$ 3,860,098</u> | <u>\$ 1,530,997</u> | <u>\$ 2,192,737</u> |
| | | | |
| \$ 6,443,384 | \$ 6,562,027 | \$ 8,956,799 | \$ 7,074,465 |
| 4,289,027 | 3,450,874 | 1,278,903 | 2,883,704 |
| 4,803 | 4,642 | 4,642 | 27,684 |
| <u>(1,362,610)</u> | <u>(2,031,708)</u> | <u>(1,006,640)</u> | <u>(218,885)</u> |
| | | | |
| <u>\$ 9,374,604</u> | <u>\$ 7,985,835</u> | <u>\$ 9,233,704</u> | <u>\$ 9,766,968</u> |

CITY OF WARREN, OHIO

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|---------------------|-----------------------|-----------------------|---------------------|-------------------|
| Revenues | | | | | |
| Income taxes | \$ 15,624,357 | \$ 18,013,849 | \$ 18,070,111 | \$ 20,138,026 | \$ 19,610,734 |
| Property and other taxes | 1,511,528 | 1,484,062 | 1,667,959 | 1,657,168 | 1,485,169 |
| Charges for services | 2,139,791 | 2,236,100 | 2,067,415 | 1,693,234 | 2,187,422 |
| Licenses and permits | 2,070,754 | 2,493,223 | 1,886,000 | 2,466,676 | 1,852,130 |
| Fines and forfeitures | 1,747,233 | 1,523,506 | 1,531,452 | 1,594,451 | 1,441,968 |
| Intergovernmental | 12,037,848 | 9,540,800 | 7,787,994 | 7,831,448 | 10,574,125 |
| Special assessments | 27,680 | 22,036 | 30,688 | 44,629 | 42,597 |
| Investment income | 393,622 | 1,187,787 | 1,404,779 | 1,164,258 | 962,886 |
| Rental income | 94,831 | 60,013 | 113,186 | 168,256 | 36,830 |
| Other | 697,315 | 721,207 | 626,061 | 1,491,416 | 563,907 |
| Total revenues | <u>36,344,959</u> | <u>37,282,583</u> | <u>35,185,645</u> | <u>38,249,562</u> | <u>38,757,768</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 7,313,305 | 7,939,782 | 7,991,047 | 7,533,078 | 7,824,849 |
| Security of persons and property | 15,187,309 | 17,976,545 | 17,671,898 | 17,233,644 | 16,259,126 |
| Public health and welfare | 585,216 | 1,242,486 | 492,168 | 493,377 | 588,693 |
| Transportation | 1,640,909 | 2,534,139 | 2,328,166 | 2,062,179 | 2,278,123 |
| Community environment | 1,761,935 | 1,909,315 | 2,145,697 | 1,886,410 | 1,783,381 |
| Leisure time activity | 491,804 | 656,999 | 876,264 | 675,183 | 762,761 |
| Economic development | 3,082,605 | 2,966,215 | 2,083,320 | 2,508,773 | 2,764,286 |
| Capital outlay | 3,920,919 | 2,782,967 | 1,833,099 | 1,927,685 | 3,017,762 |
| Intergovernmental | | | | | |
| Debt service: | | | | | |
| Principal retirement | 1,530,310 | 1,538,405 | 2,025,221 | 2,045,411 | 2,007,728 |
| Interest and fiscal charges | 534,299 | 585,924 | 580,065 | 606,431 | 640,178 |
| Bond issuance cost | - | - | - | - | - |
| Total expenditures | <u>36,048,611</u> | <u>40,132,777</u> | <u>38,026,945</u> | <u>36,972,171</u> | <u>37,926,887</u> |
| Excess of revenues over (under) expenditures | <u>296,348</u> | <u>(2,850,194)</u> | <u>(2,841,300)</u> | <u>1,277,391</u> | <u>830,881</u> |
| Other financing sources (uses) | | | | | |
| Sale of refunding bonds | - | - | - | - | - |
| Sale of bonds | - | - | - | - | - |
| Sale of notes | - | - | - | 1,700,000 | - |
| Loan proceeds | - | 256,564 | - | - | - |
| Premium on bonds | - | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | - | - | - |
| Capital lease transaction | - | - | - | 29,847 | - |
| Sale of capital assets | - | - | - | - | - |
| Transfers in | 1,104,143 | 1,140,453 | 1,046,488 | 1,941,380 | 2,228,086 |
| Transfers (out) | (1,525,959) | (1,654,843) | (1,302,304) | (2,038,358) | (2,571,645) |
| Loss on write off of loans receivable | - | - | - | - | - |
| Total other financing sources (uses) | <u>(421,816)</u> | <u>(257,826)</u> | <u>(255,816)</u> | <u>1,632,869</u> | <u>(343,559)</u> |
| Net change in fund balances | <u>\$ (125,468)</u> | <u>\$ (3,108,020)</u> | <u>\$ (3,097,116)</u> | <u>\$ 2,910,260</u> | <u>\$ 487,322</u> |
| Capital expenditures | 4,465,719 | 2,824,370 | 2,372,745 | 2,192,532 | 3,502,785 |
| Debt service as a percentage of noncapital expenditures | 6.54% | 5.69% | 7.31% | 7.62% | 7.69% |

| 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------|---------------------|---------------------|-----------------------|---------------------|
| \$ 18,567,076 | \$ 18,825,568 | \$ 18,423,033 | \$ 15,413,120 | \$ 14,275,386 |
| 1,456,326 | 1,493,148 | 1,493,335 | 1,514,882 | 1,551,934 |
| 2,055,303 | 2,120,940 | 2,158,369 | 1,714,490 | 1,869,173 |
| 1,839,742 | 1,726,971 | 1,678,306 | 1,407,022 | 1,464,433 |
| 1,422,329 | 1,733,026 | 1,511,535 | 1,133,342 | 1,262,522 |
| 11,200,065 | 9,223,005 | 10,797,033 | 9,820,979 | 9,069,513 |
| 19,828 | 100,189 | 9,777 | 10,526 | 29,470 |
| 357,172 | 428,636 | 472,571 | 509,357 | 461,352 |
| 34,314 | 53,048 | 47,115 | 45,818 | 129,890 |
| 1,232,073 | 1,796,889 | 2,919,419 | 973,075 | 613,317 |
| <u>38,184,228</u> | <u>37,501,420</u> | <u>39,510,493</u> | <u>32,542,611</u> | <u>30,726,990</u> |
| 7,610,099 | 7,300,180 | 7,067,691 | 6,926,161 | 6,449,633 |
| 15,940,459 | 15,028,195 | 14,768,585 | 12,931,874 | 11,677,787 |
| 585,532 | 417,382 | 432,401 | 375,277 | 313,128 |
| 2,745,117 | 2,365,061 | 2,638,201 | 2,122,212 | 2,231,622 |
| 1,806,298 | 1,611,897 | 1,776,919 | 1,577,698 | 1,289,926 |
| 885,871 | 626,762 | 563,994 | 274,719 | 239,038 |
| 1,984,304 | 2,198,894 | 1,604,649 | 1,467,464 | 1,639,421 |
| 6,029,700 | 3,411,525 | 6,887,754 | 3,433,672 | 4,327,789 |
| 1,615,655 | 969,409 | 1,336,361 | 1,172,939 | 1,158,308 |
| 700,193 | 653,635 | 986,695 | 869,533 | 850,140 |
| - | 146,364 | - | - | - |
| <u>39,903,228</u> | <u>34,729,304</u> | <u>38,063,250</u> | <u>31,151,549</u> | <u>30,176,792</u> |
| <u>(1,719,000)</u> | <u>2,772,116</u> | <u>1,447,243</u> | <u>1,391,062</u> | <u>550,198</u> |
| - | 6,045,000 | - | - | - |
| - | 1,231,000 | - | - | - |
| - | - | - | - | 1,361,137 |
| - | - | - | - | - |
| - | 45,818 | - | - | - |
| - | (6,548,575) | - | - | - |
| 557,708 | 7,902 | 9,688 | - | - |
| - | - | - | - | 261,251 |
| 3,027,653 | 3,642,789 | 2,959,352 | 3,106,571 | 3,386,826 |
| (3,429,373) | (3,974,247) | (3,296,767) | (3,895,018) | (4,059,640) |
| - | - | - | (1,812,450) | - |
| <u>155,988</u> | <u>449,687</u> | <u>(327,727)</u> | <u>(2,600,897)</u> | <u>949,574</u> |
| <u>\$ (1,563,012)</u> | <u>\$ 3,221,803</u> | <u>\$ 1,119,516</u> | <u>\$ (1,209,835)</u> | <u>\$ 1,499,772</u> |
| 8,024,415 | 3,241,838 | 6,887,754 | 3,433,672 | 4,327,789 |
| 7.26% | 5.62% | 7.45% | 7.37% | 7.77% |

CITY OF WARREN, OHIO

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

| Year | Real Property | | Public Utility Property | | Tangible Personal Property | |
|-------------|-----------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Assessed Value | Estimated Actual Value (a) | Assessed Value | Estimated Actual Value (b) | Assessed Value | Estimated Actual Value (c) |
| 2009 | \$ 428,297,150 | \$ 1,223,706,143 | \$ 14,247,870 | 16,190,761 | \$ 1,455,330 | 23,285,280 |
| 2008 | 431,072,850 | 1,231,636,714 | 13,860,410 | 15,750,466 | 15,381,832 | 246,109,312 |
| 2007 | 429,330,830 | 1,226,659,514 | 18,680,580 | 21,227,932 | 33,258,581 | 266,068,648 |
| 2006 | 431,539,380 | 1,232,969,657 | 19,583,030 | 22,253,443 | 48,898,902 | 260,794,144 |
| 2005 | 396,779,290 | 1,133,655,114 | 20,160,950 | 22,910,170 | 60,904,321 | 243,617,284 |
| 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 |

Source: Trumbull County Auditor's Office

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

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

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

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

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

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

| Total | | | |
|-----------------------|-------------------------------|------------------------------|---|
| Assessed Value | Estimated Actual Value | Total Direct Tax Rate | Assessed Value as a Percentage of Actual Value |
| \$ 444,000,350 | \$ 1,263,182,184 | 3.50 | 35.15% |
| 460,315,092 | 1,493,496,492 | 3.50 | 30.82% |
| 481,269,991 | 1,513,956,094 | 3.50 | 31.79% |
| 500,021,312 | 1,516,017,244 | 3.50 | 32.98% |
| 477,844,561 | 1,400,182,569 | 3.50 | 34.13% |
| 475,346,480 | 1,399,448,798 | 3.50 | 33.97% |
| 474,296,248 | 1,394,671,472 | 3.50 | 34.01% |
| 467,902,378 | 1,389,530,901 | 3.50 | 33.67% |
| 484,806,215 | 1,428,656,110 | 3.50 | 33.93% |
| 480,460,312 | 1,411,707,547 | 3.50 | 34.03% |

CITY OF WARREN, OHIO

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

| Collection Year | City Direct Rates | | | | Overlapping Rates | | | |
|-----------------|-------------------------|----------------|--------------|------------|-------------------|-----------------|-------------------|-----------------|
| | General Obligation Debt | Police Pension | Fire Pension | Total Rate | Trumbull County | School District | Vocational School | Warren Township |
| 2009 | 2.90 | 0.30 | 0.30 | 3.50 | 12.30 | 58.95 | 2.40 | 13.00 |
| 2008 | 2.90 | 0.30 | 0.30 | 3.50 | 11.10 | 57.75 | 2.40 | 13.00 |
| 2007 | 2.90 | 0.30 | 0.30 | 3.50 | 11.10 | 58.50 | 2.40 | 13.00 |
| 2006 | 2.90 | 0.30 | 0.30 | 3.50 | 11.10 | 58.45 | 2.40 | 13.00 |
| 2005 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 59.65 | 2.40 | 13.00 |
| 2004 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 59.65 | 2.40 | 11.50 |
| 2003 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 52.55 | 2.40 | 11.50 |
| 2002 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 52.55 | 2.40 | 11.50 |
| 2001 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 52.38 | 2.40 | 11.50 |
| 2000 | 2.90 | 0.30 | 0.30 | 3.50 | 10.35 | 51.94 | 2.40 | 11.50 |

Source: Trumbull County Auditor's Office

Overlapping Rates - Continued

| <u>Library</u> | <u>Total Tax Rates</u> | <u>Total Direct and Overlapping Rates</u> |
|-----------------------|---------------------------------------|--|
| 1.00 | 87.65 | 91.15 |
| 1.00 | 85.25 | 88.75 |
| 1.00 | 86.00 | 89.50 |
| 0.40 | 85.35 | 88.85 |
| 0.40 | 85.80 | 89.30 |
| 0.40 | 84.30 | 87.80 |
| 0.40 | 77.20 | 80.70 |
| 0.40 | 77.20 | 80.70 |
| 0.40 | 77.03 | 80.53 |
| 0.40 | 76.59 | 80.09 |

CITY OF WARREN, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE PROPERTY TAX
CURRENT YEAR AND SEVEN YEARS AGO

| December 31, 2009 | | | |
|---|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| Sam's Real Estate Business | \$ 2,637,010 | 1 | 0.62% |
| Rydyl I LLC | 2,490,680 | 2 | 0.58% |
| Covelli Real Estate | 2,314,320 | 3 | 0.54% |
| Simon-Northbury | 2,015,760 | 4 | 0.47% |
| NRR Commerce | 1,990,350 | 5 | 0.46% |
| Lowes Home Center | 1,771,070 | 6 | 0.41% |
| North Mar Center | 1,461,430 | 7 | 0.34% |
| Warren Plaza | 1,452,680 | 8 | 0.34% |
| Nationwide Health | 1,358,390 | 9 | 0.32% |
| Trumbull Plaza | 1,052,380 | 10 | 0.25% |
| Total, Top Ten Principal Real Estate Property Taxpayers | <u>\$ 18,544,070</u> | | <u>4.33%</u> |
| Total City Real Property Tax Assessed Valuation | <u>\$ 428,297,150</u> | | |

| December 31, 2002 | | | |
|---|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| P&S Equities | \$ 2,698,930 | 1 | 0.71% |
| Delphi Automotive Systems LLC | 1,916,670 | 2 | 0.51% |
| Simon-Northbury | 1,752,740 | 3 | 0.46% |
| River Road Investments | 1,563,310 | 4 | 0.41% |
| Lowes Home Center | 1,541,470 | 5 | 0.41% |
| WCI Steel | 1,496,150 | 6 | 0.40% |
| Nationwide Health | 1,333,120 | 7 | 0.35% |
| Warren Plaza | 1,179,430 | 8 | 0.31% |
| Howland Associates | 1,137,710 | 9 | 0.30% |
| Trumbull Plaza | 1,064,530 | 10 | 0.28% |
| Total, Top Ten Principal Real Estate Property Taxpayers | <u>\$ 15,684,060</u> | | <u>4.14%</u> |
| Total City Real Property Tax Assessed Valuation | <u>\$ 377,707,860</u> | | |

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

CITY OF WARREN, OHIO
PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND SEVEN YEARS AGO

| December 31, 2009 | | | |
|--|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| Ohio Edison | \$ 11,562,170 | 1 | 81.15% |
| East Ohio Gas | 1,808,860 | 2 | 12.70% |
| American Transmission Systems | 1,547,540 | 3 | 10.86% |
| <hr/> | | | |
| Total, Top Seven Principal Public Utility Property Taxpayers | <u>\$ 14,918,570</u> | | <u>104.71%</u> |
| Total City Public Utility Property Tax Assessed Valuation | <u>\$ 14,247,870</u> | | |

| December 31, 2002 | | | |
|---|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| Ohio Edison Co. | \$ 10,094,660 | 1 | 57.34% |
| United Telephone | 4,784,270 | 2 | 27.18% |
| American Transmission | 1,820,380 | 3 | 10.34% |
| East Ohio Gas Co. | 1,783,170 | 4 | 10.13% |
| <hr/> | | | |
| Total, Top Four Principal Public Utility Property Taxpayers | <u>\$ 18,482,480</u> | | <u>104.99%</u> |
| Total City Public Utility Property Tax Assessed Valuation | <u>\$ 17,604,360</u> | | |

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

Note: Certain adjustments were made to the 2002 and 2009 assessed valuation of Ohio Edison that are not reflected in the City's public utility assessed valuation at year-end.

CITY OF WARREN, OHIO

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
CURRENT YEAR AND SEVEN YEARS AGO

| December 31, 2009 | | | |
|--|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| United Telephone Company of Ohio | \$ 1,215,100 | 1 | 83.49% |
| SprintCom Inc. | 60,060 | 2 | 4.13% |
| Qwest Communications Corp. | 35,830 | 3 | 2.46% |
| Ohio Telephone and Telegraph Co. | 31,380 | 4 | 2.16% |
| New Cingular Wireless PCS LLC | 28,060 | 5 | 1.93% |
| Cleveland Unlimited Inc. | 21,840 | 6 | 1.50% |
| New Par | 8,430 | 7 | 0.58% |
| T-Mobile Central LLC | 6,020 | 8 | 0.41% |
| Sprint Nextel Corp. | 5,760 | 9 | 0.40% |
| Ohio Bell Telephone Company | 5,690 | 10 | 0.39% |
| Total, Top Ten Principal Tangible Personal Property Taxpayers | \$ 1,418,170 | | 97.45% |
| Total City Tangible Personal Property Tax Assessed Valuation | \$ 1,455,330 | | |

| December 31, 2002 | | | |
|--|-------------------------------|-------------|-------------------------------------|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Assessed Value |
| Alcan Aluminum Corp | \$ 7,024,010 | 1 | 9.68% |
| Delphi Automotive Systems LLC | 6,561,790 | 2 | 9.04% |
| GE Lighting Inc. | 3,826,440 | 3 | 5.27% |
| WCI Steel Inc. | 3,360,240 | 4 | 4.63% |
| Time Warner | 1,915,610 | 5 | 2.64% |
| AVI Food Systems | 1,824,600 | 6 | 2.51% |
| Trumbull Industries | 1,574,380 | 7 | 2.17% |
| Tamarkin Co. | 1,039,340 | 8 | 1.43% |
| Eastern Ohio Newspaper | 1,033,180 | 9 | 1.42% |
| Kenilworth Steel Co. | 948,080 | 10 | 1.31% |
| Total, Top Ten Principal Tangible Personal Property Taxpayers | \$ 29,107,670 | | 40.10% |
| Total City Tangible Personal Property Tax Assessed Valuation | \$ 72,590,158 | | |

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

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 Tax Levy</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Total Collections to Tax Levy</u> | <u>Outstanding Delinquent Taxes</u> | <u>Percentage of Delinquent Taxes to Tax Levy</u> |
|-------------|-------------------------|--------------------------------|---|-----------------------------------|------------------------------|---|-------------------------------------|---|
| 2009 | \$ 1,547,800 | \$ 1,402,676 | 90.62% | \$ 77,903 | \$ 1,480,579 | 95.66% | \$ 348,433 | 22.51% |
| 2008 | 1,556,160 | 1,423,214 | 91.46% | 75,500 | 1,498,714 | 96.31% | 301,393 | 19.37% |
| 2007 | 1,563,511 | 1,461,666 | 93.49% | 78,460 | 1,540,126 | 98.50% | 242,664 | 15.52% |
| 2006 | 1,577,768 | 1,474,794 | 93.47% | 71,382 | 1,546,176 | 98.00% | 213,940 | 13.56% |
| 2005 | 1,458,232 | 1,375,610 | 94.33% | 57,309 | 1,432,919 | 98.26% | 183,622 | 12.59% |
| 2004 | 1,444,415 | 1,363,730 | 94.41% | 63,714 | 1,427,444 | 98.83% | 157,103 | 10.88% |
| 2003 | 1,441,977 | 1,373,142 | 95.23% | 67,022 | 1,440,164 | 99.87% | 164,882 | 11.43% |
| 2002 | 1,382,548 | 1,312,330 | 94.92% | 64,438 | 1,376,768 | 99.58% | 169,323 | 12.25% |
| 2001 | 1,407,161 | 1,341,960 | 95.37% | 59,286 | 1,401,246 | 99.58% | 194,425 | 13.82% |
| 2000 | 1,410,785 | 1,333,773 | 94.54% | 61,208 | 1,394,981 | 98.88% | 189,985 | 13.47% |

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

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

| Year | Current Tax Levy | Current Tax Collections | Percent of Current Collections to Tax Levy | Delinquent Tax Collections | Total Tax Collections | Percent of Total Collections to Tax Levy | Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Tax Levy |
|-------------|-------------------------|--------------------------------|---|-----------------------------------|------------------------------|---|-------------------------------------|---|
| 2009 | \$ 5,094 | \$ 665 | 13.05% | \$ 7,849 | \$ 8,514 | 167.14% | \$ 36,557 | 717.65% |
| 2008 | 53,836 | 46,420 | 86.22% | 14,879 | 61,299 | 113.86% | 59,669 | 110.83% |
| 2007 | 116,217 | 114,467 | 98.49% | 52,830 | 167,297 | 143.95% | 63,943 | 55.02% |
| 2006 | 171,146 | 155,732 | 90.99% | 26,447 | 182,179 | 106.45% | 91,581 | 53.51% |
| 2005 | 213,165 | 211,882 | 99.40% | 13,870 | 225,752 | 105.90% | 90,910 | 42.65% |
| 2004 | 218,215 | 212,989 | 97.61% | 10,414 | 223,403 | 102.38% | 84,485 | 38.72% |
| 2003 | 216,937 | 205,165 | 94.57% | 9,799 | 214,964 | 99.09% | 42,505 | 19.59% |
| 2002 | 253,789 | 241,310 | 95.08% | 34,484 | 275,794 | 108.67% | 33,089 | 13.04% |
| 2001 | 284,209 | 270,497 | 95.18% | 20,881 | 291,378 | 102.52% | 47,705 | 16.79% |
| 2000 | 268,923 | 264,056 | 98.19% | 7,455 | 271,511 | 100.96% | 48,003 | 17.85% |

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

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

| Year | Current Tax Levy | Current Tax Collections | Percent of Current Collections to Tax Levy | Delinquent Tax Collections | Total Tax Collections | Percent of Total Collections to Tax Levy | Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Tax Levy |
|-------------|-------------------------|--------------------------------|---|-----------------------------------|------------------------------|---|-------------------------------------|---|
| 2009 | \$ 190,805 | \$ 58,847 | 30.84% | \$ 22,731 | \$ 81,578 | 42.75% | \$ 1,022,078 | 535.67% |
| 2008 | 161,644 | 31,566 | 19.53% | 8,987 | 40,553 | 25.09% | 822,209 | 508.65% |
| 2007 | 130,800 | 19,742 | 15.09% | 15,346 | 35,088 | 26.83% | 574,339 | 439.10% |
| 2006 | 62,835 | 14,713 | 23.42% | 4,968 | 19,681 | 31.32% | 401,745 | 639.37% |
| 2005 | 90,383 | 22,103 | 24.45% | 9,239 | 31,342 | 34.68% | 358,665 | 396.83% |
| 2004 | 36,256 | 17,179 | 47.38% | 9,300 | 26,479 | 73.03% | 273,406 | 754.10% |
| 2003 | 35,309 | 9,507 | 26.93% | 17,597 | 27,104 | 76.76% | 314,870 | 891.76% |
| 2002 | 76,589 | 14,790 | 19.31% | 40,275 | 55,065 | 71.90% | 286,141 | 373.61% |
| 2001 | 28,122 | 7,808 | 27.76% | 15,362 | 23,170 | 82.39% | 359,743 | 1279.22% |
| 2000 | 142,383 | 42,463 | 29.82% | 10,543 | 53,006 | 37.23% | 284,546 | 199.85% |

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

| Year | Tax Rate | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits |
|-------------|-----------------|----------------------------|-------------------------------|---|-------------------------------|---|
| 2009 | 2.00% | \$ 16,240,720 | \$ 13,050,010 | 80.35% | \$ 1,196,579 | 7.37% |
| 2008 | 2.00% | 18,726,513 | 14,710,035 | 78.55% | 1,907,035 | 10.18% |
| 2007 | 2.00% | 18,732,996 | 14,771,563 | 78.85% | 1,683,763 | 8.99% |
| 2006 | 2.00% | 20,768,808 | 16,148,224 | 77.75% | 2,332,716 | 11.23% |
| 2005 | 2.00% | 19,846,297 | 15,106,710 | 76.12% | 2,392,468 | 12.05% |
| 2004 | 2.00% | 18,824,408 | 15,336,812 | 81.47% | 1,437,867 | 7.64% |
| 2003 | 2.00% | 19,304,428 | 15,698,928 | 81.32% | 1,533,275 | 7.94% |
| 2002 | 2.00% | 18,717,334 | 15,837,958 | 84.62% | 1,071,978 | 5.73% |
| 2001 (1) | 2.00% | 15,812,065 | 13,615,102 | 86.11% | 821,133 | 5.19% |
| 2000 | 1.50% | 14,696,557 | 12,273,247 | 83.51% | 1,154,591 | 7.86% |

Source: The City of Warren Income Tax Department

(1) The income tax was at 1.5% from January-June 2001 and 2% from July-December 2001.

| | Taxes from Individuals | Percentage of Taxes from Individuals |
|----|---------------------------------------|---|
| \$ | 1,994,131 | 12.28% |
| | 2,109,444 | 11.26% |
| | 2,277,669 | 12.16% |
| | 2,287,868 | 11.02% |
| | 2,347,119 | 11.83% |
| | 2,049,729 | 10.89% |
| | 2,072,225 | 10.73% |
| | 1,807,398 | 9.66% |
| | 1,375,830 | 8.70% |
| | 1,268,718 | 8.63% |

CITY OF WARREN, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

| Governmental Activities | | | | | | | |
|--------------------------------|---|--|----------------------|-------------------------|--|----------------------|---|
| Year | General Obligation Bonds | Reinvestment Partnership Corporation Loan | OWDA Loan | HUD 108 Loan | Ohio Department of Development Note | OPWC Loan | Capital Lease Obligation |
| 2009 | \$ 3,647,104 | \$ 585,000 | \$ 80,728 | \$ 1,560,000 | \$ 53,928 | \$ 230,908 | \$ 240,369 |
| 2008 | 4,668,596 | 645,000 | 237,753 | 1,630,000 | 148,075 | 243,736 | 298,551 |
| 2007 | 5,785,670 | 700,000 | 389,051 | 1,700,000 | 166,297 | - | 358,231 |
| 2006 | 7,480,560 | 755,000 | 534,831 | 1,700,000 | 183,805 | - | 418,207 |
| 2005 | 9,205,995 | 810,000 | 675,294 | - | 202,000 | - | 444,755 |
| 2004 | 10,928,630 | 860,000 | 810,635 | - | - | - | 496,639 |
| 2003 | 12,251,810 | 905,000 | 941,040 | - | - | - | 10,105 |
| 2002 | 11,965,320 | 945,000 | 1,066,689 | - | - | - | 7,447 |
| 2001 | 13,096,180 | 985,000 | 1,187,755 | - | - | - | - |
| 2000 | 14,156,145 | 985,000 | 1,300,759 | - | - | - | - |

Sources:

(a) See notes to the financial statements regarding the City's outstanding debt information.

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

Business-Type Activities

| General Obligation Bonds | Revenue Bonds | OWDA Loans | Capital Leases | (a) Total Primary Government | (b) Total Personal Income | Percentage of Personal Income | (b) Population | Per Capita |
|---|--------------------------|-----------------------|---------------------------|---|--|--|---------------------------|-----------------------|
| \$ 2,181,000 | \$ 8,265,000 | \$ 24,606,332 | \$ 127,262 | \$ 41,577,631 | \$ 1,259,721,952 | 3.30% | 43,789 | \$ 949 |
| 2,681,500 | 8,700,000 | 26,390,107 | 189,078 | 45,832,396 | 1,303,190,400 | 3.52% | 45,300 | 1,012 |
| 3,180,500 | 9,115,000 | 27,463,326 | 247,622 | 49,105,697 | 1,317,459,328 | 3.73% | 45,796 | 1,072 |
| 3,671,500 | 9,515,000 | 24,032,121 | 304,233 | 48,595,257 | 1,250,413,984 | 3.89% | 45,796 | 1,061 |
| 4,155,000 | 9,895,000 | 21,771,589 | 4,809 | 47,164,442 | 1,241,208,988 | 3.80% | 45,796 | 1,030 |
| 4,630,000 | 10,260,000 | 22,988,827 | 8,179 | 50,982,910 | 1,208,870,119 | 4.22% | 46,223 | 1,103 |
| 5,424,000 | 10,610,000 | 20,878,602 | 11,290 | 51,031,847 | 1,201,227,984 | 4.25% | 46,608 | 1,095 |
| 5,880,000 | 10,945,000 | 15,668,286 | 14,163 | 46,491,905 | 1,150,195,000 | 4.04% | 46,100 | 1,009 |
| 6,540,000 | 10,965,000 | 15,200,410 | - | 47,974,345 | 1,130,146,052 | 4.24% | 46,466 | 1,032 |
| 7,170,000 | 11,040,000 | 15,969,302 | - | 50,621,206 | 1,132,257,264 | 4.47% | 46,832 | 1,081 |

CITY OF WARREN, OHIO

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

| <u>Year</u> | <u>Population (1)</u> | <u>Estimated Actual Value of Taxable Property (2)</u> | <u>Bonded Debt (3)</u> | <u>Ratio of Bonded Debt to Estimated Actual Value of Property</u> | <u>Bonded Debt Per Capita</u> |
|-------------|-----------------------|---|----------------------------|---|---------------------------------------|
| 2009 | 43,789 | \$ 1,263,182,184 | \$ 3,647,104 | 0.29% | \$ 83 |
| 2008 | 45,300 | 1,493,496,492 | 4,668,596 | 0.31% | 103 |
| 2007 | 45,796 | 1,513,956,094 | 5,785,670 | 0.38% | 126 |
| 2006 | 45,796 | 1,516,017,244 | 7,480,560 | 0.49% | 163 |
| 2005 | 45,796 | 1,400,182,569 | 9,205,995 | 0.66% | 201 |
| 2004 | 46,223 | 1,399,448,798 | 10,928,630 | 0.78% | 236 |
| 2003 | 46,608 | 1,394,671,472 | 12,251,810 | 0.88% | 263 |
| 2002 | 46,100 | 1,389,530,901 | 11,965,320 | 0.86% | 260 |
| 2001 | 46,466 | 1,428,656,110 | 13,096,180 | 0.92% | 282 |
| 2000 | 46,832 | 1,411,707,547 | 14,156,145 | 1.00% | 302 |

Sources:

- (1) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.
- (2) Trumbull County Auditor's Office.
- (3) Includes all general obligation bonded debt.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF WARREN, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| Direct: | | | |
| City of Warren | \$ 3,647,104 | 100.00% | \$ 3,647,104 |
| Overlapping debt: | | | |
| Trumbull County | 17,578,269 | 12.96% | 2,278,144 |
| Warren City School District | 34,515,000 | 91.78% | 31,677,867 |
| LaBrae Local School District | 6,373,994 | 9.71% | 618,915 |
| Lakeview Local School District | 2,473,484 | 0.02% | 495 |
| Geauga-Trumbull Jt. Solid Waste Management | 550,000 | 6.90% | 37,950 |
| Total direct and overlapping debt | <u>\$ 65,137,851</u> | | <u>\$ 38,260,474</u> |

Source: Ohio Municipal Advisory Council

CITY OF WARREN, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS**

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Assesed value** | \$ 443,215,720 | \$ 445,218,130 | \$ 443,015,560 | \$ 500,021,312 |
| Legal debt margin: | | | | |
| Debt limitation - 10.5% of assesed value | 46,537,651 | 46,747,904 | 46,516,634 | 52,502,238 |
| Debt applicable to limitation: | | | | |
| Total bonded debt | 14,093,104 | 16,050,096 | 18,081,170 | 20,667,060 |
| Exemptions: | | | | |
| Debt service fund balance | (336,286) | (133,279) | (34,943) | (36,117) |
| Debt supported by enterprise fund operations | <u>(10,446,000)</u> | <u>(11,381,500)</u> | <u>(12,295,500)</u> | <u>(13,186,500)</u> |
| Total exemptions | <u>(10,782,286)</u> | <u>(11,514,779)</u> | <u>(12,330,443)</u> | <u>(13,222,617)</u> |
| Total debt applicable to limitation | <u>3,310,818</u> | <u>4,535,317</u> | <u>5,750,727</u> | <u>7,444,443</u> |
| Total legal debt margin within 10.5% limitation | <u>\$ 43,226,833</u> | <u>\$ 42,212,587</u> | <u>\$ 40,765,907</u> | <u>\$ 45,057,795</u> |
| Unvoted debt limitation - 5.5% of assesed valuation | \$ 24,376,865 | \$ 24,486,997 | \$ 24,365,856 | \$ 27,501,172 |
| Debt applicable to limitation: | | | | |
| Total bonded debt | 14,093,104 | 16,050,096 | 18,081,170 | 20,667,060 |
| Exemptions: | | | | |
| Debt service fund balance | (336,286) | (133,279) | (34,943) | (36,117) |
| Debt supported by enterprise fund operations | <u>(10,446,000)</u> | <u>(11,381,500)</u> | <u>(12,295,500)</u> | <u>(13,186,500)</u> |
| Total exemptions | <u>(10,782,286)</u> | <u>(11,514,779)</u> | <u>(12,330,443)</u> | <u>(13,222,617)</u> |
| Total debt within 5.5% limitations | <u>3,310,818</u> | <u>4,535,317</u> | <u>5,750,727</u> | <u>7,444,443</u> |
| Unvoted debt margin within 5.5% limitation | <u>\$ 21,066,047</u> | <u>\$ 19,951,680</u> | <u>\$ 18,615,129</u> | <u>\$ 20,056,729</u> |

Source: City of Warren financial records

** Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| \$ 477,844,561 | \$ 475,346,480 | \$ 484,904,328 | \$ 467,902,378 | \$ 1,389,530,901 | \$ 1,428,656,110 |
| 50,173,679 | 49,911,380 | 50,914,954 | 49,129,750 | 145,900,745 | 150,008,892 |
| 23,255,995 | 25,818,630 | 28,620,810 | 28,790,320 | 11,890,000 | 11,950,000 |
| (33,214) | (24,975) | (47,438) | (38,596) | (106,769) | (68,428) |
| <u>(14,050,000)</u> | <u>(14,890,000)</u> | <u>(16,034,000)</u> | <u>(16,825,000)</u> | <u>(10,945,000)</u> | <u>(10,965,000)</u> |
| <u>(14,083,214)</u> | <u>(14,914,975)</u> | <u>(16,081,438)</u> | <u>(16,863,596)</u> | <u>(11,051,769)</u> | <u>(11,033,428)</u> |
| 9,172,781 | 10,903,655 | 12,539,372 | 11,926,724 | 838,231 | 916,572 |
| <u>\$ 41,000,898</u> | <u>\$ 39,007,725</u> | <u>\$ 38,375,582</u> | <u>\$ 37,203,026</u> | <u>\$ 145,062,514</u> | <u>\$ 149,092,320</u> |
| \$ 26,281,451 | \$ 26,144,056 | \$ 26,669,738 | \$ 25,734,631 | \$ 76,424,200 | \$ 78,576,086 |
| 23,255,995 | 25,818,630 | 28,620,810 | 28,790,320 | 11,890,000 | 11,950,000 |
| (33,214) | (24,975) | (47,438) | (38,596) | (106,769) | (68,428) |
| <u>(14,050,000)</u> | <u>(14,890,000)</u> | <u>(16,034,000)</u> | <u>(16,825,000)</u> | <u>(10,945,000)</u> | <u>(10,965,000)</u> |
| <u>(14,083,214)</u> | <u>(14,914,975)</u> | <u>(16,081,438)</u> | <u>(16,863,596)</u> | <u>(11,051,769)</u> | <u>(11,033,428)</u> |
| 9,172,781 | 10,903,655 | 12,539,372 | 11,926,724 | 838,231 | 916,572 |
| <u>\$ 17,108,670</u> | <u>\$ 15,240,401</u> | <u>\$ 14,130,366</u> | <u>\$ 13,807,907</u> | <u>\$ 75,585,969</u> | <u>\$ 77,659,514</u> |

CITY OF WARREN, OHIO

PLEGDED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS

REVENUE BONDS:

| Year | Operating Revenues | Operating Expenses (1) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|------|--------------------|------------------------|--|---------------------------|------------|------------|----------|
| | | | | Principal | Interest | Total | |
| 2009 | \$ 9,902,093 | \$ 8,740,883 | \$ 1,161,210 | \$ 435,000 | \$ 446,285 | \$ 881,285 | 1.32 |
| 2008 | 11,016,367 | 8,849,788 | 2,166,579 | 415,000 | 465,582 | 880,582 | 2.46 |
| 2007 | 11,258,258 | 8,646,571 | 2,611,687 | 400,000 | 483,985 | 883,985 | 2.95 |
| 2006 | 11,088,516 | 8,864,527 | 2,223,989 | 380,000 | 501,272 | 881,272 | 2.52 |
| 2005 | 11,825,204 | 8,730,522 | 3,094,682 | 365,000 | 517,697 | 882,697 | 3.51 |
| 2004 | 10,560,858 | 8,581,674 | 1,979,184 | 350,000 | 533,097 | 883,097 | 2.24 |
| 2003 | 10,665,756 | 8,631,104 | 2,034,652 | 335,000 | 547,670 | 882,670 | 2.31 |
| 2002 | 9,438,057 | 7,798,305 | 1,639,752 | 20,000 | 548,520 | 568,520 | 2.88 |
| 2001 | 8,784,860 | 7,619,648 | 1,165,212 | 75,000 | 551,632 | 626,632 | 1.86 |
| 2000 | 7,749,739 | 7,205,496 | 544,243 | 70,000 | 554,503 | 624,503 | 0.87 |

OWDA LOANS:

| Year | Net Revenue Available for Debt Service | Debt Service Required for Revenue Bonds | Net Revenue Available for OWDA Loans | Debt Service Requirements | | | Coverage |
|----------|--|---|--------------------------------------|---------------------------|------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2009 | \$ 1,161,210 | \$ 881,285 | \$ 279,925 | \$ 640,956 | \$ 528,141 | \$ 1,169,097 | 0.24 |
| 2008 | 2,166,579 | 880,582 | 1,285,997 | 428,991 | 365,300 | 794,291 | 1.62 |
| 2007 | 2,611,687 | 883,985 | 1,727,702 | 412,535 | 381,753 | 794,288 | 2.18 |
| 2006 | 2,223,989 | 881,272 | 1,342,717 | 396,710 | 397,581 | 794,291 | 1.69 |
| 2005 | 3,094,682 | 882,697 | 2,211,985 | 381,492 | 412,799 | 794,291 | 2.78 |
| 2004 (2) | 1,979,184 | 883,097 | 1,096,087 | 366,858 | 427,433 | 794,291 | 1.38 |

(1) Total operating expenses are exclusive of depreciation.

(2) 2004 was the first year debt service payments were made on the OWDA loans.

CITY OF WARREN, OHIO

PLEGDED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

| Year | Operating Revenues | Operating Expenses (1) | Net Revenue Available for Debt Service | Debt Service Requirements (2) | | | Coverage |
|------|--------------------|------------------------|--|-------------------------------|------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2009 | \$ 7,442,702 | \$ 5,978,202 | \$ 1,464,500 | \$ 1,142,819 | \$ 500,318 | \$ 1,643,137 | 0.89 |
| 2008 | 8,113,001 | 6,050,486 | 2,062,515 | 1,321,372 | 568,946 | 1,890,318 | 1.09 |
| 2007 | 9,101,060 | 5,970,238 | 3,130,822 | 1,167,757 | 554,102 | 1,721,859 | 1.82 |
| 2006 | 8,318,236 | 5,440,833 | 2,877,403 | 1,023,278 | 531,534 | 1,554,812 | 1.85 |
| 2005 | 8,930,021 | 5,892,235 | 3,037,786 | 963,937 | 578,269 | 1,542,206 | 1.97 |
| 2004 | 7,789,927 | 5,295,578 | 2,494,349 | 908,939 | 621,825 | 1,530,764 | 1.63 |
| 2003 | 7,072,525 | 5,343,222 | 1,729,303 | 857,936 | 681,928 | 1,539,864 | 1.12 |
| 2002 | 6,691,440 | 5,642,802 | 1,048,638 | 810,096 | 863,672 | 1,673,768 | 0.63 |
| 2001 | 6,886,760 | 5,388,255 | 1,498,505 | 768,892 | 907,597 | 1,676,489 | 0.89 |
| 2000 | 7,069,783 | 5,469,344 | 1,600,439 | 706,066 | 949,653 | 1,655,719 | 0.97 |

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of the OWDA loans only.

CITY OF WARREN, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

| Year | Population (1) | Personal Income (3) | Per Capita Personal Income (2) | Unemployment Rates (2) | | | |
|-------------|-----------------------|----------------------------|---------------------------------------|-------------------------------|------------------------|-------------|----------------------|
| | | | | City of Warren | Trumbull County | Ohio | United States |
| 2009 | 43,789 | \$ 1,259,721,952 | \$ 28,768 | 14.6% | 13.8% | 10.2% | 9.3% |
| 2008 | 45,300 | 1,303,190,400 | 28,768 | 8.5% | 7.5% | 6.5% | 5.8% |
| 2007 | 45,796 | 1,317,459,328 | 28,768 | 7.4% | 6.3% | 5.6% | 4.6% |
| 2006 | 45,796 | 1,250,413,984 | 27,304 | 6.9% | 6.3% | 5.5% | 4.6% |
| 2005 | 45,796 | 1,241,208,988 | 27,103 | 7.4% | 6.7% | 5.9% | 5.1% |
| 2004 | 46,223 | 1,208,870,119 | 26,153 | 8.3% | 7.5% | 6.2% | 5.5% |
| 2003 | 46,608 | 1,201,227,984 | 25,773 | 7.7% | 7.3% | 6.2% | 6.0% |
| 2002 | 46,100 | 1,150,195,000 | 24,950 | 6.8% | 6.9% | 5.7% | 5.8% |
| 2001 | 46,466 | 1,130,146,052 | 24,322 | 6.0% | 6.2% | 4.4% | 4.7% |
| 2000 | 46,832 | 1,132,257,264 | 24,177 | 5.3% | 4.9% | 4.0% | 4.0% |

Sources:

(1) U.S. Census Bureau.

(2) Ohio Job & Family Services, Office of Workforce Development. The per capita personal income figure was not available for 2008 or 2009, so the 2007 number was used as an estimate.

(3) Population times per capita personal income.

CITY OF WARREN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| Employer | 2009 | | |
|--|-------------------------------|-------------|---|
| | Income Tax Withholding | Rank | Percentage of Total City Withholding |
| Trumbull Memorial Hospital | \$ 1,199,430 | 1 | 9.24% |
| Trumbull County Auditor | 1,003,189 | 2 | 7.72% |
| Warren City Schools | 788,648 | 3 | 6.07% |
| St. Elizabeth Medical Center | 782,451 | 4 | 6.02% |
| State of Ohio, Dep't. of Adm. Services | 486,113 | 5 | 3.74% |
| City of Warren | 448,355 | 6 | 3.45% |
| GE Lighting Inc. | 408,009 | 7 | 3.14% |
| AVI Food Systems Inc. | 234,561 | 8 | 1.81% |
| Kenilworth Steel Co. | 137,637 | 9 | 1.06% |
| Novelis Corporation | 131,070 | 10 | 1.01% |
| Total | \$ 5,619,463 | | 43.27% |
| Total 2009 City Income Tax Withholding | <u>\$ 12,987,466</u> | | |

| Employer | 2000 | | |
|--|-------------------------------|-------------|---|
| | Income Tax Withholding | Rank | Percentage of Total City Withholding |
| Delphi Automotive | \$ 1,856,477 | 1 | 15.26% |
| Trumbull Memorial Hospital | 788,086 | 2 | 6.48% |
| Trumbull County Auditor | 566,164 | 3 | 4.65% |
| Warren City Schools | 500,133 | 4 | 4.11% |
| St. Elizabeth Medical Center | 425,355 | 5 | 3.50% |
| State of Ohio, Dep't. of Adm. Services | 345,917 | 6 | 2.84% |
| GE/Client Business Services | 318,384 | 7 | 2.62% |
| General Motors Corp. | 309,547 | 8 | 2.54% |
| WCI Inc. | 273,774 | 9 | 2.25% |
| City of Warren | 261,405 | 10 | 2.15% |
| Total | \$ 5,645,242 | | 46.41% |
| Total 2000 City Income Tax Withholding | <u>\$ 12,163,908</u> | | |

Note: Information on the number of employees for the top ten principal employers was not available. Principal employers were ranked based on the amount of income tax withholdings per year.

CITY OF WARREN, OHIO

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

| Function/Program | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | |
| Council | 12.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Mayor | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Finance | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Income Tax | 5.00 | 6.00 | 8.00 | 8.00 | 7.00 | 9.00 | 9.00 | 10.00 |
| Law | 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Civil Service | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Purchasing | 1.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Human Resources | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Municipal Court | 34.00 | 34.00 | 34.00 | 33.00 | 32.00 | 34.00 | 34.00 | 30.00 |
| Judges | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Operations | 25.00 | 48.00 | 49.00 | 50.00 | 46.00 | 51.00 | 50.00 | 49.00 |
| Engineering | 11.00 | 11.00 | 13.00 | 14.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Security of Persons and Property | | | | | | | | |
| Police | 77.00 | 81.00 | 101.00 | 102.00 | 95.00 | 95.00 | 95.00 | 95.00 |
| Fire | 57.00 | 64.00 | 78.00 | 78.00 | 77.00 | 78.00 | 79.00 | 78.00 |
| Public Health and Welfare | | | | | | | | |
| Health Services | 10.00 | 11.00 | 14.00 | 13.00 | 14.00 | 14.00 | 13.00 | 13.00 |
| Economic Development | | | | | | | | |
| Community Development | 6.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 7.00 |
| Packard Music Hall | 2.00 | 4.00 | 7.00 | 7.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Data Processing | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Utility Services | | | | | | | | |
| Water | 85.00 | 84.00 | 85.00 | 83.00 | 82.00 | 80.00 | 80.00 | 81.00 |
| Sewer/Stormwater | 53.00 | 48.00 | 52.00 | 48.00 | 47.00 | 48.00 | 46.00 | 46.00 |
| Sanitation | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 14.00 | 15.00 | 16.00 |
| Total | 421.00 | 456.00 | 508.00 | 504.00 | 486.00 | 494.00 | 493.00 | 491.00 |

Source: City of Warren records

| <u>2001</u> | <u>2000</u> |
|---------------|---------------|
| 13.00 | 13.00 |
| 5.00 | 3.00 |
| 6.00 | 6.00 |
| 7.00 | 7.00 |
| 9.00 | 10.00 |
| 4.00 | 4.00 |
| 1.00 | 1.00 |
| 3.00 | 3.00 |
| 34.00 | 34.00 |
| 2.00 | 2.00 |
| 47.00 | 40.00 |
| 14.00 | 11.00 |
| 88.00 | 80.00 |
| 70.00 | 64.00 |
| 13.00 | 12.00 |
| 9.00 | 9.00 |
| 3.00 | 3.00 |
| 3.00 | 3.00 |
| 80.00 | 83.00 |
| 48.00 | 52.00 |
| 15.00 | 16.00 |
| <u>474.00</u> | <u>456.00</u> |

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST FOUR YEARS

| Function | 2009 | 2008 | 2007 | 2006 |
|---|-------------|-------------|-------------|-------------|
| Security of Persons and Property | | | | |
| Police: | | | | |
| Physical Arrests | 2,887 | 4,125 | 4,041 | 3,942 |
| Parking Violations | 453 | 510 | 536 | 797 |
| Traffic Violations | 3,036 | 5,336 | 5,377 | 5,949 |
| Fire: | | | | |
| Calls for Service | 1,030 | 1,377 | 1,399 | 1,304 |
| Fire Safety Inspections | 1,135 | 1,052 | 1,024 | 1,076 |
| Leisure Time Activities | | | | |
| Enclosed Shelter Rentals | 78 | 76 | 71 | 87 |
| Log Cabin Rentals | 10 | 8 | 7 | 20 |
| Pavilion Rentals | 177 | 170 | 200 | 257 |
| Transportation | | | | |
| Street Resurfacing (Miles) | 16 | 2 | 12 | 10 |
| Potholes Repaired | 1,006 | 871 | 536 | 638 |
| Water | | | | |
| New Connections | 16 | 21 | 25 | 39 |
| Water Main Breaks | 53 | 107 | 104 | 86 |
| Average Daily Consumption (thousands of gallons) | 11,285 | 12,846 | 12,963 | 13,092 |
| Sewer | | | | |
| Average Daily Consumption (thousands of gallons) | 13,380 | 17,952 | 13,700 | 16,216 |
| Sanitation | | | | |
| Refuse Collected (tons daily) | 88 | 82 | 91 | 92 |

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

CITY OF WARREN, OHIO

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST FOUR YEARS**

| Function | 2009 | 2008 | 2007 | 2006 |
|--|-------------|-------------|-------------|-------------|
| Security of Persons and Property | | | | |
| Police: | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol Units (Marked) | 29 | 33 | 33 | 33 |
| Fire: | | | | |
| Stations | 3 | 3 | 3 | 3 |
| Fire Pumpers | 2 | 3 | 3 | 3 |
| Reserve Fire Pumpers | 1 | 1 | 2 | 2 |
| Ladder Trucks | 2 | 2 | 2 | 2 |
| Heavy Rescue Truck | 1 | 1 | 1 | 1 |
| Leisure Time Activities | | | | |
| Park Acreage | 256.78 | 256.78 | 251.11 | 251.11 |
| Packard Park | | | | |
| Hardball Fields | 1 | 1 | 1 | 1 |
| Softball Fields | 3 | 3 | 3 | 3 |
| Tennis Courts | 6 | 6 | 6 | 6 |
| Perkins Park | | | | |
| Hardball Fields | 6 | 6 | 6 | 6 |
| Softball Fields | 2 | 2 | 2 | 2 |
| Burbank Park | | | | |
| Little League Fields | 4 | 4 | 2 | 2 |
| Deemer Park | | | | |
| Tennis Courts | 4 | 4 | 4 | 4 |
| Transportation | | | | |
| Streets (Paved Miles) | 184.309 | 184.309 | 184.309 | 184.309 |
| Traffic Signals | 61 | 61 | 59 | 59 |
| Water | | | | |
| Water Mains (miles) | 300 | 299 | 291 | 307 |
| Fire Hydrants | 1,904 | 1,906 | 1,904 | 1,915 |
| Maximum Daily Capacity (thousands of gallons) | 22,700 | 22,700 | 22,700 | 22,700 |
| Sewer | | | | |
| Sanitary Sewers (miles) | 196.943 | 199.200 | 199.200 | 196.943 |
| Storm Sewers (miles) | 123.390 | 125.500 | 125.500 | 123.230 |
| Maximum Daily Capacity (thousands of gallons) | 40,000 | 40,000 | 40,000 | 40,000 |
| Sanitation | | | | |
| Collection Trucks | 8 | 8 | 8 | 9 |

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

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Mary Taylor, CPA
Auditor of State

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
NOVEMBER 16, 2010**