

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2010

DAVID GRIFFING, AUDITOR



Dave Yost • Auditor of State

City Council
City of Warren
391 Mahoning Avenue NW
Warren, Ohio 44483

We have reviewed the *Independent Accountants' Report* of the City of Warren, Trumbull County, prepared by Julian & Grube, Inc., for the audit period January 1, 2010 through December 31, 2010. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 18, 2011

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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 Accountants' Report on Supplementary
Schedule of Expenditures of Federal Awards**

City of Warren
Trumbull County
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

To the Mayor and Members of Council:

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, 2010, 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 10, 2011

CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 1,838,856
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R) (Recovery Act Funded)	14.253	N/A	<u>353,667</u>
Total Community Development Block Grants/Entitlement Grants Cluster			<u>2,192,523</u>
(C) Home Investment Partnerships Program	14.239	N/A	<u>1,314,685</u>
ARRA - Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	N/A	<u>232,018</u>
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grants/State's Program	14.228	A-Z-08-298-1	<u>1,021,188</u>
Total U.S. Department of Housing and Urban Development			<u>4,760,414</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Programs:</i>			
(F) ARRA - Public Safety Partnership and Community Policing Grants	16.710	N/A	<u>237,130</u>
Edward Byrne Memorial Justice Assistance Grant Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>37,873</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant Program / Grants to Units of Local Government	16.804	N/A	<u>153,665</u>
<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	<u>262,612</u>
Total Edward Byrne Memorial Justice Assistance Grant Cluster			<u>454,150</u>
<i>Passed through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	16.575	2010VAGENE511	17,389
Crime Victim Assistance	16.575	2011VAGENE511	<u>5,425</u>
Total Crime Victim Assistance			<u>22,814</u>
Total U.S. Department of Justice			<u>714,094</u>
U. S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through Ohio Department of Transportation:</i>			
Highway Planning and Construction:			
<i>Highway Planning and Construction:</i>			
Warren Greenway Biketrail ODOT Project	20.205	77201	40,962
US 422 Parkman Road ODOT Project	20.205	78220	194,148
Warren Riverwalk ODOT Project	20.205	78403	12,818
East Market Street ODOT Project	20.205	79823	96,483
Packard Museum Expansion ODOT Project	20.205	80677	477,106
Packard Music Hall ODOT Project	20.205	81386	190,750
US 422 Parkman Road Phase 2 ODOT Project	20.205	85234	<u>19,384</u>
Total Highway Planning and Construction			<u>1,031,651</u>
<i>ARRA - Highway Planning and Construction:</i>			
ARRA - Mahoning Avenue Mill and Fill ODOT Project	20.205	79827	463,011
ARRA - Mahoning Avenue Decorative Lighting ODOT Project	20.205	85961	143,368
ARRA - Tod Avenue Mill and Fill ODOT Project	20.205	86365	342,501
ARRA - High Street Resurfacing ODOT Project	20.205	86623	<u>315,712</u>
Total ARRA - Highway Planning and Construction			<u>1,264,592</u>
Total Highway Planning and Construction			<u>2,296,243</u>
<i>Passed through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	HVEO-2010-78-00-00-00267-00	38,187
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	HVEO-2011-78-00-00-00372-00	<u>6,019</u>
Total Alcohol Impaired Driving Countermeasures Incentive Grants I			<u>44,206</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2010-78-00-00-00354-00	57,516
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OVITF-2011-78-00-00-00526-00	<u>20,600</u>
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>78,116</u>
Total U.S. Department of Transportation			<u>2,418,565</u>

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CITY OF WARREN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF ENERGY			
<i>Direct Program:</i>			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	N/A	24,617
Total U.S. Department of Energy			24,617
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Direct Program:</i>			
ARRA - Strengthening Communities Fund	93.711	N/A	131,169
<i>Passed through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant to States	93.994	78-2-001-1-DS-0310	31,523
<i>Passed through Trumbull County Health Department:</i>			
Public Health Emergency Preparedness	93.069	78-100-12-PH-0211	36,649
Immunization Grants	93.268	78-100-12-IM-0310	8,066
<i>Passed through Youngstown City Health Department:</i>			
HIV Prevention Activities_Health Department Based	93.940	50-2-001-2-HP-0310	3,824
Total U.S. Department of Health and Human Services			211,231
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct Program:</i>			
Staffing for Adequate Fire and Emergency Response	97.083	N/A	87,842
Total U.S. Department of Homeland Security			87,842
Total Federal Financial Assistance			\$ 8,216,763

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**CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Continued from Page 3

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(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 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010:	\$ 2,107,547
Loans Disbursed:	155,000
Loan Repayments:	<u>(350,092)</u>
Ending loans receivable balance as of December 31, 2010	<u>\$ 1,912,455</u>

Cash Balance on hand as of December 31, 2010	\$ 163,029
Delinquent amounts due as of December 31, 2010	\$ 131,298

(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 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010 (restate	\$ 3,077,892
Loans Disbursed:	1,035,796
Loan Repayments:	<u>(50,755)</u>
Ending loans receivable balance as of December 31, 2010	<u>\$ 4,062,933</u>

Cash Balance on hand as of December 31, 2010	\$ -
Delinquent amounts due as of December 31, 2010	\$ -

(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 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010:	\$ 1,936,502
Loans Disbursed:	-
Loan Repayments:	<u>(180,650)</u>
Ending loans receivable balance as of December 31, 2010	<u>\$ 1,755,852</u>

Cash Balance on hand as of December 31, 2010	\$ -
Delinquent amounts due as of December 31, 2010	\$ -

(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.

(F) During fiscal year 2009, the City expended \$11,249 for the ARRA - Public Safety Partnership and Community Policing Grant that was excluded from the 2009 federal schedule amount. Thus, this is included on the 2010 schedule.

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

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

City of Warren
Trumbull County
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

To the Mayor and Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the City of Warren's basic financial statements and have issued our report thereon dated June 10, 2011. As disclosed in note 3D, the City has reported a prior period adjustment in the amounts reported as loans receivable, fund balance, and net assets at December 31, 2009 in the home investment special revenue fund and governmental activities. 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 audit procedures for the purpose of expressing our opinions 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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements 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 would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-COW-003 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed three instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedules of findings and responses as items 2010-COW-001, 2010-COW-002 and 2010-COW-004.

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.

We intend this report solely for the information and use of the management, the Council of the City of Warren, federal awarding agencies and pass-through entities and others within the City of Warren. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian E. Grube, Inc.".

Julian & Grube, Inc.
June 10, 2011



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Accountants' Report on Compliance With Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133**

City of Warren
Trumbull County
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

To the Mayor and Members of Council:

Compliance

We have audited the compliance of the City of Warren with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Warren's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings and responses 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 Government'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 could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Mayor and Members of Council
City of Warren

Internal Control Over Compliance

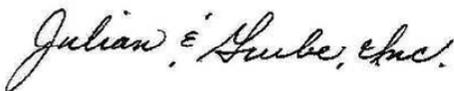
The City of Warren's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Warren's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over 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 also noted a certain matter not requiring inclusion in this report that we reported to the City of Warren's management in a separate letter dated June 10, 2011.

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



Julian & Grube, Inc.
June 10, 2011

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2010**

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 significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<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(a)?</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; Community Development Block Grants/State's Program CFDA #14.228; Edward Byrne Memorial Justice Assistance Grant Cluster: Edward Byrne Memorial Justice Assistance Grant Program 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; Highway Planning and Construction CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2010**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-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>Appropriations</u>	<u>Excess</u>
<u>Major Funds</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Sewer	\$ 9,494,654	\$ 10,472,160	\$ 977,506
Sanitation	3,238,012	3,256,227	18,215
 <u>NonMajor Funds</u>			
Motor Vehicle Levy	469,910	481,000	11,090
Street Maintenance	1,585,336	1,652,000	66,664
Court Computerization	288,648	313,800	25,152
Downtown Parking	86,106	95,000	8,894
Stormwater Utility	1,414,007	1,543,141	129,134

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, 2010**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-COW-002

Ohio Revised Code Section 5705.10 in part requires that money paid into any fund shall be expended only after such fund receives monies to cover the expenditures.

It was noted during the audit that at December 31, 2010, the City maintained a negative cash fund balance in the following funds:

	<u>Amount</u>
<u>Major Fund</u>	
General Capital Projects	\$ (290,485)
 <u>NonMajor Fund</u>	
Police Grants	(6,754)

By having negative fund balances, these funds have spent other funds' balances. This could indicate insufficient monitoring of appropriations and related expenditures and continual review of cash management. No fund should have a negative cash fund balance throughout the year or at year end.

We recommend that the City properly expend monies only after funds have been received and subsequent to proper appropriation. If funds are anticipated, but not yet received and expenditures are necessary, the City should advance or transfer funds from the General Fund with proper Council approval. We recommend the City utilize its accounting software program to its fullest and continually review relevant reports to assist in preventing negative fund balances.

Client Response: The City Auditor will attempt to monitor cash balances throughout the year and advance or transfer funds as necessary.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2010**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-COW-003

Significant Deficiency

The City had a prior period restatement to its loans receivable. This is a result of the City’s lack of ability to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles as it relates to home special revenue fund loan receivables prior to 2010.

The presentation of materially correct financial statements and the related footnotes, specifically home special revenue fund loan receivables is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason.

In either case, it is important that control procedures are developed related to home special revenue fund loan receivables that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In addition, management should not rely on its auditor to perform this control procedure as auditors must remain independent.

We recommend the City implement control procedures related to home special revenue fund loan receivables reporting that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes, specifically its presentation of home special revenue fund loan receivables.

Client Response: The City will evaluate implementing additional policies and procedures regarding home special revenue fund loan receivables’ valuation and presentation in addition to those related to financial statement and related notes reported.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2010**

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

Finding Number	2010-COW-004
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Ohio Revised Code Sections 117.01 and 117.39 provide that the Auditor of State may require financial reports from any public office showing the condition of all appropriation accounts, the money actually in the treasury to the credit of each fund or account, and any other information he considers proper. Auditor of State Bulletins 2009-005 and 2009-007 establish requirements for all state and local government agencies to report any American Recovery and Reinvestment Act (ARRA) dollars they receive and the expenditure of those dollars on the AOS Stimulus Tracker.

The City of Warren did not report the receipt and expenditure of ARRA dollars on the AOS Stimulus Tracker.

The City of Warren is not in compliance with the AOS ARRA reporting requirements thus reducing the transparency of these funds.

We recommend that management review Auditor of State Bulletins 2009-005 and 2009-007 which provide guidance on the American Recovery and Reinvestment Act Federal Stimulus Funds and report the required information on the Stimulus Tracker. This will increase the transparency and accountability of the City of Warren's stimulus funds.

Client Response: The City will update the tracker for 2010 and post any 2011 ARRA monies.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2009-COW-001	Ohio Revised Code Section 5705.36(A)(4) states that upon 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.	No	Finding 2010-COW-001
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.	Yes	N/A
2009-COW-003	Ohio Revised Code Section 5705.36 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.	Yes	N/A

CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

DAVID N. GRIFFING, CITY AUDITOR

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, CITY AUDITOR

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

INTRODUCTORY SECTION

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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CITY OF WARREN, OHIO

Finance Department

DAVID N. GRIFFING
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

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

June 10, 2011

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, 2010, 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, 2010. The City continues to receive an unqualified opinion. The Independent Accountant'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, 2010 provided no instances of material weaknesses in the internal control structure and four 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 Accountant'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 16.30 square miles, and serves a population of approximately 43,402 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. The Eastern Gateway Community College recently opened a campus with business offices in downtown Warren to provide access to our citizens to alternative forms of education.

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 and the current \$12.5 million acquisition and rehab of 150 units at the Hampshire House Apartments on the City of Warren's southwest side scheduled for completion in 2011.

\$155,000 in small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2010. These loans help retain 38 current jobs and create 19 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 Patriot Water Treatment. 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 2010 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 2010, 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 37,953 calls for service, there were 2,229 people arrested and 3,803 traffic citations were issued during 2010.

The Warren Police Department received the William French Smith Award from the US Attorney General, Eric Holder, and also recognition from State Of Ohio Representative Thomas Letson, Sandra Harwood and Speaker Armond Budish for the outstanding contributions to cooperative law enforcement.

The Fire Department received a grant from Cleveland State University for confined space rescue, hazardous material response, and incident command for the ninth consecutive year. The members of the Fire Department have maintained their State Certification by continuing their education as required by the Ohio Department of Public Safety.

2010 was an exciting year for the Fire Department as we received two additional grants. The Assistance to Firefighter's Grant allowed the Fire Department to replace 39 Self Contained Breathing Apparatus with state of the art Scott units with a Personal Accountability Safety System and a GPS Tracing system. This grant also allowed the department to equip all three stations with an apparatus exhaust system to remove the toxins and pollutants generated from the diesel engines.

In September 2010, the City of Warren was awarded the Staffing for Adequate Fire and Emergency Response Grant through FEMA and the Department of Homeland Security in the amount of 4.9 million dollars. This allowed the department to recall 10 firefighters in October and will begin hiring 15 Firefighter/Paramedics in 2011. This will allow three stations to be staffed and decrease our response times to the outlying areas of our City.

PUBLIC WORKS

The City Engineering Department was responsible for several road projects that were completed in 2010. Resurfacing and reconstruction of a number of streets in the City was done with state and federal funds totaling \$3,251,064, no local share was required, these projects were funded entirely by grants. 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 three major projects scheduled for 2011. The funding for these projects will come from grant funds from the state and federal governments totaling \$7,980,000. These projects are being funded from grants and with 15% local funds being needed. The department has again secured reimbursement for their wages for the inspection and management of the project during construction.

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.

As the city's economy struggles to come back, the average daily pumpage remained relatively flat at an average daily pumpage of 11.6 MGD. Last year the five largest users showed some signs of a rebound. As a result the water department continued to reduce their expenses by any and all means available. 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 has contracted a firm 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 years of operations. Recommendations shall include proposed rate modifications for the next five years, other financial recommendations and associated enhancements and is expected out in early 2011.

The Water Pollution Control Department used funding from the recent Storm Water fee increase to begin capital improvements on seven identified areas throughout the City that are in need of storm water control rehabilitation. The University St. Storm Sewer Improvements project was completed in 2010 and the Storm Water Detention Project at Country Club and Golf Drives was begun in late 2010 and will be completed in the 3rd quarter of 2011. The Department also continued with our 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 completed two stimulus grant projects in 2010. 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 decreased the infiltration and inflow greatly reducing flow of storm water into the plant. The other project was to install a hydroelectric generator in the outflow from the plant to produce electricity. This is reducing costs of operation of the plant by reducing the cost of electricity. Both of these projects were completed in 2010.

In 2011, the Water Pollution Control Department will begin a capital equipment replacement project aimed at replacing the oldest vehicles in the fleet and beginning the upgrade and modernization of our plant facilities. With the addition of two new satellite sewer systems, East Lordstown and Bolindale, and potential revenue from a new industry, Patriot Water Treatment Systems, projections remain strong for continued progress on our capital programs outlined in our recent rate increase study.

The Environmental Services Department customer base remains steady even though many homes in Warren are no longer occupied. This has been accomplished by expanding our service to the townships and villages adjacent to the city. The number of active customers remains between 14,300 and 14,400. The number of commercial accounts remains steady despite the number of business closings. We have picked up as many new accounts as have been lost because of the economy.

We continue to charge the same monthly fee for our services to our residential customers even with the increase in fuel costs and tipping fees. The amount of solid waste and yard waste has remained the same for years. Tires, metal and leaves have been eliminated from the waste stream and we are continuing our effort to remove the grass clippings as well.

GENERAL GOVERNMENT

The Packard Music Hall continues to rent its facilities and host a wide variety of events while, at the same time, continuing facility improvements using federal and state grants. These projects include energy improvements through new windows and new boilers as well as a new sound system and a new stage lighting system, a new counter weight rigging system and new stage floor, and an equipment lift enabling access to and better use of, the basement for storage. The Packard Music Hall Foundation continues to partner with the Music Hall in its efforts to bring in additional events and assist with facility improvements.

The City Treasurer has entered into a contract 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 independently access this information. With the assistance of 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 actually file. This is anticipated to immediately increase collections, find anyone not in compliance with City filing requirements, and allow us to explore past infringements.

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, 2009. This was the eighth 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

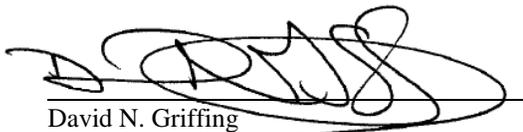
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive 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 sixth 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, 2010

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	John Brown, Jr.
Council Member – 4 th Ward	Marti Morn
Council Member – 5 th Ward	Vincent S. Flask
Council Member – 6 th Ward	Cheryl Saffold
Council Member – 7 th Ward	Eddie Colbert
Council Member – At-Large	Robert L. Dean, Jr.
Council Member – At-Large	Helen Rucker
Council Member – At-Large	Daniel Sferra

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	Paul Makosky
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

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, 2009

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.



President

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 Accountants' Report

City of Warren
Trumbull County
391 Mahoning Ave., NW
Warren, Ohio 44483-4634

To the Mayor and Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2010, 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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the general fund and home investment fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in note 3D, the City has reported a prior period adjustment in the amounts reported as loans receivable, fund balance, and net assets at December 31, 2009 in the home investment special revenue fund and governmental activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, on our consideration of the City of Warren's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Independent Accountants' Report
City of Warren

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City of Warren's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Julian & Grube, Inc.
June 10, 2011

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (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, 2010. 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 2010 are as follows:

- The total net assets of the City increased \$5,844,779. Net assets of governmental activities increased \$5,253,015 or 11.40% from 2009 and net assets of business-type activities increased \$591,764 or 2.03% from 2009.
- General revenues accounted for \$21,816,026 or 60.06% of total governmental activities revenue. Program specific revenues accounted for \$14,507,110 or 39.94% of total governmental activities revenue.
- The City had \$30,810,029 in expenses related to governmental activities; \$14,507,110 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$16,302,919 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$21,816,026.
- The general fund had revenues and other financing sources of \$25,546,810 in 2010. This represents an increase of \$74,673 or 0.29% from 2009 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$25,088,130 in 2010, decreased \$469,900 or 1.84% from 2009. The net increase in fund balance for the general fund was \$458,680 or 11.14%.
- The home investment fund, a major governmental fund, had revenues of \$1,434,214 and expenditures of \$287,138 in 2010, resulting in an increase in fund balance of \$1,147,076.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$2,704,903 and expenditures of \$3,843,611 in 2010. The general capital projects fund's fund balance decreased from \$49,172 to a deficit \$1,089,536.
- Net assets for the business-type activities, which are made up of the water, sewer, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility enterprise funds, increased in 2010 by \$591,764.
- In the general fund, the actual revenues and other financing sources were \$62,315 less than in the final budget and actual expenditures and other financing uses were \$778,092 less than the amount in the final budget. Budgeted expenditures and other financing uses increased \$1,523,578 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.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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.

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 2010?" 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.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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.

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, home investment fund, and 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 20-25 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 35-75 of this report.

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The City restated net assets of both the governmental activities and the business-type activities as described in Note 3.D. The following table provides a summary of the City's net assets for 2010 and 2009:

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

			Net Assets		2010 Total	(Restated) 2009 Total
	Governmental	Business-type	(Restated)	(Restated)		
	Activities	Activities	Governmental	Business-type		
	2010	2010	Activities	Activities		
	2010	2010	2009	2009	Total	Total
<u>Assets</u>						
Current and other assets	\$ 27,683,118	\$ 8,760,283	\$ 25,346,431	\$ 9,908,415	\$ 36,443,401	\$ 35,254,846
Capital assets	<u>44,191,686</u>	<u>55,361,831</u>	<u>41,659,164</u>	<u>56,757,306</u>	<u>99,553,517</u>	<u>98,416,470</u>
Total assets	<u>71,874,804</u>	<u>64,122,114</u>	<u>67,005,595</u>	<u>66,665,721</u>	<u>135,996,918</u>	<u>133,671,316</u>
<u>Liabilities</u>						
Current liabilities	5,004,042	1,015,461	4,011,531	955,906	6,019,503	4,967,437
Long-term liabilities	<u>15,527,921</u>	<u>33,298,341</u>	<u>16,904,238</u>	<u>36,493,267</u>	<u>48,826,262</u>	<u>53,397,505</u>
Total liabilities	<u>20,531,963</u>	<u>34,313,802</u>	<u>20,915,769</u>	<u>37,449,173</u>	<u>54,845,765</u>	<u>58,364,942</u>
<u>Net assets</u>						
Invested in capital assets, net of related debt	41,287,935	23,458,196	37,644,539	21,755,533	64,746,131	59,400,072
Restricted	14,643,542	962,846	13,301,926	967,855	15,606,388	14,269,781
Unrestricted (deficit)	<u>(4,588,636)</u>	<u>5,387,270</u>	<u>(4,856,639)</u>	<u>6,493,160</u>	<u>798,634</u>	<u>1,636,521</u>
Total net assets	<u>\$ 51,342,841</u>	<u>\$ 29,808,312</u>	<u>\$ 46,089,826</u>	<u>\$ 29,216,548</u>	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$81,151,153, an increase of 7.76% from 2009. At year-end, net assets were \$51,342,841 and \$29,808,312 for the governmental activities and the business-type activities, respectively.

The City's current assets increased \$1,188,555 during 2010. The decrease in cash and equivalents was offset by increases in receivables for income taxes and loans. In addition, amounts due from other governments increased as a result of several grants receivable at December 31, 2010.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 73.20% of total assets, compared to 73.63% at December 31, 2009. Capital assets include land, easements, construction in progress (CIP), land improvements, buildings and improvements, computer software, furniture and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2010, were \$41,287,935 and \$23,458,196 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.

Current liabilities increased \$1,052,066 during 2010, which is primarily the result of contracts payable on several of the City's construction projects in progress at year-end. Long-term liabilities, which represent the City's long-term obligations such as debt and compensated absences, decreased \$4,571,243.

A portion of the City's net assets, \$15,606,388, 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 \$4,588,636.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The table below shows the changes in net assets for 2010 and 2009.

	Change in Net Assets					
	Governmental Activities 2010	Business-type Activities 2010	(Restated)		2010 Total	(Restated)
			Governmental Activities 2009	Business-type Activities 2009		2009 Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,387,257	\$ 21,491,286	\$ 4,251,761	\$ 21,403,139	\$ 25,878,543	\$ 25,654,900
Operating grants and contributions	7,472,558	-	5,489,769	-	7,472,558	5,489,769
Capital grants and contributions	<u>2,647,295</u>	<u>1,772,308</u>	<u>3,501,520</u>	<u>1,266,729</u>	<u>4,419,603</u>	<u>4,768,249</u>
Total program revenues	<u>14,507,110</u>	<u>23,263,594</u>	<u>13,243,050</u>	<u>22,669,868</u>	<u>37,770,704</u>	<u>35,912,918</u>
General revenues:						
Property taxes	1,365,415	-	1,566,192	-	1,365,415	1,566,192
Income taxes	16,247,214	-	16,411,492	-	16,247,214	16,411,492
Unrestricted grants and entitlements	3,375,874	-	2,908,110	-	3,375,874	2,908,110
Investment earnings	111,444	-	302,100	1,772	111,444	303,872
Miscellaneous	<u>716,079</u>	<u>465,545</u>	<u>605,315</u>	<u>295,990</u>	<u>1,181,624</u>	<u>901,305</u>
Total general revenues	<u>21,816,026</u>	<u>465,545</u>	<u>21,793,209</u>	<u>297,762</u>	<u>22,281,571</u>	<u>22,090,971</u>
Total revenues	<u>36,323,136</u>	<u>23,729,139</u>	<u>35,036,259</u>	<u>22,967,630</u>	<u>60,052,275</u>	<u>58,003,889</u>
Expenses:						
General government	5,400,182	-	6,087,221	-	5,400,182	6,087,221
Security of persons and property	15,449,385	-	15,993,727	-	15,449,385	15,993,727
Public health and welfare	633,699	-	545,444	-	633,699	545,444
Transportation	3,548,603	-	3,662,641	-	3,548,603	3,662,641
Community environment	1,817,279	-	2,020,146	-	1,817,279	2,020,146
Leisure time activity	520,453	-	484,294	-	520,453	484,294
Economic development	2,936,898	-	1,620,800	-	2,936,898	1,620,800
Interest and fiscal charges	503,530	-	566,227	-	503,530	566,227
Sewer	-	7,211,259	-	7,291,440	7,211,259	7,291,440
Water	-	11,925,632	-	11,875,667	11,925,632	11,875,667
Sanitation	-	3,129,254	-	3,118,475	3,129,254	3,118,475
Packard Music Hall	-	387,126	-	440,581	387,126	440,581
City Redevelopment	-	58,066	-	20,650	58,066	20,650
Downtown Parking	-	128,252	-	136,918	128,252	136,918
Stormwater Utility	-	<u>557,878</u>	-	<u>769,785</u>	<u>557,878</u>	<u>769,785</u>
Total expenses	<u>30,810,029</u>	<u>23,397,467</u>	<u>30,980,500</u>	<u>23,653,516</u>	<u>54,207,496</u>	<u>54,634,016</u>
Increase (decrease) before transfers	5,513,107	331,672	4,055,759	(685,886)	5,844,779	3,369,873
Transfers	<u>(260,092)</u>	<u>260,092</u>	<u>(510,000)</u>	<u>510,000</u>	<u>-</u>	<u>-</u>
Change in net assets	5,253,015	591,764	3,545,759	(175,886)	5,844,779	3,369,873
Net assets at beginning of year	<u>46,089,826</u>	<u>29,216,548</u>	<u>42,544,067</u>	<u>29,392,434</u>	<u>75,306,374</u>	<u>71,936,501</u>
Net assets at end of year	<u>\$ 51,342,841</u>	<u>\$ 29,808,312</u>	<u>\$ 46,089,826</u>	<u>\$ 29,216,548</u>	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Governmental Activities

Governmental activities net assets increased \$5,253,015 in 2010, after increasing \$3,545,759 in 2009. Expenses for 2010 were comparable to 2009 expenses. The increase in revenues is mostly attributable to additional grants for the City's community development block grant and home investment trust programs.

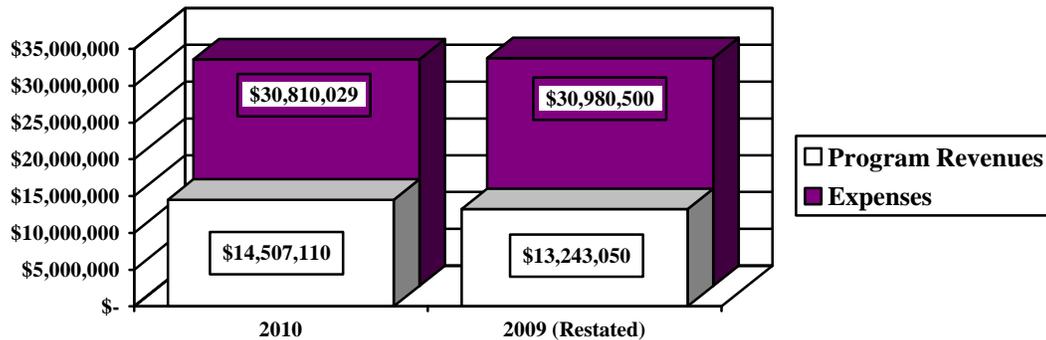
Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$15,449,385 and \$15,993,727 of the total expenses of the City during 2010 and 2009, respectively. These expenses were partially funded by \$1,898,051 in 2010 compared to \$1,695,936 in 2009 in direct charges to users of the services. Transportation expenses totaled \$3,548,603 during 2010 and \$3,662,641 during 2009. In 2010, transportation expenses were funded by \$2,127,786 in operating grants and contributions, \$2,647,295 in capital grants and contributions, and \$22,700 in charges to users of services.

The City received a total of \$7,472,558 and \$5,489,769 during 2010 and 2009, respectively, in operating grants and contributions. Capital grants and contributions totaled \$2,647,295 during 2010, and \$3,501,520 during 2009. These revenues are restricted to a particular program or purpose. \$4,775,081 or 47.19% of the total grants and contributions subsidized transportation programs during 2010.

General revenues totaled \$21,816,026, and amounted to 60.06% of total governmental revenues during 2010. These revenues primarily consist of property and income tax revenue of \$17,612,629. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$3,375,874. These revenues sources combine for 57.78% 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, 2010
(UNAUDITED)**

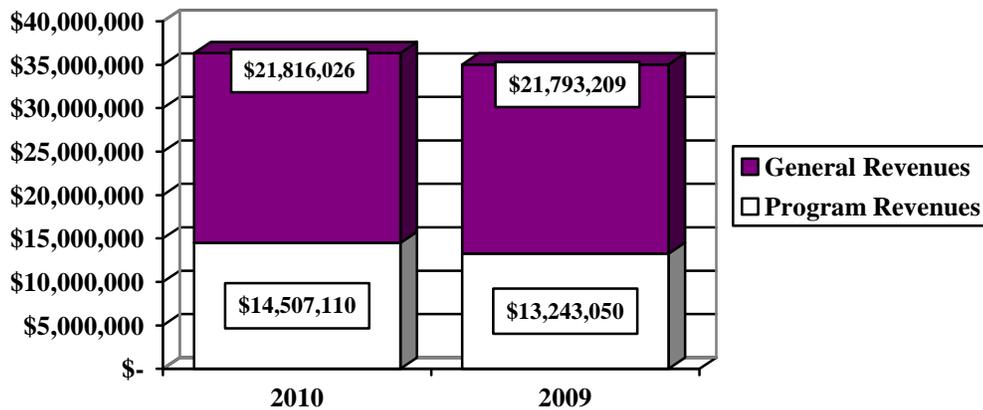
The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	(Restated)			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2010	2010	2009	2009
Program Expenses:				
General government	\$ 5,400,182	\$ 4,044,446	\$ 6,087,221	\$ 4,706,319
Security of persons and property	15,449,385	13,419,010	15,993,727	13,749,466
Public health and welfare	633,699	427,391	545,444	325,005
Transportation	3,548,603	(1,249,178)	3,662,641	(1,725,207)
Community environment	1,817,279	971,649	2,020,146	1,272,885
Leisure time activity	520,453	492,103	484,294	462,800
Economic development	2,936,898	(2,306,032)	1,620,800	(1,620,045)
Interest and fiscal charges	503,530	503,530	566,227	566,227
Total	\$ 30,810,029	\$ 16,302,919	\$ 30,980,500	\$ 17,737,450

The dependence upon general revenues for governmental activities is apparent, with 52.91% and 57.25% of expenses supported through taxes and other general revenues in 2010 and 2009, respectively.

Governmental Activities - General and Program Revenues



CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

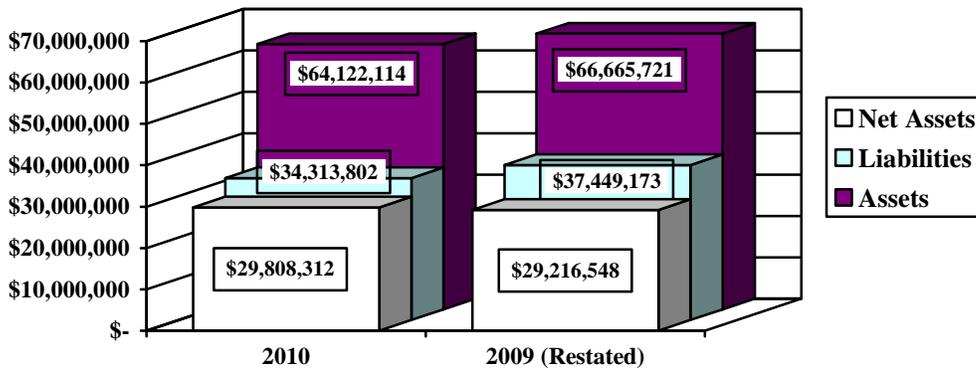
Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater enterprise funds. In 2010 and 2009, these programs had program revenues of \$23,263,594 and \$22,669,868, respectively, and general revenues of \$465,545 and \$297,762, respectively. Total revenues for 2010 were \$23,729,139 which represents an increase of 3.32% over 2009 revenues of \$22,967,630.

Total expenses for business-type activities were \$23,397,467 in 2010 compared to \$23,653,516 in 2009. This represents a decrease of 1.08%.

Net assets for business-type activities increased \$591,764 or 2.03% from 2009. 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 \$15,454,784 which is \$811,522 above last year's total of \$14,643,262, as restated in Note 3.D. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2010 for all major and nonmajor governmental funds.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

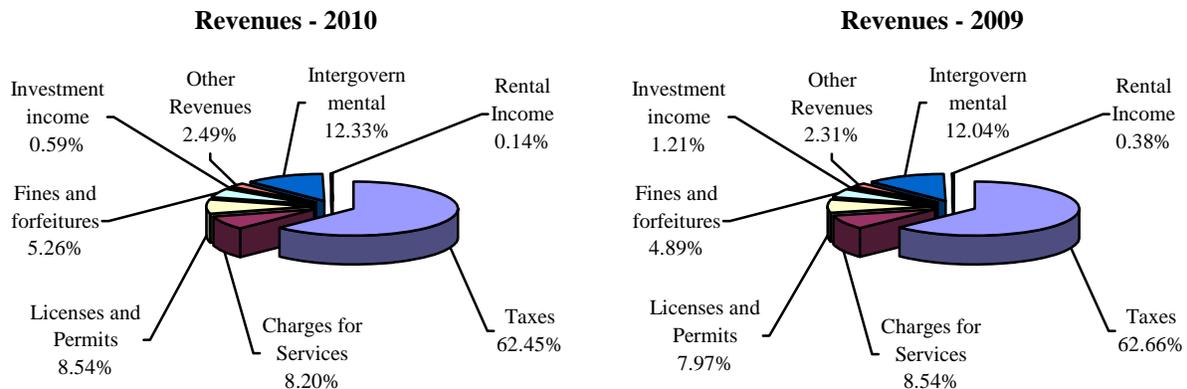
	Fund Balances (Deficit) 12/31/10	(Restated) Fund Balances 12/31/09	Increase (Decrease)
Major funds:			
General	\$ 4,575,012	\$ 4,116,332	\$ 458,680
Home investment	4,704,222	3,557,146	1,147,076
General capital projects	(1,089,536)	49,172	(1,138,708)
Other nonmajor governmental funds	<u>7,265,086</u>	<u>6,920,612</u>	<u>344,474</u>
Total	<u>\$ 15,454,784</u>	<u>\$ 14,643,262</u>	<u>\$ 811,522</u>

General Fund

The City's general fund balance increased \$458,680. The table that follows assists in illustrating the revenues of the general fund.

	2010 Amount	2009 Amount	Percentage Change
Revenues			
Taxes	\$ 15,872,631	\$ 15,624,357	1.59 %
Charges for services	2,084,254	2,130,756	(2.18) %
Licenses and permits	2,170,949	1,986,410	9.29 %
Fines and forfeitures	1,335,840	1,219,815	9.51 %
Intergovernmental	3,135,469	3,002,003	4.45 %
Investment income	150,176	300,660	(50.05) %
Rental income	36,552	94,831	(61.46) %
Other	<u>633,439</u>	<u>577,074</u>	9.77 %
Total	<u>\$ 25,419,310</u>	<u>\$ 24,935,906</u>	1.94 %

Licenses and permits revenue increased due to slight increases in several revenue items, including building permits and birth and death certificates. Increased collections for bailiff fees and various city fines contributed to the increase in fines and forfeitures revenue. The City experienced a significant decrease in investment income, which is due to lower interest rates on the City's investments.



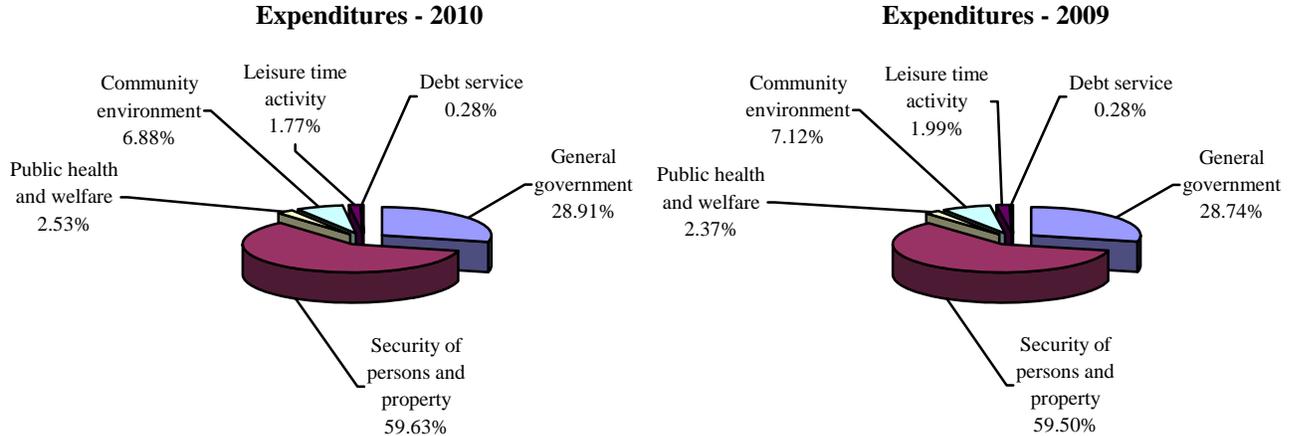
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

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

	2010 Amount	2009 Amount	Percentage Change
<u>Expenditures</u>			
General government	\$ 7,177,176	\$ 7,109,856	0.95 %
Security of persons and property	14,807,217	14,722,965	0.57 %
Public health and welfare	627,133	585,216	7.16 %
Community environment	1,707,275	1,761,935	(3.10) %
Leisure time activity	440,263	491,804	(10.48) %
Debt service	68,974	69,754	(1.12) %
Total	\$ 24,828,038	\$ 24,741,530	0.35 %

Overall, general fund expenditures in 2010 were comparable to the prior year. The most significant increase was in the City's public health and welfare expenditures. This is a result of higher State fees paid in 2010 for health services. The decrease in community environment expenditures is primarily due to lower contract services expenses in the environmental health department, while the decrease in leisure time activities expenditures is the result of lower operating costs of the City's parks.



Home Investment Fund

The home investment fund's revenues, primarily intergovernmental grants, of \$1,434,214 exceeded expenditures of \$287,138, resulting in an increase in fund balance of \$1,147,076. This increase is due to grant monies received in 2010 which were used to provide loans to local businesses. The home investment fund had \$4,062,933 in outstanding loans receivable at December 31, 2010.

General Capital Projects Fund

The general capital projects fund's fund balance decreased \$1,138,708 due to expenditures on various construction projects. Revenues, primarily intergovernmental grants, and other financing sources totaled \$2,704,903 in 2010, and capital outlays were \$3,843,611.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Proprietary Funds

The City's proprietary funds provide the same type of information found on the government-wide financial statements for business-type activities, but in more detail. The City's major proprietary funds include the sewer, water and sanitation enterprise funds.

Total revenues for the sewer fund increased \$1,003,045 or 13.47% due to capital contributions of \$1,072,931 consisting of grant monies received for two sewer capital improvements projects. Expenses for contractual services increased \$216,427 or 23.62% due to rate equalization payments made to Trumbull County. However, the increase was offset by decreases in materials and supplies expenses, utilities expenses and interest and fiscal charges. Expenses totaled \$7,333,611 in 2010 and \$7,347,558 in 2009.

Total revenues for the water fund were \$10,199,515 which is \$295,650 or 2.99% higher than 2009 revenues. This slight increase is primarily the result of miscellaneous refunds received in 2010. The most significant change in expenses for 2010 was materials and supplies expenses which increased \$256,620 or 31.05% due to higher costs for chemicals and raw water supplies. In addition, contractual services expenses increased \$203,692 or 39.04%. Decreases in administrative costs and utilities expenses helped offset these increases. In total, expenses increased \$137,079 or 1.14% from 2009.

For the sanitation fund, revenues remained stable, totaling \$3,193,861 in 2010. This represents an increase of 0.73% from 2009 revenues of \$3,170,632. Expenses also rose slightly from \$3,140,674 in 2009 to \$3,171,946, an increase of 1.00%. The most significant increase in expenses for the sanitation fund was for personal services, which were \$53,068 or 4.94% higher in 2010 due primarily to workers' compensation payments.

Budgeting Highlights

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

Budgetary information is presented for the general fund. In the general fund, one of the most significant changes was between the original and final budgeted amounts in the area of expenditures and other financing uses, which increased \$1,523,578 from \$24,959,504 to \$26,483,082. This increase was primarily related to increases in the budgeted personal services expenditures, which includes wages and benefits, for the police and fire departments. All departments within the general fund kept spending under budget which resulted in actual expenditures coming in \$778,092 lower than final appropriations. The departments with the largest variances between actual expenditures and final appropriations were the municipal court, administrative support, police and fire departments. These variances were primarily due to lower expenditures for wages and benefits and contracted services.

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.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Capital Assets and Debt Administration

Capital Assets

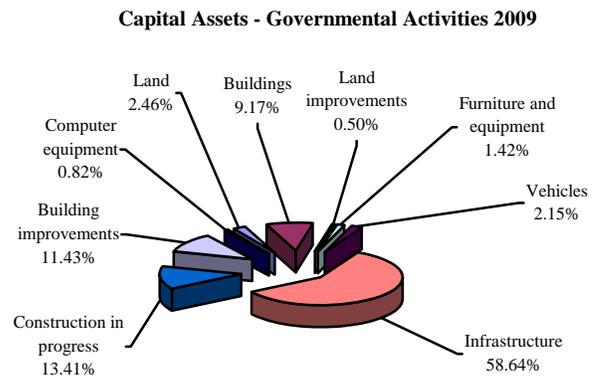
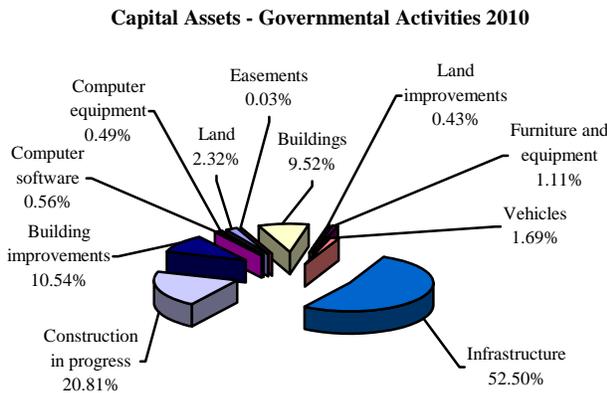
At the end of 2010, the City had \$99,553,517 (net of accumulated depreciation) invested in land, easements, construction in progress (CIP), land improvements, buildings and improvements, software, furniture and equipment, vehicles and infrastructure. Of this total, \$44,191,686 was reported in governmental activities and \$55,361,831 was reported in business-type activities.

The following table shows 2010 balances compared to 2009:

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Easements	13,353	-	-	-	13,353	-
Construction in progress	9,194,264	5,587,643	6,343,653	5,348,831	15,537,917	10,936,474
Land improvements	189,986	208,113	-	-	189,986	208,113
Buildings	4,207,520	3,818,992	5,677,070	6,334,662	9,884,590	10,153,654
Building improvements	4,657,377	4,758,614	9,835,662	10,158,049	14,493,039	14,916,663
Computer software	249,262	98,152	9,281	11,933	258,543	110,085
Computer equipment	218,528	243,693	40,313	53,396	258,841	297,089
Furniture and equipment	490,487	593,564	4,137,620	4,828,844	4,628,107	5,422,408
Vehicles	747,157	895,221	361,247	353,680	1,108,404	1,248,901
Infrastructure	23,199,568	24,430,988	28,572,586	29,283,512	51,772,154	53,714,500
Totals	\$ 44,191,686	\$ 41,659,164	\$ 55,361,831	\$ 56,757,306	\$ 99,553,517	\$ 98,416,470

The following graphs show the breakdown of governmental capital assets by category for 2010 and 2009:



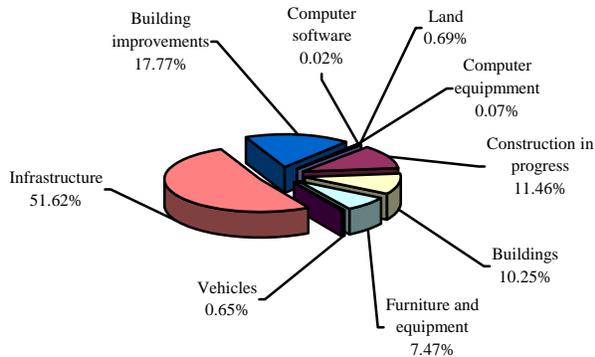
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

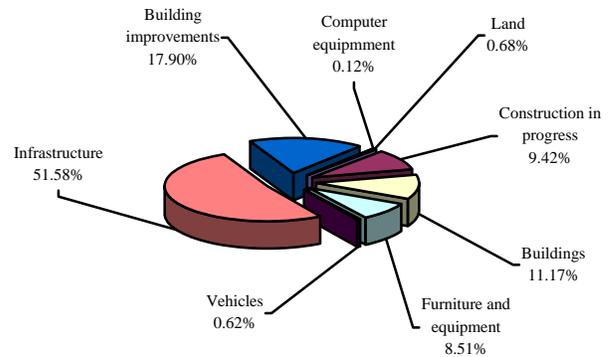
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 52.50% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2010 and 2009:

Capital Assets - Business-Type Activities 2010



Capital Assets - Business-Type Activities 2009



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 51.62% 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.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2010 and 2009 (See Note 13 to the basic financial statements for detail):

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

	Governmental Activities		Business-type Activities	
	2010	(Restated) 2009	2010	2009
General obligation bonds	\$ 2,582,500	\$ 3,647,104	\$ 1,662,500	\$ 2,181,000
Revenue bonds	-	-	7,810,000	8,265,000
Reinvestment partnership corporation loan	520,000	585,000	-	-
OWDA loans	-	80,728	22,494,105	24,606,332
HUD 108 loan	1,485,000	1,560,000	-	-
ODOD mortgage note	53,928	53,928	-	-
Police and fire pension liability	2,576,986	2,636,055	-	-
OPWC loan	218,079	230,908	-	-
Pollution remediation	1,496,886	1,550,107	-	-
Claims payable	1,529,560	942,240	-	-
Capital lease obligation	180,152	240,369	61,980	127,262
Compensated absences	4,961,810	5,481,555	1,394,706	1,491,494
Total long-term obligations	<u>\$ 15,604,901</u>	<u>\$ 17,007,994</u>	<u>\$ 33,423,291</u>	<u>\$ 36,671,088</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 2011 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 2011 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 2011 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

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, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 8,078,879	\$ 4,519,764	\$ 12,598,643
Receivables:			
Income taxes	4,240,855	-	4,240,855
Real and other taxes	2,121,478	-	2,121,478
Accounts	507,716	2,984,960	3,492,676
Loans	7,599,942	-	7,599,942
Accrued interest	36,226	-	36,226
Special assessments	1,029,924	20,028	1,049,952
Internal balance	(56,145)	56,145	-
Due from other governments	3,331,987	30,120	3,362,107
Materials and supplies inventory	47,638	41,289	88,927
Deferred charges	42,080	145,131	187,211
Restricted assets:			
Equity in pooled cash and cash equivalents. . .	702,538	962,846	1,665,384
Capital assets:			
Non-depreciable capital assets	10,231,801	6,728,052	16,959,853
Depreciable capital assets, net.	33,959,885	48,633,779	82,593,664
Total capital assets, net.	<u>44,191,686</u>	<u>55,361,831</u>	<u>99,553,517</u>
Total assets.	<u>71,874,804</u>	<u>64,122,114</u>	<u>135,996,918</u>
Liabilities:			
Accounts payable	298,949	278,665	577,614
Contracts payable	1,651,964	36,137	1,688,101
Accrued wages and benefits payable	279,185	134,947	414,132
Due to other governments	439,365	101,807	541,172
Accrued interest payable	63,210	463,905	527,115
Claims payable	810,298	-	810,298
Unearned revenue	1,461,071	-	1,461,071
Long-term liabilities:			
Due within one year	4,434,483	3,867,050	8,301,533
Due in more than one year.	11,093,438	29,431,291	40,524,729
Total liabilities	<u>20,531,963</u>	<u>34,313,802</u>	<u>54,845,765</u>
Net assets:			
Invested in capital assets, net of related debt. . .	41,287,935	23,458,196	64,746,131
Restricted for:			
Debt service	1,123,312	962,846	2,086,158
Street maintenance	725,984	-	725,984
State highway.	223,765	-	223,765
Law enforcement.	461,705	-	461,705
Courts	842,855	-	842,855
Community developments and improvements .	9,560,569	-	9,560,569
Police and fire pension.	1,002,814	-	1,002,814
Public health	702,538	-	702,538
Unrestricted (deficit)	<u>(4,588,636)</u>	<u>5,387,270</u>	<u>798,634</u>
Total net assets	<u>\$ 51,342,841</u>	<u>\$ 29,808,312</u>	<u>\$ 81,151,153</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government.	\$ 5,400,182	\$ 1,355,736	\$ -	\$ -
Security of persons and property . . .	15,449,385	1,898,051	132,324	-
Public health and welfare	633,699	206,308	-	-
Transportation.	3,548,603	22,700	2,127,786	2,647,295
Community environment	1,817,279	845,630	-	-
Leisure time activity.	520,453	28,350	-	-
Economic development	2,936,898	30,482	5,212,448	-
Interest and fiscal charges.	503,530	-	-	-
Total governmental activities	<u>30,810,029</u>	<u>4,387,257</u>	<u>7,472,558</u>	<u>2,647,295</u>
Business-type activities:				
Sewer	7,211,259	7,364,686	-	1,072,931
Water	11,925,632	9,762,568	-	-
Sanitation	3,129,254	3,182,299	-	-
Packard Music Hall	387,126	197,508	-	675,680
City Redevelopment.	58,066	31,378	-	-
Downtown Parking	128,252	30,940	-	-
Stormwater Utility.	557,878	921,907	-	23,697
Total business-type activities.	<u>23,397,467</u>	<u>21,491,286</u>	<u>-</u>	<u>1,772,308</u>
Totals.	<u>\$ 54,207,496</u>	<u>\$ 25,878,543</u>	<u>\$ 7,472,558</u>	<u>\$ 4,419,603</u>

General revenues:

Property taxes levied for:	
Debt service	
Fire pension	
Police pension	
Income taxes levied for:	
General purposes.	
Grants and entitlements not restricted to specific programs . . .	
Investment earnings.	
Miscellaneous.	
Total general revenues	
Transfers	
Change in net assets.	
Net assets at beginning of year (restated)	
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
\$ (4,044,446)	\$ -	\$ (4,044,446)
(13,419,010)	-	(13,419,010)
(427,391)	-	(427,391)
1,249,178	-	1,249,178
(971,649)	-	(971,649)
(492,103)	-	(492,103)
2,306,032	-	2,306,032
(503,530)	-	(503,530)
<u>(16,302,919)</u>	<u>-</u>	<u>(16,302,919)</u>
-	1,226,358	1,226,358
-	(2,163,064)	(2,163,064)
-	53,045	53,045
-	486,062	486,062
-	(26,688)	(26,688)
-	(97,312)	(97,312)
-	387,726	387,726
<u>-</u>	<u>(133,873)</u>	<u>(133,873)</u>
<u>(16,302,919)</u>	<u>(133,873)</u>	<u>(16,436,792)</u>
1,129,724	-	1,129,724
118,708	-	118,708
116,983	-	116,983
16,247,214	-	16,247,214
3,375,874	-	3,375,874
111,444	-	111,444
716,079	465,545	1,181,624
<u>21,816,026</u>	<u>465,545</u>	<u>22,281,571</u>
<u>(260,092)</u>	<u>260,092</u>	<u>-</u>
5,253,015	591,764	5,844,779
<u>46,089,826</u>	<u>29,216,548</u>	<u>75,306,374</u>
<u>\$ 51,342,841</u>	<u>\$ 29,808,312</u>	<u>\$ 81,151,153</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Home Investment	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 869,956	\$ 675,809	\$ -	\$ 3,339,743	\$ 4,885,508
Receivables (net of allowance for uncollectibles):					
Income taxes	4,240,855	-	-	-	4,240,855
Real and other taxes	-	-	-	2,121,478	2,121,478
Accounts	470,771	-	-	36,945	507,716
Loans	-	4,062,933	-	3,537,009	7,599,942
Accrued interest	36,226	-	-	-	36,226
Special assessments	100,724	-	-	929,200	1,029,924
Due from other funds	297,239	-	-	-	297,239
Due from other governments	1,121,603	-	622,598	1,587,786	3,331,987
Materials and supplies inventory	11,497	-	-	36,141	47,638
Restricted assets:					
Equity in pooled cash and cash equivalents . .	702,538	-	-	-	702,538
Total assets	<u>\$ 7,851,409</u>	<u>\$ 4,738,742</u>	<u>\$ 622,598</u>	<u>\$ 11,588,302</u>	<u>\$ 24,801,051</u>
Liabilities:					
Accounts payable	\$ 105,007	\$ 34,520	\$ 24,071	\$ 129,114	\$ 292,712
Contracts payable	-	-	1,248,962	403,002	1,651,964
Accrued wages and benefits payable	258,871	-	-	18,668	277,539
Compensated absences payable	73,173	-	-	-	73,173
Due to other governments	209,117	-	-	4,797	213,914
Due to other funds	-	-	290,485	6,754	297,239
Deferred revenue	2,630,229	-	148,616	2,299,810	5,078,655
Unearned revenue	-	-	-	1,461,071	1,461,071
Total liabilities	<u>3,276,397</u>	<u>34,520</u>	<u>1,712,134</u>	<u>4,323,216</u>	<u>9,346,267</u>
Fund balances:					
Reserved for encumbrances	313,393	575,844	983,616	1,770,796	3,643,649
Reserved for materials and supplies inventory . .	11,497	-	-	36,141	47,638
Reserved for loans	-	4,062,933	-	3,537,009	7,599,942
Unreserved, undesignated (deficit), reported in:					
General fund	4,250,122	-	-	-	4,250,122
Special revenue funds	-	65,445	-	1,415,989	1,481,434
Debt service fund	-	-	-	505,151	505,151
Capital projects fund	-	-	(2,073,152)	-	(2,073,152)
Total fund balances (deficit)	<u>4,575,012</u>	<u>4,704,222</u>	<u>(1,089,536)</u>	<u>7,265,086</u>	<u>15,454,784</u>
Total liabilities and fund balances	<u>\$ 7,851,409</u>	<u>\$ 4,738,742</u>	<u>\$ 622,598</u>	<u>\$ 11,588,302</u>	<u>\$ 24,801,051</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, 2010

Total governmental fund balances		\$ 15,454,784
<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.		44,069,919
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	\$ 617,829	
Income taxes receivable	2,023,179	
Special assessments receivable	1,029,924	
Intergovernmental receivable	1,371,497	
Accrued interest receivable	36,226	
Total		5,078,655
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	(2,582,500)	
Loans payable	(2,223,079)	
Note payable	(53,928)	
Police and fire pension liability	(2,576,986)	
Pollution remediation obligation	(1,496,886)	
Compensated absences payable	(4,854,503)	
Capital lease payable	(180,152)	
Total		(13,968,034)
On the statement of net assets interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are accrued when due.		(63,210)
Unamortized bond issuance costs are not recognized in the funds.		42,080
Unamortized deferred charges on refundings are not recognized in the funds.		90,153
Unamortized premiums on bond issuance are not recognized in the funds.		(13,173)
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 on the statement of net assets.		707,812
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities		(56,145)
Net assets of governmental activities		\$ 51,342,841

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, 2010

	General	Home Investment	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes	\$ 15,872,631	\$ -	\$ -	\$ -	\$ 15,872,631
Property and other taxes	-	-	-	1,475,498	1,475,498
Charges for services.	2,084,254	-	-	-	2,084,254
Licenses and permits	2,170,949	-	-	132,780	2,303,729
Fines and forfeitures	1,335,840	-	-	582,523	1,918,363
Intergovernmental.	3,135,469	1,423,331	2,498,679	6,141,345	13,198,824
Special assessments	-	-	-	50,813	50,813
Investment income.	150,176	10,883	-	54,996	216,055
Rental income	36,552	-	-	-	36,552
Other	633,439	-	37,346	132,294	803,079
Total revenues	25,419,310	1,434,214	2,536,025	8,570,249	37,959,798
Expenditures:					
Current:					
General government	7,177,176	-	-	388,250	7,565,426
Security of persons and property	14,807,217	-	-	492,457	15,299,674
Public health and welfare.	627,133	-	-	-	627,133
Transportation	-	-	-	1,568,297	1,568,297
Community environment	1,707,275	-	-	-	1,707,275
Leisure time activity	440,263	-	-	-	440,263
Economic development.	-	287,138	-	3,344,045	3,631,183
Capital outlay	-	-	3,843,611	394,686	4,238,297
Debt service:					
Principal retirement.	58,304	-	-	1,879,143	1,937,447
Interest and fiscal charges	10,670	-	-	470,703	481,373
Total expenditures	24,828,038	287,138	3,843,611	8,537,581	37,496,368
Excess (deficiency) of revenues over (under) expenditures.	591,272	1,147,076	(1,307,586)	32,668	463,430
Other financing sources (uses):					
Loan issuance	-	-	-	520,000	520,000
Transfers in.	127,500	-	168,878	88,184	384,562
Transfers (out)	(260,092)	-	-	(296,378)	(556,470)
Total other financing sources (uses)	(132,592)	-	168,878	311,806	348,092
Net change in fund balances	458,680	1,147,076	(1,138,708)	344,474	811,522
Fund balances at beginning of year (restated)	4,116,332	3,557,146	49,172	6,920,612	14,643,262
Fund balances (deficit) at end of year	\$ 4,575,012	\$ 4,704,222	\$ (1,089,536)	\$ 7,265,086	\$ 15,454,784

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, 2010

Net change in fund balances - total governmental funds \$ 811,522

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

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

Capital asset additions	\$ 5,200,379	
Current year depreciation	(2,599,343)	
Total		2,601,036

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

Delinquent property taxes	(110,083)	
Income taxes	374,583	
Special assessments	13,777	
Intergovernmental revenues	144,024	
Investment income	(38,732)	
Total		383,569

Proceeds of loan issuances are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets. (520,000)

Repayment of of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 1,937,447

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. The following resulted in additional interest expense reported in the statement of activities.

Accrued interest	19,256	
Bond premium	4,581	
Deferred charges on refunding	(31,357)	
Bond issuance costs	(14,637)	
Total		(22,157)

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	300,986	
Pollution remediation obligation	53,221	
Total		354,207

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. (292,609)

Change in net assets of governmental activities \$ 5,253,015

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 15,113,706	\$ 15,291,126	\$ 15,370,052	\$ 78,926
Charges for services.	2,056,855	2,081,000	2,075,632	(5,368)
Licenses and permits	1,996,167	2,019,600	2,148,816	129,216
Fines and forfeitures	1,317,534	1,333,000	1,339,341	6,341
Intergovernmental.	2,966,507	3,001,331	3,083,136	81,805
Investment income.	397,830	402,500	180,541	(221,959)
Rental income	88,956	90,000	35,877	(54,123)
Other	392,882	397,494	537,841	140,347
Total revenues	<u>24,330,437</u>	<u>24,616,051</u>	<u>24,771,236</u>	<u>155,185</u>
Expenditures:				
Current:				
General government	7,366,742	7,438,934	7,209,822	229,112
Security of persons and property	14,347,836	15,546,870	15,356,171	190,699
Public health and welfare.	753,533	749,811	664,138	85,673
Community environment	1,787,190	1,826,935	1,768,432	58,503
Leisure time activity	446,111	462,440	446,335	16,105
Total expenditures	<u>24,701,412</u>	<u>26,024,990</u>	<u>25,444,898</u>	<u>580,092</u>
Excess of expenditures over revenues	<u>(370,975)</u>	<u>(1,408,939)</u>	<u>(673,662)</u>	<u>735,277</u>
Other financing sources (uses):				
Transfers in	340,997	345,000	127,500	(217,500)
Transfers out.	(258,092)	(458,092)	(260,092)	198,000
Total other financing sources (uses)	<u>82,905</u>	<u>(113,092)</u>	<u>(132,592)</u>	<u>(19,500)</u>
Net change in fund balances	(288,070)	(1,522,031)	(806,254)	715,777
Fund balances at beginning of year	1,982,780	1,982,780	1,982,780	-
Prior year encumbrances appropriated . . .	<u>236,353</u>	<u>236,353</u>	<u>236,353</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,931,063</u>	<u>\$ 697,102</u>	<u>\$ 1,412,879</u>	<u>\$ 715,777</u>

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)
 HOME INVESTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 2,351,000	\$ 1,423,331	\$ (927,669)
Investment income.	-	-	7,383	7,383
Other.	-	-	54,255	54,255
Total revenues	<u>1,000,000</u>	<u>2,351,000</u>	<u>1,484,969</u>	<u>(866,031)</u>
Expenditures:				
Current:				
Economic development.	<u>1,314,824</u>	<u>2,665,824</u>	<u>1,902,353</u>	<u>763,471</u>
Total expenditures	<u>1,314,824</u>	<u>2,665,824</u>	<u>1,902,353</u>	<u>763,471</u>
Net change in fund balances	(314,824)	(314,824)	(417,384)	(102,560)
Fund balance at beginning of year.	168,005	168,005	168,005	-
Prior year encumbrances appropriated . . .	<u>314,824</u>	<u>314,824</u>	<u>314,824</u>	<u>-</u>
Fund balance at end of year	<u>\$ 168,005</u>	<u>\$ 168,005</u>	<u>\$ 65,445</u>	<u>\$ (102,560)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 295,169	\$ 2,899,959	\$ 54,502	\$ 1,270,134
Receivables (net of allowance for uncollectibles):				
Accounts	1,081,741	1,003,695	617,657	281,867
Special assessments	1,415	18,534	-	79
Due from other governments	-	-	-	30,120
Materials and supplies inventory	23,808	7,820	9,661	-
Total current assets	<u>1,402,133</u>	<u>3,930,008</u>	<u>681,820</u>	<u>1,582,200</u>
Noncurrent assets:				
Deferred charges	26,148	118,983	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents . . .	-	962,846	-	-
Capital assets:				
Non-depreciable capital assets	2,095,712	2,087,280	35,091	2,509,969
Depreciable capital assets, net	14,286,190	32,117,496	327,390	1,902,703
Total capital assets, net	<u>16,381,902</u>	<u>34,204,776</u>	<u>362,481</u>	<u>4,412,672</u>
Total noncurrent assets	<u>16,408,050</u>	<u>35,286,605</u>	<u>362,481</u>	<u>4,412,672</u>
Total assets	<u>17,810,183</u>	<u>39,216,613</u>	<u>1,044,301</u>	<u>5,994,872</u>
Liabilities:				
Current liabilities:				
Accounts payable	64,501	152,584	55,057	6,523
Contracts payable	-	-	-	36,137
Accrued wages and benefits payable	39,159	75,015	12,538	8,235
Due to other governments	87,189	11,409	1,937	1,272
Claims payable	-	-	-	-
Current portion of general obligation bonds . . .	537,000	-	-	-
Current portion of revenue bonds	-	480,000	-	-
Current portion of OWDA loans	1,562,838	673,181	-	-
Current portion of capital lease obligations . . .	20,520	-	-	41,460
Current portion of compensated absences	168,567	303,697	49,506	30,281
Accrued interest payable	225,465	238,440	-	-
Total current liabilities	<u>2,705,239</u>	<u>1,934,326</u>	<u>119,038</u>	<u>123,908</u>
Long-term liabilities:				
General obligation bonds	1,062,405	-	-	-
Revenue bonds	-	7,268,145	-	-
OWDA loans	8,362,784	11,895,302	-	-
Claims payable	-	-	-	-
Compensated absences	247,733	442,774	86,999	65,149
Total long-term liabilities	<u>9,672,922</u>	<u>19,606,221</u>	<u>86,999</u>	<u>65,149</u>
Total liabilities	<u>12,378,161</u>	<u>21,540,547</u>	<u>206,037</u>	<u>189,057</u>
Net assets:				
Invested in capital assets, net of related debt . . .	4,836,355	13,888,148	362,481	4,371,212
Restricted for debt service	-	962,846	-	-
Unrestricted	595,667	2,825,072	475,783	1,434,603
Total net assets	<u>\$ 5,432,022</u>	<u>\$ 17,676,066</u>	<u>\$ 838,264</u>	<u>\$ 5,805,815</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
\$ 4,519,764	\$ 3,193,371
2,984,960	-
20,028	-
30,120	-
41,289	-
<u>7,596,161</u>	<u>3,193,371</u>
145,131	-
962,846	-
6,728,052	-
<u>48,633,779</u>	<u>121,767</u>
<u>55,361,831</u>	<u>121,767</u>
<u>56,469,808</u>	<u>121,767</u>
<u>64,065,969</u>	<u>3,315,138</u>
278,665	6,237
36,137	-
134,947	1,646
101,807	225,451
-	1,082,870
537,000	-
480,000	-
2,236,019	-
61,980	-
552,051	24,244
463,905	-
<u>4,882,511</u>	<u>1,340,448</u>
1,062,405	-
7,268,145	-
20,258,086	-
-	1,256,988
842,655	9,890
<u>29,431,291</u>	<u>1,266,878</u>
<u>34,313,802</u>	<u>2,607,326</u>
23,458,196	121,767
962,846	-
5,331,125	586,045
29,752,167	<u>\$ 707,812</u>
56,145	
<u>\$ 29,808,312</u>	

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Operating revenues:				
Charges for services	\$ 7,364,660	\$ 9,748,947	\$ 3,182,299	\$ 1,181,730
Other	13,197	436,947	11,562	3,839
Total operating revenues.	7,377,857	10,185,894	3,193,861	1,185,569
Operating expenses:				
Personal services	3,443,286	5,836,166	1,126,806	599,736
Contract services	1,132,717	725,509	1,505,001	143,296
Materials and supplies.	313,067	1,082,967	217,616	65,361
Administrative costs.	691,331	689,851	163,034	129,424
Utilities	550,558	549,662	12,236	71,130
Claims.	-	-	-	-
Other	11,808	160,820	3,032	20,247
Depreciation.	690,913	2,138,108	144,221	135,343
Total operating expenses.	6,833,680	11,183,083	3,171,946	1,164,537
Operating income (loss)	544,177	(997,189)	21,915	21,032
Nonoperating revenues (expenses):				
Special assessments	26	13,621	-	3
Loss on disposal of capital assets	-	(13,448)	-	-
Interest and fiscal charges	(499,931)	(931,184)	-	(4,031)
Total nonoperating revenues (expenses)	(499,905)	(931,011)	-	(4,028)
Income (loss) before transfers and capital contributions	44,272	(1,928,200)	21,915	17,004
Capital contributions	1,072,931	-	-	699,377
Transfers in	-	-	-	260,092
Transfers out	-	-	-	-
Change in net assets	1,117,203	(1,928,200)	21,915	976,473
Net assets at beginning of year (restated) . .	4,314,819	19,604,266	816,349	4,829,342
Net assets at end of year	\$ 5,432,022	\$ 17,676,066	\$ 838,264	\$ 5,805,815

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

Change 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
\$ 21,477,636	\$ 7,121,128
465,545	1,565
21,943,181	7,122,693
11,005,994	172,395
3,506,523	298,845
1,679,011	8,529
1,673,640	253,920
1,183,586	30,670
-	6,086,469
195,907	3,403
3,108,585	68,514
22,353,246	6,922,745
(410,065)	199,948
13,650	-
(13,448)	-
(1,435,146)	-
(1,434,944)	-
(1,845,009)	199,948
1,772,308	-
260,092	-
-	(88,184)
187,391	111,764
	596,048
	\$ 707,812
404,373	
\$ 591,764	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Cash flows from operating activities:				
Cash received from customers	\$ 7,372,822	\$ 9,754,473	\$ 3,186,223	\$ 1,154,339
Cash received from other operations.	13,197	436,547	11,562	3,839
Cash payments for personal services.	(3,524,251)	(5,857,932)	(1,115,610)	(593,357)
Cash payments for contract services	(1,039,193)	(656,104)	(1,488,641)	(200,260)
Cash payments for materials and supplies	(291,652)	(1,069,990)	(211,184)	(68,781)
Cash payments for utilities.	(550,558)	(549,662)	(12,236)	(71,130)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(691,331)	(689,851)	(163,034)	(129,424)
Cash payments for other expenses	(11,808)	(160,820)	(3,032)	(20,247)
Net cash provided by operating activities	<u>1,277,226</u>	<u>1,206,661</u>	<u>204,048</u>	<u>74,979</u>
Cash flows from noncapital financing activities:				
Special assessments	261	-	-	-
Transfers in from other funds	-	-	-	260,092
Transfers out to other funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>261</u>	<u>-</u>	<u>-</u>	<u>260,092</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,075,492)	(37,259)	(215,290)	(440,672)
Capital contributions.	1,072,931	-	-	669,257
Principal retirement	(2,015,384)	(1,096,133)	-	(39,492)
Interest and fiscal charges	(516,406)	(908,064)	-	(4,031)
Net cash provided by (used in) capital and related financing activities	<u>(2,534,351)</u>	<u>(2,041,456)</u>	<u>(215,290)</u>	<u>185,062</u>
Net increase (decrease) in cash and cash equivalents.	(1,256,864)	(834,795)	(11,242)	520,133
Cash and cash equivalents at beginning of year.	<u>1,552,033</u>	<u>4,697,600</u>	<u>65,744</u>	<u>750,001</u>
Cash and cash equivalents at end of year	<u>\$ 295,169</u>	<u>\$ 3,862,805</u>	<u>\$ 54,502</u>	<u>\$ 1,270,134</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 21,467,857	\$ 7,121,128
465,145	5,783
(11,091,150)	(183,269)
(3,384,198)	(298,295)
(1,641,607)	(8,529)
(1,183,586)	(30,670)
-	(5,625,762)
(1,673,640)	(285,821)
(195,907)	(3,403)
<u>2,762,914</u>	<u>691,162</u>
261	-
260,092	-
<u>-</u>	<u>(88,184)</u>
<u>260,353</u>	<u>(88,184)</u>
(1,768,713)	-
1,742,188	-
(3,151,009)	-
<u>(1,428,501)</u>	<u>-</u>
<u>(4,606,035)</u>	<u>-</u>
(1,582,768)	602,978
7,065,378	2,590,393
<u>\$ 5,482,610</u>	<u>\$ 3,193,371</u>

-- Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 544,177	\$ (997,189)	\$ 21,915	\$ 21,032
Adjustments:				
Depreciation	690,913	2,138,108	144,221	135,343
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory	(1,233)	(6,673)	12,322	-
Decrease (increase) in accounts receivable.	8,162	5,126	3,924	(27,391)
Increase (decrease) in accounts payable	57,488	84,716	10,470	(31,997)
Increase (decrease) in contracts payable	-	4,339	-	(22,692)
Increase (decrease) in accrued wages and benefits	5,140	15,285	1,932	3,664
Increase (decrease) in due to other governments	49,994	(458)	298	(11,234)
Increase (decrease) in compensated absences payable	(77,415)	(36,593)	8,966	8,254
Increase in claims payable	-	-	-	-
Net cash provided by operating activities	<u>\$ 1,277,226</u>	<u>\$ 1,206,661</u>	<u>\$ 204,048</u>	<u>\$ 74,979</u>

Non-cash capital transactions:

At December 31, 2009, the Water fund purchased \$17,019 in capital assets on account.

At December 31, 2010 and December 31, 2009, the nonmajor enterprise funds purchased \$36,137 and \$61,273, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (410,065)	\$ 199,948
3,108,585	68,514
4,416	-
(10,179)	4,218
120,677	550
(18,353)	-
26,021	(184)
38,600	(32,108)
(96,788)	(10,483)
-	460,707
<u>\$ 2,762,914</u>	<u>\$ 691,162</u>

CITY OF WARREN, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 873,449
Cash with fiscal and escrow agents	366,092
Accounts receivable	<u>2,827</u>
Total assets.	<u>\$ 1,242,368</u>
Liabilities:	
Due to other governments	\$ 968,350
Deposits held and due to others	<u>274,018</u>
Total liabilities	<u>\$ 1,242,368</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, 2010

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 it does 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 this 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, 2010

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, 2010

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.

Home investment fund - The home investment fund accounts for monies received through the Home Investment Partnership Program. The program provides federal grants which are used to create affordable housing for low-income households.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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.

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, 2010

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), grants, 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, 2010, but which were levied to finance year 2011 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, 2010, are recorded as deferred revenue in the governmental funds.

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, 2010

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 2010.

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 2010, 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, 2010**

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

The City has invested funds in STAR Ohio during 2010. 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, 2010.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2010, interest revenue in the general fund amounted to \$150,176 which includes \$132,015 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, 2010

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, easements 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, software, 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 or greater with at least ten years of service or any employee with at least twenty 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, 2010

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.

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 Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover deficit cash balances are classified as "due to/from other funds". These amounts are eliminated on the statement of net assets.

N. 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, 2010**

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.

O. Fund Balance Reserves

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

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

P. 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.

Q. 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.

R. 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.

S. 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, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. In accordance with the implementation GASB Statement No. 51, the City has reported intangible assets on a separate line in Note 10 and has reflected intangible assets as indicated in the financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances/Net Assets

Fund balances at December 31, 2010 included the following individual fund deficits:

<u>Major governmental fund:</u>	<u>Deficit</u>
General capital projects	\$ 1,089,536
 <u>Nonmajor internal service fund:</u>	
Workers compensation	637,433

The workers compensation internal service fund complied with Ohio State law, which does not permit a cash basis deficit at year end. The deficit net assets is a result of adjustments for accrued liabilities. The general capital projects fund had a cash basis deficit at year end, indicating that revenues from other sources were used to pay obligations of the fund contrary to Ohio Revised Code Section 5701.10. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Compliance

The City had negative cash fund balances in the general capital projects fund and the police grants nonmajor special revenue fund at December 31, 2010, indicating that revenues from other sources were used to pay obligations of these funds contrary to Ohio Revised Code Section 5705.10. For GAAP purposes, the negative amounts have been reported as a fund liability in the funds.

Contrary to Ohio Revised Code Section 5705.36(A)(4), 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 several funds. Contrary to Ohio Revised Code Sections 117.01 and 117.39, the City did not report the receipt and expenditure of ARRA dollars properly.

D. Prior Period Adjustment and Accounting Change

Governmental Activities - Restatement of Fund Balance and Net Assets - The fund balance and net assets of the governmental activities have been restated at the beginning of the year to reflect loans receivable previously unreported in the home investment special revenue fund. In addition, net assets of the governmental activities have been restated at the beginning of the year to reflect an accounting change in the reporting of the long-term claims payable related to the workers' compensation retrospective rating plan.

The adjustments had the following effect on fund balances as previously reported:

	<u>General</u>	<u>Home Investment</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances as previously reported	\$ 4,116,332	\$ 2,507,146	\$ 49,172	\$ 6,920,612	\$ 13,593,262
Adjustment for loans receivable	-	1,050,000	-	-	1,050,000
Restated fund balances as of January 1, 2010	<u>\$ 4,116,332</u>	<u>\$ 3,557,146</u>	<u>\$ 49,172</u>	<u>\$ 6,920,612</u>	<u>\$ 14,643,262</u>

The adjustments had the following effect on net assets as previously reported:

	<u>Governmental Activities</u>
Net assets as previously reported	\$ 45,378,206
Adjustment for loans receivable	1,050,000
Adjustment for accounting change	<u>(338,380)</u>
Restated net assets as of January 1, 2010	<u>\$ 46,089,826</u>

Proprietary Funds/Business-type Activities - Restatement of Net Assets - The net assets of the business-type activities and the workers' compensation internal service fund have been restated at the beginning of the year to reflect an accounting change in the reporting of the long-term claims payable related to the workers' compensation retrospective rating plan.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The adjustments had the following effect on net assets of the business-type activities and internal service funds as previously reported:

	Business-Type Activities	Internal Service Funds
Net assets as previously reported	\$ 29,355,500	\$ 1,073,380
Adjustment for accounting change	(138,952)	(477,332)
Restated net assets as of January 1, 2010	\$ 29,216,548	\$ 596,048

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;

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2010, the carrying amount of all City deposits was \$5,989,455, exclusive of the \$3,540,593 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, 2010, \$1,379,251 of the City's bank balance of \$6,876,106 was exposed to custodial risk as discussed below, while \$5,496,855 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, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2010, 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	\$ 987,340	\$ -	\$ -	\$ -	\$ -	\$ 987,340
Mortgage Association	3,992,710	-	-	-	-	3,992,710
STAR Ohio	30,624	30,624	-	-	-	-
Repurchase agreements	3,540,593	3,540,593	-	-	-	-
U.S. Government money markets	962,846	962,846	-	-	-	-
Total	<u>\$ 9,514,113</u>	<u>\$ 4,534,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,980,050</u>

The weighted average maturity of investments is 1.63 years.

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 rating service. 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 \$3,540,593 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, 2010

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, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Federal Home Loan Bank	\$ 987,340	10.38
Federal National Mortgage Association	3,992,710	41.97
STAR Ohio	30,624	0.32
Repurchase agreements	3,540,593	37.21
U.S. Government money market	<u>962,846</u>	<u>10.12</u>
Total	<u>\$ 9,514,113</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, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,989,455
Investments	<u>9,514,113</u>
Total	<u>\$ 15,503,568</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 8,781,417
Business type activities	5,482,610
Agency funds	<u>1,239,541</u>
Total	<u>\$ 15,503,568</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2010, 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	\$ -	\$ -	\$ -	\$ 260,092	\$ 260,092
Nonmajor governmental	127,500	168,878	-	-	296,378
Internal service	<u>-</u>	<u>-</u>	<u>88,184</u>	<u>-</u>	<u>88,184</u>
Total	<u>\$ 127,500</u>	<u>\$ 168,878</u>	<u>\$ 88,184</u>	<u>\$ 260,092</u>	<u>\$ 644,654</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, 2010

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The general fund received transfers of \$127,500 from the special projects - courts nonmajor special revenue fund for municipal court wages, benefits and postage. The motor vehicle levy and CDBG nonmajor governmental funds transferred \$168,878 to the general capital projects fund for capital expenditures. The \$88,184 transfer from the data processing nonmajor internal service fund to the nonmajor debt service fund was required to transfer debt payments.

- B.** Interfund balances at December 31, 2010 as reported on the fund financial statements consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	General capital projects	\$ 290,485
General fund	Nonmajor governmental funds	6,754

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

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 6 - PROPERTY TAXES - (Continued)

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 in 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 was 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, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 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 2010 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.

The assessed value upon which the 2009 levy (collected in 2010) was based was \$443,095,295. 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, 2010. Income tax revenue for 2010 reported in the general fund was \$15,872,631.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2010, 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, 2010.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 8 - RECEIVABLES - (Continued)

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

Governmental activities:

Income taxes	\$ 4,240,855
Real and other taxes	2,121,478
Accounts	507,716
Accrued interest	36,226
Special assessments	1,029,924
Due from other governments	3,331,987

Business-type activities:

Accounts	2,984,960
Special assessments	20,028
Due from other governments	30,120

Receivables have been disaggregated on the face of the BFS. The only receivables 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 2 to 40 years. The CDBG loans are reported net of an uncollectible allowance of 6.87%.

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Easements	-	13,353	-	13,353
Construction in progress	<u>5,587,643</u>	<u>4,301,782</u>	<u>(695,161)</u>	<u>9,194,264</u>
Total capital assets, not being depreciated	<u>6,611,827</u>	<u>4,315,135</u>	<u>(695,161)</u>	<u>10,231,801</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	749,120	-	-	749,120
Buildings	10,310,974	647,417	-	10,958,391
Building improvements	6,008,077	118,199	-	6,126,276
Computer software	358,446	204,000	-	562,446
Computer equipment	1,013,989	91,129	-	1,105,118
Furniture and equipment	1,784,255	6,665	(6,068)	1,784,852
Vehicles	4,926,084	-	(30,031)	4,896,053
Infrastructure	<u>44,299,822</u>	<u>512,995</u>	<u>-</u>	<u>44,812,817</u>
Total capital assets, being depreciated	<u>69,450,767</u>	<u>1,580,405</u>	<u>(36,099)</u>	<u>70,995,073</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(541,007)	(18,127)	-	(559,134)
Buildings	(6,491,982)	(258,889)	-	(6,750,871)
Building improvements	(1,249,463)	(219,436)	-	(1,468,899)
Computer software	(260,294)	(52,890)	-	(313,184)
Computer equipment	(770,296)	(116,294)	-	(886,590)
Furniture and equipment	(1,190,691)	(109,742)	6,068	(1,294,365)
Vehicles	(4,030,863)	(148,064)	30,031	(4,148,896)
Infrastructure	<u>(19,868,834)</u>	<u>(1,744,415)</u>	<u>-</u>	<u>(21,613,249)</u>
Total accumulated depreciation	<u>(34,403,430)</u>	<u>(2,667,857)</u>	<u>36,099</u>	<u>(37,035,188)</u>
Total capital assets, being depreciated, net	<u>35,047,337</u>	<u>(1,087,452)</u>	<u>-</u>	<u>33,959,885</u>
Governmental activities capital assets, net	<u>\$ 41,659,164</u>	<u>\$ 3,227,683</u>	<u>\$ (695,161)</u>	<u>\$ 44,191,686</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>5,348,831</u>	<u>1,511,268</u>	<u>(516,446)</u>	<u>6,343,653</u>
Total capital assets, not being depreciated	<u>5,733,230</u>	<u>1,511,268</u>	<u>(516,446)</u>	<u>6,728,052</u>
<i>Capital assets, being depreciated:</i>				
Buildings	53,733,298	-	-	53,733,298
Building improvements	12,321,062	516,446	-	12,837,508
Water and sewer lines	50,026,061	-	-	50,026,061
Computer software	47,874	-	-	47,874
Computer equipment	172,288	-	-	172,288
Furniture and equipment	7,624,392	-	(73,055)	7,551,337
Vehicles	<u>3,728,622</u>	<u>215,290</u>	<u>(280,748)</u>	<u>3,663,164</u>
Total capital assets, being depreciated	<u>127,653,597</u>	<u>731,736</u>	<u>(353,803)</u>	<u>128,031,530</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(47,398,636)	(657,592)	-	(48,056,228)
Building improvements	(2,163,013)	(838,833)	-	(3,001,846)
Water and sewer lines	(20,742,549)	(710,926)	-	(21,453,475)
Computer software	(35,941)	(2,652)	-	(38,593)
Computer equipment	(118,892)	(13,083)	-	(131,975)
Furniture and equipment	(2,795,548)	(677,776)	59,607	(3,413,717)
Vehicles	<u>(3,374,942)</u>	<u>(207,723)</u>	<u>280,748</u>	<u>(3,301,917)</u>
Total accumulated depreciation	<u>(76,629,521)</u>	<u>(3,108,585)</u>	<u>340,355</u>	<u>(79,397,751)</u>
Total capital assets, being depreciated, net	<u>51,024,076</u>	<u>(2,376,849)</u>	<u>(13,448)</u>	<u>48,633,779</u>
Business-type activities capital assets, net	<u>\$ 56,757,306</u>	<u>\$ (865,581)</u>	<u>\$ (529,894)</u>	<u>\$ 55,361,831</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 304,009
Security of persons and property	234,570
Public health and welfare	1,647
Transportation	1,955,328
Community environment	103,789
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>68,514</u>
Total depreciation expense - governmental activities	<u>\$ 2,667,857</u>

Business-type activities:

Sewer	\$ 690,913
Water	2,138,108
Sanitation	144,221
Packard Music Hall	30,643
City redevelopment	14,791
Downtown parking	48,058
Stormwater utility	<u>41,851</u>
Total depreciation expense - business-type activities	<u>\$ 3,108,585</u>

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 was 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, 2010, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$3,019,713 and vested benefits for sick leave totaled \$1,942,097. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$696,380 and vested benefits for sick leave totaled \$698,326 at December 31, 2010. 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, 2010

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 \$29,847 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 2010 amounted to \$58,304 paid by the general fund and \$1,913 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	\$ 29,847	\$ 528,720
Less: accumulated depreciation	<u>(26,862)</u>	<u>(528,720)</u>
Total	<u>\$ 2,985</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, 2010:

<u>Year Ended</u>	<u>Amount</u>
2011	\$ 68,517
2012	63,874
2013	<u>63,874</u>
Total	196,265
Less: amount representing interest	<u>(16,113)</u>
Present value of net minimum lease payments	<u>\$ 180,152</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 2010 totaled \$25,790 in the sewer fund and \$39,492 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>(101,126)</u>	<u>(150,830)</u>
Total	<u>\$ 18,219</u>	<u>\$ 37,708</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, 2010:

	<u>Year Ended</u>	<u>Sewer</u>	<u>Stormwater Utility</u>	<u>Total</u>
	2011	\$ 21,366	\$ 43,523	\$ 64,889
Total		21,366	43,523	64,889
Less: amount representing interest		<u>(846)</u>	<u>(2,063)</u>	<u>(2,909)</u>
Present value of net minimum lease payments		<u>\$ 20,520</u>	<u>\$ 41,460</u>	<u>\$ 61,980</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, 2010

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>(96,143)</u>
Total	<u>\$ 9,000</u>	<u>\$ 123,613</u>

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

The long-term obligations balance of the governmental activities at December 31, 2009 was restated to include \$942,240 in workers' compensation claims payable as a component of long-term obligations (see Note 3.D for detail). During 2010, the following changes occurred in governmental activities long-term obligations:

Governmental activities:	Interest Rate	Maturity Date	(Restated) Balance 12/31/09	Additions	Reductions	Balance 12/31/10	Amounts Due in One Year
<u>General obligation bonds</u>							
Correctional facility	4.50-5.85%	12/01/2010	\$ 58,104	\$ -	\$ (58,104)	\$ -	\$ -
Various purpose refunding, series 2003	2.00-4.00%	12/01/2013	2,660,000	-	(623,500)	2,036,500	655,000
Various purpose, series 2003	2.00-2.40%	12/01/2013	274,000	-	(63,000)	211,000	68,000
Multi purpose refunding, series 1996	3.80-6.25%	12/01/2011	<u>655,000</u>	<u>-</u>	<u>(320,000)</u>	<u>335,000</u>	<u>335,000</u>
Total general obligations bonds			<u>3,647,104</u>	<u>-</u>	<u>(1,064,604)</u>	<u>2,582,500</u>	<u>1,058,000</u>
<u>Other long-term obligations</u>							
Reinvestment partnership corporation loan	6.09%	8/01/2016	585,000	-	(585,000)	-	-
Reinvestment partnership corporation loan	1.66-2.66%	8/01/2016	-	520,000	-	520,000	70,000
OWDA loan	3.75%	1/01/2010	80,728	-	(80,728)	-	-
HUD 108 loan	5.28%	8/01/2022	1,560,000	-	(75,000)	1,485,000	80,000
Ohio Department of Development mortgage note	4.00%	11/1/2015	53,928	-	-	53,928	-
Police and fire pension liability		5/01/2035	2,636,055	-	(59,069)	2,576,986	61,606
OPWC loan		7/01/2027	230,908	-	(12,829)	218,079	12,828
Pollution remediation obligation			1,550,107	319,073	(372,294)	1,496,886	1,496,886
Claims payable			942,240	1,053,639	(466,319)	1,529,560	272,572
Capital lease obligation			240,369	-	(60,217)	180,152	60,492
Compensated absences			<u>5,481,555</u>	<u>1,025,023</u>	<u>(1,544,768)</u>	<u>4,961,810</u>	<u>1,322,099</u>
Total other long-term obligations			<u>13,360,890</u>	<u>2,917,735</u>	<u>(3,256,224)</u>	<u>13,022,401</u>	<u>3,376,483</u>
Total governmental activities long-term obligations			17,007,994	<u>\$ 2,917,735</u>	<u>\$ (4,320,828)</u>	15,604,901	<u>\$ 4,434,483</u>
Add: Unamortized premium on bond issue			17,754			13,173	
Less: Unamortized deferred charges on refundings			<u>(121,510)</u>			<u>(90,153)</u>	
Total reported on the statement of net assets			<u>\$ 16,904,238</u>			<u>\$ 15,527,921</u>	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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:

<u>Year</u> <u>Ended</u>	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	72,891	97,588	170,479
2016 - 2020	414,199	438,202	852,401
2021 - 2025	511,128	341,273	852,401
2026 - 2030	630,737	221,661	852,398
2031 - 2035	685,272	74,220	759,492
Total	\$ 2,576,986	\$ 1,592,106	\$ 4,169,092

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. These bonds matured 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, 2010

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, 2010 was \$2,115,000.

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, 2010, the balance of the bonds was \$335,000.

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
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>\$ 2,582,500</u>	<u>\$ 189,014</u>	<u>\$ 2,771,514</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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. On July 21, 2010, the City refinanced the loan at a lower interest rate. Interest payments are made semi-annually at a rate ranging from 1.60% - 2.60%. 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
2011	\$ 70,000	\$ 8,876	\$ 78,876
2012	75,000	8,244	83,244
2013	85,000	7,599	92,599
2014	95,000	6,460	101,460
2015	95,000	4,750	99,750
2016	<u>100,000</u>	<u>2,660</u>	<u>102,660</u>
Total	<u>\$ 520,000</u>	<u>\$ 38,589</u>	<u>\$ 558,589</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
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	110,000	60,832	170,832
2016 - 2020	675,000	210,356	885,356
2021 - 2022	<u>340,000</u>	<u>28,860</u>	<u>368,860</u>
Total	<u>\$ 1,485,000</u>	<u>\$ 590,615</u>	<u>\$ 2,075,615</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 Ended	Note Payable		
	Principal	Interest	Total
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. During 2010, the City paid down the remaining balance of the loan.

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, 2010 is \$1,496,886, 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.

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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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
2011	\$ 12,828	\$ -	\$ 12,828
2012	12,828	-	12,828
2013	12,828	-	12,828
2014	12,828	-	12,828
2015	12,829	-	12,829
2016 - 2020	64,141	-	64,141
2021 - 2025	64,141	-	64,141
2026 - 2027	<u>25,656</u>	<u>-</u>	<u>25,656</u>
Total	<u>\$ 218,079</u>	<u>\$ -</u>	<u>\$ 218,079</u>

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2010, the following changes occurred in the business-type activities long-term obligations:

	Interest Rate	Maturity Date	Balance 12/31/09	Additions	Reductions	Balance 12/31/10	Amounts Due in One Year
<u>General obligation bonds</u>							
Refunding sewer improvements	2.00-4.00%	12/01/2013	\$ 2,181,000	\$ -	\$ (518,500)	\$ 1,662,500	\$ 537,000
Total general obligations bonds			2,181,000	-	(518,500)	1,662,500	537,000
<u>Revenue bonds</u>							
Water system	3.80-5.00%	12/1/2022	8,265,000	-	(455,000)	7,810,000	480,000
Total revenue bonds			8,265,000	-	(455,000)	7,810,000	480,000
Total enterprise bonds			10,446,000	-	(973,500)	9,472,500	1,017,000
<u>OWDA Loans</u>							
Sewer system	10.16%	1/01/2012	1,733,709	-	(647,116)	1,086,593	712,863
Buckeye	3.54%	7/01/2014	455,276	-	(84,780)	370,496	87,807
Warren commerce park - phase I	4.80%	1/01/2017	60,430	-	(14,050)	46,380	14,732
Wastewater treatment plant and pump station improvements	3.04%	1/01/2017	468,238	-	(56,482)	411,756	58,212
Biosolids facility	3.04%	7/01/2017	3,389,422	-	(380,309)	3,009,113	391,959
Griswold street sanitary sewer	4.12%	7/01/2018	770,278	-	(72,303)	697,975	75,312
Warren commerce park - phase II	3.98%	1/01/2019	348,891	-	(30,884)	318,007	32,126
Warren commerce park - phase II	3.79%	1/01/2019	106,524	-	(9,509)	97,015	9,873
Downtown combined sewer	3.25%	1/01/2027	4,063,948	-	(175,661)	3,888,287	179,954
Water system improvements	3.95%	7/01/2023	8,300,000	-	(463,898)	7,836,102	477,686
Water meter replacements	3.34%	7/01/2028	4,909,616	-	(177,235)	4,732,381	195,495
Total OWDA loans			24,606,332	-	(2,112,227)	22,494,105	2,236,019
Total bonds and loans			35,052,332	-	(3,085,727)	31,966,605	3,253,019
<u>Other long-term obligations</u>							
Capital lease obligation	4.50-5.85%		127,262	-	(65,282)	61,980	61,980
Compensated absences			1,491,494	418,159	(514,947)	1,394,706	552,051
Total other long-term obligations			1,618,756	418,159	(580,229)	1,456,686	614,031
Total business-type activities			36,671,088	\$ 418,159	\$ (3,665,956)	33,423,291	\$ 3,867,050
Add: Unamortized premium on bond issue			12,791			9,490	
Less: Unamortized deferred charges on refundings			(190,612)			(134,440)	
Total reported on the statement of net assets			\$ 36,493,267			\$ 33,298,341	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010 was \$1,715,000.

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, 2010 was \$7,810,000.

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, 2010

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 77.20 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$10,620,750. Principal and interest paid for the current year and total customer net revenues were \$880,840 and \$1,140,919, 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, 2010, the City has outstanding borrowings of \$22,494,105. 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 \$14,326,278 for the water fund and \$10,776,323 for the sewer fund. Principal and interest paid for the current year totaled \$1,123,357 and \$1,903,729 in the water fund and sewer fund, respectively.

The downtown combined sewer and water system improvements projects financed through OWDA loans are not closed out as of December 31, 2010. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2010 of \$3,888,287 and \$7,836,102, 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
2011	\$ 1,017,000	\$ 464,597	\$ 1,481,597	\$ 1,578,379	\$ 425,749	\$ 2,004,128
2012	1,062,500	419,402	1,481,902	1,268,276	324,221	1,592,497
2013	1,113,000	371,324	1,484,324	924,561	256,307	1,180,868
2014	570,000	319,850	889,850	938,615	225,469	1,164,084
2015	600,000	288,500	888,500	868,847	195,085	1,063,932
2016 - 2020	3,470,000	947,250	4,417,250	2,738,129	600,587	3,338,716
2021 - 2025	1,640,000	124,000	1,764,000	1,456,160	300,527	1,756,687
2026 - 2028	-	-	-	996,749	59,064	1,055,813
Total	\$ 9,472,500	\$ 2,934,923	\$ 12,407,423	\$ 10,769,716	\$ 2,387,009	\$ 13,156,725

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - RISK MANAGEMENT

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

A. Hospitalization

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 \$810,298 reported in the internal service fund at December 31, 2010, 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.

Changes in the fund's liability for the current and previous year 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	2010	\$ 936,911	\$ 5,032,830	\$ (5,159,443)	\$ 810,298
	2009	895,534	6,054,013	(6,012,636)	936,911

B. Risk Management

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.

Changes in the fund's liability for the current and previous year 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>
Risk management	2010	\$ 5,043	\$ 150,605	\$ (150,365)	\$ 5,283
	2009	-	99,804	(94,761)	5,043

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - RISK MANAGEMENT - (Continued)

C. Workers' Compensation

The City has elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the City to pay a fraction of the premium it would pay as an experience-rated risk.

In 2010, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2010 in the amount of approximately \$225,205. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$272,572 under the Retrospective Rating Plan.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the City agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the City assumes, the greater the potential reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk for individual claims up to a maximum of \$300,000.

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a "minimum premium" for retaining the risk of having to pay claims which exceeds the City's maximum claim limits. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles up for the reserve on any claims that are still open. The City has established a workers' compensation internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of \$1,529,560 reported at December 31, 2010, as estimated by the third party administrator, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB 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. Of the \$1,529,560 claims liability, \$272,572 of the liability is due within one year and is reported as a current liability in the statement of net assets for the proprietary funds. The remaining portion is a noncurrent liability of \$1,256,988. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's liability for the current and previous year 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>
Workers' compensation	2010	\$ 942,240	\$ 1,053,639	\$ (466,319)	\$1,529,560
	2009	717,009	942,240	(717,009)	942,240

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 14 - RISK MANAGEMENT - (Continued)

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 15 - 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.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, 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 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 15 - PENSION PLANS - (Continued)

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$1,195,775, \$1,101,199, and \$1,043,704, respectively; 89.98% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The unpaid contribution to fund pension obligations for 2010, in the amount of \$117,383, is recorded as a liability. Contributions to the member-directed plan for 2010 were \$7,402 made by the City and \$5,287 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

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 2010, 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 \$489,866 and \$584,723 for the year ended December 31, 2010, \$489,740 and \$615,822 for the year ended December 31, 2009, and \$610,558 and \$732,799, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 91.91% has been contributed for police and 88.04% has been contributed for firefighters for 2010. The unpaid contribution to fund pension obligations for 2010, in the amount of \$39,651 for police and \$69,938 for firefighters, is recorded as a liability.

NOTE 16 - 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.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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 Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% 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 members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

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, 2010, 2009, and 2008 were \$678,744, \$818,740, and \$1,043,705, respectively; 89.98% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The unpaid contribution to fund post-employment health care benefits for 2010, in the amount of \$66,920, 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.

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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, 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 \$259,341 and \$228,805 for the year ended December 31, 2010, \$259,274 and \$240,974 for the year ended December 31, 2009, and \$323,236 and \$286,748, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 91.91% has been contributed for police and 88.04% has been contributed for firefighters for 2010. The unpaid contribution to fund post-employment healthcare benefits for 2010, in the amount of \$20,991 for police and \$27,367 for firefighters, is recorded as a liability.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); 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>	<u>Home Investment</u>
Budget basis	\$ (806,254)	\$ (417,384)
Net adjustment for revenue accruals	648,074	(50,755)
Net adjustment for expenditure accruals	140,056	1,004,851
Adjustment for encumbrances	<u>476,804</u>	<u>610,364</u>
GAAP basis	<u>\$ 458,680</u>	<u>\$ 1,147,076</u>

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2010.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 18 - CONTINGENCIES - (Continued)

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.

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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.

Major Special Revenue Fund

Home Investment

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

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.

Police Grants

To account for all grants specific to the Police Department.

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 State and federal monies received 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.

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 15,113,706	\$ 15,291,126	\$ 15,370,052	\$ 78,926
Charges for services	2,056,855	2,081,000	2,075,632	(5,368)
Licenses and permits	1,996,167	2,019,600	2,148,816	129,216
Fines and forfeitures	1,317,534	1,333,000	1,339,341	6,341
Intergovernmental	2,966,507	3,001,331	3,083,136	81,805
Investment income	397,830	402,500	180,541	(221,959)
Rental income	88,956	90,000	35,877	(54,123)
Other	392,882	397,494	537,841	140,347
Total revenues	<u>24,330,437</u>	<u>24,616,051</u>	<u>24,771,236</u>	<u>155,185</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	221,004	222,504	222,300	204
Contract services	31,188	30,388	24,128	6,260
Materials and supplies.	3,541	3,541	971	2,570
Total city council	<u>255,733</u>	<u>256,433</u>	<u>247,399</u>	<u>9,034</u>
Municipal court				
Personal services	1,823,468	1,833,268	1,788,868	44,400
Contract services	56,560	56,560	46,514	10,046
Total municipal court.	<u>1,880,028</u>	<u>1,889,828</u>	<u>1,835,382</u>	<u>54,446</u>
Victims of crimes				
Personal services	37,257	37,457	37,199	258
Contract services	1,700	1,700	1,679	21
Materials and supplies.	2,717	2,717	2,319	398
Capital outlay	-	1,150	1,150	-
Total victims of crimes	<u>41,674</u>	<u>43,024</u>	<u>42,347</u>	<u>677</u>
Operations - general				
Personal services	52,270	53,942	53,644	298
Contract services	15,207	15,610	15,226	384
Materials and supplies.	466	500	-	500
Total operations - general	<u>67,943</u>	<u>70,052</u>	<u>68,870</u>	<u>1,182</u>
Operations - maintenance				
Personal services	648,756	693,495	679,640	13,855
Contract services	273,327	273,849	267,587	6,262
Materials and supplies.	33,640	32,941	30,613	2,328
Total operations - maintenance.	<u>955,723</u>	<u>1,000,285</u>	<u>977,840</u>	<u>22,445</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services	\$ 321,773	\$ 333,173	\$ 334,605	\$ (1,432)
Contract services	22,891	32,891	30,144	2,747
Materials and supplies.	7,200	7,200	4,755	2,445
Total mayor.	<u>351,864</u>	<u>373,264</u>	<u>369,504</u>	<u>3,760</u>
Purchasing				
Personal services	28,067	109,667	109,123	544
Contract services	17,700	17,700	16,161	1,539
Materials and supplies.	3,000	3,000	1,624	1,376
Total purchasing	<u>48,767</u>	<u>130,367</u>	<u>126,908</u>	<u>3,459</u>
Finance				
Personal services	452,666	470,466	462,357	8,109
Contract services	49,200	49,200	48,754	446
Materials and supplies.	8,504	8,504	4,945	3,559
Total finance	<u>510,370</u>	<u>528,170</u>	<u>516,056</u>	<u>12,114</u>
Human resources				
Personal services	321,806	325,306	323,525	1,781
Contract services	60,800	44,800	33,601	11,199
Materials and supplies.	1,780	1,780	1,378	402
Capital outlay	-	2,000	1,983	17
Total human resources	<u>384,386</u>	<u>373,886</u>	<u>360,487</u>	<u>13,399</u>
Law department				
Personal services	791,715	791,715	785,066	6,649
Contract services	40,293	40,293	29,254	11,039
Materials and supplies.	5,400	5,400	2,863	2,537
Total law department.	<u>837,408</u>	<u>837,408</u>	<u>817,183</u>	<u>20,225</u>
Civil service				
Personal services	11,564	11,564	11,445	119
Contract services	13,750	13,750	7,460	6,290
Materials and supplies.	1,000	1,000	679	321
Total civil service.	<u>26,314</u>	<u>26,314</u>	<u>19,584</u>	<u>6,730</u>
Administrative support				
Contract services	1,521,833	1,336,833	1,295,669	41,164
Materials and supplies.	10,502	10,502	6,358	4,144
Other	45,000	45,000	37,481	7,519
Total administrative support	<u>1,577,335</u>	<u>1,392,335</u>	<u>1,339,508</u>	<u>52,827</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, 2010**

	<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	\$ 334,358	\$ 387,729	\$ 388,175	\$ (446)
Contract services	77,617	102,617	75,133	27,484
Materials and supplies.	17,222	27,222	25,446	1,776
Total income tax	<u>429,197</u>	<u>517,568</u>	<u>488,754</u>	<u>28,814</u>
Total general government	<u>7,366,742</u>	<u>7,438,934</u>	<u>7,209,822</u>	<u>229,112</u>
Security of persons and property				
Police				
Personal services	7,237,496	7,715,696	7,690,268	25,428
Contract services	914,175	1,219,633	1,190,094	29,539
Materials and supplies.	216,568	256,568	207,752	48,816
Capital outlay	-	5,000	-	5,000
Total police.	<u>8,368,239</u>	<u>9,196,897</u>	<u>9,088,114</u>	<u>108,783</u>
Fire				
Personal services	5,619,155	5,744,155	5,731,431	12,724
Contract services	261,005	261,004	220,747	40,257
Materials and supplies.	92,714	92,714	80,390	12,324
Capital outlay	-	247,000	235,009	11,991
Total fire	<u>5,972,874</u>	<u>6,344,873</u>	<u>6,267,577</u>	<u>77,296</u>
Bio-Terrorism				
Contract services	6,384	4,800	480	4,320
Materials and supplies.	339	300	-	300
Total bio-terrorism	<u>6,723</u>	<u>5,100</u>	<u>480</u>	<u>4,620</u>
Total security of persons and property .	<u>14,347,836</u>	<u>15,546,870</u>	<u>15,356,171</u>	<u>190,699</u>
Public health and welfare				
Health				
Personal services	262,008	316,177	304,647	11,530
Contract services	176,081	126,245	70,188	56,057
Materials and supplies.	26,008	21,618	17,693	3,925
Other.	231,432	233,547	229,696	3,851
Capital outlay	4,045	11,324	11,324	-
Total health	<u>699,574</u>	<u>708,911</u>	<u>633,548</u>	<u>75,363</u>
Dental				
Contract services	47,149	35,450	25,268	10,182
Materials and supplies.	6,810	5,450	5,322	128
Total dental.	<u>53,959</u>	<u>40,900</u>	<u>30,590</u>	<u>10,310</u>
Total public health and welfare	<u>753,533</u>	<u>749,811</u>	<u>664,138</u>	<u>85,673</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Environmental health				
Personal services	\$ 474,647	\$ 572,778	\$ 563,398	\$ 9,380
Contract services	34,192	25,708	21,380	4,328
Materials and supplies.	18,984	15,203	14,222	981
Capital outlay	-	9,721	9,699	22
Other.	6,494	8,229	7,947	282
Total environmental health	<u>534,317</u>	<u>631,639</u>	<u>616,646</u>	<u>14,993</u>
Weed control				
Contract services	14,364	10,800	7,864	2,936
Materials and supplies.	2,148	1,900	78	1,822
Total weed control	<u>16,512</u>	<u>12,700</u>	<u>7,942</u>	<u>4,758</u>
Mosquito control				
Contract services	333	250	-	250
Materials and supplies.	1,582	1,400	26	1,374
Total mosquito control	<u>1,915</u>	<u>1,650</u>	<u>26</u>	<u>1,624</u>
Engineering building and plant department				
Personal services	941,548	888,048	876,309	11,739
Contract services	267,801	267,801	246,228	21,573
Materials and supplies.	16,097	16,097	13,776	2,321
Other	9,000	9,000	7,505	1,495
Total engineering building and plant department.	<u>1,234,446</u>	<u>1,180,946</u>	<u>1,143,818</u>	<u>37,128</u>
Total community environment.	<u>1,787,190</u>	<u>1,826,935</u>	<u>1,768,432</u>	<u>58,503</u>
Leisure time activity				
Operations - Packard Park				
Personal services	74,165	79,280	78,503	777
Contract services	81,856	84,025	77,755	6,270
Materials and supplies.	13,436	8,950	6,432	2,518
Other.	4,163	4,200	3,025	1,175
Total operations - packard park.	<u>173,620</u>	<u>176,455</u>	<u>165,715</u>	<u>10,740</u>
Operations - parks				
Personal services	166,378	177,852	177,849	3
Contract services	79,199	81,200	77,663	3,537
Materials and supplies.	26,227	26,283	24,808	1,475
Other.	687	650	300	350
Total operations - parks.	<u>272,491</u>	<u>285,985</u>	<u>280,620</u>	<u>5,365</u>
Total leisure time activity	<u>446,111</u>	<u>462,440</u>	<u>446,335</u>	<u>16,105</u>
Total expenditures.	<u>24,701,412</u>	<u>26,024,990</u>	<u>25,444,898</u>	<u>580,092</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, 2010

	<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.	\$ (370,975)	\$ (1,408,939)	\$ (673,662)	\$ 735,277
Other financing sources (uses):				
Transfers in	340,997	345,000	127,500	(217,500)
Transfers out	(258,092)	(458,092)	(260,092)	198,000
Total other financing sources (uses). . .	<u>82,905</u>	<u>(113,092)</u>	<u>(132,592)</u>	<u>(19,500)</u>
Net change in fund balance	(288,070)	(1,522,031)	(806,254)	715,777
Fund balance at beginning of year	1,982,780	1,982,780	1,982,780	-
Prior year encumbrances appropriated .	<u>236,353</u>	<u>236,353</u>	<u>236,353</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,931,063</u>	<u>\$ 697,102</u>	<u>\$ 1,412,879</u>	<u>\$ 715,777</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 2,351,000	\$ 1,423,331	\$ (927,669)
Investment income	-	-	7,383	7,383
Other	-	-	54,255	54,255
Total revenues	<u>1,000,000</u>	<u>2,351,000</u>	<u>1,484,969</u>	<u>(866,031)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	58,000	58,000	52,193	5,807
Contract services	-	1,000	253	747
Other	1,256,824	2,606,824	1,849,907	756,917
Total economic development and assistance.	<u>1,314,824</u>	<u>2,665,824</u>	<u>1,902,353</u>	<u>763,471</u>
Total expenditures	<u>1,314,824</u>	<u>2,665,824</u>	<u>1,902,353</u>	<u>763,471</u>
Net change in fund balance	(314,824)	(314,824)	(417,384)	(102,560)
Fund balance at beginning of year	168,005	168,005	168,005	-
Prior year encumbrances appropriated .	<u>314,824</u>	<u>314,824</u>	<u>314,824</u>	<u>-</u>
Fund balance at end of year	<u>\$ 168,005</u>	<u>\$ 168,005</u>	<u>\$ 65,445</u>	<u>\$ (102,560)</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	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.	\$ 2,869,866	\$ 469,877	\$ 3,339,743
Receivables (net of allowances of uncollectibles):			
Real and other taxes	363,964	1,757,514	2,121,478
Accounts.	36,945	-	36,945
Loans.	3,537,009	-	3,537,009
Special assessments	851,695	77,505	929,200
Due from other governments	1,495,753	92,033	1,587,786
Materials and supplies inventory	36,141	-	36,141
Total assets.	<u>\$ 9,191,373</u>	<u>\$ 2,396,929</u>	<u>\$ 11,588,302</u>
Liabilities:			
Accounts payable	\$ 129,114	\$ -	\$ 129,114
Contracts payable	403,002	-	403,002
Accrued wages and benefits.	18,668	-	18,668
Due to other governments	4,797	-	4,797
Due to other funds.	6,754	-	6,754
Deferred revenue.	1,618,439	681,371	2,299,810
Unearned revenue	250,664	1,210,407	1,461,071
Total liabilities	<u>2,431,438</u>	<u>1,891,778</u>	<u>4,323,216</u>
Fund balances:			
Reserved for encumbrances.	1,770,796	-	1,770,796
Reserved for materials and supplies inventory	36,141	-	36,141
Reserved for loans	3,537,009	-	3,537,009
Unreserved, undesignated, reported in:			
Special revenue funds	1,415,989	-	1,415,989
Debt service fund	-	505,151	505,151
Total fund balances	<u>6,759,935</u>	<u>505,151</u>	<u>7,265,086</u>
Total liabilities and fund equity.	<u>\$ 9,191,373</u>	<u>\$ 2,396,929</u>	<u>\$ 11,588,302</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and other taxes	\$ 254,575	\$ 1,220,923	\$ 1,475,498
Licenses and permits.	132,780	-	132,780
Fines and forfeitures.	582,523	-	582,523
Intergovernmental	5,957,280	184,065	6,141,345
Special assessments	40,596	10,217	50,813
Investment income.	54,996	-	54,996
Other.	132,294	-	132,294
Total revenues.	<u>7,155,044</u>	<u>1,415,205</u>	<u>8,570,249</u>
Expenditures:			
Current:			
General government	366,225	22,025	388,250
Security of persons and property	492,457	-	492,457
Transportation	1,568,297	-	1,568,297
Economic development.	3,344,045	-	3,344,045
Capital outlay	394,686	-	394,686
Debt service:			
Principal retirement	801,710	1,077,433	1,879,143
Interest and fiscal charges.	235,637	235,066	470,703
Total expenditures.	<u>7,203,057</u>	<u>1,334,524</u>	<u>8,537,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,013)</u>	<u>80,681</u>	<u>32,668</u>
Other financing sources (uses):			
Loan proceeds	520,000	-	520,000
Transfers in	-	88,184	88,184
Transfers out	(296,378)	-	(296,378)
Total other financing sources (uses)	<u>223,622</u>	<u>88,184</u>	<u>311,806</u>
Net change in fund balance	175,609	168,865	344,474
Fund balances at beginning of year (restated).	<u>6,584,326</u>	<u>336,286</u>	<u>6,920,612</u>
Fund balances at end of year.	<u><u>\$ 6,759,935</u></u>	<u><u>\$ 505,151</u></u>	<u><u>\$ 7,265,086</u></u>

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CITY OF WARREN, OHIO

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 46,150	\$ 10,292	\$ -
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	-
Accounts	7,247	-	-
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	802,511	65,473
Materials and supplies inventory	-	15,135	-
Total assets	<u>\$ 53,397</u>	<u>\$ 827,938</u>	<u>\$ 65,473</u>
Liabilities:			
Accounts payable	\$ 5,841	\$ 7,397	\$ 3,629
Contracts payable	-	-	-
Accrued wages and benefits	-	13,484	-
Due to other governments	-	2,006	1,386
Due to other funds	-	-	6,754
Deferred revenue.	-	566,065	10,993
Unearned revenue	-	-	-
Total liabilities	<u>5,841</u>	<u>588,952</u>	<u>22,762</u>
Fund Equity:			
Reserved for encumbrances	796	3,384	-
Reserved for materials and supplies inventory	-	15,135	-
Reserved for loans.	-	-	-
Unreserved (deficit), undesignated reported in:			
Special revenue funds.	46,760	220,467	42,711
Total fund equity	<u>47,556</u>	<u>238,986</u>	<u>42,711</u>
Total liabilities and fund equity.	<u>\$ 53,397</u>	<u>\$ 827,938</u>	<u>\$ 65,473</u>

<u>Drivers Alcohol Treatment</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>
\$ 16,538	\$ 79,155	\$ 151,466	\$ 22,614	\$ 137,675	\$ 229,939
-	-	-	-	-	-
633	-	-	100	-	6,683
-	-	-	-	-	-
-	-	-	-	-	-
2,285	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 19,456</u>	<u>\$ 79,155</u>	<u>\$ 151,466</u>	<u>\$ 22,714</u>	<u>\$ 137,675</u>	<u>\$ 236,622</u>
\$ -	\$ 1,209	\$ 652	\$ -	\$ -	\$ 831
-	-	-	-	-	-
-	-	-	-	-	-
604	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>604</u>	<u>1,209</u>	<u>652</u>	<u>-</u>	<u>-</u>	<u>831</u>
7,528	162	720	-	1,458	36
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,324</u>	<u>77,784</u>	<u>150,094</u>	<u>22,714</u>	<u>136,217</u>	<u>235,755</u>
<u>18,852</u>	<u>77,946</u>	<u>150,814</u>	<u>22,714</u>	<u>137,675</u>	<u>235,791</u>
<u>\$ 19,456</u>	<u>\$ 79,155</u>	<u>\$ 151,466</u>	<u>\$ 22,714</u>	<u>\$ 137,675</u>	<u>\$ 236,622</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2010

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>Police Pension</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 395,920	\$ 147,674	\$ 488,318
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	181,982
Accounts	20,135	2,147	-
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	-	10,271
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 416,055</u>	<u>\$ 149,821</u>	<u>\$ 680,571</u>
Liabilities:			
Accounts payable	\$ 6,368	\$ -	\$ -
Contracts payable	-	-	-
Accrued wages and benefits	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Deferred revenue.	-	-	63,269
Unearned revenue	-	-	125,332
Total liabilities	<u>6,368</u>	<u>-</u>	<u>188,601</u>
Fund Equity:			
Reserved for encumbrances	2,474	41	-
Reserved for materials and supplies inventory	-	-	-
Reserved for loans.	-	-	-
Unreserved (deficit), undesignated reported in:			
Special revenue funds.	<u>407,213</u>	<u>149,780</u>	<u>491,970</u>
Total fund equity	<u>409,687</u>	<u>149,821</u>	<u>491,970</u>
Total liabilities and fund equity.	<u>\$ 416,055</u>	<u>\$ 149,821</u>	<u>\$ 680,571</u>

Fire Pension	CDBG	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Total
\$ 380,654	\$ 438,381	\$ 90,807	\$ 160,696	\$ 73,587	\$ 2,869,866
181,982	-	-	-	-	363,964
-	-	-	-	-	36,945
-	1,781,157	1,755,852	-	-	3,537,009
-	851,695	-	-	-	851,695
10,271	498,917	-	65,069	40,956	1,495,753
-	-	-	-	21,006	36,141
<u>\$ 572,907</u>	<u>\$ 3,570,150</u>	<u>\$ 1,846,659</u>	<u>\$ 225,765</u>	<u>\$ 135,549</u>	<u>\$ 9,191,373</u>
\$ -	\$ 41,601	\$ 29,793	\$ 2,000	\$ 29,793	\$ 129,114
-	403,002	-	-	-	403,002
-	5,184	-	-	-	18,668
-	801	-	-	-	4,797
-	-	-	-	-	6,754
63,269	868,945	-	45,898	-	1,618,439
125,332	-	-	-	-	250,664
<u>188,601</u>	<u>1,319,533</u>	<u>29,793</u>	<u>47,898</u>	<u>29,793</u>	<u>2,431,438</u>
-	1,714,395	-	7,117	32,685	1,770,796
-	-	-	-	21,006	36,141
-	1,781,157	1,755,852	-	-	3,537,009
<u>384,306</u>	<u>(1,244,935)</u>	<u>61,014</u>	<u>170,750</u>	<u>52,065</u>	<u>1,415,989</u>
<u>384,306</u>	<u>2,250,617</u>	<u>1,816,866</u>	<u>177,867</u>	<u>105,756</u>	<u>6,759,935</u>
<u>\$ 572,907</u>	<u>\$ 3,570,150</u>	<u>\$ 1,846,659</u>	<u>\$ 225,765</u>	<u>\$ 135,549</u>	<u>\$ 9,191,373</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, 2010

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	22,700	-
Fines and forfeitures.	118,551	-	-
Intergovernmental.	-	1,570,595	79,781
Special assessment	-	-	-
Investment income	-	-	-
Other	-	6,722	-
	<hr/>	<hr/>	<hr/>
Total revenues.	118,551	1,600,017	79,781
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	366,225	-	-
Security of persons and property	-	-	37,070
Transportation.	-	1,568,297	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	1,913	-
Interest and fiscal charges	-	235	-
	<hr/>	<hr/>	<hr/>
Total expenditures	366,225	1,570,445	37,070
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(247,674)	29,572	42,711
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Sale of notes	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	(247,674)	29,572	42,711
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year (restated)	295,230	209,414	-
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year.	\$ 47,556	\$ 238,986	\$ 42,711
	<hr/>	<hr/>	<hr/>

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	110,080
36,697	64,111	2,300	1,435	-	-
-	-	1,388	-	38,452	-
-	-	-	-	-	-
-	-	-	-	1,710	-
-	15	12,550	-	1	-
<u>36,697</u>	<u>64,126</u>	<u>16,238</u>	<u>1,435</u>	<u>40,163</u>	<u>110,080</u>
-	-	-	-	-	-
16,198	1,660	225,798	56	6,839	72,789
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,198</u>	<u>1,660</u>	<u>225,798</u>	<u>56</u>	<u>6,839</u>	<u>72,789</u>
<u>20,499</u>	<u>62,466</u>	<u>(209,560)</u>	<u>1,379</u>	<u>33,324</u>	<u>37,291</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,499	62,466	(209,560)	1,379	33,324	37,291
(1,647)	15,480	360,374	21,335	104,351	198,500
<u>\$ 18,852</u>	<u>\$ 77,946</u>	<u>\$ 150,814</u>	<u>\$ 22,714</u>	<u>\$ 137,675</u>	<u>\$ 235,791</u>

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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, 2010

	Special Projects - Courts	Legal Research - Courts	Police Pension
	<hr/>	<hr/>	<hr/>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ 126,425
Licenses and permits	-	-	-
Fines and forfeitures.	323,873	35,556	-
Intergovernmental.	-	-	20,541
Special assessment	-	-	-
Investment income	-	-	-
Other	-	90	-
	<hr/>	<hr/>	<hr/>
Total revenues.	323,873	35,646	146,966
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	96,316	30,154	2,289
Transportation.	-	-	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	26,859
Interest and fiscal charges	-	-	50,659
	<hr/>	<hr/>	<hr/>
Total expenditures	96,316	30,154	79,807
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	227,557	5,492	67,159
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Sale of notes	-	-	-
Transfers out	(127,500)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(127,500)	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	100,057	5,492	67,159
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year (restated)	309,630	144,329	424,811
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 409,687	\$ 149,821	\$ 491,970
	<hr/>	<hr/>	<hr/>

Fire Pension	CDBG	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Total
\$ 128,150	\$ -	\$ -	\$ -	\$ -	\$ 254,575
-	-	-	-	-	132,780
-	-	-	-	-	582,523
20,541	3,623,166	-	127,344	475,472	5,957,280
-	40,596	-	-	-	40,596
-	50,345	473	1,418	1,050	54,996
-	25,898	87,000	18	-	132,294
<u>148,691</u>	<u>3,740,005</u>	<u>87,473</u>	<u>128,780</u>	<u>476,522</u>	<u>7,155,044</u>
-	-	-	-	-	366,225
3,288	-	-	-	-	492,457
-	-	-	-	-	1,568,297
-	3,343,945	100	-	-	3,344,045
-	-	29,793	61,249	303,644	394,686
32,210	80,728	660,000	-	-	801,710
60,752	1,514	122,477	-	-	235,637
<u>96,250</u>	<u>3,426,187</u>	<u>812,370</u>	<u>61,249</u>	<u>303,644</u>	<u>7,203,057</u>
<u>52,441</u>	<u>313,818</u>	<u>(724,897)</u>	<u>67,531</u>	<u>172,878</u>	<u>(48,013)</u>
-	-	520,000	-	-	520,000
-	(38,074)	-	-	(130,804)	(296,378)
-	(38,074)	520,000	-	(130,804)	223,622
52,441	275,744	(204,897)	67,531	42,074	175,609
331,865	1,974,873	2,021,763	110,336	63,682	6,584,326
<u>\$ 384,306</u>	<u>\$ 2,250,617</u>	<u>\$ 1,816,866</u>	<u>\$ 177,867</u>	<u>\$ 105,756</u>	<u>\$ 6,759,935</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, 2010

	<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	\$ 123,800	\$ 119,618	\$ (4,182)
Total revenues	<u>120,000</u>	<u>123,800</u>	<u>119,618</u>	<u>(4,182)</u>
Expenditures:				
Current:				
General government				
Personal services	15,000	18,800	18,818	(18)
Contract services	70,338	195,338	161,526	33,812
Materials and supplies.	14,500	14,500	12,753	1,747
Capital outlay	141,500	206,500	177,376	29,124
Total general government	<u>241,338</u>	<u>435,138</u>	<u>370,473</u>	<u>64,665</u>
Total expenditures	<u>241,338</u>	<u>435,138</u>	<u>370,473</u>	<u>64,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(121,338)</u>	<u>(311,338)</u>	<u>(250,855)</u>	<u>60,483</u>
Other financing uses:				
Transfers in.	-	21,000	-	(21,000)
Total other financing uses	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>(21,000)</u>
Net change in fund balance.	(121,338)	(290,338)	(250,855)	39,483
Fund balance at beginning of year	169,030	169,030	169,030	-
Prior year encumbrances appropriated .	<u>121,338</u>	<u>121,338</u>	<u>121,338</u>	<u>-</u>
Fund balance at end of year	<u>\$ 169,030</u>	<u>\$ 30</u>	<u>\$ 39,513</u>	<u>\$ 39,483</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 22,700	17,700
Intergovernmental	1,435,000	1,435,000	1,526,005	91,005
Other	5,000	5,000	6,722	1,722
Total revenues	<u>1,445,000</u>	<u>1,445,000</u>	<u>1,555,427</u>	<u>110,427</u>
Expenditures:				
Current:				
Transportation				
Personal services	745,560	932,560	915,671	16,889
Contract services	441,375	461,375	419,801	41,574
Materials and supplies	283,488	283,488	271,091	12,397
Total transportation	<u>1,470,423</u>	<u>1,677,423</u>	<u>1,606,563</u>	<u>70,860</u>
Total expenditures	<u>1,470,423</u>	<u>1,677,423</u>	<u>1,606,563</u>	<u>70,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,423)</u>	<u>(232,423)</u>	<u>(51,136)</u>	<u>181,287</u>
Other financing sources:				
Transfers in	-	207,000	-	(207,000)
Total other financing sources	<u>-</u>	<u>207,000</u>	<u>-</u>	<u>(207,000)</u>
Net change in fund balance	(25,423)	(25,423)	(51,136)	(25,713)
Fund balance at beginning of year	29,909	29,909	29,909	-
Prior year encumbrances appropriated .	<u>25,423</u>	<u>25,423</u>	<u>25,423</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,909</u>	<u>\$ 29,909</u>	<u>\$ 4,196</u>	<u>\$ (25,713)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE GRANTS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 119,000	\$ 119,000	\$ 25,301	\$ (93,699)
Total revenues	<u>119,000</u>	<u>119,000</u>	<u>25,301</u>	<u>(93,699)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	80,250	80,250	-	80,250
Contract services	3,000	3,000	48	2,952
Materials and supplies	1,000	1,000	132	868
Other	34,750	34,750	31,875	2,875
Total security of persons and property. .	<u>119,000</u>	<u>119,000</u>	<u>32,055</u>	<u>86,945</u>
Total expenditures.	<u>119,000</u>	<u>119,000</u>	<u>32,055</u>	<u>86,945</u>
Net change in fund balance	-	-	(6,754)	(6,754)
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,754)</u>	<u>\$ (6,754)</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, 2010

	<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	\$ 26,000	\$ 34,406	\$ 8,406
Total revenues	<u>20,000</u>	<u>26,000</u>	<u>34,406</u>	<u>8,406</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	20,000	41,967	41,967	-
Total security of persons and property .	<u>20,000</u>	<u>41,967</u>	<u>41,967</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>41,967</u>	<u>41,967</u>	<u>-</u>
Net change in fund balance	-	(15,967)	(7,561)	8,406
Fund balance at beginning of year	<u>15,967</u>	<u>15,967</u>	<u>15,967</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 15,967</u>	<u>\$ -</u>	<u>\$ 8,406</u>	<u>\$ 8,406</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 64,111	\$ 54,111
Other	-	-	15	15
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>64,126</u>	<u>54,126</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	7,500	7,500	1,822	5,678
Materials and supplies.	2,500	2,500	-	2,500
Total security of persons and property.	<u>10,000</u>	<u>10,000</u>	<u>1,822</u>	<u>8,178</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,822</u>	<u>8,178</u>
Net change in fund balance	-	-	62,304	62,304
Fund balance at beginning of year	<u>15,480</u>	<u>15,480</u>	<u>15,480</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,480</u>	<u>\$ 15,480</u>	<u>\$ 77,784</u>	<u>\$ 62,304</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, 2010

	<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	\$ 15,000	\$ 15,000	\$ 2,300	\$ (12,700)
Intergovernmental	-	-	1,388	1,388
Other	-	-	12,550	12,550
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>16,238</u>	<u>1,238</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	4,000	11,938	11,938	-
Materials and supplies.	11,524	11,524	11,033	491
Capital outlay	5,996	49,460	38,371	11,089
Other	-	199,693	171,855	27,838
Total security of persons and property.	<u>21,520</u>	<u>272,615</u>	<u>233,197</u>	<u>39,418</u>
Total expenditures	<u>21,520</u>	<u>272,615</u>	<u>233,197</u>	<u>39,418</u>
Net change in fund balance	(6,520)	(257,615)	(216,959)	40,656
Fund balance at beginning of year	360,533	360,533	360,533	-
Prior year encumbrances appropriated .	<u>6,520</u>	<u>6,520</u>	<u>6,520</u>	<u>-</u>
Fund balance at end of year	<u>\$ 360,533</u>	<u>\$ 109,438</u>	<u>\$ 150,094</u>	<u>\$ 40,656</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, 2010

	<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	\$ 1,410	\$ (590)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,410</u>	<u>(590)</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	2,000	2,000	56	1,944
Total security of persons and property.	<u>2,000</u>	<u>2,000</u>	<u>56</u>	<u>1,944</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>56</u>	<u>1,944</u>
Net change in fund balance	-	-	1,354	1,354
Fund balance at beginning of year	<u>21,260</u>	<u>21,260</u>	<u>21,260</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,260</u>	<u>\$ 21,260</u>	<u>\$ 22,614</u>	<u>\$ 1,354</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 38,452	\$ 18,452
Investment income	5,000	5,000	1,710	(3,290)
Other	-	-	1	1
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>40,163</u>	<u>15,163</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	15,056	15,056	7,606	7,450
Materials and supplies.	10,800	10,800	1,491	9,309
Total security of persons and property.	<u>25,856</u>	<u>25,856</u>	<u>9,097</u>	<u>16,759</u>
Total expenditures	<u>25,856</u>	<u>25,856</u>	<u>9,097</u>	<u>16,759</u>
Net change in fund balance.	(856)	(856)	31,066	31,922
Fund balance at beginning of year	104,295	104,295	104,295	-
Prior year encumbrances appropriated .	<u>856</u>	<u>856</u>	<u>856</u>	<u>-</u>
Fund balance at end of year	<u>\$ 104,295</u>	<u>\$ 104,295</u>	<u>\$ 136,217</u>	<u>\$ 31,922</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, 2010

	<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	\$ 80,000	\$ 80,000	\$ 109,831	\$ 29,831
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>109,831</u>	<u>29,831</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	66,826	70,626	66,200	4,426
Contract services	2,000	9,000	3,850	5,150
Materials and supplies	7,004	7,004	4,662	2,342
Total security of persons and property.	<u>75,830</u>	<u>86,630</u>	<u>74,712</u>	<u>11,918</u>
Total expenditures	<u>75,830</u>	<u>86,630</u>	<u>74,712</u>	<u>11,918</u>
Net change in fund balance.	4,170	(6,630)	35,119	41,749
Fund balance at beginning of year	193,770	193,770	193,770	-
Prior year encumbrances appropriated .	<u>504</u>	<u>504</u>	<u>504</u>	<u>-</u>
Fund balance at end of year	<u>\$ 198,444</u>	<u>\$ 187,644</u>	<u>\$ 229,393</u>	<u>\$ 41,749</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, 2010

	<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	\$ 185,000	\$ 185,000	\$ 324,213	\$ 139,213
Total revenues	<u>185,000</u>	<u>185,000</u>	<u>324,213</u>	<u>139,213</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	53,122	87,122	49,990	37,132
Materials and supplies.	31,615	31,615	17,630	13,985
Capital outlay	<u>106,793</u>	<u>106,793</u>	<u>84,224</u>	<u>22,569</u>
Total security of persons and property.	<u>191,530</u>	<u>225,530</u>	<u>151,844</u>	<u>73,686</u>
Total expenditures	<u>191,530</u>	<u>225,530</u>	<u>151,844</u>	<u>73,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,530)</u>	<u>(40,530)</u>	<u>172,369</u>	<u>212,899</u>
Other financing uses:				
Transfers out	-	(127,500)	(127,500)	-
Total other financing uses	<u>-</u>	<u>(127,500)</u>	<u>(127,500)</u>	<u>-</u>
Net change in fund balance	(6,530)	(168,030)	44,869	212,899
Fund balance at beginning of year	259,379	259,379	259,379	-
Prior year encumbrances appropriated .	<u>82,830</u>	<u>82,830</u>	<u>82,830</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 335,679</u>	<u>\$ 174,179</u>	<u>\$ 387,078</u>	<u>\$ 212,899</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 45,000	\$ 45,000	\$ 35,936	\$ (9,064)
Other	-	-	90	90
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>36,026</u>	<u>(8,974)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	37,465	37,465	30,195	7,270
Total security of persons and property.	<u>37,465</u>	<u>37,465</u>	<u>30,195</u>	<u>7,270</u>
Total expenditures	<u>37,465</u>	<u>37,465</u>	<u>30,195</u>	<u>7,270</u>
Net change in fund balance	7,535	7,535	5,831	(1,704)
Fund balance at beginning of year	141,237	141,237	141,237	-
Prior year encumbrances appropriated .	<u>565</u>	<u>565</u>	<u>565</u>	<u>-</u>
Fund balance at end of year	<u>\$ 149,337</u>	<u>\$ 149,337</u>	<u>\$ 147,633</u>	<u>\$ (1,704)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 138,551	\$ 138,551	\$ 126,530	\$ (12,021)
Intergovernmental	13,930	13,930	20,541	6,611
Total revenues	<u>152,481</u>	<u>152,481</u>	<u>147,071</u>	<u>(5,410)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	3,481	3,481	2,289	1,192
Total security of persons and property.	<u>3,481</u>	<u>3,481</u>	<u>2,289</u>	<u>1,192</u>
Debt service:				
Principal retirement	26,859	26,859	26,859	-
Interest and fiscal charges	50,660	50,660	50,659	1
Total debt service	<u>77,519</u>	<u>77,519</u>	<u>77,518</u>	<u>1</u>
Total expenditures	<u>81,000</u>	<u>81,000</u>	<u>79,807</u>	<u>1,193</u>
Net change in fund balance.	71,481	71,481	67,264	(4,217)
Fund balance at beginning of year	<u>421,054</u>	<u>421,054</u>	<u>421,054</u>	<u>-</u>
Fund balance at end of year	<u>\$ 492,535</u>	<u>\$ 492,535</u>	<u>\$ 488,318</u>	<u>\$ (4,217)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 138,551	\$ 138,551	\$ 128,255	\$ (10,296)
Intergovernmental	13,930	13,930	20,541	6,611
Total revenues	<u>152,481</u>	<u>152,481</u>	<u>148,796</u>	<u>(3,685)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	4,037	4,037	3,288	749
Total security of persons and property.	<u>4,037</u>	<u>4,037</u>	<u>3,288</u>	<u>749</u>
Debt service:				
Principal retirement	32,211	32,211	32,210	1
Interest and fiscal charges	60,752	60,752	60,752	-
Total debt service	<u>92,963</u>	<u>92,963</u>	<u>92,962</u>	<u>1</u>
Total expenditures	<u>97,000</u>	<u>97,000</u>	<u>96,250</u>	<u>750</u>
Net change in fund balance	55,481	55,481	52,546	(2,935)
Fund balance at beginning of year	<u>328,108</u>	<u>328,108</u>	<u>328,108</u>	<u>-</u>
Fund balance at end of year	<u>\$ 383,589</u>	<u>\$ 383,589</u>	<u>\$ 380,654</u>	<u>\$ (2,935)</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, 2010

	<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	\$ 197,027	\$ 250,000	\$ 160,807	\$ (89,193)
Intergovernmental	4,353,200	5,523,614	3,196,840	(2,326,774)
Special assessments	15,762	20,000	40,596	20,596
Investment income	51,227	65,000	50,345	(14,655)
Other	13,398	17,000	25,898	8,898
Total revenues	<u>4,630,614</u>	<u>5,875,614</u>	<u>3,474,486</u>	<u>(2,401,128)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	385,678	415,678	413,367	2,311
Contract services	2,142,224	2,732,224	2,661,545	70,679
Materials and supplies.	4,249	4,249	2,698	1,551
Capital outlay	1,397,291	1,397,291	1,132,082	265,209
Other	1,509,590	1,609,590	1,476,566	133,024
Total economic development and assistance.	<u>5,439,032</u>	<u>6,159,032</u>	<u>5,686,258</u>	<u>472,774</u>
Debt service:				
Principal retirement.	99,928	99,928	80,728	19,200
Interest and fiscal charges	20,814	20,814	1,514	19,300
Total debt service	<u>120,742</u>	<u>120,742</u>	<u>82,242</u>	<u>38,500</u>
Total expenditures	<u>5,559,774</u>	<u>6,279,774</u>	<u>5,768,500</u>	<u>511,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(929,160)</u>	<u>(404,160)</u>	<u>(2,294,014)</u>	<u>(1,889,854)</u>
Other financing uses:				
Transfers out	(188,000)	(188,000)	(38,074)	149,926
Total other financing sources uses.	<u>(188,000)</u>	<u>(188,000)</u>	<u>(38,074)</u>	<u>149,926</u>
Net change in fund balance	(1,117,160)	(592,160)	(2,332,088)	(1,739,928)
Fund balance (deficit) at beginning of year	(502,984)	(502,984)	(502,984)	-
Prior year encumbrances appropriated	<u>1,117,160</u>	<u>1,117,160</u>	<u>1,117,160</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ (502,984)</u>	<u>\$ 22,016</u>	<u>\$ (1,717,912)</u>	<u>\$ (1,739,928)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 473	\$ 473
Other	271,000	271,000	267,650	(3,350)
Total revenues	<u>271,000</u>	<u>271,000</u>	<u>268,123</u>	<u>(2,877)</u>
Expenditures:				
Current:				
Economic development and assistance				
Contract services	1,000	1,000	100	900
Total economic development and assistance.	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>900</u>
Debt service:				
Principal retirement.	140,000	140,000	140,000	-
Interest and fiscal charges	130,000	130,000	122,477	7,523
Total debt service	<u>270,000</u>	<u>270,000</u>	<u>262,477</u>	<u>7,523</u>
Total expenditures	<u>271,000</u>	<u>271,000</u>	<u>262,577</u>	<u>8,423</u>
Net change in fund balance	-	-	5,546	5,546
Fund balance at beginning of year	<u>85,261</u>	<u>85,261</u>	<u>85,261</u>	<u>-</u>
Fund balance at end of year	<u>\$ 85,261</u>	<u>\$ 85,261</u>	<u>\$ 90,807</u>	<u>\$ 5,546</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 123,730	\$ 8,730
Investment income	2,500	2,500	1,418	(1,082)
Other	-	-	18	18
Total revenues	<u>117,500</u>	<u>117,500</u>	<u>125,166</u>	<u>7,666</u>
Expenditures:				
Capital outlay				
Materials and supplies	<u>122,186</u>	<u>147,186</u>	<u>69,401</u>	<u>77,785</u>
Total capital outlay	<u>122,186</u>	<u>147,186</u>	<u>69,401</u>	<u>77,785</u>
Total expenditures	<u>122,186</u>	<u>147,186</u>	<u>69,401</u>	<u>77,785</u>
Net change in fund balance	(4,686)	(29,686)	55,765	85,451
Fund balance at beginning of year	91,128	91,128	91,128	-
Prior year encumbrances appropriated .	<u>4,686</u>	<u>4,686</u>	<u>4,686</u>	<u>-</u>
Fund balance at end of year	<u>\$ 91,128</u>	<u>\$ 66,128</u>	<u>\$ 151,579</u>	<u>\$ 85,451</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 481,000	\$ 480,000	\$ 468,753	(11,247)
Investment income	-	1,000	1,050	50
Total revenues	<u>481,000</u>	<u>481,000</u>	<u>469,803</u>	<u>(11,197)</u>
Expenditures:				
Capital outlay				
Contract services	86,000	86,000	85,590	410
Materials and supplies.	<u>289,524</u>	<u>289,524</u>	<u>276,931</u>	<u>12,593</u>
Total capital outlay	<u>375,524</u>	<u>375,524</u>	<u>362,521</u>	<u>13,003</u>
Total expenditures	<u>375,524</u>	<u>375,524</u>	<u>362,521</u>	<u>13,003</u>
Excess of revenues over expenditures	<u>105,476</u>	<u>105,476</u>	<u>107,282</u>	<u>1,806</u>
Other financing sources (uses):				
Transfers out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(130,804)</u>	<u>9,196</u>
Total other financing sources (uses). . .	<u>(140,000)</u>	<u>(140,000)</u>	<u>(130,804)</u>	<u>9,196</u>
Net change in fund balance	(34,524)	(34,524)	(23,522)	11,002
Fund balance at beginning of year	107	107	107	-
Prior year encumbrances appropriated .	<u>34,524</u>	<u>34,524</u>	<u>34,524</u>	<u>-</u>
Fund balance at end of year	<u>\$ 107</u>	<u>\$ 107</u>	<u>\$ 11,109</u>	<u>\$ 11,002</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, 2010

	<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	\$ 1,327,067	\$ 1,327,067	\$ 1,221,929	\$ (105,138)
Intergovernmental	131,248	131,248	184,065	52,817
Special assessments	7,500	7,500	10,217	2,717
Total revenues	<u>1,465,815</u>	<u>1,465,815</u>	<u>1,416,211</u>	<u>(49,604)</u>
Expenditures:				
Current:				
General government				
Contract services	<u>33,250</u>	<u>33,250</u>	<u>22,025</u>	<u>11,225</u>
Total general government	<u>33,250</u>	<u>33,250</u>	<u>22,025</u>	<u>11,225</u>
Debt service:				
Principal retirement	1,046,104	1,046,104	1,011,707	34,397
Interest and fiscal charges	<u>212,629</u>	<u>212,629</u>	<u>212,608</u>	<u>21</u>
Total debt service	<u>1,258,733</u>	<u>1,258,733</u>	<u>1,224,315</u>	<u>34,418</u>
Total expenditures	<u>1,291,983</u>	<u>1,291,983</u>	<u>1,246,340</u>	<u>45,643</u>
Excess of revenues over expenditures	<u>173,832</u>	<u>173,832</u>	<u>169,871</u>	<u>(3,961)</u>
Other financing uses :				
Transfers out	<u>(181,242)</u>	<u>(181,242)</u>	<u>-</u>	<u>181,242</u>
Total other financing uses	<u>(181,242)</u>	<u>(181,242)</u>	<u>-</u>	<u>181,242</u>
Net change in fund balance	(7,410)	(7,410)	169,871	177,281
Fund balance at beginning of year	<u>300,006</u>	<u>300,006</u>	<u>300,006</u>	<u>-</u>
Fund balance at end of year	<u>\$ 292,596</u>	<u>\$ 292,596</u>	<u>\$ 469,877</u>	<u>\$ 177,281</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,075,000	\$ 5,275,000	\$ 2,024,697	\$ (3,250,303)
Other	-	-	37,346	37,346
Total revenues	<u>4,075,000</u>	<u>5,275,000</u>	<u>2,062,043</u>	<u>(3,212,957)</u>
Expenditures:				
Capital outlay				
Contract services	346,559	346,559	268,844	77,715
Capital outlay	<u>5,167,349</u>	<u>5,167,349</u>	<u>4,606,349</u>	<u>561,000</u>
Total capital outlay	<u>5,513,908</u>	<u>5,513,908</u>	<u>4,875,193</u>	<u>638,715</u>
Total expenditures	<u>5,513,908</u>	<u>5,513,908</u>	<u>4,875,193</u>	<u>638,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,438,908)</u>	<u>(238,908)</u>	<u>(2,813,150)</u>	<u>(2,574,242)</u>
Other financing sources:				
Transfers in	-	150,000	168,878	18,878
Total other financing sources	<u>-</u>	<u>150,000</u>	<u>168,878</u>	<u>18,878</u>
Net change in fund balance.	(1,438,908)	(88,908)	(2,644,272)	(2,555,364)
Fund balance (deficit) at beginning of year.	(1,341,226)	(1,341,226)	(1,341,226)	-
Prior year encumbrances appropriated .	<u>1,438,908</u>	<u>1,438,908</u>	<u>1,438,908</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (1,341,226)</u>	<u>\$ 8,774</u>	<u>\$ (2,546,590)</u>	<u>\$ (2,555,364)</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, 2010**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 275,749	\$ 136,275	\$ 6,612
Receivables (net of allowances for uncollectibles):			
Accounts	9,301	-	4,037
Special assessments	-	-	-
Due from other governments	30,120	-	-
Total current assets.	<u>315,170</u>	<u>136,275</u>	<u>10,649</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable capital assets	2,152,328	133,280	150,000
Depreciable capital assets, net	192,261	276,037	1,129,381
Total capital assets	<u>2,344,589</u>	<u>409,317</u>	<u>1,279,381</u>
Total noncurrent assets	<u>2,344,589</u>	<u>409,317</u>	<u>1,279,381</u>
Total assets	<u>\$ 2,659,759</u>	<u>\$ 545,592</u>	<u>\$ 1,290,030</u>
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 6,523	\$ -	\$ -
Contracts payable.	36,137	-	-
Accrued wages and benefits	3,528	-	-
Due to other governments	545	-	-
Current portion of capital lease obligations.	-	-	-
Current portion of compensated absences payable	18,515	-	-
Total current liabilities.	<u>65,248</u>	<u>-</u>	<u>-</u>
Long-term liabilities:			
Compensated absences payable.	20,050	-	-
Total long-term liabilities	<u>20,050</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>85,298</u>	<u>-</u>	<u>-</u>
Net assets:			
Investment in capital assets, net of related debt	2,344,589	409,317	1,279,381
Unrestricted	229,872	136,275	10,649
Total net assets	<u>\$ 2,574,461</u>	<u>\$ 545,592</u>	<u>\$ 1,290,030</u>

Stormwater Utility	Totals
\$ 851,498	\$ 1,270,134
268,529	281,867
79	79
-	30,120
1,120,106	1,582,200
74,361	2,509,969
305,024	1,902,703
379,385	4,412,672
379,385	4,412,672
\$ 1,499,491	\$ 5,994,872
\$ -	\$ 6,523
-	36,137
4,707	8,235
727	1,272
41,460	41,460
11,766	30,281
58,660	123,908
45,099	65,149
45,099	65,149
103,759	189,057
337,925	4,371,212
1,057,807	1,434,603
\$ 1,395,732	\$ 5,805,815

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Operating revenues:			
Charges for services	\$ 197,508	\$ 31,378	\$ 30,940
Other	3,839	-	-
Total operating revenues	<u>201,347</u>	<u>31,378</u>	<u>30,940</u>
Operating expenses:			
Personal services	208,224	-	-
Contract services.	(8,972)	21,104	70,270
Materials and supplies.	31,818	400	2,516
Administrative costs.	79,132	-	-
Utilities	59,951	3,771	7,408
Other.	1,889	18,000	-
Depreciation.	30,643	14,791	48,058
Total operating expenses	<u>402,685</u>	<u>58,066</u>	<u>128,252</u>
Operating income (loss).	<u>(201,338)</u>	<u>(26,688)</u>	<u>(97,312)</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.	(201,338)	(26,688)	(97,312)
Capital contributions	675,680	-	-
Transfers in	203,092	-	57,000
Changes in net assets	677,434	(26,688)	(40,312)
Net assets at beginning of year	<u>1,897,027</u>	<u>572,280</u>	<u>1,330,342</u>
Net assets at end of year	<u>\$ 2,574,461</u>	<u>\$ 545,592</u>	<u>\$ 1,290,030</u>

Stormwater Utility	Totals
\$ 921,904	\$ 1,181,730
-	3,839
<u>921,904</u>	<u>1,185,569</u>
391,512	599,736
60,894	143,296
30,627	65,361
50,292	129,424
-	71,130
358	20,247
<u>41,851</u>	<u>135,343</u>
<u>575,534</u>	<u>1,164,537</u>
<u>346,370</u>	<u>21,032</u>
3	3
<u>(4,031)</u>	<u>(4,031)</u>
<u>(4,028)</u>	<u>(4,028)</u>
342,342	17,004
23,697	699,377
-	<u>260,092</u>
366,039	976,473
<u>1,029,693</u>	<u>4,829,342</u>
<u>\$ 1,395,732</u>	<u>\$ 5,805,815</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Cash flows from operating activities:			
Cash received from customers	\$ 188,207	\$ 31,378	\$ 26,903
Cash received from other operations	3,839	-	-
Cash payments for personal services	(206,663)	-	-
Cash payments for contract services	(11,590)	(21,104)	(93,603)
Cash payments for materials and supplies	(35,238)	(400)	(2,516)
Cash payments for utilities	(59,951)	(3,771)	(7,408)
Cash payments for administrative costs.	(79,132)	-	-
Cash payments for other expenses	(1,889)	(18,000)	-
Net cash provided by (used in) operating activities	<u>(202,417)</u>	<u>(11,897)</u>	<u>(76,624)</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	203,092	-	57,000
Net cash provided by noncapital financing activities	<u>203,092</u>	<u>-</u>	<u>57,000</u>
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(412,811)	-	-
Capital contributions	645,560	-	-
Principal retirement.	-	-	-
Interest and fiscal charges	-	-	-
Net cash used in capital and related financing activities	<u>232,749</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . .	233,424	(11,897)	(19,624)
Cash and cash equivalents at beginning of year.	42,325	148,172	26,236
Cash and cash equivalents at end of year	<u>\$ 275,749</u>	<u>\$ 136,275</u>	<u>\$ 6,612</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (201,338)	\$ (26,688)	\$ (97,312)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	30,643	14,791	48,058
Changes in assets and liabilities:			
(Increase) in accounts receivable.	(9,301)	-	(4,037)
(Decrease) in accounts payable.	(8,253)	-	(23,333)
(Decrease) in contracts payable.	(15,729)	-	-
Increase in accrued wages and benefits.	1,892	-	-
(Decrease) in due to other governments	(6,000)	-	-
Increase in compensated absences payable.	5,669	-	-
Net cash provided by (used in) operating activities.	<u>\$ (202,417)</u>	<u>\$ (11,897)</u>	<u>\$ (76,624)</u>

Stormwater Utility	Totals
\$ 907,851	\$ 1,154,339
-	3,839
(386,694)	(593,357)
(73,963)	(200,260)
(30,627)	(68,781)
-	(71,130)
(50,292)	(129,424)
(358)	(20,247)
<u>365,917</u>	<u>74,979</u>
-	260,092
-	260,092
(27,861)	(440,672)
23,697	669,257
(39,492)	(39,492)
(4,031)	(4,031)
<u>(47,687)</u>	<u>185,062</u>
318,230	520,133
533,268	750,001
<u>\$ 851,498</u>	<u>\$ 1,270,134</u>

\$ 346,370	\$ 21,032
41,851	135,343
(14,053)	(27,391)
(411)	(31,997)
(6,963)	(22,692)
1,772	3,664
(5,234)	(11,234)
2,585	8,254
<u>\$ 365,917</u>	<u>\$ 74,979</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,883,426	\$ 8,123,295	\$ 7,372,822	\$ (750,473)
Other	6,440	7,600	13,197	5,597
Total operating revenues	<u>6,889,866</u>	<u>8,130,895</u>	<u>7,386,019</u>	<u>(744,876)</u>
Operating expenses:				
Personal services	3,525,504	3,608,626	3,524,251	84,375
Contract services	1,272,521	1,183,711	1,100,974	82,737
Materials and supplies	441,118	441,415	309,321	132,094
Capital outlay	442,350	1,976,850	1,924,365	52,485
Administrative costs	754,865	706,617	691,331	15,286
Utilities	581,096	554,855	552,378	2,477
Other	5,600	12,610	11,808	802
Total operating expenses	<u>7,023,054</u>	<u>8,484,684</u>	<u>8,114,428</u>	<u>370,256</u>
Operating loss	<u>(133,188)</u>	<u>(353,789)</u>	<u>(728,409)</u>	<u>(374,620)</u>
Nonoperating revenues (expenses):				
Special assessments	3,389	4,000	261	(3,739)
Loan issuance	12,287	14,500	-	(14,500)
Debt service:				
Principal retirement	(1,687,078)	(1,989,595)	(1,989,594)	1
Interest and fiscal charges	-	(514,471)	(513,972)	499
Total nonoperating revenues (expenses)	<u>(1,671,402)</u>	<u>(2,485,566)</u>	<u>(2,503,305)</u>	<u>(17,739)</u>
Net loss before capital contributions	(1,804,590)	(2,839,355)	(3,231,714)	(392,359)
Capital contributions	<u>1,288,000</u>	<u>1,520,000</u>	<u>1,072,931</u>	<u>(447,069)</u>
Net change in fund balance	(516,590)	(1,319,355)	(2,158,783)	(839,428)
Fund balance at beginning of year	1,035,443	1,035,443	1,035,443	-
Prior year encumbrances appropriated	516,590	516,590	516,590	-
Fund balance (deficit) at end of year	<u>\$ 1,035,443</u>	<u>\$ 232,678</u>	<u>\$ (606,750)</u>	<u>\$ (839,428)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 10,450,000	\$ 10,450,000	\$ 9,754,473	\$ (695,527)
Other.	225,000	245,000	436,547	191,547
Total operating revenues	<u>10,675,000</u>	<u>10,695,000</u>	<u>10,191,020</u>	<u>(503,980)</u>
Operating expenses:				
Personal services.	5,958,150	5,903,147	5,857,932	45,215
Contract services	601,254	757,059	697,260	59,799
Materials and supplies.	973,649	1,261,822	1,169,940	91,882
Capital outlay	111,519	121,519	115,496	6,023
Administrative costs.	620,728	816,075	689,851	126,224
Utilities	457,508	598,185	549,778	48,407
Other.	135,200	170,200	160,820	9,380
Total operating expenses	<u>8,858,008</u>	<u>9,628,007</u>	<u>9,241,077</u>	<u>386,930</u>
Operating income.	<u>1,816,992</u>	<u>1,066,993</u>	<u>949,943</u>	<u>(117,050)</u>
Nonoperating revenues (expenses):				
Investment earnings	49,000	49,000	-	(49,000)
Debt service:				
Principal retirement.	(1,121,402)	(1,121,402)	(1,096,133)	25,269
Interest and fiscal charges	(970,839)	(955,839)	(908,064)	47,775
Total nonoperating revenues (expenses)	<u>(2,043,241)</u>	<u>(2,028,241)</u>	<u>(2,004,197)</u>	<u>24,044</u>
Net change in fund balance.	(226,249)	(961,248)	(1,054,254)	(93,006)
Fund balance at beginning of year	4,391,511	4,391,511	4,391,511	-
Prior year encumbrances appropriated	306,089	306,089	306,089	-
Fund balance at end of year	<u>\$ 4,471,351</u>	<u>\$ 3,736,352</u>	<u>\$ 3,643,346</u>	<u>\$ (93,006)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,990,438	\$ 3,205,750	\$ 3,186,223	\$ (19,527)
Other	9,562	10,250	11,562	1,312
Total operating revenues	<u>3,000,000</u>	<u>3,216,000</u>	<u>3,197,785</u>	<u>(18,215)</u>
Operating expenses:				
Personal services	1,114,331	1,106,331	1,115,610	(9,279)
Contract services	1,442,500	1,533,196	1,517,493	15,703
Materials and supplies	290,916	235,915	214,499	21,416
Capital outlay	-	216,000	215,290	710
Administrative costs	152,241	163,771	163,034	737
Utilities	13,229	14,231	12,236	1,995
Other	9,000	9,000	3,032	5,968
Total operating expenses	<u>3,022,217</u>	<u>3,278,444</u>	<u>3,241,194</u>	<u>37,250</u>
Operating loss	<u>(22,217)</u>	<u>(62,444)</u>	<u>(43,409)</u>	<u>19,035</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(2,750)	(2,750)	-	2,750
Interest and fiscal charges	(550)	(550)	-	550
Total nonoperating revenues (expenses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>-</u>	<u>3,300</u>
Net change in fund balance	(25,517)	(65,744)	(43,409)	22,335
Fund balance at beginning of year	40,227	40,227	40,227	-
Prior year encumbrances appropriated	25,517	25,517	25,517	-
Fund balance at end of year	<u>\$ 40,227</u>	<u>\$ -</u>	<u>\$ 22,335</u>	<u>\$ 22,335</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 230,000	\$ 230,000	\$ 188,207	\$ (41,793)
Other	1,000	1,000	3,839	2,839
Total operating revenues	231,000	231,000	192,046	(38,954)
Operating expenses:				
Personal services	185,884	209,484	206,663	2,821
Contract services	93,015	104,833	74,966	29,867
Materials and supplies	50,111	55,111	39,751	15,360
Capital outlay	431,182	727,182	605,585	121,597
Administrative costs	78,384	92,594	79,132	13,462
Utilities	60,792	71,764	59,951	11,813
Other	4,672	4,672	1,889	2,783
Total operating expenses	904,040	1,265,640	1,067,937	197,703
Net loss before capital contributions and transfers	(673,040)	(1,034,640)	(875,891)	158,749
Capital contributions	-	1,021,000	645,560	(375,440)
Transfers in	203,091	203,091	203,092	1
Net change in fund balance	(469,949)	189,451	(27,239)	(216,690)
Fund balance (deficit) at beginning of year	(427,624)	(427,624)	(427,624)	-
Prior year encumbrances appropriated . .	469,949	469,949	469,949	-
Fund balance (deficit) at end of year . . .	\$ (427,624)	\$ 231,776	\$ 15,086	\$ (216,690)

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, 2010

	<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	\$ 31,378	\$ (10,622)
Total operating revenues	<u>42,000</u>	<u>42,000</u>	<u>31,378</u>	<u>(10,622)</u>
Operating expenses:				
Contract services	26,285	26,285	21,104	5,181
Materials and supplies	10,300	10,300	400	9,900
Utilities	5,700	5,700	3,840	1,860
Other	-	18,000	18,000	-
Total operating expenses	<u>42,285</u>	<u>60,285</u>	<u>43,344</u>	<u>16,941</u>
Net change in fund balance	(285)	(18,285)	(11,966)	6,319
Fund balance at beginning of year	147,887	147,887	147,887	-
Prior year encumbrances appropriated	<u>285</u>	<u>285</u>	<u>285</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147,887</u>	<u>\$ 129,887</u>	<u>\$ 136,206</u>	<u>\$ 6,319</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, 2010

	<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	\$ 31,250	\$ 31,250	\$ 26,903	\$ (4,347)
Total operating revenues	<u>31,250</u>	<u>31,250</u>	<u>26,903</u>	<u>(4,347)</u>
Operating expenses:				
Contract services	105,633	105,633	99,403	6,230
Materials and supplies	3,700	3,700	2,532	1,168
Utilities	9,700	9,700	7,467	2,233
Total operating expenses	<u>119,033</u>	<u>119,033</u>	<u>109,402</u>	<u>9,631</u>
Net loss before transfers	(87,783)	(87,783)	(82,499)	5,284
Transfers in	<u>63,750</u>	<u>63,750</u>	<u>57,000</u>	<u>(6,750)</u>
Net change in fund balance	(24,033)	(24,033)	(25,499)	(1,466)
Fund balance at beginning of year	2,203	2,203	2,203	-
Prior year encumbrances appropriated . .	<u>24,033</u>	<u>24,033</u>	<u>24,033</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,203</u>	<u>\$ 2,203</u>	<u>\$ 737</u>	<u>\$ (1,466)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 814,607	\$ 955,000	\$ 907,851	\$ (47,149)
Total operating revenues	<u>814,607</u>	<u>955,000</u>	<u>907,851</u>	<u>(47,149)</u>
Operating expenses:				
Personal services.	482,579	482,579	386,694	95,885
Contract services	74,823	125,263	117,743	7,520
Materials and supplies.	55,316	55,316	32,376	22,940
Capital outlay	46,658	720,192	158,574	561,618
Administrative costs.	125,440	210,000	50,292	159,708
Other.	600	600	358	242
Total operating expenses	<u>785,416</u>	<u>1,593,950</u>	<u>746,037</u>	<u>847,913</u>
Net income (loss) before capital contributions . .	29,191	(638,950)	161,814	800,764
Capital contributions	-	437,657	23,697	(413,960)
Net change in fund balance	29,191	(201,293)	185,511	386,804
Fund balance at beginning of year	482,459	482,459	482,459	-
Prior year encumbrances appropriated	<u>50,809</u>	<u>50,809</u>	<u>50,809</u>	<u>-</u>
Fund balance at end of year	<u>\$ 562,459</u>	<u>\$ 331,975</u>	<u>\$ 718,779</u>	<u>\$ 386,804</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, 2010**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,069,867	\$ 1,117,332	\$ 225,485	\$ 780,687	\$ 3,193,371
Total current assets	<u>1,069,867</u>	<u>1,117,332</u>	<u>225,485</u>	<u>780,687</u>	<u>3,193,371</u>
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net	-	-	121,767	-	121,767
Total capital assets	<u>-</u>	<u>-</u>	<u>121,767</u>	<u>-</u>	<u>121,767</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>121,767</u>	<u>-</u>	<u>121,767</u>
Total assets	<u>\$ 1,069,867</u>	<u>\$ 1,117,332</u>	<u>\$ 347,252</u>	<u>\$ 780,687</u>	<u>\$ 3,315,138</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ -	\$ -	\$ 954	\$ 5,283	\$ 6,237
Accrued wages and benefits	-	-	1,646	-	1,646
Due to other governments	-	225,205	246	-	225,451
Claims payable	810,298	272,572	-	-	1,082,870
Current portion of compensated absences	<u>-</u>	<u>-</u>	<u>24,244</u>	<u>-</u>	<u>24,244</u>
Total current liabilities	<u>810,298</u>	<u>497,777</u>	<u>27,090</u>	<u>5,283</u>	<u>1,340,448</u>
Long-term liabilities:					
Claims payable	-	1,256,988	-	-	1,256,988
Compensated absences payable	<u>-</u>	<u>-</u>	<u>9,890</u>	<u>-</u>	<u>9,890</u>
Total long-term liabilities	<u>-</u>	<u>1,256,988</u>	<u>9,890</u>	<u>-</u>	<u>1,266,878</u>
Total liabilities	<u>810,298</u>	<u>1,754,765</u>	<u>36,980</u>	<u>5,283</u>	<u>2,607,326</u>
Net assets:					
Investment in capital assets, net of related debt.	-	-	121,767	-	121,767
Unrestricted (deficit)	<u>259,569</u>	<u>(637,433)</u>	<u>188,505</u>	<u>775,404</u>	<u>586,045</u>
Total net assets (deficit)	<u>\$ 259,569</u>	<u>\$ (637,433)</u>	<u>\$ 310,272</u>	<u>\$ 775,404</u>	<u>\$ 707,812</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 5,568,358	\$ 920,037	\$ 547,750	\$ 84,983	\$ 7,121,128
Other	-	-	1,565	-	1,565
Total operating revenues.	<u>5,568,358</u>	<u>920,037</u>	<u>549,315</u>	<u>84,983</u>	<u>7,122,693</u>
Operating expenses:					
Personal services	-	-	172,395	-	172,395
Contract services	-	-	148,240	150,605	298,845
Materials and supplies	-	-	8,529	-	8,529
Administrative costs	-	225,205	28,715	-	253,920
Utilities	-	-	30,670	-	30,670
Claims.	5,032,830	1,053,639	-	-	6,086,469
Other	-	3,403	-	-	3,403
Depreciation	-	-	68,514	-	68,514
Total operating expenses.	<u>5,032,830</u>	<u>1,282,247</u>	<u>457,063</u>	<u>150,605</u>	<u>6,922,745</u>
Net income (loss) before transfers	535,528	(362,210)	92,252	(65,622)	199,948
Transfers out.	-	-	-	(88,184)	(88,184)
Changes in net assets	535,528	(362,210)	92,252	(153,806)	111,764
Net assets (deficit) at beginning of year (restated) .	<u>(275,959)</u>	<u>(275,223)</u>	<u>306,204</u>	<u>841,026</u>	<u>596,048</u>
Net assets (deficit) at end of year	<u>\$ 259,569</u>	<u>\$ (637,433)</u>	<u>\$ 398,456</u>	<u>\$ 687,220</u>	<u>\$ 707,812</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,568,358	\$ 920,037	\$ 547,750	\$ 84,983	\$ 7,121,128
Cash received from other operations	-	-	5,783	-	5,783
Cash payments for personal services	-	-	(183,269)	-	(183,269)
Cash payments for contract services	-	-	(147,930)	(150,365)	(298,295)
Cash payments for materials and supplies	-	-	(8,529)	-	(8,529)
Cash payments for utilities	-	-	(30,670)	-	(30,670)
Cash payments for claims	(5,159,443)	(466,319)	-	-	(5,625,762)
Cash payments for administrative costs.	-	(257,106)	(28,715)	-	(285,821)
Cash payments for other expenses	-	(3,403)	-	-	(3,403)
 Net cash provided by (used in) operating activities	 408,915	 193,209	 154,420	 (65,382)	 691,162
Cash flows from noncapital financing activities:					
Transfers out to other funds.	-	-	(88,184)	-	(88,184)
 Net cash used in noncapital financing activities	 -	 -	 (88,184)	 -	 (88,184)
 Net increase (decrease) in cash and cash equivalents . .	 408,915	 193,209	 66,236	 (65,382)	 602,978
Cash and cash equivalents at beginning of year . . .	660,952	924,123	159,249	846,069	2,590,393
Cash and cash equivalents at end of year.	<u>\$ 1,069,867</u>	<u>\$ 1,117,332</u>	<u>\$ 225,485</u>	<u>\$ 780,687</u>	<u>\$ 3,193,371</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 535,528	\$ (362,210)	\$ 92,252	\$ (65,622)	\$ 199,948
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	68,514	-	68,514
Changes in assets and liabilities:					
Decrease in accounts receivable.	-	-	4,218	-	4,218
Increase in accounts payable	-	-	310	240	550
(Decrease) in accrued wages and benefits.	-	-	(184)	-	(184)
(Decrease) in due to other governments.	-	(31,901)	(207)	-	(32,108)
(Decrease) in compensated absences payable	-	-	(10,483)	-	(10,483)
Increase (decrease) in claims payable	(126,613)	587,320	-	-	460,707
 Net cash provided by (used in) operating activities	 <u>\$ 408,915</u>	 <u>\$ 193,209</u>	 <u>\$ 154,420</u>	 <u>\$ (65,382)</u>	 <u>\$ 691,162</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, 2010

	<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	\$ 5,500,000	\$ 5,500,000	\$ 5,568,358	\$ 68,358
Total operating revenues	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,568,358</u>	<u>68,358</u>
Operating expenses:				
Claims expense	5,500,078	5,500,078	5,159,501	340,577
Total operating expenses	<u>5,500,078</u>	<u>5,500,078</u>	<u>5,159,501</u>	<u>340,577</u>
Net change in fund balance.	(78)	(78)	408,857	408,935
Fund balance at beginning of year	660,874	660,874	660,874	-
Prior year encumbrances appropriated	<u>78</u>	<u>78</u>	<u>78</u>	<u>-</u>
Fund balance at end of year	<u>\$ 660,874</u>	<u>\$ 660,874</u>	<u>\$ 1,069,809</u>	<u>\$ 408,935</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, 2010

	<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	\$ 800,000	\$ 800,000	\$ 920,037	\$ 120,037
Total operating revenues	<u>800,000</u>	<u>800,000</u>	<u>920,037</u>	<u>120,037</u>
Operating expenses:				
Contract services	3,500	3,500	-	3,500
Claims expense	467,000	467,000	466,319	681
Administrative costs	324,306	324,306	257,106	67,200
Other operating expenses	5,194	5,194	3,403	1,791
Total operating expenses	<u>800,000</u>	<u>800,000</u>	<u>726,828</u>	<u>73,172</u>
Net change in fund balance.	-	-	193,209	193,209
Fund balance at beginning of year	<u>924,123</u>	<u>924,123</u>	<u>924,123</u>	<u>-</u>
Fund balance at end of year	<u>\$ 924,123</u>	<u>\$ 924,123</u>	<u>\$ 1,117,332</u>	<u>\$ 193,209</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 555,000	\$ 555,000	\$ 547,750	\$ (7,250)
Other	5,000	5,000	5,783	783
Total operating revenues	<u>560,000</u>	<u>560,000</u>	<u>553,533</u>	<u>(6,467)</u>
Operating expenses:				
Personal services	162,242	197,293	183,269	14,024
Contract services	166,057	166,057	148,002	18,055
Materials and supplies	8,250	8,250	6,435	1,815
Capital outlay	69,743	69,743	3,729	66,014
Administrative costs	34,006	34,006	28,715	5,291
Utilities	32,180	32,180	30,670	1,510
Total operating expenses	<u>472,478</u>	<u>507,529</u>	<u>400,820</u>	<u>106,709</u>
Operating income	<u>87,522</u>	<u>52,471</u>	<u>152,713</u>	<u>100,242</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(65,714)	(65,714)	(65,726)	(12)
Interest and fiscal charges	(22,459)	(22,459)	(22,458)	1
Total nonoperating revenues (expenses) . .	<u>(88,173)</u>	<u>(88,173)</u>	<u>(88,184)</u>	<u>(11)</u>
Net change in fund balance	(651)	(35,702)	64,529	100,231
Fund balance at beginning of year	158,598	158,598	158,598	-
Prior year encumbrances appropriated . .	<u>651</u>	<u>651</u>	<u>651</u>	<u>-</u>
Fund balance at end of year	<u>\$ 158,598</u>	<u>\$ 123,547</u>	<u>\$ 223,778</u>	<u>\$ 100,231</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, 2010

	<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	\$ 200,000	\$ 200,000	\$ 84,983	\$ (115,017)
Total operating revenues	<u>200,000</u>	<u>200,000</u>	<u>84,983</u>	<u>(115,017)</u>
Operating expenses:				
Contract services	205,043	205,043	150,365	54,678
Total operating expenses	<u>205,043</u>	<u>205,043</u>	<u>150,365</u>	<u>54,678</u>
Net change in fund balance.	(5,043)	(5,043)	(65,382)	(60,339)
Fund balance at beginning of year	841,026	841,026	841,026	-
Prior year encumbrances appropriated . .	<u>5,043</u>	<u>5,043</u>	<u>5,043</u>	<u>-</u>
Fund balance at end of year	<u>\$ 841,026</u>	<u>\$ 841,026</u>	<u>\$ 780,687</u>	<u>\$ (60,339)</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, 2010**

	<u>Balance</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2010</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 46,963	\$ 46,963	\$ -
Accounts receivable	3,628	2,827	3,628	2,827
Total assets.	<u>\$ 3,628</u>	<u>\$ 49,790</u>	<u>\$ 50,591</u>	<u>\$ 2,827</u>
Liabilities:				
Deposits held and due to others	\$ 3,628	\$ 49,790	\$ 50,591	\$ 2,827
Total liabilities	<u>\$ 3,628</u>	<u>\$ 49,790</u>	<u>\$ 50,591</u>	<u>\$ 2,827</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 117,008	\$ 304,962	\$ 150,779	\$ 271,191
Total assets.	<u>\$ 117,008</u>	<u>\$ 304,962</u>	<u>\$ 150,779</u>	<u>\$ 271,191</u>
Liabilities:				
Deposits held and due to others	\$ 117,008	\$ 304,962	\$ 150,779	\$ 271,191
Total liabilities	<u>\$ 117,008</u>	<u>\$ 304,962</u>	<u>\$ 150,779</u>	<u>\$ 271,191</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 558,388	\$ 48,300	\$ 4,430	\$ 602,258
Total assets.	<u>\$ 558,388</u>	<u>\$ 48,300</u>	<u>\$ 4,430</u>	<u>\$ 602,258</u>
Liabilities:				
Due to other governments	\$ 558,388	\$ 48,300	\$ 4,430	\$ 602,258
Total liabilities	<u>\$ 558,388</u>	<u>\$ 48,300</u>	<u>\$ 4,430</u>	<u>\$ 602,258</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 359,876	\$ 4,702,352	\$ 4,696,136	\$ 366,092
Total assets.	<u>\$ 359,876</u>	<u>\$ 4,702,352</u>	<u>\$ 4,696,136</u>	<u>\$ 366,092</u>
Liabilities:				
Due to other governments	\$ 359,876	\$ 4,702,352	\$ 4,696,136	\$ 366,092
Total liabilities	<u>\$ 359,876</u>	<u>\$ 4,702,352</u>	<u>\$ 4,696,136</u>	<u>\$ 366,092</u>

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Balance 1/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2010</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 675,396	\$ 400,225	\$ 202,172	\$ 873,449
Cash with fiscal and escrow agents.	359,876	4,702,352	4,696,136	366,092
Accounts receivable	3,628	2,827	3,628	2,827
Total assets.	<u>\$ 1,038,900</u>	<u>\$ 5,105,404</u>	<u>\$ 4,901,936</u>	<u>\$ 1,242,368</u>
Liabilities:				
Due to other governments	\$ 918,264	\$ 4,750,652	\$ 4,700,566	\$ 968,350
Deposits held and due to others	120,636	354,752	201,370	274,018
Total liabilities	<u>\$ 1,038,900</u>	<u>\$ 5,105,404</u>	<u>\$ 4,901,936</u>	<u>\$ 1,242,368</u>

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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.	144-153
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.	154-163
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.	164-171
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.	172-173
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.	174-177

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 EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 41,287,935	\$ 37,644,539	\$ 34,666,493	\$ 33,024,924
Restricted for:				
Capital projects	-	49,172	75,800	9,405
Debt service	1,123,312	1,013,994	761,906	483,719
Street maintenance	725,984	712,053	563,941	627,749
State highway	223,765	159,839	94,202	143,919
Law enforcement	461,705	501,540	196,316	450,480
Courts	842,855	947,689	1,271,125	1,355,089
Community development and improvements	9,560,569	8,319,608	7,661,196	7,687,341
Police and fire pension	1,002,814	901,168	768,867	596,345
Public health	702,538	696,863	695,177	670,709
Other purposes	-	-	-	-
Unrestricted (deficit)	(4,588,636)	(4,856,639)	(4,210,956)	756,595
Total governmental activities net assets	<u>\$ 51,342,841</u>	<u>\$ 46,089,826</u>	<u>\$ 42,544,067</u>	<u>\$ 45,806,275</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 23,458,196	\$ 21,755,533	\$ 19,391,428	\$ 19,416,251
Restricted for:				
Debt service	962,846	967,855	-	-
Unrestricted	5,387,270	6,493,160	10,001,006	11,350,440
Total business-type activities net assets	<u>\$ 29,808,312</u>	<u>\$ 29,216,548</u>	<u>\$ 29,392,434</u>	<u>\$ 30,766,691</u>
Total primary government				
Invested in capital assets, net of related debt	\$ 64,746,131	\$ 59,400,072	\$ 54,057,921	\$ 52,441,175
Restricted for:				
Capital projects	-	49,172	75,800	9,405
Debt service	2,086,158	1,981,849	761,906	483,719
Street maintenance	725,984	712,053	563,941	627,749
State highway	223,765	159,839	94,202	143,919
Law enforcement	461,705	501,540	196,316	450,480
Courts	842,855	947,689	1,271,125	1,355,089
Community development and improvements	9,560,569	8,319,608	7,661,196	7,687,341
Police and fire pension	1,002,814	901,168	768,867	596,345
Public health	702,538	696,863	695,177	670,709
Other purposes	-	-	-	-
Unrestricted	798,634	1,636,521	5,790,050	12,107,035
Total primary government net assets	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>	<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 30,967,884	\$ 29,524,698	\$ 26,382,293	\$ 19,496,371
570,073	768,172	541,032	357,350
374,727	372,932	338,675	326,037
982,767	611,593	463,622	-
177,075	148,916	100,897	-
405,984	819,715	643,336	-
1,189,849	977,107	782,106	-
7,866,327	6,426,196	6,447,060	-
292,210	310,630	191,177	-
679,561	-	-	-
-	-	-	9,477,900
5,137,720	5,273,540	5,697,185	6,481,599
<u>\$ 48,644,177</u>	<u>\$ 45,233,499</u>	<u>\$ 41,587,383</u>	<u>\$ 36,139,257</u>
\$ 18,390,112	\$ 18,245,015	\$ 17,311,185	\$ 19,168,104
-	-	-	-
9,833,606	9,169,546	8,486,417	6,097,414
<u>\$ 28,223,718</u>	<u>\$ 27,414,561</u>	<u>\$ 25,797,602</u>	<u>\$ 25,265,518</u>
\$ 49,357,996	\$ 47,769,713	\$ 43,693,478	\$ 38,664,475
570,073	768,172	541,032	357,350
374,727	372,932	338,675	326,037
982,767	611,593	463,622	-
177,075	148,916	100,897	-
405,984	819,715	643,336	-
1,189,849	977,107	782,106	-
7,866,327	6,426,196	6,447,060	-
292,210	310,630	191,177	-
679,561	-	-	-
-	-	-	9,477,900
14,971,326	14,443,086	14,183,602	12,579,013
<u>\$ 76,867,895</u>	<u>\$ 72,648,060</u>	<u>\$ 67,384,985</u>	<u>\$ 61,404,775</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,355,736	\$ 1,380,902	\$ 1,423,496	\$ 1,350,401
Security of persons and property	1,898,051	1,695,936	1,449,173	1,447,343
Public health and welfare	206,308	220,439	203,913	153,510
Transportation	22,700	4,400	33,155	40,450
Community environment	845,630	747,261	708,209	535,152
Leisure time activities	28,350	21,494	32,702	23,902
Economic development	30,482	181,329	240,918	218,337
Operating grants and contributions:				
General government	-	-	-	6,226
Security of persons and property	132,324	548,325	75,907	155,237
Public health and welfare	-	-	-	-
Transportation	2,127,786	1,881,928	2,117,983	2,115,189
Economic development	5,212,448	3,059,516	3,092,290	2,199,113
Capital grants and contributions:				
General government	-	-	-	-
Transportation	2,647,295	3,501,520	1,899,760	780,998
Total governmental activities program revenues	<u>14,507,110</u>	<u>13,243,050</u>	<u>11,277,506</u>	<u>9,025,858</u>
Business-type activities:				
Charges for services:				
Sewer	7,364,686	7,437,372	8,067,438	8,976,173
Water	9,762,568	9,631,170	10,804,962	11,130,274
Sanitation	3,182,299	3,157,449	3,050,445	3,129,173
Other enterprise funds:				
Packard Music Hall	197,508	216,722	204,224	237,197
City Redevelopment	31,378	42,711	42,711	42,711
Downtown parking	30,940	29,448	27,503	37,959
Stormwater Utility	921,907	888,267	843,531	804,595
Capital grants and contributions				
Sewer	1,072,931	-	-	-
Other enterprise funds:				
Packard Music Hall	675,680	1,236,504	33,056	-
Stormwater Utility	23,697	30,225	-	-
Total business-type activities program revenues	<u>23,263,594</u>	<u>22,669,868</u>	<u>23,073,870</u>	<u>24,358,082</u>
Total primary government	<u>\$ 37,770,704</u>	<u>\$ 35,912,918</u>	<u>\$ 34,351,376</u>	<u>\$ 33,383,940</u>
Expenses:				
Governmental activities:				
General government	\$ 5,400,182	\$ 6,087,221	\$ 6,732,524	\$ 6,108,728
Security of persons and property	15,449,385	15,993,727	18,620,804	17,180,410
Public health and welfare	633,699	545,444	1,289,289	512,057
Transportation	3,548,603	3,662,641	4,644,555	3,948,040
Community environment	1,817,279	2,020,146	2,082,342	2,310,948
Leisure time activities	520,453	484,294	699,582	860,839
Economic development	2,936,898	1,620,800	2,981,877	2,066,544
Interest and fiscal charges	503,530	566,227	631,425	609,323
Total governmental activities expenses	<u>30,810,029</u>	<u>30,980,500</u>	<u>37,682,398</u>	<u>33,596,889</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	1,459,245	\$ 1,210,264	\$ 1,225,507	\$ 1,279,189
	1,506,767	1,368,960	1,412,462	1,567,813
	150,522	157,623	130,904	120,659
	45,255	48,066	33,050	44,058
	1,135,168	526,502	663,501	617,335
	16,087	13,646	17,259	27,456
	73,629	179,296	38,522	142,863
	-	40,248	-	191,227
	87,594	257,611	236,524	243,964
	715,000	-	-	-
	2,159,287	2,178,812	1,872,926	1,684,860
	2,077,372	2,673,342	2,054,645	3,021,318
	-	-	1,164,720	1,147,279
	670,191	2,017,348	2,766,371	-
	<u>10,096,117</u>	<u>10,671,718</u>	<u>11,616,391</u>	<u>10,088,021</u>
	8,265,798	8,743,627	7,653,073	6,800,830
	10,976,356	11,720,251	10,249,483	10,287,987
	3,100,329	3,145,870	3,160,832	3,018,624
	218,979	260,551	201,112	198,349
	42,711	40,445	42,711	44,978
	29,192	4,805	36,022	86,804
	832,444	808,058	806,491	732,880
	-	-	-	-
	100,000	-	-	-
	-	-	-	-
	<u>23,565,809</u>	<u>24,723,607</u>	<u>22,149,724</u>	<u>21,170,452</u>
\$	<u><u>33,661,926</u></u>	<u><u>35,395,325</u></u>	<u><u>33,766,115</u></u>	<u><u>31,258,473</u></u>
\$	6,119,385	\$ 5,856,271	\$ 5,364,746	\$ 5,503,496
	17,031,559	16,406,869	16,118,228	15,483,951
	517,820	592,167	509,570	443,174
	3,834,782	3,272,353	3,447,063	3,581,813
	1,884,819	1,730,863	1,849,861	2,017,399
	665,407	905,187	585,728	680,886
	2,595,480	2,831,518	2,071,529	2,189,572
	682,090	668,091	730,212	630,684
	<u>33,331,342</u>	<u>32,263,319</u>	<u>30,676,937</u>	<u>30,530,975</u>

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CITY OF WARREN, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Business-type activities:				
Sewer	\$ 7,211,259	\$ 7,291,440	\$ 7,686,872	\$ 8,008,014
Water	11,925,632	11,875,667	12,233,642	10,845,009
Sanitation	3,129,254	3,118,475	3,360,964	3,146,764
Other enterprise funds				
Packard Music Hall	387,126	440,581	684,553	685,045
City Redevelopment	58,066	20,650	50,605	49,618
Downtown parking	128,252	136,918	150,089	154,011
Stormwater Utility	557,878	769,785	1,291,516	646,497
Total business-type activities expenses	<u>23,397,467</u>	<u>23,653,516</u>	<u>25,458,241</u>	<u>23,534,958</u>
Total primary government	<u>\$ 54,207,496</u>	<u>\$ 54,634,016</u>	<u>\$ 63,140,639</u>	<u>\$ 57,131,847</u>
Net (expense) revenue:				
Governmental activities	\$ (16,302,919)	\$ (17,737,450)	\$ (26,404,892)	\$ (24,571,031)
Business-type activities	(133,873)	(983,648)	(2,384,371)	823,124
Total primary government net expense	<u>\$ (16,436,792)</u>	<u>\$ (18,721,098)</u>	<u>\$ (28,789,263)</u>	<u>\$ (23,747,907)</u>
General revenues and other changes in net assets:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,129,724	\$ 1,298,598	\$ 1,448,672	\$ 1,389,308
Fire pension	118,708	133,797	151,750	144,268
Police pension	116,983	133,797	151,750	144,268
Income taxes levied for:				
General Purposes	16,247,214	16,411,492	17,636,767	18,221,022
Grants and entitlements				
not restricted to specific programs	3,375,874	2,908,110	2,999,526	2,995,358
Investment earnings	111,444	302,100	838,469	1,239,089
Miscellaneous	716,079	605,315	518,324	548,405
Transfers	(260,092)	(510,000)	(602,574)	(327,477)
Total governmental activities	<u>21,555,934</u>	<u>21,283,209</u>	<u>23,142,684</u>	<u>24,354,241</u>
Business-type activities				
Investment earnings	-	1,772	27,045	57,086
Miscellaneous	465,545	295,990	380,495	282,751
Transfers	260,092	510,000	602,574	327,477
Total business-type activities	<u>725,637</u>	<u>807,762</u>	<u>1,010,114</u>	<u>667,314</u>
Total primary government	<u>\$ 22,281,571</u>	<u>\$ 22,090,971</u>	<u>\$ 24,152,798</u>	<u>\$ 25,021,555</u>
Change in net assets:				
Governmental activities	\$ 5,253,015	\$ 3,545,759	\$ (3,262,208)	\$ (216,790)
Business-type activities	591,764	(175,886)	(1,374,257)	1,490,438
Total primary government	<u>\$ 5,844,779</u>	<u>\$ 3,369,873</u>	<u>\$ (4,636,465)</u>	<u>\$ 1,273,648</u>

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 8,191,531	\$ 8,714,806	\$ 8,129,365	\$ 8,536,652
10,769,899	10,654,024	10,240,694	10,385,641
3,004,744	3,042,898	2,890,149	2,822,181
539,752	711,637	643,869	528,652
52,594	75,597	20,399	21,589
74,573	142,539	154,335	159,800
580,352	818,288	583,188	657,073
<u>23,213,445</u>	<u>24,159,789</u>	<u>22,661,999</u>	<u>23,111,588</u>
<u>\$ 56,544,787</u>	<u>\$ 56,423,108</u>	<u>\$ 53,338,936</u>	<u>\$ 53,642,563</u>
\$ (23,235,225)	\$ (21,591,601)	\$ (19,060,546)	\$ (20,442,954)
352,364	563,818	(512,275)	(1,941,136)
<u>\$ (22,882,861)</u>	<u>\$ (21,027,783)</u>	<u>\$ (19,572,821)</u>	<u>\$ (22,384,090)</u>
\$ 1,405,834	\$ 1,261,822	\$ 1,218,505	\$ 1,256,977
147,074	129,146	126,166	130,145
147,074	129,146	126,166	130,145
20,214,764	19,432,428	18,830,130	18,788,667
2,894,066	3,312,509	3,080,849	2,896,927
1,229,795	1,111,515	465,707	615,974
776,416	563,907	1,153,304	1,796,888
(169,120)	(702,756)	(492,155)	(645,036)
<u>26,645,903</u>	<u>25,237,717</u>	<u>24,508,672</u>	<u>24,970,687</u>
53,205	30,745	9,940	201,577
234,468	319,640	542,264	767,730
169,120	702,756	492,155	645,036
<u>456,793</u>	<u>1,053,141</u>	<u>1,044,359</u>	<u>1,614,343</u>
<u>\$ 27,102,696</u>	<u>\$ 26,290,858</u>	<u>\$ 25,553,031</u>	<u>\$ 26,585,030</u>
\$ 3,410,678	\$ 3,646,116	\$ 5,448,126	\$ 4,527,733
809,157	1,616,959	532,084	(326,793)
<u>\$ 4,219,835</u>	<u>\$ 5,263,075</u>	<u>\$ 5,980,210</u>	<u>\$ 4,200,940</u>

CITY OF WARREN, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:						
Reserved	\$ 324,890	\$ 88,913	\$ 82,867	\$ 505,629	\$ 267,692	\$ 131,711
Unreserved	4,250,122	4,027,419	4,119,358	5,943,890	6,283,706	4,828,462
Total general fund	<u>\$ 4,575,012</u>	<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>
All other governmental funds:						
Reserved	\$ 10,966,339	\$ 9,384,585	\$ 10,217,681	\$ 8,234,636	\$ 8,466,851	\$ 6,076,124
Unreserved (deficit), reported in:						
Special revenue funds	1,481,434	2,183,565	2,191,594	2,360,982	2,256,060	3,331,847
Debt service fund	505,151	300,006	111,599	3,924	1,441	8,466
Capital projects fund	(2,073,152)	(1,341,226)	(3,004,369)	(222,311)	62,827	51,707
Total all other governmental funds	<u>\$ 10,879,772</u>	<u>\$ 10,526,930</u>	<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>	<u>\$ 10,787,179</u>	<u>\$ 9,468,144</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 598,009	\$ 602,878	\$ 55,505	\$ 306,771
<u>4,647,091</u>	<u>5,526,525</u>	<u>3,804,593</u>	<u>1,224,226</u>
<u>\$ 5,245,100</u>	<u>\$ 6,129,403</u>	<u>\$ 3,860,098</u>	<u>\$ 1,530,997</u>
\$ 5,602,035	\$ 6,443,384	\$ 6,562,027	\$ 8,956,799
3,141,354	4,289,027	3,450,874	1,278,903
577	4,803	4,642	4,642
<u>(48,071)</u>	<u>(1,362,610)</u>	<u>(2,031,708)</u>	<u>(1,006,640)</u>
<u>\$ 8,695,895</u>	<u>\$ 9,374,604</u>	<u>\$ 7,985,835</u>	<u>\$ 9,233,704</u>

CITY OF WARREN, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues					
Income taxes	\$ 15,872,631	\$ 15,624,357	\$ 18,013,849	\$ 18,070,111	\$ 20,138,026
Property and other taxes	1,475,498	1,511,528	1,484,062	1,667,959	1,657,168
Charges for services	2,084,254	2,139,791	2,236,100	2,067,415	1,693,234
Licenses and permits	2,303,729	2,070,754	2,493,223	1,886,000	2,466,676
Fines and forfeitures	1,918,363	1,747,233	1,523,506	1,531,452	1,594,451
Intergovernmental	13,198,824	12,037,848	9,540,800	7,787,994	7,831,448
Special assessments	50,813	27,680	22,036	30,688	44,629
Investment income	216,055	393,622	1,187,787	1,404,779	1,164,258
Rental income	36,552	94,831	60,013	113,186	168,256
Other	803,079	697,315	721,207	626,061	1,491,416
Total revenues	<u>37,959,798</u>	<u>36,344,959</u>	<u>37,282,583</u>	<u>35,185,645</u>	<u>38,249,562</u>
Expenditures					
Current:					
General government	7,565,426	7,313,305	7,939,782	7,991,047	7,533,078
Security of persons and property	15,299,674	15,187,309	17,976,545	17,671,898	17,233,644
Public health and welfare	627,133	585,216	1,242,486	492,168	493,377
Transportation	1,568,297	1,640,909	2,534,139	2,328,166	2,062,179
Community environment	1,707,275	1,761,935	1,909,315	2,145,697	1,886,410
Leisure time activity	440,263	491,804	656,999	876,264	675,183
Economic development	3,631,183	2,032,605	2,966,215	2,083,320	2,508,773
Capital outlay	4,238,297	3,920,919	2,782,967	1,833,099	1,927,685
Intergovernmental					
Debt service:					
Principal retirement	1,937,447	1,530,310	1,538,405	2,025,221	2,045,411
Interest and fiscal charges	481,373	534,299	585,924	580,065	606,431
Bond issuance cost	-	-	-	-	-
Total expenditures	<u>37,496,368</u>	<u>34,998,611</u>	<u>40,132,777</u>	<u>38,026,945</u>	<u>36,972,171</u>
Excess of revenues over (under) expenditures	<u>463,430</u>	<u>1,346,348</u>	<u>(2,850,194)</u>	<u>(2,841,300)</u>	<u>1,277,391</u>
Other financing sources (uses)					
Sale of refunding bonds	-	-	-	-	-
Sale of bonds	-	-	-	-	-
Sale of notes	-	-	-	-	1,700,000
Loan proceeds	520,000	-	256,564	-	-
Premium on bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Capital lease transaction	-	-	-	-	29,847
Sale of capital assets	-	-	-	-	-
Transfers in	384,562	1,104,143	1,140,453	1,046,488	1,941,380
Transfers (out)	(556,470)	(1,525,959)	(1,654,843)	(1,302,304)	(2,038,358)
Loss on write off of loans receivable	-	-	-	-	-
Total other financing sources (uses)	<u>348,092</u>	<u>(421,816)</u>	<u>(257,826)</u>	<u>(255,816)</u>	<u>1,632,869</u>
Net change in fund balances	<u>\$ 811,522</u>	<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>
Capital expenditures	5,200,379	4,465,719	2,824,370	2,372,745	2,192,532
Debt service as a percentage of noncapital expenditures	7.49%	6.76%	5.69%	7.31%	7.62%

2005	2004	2003	2002	2001
\$ 19,610,734	\$ 18,567,076	\$ 18,825,568	\$ 18,423,033	\$ 15,413,120
1,485,169	1,456,326	1,493,148	1,493,335	1,514,882
2,187,422	2,055,303	2,120,940	2,158,369	1,714,490
1,852,130	1,839,742	1,726,971	1,678,306	1,407,022
1,441,968	1,422,329	1,733,026	1,511,535	1,133,342
10,574,125	11,200,065	9,223,005	10,797,033	9,820,979
42,597	19,828	100,189	9,777	10,526
962,886	357,172	428,636	472,571	509,357
36,830	34,314	53,048	47,115	45,818
563,907	1,232,073	1,796,889	2,919,419	973,075
38,757,768	38,184,228	37,501,420	39,510,493	32,542,611
7,824,849	7,610,099	7,300,180	7,067,691	6,926,161
16,259,126	15,940,459	15,028,195	14,768,585	12,931,874
588,693	585,532	417,382	432,401	375,277
2,278,123	2,745,117	2,365,061	2,638,201	2,122,212
1,783,381	1,806,298	1,611,897	1,776,919	1,577,698
762,761	885,871	626,762	563,994	274,719
2,764,286	1,984,304	2,198,894	1,604,649	1,467,464
3,017,762	6,029,700	3,411,525	6,887,754	3,433,672
2,007,728	1,615,655	969,409	1,336,361	1,172,939
640,178	700,193	653,635	986,695	869,533
-	-	146,364	-	-
37,926,887	39,903,228	34,729,304	38,063,250	31,151,549
830,881	(1,719,000)	2,772,116	1,447,243	1,391,062
-	-	6,045,000	-	-
-	-	1,231,000	-	-
-	-	-	-	-
-	-	-	-	-
-	-	45,818	-	-
-	-	(6,548,575)	-	-
-	557,708	7,902	9,688	-
-	-	-	-	-
2,228,086	3,027,653	3,642,789	2,959,352	3,106,571
(2,571,645)	(3,429,373)	(3,974,247)	(3,296,767)	(3,895,018)
-	-	-	-	(1,812,450)
(343,559)	155,988	449,687	(327,727)	(2,600,897)
\$ 487,322	\$ (1,563,012)	\$ 3,221,803	\$ 1,119,516	\$ (1,209,835)
3,502,785	8,024,415	3,241,838	6,887,754	3,433,672
7.69%	7.26%	5.62%	7.45%	7.37%

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)
2010	\$ 427,449,060	\$ 1,221,283,029	\$ 14,918,570	\$ 16,952,920	\$ 727,665	\$ 7,276,650
2009	428,297,150	1,223,706,143	14,247,870	16,190,761	1,455,330	14,553,300
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

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.

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

Total			
Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
\$ 443,095,295	\$ 1,245,512,599	3.50	35.58%
444,000,350	1,254,450,204	3.50	35.39%
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%

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
2010	2.90	0.30	0.30	3.50	12.30	59.25	2.40	13.00
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

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	87.95	91.45
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

CITY OF WARREN, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE AND PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND EIGHT YEARS AGO

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co	\$ 11,200,080	1	2.53%
Sam's Real Estate Business Trust	2,637,010	2	0.60%
Rydyl I LLC	2,483,150	3	0.56%
Simon-Northbury Colony Ltd	2,015,760	4	0.46%
NRR Commerce Ltd	1,990,350	5	0.45%
East Ohio Gas Co Dominion	1,815,460	6	0.41%
Lowe's Home Center Inc	1,771,070	7	0.40%
North Mar Center	1,461,430	8	0.33%
Warren Plaza Co	1,452,680	9	0.33%
Covelli Real Estate Holdings LLC	1,426,470	10	0.32%
Total, Top Ten Principal Real Estate and Public Utility Property Taxpayers	\$ 28,253,460		6.39%
Total City Real and Public Utility Property Tax Assessed Valuation	\$ 442,367,630		

December 31, 2002			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co	\$ 10,094,660	1	2.55%
United Telephone	4,784,270	2	1.21%
P&S Equities	2,698,930	3	0.68%
Delphi Automotive Systems LLC	1,916,670	4	0.48%
American Transmission	1,820,380	5	0.46%
East Ohio Gas Co	1,783,170	6	0.45%
Simon-Northbury	1,752,740	7	0.44%
River Road Investments	1,563,310	8	0.40%
Lowe's Home Center	1,541,470	9	0.39%
WCI Steel	1,496,150	10	0.38%
Total, Top Ten Principal Real Estate and Public Utility Property Taxpayers	\$ 29,451,750		7.44%
Total City Real and Public Utility Property Tax Assessed Valuation	\$ 395,312,220		

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**

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
2010	\$ 1,547,174	\$ 1,398,841	90.41%	\$ 79,513	\$ 1,478,354	95.55%	\$ 429,440	27.76%
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%

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
2010	\$ 2,546	\$ 202	7.93%	\$ 3,918	\$ 4,120	161.82%	\$ 35,526	1395.37%
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%

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
2010	\$ 47,441	\$ 20,998	44.26%	\$ 48,334	\$ 69,332	146.14%	\$ 1,046,333	2205.55%
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%

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
2010	2.00%	\$ 15,758,181	\$ 12,547,026	79.62%	\$ 1,322,365	8.39%
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%

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
\$	1,888,790	11.99%
	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%

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
2010	\$ 2,582,500	\$ 520,000	\$ -	\$ 1,485,000	\$ 53,928	\$ 218,079	\$ 180,152
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	-	-	-	-

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
\$ 1,662,500	\$ 7,810,000	\$ 22,494,105	\$ 61,980	\$ 37,068,244	\$ 1,248,588,736	2.97%	43,402	\$ 854
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

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>
2010	43,402	\$ 1,245,512,599	\$ 2,582,500	0.21%	\$ 60
2009	43,789	1,254,450,204	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

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, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Direct and Overlapping Debt</u>
Direct:			
City of Warren	\$ 2,582,500	100.00%	\$ 2,582,500
Total direct debt			<u>2,582,500</u>
Overlapping debt:			
Trumbull County	17,366,315	12.89%	2,238,518
Warren City School District	33,770,000	95.58%	32,277,366
LaBrae Local School District	6,018,994	9.23%	555,553
Lakeview Local School District	2,306,295	0.02%	461
Geauga-Trumbull Jt. Solid Waste Management	550,000	6.77%	37,235
Total overlapping debt			<u>35,109,133</u>
Total direct and overlapping debt			<u>\$ 37,691,633</u>

Source: Ohio Municipal Advisory Council

CITY OF WARREN, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assesed value**	\$ 442,367,630	\$ 443,215,720	\$ 445,218,130	\$ 443,015,560
Legal debt margin:				
Debt limitation - 10.5% of assesed value	46,448,601	46,537,651	46,747,904	46,516,634
Debt applicable to limitation:				
Total bonded debt	12,055,000	14,093,104	16,050,096	18,081,170
Exemptions:				
Debt service fund balance	(505,151)	(336,286)	(133,279)	(34,943)
Debt supported by enterprise fund operations	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>	<u>(12,295,500)</u>
Total exemptions	<u>(9,977,651)</u>	<u>(10,782,286)</u>	<u>(11,514,779)</u>	<u>(12,330,443)</u>
Total debt applicable to limitation	<u>2,077,349</u>	<u>3,310,818</u>	<u>4,535,317</u>	<u>5,750,727</u>
Total legal debt margin within 10.5% limitation	<u>\$ 44,371,252</u>	<u>\$ 43,226,833</u>	<u>\$ 42,212,587</u>	<u>\$ 40,765,907</u>
Unvoted debt limitation - 5.5% of assesed valuation	\$ 24,330,220	\$ 24,376,865	\$ 24,486,997	\$ 24,365,856
Debt applicable to limitation:				
Total bonded debt	12,055,000	14,093,104	16,050,096	18,081,170
Exemptions:				
Debt service fund balance	(505,151)	(336,286)	(133,279)	(34,943)
Debt supported by enterprise fund operations	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>	<u>(12,295,500)</u>
Total exemptions	<u>(9,977,651)</u>	<u>(10,782,286)</u>	<u>(11,514,779)</u>	<u>(12,330,443)</u>
Total debt within 5.5% limitations	<u>2,077,349</u>	<u>3,310,818</u>	<u>4,535,317</u>	<u>5,750,727</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 22,252,871</u>	<u>\$ 21,066,047</u>	<u>\$ 19,951,680</u>	<u>\$ 18,615,129</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.

2006	2005	2004	2003	2002	2001
\$ 500,021,312	\$ 477,844,561	\$ 475,346,480	\$ 484,904,328	\$ 467,902,378	\$ 1,389,530,901
52,502,238	50,173,679	49,911,380	50,914,954	49,129,750	145,900,745
20,667,060	23,255,995	25,818,630	28,620,810	28,790,320	11,890,000
(36,117)	(33,214)	(24,975)	(47,438)	(38,596)	(106,769)
<u>(13,186,500)</u>	<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>(13,222,617)</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>
7,444,443	9,172,781	10,903,655	12,539,372	11,926,724	838,231
<u>\$ 45,057,795</u>	<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>
\$ 27,501,172	\$ 26,281,451	\$ 26,144,056	\$ 26,669,738	\$ 25,734,631	\$ 76,424,200
20,667,060	23,255,995	25,818,630	28,620,810	28,790,320	11,890,000
(36,117)	(33,214)	(24,975)	(47,438)	(38,596)	(106,769)
<u>(13,186,500)</u>	<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>(13,222,617)</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>
7,444,443	9,172,781	10,903,655	12,539,372	11,926,724	838,231
<u>\$ 20,056,729</u>	<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>

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	
2010	\$ 10,185,894	\$ 9,044,975	\$ 1,140,919	\$ 455,000	\$ 425,840	\$ 880,840	1.30
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

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	
2010	\$ 1,140,919	\$ 880,840	\$ 260,079	\$ 641,133	\$ 425,840	\$ 1,066,973	0.24
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

PLEDGED 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	
2010	\$ 7,377,857	\$ 6,142,767	\$ 1,235,090	\$ 1,471,094	\$ 432,635	\$ 1,903,729	0.65
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

(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
2010	43,402	\$ 1,248,588,736	\$ 28,768	12.2%	11.8%	10.1%	9.6%
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%

Sources:

(1) U.S. Census Bureau estimates.

(2) Ohio Job & Family Services, Office of Workforce Development. The per capita personal income figure was not available for 2010, so the 2009 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	2010		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull County Auditor	\$ 988,950	1	7.61%
Trumbull Memorial Hospital	898,227	2	6.91%
Warren City Schools	771,932	3	5.94%
St. Elizabeth Medical Center	761,568	4	5.86%
State of Ohio, Dep't of Adm. Services	433,693	5	3.34%
City of Warren	425,232	6	3.27%
GE Lighting Inc.	410,689	7	3.16%
Warren OH Hospital Co.	343,207	8	2.64%
AVI Food Systems Inc.	242,231	9	1.86%
Severstal Warren Inc.	219,088	10	1.69%
Total	\$ 5,494,817		42.27%
Total 2010 City Income Tax Withholding	<u>\$ 13,000,618</u>		

Employer	2001		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Delphi Automotive Systems Service	\$ 1,456,023	1	10.65%
Trumbull Memorial Hospital	978,803	2	7.16%
Trumbull County Auditor	704,834	3	5.16%
Warren City Schools	629,753	4	4.61%
St. Elizabeth Medical Center	526,322	5	3.85%
Delphi Automotive Systems	516,747	6	3.78%
GE Lighting Inc.	476,291	7	3.48%
State of Ohio, Dep't of Adm. Services	357,209	8	2.61%
City of Warren	327,297	9	2.39%
General Motors Corp.	325,805	10	2.38%
Total	\$ 6,299,084		46.07%
Total 2001 City Income Tax Withholding	<u>\$ 13,671,996</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	2010	2009	2008	2007	2006	2005	2004	2003
General Government								
Council	12.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00
Mayor	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00
Finance	6.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Income Tax	6.00	5.00	6.00	8.00	8.00	7.00	9.00	9.00
Law	9.00	9.00	9.00	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	1.00	3.00	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	33.00	34.00	34.00	34.00	33.00	32.00	34.00	34.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	26.00	25.00	48.00	49.00	50.00	46.00	51.00	50.00
Engineering	10.00	11.00	11.00	13.00	14.00	13.00	13.00	13.00
Security of Persons and Property								
Police	81.00	77.00	81.00	101.00	102.00	95.00	95.00	95.00
Fire	63.00	57.00	64.00	78.00	78.00	77.00	78.00	79.00
Public Health and Welfare								
Health Services	12.00	10.00	11.00	14.00	13.00	14.00	14.00	13.00
Economic Development								
Community Development	5.00	6.00	5.00	5.00	6.00	6.00	6.00	6.00
Packard Music Hall	3.00	2.00	4.00	7.00	7.00	5.00	5.00	5.00
Data Processing	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Services								
Water	82.00	85.00	84.00	85.00	83.00	82.00	80.00	80.00
Sewer/Stormwater	51.00	53.00	48.00	52.00	48.00	47.00	48.00	46.00
Sanitation	15.00	15.00	15.00	15.00	15.00	15.00	14.00	15.00
Total	429.00	421.00	456.00	508.00	504.00	486.00	494.00	493.00

Source: City of Warren records

<u>2002</u>	<u>2001</u>
13.00	13.00
5.00	5.00
6.00	6.00
10.00	7.00
10.00	9.00
4.00	4.00
2.00	1.00
3.00	3.00
30.00	34.00
2.00	2.00
49.00	47.00
13.00	14.00
95.00	88.00
78.00	70.00
13.00	13.00
7.00	9.00
5.00	3.00
3.00	3.00
81.00	80.00
46.00	48.00
16.00	15.00
<u>491.00</u>	<u>474.00</u>

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST FIVE YEARS

Function	2010	2009	2008	2007	2006
Security of Persons and Property					
Police:					
Physical Arrests	2,229	2,887	4,125	4,041	3,942
Parking Violations	273	453	510	536	797
Traffic Violations	3,803	3,036	5,336	5,377	5,949
Fire:					
Calls for Service	1,230	1,030	1,377	1,399	1,304
Fire Safety Inspections	1,125	1,135	1,052	1,024	1,076
Leisure Time Activities					
Enclosed Shelter Rentals	76	78	76	71	87
Log Cabin Rentals	5	10	8	7	20
Pavilion Rentals	200	177	170	200	257
Transportation					
Street Resurfacing (Miles)	8	16	2	12	10
Potholes Repaired	1,236	1,006	871	536	638
Water					
New Connections	11	16	21	25	39
Water Main Breaks	94	53	107	104	86
Average Daily Consumption (thousands of gallons)	11,625	11,285	12,846	12,963	13,092
Sewer					
Average Daily Consumption (thousands of gallons)	12,560	13,380	17,952	13,700	16,216
Sanitation					
Refuse Collected (tons daily)	90	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 FIVE YEARS**

Function	2010	2009	2008	2007	2006
Security of Persons and Property					
Police:					
Stations	1	1	1	1	1
Patrol Units (Marked)	27	29	33	33	33
Fire:					
Stations	3	3	3	3	3
Fire Pumpers	2	2	3	3	3
Reserve Fire Pumpers	1	1	1	2	2
Ladder Trucks	2	2	2	2	2
Heavy Rescue Truck	1	1	1	1	1
Leisure Time Activities					
Park Acreage	256.78	256.78	256.78	251.11	251.11
Packard Park					
Hardball Fields	1	1	1	1	1
Softball Fields	3	3	3	3	3
Tennis Courts	6	6	6	6	6
Perkins Park					
Hardball Fields	6	6	6	6	6
Softball Fields	2	2	2	2	2
Burbank Park					
Little League Fields	4	4	4	2	2
Deemer Park					
Tennis Courts	4	4	4	4	4
Transportation					
Streets (Paved Miles)	184.309	184.309	184.309	184.309	184.309
Traffic Signals	63	61	61	59	59
Water					
Water Mains (miles)	300	300	299	291	307
Fire Hydrants	1,904	1,904	1,906	1,904	1,915
Maximum Daily Capacity (thousands of gallons)	22,700	22,700	22,700	22,700	22,700
Sewer					
Sanitary Sewers (miles)	199.200	196.943	199.200	199.200	196.943
Storm Sewers (miles)	125.500	123.390	125.500	125.500	123.230
Maximum Daily Capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000
Sanitation					
Collection Trucks	9	8	8	8	9

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

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Dave Yost • 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
AUGUST 30, 2011