

City of Warren
Trumbull County, Ohio

*Reports Issued Pursuant to
Government Auditing Standards
And OMB Circular A-133*

For the Fiscal Year Ended
December 31, 2012



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Rea & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. 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

July 23, 2013

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CITY OF WARREN
TRUMBULL COUNTY, OHIO
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June 24, 2013

To the Honorable Mayor and City Council
City of Warren
Trumbull County, Ohio

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2013, wherein we noted the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* and restated their December 31, 2011 net position for their governmental and business-type activities; and enterprise funds, water and sewer.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-001 and 2012-002.

Entity's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

June 24, 2013

To the Honorable Mayor and City Council
City of Warren
Trumbull County, Ohio

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Report on Compliance for Each Major Federal Program

We have audited the City of Warren's, Trumbull County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

City of Warren

Report on Compliance for Each Major Federal Program;

Report on Internal Control over Compliance; and Report on the
Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Page 3

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 24, 2013, which contained an unmodified opinion on those financial statements, wherein we noted the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* and restated their December 31, 2011 net position for their governmental and business-type activities; and enterprise funds, water and sewer. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hea & Associates, Inc.

CITY OF WARREN, OHIO
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Grant Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct Programs:</i>			
Community Development Block Grants/Entitlement Grants	N/A	14.218	\$1,849,750
HOME Investment Partnerships Program	N/A	14.239	1,232,176
ARRA - Homelessness Prevention and Rapid Re-Housing Program	N/A	14.257	49,388
Community Challenge Planning Grants	N/A	14.704	<u>52,471</u>
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	A-Z-08-298-1	14.228	<u>367,120</u>
Total U.S. Department of Housing and Urban Development			<u>3,550,905</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Programs:</i>			
Bulletproof Vest Partnership Program	N/A	16.607	13,299
ARRA - Public Safety Partnership and Community Policing Grants	2009RKWX0696	16.710	114,836
Edward Byrne Memorial Justice Assistance Grant Cluster:			
Edward Byrne Memorial Justice Assistance Grant	2009JJBX0568	16.738	16,622
Edward Byrne Memorial Justice Assistance Grant	2010DJBX0184	16.738	39,818
Edward Byrne Memorial Justice Assistance Grant	2011DJBX2096	16.738	31,651
Edward Byrne Memorial Justice Assistance Grant	2012DJBX0052	16.738	<u>14,763</u>
			102,854
ARRA - Edward Byrne Memorial Justice Assistance Grant	2009SBB90247	16.804	9,401
Total Edward Byrne Memorial Justice Assistance Grant Cluster			<u>112,255</u>
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2012VAGENE511	16.575	17,240
Crime Victim Assistance	2013VAGENE511	16.575	<u>5,425</u>
Subtotal - Crime Victim Assistance			<u>22,665</u>
Total U.S. Department of Justice			<u>263,055</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction:</i>			
Warren Greenway Biketrail ODOT Project	77201	20.205	33,738
Warren Greenway Biketrail ODOT Project Phase 2	88471	20.205	12,703
Park Avenue Resurfacing	85947	20.205	459,537
Warren Riverwalk/Lovers Lane Trail ODOT Project	92004	20.205	6,057
Warren Riverwalk/Burbank Park ODOT Project	92022	20.205	6,057
Warren Riverwalk/Bullhead Trail ODOT Project	92068	20.205	6,057
US 422 Parkman Road Phase 2 ODOT Project	85234	20.205	<u>31,896</u>
Subtotal - Highway Planning and Construction			556,045
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants 1	HVEO-2012-78-00-00-00337-00	20.601	26,097
Alcohol Impaired Driving Countermeasures Incentive Grants 1	OVITF-2012-78-00-00-00397-00	20.601	65,850
Alcohol Impaired Driving Countermeasures Incentive Grants 1	OVITF-2013-78-00-00-00412-00	20.601	<u>10,503</u>
Subtotal - Alcohol Impaired Driving Countermeasures Incentive Grants 1			<u>91,947</u>
Total U.S. Department of Transportation			<u>647,992</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Direct Program:</i>			
ARRA - Strengthening Communities Fund	90SN0026/01	93.711	21,239
<i>Passed Through Ohio Department of Health:</i>			
Grants to States to Support Oral Health Workforce Activities	78-2-001-1-DS-0512	93.236	17,170
Maternal and Child Health Services Block Grant to the States	78-2-001-1-DS-0512	93.994	14,830
<i>Passed Through Trumbull County Health Department:</i>			
Public Health Emergency Preparedness	78-100-12-PH-0312	93.069	721
Immunization Grants	78-100-12-IM-0512	93.268	<u>7,400</u>
Total U.S. Department of Health and Human Services			<u>61,360</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct Program:</i>			
Assistance to Firefighters Grant	EMW-2011-FP-01218	97.044	2,080
Staffing for Adequate Fire and Emergency Response	EMW-2009-FH-00281	97.083	<u>1,429,835</u>
Total U.S. Department of Homeland Security			<u>1,431,915</u>
Total Federal Financial Assistance			<u><u>\$5,955,227</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Note A – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the City’s federal award programs. The schedule has been prepared on the cash basis of accounting.

Note B – Community Development Block Grants (CDBG) Revolving Loan Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2012 is as follows:

Beginning loans receivables balance as of January 1, 2012:	\$1,758,635
Loans Made:	422,041
Loan principal repaid:	<u>(579,044)</u>
Ending loans receivable balances as of December 31, 2012:	\$1,601,632
Cash balance on hand in the revolving loan fund as of December 31, 2012:	\$ 519,386
Delinquent Amounts due as of 12/31/12:	\$ 0

Note C – HOME Investment Partnership Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

These loans are collateralized by equipment and mortgages.

Activity in the HOME revolving loan fund during 2012 is as follows:

Beginning loans receivables balance as of January 1, 2012:	\$4,038,630
Loans Made:	163,727
Loan principal repaid:	<u>(1,044,452)</u>
Ending loans receivable balances as of December 31, 2012:	\$3,157,905
Cash balance on hand in the revolving loan fund as of December 31, 2012:	\$1,485,721
Delinquent Amounts due as of 12/31/12:	\$ 0

Note D – Guarantee Loan Program

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants the money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

These loans are collateralized by equipment and mortgages.

Activity in the Guarantee revolving loan fund during 2012 is as follows:

Beginning loans receivables balance as of January 1, 2012:	\$1,646,602
Loans Made:	0
Loan principal repaid:	<u>(88,600)</u>
Ending loans receivable balances as of December 31, 2012:	\$1,558,002
Cash balance on hand in the revolving loan fund as of December 31, 2012:	\$ 97,726
Delinquent Amounts due as of 12/31/12:	\$ 0

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Note E – Subrecipients

The City passes-through certain Federal assistance received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash. The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

Note F – Matching

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.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133, Section .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list): Staffing for Adequate Fire and Emergency HOME Investment Partnerships Program	CFDA #97.083 #14.239
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS, (Cont.)
OMB CIRCULAR A-133, Section .505
DECEMBER 31, 2012**

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

Material Noncompliance

Finding Number: 2012-001

Criteria: Ohio Rev. Code Section 5705.14 states that no transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, except as follows: (E) Money may be transferred from the general fund to any other fund of the subdivision. Except in the case of transfer pursuant to division (E) of this section, transfers authorized by this section shall only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members.

Condition: As of December 31, 2012, the City had total transfers out of the General Fund to the Capital Projects Fund (\$500,000), Packard Music Hall Fund (\$150,000), Street Maintenance Fund (\$150,000), Downtown Parking Fund (\$63,000), Fire Pension Fund (\$7,455), and Police Pension Fund (\$8,409), Water Replacement Fund to the Waterworks Revenue Fund (\$200,000), Community Development Fund to the Guaranteed Loan Fund (\$78,622), Waterworks Revenue to Water Debt Service Reserve Fund (\$964,143), and Motor Vehicle Levy to Capital Projects (\$127,532) not specifically approved by City Council for the purpose of debt retirement payments, capital expenses, and general expenses.

Cause: The City did not properly obtain a vote of two-thirds of the City of Council members prior to transferring funds from special revenues funds or a majority vote for general fund transfers.

Effect: The City transferred money without approval, contrary to Ohio Revised Code.

Recommendation: We recommend the City obtain approval through City Council for all interfund transfers.

Management's Response: Management concurs and will obtain approval for transfers in future periods.

Material Noncompliance

Finding Number: 2012-002

Criteria: Ohio Rev. Code Section 5705.36(1) states that on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget is waived under section 5705.281 of the Revised Code, from each fund created by or no behalf of the taxing authority. (3) upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate or (4) 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, the fiscal officer shall certify an amended certificate with the commission.

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS, (Cont.)
OMB CIRCULAR A-133, Section .505
DECEMBER 31, 2012**

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

Finding Number: 2012-002(continued)

Condition: The City had the following material excesses with final estimated resources compared to actual resources for the following funds:

	Final Estimated Resources	Actual Resources	Estimated Resources Over (Under) Actual
General Fund	\$ 28,920,880	\$ 27,603,900	\$ 1,316,980
Community Development Block Grant	2,978,564	2,318,998	659,566
Street Maintenance	2,039,493	1,665,793	373,700
General Capital Projects	5,700,000	1,976,814	3,723,186
Sewer	9,060,541	8,448,122	612,419
Water	17,836,500	17,139,493	697,007

Cause: The City did not request reduced amended reduced certificates throughout the year upon notice of decreased resources.

Effect: Failure to monitor fluctuations in resources could result in appropriations exceeding actual resources and ultimately operating funds into negative fund balances.

Recommendation: We recommend the City review its available resources versus actual collections throughout the year and file amended reduced certificates when necessary.

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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

City of Warren
Trumbull County, Ohio
Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(b)
December 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2011-COW-001	Ohio Revised Code Section 5705.39, appropriations exceeding estimated resources.	Yes	
2011-COW-002	Ohio Revised Code Section 5705.36, requesting increased or reduced amended certificates of estimated resources.	No	Repeated as finding 2012-002

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CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2012**

DAVID N. GRIFFING, CITY AUDITOR

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, CITY AUDITOR

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

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INTRODUCTORY SECTION

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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CITY OF WARREN, OHIO

Finance Department

DAVID N. GRIFFING
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

CITY HALL
391 Mahoning Avenue
Warren, Ohio 44483
Telephone: (330) 841-2586
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June 24, 2013

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, 2012, 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. Rea & Associates, Inc. performed the audit for the year ended December 31, 2012. The City continues to receive an unqualified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2012 provided no instances of material weaknesses in the internal control structure and two instances of significant violations of applicable laws and regulations.

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

COMMUNITY PROFILE

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

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

The City of Warren, historic capital of the Connecticut Western Reserve and Trumbull County seat, was incorporated as a village in 1843 and attained city status in 1869. Located in northeast Ohio, the City is situated approximately fifty-two miles southeast of Cleveland and fourteen miles northwest of Youngstown, occupies a land area of 16.30 square miles, and serves a population of approximately 41,358 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. 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 basic financial statements (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 completed 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 completed in 2011. In 2012 construction began on the Morgandale project consisting of 10 units of senior housing and the YWCA was granted assistance to develop 12 units of permanent supportive housing in their building with construction set to begin in 2013.

\$68,000 in small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2012. These loans help retain 20 current jobs and create 1 new employment opportunity. 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. In 2012, the City started planning for the interior restoration of the Kinsman House with construction due to begin in 2013. 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 2012 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.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

As the local economy slowly recovers from the Great Recession, the City continues to explore options for reducing expenses and generating additional revenue. These actions are a function of the City's longstanding budget review policies set in place to ensure that the general fund expenditure levels are timely adjusted consistent with available and anticipated resources. The budget is the primary planning tool utilized to ensure that the City has sufficient resources to meet its operating and capital improvement requirements. The City's budgetary control program begins prior to the fiscal year with the preparation of a detailed specific-use budget based on line item justification by department heads. Budget performance reports are prepared and reviewed monthly by the finance department, deviations from budget are noted, and reports are submitted to department heads. Problem areas are anticipated and appropriate adjustments are made with a compromise of budget and management considerations.

Despite the vigorous budget review process to eliminate extraneous expenses, the City recognizes the need to supplement regular revenues with additional revenue streams in order to offset rising costs associated with health care and fuel price increases. To that end, the City continues to be aggressive in applying for grants and has employed a grants writer to assist with the application process. The City has also hired a collection agency to assist in the collection of outstanding money owed to the City. In addition, the City has contracted with the City of Cleveland to ensure the City's taxpayers are in compliance with the City tax code which has improved income tax collections over the last two years.

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2012, 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.

The Fire Department received a grant from Cleveland State University for confined space rescue, hazardous material response, and incident command for the eleventh consecutive year. This training contributes to the continuing education required to maintain the state certification of all firefighters.

The City of Warren passed a bond issue to allow the Fire Department to purchase a new rescue pump which will allow firefighters to perform their functions more efficiently. The rescue pump will be equipped with Jaws of Life, lighting system, extrication equipment, water rescue equipment in addition to the hose, pump, and water tank. The total cost is in excess of \$500,000.

In September of 2010, The City of Warren received a Staffing for Fire and Emergency Response by the Homeland Security and FEMA in the amount of \$4.9 million. This has allowed the Fire Department to decrease response times and make fire ground operations more efficient and safe. This grant was extended through May 2014.

PUBLIC WORKS

The City Engineering Department was responsible for several road projects that were completed in 2012. Resurfacing and reconstruction of a number of streets in the City was done with state and federal funds totaling \$7,795,000 with a required local share of \$719,000. Additionally, the Engineering Department was reimbursed their wages for the inspection and management of the grant projects during construction. The first phase of the Greenway Bike Trail was completed in 2012 with state and federal funds providing all of the \$1,246,300 needed for construction.

The department has five major road projects scheduled for 2013. The funding for these projects will come from grant funds from the state and federal governments totaling \$6,888,000. These projects are being funded from grants and with only \$410,000 in local funds being needed. The department has again secured reimbursement for their wages for the inspection and management of the project during construction. The second phase of the Greenway Bike Trail will be completed in 2013 with state and federal funds providing all of the \$1,750,000 needed for construction. The 2013 Riverwalk Projects will be completed with state and federal funds providing all of the \$1,100,000 needed for construction. This phase of the Riverwalk Project will include trails at several riverside parks and stone wall restoration at Packard Park.

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 continues to struggle, the average daily pumpage increased slightly to 12.505 MGD. Last year the five largest users showed some signs of a rebound. As a result the water department has 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. With the potential of bulk water sales to the oil and gas drilling industry the Department is investigating what infrastructure will be required at the Filtration Plant to ensure that there will not be any impact on our citizens and that will provide for revenue potential as this industry grows in our area.

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 14,600. 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.

The Department requested and received the support of Warren City Council to raise residential rates by \$1.50 per month in 2012 to offset the rise in fuel costs and the need to start a program to replace some of its vehicles. This should further reduce costs of fuel and maintenance and place the department in a better position to move forward into the future.

GENERAL GOVERNMENT

The Information Technology Department took an aggressive approach towards updating and adding technical systems in 2012. A Bond Issue was sought and achieved with a focus on migrating the City's major application software to a more modern and efficient platform. The new system will reduce expenses, enhance departmental communications, and provide additional access for a more open form of government.

In addition, the department rebuilt and re-launched the City web page. The site was reorganized and restructured. A new section was added in an attempt to spur economic development. Overall, the goal was to assure Warren had a worldwide presence, provide a fast and efficient way of researching this great City, and develop something to make this City proud and forward thinking.

The W. D. Packard Music Hall continues to rent its facilities and host a wide variety of events including free monthly Packard Band concerts. The City auditorium and theatre is a local landmark and community asset that represents yet another quality of life benefit to our City and the Mahoning Valley. It has operated continuously since October 15, 1955. The P.M.H. Foundation continues to partner with the Music Hall in its efforts to bring in additional events and assist with facility improvements.

The Music Hall had seventy clients representing 155 events, 54 rehearsals, and 32 meetings in 2012. This represents 282 event days, or approximately an 80% usage rate, after all event related work such as rehearsals, pre-production efforts, and building conversions are accounted for, leaving 84 "dark" days for scheduled days off, maintenance and repairs. Over 107,000 people attended and enjoyed the many entertainment, arts, and civic events hosted by the Hall this year. Recent upgrades to the Hall's production areas continue to successfully support not only local events but national touring acts.

The City is hopeful that the future development of the Marcellus Shale will benefit the City and the citizens within the community. There have been a few wells drilled in Trumbull County, but none within the City limits. The potential in the future could be substantial. The City did receive a signing bonus in 2012 for \$329,150 for mineral rights on certain City property. The hope is for royalties in the near future. Funds from the signing bonus were used as matching funds for the Attorney General's demolition program that will bring in excess of \$1.6 million to assist the City in tearing down vacated and abandoned homes throughout the City. This should increase the value of remaining properties and remove the worst of those properties creating issues to neighborhoods. The future revenues from royalties could reduce the burden, at least to some extent, on taxpayers of funding government services.

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, 2011. This was the tenth 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 first year replacing our former auditors after seven years. The firm of Rea & Associates, Inc. has done a great job of completing the process on time even after getting a late start due to the state's process of bidding out this engagement. Thanks to Morgan Helmick 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, 2012

ELECTED OFFICIALS

Executive Branch:

Mayor	William D. Franklin
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 L. Dean, Jr.
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	Gregory Bartholomew
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	James Valesky, Jr.
Council Member – At-Large	Helen Rucker
Council Member – At-Large	Daniel Sferra

APPOINTED OFFICIALS

Department of Public Safety:

Director of Public Safety	Enzo C. Cantalamessa
Police Chief	Timothy Bowers
Fire Chief	Kenneth Nussle

Department of Public Service:

Director of Public Service	Enzo C. Cantalamessa
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

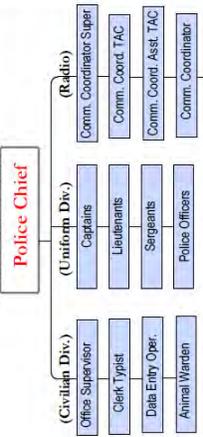
CITY of WARREN, OHIO

MAYOR

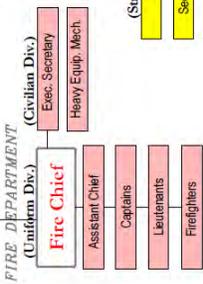
ADMINISTRATIVE



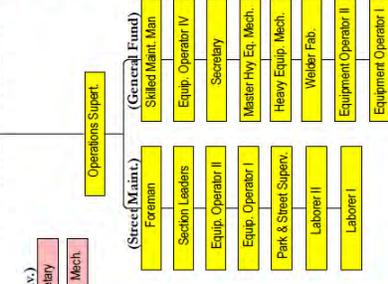
POLICE DEPARTMENT



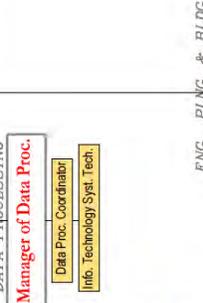
FIRE DEPARTMENT



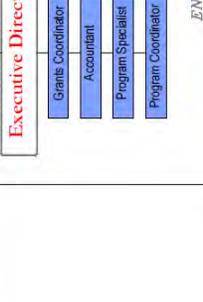
OPERATIONS DEPARTMENT



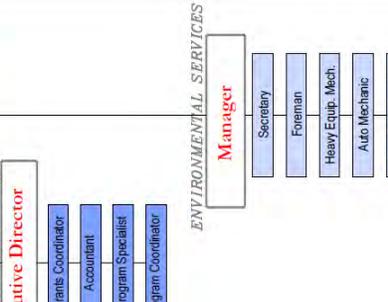
DATA PROCESSING



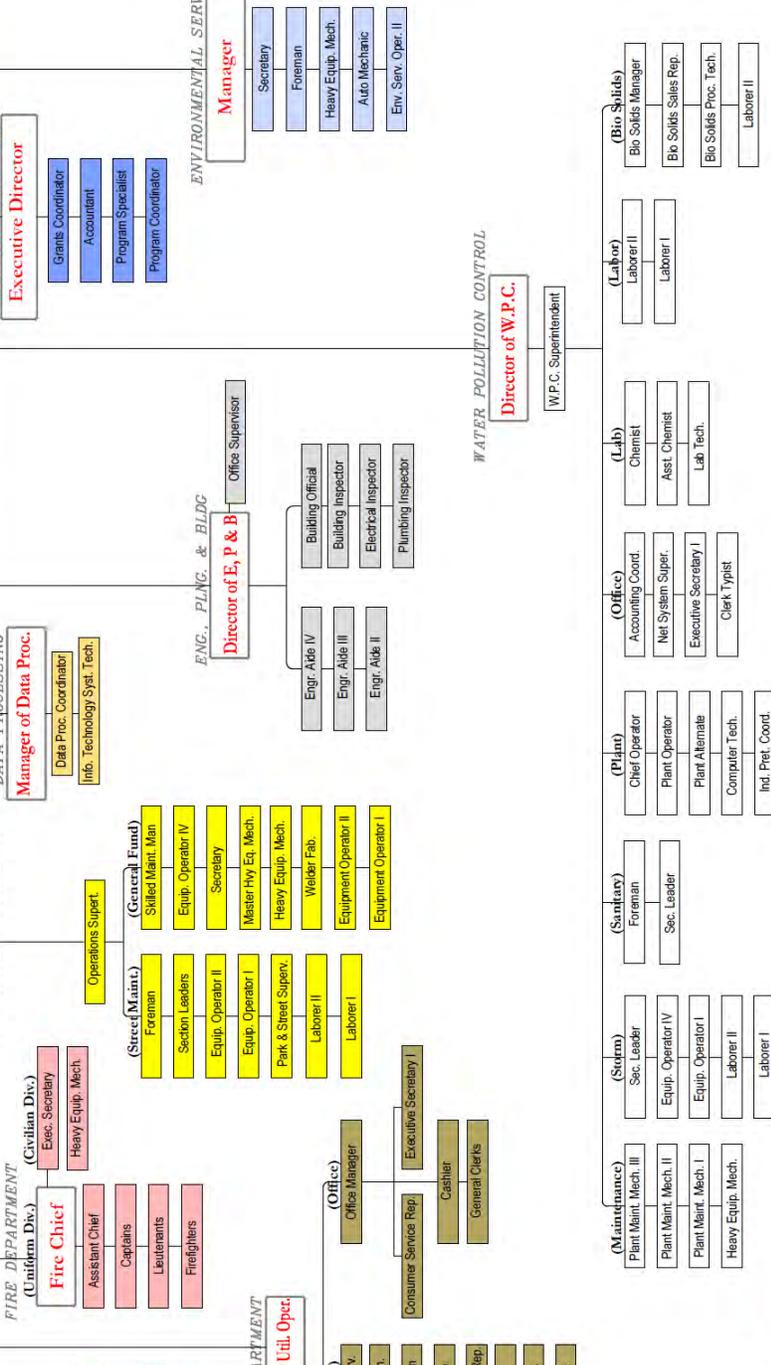
COMMUNITY DEVELOPMENT



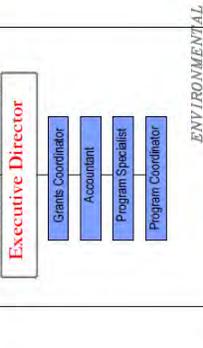
ENVIRONMENTAL SERVICES



WATER DEPARTMENT



WATER POLLUTION CONTROL



Organization Chart

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warren
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



Christopher P. Moivre

President

Jeffrey R. Enev

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

June 24, 2013

To the Honorable Mayor and City Council
City of Warren
Trumbull County, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Community Development Block Grant Fund, and the Home Investment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and as a result restated their December 31, 2011 net position of governmental activities and business-type activities; and enterprise funds water and sewer due to a reclassification of debt issuance costs as an expense in the period incurred rather than amortizing over the life of the debt. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5–18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

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CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (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, 2012. 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 2012 are as follows:

- The total net position of the City increased \$2,763,918. Net position of governmental activities increased \$1,628,540 or 2.89% from 2011 and net position of business-type activities increased \$1,135,378 or 3.55% from 2011.
- General revenues accounted for \$23,007,980 or 67.78% of total governmental activities revenue. Program specific revenues accounted for \$10,937,100 or 32.22% of total governmental activities revenue.
- The City had \$31,989,271 in expenses related to governmental activities; \$10,937,100 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$23,007,980 were adequate to provide for the remaining expenses of \$21,052,171.
- The general fund had revenues and other financing sources of \$27,691,956 in 2012. This represents a decrease of \$214,203 or 1.12% from 2011 revenues. The expenditures and other financing uses of the general fund, which totaled \$28,054,109 in 2012, increased \$1,058,221 or 3.92% from 2011. The net decrease in fund balance for the general fund was \$362,153 or 6.48%.
- The community development block grant fund, a major governmental fund, had revenues and other financing sources of \$1,848,516 and expenditures and other financing uses of \$2,306,613 in 2012. Fund balance decreased \$458,097 or 17.63%.
- The home investment fund, a major governmental fund, had revenues of \$1,072,363 and expenditures of \$1,063,651 in 2012, resulting in an increase in fund balance of \$8,712 or 0.19%.
- Net position 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 2012 by \$1,135,378.
- Total long-term obligations decreased \$5,632,242 or 12.53%. The City used currently available resources to both retire obligations as they became due during the year and also pay in advance portions of debt obligations in connection with the debt refunding undertaken in 2012.

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, 2012 (UNAUDITED)

The statement of net position 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 Position 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 2012?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, 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 *position* and changes in that position. This change in net position 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 position 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 position and statement of activities can be found on pages 19-21 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 12.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (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, community development block grant fund and home investment 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 22-28 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 29-35 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 only fiduciary fund type. The basic financial statement for the agency funds can be found on page 36 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 37-76 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table that follows provides a summary of the City's net position for 2012 and 2011. Net position for 2011 has been restated as described in Note 3.A.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Net Position

	Governmental Activities 2012	Business-type Activities 2012	Restated Governmental Activities 2011	Restated Business-type Activities 2011	2012 Total	2011 Total
<u>Assets</u>						
Current and other assets	\$ 30,064,980	\$ 9,529,507	\$ 30,600,543	\$ 9,848,297	\$ 39,594,487	\$ 40,448,840
Capital assets	43,918,355	51,666,478	43,488,262	53,800,840	95,584,833	97,289,102
Total assets	<u>73,983,335</u>	<u>61,195,985</u>	<u>74,088,805</u>	<u>63,649,137</u>	<u>135,179,320</u>	<u>137,737,942</u>
Deferred outflows	<u>27,438</u>	<u>199,337</u>	<u>58,795</u>	<u>47,338</u>	<u>226,775</u>	<u>106,133</u>
<u>Liabilities</u>						
Current liabilities	2,489,318	1,132,336	2,196,457	1,017,280	3,621,654	3,213,737
Long-term liabilities	<u>12,135,482</u>	<u>27,164,913</u>	<u>14,185,208</u>	<u>30,716,500</u>	<u>39,300,395</u>	<u>44,901,708</u>
Total liabilities	<u>14,624,800</u>	<u>28,297,249</u>	<u>16,381,665</u>	<u>31,733,780</u>	<u>42,922,049</u>	<u>48,115,445</u>
Deferred inflows	<u>1,383,575</u>	-	<u>1,392,077</u>	-	<u>1,383,575</u>	<u>1,392,077</u>
<u>Net position</u>						
Net investment in capital assets	42,910,889	25,997,973	41,689,055	24,563,803	68,908,862	66,252,858
Restricted	15,750,796	-	16,240,163	963,817	15,750,796	17,203,980
Unrestricted (deficit)	<u>(659,287)</u>	<u>7,100,100</u>	<u>(1,555,360)</u>	<u>6,435,075</u>	<u>6,440,813</u>	<u>4,879,715</u>
Total net position	<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 56,373,858</u>	<u>\$ 31,962,695</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$91,100,471, an increase of 3.13% from 2011.

The City's current assets decreased \$854,353 during 2012. This is primarily the result of decreased cash balances as the City used current resources to pay off its long-term obligations.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 70.71% of total assets, compared to 70.63% at December 31, 2011. Capital assets include land, easements, construction in progress (CIP), land improvements, buildings and improvements, computer software, furniture and equipment, vehicles and infrastructure. The City's net investment in capital assets at December 31, 2012, was \$42,910,889 and \$25,997,973 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.

Long-term liabilities decreased significantly for both the governmental activities and business-type activities, which is the result of the City paying in advance some of its long-term debt obligations in addition to the regularly scheduled payments due during the year.

A portion of the City's net position, \$15,750,796, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$659,287. In total, unrestricted net position increased \$1,561,098 or 31.99%.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

The table below shows the changes in net position for 2012 and 2011. Net position for 2011 has been restated as described in Note 3.A.

	Change in Net Position					
			Restated			
	Governmental Activities 2012	Business-type Activities 2012	Governmental Activities 2011	Business-type Activities 2011	2012 Total	2011 Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,621,972	\$ 24,143,248	\$ 4,691,494	\$ 25,033,301	\$ 28,765,220	\$ 29,724,795
Operating grants and contributions	5,023,120	-	5,974,388	-	5,023,120	5,974,388
Capital grants and contributions	<u>1,292,008</u>	<u>82,489</u>	<u>2,646,972</u>	<u>706,246</u>	<u>1,374,497</u>	<u>3,353,218</u>
Total program revenues	<u>10,937,100</u>	<u>24,225,737</u>	<u>13,312,854</u>	<u>25,739,547</u>	<u>35,162,837</u>	<u>39,052,401</u>
General revenues:						
Property taxes	1,183,261	-	1,470,583	-	1,183,261	1,470,583
Income taxes	16,968,167	-	17,292,458	-	16,968,167	17,292,458
Unrestricted grants and entitlements	4,115,473	-	4,750,099	-	4,115,473	4,750,099
Investment earnings	67,451	143	128,848	-	67,594	128,848
Miscellaneous	<u>673,628</u>	<u>339,037</u>	<u>834,099</u>	<u>416,949</u>	<u>1,012,665</u>	<u>1,251,048</u>
Total general revenues	<u>23,007,980</u>	<u>339,180</u>	<u>24,476,087</u>	<u>416,949</u>	<u>23,347,160</u>	<u>24,893,036</u>
Total revenues	<u>33,945,080</u>	<u>24,564,917</u>	<u>37,788,941</u>	<u>26,156,496</u>	<u>58,509,997</u>	<u>63,945,437</u>
Expenses:						
General government	5,841,107	-	5,614,737	-	5,841,107	5,614,737
Security of persons and property	16,753,174	-	16,860,682	-	16,753,174	16,860,682
Public health and welfare	634,143	-	615,238	-	634,143	615,238
Transportation	3,790,997	-	4,034,308	-	3,790,997	4,034,308
Community environment	1,758,742	-	1,797,152	-	1,758,742	1,797,152
Leisure time activity	482,998	-	453,413	-	482,998	453,413
Economic development	2,402,035	-	2,821,164	-	2,402,035	2,821,164
Interest and fiscal charges	266,413	-	312,812	-	266,413	312,812
Bond issuance costs	59,662	-	-	-	59,662	-
Sewer	-	6,684,587	-	7,130,457	6,684,587	7,130,457
Water	-	12,190,368	-	12,240,091	12,190,368	12,240,091
Sanitation	-	3,331,447	-	3,212,094	3,331,447	3,212,094
Packard Music Hall	-	657,521	-	563,301	657,521	563,301
City Redevelopment	-	46,689	-	45,514	46,689	45,514
Downtown Parking	-	131,147	-	145,216	131,147	145,216
Stormwater Utility	<u>-</u>	<u>715,049</u>	<u>-</u>	<u>760,294</u>	<u>715,049</u>	<u>760,294</u>
Total expenses	<u>31,989,271</u>	<u>23,756,808</u>	<u>32,509,506</u>	<u>24,096,967</u>	<u>55,746,079</u>	<u>56,606,473</u>
Increase (decrease) before transfers	1,955,809	808,109	5,279,435	2,059,529	2,763,918	7,338,964
Transfers	<u>(327,269)</u>	<u>327,269</u>	<u>(220,975)</u>	<u>220,975</u>	<u>-</u>	<u>-</u>
Change in net position	1,628,540	1,135,378	5,058,460	2,280,504	2,763,918	7,338,964
Net position at beginning of year (restated)	<u>56,373,858</u>	<u>31,962,695</u>	<u>51,315,398</u>	<u>29,682,191</u>	<u>88,336,553</u>	<u>80,997,589</u>
Net position at end of year	<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 56,373,858</u>	<u>\$ 31,962,695</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$1,628,540 in 2012, after increasing \$5,058,460 in 2011. Total revenues decreased \$3,843,861 or 10.17%. Most of this decrease is the result of significant reductions in operating grants and contributions, specifically for the community development block grant program, and capital grants and contributions from the Ohio Department of Transportation. Unrestricted grants and entitlements decreased as well which is primarily the result of reductions in local government assistance revenues from the State and the County.

In total, 2012 expenses were comparable to the prior year, decreasing a modest \$520,235 or 1.60%. Most of the decrease is attributable to spending on economic development programs, which for the City consists mainly of the community development block grant program.

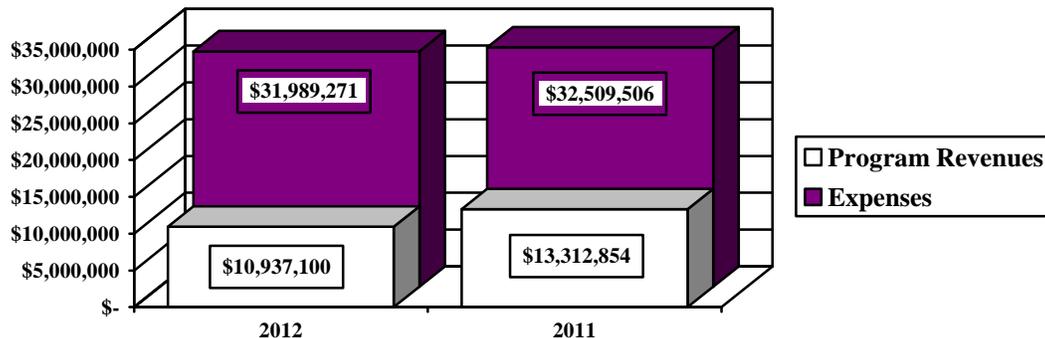
Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$16,753,174 and \$16,860,682 of the total expenses of the City during 2012 and 2011, respectively. These expenses were partially funded by \$1,739,425 in 2012 compared to \$1,827,410 in 2011 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$3,790,997 during 2012 and \$4,034,308 during 2011. In 2012, \$3,004,975 or 79.27% of these expenses were funded by charges to users of services and operating and capital grants and contributions.

The City received a total of \$5,023,120 and \$5,974,388 during 2012 and 2011, respectively, in operating grants and contributions. Capital grants and contributions totaled \$1,292,008 during 2012 and \$2,646,972 during 2011. These revenues are restricted to a particular program or purpose. \$2,983,225 or 47.24% of the total grants and contributions subsidized transportation programs in 2012.

General revenues totaled \$23,007,980, and amounted to 67.78% of total governmental revenues during 2012. These revenues primarily consist of property and income tax revenue of \$18,151,428. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$4,115,473. These revenues sources combine for 65.60% 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

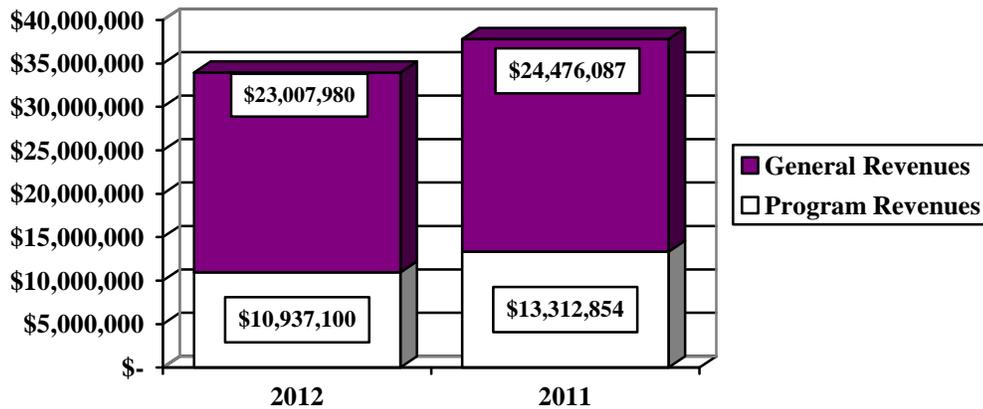
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

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 other general revenues.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2012	2012	2011	2011
Program Expenses:				
General government	\$ 5,841,107	\$ 4,227,312	\$ 5,614,737	\$ 4,283,279
Security of persons and property	16,753,174	14,851,510	16,860,682	14,916,488
Public health and welfare	634,143	432,345	615,238	421,836
Transportation	3,790,997	786,022	4,034,308	(711,866)
Community environment	1,758,742	964,664	1,797,152	1,098,929
Leisure time activity	482,998	448,965	453,413	435,770
Economic development	2,402,035	(984,722)	2,821,164	(1,560,596)
Interest and fiscal charges	266,413	266,413	312,812	312,812
Bond issuance costs	59,662	59,662	-	-
Total	\$ 31,989,271	\$ 21,052,171	\$ 32,509,506	\$ 19,196,652

The dependence upon general revenues for governmental activities is apparent, with 65.81% and 59.05% of expenses supported through taxes and other general revenues in 2012 and 2011, respectively. The decrease in program revenues, as described on page 10, led to an increased reliance upon general revenues in 2012.

Governmental Activities - General and Program Revenues



CITY OF WARREN, OHIO

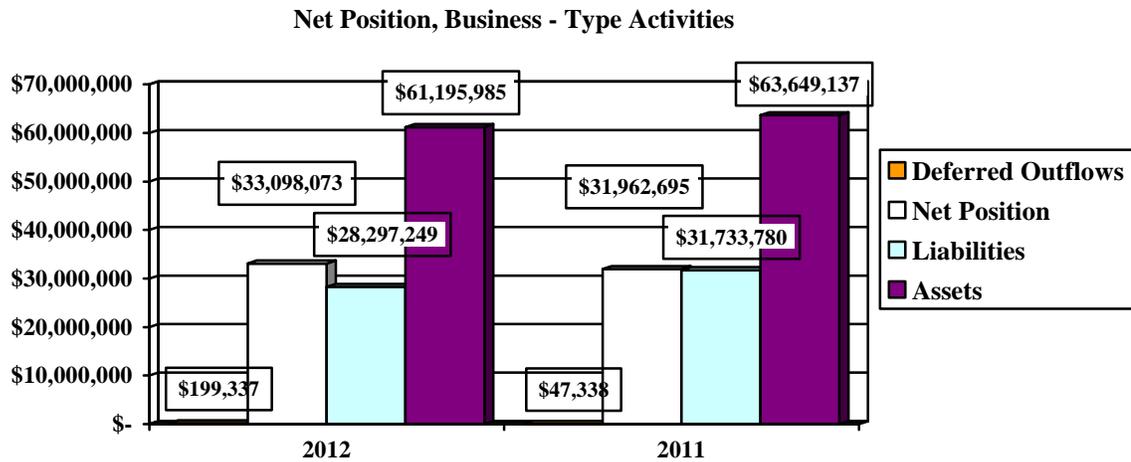
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater enterprise funds. In 2012 and 2011, these programs had program revenues of \$24,225,737 and \$25,739,547, respectively, and general revenues of \$339,180 and \$416,949, respectively. Total revenues for 2012 were \$24,564,917 which represents a decrease of 6.08% from 2011 revenues of \$26,156,496. The significant decrease in revenues is primarily the result of decreased sewer bulk rate services provided to other entities.

Total expenses for business-type activities were \$23,756,808 in 2012 compared to \$24,096,967 in 2011. This represents a decrease of 1.41%.

Net position for business-type activities increased \$1,135,378 or 3.55% from 2011. The graph below shows the business-type activities assets, deferred outflows, liabilities and net position at year-end. Net position for 2011 has been restated as described in Note 3.A.



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, unassigned 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 22) reported a combined fund balance of \$17,016,731 which is \$1,546,134 below last year's total of \$18,562,865. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2012 for all major and nonmajor governmental funds.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

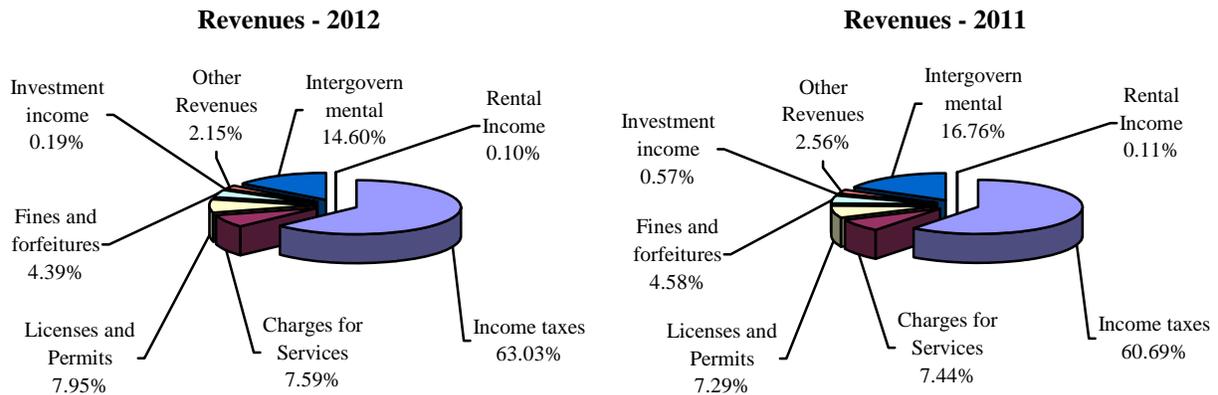
	<u>Fund Balances</u> 12/31/12	<u>Fund Balances</u> 12/31/11	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 5,223,130	\$ 5,585,283	\$ (362,153)
Community development block grant	2,139,846	2,597,943	(458,097)
Home investment	4,629,422	4,620,710	8,712
Nonmajor governmental funds	<u>5,024,333</u>	<u>5,758,929</u>	<u>(734,596)</u>
Total	<u>\$ 17,016,731</u>	<u>\$ 18,562,865</u>	<u>\$ (1,546,134)</u>

General Fund

The City's general fund balance decreased \$362,153. The table that follows assists in illustrating the revenues of the general fund.

	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Income taxes	\$ 17,080,705	\$ 16,996,981	0.49 %
Charges for services	2,056,824	2,083,620	(1.29) %
Licenses and permits	2,154,131	2,040,558	5.57 %
Fines and forfeitures	1,189,724	1,283,726	(7.32) %
Intergovernmental	3,955,753	4,692,931	(15.71) %
Investment income	50,754	159,212	(68.12) %
Rental income	26,274	31,653	(16.99) %
Other	<u>583,632</u>	<u>717,478</u>	(18.66) %
Total	<u>\$ 27,097,797</u>	<u>\$ 28,006,159</u>	(3.24) %

The most significant change in general fund revenues was for intergovernmental revenues, which accounted for approximately 81% of the net decrease in revenues. The decrease in intergovernmental revenues is primarily the result of continued reductions in local government support from the State and County.



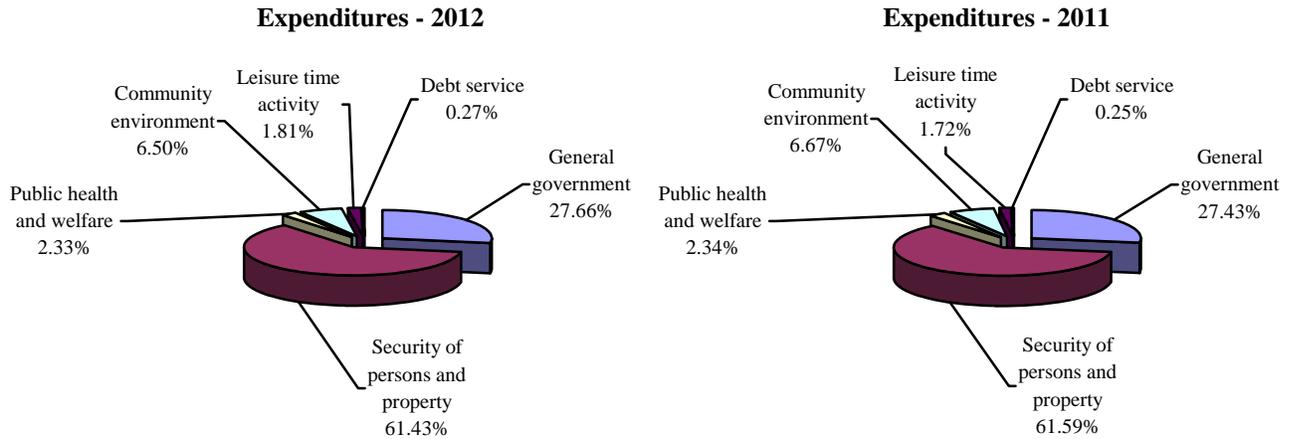
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

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

	<u>2012</u> Amount	<u>2011</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,515,876	\$ 7,279,132	3.25 %
Security of persons and property	16,694,826	16,338,976	2.18 %
Public health and welfare	631,915	621,583	1.66 %
Community environment	1,766,330	1,770,245	(0.22) %
Leisure time activity	493,165	456,404	8.05 %
Debt service	<u>73,133</u>	<u>66,548</u>	9.90 %
Total	<u>\$ 27,175,245</u>	<u>\$ 26,532,888</u>	2.42 %

As the preceding table shows, there were no significant increases or decreases in expenditures compared to the prior year. Expenditures increased slightly for most general fund functions, which is primarily the result of small increases in wages and benefits.



Community Development Block Grant Fund

The community development block grant fund accounts for State and federal grant monies used for housing improvement and development and is reported as a major fund. Expenditures and other financing sources of \$2,306,613 exceeded revenues and other financing sources of \$1,848,516, resulting in a decrease in fund balance of \$458,097. Fund balance at December 31, 2012 was \$2,139,846, all of which is reported as restricted for community developments and improvements.

Home Investment Fund

The home investment fund accounts for the administration of loans to local businesses and individuals under the City's Home Investment Partnership Program and is reported as a major fund. The home investment fund activity increased in 2012 as the City implemented additional programs funded by intergovernmental aid from Trumbull County. Revenues of \$1,072,363 exceeded expenditures of \$1,063,651, resulting in an increase in fund balance of \$8,712. Fund balance at December 31, 2012 was \$4,629,422 and loans receivable totaled \$3,157,905.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (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 operating revenues for the sewer fund were \$8,495,601 in 2012 compared to \$9,921,833 in 2011, a decrease of 14.37%. The sewer fund's bulk rate services provided to other governmental entities decreased in 2012 which is the main cause of the decrease in revenues. Despite this significant decrease, the sewer fund was able to report operating income of \$2,060,281. Operating expenses for the sewer fund decreased \$250,402 or 3.75%, which is primarily the result of lower costs of employee wages and benefits.

Water fund operating revenues of \$11,330,891 were comparable to the prior year, increasing 2.65%. Charges for services revenue increased \$296,570 or 2.76%. The water department also experienced a slight increase in operating expenses, which increased by \$135,679 or 1.21%. An increase in materials and supplies expense, which is due to the cost of water treatment chemicals, is the main factor in the increased expenses.

For the sanitation fund, operating revenues totaled \$3,338,702 in 2012. This represents an increase of 5.55% from 2011 operating revenues of \$3,163,044. Total operating expenses increased from \$3,207,651 in 2011 to \$3,354,005, an increase of 4.56%. Landfill and waste disposal fees, reported as contract services expenses, are the primary reason for the increase.

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.

The City amended its general fund budget several times throughout the year. Original budgeted revenues of \$27,431,350 were increased to \$28,920,880 in the final budget. Actual revenue collections were \$27,603,900 or \$1,316,980 less than the final budget. The largest variance was intergovernmental revenue, which was estimated at \$4,044,150 in the final budget. Actual collections were \$818,877 less than budgeted due to draw-downs on some of the budgeted grants that the City had not requested for reimbursement, or had not received prior to December 31, 2012.

For the general fund, original budgeted expenditures and other financing uses were \$27,571,634. The budget amendments throughout the year increased this amount to \$30,680,360 in the final budget. Actual expenditures and other financing sources were \$28,589,182 or \$2,091,178 below budget. All departments within the general fund were able to keep spending under budget. These variances were primarily due to lower expenditures for wages and benefits and contractual services.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the City had \$95,584,833 (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, \$43,918,355 was reported in governmental activities and \$51,666,478 was reported in business-type activities.

CITY OF WARREN, OHIO

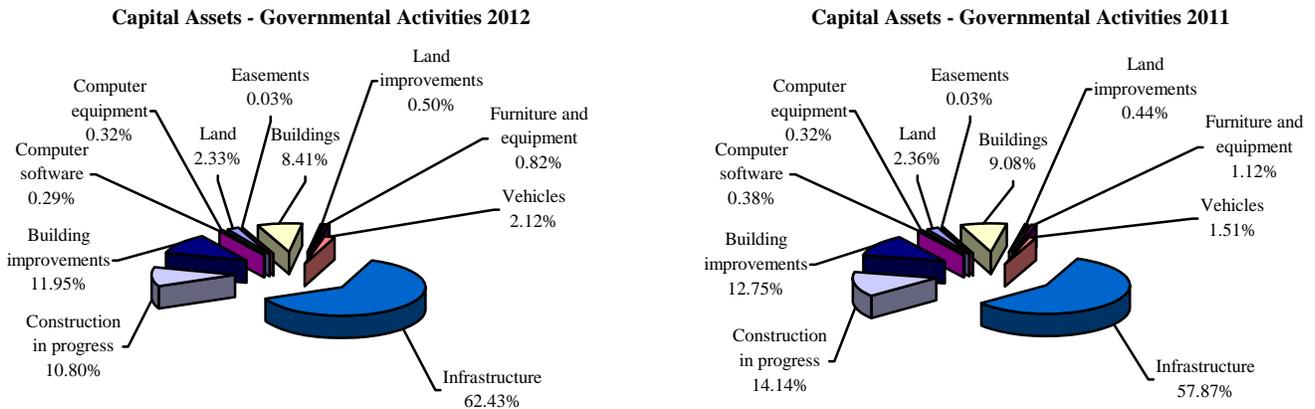
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

The following table shows 2012 balances compared to 2011:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	4,745,907	6,149,496	1,629,112	6,218,386	6,375,019	12,367,882
Land improvements	221,584	192,823	-	-	221,584	192,823
Buildings	3,692,024	3,947,416	6,078,996	5,903,332	9,771,020	9,850,748
Building improvements	5,248,149	5,546,396	10,581,645	8,982,279	15,829,794	14,528,675
Computer software	125,209	165,543	3,978	6,629	129,187	172,172
Computer equipment	141,747	139,180	36,016	37,988	177,763	177,168
Furniture and equipment	359,406	488,721	3,593,259	4,097,278	3,952,665	4,585,999
Vehicles	930,268	655,210	387,390	236,682	1,317,658	891,892
Infrastructure	<u>27,416,524</u>	<u>25,165,940</u>	<u>28,971,683</u>	<u>27,933,867</u>	<u>56,388,207</u>	<u>53,099,807</u>
Totals	\$ 43,918,355	\$ 43,488,262	\$ 51,666,478	\$ 53,800,840	\$ 95,584,833	\$ 97,289,102

The following graphs show the breakdown of governmental capital assets by category for 2012 and 2011:



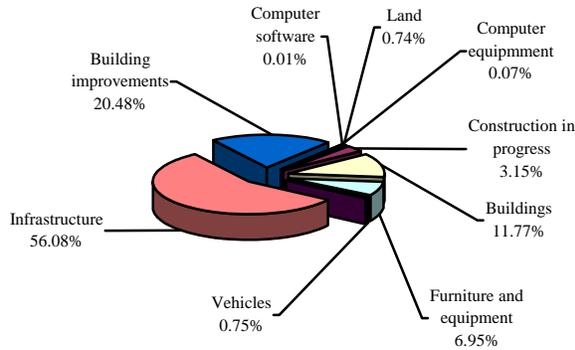
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 62.43% of the City's total governmental capital assets.

CITY OF WARREN, OHIO

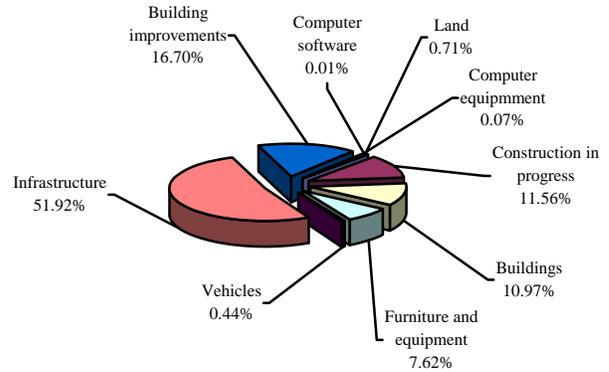
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2012 and 2011:

Capital Assets - Business-Type Activities 2012



Capital Assets - Business-Type Activities 2011



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 56.08% 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 following table summarizes the City's long-term obligations outstanding at December 31, 2012 and 2011. Additional detail can be found in Note 13 to the basic financial statements.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 3,611,929	\$ 1,533,091	\$ 6,695,533	\$ 1,131,689
Revenue bonds	-	-	-	7,330,000
Reinvestment partnership corporation loan	375,000	450,000	-	-
OWDA loans	-	-	18,881,084	20,800,593
HUD 108 loan	1,320,000	1,405,000	-	-
ODOD mortgage note	67,457	53,928	-	-
Police and fire pension liability	-	2,515,380	-	-
OPWC loan	192,423	205,251	51,225	53,022
Pollution remediation	-	713,804	-	-
Claims payable	1,480,729	2,132,701	-	-
Capital lease obligation	61,139	119,660	-	-
Compensated absences	5,026,805	5,056,393	1,537,071	1,432,125
Total long-term obligations	\$ 12,135,482	\$ 14,185,208	\$ 27,164,913	\$ 30,747,429

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2013 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 2013 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 2013 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 POSITION
DECEMBER 31, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 11,650,721	\$ 5,489,409	\$ 17,140,130
Investments	240,000	-	240,000
Receivables:			
Income taxes	4,181,568	-	4,181,568
Real and other taxes	1,893,649	-	1,893,649
Accounts	422,154	3,683,041	4,105,195
Intergovernmental	2,837,112	-	2,837,112
Loans receivable	6,317,539	-	6,317,539
Accrued interest	19,413	-	19,413
Special assessments	2,064,245	79,197	2,143,442
Internal balance	(230,918)	230,918	-
Materials and supplies inventory	3,538	46,942	50,480
Restricted assets:			
Equity in pooled cash and cash equivalents	665,959	-	665,959
Capital assets:			
Non-depreciable capital assets	5,783,444	2,013,511	7,796,955
Depreciable capital assets, net	38,134,911	49,652,967	87,787,878
Total capital assets, net	<u>43,918,355</u>	<u>51,666,478</u>	<u>95,584,833</u>
Total assets	<u>73,983,335</u>	<u>61,195,985</u>	<u>135,179,320</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	27,438	199,337	226,775
Total deferred outflows of resources	<u>27,438</u>	<u>199,337</u>	<u>226,775</u>
Liabilities:			
Accounts payable	221,438	288,673	510,111
Contracts payable	558,475	2,584	561,059
Accrued wages and benefits payable	473,753	167,590	641,343
Due to other governments	397,417	86,091	483,508
Accrued interest payable	39,941	347,398	387,339
Claims payable	798,294	-	798,294
Notes payable	-	240,000	240,000
Long-term liabilities:			
Due within one year	2,948,552	3,310,246	6,258,798
Due in more than one year	9,186,930	23,854,667	33,041,597
Total liabilities	<u>14,624,800</u>	<u>28,297,249</u>	<u>42,922,049</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,383,575	-	1,383,575
Total deferred inflows of resources	<u>1,383,575</u>	<u>-</u>	<u>1,383,575</u>
Net position:			
Net investment in capital assets	42,910,889	25,997,973	68,908,862
Restricted for:			
Debt service	1,996,713	-	1,996,713
Street maintenance	808,811	-	808,811
State highway	345,451	-	345,451
Law enforcement	345,503	-	345,503
Courts	1,315,547	-	1,315,547
Community developments and improvements	10,168,030	-	10,168,030
Police and fire pension	104,782	-	104,782
Public health	665,959	-	665,959
Unrestricted (deficit)	<u>(659,287)</u>	<u>7,100,100</u>	<u>6,440,813</u>
Total net position	<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 91,100,471</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,841,107	\$ 1,304,044	\$ -	\$ 309,751
Security of persons and property	16,753,174	1,739,425	162,239	-
Public health and welfare	634,143	201,798	-	-
Transportation	3,790,997	21,750	2,000,968	982,257
Community environment	1,758,742	794,078	-	-
Leisure time activity	482,998	34,033	-	-
Economic development	2,402,035	526,844	2,859,913	-
Interest and fiscal charges	266,413	-	-	-
Bond issuance costs	59,662	-	-	-
Total governmental activities	<u>31,989,271</u>	<u>4,621,972</u>	<u>5,023,120</u>	<u>1,292,008</u>
Business-type activities:				
Sewer	6,684,587	8,487,821	-	-
Water	12,190,368	11,042,614	-	-
Sanitation	3,331,447	3,323,515	-	-
Packard Music Hall	657,521	185,971	-	59,020
City Redevelopment	46,689	40,111	-	-
Downtown Parking	131,147	24,530	-	-
Stormwater Utility	715,049	1,038,686	-	23,469
Total business-type activities	<u>23,756,808</u>	<u>24,143,248</u>	<u>-</u>	<u>82,489</u>
Total primary government	<u>\$ 55,746,079</u>	<u>\$ 28,765,220</u>	<u>\$ 5,023,120</u>	<u>\$ 1,374,497</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

Total general revenues and transfers

Change in net position

Net position at beginning of year (restated) . .

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (4,227,312)	\$ -	\$ (4,227,312)
(14,851,510)	-	(14,851,510)
(432,345)	-	(432,345)
(786,022)	-	(786,022)
(964,664)	-	(964,664)
(448,965)	-	(448,965)
984,722	-	984,722
(266,413)	-	(266,413)
(59,662)	-	(59,662)
<u>(21,052,171)</u>	<u>-</u>	<u>(21,052,171)</u>
-	1,803,234	1,803,234
-	(1,147,754)	(1,147,754)
-	(7,932)	(7,932)
-	(412,530)	(412,530)
-	(6,578)	(6,578)
-	(106,617)	(106,617)
-	347,106	347,106
<u>-</u>	<u>468,929</u>	<u>468,929</u>
<u>(21,052,171)</u>	<u>468,929</u>	<u>(20,583,242)</u>
995,193	-	995,193
94,034	-	94,034
94,034	-	94,034
16,968,167	-	16,968,167
4,115,473	-	4,115,473
67,451	143	67,594
<u>673,628</u>	<u>339,037</u>	<u>1,012,665</u>
<u>23,007,980</u>	<u>339,180</u>	<u>23,347,160</u>
<u>(327,269)</u>	<u>327,269</u>	<u>-</u>
<u>22,680,711</u>	<u>666,449</u>	<u>23,347,160</u>
1,628,540	1,135,378	2,763,918
<u>56,373,858</u>	<u>31,962,695</u>	<u>88,336,553</u>
<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 91,100,471</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	<u>General</u>	<u>Community Development Block Grant</u>	<u>Home Investment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash, cash equivalents and investments	\$ 1,418,242	\$ 519,386	\$ 1,485,721	\$ 3,766,820	\$ 7,190,169
Receivables (net of allowance for uncollectibles):					
Income taxes	4,181,568	-	-	-	4,181,568
Real and other taxes	-	-	-	1,893,649	1,893,649
Accounts	353,355	35,080	-	33,150	421,585
Intergovernmental	1,905,567	9,975	-	921,570	2,837,112
Loans	-	1,601,632	3,157,905	1,558,002	6,317,539
Accrued interest	16,956	1,936	-	-	18,892
Special assessments	94,839	1,871,688	-	97,718	2,064,245
Materials and supplies inventory	3,538	-	-	-	3,538
Restricted assets:					
Equity in pooled cash and cash equivalents	665,959	-	-	-	665,959
Total assets	<u>\$ 8,640,024</u>	<u>\$ 4,039,697</u>	<u>\$ 4,643,626</u>	<u>\$ 8,270,909</u>	<u>\$ 25,594,256</u>
Liabilities:					
Accounts payable	\$ 120,689	\$ 11,239	\$ -	\$ 55,142	\$ 187,070
Contracts payable	-	11,210	14,204	533,061	558,475
Accrued wages and benefits payable	441,302	4,949	-	21,410	467,661
Compensated absences payable	156,131	-	-	16,709	172,840
Due to other governments	124,386	765	-	4,476	129,627
Total liabilities	<u>842,508</u>	<u>28,163</u>	<u>14,204</u>	<u>630,798</u>	<u>1,515,673</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	-	-	1,383,575	1,383,575
Delinquent property tax revenue not available	-	-	-	510,074	510,074
Accrued interest not available	11,469	-	-	-	11,469
Special assessments revenue not available	94,839	1,871,688	-	97,718	2,064,245
Income tax revenue not available	2,206,118	-	-	-	2,206,118
Intergovernmental revenue not available	261,960	-	-	624,411	886,371
Total deferred inflows of resources	<u>2,574,386</u>	<u>1,871,688</u>	<u>-</u>	<u>2,615,778</u>	<u>7,061,852</u>
Fund balances:					
Nonspendable	3,538	-	-	-	3,538
Restricted	665,959	2,139,846	4,629,422	5,516,344	12,951,571
Assigned	743,525	-	-	-	743,525
Unassigned (deficit)	3,810,108	-	-	(492,011)	3,318,097
Total fund balances	<u>5,223,130</u>	<u>2,139,846</u>	<u>4,629,422</u>	<u>5,024,333</u>	<u>17,016,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,640,024</u>	<u>\$ 4,039,697</u>	<u>\$ 4,643,626</u>	<u>\$ 8,270,909</u>	<u>\$ 25,594,256</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total governmental fund balances		\$	17,016,731
<i>Amounts reported for governmental activities on the statement of net position 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.			43,889,343
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	510,074	
Income taxes receivable		2,206,118	
Special assessments receivable		2,064,245	
Intergovernmental receivable		886,371	
Accrued interest receivable		11,469	
Total		5,678,277	5,678,277
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		(2,737,000)	
Loans payable		(1,887,423)	
Note payable		(67,457)	
Compensated absences payable		(4,782,322)	
Capital lease payable		(61,139)	
Total		(9,535,341)	(9,535,341)
On the statement of net position interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are accrued when due.			(38,766)
Unamortized deferred charges on refundings are not recognized in the funds.			27,438
Unamortized premiums on bond issuances are not recognized in the funds.			(65,805)
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 funds are included in governmental activities on the statement of net position.			1,261,439
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.			(230,918)
Net position of governmental activities		\$	58,002,398

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, 2012

	General	Community Development Block Grant	Home Investment	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes	\$ 17,080,705	\$ -	\$ -	\$ -	\$ 17,080,705
Property and other taxes.	-	-	-	1,356,637	1,356,637
Charges for services.	2,056,824	12,143	-	-	2,068,967
Licenses and permits	2,154,131	-	-	127,637	2,281,768
Fines and forfeitures	1,189,724	-	-	561,299	1,751,023
Intergovernmental.	3,955,753	1,753,154	958,884	3,721,164	10,388,955
Special assessments	-	25,327	-	10,569	35,896
Investment income.	50,754	29,803	40,978	3,936	125,471
Rental income	26,274	-	-	-	26,274
Other	583,632	14,560	72,501	89,405	760,098
Total revenues	<u>27,097,797</u>	<u>1,834,987</u>	<u>1,072,363</u>	<u>5,870,647</u>	<u>35,875,794</u>
Expenditures:					
Current:					
General government	7,515,876	-	-	98,545	7,614,421
Security of persons and property	16,694,826	-	-	701,191	17,396,017
Public health and welfare.	631,915	-	-	-	631,915
Transportation	-	-	-	1,661,599	1,661,599
Community environment	1,766,330	-	-	-	1,766,330
Leisure time activity	493,165	-	-	-	493,165
Economic development.	-	2,227,991	1,063,651	70	3,291,712
Capital outlay	-	-	-	2,681,709	2,681,709
Debt service:					
Principal retirement.	58,521	-	-	3,435,708	3,494,229
Interest and fiscal charges	5,353	-	-	251,569	256,922
Bond issuance costs	9,259	-	-	35,451	44,710
Total expenditures	<u>27,175,245</u>	<u>2,227,991</u>	<u>1,063,651</u>	<u>8,865,842</u>	<u>39,332,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(77,448)</u>	<u>(393,004)</u>	<u>8,712</u>	<u>(2,995,195)</u>	<u>(3,456,935)</u>
Other financing sources (uses):					
Bond issuance.	580,000	-	-	1,380,000	1,960,000
Note issuance	-	13,529	-	-	13,529
Transfers in	-	-	-	960,193	960,193
Transfers (out).	(878,864)	(78,622)	-	(127,523)	(1,085,009)
Premium on bond issuance	14,159	-	-	47,929	62,088
Total other financing sources (uses)	<u>(284,705)</u>	<u>(65,093)</u>	<u>-</u>	<u>2,260,599</u>	<u>1,910,801</u>
Net change in fund balances	(362,153)	(458,097)	8,712	(734,596)	(1,546,134)
Fund balances at beginning of year	<u>5,585,283</u>	<u>2,597,943</u>	<u>4,620,710</u>	<u>5,758,929</u>	<u>18,562,865</u>
Fund balances at end of year	<u>\$ 5,223,130</u>	<u>\$ 2,139,846</u>	<u>\$ 4,629,422</u>	<u>\$ 5,024,333</u>	<u>\$ 17,016,731</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances - total governmental funds \$ (1,546,134)

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, excluding internal service fund activity.

Capital asset additions	\$ 3,438,531	
Current year depreciation	<u>(2,840,109)</u>	
Total		598,422

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (144,089)

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

Delinquent property taxes	(173,376)	
Income taxes	(112,538)	
Special assessments	498,686	
Intergovernmental revenues	(110,071)	
Investment income	<u>5,607</u>	
Total		108,308

Proceeds of bonds and notes are reported as other financing sources 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 position. (1,973,529)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 3,494,229

Premiums on the issuance of bonds are recognized as other financing sources in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities. (62,088)

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

Decrease in accrued interest payable	18,006	
Amortization of bond premium	4,874	
Amortization of deferred charges on refunding	<u>(31,357)</u>	
Total		(8,477)

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	10,256	
Pollution remediation obligation	<u>713,804</u>	
Total		724,060

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, excluding internal balance activity of \$236,899, is allocated among the governmental activities. 437,838

Change in net position of governmental activities \$ 1,628,540

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 16,904,114	\$ 17,390,650	\$ 17,418,049	\$ 27,399
Charges for services.	2,231,765	2,296,000	2,143,579	(152,421)
Licenses and permits	2,106,569	2,167,200	2,162,996	(4,204)
Fines and forfeitures	1,249,536	1,285,500	1,206,181	(79,319)
Intergovernmental.	4,052,511	4,044,150	3,225,273	(818,877)
Investment income.	170,104	175,000	53,520	(121,480)
Rental income	34,021	35,000	26,009	(8,991)
Other	682,730	827,380	774,134	(53,246)
Total revenues	<u>27,431,350</u>	<u>28,220,880</u>	<u>27,009,741</u>	<u>(1,211,139)</u>
Expenditures:				
Current:				
General government	8,060,073	8,298,529	7,618,967	679,562
Security of persons and property	15,567,001	18,061,145	17,112,757	948,388
Public health and welfare.	658,412	685,845	657,907	27,938
Community environment	1,858,450	1,932,569	1,792,549	140,020
Leisure time activity	563,156	628,471	518,879	109,592
Debt service:				
Bond issuance costs.	-	9,259	9,259	-
Total expenditures.	<u>26,707,092</u>	<u>29,615,818</u>	<u>27,710,318</u>	<u>1,905,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>724,258</u>	<u>(1,394,938)</u>	<u>(700,577)</u>	<u>694,361</u>
Other financing sources (uses):				
Bond issuance.	-	580,000	580,000	-
Transfers in	-	120,000	-	(120,000)
Transfers (out).	(864,542)	(1,064,542)	(878,864)	185,678
Premium on bond issuance	-	-	14,159	14,159
Total other financing sources (uses)	<u>(864,542)</u>	<u>(364,542)</u>	<u>(284,705)</u>	<u>79,837</u>
Net change in fund balance	(140,284)	(1,759,480)	(985,282)	774,198
Fund balance at beginning of year.	2,312,001	2,312,001	2,312,001	-
Prior year encumbrances appropriated	140,284	140,284	140,284	-
Fund balance at end of year	<u>\$ 2,312,001</u>	<u>\$ 692,805</u>	<u>\$ 1,467,003</u>	<u>\$ 774,198</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)
 COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 75,540	\$ 150,000	\$ 233,242	\$ 83,242
Intergovernmental.	1,376,114	2,732,564	2,017,640	(714,924)
Special assessments	20,144	40,000	25,327	(14,673)
Investment income.	22,662	45,000	28,229	(16,771)
Other	5,540	11,000	14,560	3,560
Total revenues	<u>1,500,000</u>	<u>2,978,564</u>	<u>2,318,998</u>	<u>(659,566)</u>
Expenditures:				
Current:				
Economic development.	2,262,142	3,740,706	3,095,971	644,735
Debt service:				
Principal retirement.	1,500	1,500	-	1,500
Interest and fiscal charges	200	200	-	200
Total expenditures	<u>2,263,842</u>	<u>3,742,406</u>	<u>3,095,971</u>	<u>646,435</u>
Excess of expenditures over revenues	<u>(763,842)</u>	<u>(763,842)</u>	<u>(776,973)</u>	<u>(13,131)</u>
Other financing uses:				
Transfers out.	(78,622)	(78,622)	(78,622)	-
Total other financing uses	<u>(78,622)</u>	<u>(78,622)</u>	<u>(78,622)</u>	<u>-</u>
Net change in fund balance	(842,464)	(842,464)	(855,595)	(13,131)
Fund balance (deficit) at beginning of year	(46,052)	(46,052)	(46,052)	-
Prior year encumbrances appropriated	842,464	842,464	842,464	-
Fund balance (deficit) at end of year.	<u>\$ (46,052)</u>	<u>\$ (46,052)</u>	<u>\$ (59,183)</u>	<u>\$ (13,131)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 482,232	\$ 1,637,900	\$ 965,111	\$ (672,789)
Investment income.	-	-	4,863	4,863
Other	117,768	400,000	1,153,450	753,450
Total revenues	<u>600,000</u>	<u>2,037,900</u>	<u>2,123,424</u>	<u>85,524</u>
Expenditures:				
Current:				
Economic development	1,185,734	2,623,634	2,334,393	289,241
Total expenditures.	<u>1,185,734</u>	<u>2,623,634</u>	<u>2,334,393</u>	<u>289,241</u>
Net change in fund balance	(585,734)	(585,734)	(210,969)	374,765
Fund balance at beginning of year.	8,739	8,739	8,739	-
Prior year encumbrances appropriated . . .	585,734	585,734	585,734	-
Fund balance at end of year	<u>\$ 8,739</u>	<u>\$ 8,739</u>	<u>\$ 383,504</u>	<u>\$ 374,765</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sewer	Water	Sanitation	Nonmajor Funds	Total	
Assets:						
Current assets:						
Equity in pooled cash, cash equivalents and investments	\$ 2,230,479	\$ 1,839,995	\$ 168,210	\$ 1,250,725	\$ 5,489,409	\$ 4,460,552
Investments	-	-	-	-	-	240,000
Receivables (net of allowance for uncollectibles):						
Accounts	1,168,108	1,541,141	649,730	324,062	3,683,041	569
Special assessments	1,158	77,954	-	85	79,197	-
Accrued interest	-	-	-	-	-	521
Materials and supplies inventory	29,327	752	16,863	-	46,942	-
Total current assets	<u>3,429,072</u>	<u>3,459,842</u>	<u>834,803</u>	<u>1,574,872</u>	<u>9,298,589</u>	<u>4,701,642</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable capital assets	183,476	1,367,013	35,091	427,931	2,013,511	-
Depreciable capital assets, net	15,503,346	29,091,046	355,769	4,702,806	49,652,967	29,012
Total capital assets, net	<u>15,686,822</u>	<u>30,458,059</u>	<u>390,860</u>	<u>5,130,737</u>	<u>51,666,478</u>	<u>29,012</u>
Total noncurrent assets	<u>15,686,822</u>	<u>30,458,059</u>	<u>390,860</u>	<u>5,130,737</u>	<u>51,666,478</u>	<u>29,012</u>
Total assets	<u>19,115,894</u>	<u>33,917,901</u>	<u>1,225,663</u>	<u>6,705,609</u>	<u>60,965,067</u>	<u>4,730,654</u>
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding	22,091	177,246	-	-	199,337	-
Total deferred outflows of resources	<u>22,091</u>	<u>177,246</u>	<u>-</u>	<u>-</u>	<u>199,337</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable	90,534	104,798	85,008	8,333	288,673	34,368
Contracts payable	-	-	-	2,584	2,584	-
Accrued wages and benefits payable	52,224	87,989	18,475	8,902	167,590	6,092
Due to other governments	66,091	15,382	2,855	1,763	86,091	267,790
Claims payable	-	-	-	-	-	1,156,309
Notes payable	-	-	240,000	-	240,000	-
Current portion of general obligation bonds	573,000	550,000	-	-	1,123,000	70,000
Current portion of OWDA loans	934,201	721,975	-	-	1,656,176	-
Current portion of OPWC loans	-	-	-	1,797	1,797	-
Current portion of compensated absences	155,409	299,109	47,312	27,443	529,273	17,104
Accrued interest payable	129,014	217,863	521	-	347,398	1,175
Total current liabilities	<u>2,000,473</u>	<u>1,997,116</u>	<u>394,171</u>	<u>50,822</u>	<u>4,442,582</u>	<u>1,552,838</u>
Long-term liabilities:						
General obligation bonds payable	2,888	5,569,645	-	-	5,572,533	739,124
OWDA loans payable	6,696,298	10,528,610	-	-	17,224,908	-
OPWC loans payable	-	-	-	49,428	49,428	-
Claims payable	-	-	-	-	-	1,122,714
Compensated absences payable	251,265	587,268	63,379	105,886	1,007,798	54,539
Total long-term liabilities	<u>6,950,451</u>	<u>16,685,523</u>	<u>63,379</u>	<u>155,314</u>	<u>23,854,667</u>	<u>1,916,377</u>
Total liabilities	<u>8,950,924</u>	<u>18,682,639</u>	<u>457,550</u>	<u>206,136</u>	<u>28,297,249</u>	<u>3,469,215</u>
Net position:						
Net investment in capital assets	7,502,526	13,265,075	150,860	5,079,512	25,997,973	29,012
Unrestricted	<u>2,684,535</u>	<u>2,147,433</u>	<u>617,253</u>	<u>1,419,961</u>	<u>6,869,182</u>	<u>1,232,427</u>
Total net position	<u>\$ 10,187,061</u>	<u>\$ 15,412,508</u>	<u>\$ 768,113</u>	<u>\$ 6,499,473</u>	<u>32,867,155</u>	<u>\$ 1,261,439</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds					230,918	
Net position of business-type activities					<u>\$ 33,098,073</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Operating revenues:				
Charges for services	\$ 8,487,821	\$ 11,042,614	\$ 3,323,515	\$ 1,289,298
Other operating revenues	7,780	288,277	15,187	6,775
Total operating revenues.	<u>8,495,601</u>	<u>11,330,891</u>	<u>3,338,702</u>	<u>1,296,073</u>
Operating expenses:				
Personal services	2,758,347	5,868,709	1,125,560	773,086
Contract services.	1,172,654	715,561	1,608,036	213,418
Materials and supplies.	476,798	1,231,399	255,365	69,100
Administrative costs.	665,306	748,593	235,924	252,547
Utilities	489,396	504,068	10,524	65,863
Claims expense	-	-	-	-
Depreciation.	856,436	2,131,734	115,252	188,565
Other	16,383	178,314	3,344	4,058
Total operating expenses.	<u>6,435,320</u>	<u>11,378,378</u>	<u>3,354,005</u>	<u>1,566,637</u>
Operating income (loss)	<u>2,060,281</u>	<u>(47,487)</u>	<u>(15,303)</u>	<u>(270,564)</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(312,289)	(827,920)	(521)	-
Loss on sale of capital assets	-	(3,835)	-	-
Interest income.	-	143	-	-
Special assessments	17	20,998	-	3
Bond issuance costs.	-	(114,802)	-	-
Total nonoperating revenues (expenses).	<u>(312,272)</u>	<u>(925,416)</u>	<u>(521)</u>	<u>3</u>
Income (loss) before capital contributions and transfers	1,748,009	(972,903)	(15,824)	(270,561)
Transfers in	-	-	-	213,000
Transfers out	-	-	-	-
Capital contributions	-	-	-	196,758
Change in net position	1,748,009	(972,903)	(15,824)	139,197
Net position at beginning of year (restated) .	<u>8,439,052</u>	<u>16,385,411</u>	<u>783,937</u>	<u>6,360,276</u>
Net position at end of year	<u>\$ 10,187,061</u>	<u>\$ 15,412,508</u>	<u>\$ 768,113</u>	<u>\$ 6,499,473</u>

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

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,143,248	\$ 7,246,674
318,019	4,342
24,461,267	7,251,016
10,525,702	227,062
3,709,669	131,029
2,032,662	43,975
1,902,370	311,685
1,069,851	27,453
-	5,707,206
3,291,987	24,240
202,099	-
22,734,340	6,472,650
1,726,927	778,366
(1,140,730)	(1,014)
(3,835)	-
143	521
21,018	-
(114,802)	(14,952)
(1,238,206)	(15,445)
488,721	762,921
213,000	-
-	(88,184)
196,758	-
898,479	674,737
	586,702
	\$ 1,261,439
236,899	
\$ 1,135,378	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Cash flows from operating activities:				
Cash received from customers	\$ 8,439,645	\$ 10,730,212	\$ 3,306,953	\$ 1,262,297
Cash received from other operations	8,477	288,277	15,187	6,775
Cash payments for personal services	(2,721,506)	(5,789,213)	(1,137,170)	(730,462)
Cash payments for contractual services	(1,158,099)	(753,668)	(1,557,650)	(226,475)
Cash payments for materials and supplies	(463,028)	(1,246,917)	(257,394)	(67,130)
Cash payments for utilities	(489,396)	(504,068)	(10,524)	(67,840)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(665,306)	(748,593)	(235,924)	(252,547)
Cash payments for other expenses	(16,383)	(178,314)	(3,344)	(2,081)
Net cash provided by (used in) operating activities	<u>2,934,404</u>	<u>1,797,716</u>	<u>120,134</u>	<u>(77,463)</u>
Cash flows from noncapital financing activities:				
Cash received in transfers from other funds	-	-	-	213,000
Cash used in transfers to other funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,000</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(168,216)	(468,630)	(235,963)	(226,451)
Capital contributions	-	-	-	82,489
Bonds issued	-	5,975,000	-	-
Premium on bonds issued	-	145,861	-	-
Bond issuance costs	-	(114,802)	-	-
Payment to refunded bond escrow agent	-	(7,046,462)	-	-
Notes issued	-	-	240,000	-
Principal retirement	(1,832,009)	(1,150,000)	-	(1,797)
Interest and fiscal charges	(344,864)	(817,740)	-	-
Net cash provided by (used in) capital and related financing activities	<u>(2,345,089)</u>	<u>(3,476,773)</u>	<u>4,037</u>	<u>(145,759)</u>
Cash flows from investing activities:				
Interest received	-	143	-	-
Net cash provided by investing activities	<u>-</u>	<u>143</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	589,315	(1,678,914)	124,171	(10,222)
Cash and cash equivalents at beginning of year	1,641,164	3,518,909	44,039	1,260,947
Cash and cash equivalents at end of year	<u><u>\$ 2,230,479</u></u>	<u><u>\$ 1,839,995</u></u>	<u><u>\$ 168,210</u></u>	<u><u>\$ 1,250,725</u></u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 23,739,107	\$ 7,251,140
318,716	4,342
(10,378,351)	(223,704)
(3,695,892)	(132,135)
(2,034,469)	(10,227)
(1,071,828)	(27,453)
-	(6,450,829)
(1,902,370)	(330,444)
(200,122)	-
<u>4,774,791</u>	<u>80,690</u>
213,000	-
-	(88,184)
<u>213,000</u>	<u>(88,184)</u>
(1,099,260)	-
82,489	-
5,975,000	790,000
145,861	19,285
(114,802)	(14,952)
(7,046,462)	-
240,000	-
(2,983,806)	-
(1,162,604)	-
<u>(5,963,584)</u>	<u>794,333</u>
143	-
143	-
(975,650)	786,839
6,465,059	3,913,713
<u>\$ 5,489,409</u>	<u>\$ 4,700,552</u>

- - Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,060,281	\$ (47,487)	\$ (15,303)	\$ (270,564)
Adjustments:				
Depreciation.	856,436	2,131,734	115,252	188,565
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory.	4,999	(295)	(203)	-
(Increase) decrease in accounts receivable	(47,479)	(312,402)	(16,562)	(27,001)
Increase (decrease) in accounts payable.	43,567	(55,299)	48,560	(9,497)
(Decrease) in contracts payable	-	-	-	(4,481)
Increase (decrease) in accrued wages and benefits	17,867	15,981	3,660	(6,976)
Increase (decrease) in due to other governments	(19,433)	4,432	566	(1,112)
Increase (decrease) in compensated absences payable	18,166	61,052	(15,836)	53,603
(Decrease) in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,934,404</u>	<u>\$ 1,797,716</u>	<u>\$ 120,134</u>	<u>\$ (77,463)</u>

Non-cash capital transactions:

At December 31, 2012 and December 31, 2011, the water fund purchased \$11,784 and \$29,520, respectively, in capital assets on account.

At December 31, 2012, the sanitation fund purchased \$4,261 in capital assets on account.

At December 31, 2012 and December 31, 2011, the nonmajor enterprise funds purchased \$2,584 and \$41,178, respectively, in capital assets on account.

The nonmajor enterprise funds received a transfer of capital assets from the governmental activities in the amount of \$114,269 in 2012.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,726,927	\$ 778,366
3,291,987	24,240
4,501	-
(403,444)	4,466
27,331	32,642
(4,481)	-
30,532	3,516
(15,547)	(18,603)
116,985	(314)
<u>-</u>	<u>(743,623)</u>
<u>\$ 4,774,791</u>	<u>\$ 80,690</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2012

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 793,465
Cash with fiscal and escrow agents.	519,035
Accounts receivable.	<u>66,853</u>
Total assets	<u>\$ 1,379,353</u>
Liabilities:	
Due to other governments	\$ 1,060,321
Deposits held and due to others.	<u>319,032</u>
Total liabilities.	<u>\$ 1,379,353</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, 2012

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'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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds, 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water, sanitation, the Packard Music Hall, City redevelopment, downtown parking, and stormwater operations and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The agency funds do not report a measurement focus as they do not report operations.

C. Fund Accounting

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

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

The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Community development block grant fund - This fund accounts 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.

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.

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

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

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

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

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

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

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

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

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - 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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. 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, 2012, are recorded as deferred inflows in governmental funds.

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

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.

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 2012.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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, Cash Equivalents and Investments

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

During 2012, investments were limited to repurchase agreements, federal agency securities, City of Warren notes and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

The City has invested funds in STAR Ohio during 2012. 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, 2012.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2012, interest revenue in the general fund amounted to \$50,754 which includes \$44,530 assigned from other City funds.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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 position, 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 nonspendable fund balance 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 position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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 Bond Premiums/Accounting Gain or Loss

Bond premiums are 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, 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, bond premiums and deferred charges from refunding are recognized in the current period.

M. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Restricted Assets

The City reports assets being held in accordance with a trust agreement to invest and manage funds related to the capping of the Warren Hills landfill site as restricted assets in the general fund.

P. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

Q. Capital Contributions

Capital contributions in proprietary fund financial statements arise from 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

R. Net Position

Net position represents the difference between assets plus deferred outflows less liabilities less deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had the following effect on the financial statements of the City:

	Governmental	Business-type	Enterprise Funds	
	<u>Activities</u>	<u>Activities</u>	<u>Sewer</u>	<u>Water</u>
Net assets as previously reported	\$ 56,401,301	\$ 32,088,816	\$ 8,456,105	\$ 16,494,479
Removal of unamortized bond issuance costs	<u>(27,443)</u>	<u>(126,121)</u>	<u>(17,053)</u>	<u>(109,068)</u>
Net position at January 1, 2012	<u>\$ 56,373,858</u>	<u>\$ 31,962,695</u>	<u>\$ 8,439,052</u>	<u>\$ 16,385,411</u>

B. Deficit Fund Balance/Net Position

Fund balances and net position at December 31, 2012 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor governmental fund:</u>	
General capital projects	\$ 492,011
<u>Internal service fund:</u>	
Workers' compensation	351,535

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

C. Compliance

The City had estimated resources in excess of actual resources at year end and throughout the year in noncompliance with Ohio Revised Code Section 5705.36. The City also transferred various amounts between funds without obtaining proper specific approval from City Council as required by Ohio Revised Code Section 5705.14.

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:

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

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;

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2012, the carrying amount of all City deposits was \$10,389,606, exclusive of the \$3,692,878 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, 2012, \$699,566 of the City's bank balance of \$10,901,701 was exposed to custodial risk as discussed below, while \$10,202,135 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.

B. Investments

As of December 31, 2012, 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 Farm Credit Bank	\$ 4,005,380	\$ -	\$ -	\$ -	\$ 2,003,740	\$ 2,001,640
Federal Home Loan Bank	1,000,050	-	-	-	-	1,000,050
STAR Ohio	30,675	30,675	-	-	-	-
Repurchase agreements	3,692,878	3,692,878	-	-	-	-
City of Warren Notes	240,000	-	240,000	-	-	-
Total	\$ 8,968,983	\$ 3,723,553	\$ 240,000	\$ -	\$ 2,003,740	\$ 3,001,690

The weighted average maturity of investments is 1.27 years.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreements, were rated AA+ 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 \$3,692,878 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.

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, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Federal Farm Credit Bank	\$ 4,005,380	44.66
Federal Home Loan Bank	1,000,050	11.15
STAR Ohio	30,675	0.34
Repurchase agreements	3,692,878	41.17
City of Warren Notes	<u>240,000</u>	<u>2.68</u>
Total	<u>\$ 8,968,983</u>	<u>100.00</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 10,389,606
Investments	<u>8,968,983</u>
Total	<u>\$ 19,358,589</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 12,556,680
Business-type activities	5,489,409
Agency funds	<u>1,312,500</u>
Total	<u>\$ 19,358,589</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2012, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to:</u>		<u>Total</u>
	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ 665,864	\$ 213,000	\$ 878,864
Community development block grant	78,622	-	78,622
Nonmajor governmental	127,523	-	127,523
Internal service	<u>88,184</u>	<u>-</u>	<u>88,184</u>
Total	<u>\$ 960,193</u>	<u>\$ 213,000</u>	<u>\$ 1,173,193</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.

Transfers between nonmajor governmental funds consisted of transfers from the motor vehicle levy fund to the general capital projects fund in the amount of \$127,523 for capital expenditures. The transfer from the community development block grant fund transferred \$78,622 to the guaranteed loan fund, a nonmajor governmental fund, in order to cover a debt payment. Transfers of \$88,184 from the data processing internal service fund to the debt service nonmajor governmental fund were required in order to pay for debt payments.

Transfers reported in the statement of activities also include a \$114,269 capital asset transfer from the governmental activities to the business-type activities.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6 - PROPERTY TAXES

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 proceeding 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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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, 2012 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 2012 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow.

The assessed value upon which the 2011 levy (collected in 2012) was based was \$398,051,570. 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, 2012. Income tax revenue for 2012 reported in the general fund was \$17,080,705.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2012, consisted of taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2012. The only receivables not expected to be collected in the subsequent year are special assessments which are collected over the life of the assessment.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 8 - RECEIVABLES - (Continued)

Receivables have been disaggregated on the face of the BFS. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Income taxes	\$ 4,181,568
Real and other taxes	1,893,649
Accounts	422,154
Accrued interest	19,413
Special assessments	2,064,245
Intergovernmental	2,837,112

Business-type activities:

Accounts	3,683,041
Special assessments	79,197

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 0 and 9 percent and are to be repaid over a period ranging from 2 to 40 years.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Easements	13,353	-	-	13,353
Construction in progress	6,149,496	2,953,860	(4,357,449)	4,745,907
Total capital assets, not being depreciated	<u>7,187,033</u>	<u>2,953,860</u>	<u>(4,357,449)</u>	<u>5,783,444</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	770,807	50,000	-	820,807
Buildings	10,958,391	-	-	10,958,391
Building improvements	7,274,482	-	-	7,274,482
Computer software	562,446	20,700	-	583,146
Computer equipment	1,132,803	71,368	(24,217)	1,179,954
Furniture and equipment	1,890,218	-	(62,745)	1,827,473
Vehicles	4,906,374	392,603	(333,149)	4,965,828
Infrastructure	48,590,549	4,193,180	-	52,783,729
Total capital assets, being depreciated	<u>76,086,070</u>	<u>4,727,851</u>	<u>(420,111)</u>	<u>80,393,810</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(577,984)	(21,239)	-	(599,223)
Buildings	(7,010,975)	(255,392)	-	(7,266,367)
Building improvements	(1,728,086)	(298,247)	-	(2,026,333)
Computer software	(396,903)	(61,034)	-	(457,937)
Computer equipment	(993,623)	(68,801)	24,217	(1,038,207)
Furniture and equipment	(1,401,497)	(99,495)	32,925	(1,468,067)
Vehicles	(4,251,164)	(117,545)	333,149	(4,035,560)
Infrastructure	(23,424,609)	(1,942,596)	-	(25,367,205)
Total accumulated depreciation	<u>(39,784,841)</u>	<u>(2,864,349)</u>	<u>390,291</u>	<u>(42,258,899)</u>
Total capital assets, being depreciated, net	<u>36,301,229</u>	<u>1,863,502</u>	<u>(29,820)</u>	<u>38,134,911</u>
Governmental activities capital assets, net	<u>\$ 43,488,262</u>	<u>\$ 4,817,362</u>	<u>\$ (4,387,269)</u>	<u>\$ 43,918,355</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>6,218,386</u>	<u>696,797</u>	<u>(5,286,071)</u>	<u>1,629,112</u>
Total capital assets, not being depreciated	<u>6,602,785</u>	<u>696,797</u>	<u>(5,286,071)</u>	<u>2,013,511</u>
<i>Capital assets, being depreciated:</i>				
Buildings	54,738,257	983,211	-	55,721,468
Building improvements	12,837,508	2,539,650	-	15,377,158
Water and sewer lines	50,100,422	1,763,210	-	51,863,632
Computer software	47,874	-	-	47,874
Computer equipment	178,565	-	(70,039)	108,526
Furniture and equipment	8,169,919	156,844	(17,457)	8,309,306
Vehicles	<u>3,715,673</u>	<u>307,819</u>	<u>(213,246)</u>	<u>3,810,246</u>
Total capital assets, being depreciated	<u>129,788,218</u>	<u>5,750,734</u>	<u>(300,742)</u>	<u>135,238,210</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(48,834,925)	(807,547)	-	(49,642,472)
Building improvements	(3,855,229)	(940,284)	-	(4,795,513)
Water and sewer lines	(22,166,555)	(725,394)	-	(22,891,949)
Computer software	(41,245)	(2,651)	-	(43,896)
Computer equipment	(140,577)	(1,972)	70,039	(72,510)
Furniture and equipment	(4,072,641)	(657,028)	13,622	(4,716,047)
Vehicles	<u>(3,478,991)</u>	<u>(157,111)</u>	<u>213,246</u>	<u>(3,422,856)</u>
Total accumulated depreciation	<u>(82,590,163)</u>	<u>(3,291,987)</u>	<u>296,907</u>	<u>(85,585,243)</u>
Total capital assets, being depreciated, net	<u>47,198,055</u>	<u>2,458,747</u>	<u>(3,835)</u>	<u>49,652,967</u>
Business-type activities capital assets, net	<u>\$ 53,800,840</u>	<u>\$ 3,155,544</u>	<u>\$ (5,289,906)</u>	<u>\$ 51,666,478</u>

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

Governmental activities:

General government	\$ 400,655
Security of persons and property	186,150
Public health and welfare	1,647
Transportation	2,151,384
Economic development	100,273
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>24,240</u>
Total depreciation expense - governmental activities	<u>\$ 2,864,349</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

Business-type activities:

Sewer	\$ 856,436
Water	2,131,734
Sanitation	115,252
Packard Music Hall	117,122
City redevelopment	14,791
Downtown parking	48,059
Stormwater utility	<u>8,593</u>
Total depreciation expense - business-type activities	<u>\$ 3,291,987</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, 2012, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$2,823,519 and vested benefits for sick leave totaled \$2,203,286. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$659,617 and vested benefits for sick leave totaled \$877,454 at December 31, 2012. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 12 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

In prior years, the City entered into capitalized leases for a fire truck. The lease agreements meets the criteria of a capital lease as defined by GASB Statement No. 62, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments 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 vehicles have been capitalized on the statement of net position in the amount of \$528,720, which represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position. Accumulated depreciation at December 31, 2012 was \$528,720, therefore the net book value of the assets acquired under the lease is zero. Principal payments during 2012 amounted to \$58,521 paid by the general fund.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - LEASES - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2012:

<u>Year Ended</u>	<u>Amount</u>
2013	\$ 63,874
Total	63,874
Less: amount representing interest	<u>(2,735)</u>
Present value of net minimum lease payments	<u>\$ 61,139</u>

B. 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.

The carrying value of the property follows:

	<u>Land</u>	<u>Building</u>
Asset	\$ 9,000	\$ 219,756
Less: accumulated depreciation	<u>-</u>	<u>(107,131)</u>
Total	<u>\$ 9,000</u>	<u>\$ 112,625</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

At December 31, 2011, the long-term liabilities of the governmental activities were restated to exclude deferred charges on the refunding of general obligation bonds in the amount of \$58,795. These deferred charges are now reported on the statement of net position under deferred outflows of resources. During 2012, the following changes occurred in governmental activities long-term obligations:

Governmental activities:	<u>Interest Rate</u>	<u>Maturity Date</u>	(Restated) Balance <u>12/31/11</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/12</u>	Amounts Due in <u>One Year</u>
<u>General obligation bonds</u>							
Various purpose refunding, series 2003	2.0-4.0%	12/1/2013	\$ 1,381,500	\$ -	\$ (677,500)	\$ 704,000	\$ 704,000
Various purpose, series 2003	2.0-2.4%	12/1/2013	143,000	-	(70,000)	73,000	73,000
Various purpose, series 2012	2.0-2.25%	12/1/2022	-	1,370,000	-	1,370,000	125,000
Pension refunding, series 2012	1.5-3.5%	12/1/2035	-	1,380,000	-	1,380,000	45,000
Total general obligations bonds			<u>1,524,500</u>	<u>2,750,000</u>	<u>(747,500)</u>	<u>3,527,000</u>	<u>947,000</u>
<u>Other long-term obligations</u>							
Reinvestment partnership							
corporation loan	1.66-2.66%	8/1/2016	450,000	-	(75,000)	375,000	85,000
HUD 108 loan	5.28%	8/1/2022	1,405,000	-	(85,000)	1,320,000	95,000
Ohio Department of Development mortgage note	4.00%	11/1/2015	53,928	13,529	-	67,457	22,249
Police and fire pension liability		5/1/2035	2,515,380	-	(2,515,380)	-	-
OPWC loan		7/1/2027	205,251	-	(12,828)	192,423	12,828
Pollution remediation obligation			713,804	-	(713,804)	-	-
Claims payable			2,132,701	6,813	(658,785)	1,480,729	358,015
Capital lease obligation			119,660	-	(58,521)	61,139	61,139
Compensated absences			5,056,393	1,376,042	(1,405,630)	5,026,805	1,367,321
Total other long-term obligations			<u>12,652,117</u>	<u>1,396,384</u>	<u>(5,524,948)</u>	<u>8,523,553</u>	<u>2,001,552</u>
Total governmental activities long-term obligations			14,176,617	<u>\$ 4,146,384</u>	<u>\$ (6,272,448)</u>	12,050,553	<u>\$ 2,948,552</u>
Add: Unamortized premium on bond issue			<u>8,591</u>			<u>84,929</u>	
Total reported on the statement of net position			<u>\$ 14,185,208</u>			<u>\$ 12,135,482</u>	

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

Compensated Absences - Compensated absences will be paid from the fund which the employees' salaries are paid. The payments will be made primarily from the general fund and the street maintenance and community development block grant nonmajor governmental funds.

Police and Fire Pension Liability - The City incurred the police and fire pension liability when the State of Ohio established the statewide system for police and firefighters in 1967. The liability was refunded in 2012 with the issuance of the pension refunding bonds, series 2012.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds:

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

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

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 position. The principal balance of the general obligation various purpose refunded bonds at December 31, 2012 was \$745,000.

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%.

On December 4, 2012, the City issued various purpose general obligation bonds in the amount of \$1,370,000 to finance the acquisition of a fire truck and computer system improvements. The issue is comprised of serial bonds with an annual interest rate ranging from 2.00% - 2.25% and a final maturity date of December 1, 2022. A portion of the debt issue will be repaid from the data processing internal service fund.

Also on December 4, 2012, the City issued the pension refunding bonds to retire, together with money available in the police and fire pension nonmajor governmental funds, the City's police and fire pension liability. The issue is comprised of \$185,000 serial bonds and \$1,195,000 term bonds. The serial bonds bear an annual interest rate of 1.50% and mature December 1, 2016, and the term bonds bear an annual interest rate ranging from 2.00% - 3.50% and mature December 1, 2035.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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
2013	\$ 947,000	\$ 95,880	\$ 1,042,880
2014	175,000	63,739	238,739
2015	175,000	60,464	235,464
2016	180,000	57,189	237,189
2017	185,000	53,839	238,839
2018 - 2022	980,000	211,745	1,191,745
2023 - 2027	300,000	127,465	427,465
2028 - 2032	350,000	75,902	425,902
2033 - 2035	<u>235,000</u>	<u>16,625</u>	<u>251,625</u>
Total	<u>\$ 3,527,000</u>	<u>\$ 762,848</u>	<u>\$ 4,289,848</u>

Reinvestment Partnership Corporation Loan - On April 29, 1999, the City received a \$985,000 loan from the Reinvestment Partnership Corporation. This loan was made through the Federal 108 Loan Guarantee Program. In 2000, the City began disbursing the loan proceeds for economic development and housing rehabilitation projects throughout the City. These projects have not been capitalized and reported in the City's capital assets; therefore, the loan is not included as a component of net position invested in capital assets, net of related debt. 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 1.66% - 2.66%. Principal and interest payments are made out of the guaranteed loan nonmajor governmental 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
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>\$ 375,000</u>	<u>\$ 21,469</u>	<u>\$ 396,469</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. These projects have not been capitalized and reported in the City's capital assets; therefore, the loan is not included as a component of net position invested in capital assets, net of related debt. 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 governmental fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 general obligation loan payable:

Year Ended	Loan Payable		
	Principal	Interest	Total
2013	\$ 95,000	\$ 70,699	\$ 165,699
2014	100,000	65,902	165,902
2015	110,000	60,832	170,832
2016	115,000	55,234	170,234
2017	125,000	49,356	174,356
2018 - 2022	<u>775,000</u>	<u>134,626</u>	<u>909,626</u>
Total	<u>\$ 1,320,000</u>	<u>\$ 436,649</u>	<u>\$ 1,756,649</u>

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. This project has not been capitalized and reported in the City's capital assets; therefore, the loan is not included as a component of net position invested in capital assets, net of related debt. 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
2013	\$ 22,249	\$ 2,293	\$ 24,542
2014	23,155	1,387	24,542
2015	<u>22,053</u>	<u>443</u>	<u>22,496</u>
Total	<u>\$ 67,457</u>	<u>\$ 4,123</u>	<u>\$ 71,580</u>

Pollution Remediation Obligation - In 2000, the City discovered considerable pollution at the site of the former Mahoningside Power Plant and subsequently commenced cleanup. The City was approved for a \$1,358,607 grant from the Ohio Department of Development which was used to help cover the costs of the cleanup. The project was completed during 2012.

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, 2012

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
2013	\$ 12,828	\$ -	\$ 12,828
2014	12,828	-	12,828
2015	12,829	-	12,829
2016	12,828	-	12,828
2017	12,828	-	12,828
2018 - 2022	64,141	-	64,141
2023 - 2027	<u>64,141</u>	<u>-</u>	<u>64,141</u>
Total	<u>\$ 192,423</u>	<u>\$ -</u>	<u>\$ 192,423</u>

B. Business-Type Activities

At December 31, 2011, the long-term liabilities of the business-type activities were restated to exclude deferred charges on the refunding of general obligation bonds in the amount of \$78,267. These deferred charges are now reported on the statement of net position under deferred outflows of resources.

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

During 2012, the following changes occurred in the business-type activities long-term obligations:

	Interest	Maturity	(Restated) Balance			Balance	Amounts
	Rate	Date	12/31/11	Additions	Reductions	12/31/12	Due in One Year
<u>General obligation bonds</u>							
Refunding sewer improvements	2.00-4.00%	12/1/2013	\$ 1,125,500	\$ -	\$ (552,500)	\$ 573,000	\$ 573,000
Various purpose refunding, series 2012	2.00-2.25%	12/1/2022	-	5,975,000	-	5,975,000	550,000
Total general obligations bonds			1,125,500	5,975,000	(552,500)	6,548,000	1,123,000
<u>Revenue bonds</u>							
Water system	3.80-5.00%	11/1/2022	7,330,000	-	(7,330,000)	-	-
Total revenue bonds			7,330,000	-	(7,330,000)	-	-
Total enterprise bonds			8,455,500	5,975,000	(7,882,500)	6,548,000	1,123,000
<u>OWDA Loans</u>							
Sewer system	10.16%	1/1/2012	373,731	-	(373,731)	-	-
Buckeye	3.54%	7/1/2014	282,689	-	(90,943)	191,746	94,191
Warren commerce park - phase I	4.80%	1/1/2017	31,648	-	(15,449)	16,199	16,199
Wastewater treatment plant and pump station improvements	3.04%	1/1/2017	353,544	-	(59,995)	293,549	61,833
Biosolids facility	3.04%	7/1/2017	2,617,154	-	(403,965)	2,213,189	416,339
Griswold street sanitary sewer	4.12%	7/1/2018	622,663	-	(78,447)	544,216	81,712
Warren commerce park - phase II	3.98%	1/1/2019	285,881	-	(33,417)	252,464	34,760
Warren commerce park - phase II	3.79%	1/1/2019	87,142	-	(10,251)	76,891	10,643
Downtown combined sewer	3.25%	1/1/2027	3,706,871	-	(187,361)	3,519,510	191,939
Sewer inceptor rehabilitation	3.25%	7/1/2030	548,685	-	(25,950)	522,735	26,585
Water system improvements	3.95%	7/1/2023	7,353,699	-	(437,921)	6,915,778	513,091
Water meter replacements	3.34%	7/1/2028	4,536,886	-	(202,079)	4,334,807	208,884
Total OWDA loans			20,800,593	-	(1,919,509)	18,881,084	1,656,176
Total bonds and OWDA loans			29,256,093	5,975,000	(9,802,009)	25,429,084	2,779,176
<u>Other long-term obligations</u>							
OPWC loan		1/1/2041	53,022	-	(1,797)	51,225	1,797
Compensated absences			1,432,125	574,289	(469,343)	1,537,071	529,273
Total other long-term obligations			1,485,147	574,289	(471,140)	1,588,296	531,070
Total business-type activities			30,741,240	\$ 6,549,289	\$ (10,273,149)	27,017,380	\$ 3,310,246
Add: Unamortized premium on bond issue			6,189			147,533	
Total reported on the statement of net position			\$ 30,747,429			\$ 27,164,913	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 December 1, 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 position. The principal balance of the sewer system improvements refunded bonds at December 31, 2012 was \$600,000.

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.

On December 4, 2012, the City issued \$5,975,000 various purpose refunding bonds to advance refund a portion of the waterworks system revenue bonds stated to mature on November 1, 2015 and currently refund all of the waterworks system revenue bonds stated to mature on November 1, 2022. The portion of the proceeds issued for the advance refunding 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 2012 various purpose refunding issue is comprised of serial bonds with an annual interest rate ranging from 2.00% - 2.25%. The reacquisition price exceeded the net carrying amount of the old debt by \$182,459. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2022 using the straight-line method. The refunding resulted in an economic gain of \$981,686.

Revenue Bonds:

On December 30, 1997, the City issued \$11,380,000 water system revenue bonds. This bond issue was refunded in 2012 with the proceeds from the series 2012 various purpose refunding bonds and with the funds held in the debt service reserve account established by the trust indenture and revenues of the waterworks system. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance of the sewer system revenue refunded bonds at December 31, 2012 was \$1,710,000.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

OPWC Loan:

The City received a loan from the OPWC to help fund capital improvements for the City's storm sewer infrastructure. The interest free loan is payable in semi-annual installments over a thirty year period. Payments on the loan are made from the stormwater utility nonmajor enterprise fund.

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, 2012, the City has outstanding borrowings of \$18,881,084. 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 2030. Annual principal and interest payments on the loans are expected to require 49.36% of available net revenues for the water fund and 54.26% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$14,221,710 for the water fund and \$8,041,994 for the sewer fund. Principal and interest paid for the current year totaled \$1,028,838 and \$1,582,571 in the water fund and sewer fund, respectively.

The downtown combined sewer and sewer inceptor rehabilitation projects financed through OWDA loans are not closed out as of December 31, 2012. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2012 of \$3,519,510 and \$522,735, respectively, 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
2013	\$ 1,123,000	\$ 141,890	\$ 1,264,890	\$ 1,437,652	\$ 524,463	\$ 1,962,115
2014	560,000	110,125	670,125	1,472,173	473,158	1,945,331
2015	570,000	98,925	668,925	1,423,688	421,490	1,845,178
2016	575,000	87,525	662,525	1,474,536	370,642	1,845,178
2017	590,000	76,025	666,025	1,492,083	317,950	1,810,033
2018 - 2022	3,130,000	198,425	3,328,425	4,880,800	972,305	5,853,105
2023 - 2027	-	-	-	2,314,593	226,341	2,540,934
2028	-	-	-	343,314	8,624	351,938
Total	<u>\$ 6,548,000</u>	<u>\$ 712,915</u>	<u>\$ 7,260,915</u>	<u>\$ 14,838,839</u>	<u>\$ 3,314,973</u>	<u>\$ 18,153,812</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	OPWC Loan Payable		
	Principal	Interest	Total
2013	\$ 1,797	\$ -	\$ 1,797
2014	1,797	-	1,797
2015	1,798	-	1,798
2016	1,797	-	1,797
2017	1,798	-	1,798
2018 - 2022	8,986	-	8,986
2023 - 2027	8,987	-	8,987
2028 - 2032	8,987	-	8,987
2033 - 2037	8,987	-	8,987
2038 - 2041	<u>6,291</u>	<u>-</u>	<u>6,291</u>
Total	<u>\$ 51,225</u>	<u>\$ -</u>	<u>\$ 51,225</u>

NOTE 14 - INTERNAL NOTES PAYABLE

The City had the following internal note activity for 2012:

	Interest Rate	Issue Date	Maturity Date	Balance at 12/31/11	Additions	Reductions	Balance at 12/31/12
<u>Sanitation enterprise fund</u>							
<i>General obligation notes</i>							
Environmental services vehicle acquisition	0.90%	10/4/12	10/3/13	\$ -	\$ 240,000	\$ -	\$ 240,000

The notes payable at December 31, 2012 are internal City of Warren notes that represent amounts borrowed from other funds of the City. The notes are structured in essentially the same manner as note agreements with outside institutions. The notes are reported on the financial statements as “investments” in the fund that loaned the monies (the life insurance and hospitalization internal service fund) and as “notes payable” in the sanitation enterprise fund.

NOTE 15 - RISK MANAGEMENT

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

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded the self-insurance amount in any of the past three years. The liability for unpaid claims of \$795,822 reported in the internal service fund at December 31, 2012, 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	2012	\$ 878,050	\$ 5,577,056	\$ (5,659,284)	\$ 795,822
	2011	810,298	5,606,954	(5,539,202)	878,050

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	2012	\$ 11,895	\$ 123,337	\$ (132,760)	\$ 2,472
	2011	5,283	144,694	(138,082)	11,895

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 2012, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2012 in the amount of approximately \$271,258. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$358,015 under the Retrospective Rating Plan.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - RISK MANAGEMENT - (Continued)

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 \$1,480,729 reported at December 31, 2012, 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 total claims liability, \$358,015 is due within one year and is reported as a current liability on the statement of net position for the proprietary funds. The remaining portion is a noncurrent liability of \$1,122,714. 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	2012	\$2,132,701	\$ 6,813	\$ (658,785)	\$1,480,729
	2011	1,529,560	915,405	(312,264)	2,132,701

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. For those plan members in law enforcement and public safety pension contributions were 14.10%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$1,323,756, \$1,319,938, and \$1,195,775, respectively; 90.07% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the member-directed plan for 2012 were \$9,848 made by the City and \$7,034 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 or by visiting the website at www.op-f.org.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 16 - PENSION PLANS - (Continued)

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 2012, 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 \$529,665 and \$676,223 for the year ended December 31, 2012, \$539,681 and \$678,660 for the year ended December 31, 2011, and \$489,866 and \$584,723 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 92.55% has been contributed for police and 92.49% has been contributed for firefighters for 2012. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension 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.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 was 6.05%.

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$536,229, \$535,017, and \$678,744, respectively; 90.07% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, 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 \$280,411 and \$264,609 for the year ended December 31, 2012, \$285,713 and \$265,563 for the year ended December 31, 2011, and \$259,341 and \$228,805 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 92.55% has been contributed for police and 92.49% has been contributed for firefighters for 2012. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund 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. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP) rather than cost (budget); and,
5. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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>Community Development Block Grant</u>	<u>Home Investment</u>
Budget basis	\$ (985,282)	\$ (855,595)	\$ (210,969)
Net adjustment for revenue accruals	88,056	(484,011)	(1,051,061)
Net adjustment for expenditure accruals	(76,695)	289,411	168,525
Net adjustment for other financing sources/uses	-	13,529	-
Adjustment for encumbrances	<u>611,768</u>	<u>578,569</u>	<u>1,102,217</u>
GAAP basis	<u>\$ (362,153)</u>	<u>\$ (458,097)</u>	<u>\$ 8,712</u>

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2012.

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 a liability has not been reported in the financial statements.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 20 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Community Development Block Grant	Home Investment	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 3,538	\$ -	\$ -	\$ -	\$ 3,538
Total nonspendable	<u>3,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,538</u>
Restricted:					
Debt service	-	-	-	1,398,296	1,398,296
Street maintenance	-	-	-	493,865	493,865
State highway	-	-	-	307,405	307,405
Law enforcement	-	-	-	345,503	345,503
Courts	-	-	-	1,315,547	1,315,547
Community development and improvement	-	2,139,846	4,629,422	1,655,728	8,424,996
Public health	<u>665,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,959</u>
Total restricted	<u>665,959</u>	<u>2,139,846</u>	<u>4,629,422</u>	<u>5,516,344</u>	<u>12,951,571</u>
Assigned:					
Subsequent year appropriations	252,083	-	-	-	252,083
General operations	45,444	-	-	-	45,444
Public safety programs	388,003	-	-	-	388,003
Public health programs	4,622	-	-	-	4,622
Community development and improvement	28,754	-	-	-	28,754
Parks and recreation	<u>24,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,619</u>
Total assigned	<u>743,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,525</u>
Unassigned (deficit)	<u>3,810,108</u>	<u>-</u>	<u>-</u>	<u>(492,011)</u>	<u>3,318,097</u>
Total fund balances	<u>\$ 5,223,130</u>	<u>\$ 2,139,846</u>	<u>\$ 4,629,422</u>	<u>\$ 5,024,333</u>	<u>\$ 17,016,731</u>

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 21 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 491,442
Community development block grant	561,120
Home investment	1,088,013
Nonmajor governmental	<u>2,326,414</u>
Total	<u>\$ 4,466,989</u>

**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 Funds

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.

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.

CITY OF WARREN, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Police Pension

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

Fire Pension

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

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.

Nonmajor 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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 16,904,114	\$ 17,390,650	\$ 17,418,049	\$ 27,399
Charges for services	2,231,765	2,296,000	2,143,579	(152,421)
Licenses and permits	2,106,569	2,167,200	2,162,996	(4,204)
Fines and forfeitures	1,249,536	1,285,500	1,206,181	(79,319)
Intergovernmental	4,052,511	4,044,150	3,225,273	(818,877)
Investment income	170,104	175,000	53,520	(121,480)
Rental income	34,021	35,000	26,009	(8,991)
Other	682,730	827,380	774,134	(53,246)
Total revenues	<u>27,431,350</u>	<u>28,220,880</u>	<u>27,009,741</u>	<u>(1,211,139)</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	225,753	225,903	222,712	3,191
Contract services	28,225	28,225	18,728	9,497
Materials and supplies.	3,500	3,500	2,250	1,250
Capital outlay	-	3,000	1,458	1,542
Total city council	<u>257,478</u>	<u>260,628</u>	<u>245,148</u>	<u>15,480</u>
Municipal court				
Personal services	1,684,304	1,707,420	1,639,126	68,294
Contract services	37,775	58,110	44,946	13,164
Capital outlay	-	24,500	24,450	50
Total municipal court.	<u>1,722,079</u>	<u>1,790,030</u>	<u>1,708,522</u>	<u>81,508</u>
Victims of crimes				
Personal services	55,694	56,458	50,123	6,335
Contract services	1,235	1,900	661	1,239
Materials and supplies.	3,205	3,205	1,338	1,867
Total victims of crimes	<u>60,134</u>	<u>61,563</u>	<u>52,122</u>	<u>9,441</u>
Operations - general				
Personal services	43,449	44,551	44,485	66
Contract services	17,132	19,500	18,259	1,241
Total operations - general	<u>60,581</u>	<u>64,051</u>	<u>62,744</u>	<u>1,307</u>
Operations - maintenance				
Personal services	894,493	917,189	911,366	5,823
Contract services	250,729	284,354	222,132	62,222
Materials and supplies.	40,460	43,354	40,707	2,647
Total operations - maintenance.	<u>1,185,682</u>	<u>1,244,897</u>	<u>1,174,205</u>	<u>70,692</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services	\$ 440,907	\$ 440,907	\$ 361,901	\$ 79,006
Contract services	43,926	43,926	25,727	18,199
Materials and supplies.	14,027	14,027	8,556	5,471
Capital outlay	8,546	8,546	8,546	-
Total mayor.	<u>507,406</u>	<u>507,406</u>	<u>404,730</u>	<u>102,676</u>
Purchasing				
Personal services	197,247	197,247	164,947	32,300
Contract services	22,150	23,150	19,544	3,606
Materials and supplies.	3,000	3,000	2,775	225
Total purchasing	<u>222,397</u>	<u>223,397</u>	<u>187,266</u>	<u>36,131</u>
Finance				
Personal services	505,904	505,904	481,829	24,075
Contract services	52,243	52,243	46,257	5,986
Materials and supplies.	9,338	9,338	4,778	4,560
Capital outlay	-	15,000	11,854	3,146
Total finance	<u>567,485</u>	<u>582,485</u>	<u>544,718</u>	<u>37,767</u>
Human resources				
Personal services	319,029	319,029	308,065	10,964
Contract services	47,200	47,200	41,208	5,992
Materials and supplies.	1,700	1,700	1,251	449
Total human resources	<u>367,929</u>	<u>367,929</u>	<u>350,524</u>	<u>17,405</u>
Law department				
Personal services	900,287	900,287	833,446	66,841
Contract services	41,450	66,450	32,682	33,768
Materials and supplies.	6,350	6,350	5,254	1,096
Total law department.	<u>948,087</u>	<u>973,087</u>	<u>871,382</u>	<u>101,705</u>
Civil service				
Personal services	11,767	11,767	11,077	690
Contract services	32,788	32,788	12,990	19,798
Materials and supplies.	1,678	1,678	1,457	221
Total civil service.	<u>46,233</u>	<u>46,233</u>	<u>25,524</u>	<u>20,709</u>
Administrative support				
Contract services	1,435,031	1,470,972	1,317,703	153,269
Materials and supplies.	10,000	11,800	10,768	1,032
Capital outlay	-	24,500	19,902	4,598
Other	47,000	47,000	44,018	2,982
Total administrative support	<u>1,492,031</u>	<u>1,554,272</u>	<u>1,392,391</u>	<u>161,881</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, 2012**

	<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	\$ 485,080	\$ 485,080	\$ 478,823	\$ 6,257
Contract services	102,810	102,810	89,044	13,766
Materials and supplies.	34,361	34,361	31,669	2,692
Capital outlay	300	300	155	145
Total income tax	<u>622,551</u>	<u>622,551</u>	<u>599,691</u>	<u>22,860</u>
Total general government	<u>8,060,073</u>	<u>8,298,529</u>	<u>7,618,967</u>	<u>679,562</u>
Security of persons and property				
Police				
Personal services	7,505,870	8,192,870	8,072,451	120,419
Contract services	877,537	1,026,037	1,015,079	10,958
Materials and supplies.	257,559	340,060	279,228	60,832
Capital outlay	4,490	354,490	349,056	5,434
Total police.	<u>8,645,456</u>	<u>9,913,457</u>	<u>9,715,814</u>	<u>197,643</u>
Fire				
Personal services	6,553,758	6,809,743	6,697,210	112,533
Contract services	270,378	275,378	225,854	49,524
Materials and supplies.	95,902	115,901	109,680	6,221
Capital outlay	-	945,000	363,415	581,585
Total fire	<u>6,920,038</u>	<u>8,146,022</u>	<u>7,396,159</u>	<u>749,863</u>
Bio-Terrorism				
Contract services	1,086	1,216	784	432
Materials and supplies.	421	450	-	450
Total bio-terrorism	<u>1,507</u>	<u>1,666</u>	<u>784</u>	<u>882</u>
Total security of persons and property .	<u>15,567,001</u>	<u>18,061,145</u>	<u>17,112,757</u>	<u>948,388</u>
Public health and welfare				
Health				
Personal services	327,493	339,090	325,083	14,007
Contract services	68,595	77,298	69,340	7,958
Materials and supplies.	18,866	20,103	17,638	2,465
Other.	210,600	210,600	210,599	1
Capital outlay	-	2,000	1,957	43
Total health	<u>625,554</u>	<u>649,091</u>	<u>624,617</u>	<u>24,474</u>
Dental				
Contract services	27,897	31,450	28,226	3,224
Materials and supplies.	4,961	5,304	5,064	240
Total dental.	<u>32,858</u>	<u>36,754</u>	<u>33,290</u>	<u>3,464</u>
Total public health and welfare	<u>658,412</u>	<u>685,845</u>	<u>657,907</u>	<u>27,938</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, 2012**

	<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	\$ 590,274	\$ 611,177	\$ 604,852	\$ 6,325
Contract services	24,633	27,708	24,024	3,684
Materials and supplies.	12,370	13,147	8,132	5,015
Other.	8,400	8,400	7,568	832
Total environmental health	<u>635,677</u>	<u>660,432</u>	<u>644,576</u>	<u>15,856</u>
Weed control				
Contract services	9,602	10,825	5,183	5,642
Materials and supplies.	842	900	239	661
Total weed control	<u>10,444</u>	<u>11,725</u>	<u>5,422</u>	<u>6,303</u>
Mosquito control				
Contract services	222	250	-	250
Materials and supplies.	795	850	-	850
Total mosquito control	<u>1,017</u>	<u>1,100</u>	<u>-</u>	<u>1,100</u>
Engineering building and plant department				
Personal services	928,681	928,681	855,035	73,646
Contract services	241,218	269,218	236,243	32,975
Materials and supplies.	29,413	29,413	23,323	6,090
Capital outlay	-	20,000	19,989	11
Other	12,000	12,000	7,961	4,039
Total engineering building and plant department.	<u>1,211,312</u>	<u>1,259,312</u>	<u>1,142,551</u>	<u>116,761</u>
Total community environment.	<u>1,858,450</u>	<u>1,932,569</u>	<u>1,792,549</u>	<u>140,020</u>
Leisure time activity				
Operations - Packard Park				
Personal services	74,889	76,789	73,624	3,165
Contract services	98,161	109,195	99,316	9,879
Materials and supplies.	14,848	16,029	13,487	2,542
Other.	5,000	5,000	3,285	1,715
Total operations - packard park.	<u>192,898</u>	<u>207,013</u>	<u>189,712</u>	<u>17,301</u>
Operations - parks				
Personal services	189,276	194,078	172,170	21,908
Contract services	135,503	153,476	91,665	61,811
Materials and supplies.	44,729	48,154	43,435	4,719
Capital outlay	-	25,000	21,797	3,203
Other.	750	750	100	650
Total operations - parks.	<u>370,258</u>	<u>421,458</u>	<u>329,167</u>	<u>92,291</u>
Total leisure time activity	<u>563,156</u>	<u>628,471</u>	<u>518,879</u>	<u>109,592</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt service:				
Bond issuance costs	\$ -	\$ 9,259	\$ 9,259	\$ -
Total debt service	-	9,259	9,259	-
Total expenditures.	<u>26,707,092</u>	<u>29,615,818</u>	<u>27,710,318</u>	<u>1,905,500</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>724,258</u>	<u>(1,394,938)</u>	<u>(700,577)</u>	<u>694,361</u>
Other financing uses:				
Proceeds from sale of bonds	-	580,000	580,000	-
Premium on sale of bonds.	-	-	14,159	14,159
Transfers in	-	120,000	-	(120,000)
Transfers out	<u>(864,542)</u>	<u>(1,064,542)</u>	<u>(878,864)</u>	<u>185,678</u>
Total other financing uses	<u>(864,542)</u>	<u>(364,542)</u>	<u>(284,705)</u>	<u>79,837</u>
Net change in fund balance	(140,284)	(1,759,480)	(985,282)	774,198
Fund balance at beginning of year	2,312,001	2,312,001	2,312,001	-
Prior year encumbrances appropriated .	<u>140,284</u>	<u>140,284</u>	<u>140,284</u>	-
Fund balance at end of year	<u>\$ 2,312,001</u>	<u>\$ 692,805</u>	<u>\$ 1,467,003</u>	<u>\$ 774,198</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, 2012

	<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	\$ 75,540	\$ 150,000	\$ 233,242	\$ 83,242
Intergovernmental	1,376,114	2,732,564	2,017,640	(714,924)
Special assessments	20,144	40,000	25,327	(14,673)
Investment income	22,662	45,000	28,229	(16,771)
Other	5,540	11,000	14,560	3,560
Total revenues	<u>1,500,000</u>	<u>2,978,564</u>	<u>2,318,998</u>	<u>(659,566)</u>
Expenditures:				
Current:				
Economic development				
Personal services	382,950	407,950	364,491	43,459
Contract services	789,239	1,346,203	1,057,808	288,395
Materials and supplies.	5,900	5,900	1,683	4,217
Capital outlay	408,416	804,691	673,956	130,735
Other	675,637	1,175,962	998,033	177,929
Total economic development	<u>2,262,142</u>	<u>3,740,706</u>	<u>3,095,971</u>	<u>644,735</u>
Debt service:				
Principal retirement.	1,500	1,500	-	1,500
Interest and fiscal charges	200	200	-	200
Total debt service	<u>1,700</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>
Total expenditures	<u>2,263,842</u>	<u>3,742,406</u>	<u>3,095,971</u>	<u>646,435</u>
Excess of expenditures over revenues	<u>(763,842)</u>	<u>(763,842)</u>	<u>(776,973)</u>	<u>(13,131)</u>
Other financing uses:				
Transfers out	<u>(78,622)</u>	<u>(78,622)</u>	<u>(78,622)</u>	<u>-</u>
Total other financing sources uses.	<u>(78,622)</u>	<u>(78,622)</u>	<u>(78,622)</u>	<u>-</u>
Net change in fund balance	(842,464)	(842,464)	(855,595)	(13,131)
Fund balance (deficit)				
at beginning of year	(46,052)	(46,052)	(46,052)	-
Prior year encumbrances appropriated	842,464	842,464	842,464	-
Fund balance (deficit) at end of year.	<u>\$ (46,052)</u>	<u>\$ (46,052)</u>	<u>\$ (59,183)</u>	<u>\$ (13,131)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 482,232	\$ 1,637,900	\$ 965,111	\$ (672,789)
Investment income	-	-	4,863	4,863
Other	117,768	400,000	1,153,450	753,450
Total revenues	<u>600,000</u>	<u>2,037,900</u>	<u>2,123,424</u>	<u>85,524</u>
Expenditures:				
Current:				
Economic development				
Personal services	59,100	62,000	42,011	19,989
Contract services	1,000	1,000	22	978
Other	1,125,634	2,560,634	2,292,360	268,274
Total economic development	<u>1,185,734</u>	<u>2,623,634</u>	<u>2,334,393</u>	<u>289,241</u>
Total expenditures	<u>1,185,734</u>	<u>2,623,634</u>	<u>2,334,393</u>	<u>289,241</u>
Net change in fund balance	(585,734)	(585,734)	(210,969)	374,765
Fund balance at beginning of year	8,739	8,739	8,739	-
Prior year encumbrances appropriated .	<u>585,734</u>	<u>585,734</u>	<u>585,734</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,739</u>	<u>\$ 8,739</u>	<u>\$ 383,504</u>	<u>\$ 374,765</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 2,332,706	\$ 1,398,296	\$ 35,818	\$ 3,766,820
Receivables (net of allowances of uncollectibles):				
Real and other taxes	324,886	1,568,763	-	1,893,649
Accounts	33,150	-	-	33,150
Intergovernmental	816,498	83,433	21,639	921,570
Loans	1,558,002	-	-	1,558,002
Special assessments	-	97,718	-	97,718
Total assets.	<u>\$ 5,065,242</u>	<u>\$ 3,148,210</u>	<u>\$ 57,457</u>	<u>\$ 8,270,909</u>
Liabilities:				
Accounts payable	\$ 55,142	\$ -	\$ -	\$ 55,142
Contracts payable	-	-	533,061	533,061
Accrued wages and benefits.	21,410	-	-	21,410
Compensated absences payable	16,709	-	-	16,709
Due to other governments	4,476	-	-	4,476
Total liabilities	<u>97,737</u>	<u>-</u>	<u>533,061</u>	<u>630,798</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	237,374	1,146,201	-	1,383,575
Delinquent property tax revenue not available.	87,512	422,562	-	510,074
Special assessments revenue not available.	-	97,718	-	97,718
Intergovernmental revenue not available.	524,571	83,433	16,407	624,411
Total deferred inflows of resources	<u>849,457</u>	<u>1,749,914</u>	<u>16,407</u>	<u>2,615,778</u>
Fund balances (deficit):				
Restricted.	4,118,048	1,398,296	-	5,516,344
Unassigned (deficit)	-	-	(492,011)	(492,011)
Total fund balances (deficit).	<u>4,118,048</u>	<u>1,398,296</u>	<u>(492,011)</u>	<u>5,024,333</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 5,065,242</u>	<u>\$ 3,148,210</u>	<u>\$ 57,457</u>	<u>\$ 8,270,909</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 217,812	\$ 1,138,825	\$ -	\$ 1,356,637
Licenses and permits.	127,637	-	-	127,637
Fines and forfeitures.	561,299	-	-	561,299
Intergovernmental	2,278,697	166,866	1,275,601	3,721,164
Special assessments	-	10,569	-	10,569
Investment income.	3,936	-	-	3,936
Other.	88,743	-	662	89,405
Total revenues.	<u>3,278,124</u>	<u>1,316,260</u>	<u>1,276,263</u>	<u>5,870,647</u>
Expenditures:				
Current:				
General government	34,987	63,558	-	98,545
Security of persons and property	701,191	-	-	701,191
Transportation	1,661,599	-	-	1,661,599
Economic development.	70	-	-	70
Capital outlay	263,988	-	2,417,721	2,681,709
Debt service:				
Principal retirement	2,675,380	760,328	-	3,435,708
Interest and fiscal charges.	194,946	56,623	-	251,569
Bond issuance costs.	35,451	-	-	35,451
Total expenditures.	<u>5,567,612</u>	<u>880,509</u>	<u>2,417,721</u>	<u>8,865,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,289,488)</u>	<u>435,751</u>	<u>(1,141,458)</u>	<u>(2,995,195)</u>
Other financing sources (uses):				
Bond issuance	1,380,000	-	-	1,380,000
Transfers in	244,486	88,184	627,523	960,193
Transfers out	(127,523)	-	-	(127,523)
Premium on sale of bonds.	47,929	-	-	47,929
Total other financing sources (uses)	<u>1,544,892</u>	<u>88,184</u>	<u>627,523</u>	<u>2,260,599</u>
Net change in fund balance	(744,596)	523,935	(513,935)	(734,596)
Fund balances at beginning of year	<u>4,862,644</u>	<u>874,361</u>	<u>21,924</u>	<u>5,758,929</u>
Fund balances at end of year.	<u>\$ 4,118,048</u>	<u>\$ 1,398,296</u>	<u>\$ (492,011)</u>	<u>\$ 5,024,333</u>

CITY OF WARREN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	Court Computerization	Street Maintenance	Police Grants
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 155,964	\$ 105,891	\$ 10,803
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	-
Accounts.	6,499	-	-
Intergovernmental	-	684,680	15,209
Loans	-	-	-
Total assets	\$ 162,463	\$ 790,571	\$ 26,012
 Liabilities:			
Accounts payable	\$ 1,891	\$ 2,084	\$ 4,595
Accrued wages and benefits.	-	21,410	-
Compensated absences payable	-	16,709	-
Due to other governments	-	3,199	1,277
Total liabilities	1,891	43,402	5,872
 Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	-	-
Delinquent property tax revenue not available.	-	-	-
Intergovernmental revenue not available.	-	469,255	-
Total deferred inflows of resources.	-	469,255	-
 Fund balances:			
Restricted.	160,572	277,914	20,140
Total fund balances.	160,572	277,914	20,140
Total liabilities, deferred inflows of resources and fund balances	\$ 162,463	\$ 790,571	\$ 26,012

<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>
\$ 16,261	\$ 48,360	\$ 134,118	\$ 25,162	\$ 105,331	\$ 227,668
-	-	-	-	-	-
697	-	-	144	-	6,132
1,540	-	5,365	-	-	-
-	-	-	-	-	-
<u>\$ 18,498</u>	<u>\$ 48,360</u>	<u>\$ 139,483</u>	<u>\$ 25,306</u>	<u>\$ 105,331</u>	<u>\$ 233,800</u>
\$ -	\$ -	\$ 11,615	\$ -	\$ -	\$ 2,026
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,615	-	-	2,026
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,498	48,360	127,868	25,306	105,331	231,774
18,498	48,360	127,868	25,306	105,331	231,774
<u>\$ 18,498</u>	<u>\$ 48,360</u>	<u>\$ 139,483</u>	<u>\$ 25,306</u>	<u>\$ 105,331</u>	<u>\$ 233,800</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2012

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>Police Pension</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 744,027	\$ 176,943	\$ -
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	162,443
Accounts	17,734	1,944	-
Intergovernmental	-	-	8,635
Loans	-	-	-
Total assets	<u>\$ 761,761</u>	<u>\$ 178,887</u>	<u>\$ 171,078</u>
Liabilities:			
Accounts payable	\$ 7,103	\$ 10,344	\$ -
Accrued wages and benefits	-	-	-
Compensated absences payable	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>7,103</u>	<u>10,344</u>	<u>-</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	-	118,687
Delinquent property tax revenue not available	-	-	43,756
Intergovernmental revenue not available	-	-	8,635
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>171,078</u>
Fund balances:			
Restricted	<u>754,658</u>	<u>168,543</u>	<u>-</u>
Total fund equity	<u>754,658</u>	<u>168,543</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 761,761</u>	<u>\$ 178,887</u>	<u>\$ 171,078</u>

Fire Pension	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Total
\$ -	\$ 97,726	\$ 289,937	\$ 194,515	\$ 2,332,706
162,443	-	-	-	324,886
-	-	-	-	33,150
8,635	-	55,514	36,920	816,498
-	1,558,002	-	-	1,558,002
<u>\$ 171,078</u>	<u>\$ 1,655,728</u>	<u>\$ 345,451</u>	<u>\$ 231,435</u>	<u>\$ 5,065,242</u>
\$ -	\$ -	\$ -	\$ 15,484	\$ 55,142
-	-	-	-	21,410
-	-	-	-	16,709
-	-	-	-	4,476
-	-	-	15,484	97,737
118,687	-	-	-	237,374
43,756	-	-	-	87,512
8,635	-	38,046	-	524,571
<u>171,078</u>	<u>-</u>	<u>38,046</u>	<u>-</u>	<u>849,457</u>
-	1,655,728	307,405	215,951	4,118,048
-	1,655,728	307,405	215,951	4,118,048
<u>\$ 171,078</u>	<u>\$ 1,655,728</u>	<u>\$ 345,451</u>	<u>\$ 231,435</u>	<u>\$ 5,065,242</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, 2012**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	21,750	-
Fines and forfeitures.	115,643	-	-
Intergovernmental.	-	1,451,280	54,804
Investment income	-	-	-
Other	-	2,102	-
	<hr/>	<hr/>	<hr/>
Total revenues.	115,643	1,475,132	54,804
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	34,987	-	-
Security of persons and property	-	-	97,530
Transportation.	-	1,661,599	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	34,987	1,661,599	97,530
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	80,656	(186,467)	(42,726)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Bond issuance	-	-	-
Transfers in.	-	150,000	-
Transfers out	-	-	-
Premium on sale of bonds	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	150,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	80,656	(36,467)	(42,726)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	79,916	314,381	62,866
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 160,572	\$ 277,914	\$ 20,140
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	105,887
36,118	233	74,210	1,749	-	-
-	-	105,288	-	-	-
-	-	-	-	2,147	-
-	-	171	-	9,470	-
<u>36,118</u>	<u>233</u>	<u>179,669</u>	<u>1,749</u>	<u>11,617</u>	<u>105,887</u>
-	-	-	-	-	-
30,419	4,595	207,215	242	11,828	103,562
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,419</u>	<u>4,595</u>	<u>207,215</u>	<u>242</u>	<u>11,828</u>	<u>103,562</u>
<u>5,699</u>	<u>(4,362)</u>	<u>(27,546)</u>	<u>1,507</u>	<u>(211)</u>	<u>2,325</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,699</u>	<u>(4,362)</u>	<u>(27,546)</u>	<u>1,507</u>	<u>(211)</u>	<u>2,325</u>
<u>12,799</u>	<u>52,722</u>	<u>155,414</u>	<u>23,799</u>	<u>105,542</u>	<u>229,449</u>
<u>\$ 18,498</u>	<u>\$ 48,360</u>	<u>\$ 127,868</u>	<u>\$ 25,306</u>	<u>\$ 105,331</u>	<u>\$ 231,774</u>

- Continued

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>Police Pension</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ 108,906
Licenses and permits	-	-	-
Fines and forfeitures.	302,523	30,823	-
Intergovernmental.	-	-	17,270
Investment income	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues.	302,523	30,823	126,176
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	196,324	27,445	11,015
Transportation.	-	-	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	1,143,759
Interest and fiscal charges	-	-	50,803
Bond issuance costs	-	-	13,117
	<hr/>	<hr/>	<hr/>
Total expenditures	196,324	27,445	1,218,694
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	106,199	3,378	(1,092,518)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Bond issuance	-	-	510,600
Transfers in.	-	-	8,409
Transfers out	-	-	-
Premium on sale of bonds	-	-	17,734
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	536,743
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	106,199	3,378	(555,775)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	648,459	165,165	555,775
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 754,658	\$ 168,543	\$ -
	<hr/>	<hr/>	<hr/>

Fire Pension	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Total
\$ 108,906	\$ -	\$ -	\$ -	\$ 217,812
-	-	-	-	127,637
-	-	-	-	561,299
17,270	-	117,672	515,113	2,278,697
-	94	1,069	626	3,936
-	77,000	-	-	88,743
<u>126,176</u>	<u>77,094</u>	<u>118,741</u>	<u>515,739</u>	<u>3,278,124</u>
-	-	-	-	34,987
11,016	-	-	-	701,191
-	-	-	-	1,661,599
-	70	-	-	70
-	-	41,306	222,682	263,988
1,371,621	160,000	-	-	2,675,380
60,924	83,219	-	-	194,946
22,334	-	-	-	35,451
<u>1,465,895</u>	<u>243,289</u>	<u>41,306</u>	<u>222,682</u>	<u>5,567,612</u>
(1,339,719)	(166,195)	77,435	293,057	(2,289,488)
869,400	-	-	-	1,380,000
7,455	78,622	-	-	244,486
-	-	-	(127,523)	(127,523)
30,195	-	-	-	47,929
<u>907,050</u>	<u>78,622</u>	<u>-</u>	<u>(127,523)</u>	<u>1,544,892</u>
(432,669)	(87,573)	77,435	165,534	(744,596)
<u>432,669</u>	<u>1,743,301</u>	<u>229,970</u>	<u>50,417</u>	<u>4,862,644</u>
<u>\$ -</u>	<u>\$ 1,655,728</u>	<u>\$ 307,405</u>	<u>\$ 215,951</u>	<u>\$ 4,118,048</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, 2012

	<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	\$ 110,000	\$ 110,000	\$ 117,520	\$ 7,520
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>117,520</u>	<u>7,520</u>
Expenditures:				
Current:				
General government				
Personal services	32,000	32,000	1,000	31,000
Contract services	46,000	46,000	25,730	20,270
Materials and supplies.	35,179	35,179	10,815	24,364
Total general government	<u>113,179</u>	<u>113,179</u>	<u>37,545</u>	<u>75,634</u>
Total expenditures	<u>113,179</u>	<u>113,179</u>	<u>37,545</u>	<u>75,634</u>
Net change in fund balance.	(3,179)	(3,179)	79,975	83,154
Fund balance at beginning of year	68,361	68,361	68,361	-
Prior year encumbrances appropriated .	<u>3,179</u>	<u>3,179</u>	<u>3,179</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,361</u>	<u>\$ 68,361</u>	<u>\$ 151,515</u>	<u>\$ 83,154</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 21,750	\$ (13,250)
Intergovernmental	1,545,000	1,545,000	1,491,941	(53,059)
Other	5,000	5,000	2,102	(2,898)
Total revenues	<u>1,585,000</u>	<u>1,585,000</u>	<u>1,515,793</u>	<u>(69,207)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,275,243	1,275,243	977,442	297,801
Contract services	566,922	566,922	486,459	80,463
Materials and supplies	219,849	219,849	210,165	9,684
Total transportation	<u>2,062,014</u>	<u>2,062,014</u>	<u>1,674,066</u>	<u>387,948</u>
Total expenditures	<u>2,062,014</u>	<u>2,062,014</u>	<u>1,674,066</u>	<u>387,948</u>
Excess of expenditures over revenues . . .	<u>(477,014)</u>	<u>(477,014)</u>	<u>(158,273)</u>	<u>318,741</u>
Other financing sources:				
Transfers in	454,493	454,493	150,000	(304,493)
Total other financing sources	<u>454,493</u>	<u>454,493</u>	<u>150,000</u>	<u>(304,493)</u>
Net change in fund balance	(22,521)	(22,521)	(8,273)	14,248
Fund balance at beginning of year	71,658	71,658	71,658	-
Prior year encumbrances appropriated .	<u>22,521</u>	<u>22,521</u>	<u>22,521</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,658</u>	<u>\$ 71,658</u>	<u>\$ 85,906</u>	<u>\$ 14,248</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 53,452	\$ 3,452
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>53,452</u>	<u>3,452</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	500	500	-	500
Capital outlay.	-	47,732	44,238	3,494
Other	54,049	54,049	50,693	3,356
Total security of persons and property.	<u>54,549</u>	<u>102,281</u>	<u>94,931</u>	<u>7,350</u>
Total expenditures.	<u>54,549</u>	<u>102,281</u>	<u>94,931</u>	<u>7,350</u>
Net change in fund balance	(4,549)	(52,281)	(41,479)	10,802
Fund balance at beginning of year	47,733	47,733	47,733	-
Prior year encumbrances appropriated	<u>4,549</u>	<u>4,549</u>	<u>4,549</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 47,733</u>	<u>\$ 1</u>	<u>\$ 10,803</u>	<u>\$ 10,802</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, 2012

	<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	\$ 27,000	\$ 35,567	\$ 8,567
Total revenues	<u>20,000</u>	<u>27,000</u>	<u>35,567</u>	<u>8,567</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	25,312	40,959	33,266	7,693
Total security of persons and property .	<u>25,312</u>	<u>40,959</u>	<u>33,266</u>	<u>7,693</u>
Total expenditures	<u>25,312</u>	<u>40,959</u>	<u>33,266</u>	<u>7,693</u>
Net change in fund balance	(5,312)	(13,959)	2,301	16,260
Fund balance at beginning of year	8,648	8,648	8,648	-
Prior year encumbrances appropriated .	<u>5,312</u>	<u>5,312</u>	<u>5,312</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,648</u>	<u>\$ 1</u>	<u>\$ 16,261</u>	<u>\$ 16,260</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, 2012

	<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	\$ 233	\$ (14,767)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>233</u>	<u>(14,767)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	15,000	15,000	4,595	10,405
Total security of persons and property.	<u>15,000</u>	<u>15,000</u>	<u>4,595</u>	<u>10,405</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>4,595</u>	<u>10,405</u>
Net change in fund balance	-	-	(4,362)	(4,362)
Fund balance at beginning of year	<u>52,722</u>	<u>52,722</u>	<u>52,722</u>	<u>-</u>
Fund balance at end of year	<u>\$ 52,722</u>	<u>\$ 52,722</u>	<u>\$ 48,360</u>	<u>\$ (4,362)</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, 2012**

	<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	\$ 12,315	\$ 50,000	\$ 74,210	\$ 24,210
Intergovernmental	37,685	153,000	99,923	(53,077)
Other	-	-	171	171
Total revenues	<u>50,000</u>	<u>203,000</u>	<u>174,304</u>	<u>(28,696)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	20,500	30,500	24,133	6,367
Materials and supplies.	10,000	13,000	10,723	2,277
Capital outlay	23,935	194,499	136,060	58,439
Other	-	120,414	40,494	79,920
Total security of persons and property.	<u>54,435</u>	<u>358,413</u>	<u>211,410</u>	<u>147,003</u>
Total expenditures	<u>54,435</u>	<u>358,413</u>	<u>211,410</u>	<u>147,003</u>
Net change in fund balance	(4,435)	(155,413)	(37,106)	118,307
Fund balance at beginning of year	150,979	150,979	150,979	-
Prior year encumbrances appropriated .	<u>4,435</u>	<u>4,435</u>	<u>4,435</u>	<u>-</u>
Fund balance at end of year	<u>\$ 150,979</u>	<u>\$ 1</u>	<u>\$ 118,308</u>	<u>\$ 118,307</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, 2012

	<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	\$ 1,000	\$ 1,000	\$ 1,714	\$ 714
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,714</u>	<u>714</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	1,000	24,690	242	24,448
Total security of persons and property.	<u>1,000</u>	<u>24,690</u>	<u>242</u>	<u>24,448</u>
Total expenditures	<u>1,000</u>	<u>24,690</u>	<u>242</u>	<u>24,448</u>
Net change in fund balance	-	(23,690)	1,472	25,162
Fund balance at beginning of year	<u>23,690</u>	<u>23,690</u>	<u>23,690</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 23,690</u>	<u>\$ -</u>	<u>\$ 25,162</u>	<u>\$ 25,162</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Investment income	-	-	2,227	2,227
Other.	-	-	9,470	9,470
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>11,697</u>	<u>(23,303)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	20,740	20,740	8,717	12,023
Materials and supplies.	<u>15,000</u>	<u>15,000</u>	<u>3,851</u>	<u>11,149</u>
Total security of persons and property.	<u>35,740</u>	<u>35,740</u>	<u>12,568</u>	<u>23,172</u>
Total expenditures	<u>35,740</u>	<u>35,740</u>	<u>12,568</u>	<u>23,172</u>
Net change in fund balance.	(740)	(740)	(871)	(131)
Fund balance at beginning of year	105,462	105,462	105,462	-
Prior year encumbrances appropriated .	<u>740</u>	<u>740</u>	<u>740</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,462</u>	<u>\$ 105,462</u>	<u>\$ 105,331</u>	<u>\$ (131)</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, 2012

	<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	\$ 105,000	\$ 106,500	\$ 105,882	\$ (618)
Total revenues	<u>105,000</u>	<u>106,500</u>	<u>105,882</u>	<u>(618)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	88,244	88,244	85,330	2,914
Contract services	5,481	25,481	11,070	14,411
Materials and supplies	7,000	8,500	7,199	1,301
Total security of persons and property.	<u>100,725</u>	<u>122,225</u>	<u>103,599</u>	<u>18,626</u>
Total expenditures	<u>100,725</u>	<u>122,225</u>	<u>103,599</u>	<u>18,626</u>
Net change in fund balance.	4,275	(15,725)	2,283	18,008
Fund balance at beginning of year	223,857	223,857	223,857	-
Prior year encumbrances appropriated .	<u>1,481</u>	<u>1,481</u>	<u>1,481</u>	<u>-</u>
Fund balance at end of year	<u>\$ 229,613</u>	<u>\$ 209,613</u>	<u>\$ 227,621</u>	<u>\$ 18,008</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL PROJECTS - COURTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<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	\$ 305,000	\$ 305,000	\$ 307,151	\$ 2,151
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>307,151</u>	<u>2,151</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	211,573	217,073	199,859	17,214
Materials and supplies.	31,257	35,257	22,385	12,872
Capital outlay	12,500	33,050	20,550	12,500
Total security of persons and property.	<u>255,330</u>	<u>285,380</u>	<u>242,794</u>	<u>42,586</u>
Total expenditures	<u>255,330</u>	<u>285,380</u>	<u>242,794</u>	<u>42,586</u>
Net change in fund balance	49,670	19,620	64,357	44,737
Fund balance at beginning of year	608,622	608,622	608,622	-
Prior year encumbrances appropriated .	<u>18,830</u>	<u>18,830</u>	<u>18,830</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 677,122</u>	<u>\$ 647,072</u>	<u>\$ 691,809</u>	<u>\$ 44,737</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 31,401	\$ (8,599)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>31,401</u>	<u>(8,599)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	39,197	39,197	17,220	21,977
Total security of persons and property.	<u>39,197</u>	<u>39,197</u>	<u>17,220</u>	<u>21,977</u>
Total expenditures	<u>39,197</u>	<u>39,197</u>	<u>17,220</u>	<u>21,977</u>
Net change in fund balance	803	803	14,181	13,378
Fund balance at beginning of year	162,496	162,496	162,496	-
Prior year encumbrances appropriated .	<u>147</u>	<u>147</u>	<u>147</u>	<u>-</u>
Fund balance at end of year	<u>\$ 163,446</u>	<u>\$ 163,446</u>	<u>\$ 176,824</u>	<u>\$ 13,378</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, 2012

	<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	\$ 108,691	\$ 108,691	\$ 108,906	\$ 215
Intergovernmental	20,500	20,500	17,270	(3,230)
Total revenues	<u>129,191</u>	<u>129,191</u>	<u>126,176</u>	<u>(3,015)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	4,000	20,883	11,015	9,868
Total security of persons and property.	<u>4,000</u>	<u>20,883</u>	<u>11,015</u>	<u>9,868</u>
Debt service:				
Principal retirement.	29,216	1,149,991	1,143,759	6,232
Interest and fiscal charges	48,303	53,303	50,803	2,500
Bond issuance costs	-	13,117	13,117	-
Total debt service	<u>77,519</u>	<u>1,216,411</u>	<u>1,207,679</u>	<u>8,732</u>
Total expenditures	<u>81,519</u>	<u>1,237,294</u>	<u>1,218,694</u>	<u>18,600</u>
Excess (deficiency) of revenues over (under) expenditures	47,672	(1,108,103)	(1,092,518)	15,585
Other financing sources (uses):				
Proceeds from sale of bonds	-	600,000	510,600	(89,400)
Premium on sale of bonds.	-	-	17,734	17,734
Transfers in	-	-	8,409	8,409
Total other financing sources (uses). . .	<u>-</u>	<u>600,000</u>	<u>536,743</u>	<u>(63,257)</u>
Net change in fund balance.	47,672	(508,103)	(555,775)	(47,672)
Fund balance at beginning of year	<u>555,775</u>	<u>555,775</u>	<u>555,775</u>	<u>-</u>
Fund balance at end of year	<u>\$ 603,447</u>	<u>\$ 47,672</u>	<u>\$ -</u>	<u>\$ (47,672)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 108,691	\$ 108,691	\$ 108,906	\$ 215
Intergovernmental	20,500	20,500	17,270	(3,230)
Total revenues	<u>129,191</u>	<u>129,191</u>	<u>126,176</u>	<u>(3,015)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	4,000	16,666	11,016	5,650
Total security of persons and property.	<u>4,000</u>	<u>16,666</u>	<u>11,016</u>	<u>5,650</u>
Debt service:				
Principal retirement.	35,036	1,377,705	1,371,621	6,084
Interest and fiscal charges	57,927	62,926	60,924	2,002
Bond issuance costs	-	22,334	22,334	-
Total debt service	<u>92,963</u>	<u>1,462,965</u>	<u>1,454,879</u>	<u>8,086</u>
Total expenditures	<u>96,963</u>	<u>1,479,631</u>	<u>1,465,895</u>	<u>13,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,228</u>	<u>(1,350,440)</u>	<u>(1,339,719)</u>	<u>10,721</u>
Other financing sources (uses):				
Proceeds from sale of bonds	-	950,000	869,400	(80,600)
Premium on sale of bonds.	-	-	30,195	30,195
Transfers in	-	-	7,455	7,455
Total other financing sources (uses). . .	<u>-</u>	<u>950,000</u>	<u>907,050</u>	<u>(42,950)</u>
Net change in fund balance	32,228	(400,440)	(432,669)	(32,229)
Fund balance at beginning of year	<u>432,669</u>	<u>432,669</u>	<u>432,669</u>	<u>-</u>
Fund balance at end of year	<u>\$ 464,897</u>	<u>\$ 32,229</u>	<u>\$ -</u>	<u>\$ (32,229)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 94	\$ 94
Other	250,000	250,000	165,600	(84,400)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>165,694</u>	<u>(84,306)</u>
Expenditures:				
Current:				
Economic development and assistance				
Contract services	-	100	70	30
Total economic development and assistance.	<u>-</u>	<u>100</u>	<u>70</u>	<u>30</u>
Debt service:				
Principal retirement.	160,000	160,000	160,000	-
Interest and fiscal charges	90,000	90,000	83,219	6,781
Total debt service	<u>250,000</u>	<u>250,000</u>	<u>243,219</u>	<u>6,781</u>
Total expenditures	<u>250,000</u>	<u>250,100</u>	<u>243,289</u>	<u>6,811</u>
Excess of expenditures over revenues . .	<u>-</u>	<u>(100)</u>	<u>(77,595)</u>	<u>(77,495)</u>
Other financing sources:				
Transfers in	-	100	78,622	78,522
Total other financing sources	<u>-</u>	<u>100</u>	<u>78,622</u>	<u>78,522</u>
Net change in fund balance	-	-	1,027	1,027
Fund balance at beginning of year	<u>96,699</u>	<u>96,699</u>	<u>96,699</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 96,699</u></u>	<u><u>\$ 96,699</u></u>	<u><u>\$ 97,726</u></u>	<u><u>\$ 1,027</u></u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HIGHWAY CONSTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 116,000	\$ 116,000	\$ 120,968	\$ 4,968
Investment income	1,000	1,000	1,198	198
Total revenues	<u>117,000</u>	<u>117,000</u>	<u>122,166</u>	<u>5,166</u>
Expenditures:				
Capital outlay				
Materials and supplies	133,845	133,845	56,110	77,735
Total capital outlay	<u>133,845</u>	<u>133,845</u>	<u>56,110</u>	<u>77,735</u>
Total expenditures	<u>133,845</u>	<u>133,845</u>	<u>56,110</u>	<u>77,735</u>
Net change in fund balance	(16,845)	(16,845)	66,056	82,901
Fund balance at beginning of year	203,038	203,038	203,038	-
Prior year encumbrances appropriated .	<u>16,845</u>	<u>16,845</u>	<u>16,845</u>	<u>-</u>
Fund balance at end of year	<u>\$ 203,038</u>	<u>\$ 203,038</u>	<u>\$ 285,939</u>	<u>\$ 82,901</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 489,000	\$ 489,000	\$ 478,213	(10,787)
Investment income	1,000	1,000	629	(371)
Total revenues	<u>490,000</u>	<u>490,000</u>	<u>478,842</u>	<u>(11,158)</u>
Expenditures:				
Capital outlay				
Contract services	91,000	91,000	83,491	7,509
Materials and supplies.	269,378	270,878	136,247	134,631
Total capital outlay	<u>360,378</u>	<u>361,878</u>	<u>219,738</u>	<u>142,140</u>
Total expenditures	<u>360,378</u>	<u>361,878</u>	<u>219,738</u>	<u>142,140</u>
Excess of revenues over expenditures . .	<u>129,622</u>	<u>128,122</u>	<u>259,104</u>	<u>130,982</u>
Other financing uses:				
Transfers out	(132,000)	(132,000)	(127,523)	4,477
Total other financing uses.	<u>(132,000)</u>	<u>(132,000)</u>	<u>(127,523)</u>	<u>4,477</u>
Net change in fund balance	(2,378)	(3,878)	131,581	135,459
Fund balance at beginning of year	45,072	45,072	45,072	-
Prior year encumbrances appropriated .	2,378	2,378	2,378	-
Fund balance at end of year	<u>\$ 45,072</u>	<u>\$ 43,572</u>	<u>\$ 179,031</u>	<u>\$ 135,459</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, 2012

	<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	\$ 1,217,712	\$ 1,217,712	\$ 1,138,825	\$ (78,887)
Intergovernmental	128,000	128,000	166,866	38,866
Special assessments	10,000	10,000	10,569	569
Total revenues	<u>1,355,712</u>	<u>1,355,712</u>	<u>1,316,260</u>	<u>(39,452)</u>
Expenditures:				
Current:				
General government				
Contract services	40,000	190,000	63,558	126,442
Total general government	<u>40,000</u>	<u>190,000</u>	<u>63,558</u>	<u>126,442</u>
Debt service:				
Principal retirement	747,500	747,500	684,197	63,303
Interest and fiscal charges	56,623	56,623	44,570	12,053
Total debt service	<u>804,123</u>	<u>804,123</u>	<u>728,767</u>	<u>75,356</u>
Total expenditures	<u>844,123</u>	<u>994,123</u>	<u>792,325</u>	<u>201,798</u>
Net change in fund balance	511,589	361,589	523,935	162,346
Fund balance at beginning of year	<u>874,361</u>	<u>874,361</u>	<u>874,361</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,385,950</u>	<u>\$ 1,235,950</u>	<u>\$ 1,398,296</u>	<u>\$ 162,346</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 5,568,000	\$ 1,348,629	\$ (4,219,371)
Other	-	-	662	662
Total revenues	<u>2,000,000</u>	<u>5,568,000</u>	<u>1,349,291</u>	<u>(4,218,709)</u>
Expenditures:				
Capital outlay				
Contract services	193,131	1,193,131	78,495	1,114,636
Capital outlay	<u>2,702,185</u>	<u>5,402,184</u>	<u>4,657,388</u>	<u>744,796</u>
Total capital outlay	<u>2,895,316</u>	<u>6,595,315</u>	<u>4,735,883</u>	<u>1,859,432</u>
Total expenditures	<u>2,895,316</u>	<u>6,595,315</u>	<u>4,735,883</u>	<u>1,859,432</u>
Excess of expenditures over revenues . . .	<u>(895,316)</u>	<u>(1,027,315)</u>	<u>(3,386,592)</u>	<u>(2,359,277)</u>
Other financing sources:				
Transfers in	-	132,000	627,523	495,523
Total other financing sources	<u>-</u>	<u>132,000</u>	<u>627,523</u>	<u>495,523</u>
Net change in fund balance.	(895,316)	(895,315)	(2,759,069)	(1,863,754)
Fund balance (deficit) at				
beginning of year.	(885,971)	(885,971)	(885,971)	-
Prior year encumbrances appropriated .	<u>895,316</u>	<u>895,316</u>	<u>895,316</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (885,971)</u>	<u>\$ (885,970)</u>	<u>\$ (2,749,724)</u>	<u>\$ (1,863,754)</u>

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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 POSITION
NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2012

	Packard Music Hall	City Redevelopment	Downtown Parking
Assets:			
Current assets:			
Equity in pooled cash, cash equivalents and investments	\$ 19,618	\$ 168,542	\$ 10,306
Receivables (net of allowances for uncollectibles):			
Accounts	-	-	1,691
Special assessments	-	-	-
	19,618	168,542	11,997
Total current assets	19,618	168,542	11,997
Noncurrent assets:			
Capital assets:			
Non-depreciable capital assets	-	133,280	150,000
Depreciable capital assets, net	2,620,635	246,456	1,033,263
Total capital assets	2,620,635	379,736	1,183,263
Total noncurrent assets	2,620,635	379,736	1,183,263
Total assets	\$ 2,640,253	\$ 548,278	\$ 1,195,260
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,036	\$ 3,000	\$ 1,497
Contracts payable	-	-	-
Accrued wages and benefits	5,319	-	-
Due to other governments	822	-	-
Current portion of OPWC loans payable	-	-	-
Current portion of compensated absences payable	14,680	-	-
	23,857	3,000	1,497
Total current liabilities	23,857	3,000	1,497
Long-term liabilities:			
OPWC loans payable	-	-	-
Compensated absences payable	44,436	-	-
	44,436	-	-
Total long-term liabilities	44,436	-	-
Total liabilities	68,293	3,000	1,497
Net position:			
Net investment in capital assets	2,620,635	379,736	1,183,263
Unrestricted (deficit)	(48,675)	165,542	10,500
	2,571,960	545,278	1,193,763
Total net position	\$ 2,571,960	\$ 545,278	\$ 1,193,763

Stormwater Utility	Totals
\$ 1,052,259	\$ 1,250,725
322,371	324,062
85	85
1,374,715	1,574,872
144,651	427,931
802,452	4,702,806
947,103	5,130,737
947,103	5,130,737
\$ 2,321,818	\$ 6,705,609
\$ 800	\$ 8,333
2,584	2,584
3,583	8,902
941	1,763
1,797	1,797
12,763	27,443
22,468	50,822
49,428	49,428
61,450	105,886
110,878	155,314
133,346	206,136
895,878	5,079,512
1,292,594	1,419,961
\$ 2,188,472	\$ 6,499,473

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Packard Music Hall	City Redevelopment	Downtown Parking
Operating revenues:			
Charges for services	\$ 185,971	\$ 40,111	\$ 24,530
Other	6,325	-	-
Total operating revenues	<u>192,296</u>	<u>40,111</u>	<u>24,530</u>
Operating expenses:			
Personal services	367,818	-	-
Contract services.	49,343	23,647	75,960
Materials and supplies.	33,133	4,403	1,600
Administrative costs.	39,305	-	-
Utilities	56,497	3,848	5,518
Depreciation.	117,122	14,791	48,059
Other.	2,071	-	10
Total operating expenses	<u>665,289</u>	<u>46,689</u>	<u>131,147</u>
Operating income (loss).	<u>(472,993)</u>	<u>(6,578)</u>	<u>(106,617)</u>
Nonoperating revenues (expenses):			
Special assessments	-	-	-
Total nonoperating revenues (expenses).	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers and capital contributions.	(472,993)	(6,578)	(106,617)
Transfers in	150,000	-	63,000
Capital contributions.	173,289	-	-
Changes in net position	(149,704)	(6,578)	(43,617)
Net position at beginning of year	<u>2,721,664</u>	<u>551,856</u>	<u>1,237,380</u>
Net position at end of year	<u>\$ 2,571,960</u>	<u>\$ 545,278</u>	<u>\$ 1,193,763</u>

Stormwater Utility	Totals
\$ 1,038,686	\$ 1,289,298
450	6,775
<u>1,039,136</u>	<u>1,296,073</u>
405,268	773,086
64,468	213,418
29,964	69,100
213,242	252,547
-	65,863
8,593	188,565
1,977	4,058
<u>723,512</u>	<u>1,566,637</u>
<u>315,624</u>	<u>(270,564)</u>
<u>3</u>	<u>3</u>
<u>3</u>	<u>3</u>
315,627	(270,561)
-	213,000
23,469	196,758
339,096	139,197
<u>1,849,376</u>	<u>6,360,276</u>
<u>\$ 2,188,472</u>	<u>\$ 6,499,473</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Cash flows from operating activities:			
Cash received from customers	\$ 185,971	\$ 42,378	\$ 28,140
Cash received from other operations	6,325	-	-
Cash payments for personal services	(333,186)	-	-
Cash payments for contract services	(57,157)	(20,647)	(83,413)
Cash payments for materials and supplies	(31,163)	(4,403)	(1,600)
Cash payments for utilities	(56,497)	(3,848)	(5,518)
Cash payments for administrative costs	(39,305)	-	-
Cash payments for other expenses	(2,071)	-	(10)
Net cash provided by (used in) operating activities	<u>(327,083)</u>	<u>13,480</u>	<u>(62,401)</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	<u>150,000</u>	<u>-</u>	<u>63,000</u>
Net cash provided by noncapital financing activities	<u>150,000</u>	<u>-</u>	<u>63,000</u>
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(45,586)	-	-
Capital contributions	59,020	-	-
Principal retirement	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>13,434</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(163,649)	13,480	599
Cash and cash equivalents at beginning of year	<u>183,267</u>	<u>155,062</u>	<u>9,707</u>
Cash and cash equivalents at end of year	<u>\$ 19,618</u>	<u>\$ 168,542</u>	<u>\$ 10,306</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (472,993)	\$ (6,578)	\$ (106,617)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	117,122	14,791	48,059
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	2,267	3,610
Increase (decrease) in accounts payable	(5,844)	3,000	(7,453)
(Decrease) in contracts payable	-	-	-
Increase (decrease) in accrued wages and benefits	1,480	-	-
Increase (decrease) in due to other governments	229	-	-
Increase in compensated absences payable	32,923	-	-
Net cash provided by (used in) operating activities	<u>\$ (327,083)</u>	<u>\$ 13,480</u>	<u>\$ (62,401)</u>

Stormwater Utility	Totals
\$ 1,005,808	\$ 1,262,297
450	6,775
(397,276)	(730,462)
(65,258)	(226,475)
(29,964)	(67,130)
(1,977)	(67,840)
(213,242)	(252,547)
-	(2,081)
298,541	(77,463)
-	213,000
-	213,000
(180,865)	(226,451)
23,469	82,489
(1,797)	(1,797)
(159,193)	(145,759)
139,348	(10,222)
912,911	1,260,947
\$ 1,052,259	\$ 1,250,725
\$ 315,624	\$ (270,564)
8,593	188,565
(32,878)	(27,001)
800	(9,497)
(4,481)	(4,481)
(8,456)	(6,976)
(1,341)	(1,112)
20,680	53,603
\$ 298,541	\$ (77,463)

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, 2012

	<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	\$ 8,989,928	\$ 9,014,900	\$ 8,439,645	\$ (575,255)
Other	10,072	10,100	8,477	(1,623)
Total operating revenues	<u>9,000,000</u>	<u>9,025,000</u>	<u>8,448,122</u>	<u>(576,878)</u>
Operating expenses:				
Personal services	3,270,005	3,290,498	2,721,506	568,992
Contract services	1,321,916	1,325,620	1,171,823	153,797
Materials and supplies	480,000	555,999	531,419	24,580
Capital outlay	29,023	229,023	200,012	29,011
Administrative costs	722,914	725,000	665,306	59,694
Utilities	602,737	604,447	526,851	77,596
Other	17,300	17,300	16,393	907
Total operating expenses	<u>6,443,895</u>	<u>6,747,887</u>	<u>5,833,310</u>	<u>914,577</u>
Operating income	<u>2,556,105</u>	<u>2,277,113</u>	<u>2,614,812</u>	<u>337,699</u>
Nonoperating expenses:				
Debt service:				
Principal retirement	(2,243,191)	(2,243,191)	(1,832,009)	411,182
Interest and fiscal charges	(414,453)	(414,453)	(344,864)	69,589
Total nonoperating expenses	<u>(2,657,644)</u>	<u>(2,657,644)</u>	<u>(2,176,873)</u>	<u>480,771</u>
Net gain (loss) before transfers	(101,539)	(380,531)	437,939	818,470
Transfers in	-	35,541	-	(35,541)
Net change in fund balance	(101,539)	(344,990)	437,939	782,929
Fund balance at beginning of year	1,539,625	1,539,625	1,539,625	-
Prior year encumbrances appropriated	101,539	101,539	101,539	-
Fund balance at end of year	<u>\$ 1,539,625</u>	<u>\$ 1,296,174</u>	<u>\$ 2,079,103</u>	<u>\$ 782,929</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 11,450,000	\$ 11,450,000	\$ 10,730,212	\$ (719,788)
Other.	236,500	236,500	288,277	51,777
Total operating revenues	<u>11,686,500</u>	<u>11,686,500</u>	<u>11,018,489</u>	<u>(668,011)</u>
Operating expenses:				
Personal services.	6,281,568	6,286,568	5,789,213	497,355
Contract services.	839,826	938,401	852,082	86,319
Materials and supplies.	1,248,379	1,353,699	1,266,891	86,808
Capital outlay	319,438	749,104	703,175	45,929
Administrative costs.	671,958	753,259	748,593	4,666
Utilities	519,966	580,736	504,186	76,550
Other.	200,250	211,250	178,314	32,936
Total operating expenses	<u>10,081,385</u>	<u>10,873,017</u>	<u>10,042,454</u>	<u>830,563</u>
Operating income.	<u>1,605,115</u>	<u>813,483</u>	<u>976,035</u>	<u>162,552</u>
Nonoperating revenues (expenses):				
Investment earnings.	-	-	143	143
Proceeds from sale of bonds	-	6,150,000	5,975,000	(175,000)
Premium on sale of bonds.	-	-	145,861	145,861
Payment to refunded bond escrow agent	-	(7,046,462)	(7,046,462)	-
Debt service:				
Principal retirement.	(1,213,725)	(1,131,080)	(1,098,698)	32,382
Interest and fiscal charges	(820,103)	(820,103)	(817,740)	2,363
Bond issue costs	-	(150,000)	(114,802)	35,198
Total nonoperating revenues (expenses)	<u>(2,033,828)</u>	<u>(2,997,645)</u>	<u>(2,956,698)</u>	<u>40,947</u>
Net change in fund balance.	(428,713)	(2,184,162)	(1,980,663)	203,499
Fund balance at beginning of year	3,088,696	3,088,696	3,088,696	-
Prior year encumbrances appropriated	430,213	430,213	430,213	-
Fund balance at end of year	<u>\$ 3,090,196</u>	<u>\$ 1,334,747</u>	<u>\$ 1,538,246</u>	<u>\$ 203,499</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 3,189,398	\$ 3,309,000	\$ 3,306,953	\$ (2,047)
Other.	10,602	11,000	15,187	4,187
Total operating revenues	<u>3,200,000</u>	<u>3,320,000</u>	<u>3,322,140</u>	<u>2,140</u>
Operating expenses:				
Personal services.	1,165,116	1,190,116	1,137,170	52,946
Contract services	1,574,695	1,626,667	1,606,915	19,752
Materials and supplies.	254,385	289,385	264,576	24,809
Capital outlay	-	248,000	244,485	3,515
Administrative costs.	228,284	235,924	235,924	-
Utilities	11,607	11,995	10,909	1,086
Other.	5,000	5,000	3,344	1,656
Total operating expenses	<u>3,239,087</u>	<u>3,607,087</u>	<u>3,503,323</u>	<u>103,764</u>
Operating loss	<u>(39,087)</u>	<u>(287,087)</u>	<u>(181,183)</u>	<u>105,904</u>
Nonoperating revenues:				
Sale of notes	-	248,000	240,000	(8,000)
Total nonoperating revenues	<u>-</u>	<u>248,000</u>	<u>240,000</u>	<u>(8,000)</u>
Net change in fund balance.	(39,087)	(39,087)	58,817	97,904
Fund balance at beginning of year	4,952	4,952	4,952	-
Prior year encumbrances appropriated	39,087	39,087	39,087	-
Fund balance at end of year	<u>\$ 4,952</u>	<u>\$ 4,952</u>	<u>\$ 102,856</u>	<u>\$ 97,904</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 240,150	\$ 240,150	\$ 185,971	\$ (54,179)
Other	15,000	15,000	6,325	(8,675)
Total operating revenues	<u>255,150</u>	<u>255,150</u>	<u>192,296</u>	<u>(62,854)</u>
Operating expenses:				
Personal services	387,065	387,065	333,186	53,879
Contract services	67,796	67,871	57,461	10,410
Materials and supplies	46,149	45,950	30,550	15,400
Capital outlay	51,464	52,464	48,527	3,937
Administrative costs	39,954	40,000	39,305	695
Utilities	67,122	67,199	56,497	10,702
Other	3,400	3,400	2,071	1,329
Total operating expenses	<u>662,950</u>	<u>663,949</u>	<u>567,597</u>	<u>96,352</u>
Net loss before capital contributions and transfers	(407,800)	(408,799)	(375,301)	33,498
Capital contributions	-	-	59,020	59,020
Transfers in	<u>354,549</u>	<u>354,549</u>	<u>150,000</u>	<u>(204,549)</u>
Net change in fund balance	(53,251)	(54,250)	(166,281)	(112,031)
Fund balance at beginning of year	130,016	130,016	130,016	-
Prior year encumbrances appropriated	<u>53,251</u>	<u>53,251</u>	<u>53,251</u>	<u>-</u>
Fund balance at end of year	<u>\$ 130,016</u>	<u>\$ 129,017</u>	<u>\$ 16,986</u>	<u>\$ (112,031)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY REDEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<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	\$ 43,500	\$ 42,378	\$ (1,122)
Total operating revenues	<u>42,000</u>	<u>43,500</u>	<u>42,378</u>	<u>(1,122)</u>
Operating expenses:				
Contract services	36,056	58,455	48,537	9,918
Materials and supplies	6,450	7,950	4,403	3,547
Utilities	3,699	6,300	3,848	2,452
Total operating expenses	<u>46,205</u>	<u>72,705</u>	<u>56,788</u>	<u>15,917</u>
Net change in fund balance.	(4,205)	(29,205)	(14,410)	14,795
Fund balance at beginning of year	150,857	150,857	150,857	-
Prior year encumbrances appropriated . .	<u>4,205</u>	<u>4,205</u>	<u>4,205</u>	<u>-</u>
Fund balance at end of year	<u>\$ 150,857</u>	<u>\$ 125,857</u>	<u>\$ 140,652</u>	<u>\$ 14,795</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 32,000	\$ 33,000	\$ 28,140	\$ (4,860)
Total operating revenues	<u>32,000</u>	<u>33,000</u>	<u>28,140</u>	<u>(4,860)</u>
Operating expenses:				
Contract services	92,087	92,087	89,446	2,641
Materials and supplies	2,000	3,000	1,600	1,400
Utilities	9,700	9,700	6,034	3,666
Other	300	300	10	290
Total operating expenses	<u>104,087</u>	<u>105,087</u>	<u>97,090</u>	<u>7,997</u>
Net loss before transfers	(72,087)	(72,087)	(68,950)	3,137
Transfers in	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>	<u>-</u>
Net change in fund balance	(9,087)	(9,087)	(5,950)	3,137
Fund balance at beginning of year	620	620	620	-
Prior year encumbrances appropriated	<u>9,087</u>	<u>9,087</u>	<u>9,087</u>	<u>-</u>
Fund balance at end of year	<u>\$ 620</u>	<u>\$ 620</u>	<u>\$ 3,757</u>	<u>\$ 3,137</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, 2012

	<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	\$ 975,000	\$ 975,000	\$ 1,005,808	\$ 30,808
Other.	-	-	450	450
Total operating revenues	<u>975,000</u>	<u>975,000</u>	<u>1,006,258</u>	<u>31,258</u>
Operating expenses:				
Personal services.	321,685	395,885	397,276	(1,391)
Contract services	131,891	131,891	84,365	47,526
Materials and supplies.	58,121	62,121	31,085	31,036
Capital outlay	306,245	306,245	194,235	112,010
Administrative costs.	213,242	213,242	213,242	-
Other.	500	3,000	1,977	1,023
Total operating expenses	<u>1,031,684</u>	<u>1,112,384</u>	<u>922,180</u>	<u>190,204</u>
Net income (loss)	(56,684)	(137,384)	84,078	221,462
Nonoperating expenses:				
Debt service:				
Principal retirement	-	(2,700)	(1,797)	903
Total nonoperating expenses	<u>-</u>	<u>(2,700)</u>	<u>(1,797)</u>	<u>903</u>
Net income (loss) before capital contributions	(56,684)	(140,084)	82,281	222,365
Capital contributions	-	-	23,469	23,469
Net change in fund balance	(56,684)	(140,084)	105,750	245,834
Fund balance at beginning of year	805,745	805,745	805,745	-
Prior year encumbrances appropriated	<u>107,166</u>	<u>107,166</u>	<u>107,166</u>	<u>-</u>
Fund balance at end of year	<u>\$ 856,227</u>	<u>\$ 772,827</u>	<u>\$ 1,018,661</u>	<u>\$ 245,834</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 POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2012

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash, cash equivalents and investments	\$ 1,186,411	\$ 1,396,430	\$ 1,088,374	\$ 789,337	\$ 4,460,552
Investments.	240,000	-	-	-	240,000
Receivables (net of allowances for uncollectibles):					
Accounts	569	-	-	-	569
Accrued interest	521	-	-	-	521
Total current assets	<u>1,427,501</u>	<u>1,396,430</u>	<u>1,088,374</u>	<u>789,337</u>	<u>4,701,642</u>
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net	-	-	29,012	-	29,012
Total capital assets	<u>-</u>	<u>-</u>	<u>29,012</u>	<u>-</u>	<u>29,012</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>29,012</u>	<u>-</u>	<u>29,012</u>
Total assets	<u>\$ 1,427,501</u>	<u>\$ 1,396,430</u>	<u>\$ 1,117,386</u>	<u>\$ 789,337</u>	<u>\$ 4,730,654</u>
Liabilities:					
Current liabilities:					
Accounts payable.	\$ -	\$ -	\$ 34,368	\$ -	\$ 34,368
Accrued wages and benefits	-	-	6,092	-	6,092
Due to other governments	-	267,236	554	-	267,790
Claims payable	795,822	358,015	-	2,472	1,156,309
Current portion of general obligation bonds	-	-	70,000	-	70,000
Current portion of compensated absences	-	-	17,104	-	17,104
Accrued interest payable	-	-	1,175	-	1,175
Total current liabilities.	<u>795,822</u>	<u>625,251</u>	<u>129,293</u>	<u>2,472</u>	<u>1,552,838</u>
Long-term liabilities:					
Claims payable.	-	1,122,714	-	-	1,122,714
General obligation bonds payable.	-	-	739,124	-	739,124
Compensated absences payable.	-	-	54,539	-	54,539
Total long-term liabilities	<u>-</u>	<u>1,122,714</u>	<u>793,663</u>	<u>-</u>	<u>1,916,377</u>
Total liabilities	<u>795,822</u>	<u>1,747,965</u>	<u>922,956</u>	<u>2,472</u>	<u>3,469,215</u>
Net position:					
Net investment in capital assets.	-	-	29,012	-	29,012
Unrestricted (deficit)	631,679	(351,535)	165,418	786,865	1,232,427
Total net position (deficit)	<u>\$ 631,679</u>	<u>\$ (351,535)</u>	<u>\$ 194,430</u>	<u>\$ 786,865</u>	<u>\$ 1,261,439</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 5,670,169	\$ 886,816	\$ 550,500	\$ 139,189	\$ 7,246,674
Other	-	-	4,342	-	4,342
Total operating revenues.	<u>5,670,169</u>	<u>886,816</u>	<u>554,842</u>	<u>139,189</u>	<u>7,251,016</u>
Operating expenses:					
Personal services	-	-	227,062	-	227,062
Contract services	-	-	131,029	-	131,029
Materials and supplies	-	-	43,975	-	43,975
Administrative costs	-	271,258	40,427	-	311,685
Utilities	-	-	27,453	-	27,453
Claims.	5,577,056	6,813	-	123,337	5,707,206
Depreciation	-	-	24,240	-	24,240
Total operating expenses.	<u>5,577,056</u>	<u>278,071</u>	<u>494,186</u>	<u>123,337</u>	<u>6,472,650</u>
Operating income	<u>93,113</u>	<u>608,745</u>	<u>60,656</u>	<u>15,852</u>	<u>778,366</u>
Nonoperating revenues (expenses):					
Interest income	521	-	-	-	521
Interest and fiscal charges.	-	-	(1,014)	-	(1,014)
Bond issuance costs.	-	-	(14,952)	-	(14,952)
Total nonoperating revenues (expenses)	<u>521</u>	<u>-</u>	<u>(15,966)</u>	<u>-</u>	<u>(15,445)</u>
Net income before transfers	93,634	608,745	44,690	15,852	762,921
Transfers out.	-	-	(88,184)	-	(88,184)
Changes in net position	93,634	608,745	(43,494)	15,852	674,737
Net position (deficit) at beginning of year	<u>538,045</u>	<u>(960,280)</u>	<u>237,924</u>	<u>771,013</u>	<u>586,702</u>
Net position (deficit) at end of year	<u>\$ 631,679</u>	<u>\$ (351,535)</u>	<u>\$ 194,430</u>	<u>\$ 786,865</u>	<u>\$ 1,261,439</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,669,600	\$ 886,816	\$ 550,500	\$ 144,224	\$ 7,251,140
Cash received from other operations	-	-	4,342	-	4,342
Cash payments for personal services	-	-	(223,704)	-	(223,704)
Cash payments for contract services	-	-	(132,135)	-	(132,135)
Cash payments for materials and supplies	-	-	(10,227)	-	(10,227)
Cash payments for utilities	-	-	(27,453)	-	(27,453)
Cash payments for claims	(5,659,284)	(658,785)	-	(132,760)	(6,450,829)
Cash payments for administrative costs.	-	(290,017)	(40,427)	-	(330,444)
Net cash provided by (used in) operating activities	<u>10,316</u>	<u>(61,986)</u>	<u>120,896</u>	<u>11,464</u>	<u>80,690</u>
Cash flows from noncapital financing activities:					
Transfers out to other funds.	-	-	(88,184)	-	(88,184)
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>(88,184)</u>	<u>-</u>	<u>(88,184)</u>
Cash flows from capital and related financing activities:					
Bonds issued	-	-	790,000	-	790,000
Premium on bonds issued.	-	-	19,285	-	19,285
Bond issuance costs.	-	-	(14,952)	-	(14,952)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>794,333</u>	<u>-</u>	<u>794,333</u>
Net increase (decrease) in cash and cash equivalents . .	10,316	(61,986)	827,045	11,464	786,839
Cash and cash equivalents at beginning of year . . .	<u>1,416,095</u>	<u>1,458,416</u>	<u>261,329</u>	<u>777,873</u>	<u>3,913,713</u>
Cash and cash equivalents at end of year.	<u><u>\$ 1,426,411</u></u>	<u><u>\$ 1,396,430</u></u>	<u><u>\$ 1,088,374</u></u>	<u><u>\$ 789,337</u></u>	<u><u>\$ 4,700,552</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 93,113	\$ 608,745	\$ 60,656	\$ 15,852	\$ 778,366
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	24,240	-	24,240
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(569)	-	-	5,035	4,466
Increase in accounts payable	-	-	32,642	-	32,642
Increase in accrued wages and benefits	-	-	3,516	-	3,516
Increase (decrease) in due to other governments . .	-	(18,759)	156	-	(18,603)
(Decrease) in compensated absences payable. . . .	-	-	(314)	-	(314)
(Decrease) in claims payable	(82,228)	(651,972)	-	(9,423)	(743,623)
Net cash provided by (used in) operating activities	<u><u>\$ 10,316</u></u>	<u><u>\$ (61,986)</u></u>	<u><u>\$ 120,896</u></u>	<u><u>\$ 11,464</u></u>	<u><u>\$ 80,690</u></u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<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	\$ 5,750,000	\$ 5,750,000	\$ 5,669,600	\$ (80,400)
Total operating revenues	<u>5,750,000</u>	<u>5,750,000</u>	<u>5,669,600</u>	<u>(80,400)</u>
Operating expenses:				
Claims expense	5,750,080	5,750,080	5,659,357	90,723
Total operating expenses	<u>5,750,080</u>	<u>5,750,080</u>	<u>5,659,357</u>	<u>90,723</u>
Net change in fund balance.	(80)	(80)	10,243	10,323
Fund balance at beginning of year	1,416,015	1,416,015	1,416,015	-
Prior year encumbrances appropriated	<u>80</u>	<u>80</u>	<u>80</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,416,015</u>	<u>\$ 1,416,015</u>	<u>\$ 1,426,338</u>	<u>\$ 10,323</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, 2012

	<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	\$ 950,000	\$ 950,000	\$ 886,816	\$ (63,184)
Total operating revenues	<u>950,000</u>	<u>950,000</u>	<u>886,816</u>	<u>(63,184)</u>
Operating expenses:				
Claims expense	952,169	952,169	949,016	3,153
Total operating expenses	<u>952,169</u>	<u>952,169</u>	<u>949,016</u>	<u>3,153</u>
Net change in fund balance.	(2,169)	(2,169)	(62,200)	(60,031)
Fund balance at beginning of year	1,456,247	1,456,247	1,456,247	-
Prior year encumbrances appropriated . .	<u>2,169</u>	<u>2,169</u>	<u>2,169</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,456,247</u>	<u>\$ 1,456,247</u>	<u>\$ 1,396,216</u>	<u>\$ (60,031)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 550,000	\$ 550,000	\$ 550,500	\$ 500
Other	-	-	4,342	4,342
Total operating revenues	<u>550,000</u>	<u>550,000</u>	<u>554,842</u>	<u>4,842</u>
Operating expenses:				
Personal services	279,145	279,145	223,704	55,441
Contract services	109,256	140,104	132,716	7,388
Materials and supplies	8,985	8,985	7,629	1,356
Capital outlay	15,351	843,751	50,194	793,557
Administrative costs	28,286	40,427	40,427	-
Utilities	24,157	34,216	27,529	6,687
Total operating expenses	<u>465,180</u>	<u>1,346,628</u>	<u>482,199</u>	<u>864,429</u>
Operating income (loss)	<u>84,820</u>	<u>(796,628)</u>	<u>72,643</u>	<u>869,271</u>
Nonoperating revenues (expenses):				
Proceeds from sale of bonds	-	790,000	790,000	-
Premium on sale of bonds	-	-	19,285	19,285
Debt service:				
Principal retirement	(76,131)	(76,131)	(76,131)	-
Interest and fiscal charges	(12,053)	(12,053)	(12,053)	-
Bond issuance costs	-	(14,952)	(14,952)	-
Total nonoperating revenues (expenses) . .	<u>(88,184)</u>	<u>686,864</u>	<u>706,149</u>	<u>19,285</u>
Net change in fund balance	(3,364)	(109,764)	778,792	888,556
Fund balance at beginning of year	257,965	257,965	257,965	-
Prior year encumbrances appropriated . .	<u>3,364</u>	<u>3,364</u>	<u>3,364</u>	<u>-</u>
Fund balance at end of year	<u>\$ 257,965</u>	<u>\$ 151,565</u>	<u>\$ 1,040,121</u>	<u>\$ 888,556</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, 2012

	<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	\$ 125,000	\$ 125,000	\$ 144,224	\$ 19,224
Total operating revenues	<u>125,000</u>	<u>125,000</u>	<u>144,224</u>	<u>19,224</u>
Operating expenses:				
Claims expense	125,000	175,000	143,187	31,813
Total operating expenses	<u>125,000</u>	<u>175,000</u>	<u>143,187</u>	<u>31,813</u>
Net change in fund balance.	-	(50,000)	1,037	51,037
Fund balance at beginning of year	<u>777,873</u>	<u>777,873</u>	<u>777,873</u>	<u>-</u>
Fund balance at end of year	<u>\$ 777,873</u>	<u>\$ 727,873</u>	<u>\$ 778,910</u>	<u>\$ 51,037</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, 2012**

	<u>Balance 1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 38,490	\$ 38,490	\$ -
Accounts receivable	2,701	1,853	2,701	1,853
Total assets.	<u>\$ 2,701</u>	<u>\$ 40,343</u>	<u>\$ 41,191</u>	<u>\$ 1,853</u>
Liabilities:				
Deposits held and due to others	\$ 2,701	\$ 40,343	\$ 41,191	\$ 1,853
Total liabilities	<u>\$ 2,701</u>	<u>\$ 40,343</u>	<u>\$ 41,191</u>	<u>\$ 1,853</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 327,338	\$ 140,441	\$ 215,600	\$ 252,179
Accounts receivable	16,636	65,000	16,636	65,000
Total assets.	<u>\$ 343,974</u>	<u>\$ 205,441</u>	<u>\$ 232,236</u>	<u>\$ 317,179</u>
Liabilities:				
Deposits held and due to others	\$ 343,974	\$ 205,441	\$ 232,236	\$ 317,179
Total liabilities	<u>\$ 343,974</u>	<u>\$ 205,441</u>	<u>\$ 232,236</u>	<u>\$ 317,179</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 609,285	\$ 4,125	\$ 72,124	\$ 541,286
Total assets.	<u>\$ 609,285</u>	<u>\$ 4,125</u>	<u>\$ 72,124</u>	<u>\$ 541,286</u>
Liabilities:				
Due to other governments	\$ 609,285	\$ 4,125	\$ 72,124	\$ 541,286
Total liabilities	<u>\$ 609,285</u>	<u>\$ 4,125</u>	<u>\$ 72,124</u>	<u>\$ 541,286</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 443,288	\$ 519,035	\$ 443,288	\$ 519,035
Total assets.	<u>\$ 443,288</u>	<u>\$ 519,035</u>	<u>\$ 443,288</u>	<u>\$ 519,035</u>
Liabilities:				
Due to other governments	\$ 443,288	\$ 519,035	\$ 443,288	\$ 519,035
Total liabilities	<u>\$ 443,288</u>	<u>\$ 519,035</u>	<u>\$ 443,288</u>	<u>\$ 519,035</u>

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Balance 1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 936,623	\$ 183,056	\$ 326,214	\$ 793,465
Cash with fiscal and escrow agents.	443,288	519,035	443,288	519,035
Accounts receivable	19,337	66,853	19,337	66,853
Total assets.	<u>\$ 1,399,248</u>	<u>\$ 768,944</u>	<u>\$ 788,839</u>	<u>\$ 1,379,353</u>
Liabilities:				
Due to other governments	\$ 1,052,573	\$ 523,160	\$ 515,412	\$ 1,060,321
Deposits held and due to others	346,675	245,784	273,427	319,032
Total liabilities	<u>\$ 1,399,248</u>	<u>\$ 768,944</u>	<u>\$ 788,839</u>	<u>\$ 1,379,353</u>

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STATISTICAL SECTION

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CITY OF WARREN, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	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.	174-176

Sources: Sources are noted on the individual schedules.

CITY OF WARREN, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 42,910,889	\$ 41,689,055	\$ 41,287,935	\$ 37,644,539
Restricted for:				
Capital projects	-	21,924	-	49,172
Debt service	1,996,713	1,615,731	1,123,312	1,013,994
Street maintenance	808,811	771,607	725,984	712,053
State highway	345,451	274,377	223,765	159,839
Law enforcement	345,503	413,142	461,705	501,540
Courts	1,315,547	1,122,989	842,855	947,689
Community development and improvements	10,168,030	10,218,860	9,560,569	8,319,608
Police and fire pension	104,782	1,108,729	1,002,814	901,168
Public health	665,959	692,804	702,538	696,863
Other purposes	-	-	-	-
Unrestricted (deficit)	<u>(659,287)</u>	<u>(1,555,360)</u>	<u>(4,588,636)</u>	<u>(4,856,639)</u>
Total governmental activities net position	<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>	<u>\$ 51,342,841</u>	<u>\$ 46,089,826</u>
Business-type activities				
Net investment in capital assets	\$ 25,997,973	\$ 24,563,803	\$ 23,458,196	\$ 21,755,533
Restricted for:				
Debt service	-	963,817	962,846	967,855
Unrestricted	<u>7,100,100</u>	<u>6,435,075</u>	<u>5,387,270</u>	<u>6,493,160</u>
Total business-type activities net position	<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>	<u>\$ 29,808,312</u>	<u>\$ 29,216,548</u>
Total primary government				
Net investment in capital assets	\$ 68,908,862	\$ 66,252,858	\$ 64,746,131	\$ 59,400,072
Restricted for:				
Capital projects	-	21,924	-	49,172
Debt service	1,996,713	2,579,548	2,086,158	1,981,849
Street maintenance	808,811	771,607	725,984	712,053
State highway	345,451	274,377	223,765	159,839
Law enforcement	345,503	413,142	461,705	501,540
Courts	1,315,547	1,122,989	842,855	947,689
Community development and improvements	10,168,030	10,218,860	9,560,569	8,319,608
Police and fire pension	104,782	1,108,729	1,002,814	901,168
Public health	665,959	692,804	702,538	696,863
Other purposes	-	-	-	-
Unrestricted	<u>6,440,813</u>	<u>4,879,715</u>	<u>798,634</u>	<u>1,636,521</u>
Total primary government net position	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>

Note: In 2012 the City implemented GASB Statement No. 65. 2011 amounts have been restated to conform to 2012 presentation.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 34,666,493	\$ 33,024,924	\$ 30,967,884	\$ 29,524,698	\$ 26,382,293	\$ 19,496,371
75,800	9,405	570,073	768,172	541,032	357,350
761,906	483,719	374,727	372,932	338,675	326,037
563,941	627,749	982,767	611,593	463,622	-
94,202	143,919	177,075	148,916	100,897	-
196,316	450,480	405,984	819,715	643,336	-
1,271,125	1,355,089	1,189,849	977,107	782,106	-
7,661,196	7,687,341	7,866,327	6,426,196	6,447,060	-
768,867	596,345	292,210	310,630	191,177	-
695,177	670,709	679,561	-	-	-
-	-	-	-	-	9,477,900
(4,210,956)	756,595	5,137,720	5,273,540	5,697,185	6,481,599
<u>\$ 42,544,067</u>	<u>\$ 45,806,275</u>	<u>\$ 48,644,177</u>	<u>\$ 45,233,499</u>	<u>\$ 41,587,383</u>	<u>\$ 36,139,257</u>
\$ 19,391,428	\$ 19,416,251	\$ 18,390,112	\$ 18,245,015	\$ 17,311,185	\$ 19,168,104
979,719	1,000,383	993,441	982,128	972,204	965,236
9,021,287	10,350,057	8,840,165	8,187,418	7,514,213	5,132,178
<u>\$ 29,392,434</u>	<u>\$ 30,766,691</u>	<u>\$ 28,223,718</u>	<u>\$ 27,414,561</u>	<u>\$ 25,797,602</u>	<u>\$ 25,265,518</u>
\$ 54,057,921	\$ 52,441,175	\$ 49,357,996	\$ 47,769,713	\$ 43,693,478	\$ 38,664,475
75,800	9,405	570,073	768,172	541,032	357,350
1,741,625	1,484,102	1,368,168	1,355,060	1,310,879	1,291,273
563,941	627,749	982,767	611,593	463,622	-
94,202	143,919	177,075	148,916	100,897	-
196,316	450,480	405,984	819,715	643,336	-
1,271,125	1,355,089	1,189,849	977,107	782,106	-
7,661,196	7,687,341	7,866,327	6,426,196	6,447,060	-
768,867	596,345	292,210	310,630	191,177	-
695,177	670,709	679,561	-	-	-
-	-	-	-	-	9,477,900
4,810,331	11,106,652	13,977,885	13,460,958	13,211,398	11,613,777
<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>	<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 POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,304,044	\$ 1,331,458	\$ 1,355,736	\$ 1,380,902
Security of persons and property	1,739,425	1,827,410	1,898,051	1,695,936
Public health and welfare	201,798	193,402	206,308	220,439
Transportation	21,750	35,950	22,700	4,400
Community environment	794,078	698,223	845,630	747,261
Leisure time activities	34,033	17,643	28,350	21,494
Economic development	526,844	587,408	30,482	181,329
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	162,239	116,784	132,324	548,325
Transportation	2,000,968	2,063,252	2,127,786	1,881,928
Economic development	2,859,913	3,794,352	5,212,448	3,059,516
Capital grants and contributions:				
General government	309,751	-	-	-
Transportation	982,257	2,646,972	2,647,295	3,501,520
Total governmental activities program revenues	<u>10,937,100</u>	<u>13,312,854</u>	<u>14,507,110</u>	<u>13,243,050</u>
Business-type activities:				
Charges for services:				
Sewer	8,487,821	9,862,861	7,364,686	7,437,372
Water	11,042,614	10,746,044	9,762,568	9,631,170
Sanitation	3,323,515	3,146,892	3,182,299	3,157,449
Other business-type activities:				
Packard Music Hall	185,971	213,131	197,508	216,722
City Redevelopment	40,111	51,778	31,378	42,711
Downtown parking	24,530	29,566	30,940	29,448
Stormwater Utility	1,038,686	983,029	921,907	888,267
Capital grants and contributions				
Sewer	-	246,037	1,072,931	-
Other business-type activities:				
Packard Music Hall	59,020	232,913	675,680	1,236,504
Stormwater Utility	23,469	227,296	23,697	30,225
Total business-type activities program revenues	<u>24,225,737</u>	<u>25,739,547</u>	<u>23,263,594</u>	<u>22,669,868</u>
Total primary government	<u>\$ 35,162,837</u>	<u>\$ 39,052,401</u>	<u>\$ 37,770,704</u>	<u>\$ 35,912,918</u>
Expenses:				
Governmental activities:				
General government	\$ 5,841,107	\$ 5,614,737	\$ 5,400,182	\$ 6,087,221
Security of persons and property	16,753,174	16,860,682	15,449,385	15,993,727
Public health and welfare	634,143	615,238	633,699	545,444
Transportation	3,790,997	4,034,308	3,548,603	3,662,641
Community environment	1,758,742	1,797,152	1,817,279	2,020,146
Leisure time activities	482,998	453,413	520,453	484,294
Economic development	2,402,035	2,821,164	2,936,898	1,620,800
Interest and fiscal charges	266,413	312,812	503,530	566,227
Bond issuance costs	59,662	-	-	-
Total governmental activities expenses	<u>31,989,271</u>	<u>32,509,506</u>	<u>30,810,029</u>	<u>30,980,500</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,423,496	\$ 1,350,401	\$ 1,459,245	\$ 1,210,264	\$ 1,225,507	\$ 1,279,189
1,449,173	1,447,343	1,506,767	1,368,960	1,412,462	1,567,813
203,913	153,510	150,522	157,623	130,904	120,659
33,155	40,450	45,255	48,066	33,050	44,058
708,209	535,152	1,135,168	526,502	663,501	617,335
32,702	23,902	16,087	13,646	17,259	27,456
240,918	218,337	73,629	179,296	38,522	142,863
-	6,226	-	40,248	-	191,227
75,907	155,237	87,594	257,611	236,524	243,964
2,117,983	2,115,189	2,159,287	2,178,812	1,872,926	1,684,860
3,092,290	2,199,113	2,077,372	2,673,342	2,054,645	3,021,318
-	-	-	-	1,164,720	1,147,279
1,899,760	780,998	670,191	2,017,348	2,766,371	-
<u>11,277,506</u>	<u>9,025,858</u>	<u>10,096,117</u>	<u>10,671,718</u>	<u>11,616,391</u>	<u>10,088,021</u>
8,067,438	8,976,173	8,265,798	8,743,627	7,653,073	6,800,830
10,804,962	11,130,274	10,976,356	11,720,251	10,249,483	10,287,987
3,050,445	3,129,173	3,100,329	3,145,870	3,160,832	3,018,624
204,224	237,197	218,979	260,551	201,112	198,349
42,711	42,711	42,711	40,445	42,711	44,978
27,503	37,959	29,192	4,805	36,022	86,804
843,531	804,595	832,444	808,058	806,491	732,880
-	-	-	-	-	-
33,056	-	100,000	-	-	-
-	-	-	-	-	-
<u>23,073,870</u>	<u>24,358,082</u>	<u>23,565,809</u>	<u>24,723,607</u>	<u>22,149,724</u>	<u>21,170,452</u>
<u>\$ 34,351,376</u>	<u>\$ 33,383,940</u>	<u>\$ 33,661,926</u>	<u>\$ 35,395,325</u>	<u>\$ 33,766,115</u>	<u>\$ 31,258,473</u>
\$ 6,732,524	\$ 6,108,728	\$ 6,119,385	\$ 5,856,271	\$ 5,364,746	\$ 5,503,496
18,620,804	17,180,410	17,031,559	16,406,869	16,118,228	15,483,951
1,289,289	512,057	517,820	592,167	509,570	443,174
4,644,555	3,948,040	3,834,782	3,272,353	3,447,063	3,581,813
2,082,342	2,310,948	1,884,819	1,730,863	1,849,861	2,017,399
699,582	860,839	665,407	905,187	585,728	680,886
2,981,877	2,066,544	2,595,480	2,831,518	2,071,529	2,189,572
631,425	609,323	682,090	668,091	730,212	630,684
-	-	-	-	-	-
<u>37,682,398</u>	<u>33,596,889</u>	<u>33,331,342</u>	<u>32,263,319</u>	<u>30,676,937</u>	<u>30,530,975</u>

-- Continued

CITY OF WARREN, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:				
Sewer	\$ 6,684,587	\$ 7,130,457	\$ 7,211,259	\$ 7,291,440
Water	12,190,368	12,240,091	11,925,632	11,875,667
Sanitation	3,331,447	3,212,094	3,129,254	3,118,475
Other business-type activities:				
Packard Music Hall	657,521	563,301	387,126	440,581
City Redevelopment	46,689	45,514	58,066	20,650
Downtown parking	131,147	145,216	128,252	136,918
Stormwater Utility	715,049	760,294	557,878	769,785
Total business-type activities expenses	<u>23,756,808</u>	<u>24,096,967</u>	<u>23,397,467</u>	<u>23,653,516</u>
Total primary government	<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>	<u>\$ 54,207,496</u>	<u>\$ 54,634,016</u>
Net (expense) revenue:				
Governmental activities	\$ (21,052,171)	\$ (19,196,652)	\$ (16,302,919)	\$ (17,737,450)
Business-type activities	468,929	1,642,580	(133,873)	(983,648)
Total primary government net expense	<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>	<u>\$ (16,436,792)</u>	<u>\$ (18,721,098)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 995,193	\$ 1,223,713	\$ 1,129,724	\$ 1,298,598
Fire pension	94,034	128,896	118,708	133,797
Police pension	94,034	117,974	116,983	133,797
Income taxes levied for:				
General Purposes	16,968,167	17,292,458	16,247,214	16,411,492
Grants and entitlements				
not restricted to specific programs	4,115,473	4,750,099	3,375,874	2,908,110
Investment earnings	67,451	128,848	111,444	302,100
Miscellaneous	673,628	834,099	716,079	605,315
Transfers	(327,269)	(220,975)	(260,092)	(510,000)
Total governmental activities	<u>22,680,711</u>	<u>24,255,112</u>	<u>21,555,934</u>	<u>21,283,209</u>
Business-type activities				
Investment earnings	143	-	-	1,772
Miscellaneous	339,037	416,949	465,545	295,990
Transfers	327,269	220,975	260,092	510,000
Total business-type activities	<u>666,449</u>	<u>637,924</u>	<u>725,637</u>	<u>807,762</u>
Total primary government	<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>	<u>\$ 22,281,571</u>	<u>\$ 22,090,971</u>
Change in net position:				
Governmental activities	\$ 1,628,540	\$ 5,058,460	\$ 5,253,015	\$ 3,545,759
Business-type activities	1,135,378	2,280,504	591,764	(175,886)
Total primary government	<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>	<u>\$ 5,844,779</u>	<u>\$ 3,369,873</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 7,686,872	\$ 8,008,014	\$ 8,191,531	\$ 8,714,806	\$ 8,129,365	\$ 8,536,652
12,233,642	10,845,009	10,769,899	10,654,024	10,240,694	10,385,641
3,360,964	3,146,764	3,004,744	3,042,898	2,890,149	2,822,181
684,553	685,045	539,752	711,637	643,869	528,652
50,605	49,618	52,594	75,597	20,399	21,589
150,089	154,011	74,573	142,539	154,335	159,800
1,291,516	646,497	580,352	818,288	583,188	657,073
<u>25,458,241</u>	<u>23,534,958</u>	<u>23,213,445</u>	<u>24,159,789</u>	<u>22,661,999</u>	<u>23,111,588</u>
<u>\$ 63,140,639</u>	<u>\$ 57,131,847</u>	<u>\$ 56,544,787</u>	<u>\$ 56,423,108</u>	<u>\$ 53,338,936</u>	<u>\$ 53,642,563</u>
\$ (26,404,892)	\$ (24,571,031)	\$ (23,235,225)	\$ (21,591,601)	\$ (19,060,546)	\$ (20,442,954)
(2,384,371)	823,124	352,364	563,818	(512,275)	(1,941,136)
<u>\$ (28,789,263)</u>	<u>\$ (23,747,907)</u>	<u>\$ (22,882,861)</u>	<u>\$ (21,027,783)</u>	<u>\$ (19,572,821)</u>	<u>\$ (22,384,090)</u>
\$ 1,448,672	\$ 1,389,308	\$ 1,405,834	\$ 1,261,822	\$ 1,218,505	\$ 1,256,977
151,750	144,268	147,074	129,146	126,166	130,145
151,750	144,268	147,074	129,146	126,166	130,145
17,636,767	18,221,022	20,214,764	19,432,428	18,830,130	18,788,667
2,999,526	2,995,358	2,894,066	3,312,509	3,080,849	2,896,927
838,469	1,239,089	1,229,795	1,111,515	465,707	615,974
518,324	548,405	776,416	563,907	1,153,304	1,796,888
(602,574)	(327,477)	(169,120)	(702,756)	(492,155)	(645,036)
<u>23,142,684</u>	<u>24,354,241</u>	<u>26,645,903</u>	<u>25,237,717</u>	<u>24,508,672</u>	<u>24,970,687</u>
27,045	57,086	53,205	30,745	9,940	201,577
380,495	282,751	234,468	319,640	542,264	767,730
602,574	327,477	169,120	702,756	492,155	645,036
<u>1,010,114</u>	<u>667,314</u>	<u>456,793</u>	<u>1,053,141</u>	<u>1,044,359</u>	<u>1,614,343</u>
<u>\$ 24,152,798</u>	<u>\$ 25,021,555</u>	<u>\$ 27,102,696</u>	<u>\$ 26,290,858</u>	<u>\$ 25,553,031</u>	<u>\$ 26,585,030</u>
\$ (3,262,208)	\$ (216,790)	\$ 3,410,678	\$ 3,646,116	\$ 5,448,126	\$ 4,527,733
(1,374,257)	1,490,438	809,157	1,616,959	532,084	(326,793)
<u>\$ (4,636,465)</u>	<u>\$ 1,273,648</u>	<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General fund:						
Nonspendable	\$ 3,538	\$ 7,445	\$ -	\$ -	\$ -	\$ -
Restricted	665,959	692,804	-	-	-	-
Assigned	743,525	74,882	-	-	-	-
Unassigned	3,810,108	4,810,152	-	-	-	-
Reserved	-	-	324,890	88,913	82,867	505,629
Unreserved	-	-	4,250,122	4,027,419	4,119,358	5,943,890
Total general fund	<u>\$ 5,223,130</u>	<u>\$ 5,585,283</u>	<u>\$ 4,575,012</u>	<u>\$ 4,116,332</u>	<u>\$ 4,202,225</u>	<u>\$ 6,449,519</u>
All other governmental funds:						
Nonspendable	\$ -	\$ 10,596	\$ -	\$ -	\$ -	\$ -
Restricted	12,285,612	12,966,986	-	-	-	-
Unassigned (deficit)	(492,011)	-	-	-	-	-
Reserved	-	-	10,966,339	9,384,585	10,217,681	8,234,636
Unreserved (deficit), reported in:						
Special revenue funds	-	-	1,481,434	2,183,565	2,191,594	2,360,982
Debt service fund	-	-	505,151	300,006	111,599	3,924
Capital projects fund	-	-	(2,073,152)	(1,341,226)	(3,004,369)	(222,311)
Total all other governmental funds	<u>\$ 11,793,601</u>	<u>\$ 12,977,582</u>	<u>\$ 10,879,772</u>	<u>\$ 10,526,930</u>	<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
267,692	131,711	598,009	602,878
<u>6,283,706</u>	<u>4,828,462</u>	<u>4,647,091</u>	<u>5,526,525</u>
<u>\$ 6,551,398</u>	<u>\$ 4,960,173</u>	<u>\$ 5,245,100</u>	<u>\$ 6,129,403</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
8,466,851	6,076,124	5,602,035	6,443,384
2,256,060	3,331,847	3,141,354	4,289,027
1,441	8,466	577	4,803
<u>62,827</u>	<u>51,707</u>	<u>(48,071)</u>	<u>(1,362,610)</u>
<u>\$ 10,787,179</u>	<u>\$ 9,468,144</u>	<u>\$ 8,695,895</u>	<u>\$ 9,374,604</u>

CITY OF WARREN, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Income taxes	\$ 17,080,705	\$ 16,996,981	\$ 15,872,631	\$ 15,624,357	\$ 18,013,849
Property and other taxes	1,356,637	1,404,962	1,475,498	1,511,528	1,484,062
Charges for services	2,068,967	2,085,260	2,084,254	2,139,791	2,236,100
Licenses and permits	2,281,768	2,193,463	2,303,729	2,070,754	2,493,223
Fines and forfeitures	1,751,023	1,827,530	1,918,363	1,747,233	1,523,506
Intergovernmental	10,388,955	13,551,987	13,198,824	12,037,848	9,540,800
Special assessments	35,896	65,724	50,813	27,680	22,036
Investment income	125,471	271,739	216,055	393,622	1,187,787
Rental income	26,274	31,653	36,552	94,831	60,013
Other	760,098	916,099	803,079	697,315	721,207
Total revenues	<u>35,875,794</u>	<u>39,345,398</u>	<u>37,959,798</u>	<u>36,344,959</u>	<u>37,282,583</u>
Expenditures					
Current:					
General government	7,614,421	7,387,486	7,565,426	7,313,305	7,939,782
Security of persons and property	17,396,017	16,783,776	15,299,674	15,187,309	17,976,545
Public health and welfare	631,915	621,583	627,133	585,216	1,242,486
Transportation	1,661,599	1,584,939	1,568,297	1,640,909	2,534,139
Community environment	1,766,330	1,770,245	1,707,275	1,761,935	1,909,315
Leisure time activity	493,165	456,404	440,263	491,804	656,999
Economic development	3,291,712	3,500,283	3,631,183	2,032,605	2,966,215
Capital outlay	2,681,709	2,379,047	4,238,297	3,920,919	2,782,967
Intergovernmental					
Debt service:					
Principal retirement	3,494,229	1,342,926	1,937,447	1,530,310	1,538,405
Interest and fiscal charges	256,922	277,837	481,373	534,299	585,924
Bond issuance costs	44,710	-	-	-	-
Total expenditures	<u>39,332,729</u>	<u>36,104,526</u>	<u>37,496,368</u>	<u>34,998,611</u>	<u>40,132,777</u>
Excess of revenues over (under) expenditures	<u>(3,456,935)</u>	<u>3,240,872</u>	<u>463,430</u>	<u>1,346,348</u>	<u>(2,850,194)</u>
Other financing sources (uses)					
Sale of refunding bonds	-	-	-	-	-
Sale of bonds	1,960,000	-	-	-	-
Sale of notes	13,529	-	-	-	-
Loan proceeds	-	-	520,000	-	256,564
Premium on bonds	62,088	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Capital lease transaction	-	-	-	-	-
Transfers in	960,193	552,103	384,562	1,104,143	1,140,453
Transfers (out)	(1,085,009)	(684,894)	(556,470)	(1,525,959)	(1,654,843)
Total other financing sources (uses)	<u>1,910,801</u>	<u>(132,791)</u>	<u>348,092</u>	<u>(421,816)</u>	<u>(257,826)</u>
Net change in fund balances	<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>	<u>\$ 811,522</u>	<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>
Capital expenditures	3,438,531	2,066,359	5,200,379	4,465,719	2,824,370
Debt service as a percentage of noncapital expenditures	10.45%	4.76%	7.49%	6.76%	5.69%

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 18,070,111	\$ 20,138,026	\$ 19,610,734	\$ 18,567,076	\$ 18,825,568
1,667,959	1,657,168	1,485,169	1,456,326	1,493,148
2,067,415	1,693,234	2,187,422	2,055,303	2,120,940
1,886,000	2,466,676	1,852,130	1,839,742	1,726,971
1,531,452	1,594,451	1,441,968	1,422,329	1,733,026
7,787,994	7,831,448	10,574,125	11,200,065	9,223,005
30,688	44,629	42,597	19,828	100,189
1,404,779	1,164,258	962,886	357,172	428,636
113,186	168,256	36,830	34,314	53,048
626,061	1,491,416	563,907	1,232,073	1,796,889
<u>35,185,645</u>	<u>38,249,562</u>	<u>38,757,768</u>	<u>38,184,228</u>	<u>37,501,420</u>
7,991,047	7,533,078	7,824,849	7,610,099	7,300,180
17,671,898	17,233,644	16,259,126	15,940,459	15,028,195
492,168	493,377	588,693	585,532	417,382
2,328,166	2,062,179	2,278,123	2,745,117	2,365,061
2,145,697	1,886,410	1,783,381	1,806,298	1,611,897
876,264	675,183	762,761	885,871	626,762
2,083,320	2,508,773	2,764,286	1,984,304	2,198,894
1,833,099	1,927,685	3,017,762	6,029,700	3,411,525
2,025,221	2,045,411	2,007,728	1,615,655	969,409
580,065	606,431	640,178	700,193	653,635
-	-	-	-	146,364
<u>38,026,945</u>	<u>36,972,171</u>	<u>37,926,887</u>	<u>39,903,228</u>	<u>34,729,304</u>
<u>(2,841,300)</u>	<u>1,277,391</u>	<u>830,881</u>	<u>(1,719,000)</u>	<u>2,772,116</u>
-	-	-	-	6,045,000
-	-	-	-	1,231,000
-	1,700,000	-	-	-
-	-	-	-	-
-	-	-	-	45,818
-	-	-	-	(6,548,575)
-	29,847	-	557,708	7,902
1,046,488	1,941,380	2,228,086	3,027,653	3,642,789
<u>(1,302,304)</u>	<u>(2,038,358)</u>	<u>(2,571,645)</u>	<u>(3,429,373)</u>	<u>(3,974,247)</u>
<u>(255,816)</u>	<u>1,632,869</u>	<u>(343,559)</u>	<u>155,988</u>	<u>449,687</u>
<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>	<u>\$ 487,322</u>	<u>\$ (1,563,012)</u>	<u>\$ 3,221,803</u>
2,372,745	2,192,532	3,502,785	8,024,415	3,241,838
7.31%	7.62%	7.69%	7.26%	5.15%

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)
2012	\$ 381,924,920	\$ 1,091,214,057	\$ 16,126,650	\$ 18,325,739	\$ -	\$ -
2011	425,214,910	1,214,899,743	15,465,320	17,574,227	-	-
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

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 2010, 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
\$ 398,051,570	\$ 1,109,539,796	3.50	35.88%
440,680,230	1,232,473,970	3.50	35.76%
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%

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
2012	2.90	0.30	0.30	3.50	12.30	62.30	2.40	13.00
2011	2.90	0.30	0.30	3.50	12.30	59.50	2.40	-
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

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	91.00	94.50
1.00	75.20	78.70
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

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CITY OF WARREN, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 12,750,400	1	3.20%
Warren Ohio Hospital Company LLC	9,587,700	2	2.41%
Sam's Real Estate Business Trust	2,323,200	3	0.58%
Rydyl I LLC	2,297,670	4	0.58%
East Ohio Gas Co	1,975,320	5	0.50%
NRR Commerce Ltd	1,925,360	6	0.48%
Simon-Northbury Colony Ltd	1,915,620	7	0.48%
North Mar Center	1,654,000	8	0.42%
Warren Plaza Co	1,522,640	9	0.38%
American Transmission	1,400,930	10	0.35%
Total, Top Ten Property Taxpayers	\$ 37,352,840		9.38%
Total City Property Tax Assessed Valuation	\$ 398,051,570		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co	\$ 10,020,540	1	2.11%
Delphi Automotive Systems LLC	6,256,860	2	1.32%
Alcan Aluminum Corp	4,761,110	3	1.00%
United Telephone	4,686,600	4	0.99%
Excel Extrusions Inc	4,370,570	5	0.92%
GE Lighting Inc	3,059,440	6	0.65%
P&S Equities	2,698,930	7	0.57%
HCC Steel Inc	2,270,140	8	0.48%
Martin Chevrolet Inc	1,795,410	9	0.38%
AVI Food Systems Inc	1,794,110	10	0.38%
Total, Top Ten Property Taxpayers	\$ 41,713,710		8.80%
Total City Property Tax Assessed Valuation	\$ 474,296,248		

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections (a)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2012	\$ 1,392,078	\$ 1,264,311	90.82%	\$ 88,358	\$ 1,352,669	97.17%	\$ 486,316	34.93%
2011	1,541,261	1,393,754	90.43%	81,909	1,475,663	95.74%	512,553	33.26%
2010	1,549,720	1,399,043	90.28%	83,431	1,482,474	95.66%	464,966	30.00%
2009	1,552,894	1,403,341	90.37%	85,752	1,489,093	95.89%	384,990	24.79%
2008	1,609,996	1,469,634	91.28%	90,379	1,560,013	96.90%	361,062	22.43%
2007	1,679,728	1,576,133	93.83%	131,290	1,707,423	101.65%	306,607	18.25%
2006	1,748,914	1,630,526	93.23%	97,829	1,728,355	98.82%	305,521	17.47%
2005	1,671,397	1,587,492	94.98%	71,179	1,658,671	99.24%	274,532	16.43%
2004	1,662,630	1,576,719	94.83%	74,128	1,650,847	99.29%	241,588	14.53%
2003	1,658,914	1,578,307	95.14%	76,821	1,655,128	99.77%	207,387	12.50%

Source: Trumbull County Auditor's Office

(a) Trumbull County does not identify delinquent collections by tax year; delinquent collections are therefore reported in the year collected.

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
2012	\$ 541,272	\$ 54,573	10.08%	\$ 1,705	\$ 56,278	10.40%	\$ 2,143,442	396.00%
2011	699,565	141,254	20.19%	14,730	155,984	22.30%	1,623,738	232.11%
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%

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
2012	2.00%	\$ 17,787,806	\$ 13,728,181	77.18%	\$ 1,967,183	11.06%
2011	2.00%	16,819,929	13,421,787	79.80%	1,414,441	8.41%
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%

Source: The City of Warren Income Tax Department

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	2,092,442	11.76%
	1,983,701	11.79%
	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%

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
2012	\$ 3,527,000	\$ 375,000	\$ -	\$ 1,320,000	\$ 67,457	\$ 192,423	\$ 61,139
2011	1,524,500	450,000	-	1,405,000	53,928	205,251	119,660
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

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	OPWC Loan	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 6,548,000	\$ -	\$ 18,881,084	\$ 51,225	\$ -	\$ 31,023,328	\$ 680,008,236	4.56%	41,358	\$ 750
1,125,500	7,330,000	20,800,593	53,022	-	33,067,454	688,641,047	4.80%	41,557	796
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

CITY OF WARREN, OHIO

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

Year	Population (a)	Estimated Actual Value of Taxable Property (b)	General Obligation Bonds (c)	Less Amounts Restricted for Repayment	Net General Obligation Bonds	Ratio of Net Bonded Debt to Estimated Actual Value of Property	Net Bonded Debt Per Capita
2012	41,358	\$ 1,109,539,796	\$ 10,075,000	\$ 1,398,296	\$ 8,676,704	0.78%	\$ 210
2011	41,557	1,232,473,970	2,650,000	1,615,731	1,034,269	0.08%	25
2010	43,402	1,245,512,599	4,245,000	1,123,312	3,121,688	0.25%	72
2009	43,789	1,254,450,204	5,828,104	1,013,994	4,814,110	0.38%	110
2008	45,300	1,493,496,492	7,350,096	761,906	6,588,190	0.44%	145
2007	45,796	1,513,956,094	8,966,170	483,719	8,482,451	0.56%	185
2006	45,796	1,516,017,244	11,152,060	374,737	10,777,323	0.71%	235
2005	45,796	1,400,182,569	13,360,995	372,932	12,988,063	0.93%	284
2004	46,223	1,399,448,798	15,558,630	338,675	15,219,955	1.09%	329
2003	46,608	1,394,671,472	17,675,810	326,037	17,349,773	1.24%	372

Sources:

- (a) See Schedule "Demographic and Economic Statistics - Last Ten Years" for population.
- (b) See Schedule "Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years".
- (c) 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, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
Direct:			
City of Warren	\$ 5,543,019	100.00%	\$ 5,543,019
Total direct debt			<u>5,543,019</u>
Overlapping debt:			
Trumbull County	14,690,844	12.22%	1,795,221
Warren City School District	31,975,000	95.27%	30,462,583
Howland Local School District	1,150,560	13.50%	155,326
LaBrae Local School District	5,188,989	9.32%	483,614
Lakeview Local School District	2,000,503	0.03%	600
Geauga-Trumbull Jt. Solid Waste Management	550,000	6.36%	34,980
Total overlapping debt			<u>32,932,324</u>
Total direct and overlapping debt			<u>\$ 38,475,343</u>

(a) The estimated percentage applicable to the City is calculated as the assessed property value of each governmental unit within the City divided by the total assessed value of the governmental unit.

Source: Ohio Municipal Advisory Council

CITY OF WARREN, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed value**	\$ 398,051,570	\$ 440,168,950	\$ 442,367,630	\$ 443,215,720
Legal debt margin:				
Debt limitation - 10.5% of assessed value	41,795,415	46,217,740	46,448,601	46,537,651
Debt applicable to limitation:				
Total bonded debt	10,075,000	9,980,000	12,055,000	14,093,104
Exemptions:				
Debt service fund balance	(1,398,296)	(874,361)	(505,151)	(336,286)
Debt supported by enterprise fund operations	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>
Total exemptions	<u>(7,946,296)</u>	<u>(9,329,861)</u>	<u>(9,977,651)</u>	<u>(10,782,286)</u>
Total debt applicable to limitation	<u>2,128,704</u>	<u>650,139</u>	<u>2,077,349</u>	<u>3,310,818</u>
Total legal debt margin within 10.5% limitation	<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>	<u>\$ 44,371,252</u>	<u>\$ 43,226,833</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 21,892,836	\$ 24,209,292	\$ 24,330,220	\$ 24,376,865
Debt applicable to limitation:				
Total bonded debt	10,075,000	9,980,000	12,055,000	14,093,104
Exemptions:				
Debt supported by enterprise fund operations	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>
Total debt within 5.5% limitations	<u>3,527,000</u>	<u>1,524,500</u>	<u>2,582,500</u>	<u>3,647,104</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 18,365,836</u>	<u>\$ 22,684,792</u>	<u>\$ 21,747,720</u>	<u>\$ 20,729,761</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.

2008	2007	2006	2005	2004	2003
\$ 445,218,130	\$ 443,015,560	\$ 500,021,312	\$ 477,844,561	\$ 475,346,480	\$ 484,904,328
46,747,904	46,516,634	52,502,238	50,173,679	49,911,380	50,914,954
16,050,096	18,081,170	20,667,060	23,255,995	25,818,630	28,620,810
(133,279)	(34,943)	(36,117)	(33,214)	(24,975)	(47,438)
<u>(11,381,500)</u>	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>	<u>(14,890,000)</u>	<u>(16,034,000)</u>
<u>(11,514,779)</u>	<u>(12,330,443)</u>	<u>(13,222,617)</u>	<u>(14,083,214)</u>	<u>(14,914,975)</u>	<u>(16,081,438)</u>
4,535,317	5,750,727	7,444,443	9,172,781	10,903,655	12,539,372
<u>\$ 42,212,587</u>	<u>\$ 40,765,907</u>	<u>\$ 45,057,795</u>	<u>\$ 41,000,898</u>	<u>\$ 39,007,725</u>	<u>\$ 38,375,582</u>
\$ 24,486,997	\$ 24,365,856	\$ 27,501,172	\$ 26,281,451	\$ 26,144,056	\$ 26,669,738
16,050,096	18,081,170	20,667,060	23,255,995	25,818,630	28,620,810
<u>(11,381,500)</u>	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>	<u>(14,890,000)</u>	<u>(16,034,000)</u>
<u>4,668,596</u>	<u>5,785,670</u>	<u>7,480,560</u>	<u>9,205,995</u>	<u>10,928,630</u>	<u>12,586,810</u>
<u>\$ 19,818,401</u>	<u>\$ 18,580,186</u>	<u>\$ 20,020,612</u>	<u>\$ 17,075,456</u>	<u>\$ 15,215,426</u>	<u>\$ 14,082,928</u>

CITY OF WARREN, OHIO

PLEDGED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS

REVENUE BONDS:

Year	Operating Revenues	Operating Expenses (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011 (b)	\$ 11,038,048	\$ 9,126,622	\$ 1,911,426	\$ 480,000	\$ 404,000	\$ 884,000	2.16
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

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	
2012	\$ 2,084,390	\$ -	\$ 2,084,390	\$ 588,698	\$ 440,140	\$ 1,028,838	2.03
2011	1,911,426	884,000	1,027,426	677,898	468,330	1,146,228	0.90
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 (c)	1,979,184	883,097	1,096,087	366,858	427,433	794,291	1.38

(a) Total operating expenses are exclusive of depreciation.

(b) The water revenue bonds were refunded in 2012 and replaced with general obligation bonds, therefore 2011 is the last year presented.

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

CITY OF WARREN, OHIO

PLEGDED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 8,495,601	\$ 5,578,884	\$ 2,916,717	\$ 1,279,509	\$ 303,062	\$ 1,582,571	1.84
2011	9,921,833	5,856,013	4,065,820	1,589,426	382,247	1,971,673	2.06
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

(a) Total operating expenses are exclusive of depreciation.

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

CITY OF WARREN, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Annual Average Unemployment Rates (b)			
				City of Warren	Trumbull County	Ohio	United States
2012	41,358	\$ 680,008,236	\$ 16,442	9.2%	8.1%	7.2%	8.1%
2011	41,557	688,641,047	16,571	10.7%	9.6%	8.6%	8.9%
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%

Sources:

- (a) U.S. Census Bureau estimates (www.census.gov).
- (b) Ohio Labor Market Information (www.ohiolmi.com).
- (c) Population times per capita personal income.

CITY OF WARREN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2012		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Warren Ohio Hospital Co.	\$ 1,033,055	1	7.90%
Trumbull County Auditor	975,772	2	7.47%
St. Elizabeth Medical Center	785,486	3	6.01%
Warren City Schools	742,360	4	5.68%
City of Warren	435,404	5	3.33%
State of Ohio, Dep't of Adm. Services	434,123	6	3.32%
GE Lighting	316,081	7	2.42%
AVI Food Systems	289,676	8	2.22%
General Motors	159,166	9	1.22%
First Place Bank	157,309	10	1.20%
Total	\$ 5,328,432		40.77%
Total 2012 City Income Tax Withholding	<u>\$ 13,069,864</u>		

Employer	2003		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Delphi Automotive Systems Service	\$ 1,458,658	1	9.32%
Trumbull Memorial Hospital	1,102,048	2	7.04%
Trumbull County Auditor	857,132	3	5.48%
Warren City Schools	757,372	4	4.84%
St. Elizabeth Medical Center	641,966	5	4.10%
Delphi Automotive Systems	541,776	6	3.46%
State of Ohio, Dep't of Adm. Services	485,815	7	3.10%
GE Lighting	472,265	8	3.02%
City of Warren	413,953	9	2.64%
General Motors Corp.	382,875	10	2.45%
Total	\$ 7,113,860		45.45%
Total 2003 City Income Tax Withholding	<u>\$ 15,650,620</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	2012	2011	2010	2009	2008	2007	2006	2005
General Government								
Council	12.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00
Mayor	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Finance	6.00	6.00	6.00	5.00	5.00	6.00	6.00	6.00
Income Tax	7.00	7.00	6.00	5.00	6.00	8.00	8.00	7.00
Law	11.00	9.00	9.00	9.00	9.00	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	2.00	1.00	1.00	1.00	3.00	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	31.00	30.00	33.00	34.00	34.00	34.00	33.00	32.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	28.00	29.00	26.00	25.00	48.00	49.00	50.00	46.00
Engineering	11.00	11.00	10.00	11.00	11.00	13.00	14.00	13.00
Security of Persons and Property								
Police	83.00	84.00	81.00	77.00	81.00	101.00	102.00	95.00
Fire	73.00	73.00	63.00	57.00	64.00	78.00	78.00	77.00
Public Health and Welfare								
Health Services	12.00	12.00	12.00	10.00	11.00	14.00	13.00	14.00
Economic Development								
Community Development	5.00	5.00	5.00	6.00	5.00	5.00	6.00	6.00
Packard Music Hall	5.00	4.00	3.00	2.00	4.00	7.00	7.00	5.00
Data Processing	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Utility Services								
Water	78.00	79.00	82.00	85.00	84.00	85.00	83.00	82.00
Sewer/Stormwater	44.00	42.00	51.00	53.00	48.00	52.00	48.00	47.00
Sanitation	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	438.00	433.00	429.00	421.00	456.00	508.00	504.00	486.00

Source: City of Warren records

<u>2004</u>	<u>2003</u>
13.00	13.00
4.00	5.00
6.00	6.00
9.00	9.00
10.00	10.00
4.00	4.00
2.00	2.00
3.00	3.00
34.00	34.00
2.00	2.00
51.00	50.00
13.00	13.00
95.00	95.00
78.00	79.00
14.00	13.00
6.00	6.00
5.00	5.00
3.00	3.00
80.00	80.00
48.00	46.00
14.00	15.00
<u>494.00</u>	<u>493.00</u>

CITY OF WARREN, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST SEVEN YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Security of Persons and Property							
Police:							
Physical Arrests	1,848	2,668	2,229	2,887	4,125	4,041	3,942
Parking Violations	452	545	273	453	510	536	797
Traffic Violations	2,036	4,238	3,803	3,036	5,336	5,377	5,949
Fire:							
Calls for Service	1,122	1,386	1,230	1,030	1,377	1,399	1,304
Fire Safety Inspections	1,213	1,152	1,125	1,135	1,052	1,024	1,076
Leisure Time Activities							
Enclosed Shelter Rentals	112	92	76	78	76	71	87
Log Cabin Rentals	11	18	5	10	8	7	20
Pavilion Rentals	260	205	200	177	170	200	257
Transportation							
Street Resurfacing (Miles)	8	6	8	16	2	12	10
Potholes Repaired	1,140	1,157	1,236	1,006	871	536	638
Water							
New Connections	17	13	11	16	21	25	39
Water Main Breaks	128	70	94	53	107	104	86
Average Daily Consumption (thousands of gallons)	11,380	12,504	11,625	11,285	12,846	12,963	13,092
Sewer							
Average Daily Consumption (thousands of gallons)	13,310	17,240	12,560	13,380	17,952	13,700	16,216
Sanitation							
Refuse Collected (tons daily)	91	90	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 SEVEN YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	30	27	27	29	33	33	33
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	2	2	2	3	3	3
Reserve Fire Pumpers	1	1	1	1	1	2	2
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	1	1	1	1	1	1
Leisure Time Activities							
Park Acreage	262.92	262.92	256.78	256.78	256.78	251.11	251.11
Packard Park							
Hardball Fields	1	1	1	1	1	1	1
Softball Fields	3	3	3	3	3	3	3
Tennis Courts	6	6	6	6	6	6	6
Perkins Park							
Hardball Fields	6	6	6	6	6	6	6
Softball Fields	2	2	2	2	2	2	2
Burbank Park							
Little League Fields	4	4	4	4	4	2	2
Deemer Park							
Tennis Courts	4	4	4	4	4	4	4
Transportation							
Streets (Paved Miles)	184.423	184.423	184.309	184.309	184.309	184.309	184.309
Traffic Signals	63	63	63	61	61	59	59
Water							
Water Mains (miles)	300	300	300	300	299	291	307
Fire Hydrants	1,906	1,906	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	22,700	22,700
Sewer							
Sanitary Sewers (miles)	199.200	199.200	199.200	196.943	199.200	199.200	196.943
Storm Sewers (miles)	125.500	125.500	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	40,000	40,000
Sanitation							
Collection Trucks	9	9	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 6, 2013**