

City of Warren
Trumbull County, Ohio

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

For the Year Ended
December 31, 2013



Dave Yost • Auditor of State

City Council
City of Warren
391 Mahoning Avenue NW
Warren, OH 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, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 15, 2014

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CITY OF WARREN
TRUMBULL COUNTY, OHIO
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June 25, 2014

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, 2013, 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 25, 2014.

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 2013-001 and 2013-002.

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.

Medina, Ohio

June 25, 2014

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, 2013. 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, 2013.

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.

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2014, which contained an unmodified opinion on those financial statements. 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.

Medina, Ohio

CITY OF WARREN, OHIO
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	\$1,313,825
HOME Investment Partnerships Program	N/A	14.239	1,178,255
Community Challenge Planning Grants	N/A	14.704	78,657
<i>Passed Through Ohio Development Services Agency:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	A-Z-08-298-1	14.228	48,636
Total U.S. Department of Housing and Urban Development			2,619,373
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Programs:</i>			
<i>Edward Byrne Memorial Justice Assistance Grant:</i>			
Edward Byrne Memorial Justice Assistance Grant	2010DJBX0184	16.738	42,075
Edward Byrne Memorial Justice Assistance Grant	2011DJBX2096	16.738	4,875
Edward Byrne Memorial Justice Assistance Grant	2012DJBX0052	16.738	17,813
Edward Byrne Memorial Justice Assistance Grant	2013DJBX0196	16.738	21,387
Subtotal - Edward Byrne Memorial Justice Assistance Grant			86,150
<i>Passed Through Ohio Department of Public Safety:</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant	2009-RA-LSS-2443	16.803	10,000
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2013VAGENE511	16.575	15,078
Crime Victim Assistance	2014VAGENE511	16.575	5,425
Subtotal - Crime Victim Assistance			20,503
Total U.S. Department of Justice			116,653
<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	267,869
Historic Stone Masonry Renovations ODOT Project	80666	20.205	292,625
Parkman Road Phase 3 ODOT Project	83629	20.205	337,315
Park Avenue Resurfacing ODOT Project	85947	20.205	28,450
Warren Greenway Biketrail ODOT Project Phase 2	88471	20.205	1,781,824
Warren Riverwalk/Lovers Lane Trail ODOT Project	92004	20.205	46,253
Warren Riverwalk/Burbank Park ODOT Project	92022	20.205	86,383
Warren Riverwalk/Bullhead Trail ODOT Project	92068	20.205	1,277
Niles Road Resurfacing ODOT Project	92798	20.205	350,158
Greenway Trailhead ODOT Project	93385	20.205	9,684
North End Trailhead ODOT Project	93728	20.205	24,714
Station Park Trailhead ODOT Project	93729	20.205	6,196
Signal Upgrade ODOT Project	93996	20.205	18,520
Pine Avenue ODOT Project	95101	20.205	405,109
Palmyra, Highland, Main ODOT Project	95102	20.205	12,000
Subtotal - Highway Planning and Construction			3,668,377

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

CITY OF WARREN, OHIO
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Grant Number	Federal CFDA Number	Disbursements
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>			
State and Community Highway Safety	HVEO-2014-78-00-00-00405-00	20.600	\$7,792
Alcohol Impaired Driving Countermeasures Incentive Grants 1	OVITF-2013-78-00-00-00412-00	20.601	55,671
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVITF-2014-78-00-00-00419-00	20.608	18,602
Total U.S. Department of Transportation			<u>3,750,442</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Summit County Health Department:</i>			
HIV Prevention	77-100-12-HP-0313	93.940	16,103
<i>Passed Through Ohio Department of Health:</i>			
Grants to States to Support Oral Health Workforce Activities	78-2-001-1-DS-0613	93.236	10,879
Maternal and Child Health Services Block Grant to the States	78-2-001-1-DS-0613	93.994	21,121
<i>Passed Through Trumbull County Health Department:</i>			
Public Health Emergency Preparedness	78-100-12-PH-0312	93.069	12,180
Immunization Grants	78-100-12-IM-0613	93.268	7,400
Total U.S. Department of Health and Human Services			<u>67,683</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
<i>Direct Program:</i>			
ARRA - Save America's Treasures	N/A	15.929	10,509
Total U.S. Department of Interior			<u>10,509</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct Program:</i>			
Assistance to Firefighters Grant	EMW-2011-FP-01218	97.044	10,897
Assistance to Firefighters Grant	EMW-2011-FV-03857	97.044	332,491
Subtotal - Assistance to Firefighters Grant			<u>343,388</u>
Staffing for Adequate Fire and Emergency Response	EMW-2009-FH-00281	97.083	1,371,490
Total U.S. Department of Homeland Security			<u>1,714,878</u>
Total Federal Financial Assistance			<u><u>\$8,279,538</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, 2013**

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 2013 is as follows:

Beginning loans receivables balance as of January 1, 2013:	\$1,601,632
Loans Made:	96,049
Loan principal repaid:	<u>(301,900)</u>
Ending loans receivable balances as of December 31, 2013:	\$1,395,781
Cash balance on hand in the revolving loan fund as of December 31, 2013:	\$ 441,532
Delinquent Amounts due as of 12/31/13:	\$ 131,298

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, 2013
(Continued)**

These loans are collateralized by equipment and mortgages.

Activity in the HOME revolving loan fund during 2013 is as follows:

Beginning loans receivables balance as of January 1, 2013:	\$3,157,905
Loans Made:	340,546
Loan principal repaid:	<u>(0)</u>
Ending loans receivable balances as of December 31, 2013:	\$3,498,451
Cash balance on hand in the revolving loan fund as of December 31, 2013:	\$ 741,174
Delinquent Amounts due as of 12/31/13:	\$ 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 2013 is as follows:

Beginning loans receivables balance as of January 1, 2013:	\$1,558,002
Loans Made:	0
Loan principal repaid:	<u>(98,060)</u>
Ending loans receivable balances as of December 31, 2013:	\$1,459,942
Cash balance on hand in the revolving loan fund as of December 31, 2013:	\$ 104,336
Delinquent Amounts due as of 12/31/13:	\$ 0

CITY OF WARREN
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(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, 2013**

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 Assistance to Firefighters Grant Community Development Block Grant	CFDA #97.083 #97.044 #14.218
(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, 2013**

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

Material Noncompliance

Finding Number: 2013-001

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, 2013, the City had total transfers out of the General Fund to the Packard Music Hall Fund (\$262,557) and Downtown Parking Fund (\$55,000), Water Replacement Fund to the Waterworks Revenue Fund (\$200,000), Community Development Fund to the Guaranteed Loan Fund (\$88,800), Water Pollution Control to Water Pollution Control Capital (\$10,000) Probation – Municipal Court to the General Fund (\$20,000), Special Projects – Courts to the General Fund (\$106,000), and Motor Vehicle Levy to Capital Projects (\$126,136) 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: 2013-002

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, 2013**

<p>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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Finding Number: 2013-002(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	\$ 27,724,785	\$ 26,782,910	\$ 941,875
Community Development Block Grant	2,011,736	1,379,635	632,101
Home Investment	840,000	433,727	406,273
Street Maintenance	1,590,936	1,397,600	193,336
General Bond Retirement	1,345,711	1,532,331	(186,620)
General Capital Projects	8,000,000	14,214,446	(6,214,446)
Sewer	8,593,925	8,057,191	536,734
Sanitation	3,640,950	3,425,520	215,430
Water	14,961,266	13,067,473	1,893,793
Workers Compensation	900,000	1,248,190	(348,190)
Life Insurance and Hospitalization	5,950,000	5,430,709	519,291

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 yearend.

<p>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</p>

None were noted.

City of Warren
Trumbull County, Ohio
Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(b)
December 31, 2013

Finding Number	Finding Summary	Fully Corrected?	Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain
2012-001	Ohio Revised Code Section 5705.14, no council approval of transfers.	No	Repeated as finding 2013-001
2012-002	Ohio Revised Code Section 5705.36, requesting increased or reduced amended certificates of estimated resources.	No	Repeated as finding 2013-002

CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

DAVID N. GRIFFING, CITY AUDITOR

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013

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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 25, 2014

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, 2013, 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, 2013. The City continues to receive an unmodified 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, 2013 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 40,723 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 in the notes to 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 beginning in 2013.

\$96,049 in small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2013. 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 beginning 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 2013 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 2013, 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.

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.

GENERAL GOVERNMENT

The city was successful in passing a bond issue in 2013 that will allow the city to repair and renovate most of the city buildings and purchase a new building to house some city departments thereby eliminating the building in the worst condition. This will allow the city to repair all city parking lots as well. In the bond issue, the city also secured funds to repair and resurface a large number of residential streets throughout the city. This bond and some state and federal project funds will allow the city to make improvements to the city streets in the amount of \$11,000,000 during 2014. These two projects should have a positive effect on city infrastructure well into the future.

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, 2012. This was the eleventh 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

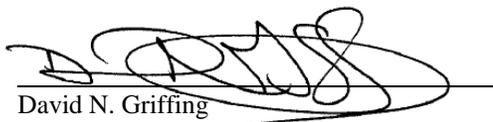
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive 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 second 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. 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, 2013

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	Eddie Colbert (interim)*
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

* Eddie Colbert served as interim Council President until James Graham took over the position, effective January 1, 2014.

APPOINTED OFFICIALS

Department of Public Safety:

Director of Public Safety	Enzo C. Cantalamessa
Police Chief	Eric Merkel
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	Leann O'Brien
Director of Community Development	Michael Keys

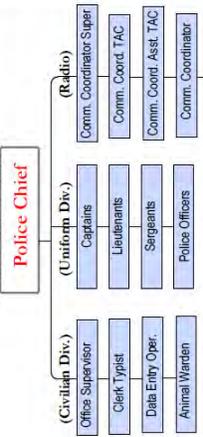
CITY of WARREN, OHIO

MAYOR

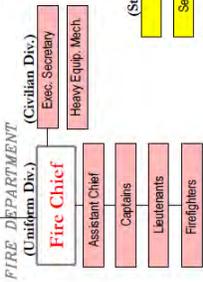
ADMINISTRATIVE



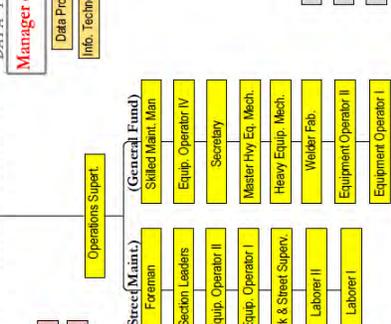
POLICE DEPARTMENT



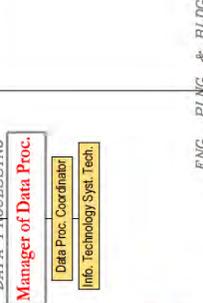
FIRE DEPARTMENT



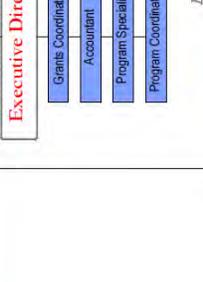
OPERATIONS DEPARTMENT



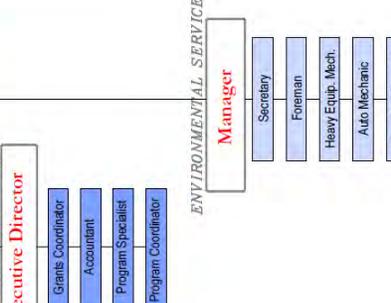
DATA PROCESSING



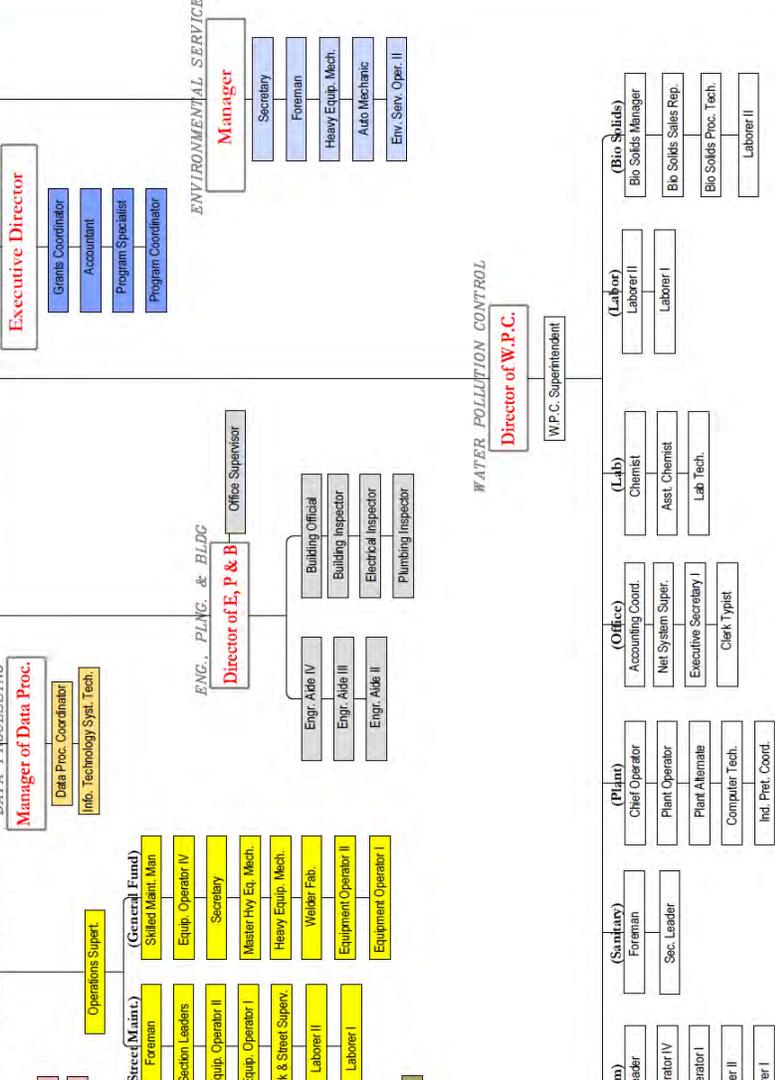
COMMUNITY DEVELOPMENT



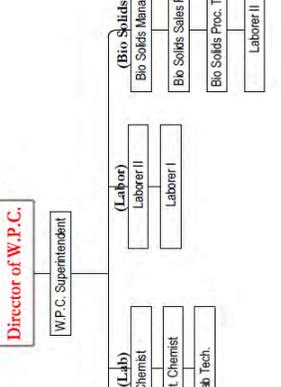
ENVIRONMENTAL SERVICES



WATER DEPARTMENT



WATER POLLUTION CONTROL



Organization Chart



Government Finance Officers Association

**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, 2012

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

June 25, 2014

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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Community Development Block Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 schedules, 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 25, 2014 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.

Kea & Associates, Inc.

Medina, Ohio

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CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013 (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, 2013. 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 2013 are as follows:

- The total net position of the City increased \$1,738,055. Net position of governmental activities increased \$1,445,529 or 2.49% from 2012 and net position of business-type activities increased \$292,526 or 0.88%.
- General revenues accounted for \$22,191,187 or 64.70% of total governmental activities revenue. Program specific revenues accounted for \$12,110,008 or 35.30% of total governmental activities revenue.
- The City had \$32,538,109 in expenses related to governmental activities; \$12,110,008 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 \$22,191,187 were adequate to provide for the remaining expenses of \$20,428,101.
- The general fund had revenues and other financing sources of \$26,018,826 in 2013. This represents a decrease of \$1,673,130 or 6.04% from 2012 revenues. The expenditures and other financing uses of the general fund, which totaled \$27,171,262 in 2013, decreased \$882,847 or 3.15% from 2012. The net decrease in fund balance for the general fund was \$1,152,436 or 22.06%.
- The community development block grant fund, a major governmental fund, had revenues of \$1,131,033 and expenditures and other financing uses of \$1,678,084 in 2013, resulting in a decrease in fund balance of \$547,051.
- The general bond payment fund is major governmental fund and had revenues and other financing sources of \$1,620,811 and expenditures of \$1,002,028 in 2013. Fund balance increased from \$1,398,296 to \$2,017,079.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$13,275,764 in 2013, including bond issuance proceeds of approximately \$8.8 million. Expenditures in 2013 totaled \$7,264,242 and the fund balance at the end of the year was \$5,519,511.
- 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 2013 by \$292,526.
- Total long-term obligations increased \$6,842,571 or 17.41% as the City issued general obligation bonds of \$8.585 million for the governmental activities in order to finance capital improvements.

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, 2013 (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 2013?" 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, 2013 (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, general bond payment fund and general capital projects fund. Information for the major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 22-30 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 31-37 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 38 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 39-74 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 2013 and 2012.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Net Position

	Governmental Activities 2013	Business-type Activities 2013	Governmental Activities 2012	Business-type Activities 2012	2013 Total	2012 Total
<u>Assets</u>						
Current and other assets	\$ 35,070,629	\$ 9,896,696	\$ 30,064,980	\$ 9,529,507	\$ 44,967,325	\$ 39,594,487
Capital assets	<u>48,006,754</u>	<u>51,651,354</u>	<u>43,918,355</u>	<u>51,666,478</u>	<u>99,658,108</u>	<u>95,584,833</u>
Total assets	<u>83,077,383</u>	<u>61,548,050</u>	<u>73,983,335</u>	<u>61,195,985</u>	<u>144,625,433</u>	<u>135,179,320</u>
Deferred outflows of resources	<u>-</u>	<u>114,689</u>	<u>27,438</u>	<u>199,337</u>	<u>114,689</u>	<u>226,775</u>
<u>Liabilities</u>						
Current liabilities	3,063,706	1,318,869	2,489,318	1,132,336	4,382,575	3,621,654
Long-term liabilities	<u>19,189,695</u>	<u>26,953,271</u>	<u>12,135,482</u>	<u>27,164,913</u>	<u>46,142,966</u>	<u>39,300,395</u>
Total liabilities	<u>22,253,401</u>	<u>28,272,140</u>	<u>14,624,800</u>	<u>28,297,249</u>	<u>50,525,541</u>	<u>42,922,049</u>
Deferred inflows of resources	<u>1,376,055</u>	<u>-</u>	<u>1,383,575</u>	<u>-</u>	<u>1,376,055</u>	<u>1,383,575</u>
<u>Net position</u>						
Net investment in capital assets	44,093,603	26,353,429	42,910,889	25,997,973	70,447,032	68,908,862
Restricted	15,707,734	-	15,750,796	-	15,707,734	15,750,796
Unrestricted (deficit)	<u>(353,410)</u>	<u>7,037,170</u>	<u>(659,287)</u>	<u>7,100,100</u>	<u>6,683,760</u>	<u>6,440,813</u>
Total net position	<u>\$ 59,447,927</u>	<u>\$ 33,390,599</u>	<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2013, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,838,526, an increase of 1.91% from 2012.

Current assets for the governmental activities increased \$5,005,649 during 2013. This is primarily due to proceeds from the issuance of bonds late in 2013, most of which had not yet been spent at year-end. Capital assets also increased which is mostly the result of ongoing construction projects for both the governmental and business-type activities. As previously mentioned, the governmental activities issued general obligation bonds during 2013; the \$8,585,000 bond issue is the main component of the increase in long-term liabilities. The increase in current liabilities is primarily the result of an increase in contracts payable due to the aforementioned construction projects.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 68.91% of total assets, compared to 70.71% at December 31, 2012. 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, 2013, was \$44,093,603 and \$26,353,429 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.

A portion of the City's net position, \$15,707,734, 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 \$353,410.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

The table below shows the changes in net position for 2013 and 2012.

	Change in Net Position					
	Governmental	Business-type	Governmental	Business-type	2013	2012
	Activities	Activities	Activities	Activities	Total	Total
	2013	2013	2012	2012		
Revenues:						
Program revenues:						
Charges for services	\$ 4,047,880	\$ 23,050,078	\$ 4,621,972	\$ 24,143,248	\$ 27,097,958	\$ 28,765,220
Operating grants and contributions	4,090,277	-	5,023,120	-	4,090,277	5,023,120
Capital grants and contributions	3,971,851	37,028	1,292,008	82,489	4,008,879	1,374,497
Total program revenues	<u>12,110,008</u>	<u>23,087,106</u>	<u>10,937,100</u>	<u>24,225,737</u>	<u>35,197,114</u>	<u>35,162,837</u>
General revenues:						
Property taxes	1,311,792	-	1,183,261	-	1,311,792	1,183,261
Income taxes	16,624,172	-	16,968,167	-	16,624,172	16,968,167
Unrestricted grants and entitlements	3,639,724	-	4,115,473	-	3,639,724	4,115,473
Investment earnings	53,299	-	67,451	143	53,299	67,594
Miscellaneous	562,200	435,637	673,628	339,037	997,837	1,012,665
Total general revenues	<u>22,191,187</u>	<u>435,637</u>	<u>23,007,980</u>	<u>339,180</u>	<u>22,626,824</u>	<u>23,347,160</u>
Total revenues	<u>34,301,195</u>	<u>23,522,743</u>	<u>33,945,080</u>	<u>24,564,917</u>	<u>57,823,938</u>	<u>58,509,997</u>
Expenses:						
General government	5,490,149	-	5,841,107	-	5,490,149	5,841,107
Security of persons and property	16,292,351	-	16,753,174	-	16,292,351	16,753,174
Public health and welfare	681,620	-	634,143	-	681,620	634,143
Transportation	4,124,435	-	3,790,997	-	4,124,435	3,790,997
Community environment	2,545,832	-	1,758,742	-	2,545,832	1,758,742
Leisure time activity	499,204	-	482,998	-	499,204	482,998
Economic development	2,481,991	-	2,402,035	-	2,481,991	2,402,035
Interest and fiscal charges	195,930	-	266,413	-	195,930	266,413
Bond issuance costs	226,597	-	59,662	-	226,597	59,662
Sewer	-	7,126,141	-	6,684,587	7,126,141	6,684,587
Water	-	11,723,619	-	12,190,368	11,723,619	12,190,368
Sanitation	-	3,214,243	-	3,331,447	3,214,243	3,331,447
Packard Music Hall	-	706,478	-	657,521	706,478	657,521
City Redevelopment	-	76,175	-	46,689	76,175	46,689
Downtown Parking	-	149,373	-	131,147	149,373	131,147
Stormwater Utility	-	551,745	-	715,049	551,745	715,049
Total expenses	<u>32,538,109</u>	<u>23,547,774</u>	<u>31,989,271</u>	<u>23,756,808</u>	<u>56,085,883</u>	<u>55,746,079</u>
Increase (decrease) before transfers	1,763,086	(25,031)	1,955,809	808,109	1,738,055	2,763,918
Transfers	(317,557)	317,557	(327,269)	327,269	-	-
Change in net position	1,445,529	292,526	1,628,540	1,135,378	1,738,055	2,763,918
Net position at beginning 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>
Net position at end of year	<u>\$ 59,447,927</u>	<u>\$ 33,390,599</u>	<u>\$ 58,002,398</u>	<u>\$ 33,098,073</u>	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$1,445,529 in 2013, after increasing \$1,628,540 in 2012. Total revenues increased \$356,115 or 1.05%. Despite decreases in charges for services and operating grants and contributions, total program revenues increased. Capital grants and contributions increased significantly due to additional grant revenue from the Ohio Department of Transportation for road construction and repair projects. The decrease in charges for services revenue is primarily due to a reduction in fines and fees for the Municipal Court. Operating grants and contributions fell as a result of decreased grant funding for the City's neighborhood stabilization, home investment trust and community development block grant programs. Most of the decrease in general revenues came from unrestricted grants and entitlements, which is primarily due to a sizeable inheritance tax settlement received in 2012.

In total, 2013 expenses were comparable to the prior year, increasing a modest \$548,838 or 1.72%. The most significant change was for community environment expenses, which increased as a result of costs associated with the City's Moving Ohio Forward grant program. Most of these expenses are reimbursable.

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 \$16,292,351 and \$16,753,174 of the total expenses of the City during 2013 and 2012, respectively. These expenses were partially funded by \$1,452,930 in 2013 compared to \$1,739,425 in 2012 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$4,124,435 during 2013 and \$3,370,997 during 2012. In 2013, these expenses were fully funded by operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$8,062,128 during 2013, compared to \$6,315,128 during 2012. These revenues are restricted to a particular program or purpose. \$5,940,340 or 73.68% of the total grants and contributions subsidized transportation programs in 2013.

General revenues totaled \$22,191,187, and amounted to 64.70% of total governmental revenues during 2013. These revenues primarily consist of property and income tax revenue of \$17,935,964. 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 \$3,639,724. These revenues sources combine for 62.90% 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

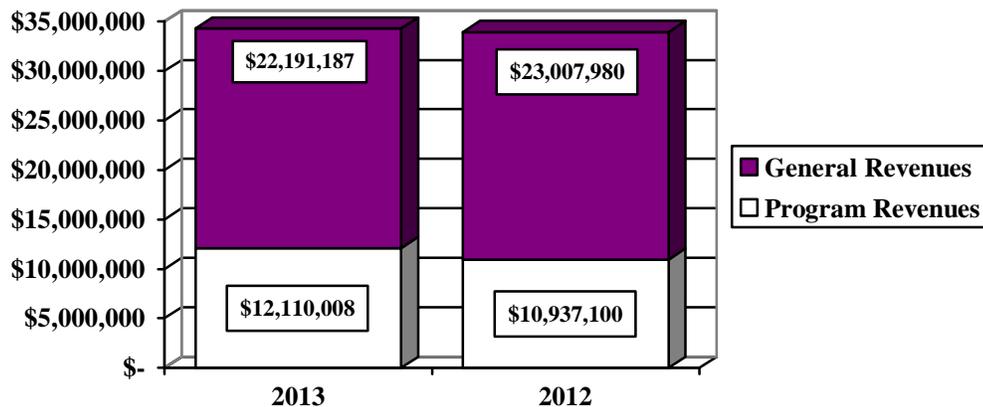
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

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 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Program Expenses:				
General government	\$ 5,490,149	\$ 4,270,616	\$ 5,841,107	\$ 4,227,312
Security of persons and property	16,292,351	14,673,185	16,753,174	14,851,510
Public health and welfare	681,620	477,165	634,143	432,345
Transportation	4,124,435	(1,816,955)	3,790,997	786,022
Community environment	2,545,832	1,420,560	1,758,742	964,664
Leisure time activity	499,204	463,122	482,998	448,965
Economic development	2,481,991	517,881	2,402,035	(984,722)
Interest and fiscal charges	195,930	195,930	266,413	266,413
Bond issuance costs	226,597	226,597	59,662	59,662
Total	\$ 32,538,109	\$ 20,428,101	\$ 31,989,271	\$ 21,052,171

The dependence upon general revenues for governmental activities is apparent, with 62.78% and 65.81% of expenses supported through taxes and other general revenues in 2013 and 2012, respectively. An increase in program revenues, as described on page 10, led to a slightly decreased reliance upon general revenues in 2013.

Governmental Activities - General and Program Revenues



CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

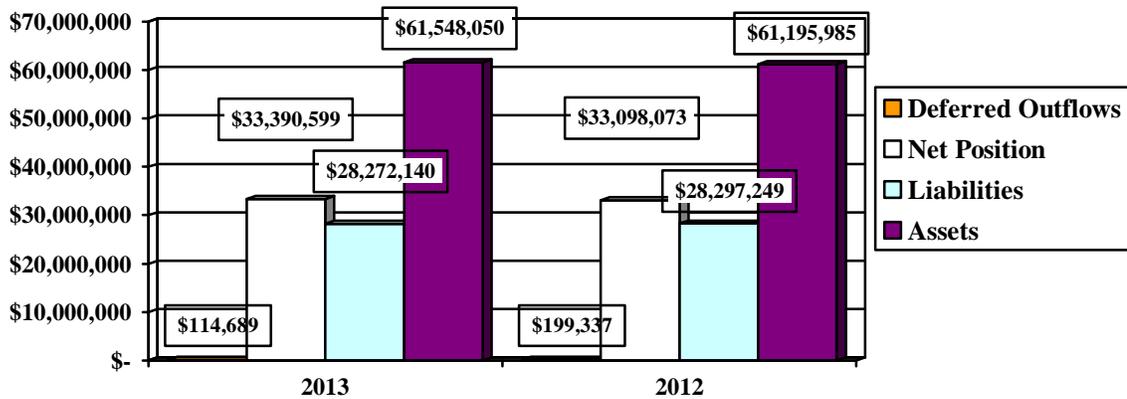
Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater enterprise funds. In 2013 and 2012, these programs had program revenues of \$23,087,106 and \$24,225,737, respectively, and general revenues of \$435,637 and \$339,180, respectively. Total revenues for 2013 were \$23,522,743 which represents a decrease of 4.24% from 2012 revenues of \$24,564,917. The decrease is primarily the result of lower demand for water and sewer services.

Total expenses for business-type activities were \$23,547,774 in 2013 compared to \$23,756,808 in 2012. This represents a decrease of 0.88%.

Net position for business-type activities increased \$292,526 or 0.88% from 2012. The graph below shows the business-type activities assets, deferred outflows of resources, liabilities and net position at year-end.

Net Position, Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 pages 22-23) reported a combined fund balance of \$21,568,072 which is \$4,551,341 higher than last year's total of \$17,016,731. This large increase comes from the proceeds of the City's bond issue late in 2013, most of which had not been spent by December 31. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2013 for all major and nonmajor governmental funds.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

	<u>Fund Balances</u> 12/31/13	<u>Fund Balances</u> (Deficit) 12/31/12	<u>Increase</u> (Decrease)
Major funds:			
General	\$ 4,070,694	\$ 5,223,130	\$ (1,152,436)
Community development block grant	1,592,795	2,139,846	(547,051)
General bond payment	2,017,079	1,398,296	618,783
General capital projects	5,519,511	(492,011)	6,011,522
Nonmajor governmental funds	<u>8,367,993</u>	<u>8,747,470</u>	<u>(379,477)</u>
Total	<u>\$ 21,568,072</u>	<u>\$ 17,016,731</u>	<u>\$ 4,551,341</u>

General Fund

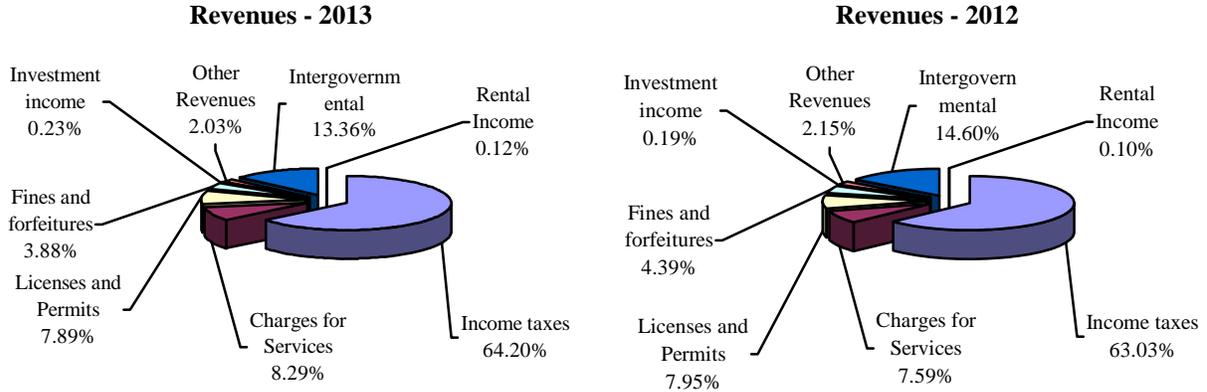
The City's general fund balance decreased \$1,152,436. The table that follows assists in illustrating the revenues of the general fund.

	<u>2013</u> Amount	<u>2012</u> Amount	<u>Percentage</u> Change
<u>Revenues</u>			
Income taxes	\$ 16,624,224	\$ 17,080,705	(2.67) %
Charges for services	2,146,723	2,056,824	4.37 %
Licenses and permits	2,043,647	2,154,131	(5.13) %
Fines and forfeitures	1,004,271	1,189,724	(15.59) %
Intergovernmental	3,459,216	3,955,753	(12.55) %
Investment income	59,044	50,754	16.33 %
Rental income	30,606	26,274	16.49 %
Other	<u>525,095</u>	<u>583,632</u>	(10.03) %
Total	<u>\$ 25,892,826</u>	<u>\$ 27,097,797</u>	(4.45) %

The most significant changes in general fund revenues were for income taxes and intergovernmental revenues. Income tax refunds decreased in 2013; however, this was not enough to offset sizeable decreases in revenues from income tax withholdings and net profits. The decrease in intergovernmental revenues is due to a significant inheritance tax settlement which was recorded in 2012.

CITY OF WARREN, OHIO

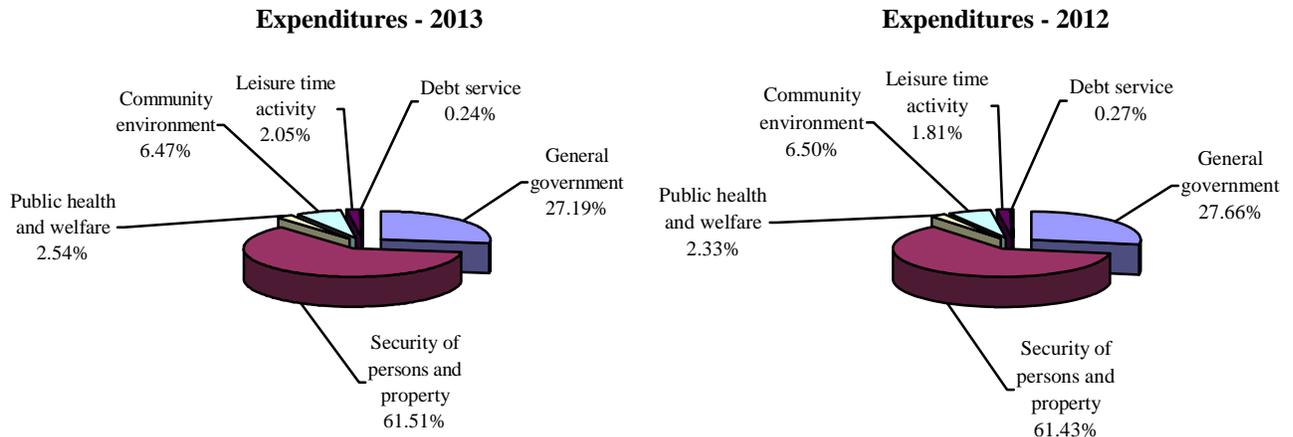
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**



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

	<u>2013</u> Amount	<u>2012</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,301,472	\$ 7,515,876	(2.85) %
Security of persons and property	16,516,777	16,694,826	(1.07) %
Public health and welfare	682,462	631,915	8.00 %
Community environment	1,738,663	1,766,330	(1.57) %
Leisure time activity	550,457	493,165	11.62 %
Debt service	<u>63,874</u>	<u>73,133</u>	(12.66) %
Total	<u>\$ 26,853,705</u>	<u>\$ 27,175,245</u>	(1.18) %

As the preceding table shows, there were no major increases or decreases in expenditures compared to the prior year. The slight increases and decreases in various general fund functions are a result of numerous small factors, none of which are significant.



CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013 (UNAUDITED)

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 \$1,678,084 exceeded revenues of \$1,131,033, resulting in a decrease in fund balance of \$547,051. Fund balance at December 31, 2013 was \$1,592,795, all of which is reported as restricted for community developments and improvements.

General Bond Payment Fund

The general bond payment fund is a major fund and accounts for the proceeds of an unvoted property tax levy used for principal and interest payments on the City's long-term obligations. Revenues and other financing sources were \$1,620,811 and expenditures were \$1,002,028. Fund balance at December 31, 2013 was \$2,017,079, all of which is restricted for debt service payments.

General Capital Projects Fund

The general capital projects fund is reported as a major fund, and is used to accumulate resources, primarily intergovernmental grants and proceeds from the issuance of debt, for capital related improvements throughout the City. Revenues and other financing sources were \$13,275,764 and expenditures were \$7,264,242. The City issued general obligation bonds of approximately \$8.5 million in 2013, which is included as an other financing source in this fund. Fund balance at December 31, 2013 was \$5,519,511, which is restricted for capital improvements.

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 \$8,027,797 in 2013 compared to \$8,495,601 in 2012, a decrease of 5.51%. A general decrease in demand from the City's water customers is the primary cause for the lower revenues. Operating expenses increased \$401,453, which is primarily due to increased costs for legal fees and equipment maintenance. Despite the decrease in revenues and increase in expenses, the sewer fund was able to report operating income of \$1,191,024.

The water fund also felt the effects of decreased consumer demand, as 2013 operating revenues of \$10,611,820 decreased 6.35% compared to 2012. Operating expenses decreased, by \$227,825 or 2.00%, which is mostly due to lower costs for water treatment chemicals. The water fund reported an operating loss of \$538,733 for 2013.

For the sanitation fund, operating revenues totaled \$3,446,499 in 2013. This represents an increase of 3.23% from 2012 operating revenues of \$3,338,702. Total operating expenses fell from \$3,354,005 in 2012 to \$3,204,354, a decrease of 4.46%. This decrease is mostly the result of reduced costs for employee wages and benefits due to retirements and severance payments made in 2012.

Budgeting Highlights

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The City amended its general fund budget several times throughout the year. Original budgeted revenues and other financing sources of \$25,872,917 were increased to \$27,724,785 in the final budget. Actual collections were \$26,782,910 or \$941,875 less than the final budget. The largest variance was income taxes revenue, which was estimated at \$17,490,000 in the final budget. Actual collections were \$1,038,774 less than budgeted due to lower than expected collections from withholdings and also slightly higher than anticipated tax refunds during the year. Actual intergovernmental revenues, on the other hand, came in \$983,487 or 28.78% above the final budgeted amount due to draw-downs on grants that the City had budgeted in the prior year.

For the general fund, original budgeted expenditures and other financing uses were \$26,736,768. The budget amendments throughout the year increased this amount to \$29,398,865 in the final budget. Actual expenditures and other financing uses were \$27,493,140 or \$1,905,725 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 2013, the City had \$99,658,108 (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, \$48,006,754 was reported in governmental activities and \$51,651,354 was reported in business-type activities.

The following table shows 2013 balances compared to 2012:

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

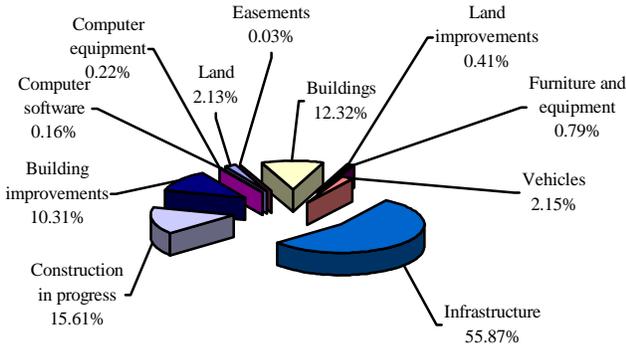
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	7,492,639	4,745,907	4,616,390	1,629,112	12,109,029	6,375,019
Land improvements	198,678	221,584	-	-	198,678	221,584
Buildings	5,914,489	3,692,024	5,248,344	6,078,996	11,162,833	9,771,020
Building improvements	4,950,689	5,248,149	9,579,991	10,581,645	14,530,680	15,829,794
Computer software	76,976	125,209	1,326	3,978	78,302	129,187
Computer equipment	104,930	141,747	36,016	36,016	140,946	177,763
Furniture and equipment	378,820	359,406	2,953,081	3,593,259	3,331,901	3,952,665
Vehicles	1,031,145	930,268	253,532	387,390	1,284,677	1,317,658
Infrastructure	<u>26,820,851</u>	<u>27,416,524</u>	<u>28,578,275</u>	<u>28,971,683</u>	<u>55,399,126</u>	<u>56,388,207</u>
Totals	<u>\$ 48,006,754</u>	<u>\$ 43,918,355</u>	<u>\$ 51,651,354</u>	<u>\$ 51,666,478</u>	<u>\$ 99,658,108</u>	<u>\$ 95,584,833</u>

The following graphs show the breakdown of governmental capital assets by category for 2013 and 2012:

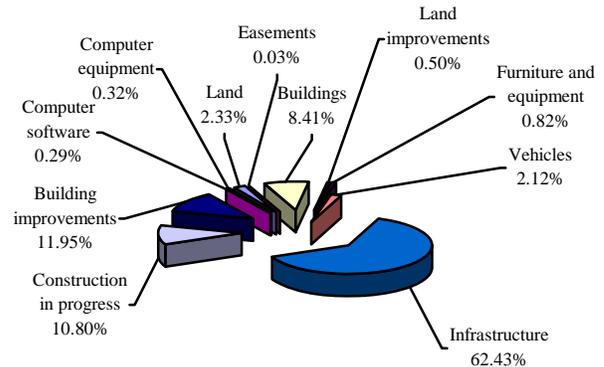
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

Capital Assets - Governmental Activities 2013



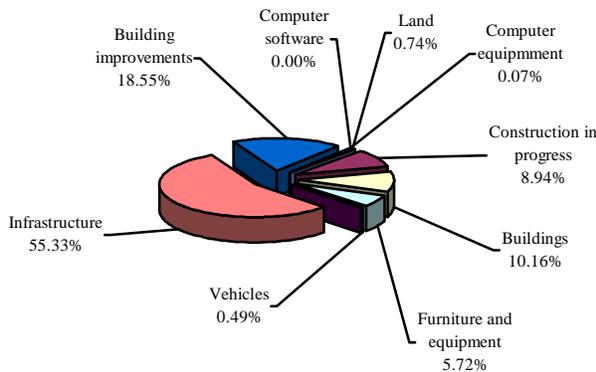
Capital Assets - Governmental Activities 2012



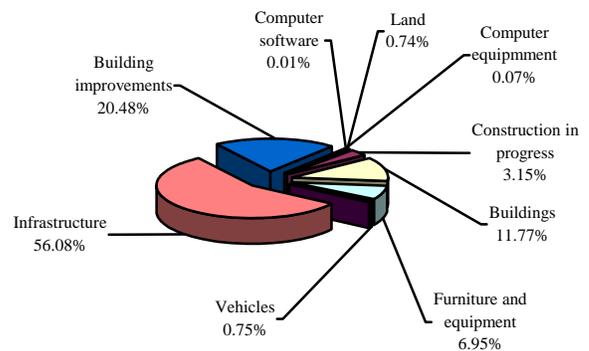
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 55.87% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2013 and 2012:

Capital Assets - Business-Type Activities 2013



Capital Assets - Business-Type Activities 2012



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 55.33% of the City's total business-type capital assets.

See Note 10 in the notes 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, 2013 and 2012. Additional detail can be found in Note 13 in the notes to the basic financial statements.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
General obligation bonds	\$ 11,482,316	\$ 3,611,929	\$ 5,555,059	\$ 6,695,533
Reinvestment partnership corporation loan	290,000	375,000	-	-
OWDA loans	-	-	19,808,127	18,881,084
HUD 108 loan	1,225,000	1,320,000	-	-
ODOD mortgage note	45,208	67,457	-	-
OPWC loan	179,595	192,423	49,428	51,225
Claims payable	987,385	1,480,729	-	-
Capital lease obligation	-	61,139	-	-
Compensated absences	4,980,191	5,026,805	1,540,657	1,537,071
Total long-term obligations	\$ 19,189,695	\$ 12,135,482	\$ 26,953,271	\$ 27,164,913

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 2014 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 2014 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 2014 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, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 16,943,158	\$ 5,728,833	\$ 22,671,991
Receivables:			
Income taxes	4,354,514	-	4,354,514
Real and other taxes	1,882,605	-	1,882,605
Accounts	761,247	3,764,233	4,525,480
Intergovernmental	1,882,088	-	1,882,088
Accrued interest	13,252	-	13,252
Special assessments	2,439,568	160,652	2,600,220
Loans	6,354,174	-	6,354,174
Internal balance	(187,325)	187,325	-
Materials and supplies inventory	4,426	55,653	60,079
Restricted assets:			
Equity in pooled cash and cash equivalents	622,922	-	622,922
Capital assets:			
Non-depreciable capital assets	8,530,176	5,000,789	13,530,965
Depreciable capital assets, net	39,476,578	46,650,565	86,127,143
Total capital assets, net	<u>48,006,754</u>	<u>51,651,354</u>	<u>99,658,108</u>
Total assets	<u>83,077,383</u>	<u>61,548,050</u>	<u>144,625,433</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	-	114,689	114,689
Total deferred outflows of resources	<u>-</u>	<u>114,689</u>	<u>114,689</u>
Liabilities:			
Accounts payable	296,827	639,526	936,353
Contracts payable	884,440	37,009	921,449
Accrued wages and benefits payable	455,779	175,159	630,938
Due to other governments	498,822	153,167	651,989
Accrued interest payable	38,086	314,008	352,094
Claims payable	889,752	-	889,752
Long-term liabilities:			
Due within one year	2,238,663	2,772,533	5,011,196
Due in more than one year	<u>16,951,032</u>	<u>24,180,738</u>	<u>41,131,770</u>
Total liabilities	<u>22,253,401</u>	<u>28,272,140</u>	<u>50,525,541</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	<u>1,376,055</u>	-	<u>1,376,055</u>
Total deferred inflows of resources	<u>1,376,055</u>	<u>-</u>	<u>1,376,055</u>
Net position:			
Net investment in capital assets	44,093,603	26,353,429	70,447,032
Restricted for:			
Debt service	2,723,376	-	2,723,376
Street maintenance	828,714	-	828,714
State highway	272,923	-	272,923
Law enforcement	399,651	-	399,651
Courts	1,369,045	-	1,369,045
Community developments and improvements	9,491,103	-	9,491,103
Public health	622,922	-	622,922
Unrestricted (deficit)	<u>(353,410)</u>	<u>7,037,170</u>	<u>6,683,760</u>
Total net position	<u>\$ 59,447,927</u>	<u>\$ 33,390,599</u>	<u>\$ 92,838,526</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,490,149	\$ 1,219,533	\$ -	\$ -
Security of persons and property	16,292,351	1,452,930	166,236	-
Public health and welfare	681,620	204,455	-	-
Transportation	4,124,435	1,050	1,968,489	3,971,851
Community environment	2,545,832	762,676	362,596	-
Leisure time activity	499,204	36,082	-	-
Economic development	2,481,991	371,154	1,592,956	-
Interest and fiscal charges	195,930	-	-	-
Bond issuance costs	226,597	-	-	-
Total governmental activities	32,538,109	4,047,880	4,090,277	3,971,851
Business-type activities:				
Sewer	7,126,141	8,026,141	-	-
Water	11,723,619	10,276,785	-	-
Sanitation	3,214,243	3,434,612	-	-
Packard Music Hall	706,478	211,795	-	37,028
City Redevelopment	76,175	57,092	-	-
Downtown Parking	149,373	34,024	-	-
Stormwater Utility	551,745	1,009,629	-	-
Total business-type activities	23,547,774	23,050,078	-	37,028
Total primary government	\$ 56,085,883	\$ 27,097,958	\$ 4,090,277	\$ 4,008,879

General revenues:

- Property taxes levied for:
 - Debt service
- 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

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
\$ (4,270,616)	\$ -	\$ (4,270,616)
(14,673,185)	-	(14,673,185)
(477,165)	-	(477,165)
1,816,955	-	1,816,955
(1,420,560)	-	(1,420,560)
(463,122)	-	(463,122)
(517,881)	-	(517,881)
(195,930)	-	(195,930)
(226,597)	-	(226,597)
(20,428,101)	-	(20,428,101)
-	900,000	900,000
-	(1,446,834)	(1,446,834)
-	220,369	220,369
-	(457,655)	(457,655)
-	(19,083)	(19,083)
-	(115,349)	(115,349)
-	457,884	457,884
-	(460,668)	(460,668)
(20,428,101)	(460,668)	(20,888,769)
1,311,792	-	1,311,792
16,624,172	-	16,624,172
3,639,724	-	3,639,724
53,299	-	53,299
562,200	435,637	997,837
22,191,187	435,637	22,626,824
(317,557)	317,557	-
21,873,630	753,194	22,626,824
1,445,529	292,526	1,738,055
58,002,398	33,098,073	91,100,471
\$ 59,447,927	\$ 33,390,599	\$ 92,838,526

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General	Community Development Block Grant	General Bond Payment	General Capital Projects
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 1,047,797	\$ 441,543	\$ 816,783	\$ 6,988,678
Receivables (net of allowance for uncollectibles):				
Income taxes.	4,354,514	-	-	-
Real and other taxes	-	-	1,882,605	-
Accounts.	372,974	68,199	-	266,599
Intergovernmental	941,139	29,712	100,212	21,516
Loans	-	1,395,781	-	-
Accrued interest	10,578	2,378	296	-
Due from other funds	-	-	1,200,000	-
Special assessments	104,292	2,229,286	105,990	-
Materials and supplies inventory.	4,426	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents .	622,922	-	-	-
Total assets	<u>\$ 7,458,642</u>	<u>\$ 4,166,899</u>	<u>\$ 4,105,886</u>	<u>\$ 7,276,793</u>
Liabilities:				
Accounts payable.	\$ 95,705	\$ 54,232	\$ -	\$ -
Contracts payable.	-	282,419	-	535,421
Accrued wages and benefits payable	417,795	7,074	-	-
Compensated absences payable	135,320	-	-	-
Due to other funds	-	-	-	1,200,000
Due to other governments	180,806	1,093	-	-
Accrued interest payable	-	-	-	296
Total liabilities	<u>829,626</u>	<u>344,818</u>	<u>-</u>	<u>1,735,717</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . .	-	-	1,376,055	-
Delinquent property tax revenue not available .	-	-	506,550	-
Accrued interest not available	5,428	-	-	-
Special assessments revenue not available . . .	104,292	2,229,286	105,990	-
Miscellaneous revenue not available	-	-	-	21,565
Income tax revenue not available.	2,206,066	-	-	-
Intergovernmental revenue not available	242,536	-	100,212	-
Total deferred inflows of resources	<u>2,558,322</u>	<u>2,229,286</u>	<u>2,088,807</u>	<u>21,565</u>
Fund balances:				
Nonspendable	4,426	-	-	-
Restricted.	622,922	1,592,795	2,017,079	5,519,511
Assigned	212,483	-	-	-
Unassigned	3,230,863	-	-	-
Total fund balances	<u>4,070,694</u>	<u>1,592,795</u>	<u>2,017,079</u>	<u>5,519,511</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,458,642</u>	<u>\$ 4,166,899</u>	<u>\$ 4,105,886</u>	<u>\$ 7,276,793</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,224,776	\$ 12,519,577
-	4,354,514
-	1,882,605
53,475	761,247
789,509	1,882,088
4,958,393	6,354,174
-	13,252
-	1,200,000
-	2,439,568
-	4,426
-	622,922
<u>\$ 9,026,153</u>	<u>\$ 32,034,373</u>
\$ 137,475	\$ 287,412
-	817,840
26,216	451,085
-	135,320
-	1,200,000
35,650	217,549
-	296
<u>199,341</u>	<u>3,109,502</u>
-	1,376,055
-	506,550
-	5,428
-	2,439,568
-	21,565
-	2,206,066
458,819	801,567
<u>458,819</u>	<u>7,356,799</u>
-	4,426
8,367,993	18,120,300
-	212,483
-	3,230,863
<u>8,367,993</u>	<u>21,568,072</u>
<u>\$ 9,026,153</u>	<u>\$ 32,034,373</u>

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CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total governmental fund balances		\$ 21,568,072
<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.		47,516,324
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Delinquent property taxes receivable	\$ 506,550	
Income taxes receivable	2,206,066	
Accounts receivable	21,565	
Special assessments receivable	2,439,568	
Intergovernmental receivable	801,567	
Accrued interest receivable	5,428	
Total	5,980,744	5,980,744
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities (excluding amounts reported in the internal service funds) are as follows:		
General obligation bonds payable	(10,445,000)	
Loans payable	(1,694,595)	
Note payable	(45,208)	
Compensated absences payable	(4,760,963)	
Total	(16,945,766)	(16,945,766)
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.		(36,589)
Unamortized premiums on bond issuances are not recognized in the funds.		(300,120)
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.		1,852,587
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		(187,325)
Net position of governmental activities		\$ 59,447,927

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, 2013

	<u>General</u>	<u>Community Development Block Grant</u>	<u>General Bond Payment</u>	<u>General Capital Projects</u>
Revenues:				
Income taxes	\$ 16,624,224	\$ -	\$ -	\$ -
Property and other taxes.	-	-	1,315,316	-
Charges for services.	2,146,723	-	-	-
Licenses and permits	2,043,647	-	-	-
Fines and forfeitures	1,004,271	-	-	-
Intergovernmental.	3,459,216	1,093,188	200,423	3,988,258
Special assessments	-	13,556	10,107	-
Investment income.	59,044	23,079	296	-
Rental income	30,606	-	-	-
Other	525,095	1,210	-	341,031
Total revenues	<u>25,892,826</u>	<u>1,131,033</u>	<u>1,526,142</u>	<u>4,329,289</u>
Expenditures:				
Current:				
General government	7,301,472	-	25,940	-
Security of persons and property	16,516,777	-	-	-
Public health and welfare.	682,462	-	-	-
Transportation	-	-	-	-
Community environment	1,738,663	-	-	-
Leisure time activity	550,457	-	-	-
Economic development.	-	1,564,165	-	-
Capital outlay	-	-	-	7,043,607
Debt service:				
Principal retirement.	61,139	22,249	889,828	-
Interest and fiscal charges	2,735	2,870	80,002	296
Bond issuance costs	-	-	6,258	220,339
Total expenditures.	<u>26,853,705</u>	<u>1,589,284</u>	<u>1,002,028</u>	<u>7,264,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(960,879)</u>	<u>(458,251)</u>	<u>524,114</u>	<u>(2,934,953)</u>
Other financing sources (uses):				
Bond issuance.	-	-	-	8,585,000
Transfers in	126,000	-	88,184	126,136
Transfers (out).	(317,557)	(88,800)	-	-
Premium on bond issuance	-	-	6,485	235,339
Total other financing sources (uses)	<u>(191,557)</u>	<u>(88,800)</u>	<u>94,669</u>	<u>8,946,475</u>
Net change in fund balances	(1,152,436)	(547,051)	618,783	6,011,522
Fund balances (deficit) at beginning of year .	<u>5,223,130</u>	<u>2,139,846</u>	<u>1,398,296</u>	<u>(492,011)</u>
Fund balances at end of year	<u>\$ 4,070,694</u>	<u>\$ 1,592,795</u>	<u>\$ 2,017,079</u>	<u>\$ 5,519,511</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 16,624,224
-	1,315,316
-	2,146,723
85,978	2,129,625
461,247	1,465,518
2,501,383	11,242,468
-	23,663
81,105	163,524
-	30,606
116,590	983,926
<u>3,246,303</u>	<u>36,125,593</u>
47,701	7,375,113
434,389	16,951,166
-	682,462
1,311,023	1,311,023
-	1,738,663
-	550,457
853,579	2,417,744
557,454	7,601,061
180,000	1,153,216
78,298	164,201
-	226,597
<u>3,462,444</u>	<u>40,171,703</u>
<u>(216,141)</u>	<u>(4,046,110)</u>
-	8,585,000
88,800	429,120
(252,136)	(658,493)
-	241,824
<u>(163,336)</u>	<u>8,597,451</u>
(379,477)	4,551,341
8,747,470	17,016,731
<u>\$ 8,367,993</u>	<u>\$ 21,568,072</u>

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, 2013

Net change in fund balances - total governmental funds \$ 4,551,341

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	\$ 7,166,035	
Current year depreciation	(3,539,054)	
Total		3,626,981

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

Delinquent property taxes	(3,524)	
Income taxes	(52)	
Other revenues	21,565	
Special assessments	375,323	
Intergovernmental revenues	(84,804)	
Investment income	(6,041)	
Total		302,467

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. (8,585,000)

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. 1,153,216

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. (241,824)

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 additional interest expense reported in the statement of activities.

Decrease in accrued interest payable	2,177	
Amortization of bond premium	7,509	
Amortization of deferred charges on refunding	(27,438)	
Total		(17,752)

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds. 21,359

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 \$43,593, is allocated among the governmental activities. 634,741

Change in net position of governmental activities \$ 1,445,529

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 16,470,278	\$ 17,490,000	\$ 16,451,226	\$ (1,038,774)
Charges for services.	2,162,136	2,296,000	2,107,975	(188,025)
Licenses and permits	2,093,109	2,222,700	2,053,874	(168,826)
Fines and forfeitures	1,195,484	1,269,500	1,001,182	(268,318)
Intergovernmental.	3,218,209	3,417,458	4,400,945	983,487
Investment income.	141,255	150,000	70,741	(79,259)
Rental income	32,959	35,000	29,811	(5,189)
Other	559,487	594,127	541,156	(52,971)
Total revenues	25,872,917	27,474,785	26,656,910	(817,875)
Expenditures:				
Current:				
General government	8,078,236	8,256,324	7,435,372	820,952
Security of persons and property	15,180,176	17,589,726	16,760,158	829,568
Public health and welfare.	706,584	716,708	648,697	68,011
Community environment	1,895,073	1,903,086	1,777,962	125,124
Leisure time activity	559,142	615,464	553,394	62,070
Total expenditures.	26,419,211	29,081,308	27,175,583	1,905,725
Excess of expenditures over revenues	(546,294)	(1,606,523)	(518,673)	1,087,850
Other financing sources (uses):				
Transfers in	-	250,000	126,000	(124,000)
Transfers (out).	(317,557)	(317,557)	(317,557)	-
Total other financing sources (uses)	(317,557)	(67,557)	(191,557)	(124,000)
Net change in fund balance	(863,851)	(1,674,080)	(710,230)	963,850
Fund balance at beginning of year.	1,467,003	1,467,003	1,467,003	-
Prior year encumbrances appropriated	611,768	611,768	611,768	-
Fund balance at end of year	\$ 1,214,920	\$ 404,691	\$ 1,368,541	\$ 963,850

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 155,997	\$ 155,997	\$ 268,781	\$ 112,784
Intergovernmental	1,368,514	1,827,739	1,073,452	(754,287)
Special assessments	10,000	10,000	13,556	3,556
Investment income	13,200	13,200	22,636	9,436
Other	4,800	4,800	1,210	(3,590)
Total revenues	<u>1,552,511</u>	<u>2,011,736</u>	<u>1,379,635</u>	<u>(632,101)</u>
Expenditures:				
Current:				
Economic development	2,106,480	2,565,180	1,966,317	598,863
Debt service:				
Principal retirement	21,258	22,254	22,249	5
Interest and fiscal charges	2,742	2,871	2,870	1
Total expenditures	<u>2,130,480</u>	<u>2,590,305</u>	<u>1,991,436</u>	<u>598,869</u>
Excess of expenditures over revenues	<u>(577,969)</u>	<u>(578,569)</u>	<u>(611,801)</u>	<u>(33,232)</u>
Other financing uses:				
Transfers out	-	-	(88,800)	(88,800)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(88,800)</u>	<u>(88,800)</u>
Net change in fund balance	(577,969)	(578,569)	(700,601)	(122,032)
Fund balance (deficit) at beginning of year	(59,183)	(59,183)	(59,183)	-
Prior year encumbrances appropriated	578,569	578,569	578,569	-
Fund balance (deficit) at end of year	<u>\$ (58,583)</u>	<u>\$ (59,183)</u>	<u>\$ (181,215)</u>	<u>\$ (122,032)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2013

	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.	\$ 2,576,869	\$ 1,186,192	\$ 299,820	\$ 1,665,952	\$ 5,728,833	\$ 4,423,581
Receivables (net of allowance for uncollectibles):						
Accounts	1,138,714	1,619,186	670,709	335,624	3,764,233	-
Special assessments.	1,158	159,409	-	85	160,652	-
Materials and supplies inventory.	42,407	-	13,246	-	55,653	-
Total current assets.	<u>3,759,148</u>	<u>2,964,787</u>	<u>983,775</u>	<u>2,001,661</u>	<u>9,709,371</u>	<u>4,423,581</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable capital assets	15,261	4,667,157	35,091	283,280	5,000,789	457,720
Depreciable capital assets, net	14,838,166	26,972,160	246,730	4,593,509	46,650,565	32,710
Total capital assets, net	<u>14,853,427</u>	<u>31,639,317</u>	<u>281,821</u>	<u>4,876,789</u>	<u>51,651,354</u>	<u>490,430</u>
Total noncurrent assets	<u>14,853,427</u>	<u>31,639,317</u>	<u>281,821</u>	<u>4,876,789</u>	<u>51,651,354</u>	<u>490,430</u>
Total assets	<u>18,612,575</u>	<u>34,604,104</u>	<u>1,265,596</u>	<u>6,878,450</u>	<u>61,360,725</u>	<u>4,914,011</u>
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding	-	114,689	-	-	114,689	-
Total deferred outflows of resources.	<u>-</u>	<u>114,689</u>	<u>-</u>	<u>-</u>	<u>114,689</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable.	96,151	440,284	88,957	14,134	639,526	9,415
Contracts payable.	-	37,009	-	-	37,009	66,600
Accrued wages and benefits payable.	49,841	95,466	20,021	9,831	175,159	4,694
Due to other governments	133,979	14,576	3,093	1,519	153,167	281,273
Claims payable	-	-	-	-	-	893,276
Current portion of general obligation bonds	-	560,000	-	-	560,000	75,000
Current portion of OWDA loans	947,940	749,478	-	-	1,697,418	-
Current portion of OPWC loans	-	-	-	1,797	1,797	-
Current portion of compensated absences	141,134	295,802	47,787	28,595	513,318	15,366
Accrued interest payable	109,601	204,407	-	-	314,008	1,201
Total current liabilities	<u>1,478,646</u>	<u>2,397,022</u>	<u>159,858</u>	<u>55,876</u>	<u>4,091,402</u>	<u>1,346,825</u>
Long-term liabilities:						
General obligation bonds payable	-	4,995,059	-	-	4,995,059	662,196
OWDA loans payable	5,735,356	12,375,353	-	-	18,110,709	-
OPWC loans payable	-	-	-	47,631	47,631	-
Claims payable.	-	-	-	-	-	983,861
Compensated absences payable	288,824	561,969	97,119	79,427	1,027,339	68,542
Total long-term liabilities.	<u>6,024,180</u>	<u>17,932,381</u>	<u>97,119</u>	<u>127,058</u>	<u>24,180,738</u>	<u>1,714,599</u>
Total liabilities	<u>7,502,826</u>	<u>20,329,403</u>	<u>256,977</u>	<u>182,934</u>	<u>28,272,140</u>	<u>3,061,424</u>
Net position:						
Net investment in capital assets	8,170,131	13,074,116	281,821	4,827,361	26,353,429	32,710
Unrestricted	<u>2,939,618</u>	<u>1,315,274</u>	<u>726,798</u>	<u>1,868,155</u>	<u>6,849,845</u>	<u>1,819,877</u>
Total net position	<u>\$ 11,109,749</u>	<u>\$ 14,389,390</u>	<u>\$ 1,008,619</u>	<u>\$ 6,695,516</u>	<u>33,203,274</u>	<u>\$ 1,852,587</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					<u>187,325</u>	
Net position of business-type activities					<u>\$ 33,390,599</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, 2013

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Operating revenues:				
Charges for services	\$ 8,026,141	\$ 10,276,785	\$ 3,434,612	\$ 1,312,540
Other operating revenues	1,656	335,035	11,887	5,604
Total operating revenues.	<u>8,027,797</u>	<u>10,611,820</u>	<u>3,446,499</u>	<u>1,318,144</u>
Operating expenses:				
Personal services	2,774,428	5,482,251	1,020,604	649,466
Contract services.	1,563,975	696,231	1,588,176	329,248
Materials and supplies.	537,972	1,138,123	299,415	73,757
Administrative costs.	535,675	1,011,966	170,001	68,011
Utilities	544,721	497,114	14,116	63,485
Claims expense	-	-	-	-
Depreciation.	865,204	2,125,806	109,039	287,637
Other	14,798	199,062	3,003	5,082
Total operating expenses.	<u>6,836,773</u>	<u>11,150,553</u>	<u>3,204,354</u>	<u>1,476,686</u>
Operating income (loss)	<u>1,191,024</u>	<u>(538,733)</u>	<u>242,145</u>	<u>(158,542)</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(268,336)	(565,840)	(1,639)	-
Special assessments	-	81,455	-	-
Total nonoperating revenues (expenses).	<u>(268,336)</u>	<u>(484,385)</u>	<u>(1,639)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	922,688	(1,023,118)	240,506	(158,542)
Transfers in	-	-	-	317,557
Transfers out	-	-	-	-
Capital contributions	-	-	-	37,028
Change in net position	922,688	(1,023,118)	240,506	196,043
Net position at beginning of year.	<u>10,187,061</u>	<u>15,412,508</u>	<u>768,113</u>	<u>6,499,473</u>
Net position at end of year	<u>\$ 11,109,749</u>	<u>\$ 14,389,390</u>	<u>\$ 1,008,619</u>	<u>\$ 6,695,516</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
\$ 23,050,078	\$ 7,328,693
354,182	6,500
23,404,260	7,335,193
9,926,749	250,615
4,177,630	98,026
2,049,267	10,191
1,785,653	239,629
1,119,436	22,562
-	6,015,939
3,387,686	4,922
221,945	-
22,668,366	6,641,884
735,894	693,309
(835,815)	(13,977)
81,455	-
(754,360)	(13,977)
(18,466)	679,332
317,557	-
-	(88,184)
37,028	-
336,119	591,148
	1,261,439
	\$ 1,852,587
(43,593)	
\$ 292,526	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

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	\$ 8,055,535	\$ 10,198,740	\$ 3,413,633	\$ 1,300,978
Cash received from other operations.	1,656	335,035	11,887	5,604
Cash payments for personal services.	(2,751,941)	(5,502,217)	(984,605)	(674,088)
Cash payments for contractual services	(1,493,304)	(646,868)	(1,590,010)	(323,471)
Cash payments for materials and supplies	(549,804)	(1,107,483)	(285,754)	(73,733)
Cash payments for utilities	(544,721)	(497,114)	(14,116)	(63,485)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(535,675)	(1,011,966)	(170,001)	(68,011)
Cash payments for other expenses	(14,798)	(199,062)	(3,003)	(5,082)
Net cash provided by operating activities	<u>2,166,948</u>	<u>1,569,065</u>	<u>378,031</u>	<u>98,712</u>
Cash flows from noncapital financing activities:				
Cash received in transfers from other funds	-	-	-	317,557
Cash used in transfers to other funds.	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,557</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(31,809)	(3,015,789)	(4,261)	(36,273)
Capital contributions.	-	-	-	37,028
Loans issued.	-	2,596,221	-	-
Principal retirement	(1,520,203)	(1,271,975)	(240,000)	(1,797)
Interest and fiscal charges	(268,546)	(531,325)	(2,160)	-
Net cash used in capital and related financing activities	<u>(1,820,558)</u>	<u>(2,222,868)</u>	<u>(246,421)</u>	<u>(1,042)</u>
Cash flows from investing activities:				
Interest received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	346,390	(653,803)	131,610	415,227
Cash and cash equivalents at beginning of year.	2,230,479	1,839,995	168,210	1,250,725
Cash and cash equivalents at end of year	<u>\$ 2,576,869</u>	<u>\$ 1,186,192</u>	<u>\$ 299,820</u>	<u>\$ 1,665,952</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 22,968,886	\$ 7,329,262
354,182	6,500
(9,912,851)	(239,577)
(4,053,653)	(94,230)
(2,016,774)	(10,191)
(1,119,436)	(22,562)
-	(6,327,934)
(1,785,653)	(316,208)
(221,945)	-
4,212,756	325,060
317,557	-
-	(88,184)
317,557	(88,184)
(3,088,132)	(428,489)
37,028	-
2,596,221	-
(3,033,975)	(70,000)
(802,031)	(15,879)
(4,290,889)	(514,368)
-	521
-	521
239,424	(276,971)
5,489,409	4,700,552
\$ 5,728,833	\$ 4,423,581

- - Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

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)	\$ 1,191,024	\$ (538,733)	\$ 242,145	\$ (158,542)
Adjustments:				
Depreciation.	865,204	2,125,806	109,039	287,637
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory.	(13,080)	752	3,617	-
(Increase) decrease in accounts receivable	29,394	(78,045)	(20,979)	(8,310)
Increase in accounts payable	5,617	81,220	8,210	2,549
Increase (decrease) in accrued wages and benefits	(2,383)	7,477	1,546	929
Increase (decrease) in due to other governments	67,888	(806)	238	(244)
Increase (decrease) in compensated absences payable	23,284	(28,606)	34,215	(25,307)
(Decrease) in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,166,948</u>	<u>\$ 1,569,065</u>	<u>\$ 378,031</u>	<u>\$ 98,712</u>

Non-cash capital transactions:

At December 31, 2013 and December 31, 2012, the water fund purchased \$303,059 and \$11,784, 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, the nonmajor enterprise funds purchased \$2,584 in capital assets on account.
 At December 31, 2013 and December 31, 2012, the internal service funds purchased \$71,599 and \$33,748, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 735,894	\$ 693,309
3,387,686	4,922
(8,711)	-
(77,940)	569
97,596	3,796
7,569	(1,398)
67,076	13,483
3,586	12,265
-	(401,886)
<u>\$ 4,212,756</u>	<u>\$ 325,060</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2013

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 786,617
Cash with fiscal and escrow agents.	522,562
Accounts receivable.	<u>11,611</u>
Total assets	<u>\$ 1,320,790</u>
Liabilities:	
Due to other governments	\$ 1,034,672
Deposits held and due to others.	<u>286,118</u>
Total liabilities.	<u>\$ 1,320,790</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, 2013

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, 2013

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, 2013

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.

General bond payment - This fund was established to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt and related costs.

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

Other governmental funds of the City are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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 maintaining the local sewer system of the City.

Water fund - This fund accounts for the operations of providing water services to customers and maintaining 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, 2013

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 deferred outflows of resources 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.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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, 2013, but which were levied to finance year 2014 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Receivables not received within the available period and delinquent property taxes due at December 31, 2013, are recorded as deferred inflows of resources in governmental funds.

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 2013.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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 2013, 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 2013. 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, 2013.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2013, interest revenue in the general fund amounted to \$59,044 which includes \$54,629 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account for municipal court activity. These interest bearing depository accounts are presented on the financial statements as "cash with fiscal and escrow agents" since they are not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the statement of net 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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 materials 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.

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
Land improvements	10 - 20	N/A
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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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.

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 a deferred inflow or outflow of resources on the statement of net position.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

On the governmental fund financial statements, bond premiums and deferred charges from refunding are recognized in the current period.

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental activities column on the statement of net position.

N. Interfund Activity

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

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

O. Fund Balance

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.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. City Council has by ordinance authorized the City Auditor to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

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.

P. 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.

Q. Estimates

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

R. 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.

S. 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 fiscal year 2013, the City has implemented GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 66, "*Technical Corrections-2012*".

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the City.

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the City.

B. Compliance

The City had estimated resources in excess of actual resources at year end and throughout the year in non-compliance with Ohio Revised Code Section 5705.36. The City also transferred various amounts between funds without obtaining 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:

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;

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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, 2013, the carrying amount of all City deposits was \$16,730,862, exclusive of the \$3,458,473 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, 2013, \$875,208 of the City's bank balance of \$17,126,975 was exposed to custodial risk as discussed below, while \$16,251,767 was covered by the Federal Deposit Insurance Corporation (FDIC).

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2013, 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	\$ 1,999,380	\$ -	\$ -	\$ 1,000,010	\$ -	\$ 999,370
Federal Home Loan Bank	2,384,690	-	-	-	-	2,384,690
STAR Ohio	30,687	30,687	-	-	-	-
Repurchase agreements	<u>3,458,473</u>	<u>3,458,473</u>	-	-	-	-
Total	<u>\$ 7,873,230</u>	<u>\$ 3,489,160</u>	<u>\$ -</u>	<u>\$ 1,000,010</u>	<u>\$ -</u>	<u>\$ 3,384,060</u>

The weighted average maturity of investments is 1.16 years.

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

Credit Risk: STAR Ohio 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. The weighted average maturity of the portfolio held by STAR Ohio as of December 31, 2013 is 53 days.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. The City's investment in repurchase agreements 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, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Federal Farm Credit Bank	\$ 1,999,380	25.39
Federal Home Loan Bank	2,384,690	30.29
STAR Ohio	30,687	0.39
Repurchase agreements	<u>3,458,473</u>	<u>43.93</u>
Total	<u>\$ 7,873,230</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 16,730,862
Investments	<u>7,873,230</u>
Total	<u>\$ 24,604,092</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 17,566,080
Business-type activities	5,728,833
Agency funds	<u>1,309,179</u>
Total	<u>\$ 24,604,092</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Interfund transfers for the year ended December 31, 2013, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to:</u>					<u>Total</u>
	<u>General</u>	<u>General Bond Payment</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ -	\$ -	\$ -	\$ -	\$ 317,557	\$ 317,557
Community development block grant	-	-	-	88,800	-	88,800
Nonmajor governmental	126,000	-	126,136	-	-	252,136
Internal service	-	88,184	-	-	-	88,184
Total	<u>\$ 126,000</u>	<u>\$ 88,184</u>	<u>\$ 126,136</u>	<u>\$ 88,800</u>	<u>\$ 317,557</u>	<u>\$ 746,677</u>

Transfers to the general fund consist of \$20,000 from the probation - municipal court fund and \$106,000 from the special projects - courts fund; these transfers were reimbursements for expenditures paid from the general fund. The data processing internal service fund transferred \$88,184 to the general bond payment fund in order to cover debt payments. Transfers from the motor vehicle levy fund, a nonmajor governmental fund, to the general capital projects fund in the amount of \$126,136 were for road improvement expenditures. The \$88,800 transfer from the community development block grant to the guaranteed loan fund, a nonmajor governmental fund, was made in order to cover a debt payment.

- B.** The \$1,200,000 due to/from other funds reported on the fund financial statements are internal City of Warren notes which represent amounts borrowed from other funds of the City. The notes were issued December 19, 2013 to pay a portion of the costs of acquiring a building, and mature June 19, 2014. Principal and interest at 0.75% per year will be paid from the general capital projects fund.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

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. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 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, 2013 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2013 operations and the collection of delinquent taxes has been offset by a deferred inflows of resources 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 revenue.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed value upon which the 2012 levy (collected in 2013) was based was \$395,622,910. 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, 2013. Income tax revenue for 2013 reported in the general fund was \$16,624,224.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2013, consisted of taxes, accounts (billings for user charged services and other fees), 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, 2013. The only receivables not expected to be collected within one year are special assessments which are collected over the life of the assessment.

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	\$ 4,354,514
Real and other taxes	1,882,605
Accounts	761,247
Intergovernmental	1,882,088
Accrued interest	13,252
Special assessments	2,439,568
Loans	6,354,174

Business-type activities:

Accounts	3,764,233
Special assessments	160,652

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, 2013

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Easements	13,353	-	-	13,353
Construction in progress	4,745,907	4,205,371	(1,458,639)	7,492,639
	<u>5,783,444</u>	<u>4,205,371</u>	<u>(1,458,639)</u>	<u>8,530,176</u>
Total capital assets, not being depreciated				
<i>Capital assets, being depreciated:</i>				
Land improvements	820,807	-	-	820,807
Buildings	10,958,391	2,479,191	-	13,437,582
Building improvements	7,274,482	-	-	7,274,482
Computer software	583,146	-	-	583,146
Computer equipment	1,179,954	10,668	-	1,190,622
Furniture and equipment	1,827,473	113,705	(5,500)	1,935,678
Vehicles	4,965,828	823,440	(528,720)	5,260,548
Infrastructure	52,783,729	1,458,639	-	54,242,368
	<u>80,393,810</u>	<u>4,885,643</u>	<u>(534,220)</u>	<u>84,745,233</u>
Total capital assets, being depreciated				
<i>Less: accumulated depreciation:</i>				
Land improvements	(599,223)	(22,906)	-	(622,129)
Buildings	(7,266,367)	(256,726)	-	(7,523,093)
Building improvements	(2,026,333)	(297,460)	-	(2,323,793)
Computer software	(457,937)	(48,233)	-	(506,170)
Computer equipment	(1,038,207)	(47,485)	-	(1,085,692)
Furniture and equipment	(1,468,067)	(94,291)	5,500	(1,556,858)
Vehicles	(4,035,560)	(722,563)	528,720	(4,229,403)
Infrastructure	(25,367,205)	(2,054,312)	-	(27,421,517)
	<u>(42,258,899)</u>	<u>(3,543,976)</u>	<u>534,220</u>	<u>(45,268,655)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>38,134,911</u>	<u>1,341,667</u>	<u>-</u>	<u>39,476,578</u>
Governmental activities capital assets, net	<u>\$ 43,918,355</u>	<u>\$ 5,547,038</u>	<u>\$ (1,458,639)</u>	<u>\$ 48,006,754</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/13</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>1,629,112</u>	<u>3,334,338</u>	<u>(347,060)</u>	<u>4,616,390</u>
Total capital assets, not being depreciated	<u>2,013,511</u>	<u>3,334,338</u>	<u>(347,060)</u>	<u>5,000,789</u>
<i>Capital assets, being depreciated:</i>				
Buildings	55,721,468	-	-	55,721,468
Building improvements	15,377,158	23,976	-	15,401,134
Water and sewer lines	51,863,632	347,060	-	52,210,692
Computer software	47,874	-	-	47,874
Computer equipment	108,526	-	-	108,526
Furniture and equipment	8,309,306	14,248	(251,384)	8,072,170
Vehicles	<u>3,810,246</u>	<u>-</u>	<u>(305,768)</u>	<u>3,504,478</u>
Total capital assets, being depreciated	<u>135,238,210</u>	<u>385,284</u>	<u>(557,152)</u>	<u>135,066,342</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(49,642,472)	(830,652)	-	(50,473,124)
Building improvements	(4,795,513)	(1,025,630)	-	(5,821,143)
Water and sewer lines	(22,891,949)	(740,468)	-	(23,632,417)
Computer software	(43,896)	(2,652)	-	(46,548)
Computer equipment	(72,510)	-	-	(72,510)
Furniture and equipment	(4,716,047)	(654,426)	251,384	(5,119,089)
Vehicles	<u>(3,422,856)</u>	<u>(133,858)</u>	<u>305,768</u>	<u>(3,250,946)</u>
Total accumulated depreciation	<u>(85,585,243)</u>	<u>(3,387,686)</u>	<u>557,152</u>	<u>(88,415,777)</u>
Total capital assets, being depreciated, net	<u>49,652,967</u>	<u>(3,002,402)</u>	<u>-</u>	<u>46,650,565</u>
Business-type activities capital assets, net	<u>\$ 51,666,478</u>	<u>\$ 331,936</u>	<u>\$ (347,060)</u>	<u>\$ 51,651,354</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 392,990
Security of persons and property	779,447
Public health and welfare	1,647
Transportation	2,264,697
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>4,922</u>
Total depreciation expense - governmental activities	<u>\$ 3,543,976</u>

Business-type activities:

Sewer	\$ 865,204
Water	2,125,806
Sanitation	109,039
Packard Music Hall	201,758
City redevelopment	14,791
Downtown parking	58,059
Stormwater utility	<u>13,029</u>
Total depreciation expense - business-type activities	<u>\$ 3,387,686</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, 2013, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$2,865,540 and vested benefits for sick leave totaled \$1,979,331. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$766,776 and vested benefits for sick leave totaled \$773,881 at December 31, 2013. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 12 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

In prior years, the City entered into a capitalized lease for a fire truck. The lease agreement 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. Principal payments during 2013 amounted to \$61,139 paid by the general fund. Capital assets in the amount of \$528,720, with accumulated depreciation of \$528,720, were disposed of during the year, due to the purchase of a new fire truck.

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>(112,625)</u>
Total	<u>\$ 9,000</u>	<u>\$ 107,131</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2013, the following changes occurred in governmental activities long-term obligations:

Governmental activities:	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2003	\$ 704,000	\$ -	\$ (704,000)	\$ -	\$ -
Various purpose, series 2003	73,000	-	(73,000)	-	-
Various purpose, series 2012	1,370,000	-	(125,000)	1,245,000	130,000
Pension refunding, series 2012	1,380,000	-	(45,000)	1,335,000	45,000
Various purpose, series 2013	-	8,585,000	-	8,585,000	485,000
Total general obligations bonds	<u>3,527,000</u>	<u>8,585,000</u>	<u>(947,000)</u>	<u>11,165,000</u>	<u>660,000</u>
<u>Other long-term obligations</u>					
Reinvestment partnership corporation loan	375,000	-	(85,000)	290,000	95,000
HUD 108 loan	1,320,000	-	(95,000)	1,225,000	100,000
Ohio Department of Development mortgage note	67,457	-	(22,249)	45,208	23,155
OPWC loan	192,423	-	(12,828)	179,595	12,828
Claims payable	1,480,729	-	(493,344)	987,385	3,524
Capital lease obligation	61,139	-	(61,139)	-	-
Compensated absences	5,026,805	1,187,588	(1,234,202)	4,980,191	1,344,156
Total other long-term obligations	<u>8,523,553</u>	<u>1,187,588</u>	<u>(2,003,762)</u>	<u>7,707,379</u>	<u>1,578,663</u>
Total governmental activities long-term obligations	12,050,553	<u>\$ 9,772,588</u>	<u>\$ (2,950,762)</u>	18,872,379	<u>\$ 2,238,663</u>
Add: Unamortized premium on bond issues	84,929			317,316	
Total reported on the statement of net position	<u>\$ 12,135,482</u>			<u>\$ 19,189,695</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, community development block grant fund and street maintenance nonmajor governmental fund.

General Obligation Bonds:

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. None of the defeased debt was outstanding at December 31, 2013.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The 2003 general obligation various purpose refunding issue was 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 deferred loss on refunding was reported as a deferred outflow of resources on the statement of net position and amortized over the remaining life of the refunded debt, which was equal to the life of the new debt issued. The City made the final payment on this bond issue on December 1, 2013.

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 was comprised of current interest bonds with an annual interest rate ranging from 2.00% - 2.40%. The City made the final payment on this bond issue on December 1, 2013.

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 annual interest rates ranging from 2.00% - 2.25% and a final maturity date of December 1, 2022. A portion of the debt issue is repaid from the data processing internal service fund. The City had unspent bond proceeds of \$262,280 at December 31, 2013.

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.

On December 24, 2013, the City issued various purpose general obligation bonds in the amount of \$8,585,000 to pay for constructing and improving City structures and street improvements. The issue is comprised of \$7,880,000 serial bonds with an annual interest rate ranging from 2.00% - 4.25% and a final maturity date of December 1, 2028, and \$705,000 term bonds with a 4.40% interest rate and December 1, 2033 maturity. The City had unspent bond proceeds of \$6,105,809 at December 31, 2013.

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

Year	General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 660,000	\$ 334,247	\$ 994,247
2015	705,000	339,734	1,044,734
2016	720,000	325,859	1,045,859
2017	735,000	311,709	1,046,709
2018	750,000	297,009	1,047,009
2019 - 2023	3,915,000	1,156,869	5,071,869
2024 - 2028	2,455,000	550,990	3,005,990
2029 - 2033	1,065,000	160,227	1,225,227
2034 - 2035	160,000	8,400	168,400
Total	<u>\$11,165,000</u>	<u>\$ 3,485,044</u>	<u>\$14,650,044</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Reinvestment Partnership Corporation Loan - On April 29, 1999, the City received a \$985,000 loan from the Reinvestment Partnership Corporation. This loan was made through the Federal 108 Loan Guarantee Program. In 2000, the City began disbursing the loan proceeds for economic development and housing rehabilitation projects throughout the City. 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:

<u>Year</u>	Loan Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 95,000	\$ 6,460	\$ 101,460
2015	95,000	4,750	99,750
2016	100,000	2,660	102,660
Total	\$ 290,000	\$ 13,870	\$ 303,870

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 balance of the loan is not included in the net investment in capital assets component of net position. Interest payments (at approximately 5.28 percent) on the loan began in 2007 and principal payments began August 1, 2008. The loan matures August 1, 2022. 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:

<u>Year</u>	Loan Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	135,000	42,732	177,732
2019 - 2022	640,000	91,894	731,894
Total	\$ 1,225,000	\$ 365,950	\$ 1,590,950

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Department of Development Mortgage Note - In November 1999, the City received a \$202,000 note from the Ohio Department of Development. This note was to fund the Mahoningside Redevelopment Project. This project has not been capitalized and reported in the City's capital assets; therefore, the balance of the note is not included in the net investment in capital assets component of net position. The note bears an interest rate of 4.25% and matures November 1, 2015. Principal and interest payments are made out of the community development block grant 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:

<u>Year</u>	Note Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 23,155	\$ 1,387	\$ 24,542
2015	22,053	443	22,496
Total	\$ 45,208	\$ 1,830	\$ 47,038

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, with a final payment date of December 1, 2027. The proceeds were used to fund the North Road Reconstruction Project. The principal and interest payments are made out of the debt service fund.

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

<u>Year</u>	OPWC Loan Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 12,828	\$ -	\$ 12,828
2015	12,829	-	12,829
2016	12,828	-	12,828
2017	12,828	-	12,828
2018	12,828	-	12,828
2019 - 2023	64,141	-	64,141
2024 - 2027	51,313	-	51,313
Total	\$ 179,595	\$ -	\$ 179,595

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2013, the following changes occurred in the business-type activities long-term obligations:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Amounts Due in One Year
<u>General obligation bonds</u>					
Refunding sewer improvements	\$ 573,000	\$ -	\$ (573,000)	\$ -	\$ -
Various purpose refunding, series 2012	5,975,000	-	(550,000)	5,425,000	560,000
Total general obligations bonds	6,548,000	-	(1,123,000)	5,425,000	560,000
Total enterprise bonds	6,548,000	-	(1,123,000)	5,425,000	560,000
<u>OWDA Loans</u>					
Buckeye	191,746	-	(94,191)	97,555	97,555
Warren commerce park - phase I	16,199	-	(16,199)	-	-
Wastewater treatment plant and pump station improvements	293,549	-	(61,833)	231,716	63,727
Biosolids facility	2,213,189	-	(416,339)	1,796,850	429,092
Griswold street sanitary sewer	544,216	-	(81,712)	462,504	85,114
Warren commerce park - phase II	252,464	-	(34,760)	217,704	36,157
Warren commerce park - phase II	76,891	-	(10,643)	66,248	11,050
Downtown combined sewer	3,519,510	-	(193,499)	3,326,011	198,228
Sewer inceptor rehabilitation	522,735	-	(38,027)	484,708	27,017
Water system improvements	6,915,778	-	(513,091)	6,402,687	533,558
Water meter replacements	4,334,807	-	(208,884)	4,125,923	215,920
Water treatment plant switch gear replacement	-	1,290,472	-	1,290,472	-
Waterline replacement	-	1,305,749	-	1,305,749	-
Total OWDA loans	18,881,084	2,596,221	(1,669,178)	19,808,127	1,697,418
Total bonds and OWDA loans	25,429,084	2,596,221	(2,792,178)	25,233,127	2,257,418
<u>Other long-term obligations</u>					
OPWC loan	51,225	-	(1,797)	49,428	1,797
Compensated absences	1,537,071	509,479	(505,893)	1,540,657	513,319
Total other long-term obligations	1,588,296	509,479	(507,690)	1,590,085	515,116
Total business-type activities	27,017,380	\$ 3,105,700	\$ (3,299,868)	26,823,212	\$ 2,772,534
Add: Unamortized premium on bond issue	147,533			130,059	
Total reported on the statement of net position	\$ 27,164,913			\$ 26,953,271	

General Obligation Bonds:

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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. None of the defeased debt was outstanding at December 31, 2013. The City made the final payment on the refunding bond issue in 2013.

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 balance of the refunded debt outstanding at December 31, 2013 was \$1,170,000.

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.

OPWC Loan:

The City received a \$53,921 loan from the OPWC in 2011 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, with final payment due January 1, 2041. 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, 2013, the City has outstanding borrowings of \$19,808,127. 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 2034. Annual principal and interest payments on the loans are expected to require 71.40% of available net revenues for the water fund and 57.52% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$15,684,747 for the water fund and \$6,975,815 for the sewer fund. Principal and interest payments in 2013 totaled \$1,133,184 and \$1,182,749 in the water fund and sewer fund, respectively.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The downtown combined sewer, sewer inceptor rehabilitation, water treatment plant switch gear replacement and waterline replacement projects financed through OWDA loans are not closed out as of December 31, 2013. Future annual debt service principal and interest requirements for these loans, which have combined principal balance outstanding at December 31, 2013 of \$6,406,940, 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	Bonds Payable			OWDA Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
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	600,000	64,225	664,225	1,025,801	268,608	1,294,409
2019 - 2023	2,530,000	134,200	2,664,200	4,904,609	787,272	5,691,881
2024 - 2028	-	-	-	1,608,297	151,390	1,759,687
Total	<u>\$ 5,425,000</u>	<u>\$ 571,025</u>	<u>\$ 5,996,025</u>	<u>\$13,401,187</u>	<u>\$ 2,790,510</u>	<u>\$16,191,697</u>

Year	OPWC Loan Payable		
	Principal	Interest	Total
2014	\$ 1,797	\$ -	\$ 1,797
2015	1,798	-	1,798
2016	1,797	-	1,797
2017	1,798	-	1,798
2018	1,797	-	1,797
2019 - 2023	8,987	-	8,987
2024 - 2028	8,987	-	8,987
2029 - 2033	8,987	-	8,987
2034 - 2038	8,987	-	8,987
2039 - 2041	<u>4,493</u>	<u>-</u>	<u>4,493</u>
Total	<u>\$ 49,428</u>	<u>\$ -</u>	<u>\$ 49,428</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 14 - RISK MANAGEMENT

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

The City 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.

A. Hospitalization

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

Settled claims have not exceeded the self-insurance amount in any of the past three years. The liability for unpaid claims of \$880,235 reported in the internal service fund at December 31, 2013, 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	2013	\$ 795,822	\$ 5,865,215	\$ (5,780,802)	\$ 880,235
	2012	878,050	5,577,056	(5,659,284)	795,822

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 14 - RISK MANAGEMENT - (Continued)

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	2013	\$ 2,472	\$ 150,724	\$ (143,679)	\$ 9,517
	2012	11,895	123,337	(132,760)	2,472

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 2013, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2013 in the amount of approximately \$187,965. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$3,524 under the Retrospective Rating Plan.

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

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

The claims liability of \$987,385 reported at December 31, 2013, 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, \$3,524 is due within one year and is reported as a current liability on the statements of net position. The remaining portion is a noncurrent liability of \$983,861. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 14 - RISK MANAGEMENT - (Continued)

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	2013	\$1,480,729	\$ -	\$ (493,344)	\$ 987,385
	2012	2,132,701	6,813	(658,785)	1,480,729

NOTE 15 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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, 277 East Town Street, 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 2013, member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members. The City's contribution rate for 2013 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2013 was 13.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2013 was 13.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$1,809,289, \$1,323,756, and \$1,319,938, respectively; 90.79% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the member-directed plan for 2013 were \$15,349 made by the City and \$10,963 made by the plan members.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 15 - PENSION PLANS - (Continued)

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.

Funding Policy - From January 1, 2013 through July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

For 2013, the portion of the City's contributions to fund pension obligations was 14.81% for January 1, 2013 through May 31, 2013 and 16.65% for June 1, 2013 through December 31, 2013 for police officers and 19.31% for January 1, 2013 through May 31, 2013 and 21.15% for June 1, 2013 through December 31, 2013 for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$642,290 and \$771,907 for the year ended December 31, 2013, \$529,665 and \$676,223 for the year ended December 31, 2012, and \$539,681 and \$678,660, for the year ended December 31, 2011. The full amount has been contributed for 2012 and 2011. 91.87% has been contributed for police and 92.22% has been contributed for firefighters for 2013. The remaining 2013 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 16 - 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, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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 2013, 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 2013 was 1.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 was 1.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$139,176, \$536,229, and \$535,017, respectively; 90.79% has been contributed for 2013 and 100% has been contributed for 2012 and 2011. The remaining 2013 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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. 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 \$146,625 and \$137,513 for the year ended December 31, 2013, \$280,411 and \$264,609 for the year ended December 31, 2012, and \$285,713 and \$265,563, for the year ended December 31, 2011. The full amount has been contributed for 2012 and 2011. 91.87% has been contributed for police and 92.22% has been contributed for firefighters for 2013. The remaining 2013 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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.

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>
Budget basis	\$ (710,230)	\$ (700,601)
Net adjustment for revenue accruals	(764,084)	(248,602)
Net adjustment for expenditure accruals	13,770	(220,606)
Adjustment for encumbrances	<u>308,108</u>	<u>622,758</u>
GAAP basis	<u>\$ (1,152,436)</u>	<u>\$ (547,051)</u>

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2013.

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, 2013

NOTE 19 - FUND BALANCE

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

Fund balance	General	Community Development Block Grant	General Bond Payment	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 4,426	\$ -	\$ -	\$ -	\$ -	\$ 4,426
Total nonspendable	<u>4,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,426</u>
Restricted:						
Debt service	-	-	2,017,079	-	-	2,017,079
Capital projects	-	-	-	5,519,511	-	5,519,511
Street maintenance	-	-	-	-	589,938	589,938
State highway	-	-	-	-	238,758	238,758
Law enforcement	-	-	-	-	396,364	396,364
Courts	-	-	-	-	1,369,045	1,369,045
Community development and improvement	-	1,592,795	-	-	5,773,888	7,366,683
Public health	622,922	-	-	-	-	622,922
Total restricted	<u>622,922</u>	<u>1,592,795</u>	<u>2,017,079</u>	<u>5,519,511</u>	<u>8,367,993</u>	<u>18,120,300</u>
Assigned:						
Public safety programs	122,875	-	-	-	-	122,875
Public health programs	2,975	-	-	-	-	2,975
Community development and improvement	48,489	-	-	-	-	48,489
Parks and recreation	1,658	-	-	-	-	1,658
Other purposes	36,486	-	-	-	-	36,486
Total assigned	<u>212,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,483</u>
Unassigned (deficit)	<u>3,230,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,230,863</u>
Total fund balances	<u>\$ 4,070,694</u>	<u>\$ 1,592,795</u>	<u>\$ 2,017,079</u>	<u>\$ 5,519,511</u>	<u>\$ 8,367,993</u>	<u>\$ 21,568,072</u>

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 20 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 212,483
Community development block grant	313,688
Nonmajor governmental	<u>2,392,043</u>
Total	<u>\$ 2,918,214</u>

NOTE 21 - SUBSEQUENT EVENT

On June 4, 2014, the City issued an internal investment in the amount of \$650,000 to pay costs of acquiring sanitation vehicles and building renovations for the City's environmental services department at an interest rate of 0.35 percent, maturing within one year.

On June 4, 2014, the City issued an internal investment in the amount of \$850,000 to pay costs of acquiring sanitation vehicles and equipment for various general fund departments at an interest rate of 0.35 percent, maturing within one year.

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

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CITY OF WARREN, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

General Fund

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

Major Special Revenue Fund

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.

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)

Guarantee Loan

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

Highway Construction

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

Motor Vehicle Levy

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

Home Investment

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

Major Debt Service Fund

General Bond Payment

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

Major Capital Projects Fund

General Capital Projects

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

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 16,470,278	\$ 17,490,000	\$ 16,451,226	\$ (1,038,774)
Charges for services	2,162,136	2,296,000	2,107,975	(188,025)
Licenses and permits	2,093,109	2,222,700	2,053,874	(168,826)
Fines and forfeitures	1,195,484	1,269,500	1,001,182	(268,318)
Intergovernmental	3,218,209	3,417,458	4,400,945	983,487
Investment income	141,255	150,000	70,741	(79,259)
Rental income	32,959	35,000	29,811	(5,189)
Other	559,487	594,127	541,156	(52,971)
Total revenues	<u>25,872,917</u>	<u>27,474,785</u>	<u>26,656,910</u>	<u>(817,875)</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	225,741	222,741	220,447	2,294
Contract services	23,664	23,664	19,316	4,348
Materials and supplies.	3,531	6,531	2,838	3,693
Capital outlay	-	21,000	19,982	1,018
Total city council	<u>252,936</u>	<u>273,936</u>	<u>262,583</u>	<u>11,353</u>
Municipal court				
Personal services	1,844,849	1,844,849	1,675,494	169,355
Contract services	83,510	83,510	57,776	25,734
Capital outlay	31,000	31,000	14,743	16,257
Total municipal court.	<u>1,959,359</u>	<u>1,959,359</u>	<u>1,748,013</u>	<u>211,346</u>
Victims of crimes				
Personal services	61,105	61,105	56,465	4,640
Contract services	1,900	1,900	516	1,384
Materials and supplies.	1,300	1,300	966	334
Total victims of crimes	<u>64,305</u>	<u>64,305</u>	<u>57,947</u>	<u>6,358</u>
Operations - general				
Personal services	46,185	46,185	45,646	539
Contract services	17,009	18,010	18,000	10
Materials and supplies.	435	500	-	500
Total operations - general	<u>63,629</u>	<u>64,695</u>	<u>63,646</u>	<u>1,049</u>
Operations - maintenance				
Personal services	823,012	823,012	789,784	33,228
Contract services	228,216	240,775	212,756	28,019
Materials and supplies.	44,719	50,547	42,231	8,316
Total operations - maintenance.	<u>1,095,947</u>	<u>1,114,334</u>	<u>1,044,771</u>	<u>69,563</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor				
Personal services	\$ 343,244	\$ 343,244	\$ 315,779	\$ 27,465
Contract services	43,616	43,616	23,424	20,192
Materials and supplies.	16,457	16,457	10,044	6,413
Total mayor.	<u>403,317</u>	<u>403,317</u>	<u>349,247</u>	<u>54,070</u>
Purchasing				
Personal services	199,106	199,106	175,189	23,917
Contract services	19,700	19,700	16,084	3,616
Materials and supplies.	3,250	3,250	2,434	816
Total purchasing	<u>222,056</u>	<u>222,056</u>	<u>193,707</u>	<u>28,349</u>
Finance				
Personal services	521,456	521,456	484,819	36,637
Contract services	51,500	53,500	49,636	3,864
Materials and supplies.	9,227	14,227	7,327	6,900
Total finance	<u>582,183</u>	<u>589,183</u>	<u>541,782</u>	<u>47,401</u>
Human resources				
Personal services	317,924	313,924	289,011	24,913
Contract services	47,050	57,050	32,759	24,291
Materials and supplies.	2,360	6,360	5,431	929
Total human resources	<u>367,334</u>	<u>377,334</u>	<u>327,201</u>	<u>50,133</u>
Law department				
Personal services	897,859	908,859	874,107	34,752
Contract services	44,946	71,946	43,997	27,949
Materials and supplies.	8,682	11,782	7,996	3,786
Total law department.	<u>951,487</u>	<u>992,587</u>	<u>926,100</u>	<u>66,487</u>
Civil service				
Personal services	11,767	11,967	10,755	1,212
Contract services	16,100	15,900	9,341	6,559
Materials and supplies.	1,800	1,800	1,311	489
Total civil service.	<u>29,667</u>	<u>29,667</u>	<u>21,407</u>	<u>8,260</u>
Administrative support				
Contract services	1,383,989	1,438,989	1,204,999	233,990
Materials and supplies.	12,586	12,586	8,456	4,130
Capital outlay	10,668	10,668	10,668	-
Other	35,943	35,943	35,939	4
Total administrative support	<u>1,443,186</u>	<u>1,498,186</u>	<u>1,260,062</u>	<u>238,124</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax				
Personal services	\$ 511,946	\$ 517,981	\$ 509,609	\$ 8,372
Contract services	101,669	118,169	106,622	11,547
Materials and supplies.	29,215	31,215	22,675	8,540
Total income tax	<u>642,830</u>	<u>667,365</u>	<u>638,906</u>	<u>28,459</u>
Total general government	<u>8,078,236</u>	<u>8,256,324</u>	<u>7,435,372</u>	<u>820,952</u>
Security of persons and property				
Police				
Personal services	7,237,633	8,237,633	7,844,984	392,649
Contract services	959,041	1,049,041	986,124	62,917
Materials and supplies.	309,121	309,121	237,806	71,315
Capital outlay	-	29,500	29,412	88
Total police.	<u>8,505,795</u>	<u>9,625,295</u>	<u>9,098,326</u>	<u>526,969</u>
Fire				
Personal services	5,896,211	6,594,211	6,380,568	213,643
Contract services	284,646	284,646	246,992	37,654
Materials and supplies.	128,846	140,846	133,834	7,012
Capital outlay	363,415	943,415	899,511	43,904
Total fire	<u>6,673,118</u>	<u>7,963,118</u>	<u>7,660,905</u>	<u>302,213</u>
Bio-Terrorism				
Contract services	1,263	1,313	927	386
Total bio-terrorism	<u>1,263</u>	<u>1,313</u>	<u>927</u>	<u>386</u>
Total security of persons and property .	<u>15,180,176</u>	<u>17,589,726</u>	<u>16,760,158</u>	<u>829,568</u>
Public health and welfare				
Health				
Personal services	355,240	357,891	317,007	40,884
Contract services	82,782	86,137	74,833	11,304
Materials and supplies.	20,754	22,927	16,122	6,805
Other.	210,000	210,000	203,791	6,209
Capital outlay	1,957	1,957	1,957	-
Total health	<u>670,733</u>	<u>678,912</u>	<u>613,710</u>	<u>65,202</u>
Dental				
Contract services	30,205	31,450	28,765	2,685
Materials and supplies.	5,646	6,346	6,222	124
Total dental.	<u>35,851</u>	<u>37,796</u>	<u>34,987</u>	<u>2,809</u>
Total public health and welfare	<u>706,584</u>	<u>716,708</u>	<u>648,697</u>	<u>68,011</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Environmental health				
Personal services	\$ 613,165	\$ 617,740	\$ 609,416	\$ 8,324
Contract services	21,322	22,195	20,801	1,394
Materials and supplies.	14,345	15,909	13,235	2,674
Other.	9,056	9,056	8,090	966
Total environmental health	<u>657,888</u>	<u>664,900</u>	<u>651,542</u>	<u>13,358</u>
Weed control				
Contract services	11,957	12,450	1,875	10,575
Materials and supplies.	3,234	3,638	3,050	588
Total weed control	<u>15,191</u>	<u>16,088</u>	<u>4,925</u>	<u>11,163</u>
Mosquito control				
Contract services	240	250	-	250
Materials and supplies.	756	850	86	764
Total mosquito control	<u>996</u>	<u>1,100</u>	<u>86</u>	<u>1,014</u>
Engineering building and plant department				
Personal services	895,047	870,047	797,852	72,195
Contract services	276,684	301,684	284,899	16,785
Materials and supplies.	37,267	37,267	32,926	4,341
Other	12,000	12,000	5,732	6,268
Total engineering building and plant department.	<u>1,220,998</u>	<u>1,220,998</u>	<u>1,121,409</u>	<u>99,589</u>
Total community environment.	<u>1,895,073</u>	<u>1,903,086</u>	<u>1,777,962</u>	<u>125,124</u>
Leisure time activity				
Operations - Packard Park				
Personal services	72,044	72,044	69,264	2,780
Contract services	80,074	84,216	60,515	23,701
Materials and supplies.	16,725	18,937	11,147	7,790
Other.	3,144	4,075	4,075	-
Total operations - packard park.	<u>171,987</u>	<u>179,272</u>	<u>145,001</u>	<u>34,271</u>
Operations - parks				
Personal services	215,966	215,966	207,711	8,255
Contract services	108,079	114,377	105,900	8,477
Materials and supplies.	49,277	56,172	46,500	9,672
Capital outlay	12,812	48,337	47,812	525
Other.	1,021	1,340	470	870
Total operations - parks.	<u>387,155</u>	<u>436,192</u>	<u>408,393</u>	<u>27,799</u>
Total leisure time activity	<u>559,142</u>	<u>615,464</u>	<u>553,394</u>	<u>62,070</u>
Total expenditures.	<u>26,419,211</u>	<u>29,081,308</u>	<u>27,175,583</u>	<u>1,905,725</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of expenditures over revenues. . .	\$ (546,294)	\$ (1,606,523)	\$ (518,673)	\$ 1,087,850
Other financing sources (uses):				
Transfers in	-	250,000	126,000	(124,000)
Transfers out	(317,557)	(317,557)	(317,557)	-
Total other financing sources (uses). . .	<u>(317,557)</u>	<u>(67,557)</u>	<u>(191,557)</u>	<u>(124,000)</u>
Net change in fund balance.	(863,851)	(1,674,080)	(710,230)	963,850
Fund balance at beginning of year	1,467,003	1,467,003	1,467,003	-
Prior year encumbrances appropriated .	<u>611,768</u>	<u>611,768</u>	<u>611,768</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,214,920</u>	<u>\$ 404,691</u>	<u>\$ 1,368,541</u>	<u>\$ 963,850</u>

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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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 155,997	\$ 155,997	\$ 268,781	\$ 112,784
Intergovernmental	1,368,514	1,827,739	1,073,452	(754,287)
Special assessments	10,000	10,000	13,556	3,556
Investment income	13,200	13,200	22,636	9,436
Other	4,800	4,800	1,210	(3,590)
Total revenues	<u>1,552,511</u>	<u>2,011,736</u>	<u>1,379,635</u>	<u>(632,101)</u>
Expenditures:				
Current:				
Economic development				
Personal services	399,437	399,437	363,241	36,196
Contract services	732,018	732,018	349,692	382,326
Materials and supplies.	2,719	2,719	2,090	629
Capital outlay	349,113	617,813	557,905	59,908
Other	623,193	813,193	693,389	119,804
Total economic development	<u>2,106,480</u>	<u>2,565,180</u>	<u>1,966,317</u>	<u>598,863</u>
Debt service:				
Principal retirement.	21,258	22,254	22,249	5
Interest and fiscal charges	2,742	2,871	2,870	1
Total debt service	<u>24,000</u>	<u>25,125</u>	<u>25,119</u>	<u>6</u>
Total expenditures	<u>2,130,480</u>	<u>2,590,305</u>	<u>1,991,436</u>	<u>598,869</u>
Excess of expenditures over revenues	<u>(577,969)</u>	<u>(578,569)</u>	<u>(611,801)</u>	<u>(33,232)</u>
Other financing uses:				
Transfers out	-	-	(88,800)	(88,800)
Total other financing uses.	<u>-</u>	<u>-</u>	<u>(88,800)</u>	<u>(88,800)</u>
Net change in fund balance.	(577,969)	(578,569)	(700,601)	(122,032)
Fund balance (deficit)				
at beginning of year	(59,183)	(59,183)	(59,183)	-
Prior year encumbrances appropriated	<u>578,569</u>	<u>578,569</u>	<u>578,569</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ (58,583)</u>	<u>\$ (59,183)</u>	<u>\$ (181,215)</u>	<u>\$ (122,032)</u>

CITY OF WARREN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2013

	Court Computerization	Street Maintenance	Police Grants
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 211,295	\$ 197,733	\$ 12,140
Receivables (net of allowances for uncollectibles):			
Accounts	6,918	-	-
Intergovernmental	-	666,135	18,306
Loans	-	-	-
Total assets	\$ 218,213	\$ 863,868	\$ 30,446
 Liabilities:			
Accounts payable	\$ 15,000	\$ 18,494	\$ -
Accrued wages and benefits.	-	26,216	-
Due to other governments	-	3,957	12,791
Total liabilities	15,000	48,667	12,791
 Deferred inflows of resources:			
Intergovernmental revenue not available.	-	421,367	-
Total deferred inflows of resources.	-	421,367	-
 Fund balances:			
Restricted.	203,213	393,834	17,655
Total fund balances.	203,213	393,834	17,655
Total liabilities, deferred inflows of resources and fund balances	\$ 218,213	\$ 863,868	\$ 30,446

<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>
\$ 6,040	\$ 48,099	\$ 145,054	\$ 37,592	\$ 115,519	\$ 238,327
747	17,990	1,613	89	-	5,440
9,589	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,376</u>	<u>\$ 66,089</u>	<u>\$ 146,667</u>	<u>\$ 37,681</u>	<u>\$ 115,519</u>	<u>\$ 243,767</u>
\$ -	\$ -	\$ 336	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	336	-	-	-
3,287	-	-	-	-	-
3,287	-	-	-	-	-
13,089	66,089	146,331	37,681	115,519	243,767
13,089	66,089	146,331	37,681	115,519	243,767
<u>\$ 16,376</u>	<u>\$ 66,089</u>	<u>\$ 146,667</u>	<u>\$ 37,681</u>	<u>\$ 115,519</u>	<u>\$ 243,767</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2013

	Special Projects - Courts	Legal Research - Courts	Guarantee Loan
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 729,271	\$ 172,675	\$ 104,336
Receivables (net of allowances for uncollectibles):			
Accounts	18,555	2,123	-
Intergovernmental	-	-	-
Loans	-	-	1,459,942
	<u>747,826</u>	<u>174,798</u>	<u>1,564,278</u>
Total assets	<u>\$ 747,826</u>	<u>\$ 174,798</u>	<u>\$ 1,564,278</u>
Liabilities:			
Accounts payable	\$ 559	\$ -	\$ -
Accrued wages and benefits.	-	-	-
Due to other governments	-	-	-
	<u>559</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>559</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Intergovernmental revenue not available.	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted.	747,267	174,798	1,564,278
	<u>747,267</u>	<u>174,798</u>	<u>1,564,278</u>
Total fund equity	<u>747,267</u>	<u>174,798</u>	<u>1,564,278</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 747,826</u>	<u>\$ 174,798</u>	<u>\$ 1,564,278</u>

<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>Total</u>
\$ 275,005	\$ 190,497	\$ 741,193	\$ 3,224,776
-	-	-	53,475
54,011	41,468	-	789,509
-	-	3,498,451	4,958,393
<u>\$ 329,016</u>	<u>\$ 231,965</u>	<u>\$ 4,239,644</u>	<u>\$ 9,026,153</u>
\$ 54,938	\$ 35,861	\$ 12,287	\$ 137,475
-	-	-	26,216
1,155	-	17,747	35,650
<u>56,093</u>	<u>35,861</u>	<u>30,034</u>	<u>199,341</u>
34,165	-	-	458,819
<u>34,165</u>	<u>-</u>	<u>-</u>	<u>458,819</u>
238,758	196,104	4,209,610	8,367,993
<u>238,758</u>	<u>196,104</u>	<u>4,209,610</u>	<u>8,367,993</u>
<u>\$ 329,016</u>	<u>\$ 231,965</u>	<u>\$ 4,239,644</u>	<u>\$ 9,026,153</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, 2013**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Revenues:			
Licenses and permits	\$ -	\$ 1,050	\$ -
Fines and forfeitures	90,342	-	-
Intergovernmental	-	1,425,162	55,164
Investment income	-	-	-
Other	-	731	-
	<hr/>	<hr/>	<hr/>
Total revenues	90,342	1,426,943	55,164
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	47,701	-	-
Security of persons and property	-	-	57,649
Transportation	-	1,311,023	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	47,701	1,311,023	57,649
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	42,641	115,920	(2,485)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	42,641	115,920	(2,485)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	160,572	277,914	20,140
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 203,213	\$ 393,834	\$ 17,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,928
29,543	18,022	39,841	12,404	-	-
-	-	90,784	-	19,779	-
-	-	-	-	509	-
-	-	38	-	-	-
<u>29,543</u>	<u>18,022</u>	<u>130,663</u>	<u>12,404</u>	<u>20,288</u>	<u>84,928</u>
-	-	-	-	-	-
34,952	293	112,200	29	10,100	52,935
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,952</u>	<u>293</u>	<u>112,200</u>	<u>29</u>	<u>10,100</u>	<u>52,935</u>
<u>(5,409)</u>	<u>17,729</u>	<u>18,463</u>	<u>12,375</u>	<u>10,188</u>	<u>31,993</u>
-	-	-	-	-	-
-	-	-	-	-	(20,000)
-	-	-	-	-	(20,000)
(5,409)	17,729	18,463	12,375	10,188	11,993
18,498	48,360	127,868	25,306	105,331	231,774
<u>\$ 13,089</u>	<u>\$ 66,089</u>	<u>\$ 146,331</u>	<u>\$ 37,681</u>	<u>\$ 115,519</u>	<u>\$ 243,767</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, 2013

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>Guarantee Loan</u>
Revenues:			
Licenses and permits	\$ -	\$ -	\$ -
Fines and forfeitures	244,281	26,814	-
Intergovernmental	-	-	-
Investment income	-	-	88
Other	-	-	78,000
	<hr/>	<hr/>	<hr/>
Total revenues	244,281	26,814	78,088
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	145,672	20,559	-
Transportation	-	-	-
Economic development	-	-	40
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	180,000
Interest and fiscal charges	-	-	78,298
	<hr/>	<hr/>	<hr/>
Total expenditures	145,672	20,559	258,338
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	98,609	6,255	(180,250)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	-	88,800
Transfers out	(106,000)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(106,000)	-	88,800
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(7,391)	6,255	(91,450)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	754,658	168,543	1,655,728
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 747,267	\$ 174,798	\$ 1,564,278
	<hr/>	<hr/>	<hr/>

Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ -	\$ -	\$ -	\$ 85,978
-	-	-	461,247
115,553	474,578	320,363	2,501,383
1,303	967	78,238	81,105
-	2,695	35,126	116,590
<u>116,856</u>	<u>478,240</u>	<u>433,727</u>	<u>3,246,303</u>
-	-	-	47,701
-	-	-	434,389
-	-	-	1,311,023
-	-	853,539	853,579
185,503	371,951	-	557,454
-	-	-	180,000
-	-	-	78,298
<u>185,503</u>	<u>371,951</u>	<u>853,539</u>	<u>3,462,444</u>
<u>(68,647)</u>	<u>106,289</u>	<u>(419,812)</u>	<u>(216,141)</u>
-	-	-	88,800
-	(126,136)	-	(252,136)
-	(126,136)	-	(163,336)
(68,647)	(19,847)	(419,812)	(379,477)
<u>307,405</u>	<u>215,951</u>	<u>4,629,422</u>	<u>8,747,470</u>
<u>\$ 238,758</u>	<u>\$ 196,104</u>	<u>\$ 4,209,610</u>	<u>\$ 8,367,993</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 110,000	\$ 110,000	\$ 89,923	\$ (20,077)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>89,923</u>	<u>(20,077)</u>
Expenditures:				
Current:				
General government				
Personal services	26,200	26,200	-	26,200
Contract services	40,000	40,000	29,947	10,053
Materials and supplies.	21,449	21,449	19,645	1,804
Total general government	<u>87,649</u>	<u>87,649</u>	<u>49,592</u>	<u>38,057</u>
Total expenditures	<u>87,649</u>	<u>87,649</u>	<u>49,592</u>	<u>38,057</u>
Net change in fund balance.	22,351	22,351	40,331	17,980
Fund balance at beginning of year	151,515	151,515	151,515	-
Prior year encumbrances appropriated .	<u>4,449</u>	<u>4,449</u>	<u>4,449</u>	<u>-</u>
Fund balance at end of year	<u>\$ 178,315</u>	<u>\$ 178,315</u>	<u>\$ 196,295</u>	<u>\$ 17,980</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 35,000	\$ 35,000	\$ 1,050	\$ (33,950)
Intergovernmental	1,545,000	1,545,000	1,395,819	(149,181)
Other	10,936	10,936	731	(10,205)
Total revenues	<u>1,590,936</u>	<u>1,590,936</u>	<u>1,397,600</u>	<u>(193,336)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,228,936	1,227,936	1,021,591	206,345
Contract services	257,172	282,172	277,659	4,513
Materials and supplies	124,813	125,813	23,161	102,652
Total transportation	<u>1,610,921</u>	<u>1,635,921</u>	<u>1,322,411</u>	<u>313,510</u>
Total expenditures	<u>1,610,921</u>	<u>1,635,921</u>	<u>1,322,411</u>	<u>313,510</u>
Net change in fund balance	(19,985)	(44,985)	75,189	120,174
Fund balance at beginning of year	85,906	85,906	85,906	-
Prior year encumbrances appropriated .	<u>19,985</u>	<u>19,985</u>	<u>19,985</u>	<u>-</u>
Fund balance at end of year	<u>\$ 85,906</u>	<u>\$ 60,906</u>	<u>\$ 181,080</u>	<u>\$ 120,174</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, 2013

	<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	\$ 52,067	\$ 2,067
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>52,067</u>	<u>2,067</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	-	2,880	-	2,880
Other	50,000	51,000	50,730	270
Total security of persons and property.	<u>50,000</u>	<u>53,880</u>	<u>50,730</u>	<u>3,150</u>
Total expenditures.	<u>50,000</u>	<u>53,880</u>	<u>50,730</u>	<u>3,150</u>
Net change in fund balance	-	(3,880)	1,337	5,217
Fund balance at beginning of year	<u>10,803</u>	<u>10,803</u>	<u>10,803</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,803</u>	<u>\$ 6,923</u>	<u>\$ 12,140</u>	<u>\$ 5,217</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, 2013

	<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	\$ 35,000	\$ 35,000	\$ 24,731	\$ (10,269)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>24,731</u>	<u>(10,269)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	35,000	35,000	34,952	48
Total security of persons and property .	<u>35,000</u>	<u>35,000</u>	<u>34,952</u>	<u>48</u>
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>34,952</u>	<u>48</u>
Net change in fund balance	-	-	(10,221)	(10,221)
Fund balance at beginning of year	<u>16,261</u>	<u>16,261</u>	<u>16,261</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,261</u>	<u>\$ 16,261</u>	<u>\$ 6,040</u>	<u>\$ (10,221)</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, 2013

	<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	\$ 32	\$ (14,968)
Total revenues.	<u>15,000</u>	<u>15,000</u>	<u>32</u>	<u>(14,968)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	15,000	15,000	293	14,707
Total security of persons and property .	<u>15,000</u>	<u>15,000</u>	<u>293</u>	<u>14,707</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>293</u>	<u>14,707</u>
Net change in fund balance	-	-	(261)	(261)
Fund balance at beginning of year	<u>48,360</u>	<u>48,360</u>	<u>48,360</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 48,360</u>	<u>\$ 48,360</u>	<u>\$ 48,099</u>	<u>\$ (261)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 52,597	\$ 38,228	\$ (14,369)
Intergovernmental.	25,000	25,000	96,149	71,149
Other	-	-	38	38
Total revenues.	<u>50,000</u>	<u>77,597</u>	<u>134,415</u>	<u>56,818</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	19,668	25,217	17,371	7,846
Materials and supplies	-	45,377	30,287	15,090
Capital outlay	38,812	127,581	69,539	58,042
Other.	7,330	13,539	13,519	20
Total security of persons and property .	<u>65,810</u>	<u>211,714</u>	<u>130,716</u>	<u>80,998</u>
Total expenditures	<u>65,810</u>	<u>211,714</u>	<u>130,716</u>	<u>80,998</u>
Net change in fund balance.	(15,810)	(134,117)	3,699	137,816
Fund balance at beginning of year	118,308	118,308	118,308	-
Prior year encumbrances appropriated .	<u>15,810</u>	<u>15,810</u>	<u>15,810</u>	<u>-</u>
Fund balance at end of year	<u>\$ 118,308</u>	<u>\$ 1</u>	<u>\$ 137,817</u>	<u>\$ 137,816</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 12,459	\$ 11,459
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>12,459</u>	<u>11,459</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	1,000	1,000	-	1,000
Materials and supplies.	-	1,000	29	971
Total security of persons and property .	<u>1,000</u>	<u>2,000</u>	<u>29</u>	<u>1,971</u>
Total expenditures	<u>1,000</u>	<u>2,000</u>	<u>29</u>	<u>1,971</u>
Net change in fund balance	-	(1,000)	12,430	13,430
Fund balance at beginning of year	<u>25,162</u>	<u>25,162</u>	<u>25,162</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 25,162</u>	<u>\$ 24,162</u>	<u>\$ 37,592</u>	<u>\$ 13,430</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 19,779	\$ 14,779
Investment income	-	-	509	509
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>20,288</u>	<u>15,288</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	-	6,000	5,100	900
Materials and supplies.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total security of persons and property .	<u>5,000</u>	<u>11,000</u>	<u>10,100</u>	<u>900</u>
Total expenditures	<u>5,000</u>	<u>11,000</u>	<u>10,100</u>	<u>900</u>
Net change in fund balance.	-	(6,000)	10,188	16,188
Fund balance at beginning of year	<u>105,331</u>	<u>105,331</u>	<u>105,331</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,331</u>	<u>\$ 99,331</u>	<u>\$ 115,519</u>	<u>\$ 16,188</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, 2013

	<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	\$ 105,000	\$ 85,620	\$ (19,380)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>85,620</u>	<u>(19,380)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	-	25,900	25,506	394
Contract services	22,000	32,000	29,073	2,927
Materials and supplies	47	547	406	141
Total security of persons and property.	<u>22,047</u>	<u>58,447</u>	<u>54,985</u>	<u>3,462</u>
Total expenditures	<u>22,047</u>	<u>58,447</u>	<u>54,985</u>	<u>3,462</u>
Excess of revenues over expenditures . . .	<u>82,953</u>	<u>46,553</u>	<u>30,635</u>	<u>(15,918)</u>
Other financing sources (uses):				
Transfers out.	-	(20,000)	(20,000)	-
Total other financing sources (uses) . . .	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	82,953	26,553	10,635	(15,918)
Fund balance at beginning of year	227,621	227,621	227,621	-
Prior year encumbrances appropriated .	47	47	47	-
Fund balance at end of year.	<u>\$ 310,621</u>	<u>\$ 254,221</u>	<u>\$ 238,303</u>	<u>\$ (15,918)</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, 2013

	<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	\$ 300,000	\$ 300,000	\$ 243,460	\$ (56,540)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>243,460</u>	<u>(56,540)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	238,199	238,199	169,159	69,040
Materials and supplies.	9,519	10,519	10,013	506
Total security of persons and property .	<u>247,718</u>	<u>248,718</u>	<u>179,172</u>	<u>69,546</u>
Total expenditures	<u>247,718</u>	<u>248,718</u>	<u>179,172</u>	<u>69,546</u>
Excess of revenues over expenditures. . .	<u>52,282</u>	<u>51,282</u>	<u>64,288</u>	<u>13,006</u>
Other financing uses:				
Transfers out.	(104,500)	(210,500)	(106,000)	104,500
Total other financing uses	<u>(104,500)</u>	<u>(210,500)</u>	<u>(106,000)</u>	<u>104,500</u>
Net change in fund balance	(52,218)	(159,218)	(41,712)	117,506
Fund balance at beginning of year	691,809	691,809	691,809	-
Prior year encumbrances appropriated. .	52,218	52,218	52,218	-
Fund balance at end of year	<u>\$ 691,809</u>	<u>\$ 584,809</u>	<u>\$ 702,315</u>	<u>\$ 117,506</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, 2013

	<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	\$ 35,000	\$ 35,000	\$ 26,635	\$ (8,365)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>26,635</u>	<u>(8,365)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	35,119	35,119	30,903	4,216
Total security of persons and property.	<u>35,119</u>	<u>35,119</u>	<u>30,903</u>	<u>4,216</u>
Total expenditures	<u>35,119</u>	<u>35,119</u>	<u>30,903</u>	<u>4,216</u>
Net change in fund balance.	(119)	(119)	(4,268)	(4,149)
Fund balance at beginning of year	176,824	176,824	176,824	-
Prior year encumbrances appropriated .	<u>119</u>	<u>119</u>	<u>119</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 176,824</u>	<u>\$ 176,824</u>	<u>\$ 172,675</u>	<u>\$ (4,149)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 88	\$ 88
Other	225,000	225,000	176,060	(48,940)
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>176,148</u>	<u>(48,852)</u>
Expenditures:				
Current:				
Economic development and assistance				
Contract services	-	200	40	160
Total economic development and assistance.	<u>-</u>	<u>200</u>	<u>40</u>	<u>160</u>
Debt service:				
Principal retirement.	-	180,000	180,000	-
Interest and fiscal charges	225,000	80,000	78,298	1,702
Total debt service	<u>225,000</u>	<u>260,000</u>	<u>258,298</u>	<u>1,702</u>
Total expenditures	<u>225,000</u>	<u>260,200</u>	<u>258,338</u>	<u>1,862</u>
Excess of expenditures over revenues . .	<u>-</u>	<u>(35,200)</u>	<u>(82,190)</u>	<u>(46,990)</u>
Other financing sources:				
Transfers in	-	-	88,800	88,800
Total other financing sources	<u>-</u>	<u>-</u>	<u>88,800</u>	<u>88,800</u>
Net change in fund balance.	-	(35,200)	6,610	41,810
Fund balance at beginning of year	<u>97,726</u>	<u>97,726</u>	<u>97,726</u>	<u>-</u>
Fund balance at end of year	<u>\$ 97,726</u>	<u>\$ 62,526</u>	<u>\$ 104,336</u>	<u>\$ 41,810</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 113,175	\$ (6,825)
Investment income	1,000	1,000	1,303	303
Total revenues	<u>121,000</u>	<u>121,000</u>	<u>114,478</u>	<u>(6,522)</u>
Expenditures:				
Capital outlay				
Personal services	-	75,000	48,053	26,947
Materials and supplies	124,998	324,998	166,306	158,692
Total capital outlay	<u>124,998</u>	<u>399,998</u>	<u>214,359</u>	<u>185,639</u>
Total expenditures	<u>124,998</u>	<u>399,998</u>	<u>214,359</u>	<u>185,639</u>
Net change in fund balance	(3,998)	(278,998)	(99,881)	179,117
Fund balance at beginning of year	285,939	285,939	285,939	-
Prior year encumbrances appropriated .	<u>3,998</u>	<u>3,998</u>	<u>3,998</u>	<u>-</u>
Fund balance at end of year	<u>\$ 285,939</u>	<u>\$ 10,939</u>	<u>\$ 190,056</u>	<u>\$ 179,117</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 489,000	\$ 489,000	\$ 470,010	(18,990)
Investment income	1,200	1,200	987	(213)
Other	-	-	2,695	2,695
Total revenues	<u>490,200</u>	<u>490,200</u>	<u>473,692</u>	<u>(16,508)</u>
Expenditures:				
Capital outlay				
Contract services	101,000	176,000	128,443	47,557
Materials and supplies.	272,684	372,684	263,320	109,364
Total capital outlay	<u>373,684</u>	<u>548,684</u>	<u>391,763</u>	<u>156,921</u>
Total expenditures	<u>373,684</u>	<u>548,684</u>	<u>391,763</u>	<u>156,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>116,516</u>	<u>(58,484)</u>	<u>81,929</u>	<u>140,413</u>
Other financing uses:				
Transfers out	(132,000)	(132,000)	(126,136)	5,864
Total other financing uses	<u>(132,000)</u>	<u>(132,000)</u>	<u>(126,136)</u>	<u>5,864</u>
Net change in fund balance.	(15,484)	(190,484)	(44,207)	146,277
Fund balance at beginning of year	179,031	179,031	179,031	-
Prior year encumbrances appropriated .	<u>15,484</u>	<u>15,484</u>	<u>15,484</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 179,031</u>	<u>\$ 4,031</u>	<u>\$ 150,308</u>	<u>\$ 146,277</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 433,450	\$ 773,450	\$ 320,363	\$ (453,087)
Investment income	1,550	1,550	5,739	4,189
Other	65,000	65,000	107,625	42,625
Total revenues	<u>500,000</u>	<u>840,000</u>	<u>433,727</u>	<u>(406,273)</u>
Expenditures:				
Current:				
Economic development				
Personal services	31,200	71,582	57,463	14,119
Contract services	200	200	-	200
Other	1,570,817	1,870,817	1,694,282	176,535
Total economic development	<u>1,602,217</u>	<u>1,942,599</u>	<u>1,751,745</u>	<u>190,854</u>
Total expenditures	<u>1,602,217</u>	<u>1,942,599</u>	<u>1,751,745</u>	<u>190,854</u>
Net change in fund balance.	(1,102,217)	(1,102,599)	(1,318,018)	(215,419)
Fund balance at beginning of year	383,504	383,504	383,504	-
Prior year encumbrances appropriated .	<u>1,102,217</u>	<u>1,102,217</u>	<u>1,102,217</u>	<u>-</u>
Fund balance at end of year	<u>\$ 383,504</u>	<u>\$ 383,122</u>	<u>\$ 167,703</u>	<u>\$ (215,419)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,187,711	\$ 1,187,711	\$ 1,315,316	\$ 127,605
Intergovernmental	132,941	148,000	200,423	52,423
Special assessments	10,000	10,000	10,107	107
Total revenues	<u>1,330,652</u>	<u>1,345,711</u>	<u>1,525,846</u>	<u>180,135</u>
Expenditures:				
Current:				
General government				
Contract services	40,811	40,811	25,940	14,871
Total general government	<u>40,811</u>	<u>40,811</u>	<u>25,940</u>	<u>14,871</u>
Debt service:				
Principal retirement	807,900	807,900	807,892	8
Interest and fiscal charges	182,100	182,100	73,754	108,346
Bond issuance costs	314,900	314,900	6,258	308,642
Total debt service	<u>1,304,900</u>	<u>1,304,900</u>	<u>887,904</u>	<u>416,996</u>
Total expenditures	<u>1,345,711</u>	<u>1,345,711</u>	<u>913,844</u>	<u>431,867</u>
Excess of revenues over expenditures	<u>(15,059)</u>	<u>-</u>	<u>612,002</u>	<u>612,002</u>
Other financing uses :				
Premium on sale of bonds	-	-	6,485	6,485
Total other financing uses	<u>-</u>	<u>-</u>	<u>6,485</u>	<u>6,485</u>
Net change in fund balance	(15,059)	-	618,487	618,487
Fund balance at beginning of year	<u>1,398,296</u>	<u>1,398,296</u>	<u>1,398,296</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,383,237</u>	<u>\$ 1,398,296</u>	<u>\$ 2,016,783</u>	<u>\$ 618,487</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,300,000	\$ 4,800,000	\$ 3,971,974	\$ (828,026)
Other	-	-	95,997	95,997
Total revenues	<u>2,300,000</u>	<u>4,800,000</u>	<u>4,067,971</u>	<u>(732,029)</u>
Expenditures:				
Capital outlay				
Contract services	245,046	1,524,046	1,368,819	155,227
Capital outlay	<u>5,040,496</u>	<u>9,040,496</u>	<u>7,941,345</u>	<u>1,099,151</u>
Total capital outlay	<u>5,285,542</u>	<u>10,564,542</u>	<u>9,310,164</u>	<u>1,254,378</u>
Debt service:				
Bond issuance costs	-	221,000	220,339	661
Total debt service	<u>-</u>	<u>221,000</u>	<u>220,339</u>	<u>661</u>
Total expenditures	<u>5,285,542</u>	<u>10,785,542</u>	<u>9,530,503</u>	<u>1,255,039</u>
Excess of expenditures over revenues . .	<u>(2,985,542)</u>	<u>(5,985,542)</u>	<u>(5,462,532)</u>	<u>523,010</u>
Other financing sources:				
Proceeds from sale of bonds	-	3,000,000	8,585,000	5,585,000
Proceeds from sale of notes	-	-	1,200,000	1,200,000
Premium on sale of bonds	-	-	235,339	235,339
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>126,136</u>	<u>(73,864)</u>
Total other financing sources	<u>200,000</u>	<u>3,200,000</u>	<u>10,146,475</u>	<u>6,946,475</u>
Net change in fund balance.	(2,785,542)	(2,785,542)	4,683,943	7,469,485
Fund balance (deficit) at beginning of year.	<u>(2,749,724)</u>	<u>(2,749,724)</u>	<u>(2,749,724)</u>	<u>-</u>
Prior year encumbrances appropriated .	<u>2,785,542</u>	<u>2,785,542</u>	<u>2,785,542</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (2,749,724)</u>	<u>\$ (2,749,724)</u>	<u>\$ 4,719,761</u>	<u>\$ 7,469,485</u>

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

Enterprise Funds

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

Major Enterprise Funds

Sewer

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

Water

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

Sanitation

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

Nonmajor Enterprise Funds

Packard Music Hall

To account for the operations of the Packard Music Hall.

City Redevelopment

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

Downtown Parking

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

Stormwater Utility

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

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2013**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Assets:			
Current assets:			
Equity in pooled cash, cash equivalents and investments	\$ 962	\$ 136,470	\$ 13,685
Receivables (net of allowances for uncollectibles):			
Accounts	-	24,780	781
Special assessments	-	-	-
Total current assets	<u>962</u>	<u>161,250</u>	<u>14,466</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable capital assets	-	133,280	150,000
Depreciable capital assets, net	2,450,181	231,665	975,204
Total capital assets	<u>2,450,181</u>	<u>364,945</u>	<u>1,125,204</u>
Total noncurrent assets	<u>2,450,181</u>	<u>364,945</u>	<u>1,125,204</u>
Total assets	<u>\$ 2,451,143</u>	<u>\$ 526,195</u>	<u>\$ 1,139,670</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 6,288	\$ -	\$ 6,256
Accrued wages and benefits	5,559	-	-
Due to other governments	859	-	-
Current portion of OPWC loans payable	-	-	-
Current portion of compensated absences payable	13,938	-	-
Total current liabilities	<u>26,644</u>	<u>-</u>	<u>6,256</u>
Long-term liabilities:			
OPWC loans payable	-	-	-
Compensated absences payable	39,923	-	-
Total long-term liabilities	<u>39,923</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66,567</u>	<u>-</u>	<u>6,256</u>
Net position:			
Net investment in capital assets	2,450,181	364,945	1,125,204
Unrestricted (deficit)	(65,605)	161,250	8,210
Total net position	<u>\$ 2,384,576</u>	<u>\$ 526,195</u>	<u>\$ 1,133,414</u>

Stormwater Utility	Totals
\$ 1,514,835	\$ 1,665,952
310,063	335,624
85	85
<u>1,824,983</u>	<u>2,001,661</u>
-	283,280
<u>936,459</u>	<u>4,593,509</u>
<u>936,459</u>	<u>4,876,789</u>
<u>936,459</u>	<u>4,876,789</u>
<u>\$ 2,761,442</u>	<u>\$ 6,878,450</u>
\$ 1,590	\$ 14,134
4,272	9,831
660	1,519
1,797	1,797
<u>14,657</u>	<u>28,595</u>
<u>22,976</u>	<u>55,876</u>
47,631	47,631
<u>39,504</u>	<u>79,427</u>
<u>87,135</u>	<u>127,058</u>
<u>110,111</u>	<u>182,934</u>
887,031	4,827,361
<u>1,764,300</u>	<u>1,868,155</u>
<u>\$ 2,651,331</u>	<u>\$ 6,695,516</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Packard Music Hall	City Redevelopment	Downtown Parking
Operating revenues:			
Charges for services	\$ 211,795	\$ 57,092	\$ 34,024
Other	5,067	-	-
Total operating revenues	<u>216,862</u>	<u>57,092</u>	<u>34,024</u>
Operating expenses:			
Personal services	309,849	-	-
Contract services.	76,431	57,089	84,108
Materials and supplies.	36,597	335	706
Administrative costs.	21,407	-	-
Utilities	53,025	3,960	6,500
Depreciation.	201,758	14,791	58,059
Other.	4,764	-	-
Total operating expenses	<u>703,831</u>	<u>76,175</u>	<u>149,373</u>
Net income (loss) before transfers and capital contributions.	(486,969)	(19,083)	(115,349)
Transfers in	262,557	-	55,000
Capital contributions.	37,028	-	-
Changes in net position	(187,384)	(19,083)	(60,349)
Net position at beginning of year	<u>2,571,960</u>	<u>545,278</u>	<u>1,193,763</u>
Net position at end of year	<u>\$ 2,384,576</u>	<u>\$ 526,195</u>	<u>\$ 1,133,414</u>

Stormwater Utility	Totals
\$ 1,009,629	\$ 1,312,540
537	5,604
<u>1,010,166</u>	<u>1,318,144</u>
339,617	649,466
111,620	329,248
36,119	73,757
46,604	68,011
-	63,485
13,029	287,637
318	5,082
<u>547,307</u>	<u>1,476,686</u>
462,859	(158,542)
-	317,557
-	37,028
<u>462,859</u>	<u>196,043</u>
<u>2,188,472</u>	<u>6,499,473</u>
<u>\$ 2,651,331</u>	<u>\$ 6,695,516</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

	Packard Music Hall	City Redevelopment	Downtown Parking
Cash flows from operating activities:			
Cash received from customers	\$ 211,795	\$ 32,312	\$ 34,934
Cash received from other operations	5,067	-	-
Cash payments for personal services	(314,827)	-	-
Cash payments for contract services	(73,203)	(60,089)	(79,349)
Cash payments for materials and supplies	(36,573)	(335)	(706)
Cash payments for utilities	(53,025)	(3,960)	(6,500)
Cash payments for administrative costs.	(21,407)	-	-
Cash payments for other expenses	(4,764)	-	-
Net cash provided by (used in) operating activities	<u>(286,937)</u>	<u>(32,072)</u>	<u>(51,621)</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	<u>262,557</u>	-	<u>55,000</u>
Net cash provided by noncapital financing activities	<u>262,557</u>	-	<u>55,000</u>
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(31,304)	-	-
Capital contributions	37,028	-	-
Principal retirement.	-	-	-
Note issuance.	-	-	-
Interest and fiscal charges	-	-	-
Premium on sale of bonds	-	-	-
Bond issuance costs.	-	-	-
Interest and fiscal charges.	-	-	-
Net cash provided by (used in) capital and related financing activities.	<u>5,724</u>	-	-
Net increase (decrease) in cash and cash equivalents	(18,656)	(32,072)	3,379
Cash and cash equivalents at beginning of year.	<u>19,618</u>	<u>168,542</u>	<u>10,306</u>
Cash and cash equivalents at end of year	<u><u>\$ 962</u></u>	<u><u>\$ 136,470</u></u>	<u><u>\$ 13,685</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (486,969)	\$ (19,083)	\$ (115,349)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	201,758	14,791	58,059
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	3,252	(24,780)	910
Increase (decrease) in accounts payable	-	(3,000)	4,759
Increase in accrued wages and benefits.	240	-	-
Increase (decrease) in due to other governments	37	-	-
(Decrease) in compensated absences payable.	(5,255)	-	-
Net cash provided by (used in) operating activities	<u><u>\$ (286,937)</u></u>	<u><u>\$ (32,072)</u></u>	<u><u>\$ (51,621)</u></u>

Stormwater Utility	Totals
\$ 1,021,937	\$ 1,300,978
537	5,604
(359,261)	(674,088)
(110,830)	(323,471)
(36,119)	(73,733)
-	(63,485)
(46,604)	(68,011)
(318)	(5,082)
<hr/>	<hr/>
469,342	98,712
<hr/>	<hr/>
-	317,557
<hr/>	<hr/>
-	317,557
<hr/>	<hr/>
(4,969)	(36,273)
-	37,028
(1,797)	(1,797)
-	-
<hr/>	<hr/>
-	-
<hr/>	<hr/>
-	-
<hr/>	<hr/>
(6,766)	(1,042)
<hr/>	<hr/>
462,576	415,227
1,052,259	1,250,725
<u>\$ 1,514,835</u>	<u>\$ 1,665,952</u>
<hr/>	<hr/>
\$ 462,859	\$ (158,542)
13,029	287,637
12,308	(8,310)
790	2,549
689	929
(281)	(244)
(20,052)	(25,307)
<hr/>	<hr/>
<u>\$ 469,342</u>	<u>\$ 98,712</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,586,900	\$ 8,586,900	\$ 8,055,535	\$ (531,365)
Other	7,000	7,000	1,656	(5,344)
Total operating revenues	8,593,900	8,593,900	8,057,191	(536,709)
Operating expenses:				
Personal services.	3,035,629	3,035,629	2,751,941	283,688
Contract services.	1,419,615	1,620,800	1,520,479	100,321
Materials and supplies.	563,591	681,592	585,023	96,569
Capital outlay	31,796	31,821	31,809	12
Administrative costs.	634,239	725,000	535,675	189,325
Utilities	574,161	650,965	578,211	72,754
Other.	14,310	19,310	14,814	4,496
Total operating expenses.	6,273,341	6,765,117	6,017,952	747,165
Operating income.	2,320,559	1,828,783	2,039,239	210,456
Nonoperating expenses:				
Debt service:				
Principal retirement	(1,943,719)	(1,943,719)	(1,508,977)	434,742
Interest and fiscal charges	(313,885)	(313,885)	(268,546)	45,339
Total nonoperating expenses	(2,257,604)	(2,257,604)	(1,777,523)	480,081
Net gain (loss) before capital contributions.	62,955	(428,821)	261,716	690,537
Capital contributions	-	25	-	(25)
Net change in fund equity.	62,955	(428,796)	261,716	690,512
Fund equity at beginning of year	2,079,103	2,079,103	2,079,103	-
Prior year encumbrances appropriated	151,376	151,376	151,376	-
Fund equity at end of year	\$ 2,293,434	\$ 1,801,683	\$ 2,492,195	\$ 690,512

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 10,945,000	\$ 10,945,000	\$ 10,198,740	\$ (746,260)
Other.	241,000	241,000	335,035	94,035
Total operating revenues	<u>11,186,000</u>	<u>11,186,000</u>	<u>10,533,775</u>	<u>(652,225)</u>
Operating expenses:				
Personal services.	6,168,270	5,568,270	5,502,217	66,053
Contract services.	710,757	847,753	716,112	131,641
Materials and supplies.	1,035,411	1,221,411	1,149,263	72,148
Capital outlay	207,717	3,983,497	3,691,833	291,664
Administrative costs.	876,116	1,056,972	1,011,966	45,006
Utilities	465,885	562,033	520,141	41,892
Other.	206,250	206,250	199,062	7,188
Total operating expenses	<u>9,670,406</u>	<u>13,446,186</u>	<u>12,790,594</u>	<u>655,592</u>
Operating income.	<u>1,515,594</u>	<u>(2,260,186)</u>	<u>(2,256,819)</u>	<u>3,367</u>
Nonoperating revenues (expenses):				
Loan issuance	-	3,775,266	2,533,698	(1,241,568)
Debt service:				
Principal retirement.	(1,278,271)	(1,278,271)	(1,271,975)	6,296
Interest and fiscal charges	(538,072)	(538,072)	(531,325)	6,747
Bond issue costs	-	-	-	-
Total nonoperating revenues (expenses) . .	<u>(1,816,343)</u>	<u>1,958,923</u>	<u>730,398</u>	<u>(1,228,525)</u>
Net change in fund equity.	<u>(300,749)</u>	<u>(301,263)</u>	<u>(1,526,421)</u>	<u>(1,225,158)</u>
Fund equity at beginning of year	<u>1,538,246</u>	<u>1,538,246</u>	<u>1,538,246</u>	<u>-</u>
Prior year encumbrances appropriated . .	<u>301,749</u>	<u>301,749</u>	<u>301,749</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,539,246</u>	<u>\$ 1,538,732</u>	<u>\$ 313,574</u>	<u>\$ (1,225,158)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,452,950	\$ 3,510,950	\$ 3,413,633	\$ (97,317)
Other.	10,000	10,000	11,887	1,887
Total operating revenues	<u>3,462,950</u>	<u>3,520,950</u>	<u>3,425,520</u>	<u>(95,430)</u>
Operating expenses:				
Personal services.	1,172,695	1,172,695	984,605	188,090
Contract services.	1,719,601	1,719,601	1,673,211	46,390
Materials and supplies.	307,943	365,943	349,390	16,553
Capital outlay	4,261	4,261	4,261	-
Administrative costs.	182,277	182,277	170,001	12,276
Utilities	15,367	15,367	14,116	1,251
Other.	4,000	4,000	3,003	997
Total operating expenses	<u>3,406,144</u>	<u>3,464,144</u>	<u>3,198,587</u>	<u>265,557</u>
Operating loss	<u>56,806</u>	<u>56,806</u>	<u>226,933</u>	<u>170,127</u>
Nonoperating revenues:				
Sale of notes	120,000	120,000	-	(120,000)
Debt service:				
Principal retirement	(240,000)	(240,000)	(240,000)	-
Interest and fiscal charges	(2,160)	(2,160)	(2,160)	-
Total nonoperating revenues	<u>(122,160)</u>	<u>(122,160)</u>	<u>(242,160)</u>	<u>(120,000)</u>
Net change in fund equity.	(65,354)	(65,354)	(15,227)	50,127
Fund equity at beginning of year	102,856	102,856	102,856	-
Prior year encumbrances appropriated	65,354	65,354	65,354	-
Fund equity at end of year	<u>\$ 102,856</u>	<u>\$ 102,856</u>	<u>\$ 152,983</u>	<u>\$ 50,127</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PACKARD MUSIC HALL
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 271,215	\$ 312,215	\$ 211,795	\$ (100,420)
Other.	16,000	16,000	5,067	(10,933)
Total operating revenues	<u>287,215</u>	<u>328,215</u>	<u>216,862</u>	<u>(111,353)</u>
Operating expenses:				
Personal services.	363,462	363,462	314,827	48,635
Contract services.	66,660	90,878	88,395	2,483
Materials and supplies.	39,278	46,777	40,622	6,155
Capital outlay	32,623	32,623	31,304	1,319
Administrative costs.	22,675	30,950	21,407	9,543
Utilities	44,408	60,616	53,025	7,591
Other.	3,149	5,149	4,764	385
Total operating expenses	<u>572,255</u>	<u>630,455</u>	<u>554,344</u>	<u>76,111</u>
Net loss before capital contributions and transfers	(285,040)	(302,240)	(337,482)	(35,242)
Capital contributions	32,623	32,623	37,028	4,405
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>262,557</u>	<u>12,557</u>
Net change in fund equity.	(2,417)	(19,617)	(37,897)	(18,280)
Fund equity at beginning of year	16,986	16,986	16,986	-
Prior year encumbrances appropriated . .	<u>2,632</u>	<u>2,632</u>	<u>2,632</u>	<u>-</u>
Fund equity (deficit) at end of year.	<u>\$ 17,201</u>	<u>\$ 1</u>	<u>\$ (18,279)</u>	<u>\$ (18,280)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY REDEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 50,000	\$ 50,000	\$ 32,312	\$ (17,688)
Total operating revenues	<u>50,000</u>	<u>50,000</u>	<u>32,312</u>	<u>(17,688)</u>
Operating expenses:				
Contract services.	67,796	142,040	65,589	76,451
Materials and supplies.	7,000	7,000	450	6,550
Utilities	3,094	8,850	3,960	4,890
Total operating expenses.	<u>77,890</u>	<u>157,890</u>	<u>69,999</u>	<u>87,891</u>
Net change in fund equity	(27,890)	(107,890)	(37,687)	70,203
Fund equity at beginning of year.	140,652	140,652	140,652	-
Prior year encumbrances appropriated . .	<u>27,890</u>	<u>27,890</u>	<u>27,890</u>	-
Fund equity at end of year	<u>\$ 140,652</u>	<u>\$ 60,652</u>	<u>\$ 130,855</u>	<u>\$ 70,203</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN PARKING
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 32,000	\$ 32,000	\$ 34,934	\$ 2,934
Total operating revenues	<u>32,000</u>	<u>32,000</u>	<u>34,934</u>	<u>2,934</u>
Operating expenses:				
Contract services.	89,633	89,633	85,382	4,251
Materials and supplies.	2,000	2,000	706	1,294
Utilities	9,716	9,716	6,500	3,216
Other.	200	200	-	200
Total operating expenses	<u>101,549</u>	<u>101,549</u>	<u>92,588</u>	<u>8,961</u>
Net loss before transfers.	(69,549)	(69,549)	(57,654)	11,895
Transfers in	<u>63,000</u>	<u>63,000</u>	<u>55,000</u>	<u>(8,000)</u>
Net change in fund equity	(6,549)	(6,549)	(2,654)	3,895
Fund equity at beginning of year.	3,757	3,757	3,757	-
Prior year encumbrances appropriated . .	<u>6,549</u>	<u>6,549</u>	<u>6,549</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,757</u>	<u>\$ 3,757</u>	<u>\$ 7,652</u>	<u>\$ 3,895</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER UTILITY
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 975,000	\$ 975,000	\$ 1,021,937	\$ 46,937
Other.	-	-	537	537
Total operating revenues	<u>975,000</u>	<u>975,000</u>	<u>1,022,474</u>	<u>47,474</u>
Operating expenses:				
Personal services.	405,409	405,409	359,261	46,148
Contract services.	154,157	154,157	110,830	43,327
Materials and supplies.	40,435	45,435	28,303	17,132
Capital outlay	13,370	13,395	13,374	21
Administrative costs.	190,429	190,429	46,604	143,825
Other.	3,000	3,000	318	2,682
Total operating expenses	<u>806,800</u>	<u>811,825</u>	<u>558,690</u>	<u>253,135</u>
Net income (loss)	168,200	163,175	463,784	300,609
Nonoperating expenses:				
Debt service:				
Principal retirement.	(1,798)	(3,598)	(1,797)	1,801
Total nonoperating expenses	<u>(1,798)</u>	<u>(3,598)</u>	<u>(1,797)</u>	<u>1,801</u>
Net income (loss) before capital contributions	166,402	159,577	461,987	302,410
Capital contributions	-	25	-	(25)
Net change in fund equity	166,402	159,602	461,987	302,385
Fund equity at beginning of year.	1,018,661	1,018,661	1,018,661	-
Prior year encumbrances appropriated	<u>33,598</u>	<u>33,598</u>	<u>33,598</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,218,661</u>	<u>\$ 1,211,861</u>	<u>\$ 1,514,246</u>	<u>\$ 302,385</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, 2013**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash, cash equivalents and investments	\$ 1,076,318	\$ 1,976,272	\$ 626,949	\$ 744,042	\$ 4,423,581
Total current assets	<u>1,076,318</u>	<u>1,976,272</u>	<u>626,949</u>	<u>744,042</u>	<u>4,423,581</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable capital assets	-	-	457,720	-	457,720
Depreciable capital assets, net	-	-	32,710	-	32,710
Total capital assets	<u>-</u>	<u>-</u>	<u>490,430</u>	<u>-</u>	<u>490,430</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>490,430</u>	<u>-</u>	<u>490,430</u>
Total assets	<u>\$ 1,076,318</u>	<u>\$ 1,976,272</u>	<u>\$ 1,117,379</u>	<u>\$ 744,042</u>	<u>\$ 4,914,011</u>
Liabilities:					
Current liabilities:					
Accounts payable.	\$ -	\$ -	\$ 9,415	\$ -	\$ 9,415
Contracts payable.	-	-	66,600	-	66,600
Accrued wages and benefits	-	-	4,694	-	4,694
Due to other governments	-	280,548	725	-	281,273
Claims payable	880,235	3,524	-	9,517	893,276
Current portion of general obligation bonds	-	-	75,000	-	75,000
Current portion of compensated absences	-	-	15,366	-	15,366
Accrued interest payable	-	-	1,201	-	1,201
Total current liabilities.	<u>880,235</u>	<u>284,072</u>	<u>173,001</u>	<u>9,517</u>	<u>1,346,825</u>
Long-term liabilities:					
Claims payable	-	983,861	-	-	983,861
General obligation bonds payable.	-	-	662,196	-	662,196
Compensated absences payable.	-	-	68,542	-	68,542
Total long-term liabilities	<u>-</u>	<u>983,861</u>	<u>730,738</u>	<u>-</u>	<u>1,714,599</u>
Total liabilities	<u>880,235</u>	<u>1,267,933</u>	<u>903,739</u>	<u>9,517</u>	<u>3,061,424</u>
Net position:					
Net investment in capital assets	-	-	32,710	-	32,710
Unrestricted	196,083	708,339	180,930	734,525	1,819,877
Total net position	<u>\$ 196,083</u>	<u>\$ 708,339</u>	<u>\$ 213,640</u>	<u>\$ 734,525</u>	<u>\$ 1,852,587</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 5,429,619	\$ 1,248,190	\$ 552,500	\$ 98,384	\$ 7,328,693
Other	-	-	6,500	-	6,500
Total operating revenues.	<u>5,429,619</u>	<u>1,248,190</u>	<u>559,000</u>	<u>98,384</u>	<u>7,335,193</u>
Operating expenses:					
Personal services	-	-	250,615	-	250,615
Contract services	-	351	97,675	-	98,026
Materials and supplies	-	-	10,191	-	10,191
Administrative costs	-	187,965	51,664	-	239,629
Utilities	-	-	22,562	-	22,562
Claims.	5,865,215	-	-	150,724	6,015,939
Depreciation	-	-	4,922	-	4,922
Total operating expenses.	<u>5,865,215</u>	<u>188,316</u>	<u>437,629</u>	<u>150,724</u>	<u>6,641,884</u>
Operating income (loss)	<u>(435,596)</u>	<u>1,059,874</u>	<u>121,371</u>	<u>(52,340)</u>	<u>693,309</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges.	-	-	(13,977)	-	(13,977)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(13,977)</u>	<u>-</u>	<u>(13,977)</u>
Net income before transfers	(435,596)	1,059,874	107,394	(52,340)	679,332
Transfers out.	-	-	(88,184)	-	(88,184)
Changes in net position	(435,596)	1,059,874	19,210	(52,340)	591,148
Net position (deficit) at beginning of year.	<u>631,679</u>	<u>(351,535)</u>	<u>194,430</u>	<u>786,865</u>	<u>1,261,439</u>
Net position at end of year	<u>\$ 196,083</u>	<u>\$ 708,339</u>	<u>\$ 213,640</u>	<u>\$ 734,525</u>	<u>\$ 1,852,587</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,430,188	\$ 1,248,190	\$ 552,500	\$ 98,384	\$ 7,329,262
Cash received from other operations	-	-	6,500	-	6,500
Cash payments for personal services	-	-	(239,577)	-	(239,577)
Cash payments for contract services	-	(351)	(93,879)	-	(94,230)
Cash payments for materials and supplies	-	-	(10,191)	-	(10,191)
Cash payments for utilities	-	-	(22,562)	-	(22,562)
Cash payments for claims	(5,780,802)	(403,453)	-	(143,679)	(6,327,934)
Cash payments for administrative costs.	-	(264,544)	(51,664)	-	(316,208)
Net cash provided by (used in) operating activities	<u>(350,614)</u>	<u>579,842</u>	<u>141,127</u>	<u>(45,295)</u>	<u>325,060</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:					
Aquisition of capital assets	-	-	(428,489)	-	(428,489)
Principal retirement	-	-	(70,000)	-	(70,000)
Interest and fiscal charges.	-	-	(15,879)	-	(15,879)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(514,368)</u>	<u>-</u>	<u>(514,368)</u>
Cash flows from investing activities:					
Interest received.	521	-	-	-	521
Net cash provided by investing activities	<u>521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>521</u>
Net increase (decrease) in cash and cash equivalents.	(350,093)	579,842	(461,425)	(45,295)	(276,971)
Cash and cash equivalents at beginning of year	<u>1,426,411</u>	<u>1,396,430</u>	<u>1,088,374</u>	<u>789,337</u>	<u>4,700,552</u>
Cash and cash equivalents at end of year	<u>\$ 1,076,318</u>	<u>\$ 1,976,272</u>	<u>\$ 626,949</u>	<u>\$ 744,042</u>	<u>\$ 4,423,581</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).	\$ (435,596)	\$ 1,059,874	\$ 121,371	\$ (52,340)	\$ 693,309
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	4,922	-	4,922
Changes in assets and liabilities:					
Decrease in accounts receivable.	569	-	-	-	569
Increase in accounts payable	-	-	3,796	-	3,796
(Decrease) in accrued wages and benefits.	-	-	(1,398)	-	(1,398)
Increase in due to other governments	-	13,312	171	-	13,483
Increase in compensated absences payable	-	-	12,265	-	12,265
Increase (decrease) in claims payable	84,413	(493,344)	-	7,045	(401,886)
Net cash provided by (used in) operating activities	<u>\$ (350,614)</u>	<u>\$ 579,842</u>	<u>\$ 141,127</u>	<u>\$ (45,295)</u>	<u>\$ 325,060</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 5,950,000	\$ 5,950,000	\$ 5,430,709	\$ (519,291)
Total operating revenues	<u>5,950,000</u>	<u>5,950,000</u>	<u>5,430,709</u>	<u>(519,291)</u>
Operating expenses:				
Claims expense	5,950,073	5,950,073	5,780,867	169,206
Total operating expenses	<u>5,950,073</u>	<u>5,950,073</u>	<u>5,780,867</u>	<u>169,206</u>
Net change in fund equity	(73)	(73)	(350,158)	(350,085)
Fund equity at beginning of year.	1,426,338	1,426,338	1,426,338	-
Prior year encumbrances appropriated . .	<u>73</u>	<u>73</u>	<u>73</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,426,338</u>	<u>\$ 1,426,338</u>	<u>\$ 1,076,253</u>	<u>\$ (350,085)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS COMPENSATION
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 900,000	\$ 900,000	\$ 1,248,190	\$ 348,190
Total operating revenues	<u>900,000</u>	<u>900,000</u>	<u>1,248,190</u>	<u>348,190</u>
Operating expenses:				
Contract services	-	1,000	351	649
Claims expense.	625,214	625,214	404,864	220,350
Administrative costs	270,000	270,000	264,544	5,456
Other operating expenses	5,000	5,000	-	5,000
Total operating expenses	<u>900,214</u>	<u>901,214</u>	<u>669,759</u>	<u>231,455</u>
Net change in fund equity	(214)	(1,214)	578,431	579,645
Fund equity at beginning of year.	1,396,216	1,396,216	1,396,216	-
Prior year encumbrances appropriated . .	214	214	214	-
Fund equity at end of year	<u>\$ 1,396,216</u>	<u>\$ 1,395,216</u>	<u>\$ 1,974,861</u>	<u>\$ 579,645</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA PROCESSING
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 800,000	\$ 800,000	\$ 552,500	\$ (247,500)
Other	5,000	5,000	6,500	1,500
Total operating revenues	<u>805,000</u>	<u>805,000</u>	<u>559,000</u>	<u>(246,000)</u>
Operating expenses:				
Personal services	394,682	394,682	239,577	155,105
Contract services	239,236	239,236	95,750	143,486
Materials and supplies	10,435	11,918	10,191	1,727
Capital outlay	52,261	842,261	568,129	274,132
Administrative costs	55,000	55,000	51,664	3,336
Utilities	27,576	27,576	22,562	5,014
Total operating expenses	<u>779,190</u>	<u>1,570,673</u>	<u>987,873</u>	<u>582,800</u>
Operating income (loss)	<u>25,810</u>	<u>(765,673)</u>	<u>(428,873)</u>	<u>336,800</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(64,648)	(151,937)	(151,936)	1
Interest and fiscal charges	(9,415)	(22,126)	(22,127)	(1)
Total nonoperating revenues (expenses)	<u>(74,063)</u>	<u>(174,063)</u>	<u>(174,063)</u>	<u>-</u>
Net change in fund equity	(48,253)	(939,736)	(602,936)	336,800
Fund equity at beginning of year	1,040,121	1,040,121	1,040,121	-
Prior year encumbrances appropriated	<u>48,253</u>	<u>48,253</u>	<u>48,253</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,040,121</u>	<u>\$ 148,638</u>	<u>\$ 485,438</u>	<u>\$ 336,800</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RISK MANAGEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 145,000	\$ 145,000	\$ 98,383	\$ (46,617)
Total operating revenues	<u>145,000</u>	<u>145,000</u>	<u>98,383</u>	<u>(46,617)</u>
Operating expenses:				
Claims expense.	155,427	205,427	143,678	61,749
Total operating expenses	<u>155,427</u>	<u>205,427</u>	<u>143,678</u>	<u>61,749</u>
Net change in fund equity	(10,427)	(60,427)	(45,295)	15,132
Fund equity at beginning of year.	778,910	778,910	778,910	-
Prior year encumbrances appropriated . .	<u>10,427</u>	<u>10,427</u>	<u>10,427</u>	<u>-</u>
Fund equity at end of year	<u>\$ 778,910</u>	<u>\$ 728,910</u>	<u>\$ 744,042</u>	<u>\$ 15,132</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, 2013**

	<u>Balance 1/1/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2013</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 30,058	\$ 30,058	\$ -
Accounts receivable	1,853	2,123	1,853	2,123
Total assets.	<u>\$ 1,853</u>	<u>\$ 32,181</u>	<u>\$ 31,911</u>	<u>\$ 2,123</u>
Liabilities:				
Deposits held and due to others	\$ 1,853	\$ 32,181	\$ 31,911	\$ 2,123
Total liabilities	<u>\$ 1,853</u>	<u>\$ 32,181</u>	<u>\$ 31,911</u>	<u>\$ 2,123</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 252,179	\$ 180,133	\$ 157,805	\$ 274,507
Accounts receivable	65,000	9,488	65,000	9,488
Total assets.	<u>\$ 317,179</u>	<u>\$ 189,621</u>	<u>\$ 222,805</u>	<u>\$ 283,995</u>
Liabilities:				
Deposits held and due to others	\$ 317,179	\$ 189,621	\$ 222,805	\$ 283,995
Total liabilities	<u>\$ 317,179</u>	<u>\$ 189,621</u>	<u>\$ 222,805</u>	<u>\$ 283,995</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 541,286	\$ 3,145	\$ 32,321	\$ 512,110
Total assets.	<u>\$ 541,286</u>	<u>\$ 3,145</u>	<u>\$ 32,321</u>	<u>\$ 512,110</u>
Liabilities:				
Due to other governments	\$ 541,286	\$ 3,145	\$ 32,321	\$ 512,110
Total liabilities	<u>\$ 541,286</u>	<u>\$ 3,145</u>	<u>\$ 32,321</u>	<u>\$ 512,110</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 519,035	\$ 522,562	\$ 519,035	\$ 522,562
Total assets.	<u>\$ 519,035</u>	<u>\$ 522,562</u>	<u>\$ 519,035</u>	<u>\$ 522,562</u>
Liabilities:				
Due to other governments	\$ 519,035	\$ 522,562	\$ 519,035	\$ 522,562
Total liabilities	<u>\$ 519,035</u>	<u>\$ 522,562</u>	<u>\$ 519,035</u>	<u>\$ 522,562</u>

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Balance 1/1/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2013</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 793,465	\$ 213,336	\$ 220,184	\$ 786,617
Cash with fiscal and escrow agents.	519,035	522,562	519,035	522,562
Accounts receivable	66,853	11,611	66,853	11,611
Total assets.	<u>\$ 1,379,353</u>	<u>\$ 747,509</u>	<u>\$ 806,072</u>	<u>\$ 1,320,790</u>
Liabilities:				
Due to other governments	\$ 1,060,321	\$ 525,707	\$ 551,356	\$ 1,034,672
Deposits held and due to others	319,032	221,802	254,716	286,118
Total liabilities	<u>\$ 1,379,353</u>	<u>\$ 747,509</u>	<u>\$ 806,072</u>	<u>\$ 1,320,790</u>

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STATISTICAL SECTION

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CITY OF WARREN, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138-147
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and the real and personal property tax.	148-157
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.	158-165
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.	166-167
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.	168-173

Sources: Sources are noted on the individual schedules.

CITY OF WARREN, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 44,093,603	\$ 42,910,889	\$ 41,689,055	\$ 41,287,935
Restricted for:				
Capital projects	-	-	21,924	-
Debt service	2,723,376	1,996,713	1,615,731	1,123,312
Street maintenance	828,714	808,811	771,607	725,984
State highway	272,923	345,451	274,377	223,765
Law enforcement	399,651	345,503	413,142	461,705
Courts	1,369,045	1,315,547	1,122,989	842,855
Community development and improvements	9,491,103	10,168,030	10,218,860	9,560,569
Police and fire pension	-	104,782	1,108,729	1,002,814
Public health	622,922	665,959	692,804	702,538
Unrestricted (deficit)	<u>(353,410)</u>	<u>(659,287)</u>	<u>(1,555,360)</u>	<u>(4,588,636)</u>
Total governmental activities net position	<u>\$ 59,447,927</u>	<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>	<u>\$ 51,342,841</u>
Business-type activities				
Net investment in capital assets	\$ 26,353,429	\$ 25,997,973	\$ 24,563,803	\$ 23,458,196
Restricted for:				
Debt service	-	-	963,817	962,846
Unrestricted	<u>7,037,170</u>	<u>7,100,100</u>	<u>6,435,075</u>	<u>5,387,270</u>
Total business-type activities net position	<u>\$ 33,390,599</u>	<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>	<u>\$ 29,808,312</u>
Total primary government				
Net investment in capital assets	\$ 70,447,032	\$ 68,908,862	\$ 66,252,858	\$ 64,746,131
Restricted for:				
Capital projects	-	-	21,924	-
Debt service	2,723,376	1,996,713	2,579,548	2,086,158
Street maintenance	828,714	808,811	771,607	725,984
State highway	272,923	345,451	274,377	223,765
Law enforcement	399,651	345,503	413,142	461,705
Courts	1,369,045	1,315,547	1,122,989	842,855
Community development and improvements	9,491,103	10,168,030	10,218,860	9,560,569
Police and fire pension	-	104,782	1,108,729	1,002,814
Public health	622,922	665,959	692,804	702,538
Unrestricted	<u>6,683,760</u>	<u>6,440,813</u>	<u>4,879,715</u>	<u>798,634</u>
Total primary government net position	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>	<u>\$ 81,151,153</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 37,644,539	\$ 34,666,493	\$ 33,024,924	\$ 30,967,884	\$ 29,524,698	\$ 26,382,293
49,172	75,800	9,405	570,073	768,172	541,032
1,013,994	761,906	483,719	374,727	372,932	338,675
712,053	563,941	627,749	982,767	611,593	463,622
159,839	94,202	143,919	177,075	148,916	100,897
501,540	196,316	450,480	405,984	819,715	643,336
947,689	1,271,125	1,355,089	1,189,849	977,107	782,106
8,319,608	7,661,196	7,687,341	7,866,327	6,426,196	6,447,060
901,168	768,867	596,345	292,210	310,630	191,177
696,863	695,177	670,709	679,561	-	-
(4,856,639)	(4,210,956)	756,595	5,137,720	5,273,540	5,697,185
<u>\$ 46,089,826</u>	<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>
\$ 21,755,533	\$ 19,391,428	\$ 19,416,251	\$ 18,390,112	\$ 18,245,015	\$ 17,311,185
967,855	979,719	1,000,383	993,441	982,128	972,204
6,493,160	9,021,287	10,350,057	8,840,165	8,187,418	7,514,213
<u>\$ 29,216,548</u>	<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>
\$ 59,400,072	\$ 54,057,921	\$ 52,441,175	\$ 49,357,996	\$ 47,769,713	\$ 43,693,478
49,172	75,800	9,405	570,073	768,172	541,032
1,981,849	1,741,625	1,484,102	1,368,168	1,355,060	1,310,879
712,053	563,941	627,749	982,767	611,593	463,622
159,839	94,202	143,919	177,075	148,916	100,897
501,540	196,316	450,480	405,984	819,715	643,336
947,689	1,271,125	1,355,089	1,189,849	977,107	782,106
8,319,608	7,661,196	7,687,341	7,866,327	6,426,196	6,447,060
901,168	768,867	596,345	292,210	310,630	191,177
696,863	695,177	670,709	679,561	-	-
1,636,521	4,810,331	11,106,652	13,977,885	13,460,958	13,211,398
<u>\$ 75,306,374</u>	<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>

CITY OF WARREN, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,219,533	\$ 1,304,044	\$ 1,331,458	\$ 1,355,736
Security of persons and property	1,452,930	1,739,425	1,827,410	1,898,051
Public health and welfare	204,455	201,798	193,402	206,308
Transportation	1,050	21,750	35,950	22,700
Community environment	762,676	794,078	698,223	845,630
Leisure time activity	36,082	34,033	17,643	28,350
Economic development	371,154	526,844	587,408	30,482
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	166,236	162,239	116,784	132,324
Public health and welfare	-	-	-	-
Transportation	1,968,489	2,000,968	2,063,252	2,127,786
Community environment	362,596	-	-	-
Economic development	1,592,956	2,859,913	3,794,352	5,212,448
Capital grants and contributions:				
General government	-	309,751	-	-
Transportation	3,971,851	982,257	2,646,972	2,647,295
Total governmental activities program revenues	<u>12,110,008</u>	<u>10,937,100</u>	<u>13,312,854</u>	<u>14,507,110</u>
Business-type activities:				
Charges for services:				
Sewer	8,026,141	8,487,821	9,862,861	7,364,686
Water	10,276,785	11,042,614	10,746,044	9,762,568
Sanitation	3,434,612	3,323,515	3,146,892	3,182,299
Other business-type activities:				
Packard Music Hall	211,795	185,971	213,131	197,508
City Redevelopment	57,092	40,111	51,778	31,378
Downtown parking	34,024	24,530	29,566	30,940
Stormwater Utility	1,009,629	1,038,686	983,029	921,907
Capital grants and contributions				
Sewer	-	-	246,037	1,072,931
Other business-type activities:				
Packard Music Hall	37,028	59,020	232,913	675,680
Stormwater Utility	-	23,469	227,296	23,697
Total business-type activities program revenues	<u>23,087,106</u>	<u>24,225,737</u>	<u>25,739,547</u>	<u>23,263,594</u>
Total primary government	<u>\$ 35,197,114</u>	<u>\$ 35,162,837</u>	<u>\$ 39,052,401</u>	<u>\$ 37,770,704</u>
Expenses:				
Governmental activities:				
General government	\$ 5,490,149	\$ 5,841,107	\$ 5,614,737	\$ 5,400,182
Security of persons and property	16,292,351	16,753,174	16,860,682	15,449,385
Public health and welfare	681,620	634,143	615,238	633,699
Transportation	4,124,435	3,790,997	4,034,308	3,548,603
Community environment	2,545,832	1,758,742	1,797,152	1,817,279
Leisure time activity	499,204	482,998	453,413	520,453
Economic development	2,481,991	2,402,035	2,821,164	2,936,898
Interest and fiscal charges	195,930	266,413	312,812	503,530
Bond issuance costs	226,597	59,662	-	-
Total governmental activities expenses	<u>32,538,109</u>	<u>31,989,271</u>	<u>32,509,506</u>	<u>30,810,029</u>

	2009	2008	2007	2006	2005	2004
\$	1,380,902	\$ 1,423,496	\$ 1,350,401	\$ 1,459,245	\$ 1,210,264	\$ 1,225,507
	1,695,936	1,449,173	1,447,343	1,506,767	1,368,960	1,412,462
	220,439	203,913	153,510	150,522	157,623	130,904
	4,400	33,155	40,450	45,255	48,066	33,050
	747,261	708,209	535,152	1,135,168	526,502	663,501
	21,494	32,702	23,902	16,087	13,646	17,259
	181,329	240,918	218,337	73,629	179,296	38,522
	-	-	6,226	-	40,248	-
	548,325	75,907	155,237	87,594	257,611	236,524
	-	-	-	715,000	-	-
	1,881,928	2,117,983	2,115,189	2,159,287	2,178,812	1,872,926
	-	-	-	-	-	-
	3,059,516	3,092,290	2,199,113	2,077,372	2,673,342	2,054,645
	-	-	-	-	-	1,164,720
	3,501,520	1,899,760	780,998	670,191	2,017,348	2,766,371
	<u>13,243,050</u>	<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>
	7,437,372	8,067,438	8,976,173	8,265,798	8,743,627	7,653,073
	9,631,170	10,804,962	11,130,274	10,976,356	11,720,251	10,249,483
	3,157,449	3,050,445	3,129,173	3,100,329	3,145,870	3,160,832
	216,722	204,224	237,197	218,979	260,551	201,112
	42,711	42,711	42,711	42,711	40,445	42,711
	29,448	27,503	37,959	29,192	4,805	36,022
	888,267	843,531	804,595	832,444	808,058	806,491
	-	-	-	-	-	-
	1,236,504	33,056	-	100,000	-	-
	30,225	-	-	-	-	-
	<u>22,669,868</u>	<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>35,912,918</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>
\$	6,087,221	\$ 6,732,524	\$ 6,108,728	\$ 6,119,385	\$ 5,856,271	\$ 5,364,746
	15,993,727	18,620,804	17,180,410	17,031,559	16,406,869	16,118,228
	545,444	1,289,289	512,057	517,820	592,167	509,570
	3,662,641	4,644,555	3,948,040	3,834,782	3,272,353	3,447,063
	2,020,146	2,082,342	2,310,948	1,884,819	1,730,863	1,849,861
	484,294	699,582	860,839	665,407	905,187	585,728
	1,620,800	2,981,877	2,066,544	2,595,480	2,831,518	2,071,529
	566,227	631,425	609,323	682,090	668,091	730,212
	-	-	-	-	-	-
	<u>30,980,500</u>	<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>

-- Continued

CITY OF WARREN, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Business-type activities:				
Sewer	\$ 7,126,141	\$ 6,684,587	\$ 7,130,457	\$ 7,211,259
Water	11,723,619	12,190,368	12,240,091	11,925,632
Sanitation	3,214,243	3,331,447	3,212,094	3,129,254
Other business-type activities:				
Packard Music Hall	706,478	657,521	563,301	387,126
City Redevelopment	76,175	46,689	45,514	58,066
Downtown parking	149,373	131,147	145,216	128,252
Stormwater Utility	551,745	715,049	760,294	557,878
Total business-type activities expenses	<u>23,547,774</u>	<u>23,756,808</u>	<u>24,096,967</u>	<u>23,397,467</u>
Total primary government	<u>\$ 56,085,883</u>	<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>	<u>\$ 54,207,496</u>
Net (expense) revenue:				
Governmental activities	\$ (20,428,101)	\$ (21,052,171)	\$ (19,196,652)	\$ (16,302,919)
Business-type activities	(460,668)	468,929	1,642,580	(133,873)
Total primary government net expense	<u>\$ (20,888,769)</u>	<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>	<u>\$ (16,436,792)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,311,792	\$ 995,193	\$ 1,223,713	\$ 1,129,724
Fire pension	-	94,034	128,896	118,708
Police pension	-	94,034	117,974	116,983
Income taxes levied for:				
General Purposes	16,624,172	16,968,167	17,292,458	16,247,214
Grants and entitlements				
not restricted to specific programs	3,639,724	4,115,473	4,750,099	3,375,874
Investment earnings	53,299	67,451	128,848	111,444
Miscellaneous	562,200	673,628	834,099	716,079
Transfers	(317,557)	(327,269)	(220,975)	(260,092)
Total governmental activities	<u>21,873,630</u>	<u>22,680,711</u>	<u>24,255,112</u>	<u>21,555,934</u>
Business-type activities				
Investment earnings	-	143	-	-
Miscellaneous	435,637	339,037	416,949	465,545
Transfers	317,557	327,269	220,975	260,092
Total business-type activities	<u>753,194</u>	<u>666,449</u>	<u>637,924</u>	<u>725,637</u>
Total primary government	<u>\$ 22,626,824</u>	<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>	<u>\$ 22,281,571</u>
Change in net position:				
Governmental activities	\$ 1,445,529	\$ 1,628,540	\$ 5,058,460	\$ 5,253,015
Business-type activities	292,526	1,135,378	2,280,504	591,764
Total primary government	<u>\$ 1,738,055</u>	<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>	<u>\$ 5,844,779</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 7,291,440	\$ 7,686,872	\$ 8,008,014	\$ 8,191,531	\$ 8,714,806	\$ 8,129,365
11,875,667	12,233,642	10,845,009	10,769,899	10,654,024	10,240,694
3,118,475	3,360,964	3,146,764	3,004,744	3,042,898	2,890,149
440,581	684,553	685,045	539,752	711,637	643,869
20,650	50,605	49,618	52,594	75,597	20,399
136,918	150,089	154,011	74,573	142,539	154,335
769,785	1,291,516	646,497	580,352	818,288	583,188
<u>23,653,516</u>	<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>\$ 54,634,016</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>
\$ (17,737,450)	\$ (26,404,892)	\$ (24,571,031)	\$ (23,235,225)	\$ (21,591,601)	\$ (19,060,546)
(983,648)	(2,384,371)	823,124	352,364	563,818	(512,275)
<u>\$ (18,721,098)</u>	<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>
\$ 1,298,598	\$ 1,448,672	\$ 1,389,308	\$ 1,405,834	\$ 1,261,822	\$ 1,218,505
133,797	151,750	144,268	147,074	129,146	126,166
133,797	151,750	144,268	147,074	129,146	126,166
16,411,492	17,636,767	18,221,022	20,214,764	19,432,428	18,830,130
2,908,110	2,999,526	2,995,358	2,894,066	3,312,509	3,080,849
302,100	838,469	1,239,089	1,229,795	1,111,515	465,707
605,315	518,324	548,405	776,416	563,907	1,153,304
(510,000)	(602,574)	(327,477)	(169,120)	(702,756)	(492,155)
<u>21,283,209</u>	<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>
1,772	27,045	57,086	53,205	30,745	9,940
295,990	380,495	282,751	234,468	319,640	542,264
510,000	602,574	327,477	169,120	702,756	492,155
<u>807,762</u>	<u>1,010,114</u>	<u>667,314</u>	<u>456,793</u>	<u>1,053,141</u>	<u>1,044,359</u>
<u>\$ 22,090,971</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>
\$ 3,545,759	\$ (3,262,208)	\$ (216,790)	\$ 3,410,678	\$ 3,646,116	\$ 5,448,126
(175,886)	(1,374,257)	1,490,438	809,157	1,616,959	532,084
<u>\$ 3,369,873</u>	<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>

CITY OF WARREN, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund:						
Nonspendable	\$ 4,426	\$ 3,538	\$ 7,445	\$ -	\$ -	\$ -
Restricted	622,922	665,959	692,804	-	-	-
Assigned	212,483	743,525	74,882	-	-	-
Unassigned	3,230,863	3,810,108	4,810,152	-	-	-
Reserved	-	-	-	324,890	88,913	82,867
Unreserved	-	-	-	4,250,122	4,027,419	4,119,358
Total general fund	<u>\$ 4,070,694</u>	<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>
All other governmental funds:						
Nonspendable	\$ -	\$ -	\$ 10,596	\$ -	\$ -	\$ -
Restricted	17,497,378	12,285,612	12,966,986	-	-	-
Unassigned (deficit)	-	(492,011)	-	-	-	-
Reserved	-	-	-	10,966,339	9,384,585	10,217,681
Unreserved (deficit), reported in:						
Special revenue funds	-	-	-	1,481,434	2,183,565	2,191,594
Debt service fund	-	-	-	505,151	300,006	111,599
Capital projects fund	-	-	-	(2,073,152)	(1,341,226)	(3,004,369)
Total all other governmental funds	<u>\$ 17,497,378</u>	<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>

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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
505,629	267,692	131,711	598,009
<u>5,943,890</u>	<u>6,283,706</u>	<u>4,828,462</u>	<u>4,647,091</u>
<u>\$ 6,449,519</u>	<u>\$ 6,551,398</u>	<u>\$ 4,960,173</u>	<u>\$ 5,245,100</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
8,234,636	8,466,851	6,076,124	5,602,035
2,360,982	2,256,060	3,331,847	3,141,354
3,924	1,441	8,466	577
<u>(222,311)</u>	<u>62,827</u>	<u>51,707</u>	<u>(48,071)</u>
<u>\$ 10,377,231</u>	<u>\$ 10,787,179</u>	<u>\$ 9,468,144</u>	<u>\$ 8,695,895</u>

CITY OF WARREN, OHIO

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues					
Income taxes	\$ 16,624,224	\$ 17,080,705	\$ 16,996,981	\$ 15,872,631	\$ 15,624,357
Property and other taxes	1,315,316	1,356,637	1,404,962	1,475,498	1,511,528
Charges for services	2,146,723	2,068,967	2,085,260	2,084,254	2,139,791
Licenses and permits	2,129,625	2,281,768	2,193,463	2,303,729	2,070,754
Fines and forfeitures	1,465,518	1,751,023	1,827,530	1,918,363	1,747,233
Intergovernmental	11,242,468	10,388,955	13,551,987	13,198,824	12,037,848
Special assessments	23,663	35,896	65,724	50,813	27,680
Investment income	163,524	125,471	271,739	216,055	393,622
Rental income	30,606	26,274	31,653	36,552	94,831
Other	983,926	760,098	916,099	803,079	697,315
Total revenues	<u>36,125,593</u>	<u>35,875,794</u>	<u>39,345,398</u>	<u>37,959,798</u>	<u>36,344,959</u>
Expenditures					
Current:					
General government	7,375,113	7,614,421	7,387,486	7,565,426	7,313,305
Security of persons and property	16,951,166	17,396,017	16,783,776	15,299,674	15,187,309
Public health and welfare	682,462	631,915	621,583	627,133	585,216
Transportation	1,311,023	1,661,599	1,584,939	1,568,297	1,640,909
Community environment	1,738,663	1,766,330	1,770,245	1,707,275	1,761,935
Leisure time activity	550,457	493,165	456,404	440,263	491,804
Economic development	2,417,744	3,291,712	3,500,283	3,631,183	2,032,605
Capital outlay	7,601,061	2,681,709	2,379,047	4,238,297	3,920,919
Intergovernmental					
Debt service:					
Principal retirement	1,153,216	3,494,229	1,342,926	1,937,447	1,530,310
Interest and fiscal charges	164,201	256,922	277,837	481,373	534,299
Bond issuance costs	226,597	44,710	-	-	-
Total expenditures	<u>40,171,703</u>	<u>39,332,729</u>	<u>36,104,526</u>	<u>37,496,368</u>	<u>34,998,611</u>
Excess of revenues over (under) expenditures	<u>(4,046,110)</u>	<u>(3,456,935)</u>	<u>3,240,872</u>	<u>463,430</u>	<u>1,346,348</u>
Other financing sources (uses)					
Sale of bonds	8,585,000	1,960,000	-	-	-
Sale of notes	-	13,529	-	-	-
Loan proceeds	-	-	-	520,000	-
Premium on bonds	241,824	62,088	-	-	-
Capital lease transaction	-	-	-	-	-
Transfers in	429,120	960,193	552,103	384,562	1,104,143
Transfers (out)	(658,493)	(1,085,009)	(684,894)	(556,470)	(1,525,959)
Total other financing sources (uses)	<u>8,597,451</u>	<u>1,910,801</u>	<u>(132,791)</u>	<u>348,092</u>	<u>(421,816)</u>
Net change in fund balances	<u>\$ 4,551,341</u>	<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>	<u>\$ 811,522</u>	<u>\$ 924,532</u>
Capital expenditures	7,166,035	3,438,531	2,066,359	5,200,379	4,465,719
Debt service as a percentage of noncapital expenditures	3.99%	10.45%	4.76%	7.49%	6.76%

2008	2007	2006	2005	2004
\$ 18,013,849	\$ 18,070,111	\$ 20,138,026	\$ 19,610,734	\$ 18,567,076
1,484,062	1,667,959	1,657,168	1,485,169	1,456,326
2,236,100	2,067,415	1,693,234	2,187,422	2,055,303
2,493,223	1,886,000	2,466,676	1,852,130	1,839,742
1,523,506	1,531,452	1,594,451	1,441,968	1,422,329
9,540,800	7,787,994	7,831,448	10,574,125	11,200,065
22,036	30,688	44,629	42,597	19,828
1,187,787	1,404,779	1,164,258	962,886	357,172
60,013	113,186	168,256	36,830	34,314
721,207	626,061	1,491,416	563,907	1,232,073
<u>37,282,583</u>	<u>35,185,645</u>	<u>38,249,562</u>	<u>38,757,768</u>	<u>38,184,228</u>
7,939,782	7,991,047	7,533,078	7,824,849	7,610,099
17,976,545	17,671,898	17,233,644	16,259,126	15,940,459
1,242,486	492,168	493,377	588,693	585,532
2,534,139	2,328,166	2,062,179	2,278,123	2,745,117
1,909,315	2,145,697	1,886,410	1,783,381	1,806,298
656,999	876,264	675,183	762,761	885,871
2,966,215	2,083,320	2,508,773	2,764,286	1,984,304
2,782,967	1,833,099	1,927,685	3,017,762	6,029,700
1,538,405	2,025,221	2,045,411	2,007,728	1,615,655
585,924	580,065	606,431	640,178	700,193
-	-	-	-	-
<u>40,132,777</u>	<u>38,026,945</u>	<u>36,972,171</u>	<u>37,926,887</u>	<u>39,903,228</u>
<u>(2,850,194)</u>	<u>(2,841,300)</u>	<u>1,277,391</u>	<u>830,881</u>	<u>(1,719,000)</u>
-	-	-	-	-
-	-	1,700,000	-	-
256,564	-	-	-	-
-	-	-	-	-
-	-	29,847	-	557,708
1,140,453	1,046,488	1,941,380	2,228,086	3,027,653
(1,654,843)	(1,302,304)	(2,038,358)	(2,571,645)	(3,429,373)
<u>(257,826)</u>	<u>(255,816)</u>	<u>1,632,869</u>	<u>(343,559)</u>	<u>155,988</u>
<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>	<u>\$ 487,322</u>	<u>\$ (1,563,012)</u>
2,824,370	2,372,745	2,192,532	3,502,785	8,024,415
5.69%	7.31%	7.62%	7.69%	7.26%

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)
2013	\$ 377,697,430	\$ 1,079,135,514	\$ 17,925,480	\$ 20,369,864	\$ -	\$ -
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

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

<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 395,622,910	\$ 1,099,505,378	3.50	35.98%
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%

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
2013	2.90	0.30	0.30	3.50	12.30	62.10	2.40	17.00
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

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	94.80	98.30
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

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CITY OF WARREN, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 14,020,810	1	3.54%
Warren Ohio Hospital Company LLC	9,857,700	2	2.49%
East Ohio Gas Co	2,452,440	3	0.62%
Sam's Real Estate Business Trust	2,323,200	4	0.59%
Rydyl I LLC	2,297,670	5	0.58%
NRR Commerce Ltd	1,925,360	6	0.49%
Simon-Northbury Colony Ltd	1,915,620	7	0.48%
North Mar Center	1,654,000	8	0.42%
Warren Plaza Co	1,541,510	9	0.39%
American Transmission	1,452,230	10	0.37%
Total, Top Ten Property Taxpayers	\$ 39,440,540		9.97%
Total City Property Tax Assessed Valuation	\$ 395,622,910		

December 31, 2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 10,162,870	1	2.14%
United Telephone	7,007,790	2	1.47%
Delphi Automative Systems LLC	5,300,470	3	1.12%
Alcan Fabrication Corp	4,779,530	4	1.01%
Excel Extrusions Inc	4,461,010	5	0.94%
GE Lighting Inc	4,032,540	6	0.85%
AVI Food Systems Inc	2,298,410	7	0.48%
WCI Steel Inc	2,179,570	8	0.46%
Diane Sauer Chevrolet	1,949,650	9	0.41%
Sims Buick GMC Truck	1,832,710	10	0.39%
Total, Top Ten Property Taxpayers	\$ 44,004,550		9.27%
Total City Property Tax Assessed Valuation	\$ 475,346,480		

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>
2013	\$ 1,383,574	\$ 1,260,201	91.08%	\$ 71,295	\$ 1,331,496	96.24%	\$ 482,854	34.90%
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%

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
2013	\$ 526,229	\$ 69,452	13.20%	\$ -	\$ 69,452	13.20%	\$ 2,600,219	494.12%
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%

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
2013	2.00%	\$ 16,594,792	\$ 12,852,413	77.45%	\$ 1,749,744	10.54%
2012	2.00%	17,337,806	13,278,181	76.59%	1,967,183	11.35%
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%

Source: The City of Warren Income Tax Department

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	1,992,635	12.01%
	2,092,442	12.07%
	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%

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
2013	\$11,482,316	\$ 290,000	\$ -	\$ 1,225,000	\$ 45,208	\$ 179,595	\$ -
2012	3,611,929	375,000	-	1,320,000	67,457	192,423	61,139
2011	1,533,091	450,000	-	1,405,000	53,928	205,251	119,660
2010	2,595,673	520,000	-	1,485,000	53,928	218,079	180,152
2009	3,664,858	585,000	80,728	1,560,000	53,928	230,908	240,369
2008	4,690,932	645,000	237,753	1,630,000	148,075	243,736	298,551
2007	5,812,588	700,000	389,051	1,700,000	166,297	-	358,231
2006	7,512,060	755,000	534,831	1,700,000	183,805	-	418,207
2005	9,242,077	810,000	675,294	-	202,000	-	444,755
2004	10,969,293	860,000	810,635	-	-	-	496,639

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
\$ 5,555,059	\$ -	\$ 19,808,127	\$ 49,428	\$ -	\$ 38,634,733	\$ 680,236,992	5.68%	40,723	\$ 949
6,695,533	-	18,881,084	51,225	-	31,255,790	680,008,236	4.60%	41,358	756
1,131,689	7,330,000	20,800,593	53,022	-	33,082,234	688,641,047	4.80%	41,557	796
1,671,990	7,810,000	22,494,105	-	61,980	37,090,907	1,248,588,736	2.97%	43,402	855
2,193,791	8,265,000	24,606,332	-	127,262	41,608,176	1,259,721,952	3.30%	43,789	950
2,697,592	8,700,000	26,390,107	-	189,078	45,870,824	1,303,190,400	3.52%	45,300	1,013
3,199,893	9,115,000	27,463,326	-	247,622	49,152,008	1,317,459,328	3.73%	45,796	1,073
3,694,194	9,515,000	24,032,121	-	304,233	48,649,451	1,250,413,984	3.89%	45,796	1,062
4,180,995	9,895,000	21,771,589	-	4,809	47,226,519	1,241,208,988	3.80%	45,796	1,031
4,659,295	10,260,000	22,988,827	-	8,179	51,052,868	1,208,870,119	4.22%	46,223	1,104

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
2013	40,723	\$ 1,099,505,378	\$ 17,037,375	\$ 2,017,079	\$ 15,020,296	1.37%	\$ 369
2012	41,358	1,109,539,796	10,307,462	1,398,296	8,909,166	0.80%	215
2011	41,557	1,232,473,970	2,664,780	1,615,731	1,049,049	0.09%	25
2010	43,402	1,245,512,599	4,267,663	1,123,312	3,144,351	0.25%	72
2009	43,789	1,254,450,204	5,858,649	1,013,994	4,844,655	0.39%	111
2008	45,300	1,493,496,492	7,388,524	761,906	6,626,618	0.44%	146
2007	45,796	1,513,956,094	9,012,481	483,719	8,528,762	0.56%	186
2006	45,796	1,516,017,244	11,206,254	374,737	10,831,517	0.71%	237
2005	45,796	1,400,182,569	13,423,072	372,932	13,050,140	0.93%	285
2004	46,223	1,399,448,798	15,628,588	338,675	15,289,913	1.09%	331

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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
Direct:			
City of Warren	\$ 13,222,119	100.00%	\$ 13,222,119
Total direct debt			<u>13,222,119</u>
Overlapping debt:			
Trumbull County	15,214,514	12.15%	1,848,563
Warren City School District	1,135,000	95.13%	1,079,726
Howland Local School District	1,054,680	13.41%	141,433
LaBrae Local School District	4,708,989	9.41%	443,116
Lakeview Local School District	1,860,000	0.03%	558
Geauga-Trumbull Jt. Solid Waste Management	550,000	6.30%	34,650
Total overlapping debt			<u>3,548,046</u>
Total direct and overlapping debt			<u>\$ 16,770,165</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed value**	\$ 395,622,910	\$ 398,051,570	\$ 440,168,950	\$ 442,367,630
Legal debt margin:				
Debt limitation - 10.5% of assessed value	41,540,406	41,795,415	46,217,740	46,448,601
Debt applicable to limitation:				
Total bonded debt	16,590,000	10,075,000	9,980,000	12,055,000
Exemptions:				
Debt service fund balance	(2,017,079)	(1,398,296)	(874,361)	(505,151)
Debt supported by enterprise fund operations	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>
Total exemptions	<u>(7,442,079)</u>	<u>(7,946,296)</u>	<u>(9,329,861)</u>	<u>(9,977,651)</u>
Total debt applicable to limitation	<u>9,147,921</u>	<u>2,128,704</u>	<u>650,139</u>	<u>2,077,349</u>
Total legal debt margin within 10.5% limitation	<u>\$ 32,392,485</u>	<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>	<u>\$ 44,371,252</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 21,759,260	\$ 21,892,836	\$ 24,209,292	\$ 24,330,220
Debt applicable to limitation:				
Total bonded debt	16,590,000	10,075,000	9,980,000	12,055,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>
Total debt within 5.5% limitations	<u>11,165,000</u>	<u>3,527,000</u>	<u>1,524,500</u>	<u>2,582,500</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 10,594,260</u>	<u>\$ 18,365,836</u>	<u>\$ 22,684,792</u>	<u>\$ 21,747,720</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.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 443,215,720	\$ 445,218,130	\$ 443,015,560	\$ 500,021,312	\$ 477,844,561	\$ 475,346,480
46,537,651	46,747,904	46,516,634	52,502,238	50,173,679	49,911,380
14,093,104	16,050,096	18,081,170	20,667,060	23,255,995	25,818,630
(336,286)	(133,279)	(34,943)	(36,117)	(33,214)	(24,975)
<u>(10,446,000)</u>	<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>(10,782,286)</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>
3,310,818	4,535,317	5,750,727	7,444,443	9,172,781	10,903,655
<u>\$ 43,226,833</u>	<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>
\$ 24,376,865	\$ 24,486,997	\$ 24,365,856	\$ 27,501,172	\$ 26,281,451	\$ 26,144,056
14,093,104	16,050,096	18,081,170	20,667,060	23,255,995	25,818,630
<u>(10,446,000)</u>	<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>3,647,104</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>\$ 20,729,761</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>

CITY OF WARREN, OHIO

PLEGDED 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

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	
2013	\$ 1,587,073	\$ -	\$ 1,587,073	\$ 721,975	\$ 411,209	\$ 1,133,184	1.40
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	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.

CITY OF WARREN, OHIO

PLEDGED 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>	
2013	\$ 8,027,797	\$ 5,971,569	\$ 2,056,228	\$ 935,977	\$ 246,772	\$ 1,182,749	1.74
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

(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
2013	40,723	\$ 680,236,992	\$ 16,704	8.8%	8.1%	7.4%	7.4%
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%

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	2013		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Warren Ohio Hospital Co.	\$ 1,067,222	1	8.30%
Trumbull County Auditor	987,159	2	7.68%
St. Elizabeth Medical Center	758,089	3	5.90%
Warren City Schools	653,978	4	5.09%
State of Ohio, Dep't of Adm. Services	442,512	5	3.44%
City of Warren	422,173	6	3.28%
AVI Food Systems	314,494	7	2.45%
GE Lighting	293,801	8	2.29%
First Place Bank	157,876	9	1.23%
General Motors	139,946	10	1.09%
Total	\$ 5,237,250		40.75%
Total 2013 City Income Tax Withholding	<u>\$ 12,852,413</u>		

Employer	2004		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull Memorial Hospital	\$ 1,133,838	1	7.39%
Delphi Automotive Systems Service	1,065,432	2	6.95%
Trumbull County Auditor	888,787	3	5.80%
Warren City Schools	748,465	4	4.88%
St. Elizabeth Medical Center	646,932	5	4.22%
GE Lighting	488,957	6	3.19%
State of Ohio, Dep't of Adm. Services	475,308	7	3.10%
Delphi Automotive Systems	389,424	8	2.54%
City of Warren	387,521	9	2.53%
General Motors Corp.	361,942	10	2.36%
Total	\$ 6,586,606		42.95%
Total 2004 City Income Tax Withholding	<u>\$ 15,336,812</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	2013	2012	2011	2010	2009	2008	2007	2006
General Government								
Council	11.00	12.00	12.00	12.00	12.00	13.00	13.00	13.00
Mayor	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Finance	6.00	6.00	6.00	6.00	5.00	5.00	6.00	6.00
Income Tax	7.00	7.00	7.00	6.00	5.00	6.00	8.00	8.00
Law	11.00	11.00	9.00	9.00	9.00	9.00	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	2.00	1.00	1.00	1.00	3.00	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	31.00	30.00	33.00	34.00	34.00	34.00	33.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	29.00	28.00	29.00	26.00	25.00	48.00	49.00	50.00
Engineering	11.00	11.00	11.00	10.00	11.00	11.00	13.00	14.00
Security of Persons and Property								
Police	82.00	83.00	84.00	81.00	77.00	81.00	101.00	102.00
Fire	70.00	73.00	73.00	63.00	57.00	64.00	78.00	78.00
Public Health and Welfare								
Health Services	12.00	12.00	12.00	12.00	10.00	11.00	14.00	13.00
Economic Development								
Community Development	5.00	5.00	5.00	5.00	6.00	5.00	5.00	6.00
Packard Music Hall	5.00	5.00	4.00	3.00	2.00	4.00	7.00	7.00
Data Processing	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00
Utility Services								
Water	75.00	78.00	79.00	82.00	85.00	84.00	85.00	83.00
Sewer/Stormwater	45.00	44.00	42.00	51.00	53.00	48.00	52.00	48.00
Sanitation	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	432.00	438.00	433.00	429.00	421.00	456.00	508.00	504.00

Source: City of Warren records

<u>2005</u>	<u>2004</u>
13.00	13.00
4.00	4.00
6.00	6.00
7.00	9.00
10.00	10.00
4.00	4.00
2.00	2.00
3.00	3.00
32.00	34.00
2.00	2.00
46.00	51.00
13.00	13.00
95.00	95.00
77.00	78.00
14.00	14.00
6.00	6.00
5.00	5.00
3.00	3.00
82.00	80.00
47.00	48.00
15.00	14.00
<u>486.00</u>	<u>494.00</u>

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST EIGHT YEARS

Function	2013	2012	2011	2010	2009	2008	2007
Security of Persons and Property							
Police:							
Physical Arrests	2,301	1,848	2,668	2,229	2,887	4,125	4,041
Parking Violations	1,728	452	545	273	453	510	536
Traffic Violations	2,849	2,036	4,238	3,803	3,036	5,336	5,377
Fire:							
Calls for Service	952	1,122	1,386	1,230	1,030	1,377	1,399
Fire Safety Inspections	1,346	1,213	1,152	1,125	1,135	1,052	1,024
Leisure Time Activities							
Enclosed Shelter Rentals	105	112	92	76	78	76	71
Log Cabin Rentals	25	11	18	5	10	8	7
Pavilion Rentals	231	260	205	200	177	170	200
Transportation							
Street Resurfacing (Miles)	6.46	8	6	8	16	2	12
Potholes Repaired	1,350	1,140	1,157	1,236	1,006	871	536
Water							
New Connections	5	17	13	11	16	21	25
Water Main Breaks	137	128	70	94	53	107	104
Average Daily Consumption (thousands of gallons)	11,383	11,380	12,504	11,625	11,285	12,846	12,963
Sewer							
Average Daily Consumption (thousands of gallons)	13,920	13,310	17,240	12,560	13,380	17,952	13,700
Sanitation							
Refuse Collected (tons daily)	92	91	90	90	88	82	91

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

2006

3,942
797
5,949

1,304
1,076

87
20
257

10
638

39
86

13,092

16,216

92

CITY OF WARREN, OHIO

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

Function	2013	2012	2011	2010	2009	2008	2007
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	32	30	27	27	29	33	33
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	2	2	2	3	3
Reserve Fire Pumpers	1	1	1	1	1	1	2
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	2	1	1	1	1	1	1
Leisure Time Activities							
Park Acreage	262.92	262.92	262.92	256.78	256.78	256.78	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	4	2
Deemer Park							
Tennis Courts	0	4	4	4	4	4	4
Transportation							
Streets (Paved Miles)	184.423	184.423	184.423	184.309	184.309	184.309	184.309
Traffic Signals	60	63	63	63	61	61	59
Water							
Water Mains (miles)	300	300	300	300	300	299	291
Fire Hydrants	1,905	1,906	1,906	1,904	1,904	1,906	1,904
Maximum Daily Capacity (thousands of gallons)	22,800	22,700	22,700	22,700	22,700	22,700	22,700
Sewer							
Sanitary Sewers (miles)	201.390	199.200	199.200	199.200	196.943	199.200	199.200
Storm Sewers (miles)	123.394	125.500	125.500	125.500	123.390	125.500	125.500
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	9	8	8	8

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

2006

1
33

3
3
2
2
1

251.11

1
3
6

6
2

2

4

184.309
59

307
1,915

22,700

196.943
123.230

40,000

9

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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 28, 2014**