

CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

DAVID N. GRIFFING, CITY AUDITOR

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, CITY AUDITOR

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	
Table of Contents	i-iv
Letter of Transmittal.....	v-x
Elected and Appointed Officials	xi
Organization Chart.....	xii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT.....	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	5-19
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22-23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24-25
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	28-29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	31
Community Development Block Grant Fund.....	32
Statement of Net Position - Proprietary Funds.....	33
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	34-35
Statement of Cash Flows - Proprietary Funds.....	36-39
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	40
Notes to the Basic Financial Statements.....	41-77

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions - Governmental Funds.....	80-81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund.....	82-86
Community Development Block Grant.....	87
Combining Balance Sheet - Nonmajor Special Revenue Funds	88-91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	92-95

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Court Computerization.....	96
Street Maintenance.....	97
Police Grants	98
Drivers Alcohol Treatment.....	99
Drug Law Enforcement.....	100
Law Enforcement Trust.....	101
Enforcement and Education	102
Federal Forfeitures	103
Probation - Municipal Court	104
Special Projects - Courts	105
Legal Research - Courts	106
Guarantee Loan	107
Highway Construction	108
Motor Vehicle Levy	109
Home Investment	110
General Bond Payment	111
General Capital Projects.....	112

Individual Fund Schedules - Enterprise Funds:

Fund Descriptions - Enterprise Funds.....	113
Combining Statement of Net Position - Nonmajor Enterprise Funds	115
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	116-117
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	118-119

Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Non-GAAP Budgetary Basis):

Sewer.....	120
Water.....	121
Sanitation	122
Packard Music Hall.....	123
City Redevelopment.....	124
Downtown Parking.....	125
Stormwater Utility.....	126

Individual Fund Schedules - Internal Service Funds:

Fund Descriptions - Internal Service Funds.....	127
Combining Statement of Net Position - Internal Service Funds.....	128

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	129
Combining Statement of Cash Flows - Internal Service Funds.....	130
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Life Insurance and Hospitalization.....	131
Workers Compensation.....	132
Data Processing.....	133
Risk Management.....	134
Individual Fund Schedules - Agency Funds:	
Fund Descriptions - Agency Funds.....	135
Combining Statement of Changes in Assets and Liabilities - All Agency Funds.....	136-137
III. STATISTICAL SECTION	
Statistical Section - Contents.....	139
Net Position by Component - Last Ten Years.....	140-141
Changes in Net Position - Last Ten Years.....	142-145
Fund Balances, Governmental Funds - Last Ten Years.....	146-147
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	148-149
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	150-151
Direct and Overlapping Property Tax Rates (Rate Per of \$1,000 Assessed Value) - Last Ten Years.....	152-153
Principal Property Taxpayers - Current Year and Nine Years Ago.....	155
Property Tax Levies and Collections - Last Ten Years.....	156
Special Assessment Tax Levies and Collections - Last Ten Years.....	157
Income Tax Revenue Base and Collections - Last Ten Years.....	158-159
Ratio of Outstanding Debt by Type - Last Ten Years.....	160-161
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years.....	162
Direct and Overlapping Governmental Activities Debt - as of December 31, 2014.....	163
Computation of Legal Debt Margin - Last Ten Years.....	164-165

III. STATISTICAL SECTION (CONTINUED)

Pledged Revenue Coverage - Water Fund - Last Ten Years	166
Pledged Revenue Coverage - Sewer Fund - Last Ten Years	167
Demographic and Economic Statistics - Last Ten Years	168
Principal Employers - Current Year and Nine Years Ago.....	169
Full-Time-Equivalent City Employees by Function /Program - Last Ten Years	170-171
Operating Indicators by Function - Last Nine Years.....	172-173
Capital Assets Statistics by Function - Last Nine Years	174-175



CITY OF WARREN, OHIO

Finance Department

DAVID N. GRIFFING
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

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

June 25, 2015

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, 2014, 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, 2014. 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, 2014 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 40,768 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.

A \$3 million renovation of a vacant downtown building is now the new home of the Tech Belt Energy Innovation Center (TBEIC), a government funded energy incubator aimed at development and commercialization of early stage energy technology.

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 \$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. Funding is also in place for a 60 unit, \$9 million senior housing project on the City's west side with construction scheduled to begin in 2015.

\$190,466 in small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2014. These loans help retain 39 current jobs and create 25 new employment opportunities. Using tax abatements and other incentives the City was able to attract a large technology company that added 200 new jobs to the City.

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 of two accessible restrooms and an elevator which will allow for better public use of this historic facility. 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 2014 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 several years.

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2014, 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 (ESD) of the Police department is comprised of one Captain, three Lieutenants, six Sergeants and twenty-six Patrol Officers. This is the only division, other than our 911 Center, 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, two Officers to the Trumbull Metropolitan Housing Authority, and has two K-9 units. These K-9 units are State certified for narcotics detection, tracking, patrol, and article searches. Additionally, a total of five Officers are assigned as School Resource Officers with the Warren City School District and John F. Kennedy/Blessed Sacrament Schools. 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. Also, the Department is deeply committed to its Citizen Awareness Academy which is a program aimed at improving communication and understanding between the police and the citizens, communities, neighborhoods and businesses we serve.

The Warren City Fire Department was the recipient of a KME Rescue Pumper last year as part of a Bond by the City of Warren. The rescue pumper is manufactured in Pennsylvania and the distributor is Warren Fire Equipment in Lordstown. This Rescue pumper responds to just about any type of call imaginable including structure fires, car fires, hazardous material incidents, auto accidents, and confined space rescue calls. The cost of the truck was in excess of \$500,000.

The Fire Department was also awarded a Fire Investigation Grant through the Federal Emergency Management Agency's Assistance to Firefighter's Grant. This grant was for just over \$36,000 and will provide specific training for all of our fire investigators. This grant will also provide additional equipment such as hand tools, generators, portable lighting, and cameras to name a few. The goal of this grant is to provide training and equipment to help reduce the amount of intentionally set fires.

The Fire Department also received a grant to purchase firefighting turnout gear for 32 of our firefighters. This grant was also Assistance to Firefighter's Grant through the Federal Emergency Management Agency. The amount of the grant was slightly over \$67,000. The cost of the firefighting pants and coat only cost in excess of \$2,000. The turnout gear protects the firefighters from heat and flames they normally encounter in their daily operations.

The Fire Department Save A Life Smoke Alarm (SALSA) has been quite successful since its inception in 2012. The SALSA programs under the direction of Lt. Chuck Eggleston with the assistance of Hands On Volunteer Network of Mahoning Valley have installed over 800 smoke detectors in residences in the City of Warren. The smoke detectors are long life that is provided with 10 year sealed lithium batteries. The program is funded by donations as well as a federal grant that was obtained. The Fire Department is currently working on another grant application to continue this successful program. All Warren City residents are able to get smoke detectors installed in their homes by filling out the application. No Warren City residents are denied smoke detectors.

The Central Fire Station underwent significant renovations during 2014 and is still continuing. The heating and cooling system was completely upgraded with new wall mounted units, new boiler and thermostats. All of the windows were replaced with more energy efficient windows. The roof was completely replaced and all of the apparatus bay doors are scheduled to be replaced. The upgrades were slightly under \$500,000.

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 allowed the City to make improvements to the City streets in the amount of \$11,000,000 during 2014. These two projects had a positive effect on City infrastructure.

The City has been working on upgrading the financial software system from a main frame based system to a web based system. This new software system will allow the City more flexibility in preparing reports for departments and the City administration with less intervention from the Data Processing Department. There will be more access to information and report writing that can easily be transmitted to those requesting information and reports. The City went live with the software on April 27, 2015 which was a challenge to convert the financial system as well as the payroll system at the same time. Although there have been a few delays in the process, the system is up and running now. We will be upgrading the Utilities software later this summer.

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, 2013. This was the twelfth 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

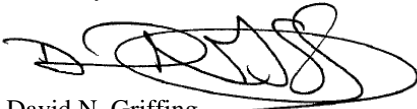
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive 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 third 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, 2014

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	James Graham
Council Member – 1 st Ward	Larry Larson
Council Member – 2 nd Ward	Alford Novak
Council Member – 3 rd Ward	John Brown, Jr.
Council Member – 4 th Ward	Gregory Bartholomew
Council Member – 5 th Ward	Vincent S. Flask
Council Member – 6 th Ward	Cheryl Saffold
Council Member – 7 th Ward	Eddie Colbert
Council Member – At-Large	James Valesky, Jr.
Council Member – At-Large	Helen Rucker
Council Member – At-Large	Daniel Sferra

APPOINTED OFFICIALS

Department of Public Safety:

Director of Public Safety	Enzo C. Cantalamessa
Police Chief	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	Edward Haller
Packard Music Hall Manager	Christopher Stephenson*
Director of Environmental Services	Leann O'Brien
Director of Community Development	Michael Keys

* Effective September 1, 2014, JAC Management Group assumed operations of the Packard Music Hall.

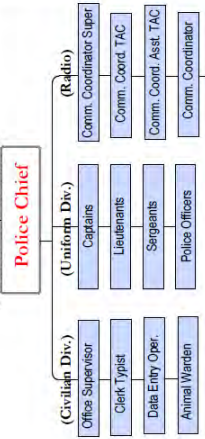
CITY of WARREN, OHIO

MAYOR

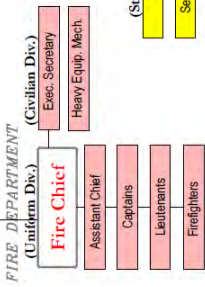
ADMINISTRATIVE



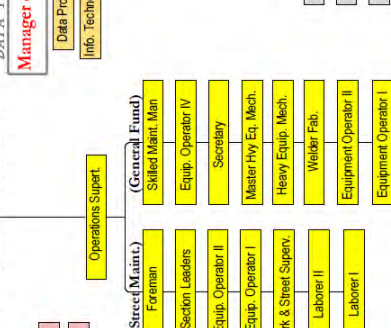
POLICE DEPARTMENT



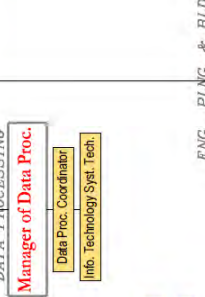
FIRE DEPARTMENT



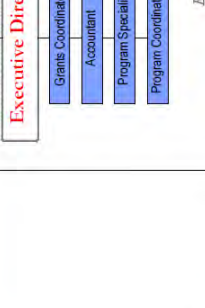
OPERATIONS DEPARTMENT



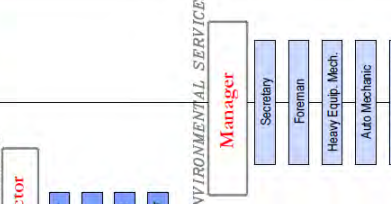
DATA PROCESSING



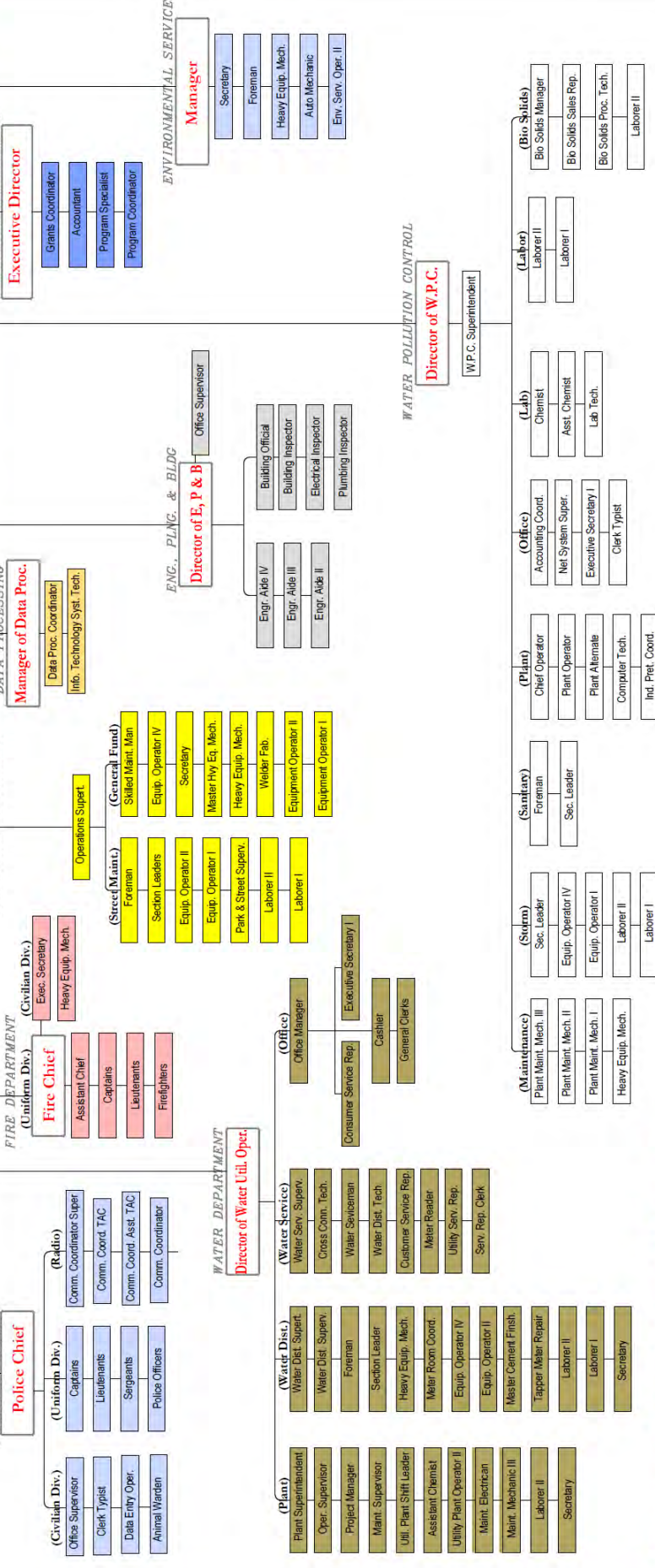
COMMUNITY DEVELOPMENT



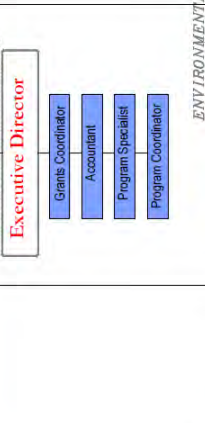
ENVIRONMENTAL SERVICES



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, 2013

Executive Director/CEO

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

June 25, 2015

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, 2014, 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, 2014, 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 5–19 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 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 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, 2015 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.

Hea & Associates, Inc.

Medina, Ohio

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (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, 2014. 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 2014 are as follows:

- The total net position of the City increased \$374,345. Net position of governmental activities increased \$1,894,568 or 3.19% from 2013 and net position of business-type activities decreased \$1,520,223 or 4.55%.
- General revenues accounted for \$20,368,522 or 64.42% of total governmental activities revenue. Program specific revenues accounted for \$11,251,157 or 35.58% of total governmental activities revenue. Governmental activities also reported a special item gain of \$2,280,036.
- The City had \$31,682,147 in expenses related to governmental activities; \$11,251,157 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 \$20,368,522 partially covered the remaining expenses of \$20,430,990.
- The general fund had revenues of \$24,253,656 in 2014. This represents a decrease of \$1,639,170 or 6.33% from 2013 revenues. The expenditures and other financing uses of the general fund, which totaled \$25,951,837 in 2014, decreased \$1,219,425 or 4.49% from 2013. Other changes in fund balance for the general fund include a special item loss of \$39,538. The net decrease in fund balance for the general fund was \$1,737,719 in 2014.
- The community development block grant fund, a major governmental fund, had revenues of \$1,846,148 and expenditures and other financing uses of \$1,806,404 in 2014, resulting in an increase in fund balance of \$39,744.
- The general bond payment fund is major governmental fund and had revenues of \$1,534,828 and expenditures and other financing uses of \$2,156,497 in 2014. Fund balance decreased from \$2,017,079 to \$1,395,410.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$4,435,849 in 2014. Expenditures in 2014 totaled \$6,759,171 and the fund balance at the end of the year was \$3,196,189.
- Net position for the business-type activities, which are made up of the water, sewer, sanitation, Packard Music Hall (activity from January 1, 2014 through August 31, 2014), downtown parking, city redevelopment and stormwater utility enterprise funds, decreased in 2014 by \$1,520,223.
- Effective September 1, 2014, a private management company took over the operations of the Packard Music Hall, which had previously been reported in the Packard Music Hall nonmajor enterprise fund for the City. The City transferred all residual fund assets and liabilities to the general fund and has reported this net amount as a special item in the financial statements.

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, 2014 (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 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 21-23 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 13.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (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 24-32 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 33-39 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 40 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 41-77 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 2014 and 2013.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Net Position

	Governmental Activities 2014	Business-type Activities 2014	Governmental Activities 2013	Business-type Activities 2013	2014 Total	2013 Total
<u>Assets</u>						
Current and other assets	\$ 29,939,170	\$ 11,784,924	\$ 35,070,629	\$ 9,896,696	\$ 41,724,094	\$ 44,967,325
Capital assets	<u>54,417,368</u>	<u>48,023,235</u>	<u>48,006,754</u>	<u>51,651,354</u>	<u>102,440,603</u>	<u>99,658,108</u>
Total assets	<u>84,356,538</u>	<u>59,808,159</u>	<u>83,077,383</u>	<u>61,548,050</u>	<u>144,164,697</u>	<u>144,625,433</u>
Deferred outflows of resources	<u>-</u>	<u>52,131</u>	<u>-</u>	<u>114,689</u>	<u>52,131</u>	<u>114,689</u>
<u>Liabilities</u>						
Current liabilities	3,163,191	1,531,711	3,063,706	1,318,869	4,694,902	4,382,575
Long-term liabilities	<u>18,552,262</u>	<u>26,458,203</u>	<u>19,189,695</u>	<u>26,953,271</u>	<u>45,010,465</u>	<u>46,142,966</u>
Total liabilities	<u>21,715,453</u>	<u>27,989,914</u>	<u>22,253,401</u>	<u>28,272,140</u>	<u>49,705,367</u>	<u>50,525,541</u>
Deferred inflows of resources	<u>1,298,590</u>	<u>-</u>	<u>1,376,055</u>	<u>-</u>	<u>1,298,590</u>	<u>1,376,055</u>
<u>Net position</u>						
Net investment in capital assets	47,726,468	23,181,238	44,093,603	26,353,429	70,907,706	70,447,032
Restricted	15,460,341	-	15,707,734	-	15,460,341	15,707,734
Unrestricted (deficit)	<u>(1,844,314)</u>	<u>8,689,138</u>	<u>(353,410)</u>	<u>7,037,170</u>	<u>6,844,824</u>	<u>6,683,760</u>
Total net position	<u>\$ 61,342,495</u>	<u>\$ 31,870,376</u>	<u>\$ 59,447,927</u>	<u>\$ 33,390,599</u>	<u>\$ 93,212,871</u>	<u>\$ 92,838,526</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$93,212,871, an increase of 0.40% from 2013.

The decrease in current assets, and corresponding increase in capital assets, for the governmental activities is mostly due to spending on various capital improvement projects. The business-type activities also transferred net capital assets of approximately \$2.3 million to the governmental activities in 2014. The overall decrease in liabilities for both governmental activities and business-type activities is primarily due to the retirement of long-term debt obligations.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 71.06% of total assets, compared to 68.91% at December 31, 2013. 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, 2014, was \$47,726,468 and \$23,181,238 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, \$15,460,341, 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 \$1,844,314.

The following table shows the changes in net position for 2014 and 2013.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

	Change in Net Position					
	Governmental Activities 2014	Business-type Activities 2014	Governmental Activities 2013	Business-type Activities 2013	2014 Total	2013 Total
Revenues:						
Program revenues:						
Charges for services	\$ 3,876,964	\$ 24,267,536	\$ 4,047,880	\$ 23,050,078	\$ 28,144,500	\$ 27,097,958
Operating grants and contributions	4,801,159	-	4,090,277	-	4,801,159	4,090,277
Capital grants and contributions	<u>2,573,034</u>	<u>8,600</u>	<u>3,971,851</u>	<u>37,028</u>	<u>2,581,634</u>	<u>4,008,879</u>
Total program revenues	<u>11,251,157</u>	<u>24,276,136</u>	<u>12,110,008</u>	<u>23,087,106</u>	<u>35,527,293</u>	<u>35,197,114</u>
General revenues:						
Property taxes	1,370,616	-	1,311,792	-	1,370,616	1,311,792
Income taxes	16,247,030	-	16,624,172	-	16,247,030	16,624,172
Unrestricted grants and entitlements	2,016,181	-	3,639,724	-	2,016,181	3,639,724
Investment earnings	67,940	-	53,299	-	67,940	53,299
Miscellaneous	<u>666,755</u>	<u>322,482</u>	<u>562,200</u>	<u>435,637</u>	<u>989,237</u>	<u>997,837</u>
Total general revenues	<u>20,368,522</u>	<u>322,482</u>	<u>22,191,187</u>	<u>435,637</u>	<u>20,691,004</u>	<u>22,626,824</u>
Total revenues	<u>31,619,679</u>	<u>24,598,618</u>	<u>34,301,195</u>	<u>23,522,743</u>	<u>56,218,297</u>	<u>57,823,938</u>
Expenses:						
General government	5,938,254	-	5,490,149	-	5,938,254	5,490,149
Security of persons and property	15,374,111	-	16,292,351	-	15,374,111	16,292,351
Public health and welfare	652,802	-	681,620	-	652,802	681,620
Transportation	4,256,445	-	4,124,435	-	4,256,445	4,124,435
Community environment	2,165,295	-	2,545,832	-	2,165,295	2,545,832
Leisure time activity	499,936	-	499,204	-	499,936	499,204
Economic development	2,381,519	-	2,481,991	-	2,381,519	2,481,991
Interest and fiscal charges	413,785	-	195,930	-	413,785	195,930
Bond issuance costs	-	-	226,597	-	-	226,597
Sewer	-	7,157,384	-	7,126,141	7,157,384	7,126,141
Water	-	11,815,365	-	11,723,619	11,815,365	11,723,619
Sanitation	-	3,631,799	-	3,214,243	3,631,799	3,214,243
Packard Music Hall	-	525,830	-	706,478	525,830	706,478
City Redevelopment	-	260,920	-	76,175	260,920	76,175
Downtown Parking	-	136,077	-	149,373	136,077	149,373
Stormwater Utility	<u>-</u>	<u>634,430</u>	<u>-</u>	<u>551,745</u>	<u>634,430</u>	<u>551,745</u>
Total expenses	<u>31,682,147</u>	<u>24,161,805</u>	<u>32,538,109</u>	<u>23,547,774</u>	<u>55,843,952</u>	<u>56,085,883</u>
Increase (decrease) before special item and transfers	(62,468)	436,813	1,763,086	(25,031)	374,345	1,738,055
Special item (see Note 2.T)	2,280,036	(2,280,036)	-	-	-	-
Transfers	<u>(323,000)</u>	<u>323,000</u>	<u>(317,557)</u>	<u>317,557</u>	<u>-</u>	<u>-</u>
Change in net position	1,894,568	(1,520,223)	1,445,529	292,526	374,345	1,738,055
Net position at beginning 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>
Net position at end of year	<u>\$ 61,342,495</u>	<u>\$ 31,870,376</u>	<u>\$ 59,447,927</u>	<u>\$ 33,390,599</u>	<u>\$ 93,212,871</u>	<u>\$ 92,838,526</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$1,894,568 in 2014, after increasing \$1,445,529 in 2013. The increase in 2014 is due to transfers of assets and liabilities from the Packard Music Hall enterprise fund, which is reported as a special item. Effective September 1, 2014, the City elected to have a private company to operate the Packard Music Hall and transferred the fund's residual assets and liabilities to the governmental activities.

Total revenues decreased \$2,681,516 or 7.82%. Capital grants and contributions consist of grant revenue from the Ohio Department of Transportation for road construction and repair projects. The City received most of the funding for the approved grants in 2013. The increase in operating grants and contributions is mostly due to additional grant funding for the City's community development block grant programs. Most of the decrease in general revenues came from unrestricted grants and entitlements, which is primarily due to the continued decline in inheritance tax revenues received. The State inheritance tax was repealed effective January 1, 2013, therefore the only amounts the City currently receives are delinquent payments.

In total, 2014 expenses were comparable to the prior year, decreasing \$855,962 or 2.63%. The most significant change was for security of persons and property expenses, which were lower in 2014 primarily due to a decrease in fire department staff.

Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$15,374,111 and \$16,292,351 of the total expenses of the City during 2014 and 2013, respectively. These expenses were partially funded by \$1,598,937 in 2014 compared to \$1,452,930 in 2013 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$4,256,445 during 2014 and \$4,124,435 during 2013. In 2014, these expenses were fully funded by operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$7,374,193 during 2014, compared to \$8,062,128 during 2013. These revenues are restricted to a particular program or purpose. \$4,658,488 or 63.17% of the total grants and contributions subsidized transportation programs in 2014.

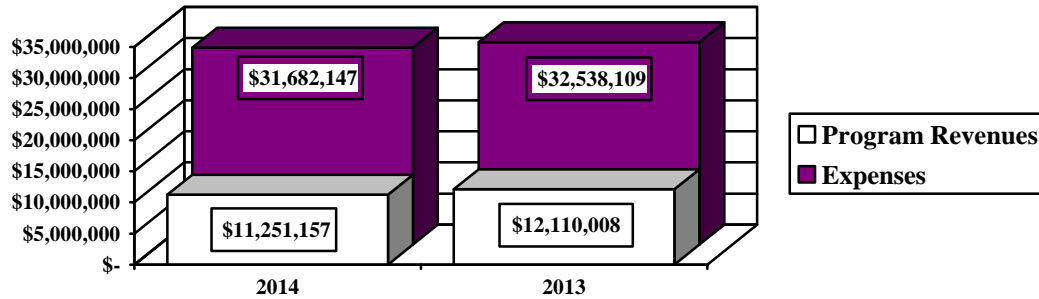
General revenues totaled \$20,368,522, and amounted to 64.42% of total governmental revenues during 2014. These revenues primarily consist of property and income tax revenue of \$17,617,646. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$2,016,181. These revenues sources combine for 62.09% of total governmental revenues.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

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



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

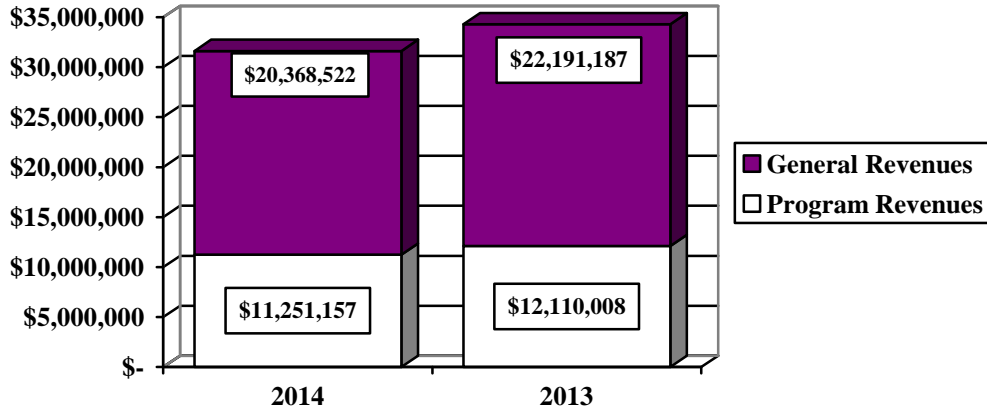
	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program Expenses:				
General government	\$ 5,938,254	\$ 4,679,470	\$ 5,490,149	\$ 4,270,616
Security of persons and property	15,374,111	13,635,419	16,292,351	14,673,185
Public health and welfare	652,802	440,304	681,620	477,165
Transportation	4,256,445	(402,393)	4,124,435	(1,816,955)
Community environment	2,165,295	866,228	2,545,832	1,420,560
Leisure time activity	499,936	476,684	499,204	463,122
Economic development	2,381,519	321,493	2,481,991	517,881
Interest and fiscal charges	413,785	413,785	195,930	195,930
Bond issuance costs	-	-	226,597	226,597
Total	\$ 31,682,147	\$ 20,430,990	\$ 32,538,109	\$ 20,428,101

The dependence upon general revenues for governmental activities is apparent, with 67.70% and 62.78% of expenses supported through taxes and other general revenues in 2014 and 2013, respectively. A decrease in program revenues, as described on page 10, led to an increased reliance upon general revenues in 2014.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Governmental Activities - General and Program Revenues



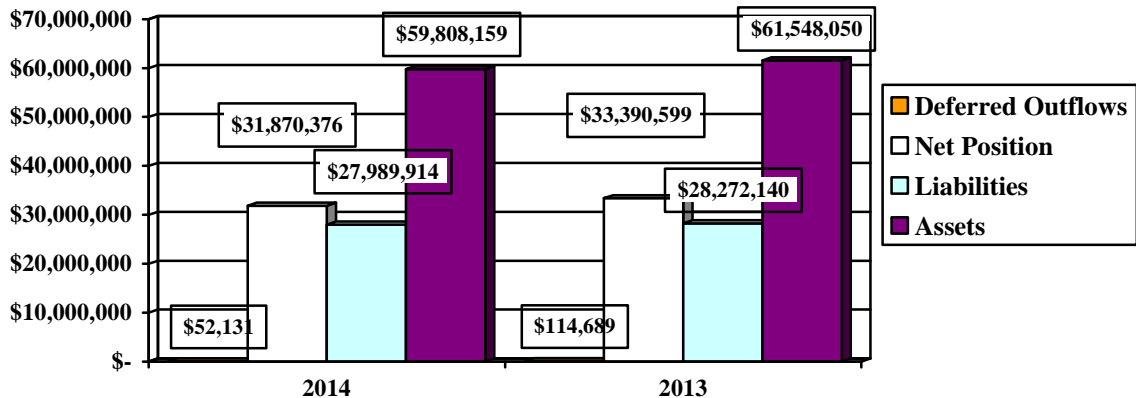
Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall (activity from January 1, 2014 through August 31, 2014), downtown parking, city redevelopment, and stormwater enterprise funds. In 2014 and 2013, these programs had program revenues of \$24,276,136 and \$23,087,106, respectively, and general revenues of \$322,482 and \$435,637, respectively. Total revenues for 2014 were \$24,598,618 which represents an increase of 4.57% from 2013 revenues of \$23,522,743. Higher revenues for water services made up most of this increase.

Total expenses for business-type activities were \$24,161,805 in 2014 compared to \$23,547,774 in 2013. This represents an increase of 2.61%. The business-type activities also reported a special item of \$(2,280,036) which represents the transfer of assets and liabilities related to the Packard Music Hall operations to the governmental activities.

Net position for business-type activities decreased \$1,520,223 or 4.55% from 2013. 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



CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

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 24-25) reported a combined fund balance of \$16,386,029 which is \$5,182,043 lower than last year's total of \$21,568,072. One of the main reasons for this large decrease is a result of the City spending a large portion of the 2013 bond issuance proceeds for capital projects in 2014. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2014 for all major and nonmajor governmental funds.

	Fund Balances 12/31/14	Fund Balances 12/31/13	Increase (Decrease)
Major funds:			
General	\$ 2,332,975	\$ 4,070,694	\$ (1,737,719)
Community development block grant	1,632,539	1,592,795	39,744
General bond payment	1,395,410	2,017,079	(621,669)
General capital projects	3,196,189	5,519,511	(2,323,322)
Nonmajor governmental funds	<u>7,828,916</u>	<u>8,367,993</u>	<u>(539,077)</u>
Total	<u>\$ 16,386,029</u>	<u>\$ 21,568,072</u>	<u>\$ (5,182,043)</u>

General Fund

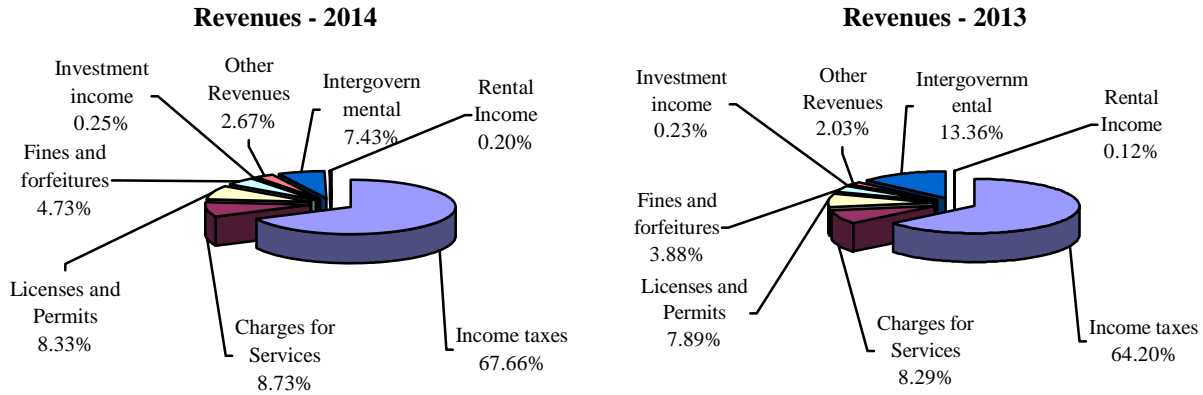
The City's general fund balance decreased \$1,737,719. The table that follows assists in illustrating the revenues of the general fund.

	2014 Amount	2013 Amount	Percentage Change
Revenues			
Income taxes	\$ 16,409,208	\$ 16,624,224	(1.29) %
Charges for services	2,118,099	2,146,723	(1.33) %
Licenses and permits	2,020,183	2,043,647	(1.15) %
Fines and forfeitures	1,148,146	1,004,271	14.33 %
Intergovernmental	1,801,270	3,459,216	(47.93) %
Investment income	60,434	59,044	2.35 %
Rental income	47,749	30,606	56.01 %
Other	<u>648,567</u>	<u>525,095</u>	23.51 %
Total	<u>\$ 24,253,656</u>	<u>\$ 25,892,826</u>	(6.33) %

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

The most significant change in general fund revenues, and the main reason for the overall decrease in revenues, is in intergovernmental revenues. These revenues decreased due to a decline in inheritance tax revenues, as discussed on page 10.



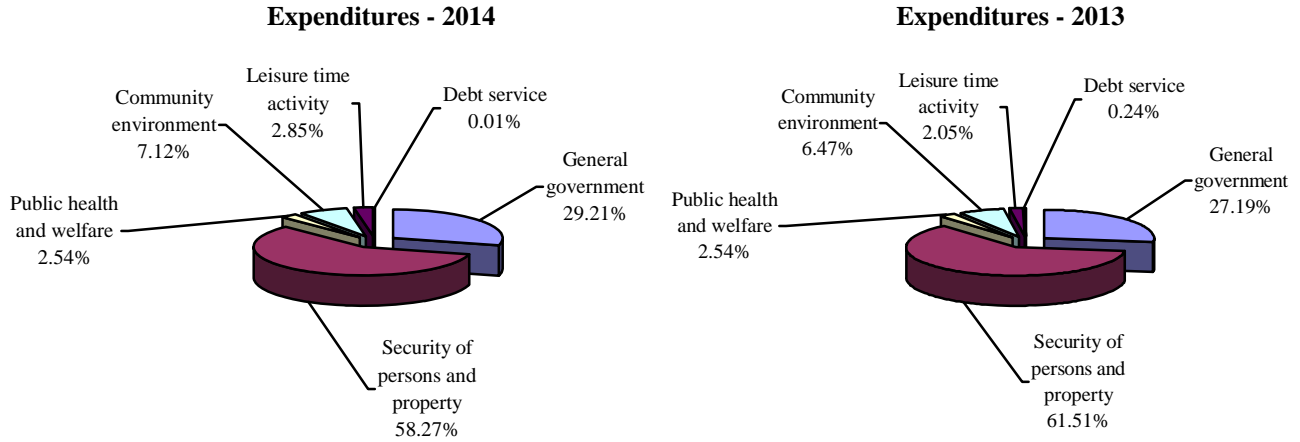
The table that follows assists in illustrating the expenditures of the general fund.

	2014 Amount	2013 Amount	Percentage Change
<u>Expenditures</u>			
General government	\$ 7,485,316	\$ 7,301,472	2.52 %
Security of persons and property	14,936,227	16,516,777	(9.57) %
Public health and welfare	650,352	682,462	(4.71) %
Community environment	1,825,474	1,738,663	4.99 %
Leisure time activity	730,344	550,457	32.68 %
Debt service	1,124	63,874	(98.24) %
Total	<u>\$ 25,628,837</u>	<u>\$ 26,853,705</u>	(4.56) %

Security of persons and property expenditures represent the largest expenditure category for the general fund. These expenditures decreased due to reductions in staff for the police and fire departments. The large increase in leisure time activity expenditures is a result of maintenance equipment purchases in 2014. Debt service payments in 2013 included the final payment on a capital lease.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(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. Revenues of \$1,846,148 exceeded expenditures and other financing sources of \$1,806,404, resulting in an increase in fund balance of \$39,744. Fund balance at December 31, 2014 was \$1,632,539, 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 for 2014 totaled \$1,534,828 and expenditures and other financing uses were \$2,156,497. Fund balance at December 31, 2014 was \$1,395,410, 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 \$4,435,849 and expenditures were \$6,759,171. Fund balance at December 31, 2014 was \$3,196,189, 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 \$8,195,004 in 2014 compared to \$8,027,797 in 2013, an increase of 2.08%. A slight increase in demand from the City's water customers is the primary cause for the higher revenues. Operating expenses also increased slightly in order to service the higher demand. The sewer fund reported operating income of \$1,263,570 for 2014.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

The water fund also felt the effects of increased consumer demand, as 2014 operating revenues of \$11,197,649 increased 5.52% compared to 2013. Operating expenses were largely unchanged, decreasing 0.33%. As a result of the increase in revenues, the water fund was able to report operating income of \$84,212 for 2014.

For the sanitation fund, operating revenues totaled \$3,485,823 in 2014. This represents an increase of 1.14% from 2013 operating revenues of \$3,446,499. Total operating expenses rose from \$3,204,354 in 2013 to \$3,620,384, an increase of 12.98%. This increase is primarily related to higher vehicle maintenance costs and higher costs for operating supplies, particularly diesel fuel. The sanitation fund reported an operating loss for 2014 in the amount of \$134,561 due to the increased expenses.

Budgeting Highlights

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

The City amended its general fund budget several times throughout the year. Original budgeted revenues and other financing sources of \$26,550,000 were increased to \$27,035,605 in the final budget. Budgeted other financing sources were increased \$414,025 to account for the issuance of bond anticipation notes in 2014. The only major decrease in budgeted revenues was for income taxes, which went from \$17,920,428 in the original budget to \$17,800,000 in the final budget to account for a leveling off of income tax collections. Actual revenues and other financing sources for the year were \$25,305,887 or \$1,479,718 less than the final budget. The largest variance was income taxes revenue, which came in \$1,250,771 less than budgeted due to lower than expected collections from withholdings.

For the general fund, original budgeted expenditures and other financing uses were \$26,870,920. The budget amendments throughout the year increased this amount to \$28,088,783 in the final budget. Actual expenditures and other financing uses were \$26,322,317 or \$1,766,466 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, particularly for the police and fire departments.

Capital Assets and Debt Administration

Capital Assets

At the end of 2014, the City had \$102,440,603 (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, \$54,417,368 was reported in governmental activities and \$48,023,235 was reported in business-type activities.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

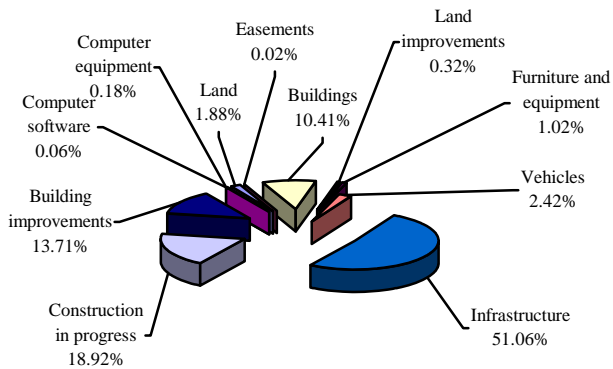
The following table shows 2014 balances compared to 2013:

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

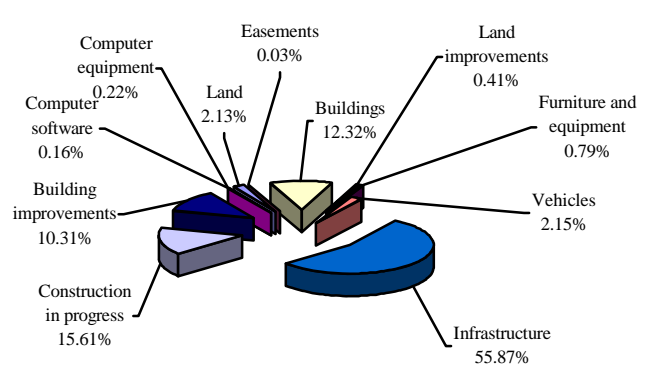
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	10,294,119	7,492,639	1,786,552	4,616,390	12,080,671	12,109,029
Land improvements	175,772	198,678	-	-	175,772	198,678
Buildings	5,666,100	5,914,489	4,453,708	5,248,344	10,119,808	11,162,833
Building improvements	7,461,282	4,950,689	6,345,862	9,579,991	13,807,144	14,530,680
Computer software	30,749	76,976	-	1,326	30,749	78,302
Computer equipment	100,189	104,930	28,865	36,016	129,054	140,946
Furniture and equipment	555,064	378,820	4,652,441	2,953,081	5,207,505	3,331,901
Vehicles	1,315,045	1,031,145	854,531	253,532	2,169,576	1,284,677
Infrastructure	27,781,511	26,820,851	29,516,877	28,578,275	57,298,388	55,399,126
Totals	\$ 54,417,368	\$ 48,006,754	\$ 48,023,235	\$ 51,651,354	\$ 102,440,603	\$ 99,658,108

The following graphs show the breakdown of governmental capital assets by category for 2014 and 2013:

Capital Assets - Governmental Activities 2014



Capital Assets - Governmental Activities 2013

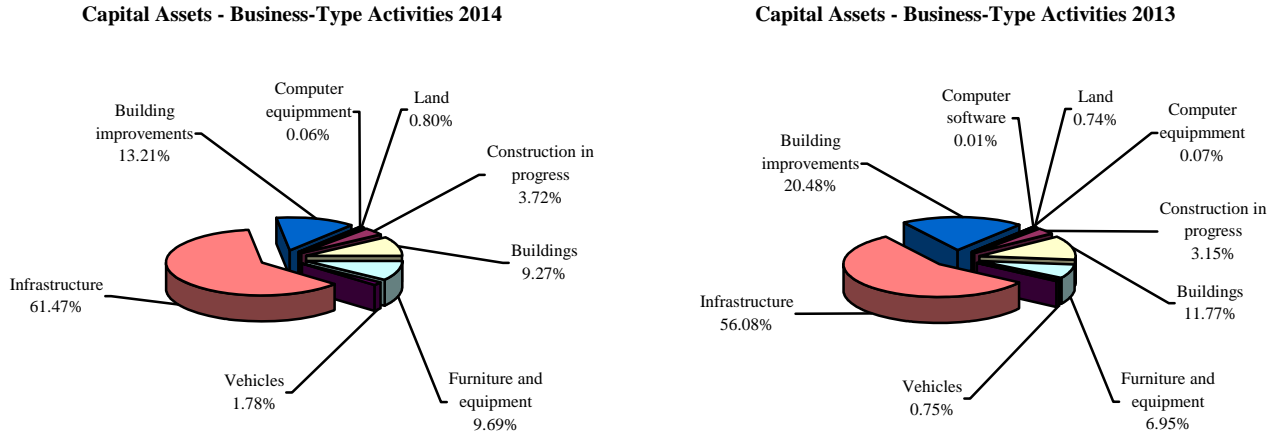


The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 51.06% of the City's total governmental capital assets.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2014 and 2013:



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 61.47% 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, 2014 and 2013. Additional detail can be found in Note 13 in the notes to the basic financial statements.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 10,804,746	\$ 11,482,316	\$ 4,980,473	\$ 5,555,059
Reinvestment partnership corporation loan	195,000	290,000	-	-
OWDA loans	-	-	19,569,057	19,808,127
HUD 108 loan	1,125,000	1,225,000	-	-
ODOD mortgage note	22,053	45,208	-	-
OPWC loan	166,767	179,595	47,631	49,428
Claims payable	1,047,355	987,385	-	-
Capital lease obligation	-	-	296,967	-
Compensated absences	5,191,341	4,980,191	1,564,075	1,540,657
Total long-term obligations	\$ 18,552,262	\$ 19,189,695	\$ 26,458,203	\$ 26,953,271

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2015 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 2015 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 2015 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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 11,974,298	\$ 8,575,257	\$ 20,549,555
Receivables:			
Income taxes	4,052,315	-	4,052,315
Real and other taxes	1,857,318	-	1,857,318
Accounts	391,297	3,621,885	4,013,182
Intergovernmental	1,695,338	24,872	1,720,210
Accrued interest	20,735	-	20,735
Special assessments	2,295,662	107,072	2,402,734
Loans	6,447,332	-	6,447,332
Internal balance	588,408	(588,408)	-
Materials and supplies inventory	5,192	44,246	49,438
Restricted assets:			
Equity in pooled cash and cash equivalents	611,275	-	611,275
Capital assets:			
Non-depreciable capital assets	11,331,656	2,170,951	13,502,607
Depreciable capital assets, net	43,085,712	45,852,284	88,937,996
Total capital assets, net	<u>54,417,368</u>	<u>48,023,235</u>	<u>102,440,603</u>
Total assets	<u>84,356,538</u>	<u>59,808,159</u>	<u>144,164,697</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	-	52,131	52,131
Total deferred outflows of resources	<u>-</u>	<u>52,131</u>	<u>52,131</u>
Liabilities:			
Accounts payable	280,671	766,166	1,046,837
Contracts payable	920,180	199,380	1,119,560
Accrued wages and benefits payable	535,844	198,961	734,805
Due to other governments	415,649	30,005	445,654
Accrued interest payable	56,946	337,199	394,145
Claims payable	953,901	-	953,901
Long-term liabilities:			
Due within one year	2,479,338	2,970,591	5,449,929
Due in more than one year	16,072,924	23,487,612	39,560,536
Total liabilities	<u>21,715,453</u>	<u>27,989,914</u>	<u>49,705,367</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,298,590	-	1,298,590
Total deferred inflows of resources	<u>1,298,590</u>	<u>-</u>	<u>1,298,590</u>
Net position:			
Net investment in capital assets	47,726,468	23,181,238	70,907,706
Restricted for:			
Debt service	2,145,641	-	2,145,641
Capital projects	899,088	-	899,088
Street maintenance	844,586	-	844,586
State highway	178,562	-	178,562
Law enforcement	292,581	-	292,581
Courts	1,588,016	-	1,588,016
Community developments and improvements	8,900,592	-	8,900,592
Warren Hills landfill	611,275	-	611,275
Unrestricted (deficit)	<u>(1,844,314)</u>	<u>8,689,138</u>	<u>6,844,824</u>
Total net position	<u>\$ 61,342,495</u>	<u>\$ 31,870,376</u>	<u>\$ 93,212,871</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,938,254	\$ 1,258,784	\$ -	\$ -
Security of persons and property	15,374,111	1,598,937	139,755	-
Public health and welfare	652,802	212,498	-	-
Transportation	4,256,445	350	2,085,454	2,573,034
Community environment	2,165,295	783,143	515,924	-
Leisure time activity	499,936	23,252	-	-
Economic development	2,381,519	-	2,060,026	-
Interest and fiscal charges	413,785	-	-	-
Total governmental activities	31,682,147	3,876,964	4,801,159	2,573,034
Business-type activities:				
Sewer	7,157,384	8,188,147	-	-
Water	11,815,365	10,930,207	-	8,600
Sanitation	3,631,799	3,446,470	-	-
Packard Music Hall	525,830	149,163	-	-
City Redevelopment	260,920	426,888	-	-
Downtown Parking	136,077	23,088	-	-
Stormwater Utility	634,430	1,103,573	-	-
Total business-type activities	24,161,805	24,267,536	-	8,600
Total primary government	\$ 55,843,952	\$ 28,144,500	\$ 4,801,159	\$ 2,581,634

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

Special item (see Note 2.T)

Transfers

Total general revenues, special item 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
\$ (4,679,470)	\$ -	\$ (4,679,470)
(13,635,419)	-	(13,635,419)
(440,304)	-	(440,304)
402,393	-	402,393
(866,228)	-	(866,228)
(476,684)	-	(476,684)
(321,493)	-	(321,493)
(413,785)	-	(413,785)
<u>(20,430,990)</u>	<u>-</u>	<u>(20,430,990)</u>
-	1,030,763	1,030,763
-	(876,558)	(876,558)
-	(185,329)	(185,329)
-	(376,667)	(376,667)
-	165,968	165,968
-	(112,989)	(112,989)
-	469,143	469,143
<u>-</u>	<u>114,331</u>	<u>114,331</u>
<u>(20,430,990)</u>	<u>114,331</u>	<u>(20,316,659)</u>
1,370,616	-	1,370,616
16,247,030	-	16,247,030
2,016,181	-	2,016,181
67,940	-	67,940
<u>666,755</u>	<u>322,482</u>	<u>989,237</u>
<u>20,368,522</u>	<u>322,482</u>	<u>20,691,004</u>
2,280,036	(2,280,036)	-
<u>(323,000)</u>	<u>323,000</u>	<u>-</u>
<u>22,325,558</u>	<u>(1,634,554)</u>	<u>20,691,004</u>
1,894,568	(1,520,223)	374,345
<u>59,447,927</u>	<u>33,390,599</u>	<u>92,838,526</u>
<u>\$ 61,342,495</u>	<u>\$ 31,870,376</u>	<u>\$ 93,212,871</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	<u>General</u>	<u>Community Development Block Grant</u>	<u>General Bond Payment</u>	<u>General Capital Projects</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 303,524	\$ 297,134	\$ 543,698	\$ 4,003,098
Receivables (net of allowance for uncollectibles):				
Income taxes.	4,052,315	-	-	-
Real and other taxes	-	-	1,857,318	-
Accounts.	338,622	12,550	-	-
Intergovernmental	659,176	54,471	99,457	31,986
Loans	-	1,404,875	-	-
Accrued interest	15,299	2,415	1,712	-
Due from other funds	2,131	-	850,000	-
Special assessments	122,415	2,054,356	118,891	-
Materials and supplies inventory.	4,877	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents .	611,275	-	-	-
Total assets	<u>\$ 6,109,634</u>	<u>\$ 3,825,801</u>	<u>\$ 3,471,076</u>	<u>\$ 4,035,084</u>
Liabilities:				
Accounts payable.	\$ 125,144	\$ 43,380	\$ -	\$ -
Contracts payable.	-	86,209	-	833,971
Accrued wages and benefits payable	499,164	8,072	-	-
Due to other funds	558,250	-	-	-
Due to other governments	143,920	1,245	-	-
Accrued interest payable	1,124	-	-	-
Total liabilities	<u>1,327,602</u>	<u>138,906</u>	<u>-</u>	<u>833,971</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . .	-	-	1,298,590	-
Delinquent property tax revenue not available .	-	-	558,728	-
Accrued interest not available	5,709	-	-	-
Special assessments revenue not available . . .	122,415	2,054,356	118,891	-
Miscellaneous revenue not available	17,667	-	-	-
Income tax revenue not available.	2,043,888	-	-	-
Intergovernmental revenue not available	259,378	-	99,457	4,924
Total deferred inflows of resources	<u>2,449,057</u>	<u>2,054,356</u>	<u>2,075,666</u>	<u>4,924</u>
Fund balances:				
Nonspendable	4,877	-	-	-
Restricted.	611,275	1,632,539	1,395,410	3,196,189
Assigned	210,808	-	-	-
Unassigned (deficit)	1,506,015	-	-	-
Total fund balances	<u>2,332,975</u>	<u>1,632,539</u>	<u>1,395,410</u>	<u>3,196,189</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,109,634</u>	<u>\$ 3,825,801</u>	<u>\$ 3,471,076</u>	<u>\$ 4,035,084</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,898,010	\$ 8,045,464
-	4,052,315
-	1,857,318
37,544	388,716
850,248	1,695,338
5,042,457	6,447,332
-	19,426
-	852,131
-	2,295,662
315	5,192
-	611,275
\$ 8,828,574	\$ 26,270,169
\$ 100,181	\$ 268,705
-	920,180
23,014	530,250
293,881	852,131
10,260	155,425
588	1,712
427,924	2,728,403
-	1,298,590
-	558,728
-	5,709
-	2,295,662
-	17,667
-	2,043,888
571,734	935,493
571,734	7,155,737
315	5,192
7,836,464	14,671,877
-	210,808
(7,863)	1,498,152
7,828,916	16,386,029
\$ 8,828,574	\$ 26,270,169

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances		\$	16,386,029
<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.			53,894,405
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	\$	558,728	
Income taxes receivable		2,043,888	
Accounts receivable		17,667	
Special assessments receivable		2,295,662	
Intergovernmental receivable		935,493	
Accrued interest receivable		5,709	
Total		5,857,147	5,857,147
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		(9,860,000)	
Loans payable		(1,486,767)	
Note payable		(22,053)	
Compensated absences payable		(5,083,955)	
Total		(16,452,775)	(16,452,775)
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.			(54,156)
Unamortized premiums on bond issuances are not recognized in the funds.			(284,479)
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.			2,057,916
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.			(61,592)
Net position of governmental activities		\$	61,342,495

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, 2014

	<u>General</u>	<u>Community Development Block Grant</u>	<u>General Bond Payment</u>	<u>General Capital Projects</u>
Revenues:				
Income taxes	\$ 16,409,208	\$ -	\$ -	\$ -
Property and other taxes.	-	-	1,318,438	-
Charges for services.	2,118,099	-	-	-
Licenses and permits	2,020,183	-	-	-
Fines and forfeitures	1,148,146	-	-	-
Intergovernmental.	1,801,270	1,817,216	198,824	2,368,110
Special assessments	-	8,899	11,650	-
Investment income.	60,434	18,099	5,916	-
Rental income	47,749	-	-	-
Other	648,567	1,934	-	737,489
Total revenues.	<u>24,253,656</u>	<u>1,846,148</u>	<u>1,534,828</u>	<u>3,105,599</u>
Expenditures:				
Current:				
General government	7,485,316	-	34,536	-
Security of persons and property	14,936,227	-	-	-
Public health and welfare.	650,352	-	-	-
Transportation	-	-	-	-
Community environment	1,825,474	-	-	-
Leisure time activity	730,344	-	-	-
Economic development.	-	1,683,952	-	-
Capital outlay	-	-	-	6,754,967
Debt service:				
Principal retirement	-	23,155	597,828	-
Interest and fiscal charges.	1,124	1,387	319,633	4,204
Total expenditures.	<u>25,628,837</u>	<u>1,708,494</u>	<u>951,997</u>	<u>6,759,171</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,375,181)</u>	<u>137,654</u>	<u>582,831</u>	<u>(3,653,572)</u>
Other financing sources (uses):				
Transfers in	-	-	-	1,330,250
Transfers (out).	(323,000)	(97,910)	(1,204,500)	-
Total other financing sources (uses)	<u>(323,000)</u>	<u>(97,910)</u>	<u>(1,204,500)</u>	<u>1,330,250</u>
Special item (see Note 2.T)	<u>(39,538)</u>	-	-	-
Net change in fund balances	(1,737,719)	39,744	(621,669)	(2,323,322)
Fund balances at beginning of year .	<u>4,070,694</u>	<u>1,592,795</u>	<u>2,017,079</u>	<u>5,519,511</u>
Fund balances at end of year	<u>\$ 2,332,975</u>	<u>\$ 1,632,539</u>	<u>\$ 1,395,410</u>	<u>\$ 3,196,189</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 16,409,208
-	1,318,438
-	2,118,099
94,232	2,114,415
520,119	1,668,265
2,368,882	8,554,302
-	20,549
22,778	107,227
-	47,749
90,254	1,478,244
<u>3,096,265</u>	<u>33,836,496</u>
59,371	7,579,223
547,795	15,484,022
-	650,352
1,619,094	1,619,094
-	1,825,474
-	730,344
592,841	2,276,793
520,451	7,275,418
195,000	815,983
72,950	399,298
<u>3,607,502</u>	<u>38,656,001</u>
<u>(511,237)</u>	<u>(4,819,505)</u>
97,910	1,428,160
<u>(125,750)</u>	<u>(1,751,160)</u>
<u>(27,840)</u>	<u>(323,000)</u>
-	(39,538)
(539,077)	(5,182,043)
8,367,993	21,568,072
<u>\$ 7,828,916</u>	<u>\$ 16,386,029</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, 2014

Net change in fund balances - total governmental funds \$ (5,182,043)

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 and net of the gross additions and depreciation of transferred assets.

Capital asset additions	\$ 7,247,084	
Current year depreciation	(3,188,577)	
Total	4,058,507	4,058,507

Capital assets do not provide current financial resources; therefore, the transfer of capital assets from the business-type activities, reported as a special item in the statement of activities, is not reported in the funds. 2,319,574

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

Delinquent property taxes	52,178	
Income taxes	(162,178)	
Other revenues	1,026	
Special assessments	(143,906)	
Intergovernmental revenues	129,002	
Investment income	281	
Total	(123,597)	(123,597)

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. 815,983

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.

Increase in accrued interest payable	(17,567)	
Amortization of bond premium	15,641	
Total	(1,926)	(1,926)

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds. (322,992)

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 \$125,733, is allocated among the governmental activities. 331,062

Change in net position of governmental activities \$ 1,894,568

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 17,920,428	\$ 17,800,000	\$ 16,549,229	\$ (1,250,771)
Charges for services.	2,335,696	2,320,000	2,166,527	(153,473)
Licenses and permits	2,106,657	2,092,500	2,022,156	(70,344)
Fines and forfeitures	1,284,995	1,276,360	1,144,302	(132,058)
Intergovernmental.	2,125,528	2,111,244	2,093,709	(17,535)
Investment income.	125,846	125,000	63,570	(61,430)
Rental income	30,203	30,000	48,809	18,809
Other	620,647	616,476	659,335	42,859
Total revenues	<u>26,550,000</u>	<u>26,371,580</u>	<u>24,747,637</u>	<u>(1,623,943)</u>
Expenditures:				
Current:				
General government	8,033,618	7,991,508	7,360,063	631,445
Security of persons and property	15,237,554	16,146,604	15,204,355	942,249
Public health and welfare.	719,672	721,416	651,907	69,509
Community environment	1,946,372	1,926,280	1,859,380	66,900
Leisure time activity	547,046	782,317	729,612	52,705
Total expenditures.	<u>26,484,262</u>	<u>27,568,125</u>	<u>25,805,317</u>	<u>1,762,808</u>
Excess of expenditures over revenues	<u>65,738</u>	<u>(1,196,545)</u>	<u>(1,057,680)</u>	<u>138,865</u>
Other financing sources (uses):				
Note issuance	-	414,025	558,250	144,225
Transfers in	-	250,000	-	(250,000)
Transfers (out).	(386,658)	(520,658)	(517,000)	3,658
Total other financing sources (uses)	<u>(386,658)</u>	<u>143,367</u>	<u>41,250</u>	<u>(102,117)</u>
Net change in fund balance	(320,920)	(1,053,178)	(1,016,430)	36,748
Fund balance at beginning of year.	1,368,541	1,368,541	1,368,541	-
Prior year encumbrances appropriated	308,108	308,108	308,108	-
Fund balance at end of year	<u>\$ 1,355,729</u>	<u>\$ 623,471</u>	<u>\$ 660,219</u>	<u>\$ 36,748</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 248,599	\$ 300,000	\$ 165,288	\$ (134,712)
Intergovernmental.	1,412,027	1,703,985	1,792,457	88,472
Special assessments	8,287	10,000	8,899	(1,101)
Investment income.	10,938	13,200	19,372	6,172
Other	3,149	3,800	1,934	(1,866)
Total revenues	<u>1,683,000</u>	<u>2,030,985</u>	<u>1,987,950</u>	<u>(43,035)</u>
Expenditures:				
Current:				
Economic development	2,037,938	2,385,923	2,251,421	134,502
Debt service:				
Principal retirement	23,155	23,155	23,155	-
Interest and fiscal charges	2,345	2,345	1,387	958
Total expenditures	<u>2,063,438</u>	<u>2,411,423</u>	<u>2,275,963</u>	<u>135,460</u>
Excess of expenditures over revenues	<u>(380,438)</u>	<u>(380,438)</u>	<u>(288,013)</u>	<u>92,425</u>
Other financing uses:				
Transfers out.	(97,910)	(97,910)	(97,910)	-
Total other financing uses	<u>(97,910)</u>	<u>(97,910)</u>	<u>(97,910)</u>	<u>-</u>
Net change in fund balance	(478,348)	(478,348)	(385,923)	92,425
Fund balance (deficit) at beginning of year	(181,215)	(181,215)	(181,215)	-
Prior year encumbrances appropriated	622,758	622,758	622,758	-
Fund balance (deficit) at end of year.	<u>\$ (36,805)</u>	<u>\$ (36,805)</u>	<u>\$ 55,620</u>	<u>\$ 92,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2014

	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.	\$ 3,358,719	\$ 2,493,623	\$ 509,496	\$ 2,213,419	\$ 8,575,257	\$ 3,928,834
Receivables (net of allowance for uncollectibles):						
Accounts	1,069,149	1,550,744	632,029	369,963	3,621,885	2,581
Special assessments.	1,192	105,790	-	90	107,072	-
Accrued interest	-	-	-	-	-	1,309
Due from other funds	-	-	-	-	-	650,000
Due from other governments.	-	-	-	24,872	24,872	-
Materials and supplies inventory.	43,228	1,018	-	-	44,246	-
Total current assets.	<u>4,472,288</u>	<u>4,151,175</u>	<u>1,141,525</u>	<u>2,608,344</u>	<u>12,373,332</u>	<u>4,582,724</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable capital assets	179,747	1,614,910	35,091	341,203	2,170,951	494,888
Depreciable capital assets, net	14,410,698	28,534,578	664,938	2,242,070	45,852,284	28,075
Total capital assets, net	<u>14,590,445</u>	<u>30,149,488</u>	<u>700,029</u>	<u>2,583,273</u>	<u>48,023,235</u>	<u>522,963</u>
Total noncurrent assets	<u>14,590,445</u>	<u>30,149,488</u>	<u>700,029</u>	<u>2,583,273</u>	<u>48,023,235</u>	<u>522,963</u>
Total assets	<u>19,062,733</u>	<u>34,300,663</u>	<u>1,841,554</u>	<u>5,191,617</u>	<u>60,396,567</u>	<u>5,105,687</u>
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding	-	52,131	-	-	52,131	-
Total deferred outflows of resources.	<u>-</u>	<u>52,131</u>	<u>-</u>	<u>-</u>	<u>52,131</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable.	430,334	179,791	124,039	32,002	766,166	11,966
Contracts payable.	-	197,790	-	1,590	199,380	-
Accrued wages and benefits payable.	55,712	114,269	23,950	5,030	198,961	5,594
Due to other funds	-	-	650,000	-	650,000	-
Due to other governments	8,517	17,017	3,696	775	30,005	260,224
Claims payable	-	-	-	-	-	1,137,718
Current portion of general obligation bonds	-	570,000	-	-	570,000	75,000
Current portion of OWDA loans	873,996	976,530	-	-	1,850,526	-
Current portion of OPWC loans	-	-	-	1,798	1,798	-
Current portion of compensated absences	143,864	275,980	44,090	12,174	476,108	10,274
Capital lease obligations payable	36,080	-	-	36,079	72,159	-
Accrued interest payable	95,658	239,057	1,309	1,175	337,199	1,078
Total current liabilities	<u>1,644,161</u>	<u>2,570,434</u>	<u>847,084</u>	<u>90,623</u>	<u>5,152,302</u>	<u>1,501,854</u>
Long-term liabilities:						
General obligation bonds payable	-	4,410,473	-	-	4,410,473	585,267
OWDA loans payable	4,888,656	12,829,875	-	-	17,718,531	-
OPWC loans payable	-	-	-	45,833	45,833	-
Capital lease obligations payable.	112,405	-	-	112,403	224,808	-
Claims payable.	-	-	-	-	-	863,538
Compensated absences payable	242,525	677,582	121,721	46,139	1,087,967	97,112
Total long-term liabilities.	<u>5,243,586</u>	<u>17,917,930</u>	<u>121,721</u>	<u>204,375</u>	<u>23,487,612</u>	<u>1,545,917</u>
Total liabilities	<u>6,887,747</u>	<u>20,488,364</u>	<u>968,805</u>	<u>294,998</u>	<u>28,639,914</u>	<u>3,047,771</u>
Net position:						
Net investment in capital assets	8,679,308	11,414,741	700,029	2,387,160	23,181,238	28,075
Unrestricted	<u>3,495,678</u>	<u>2,449,689</u>	<u>172,720</u>	<u>2,509,459</u>	<u>8,627,546</u>	<u>2,029,841</u>
Total net position	<u>\$ 12,174,986</u>	<u>\$ 13,864,430</u>	<u>\$ 872,749</u>	<u>\$ 4,896,619</u>	<u>31,808,784</u>	<u>\$ 2,057,916</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					61,592	
Net position of business-type activities					<u>\$ 31,870,376</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, 2014

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Operating revenues:				
Charges for services	\$ 8,188,147	\$ 10,930,207	\$ 3,446,470	\$ 1,702,712
Other operating revenues	6,857	267,442	39,353	8,791
Total operating revenues.	<u>8,195,004</u>	<u>11,197,649</u>	<u>3,485,823</u>	<u>1,711,503</u>
Operating expenses:				
Personal services	2,949,240	5,711,339	1,028,349	460,050
Contract services.	1,216,198	738,617	1,703,647	461,592
Materials and supplies.	599,652	1,079,677	453,950	62,302
Administrative costs.	636,746	808,471	259,803	222,022
Utilities	579,222	506,651	17,549	122,409
Claims expense	-	-	-	-
Depreciation.	937,404	2,077,458	153,910	219,247
Other	12,972	191,224	3,176	4,572
Total operating expenses.	<u>6,931,434</u>	<u>11,113,437</u>	<u>3,620,384</u>	<u>1,552,194</u>
Operating income (loss)	<u>1,263,570</u>	<u>84,212</u>	<u>(134,561)</u>	<u>159,309</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(198,367)	(617,772)	(1,309)	(1,175)
Interest income.	-	-	-	-
Special assessments	34	-	-	5
Total nonoperating revenues (expenses).	<u>(198,333)</u>	<u>(617,772)</u>	<u>(1,309)</u>	<u>(1,170)</u>
Income (loss) before capital contributions, special item and transfers	1,065,237	(533,560)	(135,870)	158,139
Transfers in	-	-	-	323,000
Special item (see Note 2.T)	-	-	-	(2,280,036)
Capital contributions	-	8,600	-	-
Change in net position	1,065,237	(524,960)	(135,870)	(1,798,897)
Net position at beginning of year.	<u>11,109,749</u>	<u>14,389,390</u>	<u>1,008,619</u>	<u>6,695,516</u>
Net position at end of year	<u>\$ 12,174,986</u>	<u>\$ 13,864,430</u>	<u>\$ 872,749</u>	<u>\$ 4,896,619</u>

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

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,267,536	\$ 7,301,546
322,443	4,898
24,589,979	7,306,444
10,148,978	259,075
4,120,054	115,132
2,195,581	6,082
1,927,042	299,685
1,225,831	24,308
-	6,380,946
3,388,019	4,635
211,944	-
23,217,449	7,089,863
1,372,530	216,581
(818,623)	(12,561)
-	1,309
39	-
(818,584)	(11,252)
553,946	205,329
323,000	-
(2,280,036)	-
8,600	-
(1,394,490)	205,329
	1,852,587
	\$ 2,057,916
(125,733)	
\$ (1,520,223)	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

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	\$ 8,257,712	\$ 10,998,649	\$ 3,485,150	\$ 1,643,501
Cash received from other operations	6,857	267,442	39,353	8,791
Cash payments for personal services	(2,986,041)	(5,594,304)	(1,002,912)	(515,304)
Cash payments for contractual services	(1,169,549)	(734,657)	(1,688,028)	(445,188)
Cash payments for materials and supplies	(601,559)	(1,088,018)	(421,241)	(64,296)
Cash payments for utilities	(579,222)	(506,651)	(17,549)	(122,409)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(636,746)	(808,471)	(259,803)	(222,022)
Cash payments for other expenses	(12,972)	(191,224)	(3,176)	(4,572)
Net cash provided by operating activities	<u>2,278,480</u>	<u>2,342,766</u>	<u>131,794</u>	<u>278,501</u>
Cash flows from noncapital financing activities:				
Cash received from special assessments	-	53,619	-	-
Cash received in transfers from other funds	-	-	-	362,538
Net cash provided by noncapital financing activities	<u>-</u>	<u>53,619</u>	<u>-</u>	<u>362,538</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(324,775)	(683,978)	(572,118)	(52,875)
Capital contributions	-	8,600	-	-
Notes issued	-	-	650,000	-
Loans issued	8,279	1,517,564	-	-
Principal retirement	(967,824)	(1,395,990)	-	(40,697)
Interest and fiscal charges	(212,310)	(535,150)	-	-
Net cash provided by (used in) capital and related financing activities	<u>(1,496,630)</u>	<u>(1,088,954)</u>	<u>77,882</u>	<u>(93,572)</u>
Cash flows from investing activities:				
Internal note disbursements	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	781,850	1,307,431	209,676	547,467
Cash and cash equivalents at beginning of year	2,576,869	1,186,192	299,820	1,665,952
Cash and cash equivalents at end of year	<u>\$ 3,358,719</u>	<u>\$ 2,493,623</u>	<u>\$ 509,496</u>	<u>\$ 2,213,419</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,385,012	\$ 7,298,965
322,443	4,898
(10,098,561)	(234,558)
(4,037,422)	(109,189)
(2,175,114)	(6,082)
(1,225,831)	(24,308)
-	(6,256,827)
(1,927,042)	(320,873)
(211,944)	-
<u>5,031,541</u>	<u>352,026</u>
53,619	-
<u>362,538</u>	<u>-</u>
416,157	-
(1,633,746)	(107,160)
8,600	-
650,000	-
1,525,843	-
(2,404,511)	(75,000)
<u>(747,460)</u>	<u>(14,613)</u>
<u>(2,601,274)</u>	<u>(196,773)</u>
-	(650,000)
-	(650,000)
2,846,424	(494,747)
<u>5,728,833</u>	<u>4,423,581</u>
<u>\$ 8,575,257</u>	<u>\$ 3,928,834</u>

- - Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2014

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 operating activities:				
Operating income (loss)	\$ 1,263,570	\$ 84,212	\$ (134,561)	\$ 159,309
Adjustments:				
Depreciation.	937,404	2,077,458	153,910	219,247
Changes in assets and liabilities:				
(Increase) decrease in materials and supplies inventory.	(821)	(1,018)	13,246	-
(Increase) decrease in accounts receivable	69,565	68,442	38,680	(34,339)
(Increase) in intergovernmental receivable	-	-	-	(24,872)
Increase (decrease) in accounts payable.	171,922	(3,363)	35,082	12,820
Increase in contracts payable	-	-	-	1,590
Increase (decrease) in accrued wages and benefits	5,871	18,803	3,929	(4,801)
Increase (decrease) in due to other governments	(125,462)	2,441	603	(744)
Increase (decrease) in compensated absences payable.	(43,569)	95,791	20,905	(49,709)
Increase in claims payable.	-	-	-	-
Net cash provided by operating activities	<u>\$ 2,278,480</u>	<u>\$ 2,342,766</u>	<u>\$ 131,794</u>	<u>\$ 278,501</u>

Non-cash capital transactions:

At December 31, 2014 the sewer fund purchased \$162,261 in capital assets on account.

The sewer fund entered into a capital lease transaction for \$187,386 in 2014.

At December 31, 2014 and December 31, 2013, the water fund purchased \$206,710 and \$303,059, respectively, in capital assets on account.

At December 31, 2014, the nonmajor enterprise funds purchased \$5,048 in capital assets on account.

The nonmajor enterprise funds entered into a capital lease transaction for \$187,382 in 2014.

At December 31, 2014 and December 31, 2013, the internal service funds purchased \$1,607 and \$71,599, 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
\$ 1,372,530	\$ 216,581
3,388,019	4,635
11,407	-
142,348	(2,581)
(24,872)	-
216,461	5,943
1,590	-
23,802	900
(123,162)	(21,049)
23,418	23,478
-	124,119
<u>\$ 5,031,541</u>	<u>\$ 352,026</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2014

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 859,057
Cash with fiscal and escrow agents.	462,693
Accounts receivable.	<u>2,752</u>
Total assets	<u>\$ 1,324,502</u>
Liabilities:	
Due to other governments	\$ 977,525
Deposits held and due to others.	<u>346,977</u>
Total liabilities.	<u>\$ 1,324,502</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, 2014

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, 2014

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, 2014

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, 2014

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 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, 2014, 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 2014.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

G. Cash, Cash Equivalents and Investments

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

During 2014, investments were limited to repurchase agreements, federal agency securities 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 2014. 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, 2014.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2014, interest revenue in the general fund amounted to \$47,749 which includes \$45,984 assigned from other City funds.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments.

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

H. Inventories of Materials and Supplies

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

On the fund financial statements, reported 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Autos and trucks	5	5
Machinery, equipment, software, furniture and fixtures	5 - 20	10
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.

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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

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.

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 due to/from other funds. These amounts are eliminated in the governmental activities column on the statement of net position, except for any residual amounts between governmental and business-type activities, which are presented as internal balance.

N. Interfund Activity

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

O. Fund Balance

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.

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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

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.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary items during 2014. Effective September 1, 2014, a private management company took over the operations of the Packard Music Hall, which had previously been reported in the Packard Music Hall nonmajor enterprise fund for the City. The City transferred all residual fund assets and liabilities to the general fund and has reported this net amount as a special item in the financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2014, the City has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

B. Deficit Fund Balance

The police grants fund, a nonmajor governmental fund, had a deficit fund balance of \$7,863 at December 31, 2014. This fund did not comply with Ohio State law, which does not permit a cash basis deficit at year end. The general fund is liable for the deficit in this fund and provides transfers when cash is required.

C. 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;

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

1. Bonds of the State of Ohio;
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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At December 31, 2014, the carrying amount of all City deposits was \$12,331,486, exclusive of the \$5,733,902 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, 2014, \$767,302 of the City’s bank balance of \$13,056,658 was exposed to custodial risk as discussed below, while \$12,289,356 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

B. Investments

As of December 31, 2014, 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>
FFCB	\$ 1,992,900	\$ -	\$ -	\$ 995,540	\$ -	\$ 997,360
FHLB	996,530	-	-	-	996,530	-
FHLMC	1,397,064	-	-	-	-	1,397,064
STAR Ohio	30,698	30,698	-	-	-	-
Repurchase agreements	<u>5,733,902</u>	<u>5,733,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,151,094</u>	<u>\$ 5,764,600</u>	<u>\$ -</u>	<u>\$ 995,540</u>	<u>\$ 996,530</u>	<u>\$ 2,394,424</u>

The weighted average maturity of investments is 0.93 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, 2014 is 51 days.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FFCB	\$ 1,992,900	19.63
FHLB	996,530	9.82
FHLMC	1,397,064	13.76
STAR Ohio	30,698	0.30
Repurchase agreements	<u>5,733,902</u>	<u>56.49</u>
Total	<u>\$ 10,151,094</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, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 12,331,486
Investments	<u>10,151,094</u>
Total	<u>\$ 22,482,580</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 12,585,573
Business-type activities	8,575,257
Agency funds	<u>1,321,750</u>
Total	<u>\$ 22,482,580</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2014, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to</u>				<u>Total</u>
	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ -	\$ -	\$ -	\$ 323,000	\$ 323,000
Community development block grant	-	-	97,910	-	97,910
General bond payment	-	1,204,500	-	-	1,204,500
Nonmajor governmental	-	125,750	-	-	125,750
Total	<u>\$ -</u>	<u>\$ 1,330,250</u>	<u>\$ 97,910</u>	<u>\$ 323,000</u>	<u>\$ 1,751,160</u>

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

The community development block grant fund transferred \$97,910 to the guaranteed loan fund, a nonmajor governmental fund, in order to cover a debt payment. The motor vehicle levy nonmajor governmental fund transferred \$125,750 to the general capital projects fund to finance the City's required local share of an improvements project. The transfer from the general bond payment fund to the general capital projects fund was made in order to cover the debt service payments on the general capital projects fund's note that matured. The general fund transferred \$323,000 to the nonmajor enterprise funds in order to help subsidize operations.

- B. Due to/from other funds at December 31, 2014 consisted of the following:

<u>Due from</u>	<u>Due to</u>			<u>Total</u>
	<u>General</u>	<u>General Bond Payment</u>	<u>Internal Service</u>	
General	\$ -	\$ 558,250	\$ -	\$ 558,250
Nonmajor governmental Sanitation	2,131	291,750	-	293,881
	-	-	650,000	650,000
Total	<u>\$ 2,131</u>	<u>\$ 850,000</u>	<u>\$ 650,000</u>	<u>\$ 1,502,131</u>

The \$2,131 loan from the general fund to the police grants nonmajor governmental fund was made in order to cover a deficit cash balance at year end. The other interfund loans are City of Warren notes which represent amounts borrowed from other City funds. The notes were issued June 4, 2014 and mature June 4, 2015 at an interest rate of 0.35%. The notes were issued in order to finance vehicle and equipment purchases. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 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, 2014 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 2014 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.

The assessed value upon which the 2013 levy (collected in 2014) was based was \$393,478,920. 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, 2014. Income tax revenue for 2014 reported in the general fund was \$16,409,208.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2014, consisted of taxes, accounts (billings for user charged services and other fees), accrued interest, special assessments, loans and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2014. The only receivables not expected to be collected within one year are special assessments, which are collected over the life of the assessment.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 8 - RECEIVABLES - (Continued)

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

Governmental activities:

Income taxes	\$ 4,052,315
Real and other taxes	1,857,318
Accounts	391,297
Intergovernmental	1,695,338
Accrued interest	20,735
Special assessments	2,295,662
Loans	6,447,332

Business-type activities:

Accounts	3,621,885
Intergovernmental	24,872
Special assessments	107,072

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, 2014

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

<u>Governmental activities:</u>	Balance 12/31/13	Additions/ Transfers	Disposals	Balance 12/31/14
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Easements	13,353	-	-	13,353
Construction in progress	<u>7,492,639</u>	<u>5,985,260</u>	<u>(3,183,780)</u>	<u>10,294,119</u>
Total capital assets, not being depreciated	<u>8,530,176</u>	<u>5,985,260</u>	<u>(3,183,780)</u>	<u>11,331,656</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	820,807	-	-	820,807
Buildings	13,437,582	757,587	-	14,195,169
Building improvements	7,274,482	3,374,729	-	10,649,211
Computer software	583,146	-	-	583,146
Computer equipment	1,190,622	39,620	-	1,230,242
Furniture and equipment	1,935,678	445,710	(29,595)	2,351,793
Vehicles	5,260,548	562,010	(9,092)	5,813,466
Infrastructure	<u>54,242,368</u>	<u>3,038,366</u>	<u>(970,816)</u>	<u>56,309,918</u>
Total capital assets, being depreciated	<u>84,745,233</u>	<u>8,218,022</u>	<u>(1,009,503)</u>	<u>91,953,752</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(622,129)	(22,906)	-	(645,035)
Buildings	(7,523,093)	(1,005,976)	-	(8,529,069)
Building improvements	(2,323,793)	(864,136)	-	(3,187,929)
Computer software	(506,170)	(46,227)	-	(552,397)
Computer equipment	(1,085,692)	(44,361)	-	(1,130,053)
Furniture and equipment	(1,556,858)	(269,466)	29,595	(1,796,729)
Vehicles	(4,229,403)	(278,110)	9,092	(4,498,421)
Infrastructure	<u>(27,421,517)</u>	<u>(2,077,706)</u>	<u>970,816</u>	<u>(28,528,407)</u>
Total accumulated depreciation	<u>(45,268,655)</u>	<u>(4,608,888)</u>	<u>1,009,503</u>	<u>(48,868,040)</u>
Total capital assets, being depreciated, net	<u>39,476,578</u>	<u>3,609,134</u>	<u>-</u>	<u>43,085,712</u>
Governmental activities capital assets, net	<u>\$ 48,006,754</u>	<u>\$ 9,594,394</u>	<u>\$ (3,183,780)</u>	<u>\$ 54,417,368</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	Balance 12/31/13	Additions	Disposals/ Transfers	Balance 12/31/14
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>4,616,390</u>	<u>802,618</u>	<u>(3,632,456)</u>	<u>1,786,552</u>
Total capital assets, not being depreciated	<u>5,000,789</u>	<u>802,618</u>	<u>(3,632,456)</u>	<u>2,170,951</u>
<i>Capital assets, being depreciated:</i>				
Buildings	55,721,468	-	(757,587)	54,963,881
Building improvements	15,401,134	-	(2,757,593)	12,643,541
Water and sewer lines	52,210,692	1,709,553	-	53,920,245
Computer software	47,874	-	-	47,874
Computer equipment	108,526	-	-	108,526
Furniture and equipment	8,072,170	2,404,067	(220,070)	10,256,167
Vehicles	<u>3,504,478</u>	<u>795,692</u>	<u>(8,571)</u>	<u>4,291,599</u>
Total capital assets, being depreciated	<u>135,066,342</u>	<u>4,909,312</u>	<u>(3,743,821)</u>	<u>136,231,833</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(50,473,124)	(785,797)	748,748	(50,510,173)
Building improvements	(5,821,143)	(962,285)	485,749	(6,297,679)
Water and sewer lines	(23,632,417)	(770,951)	-	(24,403,368)
Computer software	(46,548)	(1,326)	-	(47,874)
Computer equipment	(72,510)	(7,151)	-	(79,661)
Furniture and equipment	(5,119,089)	(665,816)	181,179	(5,603,726)
Vehicles	<u>(3,250,946)</u>	<u>(194,693)</u>	<u>8,571</u>	<u>(3,437,068)</u>
Total accumulated depreciation	<u>(88,415,777)</u>	<u>(3,388,019)</u>	<u>1,424,247</u>	<u>(90,379,549)</u>
Total capital assets, being depreciated, net	<u>46,650,565</u>	<u>1,521,293</u>	<u>(2,319,574)</u>	<u>45,852,284</u>
Business-type activities capital assets, net	<u>\$ 51,651,354</u>	<u>\$ 2,323,911</u>	<u>\$ (5,952,030)</u>	<u>\$ 48,023,235</u>

Changes in capital assets for the year include transfers of capital assets from the business-type activities to the governmental activities. The total cost of assets transferred was \$3,735,250 and accumulated depreciation transferred was \$1,415,676.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 468,416
Security of persons and property	315,581
Public health and welfare	1,647
Transportation	2,302,660
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>4,635</u>

Total depreciation expense - governmental activities \$ 3,193,212

Business-type activities:

Sewer	\$ 937,404
Water	2,077,458
Sanitation	153,910
Packard Music Hall	130,607
City redevelopment	14,791
Downtown parking	48,059
Stormwater utility	<u>25,790</u>

Total depreciation expense - business-type activities \$ 3,388,019

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, 2014, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$3,011,087 and vested benefits for sick leave totaled \$2,180,254. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$817,812 and vested benefits for sick leave totaled \$746,263 at December 31, 2014. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 12 - LEASES

A. Capital Leases - Lessee Disclosure

In 2014, the City entered into a capitalized lease for a sewer cleaner. 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 12 - LEASES - (Continued)

Capital assets consisting of equipment have been capitalized in the amount of \$374,768, which represents the present value of the future minimum lease payments at the time of acquisition. A corresponding liability in the amount of \$187,386 and \$187,382 was recorded in the sewer fund and stormwater utility nonmajor enterprise fund, respectively. Principal payments during 2014 amounted to \$38,901 and \$38,900 paid by the sewer fund and stormwater utility fund, respectively. At December 31, 2014, accumulated depreciation on the equipment amounted to \$13,423 leaving a book value of \$351,345.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2014:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2015	\$ 77,801
2016	77,801
2017	77,801
2018	<u>77,801</u>
Total	311,204
Less: amount representing interest	<u>(14,237)</u>
Present value of net minimum lease payments	<u>\$ 296,967</u>

B. Operating Lease - Lessor Disclosure

On November 15, 1993, the City entered into a lease agreement with Avalon South Management, Inc. for the lease of the City owned golf course. The lease calls for an annual fee for the management, operation and maintenance of the golf course based upon a percentage of gross receipts as defined by the agreement.

The carrying value of the property follows:

	<u>Land</u>	<u>Building</u>
Asset	\$ 9,000	\$ 219,756
Less: accumulated depreciation	<u>-</u>	<u>(118,119)</u>
Total	<u>\$ 9,000</u>	<u>\$ 101,637</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2014, the following changes occurred in governmental activities long-term obligations:

Governmental activities:	Balance 12/31/13	Additions	Reductions	Balance 12/31/14	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose, series 2012	\$ 1,245,000	\$ -	\$ (130,000)	\$ 1,115,000	\$ 130,000
Pension refunding, series 2012	1,335,000	-	(45,000)	1,290,000	45,000
Various purpose, series 2013	8,585,000	-	(485,000)	8,100,000	530,000
Total general obligations bonds	<u>11,165,000</u>	<u>-</u>	<u>(660,000)</u>	<u>10,505,000</u>	<u>705,000</u>
<u>Other long-term obligations</u>					
Reinvestment partnership					
corporation loan	290,000	-	(95,000)	195,000	95,000
HUD 108 loan	1,225,000	-	(100,000)	1,125,000	110,000
Ohio Department of Development					
mortgage note	45,208	-	(23,155)	22,053	22,053
OPWC loan	179,595	-	(12,828)	166,767	12,829
Claims payable	987,385	122,873	(62,903)	1,047,355	183,817
Compensated absences	4,980,191	1,526,611	(1,315,461)	5,191,341	1,350,639
Total other long-term obligations	<u>7,707,379</u>	<u>1,649,484</u>	<u>(1,609,347)</u>	<u>7,747,516</u>	<u>1,774,338</u>
Total governmental activities					
long-term obligations	18,872,379	<u>\$ 1,649,484</u>	<u>\$ (2,269,347)</u>	18,252,516	<u>\$ 2,479,338</u>
Add: Unamortized premium on bond issues	<u>317,316</u>			<u>299,746</u>	
Total reported on the statement of net position	<u>\$ 19,189,695</u>			<u>\$ 18,552,262</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, 2014.

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 \$150,112 at December 31, 2014.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 \$2,302,025 at December 31, 2014.

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
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	765,000	280,609	1,045,609
2020 - 2024	3,605,000	1,023,843	4,628,843
2025 - 2029	2,200,000	451,915	2,651,915
2030 - 2034	945,000	117,319	1,062,319
2035	80,000	2,800	82,800
Total	\$10,505,000	\$ 3,150,797	\$13,655,797

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year</u>	Loan Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 95,000	\$ 4,750	\$ 99,750
2016	100,000	2,660	102,660
Total	\$ 195,000	\$ 7,410	\$ 202,410

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>
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	145,000	35,468	180,468
2020 - 2022	495,000	56,426	551,426
Total	\$ 1,125,000	\$ 300,048	\$ 1,425,048

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year</u>	Note Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 22,053	\$ 443	\$ 22,496
Total	<u>\$ 22,053</u>	<u>\$ 443</u>	<u>\$ 22,496</u>

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>
2015	\$ 12,829	\$ -	\$ 12,829
2016	12,828	-	12,828
2017	12,828	-	12,828
2018	12,828	-	12,828
2019	12,828	-	12,828
2020 - 2024	64,141	-	64,141
2025 - 2027	<u>38,485</u>	<u>-</u>	<u>38,485</u>
Total	<u>\$ 166,767</u>	<u>\$ -</u>	<u>\$ 166,767</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2014, the following changes occurred in the business-type activities long-term obligations:

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2012	\$ 5,425,000	\$ -	\$ (560,000)	\$ 4,865,000	\$ 570,000
Total general obligations bonds	<u>5,425,000</u>	<u>-</u>	<u>(560,000)</u>	<u>4,865,000</u>	<u>570,000</u>
<u>OWDA Loans</u>					
Buckeye	97,555	-	(97,555)	-	-
Wastewater treatment plant and pump station improvements	231,716	-	(63,727)	167,989	65,679
Biosolids facility	1,796,850	-	(429,092)	1,367,758	442,235
Griswold street sanitary sewer	462,504	-	(85,114)	377,390	88,657
Warren commerce park - phase II	217,704	-	(36,157)	181,547	37,611
Warren commerce park - phase II	66,248	-	(11,050)	55,198	11,473
Downtown combined sewer	3,326,011	-	(199,838)	3,126,173	204,722
Sewer inceptor rehabilitation	484,708	8,279	(6,390)	486,597	23,619
Water system improvements	6,402,687	-	(533,558)	5,869,129	554,841
Water meter replacements	4,125,923	-	(215,920)	3,910,003	223,192
Water treatment plant switch gear replacement	1,290,472	1,048,931	(49,059)	2,290,344	99,070
Waterline replacement	1,305,749	388,672	(37,453)	1,656,968	75,651
Bulk water dispensing station	-	79,961	-	79,961	23,776
Total OWDA loans	<u>19,808,127</u>	<u>1,525,843</u>	<u>(1,764,913)</u>	<u>19,569,057</u>	<u>1,850,526</u>
<u>Other long-term obligations</u>					
OPWC loan	49,428	-	(1,797)	47,631	1,798
Capital lease obligation	-	374,768	(77,801)	296,967	72,159
Compensated absences	1,540,657	538,570	(515,152)	1,564,075	476,108
Total other long-term obligations	<u>1,590,085</u>	<u>913,338</u>	<u>(594,750)</u>	<u>1,908,673</u>	<u>550,065</u>
Total business-type activities	26,823,212	<u>\$ 2,439,181</u>	<u>\$ (2,919,663)</u>	26,342,730	<u>\$ 2,970,591</u>
Add: Unamortized premium on bond issue	<u>130,059</u>			<u>115,473</u>	
Total reported on the statement of net position	<u>\$ 26,953,271</u>			<u>\$ 26,458,203</u>	

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, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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, 2014 was \$600,000.

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, 2014, the City has outstanding borrowings of \$19,569,057. 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 58.34% of available net revenues for the water fund and 51.85% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$15,943,124 for the water fund and \$6,095,882 for the sewer fund. Principal and interest payments in 2014 totaled \$1,261,015 and \$1,141,233 in the water fund and sewer fund, respectively.

The downtown combined sewer, water treatment plant switch gear replacement, waterline replacement and bulk water dispensing station projects financed through OWDA loans are not closed out as of December 31, 2014. Future annual debt service principal and interest requirements for these loans, which have combined principal balance outstanding at December 31, 2014 of \$7,153,446, are not available.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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
2015	\$ 570,000	\$ 98,925	\$ 668,925	\$ 1,447,307	\$ 437,114	\$ 1,884,421
2016	575,000	87,525	662,525	1,498,928	385,492	1,884,420
2017	590,000	76,025	666,025	1,517,275	332,001	1,849,276
2018	600,000	64,225	664,225	1,051,818	281,834	1,333,652
2019	615,000	52,225	667,225	958,884	242,504	1,201,388
2020 - 2024	1,915,000	81,975	1,996,975	4,421,449	656,438	5,077,887
2025 - 2029	-	-	-	1,481,644	122,320	1,603,964
2030	-	-	-	38,306	936	39,242
Total	\$ 4,865,000	\$ 460,900	\$ 5,325,900	\$ 12,415,611	\$ 2,458,639	\$ 14,874,250

Year	OPWC Loan Payable		
	Principal	Interest	Total
2015	\$ 1,798	\$ -	\$ 1,798
2016	1,797	-	1,797
2017	1,798	-	1,798
2018	1,797	-	1,797
2019	1,797	-	1,797
2020 - 2024	8,987	-	8,987
2025 - 2029	8,987	-	8,987
2030 - 2034	8,987	-	8,987
2035 - 2039	8,987	-	8,987
2040 - 2041	2,696	-	2,696
Total	\$ 47,631	\$ -	\$ 47,631

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 14 - RISK MANAGEMENT - (Continued)

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 \$942,541 reported in the internal service fund at December 31, 2014, 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	2014	\$ 880,235	\$ 6,126,289	\$ (6,063,983)	\$ 942,541
	2013	795,822	5,865,215	(5,780,802)	880,235

B. Risk Management

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

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Risk management	2014	\$ 9,517	\$ 131,784	\$ (129,941)	\$ 11,360
	2013	2,472	150,724	(143,679)	9,517

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 14 - RISK MANAGEMENT - (Continued)

In 2014, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2014 in the amount of \$259,360. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$183,817 under the Retrospective Rating Plan.

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

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

The claims liability of \$1,047,355 reported at December 31, 2014, 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, \$183,817 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 \$863,538. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Workers' compensation	2014	\$ 987,385	\$ 122,873	\$ (62,903)	\$1,047,355
	2013	1,480,729	-	(493,344)	987,385

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The City's contribution rate for 2014 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$1,554,254, \$1,809,289, and \$1,323,756, respectively; 91.45% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were \$16,682 made by the City and \$11,915 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 15 - PENSION PLANS - (Continued)

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, 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 2014, the portion of the City's contributions to fund pension obligations was 19.00% for police officers and 23.50% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$643,891 and \$691,710 for the year ended December 31, 2014, \$642,290 and \$771,907 for the year ended December 31, 2013, and \$529,665 and \$676,223, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.59% has been contributed for police and 91.26% has been contributed for firefighters for 2014. The remaining 2014 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.

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 2014, 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 and Combined Plan for 2014 was 2.00%.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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, 2014, 2013, and 2012 were \$259,042, \$139,176, and \$536,229, respectively; 91.45% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 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 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$18,585 and \$16,034 for the year ended December 31, 2014, \$146,625 and \$137,513 for the year ended December 31, 2013, and \$280,411 and \$264,609, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.59% has been contributed for police and 91.26% has been contributed for firefighters for 2014. The remaining 2014 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);
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. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

	<u>General</u>	<u>Community Development Block Grant</u>
Budget basis	\$ (1,016,430)	\$ (385,923)
Net adjustment for revenue accruals	(508,023)	(141,802)
Net adjustment for expenditure accruals	(130,475)	325,955
Net adjustment for other financing sources/uses	(364,250)	-
Funds budgeted elsewhere	13,374	-
Adjustment for encumbrances	<u>268,085</u>	<u>241,514</u>
GAAP basis	<u>\$ (1,737,719)</u>	<u>\$ 39,744</u>

The Packard Music Hall fund is legally budgeted in a separate fund but is considered part of the general fund on GAAP basis.

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, 2014.

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.

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 in the following table.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 19 - FUND BALANCE - (Continued)

Fund balance	General	Community Development Block Grant	General Bond Payment	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 4,877	\$ -	\$ -	\$ -	\$ 315	\$ 5,192
Total nonspendable	<u>4,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315</u>	<u>5,192</u>
Restricted:						
Debt service	-	-	1,395,410	-	-	1,395,410
Capital projects	-	-	-	3,196,189	-	3,196,189
Street maintenance	-	-	-	-	405,349	405,349
State highway	-	-	-	-	136,196	136,196
Law enforcement	-	-	-	-	292,581	292,581
Courts	-	-	-	-	1,587,701	1,587,701
Community development and improvement	-	1,632,539	-	-	5,414,637	7,047,176
Warren Hills landfill	611,275	-	-	-	-	611,275
Total restricted	<u>611,275</u>	<u>1,632,539</u>	<u>1,395,410</u>	<u>3,196,189</u>	<u>7,836,464</u>	<u>14,671,877</u>
Assigned:						
Purchases on order	210,808	-	-	-	-	210,808
Total assigned	<u>210,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,808</u>
Unassigned (deficit)	1,506,015	-	-	-	(7,863)	1,498,152
Total fund balances	<u>\$ 2,332,975</u>	<u>\$ 1,632,539</u>	<u>\$ 1,395,410</u>	<u>\$ 3,196,189</u>	<u>\$ 7,828,916</u>	<u>\$ 16,386,029</u>

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	\$ 210,808
Community development block grant	111,925
General capital projects	1,924,916
Nonmajor governmental	<u>461,717</u>
Total	<u>\$ 2,709,366</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 17,920,428	\$ 17,800,000	\$ 16,549,229	\$ (1,250,771)
Charges for services	2,335,696	2,320,000	2,166,527	(153,473)
Licenses and permits	2,106,657	2,092,500	2,022,156	(70,344)
Fines and forfeitures	1,284,995	1,276,360	1,144,302	(132,058)
Intergovernmental	2,125,528	2,111,244	2,093,709	(17,535)
Investment income	125,846	125,000	63,570	(61,430)
Rental income	30,203	30,000	48,809	18,809
Other	620,647	616,476	659,335	42,859
Total revenues	<u>26,550,000</u>	<u>26,371,580</u>	<u>24,747,637</u>	<u>(1,623,943)</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	225,817	227,817	220,690	7,127
Contract services	24,325	24,325	18,961	5,364
Materials and supplies.	4,448	5,648	4,750	898
Capital outlay	19,982	20,622	20,622	-
Total city council	<u>274,572</u>	<u>278,412</u>	<u>265,023</u>	<u>13,389</u>
Municipal court				
Personal services	1,704,867	1,719,297	1,713,317	5,980
Contract services	69,658	71,479	52,426	19,053
Capital outlay	-	939	464	475
Total municipal court.	<u>1,774,525</u>	<u>1,791,715</u>	<u>1,766,207</u>	<u>25,508</u>
Victims of crimes				
Personal services	67,304	67,874	64,022	3,852
Contract services	1,852	1,900	265	1,635
Materials and supplies.	-	1,300	840	460
Total victims of crimes	<u>69,156</u>	<u>71,074</u>	<u>65,127</u>	<u>5,947</u>
Operations - general				
Personal services	51,047	51,021	50,317	704
Contract services	15,780	18,175	18,175	-
Total operations - general	<u>66,827</u>	<u>69,196</u>	<u>68,492</u>	<u>704</u>
Operations - maintenance				
Personal services	829,258	828,835	750,848	77,987
Contract services	233,857	265,853	213,500	52,353
Materials and supplies.	41,395	41,395	29,005	12,390
Total operations - maintenance.	<u>1,104,510</u>	<u>1,136,083</u>	<u>993,353</u>	<u>142,730</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services	\$ 338,610	\$ 325,610	\$ 308,995	\$ 16,615
Contract services	42,860	42,860	19,859	23,001
Materials and supplies.	16,540	16,540	14,014	2,526
Total mayor.	<u>398,010</u>	<u>385,010</u>	<u>342,868</u>	<u>42,142</u>
Purchasing				
Personal services	212,525	151,525	131,112	20,413
Contract services	18,400	18,400	15,658	2,742
Materials and supplies.	4,391	4,391	3,862	529
Total purchasing	<u>235,316</u>	<u>174,316</u>	<u>150,632</u>	<u>23,684</u>
Finance				
Personal services	567,124	554,124	482,359	71,765
Contract services	55,500	55,500	46,987	8,513
Materials and supplies.	14,783	14,783	4,701	10,082
Total finance	<u>637,407</u>	<u>624,407</u>	<u>534,047</u>	<u>90,360</u>
Human resources				
Personal services	329,822	330,822	294,765	36,057
Contract services	44,700	44,700	33,064	11,636
Materials and supplies.	5,243	5,243	6,231	(988)
Total human resources	<u>379,765</u>	<u>380,765</u>	<u>334,060</u>	<u>46,705</u>
Law department				
Personal services	926,363	903,363	858,641	44,722
Contract services	51,886	51,886	30,030	21,856
Materials and supplies.	12,583	12,583	3,135	9,448
Total law department.	<u>990,832</u>	<u>967,832</u>	<u>891,806</u>	<u>76,026</u>
Civil service				
Personal services	11,767	11,767	10,084	1,683
Contract services	15,350	15,350	6,817	8,533
Materials and supplies.	1,300	1,300	277	1,023
Total civil service.	<u>28,417</u>	<u>28,417</u>	<u>17,178</u>	<u>11,239</u>
Administrative support				
Contract services	1,368,802	1,368,802	1,268,806	99,996
Materials and supplies.	14,500	14,500	9,405	5,095
Other	25,179	25,179	25,125	54
Total administrative support	<u>1,408,481</u>	<u>1,408,481</u>	<u>1,303,336</u>	<u>105,145</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Income tax				
Personal services	\$ 528,983	\$ 538,983	\$ 521,340	\$ 17,643
Contract services	113,352	113,352	90,269	23,083
Materials and supplies.	23,465	23,465	16,325	7,140
Total income tax	<u>665,800</u>	<u>675,800</u>	<u>627,934</u>	<u>47,866</u>
Total general government	<u>8,033,618</u>	<u>7,991,508</u>	<u>7,360,063</u>	<u>631,445</u>
Security of persons and property				
Police				
Personal services	6,973,327	7,720,756	7,690,550	30,206
Contract services	948,523	1,046,523	488,685	557,838
Materials and supplies.	284,983	299,983	238,720	61,263
Capital outlay	69,412	201,412	150,760	50,652
Total police.	<u>8,276,245</u>	<u>9,268,674</u>	<u>8,568,715</u>	<u>699,959</u>
Fire				
Personal services	6,476,324	6,211,324	6,038,999	172,325
Contract services	278,626	278,626	226,233	52,393
Materials and supplies.	142,405	210,125	195,055	15,070
Capital outlay	62,647	176,548	174,364	2,184
Total fire	<u>6,960,002</u>	<u>6,876,623</u>	<u>6,634,651</u>	<u>241,972</u>
Bio-Terrorism				
Contract services	1,307	1,307	989	318
Total bio-terrorism	<u>1,307</u>	<u>1,307</u>	<u>989</u>	<u>318</u>
Total security of persons and property .	<u>15,237,554</u>	<u>16,146,604</u>	<u>15,204,355</u>	<u>942,249</u>
Public health and welfare				
Health				
Personal services	358,095	358,095	319,682	38,413
Contract services	83,458	83,458	72,792	10,666
Materials and supplies.	23,428	24,808	16,176	8,632
Other.	211,000	211,000	204,488	6,512
Total health	<u>675,981</u>	<u>677,361</u>	<u>613,138</u>	<u>64,223</u>
Dental				
Contract services	36,400	36,400	31,171	5,229
Materials and supplies.	7,291	7,655	7,598	57
Total dental.	<u>43,691</u>	<u>44,055</u>	<u>38,769</u>	<u>5,286</u>
Total public health and welfare	<u>719,672</u>	<u>721,416</u>	<u>651,907</u>	<u>69,509</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Environmental health				
Personal services	\$ 597,216	\$ 597,216	\$ 590,534	\$ 6,682
Contract services	24,200	24,200	21,633	2,567
Materials and supplies.	17,414	18,110	14,662	3,448
Other.	9,028	9,028	4,879	4,149
Total environmental health	<u>647,858</u>	<u>648,554</u>	<u>631,708</u>	<u>16,846</u>
Weed control				
Contract services	8,690	8,690	4,863	3,827
Materials and supplies.	3,110	3,300	1,085	2,215
Total weed control	<u>11,800</u>	<u>11,990</u>	<u>5,948</u>	<u>6,042</u>
Mosquito control				
Contract services	250	250	-	250
Materials and supplies.	2,120	2,250	915	1,335
Total mosquito control	<u>2,370</u>	<u>2,500</u>	<u>915</u>	<u>1,585</u>
Engineering building and plant department				
Personal services	936,966	916,966	902,661	14,305
Contract services	300,396	300,226	287,072	13,154
Materials and supplies.	34,982	34,044	24,687	9,357
Other	12,000	12,000	6,389	5,611
Total engineering building and plant department.	<u>1,284,344</u>	<u>1,263,236</u>	<u>1,220,809</u>	<u>42,427</u>
Total community environment.	<u>1,946,372</u>	<u>1,926,280</u>	<u>1,859,380</u>	<u>66,900</u>
Leisure time activity				
Operations - Packard Park				
Personal services	84,179	84,136	77,801	6,335
Contract services	66,987	77,132	60,925	16,207
Materials and supplies.	19,000	19,000	13,685	5,315
Other.	3,815	4,415	4,245	170
Total operations - packard park.	<u>173,981</u>	<u>184,683</u>	<u>156,656</u>	<u>28,027</u>
Operations - parks				
Personal services	212,733	212,625	212,514	111
Contract services	102,354	117,818	95,936	21,882
Materials and supplies.	44,916	44,916	41,785	3,131
Capital outlay	12,812	222,025	222,471	(446)
Other.	250	250	250	-
Total operations - parks.	<u>373,065</u>	<u>597,634</u>	<u>572,956</u>	<u>24,678</u>
Total leisure time activity	<u>547,046</u>	<u>782,317</u>	<u>729,612</u>	<u>52,705</u>
Total expenditures.	<u>26,484,262</u>	<u>27,568,125</u>	<u>25,805,317</u>	<u>1,762,808</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, 2014

	<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. . .	\$ 65,738	\$ (1,196,545)	\$ (1,057,680)	\$ 138,865
Other financing sources (uses):				
Note issuance	-	414,025	558,250	144,225
Transfers in	-	250,000	-	(250,000)
Transfers out	(386,658)	(520,658)	(517,000)	3,658
Total other financing sources (uses). . .	<u>(386,658)</u>	<u>143,367</u>	<u>41,250</u>	<u>(102,117)</u>
Net change in fund balance.	(320,920)	(1,053,178)	(1,016,430)	36,748
Fund balance at beginning of year	1,368,541	1,368,541	1,368,541	-
Prior year encumbrances appropriated .	<u>308,108</u>	<u>308,108</u>	<u>308,108</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,355,729</u>	<u>\$ 623,471</u>	<u>\$ 660,219</u>	<u>\$ 36,748</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 248,599	\$ 300,000	\$ 165,288	\$ (134,712)
Intergovernmental	1,412,027	1,703,985	1,792,457	88,472
Special assessments	8,287	10,000	8,899	(1,101)
Investment income	10,938	13,200	19,372	6,172
Other	3,149	3,800	1,934	(1,866)
Total revenues	<u>1,683,000</u>	<u>2,030,985</u>	<u>1,987,950</u>	<u>(43,035)</u>
Expenditures:				
Current:				
Economic development				
Personal services	397,990	601,759	504,374	97,385
Contract services	236,731	236,581	229,735	6,846
Materials and supplies.	3,062	3,062	2,765	297
Capital outlay	800,025	944,391	919,679	24,712
Other	600,130	600,130	594,868	5,262
Total economic development	<u>2,037,938</u>	<u>2,385,923</u>	<u>2,251,421</u>	<u>134,502</u>
Debt service:				
Principal retirement.	23,155	23,155	23,155	-
Interest and fiscal charges	2,345	2,345	1,387	958
Total debt service	<u>25,500</u>	<u>25,500</u>	<u>24,542</u>	<u>958</u>
Total expenditures	<u>2,063,438</u>	<u>2,411,423</u>	<u>2,275,963</u>	<u>135,460</u>
Excess of expenditures over revenues	<u>(380,438)</u>	<u>(380,438)</u>	<u>(288,013)</u>	<u>92,425</u>
Other financing uses:				
Transfers out	<u>(97,910)</u>	<u>(97,910)</u>	<u>(97,910)</u>	<u>-</u>
Total other financing uses	<u>(97,910)</u>	<u>(97,910)</u>	<u>(97,910)</u>	<u>-</u>
Net change in fund balance.	(478,348)	(478,348)	(385,923)	92,425
Fund balance (deficit) at beginning of year	(181,215)	(181,215)	(181,215)	-
Prior year encumbrances appropriated	622,758	622,758	622,758	-
Fund balance (deficit) at end of year.	<u>\$ (36,805)</u>	<u>\$ (36,805)</u>	<u>\$ 55,620</u>	<u>\$ 92,425</u>

CITY OF WARREN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	Court Computerization	Street Maintenance	Police Grants
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 247,890	\$ 322,312	\$ -
Receivables (net of allowances for uncollectibles):			
Accounts	8,200	-	-
Intergovernmental	-	747,332	6,865
Loans	-	-	-
Materials and supplies inventory	-	-	-
Total assets	\$ 256,090	\$ 1,069,644	\$ 6,865
Liabilities:			
Accounts payable	\$ -	\$ 22,882	\$ -
Accrued wages and benefits	-	23,014	-
Due to other funds	-	291,750	2,131
Due to other governments	-	3,309	5,732
Accrued interest payable	-	588	-
Total liabilities	-	341,543	7,863
Deferred inflows of resources:			
Intergovernmental revenue not available	-	522,503	6,865
Total deferred inflows of resources	-	522,503	6,865
Fund balances:			
Nonspendable	-	-	-
Restricted	256,090	205,598	-
Unassigned (deficit)	-	-	(7,863)
Total fund balances	256,090	205,598	(7,863)
Total liabilities, deferred inflows of resources and fund balances	\$ 256,090	\$ 1,069,644	\$ 6,865

<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>
\$ 14,339	\$ 98,830	\$ 12,338	\$ 40,784	\$ 107,500	\$ 272,332
1,005	-	-	261	-	6,322
821	-	22,335	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,165</u>	<u>\$ 98,830</u>	<u>\$ 34,673</u>	<u>\$ 41,045</u>	<u>\$ 107,500</u>	<u>\$ 278,654</u>
\$ -	\$ -	\$ 4,413	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,219	-	-	-	-	-
-	-	-	-	-	-
<u>1,219</u>	<u>-</u>	<u>4,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,946	98,830	30,260	41,045	107,500	278,654
-	-	-	-	-	-
<u>14,946</u>	<u>98,830</u>	<u>30,260</u>	<u>41,045</u>	<u>107,500</u>	<u>278,654</u>
<u>\$ 16,165</u>	<u>\$ 98,830</u>	<u>\$ 34,673</u>	<u>\$ 41,045</u>	<u>\$ 107,500</u>	<u>\$ 278,654</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2014

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>Guarantee Loan</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 880,794	\$ 175,899	\$ 112,394
Receivables (net of allowances for uncollectibles):			
Accounts	19,380	2,376	-
Intergovernmental	-	-	-
Loans	-	-	1,356,542
Materials and supplies inventory	315	-	-
Total assets	<u>\$ 900,489</u>	<u>\$ 178,275</u>	<u>\$ 1,468,936</u>
Liabilities:			
Accounts payable	\$ 15,078	\$ 10,414	\$ -
Accrued wages and benefits.	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>15,078</u>	<u>10,414</u>	<u>-</u>
Deferred inflows of resources:			
Intergovernmental revenue not available.	-	-	-
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	315	-	-
Restricted.	885,096	167,861	1,468,936
Unassigned (deficit)	-	-	-
Total fund equity	<u>885,411</u>	<u>167,861</u>	<u>1,468,936</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 900,489</u>	<u>\$ 178,275</u>	<u>\$ 1,468,936</u>

Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ 118,750	\$ 212,556	\$ 281,292	\$ 2,898,010
-	-	-	37,544
60,595	-	12,300	850,248
-	-	3,685,915	5,042,457
-	-	-	315
<u>\$ 179,345</u>	<u>\$ 212,556</u>	<u>\$ 3,979,507</u>	<u>\$ 8,828,574</u>
\$ 783	\$ 12,805	\$ 33,806	\$ 100,181
-	-	-	23,014
-	-	-	293,881
-	-	-	10,260
-	-	-	588
<u>783</u>	<u>12,805</u>	<u>33,806</u>	<u>427,924</u>
<u>42,366</u>	<u>-</u>	<u>-</u>	<u>571,734</u>
<u>42,366</u>	<u>-</u>	<u>-</u>	<u>571,734</u>
-	-	-	315
136,196	199,751	3,945,701	7,836,464
-	-	-	(7,863)
<u>136,196</u>	<u>199,751</u>	<u>3,945,701</u>	<u>7,828,916</u>
<u>\$ 179,345</u>	<u>\$ 212,556</u>	<u>\$ 3,979,507</u>	<u>\$ 8,828,574</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, 2014**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Revenues:			
Licenses and permits	\$ -	\$ 350	\$ -
Fines and forfeitures	112,248	-	-
Intergovernmental	-	1,428,831	41,062
Investment income	-	-	-
Other	-	2,265	-
	<hr/>	<hr/>	<hr/>
Total revenues	112,248	1,431,446	41,062
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	59,371	-	-
Security of persons and property	-	-	66,580
Transportation	-	1,619,094	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	588	-
	<hr/>	<hr/>	<hr/>
Total expenditures	59,371	1,619,682	66,580
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	52,877	(188,236)	(25,518)
	<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	52,877	(188,236)	(25,518)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	203,213	393,834	17,655
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 256,090	\$ 205,598	\$ (7,863)
	<hr/>	<hr/>	<hr/>

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ 1,612	\$ -	\$ -	\$ 92,270
28,945	34,089	18,784	3,364	-	-
-	-	41,582	-	15,820	-
-	-	-	-	337	-
-	200	-	-	-	1,489
<u>28,945</u>	<u>34,289</u>	<u>61,978</u>	<u>3,364</u>	<u>16,157</u>	<u>93,759</u>
-	-	-	-	-	-
27,088	1,548	178,049	-	24,176	58,872
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>27,088</u>	<u>1,548</u>	<u>178,049</u>	<u>-</u>	<u>24,176</u>	<u>58,872</u>
<u>1,857</u>	<u>32,741</u>	<u>(116,071)</u>	<u>3,364</u>	<u>(8,019)</u>	<u>34,887</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,857	32,741	(116,071)	3,364	(8,019)	34,887
13,089	66,089	146,331	37,681	115,519	243,767
<u>\$ 14,946</u>	<u>\$ 98,830</u>	<u>\$ 30,260</u>	<u>\$ 41,045</u>	<u>\$ 107,500</u>	<u>\$ 278,654</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	289,449	33,240	-
Intergovernmental	-	-	-
Investment income	-	-	110
Other	-	-	74,000
	<hr/>	<hr/>	<hr/>
Total revenues	289,449	33,240	74,110
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	151,305	40,177	-
Transportation	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	195,000
Interest and fiscal charges	-	-	72,362
	<hr/>	<hr/>	<hr/>
Total expenditures	151,305	40,177	267,362
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	138,144	(6,937)	(193,252)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	-	97,910
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	97,910
	<hr/>	<hr/>	<hr/>
Net change in fund balance	138,144	(6,937)	(95,342)
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	747,267	174,798	1,564,278
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 885,411	\$ 167,861	\$ 1,468,936
	<hr/>	<hr/>	<hr/>

Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ -	\$ -	\$ -	\$ 94,232
-	-	-	520,119
115,851	430,094	295,642	2,368,882
629	712	20,990	22,778
-	-	12,300	90,254
<u>116,480</u>	<u>430,806</u>	<u>328,932</u>	<u>3,096,265</u>
-	-	-	59,371
-	-	-	547,795
-	-	-	1,619,094
-	-	592,841	592,841
219,042	301,409	-	520,451
-	-	-	195,000
-	-	-	72,950
<u>219,042</u>	<u>301,409</u>	<u>592,841</u>	<u>3,607,502</u>
<u>(102,562)</u>	<u>129,397</u>	<u>(263,909)</u>	<u>(511,237)</u>
-	-	-	97,910
-	(125,750)	-	(125,750)
-	(125,750)	-	(27,840)
(102,562)	3,647	(263,909)	(539,077)
<u>238,758</u>	<u>196,104</u>	<u>4,209,610</u>	<u>8,367,993</u>
<u>\$ 136,196</u>	<u>\$ 199,751</u>	<u>\$ 3,945,701</u>	<u>\$ 7,828,916</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, 2014

	<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	\$ 90,000	\$ 90,000	\$ 110,966	\$ 20,966
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>110,966</u>	<u>20,966</u>
Expenditures:				
Current:				
General government				
Personal services	26,200	26,200	23,376	2,824
Contract services	55,000	55,000	38,926	16,074
Materials and supplies.	17,000	27,000	21,839	5,161
Capital outlay	-	35,000	35,000	-
Total general government	<u>98,200</u>	<u>143,200</u>	<u>119,141</u>	<u>24,059</u>
Total expenditures	<u>98,200</u>	<u>143,200</u>	<u>119,141</u>	<u>24,059</u>
Net change in fund balance.	(8,200)	(53,200)	(8,175)	45,025
Fund balance at beginning of year	196,295	196,295	196,295	-
Prior year encumbrances appropriated .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 203,095</u>	<u>\$ 158,095</u>	<u>\$ 203,120</u>	<u>\$ 45,025</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 1,000	\$ 1,000	\$ 350	\$ (650)
Intergovernmental	1,350,000	1,350,000	1,448,770	98,770
Other	-	-	2,265	2,265
Total revenues	<u>1,351,000</u>	<u>1,351,000</u>	<u>1,451,385</u>	<u>100,385</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,149,800	1,129,800	1,089,224	40,576
Contract services	139,789	339,789	339,237	552
Materials and supplies	78,064	76,359	59,643	16,716
Capital outlay	-	293,455	293,455	-
Total transportation	<u>1,367,653</u>	<u>1,839,403</u>	<u>1,781,559</u>	<u>57,844</u>
Total expenditures	<u>1,367,653</u>	<u>1,839,403</u>	<u>1,781,559</u>	<u>57,844</u>
Excess of expenditures over revenues	<u>(16,653)</u>	<u>(488,403)</u>	<u>(330,174)</u>	<u>158,229</u>
Other financing sources:				
Note issuance	-	291,750	291,750	-
Total other financing sources	<u>-</u>	<u>291,750</u>	<u>291,750</u>	<u>-</u>
Net change in fund balance	(16,653)	(196,653)	(38,424)	158,229
Fund balance at beginning of year	181,080	181,080	181,080	-
Prior year encumbrances appropriated	<u>16,653</u>	<u>16,653</u>	<u>16,653</u>	<u>-</u>
Fund balance at end of year	<u>\$ 181,080</u>	<u>\$ 1,080</u>	<u>\$ 159,309</u>	<u>\$ 158,229</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 75,000	\$ 91,000	\$ 59,368	\$ (31,632)
Total revenues	<u>75,000</u>	<u>91,000</u>	<u>59,368</u>	<u>(31,632)</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	3,500	3,500	-	3,500
Other	25,000	66,000	73,639	(7,639)
Total security of persons and property.	<u>28,500</u>	<u>69,500</u>	<u>73,639</u>	<u>(4,139)</u>
Total expenditures.	<u>28,500</u>	<u>69,500</u>	<u>73,639</u>	<u>(4,139)</u>
Net change in fund balance	46,500	21,500	(14,271)	(35,771)
Fund balance at beginning of year	<u>12,140</u>	<u>12,140</u>	<u>12,140</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ 58,640</u>	<u>\$ 33,640</u>	<u>\$ (2,131)</u>	<u>\$ (35,771)</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, 2014

	<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	\$ 34,168	\$ (832)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>34,168</u>	<u>(832)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	35,000	35,000	35,000	-
Total security of persons and property .	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance	-	-	(832)	(832)
Fund balance at beginning of year.	<u>6,040</u>	<u>6,040</u>	<u>6,040</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,040</u>	<u>\$ 6,040</u>	<u>\$ 5,208</u>	<u>\$ (832)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 52,079	\$ 52,079
Intergovernmental	15,000	15,000	-	(15,000)
Other	-	-	200	200
Total revenues.	<u>15,000</u>	<u>15,000</u>	<u>52,279</u>	<u>37,279</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	<u>15,000</u>	<u>15,000</u>	<u>1,548</u>	<u>13,452</u>
Total security of persons and property .	<u>15,000</u>	<u>15,000</u>	<u>1,548</u>	<u>13,452</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,548</u>	<u>13,452</u>
Net change in fund balance	-	-	50,731	50,731
Fund balance at beginning of year	<u>48,099</u>	<u>48,099</u>	<u>48,099</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 48,099</u>	<u>\$ 48,099</u>	<u>\$ 98,830</u>	<u>\$ 50,731</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>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ -	\$ -	\$ 1,613	\$ 1,613
Fines and forfeitures	-	-	20,397	20,397
Intergovernmental	50,000	84,376	19,247	(65,129)
Total revenues	<u>50,000</u>	<u>84,376</u>	<u>41,257</u>	<u>(43,119)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	24,028	24,540	11,079	13,461
Materials and supplies	12,000	12,000	6,129	5,871
Capital outlay	15,000	174,472	158,299	16,173
Other	6,209	12,601	6,164	6,437
Total security of persons and property .	<u>57,237</u>	<u>223,613</u>	<u>181,671</u>	<u>41,942</u>
Total expenditures	<u>57,237</u>	<u>223,613</u>	<u>181,671</u>	<u>41,942</u>
Net change in fund balance	(7,237)	(139,237)	(140,414)	(1,177)
Fund balance at beginning of year	137,817	137,817	137,817	-
Prior year encumbrances appropriated .	<u>7,237</u>	<u>7,237</u>	<u>7,237</u>	<u>-</u>
Fund balance at end of year	<u>\$ 137,817</u>	<u>\$ 5,817</u>	<u>\$ 4,640</u>	<u>\$ (1,177)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,250	\$ 1,250	\$ 3,192	\$ 1,942
Total revenues	<u>1,250</u>	<u>1,250</u>	<u>3,192</u>	<u>1,942</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	1,250	1,250	-	1,250
Total security of persons and property .	<u>1,250</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>
Total expenditures	<u>1,250</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>
Net change in fund balance	-	-	3,192	3,192
Fund balance at beginning of year	<u>37,592</u>	<u>37,592</u>	<u>37,592</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 37,592</u>	<u>\$ 37,592</u>	<u>\$ 40,784</u>	<u>\$ 3,192</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>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 15,820	\$ (9,180)
Investment income	-	-	337	337
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>16,157</u>	<u>(8,843)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	6,000	6,000	4,516	1,484
Materials and supplies.	5,000	20,000	19,660	340
Total security of persons and property .	<u>11,000</u>	<u>26,000</u>	<u>24,176</u>	<u>1,824</u>
Total expenditures	<u>11,000</u>	<u>26,000</u>	<u>24,176</u>	<u>1,824</u>
Net change in fund balance.	14,000	(1,000)	(8,019)	(7,019)
Fund balance at beginning of year	<u>115,519</u>	<u>115,519</u>	<u>115,519</u>	<u>-</u>
Fund balance at end of year	<u>\$ 129,519</u>	<u>\$ 114,519</u>	<u>\$ 107,500</u>	<u>\$ (7,019)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 91,388	\$ (8,612)
Other	-	-	1,489	1,489
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>92,877</u>	<u>(7,123)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	25,500	29,000	22,439	6,561
Contract services	35,000	35,000	32,042	2,958
Materials and supplies.	7,024	18,024	4,764	13,260
Total security of persons and property.	<u>67,524</u>	<u>82,024</u>	<u>59,245</u>	<u>22,779</u>
Total expenditures	<u>67,524</u>	<u>82,024</u>	<u>59,245</u>	<u>22,779</u>
Excess of revenues over expenditures . .	<u>32,476</u>	<u>17,976</u>	<u>33,632</u>	<u>15,656</u>
Other financing uses:				
Transfers out.	(32,500)	(32,500)	-	32,500
Total other financing uses	<u>(32,500)</u>	<u>(32,500)</u>	<u>-</u>	<u>32,500</u>
Net change in fund balance	(24)	(14,524)	33,632	48,156
Fund balance at beginning of year	238,303	238,303	238,303	-
Prior year encumbrances appropriated .	24	24	24	-
Fund balance at end of year.	<u>\$ 238,303</u>	<u>\$ 223,803</u>	<u>\$ 271,959</u>	<u>\$ 48,156</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, 2014

	<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	\$ 250,000	\$ 250,000	\$ 288,624	\$ 38,624
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>288,624</u>	<u>38,624</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	233,956	283,956	119,866	164,090
Materials and supplies.	25,000	29,500	14,586	14,914
Capital outlay	-	14,990	14,906	84
Total security of persons and property .	<u>258,956</u>	<u>328,446</u>	<u>149,358</u>	<u>179,088</u>
Total expenditures	<u>258,956</u>	<u>328,446</u>	<u>149,358</u>	<u>179,088</u>
Net change in fund balance	(8,956)	(78,446)	139,266	217,712
Fund balance at beginning of year	702,315	702,315	702,315	-
Prior year encumbrances appropriated. .	<u>26,956</u>	<u>26,956</u>	<u>26,956</u>	<u>-</u>
Fund balance at end of year	<u>\$ 720,315</u>	<u>\$ 650,825</u>	<u>\$ 868,537</u>	<u>\$ 217,712</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, 2014

	<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	\$ 32,987	\$ (2,013)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>32,987</u>	<u>(2,013)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	35,000	35,000	29,763	5,237
Total security of persons and property.	<u>35,000</u>	<u>35,000</u>	<u>29,763</u>	<u>5,237</u>
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>29,763</u>	<u>5,237</u>
Net change in fund balance.	-	-	3,224	3,224
Fund balance at beginning of year	<u>172,675</u>	<u>172,675</u>	<u>172,675</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 172,675</u>	<u>\$ 172,675</u>	<u>\$ 175,899</u>	<u>\$ 3,224</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 110	\$ 110
Other	145,000	145,000	177,400	32,400
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>177,510</u>	<u>32,510</u>
Expenditures:				
Current:				
Economic development and assistance				
Contract services	100	100	-	100
Total economic development and assistance.	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Debt service:				
Principal retirement.	200,000	200,000	195,000	5,000
Interest and fiscal charges	44,900	74,900	72,362	2,538
Total debt service	<u>244,900</u>	<u>274,900</u>	<u>267,362</u>	<u>7,538</u>
Total expenditures	<u>245,000</u>	<u>275,000</u>	<u>267,362</u>	<u>7,638</u>
Excess of expenditures over revenues . .	<u>(100,000)</u>	<u>(130,000)</u>	<u>(89,852)</u>	<u>40,148</u>
Other financing sources:				
Transfers in	100,000	100,000	97,910	(2,090)
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>97,910</u>	<u>(2,090)</u>
Net change in fund balance.	-	(30,000)	8,058	38,058
Fund balance at beginning of year	<u>104,336</u>	<u>104,336</u>	<u>104,336</u>	<u>-</u>
Fund balance at end of year	<u>\$ 104,336</u>	<u>\$ 74,336</u>	<u>\$ 112,394</u>	<u>\$ 38,058</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 124,000	\$ 124,000	\$ 117,468	\$ (6,532)
Investment income	1,000	1,000	629	(371)
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>118,097</u>	<u>(6,903)</u>
Expenditures:				
Capital outlay				
Contract services	-	85,000	84,970	30
Materials and supplies	209,949	309,949	198,724	111,225
Total capital outlay	<u>209,949</u>	<u>394,949</u>	<u>283,694</u>	<u>111,255</u>
Total expenditures	<u>209,949</u>	<u>394,949</u>	<u>283,694</u>	<u>111,255</u>
Net change in fund balance	(84,949)	(269,949)	(165,597)	104,352
Fund balance at beginning of year	190,056	190,056	190,056	-
Prior year encumbrances appropriated .	<u>84,949</u>	<u>84,949</u>	<u>84,949</u>	<u>-</u>
Fund balance at end of year	<u>\$ 190,056</u>	<u>\$ 5,056</u>	<u>\$ 109,408</u>	<u>\$ 104,352</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 480,000	\$ 480,000	\$ 471,563	(8,437)
Investment income	-	-	711	711
Total revenues	<u>480,000</u>	<u>480,000</u>	<u>472,274</u>	<u>(7,726)</u>
Expenditures:				
Capital outlay				
Contract services	162,399	177,399	166,636	10,763
Materials and supplies.	229,790	359,790	205,306	154,484
Total capital outlay	<u>392,189</u>	<u>537,189</u>	<u>371,942</u>	<u>165,247</u>
Total expenditures	<u>392,189</u>	<u>537,189</u>	<u>371,942</u>	<u>165,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>87,811</u>	<u>(57,189)</u>	<u>100,332</u>	<u>157,521</u>
Other financing uses:				
Transfers out	(128,000)	(128,000)	(125,750)	2,250
Total other financing uses	<u>(128,000)</u>	<u>(128,000)</u>	<u>(125,750)</u>	<u>2,250</u>
Net change in fund balance.	(40,189)	(185,189)	(25,418)	159,771
Fund balance at beginning of year	150,308	150,308	150,308	-
Prior year encumbrances appropriated .	<u>40,189</u>	<u>40,189</u>	<u>40,189</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 150,308</u>	<u>\$ 5,308</u>	<u>\$ 165,079</u>	<u>\$ 159,771</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 295,642	\$ (304,358)
Investment income	-	-	1,919	1,919
Other	-	-	128,936	128,936
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>426,497</u>	<u>(173,503)</u>
Expenditures:				
Current:				
Economic development				
Personal services	52,000	52,000	50,000	2,000
Other	<u>1,121,490</u>	<u>1,121,490</u>	<u>1,050,059</u>	<u>71,431</u>
Total economic development	<u>1,173,490</u>	<u>1,173,490</u>	<u>1,100,059</u>	<u>73,431</u>
Total expenditures	<u>1,173,490</u>	<u>1,173,490</u>	<u>1,100,059</u>	<u>73,431</u>
Net change in fund balance.	(573,490)	(573,490)	(673,562)	(100,072)
Fund balance at beginning of year	167,703	167,703	167,703	-
Prior year encumbrances appropriated .	<u>573,490</u>	<u>573,490</u>	<u>573,490</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 167,703</u>	<u>\$ 167,703</u>	<u>\$ 67,631</u>	<u>\$ (100,072)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 1,350,140	\$ 1,350,140	\$ 1,318,438	\$ (31,702)
Intergovernmental	203,605	203,605	198,824	(4,781)
Investment income	4,608	4,608	4,500	(108)
Special assessments	11,930	11,930	11,650	(280)
Total revenues	<u>1,570,283</u>	<u>1,570,283</u>	<u>1,533,412</u>	<u>(36,871)</u>
Expenditures:				
Current:				
General government				
Contract services	44,000	44,000	34,536	9,464
Total general government	<u>44,000</u>	<u>44,000</u>	<u>34,536</u>	<u>9,464</u>
Debt service:				
Principal retirement	1,242,066	1,838,741	1,797,828	40,913
Interest and fiscal charges	223,934	331,509	324,133	7,376
Total debt service	<u>1,466,000</u>	<u>2,170,250</u>	<u>2,121,961</u>	<u>48,289</u>
Total expenditures	<u>1,510,000</u>	<u>2,214,250</u>	<u>2,156,497</u>	<u>57,753</u>
Net change in fund balance	60,283	(643,967)	(623,085)	20,882
Fund balance at beginning of year	<u>2,016,783</u>	<u>2,016,783</u>	<u>2,016,783</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,077,066</u>	<u>\$ 1,372,816</u>	<u>\$ 1,393,698</u>	<u>\$ 20,882</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, 2014

	<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	\$ 4,480,672	\$ 2,362,564	\$ (2,118,108)
Other	-	-	982,522	982,522
Total revenues	<u>2,300,000</u>	<u>4,480,672</u>	<u>3,345,086</u>	<u>(1,135,586)</u>
Expenditures:				
Capital outlay				
Contract services	977,317	977,317	970,486	6,831
Materials and supplies.	-	432	431	1
Capital outlay	<u>3,791,600</u>	<u>10,691,600</u>	<u>8,241,879</u>	<u>2,449,721</u>
Total capital outlay	<u>4,768,917</u>	<u>11,669,349</u>	<u>9,212,796</u>	<u>2,456,553</u>
Total expenditures	<u>4,768,917</u>	<u>11,669,349</u>	<u>9,212,796</u>	<u>2,456,553</u>
Excess of expenditures over revenues . .	<u>(2,468,917)</u>	<u>(7,188,677)</u>	<u>(5,867,710)</u>	<u>1,320,967</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>125,750</u>	<u>(74,250)</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>125,750</u>	<u>(74,250)</u>
Net change in fund balance.	(2,268,917)	(6,988,677)	(5,741,960)	1,246,717
Fund balance at beginning of year	4,719,761	4,719,761	4,719,761	-
Prior year encumbrances appropriated .	<u>2,268,917</u>	<u>2,268,917</u>	<u>2,268,917</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,719,761</u>	<u>\$ 1</u>	<u>\$ 1,246,718</u>	<u>\$ 1,246,717</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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2014**

	<u>City Redevelopment</u>	<u>Downtown Parking</u>	<u>Stormwater Utility</u>	<u>Totals</u>
Assets:				
Current assets:				
Equity in pooled cash, cash equivalents and investments	\$ 337,627	\$ 7,744	\$ 1,868,048	\$ 2,213,419
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	369,963	369,963
Special assessments	-	-	90	90
Due from other governments	24,872	-	-	24,872
Total current assets	<u>362,499</u>	<u>7,744</u>	<u>2,238,101</u>	<u>2,608,344</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable capital assets	133,280	150,000	57,923	341,203
Depreciable capital assets, net	216,874	927,145	1,098,051	2,242,070
Total capital assets	<u>350,154</u>	<u>1,077,145</u>	<u>1,155,974</u>	<u>2,583,273</u>
Total noncurrent assets	<u>350,154</u>	<u>1,077,145</u>	<u>1,155,974</u>	<u>2,583,273</u>
Total assets	<u>\$ 712,653</u>	<u>\$ 1,084,889</u>	<u>\$ 3,394,075</u>	<u>\$ 5,191,617</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 20,490	\$ 6,464	\$ 5,048	\$ 32,002
Contracts payable	-	-	1,590	1,590
Accrued wages and benefits	-	-	5,030	5,030
Due to other governments	-	-	775	775
Current portion of OPWC loans payable	-	-	1,798	1,798
Current portion of capital lease obligations	-	-	36,079	36,079
Current portion of compensated absences payable	-	-	12,174	12,174
Accrued interest payable	-	-	1,175	1,175
Total current liabilities	<u>20,490</u>	<u>6,464</u>	<u>63,669</u>	<u>90,623</u>
Long-term liabilities:				
OPWC loans payable	-	-	45,833	45,833
Capital lease obligations	-	-	112,403	112,403
Compensated absences payable	-	-	46,139	46,139
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>204,375</u>	<u>204,375</u>
Total liabilities	<u>20,490</u>	<u>6,464</u>	<u>268,044</u>	<u>294,998</u>
Net position:				
Net investment in capital assets	350,154	1,077,145	959,861	2,387,160
Unrestricted	342,009	1,280	2,166,170	2,509,459
Total net position	<u>\$ 692,163</u>	<u>\$ 1,078,425</u>	<u>\$ 3,126,031</u>	<u>\$ 4,896,619</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, 2014

	Packard Music Hall	City Redevelopment	Downtown Parking
Operating revenues:			
Charges for services	\$ 149,163	\$ 426,888	\$ 23,088
Other	5,119		-
Total operating revenues	<u>154,282</u>	<u>426,888</u>	<u>23,088</u>
Operating expenses:			
Personal services	151,367	-	-
Contract services.	145,808	165,602	80,900
Materials and supplies.	21,392	9,881	107
Administrative costs.	25,869	-	-
Utilities	46,552	68,846	7,011
Depreciation.	130,607	14,791	48,059
Other.	2,227	1,800	-
Total operating expenses	<u>523,822</u>	<u>260,920</u>	<u>136,077</u>
Operating income (loss).	<u>(369,540)</u>	<u>165,968</u>	<u>(112,989)</u>
Nonoperating revenues (expenses):			
Special assessments	-	-	-
Interest and fiscal charges	-	-	-
Total nonoperating revenues (expenses).	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers and special item	(369,540)	165,968	(112,989)
Transfers in.	265,000	-	58,000
Special item (see Note 2.T).	<u>(2,280,036)</u>	<u>-</u>	<u>-</u>
Changes in net position	(2,384,576)	165,968	(54,989)
Net position at beginning of year	<u>2,384,576</u>	<u>526,195</u>	<u>1,133,414</u>
Net position at end of year	<u>\$ -</u>	<u>\$ 692,163</u>	<u>\$ 1,078,425</u>

Stormwater Utility	Totals
\$ 1,103,573	\$ 1,702,712
3,672	8,791
<u>1,107,245</u>	<u>1,711,503</u>
308,683	460,050
69,282	461,592
30,922	62,302
196,153	222,022
-	122,409
25,790	219,247
545	4,572
<u>631,375</u>	<u>1,552,194</u>
<u>475,870</u>	<u>159,309</u>
5	5
<u>(1,175)</u>	<u>(1,175)</u>
<u>(1,170)</u>	<u>(1,170)</u>
474,700	158,139
-	323,000
<u>-</u>	<u>(2,280,036)</u>
474,700	(1,798,897)
<u>2,651,331</u>	<u>6,695,516</u>
<u>\$ 3,126,031</u>	<u>\$ 4,896,619</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Cash flows from operating activities:			
Cash received from customers	\$ 149,163	\$ 426,796	\$ 23,869
Cash received from other operations	5,119	-	-
Cash payments for personal services	(211,646)	-	-
Cash payments for contract services	(150,102)	(145,112)	(80,692)
Cash payments for materials and supplies	(23,386)	(9,881)	(107)
Cash payments for utilities	(46,552)	(68,846)	(7,011)
Cash payments for administrative costs.	(25,869)	-	-
Cash payments for other expenses	(2,227)	(1,800)	-
Net cash provided by (used in) operating activities	<u>(305,500)</u>	<u>201,157</u>	<u>(63,941)</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	<u>304,538</u>	<u>-</u>	<u>58,000</u>
Net cash provided by noncapital financing activities	<u>304,538</u>	<u>-</u>	<u>58,000</u>
Cash flows from capital and related financing activities:			
Aquisition of capital assets	-	-	-
Principal retirement.	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities.	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(962)	201,157	(5,941)
Cash and cash equivalents at beginning of year.	<u>962</u>	<u>136,470</u>	<u>13,685</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ 337,627</u></u>	<u><u>\$ 7,744</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (369,540)	\$ 165,968	\$ (112,989)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	130,607	14,791	48,059
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable.	-	24,780	781
(Increase) in due from other governments	-	(24,872)	-
Increase (decrease) in accounts payable	(6,288)	20,490	208
Increase in contracts payable.	-	-	-
Increase (decrease) in accrued wages and benefits.	(5,559)	-	-
Increase (decrease) in due to other governments.	(859)	-	-
Increase (decrease) in compensated absences payable	(53,861)	-	-
Net cash provided by (used in) operating activities.	<u><u>\$ (305,500)</u></u>	<u><u>\$ 201,157</u></u>	<u><u>\$ (63,941)</u></u>

Non-cash capital transactions:

At December 31, 2014, the stormwater utility fund purchased \$5,048 in capital assets on account.
The stormwater utility fund entered into a capital lease transaction for \$187,382 in 2014.

Stormwater Utility	Totals
\$ 1,043,673	\$ 1,643,501
3,672	8,791
(303,658)	(515,304)
(69,282)	(445,188)
(30,922)	(64,296)
-	(122,409)
(196,153)	(222,022)
(545)	(4,572)
<hr/>	<hr/>
446,785	278,501
<hr/>	<hr/>
-	362,538
<hr/>	<hr/>
-	362,538
<hr/>	<hr/>
(52,875)	(52,875)
(40,697)	(40,697)
<hr/>	<hr/>
(93,572)	(93,572)
<hr/>	<hr/>
353,213	547,467
1,514,835	1,665,952
<hr/>	<hr/>
\$ 1,868,048	\$ 2,213,419
<hr/>	<hr/>
\$ 475,870	\$ 159,309
25,790	219,247
(59,900)	(34,339)
-	(24,872)
(1,590)	12,820
1,590	1,590
758	(4,801)
115	(744)
4,152	(49,709)
<hr/>	<hr/>
\$ 446,785	\$ 278,501
<hr/>	<hr/>

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,492,000	\$ 8,492,000	\$ 8,257,712	\$ (234,288)
Other	8,000	8,000	6,857	(1,143)
Total operating revenues	8,500,000	8,500,000	8,264,569	(235,431)
Operating expenses:				
Personal services	3,294,273	3,294,273	2,986,040	308,233
Contract services	1,438,469	1,532,563	1,336,640	195,923
Materials and supplies	587,019	708,019	664,667	43,352
Capital outlay	828,449	828,449	583,483	244,966
Administrative costs	680,019	725,000	636,746	88,254
Utilities	576,605	612,530	586,509	26,021
Other	14,316	14,316	12,973	1,343
Total operating expenses	7,419,150	7,715,150	6,807,058	908,092
Operating income	1,080,850	784,850	1,457,511	672,661
Nonoperating expenses:				
Debt service:				
Principal retirement	(941,260)	(941,260)	(908,692)	32,568
Interest and fiscal charges	(224,264)	(224,264)	(224,262)	2
Total nonoperating expenses	(1,165,524)	(1,165,524)	(1,132,954)	32,570
Net change in fund equity	(84,674)	(380,674)	324,557	705,231
Fund equity at beginning of year	2,492,195	2,492,195	2,492,195	-
Prior year encumbrances appropriated . .	84,674	84,674	84,674	-
Fund equity at end of year	\$ 2,492,195	\$ 2,196,195	\$ 2,901,426	\$ 705,231

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 10,900,000	\$ 11,365,000	\$ 10,998,649	\$ (366,351)
Other.	256,000	256,000	321,061	65,061
Total operating revenues	<u>11,156,000</u>	<u>11,621,000</u>	<u>11,319,710</u>	<u>(301,290)</u>
Operating expenses:				
Personal services.	5,973,376	5,811,376	5,594,304	217,072
Contract services.	863,952	900,279	794,713	105,566
Materials and supplies.	1,110,546	1,285,546	1,209,064	76,482
Capital outlay	666,043	1,498,770	1,336,188	162,582
Administrative costs.	774,018	809,400	808,471	929
Utilities	532,536	555,827	530,280	25,547
Other.	467,650	176,250	191,224	(14,974)
Total operating expenses	<u>10,388,121</u>	<u>11,037,448</u>	<u>10,464,244</u>	<u>573,204</u>
Operating income.	<u>767,879</u>	<u>583,552</u>	<u>855,466</u>	<u>271,914</u>
Nonoperating revenues (expenses):				
Loan issuance	-	765,727	1,510,835	745,108
Intergovernmental.	-	-	8,600	8,600
Debt service:				
Principal retirement.	(1,370,941)	(1,660,941)	(1,382,585)	278,356
Interest and fiscal charges	(559,956)	(559,956)	(548,555)	11,401
Total nonoperating revenues (expenses) . .	<u>(1,930,897)</u>	<u>(1,455,170)</u>	<u>(411,705)</u>	<u>1,043,465</u>
Net change in fund equity.	(1,163,018)	(871,618)	443,761	1,315,379
Fund equity at beginning of year	313,574	313,574	313,574	-
Prior year encumbrances appropriated . .	<u>872,618</u>	<u>872,618</u>	<u>872,618</u>	<u>-</u>
Fund equity at end of year	<u>\$ 23,174</u>	<u>\$ 314,574</u>	<u>\$ 1,629,953</u>	<u>\$ 1,315,379</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 3,394,661	\$ 3,394,661	\$ 3,485,150	\$ 90,489
Other.	10,000	10,000	39,353	29,353
Total operating revenues	<u>3,404,661</u>	<u>3,404,661</u>	<u>3,524,503</u>	<u>119,842</u>
Operating expenses:				
Personal services.	1,189,466	1,154,466	1,002,912	151,554
Contract services.	1,691,712	1,758,512	1,742,613	15,899
Materials and supplies.	384,336	494,336	443,029	51,307
Capital outlay	312,700	662,700	589,618	73,082
Administrative costs.	249,444	259,803	259,803	-
Utilities	19,840	20,664	17,994	2,670
Other.	4,000	4,000	3,176	824
Total operating expenses	<u>3,851,498</u>	<u>4,354,481</u>	<u>4,059,145</u>	<u>295,336</u>
Operating loss	<u>(446,837)</u>	<u>(949,820)</u>	<u>(534,642)</u>	<u>415,178</u>
Nonoperating revenues:				
Sale of notes.	300,000	650,000	650,000	-
Total nonoperating revenues	<u>300,000</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Net change in fund equity.	(146,837)	(299,820)	115,358	415,178
Fund equity at beginning of year	152,983	152,983	152,983	-
Prior year encumbrances appropriated	146,837	146,837	146,837	-
Fund equity at end of year	<u>\$ 152,983</u>	<u>\$ -</u>	<u>\$ 415,178</u>	<u>\$ 415,178</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 228,500	\$ 228,500	\$ 149,163	\$ (79,337)
Other	5,600	5,600	5,119	(481)
Total operating revenues	<u>234,100</u>	<u>234,100</u>	<u>154,282</u>	<u>(79,818)</u>
Operating expenses:				
Personal services.	347,656	222,656	211,646	11,010
Contract services.	121,229	266,949	252,739	14,210
Materials and supplies.	44,249	34,094	30,384	3,710
Administrative costs.	16,848	40,000	25,869	14,131
Utilities	24,547	58,280	57,268	1,012
Other.	3,649	36,199	35,017	1,182
Total operating expenses	<u>558,178</u>	<u>658,178</u>	<u>612,923</u>	<u>45,255</u>
Net loss before transfers	(324,078)	(424,078)	(458,641)	(34,563)
Transfers in	<u>304,837</u>	<u>404,837</u>	<u>459,000</u>	<u>54,163</u>
Net change in fund equity.	(19,241)	(19,241)	359	19,600
Fund equity (deficit) at beginning of year	(18,279)	(18,279)	(18,279)	-
Prior year encumbrances appropriated.	<u>19,241</u>	<u>19,241</u>	<u>19,241</u>	<u>-</u>
Fund equity (deficit) at end of year	<u>\$ (18,279)</u>	<u>\$ (18,279)</u>	<u>\$ 1,321</u>	<u>\$ 19,600</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, 2014

	<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	\$ 38,000	\$ 223,000	\$ 426,796	\$ 203,796
Total operating revenues	<u>38,000</u>	<u>223,000</u>	<u>426,796</u>	<u>203,796</u>
Operating expenses:				
Contract services.	38,500	204,250	151,877	52,373
Materials and supplies.	5,115	25,115	10,181	14,934
Utilities	-	77,250	70,266	6,984
Other.	-	2,000	1,800	200
Total operating expenses.	<u>43,615</u>	<u>308,615</u>	<u>234,124</u>	<u>74,491</u>
Net change in fund equity	(5,615)	(85,615)	192,672	278,287
Fund equity at beginning of year.	130,855	130,855	130,855	-
Prior year encumbrances appropriated . .	<u>5,615</u>	<u>5,615</u>	<u>5,615</u>	<u>-</u>
Fund equity at end of year	<u>\$ 130,855</u>	<u>\$ 50,855</u>	<u>\$ 329,142</u>	<u>\$ 278,287</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, 2014

	<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	\$ 23,869	\$ (8,131)
Total operating revenues	<u>32,000</u>	<u>32,000</u>	<u>23,869</u>	<u>(8,131)</u>
Operating expenses:				
Contract services.	88,633	88,633	86,842	1,791
Materials and supplies.	3,000	3,000	107	2,893
Utilities	9,200	9,200	7,011	2,189
Other.	200	200	-	200
Total operating expenses	<u>101,033</u>	<u>101,033</u>	<u>93,960</u>	<u>7,073</u>
Net loss before transfers.	(69,033)	(69,033)	(70,091)	(1,058)
Transfers in	<u>63,000</u>	<u>63,000</u>	<u>58,000</u>	<u>(5,000)</u>
Net change in fund equity	(6,033)	(6,033)	(12,091)	(6,058)
Fund equity at beginning of year.	7,652	7,652	7,652	-
Prior year encumbrances appropriated . .	<u>6,033</u>	<u>6,033</u>	<u>6,033</u>	<u>-</u>
Fund equity at end of year	<u>\$ 7,652</u>	<u>\$ 7,652</u>	<u>\$ 1,594</u>	<u>\$ (6,058)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,024,800	\$ 1,024,800	\$ 1,043,674	\$ 18,874
Other	200	200	3,672	3,472
Total operating revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,047,346</u>	<u>22,346</u>
Operating expenses:				
Personal services.	416,511	416,511	303,659	112,852
Contract services.	126,969	126,969	108,279	18,690
Materials and supplies.	35,158	39,158	30,794	8,364
Capital outlay	250,000	750,000	184,361	565,639
Administrative costs.	192,153	196,153	196,153	-
Other.	1,000	1,000	545	455
Total operating expenses	<u>1,021,791</u>	<u>1,529,791</u>	<u>823,791</u>	<u>706,000</u>
Net income (loss)	3,209	(504,791)	223,555	728,346
Nonoperating expenses:				
Debt service:				
Principal retirement.	(3,798)	(3,798)	(1,797)	2,001
Total nonoperating expenses	<u>(3,798)</u>	<u>(3,798)</u>	<u>(1,797)</u>	<u>2,001</u>
Net change in fund equity	(589)	(508,589)	221,758	730,347
Fund equity at beginning of year.	1,514,246	1,514,246	1,514,246	-
Prior year encumbrances appropriated	589	589	589	-
Fund equity at end of year	<u>\$ 1,514,246</u>	<u>\$ 1,006,246</u>	<u>\$ 1,736,593</u>	<u>\$ 730,347</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, 2014**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash, cash equivalents and investments	\$ 1,464,234	\$ 1,193,474	\$ 570,617	\$ 700,509	\$ 3,928,834
Receivables (net of allowances for uncollectibles):					
Accounts	-	-	-	2,581	2,581
Accrued interest	-	1,309	-	-	1,309
Due from other funds	-	650,000	-	-	650,000
Total current assets	<u>1,464,234</u>	<u>1,844,783</u>	<u>570,617</u>	<u>703,090</u>	<u>4,582,724</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable capital assets	-	-	494,888	-	494,888
Depreciable capital assets, net	-	-	28,075	-	28,075
Total capital assets	-	-	<u>522,963</u>	-	<u>522,963</u>
Total noncurrent assets	-	-	522,963	-	522,963
Total assets	<u>\$ 1,464,234</u>	<u>\$ 1,844,783</u>	<u>\$ 1,093,580</u>	<u>\$ 703,090</u>	<u>\$ 5,105,687</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ -	\$ -	\$ 11,966	\$ -	\$ 11,966
Accrued wages and benefits	-	-	5,594	-	5,594
Due to other governments	-	259,360	864	-	260,224
Claims payable	942,541	183,817	-	11,360	1,137,718
Current portion of general obligation bonds	-	-	75,000	-	75,000
Current portion of compensated absences	-	-	10,274	-	10,274
Accrued interest payable	-	-	1,078	-	1,078
Total current liabilities	<u>942,541</u>	<u>443,177</u>	<u>104,776</u>	<u>11,360</u>	<u>1,501,854</u>
Long-term liabilities:					
General obligation bonds payable	-	-	585,267	-	585,267
Claims payable	-	863,538	-	-	863,538
Compensated absences payable	-	-	97,112	-	97,112
Total long-term liabilities	-	<u>863,538</u>	<u>682,379</u>	-	<u>1,545,917</u>
Total liabilities	<u>942,541</u>	<u>1,306,715</u>	<u>787,155</u>	<u>11,360</u>	<u>3,047,771</u>
Net position:					
Net investment in capital assets	-	-	28,075	-	28,075
Unrestricted	<u>521,693</u>	<u>538,068</u>	<u>278,350</u>	<u>691,730</u>	<u>2,029,841</u>
Total net position	<u>\$ 521,693</u>	<u>\$ 538,068</u>	<u>\$ 306,425</u>	<u>\$ 691,730</u>	<u>\$ 2,057,916</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 6,451,899	\$ 211,658	\$ 549,000	\$ 88,989	\$ 7,301,546
Other	-	-	4,898	-	4,898
Total operating revenues.	<u>6,451,899</u>	<u>211,658</u>	<u>553,898</u>	<u>88,989</u>	<u>7,306,444</u>
Operating expenses:					
Personal services	-	-	259,075	-	259,075
Contract services	-	1,005	114,127	-	115,132
Materials and supplies	-	-	6,082	-	6,082
Administrative costs	-	259,360	40,325	-	299,685
Utilities	-	-	24,308	-	24,308
Claims.	6,126,289	122,873	-	131,784	6,380,946
Depreciation	-	-	4,635	-	4,635
Total operating expenses.	<u>6,126,289</u>	<u>383,238</u>	<u>448,552</u>	<u>131,784</u>	<u>7,089,863</u>
Operating income (loss)	<u>325,610</u>	<u>(171,580)</u>	<u>105,346</u>	<u>(42,795)</u>	<u>216,581</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges.	-	-	(12,561)	-	(12,561)
Interest income	-	1,309	-	-	1,309
Total nonoperating revenues (expenses)	<u>-</u>	<u>1,309</u>	<u>(12,561)</u>	<u>-</u>	<u>(11,252)</u>
Changes in net position	325,610	(170,271)	92,785	(42,795)	205,329
Net position at beginning of year	<u>196,083</u>	<u>708,339</u>	<u>213,640</u>	<u>734,525</u>	<u>1,852,587</u>
Net position at end of year	<u>\$ 521,693</u>	<u>\$ 538,068</u>	<u>\$ 306,425</u>	<u>\$ 691,730</u>	<u>\$ 2,057,916</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 6,451,899	\$ 211,658	\$ 549,000	\$ 86,408	\$ 7,298,965
Cash received from other operations	-	-	4,898	-	4,898
Cash payments for personal services	-	-	(234,558)	-	(234,558)
Cash payments for contract services	-	(1,005)	(108,184)	-	(109,189)
Cash payments for materials and supplies	-	-	(6,082)	-	(6,082)
Cash payments for utilities	-	-	(24,308)	-	(24,308)
Cash payments for claims	(6,063,983)	(62,903)	-	(129,941)	(6,256,827)
Cash payments for administrative costs.	-	(280,548)	(40,325)	-	(320,873)
Net cash provided by (used in) operating activities	<u>387,916</u>	<u>(132,798)</u>	<u>140,441</u>	<u>(43,533)</u>	<u>352,026</u>
Cash flows from capital and related financing activities:					
Aquisition of capital assets	-	-	(107,160)	-	(107,160)
Principal retirement	-	-	(75,000)	-	(75,000)
Interest and fiscal charges.	-	-	(14,613)	-	(14,613)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(196,773)</u>	<u>-</u>	<u>(196,773)</u>
Cash flows from investing activities:					
Cash used for internal note disbursement.	-	(650,000)	-	-	(650,000)
Net cash used in investing activities.	<u>-</u>	<u>(650,000)</u>	<u>-</u>	<u>-</u>	<u>(650,000)</u>
Net increase (decrease) in cash and cash equivalents.	387,916	(782,798)	(56,332)	(43,533)	(494,747)
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of year	<u>\$ 1,464,234</u>	<u>\$ 1,193,474</u>	<u>\$ 570,617</u>	<u>\$ 700,509</u>	<u>\$ 3,928,834</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).	\$ 325,610	\$ (171,580)	\$ 105,346	\$ (42,795)	\$ 216,581
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	4,635	-	4,635
Changes in assets and liabilities:					
(Increase) in accounts receivable	-	-	-	(2,581)	(2,581)
Increase in accounts payable	-	-	5,943	-	5,943
Increase in accrued wages and benefits	-	-	900	-	900
Increase (decrease) in due to other governments	-	(21,188)	139	-	(21,049)
Increase in compensated absences payable	-	-	23,478	-	23,478
Increase in claims payable.	62,306	59,970	-	1,843	124,119
Net cash provided by (used in) operating activities	<u>\$ 387,916</u>	<u>\$ (132,798)</u>	<u>\$ 140,441</u>	<u>\$ (43,533)</u>	<u>\$ 352,026</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, 2014

	<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	\$ 6,000,000	\$ 6,000,000	\$ 6,451,899	\$ 451,899
Total operating revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,451,899</u>	<u>451,899</u>
Operating expenses:				
Claims expense	6,000,065	6,000,065	6,064,241	(64,176)
Total operating expenses	<u>6,000,065</u>	<u>6,000,065</u>	<u>6,064,241</u>	<u>(64,176)</u>
Net change in fund equity	(65)	(65)	387,658	387,723
Fund equity at beginning of year.	1,076,253	1,076,253	1,076,253	-
Prior year encumbrances appropriated . .	<u>65</u>	<u>65</u>	<u>65</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,076,253</u>	<u>\$ 1,076,253</u>	<u>\$ 1,463,976</u>	<u>\$ 387,723</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, 2014

	<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	\$ 211,658	\$ (688,342)
Total operating revenues	<u>900,000</u>	<u>900,000</u>	<u>211,658</u>	<u>(688,342)</u>
Operating expenses:				
Contract services	2,000	2,000	1,005	995
Claims expense.	899,411	601,411	63,853	537,558
Administrative costs	-	298,000	280,549	17,451
Total operating expenses	<u>901,411</u>	<u>901,411</u>	<u>345,407</u>	<u>556,004</u>
Net change in fund equity	(1,411)	(1,411)	(133,749)	(132,338)
Fund equity at beginning of year.	1,974,861	1,974,861	1,974,861	-
Prior year encumbrances appropriated . .	<u>1,411</u>	<u>1,411</u>	<u>1,411</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,974,861</u>	<u>\$ 1,974,861</u>	<u>\$ 1,842,523</u>	<u>\$ (132,338)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 590,000	\$ 590,000	\$ 549,000	\$ (41,000)
Other.	-	-	4,898	4,898
Total operating revenues	<u>590,000</u>	<u>590,000</u>	<u>553,898</u>	<u>(36,102)</u>
Operating expenses:				
Personal services.	255,853	255,853	234,558	21,295
Contract services.	120,164	120,164	117,234	2,930
Materials and supplies.	13,000	13,000	6,082	6,918
Capital outlay	184,140	184,140	159,936	24,204
Administrative costs	40,325	40,325	40,325	-
Utilities	25,632	25,632	25,044	588
Total operating expenses	<u>639,114</u>	<u>639,114</u>	<u>583,179</u>	<u>55,935</u>
Operating income (loss)	<u>(49,114)</u>	<u>(49,114)</u>	<u>(29,281)</u>	<u>19,833</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement.	(75,000)	(75,000)	(75,000)	-
Interest and fiscal charges	(14,615)	(14,615)	(14,613)	2
Total nonoperating revenues (expenses)	<u>(89,615)</u>	<u>(89,615)</u>	<u>(89,613)</u>	<u>2</u>
Net change in fund equity	(138,729)	(138,729)	(118,894)	19,835
Fund equity at beginning of year.	485,438	485,438	485,438	-
Prior year encumbrances appropriated	<u>141,511</u>	<u>141,511</u>	<u>141,511</u>	<u>-</u>
Fund equity at end of year	<u>\$ 488,220</u>	<u>\$ 488,220</u>	<u>\$ 508,055</u>	<u>\$ 19,835</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, 2014

	<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	\$ 150,000	\$ 150,000	\$ 86,408	\$ (63,592)
Total operating revenues	<u>150,000</u>	<u>150,000</u>	<u>86,408</u>	<u>(63,592)</u>
Operating expenses:				
Claims expense.	150,000	150,000	129,941	20,059
Total operating expenses	<u>150,000</u>	<u>150,000</u>	<u>129,941</u>	<u>20,059</u>
Net change in fund equity	-	-	(43,533)	(43,533)
Fund equity at beginning of year.	<u>744,042</u>	<u>744,042</u>	<u>744,042</u>	<u>-</u>
Fund equity at end of year	<u>\$ 744,042</u>	<u>\$ 744,042</u>	<u>\$ 700,509</u>	<u>\$ (43,533)</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, 2014**

	<u>Balance 1/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 42,559	\$ 39,683	\$ 2,876
Accounts receivable	2,123	2,752	2,123	2,752
Total assets.	<u>\$ 2,123</u>	<u>\$ 45,311</u>	<u>\$ 41,806</u>	<u>\$ 5,628</u>
Liabilities:				
Deposits held and due to others	\$ 2,123	\$ 45,311	\$ 41,806	\$ 5,628
Total liabilities	<u>\$ 2,123</u>	<u>\$ 45,311</u>	<u>\$ 41,806</u>	<u>\$ 5,628</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 274,507	\$ 302,606	\$ 235,764	\$ 341,349
Accounts receivable	9,488	-	9,488	-
Total assets.	<u>\$ 283,995</u>	<u>\$ 302,606</u>	<u>\$ 245,252</u>	<u>\$ 341,349</u>
Liabilities:				
Deposits held and due to others	\$ 283,995	\$ 302,606	\$ 245,252	\$ 341,349
Total liabilities	<u>\$ 283,995</u>	<u>\$ 302,606</u>	<u>\$ 245,252</u>	<u>\$ 341,349</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 512,110	\$ 4,363	\$ 1,641	\$ 514,832
Total assets.	<u>\$ 512,110</u>	<u>\$ 4,363</u>	<u>\$ 1,641</u>	<u>\$ 514,832</u>
Liabilities:				
Due to other governments	\$ 512,110	\$ 4,363	\$ 1,641	\$ 514,832
Total liabilities	<u>\$ 512,110</u>	<u>\$ 4,363</u>	<u>\$ 1,641</u>	<u>\$ 514,832</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 522,562	\$ 462,693	\$ 522,562	\$ 462,693
Total assets.	<u>\$ 522,562</u>	<u>\$ 462,693</u>	<u>\$ 522,562</u>	<u>\$ 462,693</u>
Liabilities:				
Due to other governments	\$ 522,562	\$ 462,693	\$ 522,562	\$ 462,693
Total liabilities	<u>\$ 522,562</u>	<u>\$ 462,693</u>	<u>\$ 522,562</u>	<u>\$ 462,693</u>

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Balance 1/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 786,617	\$ 349,528	\$ 277,088	\$ 859,057
Cash with fiscal and escrow agents.	522,562	462,693	522,562	462,693
Accounts receivable	11,611	2,752	11,611	2,752
Total assets.	<u>\$ 1,320,790</u>	<u>\$ 814,973</u>	<u>\$ 811,261</u>	<u>\$ 1,324,502</u>
Liabilities:				
Due to other governments	\$ 1,034,672	\$ 467,056	\$ 524,203	\$ 977,525
Deposits held and due to others	286,118	347,917	287,058	346,977
Total liabilities	<u>\$ 1,320,790</u>	<u>\$ 814,973</u>	<u>\$ 811,261</u>	<u>\$ 1,324,502</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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.	140-149
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.	150-159
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	160-167
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	168-169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	170-175

Sources: Sources are noted on the individual schedules.

CITY OF WARREN, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 47,726,468	\$ 44,093,603	\$ 42,910,889	\$ 41,689,055
Restricted for:				
Capital projects	899,088	-	-	21,924
Debt service	2,145,641	2,723,376	1,996,713	1,615,731
Street maintenance	844,586	828,714	808,811	771,607
State highway	178,562	272,923	345,451	274,377
Law enforcement	292,581	399,651	345,503	413,142
Courts	1,588,016	1,369,045	1,315,547	1,122,989
Community development and improvements	8,900,592	9,491,103	10,168,030	10,218,860
Police and fire pension	-	-	104,782	1,108,729
Warren Hills landfill	611,275	622,922	665,959	692,804
Unrestricted (deficit)	<u>(1,844,314)</u>	<u>(353,410)</u>	<u>(659,287)</u>	<u>(1,555,360)</u>
Total governmental activities net position	<u>\$ 61,342,495</u>	<u>\$ 59,447,927</u>	<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>
Business-type activities				
Net investment in capital assets	\$ 23,181,238	\$ 26,353,429	\$ 25,997,973	\$ 24,563,803
Restricted for:				
Debt service	-	-	-	963,817
Unrestricted	<u>8,689,138</u>	<u>7,037,170</u>	<u>7,100,100</u>	<u>6,435,075</u>
Total business-type activities net position	<u>\$ 31,870,376</u>	<u>\$ 33,390,599</u>	<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>
Total primary government				
Net investment in capital assets	\$ 70,907,706	\$ 70,447,032	\$ 68,908,862	\$ 66,252,858
Restricted for:				
Capital projects	899,088	-	-	21,924
Debt service	2,145,641	2,723,376	1,996,713	2,579,548
Street maintenance	844,586	828,714	808,811	771,607
State highway	178,562	272,923	345,451	274,377
Law enforcement	292,581	399,651	345,503	413,142
Courts	1,588,016	1,369,045	1,315,547	1,122,989
Community development and improvements	8,900,592	9,491,103	10,168,030	10,218,860
Police and fire pension	-	-	104,782	1,108,729
Public health	611,275	622,922	665,959	692,804
Unrestricted	<u>6,844,824</u>	<u>6,683,760</u>	<u>6,440,813</u>	<u>4,879,715</u>
Total primary government net position	<u>\$ 93,212,871</u>	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 41,287,935	\$ 37,644,539	\$ 34,666,493	\$ 33,024,924	\$ 30,967,884	\$ 29,524,698
-	49,172	75,800	9,405	570,073	768,172
1,123,312	1,013,994	761,906	483,719	374,727	372,932
725,984	712,053	563,941	627,749	982,767	611,593
223,765	159,839	94,202	143,919	177,075	148,916
461,705	501,540	196,316	450,480	405,984	819,715
842,855	947,689	1,271,125	1,355,089	1,189,849	977,107
9,560,569	8,319,608	7,661,196	7,687,341	7,866,327	6,426,196
1,002,814	901,168	768,867	596,345	292,210	310,630
702,538	696,863	695,177	670,709	679,561	-
(4,588,636)	(4,856,639)	(4,210,956)	756,595	5,137,720	5,273,540
<u>\$ 51,342,841</u>	<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>
\$ 23,458,196	\$ 21,755,533	\$ 19,391,428	\$ 19,416,251	\$ 18,390,112	\$ 18,245,015
962,846	967,855	979,719	1,000,383	993,441	982,128
5,387,270	6,493,160	9,021,287	10,350,057	8,840,165	8,187,418
<u>\$ 29,808,312</u>	<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>
\$ 64,746,131	\$ 59,400,072	\$ 54,057,921	\$ 52,441,175	\$ 49,357,996	\$ 47,769,713
-	49,172	75,800	9,405	570,073	768,172
2,086,158	1,981,849	1,741,625	1,484,102	1,368,168	1,355,060
725,984	712,053	563,941	627,749	982,767	611,593
223,765	159,839	94,202	143,919	177,075	148,916
461,705	501,540	196,316	450,480	405,984	819,715
842,855	947,689	1,271,125	1,355,089	1,189,849	977,107
9,560,569	8,319,608	7,661,196	7,687,341	7,866,327	6,426,196
1,002,814	901,168	768,867	596,345	292,210	310,630
702,538	696,863	695,177	670,709	679,561	-
798,634	1,636,521	4,810,331	11,106,652	13,977,885	13,460,958
<u>\$ 81,151,153</u>	<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>

CITY OF WARREN, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,258,784	\$ 1,219,533	\$ 1,304,044	\$ 1,331,458
Security of persons and property	1,598,937	1,452,930	1,739,425	1,827,410
Public health and welfare	212,498	204,455	201,798	193,402
Transportation	350	1,050	21,750	35,950
Community environment	783,143	762,676	794,078	698,223
Leisure time activity	23,252	36,082	34,033	17,643
Economic development	-	371,154	526,844	587,408
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	139,755	166,236	162,239	116,784
Public health and welfare	-	-	-	-
Transportation	2,085,454	1,968,489	2,000,968	2,063,252
Community environment	515,924	362,596	-	-
Economic development	2,060,026	1,592,956	2,859,913	3,794,352
Capital grants and contributions:				
General government	-	-	309,751	-
Transportation	2,573,034	3,971,851	982,257	2,646,972
Total governmental activities program revenues	<u>11,251,157</u>	<u>12,110,008</u>	<u>10,937,100</u>	<u>13,312,854</u>
Business-type activities:				
Charges for services:				
Sewer	8,188,147	8,026,141	8,487,821	9,862,861
Water	10,930,207	10,276,785	11,042,614	10,746,044
Sanitation	3,446,470	3,434,612	3,323,515	3,146,892
Other business-type activities:				
Packard Music Hall	149,163	211,795	185,971	213,131
City Redevelopment	426,888	57,092	40,111	51,778
Downtown parking	23,088	34,024	24,530	29,566
Stormwater Utility	1,103,573	1,009,629	1,038,686	983,029
Capital grants and contributions				
Sewer	-	-	-	246,037
Water	8,600	-	-	-
Other business-type activities:				
Packard Music Hall	-	37,028	59,020	232,913
Stormwater Utility	-	-	23,469	227,296
Total business-type activities program revenues	<u>24,276,136</u>	<u>23,087,106</u>	<u>24,225,737</u>	<u>25,739,547</u>
Total primary government	<u>\$ 35,527,293</u>	<u>\$ 35,197,114</u>	<u>\$ 35,162,837</u>	<u>\$ 39,052,401</u>
Expenses:				
Governmental activities:				
General government	\$ 5,938,254	\$ 5,490,149	\$ 5,841,107	\$ 5,614,737
Security of persons and property	15,374,111	16,292,351	16,753,174	16,860,682
Public health and welfare	652,802	681,620	634,143	615,238
Transportation	4,256,445	4,124,435	3,790,997	4,034,308
Community environment	2,165,295	2,545,832	1,758,742	1,797,152
Leisure time activity	499,936	499,204	482,998	453,413
Economic development	2,381,519	2,481,991	2,402,035	2,821,164
Interest and fiscal charges	413,785	195,930	266,413	312,812
Bond issuance costs	-	226,597	59,662	-
Total governmental activities expenses	<u>31,682,147</u>	<u>32,538,109</u>	<u>31,989,271</u>	<u>32,509,506</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,355,736	\$ 1,380,902	\$ 1,423,496	\$ 1,350,401	\$ 1,459,245	\$ 1,210,264
1,898,051	1,695,936	1,449,173	1,447,343	1,506,767	1,368,960
206,308	220,439	203,913	153,510	150,522	157,623
22,700	4,400	33,155	40,450	45,255	48,066
845,630	747,261	708,209	535,152	1,135,168	526,502
28,350	21,494	32,702	23,902	16,087	13,646
30,482	181,329	240,918	218,337	73,629	179,296
-	-	-	6,226	-	40,248
132,324	548,325	75,907	155,237	87,594	257,611
-	-	-	-	715,000	-
2,127,786	1,881,928	2,117,983	2,115,189	2,159,287	2,178,812
-	-	-	-	-	-
5,212,448	3,059,516	3,092,290	2,199,113	2,077,372	2,673,342
-	-	-	-	-	-
2,647,295	3,501,520	1,899,760	780,998	670,191	2,017,348
<u>14,507,110</u>	<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>
7,364,686	7,437,372	8,067,438	8,976,173	8,265,798	8,743,627
9,762,568	9,631,170	10,804,962	11,130,274	10,976,356	11,720,251
3,182,299	3,157,449	3,050,445	3,129,173	3,100,329	3,145,870
197,508	216,722	204,224	237,197	218,979	260,551
31,378	42,711	42,711	42,711	42,711	40,445
30,940	29,448	27,503	37,959	29,192	4,805
921,907	888,267	843,531	804,595	832,444	808,058
1,072,931	-	-	-	-	-
-	-	-	-	-	-
675,680	1,236,504	33,056	-	100,000	-
23,697	30,225	-	-	-	-
<u>23,263,594</u>	<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>\$ 37,770,704</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>
\$ 5,400,182	\$ 6,087,221	\$ 6,732,524	\$ 6,108,728	\$ 6,119,385	\$ 5,856,271
15,449,385	15,993,727	18,620,804	17,180,410	17,031,559	16,406,869
633,699	545,444	1,289,289	512,057	517,820	592,167
3,548,603	3,662,641	4,644,555	3,948,040	3,834,782	3,272,353
1,817,279	2,020,146	2,082,342	2,310,948	1,884,819	1,730,863
520,453	484,294	699,582	860,839	665,407	905,187
2,936,898	1,620,800	2,981,877	2,066,544	2,595,480	2,831,518
503,530	566,227	631,425	609,323	682,090	668,091
-	-	-	-	-	-
<u>30,810,029</u>	<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>

-- Continued

CITY OF WARREN, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Business-type activities:				
Sewer	\$ 7,157,384	\$ 7,126,141	\$ 6,684,587	\$ 7,130,457
Water	11,815,365	11,723,619	12,190,368	12,240,091
Sanitation	3,631,799	3,214,243	3,331,447	3,212,094
Other business-type activities:				
Packard Music Hall	525,830	706,478	657,521	563,301
City Redevelopment	260,920	76,175	46,689	45,514
Downtown parking	136,077	149,373	131,147	145,216
Stormwater Utility	634,430	551,745	715,049	760,294
Total business-type activities expenses	<u>24,161,805</u>	<u>23,547,774</u>	<u>23,756,808</u>	<u>24,096,967</u>
Total primary government	<u>\$ 55,843,952</u>	<u>\$ 56,085,883</u>	<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>
Net (expense) revenue:				
Governmental activities	\$ (20,430,990)	\$ (20,428,101)	\$ (21,052,171)	\$ (19,196,652)
Business-type activities	114,331	(460,668)	468,929	1,642,580
Total primary government net expense	<u>\$ (20,316,659)</u>	<u>\$ (20,888,769)</u>	<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,370,616	\$ 1,311,792	\$ 995,193	\$ 1,223,713
Fire pension	-	-	94,034	128,896
Police pension	-	-	94,034	117,974
Income taxes levied for:				
General Purposes	16,247,030	16,624,172	16,968,167	17,292,458
Grants and entitlements				
not restricted to specific programs	2,016,181	3,639,724	4,115,473	4,750,099
Investment earnings	67,940	53,299	67,451	128,848
Miscellaneous	666,755	562,200	673,628	834,099
Special item	2,280,036	-	-	-
Transfers	(323,000)	(317,557)	(327,269)	(220,975)
Total governmental activities	<u>22,325,558</u>	<u>21,873,630</u>	<u>22,680,711</u>	<u>24,255,112</u>
Business-type activities				
Investment earnings	-	-	143	-
Miscellaneous	322,482	435,637	339,037	416,949
Special item	(2,280,036)	-	-	-
Transfers	323,000	317,557	327,269	220,975
Total business-type activities	<u>(1,634,554)</u>	<u>753,194</u>	<u>666,449</u>	<u>637,924</u>
Total primary government	<u>\$ 20,691,004</u>	<u>\$ 22,626,824</u>	<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>
Change in net position:				
Governmental activities	\$ 1,894,568	\$ 1,445,529	\$ 1,628,540	\$ 5,058,460
Business-type activities	(1,520,223)	292,526	1,135,378	2,280,504
Total primary government	<u>\$ 374,345</u>	<u>\$ 1,738,055</u>	<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>

2010	2009	2008	2007	2006	2005
\$ 7,211,259	\$ 7,291,440	\$ 7,686,872	\$ 8,008,014	\$ 8,191,531	\$ 8,714,806
11,925,632	11,875,667	12,233,642	10,845,009	10,769,899	10,654,024
3,129,254	3,118,475	3,360,964	3,146,764	3,004,744	3,042,898
387,126	440,581	684,553	685,045	539,752	711,637
58,066	20,650	50,605	49,618	52,594	75,597
128,252	136,918	150,089	154,011	74,573	142,539
557,878	769,785	1,291,516	646,497	580,352	818,288
<u>23,397,467</u>	<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>\$ 54,207,496</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>
\$ (16,302,919)	\$ (17,737,450)	\$ (26,404,892)	\$ (24,571,031)	\$ (23,235,225)	\$ (21,591,601)
(133,873)	(983,648)	(2,384,371)	823,124	352,364	563,818
<u>\$ (16,436,792)</u>	<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>
\$ 1,129,724	\$ 1,298,598	\$ 1,448,672	\$ 1,389,308	\$ 1,405,834	\$ 1,261,822
118,708	133,797	151,750	144,268	147,074	129,146
116,983	133,797	151,750	144,268	147,074	129,146
16,247,214	16,411,492	17,636,767	18,221,022	20,214,764	19,432,428
3,375,874	2,908,110	2,999,526	2,995,358	2,894,066	3,312,509
111,444	302,100	838,469	1,239,089	1,229,795	1,111,515
716,079	605,315	518,324	548,405	776,416	563,907
-	-	-	-	-	-
(260,092)	(510,000)	(602,574)	(327,477)	(169,120)	(702,756)
<u>21,555,934</u>	<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>
-	1,772	27,045	57,086	53,205	30,745
465,545	295,990	380,495	282,751	234,468	319,640
-	-	-	-	-	-
260,092	510,000	602,574	327,477	169,120	702,756
<u>725,637</u>	<u>807,762</u>	<u>1,010,114</u>	<u>667,314</u>	<u>456,793</u>	<u>1,053,141</u>
<u>\$ 22,281,571</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>
\$ 5,253,015	\$ 3,545,759	\$ (3,262,208)	\$ (216,790)	\$ 3,410,678	\$ 3,646,116
591,764	(175,886)	(1,374,257)	1,490,438	809,157	1,616,959
<u>\$ 5,844,779</u>	<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>

CITY OF WARREN, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General fund:						
Nonspendable	\$ 4,877	\$ 4,426	\$ 3,538	\$ 7,445	\$ -	\$ -
Restricted	611,275	622,922	665,959	692,804	-	-
Assigned	210,808	212,483	743,525	74,882	-	-
Unassigned	1,506,015	3,230,863	3,810,108	4,810,152	-	-
Reserved	-	-	-	-	324,890	88,913
Unreserved	-	-	-	-	4,250,122	4,027,419
Total general fund	<u>\$ 2,332,975</u>	<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>
All other governmental funds:						
Nonspendable	\$ 315	\$ -	\$ -	\$ 10,596	\$ -	\$ -
Restricted	14,060,602	17,497,378	12,285,612	12,966,986	-	-
Unassigned (deficit)	(7,863)	-	(492,011)	-	-	-
Reserved	-	-	-	-	10,966,339	9,384,585
Unreserved (deficit), reported in:						
Special revenue funds	-	-	-	-	1,481,434	2,183,565
Debt service fund	-	-	-	-	505,151	300,006
Capital projects fund	-	-	-	-	(2,073,152)	(1,341,226)
Total all other governmental funds	<u>\$ 14,053,054</u>	<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>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
82,867	505,629	267,692	131,711
<u>4,119,358</u>	<u>5,943,890</u>	<u>6,283,706</u>	<u>4,828,462</u>
<u>\$ 4,202,225</u>	<u>\$ 6,449,519</u>	<u>\$ 6,551,398</u>	<u>\$ 4,960,173</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
10,217,681	8,234,636	8,466,851	6,076,124
2,191,594	2,360,982	2,256,060	3,331,847
111,599	3,924	1,441	8,466
<u>(3,004,369)</u>	<u>(222,311)</u>	<u>62,827</u>	<u>51,707</u>
<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>	<u>\$ 10,787,179</u>	<u>\$ 9,468,144</u>

CITY OF WARREN, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues					
Income taxes	\$ 16,409,208	\$ 16,624,224	\$ 17,080,705	\$ 16,996,981	\$ 15,872,631
Property and other taxes	1,318,438	1,315,316	1,356,637	1,404,962	1,475,498
Charges for services	2,118,099	2,146,723	2,068,967	2,085,260	2,084,254
Licenses and permits	2,114,415	2,129,625	2,281,768	2,193,463	2,303,729
Fines and forfeitures	1,668,265	1,465,518	1,751,023	1,827,530	1,918,363
Intergovernmental	8,554,302	11,242,468	10,388,955	13,551,987	13,198,824
Special assessments	20,549	23,663	35,896	65,724	50,813
Investment income	107,227	163,524	125,471	271,739	216,055
Rental income	47,749	30,606	26,274	31,653	36,552
Other	1,478,244	983,926	760,098	916,099	803,079
Total revenues	<u>33,836,496</u>	<u>36,125,593</u>	<u>35,875,794</u>	<u>39,345,398</u>	<u>37,959,798</u>
Expenditures					
Current:					
General government	7,579,223	7,375,113	7,614,421	7,387,486	7,565,426
Security of persons and property	15,484,022	16,951,166	17,396,017	16,783,776	15,299,674
Public health and welfare	650,352	682,462	631,915	621,583	627,133
Transportation	1,619,094	1,311,023	1,661,599	1,584,939	1,568,297
Community environment	1,825,474	1,738,663	1,766,330	1,770,245	1,707,275
Leisure time activity	730,344	550,457	493,165	456,404	440,263
Economic development	2,276,793	2,417,744	3,291,712	3,500,283	3,631,183
Capital outlay	7,275,418	7,601,061	2,681,709	2,379,047	4,238,297
Debt service:					
Principal retirement	815,983	1,153,216	3,494,229	1,342,926	1,937,447
Interest and fiscal charges	399,298	164,201	256,922	277,837	481,373
Bond issuance costs	-	226,597	44,710	-	-
Total expenditures	<u>38,656,001</u>	<u>40,171,703</u>	<u>39,332,729</u>	<u>36,104,526</u>	<u>37,496,368</u>
Excess of revenues over (under) expenditures	<u>(4,819,505)</u>	<u>(4,046,110)</u>	<u>(3,456,935)</u>	<u>3,240,872</u>	<u>463,430</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	1,428,160	429,120	960,193	552,103	384,562
Transfers (out)	(1,751,160)	(658,493)	(1,085,009)	(684,894)	(556,470)
Total other financing sources (uses)	<u>(323,000)</u>	<u>8,597,451</u>	<u>1,910,801</u>	<u>(132,791)</u>	<u>348,092</u>
Special items	<u>(39,538)</u>	-	-	-	-
Net change in fund balances	<u>\$ (5,182,043)</u>	<u>\$ 4,551,341</u>	<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>	<u>\$ 811,522</u>
Capital expenditures	7,247,084	7,166,035	3,438,531	2,066,359	5,200,379
Debt service as a percentage of noncapital expenditures	3.87%	3.99%	10.45%	4.76%	7.49%

2009	2008	2007	2006	2005
\$ 15,624,357	\$ 18,013,849	\$ 18,070,111	\$ 20,138,026	\$ 19,610,734
1,511,528	1,484,062	1,667,959	1,657,168	1,485,169
2,139,791	2,236,100	2,067,415	1,693,234	2,187,422
2,070,754	2,493,223	1,886,000	2,466,676	1,852,130
1,747,233	1,523,506	1,531,452	1,594,451	1,441,968
12,037,848	9,540,800	7,787,994	7,831,448	10,574,125
27,680	22,036	30,688	44,629	42,597
393,622	1,187,787	1,404,779	1,164,258	962,886
94,831	60,013	113,186	168,256	36,830
697,315	721,207	626,061	1,491,416	563,907
<u>36,344,959</u>	<u>37,282,583</u>	<u>35,185,645</u>	<u>38,249,562</u>	<u>38,757,768</u>
7,313,305	7,939,782	7,991,047	7,533,078	7,824,849
15,187,309	17,976,545	17,671,898	17,233,644	16,259,126
585,216	1,242,486	492,168	493,377	588,693
1,640,909	2,534,139	2,328,166	2,062,179	2,278,123
1,761,935	1,909,315	2,145,697	1,886,410	1,783,381
491,804	656,999	876,264	675,183	762,761
2,032,605	2,966,215	2,083,320	2,508,773	2,764,286
3,920,919	2,782,967	1,833,099	1,927,685	3,017,762
1,530,310	1,538,405	2,025,221	2,045,411	2,007,728
534,299	585,924	580,065	606,431	640,178
-	-	-	-	-
<u>34,998,611</u>	<u>40,132,777</u>	<u>38,026,945</u>	<u>36,972,171</u>	<u>37,926,887</u>
<u>1,346,348</u>	<u>(2,850,194)</u>	<u>(2,841,300)</u>	<u>1,277,391</u>	<u>830,881</u>
-	-	-	-	-
-	-	-	1,700,000	-
-	256,564	-	-	-
-	-	-	-	-
-	-	-	29,847	-
1,104,143	1,140,453	1,046,488	1,941,380	2,228,086
<u>(1,525,959)</u>	<u>(1,654,843)</u>	<u>(1,302,304)</u>	<u>(2,038,358)</u>	<u>(2,571,645)</u>
<u>(421,816)</u>	<u>(257,826)</u>	<u>(255,816)</u>	<u>1,632,869</u>	<u>(343,559)</u>
-	-	-	-	-
<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>	<u>\$ 487,322</u>
4,465,719	2,824,370	2,372,745	2,192,532	3,502,785
6.76%	5.69%	7.31%	7.62%	7.69%

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)
2014	\$ 373,901,310	\$ 1,068,289,457	\$ 19,577,610	\$ 22,247,284	\$ -	\$ -
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

Source: Trumbull County Auditor's Office

- (a) Real property is assessed at 35% of actual value.
- (b) Public utility is assessed at 88% percent of actual value.
- (c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.
 For 2006, tangible personal is assessed at 18.75% of property value, including inventory.
 For 2007, tangible personal is assessed at 12.50% of property value, including inventory.
 For 2008, tangible personal is assessed at 6.25% of property value, including inventory.
 For 2009 and subsequent years, tangible personal is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible personal property is the only taxable tangible personal property.

Total

Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
\$ 393,478,920	\$ 1,090,536,741	3.50	36.08%
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%

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
2014	2.90	0.30	0.30	3.50	12.30	62.20	2.40	-
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

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	77.90	81.40
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

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WARREN, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 15,380,320	1	3.91%
Warren Ohio Hospital Company LLC	9,843,910	2	2.50%
East Ohio Gas Co	2,564,870	3	0.65%
Sam's Real Estate Business Trust	2,323,200	4	0.59%
Rydyl I LLC	2,297,670	5	0.58%
NRR Commerce Ltd	1,974,120	6	0.50%
Simon-Northbury Colony Ltd	1,915,620	7	0.49%
North Mar Center	1,654,000	8	0.42%
American Transmission Systems Inc	1,632,420	9	0.41%
Warren Plaza Co	1,553,200	10	0.39%
Total, Top Ten Property Taxpayers	\$ 41,139,330		10.44%
Total City Property Tax Assessed Valuation	\$ 393,478,920		

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 10,376,190	1	2.17%
United Telephone	6,235,830	2	1.30%
Sams Real Estate Business	2,637,010	3	0.55%
Rydyl I LLC	2,483,150	4	0.52%
Simon-Northbury	2,015,760	5	0.42%
River Road Investments	1,975,790	6	0.41%
Lowes Home Center	1,771,070	7	0.37%
East Ohio Gas	1,758,510	8	0.37%
Trumbull Plaza	1,731,840	9	0.36%
American Transmission Systems	1,462,230	10	0.31%
Total, Top Ten Property Taxpayers	\$ 32,447,380		6.78%
Total City Property Tax Assessed Valuation	\$ 477,844,561		

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>
2014	\$ 1,376,055	\$ 1,251,055	90.92%	\$ 79,058	\$ 1,330,113	96.66%	\$ 540,846	39.30%
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%

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
2014	\$ 166,177	\$ 43,500	26.18%	\$ 11,213	\$ 54,713	32.92%	\$ 2,296,344	1381.87%
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%

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
2014	2.00%	\$ 16,547,733	\$ 12,880,337	77.84%	\$ 1,585,072	9.58%
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%

Source: The City of Warren Income Tax Department

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	2,082,324	12.58%
	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%

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
2014	\$10,804,746	\$ 195,000	\$ -	\$ 1,125,000	\$ 22,053	\$ 166,767	\$ -
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

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
\$ 4,980,473	\$ -	\$ 19,569,057	\$ 47,631	\$296,967	\$ 37,207,694	\$ 690,569,152	5.39%	40,768	\$ 913
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

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
2014	40,768	\$ 1,090,536,741	\$ 15,785,219	\$ 1,395,410	\$ 14,389,809	1.32%	\$ 353
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

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, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
Direct:			
City of Warren	\$ 12,313,566	100.00%	\$ 12,313,566
Total direct debt			<u>12,313,566</u>
Overlapping debt:			
Trumbull County	17,576,184	11.56%	2,031,807
Warren City School District	1,135,000	95.32%	1,081,882
Howland Local School District	958,800	13.38%	128,287
LaBrae Local School District	4,223,989	9.13%	385,650
Lakeview Local School District	1,215,000	0.03%	365
Geauga-Trumbull Jt. Solid Waste Management	550,000	5.93%	32,615
Total overlapping debt			<u>3,660,606</u>
Total direct and overlapping debt			<u>\$ 15,974,172</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed value**	\$ 393,478,920	\$ 395,622,910	\$ 398,051,570	\$ 440,168,950
Legal debt margin:				
Debt limitation - 10.5% of assessed value	41,315,287	41,540,406	41,795,415	46,217,740
Debt applicable to limitation:				
Total bonded debt	15,370,000	16,590,000	10,075,000	9,980,000
Exemptions:				
Debt service fund balance	(1,395,410)	(2,017,079)	(1,398,296)	(874,361)
Debt supported by enterprise fund operations	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>
Total exemptions	<u>(6,260,410)</u>	<u>(7,442,079)</u>	<u>(7,946,296)</u>	<u>(9,329,861)</u>
Total debt applicable to limitation	<u>9,109,590</u>	<u>9,147,921</u>	<u>2,128,704</u>	<u>650,139</u>
Total legal debt margin within 10.5% limitation	<u>\$ 32,205,697</u>	<u>\$ 32,392,485</u>	<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 21,641,341	\$ 21,759,260	\$ 21,892,836	\$ 24,209,292
Debt applicable to limitation:				
Total bonded debt	15,370,000	16,590,000	10,075,000	9,980,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>
Total debt within 5.5% limitations	<u>10,505,000</u>	<u>11,165,000</u>	<u>3,527,000</u>	<u>1,524,500</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 11,136,341</u>	<u>\$ 10,594,260</u>	<u>\$ 18,365,836</u>	<u>\$ 22,684,792</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.

2010	2009	2008	2007	2006	2005
\$ 442,367,630	\$ 443,215,720	\$ 445,218,130	\$ 443,015,560	\$ 500,021,312	\$ 477,844,561
46,448,601	46,537,651	46,747,904	46,516,634	52,502,238	50,173,679
12,055,000	14,093,104	16,050,096	18,081,170	20,667,060	23,255,995
(505,151)	(336,286)	(133,279)	(34,943)	(36,117)	(33,214)
<u>(9,472,500)</u>	<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>(9,977,651)</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>2,077,349</u>	<u>3,310,818</u>	<u>4,535,317</u>	<u>5,750,727</u>	<u>7,444,443</u>	<u>9,172,781</u>
<u>\$ 44,371,252</u>	<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>
\$ 24,330,220	\$ 24,376,865	\$ 24,486,997	\$ 24,365,856	\$ 27,501,172	\$ 26,281,451
12,055,000	14,093,104	16,050,096	18,081,170	20,667,060	23,255,995
<u>(9,472,500)</u>	<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>2,582,500</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>\$ 21,747,720</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>

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

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	
2014	\$ 2,161,670	\$ -	\$ 2,161,670	\$ 835,990	\$ 425,025	\$ 1,261,015	1.71
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	1,140,919	880,840	260,079	677,898	468,330	1,146,228	0.23
2010	1,161,210	881,285	279,925	641,133	425,840	1,066,973	0.26
2009	2,166,579	880,582	1,285,997	640,956	528,141	1,169,097	1.10
2008	2,611,687	883,985	1,727,702	428,991	365,300	794,291	2.18
2007	2,223,989	881,272	1,342,717	412,535	381,753	794,288	1.69
2006	3,094,682	882,697	2,211,985	396,710	397,581	794,291	2.78
2005	1,979,184	883,097	1,096,087	381,492	412,799	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

PLEGDED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 8,195,004	\$ 5,994,030	\$ 2,200,974	\$ 928,923	\$ 212,310	\$ 1,141,233	1.93
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

(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
2014	40,768	\$ 690,569,152	\$ 16,939	8.4%	7.0%	5.7%	6.2%
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%

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	2014		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Warren Ohio Hospital Co.	\$ 1,112,876	1	8.64%
Trumbull County Auditor	934,406	2	7.25%
Humility of Mary Health Partners	755,232	3	5.86%
Warren City Schools	733,880	4	5.70%
State of Ohio, Dep't of Adm. Services	470,070	5	3.65%
City of Warren	387,585	6	3.01%
AVI Food Systems	321,151	7	2.49%
GE Lighting	205,432	8	1.59%
Covelli Enterprises	158,802	9	1.23%
Novelis Corporation	140,811	10	1.09%
Total	\$ 5,220,245		40.53%
Total 2014 City Income Tax Withholding	<u>\$ 12,880,337</u>		

Employer	2005		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull Memorial Hospital	\$ 1,124,141	1	7.49%
Delphi Automotive Systems Service	1,020,043	2	6.80%
Trumbull County Auditor	821,287	3	5.47%
Warren City Schools	755,140	4	5.03%
Humility of Mary Health Partners	684,899	5	4.56%
GE Lighting	492,096	6	3.28%
State of Ohio, Dep't of Adm. Services	443,423	7	2.95%
City of Warren	436,235	8	2.91%
WCI Inc.	363,327	9	2.42%
General Motors Corp.	345,760	10	2.30%
Total	\$ 6,486,351		43.21%
Total 2005 City Income Tax Withholding	<u>\$ 15,010,295</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	2014	2013	2012	2011	2010	2009	2008	2007
General Government								
Council	12.00	11.00	12.00	12.00	12.00	12.00	13.00	13.00
Mayor	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Finance	6.00	6.00	6.00	6.00	6.00	5.00	5.00	6.00
Income Tax	7.00	7.00	7.00	7.00	6.00	5.00	6.00	8.00
Law	10.00	11.00	11.00	9.00	9.00	9.00	9.00	10.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	1.00	2.00	2.00	1.00	1.00	1.00	3.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	32.00	31.00	31.00	30.00	33.00	34.00	34.00	34.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	29.00	29.00	28.00	29.00	26.00	25.00	48.00	49.00
Engineering	12.00	11.00	11.00	11.00	10.00	11.00	11.00	13.00
Security of Persons and Property								
Police	80.00	82.00	83.00	84.00	81.00	77.00	81.00	101.00
Fire	58.00	70.00	73.00	73.00	63.00	57.00	64.00	78.00
Public Health and Welfare								
Health Services	12.00	12.00	12.00	12.00	12.00	10.00	11.00	14.00
Economic Development								
Community Development	5.00	5.00	5.00	5.00	5.00	6.00	5.00	5.00
Packard Music Hall (a)	-	5.00	5.00	4.00	3.00	2.00	4.00	7.00
Data Processing	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00
Utility Services								
Water	75.00	75.00	78.00	79.00	82.00	85.00	84.00	85.00
Sewer/Stormwater	48.00	45.00	44.00	42.00	51.00	53.00	48.00	52.00
Sanitation	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	<u><u>417.00</u></u>	<u><u>432.00</u></u>	<u><u>438.00</u></u>	<u><u>433.00</u></u>	<u><u>429.00</u></u>	<u><u>421.00</u></u>	<u><u>456.00</u></u>	<u><u>508.00</u></u>

(a) Effective September 1, 2014 the operations of the Packard Music Hall were assumed by JAC Management Group.

Source: City of Warren records

<u>2006</u>	<u>2005</u>
13.00	13.00
4.00	4.00
6.00	6.00
8.00	7.00
10.00	10.00
4.00	4.00
2.00	2.00
3.00	3.00
33.00	32.00
2.00	2.00
50.00	46.00
14.00	13.00
102.00	95.00
78.00	77.00
13.00	14.00
6.00	6.00
7.00	5.00
3.00	3.00
83.00	82.00
48.00	47.00
15.00	15.00
<u>504.00</u>	<u>486.00</u>

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST NINE YEARS

Function	2014	2013	2012	2011	2010	2009	2008
Security of Persons and Property							
Police:							
Physical Arrests	2,204	2,301	1,848	2,668	2,229	2,887	4,125
Parking Violations	547	1,728	452	545	273	453	510
Traffic Violations	3,406	2,849	2,036	4,238	3,803	3,036	5,336
Fire:							
Calls for Service	1,322	952	1,122	1,386	1,230	1,030	1,377
Fire Safety Inspections	935	1,346	1,213	1,152	1,125	1,135	1,052
Leisure Time Activities							
Enclosed Shelter Rentals	111	105	112	92	76	78	76
Log Cabin Rentals	21	25	11	18	5	10	8
Pavilion Rentals	194	231	260	205	200	177	170
Transportation							
Street Resurfacing (Miles)	8	6.46	8	6	8	16	2
Potholes Repaired	1,480	1,350	1,140	1,157	1,236	1,006	871
Water							
New Connections	7	5	17	13	11	16	21
Water Main Breaks	111	137	128	70	94	53	107
Average Daily Consumption (thousands of gallons)	11,591	11,383	11,380	12,504	11,625	11,285	12,846
Sewer							
Average Daily Consumption (thousands of gallons)	14,090	13,920	13,310	17,240	12,560	13,380	17,952
Sanitation							
Refuse Collected (tons daily)	95	92	91	90	90	88	82

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

<u>2007</u>	<u>2006</u>
4,041	3,942
536	797
5,377	5,949
1,399	1,304
1,024	1,076
71	87
7	20
200	257
12	10
536	638
25	39
104	86
12,963	13,092
13,700	16,216
91	92

CITY OF WARREN, OHIO

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

Function	2014	2013	2012	2011	2010	2009	2008
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	29	32	30	27	27	29	33
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	3	2	2	2	3
Reserve Fire Pumpers	1	1	1	1	1	1	1
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	2	1	1	1	1	1
Leisure Time Activities							
Park Acreage	262.92	262.92	262.92	262.92	256.78	256.78	256.78
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	4
Deemer Park							
Tennis Courts	0	0	4	4	4	4	4
Transportation							
Streets (Paved Miles)	184.423	184.423	184.423	184.423	184.309	184.309	184.309
Traffic Signals	60	60	63	63	63	61	61
Water							
Water Mains (miles)	300	300	300	300	300	300	299
Fire Hydrants	1,905	1,905	1,906	1,906	1,904	1,904	1,906
Maximum Daily Capacity (thousands of gallons)	22,800	22,800	22,700	22,700	22,700	22,700	22,700
Sewer							
Sanitary Sewers (miles)	201.390	201.390	199.200	199.200	199.200	196.943	199.200
Storm Sewers (miles)	123.394	123.394	125.500	125.500	125.500	123.390	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	9	8	8

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

<u>2007</u>	<u>2006</u>
1	1
33	33
3	3
3	3
2	2
2	2
1	1
251.11	251.11
1	1
3	3
6	6
6	6
2	2
2	2
4	4
184.309	184.309
59	59
291	307
1,904	1,915
22,700	22,700
199.200	196.943
125.500	123.230
40,000	40,000
8	9

THIS PAGE IS INTENTIONALLY LEFT BLANK