

# CITY OF WARREN, OHIO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015

VINCENT S. FLASK, CITY AUDITOR





# Dave Yost • Auditor of State

Honorable Mayor and City Council  
City of Warren  
391 Mahoning Ave NW  
Warren, Ohio 44483

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Rea & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

September 29, 2016

**This page intentionally left blank.**

**CITY OF WARREN, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

PREPARED BY:

CITY AUDITOR'S OFFICE  
VINCENT S. FLASK, 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, 2015**

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 .....	5-20
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
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund .....	28
Statement of Net Position - Proprietary Funds.....	29
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	30-31
Statement of Cash Flows - Proprietary Funds .....	32-35
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	36
Notes to the Basic Financial Statements.....	37-80

BASIC FINANCIAL STATEMENTS (CONTINUED):

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability/Asset:	
Ohio Public Employees Retirement System (OPERS).....	82
Ohio Police & Fire (OP&F) Pension Fund.....	83
Schedule of City Contributions:	
Ohio Public Employees Retirement System (OPERS).....	84-85
Ohio Police & Fire (OP&F) Pension Fund.....	86-87
Notes to Required Supplementary Information.....	88

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions - Governmental Funds.....	90-91
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund.....	92-96
Packard Music Hall.....	97
Combining Balance Sheet - Nonmajor Governmental Funds .....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	99
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	100-103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	104-107

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

Court Computerization.....	108
Street Maintenance.....	109
Police Grants.....	110
Drivers Alcohol Treatment.....	111
Drug Law Enforcement.....	112
Law Enforcement Trust.....	113
Enforcement and Education .....	114
Federal Forfeitures .....	115
Probation - Municipal Court .....	116
Special Projects - Courts .....	117
Legal Research - Courts .....	118
Community Development Block Grant.....	119
Guarantee Loan .....	120
Highway Construction .....	121
Motor Vehicle Levy .....	122
Home Investment .....	123
General Bond Payment .....	124
General Capital Projects.....	125

Individual Fund Schedules - Enterprise Funds:

Fund Descriptions - Enterprise Funds.....	126
Combining Statement of Net Position - Nonmajor Enterprise Funds .....	127
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds .....	128

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Combining Statement of Cash Flows - Nonmajor Enterprise Funds .....	129
Schedule of Revenues, Expenses and Changes in Fund Equity Budget and Actual (Non-GAAP Budgetary Basis):	
Sewer.....	130
Water.....	131
Sanitation .....	132
City Redevelopment.....	133
Downtown Parking.....	134
Stormwater Utility.....	135
Individual Fund Schedules - Internal Service Funds:	
Fund Descriptions - Internal Service Funds .....	136
Combining Statement of Net Position - Internal Service Funds.....	137
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	138
Combining Statement of Cash Flows - Internal Service Funds.....	139
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Life Insurance and Hospitalization.....	140
Workers Compensation.....	141
Data Processing.....	142
Risk Management.....	143
Individual Fund Schedules - Agency Funds:	
Fund Descriptions - Agency Funds .....	144
Combining Statement of Changes in Assets and Liabilities - All Agency Funds .....	145
<b>III. STATISTICAL SECTION</b>	
Statistical Section - Contents.....	147
Net Position by Component - Last Ten Years .....	148-149
Changes in Net Position - Last Ten Years.....	150-153
Fund Balances, Governmental Funds - Last Ten Years .....	154-155
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	156-157
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	158-159
Direct and Overlapping Property Tax Rates (Rate Per of \$1,000 Assessed Value) - Last Ten Years .....	160-161
Principal Property Taxpayers - Current Year and Nine Years Ago.....	163
Property Tax Levies and Collections - Last Ten Years .....	164
Special Assessment Tax Levies and Collections - Last Ten Years .....	165
Income Tax Revenue Base and Collections - Last Ten Years.....	166-167

**III. STATISTICAL SECTION (CONTINUED)**

Ratio of Outstanding Debt by Type - Last Ten Years .....	168-169
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years .....	170
Direct and Overlapping Governmental Activities Debt - as of December 31, 2014 .....	171
Computation of Legal Debt Margin - Last Ten Years.....	172-173
Pledged Revenue Coverage - Water Fund - Last Ten Years .....	174
Pledged Revenue Coverage - Sewer Fund - Last Ten Years.....	175
Demographic and Economic Statistics - Last Ten Years .....	176
Principal Employers - Current Year and Nine Years Ago.....	177
Full-Time-Equivalent City Employees by Function /Program - Last Ten Years .....	178-179
Operating Indicators by Function - Last Ten Years .....	180-181
Capital Assets Statistics by Function - Last Ten Years.....	182-183



# CITY OF WARREN, OHIO

## Finance Department

VINCENT S. FLASK  
City Auditor

NANCY E. RUGGIERI  
Deputy Auditor

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

July 25, 2016

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, 2015 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 judgements 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, 2015. 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 may be performed to determine the adequacy of the internal control structure, including that portion related to federal 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, 2015 provided an instance of material weakness in the internal control structure.

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 required 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 are of 16.30 square miles, and serviced a population of approximately 40,723 residents.

Warren is easily reached by a variety of rail, highway and air transportations systems. In conjunction with the Conrail and B&O railroads, the City is home to a first-rate network of regional and interstate highways, providing local business and industry with access to major metropolitan markets. State Routes 5, 45, 82 and U.S. Route 422 serve the City directly, while the Ohio Turnpike (I-80) is located six miles west of the corporate limits, I-76 is nine miles south, and State Route 11 is four miles east. Commercial and air freight services are supplied by the Youngstown-Warren Regional Airport; additional air transportation services are provided by Cleveland Hopkins International Airport, Akron-Canton Regional Airport, and Pittsburgh International Airport- all within 75 miles of the City.

Cultural and recreational opportunities abound throughout Warren and the surrounding region. The W.D. Packard Music Hall auditorium (performance seating capacity of 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, the University of Akron, and John Carroll University. The Eastern Gateway Community College recently opened a campus with business offices in downtown Warren to provide access to our citizens as an alternative form 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 administering 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 the 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 administration 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 and 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 9,000 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 had 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.

Downtown Warren is the 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 current \$12.5 million acquisition and rehab of 150 units at the Hampshire House Apartments on the City'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. A \$9 million senior housing project on the City's west side is nearing completion.

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 amphitheater, 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 to 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, provides first-class entertainment and cultural opportunities for residents and visitors alike. A series of concerts are scheduled for 2016, as well as other downtown festivals and events provide weekly entertainment downtown throughout the summer and into the fall.

## **FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING**

The local economy is still slowly recovering 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 operation 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 a budget and management considerations.

Despite the vigorous budget review process to eliminate extraneous expenses, the City recognizes the need to supplement regular revenue with additional revenue streams in order to offset rising costs associated with healthcare and the unstable costs of fuel. To that end, the City continues to be aggressive in applying for grants and has two full time employees dedicated to the grant writing process. The City contracts with 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 three years.

## **MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS**

Throughout 2015, 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 Fire Department has remained deeply committed to pursuing and obtaining Federal and State grants. The Fire Department received another FEMA Grant in 2015 to continue the Save a Life Fire Alarm program, also known as (SALSA). This program is headed up by Lt. Chuck Eggleston and he has also incorporated the assistance of the American Red Cross. The program has now installed close to 1,000 smoke detectors in our citizens homes for their protection. The smoke detectors contain a sealed lithium battery that is good for a minimum of ten years. Any resident requesting a smoke detector installed in their home will not be denied.

The Central Fire Station received all new fiberglass energy efficient doors in 2015. This was part of the bond from 2015. The Fire Department has seen significant savings in the heating bills because of this. Additionally a new 30 year roof was installed at the Central Fire Station. The new roof replaced the original roof from 1971.

The Fire Department also received a grant from Cleveland State University to continue our Hazardous Material Response courses. This grant was of no cost to the City of Warren.

Lastly the Fire Department sent two captains to the State Fire Academy in Reynoldsburg for a two week Fire Safety Inspection School. This education has greatly assisted our business merchants in keeping their buildings and customers safe.

## **General Government**

The City of Warren made operating changes at the Packard Music Hall reducing a long history of subsidizing the facility and as a result of such changes has seen the Packard Music Hall perform above expectations and is becoming a destination point not only for city residents but for visitors from outside our community.

Downtown revitalization continues to take place with both residential and commercial investments happening from both local and outside investors.

After purchasing the existing Red Cross building Akron Children's Hospital built a new top level facility located on Mahoning Ave. a few short steps from our historic City Hall.

The City of Warren is officially occupying the new Warren Government Center on East Market Street. The Social Security Office occupies the first floor; different social service agencies occupy the second floor along with the city of Warren on the second and third floors. Directly across the street from the Warren Government Center is the new Veterans Resource Center. This is a brand new addition to downtown. The Veteran's Service Center use to occupy a tiny portion of the Jobs and Family Services building on North Park.

In April of 2015 Warren celebrated the opening of the TBEIC building on the square. Six companies employing ten people are now in residence. With TBEIC's network of collaborators through the State's Third Frontier Program, Warren is now a part of the statewide effort to attract, create and nurture high-potential technology jobs.

2015 was Laird Technologies first full year of operation in the city. They are showing signs of being very strong with a payroll of \$11 million in 2015. Laird Technologies is a global market leader in design and manufacturing of customized performance products for wireless and other advanced electronic applications.

An EDA planning grant was received by the Golden Triangle coalition of which Warren is a partner. The grant was used to develop a plan for infrastructure improvements in a very important industrial section of Warren and Howland that is home to over 30 businesses and thousands of jobs.

We have continued our commitment to improving our streets, especially the main arteries into our city. With the Parkman Road project complete we set our sights on the \$2.3 million resurfacing of Elm Road and the \$4 million reconstruction of Youngstown Road.

In 2015 the City merged its 911 operations with Trumbull County saving over \$500,000 in operating expenses while securing employment for the city dispatchers with employment at the county level.

The old Delphi Packard facility on Dana Street underwent a transformation of its own. It is the new headquarters and manufacturing hub for Auto Park it. This development is in its infancy but the outlook for jobs and an influx of revenue into the City is bright.

The old Alcoa & Golden Aluminum plant off of Larchmont was purchased by Clark & Sons. This 288,000 sq. ft. factory has been empty for years. They have already invested \$1.5 million into the acquisition and rehab of the factory.

On the Southwest side of Warren NEO-ARC moved into a 126,000 square foot building. They created a state of the art recycling facility that is committed to recycling as much as 50% of the waste brought to the facility.

## **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, 2014. This was the thirteenth 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, dedication, and coordination of this project. I would also like to acknowledge the assistance provided by the staff of Julian & Grube, Inc. Their guidance and professionalism was invaluable and greatly appreciated.

I would like to acknowledge the efforts of our auditors from the firm Rea & Associates, Inc. Thanks to Morgan Helmick of Rea & Associates and his team for completing the audit so that the report could be file on time with GFOA.

I would also like to thank all of the elected officials, department heads and their staff 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,

A handwritten signature in black ink, appearing to read "Vincent S. Flask". The signature is written in a cursive, flowing style.

Vincent S. Flask  
City Auditor

**CITY OF WARREN**  
ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2015

**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 <sup>st</sup> Ward	Larry Larson
Council Member – 2 <sup>nd</sup> Ward	Alford Novak
Council Member – 3 <sup>rd</sup> Ward	John Brown, Jr.
Council Member – 4 <sup>th</sup> Ward	Gregory Bartholomew
Council Member – 5 <sup>th</sup> Ward	Vincent S. Flask
Council Member – 6 <sup>th</sup> Ward	Cheryl Saffold
Council Member – 7 <sup>th</sup> 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:***

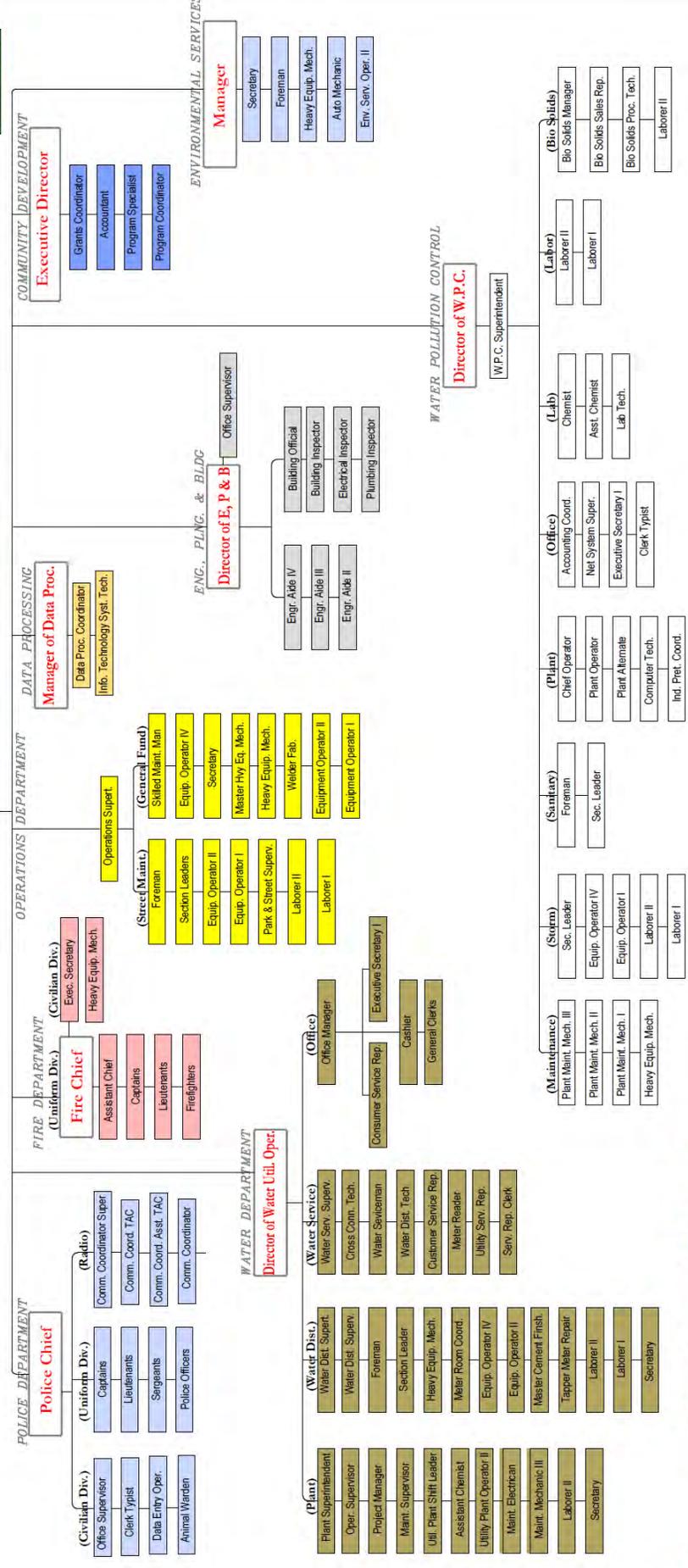
Director of Public Service	Enzo C. Cantalamessa
Deputy Health Commissioner	Robert Pinti
Director of Engineering	Paul Makosky
Director of Water Utilities	Franco Lucarelli
Director of Water Pollution Control	Edward Haller
Director of Environmental Services	Leann O'Brien
Director of Community Development	Michael Keys

\* Vincent S. Flask took office effective July 12, 2016.

# CITY of WARREN, OHIO

## ADMINISTRATIVE

# MAYOR



# 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, 2014**

Executive Director/CEO

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

# **FINANCIAL SECTION**

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## INDEPENDENT AUDITOR'S REPORT

July 25, 2016

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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As described in Note 3, the City restated the net position balance to account for the implementation of Governmental Accounting Standard Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*." Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset, and Schedules of the City's Contributions on pages 5-20, 82-83, and 84-87, 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 July 25, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Kea & Associates, Inc.*

Medina, Ohio

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (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, 2015. 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 2015 are as follows:

- The total net position of the City increased \$4,657,633. Net position of governmental activities increased \$2,610,084 or 6.72% from 2014 and net position of business-type activities increased \$2,047,549 or 7.67%.
- General revenues accounted for \$21,832,968 or 64.58% of total governmental activities revenue. Program specific revenues accounted for \$11,975,873 or 35.42% of total governmental activities revenue.
- The City had \$31,298,040 in expenses related to governmental activities; \$11,975,873 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 \$21,832,968 covered the remaining expenses of \$19,322,167.
- The general fund had revenues and other financing sources of \$25,984,015 in 2015. This represents an increase of \$1,730,359 or 7.13% from 2014 revenues. The expenditures and other financing uses of the general fund, which totaled \$25,940,259 in 2015, decreased \$11,578 or 0.04% from 2014. The net increase in fund balance for the general fund was \$43,756 in 2015.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$4,849,383 in 2015. Expenditures in 2015 totaled \$6,569,253 and the fund balance at the end of the year was \$1,476,319.
- Net position for the business-type activities, which are made up of the water, sewer, sanitation, downtown parking, city redevelopment and stormwater utility enterprise funds, increased in 2015 by \$2,047,549.

#### **Using this Comprehensive Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net 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.

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

#### **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 2015?" 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, 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 15.

##### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and 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 24-26 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, sanitation, downtown parking, city redevelopment, and stormwater utility. The sewer, water and sanitation enterprise funds are considered major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 29-35 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic financial statement for the agency funds can be found on page 36 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-80 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 82-88 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 2015 and 2014. Net position has been restated as described in Note 3.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
<b><u>Assets</u></b>						
Current and other assets	\$ 26,764,852	\$ 29,942,823	\$ 13,563,682	\$ 11,788,334	\$ 40,328,534	\$ 41,731,157
Capital assets, net	59,099,149	54,417,368	45,912,824	48,023,235	105,011,973	102,440,603
Total assets	<u>85,864,001</u>	<u>84,360,191</u>	<u>59,476,506</u>	<u>59,811,569</u>	<u>145,340,507</u>	<u>144,171,760</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	-	-	-	52,131	-	52,131
Pension	3,693,912	2,401,737	1,114,554	755,406	4,808,466	3,157,143
Total deferred outflows of resources	<u>3,693,912</u>	<u>2,401,737</u>	<u>1,114,554</u>	<u>807,537</u>	<u>4,808,466</u>	<u>3,209,274</u>
<b><u>Liabilities</u></b>						
Current liabilities	2,834,320	3,163,191	1,125,507	1,531,711	3,959,827	4,694,902
Long-term liabilities:						
Due within one year	2,451,019	2,479,338	2,997,076	2,970,591	5,448,095	5,449,929
Net pension liability	26,235,166	24,906,841	6,062,571	5,925,638	32,297,737	30,832,479
Other amounts	15,176,883	16,072,924	21,544,478	23,487,612	36,721,361	39,560,536
Total liabilities	<u>46,697,388</u>	<u>46,622,294</u>	<u>31,729,632</u>	<u>33,915,552</u>	<u>78,427,020</u>	<u>80,537,846</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,289,364	1,298,590	-	-	1,289,364	1,298,590
Pension	120,033	-	110,325	-	230,358	-
Total deferred inflows of resources	<u>1,409,397</u>	<u>1,298,590</u>	<u>110,325</u>	<u>-</u>	<u>1,519,722</u>	<u>1,298,590</u>
<b><u>Net position</u></b>						
Net investment in capital assets	48,863,065	47,726,468	22,938,505	23,181,238	71,801,570	70,907,706
Restricted	14,208,427	15,460,341	-	-	14,208,427	15,460,341
Unrestricted	(21,620,364)	(24,345,765)	5,812,598	3,522,316	(15,807,766)	(20,823,449)
Total net position	<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>	<u>\$ 28,751,103</u>	<u>\$ 26,703,554</u>	<u>\$ 70,202,231</u>	<u>\$ 65,544,598</u>

During 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, for governmental activities and business-type activities.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,202,231, an increase of 7.11% from 2014.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

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. Liabilities increased slightly for governmental activities, mostly due to an increase in the net pension liability. For the business-type activities, the decrease in liabilities is primarily due to the retirement of loans and other 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 72.25% of total assets, compared to 71.05% at December 31, 2014. 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, 2015, was \$48,863,065 and \$22,938,505 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, \$14,208,427, 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 \$21,620,364.

The following table shows the changes in net position for 2015 and 2014. Net position for 2014 has been restated as described in Note 3.

	<b>Change in Net Position</b>					
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,717,175	\$ 3,876,964	\$ 25,123,539	\$ 24,267,536	\$ 28,840,714	\$ 28,144,500
Operating grants and contributions	3,539,720	4,801,159	-	-	3,539,720	4,801,159
Capital grants and contributions	<u>4,718,978</u>	<u>2,573,034</u>	<u>27,500</u>	<u>8,600</u>	<u>4,746,478</u>	<u>2,581,634</u>
Total program revenues	<u>11,975,873</u>	<u>11,251,157</u>	<u>25,151,039</u>	<u>24,276,136</u>	<u>37,126,912</u>	<u>35,527,293</u>
General revenues:						
Property taxes	1,221,461	1,370,616	-	-	1,221,461	1,370,616
Income taxes	17,237,265	16,247,030	-	-	17,237,265	16,247,030
Unrestricted grants and entitlements	1,601,526	2,016,181	-	-	1,601,526	2,016,181
Investment earnings	73,839	67,940	-	-	73,839	67,940
Miscellaneous	<u>1,698,877</u>	<u>666,755</u>	<u>364,640</u>	<u>322,482</u>	<u>2,063,517</u>	<u>989,237</u>
Total general revenues	<u>21,832,968</u>	<u>20,368,522</u>	<u>364,640</u>	<u>322,482</u>	<u>22,197,608</u>	<u>20,691,004</u>
Total revenues	<u>33,808,841</u>	<u>31,619,679</u>	<u>25,515,679</u>	<u>24,598,618</u>	<u>59,324,520</u>	<u>56,218,297</u>

-Continued

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Change in Net Position (Continued)**

	Governmental Activities		Business-type Activities		Total	
	(Restated)		(Restated)		(Restated)	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Expenses:</b>						
General government	6,488,811	5,938,254	-	-	6,488,811	5,938,254
Security of persons and property	16,095,857	15,374,111	-	-	16,095,857	15,374,111
Public health and welfare	615,477	652,802	-	-	615,477	652,802
Transportation	3,442,801	4,256,445	-	-	3,442,801	4,256,445
Community environment	1,813,704	2,165,295	-	-	1,813,704	2,165,295
Leisure time activity	737,876	499,936	-	-	737,876	499,936
Economic development	1,717,280	2,381,519	-	-	1,717,280	2,381,519
Interest and fiscal charges	386,234	413,785	-	-	386,234	413,785
Sewer	-	-	7,097,645	7,157,384	7,097,645	7,157,384
Water	-	-	12,013,437	11,815,365	12,013,437	11,815,365
Sanitation	-	-	3,326,132	3,631,799	3,326,132	3,631,799
Packard Music Hall	-	-	-	525,830	-	525,830
City Redevelopment	-	-	215,209	260,920	215,209	260,920
Downtown Parking	-	-	136,252	136,077	136,252	136,077
Stormwater Utility	-	-	580,172	634,430	580,172	634,430
Total expenses	<u>31,298,040</u>	<u>31,682,147</u>	<u>23,368,847</u>	<u>24,161,805</u>	<u>54,666,887</u>	<u>55,843,952</u>
Change in net position before transfers and special item	2,510,801	(62,468)	2,146,832	436,813	4,657,633	374,345
Special item	-	2,280,036	-	(2,280,036)	-	-
Transfers	<u>99,283</u>	<u>(323,000)</u>	<u>(99,283)</u>	<u>323,000</u>	<u>-</u>	<u>-</u>
Change in net position	2,610,084	1,894,568	2,047,549	(1,520,223)	4,657,633	374,345
Net position at beginning of year	<u>38,841,044</u>	<u>N/A</u>	<u>26,703,554</u>	<u>N/A</u>	<u>65,544,598</u>	<u>N/A</u>
Net position at end of year	<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>	<u>\$ 28,751,103</u>	<u>\$ 26,703,554</u>	<u>\$ 70,202,231</u>	<u>\$ 65,544,598</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$3,157,143 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3,309,170.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2015 program expenses under GASB 68	\$ 31,298,040	\$ 23,368,847
Pension expense under GASB 68	(2,640,974)	(668,196)
2015 contractually required contributions	<u>2,494,544</u>	<u>789,187</u>
Adjusted 2015 program expenses	31,151,610	23,489,838
Total 2014 program expenses under GASB 27	<u>31,682,147</u>	<u>24,161,805</u>
Increase (decrease) in program expenses not related to pension	<u>\$ (530,537)</u>	<u>\$ (671,967)</u>

**Governmental Activities**

Governmental activities net position increased \$2,610,084 in 2015, after increasing \$1,894,568 in 2014. This is a result of increased revenues in 2015 combined with a slight decrease in expenses.

Total revenues increased \$2,189,162 or 6.92%. Capital grants and contributions consist of grant revenue from the Ohio Department of Transportation for road construction and repair projects. The decrease in operating grants and contributions is mostly due to a decline in grant funding for the City's community development block grant programs. An increase in miscellaneous revenues and income taxes are the main components of the increased general revenues in 2015. Miscellaneous revenues consist of refunds and reimbursements from various sources. Income tax collections showed positive signs of rebounding in 2015 after decreasing slightly in each of the two previous years.

In total, 2015 expenses were comparable to the prior year, decreasing \$384,107 or 1.21%. Most of the variances between 2015 and 2014 expenses for the City's programs are a result of the City modifying how depreciation expense is charged to the various programs.

Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$16,095,857 and \$15,374,111 of the total expenses of the City during 2015 and 2014, respectively. These expenses were partially funded by \$1,525,792 in 2015 compared to \$1,598,937 in 2014 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$3,442,801 during 2015 and \$4,256,445 during 2014. In 2015, these expenses were fully funded by operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$8,258,698 during 2015, compared to \$7,374,193 during 2014. These revenues are restricted to a particular program or purpose. \$6,663,630 or 80.69% of the total grants and contributions subsidized transportation programs in 2015.

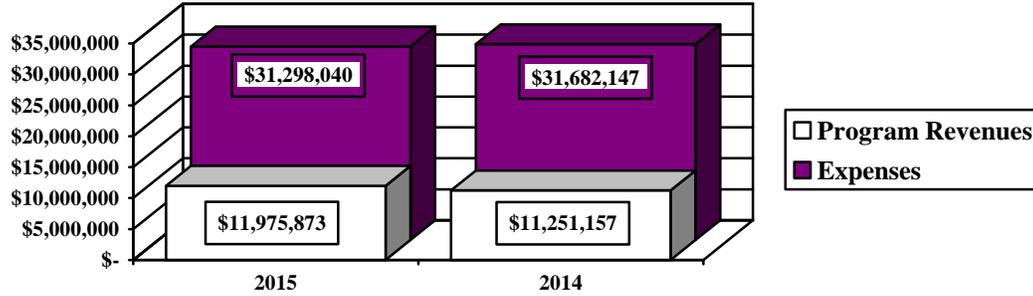
General revenues totaled \$21,832,968, and amounted to 64.56% of total governmental revenues during 2015. These revenues primarily consist of property and income tax revenue of \$18,458,726. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$1,601,526. These revenues sources combine for 59.33% of total governmental revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the following graph, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**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**

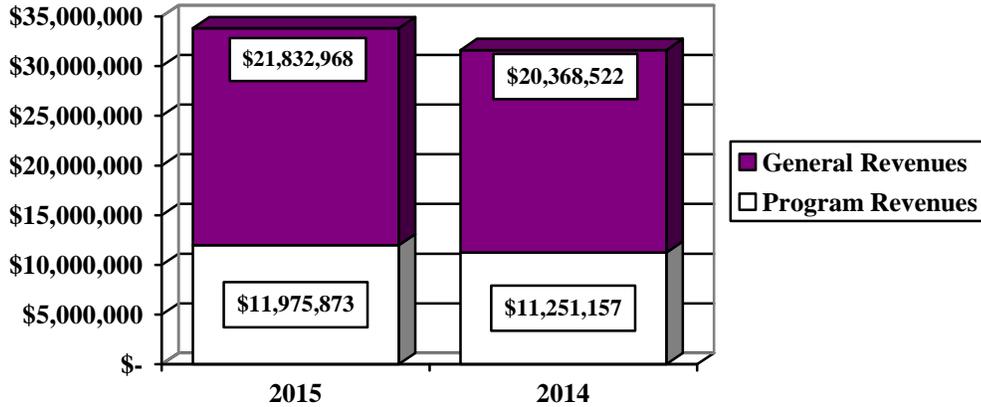
	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Program Expenses:				
General government	\$ 6,488,811	\$ 5,346,724	\$ 5,938,254	\$ 4,679,470
Security of persons and property	16,095,857	14,459,270	15,374,111	13,635,419
Public health and welfare	615,477	420,351	652,802	440,304
Transportation	3,442,801	(3,222,129)	4,256,445	(402,393)
Community environment	1,813,704	1,011,887	2,165,295	866,228
Leisure time activity	737,876	686,823	499,936	476,684
Economic development	1,717,280	233,007	2,381,519	321,493
Interest and fiscal charges	386,234	386,234	413,785	413,785
<b>Total</b>	<u>\$ 31,298,040</u>	<u>\$ 19,322,167</u>	<u>\$ 31,682,147</u>	<u>\$ 20,430,990</u>

The dependence upon general revenues for governmental activities is apparent, with 61.74% and 67.70% of expenses supported through taxes and other general revenues in 2015 and 2014, respectively. A slight increase in program revenues, as described on page 10, led to a decreased reliance upon general revenues in 2015.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

**Governmental Activities - General and Program Revenues**



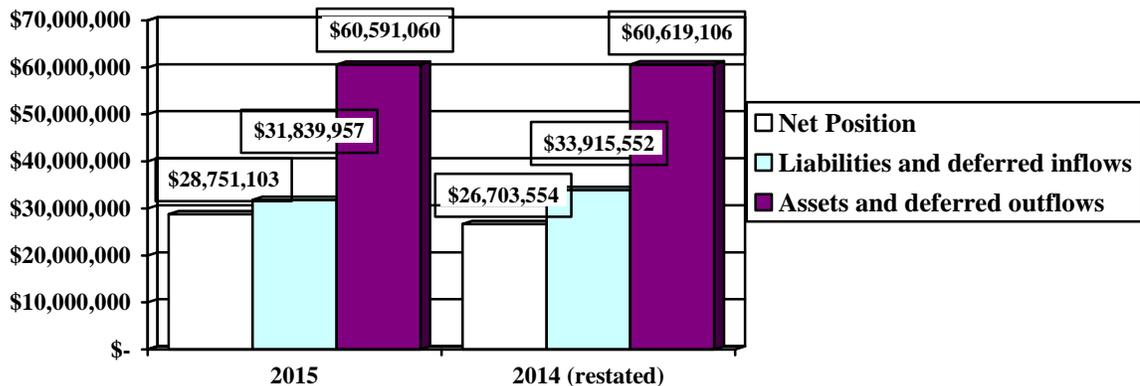
**Business-type Activities**

Business-type activities include the sewer, water, sanitation, downtown parking, city redevelopment, and stormwater enterprise funds. In 2015 and 2014, these programs had program revenues of \$25,151,039 and \$24,276,136, respectively, and general revenues of \$364,640 and \$322,482, respectively. Total revenues for 2015 were \$25,515,679 which represents an increase of 3.73% from 2014 revenues of \$24,598,618.

Total expenses for business-type activities were \$23,368,847 in 2015 compared to \$24,161,805 in 2014. This represents a decrease of 3.28%. A large portion of this decrease is a result of the business-type activities transferring the Packard Music Hall operations to the governmental activities in 2014.

Net position for business-type activities increased \$2,047,549 or 7.67% from 2014. The graph below shows the business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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, 2015  
(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 page 24) reported a combined fund balance of \$13,983,813 which is \$2,402,216 lower than last year's total of \$16,386,029. One of the main reasons for this large decrease is a result of the City's ongoing road improvement program, which is reflected in the expenditures for the general capital projects fund. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2015 for all major and nonmajor governmental funds.

	Fund Balances 12/31/15	Fund Balances 12/31/14	Increase (Decrease)
Major funds:			
General	\$ 2,376,731	\$ 2,332,975	\$ 43,756
General capital projects	1,476,319	3,196,189	(1,719,870)
Nonmajor governmental funds	<u>10,130,763</u>	<u>10,856,865</u>	<u>(726,102)</u>
Total	<u>\$ 13,983,813</u>	<u>\$ 16,386,029</u>	<u>\$ (2,402,216)</u>

**General Fund**

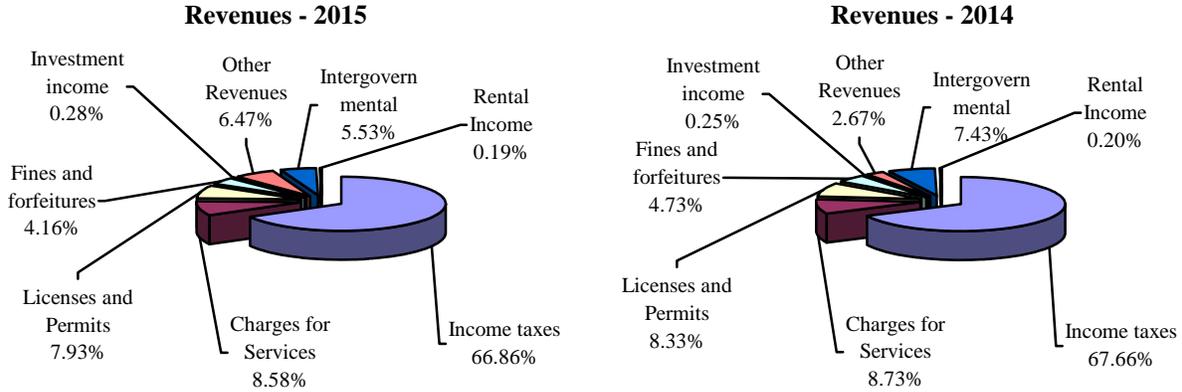
The City's general fund balance increased \$43,756. The table that follows assists in illustrating the revenues of the general fund.

	2015 Amount	2014 Amount	Percentage Change
<b>Revenues</b>			
Income taxes	\$ 16,939,262	\$ 16,409,208	3.23 %
Charges for services	2,172,819	2,118,099	2.58 %
Licenses and permits	2,010,004	2,020,183	(0.50) %
Fines and forfeitures	1,053,589	1,148,146	(8.24) %
Intergovernmental	1,399,760	1,801,270	(22.29) %
Investment income	71,538	60,434	18.37 %
Rental income	48,899	47,749	2.41 %
Other	<u>1,637,940</u>	<u>648,567</u>	152.55 %
Total	<u>\$ 25,333,811</u>	<u>\$ 24,253,656</u>	4.45 %

The most significant change in general fund revenues, and the main reason for the overall increase in revenues, is in other revenues, which resulted from miscellaneous refunds and reimbursements in 2015. The only significant decrease in revenues was intergovernmental revenue, which is due to a decline in grant subsidies from the State.

**CITY OF WARREN, OHIO**

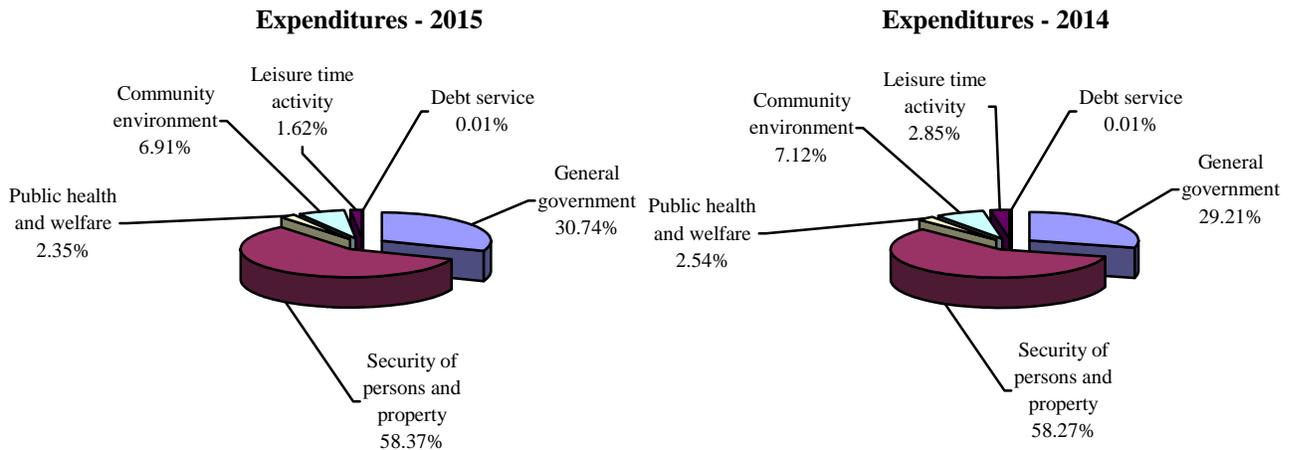
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**



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

	2015 Amount	2014 Amount	Percentage Change
<b>Expenditures</b>			
General government	\$ 7,953,497	\$ 7,485,316	6.25 %
Security of persons and property	15,101,347	14,936,227	1.11 %
Public health and welfare	607,931	650,352	(6.52) %
Community environment	1,786,984	1,825,474	(2.11) %
Leisure time activity	418,546	730,344	(42.69) %
Debt service	1,954	1,124	73.84 %
<b>Total</b>	<u>\$ 25,870,259</u>	<u>\$ 25,628,837</u>	0.94 %

Security of persons and property expenditures represent the largest expenditure category for the general fund. The cost of running the City's police and fire departments is reflected in security of persons and property expenditures. The most significant increase in general fund expenditures, general government, is primarily a result of reporting costs related to the Packard Music Hall in the general fund, which had previously been reported in an enterprise fund. The decrease in leisure time activity expenditures is a result of maintenance equipment purchased in 2014.



## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

#### ***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 \$4,849,383 and expenditures were \$6,569,253. Fund balance at December 31, 2015 was \$1,476,319, all of 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.

Despite a slight decline in operating revenues (primarily service charges), the sewer fund reported operating income of \$1,181,701 in 2015. Nonoperating revenues were \$18 and nonoperating expenses (primarily interest and fiscal charges) totaled \$173,523. Net position for the sewer fund increased \$1,008,196 during the year.

The water fund reported operating income of \$1,256,698 for 2015 as a result of an increase in charges for services revenue due to increased water usage during the year. The water fund had nonoperating expenses of \$885,532, consisting of interest and fiscal charges and a loss on disposal of capital assets, and capital contributions of \$10,000. The total change in net position for the water fund was an increase of \$381,166.

The sanitation fund reported operating income of \$342,743 as revenues increased slightly while expenses decreased. Total operating expenses were \$3,300,627 in 2015 compared to \$3,620,384 in 2014, a decrease of 8.83%. This decrease is primarily related to additional vehicle maintenance costs and higher costs for operating supplies in 2014, particularly diesel fuel. In addition, landfill service fees decreased slightly in 2015. Net position for the sanitation fund increased \$359,277.

#### ***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 \$24,962,386 were increased to \$26,620,052 in the final budget. Actual revenues and other financing sources for the year were \$25,058,176 or \$1,561,876 (5.87%) less than the final budget. Income taxes revenue was expected to increase throughout the year and was increased \$1,374,300 from the original to final budget. Actual collections, however, came in lower than expected at \$1,647,000 below the final budget. This was mostly due to decreased collections from withholdings, as well as lower than anticipated payments from businesses.

For the general fund, original budgeted expenditures and other financing uses were \$25,218,085. The budget amendments throughout the year increased this amount to \$26,883,751 in the final budget. Actual expenditures and other financing uses were \$25,855,558 or \$1,028,193 (3.83%) below budget. There were no individually significant variances between the final budget and actual expenditures as the overall positive variance is attributable to several smaller items, such as lower than expected costs for fuel and utilities.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

**Capital Assets and Debt Administration**

*Capital Assets*

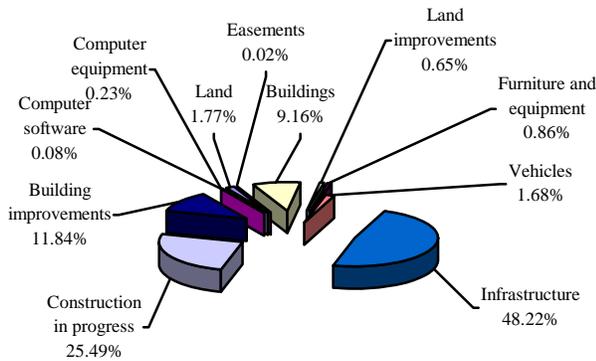
At the end of 2015, the City had \$105,011,973 (net of accumulated depreciation) invested in land, easements, construction in progress (CIP), land improvements, buildings and improvements, software, furniture and equipment, vehicles and infrastructure. Of this total, \$59,099,149 was reported in governmental activities and \$45,912,824 was reported in business-type activities. The following table shows 2015 balances compared to 2014:

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

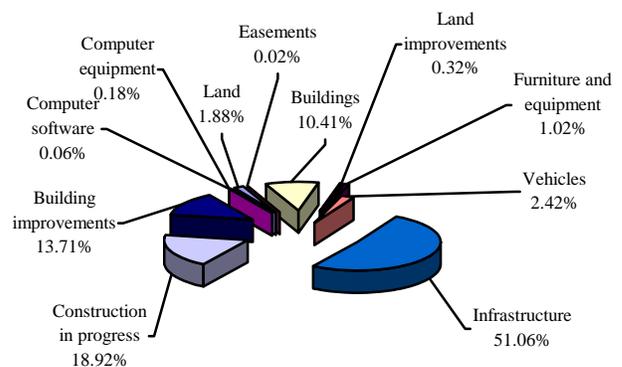
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,044,396	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,428,795	\$ 1,408,583
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	15,063,990	10,294,119	2,709,418	1,786,552	17,773,408	12,080,671
Land improvements	383,127	175,772	-	-	383,127	175,772
Buildings	5,415,609	5,666,100	3,982,899	4,453,708	9,398,508	10,119,808
Building improvements	6,996,128	7,461,282	5,725,905	6,345,862	12,722,033	13,807,144
Computer software	45,151	30,749	-	-	45,151	30,749
Computer equipment	137,757	100,189	-	28,865	137,757	129,054
Furniture and equipment	505,522	555,064	3,846,917	4,652,441	4,352,439	5,207,505
Vehicles	994,156	1,315,045	674,394	854,531	1,668,550	2,169,576
Infrastructure	<u>28,499,960</u>	<u>27,781,511</u>	<u>28,588,892</u>	<u>29,516,877</u>	<u>57,088,852</u>	<u>57,298,388</u>
<b>Totals</b>	<u><b>\$ 59,099,149</b></u>	<u><b>\$ 54,417,368</b></u>	<u><b>\$ 45,912,824</b></u>	<u><b>\$ 48,023,235</b></u>	<u><b>\$ 105,011,973</b></u>	<u><b>\$ 102,440,603</b></u>

The following graphs show the breakdown of governmental capital assets by category for 2015 and 2014:

**Capital Assets - Governmental Activities 2015**



**Capital Assets - Governmental Activities 2014**



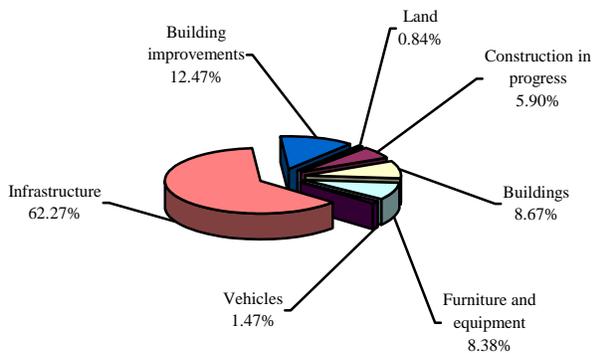
**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

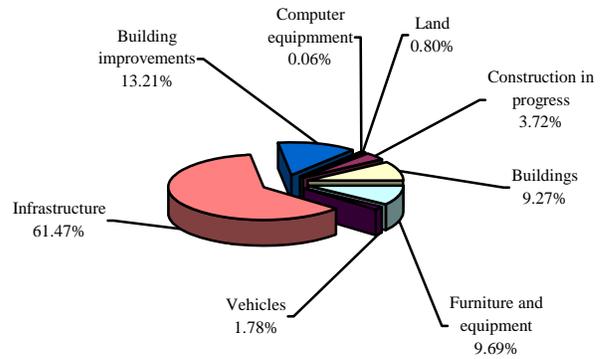
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 48.22% of the City's total governmental capital assets. Most of the capital asset acquisitions in 2015 were infrastructure improvements or construction projects related to infrastructure.

The following graphs show the breakdown of business-type capital assets by category for 2015 and 2014:

**Capital Assets - Business-Type Activities 2015**



**Capital Assets - Business-Type Activities 2014**



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 62.27% 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, 2015 and 2014. Additional detail can be found in Note 13 in the notes to the basic financial statements.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>
General obligation bonds	\$ 10,082,176	\$ 10,804,746	\$ 4,395,887	\$ 4,980,473
Reinvestment partnership corporation loan	100,000	195,000	-	-
OWDA loans	-	-	18,307,791	19,569,057
HUD 108 loan	1,015,000	1,125,000	-	-
ODOD mortgage note	-	22,053	-	-
OPWC loan	153,938	166,767	45,833	47,631
Claims payable	1,105,761	1,047,355	-	-
Capital lease obligation	-	-	224,808	296,967
Compensated absences	5,171,027	5,191,341	1,567,235	1,564,075
Net pension liability	<u>26,235,166</u>	<u>24,906,841</u>	<u>6,062,571</u>	<u>5,925,638</u>
Total long-term obligations	<u>\$ 43,863,068</u>	<u>\$ 43,459,103</u>	<u>\$ 30,604,125</u>	<u>\$ 32,383,841</u>

**Economic Conditions and Next Year's General Fund Budget Outlook**

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2016 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 2016 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 2016 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 the City Auditor, 391 Mahoning Avenue NW, Warren, Ohio 44483-4634.

**CITY OF WARREN, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 9,038,615	\$ 9,273,371	\$ 18,311,986
Receivables:			
Income taxes . . . . .	4,647,280	-	4,647,280
Real and other taxes . . . . .	1,786,287	-	1,786,287
Accounts . . . . .	524,775	4,272,619	4,797,394
Intergovernmental . . . . .	1,540,802	3,087	1,543,889
Accrued interest . . . . .	15,452	-	15,452
Special assessments . . . . .	2,017,620	105,082	2,122,702
Loans . . . . .	6,316,994	-	6,316,994
Internal balance . . . . .	168,122	(168,122)	-
Materials and supplies inventory . . . . .	136,783	65,135	201,918
Restricted assets:			
Equity in pooled cash and cash equivalents. . . . .	558,717	-	558,717
Net pension asset. . . . .	13,405	12,510	25,915
Capital assets:			
Non-depreciable capital assets . . . . .	16,121,739	3,093,817	19,215,556
Depreciable capital assets, net . . . . .	42,977,410	42,819,007	85,796,417
Total capital assets, net. . . . .	<u>59,099,149</u>	<u>45,912,824</u>	<u>105,011,973</u>
Total assets. . . . .	<u>85,864,001</u>	<u>59,476,506</u>	<u>145,340,507</u>
<b>Deferred outflows of resources:</b>			
Pension - OPERS . . . . .	1,194,226	1,114,554	2,308,780
Pension - OP&F . . . . .	2,499,686	-	2,499,686
Total deferred outflows of resources . . . . .	<u>3,693,912</u>	<u>1,114,554</u>	<u>4,808,466</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	292,103	334,666	626,769
Contracts payable. . . . .	489,677	59,956	549,633
Accrued wages and benefits payable . . . . .	501,130	218,026	719,156
Due to other governments . . . . .	658,400	116,150	774,550
Accrued interest payable . . . . .	50,892	396,709	447,601
Claims payable . . . . .	842,118	-	842,118
Long-term liabilities:			
Due within one year . . . . .	2,451,019	2,997,076	5,448,095
Due in more than one year:			
Net pension liability . . . . .	26,235,166	6,062,571	32,297,737
Other amounts due in more than one year. . . . .	15,176,883	21,544,478	36,721,361
Total liabilities . . . . .	<u>46,697,388</u>	<u>31,729,632</u>	<u>78,427,020</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,289,364	-	1,289,364
Pension - OPERS. . . . .	118,211	110,325	228,536
Pension - OP&F . . . . .	1,822	-	1,822
Total deferred inflows of resources . . . . .	<u>1,409,397</u>	<u>110,325</u>	<u>1,519,722</u>
<b>Net position:</b>			
Net investment in capital assets . . . . .	48,863,065	22,938,505	71,801,570
Restricted for:			
Debt service . . . . .	1,869,362	-	1,869,362
Capital projects . . . . .	1,476,319	-	1,476,319
Street maintenance . . . . .	162,939	-	162,939
State highway . . . . .	173,276	-	173,276
Law enforcement . . . . .	363,589	-	363,589
Courts . . . . .	1,291,177	-	1,291,177
Community developments and improvements. . . . .	8,313,048	-	8,313,048
Warren Hills landfill. . . . .	558,717	-	558,717
Unrestricted (deficit). . . . .	<u>(21,620,364)</u>	<u>5,812,598</u>	<u>(15,807,766)</u>
Total net position. . . . .	<u>\$ 41,451,128</u>	<u>\$ 28,751,103</u>	<u>\$ 70,202,231</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government . . . . .	\$ 6,488,811	\$ 1,142,087	\$ -	\$ -
Security of persons and property . . . . .	16,095,857	1,525,792	110,795	-
Public health and welfare . . . . .	615,477	195,126	-	-
Transportation . . . . .	3,442,801	1,300	1,944,652	4,718,978
Community environment . . . . .	1,813,704	801,817	-	-
Leisure time activity . . . . .	737,876	51,053	-	-
Economic development . . . . .	1,717,280	-	1,484,273	-
Interest and fiscal charges . . . . .	386,234	-	-	-
<b>Total governmental activities . . . . .</b>	<b>31,298,040</b>	<b>3,717,175</b>	<b>3,539,720</b>	<b>4,718,978</b>
<b>Business-type activities:</b>				
Sewer . . . . .	7,097,645	8,025,072	-	-
Water . . . . .	12,013,437	11,932,352	-	10,000
Sanitation . . . . .	3,326,132	3,624,806	-	17,500
City Redevelopment . . . . .	215,209	404,767	-	-
Downtown Parking . . . . .	136,252	30,614	-	-
Stormwater Utility . . . . .	580,172	1,105,928	-	-
<b>Total business-type activities . . . . .</b>	<b>23,368,847</b>	<b>25,123,539</b>	<b>-</b>	<b>27,500</b>
<b>Total primary government . . . . .</b>	<b>\$ 54,666,887</b>	<b>\$ 28,840,714</b>	<b>\$ 3,539,720</b>	<b>\$ 4,746,478</b>

**General revenues:**

- Property taxes levied for:
  - Debt service . . . . .
- Income taxes levied for:
  - General purposes . . . . .
- Grants and entitlements not restricted to specific programs . . . . .
- Investment earnings . . . . .
- Miscellaneous . . . . .

Total general revenues . . . . .

Transfers . . . . .

Total general revenues and transfers .

Change in net position . . . . .

**Net position at beginning of year (restated) . . . . .**

**Net position at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,346,724)	\$ -	\$ (5,346,724)
(14,459,270)	-	(14,459,270)
(420,351)	-	(420,351)
3,222,129	-	3,222,129
(1,011,887)	-	(1,011,887)
(686,823)	-	(686,823)
(233,007)	-	(233,007)
(386,234)	-	(386,234)
<u>(19,322,167)</u>	<u>-</u>	<u>(19,322,167)</u>
-	927,427	927,427
-	(71,085)	(71,085)
-	316,174	316,174
-	189,558	189,558
-	(105,638)	(105,638)
-	525,756	525,756
<u>-</u>	<u>1,782,192</u>	<u>1,782,192</u>
<u>(19,322,167)</u>	<u>1,782,192</u>	<u>(17,539,975)</u>
1,221,461	-	1,221,461
17,237,265	-	17,237,265
1,601,526	-	1,601,526
73,839	-	73,839
<u>1,698,877</u>	<u>364,640</u>	<u>2,063,517</u>
<u>21,832,968</u>	<u>364,640</u>	<u>22,197,608</u>
<u>99,283</u>	<u>(99,283)</u>	<u>-</u>
<u>21,932,251</u>	<u>265,357</u>	<u>22,197,608</u>
2,610,084	2,047,549	4,657,633
<u>38,841,044</u>	<u>26,703,554</u>	<u>65,544,598</u>
<u>\$ 41,451,128</u>	<u>\$ 28,751,103</u>	<u>\$ 70,202,231</u>

**CITY OF WARREN, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 120,319	\$ 1,628,929	\$ 3,732,853	\$ 5,482,101
Receivables (net of allowance for uncollectibles):				
Income taxes . . . . .	4,647,280	-	-	4,647,280
Real and other taxes . . . . .	-	-	1,786,287	1,786,287
Accounts . . . . .	368,620	-	25,281	393,901
Intergovernmental . . . . .	601,632	-	939,170	1,540,802
Loans . . . . .	-	-	6,316,994	6,316,994
Accrued interest . . . . .	14,588	-	864	15,452
Special assessments . . . . .	99,947	-	1,917,673	2,017,620
Materials and supplies inventory . . . . .	3,283	-	133,500	136,783
Restricted assets:				
Equity in pooled cash and cash equivalents .	558,717	-	-	558,717
Total assets . . . . .	<u>\$ 6,414,386</u>	<u>\$ 1,628,929</u>	<u>\$ 14,852,622</u>	<u>\$ 22,895,937</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 189,259	\$ 4,588	\$ 96,496	\$ 290,343
Contracts payable . . . . .	-	148,022	193,300	341,322
Accrued wages and benefits payable . . . . .	460,575	-	34,274	494,849
Compensated absences payable . . . . .	112,411	-	-	112,411
Due to other governments . . . . .	533,342	-	19,251	552,593
Total liabilities . . . . .	<u>1,295,587</u>	<u>152,610</u>	<u>343,321</u>	<u>1,791,518</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . .	-	-	1,289,364	1,289,364
Delinquent property tax revenue not available .	-	-	496,923	496,923
Accrued interest not available . . . . .	8,010	-	-	8,010
Special assessments revenue not available . . .	99,947	-	1,917,673	2,017,620
Miscellaneous revenue not available . . . . .	7,431	-	-	7,431
Income tax revenue not available . . . . .	2,341,891	-	-	2,341,891
Intergovernmental revenue not available . . . .	284,789	-	674,578	959,367
Total deferred inflows of resources . . . . .	<u>2,742,068</u>	<u>-</u>	<u>4,378,538</u>	<u>7,120,606</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	3,283	-	133,500	136,783
Restricted . . . . .	558,717	1,476,319	9,997,263	12,032,299
Assigned . . . . .	85,482	-	-	85,482
Unassigned . . . . .	1,729,249	-	-	1,729,249
Total fund balances . . . . .	<u>2,376,731</u>	<u>1,476,319</u>	<u>10,130,763</u>	<u>13,983,813</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,414,386</u>	<u>\$ 1,628,929</u>	<u>\$ 14,852,622</u>	<u>\$ 22,895,937</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2015

<b>Total governmental fund balances</b>		\$	13,983,813
<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.			58,422,237
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	\$	496,923	
Income taxes receivable		2,341,891	
Accounts receivable		7,431	
Special assessments receivable		2,017,620	
Intergovernmental receivable		959,367	
Accrued interest receivable		8,010	
<b>Total</b>		<b>5,831,242</b>	5,831,242
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		13,027	
Deferred outflows of resources		3,660,218	
Deferred inflows of resources		(116,698)	
Net pension liability		(26,051,884)	
<b>Total</b>		<b>(22,495,337)</b>	(22,495,337)
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		(9,230,000)	
Loans payable		(1,268,938)	
Compensated absences payable		(4,932,300)	
<b>Total</b>		<b>(15,431,238)</b>	(15,431,238)
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.			(49,938)
Unamortized premiums on bond issuances are not recognized in the funds.			(268,837)
Internal service funds are used by management to charge the costs of life and hospitalization insurance, workers' compensation, data processing and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.			1,291,064
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.			168,122
<b>Net position of governmental activities</b>		<b>\$</b>	<b>41,451,128</b>

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, 2015

	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 16,939,262	\$ -	\$ -	\$ 16,939,262
Property and other taxes. . . . .	-	-	1,283,266	1,283,266
Charges for services. . . . .	2,172,819	-	-	2,172,819
Licenses and permits . . . . .	2,010,004	-	93,291	2,103,295
Fines and forfeitures . . . . .	1,053,589	-	489,587	1,543,176
Intergovernmental. . . . .	1,399,760	4,723,902	3,800,089	9,923,751
Special assessments . . . . .	-	-	16,123	16,123
Investment income. . . . .	71,538	-	30,151	101,689
Rental income . . . . .	48,899	-	-	48,899
Other . . . . .	1,637,940	-	204,543	1,842,483
Total revenues. . . . .	<u>25,333,811</u>	<u>4,723,902</u>	<u>5,917,050</u>	<u>35,974,763</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	7,953,497	-	147,997	8,101,494
Security of persons and property . . . . .	15,101,347	-	685,583	15,786,930
Public health and welfare. . . . .	607,931	-	-	607,931
Transportation . . . . .	-	-	1,690,699	1,690,699
Community environment . . . . .	1,786,984	-	-	1,786,984
Leisure time activity . . . . .	418,546	-	-	418,546
Economic development. . . . .	-	-	1,711,494	1,711,494
Capital outlay . . . . .	-	6,569,253	538,016	7,107,269
Debt service:				
Principal retirement . . . . .	-	-	869,882	869,882
Interest and fiscal charges. . . . .	1,954	-	393,079	395,033
Total expenditures. . . . .	<u>25,870,259</u>	<u>6,569,253</u>	<u>6,036,750</u>	<u>38,476,262</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(536,448)</u>	<u>(1,845,351)</u>	<u>(119,700)</u>	<u>(2,501,499)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	650,204	125,481	462,054	1,237,739
Transfers (out). . . . .	<u>(70,000)</u>	-	<u>(1,068,456)</u>	<u>(1,138,456)</u>
Total other financing sources (uses) . . . . .	<u>580,204</u>	<u>125,481</u>	<u>(606,402)</u>	<u>99,283</u>
Net change in fund balances . . . . .	43,756	(1,719,870)	(726,102)	(2,402,216)
<b>Fund balances at beginning of year .</b>	<u>2,332,975</u>	<u>3,196,189</u>	<u>10,856,865</u>	<u>16,386,029</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,376,731</u>	<u>\$ 1,476,319</u>	<u>\$ 10,130,763</u>	<u>\$ 13,983,813</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

**Net change in fund balances - total governmental funds** \$ (2,402,216)

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

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

Capital asset additions	\$ 8,068,858	
Current year depreciation	(3,513,705)	
<b>Total</b>		<b>4,555,153</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (27,321)

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

Delinquent property taxes	(61,805)	
Income taxes	298,003	
Other revenues	(15,160)	
Special assessments	(278,042)	
Intergovernmental revenues	28,798	
Investment income	2,301	
<b>Total</b>		<b>(25,905)</b>

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. 869,882

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

Decrease in accrued interest payable	4,218	
Amortization of bond premium	15,642	
<b>Total</b>		<b>19,860</b>

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,470,686

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (2,620,774)

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds. 151,655

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 \$(229,714), is allocated among the governmental activities. (380,936)

**Change in net position of governmental activities** \$ 2,610,084

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 16,915,000	\$ 18,289,300	\$ 16,642,300	\$ (1,647,000)
Charges for services. . . . .	2,330,000	2,340,000	2,092,988	(247,012)
Licenses and permits . . . . .	2,094,700	2,122,500	2,022,201	(100,299)
Fines and forfeitures . . . . .	1,185,000	1,190,900	1,087,573	(103,327)
Intergovernmental. . . . .	1,380,636	1,581,702	1,462,246	(119,456)
Investment income. . . . .	75,000	75,000	75,480	480
Rental income . . . . .	62,750	62,750	48,899	(13,851)
Other . . . . .	669,300	707,900	1,536,489	828,589
Total revenues . . . . .	<u>24,712,386</u>	<u>26,370,052</u>	<u>24,968,176</u>	<u>(1,401,876)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	7,680,345	7,828,143	7,417,229	410,914
Security of persons and property . . . . .	13,907,729	15,495,954	15,198,132	297,822
Public health and welfare. . . . .	682,490	702,055	652,132	49,923
Community environment . . . . .	1,889,528	1,911,338	1,818,653	92,685
Leisure time activity . . . . .	533,406	509,007	424,412	84,595
Total expenditures. . . . .	<u>24,693,498</u>	<u>26,446,497</u>	<u>25,510,558</u>	<u>935,939</u>
Excess of expenditures over revenues . . . . .	<u>18,888</u>	<u>(76,445)</u>	<u>(542,382)</u>	<u>(465,937)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	250,000	250,000	90,000	(160,000)
Transfers (out). . . . .	(524,587)	(437,254)	(345,000)	92,254
Total other financing sources (uses) . . . . .	<u>(274,587)</u>	<u>(187,254)</u>	<u>(255,000)</u>	<u>(67,746)</u>
Net change in fund balance . . . . .	(255,699)	(263,699)	(797,382)	(533,683)
<b>Fund balance at beginning of year. . . . .</b>	660,219	660,219	660,219	-
<b>Prior year encumbrances appropriated . . . . .</b>	268,085	268,085	268,085	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 672,605</u>	<u>\$ 664,605</u>	<u>\$ 130,922</u>	<u>\$ (533,683)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor Funds</b>	<b>Total</b>	
<b>Assets:</b>						
Current assets:						
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 3,518,719	\$ 3,401,256	\$ 198,127	\$ 2,155,269	\$ 9,273,371	\$ 3,556,514
Receivables (net of allowance for uncollectibles):						
Accounts . . . . .	1,242,755	1,842,361	725,835	461,668	4,272,619	130,874
Special assessments . . . . .	1,210	103,779	-	93	105,082	-
Due from other governments . . . . .	-	-	-	3,087	3,087	-
Materials and supplies inventory . . . . .	47,397	1,748	15,990	-	65,135	-
Total current assets . . . . .	<u>4,810,081</u>	<u>5,349,144</u>	<u>939,952</u>	<u>2,620,117</u>	<u>13,719,294</u>	<u>3,687,388</u>
Noncurrent assets:						
Net pension asset . . . . .	3,521	7,215	1,375	399	12,510	378
Capital assets:						
Non-depreciable capital assets . . . . .	327,022	1,825,169	50,841	890,785	3,093,817	534,020
Depreciable capital assets, net . . . . .	13,777,856	26,396,079	475,346	2,169,726	42,819,007	142,892
Total capital assets, net . . . . .	<u>14,104,878</u>	<u>28,221,248</u>	<u>526,187</u>	<u>3,060,511</u>	<u>45,912,824</u>	<u>676,912</u>
Total noncurrent assets . . . . .	<u>14,108,399</u>	<u>28,228,463</u>	<u>527,562</u>	<u>3,060,910</u>	<u>45,925,334</u>	<u>677,290</u>
Total assets . . . . .	<u>18,918,480</u>	<u>33,577,607</u>	<u>1,467,514</u>	<u>5,681,027</u>	<u>59,644,628</u>	<u>4,364,678</u>
<b>Deferred outflows of resources:</b>						
Pension - OPERS . . . . .	313,717	642,762	122,529	35,546	1,114,554	33,694
Total deferred outflows of resources . . . . .	<u>313,717</u>	<u>642,762</u>	<u>122,529</u>	<u>35,546</u>	<u>1,114,554</u>	<u>33,694</u>
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable . . . . .	111,335	151,571	42,038	29,722	334,666	1,760
Contracts payable . . . . .	55,456	4,500	-	-	59,956	148,355
Accrued wages and benefits payable . . . . .	64,010	121,469	26,415	6,132	218,026	6,281
Due to other governments . . . . .	89,128	20,410	4,076	2,536	116,150	105,807
Claims payable . . . . .	-	-	-	-	-	1,007,474
Current portion of general obligation bonds . . . . .	-	575,000	-	-	575,000	75,000
Current portion of OWDA loans . . . . .	904,395	970,398	-	-	1,874,793	-
Current portion of OPWC loans . . . . .	-	-	-	1,797	1,797	-
Current portion of compensated absences . . . . .	139,713	277,688	41,996	12,559	471,956	8,491
Capital lease obligations payable . . . . .	36,765	-	-	36,765	73,530	-
Accrued interest payable . . . . .	83,260	310,425	-	3,024	396,709	954
Total current liabilities . . . . .	<u>1,484,062</u>	<u>2,431,461</u>	<u>114,525</u>	<u>92,535</u>	<u>4,122,583</u>	<u>1,354,122</u>
Long-term liabilities:						
General obligation bonds payable . . . . .	-	3,820,887	-	-	3,820,887	508,339
OWDA loans payable . . . . .	3,982,597	12,450,401	-	-	16,432,998	-
OPWC loans payable . . . . .	-	-	-	44,036	44,036	-
Capital lease obligations payable . . . . .	75,640	-	-	75,638	151,278	-
Net pension liability . . . . .	1,706,449	3,496,275	666,494	193,353	6,062,571	183,282
Claims payable . . . . .	-	-	-	-	-	940,405
Compensated absences payable . . . . .	223,534	691,823	132,888	47,034	1,095,279	117,825
Total long-term liabilities . . . . .	<u>5,988,220</u>	<u>20,459,386</u>	<u>799,382</u>	<u>360,061</u>	<u>27,607,049</u>	<u>1,749,851</u>
Total liabilities . . . . .	<u>7,472,282</u>	<u>22,890,847</u>	<u>913,907</u>	<u>452,596</u>	<u>31,729,632</u>	<u>3,103,973</u>
<b>Deferred inflows of resources:</b>						
Pension - OPERS . . . . .	31,053	63,624	12,129	3,519	110,325	3,335
Total deferred inflows of resources . . . . .	<u>31,053</u>	<u>63,624</u>	<u>12,129</u>	<u>3,519</u>	<u>110,325</u>	<u>3,335</u>
<b>Net position:</b>						
Net investment in capital assets . . . . .	9,105,481	10,404,562	526,187	2,902,275	22,938,505	106,912
Unrestricted . . . . .	2,623,381	861,336	137,820	2,358,183	5,980,720	1,184,152
Total net position . . . . .	<u>\$ 11,728,862</u>	<u>\$ 11,265,898</u>	<u>\$ 664,007</u>	<u>\$ 5,260,458</u>	<u>28,919,225</u>	<u>\$ 1,291,064</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds . . . . .					(168,122)	
Net position of business-type activities . . . . .					<u>\$ 28,751,103</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, 2015

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,025,072	\$ 11,932,352	\$ 3,624,806	\$ 1,541,309
Other operating revenues . . . . .	11,353	329,109	18,564	5,593
Total operating revenues. . . . .	<u>8,036,425</u>	<u>12,261,461</u>	<u>3,643,370</u>	<u>1,546,902</u>
<b>Operating expenses:</b>				
Personal services . . . . .	3,082,888	5,457,294	1,047,359	305,725
Contract services. . . . .	1,356,939	818,255	1,575,242	267,810
Materials and supplies. . . . .	505,661	1,036,278	245,062	65,727
Administrative costs. . . . .	602,697	709,297	222,461	81,232
Utilities . . . . .	637,211	509,972	17,221	91,136
Claims expense . . . . .	-	-	-	-
Depreciation. . . . .	655,837	2,272,047	189,592	100,552
Other. . . . .	13,491	201,620	3,690	2,146
Total operating expenses. . . . .	<u>6,854,724</u>	<u>11,004,763</u>	<u>3,300,627</u>	<u>914,328</u>
Operating income (loss) . . . . .	<u>1,181,701</u>	<u>1,256,698</u>	<u>342,743</u>	<u>632,574</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and fiscal charges . . . . .	(172,323)	(665,639)	(966)	(4,670)
Loss on sale of capital assets . . . . .	(1,200)	(219,893)	-	-
Special assessments . . . . .	18	-	-	3
Total nonoperating revenues (expenses). . . . .	<u>(173,505)</u>	<u>(885,532)</u>	<u>(966)</u>	<u>(4,667)</u>
Income (loss) before capital contributions and transfers . . . . .	1,008,196	371,166	341,777	627,907
Transfers in . . . . .	-	-	-	60,000
Transfers out . . . . .	-	-	-	(159,283)
Capital contributions . . . . .	-	10,000	17,500	-
Change in net position . . . . .	1,008,196	381,166	359,277	528,624
<b>Net position at beginning of year (restated) .</b>	<u>10,720,666</u>	<u>10,884,732</u>	<u>304,730</u>	<u>4,731,834</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 11,728,862</u>	<u>\$ 11,265,898</u>	<u>\$ 664,007</u>	<u>\$ 5,260,458</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

<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 25,123,539	\$ 7,116,059
364,619	2,647
25,488,158	7,118,706
9,893,266	284,087
4,018,246	111,637
1,852,728	16,837
1,615,687	136,934
1,255,540	23,041
-	7,127,852
3,218,028	17,907
220,947	-
22,074,442	7,718,295
3,413,716	(599,589)
(843,598)	(11,061)
(221,093)	-
21	-
(1,064,670)	(11,061)
2,349,046	(610,650)
60,000	-
(159,283)	-
27,500	-
2,277,263	(610,650)
	1,901,714
	\$ 1,291,064
(229,714)	
\$ 2,047,549	

**CITY OF WARREN, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 7,852,207	\$ 11,640,735	\$ 3,531,000	\$ 1,471,389
Cash received from other operations. . . . .	10,612	329,109	18,564	5,593
Cash payments for personal services. . . . .	(3,130,488)	(5,502,328)	(1,048,741)	(307,030)
Cash payments for contractual services . . . . .	(1,450,294)	(832,965)	(1,626,691)	(265,497)
Cash payments for materials and supplies . . . . .	(493,902)	(1,039,798)	(291,604)	(65,272)
Cash payments for utilities . . . . .	(637,211)	(509,972)	(17,221)	(91,136)
Cash payments for claims . . . . .	-	-	-	-
Cash payments for administrative costs . . . . .	(602,697)	(709,297)	(222,461)	(81,232)
Cash payments for other expenses . . . . .	(13,491)	(201,620)	(3,690)	(2,146)
Net cash provided by (used in) operating activities .	<u>1,534,736</u>	<u>3,173,864</u>	<u>339,156</u>	<u>664,669</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from special assessments. . . . .	-	2,011	-	-
Cash received in transfers from other funds . . . . .	-	-	-	60,000
Cash used in transfers to other funds. . . . .	-	-	-	(159,283)
Net cash provided by (used in) noncapital financing activities. . . . .	<u>-</u>	<u>2,011</u>	<u>-</u>	<u>(99,283)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(278,275)	(765,910)	(15,750)	(582,838)
Capital contributions. . . . .	-	10,000	17,500	-
Loans issued . . . . .	-	597,203	-	-
Principal retirement . . . . .	(911,740)	(1,552,809)	(650,000)	(37,877)
Interest and fiscal charges . . . . .	(184,721)	(556,726)	(2,275)	(2,821)
Net cash used in capital and related financing activities . . . . .	<u>(1,374,736)</u>	<u>(2,268,242)</u>	<u>(650,525)</u>	<u>(623,536)</u>
<b>Cash flows from investing activities:</b>				
Repayment of internal note. . . . .	-	-	-	-
Interest received . . . . .	-	-	-	-
Net cash provided by investing activities. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	160,000	907,633	(311,369)	(58,150)
<b>Cash and cash equivalents at beginning of year. . . .</b>	3,358,719	2,493,623	509,496	2,213,419
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 3,518,719</u>	<u>\$ 3,401,256</u>	<u>\$ 198,127</u>	<u>\$ 2,155,269</u>

<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 24,495,331	\$ 6,988,640
363,878	1,773
(9,988,587)	(268,022)
(4,175,447)	(121,388)
(1,890,576)	(15,685)
(1,255,540)	(23,041)
-	(7,181,229)
(1,615,687)	(291,456)
(220,947)	-
<u>5,712,425</u>	<u>(910,408)</u>
2,011	-
60,000	-
(159,283)	-
<u>(97,272)</u>	<u>-</u>
(1,642,773)	(25,108)
27,500	-
597,203	-
(3,152,426)	(75,000)
(746,543)	(13,113)
<u>(4,917,039)</u>	<u>(113,221)</u>
-	650,000
-	1,309
<u>-</u>	<u>651,309</u>
698,114	(372,320)
8,575,257	3,928,834
<u>\$ 9,273,371</u>	<u>\$ 3,556,514</u>

-- Continued

**CITY OF WARREN, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 1,181,701	\$ 1,256,698	\$ 342,743	\$ 632,574
Adjustments:				
Depreciation. . . . .	655,837	2,272,047	189,592	100,552
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) in materials and supplies inventory. . . . .	(4,169)	(730)	(15,990)	-
(Increase) in accounts receivable. . . . .	(173,606)	(291,617)	(93,806)	(91,705)
Decrease in intergovernmental receivable . . . . .	-	-	-	21,785
(Increase) in net pension asset . . . . .	(2,561)	(5,249)	(1,000)	(290)
(Increase) in deferred outflows - pension - OPERS . . . . .	(101,091)	(207,120)	(39,483)	(11,454)
Increase (decrease) in accounts payable . . . . .	(156,738)	(19,300)	(82,001)	2,768
(Decrease) in contracts payable . . . . .	-	-	-	(1,590)
Increase in accrued wages and benefits . . . . .	8,298	7,200	2,465	1,102
Increase (decrease) in due to other governments . . . . .	80,611	3,393	380	1,761
Increase (decrease) in compensated absences payable. . . . .	(23,142)	15,949	9,073	1,280
(Decrease) in claims payable. . . . .	-	-	-	-
Increase in net pension liability . . . . .	38,543	78,969	15,054	4,367
Increase in deferred inflows - pension - OPERS. . . . .	31,053	63,624	12,129	3,519
Net cash provided by (used in) operating activities . . . . .	<u>\$ 1,534,736</u>	<u>\$ 3,173,864</u>	<u>\$ 339,156</u>	<u>\$ 664,669</u>

**Non-cash capital transactions:**

At December 31, 2015 and December 31, 2014, the sewer fund purchased \$55,456 and \$162,261, respectively, in capital assets on account.  
 At December 31, 2015 and December 31, 2014, the water fund purchased \$4,500 and \$206,710, respectively, in capital assets on account.  
 At December 31, 2014, the nonmajor enterprise funds purchased \$5,048 in capital assets on account.  
 At December 31, 2015 and December 31, 2014, the internal service funds purchased \$148,355 and \$1,607, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 3,413,716	\$ (599,589)
3,218,028	17,907
(20,889)	-
(650,734)	(128,293)
21,785	-
(9,100)	(275)
(359,148)	(10,857)
(255,271)	(8,599)
(1,590)	-
19,065	687
86,145	(154,417)
3,160	18,930
-	(53,377)
136,933	4,140
110,325	3,335
<u>\$ 5,712,425</u>	<u>\$ (910,408)</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2015

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 1,014,346
Cash with fiscal and escrow agents. . . . .	401,784
Accounts receivable. . . . .	<u>1,698</u>
Total assets . . . . .	<u>\$ 1,417,828</u>
<b>Liabilities:</b>	
Due to other governments. . . . .	\$ 414,354
Deposits held and due to others. . . . .	<u>1,003,474</u>
Total liabilities . . . . .	<u>\$ 1,417,828</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, 2015

#### 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, 2015

**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, 2015

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

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 (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (b) financial resources that are restricted or committed to expenditure for principal and interest.

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

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

Sewer fund - This fund accounts for the operations of providing sewage services to customers and 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, auditor's 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.

**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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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 and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**E. Basis of Accounting**

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

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

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

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources have been reported for the following items related to the City's net pension liability: (1) the net difference between projected and actual investment earnings on pension plan assets, (2) the City's contributions to the pension systems subsequent to the measurement date and (3) differences between employer's contributions and the employer's proportional share of contributions.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The City also reports deferred inflow of resources for the following items related to the City's net pension liability: (1) differences between expected and actual experience and (2) differences between employer's contributions and the employer's proportional share of contributions. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**F. Budgetary Data**

The City follows these procedures in establishing the budgetary data reported in the financial statements:

*Tax Budget* - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted; however, only governmental funds are required to be reported.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

*Estimated Resources* - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

*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 2015, 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.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

The City has invested funds in STAR Ohio during 2015. 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, 2015.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2015, interest revenue in the general fund amounted to \$71,538 which includes \$70,607 assigned from other City funds.

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

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

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

**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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of traffic signals, sidewalks, storm sewers, streets, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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

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

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**K. Accrued Liabilities and Long-Term Obligations**

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

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

**L. Unamortized 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, 2015

**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, 2015**

**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 or special items during 2015.

**U. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Net Position**

For 2015, the City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the City's pension plan disclosures, as presented in Note 15 to the financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities and business-type activities at January 1, 2015 have been restated as follows:

	Governmental Activities	Internal Service Funds			
Net position as previously reported	\$ 61,342,495	\$ 2,057,916			
Net pension asset	3,653	103			
Deferred outflows - payments subsequent to measurement date	2,401,737	22,837			
Net pension liability	<u>(24,906,841)</u>	<u>(179,142)</u>			
Restated net position at January 1, 2015	<u>\$ 38,841,044</u>	<u>\$ 1,901,714</u>			
	Business-Type Activities	Sewer	Water	Sanitation	Nonmajor Enterprise Funds
Net position as previously reported	\$ 31,870,376	\$ 12,174,986	\$ 13,864,430	\$ 872,749	\$ 4,896,619
Net pension asset	3,410	960	1,966	375	109
Deferred outflows - payments subsequent to measurement date	755,406	212,626	435,642	83,046	24,092
Net pension liability	<u>(5,925,638)</u>	<u>(1,667,906)</u>	<u>(3,417,306)</u>	<u>(651,440)</u>	<u>(188,986)</u>
Restated net position at January 1, 2015	<u>\$ 26,703,554</u>	<u>\$ 10,720,666</u>	<u>\$ 10,884,732</u>	<u>\$ 304,730</u>	<u>\$ 4,731,834</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on governmental fund balances.

## CITY OF WARREN, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

##### B. Compliance

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

#### NOTE 4 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "equity in pooled cash and cash equivalents". Statutes require the classification of monies held by the City into three categories:

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

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

**A. Deposits with Financial Institutions**

At December 31, 2015, the carrying amount of all City deposits was \$11,280,810, exclusive of the \$4,590,853 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, 2015, \$553,736 of the City's bank balance of \$12,865,872 was exposed to custodial risk as discussed below, while \$12,312,136 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2015, 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>
FHLB	\$ 2,390,810	\$ -	\$ -	\$ -	\$ -	\$ 2,390,810
FHLMC	1,993,630	-	-	-	-	1,993,630
STAR Ohio	30,730	30,730	-	-	-	-
Repurchase agreements	<u>4,590,853</u>	<u>4,590,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,006,023</u>	<u>\$ 4,621,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,384,440</u>

The weighted average maturity of investments is 1.30 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, 2015 is 53 days.

*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, 2015:

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 2,390,810	26.55
FHLMC	1,993,630	22.14
STAR Ohio	30,730	0.34
Repurchase agreements	<u>4,590,853</u>	<u>50.97</u>
Total	<u>\$ 9,006,023</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, 2015:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,280,810
Investments	<u>9,006,023</u>
Total	<u>\$ 20,286,833</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 9,597,332
Business-type activities	9,273,371
Agency funds	<u>1,416,130</u>
Total	<u>\$ 20,286,833</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund transfers for the year ended December 31, 2015, 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	\$ -	\$ -	\$ 10,000	\$ 60,000	\$ 70,000
Nonmajor governmental	650,204	125,481	292,771	-	1,068,456
Nonmajor enterprise	<u>-</u>	<u>-</u>	<u>159,283</u>	<u>-</u>	<u>159,283</u>
Total	<u>\$ 650,204</u>	<u>\$ 125,481</u>	<u>\$ 462,054</u>	<u>\$ 60,000</u>	<u>\$ 1,297,739</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. Transfers to the general fund were made to cover the repayment of internal note borrowings and to reimburse the general fund for expenditures.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The City redevelopment nonmajor enterprise fund transferred \$159,283 to the general bond payment fund (a nonmajor governmental fund) to cover the enterprise fund's portion of a debt payment. Transfers from the motor vehicle levy fund, a nonmajor governmental fund, to the general capital projects fund in the amount of \$125,481 were for road improvement expenditures.

**NOTE 6 - PROPERTY TAXES**

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 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, 2015 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 2015 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 2014 levy (collected in 2015) was based was \$371,337,050. 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, 2015. Income tax revenue for 2015 reported in the general fund was \$16,939,262.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2015, 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, 2015. 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, 2015

**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.

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

<b><u>Governmental activities:</u></b>	<b><u>Balance</u></b>			<b><u>Balance</u></b>
	<b>12/31/14</b>	<b>Additions</b>	<b>Disposals</b>	<b>12/31/15</b>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ 20,212	\$ -	\$ 1,044,396
Easements	13,353	-	-	13,353
Construction in progress	<u>10,294,119</u>	<u>7,677,105</u>	<u>(2,907,234)</u>	<u>15,063,990</u>
Total capital assets, not being depreciated	<u>11,331,656</u>	<u>7,697,317</u>	<u>(2,907,234)</u>	<u>16,121,739</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	820,807	238,201	-	1,059,008
Buildings	14,195,169	-	-	14,195,169
Building improvements	10,649,211	68,558	-	10,717,769
Computer software	583,146	36,811	-	619,957
Computer equipment	1,230,242	95,913	-	1,326,155
Furniture and equipment	2,351,793	61,583	-	2,413,376
Vehicles	5,813,466	136,462	(39,030)	5,910,898
Infrastructure	<u>56,309,918</u>	<u>2,813,103</u>	<u>-</u>	<u>59,123,021</u>
Total capital assets, being depreciated	<u>91,953,752</u>	<u>3,450,631</u>	<u>(39,030)</u>	<u>95,365,353</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(645,035)	(30,846)	-	(675,881)
Buildings	(8,529,069)	(250,491)	-	(8,779,560)
Building improvements	(3,187,929)	(533,712)	-	(3,721,641)
Computer software	(552,397)	(22,409)	-	(574,806)
Computer equipment	(1,130,053)	(58,345)	-	(1,188,398)
Furniture and equipment	(1,796,729)	(111,125)	-	(1,907,854)
Vehicles	(4,498,421)	(430,030)	11,709	(4,916,742)
Infrastructure	<u>(28,528,407)</u>	<u>(2,094,654)</u>	<u>-</u>	<u>(30,623,061)</u>
Total accumulated depreciation	<u>(48,868,040)</u>	<u>(3,531,612)</u>	<u>11,709</u>	<u>(52,387,943)</u>
Total capital assets, being depreciated, net	<u>43,085,712</u>	<u>(80,981)</u>	<u>(27,321)</u>	<u>42,977,410</u>
Governmental activities capital assets, net	<u>\$ 54,417,368</u>	<u>\$ 7,616,336</u>	<u>\$ (2,934,555)</u>	<u>\$ 59,099,149</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 10 - CAPITAL ASSETS - (Continued)**

<b><u>Business-type activities:</u></b>	Balance 12/31/14	Additions	Disposals	Balance 12/31/15
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>1,786,552</u>	<u>1,167,814</u>	<u>(244,948)</u>	<u>2,709,418</u>
Total capital assets, not being depreciated	<u>2,170,951</u>	<u>1,167,814</u>	<u>(244,948)</u>	<u>3,093,817</u>
<i>Capital assets, being depreciated:</i>				
Buildings	54,963,881	3,865	(1,200)	54,966,546
Building improvements	12,643,541	216,739	-	12,860,280
Water and sewer lines	53,920,245	31,712	(207,920)	53,744,037
Computer software	47,874	-	-	47,874
Computer equipment	108,526	-	-	108,526
Furniture and equipment	10,256,167	102,971	-	10,359,138
Vehicles	<u>4,291,599</u>	<u>50,557</u>	<u>(24,535)</u>	<u>4,317,621</u>
Total capital assets, being depreciated	<u>136,231,833</u>	<u>405,844</u>	<u>(233,655)</u>	<u>136,404,022</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(50,510,173)	(473,474)	-	(50,983,647)
Building improvements	(6,297,679)	(836,696)	-	(7,134,375)
Water and sewer lines	(24,403,368)	(751,777)	-	(25,155,145)
Computer software	(47,874)	-	-	(47,874)
Computer equipment	(79,661)	(28,865)	-	(108,526)
Furniture and equipment	(5,603,726)	(908,495)	-	(6,512,221)
Vehicles	<u>(3,437,068)</u>	<u>(218,721)</u>	<u>12,562</u>	<u>(3,643,227)</u>
Total accumulated depreciation	<u>(90,379,549)</u>	<u>(3,218,028)</u>	<u>12,562</u>	<u>(93,585,015)</u>
Total capital assets, being depreciated, net	<u>45,852,284</u>	<u>(2,812,184)</u>	<u>(221,093)</u>	<u>42,819,007</u>
Business-type activities capital assets, net	<u>\$ 48,023,235</u>	<u>\$ (1,644,370)</u>	<u>\$ (466,041)</u>	<u>\$ 45,912,824</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 10 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

General government	\$ 574,996
Security of persons and property	383,341
Public health and welfare	824
Transportation	2,218,005
Community environment	24,254
Leisure time activity	311,618
Economic development	667
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>17,907</u>
Total depreciation expense - governmental activities	<u>\$ 3,531,612</u>

**Business-type activities:**

Sewer	\$ 655,837
Water	2,272,047
Sanitation	189,592
City redevelopment	14,790
Downtown parking	48,058
Stormwater utility	<u>37,704</u>
Total depreciation expense - business-type activities	<u>\$ 3,218,028</u>

**NOTE 11 - COMPENSATED ABSENCES LIABILITY**

Vacation, compensation time, and sick leave accumulated by governmental fund type employees have been recorded in the balance sheet to the extent the liability was due at year end. Vacation, compensation time and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2015, vested benefits for compensation time, vacation leave and sick leave for governmental fund type employees totaled \$5,171,027. For proprietary fund types, vested benefits for compensation time, vacation leave and sick leave totaled \$1,567,235 at December 31, 2015. 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, 2015

**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 2015 amounted to \$36,080 and \$36,079 paid by the sewer fund and stormwater utility fund, respectively. At December 31, 2015, accumulated depreciation on the equipment amounted to \$46,846 leaving a book value of \$327,824.

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, 2015:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2016	\$ 77,801
2017	77,801
2018	<u>77,801</u>
Total	233,403
Less: amount representing interest	<u>(8,595)</u>
Present value of net minimum lease payments	<u>\$ 224,808</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>(123,613)</u>
Total	<u>\$ 9,000</u>	<u>\$ 96,143</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

Long-term obligations have been restated as described in Note 3. During 2015, the following changes occurred in governmental activities long-term obligations:

<b>Governmental activities:</b>	Restated Balance 12/31/14	Additions	Reductions	Balance 12/31/15	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose, series 2012	\$ 1,115,000	\$ -	\$ (55,000)	\$ 1,060,000	\$ 55,000
Pension refunding, series 2012	1,290,000	-	(120,000)	1,170,000	125,000
Various purpose, series 2013	8,100,000	-	(530,000)	7,570,000	540,000
Total general obligations bonds	<u>10,505,000</u>	<u>-</u>	<u>(705,000)</u>	<u>9,800,000</u>	<u>720,000</u>
<u>Other long-term obligations</u>					
Reinvestment partnership corporation loan	195,000	-	(95,000)	100,000	100,000
HUD 108 loan	1,125,000	-	(110,000)	1,015,000	115,000
Ohio Department of Development mortgage note	22,053	-	(22,053)	-	-
OPWC loan	166,767	-	(12,829)	153,938	12,828
Claims payable	1,047,355	282,873	(224,467)	1,105,761	165,356
Compensated absences	5,191,341	1,460,433	(1,480,747)	5,171,027	1,337,835
Net pension liability	24,906,841	1,328,325	-	26,235,166	-
Total other long-term obligations	<u>32,654,357</u>	<u>3,071,631</u>	<u>(1,945,096)</u>	<u>33,780,892</u>	<u>1,731,019</u>
Total governmental activities long-term obligations	43,159,357	<u>\$ 3,071,631</u>	<u>\$ (2,650,096)</u>	43,580,892	<u>\$ 2,451,019</u>
Add: Unamortized premium on bond issues	299,746			282,176	
Total reported on the statement of net position	<u>\$ 43,459,103</u>			<u>\$ 43,863,068</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.

Net Pension Liability - See Note 15 for additional detail.

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, 2015.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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 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
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	785,000	259,559	1,044,559
2021 - 2025	3,290,000	894,267	4,184,267
2026 - 2030	1,935,000	362,445	2,297,445
2031 - 2035	820,000	79,606	899,606
Total	\$ 9,800,000	\$ 2,811,063	\$12,611,063

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 in the net investment in capital assets component of net position. On July 21, 2010, the City refinanced the loan at a lower interest rate. Interest payments are made semi-annually at a rate ranging from 1.66% - 2.66%. Principal and interest payments are made out of the guaranteed loan nonmajor governmental fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation. The final principal and interest payments in the amounts of \$100,000 and \$2,660, respectively, will be made in 2016.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

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>
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	155,000	27,566	182,566
2021 - 2022	340,000	28,860	368,860
Total	\$ 1,015,000	\$ 239,216	\$ 1,254,216

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. The note matured November 1, 2015.

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>
2016	\$ 12,828	\$ -	\$ 12,828
2017	12,828	-	12,828
2018	12,828	-	12,828
2019	12,828	-	12,828
2020	12,829	-	12,829
2021 - 2025	64,141	-	64,141
2026 - 2027	25,656	-	25,656
Total	\$ 153,938	\$ -	\$ 153,938

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-Type Activities**

Long-term obligations have been restated as described in Note 3. During 2015, the following changes occurred in the business-type activities long-term obligations:

	Restated Balance 12/31/14	Additions	Reductions	Balance 12/31/15	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2012	\$ 4,865,000	\$ -	\$ (570,000)	\$ 4,295,000	\$ 575,000
Total general obligations bonds	<u>4,865,000</u>	<u>-</u>	<u>(570,000)</u>	<u>4,295,000</u>	<u>575,000</u>
<u>OWDA Loans</u>					
Wastewater treatment plant and pump station improvements	167,989	-	(65,679)	102,310	67,691
Biosolids facility	1,367,758	-	(442,235)	925,523	455,781
Griswold street sanitary sewer	377,390	-	(88,657)	288,733	92,347
Warren commerce park - phase II	181,547	-	(37,611)	143,936	39,123
Warren commerce park - phase II	55,198	-	(11,473)	43,725	11,912
Downtown combined sewer	3,126,173	-	(206,386)	2,919,787	213,149
Sewer inceptor rehabilitation	486,597	-	(23,619)	462,978	24,392
Water system improvements	5,869,129	-	(554,841)	5,314,288	576,974
Water meter replacements	3,910,003	-	(223,192)	3,686,811	230,708
Water treatment plant switch gear replacement	2,290,344	-	(100,809)	2,189,535	91,110
Waterline replacement	1,656,968	-	(79,963)	1,577,005	46,908
Bulk water dispensing station	79,961	597,203	(24,004)	653,160	24,698
Total OWDA loans	<u>19,569,057</u>	<u>597,203</u>	<u>(1,858,469)</u>	<u>18,307,791</u>	<u>1,874,793</u>
<u>Other long-term obligations</u>					
OPWC loan	47,631	-	(1,798)	45,833	1,797
Capital lease obligation	296,967	-	(72,159)	224,808	73,530
Compensated absences	1,564,075	491,365	(488,205)	1,567,235	471,956
Net pension liability	5,925,638	136,933	-	6,062,571	-
Total other long-term obligations	<u>7,834,311</u>	<u>628,298</u>	<u>(562,162)</u>	<u>7,900,447</u>	<u>547,283</u>
Total business-type activities	32,268,368	<u>\$ 1,225,501</u>	<u>\$ (2,990,631)</u>	30,503,238	<u>\$ 2,997,076</u>
Add: Unamortized premium on bond issue	<u>115,473</u>			<u>100,887</u>	
Total reported on the statement of net position	<u>\$ 32,383,841</u>			<u>\$ 30,604,125</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, 2015

**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 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, 2015, the City has outstanding borrowings of \$18,307,791. 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 43.15% of available net revenues for the water fund and 64.83% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$15,291,036 for the water fund and \$5,690,392 for the sewer fund. Principal and interest payments in 2015 totaled \$1,435,415 and \$1,057,560 in the water fund and sewer fund, respectively.

The 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, 2015. Future annual debt service principal and interest requirements for these loans, which have combined principal balance outstanding at December 31, 2015 of \$4,419,700, are not available.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**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
2016	\$ 575,000	\$ 87,525	\$ 662,525	\$ 1,712,077	\$ 478,667	\$ 2,190,744
2017	590,000	76,025	666,025	1,737,406	418,193	2,155,599
2018	600,000	64,225	664,225	1,279,163	360,813	1,639,976
2019	615,000	52,225	667,225	1,193,677	314,034	1,507,711
2020	625,000	39,925	664,925	1,208,321	270,428	1,478,749
2021 - 2025	1,290,000	42,050	1,332,050	5,135,992	692,267	5,828,259
2026 - 2030	-	-	-	1,621,455	90,056	1,711,511
<b>Total</b>	<b>\$ 4,295,000</b>	<b>\$ 361,975</b>	<b>\$ 4,656,975</b>	<b>\$ 13,888,091</b>	<b>\$ 2,624,458</b>	<b>\$ 16,512,549</b>

Year	OPWC Loan Payable		
	Principal	Interest	Total
2016	\$ 1,797	\$ -	\$ 1,797
2017	1,798	-	1,798
2018	1,797	-	1,797
2019	1,797	-	1,797
2020	1,798	-	1,798
2021 - 2025	8,987	-	8,987
2026 - 2030	8,987	-	8,987
2031 - 2035	8,986	-	8,986
2036 - 2040	8,987	-	8,987
2041	899	-	899
<b>Total</b>	<b>\$ 45,833</b>	<b>\$ -</b>	<b>\$ 45,833</b>

**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, 2015

**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 \$836,460 reported in the internal service fund at December 31, 2015, 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	2015	\$ 942,541	\$ 6,729,511	\$ (6,835,592)	\$ 836,460
	2014	880,235	6,126,289	(6,063,983)	942,541

**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	2015	\$ 11,360	\$ 115,468	\$ (121,170)	\$ 5,658
	2014	9,517	131,784	(129,941)	11,360

**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, 2015

**NOTE 14 - RISK MANAGEMENT - (Continued)**

In 2015, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2015 in the amount of \$104,838. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$165,983 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 \$1,105,761 reported at December 31, 2015, 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, \$165,356 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 \$940,405. 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	2015	\$1,047,355	\$ 282,873	\$ (224,467)	\$1,105,761
	2014	987,385	122,873	(62,903)	1,047,355

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$1,634,787 for 2015. Of this amount, \$60,248 is reported as due to other governments.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
 <b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
 Total Employer	<u><u>19.50 %</u></u>	<u><u>24.00 %</u></u>
 Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,648,944 for 2015. Of this amount \$52,248 is reported as due to other governments.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 12,558,519	\$ 19,739,218	\$ 32,297,737
Proportionate share of the net pension asset	25,915	-	25,915
Proportion of the net pension liability	0.10412400%	0.38103530%	
Proportion of the net pension asset	0.06731100%	0.00000000%	
Pension expense	\$ 1,384,156	\$ 1,925,014	\$ 3,309,170

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 671,666	\$ 850,742	\$ 1,522,408
Difference between employer contributions and proportionate share of contributions	2,327	-	2,327
City contributions subsequent to the measurement date	1,634,787	1,648,944	3,283,731
Total deferred outflows of resources	<u>\$ 2,308,780</u>	<u>\$ 2,499,686</u>	<u>\$ 4,808,466</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 228,536	\$ -	\$ 228,536
Difference between employer contributions and proportionate share of contributions	-	1,822	1,822
Total deferred inflows of resources	<u>\$ 228,536</u>	<u>\$ 1,822</u>	<u>\$ 230,358</u>

\$3,283,731 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$ 66,251	\$ 212,230	\$ 278,481
2017	66,251	212,230	278,481
2018	150,126	212,230	362,356
2019	166,974	212,230	379,204
2020	(941)	-	(941)
Thereafter	(3,204)	-	(3,204)
Total	<u>\$ 445,457</u>	<u>\$ 848,920</u>	<u>\$ 1,294,377</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	3 percent, simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	19.90	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 23,104,074	\$ 12,558,519	\$ 3,676,618
Combined Plan	3,366	(25,915)	(49,137)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 27,302,324	\$ 19,739,218	\$ 13,335,566

**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 Plan and the Combined Plan. 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/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

## CITY OF WARREN, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### **NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2015, 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 2015 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$272,465, \$259,042, and \$139,176, respectively; 96.84% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 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 OPF, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 16 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, 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 \$21,377 and \$18,255 for the year ended December 31, 2015, \$18,585 and \$16,034 for the year ended December 31, 2014, and \$146,625 and \$137,513, for the year ended December 31, 2013. 100% has been contributed for 2014 and 2013. 96.80% has been contributed for police and 97.00% has been contributed for firefighters for 2015. The remaining 2015 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 is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP) rather than cost (budget); and,
5. 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.

**Net Change in Fund Balance**

	<u>General</u>
Budget basis	\$ (797,382)
Net adjustment for revenue accruals	260,672
Net adjustment for expenditure accruals	(805,903)
Net adjustment for other financing sources/uses	835,204
Funds budgeted elsewhere	(8,516)
Adjustment for encumbrances	<u>559,681</u>
GAAP basis	<u>\$ 43,756</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, 2015.

**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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 18 - CONTINGENCIES - (Continued)**

**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 which is \$350,000 at December 31, 2015. 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.

Fund balance	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 3,283	\$ -	\$ 133,500	\$ 136,783
Total nonspendable	<u>3,283</u>	<u>-</u>	<u>133,500</u>	<u>136,783</u>
Restricted:				
Debt service	-	-	1,175,776	1,175,776
Capital projects	-	1,476,319	-	1,476,319
Street maintenance	-	-	180,747	180,747
State highway	-	-	135,904	135,904
Law enforcement	-	-	349,598	349,598
Courts	-	-	1,318,711	1,318,711
Community development and improvement	-	-	6,836,527	6,836,527
Warren Hills landfill	558,717	-	-	558,717
Total restricted	<u>558,717</u>	<u>1,476,319</u>	<u>9,997,263</u>	<u>12,032,299</u>
Assigned:				
Purchases on order	85,482	-	-	85,482
Total assigned	<u>85,482</u>	<u>-</u>	<u>-</u>	<u>85,482</u>
Unassigned (deficit)	<u>1,729,249</u>	<u>-</u>	<u>-</u>	<u>1,729,249</u>
Total fund balances	<u>\$ 2,376,731</u>	<u>\$ 1,476,319</u>	<u>\$ 10,130,763</u>	<u>\$ 13,983,813</u>

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**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	\$ 85,482
General capital projects	1,265,879
Nonmajor governmental	<u>941,994</u>
Total	<u>\$ 2,293,355</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WARREN, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TWO YEARS

	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>		
City's proportion of the net pension liability	0.104124%	0.104124%
City's proportionate share of the net pension liability	\$ 12,558,519	\$ 12,274,864
City's covered-employee payroll	\$ 12,794,050	\$ 13,672,708
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.16%	89.78%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	86.36%
 <i>Combined Plan:</i>		
City's proportion of the net pension asset	0.067311%	0.067311%
City's proportionate share of the net pension asset	\$ 25,915	\$ 7,063
City's covered-employee payroll	\$ 246,050	\$ 244,900
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	10.53%	2.88%
Plan fiduciary net position as a percentage of the total pension asset	114.83%	104.56%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WARREN, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TWO YEARS

	<u>2014</u>	<u>2013</u>
City's proportion of the net pension liability	0.38103530%	0.38103530%
City's proportionate share of the net pension liability	\$ 19,739,218	\$ 18,557,615
City's covered-employee payroll	\$ 7,552,274	\$ 7,830,751
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.37%	236.98%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	73.00%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WARREN, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,606,587	\$ 1,535,286	\$ 1,777,452	\$ 1,305,122
Contributions in relation to the contractually required contribution	<u>(1,606,587)</u>	<u>(1,535,286)</u>	<u>(1,777,452)</u>	<u>(1,305,122)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 13,388,225	\$ 12,794,050	\$ 13,672,708	\$ 13,051,220
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 28,200	\$ 29,526	\$ 31,837	\$ 18,634
Contributions in relation to the contractually required contribution	<u>(28,200)</u>	<u>(29,526)</u>	<u>(31,837)</u>	<u>(18,634)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 235,000	\$ 246,050	\$ 244,900	\$ 234,390
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	7.95%

Note: Information prior to 2010 for the Combined Plan was unavailable.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,300,432	\$ 1,172,052	\$ 1,109,199	\$ 1,043,704	\$ 1,216,075	\$ 1,288,136
<u>(1,300,432)</u>	<u>(1,172,052)</u>	<u>(1,109,199)</u>	<u>(1,043,704)</u>	<u>(1,216,075)</u>	<u>(1,288,136)</u>
<u>\$ -</u>					
\$ 13,004,320	\$ 13,144,508	\$ 13,651,680	\$ 14,910,057	\$ 14,563,772	\$ 14,001,478
10.00%	8.92%	8.13%	7.00%	8.35%	9.20%
\$ 19,506	\$ 23,723	\$ -	\$ -	\$ -	\$ -
<u>(19,506)</u>	<u>(23,723)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>					
\$ 245,358	\$ 244,904	\$ -	\$ -	\$ -	\$ -
7.95%	9.69%	8.13%	7.00%	8.35%	9.20%

**CITY OF WARREN, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Police:</i>				
Contractually required contribution	\$ 790,943	\$ 770,359	\$ 642,290	\$ 529,665
Contributions in relation to the contractually required contribution	<u>(790,943)</u>	<u>(770,359)</u>	<u>(642,290)</u>	<u>(529,665)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 4,162,858	\$ 4,054,521	\$ 4,043,799	\$ 4,154,235
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	15.88%	12.75%
<i>Fire:</i>				
Contractually required contribution	\$ 858,001	\$ 821,972	\$ 771,907	\$ 676,223
Contributions in relation to the contractually required contribution	<u>(858,001)</u>	<u>(821,972)</u>	<u>(771,907)</u>	<u>(676,223)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,651,068	\$ 3,497,753	\$ 3,786,952	\$ 3,920,133
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	20.38%	17.25%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 539,681	\$ 489,866	\$ 489,740	\$ 610,558	\$ 595,165	\$ 498,100
<u>(539,681)</u>	<u>(489,866)</u>	<u>(489,740)</u>	<u>(610,558)</u>	<u>(595,165)</u>	<u>(498,100)</u>
<u>\$ -</u>					
\$ 4,232,792	\$ 3,842,086	\$ 3,841,098	\$ 4,788,690	\$ 4,667,961	\$ 4,239,149
12.75%	12.75%	12.75%	12.75%	12.75%	11.75%
\$ 678,660	\$ 584,723	\$ 615,822	\$ 732,799	\$ 743,508	\$ 1,040,049
<u>(678,660)</u>	<u>(584,723)</u>	<u>(615,822)</u>	<u>(732,799)</u>	<u>(743,508)</u>	<u>(1,040,049)</u>
<u>\$ -</u>					
\$ 3,934,261	\$ 3,389,699	\$ 3,569,983	\$ 4,248,110	\$ 4,310,191	\$ 6,209,248
17.25%	17.25%	17.25%	17.25%	17.25%	16.75%

**CITY OF WARREN, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

***Packard Music Hall***

To account for the operations of the Packard Music Hall.

**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.

***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.

**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.

**Nonmajor Debt Service Fund**

***General Bond Payment***

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

**Major Capital Projects Fund**

***General Capital Projects***

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

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 16,915,000	\$ 18,289,300	\$ 16,642,300	\$ (1,647,000)
Charges for services . . . . .	2,330,000	2,340,000	2,092,988	(247,012)
Licenses and permits . . . . .	2,094,700	2,122,500	2,022,201	(100,299)
Fines and forfeitures . . . . .	1,185,000	1,190,900	1,087,573	(103,327)
Intergovernmental . . . . .	1,380,636	1,581,702	1,462,246	(119,456)
Investment income . . . . .	75,000	75,000	75,480	480
Rental income . . . . .	62,750	62,750	48,899	(13,851)
Other . . . . .	669,300	707,900	1,536,489	828,589
Total revenues . . . . .	<u>24,712,386</u>	<u>26,370,052</u>	<u>24,968,176</u>	<u>(1,401,876)</u>
<b>Expenditures:</b>				
Current:				
General government				
City council				
Personal services . . . . .	231,284	232,134	231,661	473
Contract services . . . . .	24,369	24,369	18,411	5,958
Materials and supplies. . . . .	3,517	3,517	2,805	712
Total city council . . . . .	<u>259,170</u>	<u>260,020</u>	<u>252,877</u>	<u>7,143</u>
Municipal court				
Personal services . . . . .	1,721,186	1,751,186	1,718,555	32,631
Contract services . . . . .	67,905	67,905	49,426	18,479
Total municipal court. . . . .	<u>1,789,091</u>	<u>1,819,091</u>	<u>1,767,981</u>	<u>51,110</u>
Victims of crimes				
Personal services . . . . .	63,481	63,481	62,881	600
Contract services . . . . .	400	1,366	1,056	310
Materials and supplies. . . . .	1,250	1,250	1,223	27
Total victims of crimes . . . . .	<u>65,131</u>	<u>66,097</u>	<u>65,160</u>	<u>937</u>
Operations - general				
Personal services . . . . .	44,535	92,316	85,419	6,897
Contract services . . . . .	18,175	18,375	13,725	4,650
Materials and supplies. . . . .	-	-	2	(2)
Total operations - general . . . . .	<u>62,710</u>	<u>110,691</u>	<u>99,146</u>	<u>11,545</u>
Operations - maintenance				
Personal services . . . . .	782,300	780,373	764,360	16,013
Contract services . . . . .	224,662	231,007	211,228	19,779
Materials and supplies. . . . .	40,059	53,059	50,901	2,158
Total operations - maintenance. . . . .	<u>1,047,021</u>	<u>1,064,439</u>	<u>1,026,489</u>	<u>37,950</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor				
Personal services . . . . .	\$ 296,273	\$ 312,793	\$ 312,638	\$ 155
Contract services . . . . .	42,620	42,620	19,107	23,513
Materials and supplies. . . . .	20,669	20,669	9,361	11,308
Total mayor. . . . .	<u>359,562</u>	<u>376,082</u>	<u>341,106</u>	<u>34,976</u>
Purchasing				
Personal services . . . . .	50,133	50,783	49,156	1,627
Contract services . . . . .	14,400	14,400	9,816	4,584
Materials and supplies. . . . .	4,356	4,356	2,342	2,014
Total purchasing . . . . .	<u>68,889</u>	<u>69,539</u>	<u>61,314</u>	<u>8,225</u>
Finance				
Personal services . . . . .	524,210	524,210	488,687	35,523
Contract services . . . . .	52,500	52,500	38,424	14,076
Materials and supplies. . . . .	11,114	11,114	4,303	6,811
Total finance . . . . .	<u>587,824</u>	<u>587,824</u>	<u>531,414</u>	<u>56,410</u>
Human resources				
Personal services . . . . .	286,192	286,192	281,402	4,790
Contract services . . . . .	41,900	44,400	29,981	14,419
Materials and supplies. . . . .	4,500	2,000	687	1,313
Total human resources . . . . .	<u>332,592</u>	<u>332,592</u>	<u>312,070</u>	<u>20,522</u>
Law department				
Personal services . . . . .	926,467	926,467	898,545	27,922
Contract services . . . . .	41,550	41,814	34,719	7,095
Materials and supplies. . . . .	7,764	7,500	2,611	4,889
Total law department. . . . .	<u>975,781</u>	<u>975,781</u>	<u>935,875</u>	<u>39,906</u>
Civil service				
Personal services . . . . .	11,569	11,569	10,494	1,075
Contract services . . . . .	8,350	8,600	8,596	4
Materials and supplies. . . . .	1,300	1,050	-	1,050
Total civil service. . . . .	<u>21,219</u>	<u>21,219</u>	<u>19,090</u>	<u>2,129</u>
Administrative support				
Contract services . . . . .	1,393,749	1,393,749	1,253,246	140,503
Materials and supplies. . . . .	15,500	15,500	10,099	5,401
Other . . . . .	44,500	71,713	65,427	6,286
Total administrative support . . . . .	<u>1,453,749</u>	<u>1,480,962</u>	<u>1,328,772</u>	<u>152,190</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, 2015**

	<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 . . . . .	\$ 530,392	\$ 536,592	\$ 525,422	\$ 11,170
Contract services . . . . .	98,825	98,825	74,151	24,674
Materials and supplies. . . . .	28,389	28,389	16,177	12,212
Other . . . . .	-	-	60,185	(60,185)
Total income tax . . . . .	<u>657,606</u>	<u>663,806</u>	<u>675,935</u>	<u>(12,129)</u>
Total general government . . . . .	<u>7,680,345</u>	<u>7,828,143</u>	<u>7,417,229</u>	<u>410,914</u>
Security of persons and property				
Police				
Personal services . . . . .	6,772,397	7,289,397	7,290,342	(945)
Contract services . . . . .	894,262	1,489,262	1,431,552	57,710
Materials and supplies. . . . .	272,116	272,116	159,779	112,337
Capital outlay . . . . .	3,839	3,839	3,839	-
Total police. . . . .	<u>7,942,614</u>	<u>9,054,614</u>	<u>8,885,512</u>	<u>169,102</u>
Fire				
Personal services . . . . .	5,448,342	5,916,342	5,869,126	47,216
Contract services . . . . .	270,906	264,806	227,012	37,794
Materials and supplies. . . . .	226,233	226,233	184,174	42,059
Capital outlay . . . . .	17,268	31,368	31,368	-
Total fire . . . . .	<u>5,962,749</u>	<u>6,438,749</u>	<u>6,311,680</u>	<u>127,069</u>
Bio-Terrorism				
Contract services . . . . .	2,366	2,591	940	1,651
Total bio-terrorism . . . . .	<u>2,366</u>	<u>2,591</u>	<u>940</u>	<u>1,651</u>
Total security of persons and property .	<u>13,907,729</u>	<u>15,495,954</u>	<u>15,198,132</u>	<u>297,822</u>
Public health and welfare				
Health				
Personal services . . . . .	321,410	325,823	320,760	5,063
Contract services . . . . .	85,301	94,966	75,182	19,784
Materials and supplies. . . . .	24,000	24,500	12,762	11,738
Other. . . . .	211,000	211,000	204,031	6,969
Total health . . . . .	<u>641,711</u>	<u>656,289</u>	<u>612,735</u>	<u>43,554</u>
Dental				
Personal services . . . . .	-	1,187	1,187	-
Contract services . . . . .	33,479	37,279	32,409	4,870
Materials and supplies. . . . .	7,300	7,300	5,801	1,499
Total dental. . . . .	<u>40,779</u>	<u>45,766</u>	<u>39,397</u>	<u>6,369</u>
Total public health and welfare . . . .	<u>682,490</u>	<u>702,055</u>	<u>652,132</u>	<u>49,923</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Environmental health				
Personal services . . . . .	\$ 591,670	\$ 597,670	\$ 591,812	\$ 5,858
Contract services . . . . .	26,580	21,890	16,218	5,672
Materials and supplies. . . . .	23,056	23,056	8,961	14,095
Other. . . . .	8,000	8,000	7,518	482
Total environmental health . . . . .	<u>649,306</u>	<u>650,616</u>	<u>624,509</u>	<u>26,107</u>
Weed control				
Contract services . . . . .	12,150	3,150	1,079	2,071
Materials and supplies. . . . .	3,500	3,000	308	2,692
Total weed control . . . . .	<u>15,650</u>	<u>6,150</u>	<u>1,387</u>	<u>4,763</u>
Mosquito control				
Contract services . . . . .	250	250	-	250
Materials and supplies. . . . .	2,650	2,650	886	1,764
Total mosquito control . . . . .	<u>2,900</u>	<u>2,900</u>	<u>886</u>	<u>2,014</u>
Engineering building and plant department				
Personal services . . . . .	888,588	918,588	906,450	12,138
Contract services . . . . .	292,710	292,710	252,650	40,060
Materials and supplies. . . . .	32,374	32,374	26,366	6,008
Other . . . . .	8,000	8,000	6,405	1,595
Total engineering building and plant department. . . . .	<u>1,221,672</u>	<u>1,251,672</u>	<u>1,191,871</u>	<u>59,801</u>
Total community environment. . . . .	<u>1,889,528</u>	<u>1,911,338</u>	<u>1,818,653</u>	<u>92,685</u>
Leisure time activity				
Operations - Packard Park				
Personal services . . . . .	69,791	46,578	45,245	1,333
Contract services . . . . .	65,500	81,200	70,726	10,474
Materials and supplies. . . . .	14,214	16,714	10,598	6,116
Other. . . . .	4,000	4,885	4,885	-
Total operations - packard park. . . . .	<u>153,505</u>	<u>149,377</u>	<u>131,454</u>	<u>17,923</u>
Operations - parks				
Personal services . . . . .	229,847	207,206	173,417	33,789
Contract services . . . . .	106,444	109,199	90,402	18,797
Materials and supplies. . . . .	43,310	42,810	28,859	13,951
Other. . . . .	300	415	280	135
Total operations - parks. . . . .	<u>379,901</u>	<u>359,630</u>	<u>292,958</u>	<u>66,672</u>
Total leisure time activity . . . . .	<u>533,406</u>	<u>509,007</u>	<u>424,412</u>	<u>84,595</u>
Total expenditures. . . . .	<u>24,693,498</u>	<u>26,446,497</u>	<u>25,510,558</u>	<u>935,939</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures . . . . .	\$ 18,888	\$ (76,445)	\$ (542,382)	\$ (465,937)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	250,000	250,000	90,000	(160,000)
Transfers out . . . . .	(524,587)	(437,254)	(345,000)	92,254
Total other financing sources (uses). . .	<u>(274,587)</u>	<u>(187,254)</u>	<u>(255,000)</u>	<u>(67,746)</u>
Net change in fund balance. . . . .	(255,699)	(263,699)	(797,382)	(533,683)
<b>Fund balance at beginning of year . . . .</b>	660,219	660,219	660,219	-
<b>Prior year encumbrances appropriated .</b>	<u>268,085</u>	<u>268,085</u>	<u>268,085</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 672,605</u>	<u>\$ 664,605</u>	<u>\$ 130,922</u>	<u>\$ (533,683)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 110,000	\$ 116,500	\$ 115,336	\$ (1,164)
Total revenues. . . . .	<u>110,000</u>	<u>116,500</u>	<u>115,336</u>	<u>(1,164)</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	356,111	400,786	389,376	11,410
Materials and supplies. . . . .	<u>4,700</u>	<u>4,700</u>	<u>549</u>	<u>4,151</u>
Total expenditures. . . . .	<u>360,811</u>	<u>405,486</u>	<u>389,925</u>	<u>15,561</u>
Excess of expenditures over revenues . . .	(250,811)	(288,986)	(274,589)	14,397
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>250,000</u>	<u>288,175</u>	<u>275,000</u>	<u>(13,175)</u>
Total other financing sources . . . . .	<u>250,000</u>	<u>288,175</u>	<u>275,000</u>	<u>(13,175)</u>
Net change in fund balance . . . . .	(811)	(811)	411	1,222
<b>Fund balance at beginning of year. . . . .</b>	1,321	1,321	1,321	-
<b>Prior year encumbrances appropriated . .</b>	<u>811</u>	<u>811</u>	<u>811</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,321</u>	<u>\$ 1,321</u>	<u>\$ 2,543</u>	<u>\$ 1,222</u>

**CITY OF WARREN, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 2,557,077	\$ 1,175,776	\$ 3,732,853
Receivables (net of allowances of uncollectibles):			
Real and other taxes . . . . .	-	1,786,287	1,786,287
Accounts . . . . .	25,281	-	25,281
Intergovernmental . . . . .	846,662	92,508	939,170
Loans . . . . .	6,316,994	-	6,316,994
Accrued interest . . . . .	864	-	864
Special assessments . . . . .	1,787,690	129,983	1,917,673
Materials and supplies inventory . . . . .	133,500	-	133,500
Total assets . . . . .	<u>\$ 11,668,068</u>	<u>\$ 3,184,554</u>	<u>\$ 14,852,622</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 96,496	\$ -	\$ 96,496
Contracts payable . . . . .	193,300	-	193,300
Accrued wages and benefits . . . . .	34,274	-	34,274
Due to other governments . . . . .	19,251	-	19,251
Total liabilities . . . . .	<u>343,321</u>	<u>-</u>	<u>343,321</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	-	1,289,364	1,289,364
Delinquent property tax revenue not available . . . . .	-	496,923	496,923
Special assessments revenue not available . . . . .	1,787,690	129,983	1,917,673
Intergovernmental revenue not available . . . . .	582,070	92,508	674,578
Total deferred inflows of resources . . . . .	<u>2,369,760</u>	<u>2,008,778</u>	<u>4,378,538</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	133,500	-	133,500
Restricted . . . . .	8,821,487	1,175,776	9,997,263
Total fund balances . . . . .	<u>8,954,987</u>	<u>1,175,776</u>	<u>10,130,763</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 11,668,068</u>	<u>\$ 3,184,554</u>	<u>\$ 14,852,622</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ 1,283,266	\$ 1,283,266
Licenses and permits . . . . .	93,291	-	93,291
Fines and forfeitures. . . . .	489,587	-	489,587
Intergovernmental . . . . .	3,616,785	183,304	3,800,089
Special assessments . . . . .	5,508	10,615	16,123
Investment income. . . . .	30,151	-	30,151
Other. . . . .	204,543	-	204,543
Total revenues . . . . .	<u>4,439,865</u>	<u>1,477,185</u>	<u>5,917,050</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	114,319	33,678	147,997
Security of persons and property . . . . .	685,583	-	685,583
Transportation . . . . .	1,690,699	-	1,690,699
Economic development. . . . .	1,711,494	-	1,711,494
Capital outlay . . . . .	538,016	-	538,016
Debt service:			
Principal retirement . . . . .	227,053	642,829	869,882
Interest and fiscal charges. . . . .	66,459	326,620	393,079
Total expenditures. . . . .	<u>5,033,623</u>	<u>1,003,127</u>	<u>6,036,750</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(593,758)</u>	<u>474,058</u>	<u>(119,700)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	302,771	159,283	462,054
Transfers out. . . . .	<u>(215,481)</u>	<u>(852,975)</u>	<u>(1,068,456)</u>
Total other financing sources (uses). . . . .	<u>87,290</u>	<u>(693,692)</u>	<u>(606,402)</u>
Net change in fund balance . . . . .	(506,468)	(219,634)	(726,102)
<b>Fund balances at beginning of year . . . . .</b>	<u>9,461,455</u>	<u>1,395,410</u>	<u>10,856,865</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 8,954,987</u>	<u>\$ 1,175,776</u>	<u>\$ 10,130,763</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2015

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 237,904	\$ 9,561	\$ 3,450
Receivables (net of allowances for uncollectibles):			
Accounts . . . . .	4,636	-	-
Intergovernmental . . . . .	-	704,213	31,380
Loans . . . . .	-	-	-
Accrued interest . . . . .	-	-	-
Special assessments . . . . .	-	-	-
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	<u>\$ 242,540</u>	<u>\$ 713,774</u>	<u>\$ 34,830</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 3,980	\$ 3,684	\$ 3,350
Contracts payable . . . . .	-	-	-
Accrued wages and benefits . . . . .	-	24,375	-
Due to other governments . . . . .	-	3,700	8,323
Total liabilities . . . . .	<u>3,980</u>	<u>31,759</u>	<u>11,673</u>
<b>Deferred inflows of resources:</b>			
Special assessments revenue not available . . . . .	-	-	-
Intergovernmental revenue not available . . . . .	-	530,707	13,991
Total deferred inflows of resources . . . . .	<u>-</u>	<u>530,707</u>	<u>13,991</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	-	-	-
Restricted . . . . .	<u>238,560</u>	<u>151,308</u>	<u>9,166</u>
Total fund balances . . . . .	<u>238,560</u>	<u>151,308</u>	<u>9,166</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 242,540</u>	<u>\$ 713,774</u>	<u>\$ 34,830</u>

<u>Drivers Alcohol Treatment</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Enforcement and Education</u>	<u>Federal Forfeitures</u>	<u>Probation - Municipal Court</u>
\$ 7,388	\$ 169,955	\$ 22,653	\$ 43,458	\$ 94,103	\$ 312,053
371	-	-	34	-	3,593
786	-	10,835	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,545</u>	<u>\$ 169,955</u>	<u>\$ 33,488</u>	<u>\$ 43,492</u>	<u>\$ 94,103</u>	<u>\$ 315,646</u>
\$ -	\$ -	\$ 3,450	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,701	-	-	-
<u>-</u>	<u>-</u>	<u>9,151</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,545	169,955	24,337	43,492	94,103	315,646
<u>8,545</u>	<u>169,955</u>	<u>24,337</u>	<u>43,492</u>	<u>94,103</u>	<u>315,646</u>
<u>\$ 8,545</u>	<u>\$ 169,955</u>	<u>\$ 33,488</u>	<u>\$ 43,492</u>	<u>\$ 94,103</u>	<u>\$ 315,646</u>

- Continued

**CITY OF WARREN, OHIO**

COMBINING BALANCE SHEET  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
 DECEMBER 31, 2015

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 776,444	\$ 169,774	\$ 272,100
Receivables (net of allowances for uncollectibles):			
Accounts . . . . .	10,810	1,440	4,397
Intergovernmental . . . . .	-	-	-
Loans . . . . .	-	-	1,418,946
Accrued interest . . . . .	-	-	864
Special assessments . . . . .	-	-	1,787,690
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	<u>\$ 787,254</u>	<u>\$ 171,214</u>	<u>\$ 3,483,997</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 663	\$ -	\$ 21,680
Contracts payable . . . . .	193,300	-	-
Accrued wages and benefits . . . . .	-	-	9,899
Due to other governments . . . . .	-	-	1,527
Total liabilities . . . . .	<u>193,963</u>	<u>-</u>	<u>33,106</u>
<b>Deferred inflows of resources:</b>			
Special assessments revenue not available . . . . .	-	-	1,787,690
Intergovernmental revenue not available . . . . .	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>1,787,690</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	-	-	-
Restricted . . . . .	<u>593,291</u>	<u>171,214</u>	<u>1,663,201</u>
Total fund equity . . . . .	<u>593,291</u>	<u>171,214</u>	<u>1,663,201</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 787,254</u>	<u>\$ 171,214</u>	<u>\$ 3,483,997</u>

<u>Guarantee Loan</u>	<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>Total</u>
\$ 107,776	\$ 116,227	\$ 46,729	\$ 167,502	\$ 2,557,077
-	-	-	-	25,281
-	57,098	42,350	-	846,662
1,234,302	-	-	3,663,746	6,316,994
-	-	-	-	864
-	-	-	-	1,787,690
-	-	133,500	-	133,500
<u>\$ 1,342,078</u>	<u>\$ 173,325</u>	<u>\$ 222,579</u>	<u>\$ 3,831,248</u>	<u>\$ 11,668,068</u>
\$ -	\$ 49	\$ 59,640	\$ -	\$ 96,496
-	-	-	-	193,300
-	-	-	-	34,274
-	-	-	-	19,251
-	49	59,640	-	343,321
-	-	-	-	1,787,690
-	37,372	-	-	582,070
-	37,372	-	-	2,369,760
-	-	133,500	-	133,500
1,342,078	135,904	29,439	3,831,248	8,821,487
1,342,078	135,904	162,939	3,831,248	8,954,987
<u>\$ 1,342,078</u>	<u>\$ 173,325</u>	<u>\$ 222,579</u>	<u>\$ 3,831,248</u>	<u>\$ 11,668,068</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, 2015**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
<b>Revenues:</b>			
Licenses and permits . . . . .	\$ -	\$ 1,300	\$ -
Fines and forfeitures . . . . .	96,789	-	-
Intergovernmental . . . . .	-	1,315,049	82,937
Special assessment . . . . .	-	-	-
Investment income . . . . .	-	-	-
Other . . . . .	-	17,722	-
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	96,789	1,334,071	82,937
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	114,319	-	-
Security of persons and property . . . . .	-	-	65,908
Transportation . . . . .	-	1,690,699	-
Economic development . . . . .	-	-	-
Capital outlay . . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	-
Interest and fiscal charges . . . . .	-	433	-
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	114,319	1,691,132	65,908
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(17,530)	(357,061)	17,029
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	302,771	-
Transfers out . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	302,771	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance . . . . .	(17,530)	(54,290)	17,029
	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	256,090	205,598	(7,863)
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 238,560	\$ 151,308	\$ 9,166
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Drivers Alcohol Treatment</b>	<b>Drug Law Enforcement</b>	<b>Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Federal Forfeitures</b>	<b>Probation - Municipal Court</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,991
22,169	71,025	4,336	2,447	-	-
-	-	20,383	-	-	-
-	-	-	-	-	-
-	-	-	-	349	-
-	100	-	-	130	-
<u>22,169</u>	<u>71,125</u>	<u>24,719</u>	<u>2,447</u>	<u>479</u>	<u>91,991</u>
-	-	-	-	-	-
28,570	-	30,642	-	13,876	54,999
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,570</u>	<u>-</u>	<u>30,642</u>	<u>-</u>	<u>13,876</u>	<u>54,999</u>
<u>(6,401)</u>	<u>71,125</u>	<u>(5,923)</u>	<u>2,447</u>	<u>(13,397)</u>	<u>36,992</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(6,401)</u>	<u>71,125</u>	<u>(5,923)</u>	<u>2,447</u>	<u>(13,397)</u>	<u>36,992</u>
<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>\$ 8,545</u>	<u>\$ 169,955</u>	<u>\$ 24,337</u>	<u>\$ 43,492</u>	<u>\$ 94,103</u>	<u>\$ 315,646</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, 2015

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
<b>Revenues:</b>			
Licenses and permits . . . . .	\$ -	\$ -	\$ -
Fines and forfeitures . . . . .	263,798	29,023	-
Intergovernmental . . . . .	-	-	1,106,006
Special assessment . . . . .	-	-	5,508
Investment income . . . . .	-	-	17,497
Other . . . . .	-	-	5,803
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	263,798	29,023	1,134,814
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	-	-	-
Security of persons and property . . . . .	465,918	25,670	-
Transportation . . . . .	-	-	-
Economic development . . . . .	-	-	1,081,655
Capital outlay . . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	22,053
Interest and fiscal charges . . . . .	-	-	444
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	465,918	25,670	1,104,152
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(202,120)	3,353	30,662
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	-	-
Transfers out . . . . .	(90,000)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	(90,000)	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance . . . . .	(292,120)	3,353	30,662
	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	885,411	167,861	1,632,539
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 593,291	\$ 171,214	\$ 1,663,201
	<hr/>	<hr/>	<hr/>

<b>Guarantee Loan</b>	<b>Highway Construction</b>	<b>Motor Vehicle Levy</b>	<b>Home Investment</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 93,291
-	-	-	-	489,587
-	112,284	512,878	467,248	3,616,785
-	-	-	-	5,508
118	447	784	10,956	30,151
143,606	-	-	37,182	204,543
<u>143,724</u>	<u>112,731</u>	<u>513,662</u>	<u>515,386</u>	<u>4,439,865</u>
-	-	-	-	114,319
-	-	-	-	685,583
-	-	-	-	1,690,699
-	-	-	629,839	1,711,494
-	113,023	424,993	-	538,016
205,000	-	-	-	227,053
65,582	-	-	-	66,459
<u>270,582</u>	<u>113,023</u>	<u>424,993</u>	<u>629,839</u>	<u>5,033,623</u>
<u>(126,858)</u>	<u>(292)</u>	<u>88,669</u>	<u>(114,453)</u>	<u>(593,758)</u>
-	-	-	-	302,771
-	-	(125,481)	-	(215,481)
-	-	(125,481)	-	87,290
(126,858)	(292)	(36,812)	(114,453)	(506,468)
<u>1,468,936</u>	<u>136,196</u>	<u>199,751</u>	<u>3,945,701</u>	<u>9,461,455</u>
<u>\$ 1,342,078</u>	<u>\$ 135,904</u>	<u>\$ 162,939</u>	<u>\$ 3,831,248</u>	<u>\$ 8,954,987</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 110,000	\$ 110,000	\$ 100,353	\$ (9,647)
Total revenues . . . . .	<u>110,000</u>	<u>110,000</u>	<u>100,353</u>	<u>(9,647)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	31,800	31,800	26,019	5,781
Contract services . . . . .	45,400	45,400	25,924	19,476
Materials and supplies. . . . .	31,770	31,770	27,601	4,169
Capital outlay . . . . .	35,000	35,000	34,700	300
Total general government . . . . .	<u>143,970</u>	<u>143,970</u>	<u>114,244</u>	<u>29,726</u>
Total expenditures . . . . .	<u>143,970</u>	<u>143,970</u>	<u>114,244</u>	<u>29,726</u>
Net change in fund balance. . . . .	(33,970)	(33,970)	(13,891)	20,079
<b>Fund balance at beginning of year . . . .</b>	203,120	203,120	203,120	-
<b>Prior year encumbrances appropriated .</b>	<u>44,770</u>	<u>44,770</u>	<u>44,770</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 213,920</u>	<u>\$ 213,920</u>	<u>\$ 233,999</u>	<u>\$ 20,079</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits . . . . .	\$ 1,000	\$ 1,000	\$ 1,300	\$ 300
Intergovernmental . . . . .	1,449,000	1,449,000	1,366,372	(82,628)
Other . . . . .	-	-	17,722	17,722
<b>Total revenues</b> . . . . .	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,385,394</u>	<u>(64,606)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	1,208,587	1,208,587	1,022,310	186,277
Contract services . . . . .	457,973	557,973	514,352	43,621
Materials and supplies . . . . .	106,387	165,387	39,959	125,428
Capital outlay . . . . .	136,643	136,643	136,462	181
<b>Total transportation</b> . . . . .	<u>1,909,590</u>	<u>2,068,590</u>	<u>1,713,083</u>	<u>355,507</u>
<b>Total expenditures</b> . . . . .	<u>1,909,590</u>	<u>2,068,590</u>	<u>1,713,083</u>	<u>355,507</u>
Excess of expenditures over revenues . . . . .	<u>(459,590)</u>	<u>(618,590)</u>	<u>(327,689)</u>	<u>290,901</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	296,587	296,587	10,000	(286,587)
<b>Total other financing sources</b> . . . . .	<u>296,587</u>	<u>296,587</u>	<u>10,000</u>	<u>(286,587)</u>
Net change in fund balance . . . . .	(163,003)	(322,003)	(317,689)	4,314
<b>Fund balance at beginning of year</b> . . . . .	159,309	159,309	159,309	-
<b>Prior year encumbrances appropriated</b> . . . . .	163,003	163,003	163,003	-
<b>Fund balance at end of year</b> . . . . .	<u>\$ 159,309</u>	<u>\$ 309</u>	<u>\$ 4,623</u>	<u>\$ 4,314</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 50,000	\$ 60,000	\$ 65,548	\$ 5,548
Total revenues . . . . .	<u>50,000</u>	<u>60,000</u>	<u>65,548</u>	<u>5,548</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	50,000	60,000	59,967	33
Total security of persons and property. . . . .	<u>50,000</u>	<u>60,000</u>	<u>59,967</u>	<u>33</u>
Total expenditures. . . . .	<u>50,000</u>	<u>60,000</u>	<u>59,967</u>	<u>33</u>
Net change in fund balance . . . . .	-	-	5,581	5,581
<b>Fund balance (deficit) at beginning of year . . . . .</b>	<u>(2,131)</u>	<u>(2,131)</u>	<u>(2,131)</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ (2,131)</u>	<u>\$ (2,131)</u>	<u>\$ 3,450</u>	<u>\$ 5,581</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 25,000	\$ 25,000	\$ 22,838	\$ (2,162)
Total revenues . . . . .	<u>25,000</u>	<u>25,000</u>	<u>22,838</u>	<u>(2,162)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services. . . . .	34,131	39,339	29,789	9,550
Total security of persons and property .	<u>34,131</u>	<u>39,339</u>	<u>29,789</u>	<u>9,550</u>
Total expenditures . . . . .	<u>34,131</u>	<u>39,339</u>	<u>29,789</u>	<u>9,550</u>
Net change in fund balance . . . . .	(9,131)	(14,339)	(6,951)	7,388
<b>Fund balance at beginning of year. . . . .</b>	5,208	5,208	5,208	-
<b>Prior year encumbrances appropriated .</b>	<u>9,131</u>	<u>9,131</u>	<u>9,131</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 5,208</u>	<u>\$ -</u>	<u>\$ 7,388</u>	<u>\$ 7,388</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 15,000	\$ 15,000	\$ 71,025	\$ 56,025
Other . . . . .	-	-	100	100
Total revenues. . . . .	<u>15,000</u>	<u>15,000</u>	<u>71,125</u>	<u>56,125</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services . . . . .	15,000	15,000	-	15,000
Total security of persons and property .	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures . . . . .	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance . . . . .	-	-	71,125	71,125
<b>Fund balance at beginning of year . . . . .</b>	<u>98,830</u>	<u>98,830</u>	<u>98,830</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 98,830</u>	<u>\$ 98,830</u>	<u>\$ 169,955</u>	<u>\$ 71,125</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 25,000	\$ 25,000	\$ 4,336	\$ (20,664)
Intergovernmental. . . . .	25,000	31,215	31,883	668
Total revenues. . . . .	<u>50,000</u>	<u>56,215</u>	<u>36,219</u>	<u>(19,996)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services. . . . .	22,000	13,272	3,967	9,305
Materials and supplies . . . . .	11,859	15,709	12,330	3,379
Capital outlay . . . . .	23,839	23,839	9,564	14,275
Other . . . . .	-	12,093	6,392	5,701
Total security of persons and property .	<u>57,698</u>	<u>64,913</u>	<u>32,253</u>	<u>32,660</u>
Total expenditures . . . . .	<u>57,698</u>	<u>64,913</u>	<u>32,253</u>	<u>32,660</u>
Net change in fund balance. . . . .	(7,698)	(8,698)	3,966	12,664
<b>Fund balance at beginning of year . . . .</b>	4,640	4,640	4,640	-
<b>Prior year encumbrances appropriated .</b>	<u>7,698</u>	<u>7,698</u>	<u>7,698</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 4,640</u>	<u>\$ 3,640</u>	<u>\$ 16,304</u>	<u>\$ 12,664</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 1,250	\$ 1,250	\$ 2,674	\$ 1,424
Total revenues . . . . .	<u>1,250</u>	<u>1,250</u>	<u>2,674</u>	<u>1,424</u>
<b>Expenditures:</b>				
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 . . . . .	-	-	2,674	2,674
<b>Fund balance at beginning of year . . . . .</b>	<u>40,784</u>	<u>40,784</u>	<u>40,784</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 40,784</u></u>	<u><u>\$ 40,784</u></u>	<u><u>\$ 43,458</u></u>	<u><u>\$ 2,674</u></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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 10,000	\$ 15,236	\$ -	\$ (15,236)
Investment income . . . . .	-	-	349	349
Other . . . . .	-	-	130	130
Total revenues . . . . .	<u>10,000</u>	<u>15,236</u>	<u>479</u>	<u>(14,757)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	5,000	5,000	3,640	1,360
Materials and supplies. . . . .	5,000	16,278	16,278	-
Other . . . . .	-	5,236	5,236	-
Total security of persons and property .	<u>10,000</u>	<u>26,514</u>	<u>25,154</u>	<u>1,360</u>
Total expenditures . . . . .	<u>10,000</u>	<u>26,514</u>	<u>25,154</u>	<u>1,360</u>
Net change in fund balance. . . . .	-	(11,278)	(24,675)	(13,397)
<b>Fund balance at beginning of year . . . .</b>	<u>107,500</u>	<u>107,500</u>	<u>107,500</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 107,500</u>	<u>\$ 96,222</u>	<u>\$ 82,825</u>	<u>\$ (13,397)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits . . . . .	\$ 100,000	\$ 100,000	\$ 94,720	\$ (5,280)
Total revenues . . . . .	<u>100,000</u>	<u>100,000</u>	<u>94,720</u>	<u>(5,280)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	23,192	23,192	16,480	6,712
Contract services . . . . .	35,000	35,000	32,467	2,533
Materials and supplies. . . . .	9,373	9,373	6,052	3,321
Total security of persons and property.	<u>67,565</u>	<u>67,565</u>	<u>54,999</u>	<u>12,566</u>
Total expenditures . . . . .	<u>67,565</u>	<u>67,565</u>	<u>54,999</u>	<u>12,566</u>
Net change in fund balance . . . . .	32,435	32,435	39,721	7,286
<b>Fund balance at beginning of year . . . . .</b>	269,959	269,959	269,959	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,373</u>	<u>2,373</u>	<u>2,373</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 304,767</u>	<u>\$ 304,767</u>	<u>\$ 312,053</u>	<u>\$ 7,286</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 250,000	\$ 250,000	\$ 272,368	\$ 22,368
Total revenues . . . . .	<u>250,000</u>	<u>250,000</u>	<u>272,368</u>	<u>22,368</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	93,955	133,955	75,707	58,248
Materials and supplies. . . . .	28,013	33,013	14,265	18,748
Capital outlay . . . . .	17,289	467,289	457,289	10,000
Total security of persons and property .	<u>139,257</u>	<u>634,257</u>	<u>547,261</u>	<u>86,996</u>
Total expenditures . . . . .	<u>139,257</u>	<u>634,257</u>	<u>547,261</u>	<u>86,996</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>110,743</u>	<u>(384,257)</u>	<u>(274,893)</u>	<u>109,364</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	-	(90,000)	(90,000)	-
Total other financing uses . . . . .	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Net change in fund balance . . . . .	110,743	(474,257)	(364,893)	109,364
<b>Fund balance at beginning of year . . . .</b>	868,537	868,537	868,537	-
<b>Prior year encumbrances appropriated. .</b>	<u>12,257</u>	<u>12,257</u>	<u>12,257</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 991,537</u>	<u>\$ 406,537</u>	<u>\$ 515,901</u>	<u>\$ 109,364</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 35,000	\$ 35,000	\$ 29,959	\$ (5,041)
Total revenues . . . . .	<u>35,000</u>	<u>35,000</u>	<u>29,959</u>	<u>(5,041)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	35,000	45,000	36,084	8,916
Total security of persons and property.	<u>35,000</u>	<u>45,000</u>	<u>36,084</u>	<u>8,916</u>
Total expenditures . . . . .	<u>35,000</u>	<u>45,000</u>	<u>36,084</u>	<u>8,916</u>
Net change in fund balance. . . . .	-	(10,000)	(6,125)	3,875
<b>Fund balance at beginning of year . . . .</b>	<u>175,899</u>	<u>175,899</u>	<u>175,899</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 175,899</u>	<u>\$ 165,899</u>	<u>\$ 169,774</u>	<u>\$ 3,875</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>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 200,000	\$ 200,000	\$ 81,026	\$ (118,974)
Intergovernmental . . . . .	1,443,858	1,573,807	1,160,477	(413,330)
Special assessments . . . . .	10,000	10,000	5,508	(4,492)
Investment income . . . . .	14,000	14,000	20,784	6,784
Other . . . . .	3,800	3,800	5,803	2,003
Total revenues . . . . .	<u>1,671,658</u>	<u>1,801,607</u>	<u>1,273,598</u>	<u>(528,009)</u>
<b>Expenditures:</b>				
Current:				
Economic development				
Personal services . . . . .	450,533	450,533	261,948	188,585
Contract services . . . . .	367,276	412,276	386,911	25,365
Materials and supplies. . . . .	4,763	4,763	1,530	3,233
Capital outlay . . . . .	316,610	341,559	338,558	3,001
Other . . . . .	748,490	808,490	662,297	146,193
Total economic development . . . . .	<u>1,887,672</u>	<u>2,017,621</u>	<u>1,651,244</u>	<u>366,377</u>
Debt service:				
Principal retirement. . . . .	23,000	23,000	22,053	947
Interest and fiscal charges . . . . .	2,500	2,500	444	2,056
Total debt service . . . . .	<u>25,500</u>	<u>25,500</u>	<u>22,497</u>	<u>3,003</u>
Total expenditures . . . . .	<u>1,913,172</u>	<u>2,043,121</u>	<u>1,673,741</u>	<u>369,380</u>
Net change in fund balance. . . . .	(241,514)	(241,514)	(400,143)	(158,629)
<b>Fund balance at beginning of year . . . .</b>	55,620	55,620	55,620	-
<b>Prior year encumbrances appropriated .</b>	<u>241,514</u>	<u>241,514</u>	<u>241,514</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . .</b>	<u>\$ 55,620</u>	<u>\$ 55,620</u>	<u>\$ (103,009)</u>	<u>\$ (158,629)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ -	\$ -	\$ 118	\$ 118
Other . . . . .	150,000	150,000	265,846	115,846
Total revenues . . . . .	<u>150,000</u>	<u>150,000</u>	<u>265,964</u>	<u>115,964</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement . . . . .	210,000	210,000	205,000	5,000
Interest and fiscal charges . . . . .	70,000	70,000	65,582	4,418
Total debt service . . . . .	<u>280,000</u>	<u>280,000</u>	<u>270,582</u>	<u>9,418</u>
Total expenditures . . . . .	<u>280,000</u>	<u>280,000</u>	<u>270,582</u>	<u>9,418</u>
Excess of expenditures over revenues . . .	<u>(130,000)</u>	<u>(130,000)</u>	<u>(4,618)</u>	<u>125,382</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	130,000	130,000	-	(130,000)
Total other financing sources . . . . .	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Net change in fund balance. . . . .	-	-	(4,618)	(4,618)
<b>Fund balance at beginning of year . . . .</b>	<u>112,394</u>	<u>112,394</u>	<u>112,394</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 112,394</u>	<u>\$ 112,394</u>	<u>\$ 107,776</u>	<u>\$ (4,618)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 114,000	\$ 114,000	\$ 110,787	\$ (3,213)
Investment income . . . . .	1,000	1,000	447	(553)
Total revenues . . . . .	<u>115,000</u>	<u>115,000</u>	<u>111,234</u>	<u>(3,766)</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	-	100,000	93,955	6,045
Materials and supplies . . . . .	124,342	133,342	71,487	61,855
Total capital outlay . . . . .	<u>124,342</u>	<u>233,342</u>	<u>165,442</u>	<u>67,900</u>
Total expenditures . . . . .	<u>124,342</u>	<u>233,342</u>	<u>165,442</u>	<u>67,900</u>
Net change in fund balance . . . . .	(9,342)	(118,342)	(54,208)	64,134
<b>Fund balance at beginning of year . . . .</b>	109,408	109,408	109,408	-
<b>Prior year encumbrances appropriated .</b>	<u>9,342</u>	<u>9,342</u>	<u>9,342</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 109,408</u>	<u>\$ 408</u>	<u>\$ 64,542</u>	<u>\$ 64,134</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 474,000	\$ 474,000	\$ 470,555	(3,445)
Investment income . . . . .	1,000	1,000	757	(243)
Total revenues . . . . .	<u>475,000</u>	<u>475,000</u>	<u>471,312</u>	<u>(3,688)</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	168,061	193,061	177,304	15,757
Materials and supplies. . . . .	228,016	368,016	346,260	21,756
Total capital outlay . . . . .	<u>396,077</u>	<u>561,077</u>	<u>523,564</u>	<u>37,513</u>
Total expenditures . . . . .	<u>396,077</u>	<u>561,077</u>	<u>523,564</u>	<u>37,513</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>78,923</u>	<u>(86,077)</u>	<u>(52,252)</u>	<u>33,825</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	(126,400)	(126,400)	(125,481)	919
Total other financing uses . . . . .	<u>(126,400)</u>	<u>(126,400)</u>	<u>(125,481)</u>	<u>919</u>
Net change in fund balance. . . . .	(47,477)	(212,477)	(177,733)	34,744
<b>Fund balance at beginning of year . . . .</b>	165,079	165,079	165,079	-
<b>Prior year encumbrances appropriated .</b>	47,477	47,477	47,477	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 165,079</u>	<u>\$ 79</u>	<u>\$ 34,823</u>	<u>\$ 34,744</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 460,000	\$ 966,000	\$ 467,248	\$ (498,752)
Investment income . . . . .	3,600	3,600	950	(2,650)
Other . . . . .	126,000	126,000	124,963	(1,037)
Total revenues . . . . .	<u>589,600</u>	<u>1,095,600</u>	<u>593,161</u>	<u>(502,439)</u>
<b>Expenditures:</b>				
Current:				
Economic development				
Personal services . . . . .	41,600	166,600	160,373	6,227
Contract services . . . . .	-	100	71	29
Other . . . . .	761,661	1,142,661	988,135	154,526
Total economic development . . . . .	<u>803,261</u>	<u>1,309,361</u>	<u>1,148,579</u>	<u>160,782</u>
Total expenditures . . . . .	<u>803,261</u>	<u>1,309,361</u>	<u>1,148,579</u>	<u>160,782</u>
Net change in fund balance. . . . .	(213,661)	(213,761)	(555,418)	(341,657)
<b>Fund balance at beginning of year . . . .</b>	67,631	67,631	67,631	-
<b>Prior year encumbrances appropriated .</b>	<u>213,661</u>	<u>213,661</u>	<u>213,661</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . .</b>	<u>\$ 67,631</u>	<u>\$ 67,531</u>	<u>\$ (274,126)</u>	<u>\$ (341,657)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,291,117	\$ 1,291,117	\$ 1,283,266	\$ (7,851)
Intergovernmental . . . . .	191,700	191,700	185,016	(6,684)
Investment income . . . . .	2,975	2,975	-	(2,975)
Special assessments . . . . .	12,500	12,500	10,615	(1,885)
Total revenues . . . . .	<u>1,498,292</u>	<u>1,498,292</u>	<u>1,478,897</u>	<u>(19,395)</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	37,500	37,500	33,678	3,822
Total general government . . . . .	<u>37,500</u>	<u>37,500</u>	<u>33,678</u>	<u>3,822</u>
Debt service:				
Principal retirement . . . . .	1,400,000	1,412,900	1,412,829	71
Interest and fiscal charges . . . . .	250,313	250,313	250,312	1
Total debt service . . . . .	<u>1,650,313</u>	<u>1,663,213</u>	<u>1,663,141</u>	<u>72</u>
Total expenditures . . . . .	<u>1,687,813</u>	<u>1,700,713</u>	<u>1,696,819</u>	<u>3,894</u>
Excess of expenditures over revenues . .	<u>(189,521)</u>	<u>(202,421)</u>	<u>(217,922)</u>	<u>(15,501)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	122,338	122,338	-	(122,338)
Total other financing sources . . . . .	<u>122,338</u>	<u>122,338</u>	<u>-</u>	<u>(122,338)</u>
Net change in fund balance . . . . .	(67,183)	(80,083)	(217,922)	(137,839)
<b>Fund balance at beginning of year . . . .</b>	<u>1,393,698</u>	<u>1,393,698</u>	<u>1,393,698</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,326,515</u>	<u>\$ 1,313,615</u>	<u>\$ 1,175,776</u>	<u>\$ (137,839)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 1,875,000	\$ 1,875,000	\$ 1,388,677	\$ (486,323)
Total revenues . . . . .	1,875,000	1,875,000	1,388,677	(486,323)
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	12,500	37,500	30,122	7,378
Capital outlay . . . . .	4,743,880	5,943,880	5,372,513	571,367
Total capital outlay . . . . .	4,756,380	5,981,380	5,402,635	578,745
Total expenditures . . . . .	4,756,380	5,981,380	5,402,635	578,745
Excess of expenditures over revenues . .	(2,881,380)	(4,106,380)	(4,013,958)	92,422
<b>Other financing sources:</b>				
Transfers in . . . . .	125,000	125,000	125,481	481
Total other financing sources . . . . .	125,000	125,000	125,481	481
Net change in fund balance. . . . .	(2,756,380)	(3,981,380)	(3,888,477)	92,903
<b>Fund balance at beginning of year . . . .</b>	1,246,718	1,246,718	1,246,718	-
<b>Prior year encumbrances appropriated .</b>	2,756,380	2,756,380	2,756,380	-
<b>Fund balance at end of year. . . . .</b>	\$ 1,246,718	\$ 21,718	\$ 114,621	\$ 92,903

**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**

***City Redevelopment***

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

***Downtown Parking***

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

***Stormwater Utility***

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

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2015**

	<u>City Redevelopment</u>	<u>Downtown Parking</u>	<u>Stormwater Utility</u>	<u>Totals</u>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 411,837	\$ 7,311	\$ 1,736,121	\$ 2,155,269
Receivables (net of allowances for uncollectibles):				
Accounts . . . . .	-	-	461,668	461,668
Special assessments . . . . .	-	-	93	93
Due from other governments . . . . .	-	3,087	-	3,087
<b>Total current assets.</b> . . . .	<u>411,837</u>	<u>10,398</u>	<u>2,197,882</u>	<u>2,620,117</u>
Noncurrent assets:				
Net pension asset . . . . .	-	-	399	399
Capital assets:				
Non-depreciable capital assets . . . . .	133,280	150,000	607,505	890,785
Depreciable capital assets, net . . . . .	202,084	879,087	1,088,555	2,169,726
<b>Total capital assets</b> . . . . .	<u>335,364</u>	<u>1,029,087</u>	<u>1,696,060</u>	<u>3,060,511</u>
<b>Total noncurrent assets</b> . . . . .	<u>335,364</u>	<u>1,029,087</u>	<u>1,696,459</u>	<u>3,060,910</u>
<b>Total assets</b> . . . . .	<u>\$ 747,201</u>	<u>\$ 1,039,485</u>	<u>\$ 3,894,341</u>	<u>\$ 5,681,027</u>
<b>Deferred outflows of resources:</b>				
Pension - OPERS . . . . .	\$ -	\$ -	\$ 35,546	\$ 35,546
<b>Total deferred outflows of resources</b> . . . . .	<u>-</u>	<u>-</u>	<u>35,546</u>	<u>35,546</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	19,200	6,698	3,824	29,722
Accrued wages and benefits . . . . .	-	-	6,132	6,132
Due to other governments . . . . .	-	-	2,536	2,536
Current portion of OPWC loans payable . . . . .	-	-	1,797	1,797
Current portion of capital lease obligations. . . . .	-	-	36,765	36,765
Current portion of compensated absences payable . . . . .	-	-	12,559	12,559
Accrued interest payable . . . . .	-	-	3,024	3,024
<b>Total current liabilities.</b> . . . .	<u>19,200</u>	<u>6,698</u>	<u>66,637</u>	<u>92,535</u>
Long-term liabilities:				
OPWC loans payable . . . . .	-	-	44,036	44,036
Capital lease obligations . . . . .	-	-	75,638	75,638
Net pension liability. . . . .	-	-	193,353	193,353
Compensated absences payable. . . . .	-	-	47,034	47,034
<b>Total long-term liabilities</b> . . . . .	<u>-</u>	<u>-</u>	<u>360,061</u>	<u>360,061</u>
<b>Total liabilities</b> . . . . .	<u>19,200</u>	<u>6,698</u>	<u>426,698</u>	<u>452,596</u>
<b>Deferred inflows of resources:</b>				
Pension - OPERS . . . . .	-	-	3,519	3,519
<b>Total deferred inflows of resources.</b> . . . .	<u>-</u>	<u>-</u>	<u>3,519</u>	<u>3,519</u>
<b>Net position:</b>				
Net investment in capital assets . . . . .	335,364	1,029,087	1,537,824	2,902,275
Unrestricted . . . . .	392,637	3,700	1,961,846	2,358,183
<b>Total net position</b> . . . . .	<u>\$ 728,001</u>	<u>\$ 1,032,787</u>	<u>\$ 3,499,670</u>	<u>\$ 5,260,458</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, 2015

	<b>City Redevelopment</b>	<b>Downtown Parking</b>	<b>Stormwater Utility</b>	<b>Totals</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 404,767	\$ 30,614	\$ 1,105,928	\$ 1,541,309
Other . . . . .	5,563	-	30	5,593
Total operating revenues . . . . .	<u>410,330</u>	<u>30,614</u>	<u>1,105,958</u>	<u>1,546,902</u>
<b>Operating expenses:</b>				
Personal services . . . . .	-	-	305,725	305,725
Contract services. . . . .	102,556	81,835	83,419	267,810
Materials and supplies. . . . .	12,816	270	52,641	65,727
Administrative costs. . . . .	-	-	81,232	81,232
Utilities . . . . .	85,047	6,089	-	91,136
Depreciation. . . . .	14,790	48,058	37,704	100,552
Other. . . . .	-	-	2,146	2,146
Total operating expenses . . . . .	<u>215,209</u>	<u>136,252</u>	<u>562,867</u>	<u>914,328</u>
Operating income (loss). . . . .	<u>195,121</u>	<u>(105,638)</u>	<u>543,091</u>	<u>632,574</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	-	-	3	3
Interest and fiscal charges . . . . .	-	-	(4,670)	(4,670)
Total nonoperating revenues (expenses). . . . .	<u>-</u>	<u>-</u>	<u>(4,667)</u>	<u>(4,667)</u>
Net income (loss) before transfers. . . . .	195,121	(105,638)	538,424	627,907
Transfers in. . . . .	-	60,000	-	60,000
Transfers out . . . . .	<u>(159,283)</u>	<u>-</u>	<u>-</u>	<u>(159,283)</u>
Changes in net position . . . . .	35,838	(45,638)	538,424	528,624
<b>Net position at beginning of year (restated) . . . . .</b>	<u>692,163</u>	<u>1,078,425</u>	<u>2,961,246</u>	<u>4,731,834</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 728,001</u>	<u>\$ 1,032,787</u>	<u>\$ 3,499,670</u>	<u>\$ 5,260,458</u>

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

	<b>City Redevelopment</b>	<b>Downtown Parking</b>	<b>Stormwater Utility</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 429,639	\$ 27,527	\$ 1,014,223	\$ 1,471,389
Cash received from other operations . . . . .	5,563	-	30	5,593
Cash payments for personal services . . . . .	-	-	(307,030)	(307,030)
Cash payments for contract services . . . . .	(104,301)	(81,601)	(79,595)	(265,497)
Cash payments for materials and supplies . . . . .	(12,361)	(270)	(52,641)	(65,272)
Cash payments for utilities . . . . .	(85,047)	(6,089)	-	(91,136)
Cash payments for administrative costs. . . . .	-	-	(81,232)	(81,232)
Cash payments for other expenses . . . . .	-	-	(2,146)	(2,146)
Net cash provided by (used in) operating activities . . . . .	<u>233,493</u>	<u>(60,433)</u>	<u>491,609</u>	<u>664,669</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in from other funds . . . . .	-	60,000	-	60,000
Transfers out to other funds . . . . .	(159,283)	-	-	(159,283)
Net cash provided by (used in) noncapital financing activities . . . . .	<u>(159,283)</u>	<u>60,000</u>	<u>-</u>	<u>(99,283)</u>
<b>Cash flows from capital and related financing activities:</b>				
Aquisition of capital assets . . . . .	-	-	(582,838)	(582,838)
Principal retirement. . . . .	-	-	(37,877)	(37,877)
Interest and fiscal charges . . . . .	-	-	(2,821)	(2,821)
Net cash used in capital and related financing activities. . . . .	<u>-</u>	<u>-</u>	<u>(623,536)</u>	<u>(623,536)</u>
Net increase (decrease) in cash and cash equivalents . . . . .	74,210	(433)	(131,927)	(58,150)
<b>Cash and cash equivalents at beginning of year. . . . .</b>	<u>337,627</u>	<u>7,744</u>	<u>1,868,048</u>	<u>2,213,419</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 411,837</u></u>	<u><u>\$ 7,311</u></u>	<u><u>\$ 1,736,121</u></u>	<u><u>\$ 2,155,269</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 195,121	\$ (105,638)	\$ 543,091	\$ 632,574
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation . . . . .	14,790	48,058	37,704	100,552
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) in accounts receivable. . . . .	-	-	(91,705)	(91,705)
(Increase) decrease in due from other governments . . . . .	24,872	(3,087)	-	21,785
(Increase) in net pension asset . . . . .	-	-	(290)	(290)
(Increase) in deferred outflows - pension - OPERS . . . . .	-	-	(11,454)	(11,454)
Increase (decrease) in accounts payable . . . . .	(1,290)	234	3,824	2,768
(Decrease) in contracts payable . . . . .	-	-	(1,590)	(1,590)
Increase in accrued wages and benefits. . . . .	-	-	1,102	1,102
Increase in due to other governments. . . . .	-	-	1,761	1,761
Increase in compensated absences payable. . . . .	-	-	1,280	1,280
Increase in net pension liability . . . . .	-	-	4,367	4,367
Increase in deferred inflows - pension - OPERS. . . . .	-	-	3,519	3,519
Net cash provided by (used in) operating activities . . . . .	<u><u>\$ 233,493</u></u>	<u><u>\$ (60,433)</u></u>	<u><u>\$ 491,609</u></u>	<u><u>\$ 664,669</u></u>

**Non-cash capital transactions:**

At December 31, 2014, the stormwater utility fund purchased \$5,048 in capital assets on account.

**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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,245,000	\$ 8,245,000	\$ 7,852,207	\$ (392,793)
Other. . . . .	5,000	5,000	10,612	5,612
Total operating revenues . . . . .	8,250,000	8,250,000	7,862,819	(387,181)
<b>Operating expenses:</b>				
Personal services. . . . .	3,606,871	3,606,871	3,130,488	476,383
Contract services. . . . .	1,478,634	1,754,735	1,563,713	191,022
Materials and supplies. . . . .	817,229	765,588	497,252	268,336
Capital outlay . . . . .	412,081	1,091,681	727,171	364,510
Administrative costs. . . . .	725,000	703,795	602,697	101,098
Utilities . . . . .	606,913	688,658	637,211	51,447
Other. . . . .	3,000	18,000	13,491	4,509
Total operating expenses. . . . .	7,649,728	8,629,328	7,172,023	1,457,305
Operating income (loss) . . . . .	600,272	(379,328)	690,796	1,070,124
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement . . . . .	(895,905)	(875,664)	(875,660)	4
Interest and fiscal charges . . . . .	(161,660)	(181,901)	(181,900)	1
Total nonoperating expenses . . . . .	(1,057,565)	(1,057,565)	(1,057,560)	5
Net change in fund equity. . . . .	(457,293)	(1,436,893)	(366,764)	1,070,129
<b>Fund equity at beginning of year . . . . .</b>	2,901,426	2,901,426	2,901,426	-
<b>Prior year encumbrances appropriated . .</b>	457,293	457,293	457,293	-
<b>Fund equity at end of year . . . . .</b>	\$ 2,901,426	\$ 1,921,826	\$ 2,991,955	\$ 1,070,129

**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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 11,300,000	\$ 11,540,000	\$ 11,640,735	\$ 100,735
Other. . . . .	326,000	361,000	331,120	(29,880)
Total operating revenues . . . . .	11,626,000	11,901,000	11,971,855	70,855
<b>Operating expenses:</b>				
Personal services. . . . .	6,337,359	6,210,359	5,502,328	708,031
Contract services. . . . .	787,332	1,034,493	913,926	120,567
Materials and supplies. . . . .	1,124,276	1,324,276	1,158,630	165,646
Capital outlay . . . . .	1,201,976	1,448,976	948,928	500,048
Administrative costs. . . . .	850,582	792,701	709,297	83,404
Utilities . . . . .	561,528	549,248	532,454	16,794
Other. . . . .	516,050	226,050	201,620	24,430
Total operating expenses . . . . .	11,379,103	11,586,103	9,967,183	1,618,920
Operating income. . . . .	246,897	314,897	2,004,672	1,689,775
<b>Nonoperating revenues (expenses):</b>				
Loan issuance . . . . .	705,727	705,727	597,203	(108,524)
Intergovernmental. . . . .	-	10,000	10,000	-
Debt service:				
Principal retirement. . . . .	(1,200,500)	(1,547,930)	(1,547,614)	316
Interest and fiscal charges . . . . .	(489,794)	(557,364)	(556,726)	638
Total nonoperating revenues (expenses) . . . . .	(984,567)	(1,389,567)	(1,497,137)	(107,570)
Net change in fund equity. . . . .	(737,670)	(1,074,670)	507,535	1,582,205
<b>Fund equity at beginning of year . . . . .</b>	1,629,953	1,629,953	1,629,953	-
<b>Prior year encumbrances appropriated . . . . .</b>	863,670	863,670	863,670	-
<b>Fund equity at end of year . . . . .</b>	\$ 1,755,953	\$ 1,418,953	\$ 3,001,158	\$ 1,582,205

**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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 3,521,426	\$ 3,521,426	\$ 3,531,000	\$ 9,574
Other. . . . .	10,000	10,000	18,564	8,564
Total operating revenues . . . . .	<u>3,531,426</u>	<u>3,531,426</u>	<u>3,549,564</u>	<u>18,138</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,217,653	1,217,653	1,048,741	168,912
Contract services. . . . .	1,657,056	1,722,557	1,682,697	39,860
Materials and supplies. . . . .	352,377	437,377	345,745	91,632
Capital outlay . . . . .	17,500	25,500	24,851	649
Administrative costs. . . . .	200,000	232,500	222,461	10,039
Utilities . . . . .	25,660	22,660	17,221	5,439
Other. . . . .	3,500	3,750	3,690	60
Total operating expenses . . . . .	<u>3,473,746</u>	<u>3,661,997</u>	<u>3,345,406</u>	<u>316,591</u>
Operating income (loss) . . . . .	<u>57,680</u>	<u>(130,571)</u>	<u>204,158</u>	<u>334,729</u>
<b>Nonoperating revenues (expenses):</b>				
Sale of notes. . . . .	500,000	500,000	-	(500,000)
Intergovernmental. . . . .	-	-	17,500	17,500
Debt service:				
Principal retirement . . . . .	(650,000)	(650,000)	(650,000)	-
Interest and fiscal charges . . . . .	(1,950)	(2,275)	(2,275)	-
Total nonoperating revenues (expenses) . . . . .	<u>(151,950)</u>	<u>(152,275)</u>	<u>(634,775)</u>	<u>(482,500)</u>
Net change in fund equity. . . . .	(94,270)	(282,846)	(430,617)	(147,771)
<b>Fund equity at beginning of year . . . . .</b>	415,178	415,178	415,178	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>94,318</u>	<u>94,318</u>	<u>94,318</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 415,226</u>	<u>\$ 226,650</u>	<u>\$ 78,879</u>	<u>\$ (147,771)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 425,000	\$ 455,000	\$ 429,639	\$ (25,361)
Other . . . . .	-	10,000	5,563	(4,437)
Total operating revenues . . . . .	<u>425,000</u>	<u>465,000</u>	<u>435,202</u>	<u>(29,798)</u>
<b>Operating expenses:</b>				
Contract services. . . . .	113,186	152,686	105,786	46,900
Materials and supplies. . . . .	27,299	27,299	14,632	12,667
Utilities . . . . .	94,120	94,620	85,343	9,277
Total operating expenses. . . . .	<u>234,605</u>	<u>274,605</u>	<u>205,761</u>	<u>68,844</u>
Operating income. . . . .	190,395	190,395	229,441	39,046
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement . . . . .	(80,000)	(80,000)	(80,000)	-
Interest and fiscal charges . . . . .	(79,283)	(79,283)	(79,283)	-
Total nonoperating expenses . . . . .	<u>(159,283)</u>	<u>(159,283)</u>	<u>(159,283)</u>	<u>-</u>
Net change in fund equity . . . . .	31,112	31,112	70,158	-
<b>Fund equity at beginning of year. . . . .</b>	327,722	327,722	327,722	-
<b>Prior year encumbrances appropriated . .</b>	<u>9,905</u>	<u>9,905</u>	<u>9,905</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 368,739</u>	<u>\$ 368,739</u>	<u>\$ 407,785</u>	<u>\$ -</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 32,000	\$ 32,000	\$ 27,527	\$ (4,473)
Total operating revenues . . . . .	<u>32,000</u>	<u>32,000</u>	<u>27,527</u>	<u>(4,473)</u>
<b>Operating expenses:</b>				
Contract services. . . . .	84,750	89,750	87,868	1,882
Materials and supplies. . . . .	3,000	3,000	270	2,730
Utilities . . . . .	8,200	8,200	6,089	2,111
Other. . . . .	200	200	-	200
Total operating expenses . . . . .	<u>96,150</u>	<u>101,150</u>	<u>94,227</u>	<u>6,923</u>
Net loss before transfers. . . . .	(64,150)	(69,150)	(66,700)	2,450
Transfers in . . . . .	<u>58,000</u>	<u>63,000</u>	<u>60,000</u>	<u>(3,000)</u>
Net change in fund equity . . . . .	(6,150)	(6,150)	(6,700)	(550)
<b>Fund equity at beginning of year. . . . .</b>	1,594	1,594	1,594	-
<b>Prior year encumbrances appropriated . .</b>	<u>6,150</u>	<u>6,150</u>	<u>6,150</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,594</u>	<u>\$ 1,594</u>	<u>\$ 1,044</u>	<u>\$ (550)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,025,000	\$ 1,025,000	\$ 1,014,223	\$ (10,777)
Other . . . . .	-	-	30	30
Total operating revenues . . . . .	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,014,253</u>	<u>(10,747)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	311,283	311,283	307,030	4,253
Contract services. . . . .	126,968	126,968	118,495	8,473
Materials and supplies. . . . .	39,048	39,048	23,583	15,465
Capital outlay . . . . .	481,358	981,358	833,112	148,246
Administrative costs. . . . .	195,000	195,000	81,232	113,768
Other. . . . .	1,000	3,000	2,146	854
Total operating expenses . . . . .	<u>1,154,657</u>	<u>1,656,657</u>	<u>1,365,598</u>	<u>291,059</u>
Net income (loss) . . . . .	(129,657)	(631,657)	(351,345)	280,312
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement. . . . .	(1,798)	(1,798)	(1,798)	-
Total nonoperating expenses . . . . .	<u>(1,798)</u>	<u>(1,798)</u>	<u>(1,798)</u>	<u>-</u>
Net change in fund equity . . . . .	(131,455)	(633,455)	(353,143)	280,312
<b>Fund equity at beginning of year. . . . .</b>	1,736,593	1,736,593	1,736,593	-
<b>Prior year encumbrances appropriated . . . . .</b>	131,455	131,455	131,455	-
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,736,593</u>	<u>\$ 1,234,593</u>	<u>\$ 1,514,905</u>	<u>\$ 280,312</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, 2015

	<b>Life Insurance and Hospitalization</b>	<b>Workers Compensation</b>	<b>Data Processing</b>	<b>Risk Management</b>	<b>Totals</b>
<b>Assets:</b>					
Current assets:					
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 1,054,363	\$ 1,363,036	\$ 416,753	\$ 722,362	\$ 3,556,514
Receivables (net of allowances for uncollectibles):					
Accounts . . . . .	-	-	130,874	-	130,874
Total current assets . . . . .	<u>1,054,363</u>	<u>1,363,036</u>	<u>547,627</u>	<u>722,362</u>	<u>3,687,388</u>
Noncurrent assets:					
Net pension asset . . . . .	-	-	378	-	378
Capital assets:					
Non-depreciable capital assets . . . . .	-	-	534,020	-	534,020
Depreciable capital assets, net . . . . .	-	-	142,892	-	142,892
Total capital assets . . . . .	<u>-</u>	<u>-</u>	<u>676,912</u>	<u>-</u>	<u>676,912</u>
Total noncurrent assets . . . . .	<u>-</u>	<u>-</u>	<u>677,290</u>	<u>-</u>	<u>677,290</u>
Total assets . . . . .	<u>1,054,363</u>	<u>1,363,036</u>	<u>1,224,917</u>	<u>722,362</u>	<u>4,364,678</u>
<b>Deferred outflows of resources:</b>					
Pension - OPERS . . . . .	-	-	33,694	-	33,694
Total deferred outflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>33,694</u>	<u>-</u>	<u>33,694</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	-	-	1,760	-	1,760
Contracts payable . . . . .	-	-	148,355	-	148,355
Accrued wages and benefits . . . . .	-	-	6,281	-	6,281
Due to other governments . . . . .	-	104,838	969	-	105,807
Claims payable . . . . .	836,460	165,356	-	5,658	1,007,474
Current portion of general obligation bonds . . . . .	-	-	75,000	-	75,000
Current portion of compensated absences . . . . .	-	-	8,491	-	8,491
Accrued interest payable . . . . .	-	-	954	-	954
Total current liabilities . . . . .	<u>836,460</u>	<u>270,194</u>	<u>241,810</u>	<u>5,658</u>	<u>1,354,122</u>
Long-term liabilities:					
General obligation bonds payable . . . . .	-	-	508,339	-	508,339
Net pension liability . . . . .	-	-	183,282	-	183,282
Claims payable . . . . .	-	940,405	-	-	940,405
Compensated absences payable . . . . .	-	-	117,825	-	117,825
Total long-term liabilities . . . . .	<u>-</u>	<u>940,405</u>	<u>809,446</u>	<u>-</u>	<u>1,749,851</u>
Total liabilities . . . . .	<u>836,460</u>	<u>1,210,599</u>	<u>1,051,256</u>	<u>5,658</u>	<u>3,103,973</u>
<b>Deferred inflows of resources:</b>					
Pension - OPERS . . . . .	-	-	3,335	-	3,335
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>3,335</u>	<u>-</u>	<u>3,335</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	-	-	106,912	-	106,912
Unrestricted . . . . .	217,903	152,437	97,108	716,704	1,184,152
Total net position . . . . .	<u>\$ 217,903</u>	<u>\$ 152,437</u>	<u>\$ 204,020</u>	<u>\$ 716,704</u>	<u>\$ 1,291,064</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
**INTERNAL SERVICE FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<b>Life Insurance and Hospitalization</b>	<b>Workers Compensation</b>	<b>Data Processing</b>	<b>Risk Management</b>	<b>Totals</b>
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 6,425,721	\$ 9,646	\$ 540,250	\$ 140,442	\$ 7,116,059
Other . . . . .	-	-	2,647	-	2,647
Total operating revenues. . . . .	<u>6,425,721</u>	<u>9,646</u>	<u>542,897</u>	<u>140,442</u>	<u>7,118,706</u>
<b>Operating expenses:</b>					
Personal services . . . . .	-	-	284,087	-	284,087
Contract services . . . . .	-	7,566	104,071	-	111,637
Materials and supplies . . . . .	-	-	16,837	-	16,837
Administrative costs . . . . .	-	104,838	32,096	-	136,934
Utilities . . . . .	-	-	23,041	-	23,041
Claims. . . . .	6,729,511	282,873	-	115,468	7,127,852
Depreciation . . . . .	-	-	17,907	-	17,907
Total operating expenses. . . . .	<u>6,729,511</u>	<u>395,277</u>	<u>478,039</u>	<u>115,468</u>	<u>7,718,295</u>
Operating income (loss) . . . . .	<u>(303,790)</u>	<u>(385,631)</u>	<u>64,858</u>	<u>24,974</u>	<u>(599,589)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges. . . . .	-	-	(11,061)	-	(11,061)
Total nonoperating revenues (expenses) . . . . .	<u>-</u>	<u>-</u>	<u>(11,061)</u>	<u>-</u>	<u>(11,061)</u>
Changes in net position . . . . .	(303,790)	(385,631)	53,797	24,974	(610,650)
<b>Net position at beginning of year (restated) . . . . .</b>	<u>521,693</u>	<u>538,068</u>	<u>150,223</u>	<u>691,730</u>	<u>1,901,714</u>
<b>Net position at end of year. . . . .</b>	<u>\$ 217,903</u>	<u>\$ 152,437</u>	<u>\$ 204,020</u>	<u>\$ 716,704</u>	<u>\$ 1,291,064</u>

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

	<b>Life Insurance and Hospitalization</b>	<b>Workers Compensation</b>	<b>Data Processing</b>	<b>Risk Management</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 6,425,721	\$ 9,646	\$ 410,250	\$ 143,023	\$ 6,988,640
Cash received from other operations . . . . .	-	-	1,773	-	1,773
Cash payments for personal services . . . . .	-	-	(268,022)	-	(268,022)
Cash payments for contract services . . . . .	-	(7,566)	(113,822)	-	(121,388)
Cash payments for materials and supplies . . . . .	-	-	(15,685)	-	(15,685)
Cash payments for utilities . . . . .	-	-	(23,041)	-	(23,041)
Cash payments for claims . . . . .	(6,835,592)	(224,467)	-	(121,170)	(7,181,229)
Cash payments for administrative costs. . . . .	-	(259,360)	(32,096)	-	(291,456)
Net cash provided by (used in) operating activities . . . . .	<u>(409,871)</u>	<u>(481,747)</u>	<u>(40,643)</u>	<u>21,853</u>	<u>(910,408)</u>
<b>Cash flows from capital and related financing activities:</b>					
Aquisition of capital assets . . . . .	-	-	(25,108)	-	(25,108)
Principal retirement . . . . .	-	-	(75,000)	-	(75,000)
Interest and fiscal charges. . . . .	-	-	(13,113)	-	(13,113)
Net cash used in capital and related financing activities . . . . .	<u>-</u>	<u>-</u>	<u>(113,221)</u>	<u>-</u>	<u>(113,221)</u>
<b>Cash flows from investing activities:</b>					
Principal payment received on internal notes . . . . .	-	650,000	-	-	650,000
Interest received . . . . .	-	1,309	-	-	1,309
Net cash provided by investing activities. . . . .	<u>-</u>	<u>651,309</u>	<u>-</u>	<u>-</u>	<u>651,309</u>
Net increase (decrease) in cash and cash equivalents . .	(409,871)	169,562	(153,864)	21,853	(372,320)
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>1,464,234</b>	<b>1,193,474</b>	<b>570,617</b>	<b>700,509</b>	<b>3,928,834</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u>\$ 1,054,363</u></b>	<b><u>\$ 1,363,036</u></b>	<b><u>\$ 416,753</u></b>	<b><u>\$ 722,362</u></b>	<b><u>\$ 3,556,514</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ (303,790)	\$ (385,631)	\$ 64,858	\$ 24,974	\$ (599,589)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation. . . . .	-	-	17,907	-	17,907
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable . . . . .	-	-	(130,874)	2,581	(128,293)
(Increase) in net pension asset. . . . .	-	-	(275)	-	(275)
(Increase) in deferred outflows - pension - OPERS. . .	-	-	(10,857)	-	(10,857)
(Decrease) in accounts payable . . . . .	-	-	(8,599)	-	(8,599)
Increase in accrued wages and benefits . . . . .	-	-	687	-	687
Increase (decrease) in due to other governments . . .	-	(154,522)	105	-	(154,417)
Increase in compensated absences payable . . . . .	-	-	18,930	-	18,930
Increase (decrease) in claims payable . . . . .	(106,081)	58,406	-	(5,702)	(53,377)
Increase in net pension liability . . . . .	-	-	4,140	-	4,140
Increase in deferred inflows - pension - OPERS. . . .	-	-	3,335	-	3,335
Net cash provided by (used in) operating activities . . . . .	<u>\$ (409,871)</u>	<u>\$ (481,747)</u>	<u>\$ (40,643)</u>	<u>\$ 21,853</u>	<u>\$ (910,408)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,000,000	\$ 6,000,000	\$ 6,425,721	\$ 425,721
Total operating revenues . . . . .	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,425,721</u>	<u>425,721</u>
<b>Operating expenses:</b>				
Claims expense . . . . .	6,000,258	6,950,258	6,835,592	114,666
Total operating expenses . . . . .	<u>6,000,258</u>	<u>6,950,258</u>	<u>6,835,592</u>	<u>114,666</u>
Net change in fund equity . . . . .	(258)	(950,258)	(409,871)	540,387
<b>Fund equity at beginning of year. . . . .</b>	1,463,976	1,463,976	1,463,976	-
<b>Prior year encumbrances appropriated . .</b>	<u>258</u>	<u>258</u>	<u>258</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,463,976</u>	<u>\$ 513,976</u>	<u>\$ 1,054,363</u>	<u>\$ 540,387</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 900,000	\$ 900,000	\$ 9,646	\$ (890,354)
Total operating revenues . . . . .	<u>900,000</u>	<u>900,000</u>	<u>9,646</u>	<u>(890,354)</u>
<b>Operating expenses:</b>				
Contract services . . . . .	3,000	16,000	6,257	9,743
Claims expense. . . . .	500,951	500,951	224,467	276,484
Administrative costs . . . . .	397,000	397,000	259,360	137,640
Total operating expenses . . . . .	<u>900,951</u>	<u>913,951</u>	<u>490,084</u>	<u>423,867</u>
Net change in fund equity . . . . .	(951)	(13,951)	(480,438)	(466,487)
<b>Fund equity at beginning of year. . . . .</b>	1,192,523	1,192,523	1,192,523	-
<b>Prior year encumbrances appropriated . .</b>	<u>951</u>	<u>951</u>	<u>951</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,192,523</u>	<u>\$ 1,179,523</u>	<u>\$ 713,036</u>	<u>\$ (466,487)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 575,000	\$ 575,000	\$ 410,250	\$ (164,750)
Other . . . . .	-	-	1,773	1,773
Total operating revenues . . . . .	<u>575,000</u>	<u>575,000</u>	<u>412,023</u>	<u>(162,977)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	257,854	277,854	268,022	9,832
Contract services . . . . .	119,350	132,150	120,709	11,441
Materials and supplies . . . . .	11,100	11,100	5,431	5,669
Capital outlay . . . . .	88,276	263,276	236,264	27,012
Administrative costs . . . . .	47,933	33,333	32,096	1,237
Utilities . . . . .	24,936	26,736	23,106	3,630
Total operating expenses . . . . .	<u>549,449</u>	<u>744,449</u>	<u>685,628</u>	<u>58,821</u>
Operating income (loss) . . . . .	<u>25,551</u>	<u>(169,449)</u>	<u>(273,605)</u>	<u>(104,156)</u>
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement . . . . .	(75,000)	(75,000)	(75,000)	-
Interest and fiscal charges . . . . .	(13,113)	(13,113)	(13,113)	-
Total nonoperating expenses . . . . .	<u>(88,113)</u>	<u>(88,113)</u>	<u>(88,113)</u>	<u>-</u>
Net change in fund equity . . . . .	(62,562)	(257,562)	(361,718)	(104,156)
<b>Fund equity at beginning of year . . . . .</b>	508,055	508,055	508,055	-
<b>Prior year encumbrances appropriated . .</b>	<u>62,562</u>	<u>62,562</u>	<u>62,562</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 508,055</u>	<u>\$ 313,055</u>	<u>\$ 208,899</u>	<u>\$ (104,156)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 100,000	\$ 100,000	\$ 143,023	\$ 43,023
Total operating revenues . . . . .	<u>100,000</u>	<u>100,000</u>	<u>143,023</u>	<u>43,023</u>
<b>Operating expenses:</b>				
Claims expense. . . . .	100,000	200,000	121,170	78,830
Total operating expenses . . . . .	<u>100,000</u>	<u>200,000</u>	<u>121,170</u>	<u>78,830</u>
Net change in fund equity . . . . .	-	(100,000)	21,853	121,853
<b>Fund equity at beginning of year. . . . .</b>	<u>700,509</u>	<u>700,509</u>	<u>700,509</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 700,509</u>	<u>\$ 600,509</u>	<u>\$ 722,362</u>	<u>\$ 121,853</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, 2015

	<u>Balance 1/1/2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2015</u>
<b>Highway Patrol Fines</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,876	\$ 39,553	\$ 42,429	\$ -
Accounts receivable . . . . .	2,752	1,698	2,752	1,698
Total assets. . . . .	<u>\$ 5,628</u>	<u>\$ 41,251</u>	<u>\$ 45,181</u>	<u>\$ 1,698</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 5,628	\$ 41,251	\$ 45,181	\$ 1,698
Total liabilities . . . . .	<u>\$ 5,628</u>	<u>\$ 41,251</u>	<u>\$ 45,181</u>	<u>\$ 1,698</u>
<b>Auditors Escrow</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 341,349	\$ 880,558	\$ 220,131	\$ 1,001,776
Total assets. . . . .	<u>\$ 341,349</u>	<u>\$ 880,558</u>	<u>\$ 220,131</u>	<u>\$ 1,001,776</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 341,349	\$ 880,558	\$ 220,131	\$ 1,001,776
Total liabilities . . . . .	<u>\$ 341,349</u>	<u>\$ 880,558</u>	<u>\$ 220,131</u>	<u>\$ 1,001,776</u>
<b>Payroll</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 514,832	\$ 13,326	\$ 515,588	\$ 12,570
Total assets. . . . .	<u>\$ 514,832</u>	<u>\$ 13,326</u>	<u>\$ 515,588</u>	<u>\$ 12,570</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 514,832	\$ 13,326	\$ 515,588	\$ 12,570
Total liabilities . . . . .	<u>\$ 514,832</u>	<u>\$ 13,326</u>	<u>\$ 515,588</u>	<u>\$ 12,570</u>
<b>Municipal Court</b>				
<b>Assets:</b>				
Cash with fiscal and escrow agents. . . . .	\$ 462,693	\$ 401,784	\$ 462,693	\$ 401,784
Total assets. . . . .	<u>\$ 462,693</u>	<u>\$ 401,784</u>	<u>\$ 462,693</u>	<u>\$ 401,784</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 462,693	\$ 401,784	\$ 462,693	\$ 401,784
Total liabilities . . . . .	<u>\$ 462,693</u>	<u>\$ 401,784</u>	<u>\$ 462,693</u>	<u>\$ 401,784</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 859,057	\$ 933,437	\$ 778,148	\$ 1,014,346
Cash with fiscal and escrow agents. . . . .	462,693	401,784	462,693	401,784
Accounts receivable . . . . .	2,752	1,698	2,752	1,698
Total assets. . . . .	<u>\$ 1,324,502</u>	<u>\$ 1,336,919</u>	<u>\$ 1,243,593</u>	<u>\$ 1,417,828</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 977,525	\$ 415,110	\$ 978,281	\$ 414,354
Deposits held and due to others . . . . .	346,977	921,809	265,312	1,003,474
Total liabilities . . . . .	<u>\$ 1,324,502</u>	<u>\$ 1,336,919</u>	<u>\$ 1,243,593</u>	<u>\$ 1,417,828</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>148-157</b>
<b>Revenue Capacity</b> 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.	<b>158-167</b>
<b>Debt Capacity</b> 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.	<b>168-175</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>176-177</b>
<b>Operating Information</b> 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.	<b>178-183</b>

**Sources:** Sources are noted on the individual schedules.

**CITY OF WARREN, OHIO**

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

	<u>2015</u>	<u>2014 (a)</u>	<u>2013</u>	<u>2012</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 48,863,065	\$ 47,726,468	\$ 44,093,603	\$ 42,910,889
Restricted for:				
Debt service	1,869,362	2,145,641	2,723,376	1,996,713
Capital projects	1,476,319	899,088	-	-
Street maintenance	162,939	844,586	828,714	808,811
State highway	173,276	178,562	272,923	345,451
Law enforcement	363,589	292,581	399,651	345,503
Courts	1,291,177	1,588,016	1,369,045	1,315,547
Community development and improvements	8,313,048	8,900,592	9,491,103	10,168,030
Police and fire pension	-	-	-	104,782
Warren Hills landfill	558,717	611,275	622,922	665,959
Unrestricted (deficit)	<u>(21,620,364)</u>	<u>(24,345,765)</u>	<u>(353,410)</u>	<u>(659,287)</u>
Total governmental activities net position	<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>	<u>\$ 59,447,927</u>	<u>\$ 58,002,398</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 22,938,505	\$ 23,181,238	\$ 26,353,429	\$ 25,997,973
Restricted for:				
Debt service	-	-	-	-
Unrestricted	<u>5,812,598</u>	<u>3,522,316</u>	<u>7,037,170</u>	<u>7,100,100</u>
Total business-type activities net position	<u>\$ 28,751,103</u>	<u>\$ 26,703,554</u>	<u>\$ 33,390,599</u>	<u>\$ 33,098,073</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 71,801,570	\$ 70,907,706	\$ 70,447,032	\$ 68,908,862
Restricted for:				
Capital projects	1,476,319	899,088	-	-
Debt service	1,869,362	2,145,641	2,723,376	1,996,713
Street maintenance	162,939	844,586	828,714	808,811
State highway	173,276	178,562	272,923	345,451
Law enforcement	363,589	292,581	399,651	345,503
Courts	1,291,177	1,588,016	1,369,045	1,315,547
Community development and improvements	8,313,048	8,900,592	9,491,103	10,168,030
Police and fire pension	-	-	-	104,782
Public health	558,717	611,275	622,922	665,959
Unrestricted (deficit)	<u>(15,807,766)</u>	<u>(20,823,449)</u>	<u>6,683,760</u>	<u>6,440,813</u>
Total primary government net position	<u>\$ 70,202,231</u>	<u>\$ 65,544,598</u>	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>

(a) Amounts have been restated to reflect the implementation of GASB Statements No. 68 and 71, which were implemented in 2015.

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 41,689,055	\$ 41,287,935	\$ 37,644,539	\$ 34,666,493	\$ 33,024,924	\$ 30,967,884
1,615,731	1,123,312	1,013,994	761,906	483,719	374,727
21,924	-	49,172	75,800	9,405	570,073
771,607	725,984	712,053	563,941	627,749	982,767
274,377	223,765	159,839	94,202	143,919	177,075
413,142	461,705	501,540	196,316	450,480	405,984
1,122,989	842,855	947,689	1,271,125	1,355,089	1,189,849
10,218,860	9,560,569	8,319,608	7,661,196	7,687,341	7,866,327
1,108,729	1,002,814	901,168	768,867	596,345	292,210
692,804	702,538	696,863	695,177	670,709	679,561
(1,555,360)	(4,588,636)	(4,856,639)	(4,210,956)	756,595	5,137,720
<u>\$ 56,373,858</u>	<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>
\$ 24,563,803	\$ 23,458,196	\$ 21,755,533	\$ 19,391,428	\$ 19,416,251	\$ 18,390,112
963,817	962,846	967,855	979,719	1,000,383	993,441
6,435,075	5,387,270	6,493,160	9,021,287	10,350,057	8,840,165
<u>\$ 31,962,695</u>	<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>
\$ 66,252,858	\$ 64,746,131	\$ 59,400,072	\$ 54,057,921	\$ 52,441,175	\$ 49,357,996
21,924	-	49,172	75,800	9,405	570,073
2,579,548	2,086,158	1,981,849	1,741,625	1,484,102	1,368,168
771,607	725,984	712,053	563,941	627,749	982,767
274,377	223,765	159,839	94,202	143,919	177,075
413,142	461,705	501,540	196,316	450,480	405,984
1,122,989	842,855	947,689	1,271,125	1,355,089	1,189,849
10,218,860	9,560,569	8,319,608	7,661,196	7,687,341	7,866,327
1,108,729	1,002,814	901,168	768,867	596,345	292,210
692,804	702,538	696,863	695,177	670,709	679,561
4,879,715	798,634	1,636,521	4,810,331	11,106,652	13,977,885
<u>\$ 88,336,553</u>	<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>

**CITY OF WARREN, OHIO**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,142,087	\$ 1,258,784	\$ 1,219,533	\$ 1,304,044
Security of persons and property	1,525,792	1,598,937	1,452,930	1,739,425
Public health and welfare	195,126	212,498	204,455	201,798
Transportation	1,300	350	1,050	21,750
Community environment	801,817	783,143	762,676	794,078
Leisure time activity	51,053	23,252	36,082	34,033
Economic development	-	-	371,154	526,844
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	110,795	139,755	166,236	162,239
Public health and welfare	-	-	-	-
Transportation	1,944,652	2,085,454	1,968,489	2,000,968
Community environment	-	515,924	362,596	-
Economic development	1,484,273	2,060,026	1,592,956	2,859,913
Capital grants and contributions:				
General government	-	-	-	309,751
Transportation	4,718,978	2,573,034	3,971,851	982,257
<b>Total governmental activities program revenues</b>	<u>11,975,873</u>	<u>11,251,157</u>	<u>12,110,008</u>	<u>10,937,100</u>
Business-type activities:				
Charges for services:				
Sewer	8,025,072	8,188,147	8,026,141	8,487,821
Water	11,932,352	10,930,207	10,276,785	11,042,614
Sanitation	3,624,806	3,446,470	3,434,612	3,323,515
Other business-type activities:				
Packard Music Hall	-	149,163	211,795	185,971
City Redevelopment	404,767	426,888	57,092	40,111
Downtown parking	30,614	23,088	34,024	24,530
Stormwater Utility	1,105,928	1,103,573	1,009,629	1,038,686
Capital grants and contributions				
Sewer	-	-	-	-
Water	10,000	8,600	-	-
Sanitation	17,500	-	-	-
Other business-type activities:				
Packard Music Hall	-	-	37,028	59,020
Stormwater Utility	-	-	-	23,469
<b>Total business-type activities program revenues</b>	<u>25,151,039</u>	<u>24,276,136</u>	<u>23,087,106</u>	<u>24,225,737</u>
<b>Total primary government</b>	<u>\$ 37,126,912</u>	<u>\$ 35,527,293</u>	<u>\$ 35,197,114</u>	<u>\$ 35,162,837</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 6,488,811	\$ 5,938,254	\$ 5,490,149	\$ 5,841,107
Security of persons and property	16,095,857	15,374,111	16,292,351	16,753,174
Public health and welfare	615,477	652,802	681,620	634,143
Transportation	3,442,801	4,256,445	4,124,435	3,790,997
Community environment	1,813,704	2,165,295	2,545,832	1,758,742
Leisure time activity	737,876	499,936	499,204	482,998
Economic development	1,717,280	2,381,519	2,481,991	2,402,035
Interest and fiscal charges	386,234	413,785	195,930	266,413
Bond issuance costs	-	-	226,597	59,662
<b>Total governmental activities expenses</b>	<u>31,298,040</u>	<u>31,682,147</u>	<u>32,538,109</u>	<u>31,989,271</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	1,331,458	\$ 1,355,736	\$ 1,380,902	\$ 1,423,496	\$ 1,350,401	\$ 1,459,245
	1,827,410	1,898,051	1,695,936	1,449,173	1,447,343	1,506,767
	193,402	206,308	220,439	203,913	153,510	150,522
	35,950	22,700	4,400	33,155	40,450	45,255
	698,223	845,630	747,261	708,209	535,152	1,135,168
	17,643	28,350	21,494	32,702	23,902	16,087
	587,408	30,482	181,329	240,918	218,337	73,629
	-	-	-	-	6,226	-
	116,784	132,324	548,325	75,907	155,237	87,594
	-	-	-	-	-	715,000
	2,063,252	2,127,786	1,881,928	2,117,983	2,115,189	2,159,287
	-	-	-	-	-	-
	3,794,352	5,212,448	3,059,516	3,092,290	2,199,113	2,077,372
	-	-	-	-	-	-
	2,646,972	2,647,295	3,501,520	1,899,760	780,998	670,191
	<u>13,312,854</u>	<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>
	9,862,861	7,364,686	7,437,372	8,067,438	8,976,173	8,265,798
	10,746,044	9,762,568	9,631,170	10,804,962	11,130,274	10,976,356
	3,146,892	3,182,299	3,157,449	3,050,445	3,129,173	3,100,329
	213,131	197,508	216,722	204,224	237,197	218,979
	51,778	31,378	42,711	42,711	42,711	42,711
	29,566	30,940	29,448	27,503	37,959	29,192
	983,029	921,907	888,267	843,531	804,595	832,444
	246,037	1,072,931	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	232,913	675,680	1,236,504	33,056	-	100,000
	227,296	23,697	30,225	-	-	-
	<u>25,739,547</u>	<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>39,052,401</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>
\$	5,614,737	\$ 5,400,182	\$ 6,087,221	\$ 6,732,524	\$ 6,108,728	\$ 6,119,385
	16,860,682	15,449,385	15,993,727	18,620,804	17,180,410	17,031,559
	615,238	633,699	545,444	1,289,289	512,057	517,820
	4,034,308	3,548,603	3,662,641	4,644,555	3,948,040	3,834,782
	1,797,152	1,817,279	2,020,146	2,082,342	2,310,948	1,884,819
	453,413	520,453	484,294	699,582	860,839	665,407
	2,821,164	2,936,898	1,620,800	2,981,877	2,066,544	2,595,480
	312,812	503,530	566,227	631,425	609,323	682,090
	-	-	-	-	-	-
	<u>32,509,506</u>	<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>

**CITY OF WARREN, OHIO**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Business-type activities:				
Sewer	\$ 7,097,645	\$ 7,157,384	\$ 7,126,141	\$ 6,684,587
Water	12,013,437	11,815,365	11,723,619	12,190,368
Sanitation	3,326,132	3,631,799	3,214,243	3,331,447
Other business-type activities:				
Packard Music Hall	-	525,830	706,478	657,521
City Redevelopment	215,209	260,920	76,175	46,689
Downtown parking	136,252	136,077	149,373	131,147
Stormwater Utility	580,172	634,430	551,745	715,049
Total business-type activities expenses	<u>23,368,847</u>	<u>24,161,805</u>	<u>23,547,774</u>	<u>23,756,808</u>
Total primary government	<u>\$ 54,666,887</u>	<u>\$ 55,843,952</u>	<u>\$ 56,085,883</u>	<u>\$ 55,746,079</u>
<b>Net (expense) revenue:</b>				
Governmental activities	\$ (19,322,167)	\$ (20,430,990)	\$ (20,428,101)	\$ (21,052,171)
Business-type activities	1,782,192	114,331	(460,668)	468,929
Total primary government net expense	<u>\$ (17,539,975)</u>	<u>\$ (20,316,659)</u>	<u>\$ (20,888,769)</u>	<u>\$ (20,583,242)</u>
<b>General revenues and other changes in net position:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,221,461	\$ 1,370,616	\$ 1,311,792	\$ 995,193
Fire pension	-	-	-	94,034
Police pension	-	-	-	94,034
Income taxes levied for:				
General Purposes	17,237,265	16,247,030	16,624,172	16,968,167
Grants and entitlements				
not restricted to specific programs	1,601,526	2,016,181	3,639,724	4,115,473
Investment earnings	73,839	67,940	53,299	67,451
Miscellaneous	1,698,877	666,755	562,200	673,628
Special item	-	2,280,036	-	-
Transfers	99,283	(323,000)	(317,557)	(327,269)
Total governmental activities	<u>21,932,251</u>	<u>22,325,558</u>	<u>21,873,630</u>	<u>22,680,711</u>
Business-type activities				
Investment earnings	-	-	-	143
Miscellaneous	364,640	322,482	435,637	339,037
Special item	-	(2,280,036)	-	-
Transfers	(99,283)	323,000	317,557	327,269
Total business-type activities	<u>265,357</u>	<u>(1,634,554)</u>	<u>753,194</u>	<u>666,449</u>
Total primary government	<u>\$ 22,197,608</u>	<u>\$ 20,691,004</u>	<u>\$ 22,626,824</u>	<u>\$ 23,347,160</u>
<b>Change in net position:</b>				
Governmental activities	\$ 2,610,084	\$ 1,894,568	\$ 1,445,529	\$ 1,628,540
Business-type activities	2,047,549	(1,520,223)	292,526	1,135,378
Total primary government	<u>\$ 4,657,633</u>	<u>\$ 374,345</u>	<u>\$ 1,738,055</u>	<u>\$ 2,763,918</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 7,130,457	\$ 7,211,259	\$ 7,291,440	\$ 7,686,872	\$ 8,008,014	\$ 8,191,531
12,240,091	11,925,632	11,875,667	12,233,642	10,845,009	10,769,899
3,212,094	3,129,254	3,118,475	3,360,964	3,146,764	3,004,744
563,301	387,126	440,581	684,553	685,045	539,752
45,514	58,066	20,650	50,605	49,618	52,594
145,216	128,252	136,918	150,089	154,011	74,573
760,294	557,878	769,785	1,291,516	646,497	580,352
<u>24,096,967</u>	<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>\$ 56,606,473</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>
\$ (19,196,652)	\$ (16,302,919)	\$ (17,737,450)	\$ (26,404,892)	\$ (24,571,031)	\$ (23,235,225)
1,642,580	(133,873)	(983,648)	(2,384,371)	823,124	352,364
<u>\$ (17,554,072)</u>	<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>
\$ 1,223,713	\$ 1,129,724	\$ 1,298,598	\$ 1,448,672	\$ 1,389,308	\$ 1,405,834
128,896	118,708	133,797	151,750	144,268	147,074
117,974	116,983	133,797	151,750	144,268	147,074
17,292,458	16,247,214	16,411,492	17,636,767	18,221,022	20,214,764
4,750,099	3,375,874	2,908,110	2,999,526	2,995,358	2,894,066
128,848	111,444	302,100	838,469	1,239,089	1,229,795
834,099	716,079	605,315	518,324	548,405	776,416
-	-	-	-	-	-
(220,975)	(260,092)	(510,000)	(602,574)	(327,477)	(169,120)
<u>24,255,112</u>	<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>
-	-	1,772	27,045	57,086	53,205
416,949	465,545	295,990	380,495	282,751	234,468
-	-	-	-	-	-
220,975	260,092	510,000	602,574	327,477	169,120
<u>637,924</u>	<u>725,637</u>	<u>807,762</u>	<u>1,010,114</u>	<u>667,314</u>	<u>456,793</u>
<u>\$ 24,893,036</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>
\$ 5,058,460	\$ 5,253,015	\$ 3,545,759	\$ (3,262,208)	\$ (216,790)	\$ 3,410,678
2,280,504	591,764	(175,886)	(1,374,257)	1,490,438	809,157
<u>\$ 7,338,964</u>	<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>

**CITY OF WARREN, OHIO**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General fund:</b>						
Nonspendable	\$ 3,283	\$ 4,877	\$ 4,426	\$ 3,538	\$ 7,445	\$ -
Restricted	558,717	611,275	622,922	665,959	692,804	-
Assigned	85,482	210,808	212,483	743,525	74,882	-
Unassigned	1,729,249	1,506,015	3,230,863	3,810,108	4,810,152	-
Reserved	-	-	-	-	-	324,890
Unreserved	-	-	-	-	-	4,250,122
Total general fund	<u>\$ 2,376,731</u>	<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>
<b>All other governmental funds:</b>						
Nonspendable	\$ 133,500	\$ 315	\$ -	\$ -	\$ 10,596	\$ -
Restricted	11,473,582	14,060,602	17,497,378	12,285,612	12,966,986	-
Unassigned (deficit)	-	(7,863)	-	(492,011)	-	-
Reserved	-	-	-	-	-	10,966,339
Unreserved (deficit), reported in:						
Special revenue funds	-	-	-	-	-	1,481,434
Debt service fund	-	-	-	-	-	505,151
Capital projects fund	-	-	-	-	-	(2,073,152)
Total all other governmental funds	<u>\$ 11,607,082</u>	<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>

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
88,913	82,867	505,629	267,692
4,027,419	4,119,358	5,943,890	6,283,706
<u>\$ 4,116,332</u>	<u>\$ 4,202,225</u>	<u>\$ 6,449,519</u>	<u>\$ 6,551,398</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
9,384,585	10,217,681	8,234,636	8,466,851
2,183,565	2,191,594	2,360,982	2,256,060
300,006	111,599	3,924	1,441
(1,341,226)	(3,004,369)	(222,311)	62,827
<u>\$ 10,526,930</u>	<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>	<u>\$ 10,787,179</u>

**CITY OF WARREN, OHIO**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>					
Income taxes	\$ 16,939,262	\$ 16,409,208	\$ 16,624,224	\$ 17,080,705	\$ 16,996,981
Property and other taxes	1,283,266	1,318,438	1,315,316	1,356,637	1,404,962
Charges for services	2,172,819	2,118,099	2,146,723	2,068,967	2,085,260
Licenses and permits	2,103,295	2,114,415	2,129,625	2,281,768	2,193,463
Fines and forfeitures	1,543,176	1,668,265	1,465,518	1,751,023	1,827,530
Intergovernmental	9,923,751	8,554,302	11,242,468	10,388,955	13,551,987
Special assessments	16,123	20,549	23,663	35,896	65,724
Investment income	101,689	107,227	163,524	125,471	271,739
Rental income	48,899	47,749	30,606	26,274	31,653
Other	1,842,483	1,478,244	983,926	760,098	916,099
Total revenues	<u>35,974,763</u>	<u>33,836,496</u>	<u>36,125,593</u>	<u>35,875,794</u>	<u>39,345,398</u>
<b>Expenditures</b>					
Current:					
General government	8,101,494	7,579,223	7,375,113	7,614,421	7,387,486
Security of persons and property	15,786,930	15,484,022	16,951,166	17,396,017	16,783,776
Public health and welfare	607,931	650,352	682,462	631,915	621,583
Transportation	1,690,699	1,619,094	1,311,023	1,661,599	1,584,939
Community environment	1,786,984	1,825,474	1,738,663	1,766,330	1,770,245
Leisure time activity	418,546	730,344	550,457	493,165	456,404
Economic development	1,711,494	2,276,793	2,417,744	3,291,712	3,500,283
Capital outlay	7,107,269	7,275,418	7,601,061	2,681,709	2,379,047
Debt service:					
Principal retirement	869,882	815,983	1,153,216	3,494,229	1,342,926
Interest and fiscal charges	395,033	399,298	164,201	256,922	277,837
Bond issuance costs	-	-	226,597	44,710	-
Total expenditures	<u>38,476,262</u>	<u>38,656,001</u>	<u>40,171,703</u>	<u>39,332,729</u>	<u>36,104,526</u>
Excess of revenues over (under) expenditures	<u>(2,501,499)</u>	<u>(4,819,505)</u>	<u>(4,046,110)</u>	<u>(3,456,935)</u>	<u>3,240,872</u>
<b>Other financing sources (uses)</b>					
Sale of bonds	-	-	8,585,000	1,960,000	-
Sale of notes	-	-	-	13,529	-
Loan proceeds	-	-	-	-	-
Premium on bonds	-	-	241,824	62,088	-
Capital lease transaction	-	-	-	-	-
Transfers in	1,237,739	1,428,160	429,120	960,193	552,103
Transfers (out)	(1,138,456)	(1,751,160)	(658,493)	(1,085,009)	(684,894)
Total other financing sources (uses)	<u>99,283</u>	<u>(323,000)</u>	<u>8,597,451</u>	<u>1,910,801</u>	<u>(132,791)</u>
Special items	-	(39,538)	-	-	-
Net change in fund balances	<u>\$ (2,402,216)</u>	<u>\$ (5,182,043)</u>	<u>\$ 4,551,341</u>	<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>
Capital expenditures	8,068,858	7,247,084	7,166,035	3,438,531	2,066,359
Debt service as a percentage of noncapital expenditures	4.16%	3.87%	3.99%	10.45%	4.76%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 15,872,631	\$ 15,624,357	\$ 18,013,849	\$ 18,070,111	\$ 20,138,026
1,475,498	1,511,528	1,484,062	1,667,959	1,657,168
2,084,254	2,139,791	2,236,100	2,067,415	1,693,234
2,303,729	2,070,754	2,493,223	1,886,000	2,466,676
1,918,363	1,747,233	1,523,506	1,531,452	1,594,451
13,198,824	12,037,848	9,540,800	7,787,994	7,831,448
50,813	27,680	22,036	30,688	44,629
216,055	393,622	1,187,787	1,404,779	1,164,258
36,552	94,831	60,013	113,186	168,256
803,079	697,315	721,207	626,061	1,491,416
<u>37,959,798</u>	<u>36,344,959</u>	<u>37,282,583</u>	<u>35,185,645</u>	<u>38,249,562</u>
7,565,426	7,313,305	7,939,782	7,991,047	7,533,078
15,299,674	15,187,309	17,976,545	17,671,898	17,233,644
627,133	585,216	1,242,486	492,168	493,377
1,568,297	1,640,909	2,534,139	2,328,166	2,062,179
1,707,275	1,761,935	1,909,315	2,145,697	1,886,410
440,263	491,804	656,999	876,264	675,183
3,631,183	2,032,605	2,966,215	2,083,320	2,508,773
4,238,297	3,920,919	2,782,967	1,833,099	1,927,685
1,937,447	1,530,310	1,538,405	2,025,221	2,045,411
481,373	534,299	585,924	580,065	606,431
-	-	-	-	-
<u>37,496,368</u>	<u>34,998,611</u>	<u>40,132,777</u>	<u>38,026,945</u>	<u>36,972,171</u>
463,430	1,346,348	(2,850,194)	(2,841,300)	1,277,391
-	-	-	-	-
-	-	-	-	1,700,000
520,000	-	256,564	-	-
-	-	-	-	-
-	-	-	-	29,847
384,562	1,104,143	1,140,453	1,046,488	1,941,380
(556,470)	(1,525,959)	(1,654,843)	(1,302,304)	(2,038,358)
<u>348,092</u>	<u>(421,816)</u>	<u>(257,826)</u>	<u>(255,816)</u>	<u>1,632,869</u>
-	-	-	-	-
<u>\$ 811,522</u>	<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>
5,200,379	4,465,719	2,824,370	2,372,745	2,192,532
7.49%	6.76%	5.69%	7.31%	7.62%

**CITY OF WARREN, OHIO**

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

<b>Year</b>	<b>Real Property</b>		<b>Public Utility Property</b>		<b>Tangible Personal Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value (a)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (b)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (c)</b>
2015	\$ 350,800,170	\$ 1,002,286,200	\$ 20,536,880	\$ 23,337,364	\$ -	\$ -
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

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**

<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$ 371,337,050	\$ 1,025,623,564	3.50	36.21%
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%

**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
2015	2.90	0.30	0.30	3.50	12.30	63.65	2.40	-
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

Source: Trumbull County Auditor's Office

**Overlapping Rates - Continued**

<b><u>Library</u></b>	<b><u>Total Tax Rates</u></b>	<b><u>Total Direct and Overlapping Rates</u></b>
1.00	79.35	82.85
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

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**CITY OF WARREN, OHIO**

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>December 31, 2015</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison	\$ 15,843,340	1	4.27%
Warren Ohio Hospital Company LLC	9,843,560	2	2.65%
East Ohio Gas Co	2,638,710	3	0.71%
Sam's Real Estate Business Trust	2,323,200	4	0.63%
Rydyl I LLC	2,304,990	5	0.62%
American Transmission Systems Inc	2,054,830	6	0.55%
NRR Commerce Ltd	1,974,120	7	0.53%
Simon-Northbury Colony Ltd	1,915,620	8	0.52%
North Mar Center	1,654,000	9	0.45%
Warren Plaza Co	1,553,200	10	0.42%
<b>Total, Top Ten Property Taxpayers</b>	<b>\$ 42,105,570</b>		<b>11.35%</b>
<b>Total City Property Tax Assessed Valuation</b>	<b>\$ 371,337,050</b>		

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison	\$ 9,999,850	1	2.00%
United Telephone	4,492,560	2	0.90%
Sams Real Estate Business	2,637,010	3	0.53%
Rydyl I LLC	2,483,150	4	0.50%
Simon-Northbury	2,015,760	5	0.40%
River Road Investments	1,975,790	6	0.40%
Lowes Home Center	1,771,070	7	0.35%
East Ohio Gas	1,765,660	8	0.35%
Trumbull Plaza	1,731,840	9	0.35%
Delphi Automotive Systems LLC	1,594,600	10	0.32%
<b>Total, Top Ten Property Taxpayers</b>	<b>\$ 30,467,290</b>		<b>6.10%</b>
<b>Total City Property Tax Assessed Valuation</b>	<b>\$ 500,021,312</b>		

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>
2015	\$ 1,289,364	\$ 1,193,504	92.57%	\$ 92,748	\$ 1,286,252	99.76%	\$ 487,497	37.81%
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%

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**

<b>Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percentage of Delinquent Taxes to Tax Levy</b>
2015	\$ 31,049	\$ 12,516	40.31%	\$ 13,282	\$ 25,798	83.09%	\$ 2,127,913	6853.40%
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%

Source: Trumbull County Auditor's Office

**CITY OF WARREN, OHIO**

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

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>
2015	2.00%	\$ 16,616,546	\$ 12,983,653	78.14%	\$ 1,495,240	9.00%
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%

Source: The City of Warren Income Tax Department

	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	2,137,653	12.86%
	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%

**CITY OF WARREN, OHIO**

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

<b>Governmental Activities</b>							
<b>Year</b>	<b>General Obligation Bonds</b>	<b>Reinvestment Partnership Corporation Loan</b>	<b>OWDA Loan</b>	<b>HUD 108 Loan</b>	<b>Ohio Department of Development Note</b>	<b>OPWC Loan</b>	<b>Capital Lease Obligation</b>
2015	\$10,082,176	\$ 100,000	\$ -	\$ 1,015,000	\$ -	\$ 153,938	\$ -
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

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**

<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>OWDA Loans</b>	<b>OPWC Loan</b>	<b>Capital Leases</b>	<b>(a) Total Primary Government</b>	<b>(b) Total Personal Income</b>	<b>Percentage of Personal Income</b>	<b>(b) Population</b>	<b>Per Capita</b>
\$ 4,395,887	\$ -	\$ 18,307,791	\$ 45,833	\$224,808	\$ 34,325,433	\$ 690,418,575	4.97%	40,425	\$ 849
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

**CITY OF WARREN, OHIO**

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

<b>Year</b>	<b>Population (a)</b>	<b>Estimated Actual Value of Taxable Property (b)</b>	<b>General Obligation Bonds (c)</b>	<b>Less Amounts Restricted for Repayment</b>	<b>Net General Obligation Bonds</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Value of Property</b>	<b>Net Bonded Debt Per Capita</b>
2015	40,425	\$ 1,025,623,564	\$ 14,478,063	\$ 1,175,776	\$ 13,302,287	1.30%	\$ 329
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

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, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
<b>Direct:</b>			
City of Warren	\$ 11,351,114	100.00%	\$ 11,351,114
Total direct debt			<u>11,351,114</u>
<b>Overlapping debt:</b>			
Trumbull County	18,414,752	11.41%	2,101,123
Howland Local School District	862,920	13.30%	114,768
LaBrae Local School District	4,051,620	9.29%	376,395
Lakeview Local School District	24,795,000	0.03%	7,439
Geauga-Trumbull Jt. Solid Waste Management	550,000	5.84%	32,120
Total overlapping debt			<u>2,631,845</u>
Total direct and overlapping debt			<u>\$ 13,982,959</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed value**	\$ 371,337,050	\$ 393,478,920	\$ 395,622,910	\$ 398,051,570
Legal debt margin:				
Debt limitation - 10.5% of assessed value	38,990,390	41,315,287	41,540,406	41,795,415
Debt applicable to limitation:				
Total bonded debt	14,095,000	15,370,000	16,590,000	10,075,000
Exemptions:				
Debt service fund balance	(1,175,776)	(1,395,410)	(2,017,079)	(1,398,296)
Debt supported by enterprise fund operations	<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>
Total exemptions	<u>(5,470,776)</u>	<u>(6,260,410)</u>	<u>(7,442,079)</u>	<u>(7,946,296)</u>
Total debt applicable to limitation	<u>8,624,224</u>	<u>9,109,590</u>	<u>9,147,921</u>	<u>2,128,704</u>
Total legal debt margin within 10.5% limitation	<u>\$ 30,366,166</u>	<u>\$ 32,205,697</u>	<u>\$ 32,392,485</u>	<u>\$ 39,666,711</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 20,423,538	\$ 21,641,341	\$ 21,759,260	\$ 21,892,836
Debt applicable to limitation:				
Total bonded debt	14,095,000	15,370,000	16,590,000	10,075,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>
Total debt within 5.5% limitations	<u>9,800,000</u>	<u>10,505,000</u>	<u>11,165,000</u>	<u>3,527,000</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 10,623,538</u>	<u>\$ 11,136,341</u>	<u>\$ 10,594,260</u>	<u>\$ 18,365,836</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.

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 440,168,950	\$ 442,367,630	\$ 443,215,720	\$ 445,218,130	\$ 443,015,560	\$ 500,021,312
46,217,740	46,448,601	46,537,651	46,747,904	46,516,634	52,502,238
9,980,000	12,055,000	14,093,104	16,050,096	18,081,170	20,667,060
(874,361)	(505,151)	(336,286)	(133,279)	(34,943)	(36,117)
<u>(8,455,500)</u>	<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>(9,329,861)</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>
650,139	2,077,349	3,310,818	4,535,317	5,750,727	7,444,443
<u>\$ 45,567,601</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>
\$ 24,209,292	\$ 24,330,220	\$ 24,376,865	\$ 24,486,997	\$ 24,365,856	\$ 27,501,172
9,980,000	12,055,000	14,093,104	16,050,096	18,081,170	20,667,060
<u>(8,455,500)</u>	<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>1,524,500</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>\$ 22,684,792</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>

**CITY OF WARREN, OHIO**

PLEGGED REVENUE COVERAGE - WATER FUND  
LAST TEN YEARS

**REVENUE BONDS:**

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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

**OWDA LOANS:**

<u>Year</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Required for Revenue Bonds</u>	<u>Net Revenue Available for OWDA Loans</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 3,528,745	\$ -	\$ 3,528,745	\$ 977,614	\$ 457,801	\$ 1,435,415	2.46
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

(a) Total operating expenses are exclusive of depreciation.

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

**CITY OF WARREN, OHIO**

PLEDGED REVENUE COVERAGE - SEWER FUND  
LAST TEN YEARS

**OWDA LOANS:**

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 8,036,425	\$ 6,198,887	\$ 1,837,538	\$ 875,660	\$ 181,900	\$ 1,057,560	1.74
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

(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

<b>Year</b>	<b>Population (a)</b>	<b>Personal Income (c)</b>	<b>Per Capita Personal Income (a)</b>	<b>Annual Average Unemployment Rates (b)</b>			
				<b>City of Warren</b>	<b>Trumbull County</b>	<b>Ohio</b>	<b>United States</b>
2015	40,425	\$ 690,418,575	\$ 17,079	7.3%	6.5%	4.9%	5.3%
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%

Sources:

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

**CITY OF WARREN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2015</b>		
	<b>Income Tax Withholding</b>	<b>Rank</b>	<b>Percentage of Total City Withholding</b>
Trumbull County Auditor	\$ 1,032,822	1	7.95%
Warren Ohio Hospital Co.	974,683	2	7.51%
Humility of Mary Health Partners	806,959	3	6.22%
Warren City Schools	639,937	4	4.93%
State of Ohio, Dep't of Adm. Services	474,529	5	3.65%
City of Warren	417,091	6	3.21%
AVI Food Systems	327,712	7	2.52%
Laird Controls, North America	183,538	8	1.41%
Covelli Enterprises	153,652	9	1.18%
Delphi Automotive Systems	132,458	10	1.02%
<b>Total</b>	<b>\$ 5,143,381</b>		<b>39.61%</b>
Total 2015 City Income Tax Withholding	<u>\$ 12,983,653</u>		

<b>Employer</b>	<b>2006</b>		
	<b>Income Tax Withholding</b>	<b>Rank</b>	<b>Percentage of Total City Withholding</b>
Delphi Automotive Systems	\$ 2,070,239	1	12.82%
Trumbull Memorial Hospital	1,107,739	2	6.86%
Trumbull County Auditor	859,278	3	5.32%
Warren City Schools	752,231	4	4.66%
St. Elizabeth Medical Center	734,013	5	4.55%
City of Warren	455,187	6	2.82%
State of Ohio, Dep't of Adm. Services	453,200	7	2.81%
GE Lighting	438,595	8	2.72%
General Motors Corp.	287,993	9	1.78%
WCI Steel	258,582	10	1.60%
<b>Total</b>	<b>\$ 7,417,057</b>		<b>45.93%</b>
Total 2005 City Income Tax Withholding	<u>\$ 16,148,224</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**

<b>Function/Program</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>General Government</b>								
Council	12.00	12.00	11.00	12.00	12.00	12.00	12.00	13.00
Mayor	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Income Tax	7.00	7.00	7.00	7.00	7.00	6.00	5.00	6.00
Law	10.00	10.00	11.00	11.00	9.00	9.00	9.00	9.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	1.00	1.00	2.00	2.00	1.00	1.00	1.00	3.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	31.00	32.00	31.00	31.00	30.00	33.00	34.00	34.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	26.00	29.00	29.00	28.00	29.00	26.00	25.00	48.00
Engineering	11.00	12.00	11.00	11.00	11.00	10.00	11.00	11.00
<b>Security of Persons and Property</b>								
Police	65.00	80.00	82.00	83.00	84.00	81.00	77.00	81.00
Fire	53.00	58.00	70.00	73.00	73.00	63.00	57.00	64.00
<b>Public Health and Welfare</b>								
Health Services	12.00	12.00	12.00	12.00	12.00	12.00	10.00	11.00
<b>Economic Development</b>								
Community Development	5.00	5.00	5.00	5.00	5.00	5.00	6.00	5.00
Packard Music Hall (a)	-	-	5.00	5.00	4.00	3.00	2.00	4.00
Data Processing	3.00	3.00	3.00	3.00	2.00	2.00	2.00	3.00
<b>Utility Services</b>								
Water	71.00	75.00	75.00	78.00	79.00	82.00	85.00	84.00
Sewer/Stormwater	46.00	48.00	45.00	44.00	42.00	51.00	53.00	48.00
Sanitation	16.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
<b>Total</b>	<u><u>387.00</u></u>	<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>

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

Source: City of Warren records

<u>2007</u>	<u>2006</u>
13.00	13.00
4.00	4.00
6.00	6.00
8.00	8.00
10.00	10.00
4.00	4.00
2.00	2.00
3.00	3.00
34.00	33.00
2.00	2.00
49.00	50.00
13.00	14.00
101.00	102.00
78.00	78.00
14.00	13.00
5.00	6.00
7.00	7.00
3.00	3.00
85.00	83.00
52.00	48.00
15.00	15.00
<u>508.00</u>	<u>504.00</u>

**CITY OF WARREN, OHIO**

OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS

<b>Function</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Security of Persons and Property</b>							
Police:							
Physical Arrests	2,211	2,204	2,301	1,848	2,668	2,229	2,887
Parking Violations	1,369	547	1,728	452	545	273	453
Traffic Violations	2,208	3,406	2,849	2,036	4,238	3,803	3,036
Fire:							
Calls for Service	1,369	1,322	952	1,122	1,386	1,230	1,030
Fire Safety Inspections	1,152	935	1,346	1,213	1,152	1,125	1,135
<b>Leisure Time Activities</b>							
Enclosed Shelter Rentals	135	111	105	112	92	76	78
Log Cabin Rentals	34	21	25	11	18	5	10
Pavilion Rentals	168	194	231	260	205	200	177
<b>Transportation</b>							
Street Resurfacing (Miles)	6.6	23.5	6.46	8	6	8	16
Potholes Repaired	1,041	1,480	1,350	1,140	1,157	1,236	1,006
<b>Water</b>							
New Connections	50	7	5	17	13	11	16
Water Main Breaks	123	111	137	128	70	94	53
Average Daily Consumption (thousands of gallons)	11,377	11,591	11,383	11,380	12,504	11,625	11,285
<b>Sewer</b>							
Average Daily Consumption (thousands of gallons)	11,430	14,090	13,920	13,310	17,240	12,560	13,380
<b>Sanitation</b>							
Refuse Collected (tons daily)	92	95	92	91	90	90	88

Source: City of Warren Departments.

<u>2008</u>	<u>2007</u>	<u>2006</u>
4,125	4,041	3,942
510	536	797
5,336	5,377	5,949
1,377	1,399	1,304
1,052	1,024	1,076
76	71	87
8	7	20
170	200	257
2	12	10
871	536	638
21	25	39
107	104	86
12,846	12,963	13,092
17,952	13,700	16,216
82	91	92

**CITY OF WARREN, OHIO**

CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN YEARS

<b>Function</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Security of Persons and Property</b>							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	29	29	32	30	27	27	29
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	3	3	2	2	2
Reserve Fire Pumpers	1	1	1	1	1	1	1
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	1	2	1	1	1	1
<b>Leisure Time Activities</b>							
Park Acreage	262.92	262.92	262.92	262.92	262.92	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	0	4	4	4	4
<b>Transportation</b>							
Streets (Paved Miles)	184.423	184.423	184.423	184.423	184.423	184.309	184.309
Traffic Signals	60	60	60	63	63	63	61
<b>Water</b>							
Water Mains (miles)	300	300	300	300	300	300	300
Fire Hydrants	1,905	1,905	1,905	1,906	1,906	1,904	1,904
Maximum Daily Capacity (thousands of gallons)	22,800	22,800	22,800	22,700	22,700	22,700	22,700
<b>Sewer</b>							
Sanitary Sewers (miles)	201.390	201.390	201.390	199.200	199.200	199.200	196.943
Storm Sewers (miles)	123.902	123.394	123.394	125.500	125.500	125.500	123.390
Maximum Daily Capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>Sanitation</b>							
Collection Trucks	10	9	9	9	9	9	8

Source: City of Warren Departments.

<u>2008</u>	<u>2007</u>	<u>2006</u>
1	1	1
33	33	33
3	3	3
3	3	3
1	2	2
2	2	2
1	1	1
256.78	251.11	251.11
1	1	1
3	3	3
6	6	6
6	6	6
2	2	2
4	2	2
4	4	4
184.309	184.309	184.309
61	59	59
299	291	307
1,906	1,904	1,915
22,700	22,700	22,700
199.200	199.200	196.943
125.500	125.500	123.230
40,000	40,000	40,000
8	8	9

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

City of Warren  
Trumbull County, Ohio

*Reports Issued Pursuant to  
Government Auditing Standards  
And Uniform Guidance*

For the Year Ended  
December 31, 2015

**CITY OF WARREN**  
**TRUMBULL COUNTY, OHIO**  
**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1
Independent Auditor’s Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards .....	6
Notes to the Schedule of Expenditures of Federal Awards.....	8
Schedule of Findings and Questioned Costs .....	9
Schedule of Prior Audit Findings .....	13

July 25, 2016

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 25, 2016, wherein we noted the City restated net position to account for the implementation of Governmental Accounting Standard Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*."

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described as item 2015-003 in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002.

**Entity's Response to Findings**

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

**Purpose of this Report**

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

*Rea & Associates, Inc.*

Medina, Ohio

July 25, 2016

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

**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

**Report on Compliance for Each Major Federal Program**

We have audited the City of Warren's, Trumbull County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 25, 2016, which contained an unmodified opinion on those financial statements. Our opinion also explained that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement*. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rea & Associates, Inc.*

Medina, Ohio

CITY OF WARREN, OHIO  
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Grant Number	Federal CFDA Number	Total Provided to Subrecipients	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Direct Programs:</i>				
Community Development Block Grants/Entitlement Grants	N/A	14.218	\$144,914	\$1,217,905
HOME Investment Partnerships Program	N/A	14.239	0	706,951
Community Challenge Planning Grants	N/A	14.704	0	77,829
Total U.S. Department of Housing and Urban Development			<u>144,914</u>	<u>2,002,685</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant:				
Edward Byrne Memorial Justice Assistance Grant	2014DJBX0964	16.738	0	6,392
Edward Byrne Memorial Justice Assistance Grant	2015DJBX0129	16.738	0	7,385
Subtotal - Edward Byrne Memorial Justice Assistance Grant			<u>0</u>	<u>13,777</u>
<i>Direct Programs:</i>				
Public Safety Partnership and Community Policing Grants	2013UMWX0111	16.710	0	80,154
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	2015-VOCA-10204478	16.575	0	13,458
Crime Victim Assistance	2016-VOCA-19814797	16.575	0	10,797
Subtotal - Crime Victim Assistance				<u>24,255</u>
Total U.S. Department of Justice			<u>0</u>	<u>118,186</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed Through Ohio Department of Transportation:</i>				
<i>Highway Planning and Construction:</i>				
Parkman Road Phase 3 ODOT Project	83629	20.205	0	2,767,333
Warren Greenway Biketrail ODOT Project Phase 2	85947	20.205	0	18,710
Warren Riverwalk/Burbank Park ODOT Project	92022	20.205	0	4,924
Warren Riverwalk/Bullhead Trail ODOT Project	92068	20.205	0	43,510
Pine Avenue ODOT Project	95101	20.205	0	13,645
Palmyra, Highland, Main ODOT Project	95102	20.205	0	60,574
West Market Street Project	95103	20.205	0	794,943
Subtotal - Highway Planning and Construction			<u>0</u>	<u>3,703,639</u>

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

CITY OF WARREN, OHIO  
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015 (CONTINUED)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Grant Number	Federal CFDA Number	Total Provided to Subrecipients	Disbursements
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>				
State and Community Highway Safety	STEP-2015-78-00-00-00504-00	20.600	\$0	\$8,046
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVITF-2015-78-00-00-00446-00	20.608	0	82,190
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVITF-2016-78-00-00-00400-00	20.608	0	20,718
Subtotal - Minimum Penalties for Repeat Offenders for Driving While Intoxicated			0	102,908
National Priority Safety Program	IDEP-2015-78-00-00-00419-00	20.616	0	5,527
Total U.S. Department of Transportation			0	3,820,120
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed Through Ohio Department of Health:</i>				
Maternal and Child Health Services Block Grant to the States	78-2-001-1-DS-0815	93.994	0	30,400
<i>Passed Through Trumbull County Health Department:</i>				
Public Health Emergency Preparedness	78-100-12-PH-0615	93.074	0	6,400
Public Health Emergency Preparedness	78-100-12-PH-0716	93.074	0	6,400
Subtotal - Public Health Emergency Preparedness			0	12,800
Immunization Grants	78-100-12-IM-0815	93.268	0	5,100
Total U.S. Department of Health and Human Services			0	48,300
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>				
<i>Direct Program:</i>				
ARRA - Save America's Treasures	39-09-ML-0933	15.929	0	315
Total U.S. Department of Interior			0	315
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Direct Program:</i>				
Assistance to Firefighters Grant	EMW-2013-FP-00982	97.044	0	5,963
Assistance to Firefighters Grant	EMW-2013-FO-06027	97.044	0	49,535
Subtotal - Assistance to Firefighters Grant			0	55,498
Total U.S. Department of Homeland Security			0	55,498
<b>Total Federal Financial Assistance</b>			<b>\$144,914</b>	<b>\$6,045,104</b>

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

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Warren (City) under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note C – Loans Outstanding**

The City administers loan programs with funding received from the Department of Housing and Urban Development. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. Following are the loan balances outstanding that have continuing compliance requirements for these programs as of December 31, 2015.

<u>Program Title</u>	<u>CFDA</u>	
	<u>Number</u>	<u>Amounts Outstanding</u>
Home Investment Partnership	14.239	\$ 4,898,048
Community Development Block Grant	14.218	1,418,946

**Note D – Matching**

Certain Federal programs require that the city contribute non-federal funds to support the federally-funded programs. The City has complied with the matching requirements. The expenditures of non-federal matching funds is not included on the Schedule.

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
DECEMBER 31, 2015**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
(d) (1) (vii)	Major Programs (list): Highway Planning and Construction	CFDA #20.205
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520?	Yes

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2015**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**Material Noncompliance**

**Finding Number: 2015-001**

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

**Condition:** As of December 31, 2015, the City had total transfers out of the General Fund to the Packard Music Hall Fund (\$275,000), Street Maintenance (\$10,000) and Downtown Parking Fund (\$60,000), Special Projects – Courts Fund to the General Fund (\$90,000), and Motor Vehicle Levy to Capital Projects (\$125,481) not specifically approved by City Council for the purpose of debt retirement payments, capital expenses, and general expenses.

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

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

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

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

**Material Noncompliance**

**Finding Number: 2015-002**

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

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2015**

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

**Finding Number: 2015-002(continued)**

	Final Estimated Resources	Actual Revenue	Estimated Resources Over Actual
General Fund	\$ 26,620,052	\$ 25,058,176	\$ 1,561,876
Packard Music Hall	404,675	390,336	14,339
Highway Construction	115,000	111,234	3,766
Motor Vehicle Levy	475,000	471,312	3,688
Court Compertization	110,000	100,353	9,647
Street Maintenance	1,746,587	1,395,394	351,193
Law Enforcement Trust	56,215	36,219	19,996
Drivers Alcohol Treatment	25,000	22,838	2,162
Federal Forfeitures	15,236	479	14,757
Probation - Municipal Court	100,000	94,720	5,280
Legal Research - Courts	35,000	29,959	5,041
Community Development Block Grant	1,801,607	1,273,598	528,009
Home Investment	1,095,600	593,161	502,439
General Bond Payment	1,620,630	1,478,897	141,733
General Capital Projects	2,000,000	1,514,158	485,842
Sewer	8,250,000	7,862,819	387,181
Water	12,616,727	12,579,058	37,669
Sanitation	4,031,426	3,567,064	464,362
City Redevelopment	465,000	435,202	29,798
Downtown Parking	95,000	87,527	7,473
Stormwater Utility	1,025,000	1,014,253	10,747
Workers Compensation	900,000	9,646	890,354
Data Processing	575,000	412,023	162,977

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

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

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

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

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2015**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**Material Weakness – Internal Control over Financial Reporting**

**Finding Number: 2015-003**

**Criteria:** The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No.122 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client’s internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 122 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

**Condition:** There were material audit adjustments made to the financial statements presented for audit related to accounts receivable and charges for services in the enterprise funds, as well as capital outlay, intergovernmental receivables, and intergovernmental revenues for the general capital projects fund.

**Cause:** The City received on behalf payments from Ohio Public Works Commission during the fiscal year that were not receipted into the system until after fiscal year end, and was inadvertently recorded as an intergovernmental receivable. An estimate for the annual accounts receivable for the enterprise funds based on past history was used versus the actual arrears report at December 31, 2015, causing an increase to accounts receivable.

**Effect:** The condition described above resulted in an overstatement of intergovernmental receivables and an understatement of capital outlay in the amount of \$201,125 in the general capital projects funds, and an understatement of accounts receivable and charges for services in the amount of \$554,385 in the enterprise funds.

**Recommendation:** To ensure the City’s financial statements and notes to the financial statements are complete and accurate, the City should adopt policies and procedures, including a final review of the statements and notes by the City Auditor, to identify and correct errors and omissions.

**Management’s Response:** Management will scrutinize all major transactions more closely to ensure that accounting treatment is in accordance with GAAP. Where necessary, management will seek the guidance from a third party accountant.

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

None were noted.

**City of Warren**  
**Trumbull County, Ohio**  
*Schedule of Prior Audit Findings*  
**2 CFR 200.516(a)**  
*December 31, 2015*

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain</b>
2014-001	Ohio Revised Code Section 5705.14, no council approval of transfers.	No	Repeated as finding 2015-001
2014-002	Ohio Revised Code Section 5705.36, requesting increased or reduced amended certificates of estimated resources.	No	Repeated as finding 2015-002

**This page intentionally left blank.**



# Dave Yost • Auditor of State

CITY OF WARREN

TRUMBULL COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 11, 2016