

# **CITY OF WARREN, OHIO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2017**

**VINCENT S. FLASK, CITY AUDITOR**





# Dave Yost • Auditor of State

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, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

August 1, 2018

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**CITY OF WARREN, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY:

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

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



# **INTRODUCTORY SECTION**

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**CITY OF WARREN, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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# CITY OF WARREN, OHIO

## Finance Department

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June 29, 2018

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, 2017 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, 2017. The City continues to receive an unmodified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal 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, 2017 provided no instances of material weaknesses 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 area of 16.30 square miles, and serviced a population of approximately 40,000 residents.

Warren is easily reached by a variety of rail, highway and air transportations systems. In conjunction with the 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. And a number of railroads service local businesses and manufacturing facilities.

The City of Warren and surrounding area offers a vast variety of entertainment, artistic, and cultural opportunities. A city entrenched with historic highlights with an infusion of modern standards. Warren is the official site for the National Packard Museum. The state-of-the-art museum features the deep history of the Packard family, the Packard Motor Car, and other enterprises that contributed to the growth of Warren. Other historical landmarks include the Harriet Taylor Upton House, John Stark Edwards House and Museum and the Sutliff Museum. The updated W.D. Packard Music Hall facility has been host to countless theatrical venues, musical productions, and talented performers from around the world. With a seating capacity of 2,400 and banquet facilities, the venue plays a significant role in the community and hosts visitors from surrounding areas and various age groups. The Warren Amphitheater is another magnificent and modern entertainment facility, located in the beautiful Perkins Park campus that not only adds to the beauty of the city but has grown to become a focal point for entertainment and productions. The Trumbull Art Gallery is a flourishing establishment that displays local and national talent. The new facility location has recently transformed into a major highlight for the city and hosts many functions that showcase arts and culture. The Main Warren Trumbull Public Library began its expansion project on Mahoning Ave. across from City Hall. Dave Grohl Alley is another example of an innovative location. This tribute site honors the birthplace of a famous musician and native of Warren. The Trumbull County Veteran's Memorial has been renovated into a magnificent memorial to all war veterans and those who proudly served our country. Displayed are war monuments, engraved bricks, and various tributes to veterans with ties to Trumbull County. The Women's Park is a beautifully landscaped park with walkways, a stone bridge spanning a beautiful brook, and courtyard that honors past and present women who have made a difference in the local community. The First Flight Lunar Module site is a tribute to Neil Armstrong and his famous space career. Mr. Armstrong lived in Warren as a young boy and the monument is a testament to the spirit and courage of children to follow their dreams.

The City of Warren hosts over 260 acres of public parks, a River Walk, new bike trails, and other amenities that add to the quality of life for its residents and visitors. The public parks play host to a vast variety of recreational opportunities such as baseball, soccer, tennis, volleyball, biking, running and walking trails, and a place to enjoy pets. A combination of historic and newer pavilions tenders a beautiful place for family gatherings to picnic and entertain. Most parks are equipped with playground equipment and a manicured environment for a wonderful family-oriented setting. The Mosquito Lake and Meander Creek Reservoir are ancillary water attractions that offer a place to boat, swim, fish, and picnic.

Warren benefits from both a comprehensive public school and parochial school system. Warren schools can boast of new public facilities with state-of-the-art resources and a top-notch curriculum, not to mention a variety of outstanding athletic programs. Advanced education can be pursued locally via the Kent State University Branch as well as the Eastern Gateway Community College and Trumbull Career & Technical Center. Within driving distance is Youngstown State University, Kent State University (Main Campus), Hiram College, University of Akron, and John Carroll University. All accredited colleges that offer four year degrees plus advanced degree programs. Employment opportunities are supplemented by the State of Ohio One Stop Employment program.

## **PROFILE OF 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 and 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 and 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 that appropriations are sufficient and 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 medical field along with automotive and associated systems, wholesale and retail distribution, as well as education, 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 the tax base despite a transition of workforce demographics.

The City's economic development team possesses significant resources to assist the establishment, expansion, or relocation of any business. Spearheaded by the City's Community Development Department, in partnership with agencies such as Warren Redevelopment and Planning (WRAP), The Western Reserve Port Authority, Mahoning Valley Economic Development Corporation, the Regional Chamber, and others, support is available with regard to site selection, financial and tax abatement assistance, business plan development, and other associated issues. 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.

Warren continues its program of site visits to existing companies within the City that focuses 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 a number of small to mid-sized manufacturing firms. In addition, Eastgate Technology Center located on the City of Warren's east side accommodates innovative high tech corporations.

Progress continues with the EDA planning grant received in 2016 to develop a plan for infrastructure improvements. The Golden Triangle project is moving forward - partnering with the County Commissioners, the County Engineer, Howland Township, and Eastgate Council of Governments. The project is on pace to significantly improve the infrastructure in that area. We have begun implementation of the plan started in 2017 and the Dietz Road reconstruction phase will begin in 2018. This is an extremely important manufacturing district to our communities. The manufacturing cluster located in the Golden Triangle is the second largest in the Mahoning Valley Area - behind only Lordstown and consists of over 35 companies employing thousands of residents. The multiplier effect shows almost 10,000 local jobs supported by these companies.

The former Delphi Packard facility on Dana Street saw an unexpected legal delay to its planned transformation in 2017. However, the project is back on track with plans to rehabilitate the facility and add hundreds of jobs.

Also, the Golden Triangle Tecnocap has announced its plans for an expansion project which would also add new jobs. Novelis Industries announced a \$1.5 million investment in their Warren plant for new machinery and equipment.

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. The previous interior restoration of the Kinsman House with construction of two accessible restrooms and an elevator now allows for better public use of this historic facility. The construction of the Riverwalk Stage House at the Warren Community Amphitheatre was included allowing for several events annually having attendance in excess of 4,000 people. This project, together with ancillary recreational facilities, provides first-class entertainment and cultural opportunities for residents and visitors alike. In addition to a series of concerts at the Amphitheater, other festivals and events in 2017 provided weekly entertainment throughout the summer and into the fall.

The City of Warren was host to 285 events in 2017 - Rock at the Amp series, African American Festival, Italian American Festival, Warren Farmers Market, Relay for Life, Welcome Home Warren, Taste of Warren, Rooftop Reunion, Oktoberfest and others including Christmas in the Square drawing over 2,500 people to Downtown Warren.

In 2018 construction of a new elevator and other amenities began at the Packard Music Hall allowing for improved accessibility to the facility.

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 recent \$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 completed in 2014. A \$9 million senior housing project on the City's west side has been completed and is home to 60 residents.

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

One decade after the great recession, the City finds itself stabilizing with the help of its residents approving an additional ½ percent to its tax base annually beginning in 2017. 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.

In conjunction with a vigorous budget review process to eliminate extraneous expenses, 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 since its inception.

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

Throughout 2017, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial, industrial and residential development promoting an atmosphere conducive for job retention, growth and residential investments.



## **PUBLIC SAFETY**

### **Fire**

The Fire Department obtained a second SAFER (Staffing for Fire and Emergency Response) grant in 2017. The total award was \$2.4 million dollars. This grant has allowed the Fire Department to hire 24 firefighters in the past year. The hiring of the 24 firefighters has allowed the Fire Department to staff and operate all 3 fire stations in the City. This has allowed the Fire Department to decrease response times to emergencies thereby reducing injuries and property loss. The Fire Department will maintain the grant until March of 2019.

Additionally, all three stations had new roofs installed to preserve and maintain the stations for years to come. The built – up roofs also come with a 30-year warranty.

### **Police**

Six new police officers were hired in 2017, three more were hired in April of 2018 and a Civil Service Test is scheduled for June of 2018 that will give the City a new list of potential officers.

The department is also working closely with the Warren City Schools and has increased the number of Resource Officers to 6. It is a priority of the City to ensure the safety of all of our citizens especially our children.

Since beginning in 2011, the Citizen Police Academy has conducted 18 classes and graduated 353 citizens. In 2017, we conducted one, seven-week class graduating 10 citizens. We expect another class in the Fall 2018.

In 2017, the Street Crimes Unit recovered 28 firearms, approximately \$40,000 in cash, and conducted/assisted in over 14 drug search warrants. Warren Police Officers as a whole took 182 firearms off the streets.

## **PUBLIC WORKS**

An ordinance for the purpose of enacting the fourth and final five-dollar (\$5) Motor Vehicle License Tax was passed by City Council in May of 2016. This fee generates approximately \$157,000 annually for maintenance of city streets.

In 2017 capital improvements were made to the Environmental Services building (\$38,808). The beginning of the City Hall historical renovations began its engineering and design work and the police department added 7 new vehicles to its fleet amongst other capital projects in the year.

The City continues its commitment to improving Warren streets, especially the main arteries into our city. With the Parkman Road project recently completed, next up is the \$2.3 million resurfacing of Elm Road and the \$4 million reconstruction of Youngstown Road currently taking place.

## **UTILITY SERVICES**

At Water Pollution Control the Capital Improvements Plan (CIP) for the Refurbishment of the Plant and the Pump Stations was completed. This document details the best balance of equipment and process needs with costs to meet current and future wastewater needs of the City of Warren and its surrounding communities. The CIP was submitted in September to the Administration, City Council and the Ohio EPA for review. We will receive a \$2.5 million-dollar loan in 2018 to begin the design of the first of three Phases, with construction of this portion anticipated to start in 2019.

We continued in 2017 to work on design for the installation of sanitary and storm sewers in the Star Allotment area and the rehabilitation of key sanitary sewers in the downtown area.

Our Water Department has begun to supply water to the Lordstown Energy Center for testing as they finish construction. When production begins this June, it is anticipated that the City will supply them with 2 ½ million gallons of water per day. And we are working on improvements and efficiency upgrades to be ready to provide an additional 4 million gallons per day to the 2<sup>nd</sup> energy plant under consideration.

The City of Warren's Water Department has begun the process to rehabilitate the water towers in our distribution system. The water tower at the Water Treatment Plant and the water tower in Lordstown have been rehabilitated structurally and painted in 2017 as part of our long-term infrastructure plan that will extend the end of useful life and the structural integrity of our water towers for the next 30 years. Also, as part of the rehabilitation process each tower when painted will proudly display the city logo.

## **ENVIRONMENTAL SERVICES**

In an effort to continue to provide automated trash service to its customers the environmental services department purchased 4 new residential refuse trucks and 1 front load truck. The department continues to grow its customer base to include commercial and residential customers.

## **INFORMATION TECHNOLOGY**

Our IT department will be issuing RFQs for a **Public Wireless Network System** that will provide reliable internet connectivity for the general public in the Central Business district and other target areas.

A new Network communication infrastructure was also implemented allowing the City increased communication bandwidth/speed and enhanced reliability.

A feature rich and robust system gave the Police and Fire departments capabilities not previously available. These attributes assist in the efficiency of the department.

## **DOWNTOWN WARREN**

In the historic district just blocks from Courthouse Square the newly constructed Akron Children's Hospital facility offers modern technology coupled with an architecturally pleasing structure. The Warren-Trumbull County Public Library is a city landmark that contributes significant quality of life to the local citizens and a planned expansion is underway that will add even more offerings to the community. City Hall is another well-known landmark with a significant history. Interior and Exterior preservation of the campus area has also begun in order to preserve and facilitate the ongoing functionality of the buildings and grounds. The Kinsman House, located near City Hall, has incurred exterior and interior restorations to include handicap accessible restrooms and an elevator. Plans are underway to extend the seating of the Warren Amphitheater while improving handicap accessibility. The Mahoning Building is one of many downtown buildings experiencing a complete renovation with aspirations of attracting residential and commercial occupancy. The Lime Tree eatery has new art and cultural additions and a great spot for downtown food and spirits. The Trumbull Art Gallery recently had the grand opening for their new pottery/clay and painting facility in the lower level of the gallery where classes will be taught to promote the arts. Thom Duma Jewelry has begun another renovation to add to the beautiful façade improvements. The Atrium Building has expanded operations with the addition of 27 employees into the site. New business includes Nova Coffee House and INFI LLC. A rehab project is underway to convert a vacant radio station building into upscale condo living spaces. The "Ed's and Med's Corridor" is being bolstered by commitment and investments from the local hospitals. In addition to renovations of existing sites, vacant and unsightly structures are being demolished to make way for potential new business while removing blight. Block Grant funding has been earmarked/utilized for the demolition of 11 commercial structures.

## **GENERAL GOVERNMENT**

In 2017 the City began collecting an additional 5-year 1/2% income tax generating an additional \$2.7 million dollars in the general fund above the previous year collections, allowing Warren to strengthen its safety forces and improve its city streets. In its upward momentum, the City also added 388 new tax accounts in 2017.

The operating changes at the Packard Music Hall continued to reduce the historic subsidy by \$50,000 annually. As a result of such the Packard Music Hall has performed above expectations and is becoming a destination point not only for city residents but for visitors from outside our community.

The downtown revitalization efforts continue to take place with both residential and commercial investments from both local and outside investors

A number of City offices continue to occupy the new Warren Government Center on East Market Street. A new lease was negotiated retaining the Social Security Administration Offices and other various social service agencies adding stability to Warren's long term real-estate investment. Directly across the street is the new Veterans Resource Center recently opened to serve the veterans of the community.

## **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 filed 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.

Respectfully submitted,

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, 2017

**ELECTED OFFICIALS**

***Executive Branch:***

Mayor	William D. Franklin
Auditor	Vincent S. Flask
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	Mark Forte
Council Member – 5 <sup>th</sup> Ward	Danielle Polivka
Council Member – 6 <sup>th</sup> Ward	Cheryl Saffold
Council Member – 7 <sup>th</sup> Ward	Eugene Mach
Council Member – At-Large	Eddie Colbert
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

# CITY OF WARREN, OHIO

## ADMINISTRATIVE

**MAYOR**

### CIVIL SERVICE COMMISSION

**Members**  
Civil Service Secretary

**SAFETY & SERVICE DIRECTOR**

**HUMAN RESOURCES**  
**Director of Human Res.**  
Personnel Supervisor  
Executive Secretary I

Admin. Assistant  
Exec. Secretary II

### FINANCE DEPT.

**Auditor**  
Deputy Auditor  
Senior Accountant  
Accountant II  
Accountant I  
Financial Secretary

### INCOME TAX

**Treasurer**  
Tax Administrator  
Invest./Auditor  
Cashier/Auditor

### LAW DEPT.

**Law Director**  
Deputy Law Director  
Assistant Law Dir.  
Exec. Legal Sec. II  
Legal Sec.  
Assistant Legal Sec.

### BOARD OF HEALTH

**Health Commissioner**  
Deputy Health Commissioner  
Registrar  
Super. of Public Health  
Sanitarian Supervisor  
Food Program Coord.  
Sanitarian III  
Envir. Health Cler. Coord.  
Vital Stats Clerk  
Code Inspector  
Public Health Clinician

### MUNICIPAL COURT

**Presiding Admin. Judge**  
Muni. Judge  
Court Admin./Magistrate  
Clerk of Muni. Ct.  
Chief Bailiff  
Deputy Bailiff  
Chief Deputy Clerk  
Probation Officer  
Administrative Assistant

Coll./Dep. Bailiff/Clerk  
Statistician Clerk  
Ct. Reporter/Muni Ct. Legal Sec'y  
Deputy Muni. Clerk II  
Senior Acct./Dep. Clerk  
P.T. Prob. Off./Dep. Bailiff  
Deputy Clerk/D.V.A.  
Deputy Clerk/P.T./D.V.A.

### CITY COUNCIL

**President**  
Council Members  
Clerk of Council

### POLICE DEPARTMENT

**Police Chief**  
(Civilian Div.)  
Office Supervisor  
Police Support Tech.  
Animal Warden

(Uniform Div.)  
Captains  
Lieutenants  
Sergeants  
Police Officers

### FIRE DEPARTMENT

(Uniform Div.)  
**Fire Chief**  
Assistant Chief  
Captains  
Lieutenants  
Firefighters

(Civilian Div.)  
Exec. Secretary  
Heavy Equip. Mech.

### OPERATIONS DEPARTMENT

(Operations Streets)  
Parks & Street Supt.  
Foreman  
Section Leader  
Equipment Operator IV  
Equipment Operator II  
Equipment Operator I  
Labor II  
Secretary  
Clerk Typist

(Operations Maint.)  
Operations Super.  
Master Skilled Maint.  
Skilled Maint.  
Heavy Equip. Mech.  
Welder/Metal Fab.  
Automotive Mech.

### DATA PROCESSING

**Manager of Data Proc.**  
Data Proc. Coordinator  
Info. Technology Syst. Tech.

### ENG., PLNG. & BLDG

**Director of E, P & B**  
Planning Coordinator  
Office Supervisor  
Engineering Aide IV  
Engineering Aide III  
Engineering Aide II  
Engineering Aide I  
Building Official  
Building Inspector  
Electrical Inspector  
Plumbing Inspector

### COMMUNITY DEVELOPMENT

**Executive Director**  
Urban Design & Grants Coord.  
Accountant  
Program Specialist  
Program Coordinator

### ENVIRONMENTAL SERVICES

**Manager**  
Secretary  
Foreman  
Heavy Equip. Mech.  
Auto Mechanic  
Env. Serv. Oper. II  
Env. Serv. Oper. I

### WATER DEPARTMENT

**Director of Water Util. Oper.**  
(Water Dist.)  
Water Dist. Supert.  
Water Dist. Superv.  
Foreman  
Section Leader  
Heavy Equip. Mech.  
Meter Room Coord.  
Equip. Operator IV  
Equip. Operator II  
Master Cement Finish.  
Tapper Meter Repair  
Laborer II  
Laborer I  
Secretary

(Water Service)  
Water Serv. Superv.  
Cross Conn. Tech.  
Water Serviceman  
Water Dist. Tech.  
Customer Service Rep.  
Meter Reader  
Utility Serv. Rep.  
Serv. Rep. Clerk

(Office)  
Office Manager  
Consumer Service Rep.  
Cashier  
Data Entry Operator  
General Clerks

### (Plant)

Plant Superintendent  
Oper. Supervisor  
Project Manager  
Maint. Supervisor  
Laboratory Sup.  
Util. Plant Shift Leader  
Assistant Chemist  
Pumping Station Mech.  
Utility Plant Operator II  
Maint. Electrician  
Maint. Mechanic III  
Maint. Mechanic II  
Laborer II  
Secretary

### (Office)

Executive Secretary I  
Executive Secretary I  
Cashier  
Data Entry Operator  
General Clerks

### (Storm)

Sec. Leader  
Equip. Operator IV  
Equip. Operator I  
Laborer II

### (Sanitary)

Foreman  
Sec. Leader

### (Plant)

Chief Operator  
Ind. Pret. Coord.  
Plant Operator  
Plant Alternate

### (Office)

Accounting Coord.  
Net System Super.  
Computer Tech.  
Executive Secretary I  
Clerk Typist

### (Lab)

Chemist  
Asst. Chemist

### (Labor)

Laborer II  
Laborer I

### (Bio Solids)

Bio Solids Manager  
Bio Solids Sales Rep.  
Bio Solids Proc. Tech.  
Equipment Oper I

### WATER POLLUTION CONTROL

**Director of W.P.C.**  
W.P.C. Superintendent  
Chemist  
Asst. Chemist  
Grants Director  
Grants Writer

# 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, 2016**

*Christopher P. Morvill*

Executive Director/CEO

# **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

June 29, 2018

To the Honorable Mayor and City Council  
City of Warren  
Trumbull County, Ohio  
391 Mahoning Avenue NW  
Warren, OH 44483

### **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, 2017, 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, 2017, 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.

### ***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 Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset, and Schedule of City Contributions on pages 5-20, 92-93, and 94-97, 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hea & Associates, Inc.*

Medina, Ohio

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## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (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, 2017. 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 2017 are as follows:

- The total net position of the City decreased \$552,250. Net position of governmental activities decreased \$192,378 or 0.48% from 2016 and net position of business-type activities decreased \$359,872 or 1.30%.
- General revenues and transfers accounted for \$22,257,032 or 70.52% of total governmental activities revenue. Program specific revenues accounted for \$9,303,865 or 29.48% of total governmental activities revenue.
- The City had \$31,753,275 in expenses related to governmental activities; \$9,303,865 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$22,114,298 did not cover the remaining expenses of \$22,449,410.
- The general fund had revenues of \$27,155,566 in 2017. This represents an increase of \$3,179,230 or 13.26% from 2016 revenues. The expenditures and other financing uses of the general fund, which totaled \$25,742,288 in 2017, increased \$937,051 or 3.78% from 2016. The net increase in fund balance for the general fund was \$1,413,278 in 2017.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$2,469,197 in 2017. Expenditures in 2017 totaled \$2,657,505 and the fund balance at the end of the year was \$576,256.
- During 2017, the City issued various purpose refunding bonds in the amount of \$5,095,000 to advance refund \$5,920,000 of the various purpose general obligation bonds, series 2013. The City made a cash contribution of \$1,050,000 from the general bond payment debt service fund as part of the refunding transaction.

#### **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, 2017 (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 2017?" 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 14.

##### *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, 2017 (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 24-31 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 32-41 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 42 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 43-89 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 92-98 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 2017 and 2016.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b><u>Assets</u></b>						
Current and other assets	\$ 24,702,016	\$ 24,950,317	\$ 14,165,977	\$ 13,361,974	\$ 38,867,993	\$ 38,312,291
Capital assets, net	58,751,938	58,813,186	43,286,914	44,663,133	102,038,852	103,476,319
Total assets	<u>83,453,954</u>	<u>83,763,503</u>	<u>57,452,891</u>	<u>58,025,107</u>	<u>140,906,845</u>	<u>141,788,610</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	67,574	-	-	-	67,574	-
Pension	7,651,259	8,313,266	4,381,186	3,291,676	12,032,445	11,604,942
Total deferred outflows of resources	<u>7,718,833</u>	<u>8,313,266</u>	<u>4,381,186</u>	<u>3,291,676</u>	<u>12,100,019</u>	<u>11,604,942</u>
<b><u>Liabilities</u></b>						
Current liabilities	2,669,177	1,956,850	1,250,320	1,309,412	3,919,497	3,266,262
Long-term liabilities:						
Due within one year	2,264,016	2,367,706	2,861,533	3,349,333	5,125,549	5,717,039
Net pension liability	31,594,305	31,397,913	11,364,557	8,778,562	42,958,862	40,176,475
Other amounts	11,613,302	14,033,622	18,688,519	19,808,304	30,301,821	33,841,926
Total liabilities	<u>48,140,800</u>	<u>49,756,091</u>	<u>34,164,929</u>	<u>33,245,611</u>	<u>82,305,729</u>	<u>83,001,702</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,047,908	1,237,323	-	-	1,047,908	1,237,323
Pension	2,429,982	1,336,880	281,962	320,790	2,711,944	1,657,670
Total deferred inflows of resources	<u>3,477,890</u>	<u>2,574,203</u>	<u>281,962</u>	<u>320,790</u>	<u>3,759,852</u>	<u>2,894,993</u>
<b><u>Net position</u></b>						
Net investment in capital assets	52,287,647	49,327,471	23,698,307	23,136,628	75,985,954	72,464,099
Restricted	12,919,289	13,867,373	-	-	12,919,289	13,867,373
Unrestricted (deficit)	(25,652,839)	(23,448,369)	3,688,879	4,610,430	(21,963,960)	(18,837,939)
Total net position	<u>\$ 39,554,097</u>	<u>\$ 39,746,475</u>	<u>\$ 27,387,186</u>	<u>\$ 27,747,058</u>	<u>\$ 66,941,283</u>	<u>\$ 67,493,533</u>

The City has 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, 2017 (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.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by \$66,941,283, a decrease of 0.82% from 2016.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

Equity in pooled cash and cash equivalents (current assets) in the governmental activities increased from the prior year as a result of an additional 0.5% income tax levy that began January 1, 2017 and current assets in the business-type activities increased due to an increase in accounts receivable for utilities. While the City has experienced a loss in revenue over the past several years from cuts in the Local Government Fund intergovernmental state revenue and the elimination of Ohio's estate tax beginning in 2013, property tax and income tax collections were up in 2017. Liabilities decreased for the governmental activities as a result of the 2017 various purpose bond advance refunding and paying down the outstanding balances of the bonds, loans and claims liability. Liabilities of the business-type activities increased, mostly due to an increase in the net pension liability.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 72.42% of total assets. 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, 2017, was \$52,287,647 and \$23,698,307 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, \$12,919,289, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$21,963,960.

The following table shows the changes in net position for 2017 and 2016.

	<b>Change in Net Position</b>					
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,684,743	\$ 3,297,734	\$ 24,832,369	\$ 22,802,461	\$ 28,517,112	\$ 26,100,195
Operating grants and contributions	3,787,700	4,334,857	-	-	3,787,700	4,334,857
Capital grants and contributions	<u>1,831,422</u>	<u>2,293,735</u>	<u>202,016</u>	<u>1,093,619</u>	<u>2,033,438</u>	<u>3,387,354</u>
Total program revenues	<u>9,303,865</u>	<u>9,926,326</u>	<u>25,034,385</u>	<u>23,896,080</u>	<u>34,338,250</u>	<u>33,822,406</u>
General revenues:						
Property taxes	1,337,229	1,136,724	-	-	1,337,229	1,136,724
Income taxes	18,091,853	16,990,041	-	-	18,091,853	16,990,041
Unrestricted grants and entitlements	1,974,260	1,458,525	-	-	1,974,260	1,458,525
Investment earnings	125,442	117,016	-	-	125,442	117,016
Decrease in fair value of investments	5,522	(78,842)	-	-	5,522	(78,842)
Miscellaneous	<u>579,992</u>	<u>1,646,101</u>	<u>217,224</u>	<u>537,993</u>	<u>797,216</u>	<u>2,184,094</u>
Total general revenues	<u>22,114,298</u>	<u>21,269,565</u>	<u>217,224</u>	<u>537,993</u>	<u>22,331,522</u>	<u>21,807,558</u>
Total revenues	<u>31,418,163</u>	<u>31,195,891</u>	<u>25,251,609</u>	<u>24,434,073</u>	<u>56,669,772</u>	<u>55,629,964</u>

-Continued

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

**Change in Net Position (Continued)**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Expenses:</b>						
General government	\$ 7,193,770	\$ 6,373,481	\$ -	\$ -	\$ 7,193,770	\$ 6,373,481
Security of persons and property	15,589,381	16,529,431	-	-	15,589,381	16,529,431
Public health and welfare	780,424	755,064	-	-	780,424	755,064
Transportation	3,560,975	3,953,939	-	-	3,560,975	3,953,939
Community environment	1,824,742	1,901,508	-	-	1,824,742	1,901,508
Leisure time activity	689,808	781,777	-	-	689,808	781,777
Economic development	1,792,666	2,215,336	-	-	1,792,666	2,215,336
Interest and fiscal charges	321,509	361,464	-	-	321,509	361,464
Sewer	-	-	7,964,421	7,839,689	7,964,421	7,839,689
Water	-	-	12,690,692	11,786,057	12,690,692	11,786,057
Sanitation	-	-	3,733,769	3,570,325	3,733,769	3,570,325
City Redevelopment	-	-	314,064	367,444	314,064	367,444
Downtown Parking	-	-	162,080	129,999	162,080	129,999
Stormwater Utility	-	-	603,721	715,346	603,721	715,346
Total expenses	<u>31,753,275</u>	<u>32,872,000</u>	<u>25,468,747</u>	<u>24,408,860</u>	<u>57,222,022</u>	<u>57,280,860</u>
Transfers	<u>142,734</u>	<u>(28,544)</u>	<u>(142,734)</u>	<u>28,544</u>	<u>-</u>	<u>-</u>
Change in net position	(192,378)	(1,704,653)	(359,872)	53,757	(552,250)	(1,650,896)
Net position at beginning of year	<u>39,746,475</u>	<u>41,451,128</u>	<u>27,747,058</u>	<u>27,693,301</u>	<u>67,493,533</u>	<u>69,144,429</u>
Net position at end of year	<u>\$ 39,554,097</u>	<u>\$ 39,746,475</u>	<u>\$ 27,387,186</u>	<u>\$ 27,747,058</u>	<u>\$ 66,941,283</u>	<u>\$ 67,493,533</u>

**Governmental Activities**

Governmental activities net position decreased \$192,378 in 2017, after decreasing \$1,704,653 in 2016. Expenses, including health care costs, fuel, and road salt, increased while program revenues declined and general revenues increased.

Total revenues increased \$222,272 or 0.71%. Capital grants and contributions consist of grant revenue from the Ohio Department of Transportation (ODOT) for road construction and repair projects. The City received less money from ODOT during 2017 as compared to 2016. The decrease in operating grants and contributions is mostly due to a decrease in grant funding for the City's community development block grant programs and street programs. Miscellaneous revenues consist of refunds and reimbursements, which were received from various sources in 2017 and 2016. During 2017, the City received less in refunds from the BWC, resulting in a decrease to miscellaneous revenues. Income tax collections increased in 2017 after experiencing a decrease in the previous year, due to the additional 0.5% income tax levy that began January 1, 2017.

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

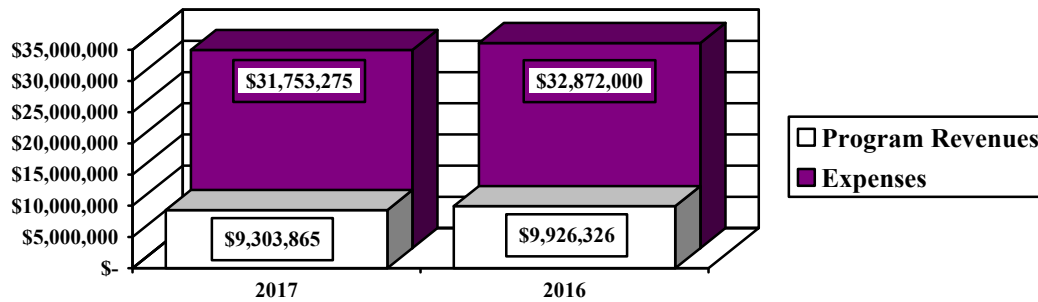
In total, 2017 expenses decreased \$1,118,725 or 3.4%, due to a decrease in the overall cost of City operations. Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$15,589,381 and \$16,529,431 of the total expenses of the City during 2017 and 2016, respectively. These expenses were partially funded by \$1,343,467 in 2017 compared to \$1,238,827 in 2016 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$3,560,975 during 2017 and \$3,953,939 during 2016. In 2017, these expenses were funded by operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$3,787,700 during 2017, compared to \$4,334,857 during 2016. These revenues are restricted to a particular program or purpose. \$2,076,358 or 54.82% of the total grants and contributions subsidized transportation programs in 2017.

General revenues totaled \$22,114,298 and amounted to 70.39% of total governmental revenues during 2017. These revenues primarily consist of property and income tax revenue of \$19,429,082. 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 \$1,974,260. These revenues sources combine for 96.79% 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.

**Governmental Activities - Program Revenues vs. Total Expenses**



**CITY OF WARREN, OHIO**

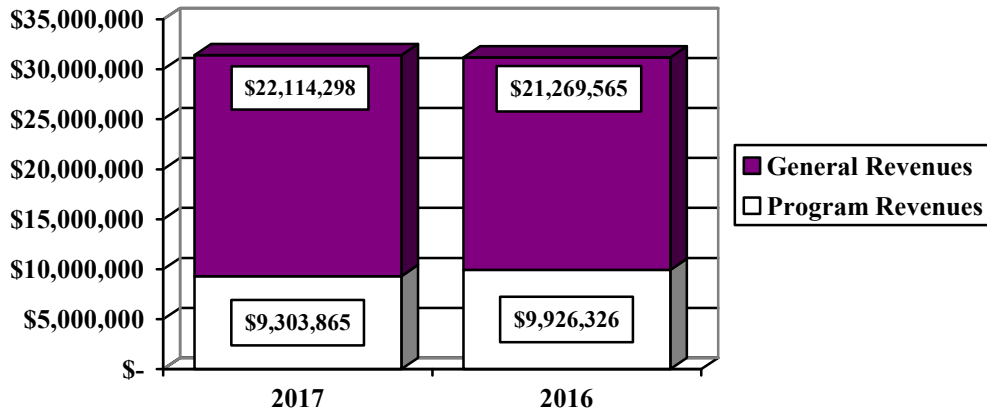
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and other general revenues.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
Program Expenses:				
General government	\$ 7,193,770	\$ 5,899,683	\$ 6,373,481	\$ 5,218,154
Security of persons and property	15,589,381	14,174,322	16,529,431	15,039,842
Public health and welfare	780,424	671,848	755,064	633,958
Transportation	3,560,975	(349,355)	3,953,939	(351,560)
Community environment	1,824,742	1,063,324	1,901,508	1,150,113
Leisure time activity	689,808	626,337	781,777	752,619
Economic development	1,792,666	41,742	2,215,336	141,084
Interest and fiscal charges	<u>321,509</u>	<u>321,509</u>	<u>361,464</u>	<u>361,464</u>
<b>Total</b>	<b><u>\$ 31,753,275</u></b>	<b><u>\$ 22,449,410</u></b>	<b><u>\$ 32,872,000</u></b>	<b><u>\$ 22,945,674</u></b>

The dependence upon general revenues for governmental activities is apparent, with 70.70% and 69.80% of expenses supported through taxes and other general revenues in 2017 and 2016, respectively.

**Governmental Activities - General and Program Revenues**



**Business-type Activities**

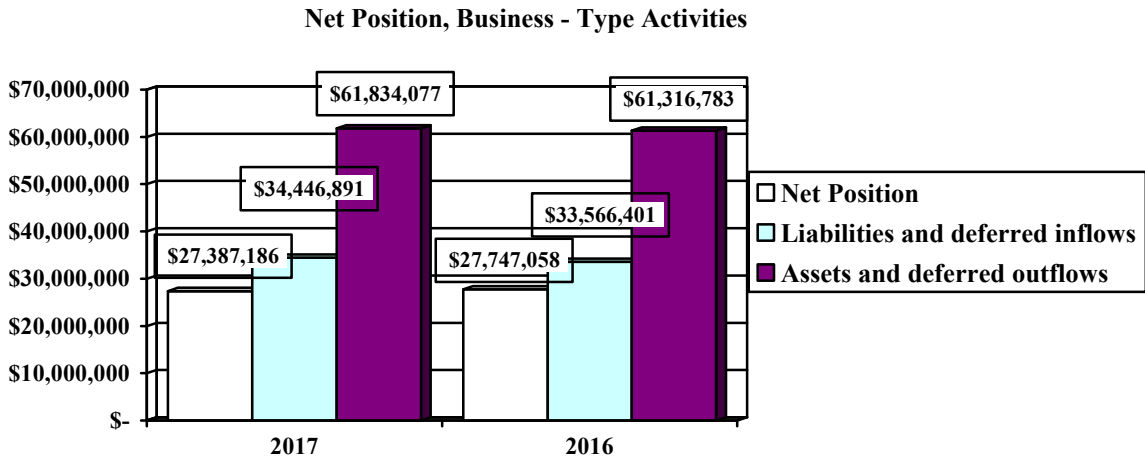
Business-type activities include the sewer, water, sanitation, downtown parking, city redevelopment, and stormwater enterprise funds. In 2017 and 2016, these programs had program revenues of \$25,034,385 and \$23,896,080, respectively, and general revenues of \$217,224 and \$537,993, respectively. Total revenues for 2017 were \$25,251,609, which represents an increase of 3.35% from 2016 revenues of \$24,434,073. This increase is a result of increased utility collections from customers.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

Total expenses for business-type activities were \$25,468,747 in 2017 compared to \$24,408,860 in 2016. This represents an increase of 4.34%.

Net position for business-type activities decreased \$359,872 or 1.30% from 2016. 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.



**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 \$13,784,206 which is \$620,238 higher than last year's total of \$13,163,968. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2017 for all major and nonmajor governmental funds.

	Fund Balances 12/31/17	Fund Balances 12/31/16	Increase (Decrease)
Major funds:			
General	\$ 2,961,108	\$ 1,547,830	\$ 1,413,278
General capital projects	576,256	764,564	(188,308)
Nonmajor governmental funds	<u>10,246,842</u>	<u>10,851,574</u>	<u>(604,732)</u>
Total	<u>\$ 13,784,206</u>	<u>\$ 13,163,968</u>	<u>\$ 620,238</u>

**CITY OF WARREN, OHIO**

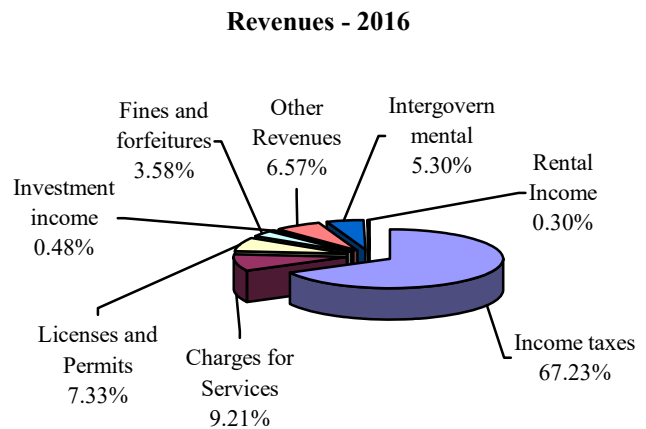
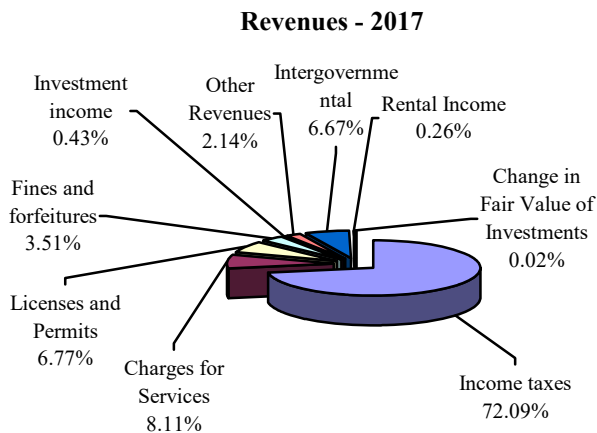
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**General Fund**

The City's general fund balance increased \$1,413,278. The table that follows assists in illustrating the revenues of the general fund.

	<u>2017 Amount</u>	<u>2016 Amount</u>	<u>Percentage Change</u>
<b>Revenues</b>			
Income taxes	\$ 19,574,834	\$ 16,115,081	21.47 %
Charges for services	2,203,261	2,209,256	(0.27) %
Licenses and permits	1,839,565	1,758,589	4.60 %
Fines and forfeitures	953,438	858,684	11.03 %
Intergovernmental	1,811,167	1,271,645	42.43 %
Investment income	117,921	116,181	1.50 %
Rental income	69,529	72,547	(4.16) %
Change in Fair Value of Investments	5,522	(78,842)	107.00 %
Other	<u>580,329</u>	<u>1,653,195</u>	(64.90) %
<b>Total</b>	<b><u>\$ 27,155,566</u></b>	<b><u>\$ 23,976,336</u></b>	<b>13.26 %</b>

The most significant changes in general fund revenues are an increase in income tax collections, licenses and permits, intergovernmental, fines and forfeitures and other revenue. Income tax withholdings and collections from individuals and businesses increased from the previous year as a result of a 0.50% income tax increase that was effective January 1, 2017, as approved by voters in the November 2016 election. The City reported miscellaneous grants as intergovernmental revenue rather than other revenue during 2017, which accounts for the increase in intergovernmental revenue and decrease in other revenue. The general fund received fewer refunds and reimbursements in 2017, also contributing to the decrease in other revenue.



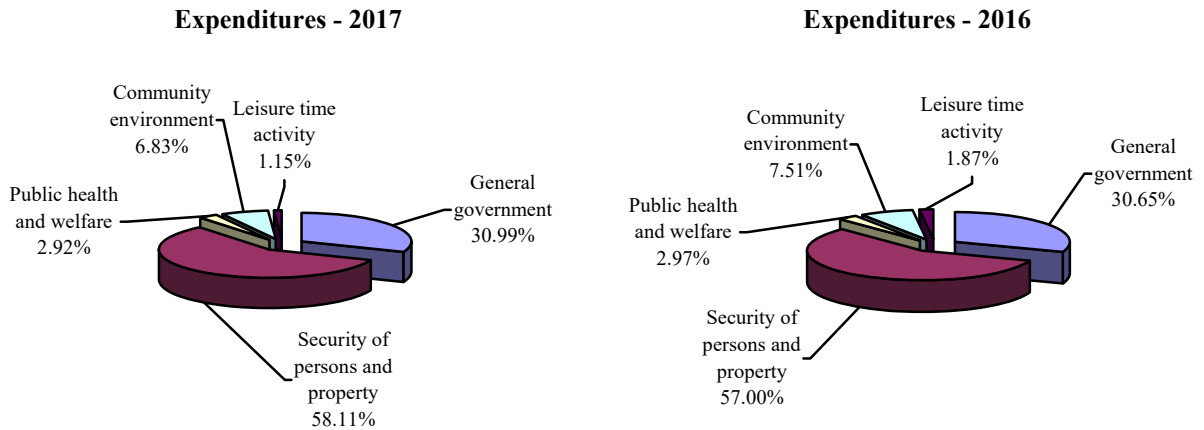
**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

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

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 7,747,356	\$ 7,527,157	2.93 %
Security of persons and property	14,530,404	13,998,495	3.80 %
Public health and welfare	730,301	729,262	0.14 %
Community environment	1,707,294	1,844,028	(7.41) %
Leisure time activity	<u>286,373</u>	<u>458,214</u>	(37.50) %
<b>Total</b>	<b><u>\$ 25,001,728</u></b>	<b><u>\$ 24,557,156</u></b>	<b>1.81 %</b>

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. General government and security of persons and property expenditures increased during 2017 as a result of increased funds available for general fund operations, including the addition of police officers and fire fighters, through the 0.50% income tax levy increase effective January 1, 2017. Leisure time activities expenditures decreased due to park operation expenditures being accounted for in other line items during 2017.



***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 \$2,469,197 and expenditures were \$2,657,505. Fund balance at December 31, 2017 was \$576,256, 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.



## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

The sewer fund reported operating income of \$8,222,278 in 2017. Nonoperating revenues were \$19 and nonoperating expenses (primarily interest and fiscal charges) totaled \$102,814. The sewer fund received \$570,219 in OWDA loans during 2017 to finance the sewer interceptor rehabilitation project. Net position for the sewer fund increased \$97,621 during the year.

The water fund reported an operating loss of \$974,401 for 2017 as a result of expenses growing more than revenues. The water fund had nonoperating revenues of \$189,516 and nonoperating expenses of \$405,996, consisting of interest and fiscal charges, and capital contributions of \$189,516. In comparison, the water fund received capital contributions from state grants and private grants from Clean Energy Future-Lordstown, LLC for the construction of water infrastructure in the amount of \$1,090,634 during 2016. The water fund received \$386,962 in OPWC loans to finance waterline infrastructure improvements and entered into capital leases for two vehicles during 2017. The total change in net position for the water fund was a decrease of \$1,190,881. The decrease in net position is primarily due to depreciation expense and the increase in the net pension liability.

The sanitation fund reported operating loss of \$31,861 in 2017. Total operating expenses were \$3,766,027 in 2017 compared to \$3,559,871 in 2016, an increase of 5.79%. This increase is primarily related to additional vehicle maintenance costs and depreciation expense. Net position for the sanitation fund decreased \$47,383.

#### ***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 \$28,203,300 were increased to \$28,235,348 in the final budget. Actual revenues and other financing sources for the year were \$26,609,182 or \$1,626,166 (5.76%) less than the final budget. Income taxes revenue was expected to decrease throughout the year and was decreased \$38 from the original to final budget. Actual income tax collections from withholdings, as well as lower than anticipated payments from individuals and businesses, came in \$1,083,825 lower than expected.

For the general fund, original budgeted expenditures and other financing uses were \$28,331,554. The budget amendments throughout the year increased this amount to \$28,363,202 in the final budget. Actual expenditures and other financing uses were \$26,000,709 or \$2,362,893 (8.33%) below budget. There were no individually significant variances between the final budget and actual expenditures as the overall positive variance is attributable to various smaller items.

#### **Capital Assets and Debt Administration**

##### ***Capital Assets***

At the end of 2017, the City had \$102,038,852 (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, \$58,751,938 was reported in governmental activities and \$43,286,914 was reported in business-type activities. The following table shows 2017 balances compared to 2016 balances:

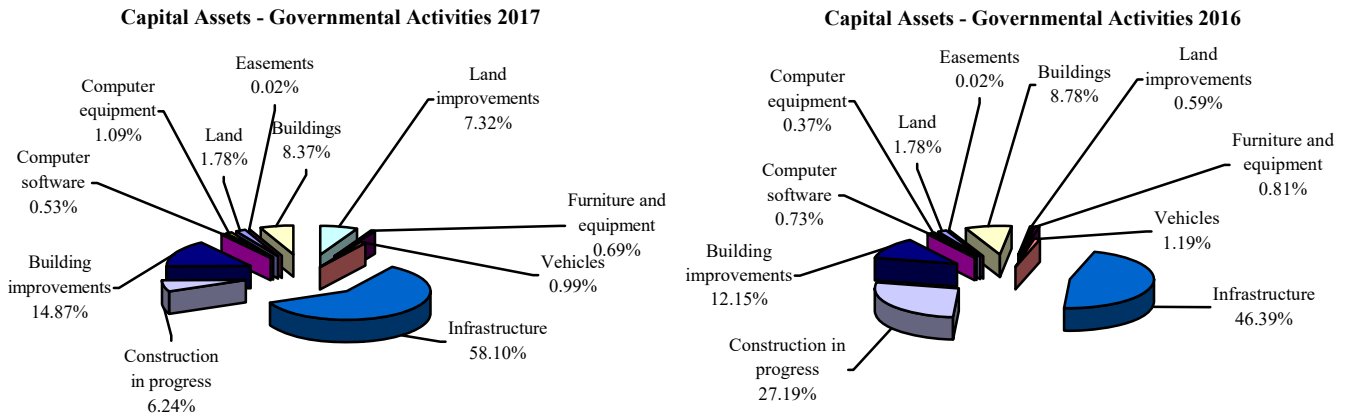
**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,044,396	\$ 1,044,396	\$ 384,399	\$ 384,399	\$ 1,428,795	\$ 1,428,795
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	3,664,606	15,990,862	1,709,864	1,518,029	5,374,470	17,508,891
Land improvements	4,298,761	344,341	-	-	4,298,761	344,341
Buildings	4,916,335	5,165,936	3,087,924	3,540,085	8,004,259	8,706,021
Building improvements	8,736,675	7,144,898	4,383,154	4,869,992	13,119,829	12,014,890
Computer software	309,148	427,546	-	-	309,148	427,546
Computer equipment	637,928	215,350	-	-	637,928	215,350
Furniture and equipment	405,028	476,380	3,120,194	3,991,385	3,525,222	4,467,765
Vehicles	584,325	701,129	1,623,344	1,905,240	2,207,669	2,606,369
Infrastructure	<u>34,141,383</u>	<u>27,288,995</u>	<u>28,978,035</u>	<u>28,454,003</u>	<u>63,119,418</u>	<u>55,742,998</u>
<b>Totals</b>	<b><u>\$ 58,751,938</u></b>	<b><u>\$ 58,813,186</u></b>	<b><u>\$ 43,286,914</u></b>	<b><u>\$ 44,663,133</u></b>	<b><u>\$ 102,038,852</u></b>	<b><u>\$ 103,476,319</u></b>

The following graphs show the breakdown of governmental capital assets by category for 2017 and 2016:



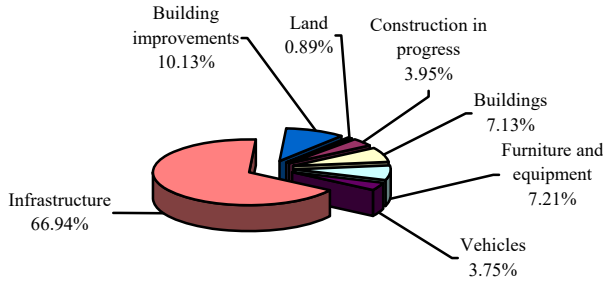
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 58.10% of the City's total governmental capital assets. Most of the capital asset acquisitions in 2017 were infrastructure improvements or construction projects related to infrastructure.

**CITY OF WARREN, OHIO**

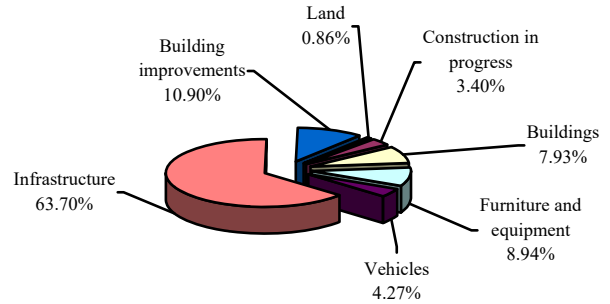
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2017 and 2016:

**Capital Assets - Business-Type Activities 2017**



**Capital Assets - Business-Type Activities 2016**



One of the largest business-type capital asset categories is infrastructure, which 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 66.94% 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, 2017 and 2016. 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, 2017  
(UNAUDITED)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 7,585,919	\$ 9,344,605	\$ 3,201,715	\$ 3,806,301
OWDA loans	-	-	15,050,735	16,417,608
HUD 108 loan	775,000	900,000	-	-
OPWC loan	128,282	141,110	419,526	44,036
Claims payable	453,064	898,414	-	-
Capital lease obligation	-	-	960,212	1,258,560
Compensated absences	4,935,053	5,117,199	1,917,864	1,631,132
Net pension liability	<u>31,594,305</u>	<u>31,397,913</u>	<u>11,364,557</u>	<u>8,778,562</u>
Total long-term obligations	<u>\$ 45,471,623</u>	<u>\$ 47,799,241</u>	<u>\$ 32,914,609</u>	<u>\$ 31,936,199</u>

During 2017, the City issued various purpose refunding bonds, series 2017 in the amount of \$5,095,000 to advance refund \$5,920,000 of the various purpose general obligation bonds, series 2013. See Note 13.A in the notes to the basic financial statements for detail.

**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 2017 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 2017 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 2018 budget, the City emphasized various efforts to continue to contain costs while effectively utilizing new sources of revenue. In November 2016, voters approved a 0.5% income tax increase, which was effective beginning January 1, 2017. The additional income tax revenue is intended to finance general fund operations, continue to provide existing core services, add approximately eight to twelve police officers and eight to twelve fire fighters and enable the City to implement its first Road Maintenance Program in more than fifteen years to address the City's infrastructure.

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 Vincent S. Flask, City Auditor, 391 Mahoning Avenue NW, Warren, Ohio 44483-4634.

**CITY OF WARREN, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 9,387,483	\$ 11,310,972	\$ 20,698,455
Receivables:			
Income taxes . . . . .	3,741,001	-	3,741,001
Real and other taxes . . . . .	1,513,401	-	1,513,401
Accounts . . . . .	226,606	2,155,733	2,382,339
Intergovernmental . . . . .	1,610,803	-	1,610,803
Accrued interest . . . . .	30,411	-	30,411
Special assessments . . . . .	1,825,801	317,784	2,143,585
Loans . . . . .	6,094,465	-	6,094,465
Internal balance . . . . .	(268,874)	268,874	-
Materials and supplies inventory . . . . .	15,143	90,743	105,886
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	505,366	-	505,366
Net pension asset . . . . .	20,410	21,871	42,281
Capital assets:			
Non-depreciable capital assets . . . . .	4,722,355	2,094,263	6,816,618
Depreciable capital assets, net . . . . .	54,029,583	41,192,651	95,222,234
Total capital assets, net . . . . .	58,751,938	43,286,914	102,038,852
Total assets . . . . .	83,453,954	57,452,891	140,906,845
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding . . . . .	67,574	-	67,574
Pension - OPERS . . . . .	4,075,399	4,381,186	8,456,585
Pension - OP&F . . . . .	3,575,860	-	3,575,860
Total deferred outflows of resources . . . . .	7,718,833	4,381,186	12,100,019
<b>Liabilities:</b>			
Accounts payable . . . . .	402,782	509,394	912,176
Contracts payable . . . . .	195,786	111,302	307,088
Accrued wages and benefits payable . . . . .	713,535	295,161	1,008,696
Due to other governments . . . . .	337,146	123,574	460,720
Accrued interest payable . . . . .	32,960	210,889	243,849
Claims payable . . . . .	986,968	-	986,968
Long-term liabilities:			
Due within one year . . . . .	2,264,016	2,861,533	5,125,549
Due in more than one year:			
Net pension liability . . . . .	31,594,305	11,364,557	42,958,862
Other amounts due in more than one year . . . . .	11,613,302	18,688,519	30,301,821
Total liabilities . . . . .	48,140,800	34,164,929	82,305,729
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,047,908	-	1,047,908
Pension - OPERS . . . . .	398,452	281,962	680,414
Pension - OP&F . . . . .	2,031,530	-	2,031,530
Total deferred inflows of resources . . . . .	3,477,890	281,962	3,759,852
<b>Net position:</b>			
Net investment in capital assets . . . . .	52,287,647	23,698,307	75,985,954
Restricted for:			
Debt service . . . . .	1,843,561	-	1,843,561
Capital projects . . . . .	576,256	-	576,256
Street maintenance . . . . .	174,381	-	174,381
State highway . . . . .	194,694	-	194,694
Law enforcement . . . . .	177,944	-	177,944
Courts . . . . .	1,650,347	-	1,650,347
Community developments and improvements . . . . .	7,796,740	-	7,796,740
Warren Hills landfill . . . . .	505,366	-	505,366
Unrestricted (deficit) . . . . .	(25,652,839)	3,688,879	(21,963,960)
Total net position . . . . .	\$ 39,554,097	\$ 27,387,186	\$ 66,941,283

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government . . . . .	\$ 7,193,770	\$ 1,294,087	\$ -	\$ -
Security of persons and property . . . . .	15,589,381	1,343,467	71,592	-
Public health and welfare . . . . .	780,424	108,576	-	-
Transportation . . . . .	3,560,975	2,550	2,076,358	1,831,422
Community environment . . . . .	1,824,742	761,418	-	-
Leisure time activity . . . . .	689,808	63,471	-	-
Economic development . . . . .	1,792,666	111,174	1,639,750	-
Interest and fiscal charges . . . . .	321,509	-	-	-
Total governmental activities . . . . .	<u>31,753,275</u>	<u>3,684,743</u>	<u>3,787,700</u>	<u>1,831,422</u>
<b>Business-type activities:</b>				
Sewer . . . . .	7,964,421	8,207,341	-	-
Water . . . . .	12,690,692	11,440,010	-	189,516
Sanitation . . . . .	3,733,769	3,720,156	-	12,500
City Redevelopment . . . . .	314,064	358,938	-	-
Downtown Parking . . . . .	162,080	18,490	-	-
Stormwater Utility . . . . .	603,721	1,087,434	-	-
Total business-type activities . . . . .	<u>25,468,747</u>	<u>24,832,369</u>	<u>-</u>	<u>202,016</u>
Total primary government . . . . .	<u>\$ 57,222,022</u>	<u>\$ 28,517,112</u>	<u>\$ 3,787,700</u>	<u>\$ 2,033,438</u>

**General revenues:**

- Property taxes levied for:
  - Debt service . . . . .
- Income taxes levied for:
  - General purposes . . . . .
- Grants and entitlements not restricted to specific programs . . . . .
- Investment earnings . . . . .
- Change in fair value of investments . . . . .
- Miscellaneous . . . . .

Total general revenues . . . . .

Transfers . . . . .

Total general revenues and transfers . . . . .

Change in net position . . . . .

**Net position at beginning of year . . . . .**

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,899,683)	\$ -	\$ (5,899,683)
(14,174,322)	-	(14,174,322)
(671,848)	-	(671,848)
349,355	-	349,355
(1,063,324)	-	(1,063,324)
(626,337)	-	(626,337)
(41,742)	-	(41,742)
(321,509)	-	(321,509)
<u>(22,449,410)</u>	<u>-</u>	<u>(22,449,410)</u>
-	242,920	242,920
-	(1,061,166)	(1,061,166)
-	(1,113)	(1,113)
-	44,874	44,874
-	(143,590)	(143,590)
-	483,713	483,713
<u>-</u>	<u>(434,362)</u>	<u>(434,362)</u>
<u>(22,449,410)</u>	<u>(434,362)</u>	<u>(22,883,772)</u>
1,337,229	-	1,337,229
18,091,853	-	18,091,853
1,974,260	-	1,974,260
125,442	-	125,442
5,522	-	5,522
<u>579,992</u>	<u>217,224</u>	<u>797,216</u>
<u>22,114,298</u>	<u>217,224</u>	<u>22,331,522</u>
<u>142,734</u>	<u>(142,734)</u>	<u>-</u>
<u>22,257,032</u>	<u>74,490</u>	<u>22,331,522</u>
(192,378)	(359,872)	(552,250)
<u>39,746,475</u>	<u>27,747,058</u>	<u>67,493,533</u>
<u>\$ 39,554,097</u>	<u>\$ 27,387,186</u>	<u>\$ 66,941,283</u>

CITY OF WARREN, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	<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 . . . . .	\$ 1,080,355	\$ 750,449	\$ 4,117,944	\$ 5,948,748
Receivables (net of allowance for uncollectibles):				
Income taxes. . . . .	3,741,001	-	-	3,741,001
Real and other taxes . . . . .	-	-	1,513,401	1,513,401
Accounts. . . . .	185,046	-	30,984	216,030
Intergovernmental . . . . .	732,650	-	878,153	1,610,803
Due from other funds . . . . .	71,028	-	-	71,028
Loans . . . . .	-	-	6,094,465	6,094,465
Accrued interest . . . . .	30,411	-	-	30,411
Special assessments . . . . .	71,792	-	1,754,009	1,825,801
Materials and supplies inventory. . . . .	3,013	-	12,130	15,143
Restricted assets:				
Equity in pooled cash and cash equivalents .	505,366	-	-	505,366
Total assets . . . . .	<u>\$ 6,420,662</u>	<u>\$ 750,449</u>	<u>\$ 14,401,086</u>	<u>\$ 21,572,197</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 264,076	\$ -	\$ 136,736	\$ 400,812
Contracts payable. . . . .	-	174,193	21,593	195,786
Accrued wages and benefits payable . . . . .	652,689	-	40,149	692,838
Compensated absences payable . . . . .	18,283	-	-	18,283
Due to other funds . . . . .	89,500	-	5,943	95,443
Due to other governments . . . . .	233,622	-	100,326	333,948
Total liabilities . . . . .	<u>1,258,170</u>	<u>174,193</u>	<u>304,747</u>	<u>1,737,110</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . .	-	-	1,047,908	1,047,908
Delinquent property tax revenue not available .	-	-	465,493	465,493
Accrued interest not available . . . . .	16,366	-	-	16,366
Special assessments revenue not available . . .	71,792	-	1,754,009	1,825,801
Miscellaneous revenue not available . . . . .	101,749	-	-	101,749
Income tax revenue not available. . . . .	1,733,870	-	-	1,733,870
Intergovernmental revenue not available . . . .	277,607	-	582,087	859,694
Total deferred inflows of resources . . . . .	<u>2,201,384</u>	<u>-</u>	<u>3,849,497</u>	<u>6,050,881</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	3,013	-	12,130	15,143
Restricted. . . . .	505,366	576,256	10,234,712	11,316,334
Assigned . . . . .	311,428	-	-	311,428
Unassigned . . . . .	2,141,301	-	-	2,141,301
Total fund balances. . . . .	<u>2,961,108</u>	<u>576,256</u>	<u>10,246,842</u>	<u>13,784,206</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,420,662</u>	<u>\$ 750,449</u>	<u>\$ 14,401,086</u>	<u>\$ 21,572,197</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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**CITY OF WARREN, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017

<b>Total governmental fund balances</b>		\$	13,784,206
 <i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities (exclusive of \$612,011 reported in internal service funds) are not financial resources and therefore are not reported in the funds.			58,139,927
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	\$	465,493	
Income taxes receivable		1,733,870	
Accounts receivable		101,749	
Special assessments receivable		1,825,801	
Intergovernmental receivable		859,694	
Accrued interest receivable		16,366	
Total		5,002,973	5,002,973
The net pension asset and net pension liability (excluding amounts reported in internal service funds) 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		19,813	
Deferred outflows of resources		7,532,099	
Deferred inflows of resources		(2,415,147)	
Net pension liability		(31,284,235)	
Total		(26,147,470)	(26,147,470)
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 \$415,000 in bonds and \$143,942 in compensated absences reported in the internal service funds) are as follows.			
General obligation bonds payable		(7,105,000)	
Loans payable		(903,282)	
Compensated absences payable		(4,772,828)	
Total		(12,781,110)	(12,781,110)
On the statement of net position interest is accrued on outstanding bonds, notes and loans payable (excluding \$700 reported in the internal service funds), whereas in governmental funds, interest expenditures are accrued when due.			(32,260)
Unamortized deferred charges on refundings are not recognized in the funds.			67,574
Unamortized premiums on bond issuances (excluding \$9,481 reported in internal service funds) are not recognized in the funds.			(56,438)

*--Continued*

**CITY OF WARREN, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES - *(Continued)*  
DECEMBER 31, 2017

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.	\$ 1,947,617
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.	<u>(370,922)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 39,554,097</u></u>

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, 2017

	<b>General</b>	<b>General Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 19,574,834	\$ -	\$ -	\$ 19,574,834
Property and other taxes. . . . .	-	-	1,256,067	1,256,067
Charges for services. . . . .	2,203,261	-	111,796	2,315,057
Licenses and permits . . . . .	1,839,565	-	93,286	1,932,851
Fines and forfeitures . . . . .	953,438	-	407,679	1,361,117
Intergovernmental. . . . .	1,811,167	1,781,422	3,909,965	7,502,554
Special assessments . . . . .	-	-	10,104	10,104
Investment income. . . . .	117,921	-	46,103	164,024
Rental income . . . . .	69,529	-	-	69,529
Change in fair value of investments . . . . .	5,522	-	-	5,522
Other. . . . .	580,329	50,000	99,955	730,284
<b>Total revenues . . . . .</b>	<b>27,155,566</b>	<b>1,831,422</b>	<b>5,934,955</b>	<b>34,921,943</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	7,747,356	-	77,652	7,825,008
Security of persons and property . . . . .	14,530,404	-	553,505	15,083,909
Public health and welfare. . . . .	730,301	-	-	730,301
Transportation . . . . .	-	-	1,459,169	1,459,169
Community environment . . . . .	1,707,294	-	-	1,707,294
Leisure time activity . . . . .	286,373	-	-	286,373
Economic development. . . . .	-	-	1,749,327	1,749,327
Capital outlay . . . . .	-	2,657,505	653,069	3,310,574
Debt service:				
Principal retirement. . . . .	-	-	792,828	792,828
Interest and fiscal charges. . . . .	-	-	271,418	271,418
Refunding bond issuance costs . . . . .	-	-	69,003	69,003
<b>Total expenditures . . . . .</b>	<b>25,001,728</b>	<b>2,657,505</b>	<b>5,625,971</b>	<b>33,285,204</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	2,153,838	(826,083)	308,984	1,636,739
<b>Other financing sources (uses):</b>				
Refunding bond issuance . . . . .	-	-	5,095,000	5,095,000
Payment to refunded bond escrow agent . . . . .	-	-	(6,170,449)	(6,170,449)
Transfers in . . . . .	-	637,775	299,508	937,283
Transfers (out). . . . .	(740,560)	-	(137,775)	(878,335)
<b>Total other financing sources (uses) . . . . .</b>	<b>(740,560)</b>	<b>637,775</b>	<b>(913,716)</b>	<b>(1,016,501)</b>
Net change in fund balances . . . . .	1,413,278	(188,308)	(604,732)	620,238
<b>Fund balances at beginning of year . . . . .</b>	<b>1,547,830</b>	<b>764,564</b>	<b>10,851,574</b>	<b>13,163,968</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,961,108</b>	<b>\$ 576,256</b>	<b>\$ 10,246,842</b>	<b>\$ 13,784,206</b>

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, 2017

**Net change in fund balances - total governmental funds** \$ 620,238

*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 and capital contributions exceeded depreciation expense in the current period (excluding capital asset additions and current year depreciation expense of \$82,885 and \$108,403, respectively, in the internal service funds).

Capital asset additions	\$ 3,786,808	
Capital contributions from business-type activities	83,786	
Current year depreciation	(3,847,321)	
<b>Total</b>		<b>23,273</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (59,003)

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

Delinquent property taxes	81,162	
Income taxes	(1,482,981)	
Other revenues	(8,111)	
Special assessments	43	
Intergovernmental revenues	(97,755)	
Investment income	7,521	
<b>Total</b>		<b>(1,500,121)</b>

The issuance of refunding bonds, notes and loans provides current financial resources to governmental funds, but in the statement of net position, the debt is reported as a liability. (5,095,000)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 792,828

Payment to refunding bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:

General obligation bonds refunded	5,920,000	
Unamortized premium on general obligation bonds refunded	181,115	
Deferred charges on refunding	69,334	
<b>Total</b>		<b>6,170,449</b>

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 (excluding \$1,929 in amortization of bond premium reported in the internal service funds).

Decrease in accrued interest payable	13,083	
Amortization of deferred charge on refunding	(1,760)	
Amortization of bond premium	15,642	
<b>Total</b>		<b>26,965</b>

*--Continued*

**CITY OF WARREN, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - *(Continued)*  
FOR THE YEAR ENDED DECEMBER 31, 2017

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	\$ 2,294,749
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.	(4,203,754)
Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds (excluding \$6,665 reported in the internal service funds).	15,375
Internal service funds used by management to charge the costs of life and hospitalization insurance, workers' compensation, data processing and risk management to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, including \$370,922 in internal balance activity, is allocated among the governmental activities.	<u>721,623</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ (192,378)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 20,339,390	\$ 20,339,352	\$ 19,255,527	\$ (1,083,825)
Charges for services. . . . .	2,108,461	2,108,457	2,130,237	21,780
Licenses and permits . . . . .	1,926,863	1,926,860	1,861,703	(65,157)
Fines and forfeitures . . . . .	1,060,641	1,060,639	963,189	(97,450)
Intergovernmental. . . . .	2,214,897	2,239,481	1,724,763	(514,718)
Investment income. . . . .	55,090	55,090	103,876	48,786
Rental income . . . . .	50,082	50,082	73,050	22,968
Other . . . . .	447,876	455,387	496,837	41,450
Total revenues . . . . .	28,203,300	28,235,348	26,609,182	(1,626,166)
<b>Expenditures:</b>				
Current:				
General government . . . . .	8,338,159	7,982,689	7,400,316	582,373
Security of persons and property . . . . .	16,370,530	16,282,254	14,912,831	1,369,423
Public health and welfare. . . . .	722,839	772,509	741,106	31,403
Community environment . . . . .	1,910,564	1,841,019	1,735,167	105,852
Leisure time activity . . . . .	532,462	533,131	285,729	247,402
Total expenditures. . . . .	27,874,554	27,411,602	25,075,149	2,336,453
Excess of revenues over expenditures . . . . .	328,746	823,746	1,534,033	710,287
<b>Other financing (uses):</b>				
Transfers (out). . . . .	(457,000)	(952,000)	(925,560)	26,440
Total other financing (uses) . . . . .	(457,000)	(952,000)	(925,560)	26,440
Net change in fund balance . . . . .	(128,254)	(128,254)	608,473	736,727
<b>Fund balance at beginning of year. . . . .</b>	567,613	567,613	567,613	-
<b>Prior year encumbrances appropriated . . . . .</b>	174,554	174,554	174,554	-
<b>Fund balance at end of year . . . . .</b>	\$ 613,913	\$ 613,913	\$ 1,350,640	\$ 736,727

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor Funds</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 3,865,810	\$ 4,521,631	\$ 226,939	\$ 2,696,592
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	476,140	904,752	342,799	432,042
Special assessments . . . . .	1,247	316,438	-	99
Due from other funds . . . . .	-	-	-	-
Due from other governments . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	28,887	42,171	19,685	-
Total current assets . . . . .	<u>4,372,084</u>	<u>5,784,992</u>	<u>589,423</u>	<u>3,128,733</u>
Noncurrent assets:				
Net pension asset . . . . .	7,064	11,732	2,388	687
Capital assets:				
Non-depreciable capital assets . . . . .	1,626,649	61,137	35,091	371,386
Depreciable capital assets, net . . . . .	12,868,434	24,228,500	1,514,022	2,581,695
Total capital assets, net . . . . .	<u>14,495,083</u>	<u>24,289,637</u>	<u>1,549,113</u>	<u>2,953,081</u>
Total noncurrent assets . . . . .	<u>14,502,147</u>	<u>24,301,369</u>	<u>1,551,501</u>	<u>2,953,768</u>
Total assets . . . . .	<u>18,874,231</u>	<u>30,086,361</u>	<u>2,140,924</u>	<u>6,082,501</u>
<b>Deferred outflows of resources:</b>				
Pension - OPERS . . . . .	1,424,427	2,342,697	476,845	137,217
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	138,565	279,251	68,858	22,720
Contracts payable . . . . .	111,302	-	-	-
Accrued wages and benefits payable . . . . .	91,330	157,952	38,406	7,473
Due to other funds . . . . .	23,270	45,246	31,841	1,691
Due to other governments . . . . .	87,088	29,397	5,934	1,155
Claims payable . . . . .	-	-	-	-
Current portion of general obligation bonds . . . . .	-	600,000	-	-
Current portion of OWDA loans . . . . .	408,730	1,074,524	-	-
Current portion of OPWC loans . . . . .	-	19,348	-	1,797
Current portion of compensated absences . . . . .	129,848	228,345	28,446	10,559
Capital lease obligations payable . . . . .	38,176	10,585	273,000	38,175
Accrued interest payable . . . . .	46,557	160,922	3,108	302
Total current liabilities . . . . .	<u>1,074,866</u>	<u>2,605,570</u>	<u>449,593</u>	<u>83,872</u>
Long-term liabilities:				
General obligation bonds payable . . . . .	-	2,601,715	-	-
OWDA loans payable . . . . .	3,245,147	10,322,334	-	-
OPWC loans payable . . . . .	-	357,940	-	40,441
Capital lease obligations payable . . . . .	-	32,994	567,282	-
Net pension liability . . . . .	3,670,609	6,096,063	1,240,824	357,061
Claims payable . . . . .	-	-	-	-
Compensated absences payable . . . . .	279,599	982,048	179,817	79,202
Total long-term liabilities . . . . .	<u>7,195,355</u>	<u>20,393,094</u>	<u>1,987,923</u>	<u>476,704</u>
Total liabilities . . . . .	<u>8,270,221</u>	<u>22,998,664</u>	<u>2,437,516</u>	<u>560,576</u>

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<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 11,310,972	\$ 3,438,735
2,155,733	-
317,784	-
-	130,000
-	10,576
90,743	-
<u>13,875,232</u>	<u>3,579,311</u>
21,871	597
2,094,263	-
<u>41,192,651</u>	<u>612,011</u>
<u>43,286,914</u>	<u>612,011</u>
<u>43,308,785</u>	<u>612,608</u>
<u>57,184,017</u>	<u>4,191,919</u>
<u>4,381,186</u>	<u>119,160</u>
509,394	1,970
111,302	-
295,161	20,697
102,048	3,537
123,574	3,198
-	1,032,673
600,000	80,000
1,483,254	-
21,145	-
397,198	3,729
359,936	-
210,889	700
<u>4,213,901</u>	<u>1,146,504</u>
2,601,715	344,481
13,567,481	-
398,381	-
600,276	-
11,364,557	310,070
-	407,359
<u>1,520,666</u>	<u>140,213</u>
<u>30,053,076</u>	<u>1,202,123</u>
<u>34,266,977</u>	<u>2,348,627</u>

**CITY OF WARREN, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor Funds</b>
<b>Deferred inflows of resources:</b>				
Pension - OPERS . . . . .	\$ 49,603	\$ 197,636	\$ 25,065	\$ 9,658
<b>Net position:</b>				
Net investment in capital assets . . . . .	10,803,030	9,313,778	708,831	2,872,668
Unrestricted . . . . .	1,175,804	(81,020)	(553,643)	2,776,816
<b>Total net position . . . . .</b>	<b>\$ 11,978,834</b>	<b>\$ 9,232,758</b>	<b>\$ 155,188</b>	<b>\$ 5,649,484</b>

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

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>
<u>\$ 281,962</u>	<u>\$ 14,835</u>
23,698,307	187,530
<u>3,317,957</u>	<u>1,760,087</u>
27,016,264	<u>\$ 1,947,617</u>
<u>370,922</u>	
<u>\$ 27,387,186</u>	

**CITY OF WARREN, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 . . . . .	\$ 8,207,322	\$ 11,440,010	\$ 3,720,156	\$ 1,464,859
Other operating revenues . . . . .	14,956	161,434	14,010	26,824
Total operating revenues. . . . .	<u>8,222,278</u>	<u>11,601,444</u>	<u>3,734,166</u>	<u>1,491,683</u>
<b>Operating expenses:</b>				
Personal services . . . . .	3,905,955	6,468,569	1,310,912	393,692
Contract services. . . . .	1,325,054	1,086,876	1,568,107	365,857
Materials and supplies. . . . .	541,990	1,280,841	208,469	67,844
Administrative costs. . . . .	738,726	813,042	230,842	78,654
Utilities . . . . .	531,211	514,518	14,948	96,673
Claims expense . . . . .	-	-	-	-
Depreciation. . . . .	814,992	2,235,481	429,897	97,301
Other. . . . .	163,934	176,518	2,852	1,373
Total operating expenses. . . . .	<u>8,021,862</u>	<u>12,575,845</u>	<u>3,766,027</u>	<u>1,101,394</u>
Operating income (loss) . . . . .	<u>200,416</u>	<u>(974,401)</u>	<u>(31,861)</u>	<u>390,289</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and fiscal charges . . . . .	(100,184)	(378,440)	(28,022)	(1,141)
Loss on sale of capital assets . . . . .	(2,630)	(27,556)	-	-
Special assessments . . . . .	19	-	-	3
Total nonoperating revenues (expenses). . . . .	<u>(102,795)</u>	<u>(405,996)</u>	<u>(28,022)</u>	<u>(1,138)</u>
Income (loss) before capital contributions and transfers . . . . .	97,621	(1,380,397)	(59,883)	389,151
Transfers in . . . . .	-	-	-	77,000
Transfers out . . . . .	-	-	-	(219,734)
Capital contributions . . . . .	-	189,516	12,500	-
Change in net position . . . . .	97,621	(1,190,881)	(47,383)	246,417
<b>Net position at beginning of year . . . . .</b>	<u>11,881,213</u>	<u>10,423,639</u>	<u>202,571</u>	<u>5,403,067</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 11,978,834</u>	<u>\$ 9,232,758</u>	<u>\$ 155,188</u>	<u>\$ 5,649,484</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>
\$ 24,832,347	\$ 7,967,484
217,224	299,385
25,049,571	8,266,869
12,079,128	329,914
4,345,894	91,240
2,099,144	2,780
1,861,264	296,383
1,157,350	15,460
-	6,158,659
3,577,671	108,403
344,677	-
25,465,128	7,002,839
(415,557)	1,264,030
(507,787)	(8,053)
(30,186)	-
22	-
(537,951)	(8,053)
(953,508)	1,255,977
77,000	-
(219,734)	-
202,016	-
(894,226)	1,255,977
	691,640
	\$ 1,947,617
534,354	
\$ (359,872)	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

**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 . . . . .	\$ 8,128,883	\$ 11,268,419	\$ 3,617,547	\$ 1,372,423
Cash received from other operations. . . . .	14,444	161,149	14,010	17,191
Cash payments for personal services. . . . .	(3,356,659)	(5,488,060)	(1,122,433)	(502,366)
Cash payments for contractual services . . . . .	(1,379,353)	(1,083,730)	(1,551,587)	(221,193)
Cash payments for materials and supplies . . . . .	(538,497)	(1,273,975)	(219,569)	(31,647)
Cash payments for utilities . . . . .	(531,211)	(514,518)	(14,948)	(96,673)
Cash payments for claims . . . . .	-	-	-	-
Cash payments for administrative costs . . . . .	(718,902)	(800,924)	(202,001)	(76,963)
Cash payments for other expenses . . . . .	(163,634)	(176,518)	(2,852)	(1,373)
Net cash provided by operating activities . . . . .	<u>1,455,071</u>	<u>2,091,843</u>	<u>518,167</u>	<u>459,399</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received in transfers from other funds . . . . .	-	-	-	77,000
Cash used in transfers to other funds. . . . .	-	-	-	(219,734)
Net cash used in noncapital financing activities. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,734)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(1,668,507)	(496,821)	(75,789)	(43,950)
Capital contributions. . . . .	-	374,950	12,500	-
OWDA loan issuance . . . . .	570,219	-	-	-
OPWC loans issuance . . . . .	-	386,962	-	-
Principal retirement . . . . .	(936,404)	(1,639,727)	(267,000)	(39,261)
Interest and fiscal charges . . . . .	(113,964)	(409,710)	(24,914)	(1,437)
Net cash used in capital and related financing activities . . . . .	<u>(2,148,656)</u>	<u>(1,784,346)</u>	<u>(355,203)</u>	<u>(84,648)</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(693,585)	307,497	162,964	232,017
<b>Cash and cash equivalents at beginning of year. . . . .</b>	<u>4,559,395</u>	<u>4,214,134</u>	<u>63,975</u>	<u>2,464,575</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 3,865,810</u>	<u>\$ 4,521,631</u>	<u>\$ 226,939</u>	<u>\$ 2,696,592</u>

<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 24,387,272	\$ 7,967,784
206,794	3,501
(10,469,518)	(270,496)
(4,235,863)	(94,122)
(2,063,688)	(2,780)
(1,157,350)	(15,460)
-	(6,085,013)
(1,798,790)	(282,623)
(344,377)	-
4,524,480	1,220,791
77,000	-
(219,734)	-
(142,734)	-
(2,285,067)	(83,603)
387,450	-
570,219	-
386,962	-
(2,882,392)	(80,000)
(550,025)	(10,113)
(4,372,853)	(173,716)
8,893	1,047,075
11,302,079	2,391,660
\$ 11,310,972	\$ 3,438,735

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CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss) . . . . .	\$ 200,416	\$ (974,401)	\$ (31,861)	\$ 390,289
Adjustments:				
Depreciation . . . . .	814,992	2,235,481	429,897	97,301
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) in materials and supplies inventory . . . . .	(3,617)	(39,388)	(7,610)	-
(Increase) decrease in accounts receivable . . . . .	(78,651)	(171,876)	(102,609)	(102,069)
(Increase) in due to other governments . . . . .	-	-	-	-
Decrease in due from other funds . . . . .	3,324	-	-	-
Decrease in prepayments . . . . .	-	-	-	-
(Increase) in net pension asset . . . . .	(2,168)	(3,103)	(686)	(189)
(Increase) in deferred outflows - pension - OPERS . . . . .	(399,526)	(536,436)	(120,651)	(32,897)
Increase (decrease) in accounts payable . . . . .	16,483	45,063	13,030	2,540
Increase (decrease) in accrued wages and benefits . . . . .	19,795	15,677	8,698	(678)
Increase in due to other funds . . . . .	16,500	12,118	28,841	1,691
Increase (decrease) in due to other governments . . . . .	(60,614)	6,759	1,344	(628)
Increase in compensated absences payable . . . . .	41,113	201,389	18,531	25,699
(Decrease) in claims payable . . . . .	-	-	-	-
Increase in net pension liability . . . . .	937,303	1,278,953	290,891	78,848
Increase (decrease) in deferred inflows - pension - OPERS . . . . .	(50,279)	21,607	(9,648)	(508)
Net cash provided by operating activities . . . . .	<u>\$ 1,455,071</u>	<u>\$ 2,091,843</u>	<u>\$ 518,167</u>	<u>\$ 459,399</u>

**Non-cash capital transactions:**

At December 31, 2017 and December 31, 2016, the sewer fund purchased \$124,996 and \$5,590, respectively, in capital assets on account.  
 At December 31, 2017 and December 31, 2016, the water fund purchased \$27,438 and \$208,772, respectively, in capital assets on account.  
 The water fund entered into a capital lease transaction in the amount of \$45,480 during 2017.  
 At December 31, 2016, the sanitation fund purchased \$36,981 in capital assets on account.  
 At December 31, 2016, the data processing internal service fund purchased \$718 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>
\$ (415,557)	\$ 1,264,030
3,577,671	108,403
(50,615)	-
(455,205)	5,685
-	(10,576)
3,324	705
-	10,223
(6,146)	(141)
(1,089,510)	(23,765)
77,116	(2,882)
43,492	13,521
59,150	3,537
(53,139)	1,939
286,732	6,665
-	(217,752)
2,585,995	55,661
(38,828)	5,538
\$ 4,524,480	\$ 1,220,791

**CITY OF WARREN, OHIO**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2017**

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 1,607,280
Cash with fiscal and escrow agents. . . . .	461,005
Accounts receivable. . . . .	<u>2,321</u>
Total assets . . . . .	<u>\$ 2,070,606</u>
<b>Liabilities:</b>	
Due to other governments. . . . .	\$ 810,684
Deposits held and due to others. . . . .	<u>1,259,922</u>
Total liabilities . . . . .	<u>\$ 2,070,606</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, 2017

#### 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, 2017

**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, 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, 2017

**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, 2017

**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 and deferred outflows of resources and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Nonexchange Transactions** - Revenues 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, 2017

**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, see Note 15 for deferred outflows of resources related the City's net pension liability.

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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 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, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 15 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is 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.

*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 2017.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

**G. Cash, Cash Equivalents and Investments**

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

During 2017, investments were limited to nonnegotiable certificates of deposit (CDs), negotiable CDs, federal agency securities, repurchase agreements, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

The City invested in STAR Ohio during 2017. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.



**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2017, interest revenue in the general fund amounted to \$117,921, which includes \$113,443 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. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed. The City had no prepaid items at December 31, 2017.

**J. 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, 2017

**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 acquisition 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

**K. 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, 2017

**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.

**L. 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.

**M. Unamortized Bond Premiums**

Bond premiums are amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, bond premiums are recognized in the current period.

**N. 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.

**O. Interfund Activity**

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

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**P. 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.

**Q. 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.

**R. 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.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**S. 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. Governmental activities received \$83,786 in capital contributions from business-type activities during 2017.

**T. Net Position**

Net position represents the difference between assets plus deferred outflows less liabilities plus 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.

**U. 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 2017.

**V. 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.

**W. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## CITY OF WARREN, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

##### A. Change in Accounting Principles

For 2017, the City has implemented GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*”, GASB Statement No. 81 “*Irrevocable Split-Interest Agreements*”, and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*”.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

##### B. Compliance

The City had estimated resources in excess of actual resources at year-end and throughout the year in non-compliance with Ohio Revised Code Section 5705.36. The City also transferred various amounts between funds without obtaining proper specific approval from City Council as required by Ohio Revised Code Section 5705.14. The City plans to adopt ordinances approving transfers in future years in addition to monitoring actual resources throughout the year and amending when needed.

#### 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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

1. Bonds of the State of Ohio;
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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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, 2017, the carrying amount of all City deposits was \$9,639,760, which includes \$3,087,590 in nonnegotiable certificates of deposit. Of the bank balance, \$3,878,244 was covered by the FDIC and \$6,293,701 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claims by the 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. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. Financial institutions which have received an extension (the "grace period") from the Ohio Treasurer of State to participate in the OPCS beyond December 31, 2017 may also pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits to be secured by the pooled securities that are not covered by any federal deposit insurance. For 2017, certain City financial institutions participated in the OPCS, and some did not participate in the OPCS because they received an extension of time to participate.



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**B. Investments**

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Net Asset Value</i>						
<i>(NAV) per Share:</i>						
STAR Ohio	\$ 31,226	\$ 31,226	\$ -	\$ -	\$ -	\$ -
<i>Cost Value:</i>						
Repurchase agreement	2,500,000	-	2,500,000	-	-	-
<i>Fair Value (Level 2 Inputs):</i>						
FHLB	983,350	-	-	-	983,350	-
FHLMC	2,953,220	-	-	-	986,610	1,966,610
FFCB	984,460	-	-	-	-	984,460
Negotiable CDs	<u>6,180,090</u>	<u>1,498,975</u>	<u>3,435,242</u>	<u>1,245,873</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,632,346</u>	<u>\$ 1,530,201</u>	<u>\$ 5,935,242</u>	<u>\$ 1,245,873</u>	<u>\$ 1,969,960</u>	<u>\$ 2,951,070</u>

The weighted average maturity of investments is 1.37 years.

The District's investments in federal agency securities (FHLB, FHLMC and FFCB) and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*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 were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs were not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. 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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific obligor or a specific class or type of security. The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Investment type</u>	Measurement	
	<u>Value</u>	<u>% to Total</u>
STAR Ohio	\$ 31,226	0.23
Repurchase agreement	2,500,000	18.34
FHLB	983,350	7.21
FHLMC	2,953,220	21.67
FFCB	984,460	7.22
Negotiable CDs	6,180,090	45.33
Total	<u>\$ 13,632,346</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, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,639,760
Investments	13,632,346
Total	<u>\$ 23,272,106</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 9,892,849
Business-type activities	11,310,972
Agency funds	2,068,285
Total	<u>\$ 23,272,106</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund transfers for the year ended December 31, 2017, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	General Capital <u>Projects</u>	<u>Transfers to</u>		<u>Total</u>
		<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ 500,000	\$ 163,560	\$ 77,000	\$ 740,560
Nonmajor governmental	137,775	-	-	137,775
Nonmajor enterprise	-	135,948	-	135,948
Total	<u>\$ 637,775</u>	<u>\$ 299,508</u>	<u>\$ 77,000</u>	<u>\$ 1,014,283</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

The city redevelopment and stormwater nonmajor enterprise funds transferred \$11,876 and \$71,910 in capital contributions to the governmental activities during 2017.

The city redevelopment nonmajor enterprise fund transferred \$135,948 to the general bond payment fund (a nonmajor governmental fund) to cover the enterprise fund's portion of debt payments. Transfers from the motor vehicle levy fund, a nonmajor governmental fund, to the general capital projects fund in the amount of \$137,775 were for road improvement expenditures.

**B. Due to/from other funds at December 31, 2017 consisted of the following:**

<u>Due from</u>	<u>Due to</u>		<u>Total</u>
	<u>General</u>	<u>Internal Service</u>	
General	\$ -	\$ 89,500	\$ 89,500
Nonmajor governmental	5,943	-	5,943
Sewer	17,270	6,000	23,270
Water	13,746	31,500	45,246
Sanitation	28,841	3,000	31,841
Nonmajor enterprise	1,691	-	1,691
Internal service	<u>3,537</u>	<u>-</u>	<u>3,537</u>
<b>Total</b>	<u>\$ 71,028</u>	<u>\$ 130,000</u>	<u>\$ 201,028</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are due within one year.

Amounts due to/from other funds between governmental funds are eliminated on the government-wide financial statements. Amounts due to/from other funds between governmental activities and business-type activities are reported as an internal balance on the statement of net position.

**NOTE 6 - PROPERTY TAXES**

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 6 - PROPERTY TAXES - (Continued)**

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, 2017 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 2017 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 2016 levy (collected in 2017) was based was \$366,892,830. 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 2.5 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. Voters approved a 0.5 percent income tax increase at the November 2016 election, which became effective January 1, 2017. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2017. Income tax revenue for 2017 reported in the general fund was \$19,574,834.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2017, 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, 2017. The only receivables not expected to be collected within one year are special assessments, which are collected over the life of the assessment.

**NOTE 9 - LOANS RECEIVABLE**

Loans receivable represent low interest loans made by the City for development projects and small businesses under the Federal Community Development Block Grant (CDBG) program, Home Investment Partnership (HIP) program, Reinvestment Corporation and the U.S. Department of Housing & Urban Development (HUD) Section 108. The loans bear interest at annual rates ranging between 0 and 9 percent and are to be repaid over a period ranging from 2 to 40 years.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

<b><u>Governmental activities:</u></b>	Balance 12/31/16	Additions	Disposals	Balance 12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,044,396	\$ -	\$ -	\$ 1,044,396
Easements	13,353	-	-	13,353
Construction in progress	15,990,862	3,574,761	(15,901,017)	3,664,606
Total capital assets, not being depreciated	<u>17,048,611</u>	<u>3,574,761</u>	<u>(15,901,017)</u>	<u>4,722,355</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,059,008	4,130,903	-	5,189,911
Buildings	14,195,169	-	-	14,195,169
Building improvements	11,420,621	2,239,364	-	13,659,985
Computer software	1,061,908	54,281	-	1,116,189
Computer equipment	1,270,208	484,217	(10,668)	1,743,757
Furniture and equipment	2,473,558	34,998	(13,866)	2,494,690
Vehicles	5,797,848	298,610	(841,849)	5,254,609
Infrastructure	60,014,174	9,037,362	-	69,051,536
Total capital assets, being depreciated	<u>97,292,494</u>	<u>16,279,735</u>	<u>(866,383)</u>	<u>112,705,846</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(714,667)	(176,483)	-	(891,150)
Buildings	(9,029,233)	(249,601)	-	(9,278,834)
Building improvements	(4,275,723)	(647,587)	-	(4,923,310)
Computer software	(634,362)	(172,679)	-	(807,041)
Computer equipment	(1,054,858)	(61,639)	10,668	(1,105,829)
Furniture and equipment	(1,997,178)	(106,350)	13,866	(2,089,662)
Vehicles	(5,096,719)	(356,411)	782,846	(4,670,284)
Infrastructure	(32,725,179)	(2,184,974)	-	(34,910,153)
Total accumulated depreciation	<u>(55,527,919)</u>	<u>(3,955,724)</u>	<u>807,380</u>	<u>(58,676,263)</u>
Total capital assets, being depreciated, net	<u>41,764,575</u>	<u>12,324,011</u>	<u>(59,003)</u>	<u>54,029,583</u>
Governmental activities capital assets, net	<u>\$ 58,813,186</u>	<u>\$ 15,898,772</u>	<u>\$ (15,960,020)</u>	<u>\$ 58,751,938</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Capital asset activity for the year ended December 31, 2017, was as follows:

<b><u>Business-type activities:</u></b>	Balance 12/31/16	Additions	Disposals	Balance 12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>1,518,029</u>	<u>1,878,315</u>	<u>(1,686,480)</u>	<u>1,709,864</u>
Total capital assets, not being depreciated	<u>1,902,428</u>	<u>1,878,315</u>	<u>(1,686,480)</u>	<u>2,094,263</u>
<i>Capital assets, being depreciated:</i>				
Buildings	54,966,546	-	-	54,966,546
Building improvements	12,860,280	371,850	-	13,232,130
Water and sewer lines	54,381,473	1,310,269	-	55,691,742
Computer software	47,874	-	-	47,874
Computer equipment	107,343	-	-	107,343
Furniture and equipment	11,407,564	91,523	(61,235)	11,437,852
Vehicles	<u>4,939,897</u>	<u>266,161</u>	<u>(437,688)</u>	<u>4,768,370</u>
Total capital assets, being depreciated	<u>138,710,977</u>	<u>2,039,803</u>	<u>(498,923)</u>	<u>140,251,857</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(51,426,461)	(452,161)	-	(51,878,622)
Building improvements	(7,990,288)	(858,688)	-	(8,848,976)
Water and sewer lines	(25,927,470)	(786,237)	-	(26,713,707)
Computer software	(47,874)	-	-	(47,874)
Computer equipment	(107,343)	-	-	(107,343)
Furniture and equipment	(7,416,179)	(935,158)	33,679	(8,317,658)
Vehicles	<u>(3,034,657)</u>	<u>(545,427)</u>	<u>435,058</u>	<u>(3,145,026)</u>
Total accumulated depreciation	<u>(95,950,272)</u>	<u>(3,577,671)</u>	<u>468,737</u>	<u>(99,059,206)</u>
Total capital assets, being depreciated, net	<u>42,760,705</u>	<u>(1,537,868)</u>	<u>(30,186)</u>	<u>41,192,651</u>
Business-type activities capital assets, net	<u>\$ 44,663,133</u>	<u>\$ 340,447</u>	<u>\$ (1,716,666)</u>	<u>\$ 43,286,914</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

**Governmental activities:**

General government	\$ 740,693
Security of persons and property	377,294
Transportation	2,310,498
Community environment	1,683
Leisure time activity	417,153
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>108,403</u>

Total depreciation expense - governmental activities \$ 3,955,724

**Business-type activities:**

Sewer	\$ 814,992
Water	2,235,481
Sanitation	429,897
City redevelopment	14,790
Downtown parking	48,059
Stormwater utility	<u>34,452</u>

Total depreciation expense - business-type activities \$ 3,577,671

**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, 2017, vested benefits for compensation time, vacation leave and sick leave for governmental fund type employees totaled \$4,935,053. For proprietary fund types, vested benefits for compensation time, vacation leave and sick leave totaled \$1,917,864 at December 31, 2017. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - LEASES**

**A. Capital Leases - Lessee Disclosure**

During 2014 and 2016, the City entered into capitalized leases for a sewer cleaner and five sanitation vehicles, respectively. During 2017, the City entered into capitalized leases for two water vehicles. These lease agreements meet the criteria of a capital lease as defined by GASB Statement No. 62, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets consisting of equipment and vehicles have been capitalized in the amount of \$374,768 and \$1,434,762, which represents the present value of the future minimum lease payments at the time of acquisition. A corresponding liability in the amount of \$38,176, \$43,579, \$840,282, and \$38,175 was recorded in the sewer fund, water fund, sanitation, and stormwater utility nonmajor enterprise fund, respectively. Principal payments during 2017 amounted to \$37,464, \$1,901, \$267,000, and \$37,463 paid by the sewer fund, water fund, sanitation fund, and stormwater utility nonmajor enterprise fund, respectively. At December 31, 2017, accumulated depreciation on the equipment amounted to \$93,692 leaving a book value of \$281,076 and accumulated depreciation on the vehicles amounted to \$282,402 leaving a book value of \$1,152,360.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligations and the present value of the minimum lease payments as of December 31, 2017:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2018	\$ 382,212
2019	305,268
2020	306,251
2021	<u>10,420</u>
Total	1,004,151
Less: amount representing interest	<u>(43,939)</u>
Present value of net minimum lease payments	<u>\$ 960,212</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>(134,601)</u>
Total	<u>\$ 9,000</u>	<u>\$ 85,155</u>



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 13 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

During 2017, the following changes occurred in governmental activities long-term obligations:

<b>Governmental activities:</b>	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose, series 2012	\$ 855,000	\$ -	\$ (135,000)	\$ 720,000	\$ 140,000
Pension refunding, series 2012	1,195,000	-	(50,000)	1,145,000	50,000
Various purpose, series 2013	7,030,000	-	(6,470,000)	560,000	560,000
Various purpose refunding bonds, series 2017	-	5,095,000	-	5,095,000	-
Total general obligations bonds	<u>9,080,000</u>	<u>5,095,000</u>	<u>(6,655,000)</u>	<u>7,520,000</u>	<u>750,000</u>
<u>Other long-term obligations</u>					
HUD 108 loan	900,000	-	(125,000)	775,000	135,000
OPWC loan	141,110	-	(12,828)	128,282	12,828
Claims payable	898,414	-	(445,350)	453,064	45,705
Compensated absences	5,117,199	998,558	(1,180,704)	4,935,053	1,320,483
Net pension liability	<u>31,397,913</u>	<u>2,115,638</u>	<u>(1,919,246)</u>	<u>31,594,305</u>	<u>-</u>
Total other long-term obligations	<u>38,454,636</u>	<u>3,114,196</u>	<u>(3,683,128)</u>	<u>37,885,704</u>	<u>1,514,016</u>
Total governmental activities long-term obligations	47,534,636	<u>\$ 8,209,196</u>	<u>\$ (10,338,128)</u>	45,405,704	<u>\$ 2,264,016</u>
Add: Unamortized premium on bond issues	<u>264,605</u>			<u>65,919</u>	
Total reported on the statement of net position	<u>\$ 47,799,241</u>			<u>\$ 45,471,623</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.

Claims Payable - See Note 14.C for additional detail.

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. The payments will be made primarily from the general fund, the water fund and the sewer fund.

General Obligation Bonds:

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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

On December 24, 2013, the City issued various purpose general obligation bonds in the amount of \$8,585,000 to pay for constructing and improving City structures and street improvements. The issue was 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. During 2017, \$5,920,000 of the various purpose general obligation bonds, series 2013 were refunded by the various purpose refunding general obligation bonds, series 2017. \$560,000 of the 2013 issue was outstanding at December 31, 2017 and will be retired in 2018. The refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position. \$5,920,000 of the defeased debt was outstanding at December 31, 2017.

On August 10, 2017, the City issued various purpose refunding bonds, series 2017, in the amount of \$5,095,000 to advance refund \$5,920,000 of various purpose general obligation bonds, series 2013. The City made a cash contribution of \$1,050,000 from the general bond payment debt service fund as part of the refunding transaction. The reacquisition price exceeded the net carrying amount of the governmental activities by \$69,334. 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, 2033 using the straight-line method. The refunding had a net present value benefit of 6.7% and gross present value debt service savings of \$639,479. The unamortized deferred charges on the refunding has been included in the net investment in capital assets calculation.

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
2018	\$ 750,000	\$ 184,510	\$ 934,510
2019	710,000	168,110	878,110
2020	720,000	151,882	871,882
2021	745,000	135,434	880,434
2022	765,000	117,859	882,859
2023 - 2027	2,300,000	374,591	2,674,591
2028 - 2032	1,175,000	136,725	1,311,725
2033 - 2035	355,000	19,493	374,493
Total	\$ 7,520,000	\$ 1,288,604	\$ 8,808,604

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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>	<u>Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 135,000	\$ 42,732	\$ 177,732
2019	145,000	35,468	180,468
2020	155,000	27,566	182,566
2021	165,000	19,024	184,024
2022	175,000	9,836	184,836
Total	\$ 775,000	\$ 134,626	\$ 909,626

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>	<u>OPWC Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 12,828	\$ -	\$ 12,828
2019	12,828	-	12,828
2020	12,829	-	12,829
2021	12,828	-	12,828
2022	12,828	-	12,828
2023 - 2027	64,141	-	64,141
Total	\$ 128,282	\$ -	\$ 128,282

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**B. Business-Type Activities**

During 2017, the following changes occurred in the business-type activities long-term obligations:

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2012	\$ 3,720,000	\$ -	\$ (590,000)	\$ 3,130,000	\$ 600,000
Total general obligations bonds	3,720,000	-	(590,000)	3,130,000	600,000
<u>OWDA Loans</u>					
Wastewater treatment plant and pump station improvements	34,619	-	(34,619)	-	-
Biosolids facility	469,742	-	(469,742)	-	-
Griswold street sanitary sewer	196,386	-	(96,191)	100,195	100,195
Warren commerce park - phase II	104,813	-	(40,695)	64,118	42,331
Warren commerce park - phase II	31,813	-	(12,369)	19,444	12,842
Downtown combined sewer	2,706,639	-	(220,132)	2,486,507	227,345
Sewer inceptor rehabilitation	438,586	-	(25,192)	413,394	26,017
High street overflow parking	-	570,219	-	570,219	-
Water system improvements	4,737,314	-	(599,990)	4,137,324	623,923
Water meter replacements	3,456,103	-	(238,478)	3,217,625	246,510
Water treatment plant switch gear replacement	2,093,934	-	(101,554)	1,992,380	103,533
Waterline replacement	1,517,453	-	(73,277)	1,444,176	74,742
Bulk water dispensing station	630,206	-	(24,853)	605,353	25,816
Total OWDA loans	16,417,608	570,219	(1,937,092)	15,050,735	1,483,254
<u>Other long-term obligations</u>					
OPWC loan	44,036	386,962	(11,472)	419,526	21,145
Capital lease obligation	1,258,560	45,480	(343,828)	960,212	359,936
Compensated absences	1,631,132	699,117	(412,385)	1,917,864	397,198
Net pension liability	8,778,562	2,585,995	-	11,364,557	-
Total other long-term obligations	11,712,290	3,717,554	(767,685)	14,662,159	778,279
Total business-type activities	31,849,898	\$ 4,287,773	\$ (3,294,777)	32,842,894	\$ 2,861,533
Add: Unamortized premium on bond issue	86,301			71,715	
Total reported on the statement of net position	\$ 31,936,199			\$ 32,914,609	

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, 2017

**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 Loans:

The City received loans in the amount of \$53,921 and \$386,962 from the OPWC in 2011 and 2017, respectively, to help fund capital improvements for the City's storm sewer and waterline infrastructure. The interest free loans are payable in semi-annual installments over thirty-year periods, with the final payment due January 1, 2041. Payments on the loan are made from the stormwater utility nonmajor enterprise fund and the water 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, 2017, the City has outstanding borrowings of \$15,050,735. 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 High Street overflow OWDA loan (\$570,219) outstanding at December 31, 2017, is still being disbursed; therefore, a debt service schedule is not available for this loan.

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 94.95% of available net revenues for the water fund and 100.00% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$13,228,951 for the water fund and \$3,569,391 for the sewer fund. Principal and interest payments in 2017 totaled \$1,371,657 and \$1,011,469 in the water fund and sewer fund, respectively.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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			OPWC Loan Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 600,000	\$ 64,225	\$ 664,225	\$ 21,145	\$ -	\$ 21,145
2019	615,000	52,225	667,225	21,145	-	21,145
2020	625,000	39,925	664,925	21,146	-	21,146
2021	640,000	27,425	667,425	21,145	-	21,145
2022	650,000	14,625	664,625	21,145	-	21,145
2023 - 2027	-	-	-	105,727	-	105,727
2028 - 2032	-	-	-	105,727	-	105,727
2033 - 2037	-	-	-	96,053	-	96,053
2038 - 2041	-	-	-	6,293	-	6,293
<b>Total</b>	<b>\$ 3,130,000</b>	<b>\$ 198,425</b>	<b>\$ 3,328,425</b>	<b>\$419,526</b>	<b>\$ -</b>	<b>\$419,526</b>

Year	OWDA Loans Payable		
	Principal	Interest	Total
2018	\$ 1,483,254	\$ 393,698	\$ 1,876,952
2019	1,402,282	350,823	1,753,105
2020	1,421,548	310,377	1,731,925
2021	1,470,922	269,063	1,739,985
2022	1,522,067	226,286	1,748,353
2023 - 2027	4,941,539	605,296	5,546,835
2028 - 2032	1,785,676	150,684	1,936,360
2033 - 2034	453,228	11,599	464,827
<b>Total</b>	<b>\$ 14,480,516</b>	<b>\$ 2,317,826</b>	<b>\$ 16,798,342</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, 2017

**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 \$985,499 reported in the internal service fund at December 31, 2017, 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	2017	\$ 745,658	\$ 6,024,513	\$ (5,784,672)	\$ 985,499
self-insurance	2016	836,460	5,215,755	(5,306,557)	745,658

**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	2017	\$ 13,712	\$ 134,146	\$ (146,389)	\$ 1,469
	2016	5,658	137,955	(129,901)	13,712

**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, 2017

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

In 2017, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2017 in the amount of \$153,952. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$45,705 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 \$453,064 reported at December 31, 2017, 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, \$45,705 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 \$407,359. 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>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Workers' compensation	2017	\$ 898,414	\$ (291,398)	\$ (153,952)	\$ 453,064
	2016	1,105,761	(28,350)	(178,997)	898,414



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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, 2017

**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 3.00% 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 2.25%.

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 1.00% to the member's FAS for the first 30 years of service.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 2.25% 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>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
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 the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,634,587 for 2017. Of this amount, \$318,792 is reported as due to other governments.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% 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, 2017

**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>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2017 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>19.50 %</u>	<u>24.00 %</u>
Employee	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 \$1,528,789 for 2017. Of this amount \$158,350 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, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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 - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.099691%	0.063360%	0.025894%	0.356109%	
Proportion of the net pension liability/asset current measurement date	<u>0.096746%</u>	<u>0.075776%</u>	<u>0.025474%</u>	<u>0.331383%</u>	
Change in proportionate share	<u>-0.002945%</u>	<u>0.012416%</u>	<u>-0.000420%</u>	<u>-0.024726%</u>	
Proportionate share of the net pension liability	\$ 21,969,371	\$ -	\$ -	\$ 20,989,491	\$ 42,958,862
Proportionate share of the net pension asset	-	(42,175)	(106)	-	(42,281)
Pension expense	4,361,935	30,470	131	2,168,648	6,561,184

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 29,778	\$ -	\$ 1,081	\$ 5,938	\$ 36,797
Net difference between projected and actual earnings on pension plan investments	3,271,745	10,291	92	2,041,133	5,323,261
Changes of assumptions	3,484,607	10,279	119	-	3,495,005
Changes in employer's proportionate percentage/difference between employer contributions	14,006	-	-	-	14,006
City contributions subsequent to the measurement date	<u>1,582,612</u>	<u>38,971</u>	<u>13,004</u>	<u>1,528,789</u>	<u>3,163,376</u>
Total deferred outflows of resources	<u>\$ 8,382,748</u>	<u>\$ 59,541</u>	<u>\$ 14,296</u>	<u>\$ 3,575,860</u>	<u>\$ 12,032,445</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 130,751	\$ 21,570	\$ -	\$ 48,326	\$ 200,647
Changes in employer's proportionate percentage/difference between employer contributions	<u>528,093</u>	<u>-</u>	<u>-</u>	<u>1,983,204</u>	<u>2,511,297</u>
Total deferred inflows of resources	<u>\$ 658,844</u>	<u>\$ 21,570</u>	<u>\$ -</u>	<u>\$ 2,031,530</u>	<u>\$ 2,711,944</u>

\$3,163,376 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, 2018.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 2,441,277	\$ 1,998	\$ 188	\$ 352,398	\$ 2,795,861
2019	2,647,745	1,998	188	352,398	3,002,329
2020	1,148,175	1,554	182	167,883	1,317,794
2021	(95,903)	(2,091)	150	(560,828)	(658,672)
2022	(2)	(1,708)	154	(272,774)	(274,330)
Thereafter	-	(2,751)	430	(23,536)	(25,857)
<b>Total</b>	<b>\$ 6,141,292</b>	<b>\$ (1,000)</b>	<b>\$ 1,292</b>	<b>\$ 15,541</b>	<b>\$ 6,157,125</b>

**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.

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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

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 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. 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 contractually required rates, as actuarially determined. 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 for the Traditional Pension Plan, Combined Plan and Member-Directed Plan 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 7.50%, 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 (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 33,563,122	\$ 21,969,371	\$ 12,308,026
Combined Plan	3,031	(42,175)	(77,292)
Member-Directed Plan	255	(106)	(255)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 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, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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 expected. 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, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
<b>Total</b>	<u>120.00 %</u>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OPF'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.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25%. 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%. 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%, 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%), or one percentage point higher (9.25%) 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	\$ 27,955,482	\$ 20,989,491	\$ 15,085,674

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

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 2017, 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 2017 was 1.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$129,938, \$230,633, and \$272,465, respectively; 81.93% has been contributed for 2017 and 100% has been contributed for 2016 and 2017. The remaining 2017 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 health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. 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 \$19,421 and \$16,826 for the year ended December 31, 2017, \$17,832 and \$15,400 for the year ended December 31, 2016, and \$21,377 and \$18,255, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 83.72% has been contributed for police and 95.66% has been contributed for firefighters for 2017. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments payable 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:

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP) rather than cost (budget); and,
5. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented.

**Net Change in Fund Balance**

	General
Budget basis	\$ 608,473
Net adjustment for revenue accruals	485,112
Net adjustment for expenditure accruals	(112,274)
Net adjustment for other financing sources/uses	185,000
Funds budgeted elsewhere	(74,013)
Adjustment for encumbrances	320,980
GAAP basis	\$ 1,413,278

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 18 - 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	\$ 3,013	\$ -	\$ 12,130	\$ 15,143
Total nonspendable	<u>3,013</u>	<u>-</u>	<u>12,130</u>	<u>15,143</u>
Restricted:				
Debt service	-	-	1,170,076	1,170,076
Capital projects	-	576,256	-	576,256
Street maintenance	-	-	470,308	470,308
State highway	-	-	157,757	157,757
Law enforcement	-	-	177,944	177,944
Courts	-	-	1,692,154	1,692,154
Community development and improvement	-	-	6,566,473	6,566,473
Warren Hills landfill	505,366	-	-	505,366
Total restricted	<u>505,366</u>	<u>576,256</u>	<u>10,234,712</u>	<u>11,316,334</u>
Assigned:				
General government	18,261	-	-	18,261
Public safety programs	82,858	-	-	82,858
Public health programs	1,985	-	-	1,985
Community development and improvement	27,632	-	-	27,632
Parks and recreation	1,007	-	-	1,007
Subsequent year appropriations	179,685	-	-	179,685
Total assigned	<u>311,428</u>	<u>-</u>	<u>-</u>	<u>311,428</u>
Unassigned (deficit)	<u>2,141,301</u>	<u>-</u>	<u>-</u>	<u>2,141,301</u>
Total fund balances	<u>\$ 2,961,108</u>	<u>\$ 576,256</u>	<u>\$ 10,246,842</u>	<u>\$ 13,784,206</u>

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 19 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2017.

**B. Litigation**

Several claims and lawsuits are pending against the City. In the opinion of the City Law Director, any potential liability would not have a material effect on the BFS.

**C. Debt**

On August 28, 2001, the City and Austin Village Plaza entered into a \$350,000 promissory note with Second National Bank. In the event of default by Austin Village Plaza, the City may be called upon to repay the outstanding debt obligation which is \$350,000 at December 31, 2017. 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 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	\$ 132,293
General capital projects	4,207,215
Nonmajor governmental	<u>303,043</u>
Total	<u>\$ 4,642,551</u>



**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 21 - TAX ABATEMENTS**

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into Ezone Agreements with local businesses within the City. During 2017, the City's property tax revenues were reduced by \$42,408 as a result of these agreements.

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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 FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.096746%	0.099691%	0.104124%	0.104124%
City's proportionate share of the net pension liability	\$ 21,969,371	\$ 17,267,738	\$ 12,558,519	\$ 12,274,864
City's covered payroll	\$ 11,104,425	\$ 13,388,225	\$ 12,794,050	\$ 13,672,708
City's proportionate share of the net pension liability as a percentage of its covered payroll	197.84%	128.98%	98.16%	89.78%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.075776%	0.063360%	0.067311%	0.067311%
City's proportionate share of the net pension asset	\$ 42,175	\$ 30,832	\$ 25,915	\$ 7,063
City's covered payroll	\$ 294,967	\$ 235,000	\$ 246,050	\$ 244,900
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	13.12%	10.53%	2.88%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.025474%	0.025894%	n/a	n/a
City's proportionate share of the net pension asset	\$ 106	\$ 99	n/a	n/a
City's covered payroll	\$ 167,042	\$ 182,158	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.06%	0.05%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

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 FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.331383%	0.356109%	0.381035%	0.381035%
City's proportionate share of the net pension liability	\$ 20,989,491	\$ 22,908,737	\$ 19,739,218	\$ 18,557,615
City's covered payroll	\$ 6,646,483	\$ 7,813,926	\$ 7,552,274	\$ 7,830,751
City's proportionate share of the net pension liability as a percentage of its covered payroll	315.80%	293.18%	261.37%	236.98%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,582,612	\$ 1,332,531	\$ 1,606,587	\$ 1,535,286
Contributions in relation to the contractually required contribution	<u>(1,582,612)</u>	<u>(1,332,531)</u>	<u>(1,606,587)</u>	<u>(1,535,286)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,173,938	\$ 11,104,425	\$ 13,388,225	\$ 12,794,050
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 38,971	\$ 35,396	\$ 28,200	\$ 29,526
Contributions in relation to the contractually required contribution	<u>(38,971)</u>	<u>(35,396)</u>	<u>(28,200)</u>	<u>(29,526)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 299,777	\$ 294,967	\$ 235,000	\$ 246,050
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 13,004	\$ 15,869	\$ 17,305	
Contributions in relation to the contractually required contribution	<u>(13,004)</u>	<u>(15,869)</u>	<u>(17,305)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 130,040	\$ 167,042	\$ 182,158	
Contributions as a percentage of covered payroll	10.00%	9.50%	9.50%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,777,452	\$ 1,305,122	\$ 1,300,432	\$ 1,172,052	\$ 1,109,199	\$ 1,043,704
<u>(1,777,452)</u>	<u>(1,305,122)</u>	<u>(1,300,432)</u>	<u>(1,172,052)</u>	<u>(1,109,199)</u>	<u>(1,043,704)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,672,708	\$ 13,051,220	\$ 13,004,320	\$ 13,144,508	\$ 13,651,680	\$ 14,910,057
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 31,837	\$ 18,634	\$ 19,506	\$ 23,723	\$ -	\$ -
<u>(31,837)</u>	<u>(18,634)</u>	<u>(19,506)</u>	<u>(23,723)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 244,900	\$ 234,390	\$ 245,358	\$ 244,904	\$ -	\$ -
13.00%	7.95%	7.95%	9.69%	8.13%	7.00%

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 737,987	\$ 677,614	\$ 790,943	\$ 770,359
Contributions in relation to the contractually required contribution	<u>(737,987)</u>	<u>(677,614)</u>	<u>(790,943)</u>	<u>(770,359)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,884,142	\$ 3,566,389	\$ 4,162,858	\$ 4,054,521
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 790,802	\$ 723,822	\$ 858,001	\$ 821,972
Contributions in relation to the contractually required contribution	<u>(790,802)</u>	<u>(723,822)</u>	<u>(858,001)</u>	<u>(821,972)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,365,115	\$ 3,080,094	\$ 3,651,068	\$ 3,497,753
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 642,290	\$ 529,665	\$ 539,681	\$ 489,866	\$ 489,740	\$ 610,558
<u>(642,290)</u>	<u>(529,665)</u>	<u>(539,681)</u>	<u>(489,866)</u>	<u>(489,740)</u>	<u>(610,558)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,043,799	\$ 4,154,235	\$ 4,232,792	\$ 3,842,086	\$ 3,841,098	\$ 4,788,690
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 771,907	\$ 676,223	\$ 678,660	\$ 584,723	\$ 615,822	\$ 732,799
<u>(771,907)</u>	<u>(676,223)</u>	<u>(678,660)</u>	<u>(584,723)</u>	<u>(615,822)</u>	<u>(732,799)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,786,952	\$ 3,920,133	\$ 3,934,261	\$ 3,389,699	\$ 3,569,983	\$ 4,248,110
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

**CITY OF WARREN, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. 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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 20,339,390	\$ 20,339,352	\$ 19,255,527	\$ (1,083,825)
Charges for services . . . . .	2,108,461	2,108,457	2,130,237	21,780
Licenses and permits . . . . .	1,926,863	1,926,860	1,861,703	(65,157)
Fines and forfeitures . . . . .	1,060,641	1,060,639	963,189	(97,450)
Intergovernmental . . . . .	2,214,897	2,239,481	1,724,763	(514,718)
Investment income . . . . .	55,090	55,090	103,876	48,786
Rental income . . . . .	50,082	50,082	73,050	22,968
Other . . . . .	447,876	455,387	496,837	41,450
Total revenues . . . . .	<u>28,203,300</u>	<u>28,235,348</u>	<u>26,609,182</u>	<u>(1,626,166)</u>
<b>Expenditures:</b>				
Current:				
General government				
City council				
Personal services . . . . .	245,681	244,431	229,013	15,418
Contract services . . . . .	24,736	25,986	24,794	1,192
Materials and supplies. . . . .	3,761	3,761	2,967	794
Total city council . . . . .	<u>274,178</u>	<u>274,178</u>	<u>256,774</u>	<u>17,404</u>
Municipal court				
Personal services . . . . .	1,697,569	1,791,919	1,775,401	16,518
Contract services . . . . .	61,460	61,460	46,309	15,151
Total municipal court. . . . .	<u>1,759,029</u>	<u>1,853,379</u>	<u>1,821,710</u>	<u>31,669</u>
Victims of crimes				
Personal services . . . . .	110,410	96,210	95,062	1,148
Contract services . . . . .	3,100	3,100	1,518	1,582
Materials and supplies. . . . .	4,025	3,875	3,396	479
Total victims of crimes . . . . .	<u>117,535</u>	<u>103,185</u>	<u>99,976</u>	<u>3,209</u>
Operations - general				
Personal services . . . . .	99,176	98,576	92,049	6,527
Contract services . . . . .	18,000	18,000	18,000	-
Materials and supplies. . . . .	200	200	16	184
Total operations - general . . . . .	<u>117,376</u>	<u>116,776</u>	<u>110,065</u>	<u>6,711</u>
Operations - maintenance				
Personal services . . . . .	771,120	777,620	677,498	100,122
Contract services . . . . .	214,328	206,359	170,920	35,439
Materials and supplies. . . . .	45,670	47,070	37,022	10,048
Total operations - maintenance. . . . .	<u>1,031,118</u>	<u>1,031,049</u>	<u>885,440</u>	<u>145,609</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services . . . . .	\$ 336,491	\$ 356,491	\$ 355,094	\$ 1,397
Contract services . . . . .	28,350	28,350	22,567	5,783
Materials and supplies. . . . .	16,500	16,500	4,265	12,235
Total mayor. . . . .	<u>381,341</u>	<u>401,341</u>	<u>381,926</u>	<u>19,415</u>
Purchasing				
Personal services . . . . .	51,947	52,247	52,033	214
Contract services . . . . .	17,436	17,436	13,513	3,923
Materials and supplies. . . . .	3,350	3,050	1,176	1,874
Total purchasing . . . . .	<u>72,733</u>	<u>72,733</u>	<u>66,722</u>	<u>6,011</u>
Finance				
Personal services . . . . .	592,871	592,771	511,845	80,926
Contract services . . . . .	58,000	58,000	46,607	11,393
Materials and supplies. . . . .	8,638	8,637	3,801	4,836
Total finance . . . . .	<u>659,509</u>	<u>659,408</u>	<u>562,253</u>	<u>97,155</u>
Human resources				
Personal services . . . . .	340,296	326,560	298,888	27,672
Contract services . . . . .	35,600	35,600	31,854	3,746
Materials and supplies. . . . .	2,093	2,093	824	1,269
Total human resources . . . . .	<u>377,989</u>	<u>364,253</u>	<u>331,566</u>	<u>32,687</u>
Law department				
Personal services . . . . .	932,992	930,492	913,543	16,949
Contract services . . . . .	45,946	49,446	45,004	4,442
Materials and supplies. . . . .	6,500	6,500	3,595	2,905
Total law department. . . . .	<u>985,438</u>	<u>986,438</u>	<u>962,142</u>	<u>24,296</u>
Civil service				
Personal services . . . . .	11,847	11,947	11,826	121
Contract services . . . . .	12,800	22,536	18,656	3,880
Materials and supplies. . . . .	1,250	1,250	164	1,086
Total civil service. . . . .	<u>25,897</u>	<u>35,733</u>	<u>30,646</u>	<u>5,087</u>
Administrative support				
Contract services . . . . .	1,370,012	1,370,012	1,216,477	153,535
Materials and supplies. . . . .	12,500	12,500	7,250	5,250
Other . . . . .	542,000	47,000	36,536	10,464
Total administrative support . . . . .	<u>1,924,512</u>	<u>1,429,512</u>	<u>1,260,263</u>	<u>169,249</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, 2017**

	<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 . . . . .	\$ 487,297	\$ 533,497	\$ 515,400	\$ 18,097
Contract services . . . . .	99,519	96,519	93,148	3,371
Materials and supplies. . . . .	24,688	24,688	22,285	2,403
Total income tax . . . . .	<u>611,504</u>	<u>654,704</u>	<u>630,833</u>	<u>23,871</u>
Total general government . . . . .	<u>8,338,159</u>	<u>7,982,689</u>	<u>7,400,316</u>	<u>582,373</u>
Security of persons and property				
Police				
Personal services . . . . .	7,293,020	7,149,828	6,789,491	360,337
Contract services . . . . .	1,427,096	1,401,097	1,391,407	9,690
Materials and supplies. . . . .	249,111	279,003	260,821	18,182
Capital outlay . . . . .	-	136,000	135,013	987
Total police. . . . .	<u>8,969,227</u>	<u>8,965,928</u>	<u>8,576,732</u>	<u>389,196</u>
Fire				
Personal services . . . . .	6,980,662	6,877,762	5,948,629	929,133
Contract services . . . . .	255,104	242,604	211,439	31,165
Materials and supplies. . . . .	164,555	194,738	175,343	19,395
Total fire . . . . .	<u>7,400,321</u>	<u>7,315,104</u>	<u>6,335,411</u>	<u>979,693</u>
Bio-Terrorism				
Contract services . . . . .	982	1,222	688	534
Total bio-terrorism . . . . .	<u>982</u>	<u>1,222</u>	<u>688</u>	<u>534</u>
Total security of persons and property .	<u>16,370,530</u>	<u>16,282,254</u>	<u>14,912,831</u>	<u>1,369,423</u>
Public health and welfare				
Health				
Personal services . . . . .	331,784	359,484	344,811	14,673
Contract services . . . . .	114,647	120,327	111,535	8,792
Materials and supplies. . . . .	19,672	28,162	22,015	6,147
Other. . . . .	211,000	216,300	216,162	138
Total health . . . . .	<u>677,103</u>	<u>724,273</u>	<u>694,523</u>	<u>29,750</u>
Dental				
Personal services . . . . .	1,965	465	-	465
Contract services . . . . .	36,148	39,148	38,229	919
Materials and supplies. . . . .	7,623	8,623	8,354	269
Total dental. . . . .	<u>45,736</u>	<u>48,236</u>	<u>46,583</u>	<u>1,653</u>
Total public health and welfare . . . .	<u>722,839</u>	<u>772,509</u>	<u>741,106</u>	<u>31,403</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Environmental health				
Personal services . . . . .	\$ 700,119	\$ 638,419	\$ 601,623	\$ 36,796
Contract services . . . . .	22,724	17,339	15,744	1,595
Materials and supplies. . . . .	14,259	14,099	11,437	2,662
Other. . . . .	8,000	8,000	7,164	836
Total environmental health . . . . .	<u>745,102</u>	<u>677,857</u>	<u>635,968</u>	<u>41,889</u>
Weed control				
Contract services . . . . .	6,150	6,150	2,036	4,114
Materials and supplies. . . . .	2,750	2,450	218	2,232
Total weed control . . . . .	<u>8,900</u>	<u>8,600</u>	<u>2,254</u>	<u>6,346</u>
Mosquito control				
Contract services . . . . .	250	250	-	250
Materials and supplies. . . . .	2,650	650	-	650
Total mosquito control . . . . .	<u>2,900</u>	<u>900</u>	<u>-</u>	<u>900</u>
Engineering building and plant department				
Personal services . . . . .	863,823	818,448	785,089	33,359
Contract services . . . . .	250,079	295,454	281,284	14,170
Materials and supplies. . . . .	32,760	32,760	25,702	7,058
Other . . . . .	7,000	7,000	4,870	2,130
Total engineering building and plant department. . . . .	<u>1,153,662</u>	<u>1,153,662</u>	<u>1,096,945</u>	<u>56,717</u>
Total community environment. . . . .	<u>1,910,564</u>	<u>1,841,019</u>	<u>1,735,167</u>	<u>105,852</u>
Leisure time activity				
Operations - Packard Park				
Personal services . . . . .	61,526	60,986	12,203	48,783
Contract services . . . . .	61,306	53,806	47,612	6,194
Materials and supplies. . . . .	15,500	18,400	2,208	16,192
Other. . . . .	5,000	5,000	4,100	900
Total operations - packard park. . . . .	<u>143,332</u>	<u>138,192</u>	<u>66,123</u>	<u>72,069</u>
Operations - parks				
Personal services . . . . .	255,304	249,944	94,099	155,845
Contract services . . . . .	95,228	110,697	101,924	8,773
Materials and supplies. . . . .	38,298	26,398	15,994	10,404
Capital outlay . . . . .	-	7,600	7,439	161
Other. . . . .	300	300	150	150
Total operations - parks. . . . .	<u>389,130</u>	<u>394,939</u>	<u>219,606</u>	<u>175,333</u>
Total leisure time activity . . . . .	<u>532,462</u>	<u>533,131</u>	<u>285,729</u>	<u>247,402</u>
Total expenditures. . . . .	<u>27,874,554</u>	<u>27,411,602</u>	<u>25,075,149</u>	<u>2,336,453</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures . .	\$ 328,746	\$ 823,746	\$ 1,534,033	\$ 710,287
<b>Other financing (uses):</b>				
Transfers (out). . . . .	(457,000)	(952,000)	(925,560)	26,440
Total other financing (uses). . . . .	(457,000)	(952,000)	(925,560)	26,440
Net change in fund balance. . . . .	(128,254)	(128,254)	608,473	736,727
<b>Fund balance at beginning of year . . . .</b>	567,613	567,613	567,613	-
<b>Prior year encumbrances appropriated .</b>	174,554	174,554	174,554	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 613,913</u>	<u>\$ 613,913</u>	<u>\$ 1,350,640</u>	<u>\$ 736,727</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other . . . . .	\$ 75,000	\$ 75,000	\$ 66,510	\$ (8,490)
Total revenues. . . . .	<u>75,000</u>	<u>75,000</u>	<u>66,510</u>	<u>(8,490)</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	329,395	329,395	318,477	10,918
Total expenditures. . . . .	<u>329,395</u>	<u>329,395</u>	<u>318,477</u>	<u>10,918</u>
Excess of expenditures over revenues . . .	<u>(254,395)</u>	<u>(254,395)</u>	<u>(251,967)</u>	<u>2,428</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	185,000	185,000	185,000	-
Total other financing sources . . . . .	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Net change in fund balance . . . . .	(69,395)	(69,395)	(66,967)	2,428
<b>Fund balance at beginning of year. . . . .</b>	2	2	2	-
<b>Prior year encumbrances appropriated . .</b>	<u>69,395</u>	<u>69,395</u>	<u>69,395</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2,430</u>	<u>\$ 2,428</u>

**CITY OF WARREN, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ 2,947,868	\$ 1,170,076	\$ 4,117,944
Receivables (net of allowance of uncollectibles):			
Real and other taxes . . . . .	-	1,513,401	1,513,401
Accounts. . . . .	30,984	-	30,984
Intergovernmental . . . . .	788,555	89,598	878,153
Loans. . . . .	6,094,465	-	6,094,465
Special assessments . . . . .	1,603,355	150,654	1,754,009
Materials and supplies inventory . . . . .	12,130	-	12,130
Total assets. . . . .	<u>\$ 11,477,357</u>	<u>\$ 2,923,729</u>	<u>\$ 14,401,086</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 136,736	\$ -	\$ 136,736
Contracts payable . . . . .	21,593	-	21,593
Accrued wages and benefits payable . . . . .	40,149	-	40,149
Due to other funds. . . . .	5,943	-	5,943
Due to other governments . . . . .	100,326	-	100,326
Total liabilities . . . . .	<u>304,747</u>	<u>-</u>	<u>304,747</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	-	1,047,908	1,047,908
Delinquent property tax revenue not available. . . . .	-	465,493	465,493
Special assessments revenue not available. . . . .	1,603,355	150,654	1,754,009
Intergovernmental revenue not available. . . . .	492,489	89,598	582,087
Total deferred inflows of resources . . . . .	<u>2,095,844</u>	<u>1,753,653</u>	<u>3,849,497</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	12,130	-	12,130
Restricted. . . . .	9,064,636	1,170,076	10,234,712
Total fund balances . . . . .	<u>9,076,766</u>	<u>1,170,076</u>	<u>10,246,842</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 11,477,357</u>	<u>\$ 2,923,729</u>	<u>\$ 14,401,086</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ -	\$ 1,256,067	\$ 1,256,067
Charges for services . . . . .	111,796	-	111,796
Licenses and permits . . . . .	93,286	-	93,286
Fines and forfeitures. . . . .	407,679	-	407,679
Intergovernmental . . . . .	3,730,770	179,195	3,909,965
Special assessments . . . . .	-	10,104	10,104
Investment income. . . . .	46,103	-	46,103
Other. . . . .	99,955	-	99,955
Total revenues . . . . .	<u>4,489,589</u>	<u>1,445,366</u>	<u>5,934,955</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	51,436	26,216	77,652
Security of persons and property . . . . .	553,505	-	553,505
Transportation . . . . .	1,459,169	-	1,459,169
Economic development. . . . .	1,749,327	-	1,749,327
Capital outlay . . . . .	653,069	-	653,069
Debt service:			
Principal retirement . . . . .	125,000	667,828	792,828
Interest and fiscal charges. . . . .	49,412	222,006	271,418
Refunding bond issuance costs . . . . .	-	69,003	69,003
Total expenditures. . . . .	<u>4,640,918</u>	<u>985,053</u>	<u>5,625,971</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(151,329)</u>	<u>460,313</u>	<u>308,984</u>
<b>Other financing sources (uses):</b>			
Refunding bond issuance . . . . .	-	5,095,000	5,095,000
Payment to refunded bond escrow agent. . . . .	-	(6,170,449)	(6,170,449)
Transfers in . . . . .	163,560	135,948	299,508
Transfers (out) . . . . .	<u>(137,775)</u>	<u>-</u>	<u>(137,775)</u>
Total other financing sources (uses). . . . .	<u>25,785</u>	<u>(939,501)</u>	<u>(913,716)</u>
Net change in fund balance . . . . .	(125,544)	(479,188)	(604,732)
<b>Fund balances at beginning of year . . . . .</b>	<u>9,202,310</u>	<u>1,649,264</u>	<u>10,851,574</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 9,076,766</u>	<u>\$ 1,170,076</u>	<u>\$ 10,246,842</u>

**CITY OF WARREN, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 281,588	\$ 135,966	\$ 15,204
Receivables (net of allowance for uncollectibles):			
Accounts . . . . .	6,967	-	-
Intergovernmental . . . . .	-	675,483	-
Loans . . . . .	-	-	-
Special assessments . . . . .	-	-	-
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	<u>\$ 288,555</u>	<u>\$ 811,449</u>	<u>\$ 15,204</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 1,500	\$ 10,469	\$ -
Contracts payable . . . . .	-	-	-
Accrued wages and benefits payable . . . . .	-	32,370	-
Due to other funds . . . . .	-	-	-
Due to other governments . . . . .	-	5,001	5,209
Total liabilities . . . . .	<u>1,500</u>	<u>47,840</u>	<u>5,209</u>
<b>Deferred inflows of resources:</b>			
Special assessments revenue not available . . . . .	-	-	-
Intergovernmental revenue not available . . . . .	-	455,552	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>455,552</u>	<u>-</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	-	-	-
Restricted . . . . .	287,055	308,057	9,995
Total fund balances . . . . .	<u>287,055</u>	<u>308,057</u>	<u>9,995</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 288,555</u>	<u>\$ 811,449</u>	<u>\$ 15,204</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>
\$ 5,001	\$ 84,127	\$ 1,076	\$ 59,783	\$ 83,996	\$ 354,191
182	-	-	142	-	5,359
-	-	6,339	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,183</u>	<u>\$ 84,127</u>	<u>\$ 7,415</u>	<u>\$ 59,925</u>	<u>\$ 83,996</u>	<u>\$ 359,550</u>
\$ -	\$ 72,697	\$ -	\$ -	\$ -	\$ 3,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>72,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,183</u>	<u>11,430</u>	<u>7,415</u>	<u>59,925</u>	<u>83,996</u>	<u>356,050</u>
<u>5,183</u>	<u>11,430</u>	<u>7,415</u>	<u>59,925</u>	<u>83,996</u>	<u>356,050</u>
<u>\$ 5,183</u>	<u>\$ 84,127</u>	<u>\$ 7,415</u>	<u>\$ 59,925</u>	<u>\$ 83,996</u>	<u>\$ 359,550</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2017

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and investments . . . . .	\$ 873,923	\$ 176,521	\$ 302,301
Receivables (net of allowance for uncollectibles):			
Accounts . . . . .	16,307	2,027	-
Intergovernmental . . . . .	-	-	-
Loans . . . . .	-	-	1,389,096
Special assessments . . . . .	-	-	1,603,355
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	<u>\$ 890,230</u>	<u>\$ 178,548</u>	<u>\$ 3,294,752</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 19,729	\$ -	\$ 23,330
Contracts payable . . . . .	-	-	21,593
Accrued wages and benefits payable . . . . .	-	-	7,779
Due to other funds . . . . .	-	-	-
Due to other governments . . . . .	-	-	1,202
Total liabilities . . . . .	<u>19,729</u>	<u>-</u>	<u>53,904</u>
<b>Deferred inflows of resources:</b>			
Special assessments revenue not available . . . . .	-	-	1,603,355
Intergovernmental revenue not available . . . . .	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>1,603,355</u>
<b>Fund balances:</b>			
Nonspendable . . . . .	-	-	-
Restricted . . . . .	<u>870,501</u>	<u>178,548</u>	<u>1,637,493</u>
Total fund balances . . . . .	<u>870,501</u>	<u>178,548</u>	<u>1,637,493</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 890,230</u>	<u>\$ 178,548</u>	<u>\$ 3,294,752</u>



<u>Guarantee Loan</u>	<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>Total</u>
\$ 111,329	\$ 164,793	\$ 121,741	\$ 176,328	\$ 2,947,868
-	-	-	-	30,984
-	54,769	51,964	-	788,555
994,302	-	-	3,711,067	6,094,465
-	-	-	-	1,603,355
-	-	12,130	-	12,130
<u>\$ 1,105,631</u>	<u>\$ 219,562</u>	<u>\$ 185,835</u>	<u>\$ 3,887,395</u>	<u>\$ 11,477,357</u>
\$ -	\$ -	\$ 5,511	\$ -	\$ 136,736
-	-	-	-	21,593
-	-	-	-	40,149
-	-	5,943	-	5,943
-	24,868	-	64,046	100,326
-	24,868	11,454	64,046	304,747
-	-	-	-	1,603,355
-	36,937	-	-	492,489
-	36,937	-	-	2,095,844
-	-	12,130	-	12,130
1,105,631	157,757	162,251	3,823,349	9,064,636
1,105,631	157,757	174,381	3,823,349	9,076,766
<u>\$ 1,105,631</u>	<u>\$ 219,562</u>	<u>\$ 185,835</u>	<u>\$ 3,887,395</u>	<u>\$ 11,477,357</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, 2017**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
<b>Revenues:</b>			
Charges for services . . . . .	\$ -	\$ -	\$ -
Licenses and permits . . . . .	-	2,550	-
Fines and forfeitures. . . . .	92,018	-	-
Intergovernmental. . . . .	-	1,419,025	54,139
Investment income . . . . .	-	-	-
Other . . . . .	-	100	-
	<hr/>	<hr/>	<hr/>
Total revenues. . . . .	92,018	1,421,675	54,139
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	51,436	-	-
Security of persons and property . . . . .	-	-	65,624
Transportation. . . . .	-	1,459,169	-
Economic development . . . . .	-	-	-
Capital outlay. . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	-
Interest and fiscal charges . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	51,436	1,459,169	65,624
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	40,582	(37,494)	(11,485)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	128,000	-
Transfers (out). . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	128,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance . . . . .	40,582	90,506	(11,485)
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year. . . . .</b>	246,473	217,551	21,480
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 287,055	\$ 308,057	\$ 9,995
	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	90,736
11,732	31,547	-	7,778	-	-
-	-	6,339	-	6,542	-
-	-	-	-	653	-
-	475	3,919	-	-	-
11,732	32,022	10,258	7,778	7,195	90,736
-	-	-	-	-	-
9,883	164,741	31,864	-	53,589	82,462
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,883	164,741	31,864	-	53,589	82,462
1,849	(132,719)	(21,606)	7,778	(46,394)	8,274
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,849	(132,719)	(21,606)	7,778	(46,394)	8,274
3,334	144,149	29,021	52,147	130,390	347,776
<u>\$ 5,183</u>	<u>\$ 11,430</u>	<u>\$ 7,415</u>	<u>\$ 59,925</u>	<u>\$ 83,996</u>	<u>\$ 356,050</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, 2017

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
<b>Revenues:</b>			
Charges for services . . . . .	\$ -	\$ -	\$ 111,796
Licenses and permits . . . . .	-	-	-
Fines and forfeitures. . . . .	237,679	26,925	-
Intergovernmental. . . . .	-	-	1,173,040
Investment income . . . . .	-	-	10,760
Other . . . . .	-	7,000	36,849
	<hr/>	<hr/>	<hr/>
Total revenues. . . . .	237,679	33,925	1,332,445
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	-	-	-
Security of persons and property . . . . .	124,849	20,493	-
Transportation. . . . .	-	-	-
Economic development . . . . .	-	-	1,345,740
Capital outlay. . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	-
Interest and fiscal charges . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	124,849	20,493	1,345,740
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	112,830	13,432	(13,295)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in. . . . .	-	-	35,560
Transfers (out) . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	-	35,560
	<hr/>	<hr/>	<hr/>
Net change in fund balance. . . . .	112,830	13,432	22,265
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year. . . . .</b>	757,671	165,116	1,615,228
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 870,501	\$ 178,548	\$ 1,637,493
	<hr/>	<hr/>	<hr/>

<b>Guarantee Loan</b>	<b>Highway Construction</b>	<b>Motor Vehicle Levy</b>	<b>Home Investment</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 111,796
-	-	-	-	93,286
-	-	-	-	407,679
-	111,797	623,140	336,748	3,730,770
89	704	633	33,264	46,103
49,000	2,612	-	-	99,955
<u>49,089</u>	<u>115,113</u>	<u>623,773</u>	<u>370,012</u>	<u>4,489,589</u>
-	-	-	-	51,436
-	-	-	-	553,505
-	-	-	-	1,459,169
-	-	-	403,587	1,749,327
-	93,989	559,080	-	653,069
125,000	-	-	-	125,000
49,412	-	-	-	49,412
<u>174,412</u>	<u>93,989</u>	<u>559,080</u>	<u>403,587</u>	<u>4,640,918</u>
<u>(125,323)</u>	<u>21,124</u>	<u>64,693</u>	<u>(33,575)</u>	<u>(151,329)</u>
-	-	-	-	163,560
-	-	(137,775)	-	(137,775)
-	-	(137,775)	-	25,785
(125,323)	21,124	(73,082)	(33,575)	(125,544)
<u>1,230,954</u>	<u>136,633</u>	<u>247,463</u>	<u>3,856,924</u>	<u>9,202,310</u>
<u>\$ 1,105,631</u>	<u>\$ 157,757</u>	<u>\$ 174,381</u>	<u>\$ 3,823,349</u>	<u>\$ 9,076,766</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, 2017

	<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 . . . . .	\$ 100,000	\$ 100,000	\$ 92,059	\$ (7,941)
Total revenues . . . . .	<u>100,000</u>	<u>100,000</u>	<u>92,059</u>	<u>(7,941)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	24,800	24,800	23,815	985
Contract services . . . . .	51,764	51,764	25,485	26,279
Materials and supplies. . . . .	16,700	16,700	5,400	11,300
Capital outlay . . . . .	10,000	10,000	-	10,000
Total general government . . . . .	<u>103,264</u>	<u>103,264</u>	<u>54,700</u>	<u>48,564</u>
Total expenditures . . . . .	<u>103,264</u>	<u>103,264</u>	<u>54,700</u>	<u>48,564</u>
Net change in fund balance. . . . .	(3,264)	(3,264)	37,359	40,623
<b>Fund balance at beginning of year . . . .</b>	239,465	239,465	239,465	-
<b>Prior year encumbrances appropriated .</b>	<u>3,264</u>	<u>3,264</u>	<u>3,264</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 239,465</u>	<u>\$ 239,465</u>	<u>\$ 280,088</u>	<u>\$ 40,623</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, 2017

	<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 . . . . .	\$ 1,500	\$ 1,500	\$ 2,550	\$ 1,050
Intergovernmental . . . . .	1,395,000	1,395,000	1,374,966	(20,034)
Other . . . . .	3,500	3,500	100	(3,400)
Total revenues . . . . .	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,377,616</u>	<u>(22,384)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	963,862	1,075,362	1,042,177	33,185
Contract services . . . . .	466,182	498,182	401,555	96,627
Materials and supplies . . . . .	170,760	100,760	12,188	88,572
Total transportation . . . . .	<u>1,600,804</u>	<u>1,674,304</u>	<u>1,455,920</u>	<u>218,384</u>
Total expenditures . . . . .	<u>1,600,804</u>	<u>1,674,304</u>	<u>1,455,920</u>	<u>218,384</u>
Excess of expenditures over revenues . . .	<u>(200,804)</u>	<u>(274,304)</u>	<u>(78,304)</u>	<u>196,000</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	200,000	200,000	128,000	(72,000)
Total other financing sources . . . . .	<u>200,000</u>	<u>200,000</u>	<u>128,000</u>	<u>(72,000)</u>
Net change in fund balance . . . . .	(804)	(74,304)	49,696	124,000
<b>Fund balance at beginning of year . . . .</b>	73,638	73,638	73,638	-
<b>Prior year encumbrances appropriated .</b>	804	804	804	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 73,638</u>	<u>\$ 138</u>	<u>\$ 124,138</u>	<u>\$ 124,000</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, 2017

	<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 . . . . .	\$ 99,000	\$ 99,000	\$ 66,727	\$ (32,273)
Total revenues . . . . .	<u>99,000</u>	<u>99,000</u>	<u>66,727</u>	<u>(32,273)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	104,970	104,970	65,760	39,210
Total security of persons and property. . . . .	<u>104,970</u>	<u>104,970</u>	<u>65,760</u>	<u>39,210</u>
Total expenditures. . . . .	<u>104,970</u>	<u>104,970</u>	<u>65,760</u>	<u>39,210</u>
Net change in fund balance . . . . .	(5,970)	(5,970)	967	6,937
<b>Fund balance at beginning of year . . . . .</b>	8,267	8,267	8,267	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>5,970</u>	<u>5,970</u>	<u>5,970</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,267</u>	<u>\$ 8,267</u>	<u>\$ 15,204</u>	<u>\$ 6,937</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, 2017

	<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 . . . . .	\$ 31,000	\$ 31,000	\$ 12,069	\$ (18,931)
Total revenues . . . . .	<u>31,000</u>	<u>31,000</u>	<u>12,069</u>	<u>(18,931)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services. . . . .	31,000	31,000	9,883	21,117
Total security of persons and property .	<u>31,000</u>	<u>31,000</u>	<u>9,883</u>	<u>21,117</u>
Total expenditures . . . . .	<u>31,000</u>	<u>31,000</u>	<u>9,883</u>	<u>21,117</u>
Net change in fund balance . . . . .	-	-	2,186	2,186
<b>Fund balance at beginning of year. . . . .</b>	<u>2,815</u>	<u>2,815</u>	<u>2,815</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,815</u>	<u>\$ 2,815</u>	<u>\$ 5,001</u>	<u>\$ 2,186</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, 2017

	<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 . . . . .	\$ 5,000	\$ 5,000	\$ 31,547	\$ 26,547
Other . . . . .	-	-	475	475
Total revenues. . . . .	<u>5,000</u>	<u>5,000</u>	<u>32,022</u>	<u>27,022</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services . . . . .	5,000	75,747	70,800	4,947
Materials and supplies. . . . .	-	21,881	21,881	-
Capital outlay . . . . .	-	102,000	101,110	890
Total security of persons and property .	<u>5,000</u>	<u>199,628</u>	<u>193,791</u>	<u>5,837</u>
Total expenditures . . . . .	<u>5,000</u>	<u>199,628</u>	<u>193,791</u>	<u>5,837</u>
Net change in fund balance . . . . .	-	(194,628)	(161,769)	32,859
<b>Fund balance at beginning of year . . . .</b>	<u>144,149</u>	<u>144,149</u>	<u>144,149</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . .</b>	<u>\$ 144,149</u>	<u>\$ (50,479)</u>	<u>\$ (17,620)</u>	<u>\$ 32,859</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, 2017

	<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	\$ -	\$ (25,000)
Intergovernmental. . . . .	25,000	35,773	-	(35,773)
Other . . . . .	-	-	3,919	3,919
Total revenues. . . . .	<u>50,000</u>	<u>60,773</u>	<u>3,919</u>	<u>(56,854)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services. . . . .	12,000	12,000	7,393	4,607
Materials and supplies . . . . .	21,000	50,020	16,097	33,923
Capital outlay . . . . .	-	10,773	8,452	2,321
Other . . . . .	17,000	17,000	-	17,000
Total security of persons and property .	<u>50,000</u>	<u>89,793</u>	<u>31,942</u>	<u>57,851</u>
Total expenditures . . . . .	<u>50,000</u>	<u>89,793</u>	<u>31,942</u>	<u>57,851</u>
Net change in fund balance. . . . .	-	(29,020)	(28,023)	997
<b>Fund balance at beginning of year . . . .</b>	<u>29,021</u>	<u>29,021</u>	<u>29,021</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 29,021</u>	<u>\$ 1</u>	<u>\$ 998</u>	<u>\$ 997</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, 2017

	<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 . . . . .	\$ 2,500	\$ 2,500	\$ 7,686	\$ 5,186
Total revenues . . . . .	<u>2,500</u>	<u>2,500</u>	<u>7,686</u>	<u>5,186</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services. . . . .	1,000	1,000	-	1,000
Materials and supplies. . . . .	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total security of persons and property .	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures . . . . .	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net change in fund balance . . . . .	-	-	7,686	7,686
<b>Fund balance at beginning of year . . . . .</b>	<u>52,097</u>	<u>52,097</u>	<u>52,097</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 52,097</u>	<u>\$ 52,097</u>	<u>\$ 59,783</u>	<u>\$ 7,686</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, 2017

	<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 . . . . .	\$ 9,000	\$ 9,000	\$ 6,542	\$ (2,458)
Investment income . . . . .	-	-	653	653
Total revenues . . . . .	<u>9,000</u>	<u>9,000</u>	<u>7,195</u>	<u>(1,805)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	3,390	7,689	7,206	483
Materials and supplies. . . . .	6,000	31,716	30,716	1,000
Capital outlay . . . . .	-	15,667	15,667	-
Total security of persons and property .	<u>9,390</u>	<u>55,072</u>	<u>53,589</u>	<u>1,483</u>
Total expenditures . . . . .	<u>9,390</u>	<u>55,072</u>	<u>53,589</u>	<u>1,483</u>
Net change in fund balance. . . . .	(390)	(46,072)	(46,394)	(322)
<b>Fund balance at beginning of year . . . .</b>	130,000	130,000	130,000	-
<b>Prior year encumbrances appropriated .</b>	<u>390</u>	<u>390</u>	<u>390</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 130,000</u>	<u>\$ 84,318</u>	<u>\$ 83,996</u>	<u>\$ (322)</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, 2017

	<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 . . . . .	\$ 90,000	\$ 90,000	\$ 91,542	\$ 1,542
Total revenues . . . . .	<u>90,000</u>	<u>90,000</u>	<u>91,542</u>	<u>1,542</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	23,655	23,655	19,379	4,276
Contract services . . . . .	34,500	34,500	30,949	3,551
Materials and supplies. . . . .	11,012	11,012	2,933	8,079
Capital outlay . . . . .	20,845	40,845	29,500	11,345
Total security of persons and property.	<u>90,012</u>	<u>110,012</u>	<u>82,761</u>	<u>27,251</u>
Total expenditures . . . . .	<u>90,012</u>	<u>110,012</u>	<u>82,761</u>	<u>27,251</u>
Net change in fund balance . . . . .	(12)	(20,012)	8,781	28,793
<b>Fund balance at beginning of year . . . . .</b>	341,599	341,599	341,599	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 341,599</u>	<u>\$ 321,599</u>	<u>\$ 350,392</u>	<u>\$ 28,793</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, 2017

	<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 . . . . .	\$ 250,000	\$ 250,000	\$ 239,083	\$ (10,917)
Total revenues . . . . .	<u>250,000</u>	<u>250,000</u>	<u>239,083</u>	<u>(10,917)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	107,704	158,770	147,225	11,545
Materials and supplies. . . . .	37,000	31,934	12,603	19,331
Capital outlay . . . . .	20,000	23,611	7,231	16,380
Total security of persons and property .	<u>164,704</u>	<u>214,315</u>	<u>167,059</u>	<u>47,256</u>
Total expenditures . . . . .	<u>164,704</u>	<u>214,315</u>	<u>167,059</u>	<u>47,256</u>
Net change in fund balance . . . . .	85,296	35,685	72,024	36,339
<b>Fund balance at beginning of year . . . . .</b>	738,760	738,760	738,760	-
<b>Prior year encumbrances appropriated. .</b>	<u>2,454</u>	<u>2,454</u>	<u>2,454</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 826,510</u>	<u>\$ 776,899</u>	<u>\$ 813,238</u>	<u>\$ 36,339</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, 2017

	<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 . . . . .	\$ 30,000	\$ 30,000	\$ 26,964	\$ (3,036)
Other . . . . .	-	7,000	7,000	-
Total revenues . . . . .	<u>30,000</u>	<u>37,000</u>	<u>33,964</u>	<u>(3,036)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	30,000	37,000	20,493	16,507
Total security of persons and property.	<u>30,000</u>	<u>37,000</u>	<u>20,493</u>	<u>16,507</u>
Total expenditures . . . . .	<u>30,000</u>	<u>37,000</u>	<u>20,493</u>	<u>16,507</u>
Net change in fund balance. . . . .	-	-	13,471	13,471
<b>Fund balance at beginning of year . . . .</b>	<u>163,050</u>	<u>163,050</u>	<u>163,050</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 163,050</u>	<u>\$ 163,050</u>	<u>\$ 176,521</u>	<u>\$ 13,471</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, 2017

	<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 . . . . .	\$ 233,749	\$ 233,749	\$ 114,571	\$ (119,178)
Intergovernmental . . . . .	1,305,000	1,512,840	1,173,040	(339,800)
Investment income . . . . .	1,000	1,000	328	(672)
Other . . . . .	87,000	87,000	120,463	33,463
Total revenues . . . . .	<u>1,626,749</u>	<u>1,834,589</u>	<u>1,408,402</u>	<u>(426,187)</u>
<b>Expenditures:</b>				
Current:				
Economic development				
Personal services . . . . .	402,787	402,787	382,244	20,543
Contract services . . . . .	302,946	302,946	275,170	27,776
Materials and supplies. . . . .	1,550	1,550	1,499	51
Capital outlay . . . . .	348,934	556,774	532,455	24,319
Other . . . . .	919,251	919,251	310,599	608,652
Total economic development . . . . .	<u>1,975,468</u>	<u>2,183,308</u>	<u>1,501,967</u>	<u>681,341</u>
Total expenditures . . . . .	<u>1,975,468</u>	<u>2,183,308</u>	<u>1,501,967</u>	<u>681,341</u>
Excess of expenditures over revenues . . . . .	<u>(348,719)</u>	<u>(348,719)</u>	<u>(93,565)</u>	<u>255,154</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	35,560	35,560
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>35,560</u>	<u>35,560</u>
Net change in fund balance. . . . .	(348,719)	(348,719)	(58,005)	290,714
<b>Fund balance (deficit) at beginning of year. . . . .</b>	(131,612)	(131,612)	(131,612)	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>348,719</u>	<u>348,719</u>	<u>348,719</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ (131,612)</u>	<u>\$ (131,612)</u>	<u>\$ 159,102</u>	<u>\$ 290,714</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, 2017

	<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 . . . . .	\$ -	\$ -	\$ 89	\$ 89
Other . . . . .	250,000	250,000	174,000	(76,000)
Total revenues . . . . .	<u>250,000</u>	<u>250,000</u>	<u>174,089</u>	<u>(75,911)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	215,000	200,500	125,000	75,500
Interest and fiscal charges . . . . .	35,000	50,500	49,412	1,088
Total debt service . . . . .	<u>250,000</u>	<u>251,000</u>	<u>174,412</u>	<u>76,588</u>
Total expenditures . . . . .	<u>250,000</u>	<u>251,000</u>	<u>174,412</u>	<u>76,588</u>
Net change in fund balance. . . . .	-	(1,000)	(323)	677
<b>Fund balance at beginning of year . . . . .</b>	<u>111,652</u>	<u>111,652</u>	<u>111,652</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 111,652</u>	<u>\$ 110,652</u>	<u>\$ 111,329</u>	<u>\$ 677</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, 2017

	<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 . . . . .	\$ 116,000	\$ 116,000	\$ 111,484	\$ (4,516)
Investment income . . . . .	1,000	1,000	704	(296)
Other . . . . .	-	-	5,224	5,224
Total revenues . . . . .	<u>117,000</u>	<u>117,000</u>	<u>117,412</u>	<u>412</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	45,000	42,000	11,143	30,857
Materials and supplies . . . . .	77,899	195,899	64,542	131,357
Total capital outlay . . . . .	<u>122,899</u>	<u>237,899</u>	<u>75,685</u>	<u>162,214</u>
Total expenditures . . . . .	<u>122,899</u>	<u>237,899</u>	<u>75,685</u>	<u>162,214</u>
Net change in fund balance . . . . .	(5,899)	(120,899)	41,727	162,626
<b>Fund balance at beginning of year . . . .</b>	115,260	115,260	115,260	-
<b>Prior year encumbrances appropriated .</b>	<u>5,899</u>	<u>5,899</u>	<u>5,899</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 115,260</u>	<u>\$ 260</u>	<u>\$ 162,886</u>	<u>\$ 162,626</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 616,000	\$ 616,000	\$ 615,615	(385)
Investment income . . . . .	3,000	3,000	633	(2,367)
Other . . . . .	7,000	7,000	-	(7,000)
Total revenues . . . . .	<u>626,000</u>	<u>626,000</u>	<u>616,248</u>	<u>(9,752)</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	251,000	266,000	201,380	64,620
Materials and supplies. . . . .	<u>250,000</u>	<u>335,000</u>	<u>273,267</u>	<u>61,733</u>
Total capital outlay . . . . .	<u>501,000</u>	<u>601,000</u>	<u>474,647</u>	<u>126,353</u>
Total expenditures . . . . .	<u>501,000</u>	<u>601,000</u>	<u>474,647</u>	<u>126,353</u>
Excess of revenues over expenditures . .	<u>125,000</u>	<u>25,000</u>	<u>141,601</u>	<u>116,601</u>
<b>Other financing uses:</b>				
Transfers (out). . . . .	<u>(125,000)</u>	<u>(142,000)</u>	<u>(137,775)</u>	<u>4,225</u>
Total other financing uses . . . . .	<u>(125,000)</u>	<u>(142,000)</u>	<u>(137,775)</u>	<u>4,225</u>
Net change in fund balance. . . . .	-	(117,000)	3,826	120,826
<b>Fund balance at beginning of year . . . .</b>	<u>117,495</u>	<u>117,495</u>	<u>117,495</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 117,495</u>	<u>\$ 495</u>	<u>\$ 121,321</u>	<u>\$ 120,826</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, 2017

	<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 . . . . .	\$ 770,350	\$ 770,350	\$ 336,748	\$ (433,602)
Investment income . . . . .	500	500	761	261
Other . . . . .	38,500	38,500	18,185	(20,315)
Total revenues . . . . .	<u>809,350</u>	<u>809,350</u>	<u>355,694</u>	<u>(453,656)</u>
<b>Expenditures:</b>				
Current:				
Economic development				
Personal services . . . . .	61,652	61,952	47,135	14,817
Other . . . . .	877,004	877,004	572,902	304,102
Total economic development . . . . .	<u>938,656</u>	<u>938,956</u>	<u>620,037</u>	<u>318,919</u>
Total expenditures . . . . .	<u>938,656</u>	<u>938,956</u>	<u>620,037</u>	<u>318,919</u>
Net change in fund balance. . . . .	(129,306)	(129,606)	(264,343)	(134,737)
Fund balance at beginning of year. . . . .	24,785	24,785	24,785	-
Prior year encumbrances appropriated . . . . .	<u>129,306</u>	<u>129,306</u>	<u>129,306</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ 24,785</u>	<u>\$ 24,485</u>	<u>\$ (110,252)</u>	<u>\$ (134,737)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,069,134	\$ 1,069,134	\$ 1,256,067	\$ 186,933
Intergovernmental . . . . .	169,280	169,280	179,195	9,915
Special assessments . . . . .	8,909	8,909	10,104	1,195
Total revenues . . . . .	<u>1,247,323</u>	<u>1,247,323</u>	<u>1,445,366</u>	<u>198,043</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	43,900	43,900	35,216	8,684
Total general government . . . . .	<u>43,900</u>	<u>43,900</u>	<u>35,216</u>	<u>8,684</u>
Debt service:				
Principal retirement . . . . .	667,829	667,829	582,828	85,001
Interest and fiscal charges . . . . .	301,597	301,597	171,058	130,539
Refunding bond issuance costs . . . . .	-	69,003	69,003	-
Total debt service . . . . .	<u>969,426</u>	<u>1,038,429</u>	<u>822,889</u>	<u>215,540</u>
Total expenditures . . . . .	<u>1,013,326</u>	<u>1,082,329</u>	<u>858,105</u>	<u>224,224</u>
Excess of expenditures over revenues . . . . .	<u>233,997</u>	<u>164,994</u>	<u>587,261</u>	<u>422,267</u>
<b>Other financing sources (uses):</b>				
Refunding bond issuance . . . . .	-	5,295,000	5,095,000	(200,000)
Payment to refunded bond escrow agent . . . . .	-	(6,120,000)	(6,170,449)	(50,449)
Total other financing sources (uses) . . . . .	<u>-</u>	<u>(825,000)</u>	<u>(1,075,449)</u>	<u>(250,449)</u>
Net change in fund balance . . . . .	233,997	(660,006)	(488,188)	171,818
<b>Fund balance at beginning of year . . . . .</b>	1,649,264	1,649,264	1,649,264	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>3,400</u>	<u>3,400</u>	<u>3,400</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,886,661</u>	<u>\$ 992,658</u>	<u>\$ 1,164,476</u>	<u>\$ 171,818</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, 2017

	<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 . . . . .	\$ 1,500,000	\$ 5,000,000	\$ 1,902,164	\$ (3,097,836)
Other . . . . .	875,000	875,000	50,000	(825,000)
Total revenues . . . . .	<u>2,375,000</u>	<u>5,875,000</u>	<u>1,952,164</u>	<u>(3,922,836)</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	50,096	50,096	16,672	33,424
Capital outlay . . . . .	3,760,837	7,260,837	6,877,020	383,817
Total capital outlay . . . . .	<u>3,810,933</u>	<u>7,310,933</u>	<u>6,893,692</u>	<u>417,241</u>
Total expenditures . . . . .	<u>3,810,933</u>	<u>7,310,933</u>	<u>6,893,692</u>	<u>417,241</u>
Excess of expenditures over revenues . . .	<u>(1,435,933)</u>	<u>(1,435,933)</u>	<u>(4,941,528)</u>	<u>(3,505,595)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	625,000	625,000	637,775	12,775
Total other financing sources . . . . .	<u>625,000</u>	<u>625,000</u>	<u>637,775</u>	<u>12,775</u>
Net change in fund balance. . . . .	(810,933)	(810,933)	(4,303,753)	(3,492,820)
<b>Fund balance (deficit) at beginning of year. . . . .</b>	(39,863)	(39,863)	(39,863)	-
<b>Prior year encumbrances appropriated .</b>	810,933	810,933	810,933	-
<b>Fund balance (deficit) at end of year . . .</b>	<u>\$ (39,863)</u>	<u>\$ (39,863)</u>	<u>\$ (3,532,683)</u>	<u>\$ (3,492,820)</u>

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

**Enterprise Funds**

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

**Major Enterprise Funds**

***Sewer***

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

***Water***

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

***Sanitation***

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

**Nonmajor Enterprise Funds**

***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, 2017**

	<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 . . . . .	\$ 351,501	\$ 730	\$ 2,344,361	\$ 2,696,592
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	11,778	-	420,264	432,042
Special assessments . . . . .	-	-	99	99
Total current assets. . . . .	<u>363,279</u>	<u>730</u>	<u>2,764,724</u>	<u>3,128,733</u>
Noncurrent assets:				
Net pension asset . . . . .	-	-	687	687
Capital assets:				
Non-depreciable capital assets . . . . .	133,280	150,000	88,106	371,386
Depreciable capital assets, net . . . . .	172,503	792,969	1,616,223	2,581,695
Total capital assets, net . . . . .	<u>305,783</u>	<u>942,969</u>	<u>1,704,329</u>	<u>2,953,081</u>
Total noncurrent assets . . . . .	<u>305,783</u>	<u>942,969</u>	<u>1,705,016</u>	<u>2,953,768</u>
Total assets . . . . .	<u>669,062</u>	<u>943,699</u>	<u>4,469,740</u>	<u>6,082,501</u>
<b>Deferred outflows of resources:</b>				
Pension - OPERS . . . . .	-	-	137,217	137,217
Total deferred outflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>137,217</u>	<u>137,217</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	3,824	7,283	11,613	22,720
Accrued wages and benefits payable. . . . .	-	-	7,473	7,473
Due to other funds . . . . .	-	-	1,691	1,691
Due to other governments . . . . .	-	-	1,155	1,155
Current portion of OPWC loans . . . . .	-	-	1,797	1,797
Current portion of compensated absences . . . . .	-	-	10,559	10,559
Capital lease obligations payable. . . . .	-	-	38,175	38,175
Accrued interest payable . . . . .	-	-	302	302
Total current liabilities. . . . .	<u>3,824</u>	<u>7,283</u>	<u>72,765</u>	<u>83,872</u>
Long-term liabilities:				
OPWC loans payable . . . . .	-	-	40,441	40,441
Net pension liability. . . . .	-	-	357,061	357,061
Compensated absences payable. . . . .	-	-	79,202	79,202
Total long-term liabilities . . . . .	<u>-</u>	<u>-</u>	<u>476,704</u>	<u>476,704</u>
Total liabilities . . . . .	<u>3,824</u>	<u>7,283</u>	<u>549,469</u>	<u>560,576</u>
<b>Deferred inflows of resources:</b>				
Pension - OPERS . . . . .	-	-	9,658	9,658
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>9,658</u>	<u>9,658</u>
<b>Net position:</b>				
Net investment in capital assets . . . . .	305,783	942,969	1,623,916	2,872,668
Unrestricted (deficit) . . . . .	359,455	(6,553)	2,423,914	2,776,816
Total net position . . . . .	<u>\$ 665,238</u>	<u>\$ 936,416</u>	<u>\$ 4,047,830</u>	<u>\$ 5,649,484</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, 2017

	<b>City Redevelopment</b>	<b>Downtown Parking</b>	<b>Stormwater Utility</b>	<b>Totals</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 358,938	\$ 18,490	\$ 1,087,431	\$ 1,464,859
Other operating revenues . . . . .	15,156	11,668	-	26,824
Total operating revenues . . . . .	<u>374,094</u>	<u>30,158</u>	<u>1,087,431</u>	<u>1,491,683</u>
<b>Operating expenses:</b>				
Personal services . . . . .	-	-	393,692	393,692
Contract services. . . . .	171,284	107,574	86,999	365,857
Materials and supplies. . . . .	36,197	546	31,101	67,844
Administrative costs. . . . .	-	-	78,654	78,654
Utilities . . . . .	90,927	5,746	-	96,673
Depreciation. . . . .	14,790	48,059	34,452	97,301
Other. . . . .	866	155	352	1,373
Total operating expenses . . . . .	<u>314,064</u>	<u>162,080</u>	<u>625,250</u>	<u>1,101,394</u>
Operating income (loss). . . . .	<u>60,030</u>	<u>(131,922)</u>	<u>462,181</u>	<u>390,289</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and fiscal charges . . . . .	-	-	(1,141)	(1,141)
Special assessments . . . . .	-	-	-	3
Total nonoperating revenues (expenses). . . . .	<u>-</u>	<u>-</u>	<u>(1,141)</u>	<u>(1,138)</u>
Income (loss) before transfers. . . . .	60,030	(131,922)	461,040	389,151
Transfers in. . . . .	-	77,000	-	77,000
Transfers (out) . . . . .	<u>(147,824)</u>	<u>-</u>	<u>(71,910)</u>	<u>(219,734)</u>
Changes in net position . . . . .	(87,794)	(54,922)	389,130	246,417
<b>Net position at beginning of year . . . . .</b>	<u>753,032</u>	<u>991,338</u>	<u>3,658,697</u>	<u>5,403,067</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 665,238</u>	<u>\$ 936,416</u>	<u>\$ 4,047,827</u>	<u>\$ 5,649,484</u>

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<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 . . . . .	\$ 356,793	\$ 18,838	\$ 996,792	\$ 1,372,423
Cash received from other operations . . . . .	5,523	11,668	-	17,191
Cash payments for personal services . . . . .	(178,995)	-	(323,371)	(502,366)
Cash payments for contractual services . . . . .	(36,197)	(107,262)	(77,734)	(221,193)
Cash payments for materials and supplies . . . . .	-	(546)	(31,101)	(31,647)
Cash payments for utilities . . . . .	(90,927)	(5,746)	-	(96,673)
Cash payments for administrative costs. . . . .	-	-	(76,963)	(76,963)
Cash payments for other expenses . . . . .	(866)	(155)	(352)	(1,373)
Net cash provided by (used in) operating activities . . . . .	<u>55,331</u>	<u>(83,203)</u>	<u>487,271</u>	<u>459,399</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received in transfers in from other funds . . . . .	-	77,000	-	77,000
Cash used in transfers to other funds . . . . .	(147,824)	-	(71,910)	(219,734)
Net cash provided by (used in) noncapital financing activities . . . . .	<u>(147,824)</u>	<u>77,000</u>	<u>(71,910)</u>	<u>(142,734)</u>
<b>Cash flows from capital and related financing activities:</b>				
Aquisition of capital assets . . . . .	-	-	(43,950)	(43,950)
Principal retirement. . . . .	-	-	(39,261)	(39,261)
Interest and fiscal charges. . . . .	-	-	(1,437)	(1,437)
Net cash used in capital and related financing activities. . . . .	<u>-</u>	<u>-</u>	<u>(84,648)</u>	<u>(84,648)</u>
Net increase (decrease) in cash and cash equivalents . .	(92,493)	(6,203)	330,713	232,017
<b>Cash and cash equivalents at beginning of year. . . . .</b>	<b>443,994</b>	<b>6,933</b>	<b>2,013,648</b>	<b>2,464,575</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u>\$ 351,501</u></b>	<b><u>\$ 730</u></b>	<b><u>\$ 2,344,361</u></b>	<b><u>\$ 2,696,592</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 60,030	\$ (131,922)	\$ 462,181	\$ 390,289
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation . . . . .	14,790	48,059	34,452	97,301
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable. . . . .	(11,778)	348	(90,639)	(102,069)
(Increase) in net pension asset . . . . .	-	-	(189)	(189)
(Increase) in deferred outflows - pension - OPERS . . .	-	-	(32,897)	(32,897)
Increase (decrease) in accounts payable . . . . .	(7,037)	312	9,265	2,540
(Decrease) in accrued wages and benefits. . . . .	-	-	(678)	(678)
Increase in due to other funds. . . . .	-	-	1,691	1,691
Increase (decrease) in due to other governments . . . .	(674)	-	46	(628)
Increase in compensated absences payable. . . . .	-	-	25,699	25,699
Increase in net pension liability . . . . .	-	-	78,848	78,848
(Decrease) in deferred inflows - pension - OPERS. . .	-	-	(508)	(508)
Net cash provided by (used in) operating activities . . . . .	<u>\$ 55,331</u>	<u>\$ (83,203)</u>	<u>\$ 487,271</u>	<u>\$ 459,399</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,495,500	\$ 8,495,500	\$ 8,128,883	\$ (366,617)
Other . . . . .	4,500	4,500	14,444	9,944
Total operating revenues . . . . .	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,143,327</u>	<u>(356,673)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	3,506,475	3,626,475	3,356,659	269,816
Contract services. . . . .	1,580,640	2,060,418	1,824,368	236,050
Materials and supplies. . . . .	758,398	817,398	647,568	169,830
Capital outlay . . . . .	2,707,476	3,656,276	3,449,710	206,566
Administrative costs. . . . .	740,874	740,874	718,902	21,972
Utilities . . . . .	535,890	652,112	538,720	113,392
Other. . . . .	13,435	168,435	163,634	4,801
Total operating expenses. . . . .	<u>9,843,188</u>	<u>11,721,988</u>	<u>10,699,561</u>	<u>1,022,427</u>
Operating loss . . . . .	<u>(1,343,188)</u>	<u>(3,221,988)</u>	<u>(2,556,234)</u>	<u>665,754</u>
<b>Nonoperating revenues (expenses):</b>				
Loan issuance. . . . .	-	529,800	570,219	40,419
Debt service:				
Principal retirement . . . . .	(898,940)	(898,940)	(898,940)	-
Interest and fiscal charges . . . . .	(112,528)	(112,528)	(112,527)	1
Total nonoperating revenues (expenses) . . . . .	<u>(1,011,468)</u>	<u>(481,668)</u>	<u>(441,248)</u>	<u>40,420</u>
Net change in fund equity. . . . .	(2,354,656)	(3,703,656)	(2,997,482)	706,174
<b>Fund equity at beginning of year . . . . .</b>	2,204,739	2,204,739	2,204,739	-
<b>Prior year encumbrances appropriated . . . . .</b>	2,354,656	2,354,656	2,354,656	-
<b>Fund equity at end of year . . . . .</b>	<u>\$ 2,204,739</u>	<u>\$ 855,739</u>	<u>\$ 1,561,913</u>	<u>\$ 706,174</u>

**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, 2017

	<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 . . . . .	\$ 11,581,000	\$ 12,181,300	\$ 11,268,419	\$ (912,881)
Other . . . . .	308,000	316,000	161,149	(154,851)
Total operating revenues . . . . .	<u>11,889,000</u>	<u>12,497,300</u>	<u>11,429,568</u>	<u>(1,067,732)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	6,520,312	6,185,312	5,488,060	697,252
Contract services. . . . .	959,643	1,134,571	1,014,795	119,776
Materials and supplies. . . . .	1,300,628	1,464,929	1,394,946	69,983
Capital outlay . . . . .	357,770	994,586	977,753	16,833
Administrative costs. . . . .	544,012	801,812	800,924	888
Utilities . . . . .	551,402	577,673	516,526	61,147
Other. . . . .	238,250	468,250	176,518	291,732
Total operating expenses . . . . .	<u>10,472,017</u>	<u>11,627,133</u>	<u>10,369,522</u>	<u>1,257,611</u>
Operating income . . . . .	<u>1,416,983</u>	<u>870,167</u>	<u>1,060,046</u>	<u>189,879</u>
<b>Nonoperating revenues (expenses):</b>				
Debt service:				
Principal retirement. . . . .	(1,583,000)	(1,638,151)	(1,637,826)	325
Interest and fiscal charges . . . . .	(488,656)	(433,505)	(409,527)	23,978
Total nonoperating revenues (expenses) . . . . .	<u>(2,071,656)</u>	<u>(2,071,656)</u>	<u>(2,047,353)</u>	<u>24,303</u>
Loss before capital contributions. . . . .	(654,673)	(1,201,489)	(987,307)	214,182
Capital contributions . . . . .	<u>30,000</u>	<u>30,000</u>	<u>515,790</u>	<u>485,790</u>
Net change in fund equity. . . . .	(624,673)	(1,171,489)	(471,517)	699,972
<b>Fund equity at beginning of year . . . . .</b>	3,588,461	3,588,461	3,588,461	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>625,673</u>	<u>625,673</u>	<u>625,673</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 3,589,461</u>	<u>\$ 3,042,645</u>	<u>\$ 3,742,617</u>	<u>\$ 699,972</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SANITATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ 3,485,978	\$ 3,607,978	\$ 3,617,547	\$ 9,569
Other . . . . .	5,500	7,000	14,010	7,010
Total operating revenues . . . . .	<u>3,491,478</u>	<u>3,614,978</u>	<u>3,631,557</u>	<u>16,579</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,055,338	1,150,338	1,122,433	27,905
Contract services. . . . .	1,889,222	1,969,926	1,926,247	43,679
Materials and supplies. . . . .	334,473	314,373	222,543	91,830
Capital outlay . . . . .	18,803	38,903	38,808	95
Administrative costs. . . . .	276,486	226,947	202,001	24,946
Utilities . . . . .	14,615	15,950	14,948	1,002
Other. . . . .	4,000	4,000	2,852	1,148
Total operating expenses . . . . .	<u>3,592,937</u>	<u>3,720,437</u>	<u>3,529,832</u>	<u>190,605</u>
Net income (loss) before capital contributions . . . . .	(101,459)	(105,459)	101,725	207,184
Capital contributions . . . . .	8,522	12,522	12,500	(22)
Net change in fund equity. . . . .	(92,937)	(92,937)	114,225	207,162
<b>Fund equity (deficit) at beginning of year .</b>	(28,962)	(28,962)	(28,962)	-
<b>Prior year encumbrances appropriated. . .</b>	92,937	92,937	92,937	-
<b>Fund equity (deficit) at end of year . . . . .</b>	<u>\$ (28,962)</u>	<u>\$ (28,962)</u>	<u>\$ 178,200</u>	<u>\$ 207,162</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 400,000	\$ 400,000	\$ 356,793	\$ (43,207)
Other . . . . .	-	-	5,523	5,523
Total operating revenues . . . . .	<u>400,000</u>	<u>400,000</u>	<u>362,316</u>	<u>(37,684)</u>
<b>Operating expenses:</b>				
Contract services. . . . .	125,700	234,662	212,326	22,336
Materials and supplies. . . . .	22,294	52,294	36,197	16,097
Capital outlay . . . . .	-	12,000	11,876	124
Utilities . . . . .	100,000	106,038	90,927	15,111
Other . . . . .	5,000	5,000	866	4,134
Total operating expenses. . . . .	<u>252,994</u>	<u>409,994</u>	<u>352,192</u>	<u>57,802</u>
Operating income (loss) . . . . .	<u>147,006</u>	<u>(9,994)</u>	<u>10,124</u>	<u>20,118</u>
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement . . . . .	(85,000)	(85,000)	(85,000)	-
Interest and fiscal charges . . . . .	<u>(75,983)</u>	<u>(75,983)</u>	<u>(50,948)</u>	<u>25,035</u>
Total nonoperating expenses . . . . .	<u>(160,983)</u>	<u>(160,983)</u>	<u>(135,948)</u>	<u>25,035</u>
Net change in fund equity . . . . .	(13,977)	(170,977)	(125,824)	45,153
<b>Fund equity at beginning of year. . . . .</b>	430,017	430,017	430,017	-
<b>Prior year encumbrances appropriated . .</b>	<u>13,977</u>	<u>13,977</u>	<u>13,977</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 430,017</u>	<u>\$ 273,017</u>	<u>\$ 318,170</u>	<u>\$ 45,153</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, 2017

	<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 . . . . .	\$ 26,000	\$ 26,000	\$ 18,838	\$ (7,162)
Other operating revenues . . . . .	-	28,000	11,668	(16,332)
Total operating revenues . . . . .	<u>26,000</u>	<u>54,000</u>	<u>30,506</u>	<u>(23,494)</u>
<b>Operating expenses:</b>				
Contract services. . . . .	92,231	135,971	119,421	16,550
Materials and supplies. . . . .	1,500	1,500	546	954
Utilities . . . . .	6,200	6,515	6,354	161
Other. . . . .	-	155	155	-
Total operating expenses . . . . .	<u>99,931</u>	<u>144,141</u>	<u>126,476</u>	<u>17,665</u>
Net loss before transfers. . . . .	(73,931)	(90,141)	(95,970)	(5,829)
Transfers in . . . . .	<u>67,000</u>	<u>83,210</u>	<u>77,000</u>	<u>(6,210)</u>
Net change in fund equity . . . . .	(6,931)	(6,931)	(18,970)	(12,039)
<b>Fund equity at beginning of year. . . . .</b>	2	2	2	-
<b>Prior year encumbrances appropriated . .</b>	<u>6,931</u>	<u>6,931</u>	<u>6,931</u>	<u>-</u>
<b>Fund equity (deficit) at end of year. . . . .</b>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ (12,037)</u>	<u>\$ (12,039)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,050,000	\$ 1,050,000	\$ 996,792	\$ (53,208)
Total operating revenues . . . . .	<u>1,050,000</u>	<u>1,050,000</u>	<u>996,792</u>	<u>(53,208)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	370,005	370,005	323,371	46,634
Contract services. . . . .	121,571	191,571	147,790	43,781
Materials and supplies. . . . .	36,542	44,542	31,833	12,709
Capital outlay . . . . .	132,427	432,427	129,254	303,173
Administrative costs. . . . .	180,277	150,277	76,963	73,314
Other. . . . .	2,000	2,000	352	1,648
Total operating expenses . . . . .	<u>842,822</u>	<u>1,190,822</u>	<u>709,563</u>	<u>481,259</u>
Net income (loss). . . . .	207,178	(140,822)	287,229	428,051
<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 income (loss) before capital contributions . . . . .	205,380	(142,620)	285,431	428,051
Capital contributions . . . . .	-	115,050	-	(115,050)
Net change in fund equity . . . . .	205,380	(27,570)	285,431	313,001
<b>Fund equity at beginning of year. . . . .</b>	1,869,028	1,869,028	1,869,028	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>144,620</u>	<u>144,620</u>	<u>144,620</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 2,219,028</u>	<u>\$ 1,986,078</u>	<u>\$ 2,299,079</u>	<u>\$ 313,001</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, 2017

	<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 . . . . .	\$ 1,543,065	\$ 1,166,401	\$ 132,501	\$ 596,768	\$ 3,438,735
Receivables (net of allowance for uncollectibles):					
Due from other funds . . . . .	-	-	130,000	-	130,000
Due from other governments . . . . .	-	10,576	-	-	10,576
Total current assets . . . . .	<u>1,543,065</u>	<u>1,176,977</u>	<u>262,501</u>	<u>596,768</u>	<u>3,579,311</u>
Noncurrent assets:					
Net pension asset. . . . .	-	-	597	-	597
Capital assets:					
Depreciable capital assets, net . . . . .	-	-	612,011	-	612,011
Total capital assets, net . . . . .	-	-	612,011	-	612,011
Total noncurrent assets . . . . .	-	-	612,608	-	612,608
Total assets . . . . .	<u>1,543,065</u>	<u>1,176,977</u>	<u>875,109</u>	<u>596,768</u>	<u>4,191,919</u>
<b>Deferred outflows of resources:</b>					
Pension - OPERS . . . . .	-	-	119,160	-	119,160
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable. . . . .	-	-	1,970	-	1,970
Accrued wages and benefits payable . . . . .	-	-	20,697	-	20,697
Due to other funds . . . . .	-	-	3,537	-	3,537
Due to other governments . . . . .	-	-	3,198	-	3,198
Claims payable . . . . .	985,499	45,705	-	1,469	1,032,673
Current portion of general obligation bonds . . . . .	-	-	80,000	-	80,000
Current portion of compensated absences . . . . .	-	-	3,729	-	3,729
Accrued interest payable . . . . .	-	-	700	-	700
Total current liabilities. . . . .	<u>985,499</u>	<u>45,705</u>	<u>113,831</u>	<u>1,469</u>	<u>1,146,504</u>
Long-term liabilities:					
General obligation bonds payable . . . . .	-	-	344,481	-	344,481
Net pension liability . . . . .	-	-	310,070	-	310,070
Claims payable . . . . .	-	407,359	-	-	407,359
Compensated absences payable. . . . .	-	-	140,213	-	140,213
Total long-term liabilities . . . . .	-	407,359	794,764	-	1,202,123
Total liabilities . . . . .	<u>985,499</u>	<u>453,064</u>	<u>908,595</u>	<u>1,469</u>	<u>2,348,627</u>
<b>Deferred inflows of resources:</b>					
Pension - OPERS . . . . .	-	-	14,835	-	14,835
<b>Net position:</b>					
Net investment in capital assets . . . . .	-	-	187,530	-	187,530
Unrestricted (deficit). . . . .	557,566	723,913	(116,691)	595,299	1,760,087
Total net position. . . . .	<u>\$ 557,566</u>	<u>\$ 723,913</u>	<u>\$ 70,839</u>	<u>\$ 595,299</u>	<u>\$ 1,947,617</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
**INTERNAL SERVICE FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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 . . . . .	\$ 6,200,367	\$ 1,098,387	\$ 520,000	\$ 148,730	\$ 7,967,484
Other operating revenues. . . . .	-	298,555	830	-	299,385
Total operating revenues. . . . .	<u>6,200,367</u>	<u>1,396,942</u>	<u>520,830</u>	<u>148,730</u>	<u>8,266,869</u>
<b>Operating expenses:</b>					
Personal services . . . . .	-	-	329,914	-	329,914
Contract services . . . . .	-	8,100	83,140	-	91,240
Materials and supplies . . . . .	-	-	2,780	-	2,780
Administrative costs . . . . .	-	260,983	35,400	-	296,383
Utilities . . . . .	-	-	15,460	-	15,460
Claims expense. . . . .	6,024,513	-	-	134,146	6,158,659
Depreciation . . . . .	-	-	108,403	-	108,403
Total operating expenses. . . . .	<u>6,024,513</u>	<u>269,083</u>	<u>575,097</u>	<u>134,146</u>	<u>7,002,839</u>
Operating income (loss) . . . . .	<u>175,854</u>	<u>1,127,859</u>	<u>(54,267)</u>	<u>14,584</u>	<u>1,264,030</u>
<b>Nonoperating expenses:</b>					
Interest and fiscal charges. . . . .	-	-	(8,053)	-	(8,053)
Total nonoperating expenses . . . . .	<u>-</u>	<u>-</u>	<u>(8,053)</u>	<u>-</u>	<u>(8,053)</u>
Changes in net position . . . . .	175,854	1,127,859	(62,320)	14,584	1,255,977
<b>Net position (deficit) at beginning of year . . . . .</b>	<u>381,712</u>	<u>(403,946)</u>	<u>133,159</u>	<u>580,715</u>	<u>691,640</u>
<b>Net position at end of year. . . . .</b>	<u>\$ 557,566</u>	<u>\$ 723,913</u>	<u>\$ 70,839</u>	<u>\$ 595,299</u>	<u>\$ 1,947,617</u>

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<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 . . . . .	\$ 6,200,667	\$ 1,098,387	\$ 520,000	\$ 148,730	\$ 7,967,784
Cash received from other operations . . . . .	-	-	1,535	1,966	3,501
Cash payments for personal services . . . . .	-	-	(270,496)	-	(270,496)
Cash payments for contractual services . . . . .	-	(8,100)	(86,022)	-	(94,122)
Cash payments for materials and supplies . . . . .	-	-	(2,780)	-	(2,780)
Cash payments for utilities . . . . .	-	-	(15,460)	-	(15,460)
Cash payments for claims . . . . .	(5,784,672)	(153,952)	-	(146,389)	(6,085,013)
Cash payments for administrative costs. . . . .	-	(250,760)	(31,863)	-	(282,623)
Net cash provided by operating activities . . . . .	<u>415,995</u>	<u>685,575</u>	<u>114,914</u>	<u>4,307</u>	<u>1,220,791</u>
<b>Cash flows from capital and related financing activities:</b>					
Aquisition of capital assets . . . . .	-	-	(83,603)	-	(83,603)
Principal retirement . . . . .	-	-	(80,000)	-	(80,000)
Interest and fiscal charges. . . . .	-	-	(10,113)	-	(10,113)
Net cash used in capital and related financing activities . . . . .	<u>-</u>	<u>-</u>	<u>(173,716)</u>	<u>-</u>	<u>(173,716)</u>
Net increase (decrease) in cash and cash equivalents. . . . .	415,995	685,575	(58,802)	4,307	1,047,075
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>1,127,070</u>	<u>480,826</u>	<u>191,303</u>	<u>592,461</u>	<u>2,391,660</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 1,543,065</u></u>	<u><u>\$ 1,166,401</u></u>	<u><u>\$ 132,501</u></u>	<u><u>\$ 596,768</u></u>	<u><u>\$ 3,438,735</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss) . . . . .	\$ 175,854	\$ 1,127,859	\$ (54,267)	\$ 14,584	\$ 1,264,030
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation. . . . .	-	-	108,403	-	108,403
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Decrease in accounts receivable . . . . .	300	3,419	-	1,966	5,685
(Increase) in due to other governments. . . . .	-	(10,576)	-	-	(10,576)
Decrease in due from other funds. . . . .	-	-	705	-	705
Decrease in prepayments. . . . .	-	10,223	-	-	10,223
(Increase) in net pension asset. . . . .	-	-	(141)	-	(141)
(Increase) in deferred outflows - pension - OPERS. . . . .	-	-	(23,765)	-	(23,765)
(Decrease) in accounts payable . . . . .	-	-	(2,882)	-	(2,882)
Increase in accrued wages and benefits . . . . .	-	-	13,521	-	13,521
Increase in due to other funds . . . . .	-	-	3,537	-	3,537
Increase in due to other governments . . . . .	-	-	1,939	-	1,939
Increase in compensated absences payable . . . . .	-	-	6,665	-	6,665
Increase (decrease) in claims payable . . . . .	239,841	(445,350)	-	(12,243)	(217,752)
Increase in net pension liability . . . . .	-	-	55,661	-	55,661
Increase in deferred inflows - pension - OPERS. . . . .	-	-	5,538	-	5,538
Net cash provided by operating activities . . . . .	<u><u>\$ 415,995</u></u>	<u><u>\$ 685,575</u></u>	<u><u>\$ 114,914</u></u>	<u><u>\$ 4,307</u></u>	<u><u>\$ 1,220,791</u></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, 2017

	<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 . . . . .	\$ 6,500,000	\$ 6,500,000	\$ 6,200,667	\$ (299,333)
Total operating revenues . . . . .	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,200,667</u>	<u>(299,333)</u>
<b>Operating expenses:</b>				
Claims expense . . . . .	6,500,043	6,500,043	5,785,380	714,663
Other operating expenses . . . . .	-	525,000	-	525,000
Total operating expenses . . . . .	<u>6,500,043</u>	<u>7,025,043</u>	<u>5,785,380</u>	<u>1,239,663</u>
Net change in fund equity . . . . .	(43)	(525,043)	415,287	940,330
<b>Fund equity at beginning of year. . . . .</b>	1,127,027	1,127,027	1,127,027	-
<b>Prior year encumbrances appropriated . .</b>	<u>43</u>	<u>43</u>	<u>43</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,127,027</u>	<u>\$ 602,027</u>	<u>\$ 1,542,357</u>	<u>\$ 940,330</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, 2017

	<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 . . . . .	\$ 1,200,000	\$ 1,200,000	\$ 1,098,387	\$ (101,613)
Total operating revenues . . . . .	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,098,387</u>	<u>(101,613)</u>
<b>Operating expenses:</b>				
Contract services . . . . .	25,000	25,000	8,100	16,900
Claims expense. . . . .	500,000	500,000	153,952	346,048
Administrative costs . . . . .	675,000	675,000	250,760	424,240
Total operating expenses . . . . .	<u>1,200,000</u>	<u>1,200,000</u>	<u>412,812</u>	<u>787,188</u>
Net change in fund equity . . . . .	-	-	685,575	685,575
<b>Fund equity at beginning of year. . . . .</b>	<u>480,826</u>	<u>480,826</u>	<u>480,826</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 480,826</u>	<u>\$ 480,826</u>	<u>\$ 1,166,401</u>	<u>\$ 685,575</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 650,000	\$ 650,000	\$ 520,000	\$ (130,000)
Other . . . . .	-	-	1,535	1,535
Total operating revenues . . . . .	<u>650,000</u>	<u>650,000</u>	<u>521,535</u>	<u>(128,465)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	294,705	289,705	270,496	19,209
Contract services . . . . .	142,370	152,166	129,679	22,487
Materials and supplies . . . . .	7,300	7,300	3,153	4,147
Capital outlay . . . . .	44,566	51,446	41,436	10,010
Administrative costs . . . . .	36,152	36,152	31,863	4,289
Utilities . . . . .	20,300	19,504	15,460	4,044
Total operating expenses . . . . .	<u>545,393</u>	<u>556,273</u>	<u>492,087</u>	<u>64,186</u>
Operating income . . . . .	<u>104,607</u>	<u>93,727</u>	<u>29,448</u>	<u>(64,279)</u>
<b>Nonoperating expenses:</b>				
Debt service:				
Principal retirement . . . . .	(80,000)	(80,000)	(80,000)	-
Interest and fiscal charges . . . . .	(11,612)	(11,612)	(10,113)	1,499
Total nonoperating expenses . . . . .	<u>(91,612)</u>	<u>(91,612)</u>	<u>(90,113)</u>	<u>1,499</u>
Net change in fund equity . . . . .	12,995	2,115	(60,665)	(62,780)
<b>Fund equity at beginning of year . . . . .</b>	158,067	158,067	158,067	-
<b>Prior year encumbrances appropriated . .</b>	<u>33,236</u>	<u>33,236</u>	<u>33,236</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 204,298</u>	<u>\$ 193,418</u>	<u>\$ 130,638</u>	<u>\$ (62,780)</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, 2017

	<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 . . . . .	\$ 130,000	\$ 130,000	\$ 148,730	\$ 18,730
Other. . . . .	-	-	1,966	1,966
Total operating revenues . . . . .	<u>130,000</u>	<u>130,000</u>	<u>150,696</u>	<u>20,696</u>
<b>Operating expenses:</b>				
Claims expense. . . . .	<u>130,000</u>	<u>165,000</u>	<u>146,389</u>	<u>18,611</u>
Total operating expenses . . . . .	<u>130,000</u>	<u>165,000</u>	<u>146,389</u>	<u>18,611</u>
Net change in fund equity . . . . .	-	(35,000)	4,307	39,307
<b>Fund equity at beginning of year. . . . .</b>	<u>592,461</u>	<u>592,461</u>	<u>592,461</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 592,461</u>	<u>\$ 557,461</u>	<u>\$ 596,768</u>	<u>\$ 39,307</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, 2017**

	<b>Balance 1/1/2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2017</b>
<b>Highway Patrol Fines</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,245	\$ 27,569	\$ 29,814	\$ -
Accounts receivable . . . . .	1,855	2,321	1,855	2,321
Total assets. . . . .	<u>\$ 4,100</u>	<u>\$ 29,890</u>	<u>\$ 31,669</u>	<u>\$ 2,321</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ -	\$ 2,321	\$ -	\$ 2,321
Deposits held and due to others . . . . .	4,100	27,569	31,669	-
Total liabilities . . . . .	<u>\$ 4,100</u>	<u>\$ 29,890</u>	<u>\$ 31,669</u>	<u>\$ 2,321</u>
<b>Auditors Escrow</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 987,198	\$ 739,062	\$ 461,411	\$ 1,264,849
Accounts receivable . . . . .	28,200	-	28,200	-
Total assets. . . . .	<u>\$ 1,015,398</u>	<u>\$ 739,062</u>	<u>\$ 489,611</u>	<u>\$ 1,264,849</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ -	\$ 4,927	\$ -	\$ 4,927
Deposits held and due to others . . . . .	1,015,398	734,135	489,611	1,259,922
Total liabilities . . . . .	<u>\$ 1,015,398</u>	<u>\$ 739,062</u>	<u>\$ 489,611</u>	<u>\$ 1,264,849</u>
<b>Payroll</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 445,033	\$ -	\$ 102,602	\$ 342,431
Total assets. . . . .	<u>\$ 445,033</u>	<u>\$ -</u>	<u>\$ 102,602</u>	<u>\$ 342,431</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 445,033	\$ -	\$ 102,602	\$ 342,431
Total liabilities . . . . .	<u>\$ 445,033</u>	<u>\$ -</u>	<u>\$ 102,602</u>	<u>\$ 342,431</u>
<b>Municipal Court</b>				
<b>Assets:</b>				
Cash with fiscal and escrow agents. . . . .	\$ 468,377	\$ 1,526,257	\$ 1,533,629	\$ 461,005
Total assets. . . . .	<u>\$ 468,377</u>	<u>\$ 1,526,257</u>	<u>\$ 1,533,629</u>	<u>\$ 461,005</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 468,377	\$ 1,526,257	\$ 1,533,629	\$ 461,005
Total liabilities . . . . .	<u>\$ 468,377</u>	<u>\$ 1,526,257</u>	<u>\$ 1,533,629</u>	<u>\$ 461,005</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,434,476	\$ 766,631	\$ 593,827	\$ 1,607,280
Cash with fiscal and escrow agents. . . . .	468,377	1,526,257	1,533,629	461,005
Accounts receivable . . . . .	30,055	2,321	30,055	2,321
Total assets. . . . .	<u>\$ 1,932,908</u>	<u>\$ 2,295,209</u>	<u>\$ 2,157,511</u>	<u>\$ 2,070,606</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 913,410	\$ 1,533,505	\$ 1,636,231	\$ 810,684
Deposits held and due to others . . . . .	1,019,498	761,704	521,280	1,259,922
Total liabilities . . . . .	<u>\$ 1,932,908</u>	<u>\$ 2,295,209</u>	<u>\$ 2,157,511</u>	<u>\$ 2,070,606</u>

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# **STATISTICAL SECTION**

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**CITY OF WARREN, OHIO**  
**STATISTICAL SECTION**

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

<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>158-167</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>168-177</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>178-185</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>186-187</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>188-193</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 52,287,647	\$ 49,327,471	\$ 48,863,065	\$ 47,726,468
Restricted for:				
Debt service	1,843,561	2,220,095	1,869,362	2,145,641
Capital projects	576,256	764,564	1,476,319	899,088
Street maintenance	174,381	332,590	162,939	844,586
State highway	194,694	176,679	173,276	178,562
Law enforcement	177,944	384,759	363,589	292,581
Courts	1,650,347	1,484,004	1,291,177	1,588,016
Community development and improvements	7,796,740	7,991,263	8,313,048	8,900,592
Police and fire pension	-	-	-	-
Warren Hills landfill	505,366	513,419	558,717	611,275
Unrestricted (deficit)	<u>(25,652,839)</u>	<u>(23,448,369)</u>	<u>(21,620,364)</u>	<u>(24,345,765)</u>
Total governmental activities net position	<u>\$ 39,554,097</u>	<u>\$ 39,746,475</u>	<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 23,698,307	\$ 23,136,628	\$ 21,880,703	\$ 22,123,436
Restricted for:				
Debt service	-	-	-	-
Unrestricted	<u>3,688,879</u>	<u>4,610,430</u>	<u>5,812,598</u>	<u>3,522,316</u>
Total business-type activities net position	<u>\$ 27,387,186</u>	<u>\$ 27,747,058</u>	<u>\$ 27,693,301</u>	<u>\$ 25,645,752</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 75,985,954	\$ 72,464,099	\$ 70,743,768	\$ 69,849,904
Restricted for:				
Capital projects	576,256	764,564	1,476,319	899,088
Debt service	1,843,561	2,220,095	1,869,362	2,145,641
Street maintenance	174,381	332,590	162,939	844,586
State highway	194,694	176,679	173,276	178,562
Law enforcement	177,944	384,759	363,589	292,581
Courts	1,650,347	1,484,004	1,291,177	1,588,016
Community development and improvements	7,796,740	7,991,263	8,313,048	8,900,592
Police and fire pension	-	-	-	-
Public health	505,366	513,419	558,717	611,275
Unrestricted (deficit)	<u>(21,963,960)</u>	<u>(18,837,939)</u>	<u>(15,807,766)</u>	<u>(20,823,449)</u>
Total primary government net position	<u>\$ 66,941,283</u>	<u>\$ 67,493,533</u>	<u>\$ 69,144,429</u>	<u>\$ 64,486,796</u>

Source: City of Warren, Financial Records



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 44,093,603	\$ 42,910,889	\$ 41,689,055	\$ 41,287,935	\$ 37,644,539	\$ 34,666,493
2,723,376	1,996,713	1,615,731	1,123,312	1,013,994	761,906
-	-	21,924	-	49,172	75,800
828,714	808,811	771,607	725,984	712,053	563,941
272,923	345,451	274,377	223,765	159,839	94,202
399,651	345,503	413,142	461,705	501,540	196,316
1,369,045	1,315,547	1,122,989	842,855	947,689	1,271,125
9,491,103	10,168,030	10,218,860	9,560,569	8,319,608	7,661,196
-	104,782	1,108,729	1,002,814	901,168	768,867
622,922	665,959	692,804	702,538	696,863	695,177
(353,410)	(659,287)	(1,555,360)	(4,588,636)	(4,856,639)	(4,210,956)
<u>\$ 59,447,927</u>	<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>	<u>\$ 51,342,841</u>	<u>\$ 46,089,826</u>	<u>\$ 42,544,067</u>
\$ 26,353,429	\$ 25,997,973	\$ 24,563,803	\$ 23,458,196	\$ 21,755,533	\$ 19,391,428
-	-	963,817	962,846	967,855	979,719
7,037,170	7,100,100	6,435,075	5,387,270	6,493,160	9,021,287
<u>\$ 33,390,599</u>	<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>	<u>\$ 29,808,312</u>	<u>\$ 29,216,548</u>	<u>\$ 29,392,434</u>
\$ 70,447,032	\$ 68,908,862	\$ 66,252,858	\$ 64,746,131	\$ 59,400,072	\$ 54,057,921
-	-	21,924	-	49,172	75,800
2,723,376	1,996,713	2,579,548	2,086,158	1,981,849	1,741,625
828,714	808,811	771,607	725,984	712,053	563,941
272,923	345,451	274,377	223,765	159,839	94,202
399,651	345,503	413,142	461,705	501,540	196,316
1,369,045	1,315,547	1,122,989	842,855	947,689	1,271,125
9,491,103	10,168,030	10,218,860	9,560,569	8,319,608	7,661,196
-	104,782	1,108,729	1,002,814	901,168	768,867
622,922	665,959	692,804	702,538	696,863	695,177
6,683,760	6,440,813	4,879,715	798,634	1,636,521	4,810,331
<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>	<u>\$ 71,936,501</u>

**CITY OF WARREN, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,294,087	\$ 1,155,198	\$ 1,142,087	\$ 1,258,784
Security of persons and property	1,343,467	1,238,827	1,525,792	1,598,937
Public health and welfare	108,576	121,106	195,126	212,498
Transportation	2,550	2,050	1,300	350
Community environment	761,418	751,395	801,817	783,143
Leisure time activity	63,471	29,158	51,053	23,252
Economic development	111,174	-	-	-
Operating grants and contributions:				
General government	-	129	-	-
Security of persons and property	71,592	250,762	110,795	139,755
Transportation	2,076,358	2,009,714	1,944,652	2,085,454
Community environment	-	-	-	515,924
Economic development	1,639,750	2,074,252	1,484,273	2,060,026
Capital grants and contributions:				
General government	-	-	-	-
Transportation	1,831,422	2,293,735	4,718,978	2,573,034
Total governmental activities program revenues	<u>9,303,865</u>	<u>9,926,326</u>	<u>11,975,873</u>	<u>11,251,157</u>
Business-type activities:				
Charges for services:				
Sewer	8,207,341	7,992,246	8,025,072	8,188,147
Water	11,440,010	10,392,869	11,932,352	10,930,207
Sanitation	3,720,156	3,097,256	3,624,806	3,446,470
Other business-type activities:				
Packard Music Hall	-	-	-	149,163
City Redevelopment	358,938	421,570	404,767	426,888
Downtown parking	18,490	21,165	30,614	23,088
Stormwater Utility	1,087,434	877,355	1,105,928	1,103,573
Capital grants and contributions				
Sewer	-	-	-	-
Water	189,516	1,090,634	10,000	8,600
Sanitation	12,500	2,985	17,500	-
Other business-type activities:				
Packard Music Hall	-	-	-	-
Stormwater Utility	-	-	-	-
Total business-type activities program revenues	<u>25,034,385</u>	<u>23,896,080</u>	<u>25,151,039</u>	<u>24,276,136</u>
Total primary government	<u>\$ 34,338,250</u>	<u>\$ 33,822,406</u>	<u>\$ 37,126,912</u>	<u>\$ 35,527,293</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 7,193,770	\$ 6,373,481	\$ 6,488,811	\$ 5,938,254
Security of persons and property	15,589,381	16,529,431	16,095,857	15,374,111
Public health and welfare	780,424	755,064	615,477	652,802
Transportation	3,560,975	3,953,939	3,442,801	4,256,445
Community environment	1,824,742	1,901,508	1,813,704	2,165,295
Leisure time activity	689,808	781,777	737,876	499,936
Economic development	1,792,666	2,215,336	1,717,280	2,381,519
Interest and fiscal charges	321,509	361,464	386,234	413,785
Bond issuance costs	-	-	-	-
Total governmental activities expenses	<u>31,753,275</u>	<u>32,872,000</u>	<u>31,298,040</u>	<u>31,682,147</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	1,219,533	\$ 1,304,044	\$ 1,331,458	\$ 1,355,736	\$ 1,380,902	\$ 1,423,496
	1,452,930	1,739,425	1,827,410	1,898,051	1,695,936	1,449,173
	204,455	201,798	193,402	206,308	220,439	203,913
	1,050	21,750	35,950	22,700	4,400	33,155
	762,676	794,078	698,223	845,630	747,261	708,209
	36,082	34,033	17,643	28,350	21,494	32,702
	371,154	526,844	587,408	30,482	181,329	240,918
	-	-	-	-	-	-
	166,236	162,239	116,784	132,324	548,325	75,907
	1,968,489	2,000,968	2,063,252	2,127,786	1,881,928	2,117,983
	362,596	-	-	-	-	-
	1,592,956	2,859,913	3,794,352	5,212,448	3,059,516	3,092,290
	-	309,751	-	-	-	-
	3,971,851	982,257	2,646,972	2,647,295	3,501,520	1,899,760
	<u>12,110,008</u>	<u>10,937,100</u>	<u>13,312,854</u>	<u>14,507,110</u>	<u>13,243,050</u>	<u>11,277,506</u>
	8,026,141	8,487,821	9,862,861	7,364,686	7,437,372	8,067,438
	10,276,785	11,042,614	10,746,044	9,762,568	9,631,170	10,804,962
	3,434,612	3,323,515	3,146,892	3,182,299	3,157,449	3,050,445
	211,795	185,971	213,131	197,508	216,722	204,224
	57,092	40,111	51,778	31,378	42,711	42,711
	34,024	24,530	29,566	30,940	29,448	27,503
	1,009,629	1,038,686	983,029	921,907	888,267	843,531
	-	-	246,037	1,072,931	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	37,028	59,020	232,913	675,680	1,236,504	33,056
	-	23,469	227,296	23,697	30,225	-
	<u>23,087,106</u>	<u>24,225,737</u>	<u>25,739,547</u>	<u>23,263,594</u>	<u>22,669,868</u>	<u>23,073,870</u>
\$	<u>35,197,114</u>	<u>35,162,837</u>	<u>39,052,401</u>	<u>37,770,704</u>	<u>35,912,918</u>	<u>34,351,376</u>
\$	5,490,149	\$ 5,841,107	\$ 5,614,737	\$ 5,400,182	\$ 6,087,221	\$ 6,732,524
	16,292,351	16,753,174	16,860,682	15,449,385	15,993,727	18,620,804
	681,620	634,143	615,238	633,699	545,444	1,289,289
	4,124,435	3,790,997	4,034,308	3,548,603	3,662,641	4,644,555
	2,545,832	1,758,742	1,797,152	1,817,279	2,020,146	2,082,342
	499,204	482,998	453,413	520,453	484,294	699,582
	2,481,991	2,402,035	2,821,164	2,936,898	1,620,800	2,981,877
	195,930	266,413	312,812	503,530	566,227	631,425
	226,597	59,662	-	-	-	-
	<u>32,538,109</u>	<u>31,989,271</u>	<u>32,509,506</u>	<u>30,810,029</u>	<u>30,980,500</u>	<u>37,682,398</u>

- (Continued)

**CITY OF WARREN, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Business-type activities:				
Sewer	\$ 7,964,421	\$ 7,839,689	\$ 7,097,645	\$ 7,157,384
Water	12,690,692	11,786,057	12,013,437	11,815,365
Sanitation	3,733,769	3,570,325	3,326,132	3,631,799
Other business-type activities:				
Packard Music Hall	-	-	-	525,830
City Redevelopment	314,064	367,444	215,209	260,920
Downtown parking	162,080	129,999	136,252	136,077
Stormwater Utility	603,721	715,346	580,172	634,430
Total business-type activities expenses	<u>25,468,747</u>	<u>24,408,860</u>	<u>23,368,847</u>	<u>24,161,805</u>
Total primary government	<u>\$ 57,222,022</u>	<u>\$ 57,280,860</u>	<u>\$ 54,666,887</u>	<u>\$ 55,843,952</u>
<b>Net (expense) revenue:</b>				
Governmental activities	\$ (22,449,410)	\$ (22,945,674)	\$ (19,322,167)	\$ (20,430,990)
Business-type activities	(434,362)	(512,780)	1,782,192	114,331
Total primary government net expense	<u>\$ (22,883,772)</u>	<u>\$ (23,458,454)</u>	<u>\$ (17,539,975)</u>	<u>\$ (20,316,659)</u>
<b>General revenues and other changes in net position:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,337,229	\$ 1,136,724	\$ 1,221,461	\$ 1,370,616
Fire pension	-	-	-	-
Police pension	-	-	-	-
Income taxes levied for:				
General Purposes	18,091,853	16,990,041	17,237,265	16,247,030
Grants and entitlements				
not restricted to specific programs	1,974,260	1,458,525	1,601,526	2,016,181
Investment earnings	125,442	117,016	73,839	67,940
Miscellaneous	579,992	1,646,101	1,698,877	666,755
Change in fair value of investments	5,522	(78,842)	-	-
Special item	-	-	-	2,280,036
Transfers	142,734	(28,544)	99,283	(323,000)
Total governmental activities	<u>22,257,032</u>	<u>21,241,021</u>	<u>21,932,251</u>	<u>22,325,558</u>
Business-type activities				
Investment earnings	-	-	-	-
Miscellaneous	217,224	537,993	364,640	322,482
Special item	-	-	-	(2,280,036)
Transfers	(142,734)	28,544	(99,283)	323,000
Total business-type activities	<u>74,490</u>	<u>566,537</u>	<u>265,357</u>	<u>(1,634,554)</u>
Total primary government	<u>\$ 22,331,522</u>	<u>\$ 21,807,558</u>	<u>\$ 22,197,608</u>	<u>\$ 20,691,004</u>
<b>Change in net position:</b>				
Governmental activities	\$ (192,378)	\$ (1,704,653)	\$ 2,610,084	\$ 1,894,568
Business-type activities	(359,872)	53,757	2,047,549	(1,520,223)
Total primary government	<u>\$ (552,250)</u>	<u>\$ (1,650,896)</u>	<u>\$ 4,657,633</u>	<u>\$ 374,345</u>

Source: City of Warren, Financial Records

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 7,126,141	\$ 6,684,587	\$ 7,130,457	\$ 7,211,259	\$ 7,291,440	\$ 7,686,872
11,723,619	12,190,368	12,240,091	11,925,632	11,875,667	12,233,642
3,214,243	3,331,447	3,212,094	3,129,254	3,118,475	3,360,964
706,478	657,521	563,301	387,126	440,581	684,553
76,175	46,689	45,514	58,066	20,650	50,605
149,373	131,147	145,216	128,252	136,918	150,089
551,745	715,049	760,294	557,878	769,785	1,291,516
<u>23,547,774</u>	<u>23,756,808</u>	<u>24,096,967</u>	<u>23,397,467</u>	<u>23,653,516</u>	<u>25,458,241</u>
<u>\$ 56,085,883</u>	<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>	<u>\$ 54,207,496</u>	<u>\$ 54,634,016</u>	<u>\$ 63,140,639</u>
\$ (20,428,101)	\$ (21,052,171)	\$ (19,196,652)	\$ (16,302,919)	\$ (17,737,450)	\$ (26,404,892)
(460,668)	468,929	1,642,580	(133,873)	(983,648)	(2,384,371)
<u>\$ (20,888,769)</u>	<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>	<u>\$ (16,436,792)</u>	<u>\$ (18,721,098)</u>	<u>\$ (28,789,263)</u>
\$ 1,311,792	\$ 995,193	\$ 1,223,713	\$ 1,129,724	\$ 1,298,598	\$ 1,448,672
-	94,034	128,896	118,708	133,797	151,750
-	94,034	117,974	116,983	133,797	151,750
16,624,172	16,968,167	17,292,458	16,247,214	16,411,492	17,636,767
3,639,724	4,115,473	4,750,099	3,375,874	2,908,110	2,999,526
53,299	67,451	128,848	111,444	302,100	838,469
562,200	673,628	834,099	716,079	605,315	518,324
-	-	-	-	-	-
-	-	-	-	-	-
<u>(317,557)</u>	<u>(327,269)</u>	<u>(220,975)</u>	<u>(260,092)</u>	<u>(510,000)</u>	<u>(602,574)</u>
<u>21,873,630</u>	<u>22,680,711</u>	<u>24,255,112</u>	<u>21,555,934</u>	<u>21,283,209</u>	<u>23,142,684</u>
-	143	-	-	1,772	27,045
435,637	339,037	416,949	465,545	295,990	380,495
-	-	-	-	-	-
<u>317,557</u>	<u>327,269</u>	<u>220,975</u>	<u>260,092</u>	<u>510,000</u>	<u>602,574</u>
<u>753,194</u>	<u>666,449</u>	<u>637,924</u>	<u>725,637</u>	<u>807,762</u>	<u>1,010,114</u>
<u>\$ 22,626,824</u>	<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>	<u>\$ 22,281,571</u>	<u>\$ 22,090,971</u>	<u>\$ 24,152,798</u>
\$ 1,445,529	\$ 1,628,540	\$ 5,058,460	\$ 5,253,015	\$ 3,545,759	\$ (3,262,208)
292,526	1,135,378	2,280,504	591,764	(175,886)	(1,374,257)
<u>\$ 1,738,055</u>	<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>	<u>\$ 5,844,779</u>	<u>\$ 3,369,873</u>	<u>\$ (4,636,465)</u>

**CITY OF WARREN, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General fund:</b>					
Nonspendable	\$ 3,013	\$ 2,438	\$ 3,283	\$ 4,877	\$ 4,426
Restricted	505,366	513,419	558,717	611,275	622,922
Assigned	311,428	58,956	85,482	210,808	212,483
Unassigned	2,141,301	973,017	1,729,249	1,506,015	3,230,863
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>\$ 2,961,108</u>	<u>\$ 1,547,830</u>	<u>\$ 2,376,731</u>	<u>\$ 2,332,975</u>	<u>\$ 4,070,694</u>
<b>All other governmental funds:</b>					
Nonspendable	\$ 12,130	\$ 100,125	\$ 133,500	\$ 315	\$ -
Restricted	10,810,968	11,516,013	11,473,582	14,060,602	17,497,378
Unassigned (deficit)	-	-	-	(7,863)	-
Reserved	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Total all other governmental funds	<u>\$ 10,823,098</u>	<u>\$ 11,616,138</u>	<u>\$ 11,607,082</u>	<u>\$ 14,053,054</u>	<u>\$ 17,497,378</u>

Source: City of Warren, Financial Records

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,538	\$ 7,445	\$ -	\$ -	\$ -
665,959	692,804	-	-	-
743,525	74,882	-	-	-
3,810,108	4,810,152	-	-	-
-	-	324,890	88,913	82,867
-	-	4,250,122	4,027,419	4,119,358
<u>\$ 5,223,130</u>	<u>\$ 5,585,283</u>	<u>\$ 4,575,012</u>	<u>\$ 4,116,332</u>	<u>\$ 4,202,225</u>
\$ -	\$ 10,596	\$ -	\$ -	\$ -
12,285,612	12,966,986	-	-	-
(492,011)	-	-	-	-
-	-	10,966,339	9,384,585	10,217,681
-	-	1,481,434	2,183,565	2,191,594
-	-	505,151	300,006	111,599
-	-	(2,073,152)	(1,341,226)	(3,004,369)
<u>\$ 11,793,601</u>	<u>\$ 12,977,582</u>	<u>\$ 10,879,772</u>	<u>\$ 10,526,930</u>	<u>\$ 9,516,505</u>

**CITY OF WARREN, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
Income taxes	\$ 19,574,834	\$ 16,115,081	\$ 16,939,262	\$ 16,409,208
Property and other taxes	1,256,067	1,249,316	1,283,266	1,318,438
Charges for services	2,315,057	2,252,949	2,172,819	2,118,099
Licenses and permits	1,932,851	1,849,308	2,103,295	2,114,415
Fines and forfeitures	1,361,117	1,236,826	1,543,176	1,668,265
Intergovernmental	7,502,554	7,826,195	9,923,751	8,554,302
Special assessments	10,104	10,522	16,123	20,549
Investment income	164,024	137,484	101,689	107,227
Change in fair value of investments	5,522	(78,842)	-	-
Rental income	69,529	72,547	48,899	47,749
Other	730,284	1,951,250	1,842,483	1,478,244
Total revenues	<u>34,921,943</u>	<u>32,622,636</u>	<u>35,974,763</u>	<u>33,836,496</u>
<b>Expenditures</b>				
Current:				
General government	7,825,008	7,631,063	8,101,494	7,579,223
Security of persons and property	15,083,909	14,431,020	15,786,930	15,484,022
Public health and welfare	730,301	729,262	607,931	650,352
Transportation	1,459,169	1,438,403	1,690,699	1,619,094
Community environment	1,707,294	1,844,028	1,786,984	1,825,474
Leisure time activity	286,373	458,214	418,546	730,344
Economic development	1,749,327	2,199,189	1,711,494	2,276,793
Capital outlay	3,310,574	3,437,790	7,107,269	7,275,418
Debt service:				
Principal retirement	792,828	872,828	869,882	815,983
Interest and fiscal charges	271,418	372,140	395,033	399,298
Bond/refunding bond issuance costs	69,003	-	-	-
Total expenditures	<u>33,285,204</u>	<u>33,413,937</u>	<u>38,476,262</u>	<u>38,656,001</u>
Excess of revenues over (under) expenditures	<u>1,636,739</u>	<u>(791,301)</u>	<u>(2,501,499)</u>	<u>(4,819,505)</u>
<b>Other financing sources (uses)</b>				
Sale of refunding bonds	5,095,000	-	-	-
Sale of bonds	-	-	-	-
Sale of notes	-	-	-	-
Payment to refunded bond escrow agent	(6,170,449)	-	-	-
Loan proceeds	-	-	-	-
Premium on bonds/refunding bonds	-	-	-	-
Transfers in	937,283	336,868	1,237,739	1,428,160
Transfers (out)	(878,335)	(365,412)	(1,138,456)	(1,751,160)
Total other financing sources (uses)	<u>(1,016,501)</u>	<u>(28,544)</u>	<u>99,283</u>	<u>(323,000)</u>
Special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,538)</u>
Net change in fund balances	<u>\$ 620,238</u>	<u>\$ (819,845)</u>	<u>\$ (2,402,216)</u>	<u>\$ (5,182,043)</u>
Capital expenditures	3,786,808	3,257,331	8,068,858	7,247,084
Debt service as a percentage of noncapital expenditures	3.61%	4.13%	4.16%	3.87%

Source: City of Warren, Financial Records



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 16,624,224	\$ 17,080,705	\$ 16,996,981	\$ 15,872,631	\$ 15,624,357	\$ 18,013,849
1,315,316	1,356,637	1,404,962	1,475,498	1,511,528	1,484,062
2,146,723	2,068,967	2,085,260	2,084,254	2,139,791	2,236,100
2,129,625	2,281,768	2,193,463	2,303,729	2,070,754	2,493,223
1,465,518	1,751,023	1,827,530	1,918,363	1,747,233	1,523,506
11,242,468	10,388,955	13,551,987	13,198,824	12,037,848	9,540,800
23,663	35,896	65,724	50,813	27,680	22,036
163,524	125,471	271,739	216,055	393,622	1,187,787
-	-	-	-	-	-
30,606	26,274	31,653	36,552	94,831	60,013
983,926	760,098	916,099	803,079	697,315	721,207
<u>36,125,593</u>	<u>35,875,794</u>	<u>39,345,398</u>	<u>37,959,798</u>	<u>36,344,959</u>	<u>37,282,583</u>
7,375,113	7,614,421	7,387,486	7,565,426	7,313,305	7,939,782
16,951,166	17,396,017	16,783,776	15,299,674	15,187,309	17,976,545
682,462	631,915	621,583	627,133	585,216	1,242,486
1,311,023	1,661,599	1,584,939	1,568,297	1,640,909	2,534,139
1,738,663	1,766,330	1,770,245	1,707,275	1,761,935	1,909,315
550,457	493,165	456,404	440,263	491,804	656,999
2,417,744	3,291,712	3,500,283	3,631,183	2,032,605	2,966,215
7,601,061	2,681,709	2,379,047	4,238,297	3,920,919	2,782,967
1,153,216	3,494,229	1,342,926	1,937,447	1,530,310	1,538,405
164,201	256,922	277,837	481,373	534,299	585,924
226,597	44,710	-	-	-	-
<u>40,171,703</u>	<u>39,332,729</u>	<u>36,104,526</u>	<u>37,496,368</u>	<u>34,998,611</u>	<u>40,132,777</u>
<u>(4,046,110)</u>	<u>(3,456,935)</u>	<u>3,240,872</u>	<u>463,430</u>	<u>1,346,348</u>	<u>(2,850,194)</u>
-	-	-	-	-	-
8,585,000	1,960,000	-	-	-	-
-	13,529	-	-	-	-
-	-	-	-	-	-
-	-	-	520,000	-	256,564
241,824	62,088	-	-	-	-
429,120	960,193	552,103	384,562	1,104,143	1,140,453
(658,493)	(1,085,009)	(684,894)	(556,470)	(1,525,959)	(1,654,843)
<u>8,597,451</u>	<u>1,910,801</u>	<u>(132,791)</u>	<u>348,092</u>	<u>(421,816)</u>	<u>(257,826)</u>
-	-	-	-	-	-
<u>\$ 4,551,341</u>	<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>	<u>\$ 811,522</u>	<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>
7,166,035	3,438,531	2,066,359	5,200,379	4,465,719	2,824,370
3.99%	10.45%	4.76%	7.49%	6.76%	5.69%

**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>
2017	\$ 344,190,630	\$ 983,401,800	\$ 22,702,200	\$ 25,797,955	\$ -	\$ -
2016	347,125,760	991,787,886	21,582,300	24,525,341	-	-
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

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 2008, tangible personal is assessed at 6.25% of property value, including inventory.

For 2009 and subsequent years, tangible personal is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible personal property is the only taxable tangible personal property.

**Total**

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$	366,892,830	\$ 1,009,199,755	3.50	36.35%
	368,708,060	1,016,313,227	3.50	36.28%
	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%

**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	Warren City School District	Labrae Local School District	Howland Local School District
2017	2.90	0.30	0.30	3.50	12.30	64.30	55.80	43.85
2016	2.90	0.30	0.30	3.50	12.30	63.90	56.50	43.95
2015	2.90	0.30	0.30	3.50	12.30	63.65	56.50	43.95
2014	2.90	0.30	0.30	3.50	12.30	62.20	56.30	43.95
2013	2.90	0.30	0.30	3.50	12.30	62.10	56.05	43.95
2012	2.90	0.30	0.30	3.50	12.30	62.30	56.55	43.45
2011	2.90	0.30	0.30	3.50	12.30	59.50	56.55	43.05
2010	2.90	0.30	0.30	3.50	12.30	59.25	56.50	43.00
2009	2.90	0.30	0.30	3.50	12.30	58.95	56.30	42.90
2008	2.90	0.30	0.30	3.50	11.10	57.75	56.15	42.75

Source: Trumbull County Auditor's Office

**Overlapping Rates - Continued**

<b>Lakeview Local School District</b>	<b>Vocational School</b>	<b>Library</b>	<b>Total Tax Rates</b>	<b>Total Direct and Overlapping Rates</b>
51.40	2.40	1.00	231.05	234.55
51.65	2.40	1.00	231.70	235.20
46.60	2.40	1.00	226.40	229.90
48.10	2.40	1.00	226.25	229.75
48.00	2.40	1.00	242.80	246.30
47.65	2.40	1.00	238.65	242.15
47.05	2.40	1.00	221.85	225.35
43.15	2.40	1.00	230.60	234.10
43.05	2.40	1.00	229.90	233.40
43.00	2.40	1.00	227.15	230.65

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**CITY OF WARREN, OHIO**

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison	\$ 14,813,170	1	4.04%
Warren Ohio Hospital Company LLC	9,044,440	2	2.47%
American Transmission Systems Inc	5,262,370	3	1.43%
East Ohio Gas Co	2,600,660	4	0.71%
Wal-Mart Stores Inc.	2,323,200	5	0.63%
Rydyl I LLC	2,304,990	6	0.63%
NRR Commerce Ltd	2,018,390	7	0.55%
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>\$ 43,490,040</b>		<b>11.85%</b>
<b>Total City Property Tax Assessed Valuation</b>	<b>\$ 366,892,830</b>		

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison	\$ 10,482,860	1	2.28%
Sams Real Estate Business	2,637,010	2	0.57%
Rydyl I LLC	2,483,150	3	0.54%
Simon-Northbury	2,015,760	4	0.44%
United Telephone	2,003,460	5	0.44%
NRR Commerce	1,990,350	6	0.43%
Lowes Home Center	1,771,070	7	0.38%
East Ohio Gas	1,744,890	8	0.38%
Trumbull Plaza	1,737,260	9	0.38%
North Mar Center	1,461,430	10	0.32%
<b>Total, Top Ten Property Taxpayers</b>	<b>\$ 28,327,240</b>		<b>6.16%</b>
<b>Total City Property Tax Assessed Valuation</b>	<b>\$ 460,315,092</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>
2017	\$ 1,283,007	\$ 1,181,848	92.12%	\$ 73,234	\$ 1,255,082	97.82%	\$ 465,494	36.28%
2016	1,289,364	1,180,694	91.57%	75,016	1,255,710	97.39%	466,318	36.17%
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%

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>
2017	\$ 114,882	\$ 14,300	12.45%	\$ 4,928	\$ 19,228	16.74%	\$ 2,129,435	1853.58%
2016	46,517	23,630	50.80%	23,033	46,663	100.31%	2,112,438	4541.22%
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%

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>
2017	2.50%	\$ 19,486,241	\$ 15,839,986	81.29%	\$ 1,475,457	7.57%
2016	2.00%	17,095,349	13,513,180	79.05%	1,597,201	9.34%
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%

Source: The City of Warren Income Tax Department

	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	2,170,798	11.14%
	1,984,968	11.61%
	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%

**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>
2017	\$ 7,585,919	\$ -	\$ -	\$ 775,000	\$ -	\$ 128,282	\$ -
2016	9,344,605	-	-	900,000	-	141,110	-
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

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>
\$ 3,201,715	\$ -	\$ 15,050,735	\$419,526	\$ 960,212	\$ 28,121,389	\$ 699,456,160	4.02%	39,562	\$ 711
3,806,301	-	16,417,608	44,036	1,258,560	31,912,220	691,472,238	4.62%	39,898	800
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

**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>
2017	39,562	\$ 1,009,199,755	\$ 10,787,634	\$ 1,170,076	\$ 9,617,558	0.95%	\$ 243
2016	39,898	1,016,313,227	13,150,906	1,649,264	11,501,642	1.13%	288
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

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, 2017

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
<b>Direct:</b>			
City of Warren	\$ 8,489,201	100.00%	\$ 8,489,201
Total direct debt			<u>8,489,201</u>
<b>Overlapping debt:</b>			
Trumbull County	20,419,581	11.30%	2,307,413
Howland Local School District	671,160	13.22%	88,727
LaBrae Local School District	3,384,995	9.18%	310,743
Lakeview Local School District	23,745,000	0.03%	7,124
Total overlapping debt			<u>2,714,007</u>
Total direct and overlapping debt			<u>\$ 11,203,208</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed value**	\$ 366,892,830	\$ 368,708,060	\$ 371,337,050	\$ 393,478,920
Legal debt margin:				
Debt limitation - 10.5% of assessed value	38,523,747	38,714,346	38,990,390	41,315,287
Debt applicable to limitation:				
Total bonded debt	10,650,000	12,800,000	14,095,000	15,370,000
Exemptions:				
Debt service fund balance	(1,170,076)	(1,649,264)	(1,175,776)	(1,395,410)
Debt supported by enterprise fund operations	(3,130,000)	(3,720,000)	(4,295,000)	(4,865,000)
Total exemptions	<u>(4,300,076)</u>	<u>(5,369,264)</u>	<u>(5,470,776)</u>	<u>(6,260,410)</u>
Total debt applicable to limitation	<u>6,349,924</u>	<u>7,430,736</u>	<u>8,624,224</u>	<u>9,109,590</u>
Total legal debt margin within 10.5% limitation	<u>\$ 32,173,823</u>	<u>\$ 31,283,610</u>	<u>\$ 30,366,166</u>	<u>\$ 32,205,697</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 20,179,106	\$ 20,278,943	\$ 20,423,538	\$ 21,641,341
Debt applicable to limitation:				
Total bonded debt	10,650,000	12,800,000	14,095,000	15,370,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(3,130,000)</u>	<u>(3,720,000)</u>	<u>(4,295,000)</u>	<u>(4,865,000)</u>
Total debt within 5.5% limitations	<u>7,520,000</u>	<u>9,080,000</u>	<u>9,800,000</u>	<u>10,505,000</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 12,659,106</u>	<u>\$ 11,198,943</u>	<u>\$ 10,623,538</u>	<u>\$ 11,136,341</u>

Source: City of Warren, Financial Records



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 395,622,910	\$ 398,051,570	\$ 440,168,950	\$ 442,367,630	\$ 443,215,720	\$ 445,218,130
41,540,406	41,795,415	46,217,740	46,448,601	46,537,651	46,747,904
16,590,000	10,075,000	9,980,000	12,055,000	14,093,104	16,050,096
(2,017,079)	(1,398,296)	(874,361)	(505,151)	(336,286)	(133,279)
<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>
<u>(7,442,079)</u>	<u>(7,946,296)</u>	<u>(9,329,861)</u>	<u>(9,977,651)</u>	<u>(10,782,286)</u>	<u>(11,514,779)</u>
9,147,921	2,128,704	650,139	2,077,349	3,310,818	4,535,317
<u>\$ 32,392,485</u>	<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>	<u>\$ 44,371,252</u>	<u>\$ 43,226,833</u>	<u>\$ 42,212,587</u>
\$ 21,759,260	\$ 21,892,836	\$ 24,209,292	\$ 24,330,220	\$ 24,376,865	\$ 24,486,997
16,590,000	10,075,000	9,980,000	12,055,000	14,093,104	16,050,096
<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>
<u>11,165,000</u>	<u>3,527,000</u>	<u>1,524,500</u>	<u>2,582,500</u>	<u>3,647,104</u>	<u>4,668,596</u>
<u>\$ 10,594,260</u>	<u>\$ 18,365,836</u>	<u>\$ 22,684,792</u>	<u>\$ 21,747,720</u>	<u>\$ 20,729,761</u>	<u>\$ 19,818,401</u>

**CITY OF WARREN, OHIO**

PLEGGED REVENUE COVERAGE - WATER FUND  
LAST TEN YEARS

**REVENUE BONDS:**

Year	Operating Revenues	Operating Expenses (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011 (b)	\$ 11,038,048	\$ 9,126,622	\$ 1,911,426	\$ 480,000	\$ 404,000	\$ 884,000	2.16
2010	10,185,894	9,044,975	1,140,919	455,000	425,840	880,840	1.30
2009	9,902,093	8,740,883	1,161,210	435,000	446,285	881,285	1.32
2008	11,016,367	8,849,788	2,166,579	415,000	465,582	880,582	2.46

**OWDA LOANS:**

Year	Net Revenue Available for Debt Service	Debt Service Required for Revenue Bonds	Net Revenue Available for OWDA Loans	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2017	\$ 1,261,080	\$ -	\$ 1,261,080	\$ 1,038,152	\$ 333,505	\$ 1,371,657	0.92
2016	1,418,581	-	1,418,581	985,789	362,799	1,348,588	1.05
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

Source: City of Warren, Financial Records

(a) Total operating expenses are exclusive of depreciation.

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

**CITY OF WARREN, OHIO**

PLEGDED REVENUE COVERAGE - SEWER FUND  
LAST TEN YEARS

**OWDA LOANS:**

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2017	\$ 8,222,278	\$ 7,206,870	\$ 1,015,408	\$ 898,940	\$ 112,529	\$ 1,011,469	1.00
2016	7,999,222	6,993,102	1,006,120	904,394	139,873	1,044,267	0.96
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

Source: City of Warren, Financial Records

- (a) Total operating expenses are exclusive of depreciation.
- (b) Includes principal and interest of the OWDA loans only.

**CITY OF WARREN, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Annual Average Unemployment Rates (b)			
				City of Warren	Trumbull County	Ohio	United States
2017	39,562	\$ 699,456,160	\$ 17,680	7.2%	6.1%	4.5%	3.9%
2016	39,898	691,472,238	17,331	7.7%	6.7%	4.9%	4.9%
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%

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>2017</b>		
	<b>Income Tax Withholding</b>	<b>Rank</b>	<b>Percentage of Total City Withholding</b>
Trumbull County Auditor	\$ 1,323,513	1	8.36%
Warren Ohio Hospital Co.	1,055,061	2	6.66%
Humility of Mary Health Partners	943,201	3	5.95%
Warren City Schools	711,022	4	4.49%
State of Ohio, Dep't of Adm. Services	660,874	5	4.17%
City of Warren	498,363	6	3.15%
AVI Food Systems	437,700	7	2.76%
Laird Controls, North America	387,577	8	2.45%
Covelli Enterprises	192,389	9	1.21%
Delphi Automotive Systems	187,266	10	1.18%
<b>Total</b>	<b>\$ 6,396,966</b>		<b>40.38%</b>
Total 2017 City Income Tax Withholding	<u>\$ 15,839,986</u>		

<b>Employer</b>	<b>2008</b>		
	<b>Income Tax Withholding</b>	<b>Rank</b>	<b>Percentage of Total City Withholding</b>
Trumbull Memorial Hospital	\$ 1,239,346	1	8.43%
Trumbull County Auditor	946,860	2	6.44%
St. Elizabeth Medical Center	757,092	3	5.15%
Warren City Schools	741,066	4	5.04%
Delphi Automotive Systems	486,849	5	3.31%
City of Warren	474,638	6	3.23%
State of Ohio, Dep't of Adm. Services	419,817	7	2.85%
GE Lighting	405,092	8	2.75%
WCI Steel	245,912	9	1.67%
AVI Food System Inc.	183,862	10	1.25%
<b>Total</b>	<b>\$ 5,900,534</b>		<b>40.11%</b>
Total 2008 City Income Tax Withholding	<u>\$ 14,710,035</u>		

Source: The City of Warren Income Tax Department

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>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>General Government</b>							
Council	12.00	12.00	12.00	12.00	11.00	12.00	12.00
Mayor	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	6.00
Income Tax	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Law	10.00	10.00	10.00	10.00	11.00	11.00	9.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	1.00	1.00	1.00	1.00	2.00	2.00	1.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	29.00	33.00	31.00	32.00	31.00	31.00	30.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	27.00	24.00	26.00	29.00	29.00	28.00	29.00
Engineering	8.00	10.00	11.00	12.00	11.00	11.00	11.00
<b>Security of Persons and Property</b>							
Police	64.00	63.00	65.00	80.00	82.00	83.00	84.00
Fire	68.00	51.00	53.00	58.00	70.00	73.00	73.00
<b>Public Health and Welfare</b>							
Health Services	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<b>Economic Development</b>							
Community Development	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Packard Music Hall (a)	-	-	-	-	5.00	5.00	4.00
Data Processing	3.00	3.00	3.00	3.00	3.00	3.00	2.00
<b>Utility Services</b>							
Water	74.00	73.00	71.00	75.00	75.00	78.00	79.00
Sewer/Stormwater	52.00	45.00	46.00	48.00	45.00	44.00	42.00
Sanitation	16.00	16.00	16.00	15.00	15.00	15.00	15.00
<b>Total</b>	<u>405.00</u>	<u>383.00</u>	<u>387.00</u>	<u>417.00</u>	<u>432.00</u>	<u>438.00</u>	<u>433.00</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>2010</u>	<u>2009</u>	<u>2008</u>
12.00	12.00	13.00
3.00	3.00	3.00
6.00	5.00	5.00
6.00	5.00	6.00
9.00	9.00	9.00
4.00	4.00	4.00
1.00	1.00	3.00
3.00	3.00	3.00
33.00	34.00	34.00
2.00	2.00	2.00
26.00	25.00	48.00
10.00	11.00	11.00
81.00	77.00	81.00
63.00	57.00	64.00
12.00	10.00	11.00
5.00	6.00	5.00
3.00	2.00	4.00
2.00	2.00	3.00
82.00	85.00	84.00
51.00	53.00	48.00
15.00	15.00	15.00
<u>429.00</u>	<u>421.00</u>	<u>456.00</u>

**CITY OF WARREN, OHIO**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS**

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Security of Persons and Property</b>							
Police:							
Physical Arrests	2,060	2,125	2,211	2,204	2,301	1,848	2,668
Parking Violations	302	624	1,369	547	1,728	452	545
Traffic Violations	1,386	1,391	2,208	3,406	2,849	2,036	4,238
Fire:							
Calls for Service	1,346	1,318	1,369	1,322	952	1,122	1,386
Fire Safety Inspections	1,125	1,042	1,152	935	1,346	1,213	1,152
<b>Leisure Time Activities</b>							
Enclosed Shelter Rentals	108	105	135	111	105	112	92
Log Cabin Rentals	13	28	34	21	25	11	18
Pavilion Rentals	150	146	168	194	231	260	205
<b>Transportation</b>							
Street Resurfacing (Miles)	9.9	5.6	6.6	23.5	6.46	8	6
Potholes Repaired	1,450	1,282	1,041	1,480	1,350	1,140	1,157
<b>Water</b>							
New Connections	13	10	50	7	5	17	13
Water Main Breaks	95	125	123	111	137	128	70
Average Daily Consumption (thousands of gallons)	10,661	10,614	11,377	11,591	11,383	11,380	12,504
<b>Sewer</b>							
Average Daily Consumption (thousands of gallons)	11,373	10,430	11,430	14,090	13,920	13,310	17,240
<b>Sanitation</b>							
Refuse Collected (tons daily)	94	106	92	95	92	91	90

Source: City of Warren Departments.



<u>2010</u>	<u>2009</u>	<u>2008</u>
2,229	2,887	4,125
273	453	510
3,803	3,036	5,336
1,230	1,030	1,377
1,125	1,135	1,052
76	78	76
5	10	8
200	177	170
8	16	2
1,236	1,006	871
11	16	21
94	53	107
11,625	11,285	12,846
12,560	13,380	17,952
90	88	82

**CITY OF WARREN, OHIO**

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

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Security of Persons and Property</b>							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	30	30	29	29	32	30	27
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	3	3	3	3	2
Reserve Fire Pumpers	0	1	1	1	1	1	1
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	1	1	1	2	1	1
<b>Leisure Time Activities</b>							
Park Acreage	262.92	262.92	262.92	262.92	262.92	262.92	262.92
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	0	0	4	4
<b>Transportation</b>							
Streets (Paved Miles)	184.423	184.423	184.423	184.423	184.423	184.423	184.423
Traffic Signals	60	60	60	60	60	63	63
<b>Water</b>							
Water Mains (miles)	300	300	300	300	300	300	300
Fire Hydrants	1,905	1,905	1,905	1,905	1,905	1,906	1,906
Maximum Daily Capacity (thousands of gallons)	22,800	22,800	22,800	22,800	22,800	22,700	22,700
<b>Sewer</b>							
Sanitary Sewers (miles)	201.390	201.390	201.390	201.390	201.390	199.200	199.200
Storm Sewers (miles)	123.902	123.902	123.902	123.394	123.394	125.500	125.500
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	12	14	10	9	9	9	9

Source: City of Warren Departments.

<u>2010</u>	<u>2009</u>	<u>2008</u>
1	1	1
27	29	33
3	3	3
2	2	3
1	1	1
2	2	2
1	1	1
256.78	256.78	256.78
1	1	1
3	3	3
6	6	6
6	6	6
2	2	2
4	4	4
4	4	4
184.309	184.309	184.309
63	61	61
300	300	299
1,904	1,904	1,906
22,700	22,700	22,700
199.200	196.943	199.200
125.500	123.390	125.500
40,000	40,000	40,000
9	8	8

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City of Warren  
Trumbull County, Ohio

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

For the Year Ended  
December 31, 2017

**CITY OF WARREN**  
**TRUMBULL COUNTY, OHIO**  
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June 29, 2018

To the Honorable Mayor and City Council  
City of Warren  
Trumbull County, Ohio  
391 Mahoning Avenue NW  
Warren, OH 44483

**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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2018.

**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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 2017-001 and 2017-002.

### **City's Response to Findings**

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. 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.

*Hea & Associates, Inc.*

Medina, Ohio



June 29, 2018

To the Honorable Mayor and City Council  
City of Warren  
Trumbull County, Ohio  
391 Mahoning Avenue NW  
Warren, OH 44483

**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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2017.

**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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 29, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

*Hea & Associates, Inc.*

Medina, Ohio

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CITY OF WARREN, OHIO  
TRUMBULL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	N/A	14.218	\$203,875	\$1,357,154
Total CDBG - Entitlement Grants Cluster			203,875	1,357,154
HOME Investment Partnerships Program	N/A	14.239	0	333,456
Total U.S. Department of Housing and Urban Development			203,875	1,690,610
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Direct Programs:</i>				
Bulletproof Vest Partnership Program	2016BUBX16084504	16.607	0	12,065
Bulletproof Vest Partnership Program	2017BUBX17088476	16.607	0	2,013
Subtotal - Bulletproof Vest Partnership Program			0	14,078
Edward Byrne Memorial Justice Assistance Grant	2015DJBX0129	16.738	0	6,339
Public Safety Partnership and Community Policing Grants	2013UMWX0111	16.710	0	51,385
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	2017-VOCA-43553436	16.575	0	47,693
Crime Victim Assistance	2016-VOCA-19814797	16.575	0	15,753
Subtotal - Crime Victim Assistance			0	63,446
Total U.S. Department of Justice			0	135,248
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Warren Riverwalk/Mahoningside Project	92055	20.205	0	1,969
Greenway Trailhead ODOT Project	93385	20.205	0	15,126
West Market Street Project	95103	20.205	0	22,937
Youngstown Road Project	95844	20.205	0	91,907
Tod/Atlantic Project	99581	20.205	0	792,807
Elm Road Resurfacing Project	99589	20.205	0	344,423
Total Highway Planning and Construction Cluster			0	1,269,169
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	STEP-2017-78-00-00-00555-00	20.600	0	2,652
State and Community Highway Safety	IDEP/STEP-2018-Warren Police Dept.-00	20.600	0	795
National Priority Safety Programs	IDEP-2017-78-00-00-00423-00	20.616	0	6,512
National Priority Safety Programs	OVITF-2017-78-00-00-00450-00	20.616	0	77,610
Total Highway Safety Cluster			0	87,569
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	IDEP/STEP-2018-Warren Police Dept.-00	20.608	0	622
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVI-2018-Warren Police Dept.-00012	20.608	0	7,138
Subtotal - Minimum Penalties for Repeat Offenders for Driving While Intoxicated			0	7,760
Total U.S. Department of Transportation			0	1,364,498
<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-1017	93.994	0	37,487
Maternal and Child Health Services Block Grant to the States	6 B04MC306340101	93.994	0	8,866
Subtotal - Maternal and Child Health Services Block Grant to the States			0	46,353
<i>Passed Through Trumbull County Health Department:</i>				
Public Health Emergency Preparedness	78-100-12-PH-0817	93.074	0	7,500
Public Health Emergency Preparedness	78-100-12-PH-0918	93.074	0	6,400
Subtotal - Public Health Emergency Preparedness			0	13,900
Total U.S. Department of Health and Human Services			0	60,253
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Direct Program:</i>				
Assistance to Firefighters Grant	EMW-2015-FP-00900	97.044	0	10,183
Staffing for Adequate Fire and Emergency Response	EMW-2015-FH-00597	97.083	0	441,703
Total U.S. Department of Homeland Security			0	451,886
<b>Total Federal Financial Assistance</b>			<b>\$203,875</b>	<b>\$3,702,495</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  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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, 2017. 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, 2017.

<b>Program Title</b>	<b>CFDA Number</b>	<b>Amounts Outstanding</b>
Home Investment Partnership	14.239	\$ 4,705,369
Community Development Block Grant	14.218	1,389,096

**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.

**Note E – Subrecipients**

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
DECEMBER 31, 2017**

<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)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	None Reported
(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?	None Reported
(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 Cluster HOME Investment Partnership Program	CFDA #20.205 #14.239
(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?	No

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2017**

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

**Material Noncompliance**

**Finding Number: 2017-001**

**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, 2017, the City had total transfers out of the General Fund to the Packard Music Hall Fund (\$185,000), Street Maintenance (\$128,000), Community Development Block Grant (\$35,560), Capital Projects (\$500,000), and Downtown Parking Fund (\$77,000), and Motor Vehicle Levy to Capital Projects (\$140,236) 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:** See Corrective Action Plan.

**Material Noncompliance**

**Finding Number: 2017-002**

**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.

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



**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2017**

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

**Finding Number: 2017-002(continued)**

	Final Estimated Resources	Actual Revenue	Estimated Resources Over Actual
General Fund	\$ 28,235,348	\$ 26,609,182	\$ 1,626,166
Packard Music Hall	260,000	251,510	8,490
Motor Vehicle Levy	626,000	616,248	9,752
Court Compertization	100,000	92,059	7,941
Street Maintenance	1,600,000	1,505,616	94,384
Law Enforcement Trust	60,773	3,919	56,854
Drivers Alcohol Treatment	31,000	12,069	18,931
Federal Forfeitures	9,000	7,195	1,805
Legal Research - Courts	37,000	33,964	3,036
Community Development Block Grant	1,834,589	1,443,962	390,627
Home Investment	809,350	355,694	453,656
General Bond Payment	6,542,323	6,540,366	1,957
Life Insurance and Hospitilization	6,500,000	6,200,667	299,333
General Capital Projects	6,500,000	2,589,939	3,910,061
Sewer	9,029,800	8,713,546	316,254
Water	12,527,300	11,945,358	581,942
City Redevelopment	400,000	362,316	37,684
Downtown Parking	137,210	107,506	29,704
Stormwater Utility	1,165,050	996,792	168,258
Workers Compensation	1,200,000	1,098,387	101,613
Data Processing	650,000	521,535	128,465
Police Grant	99,000	66,727	32,273
Special Projects - Courts	250,000	239,083	10,917
Guarantee Loan	250,000	174,089	75,911

**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.

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)  
2 CFR §200.515  
DECEMBER 31, 2017**

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

**Finding Number:** 2017-002(continued)

**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:** See Corrective Action Plan.

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

None were noted.



# 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

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO  
CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2017**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2017-001	The City will obtain approval from City Council for all transfers in future periods.	January 1, 2018	Vince Flask
2017-002	The City will review estimated resources compared to appropriations on a monthly basis for compliance.	January 1, 2018	Vince Flask

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# CITY OF WARREN, OHIO

## Finance Department

VINCENT S. FLASK  
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Deputy Auditor

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

**City of Warren**  
**Trumbull County, Ohio**  
*Schedule of Prior Audit Findings*  
**2 CFR 200.511(b)**  
*December 31, 2017*

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Ohio Revised Code Section 5705.14, no council approval of transfers.	Not Corrected	Reissued as finding 2017-001; Due to the timing of the completion of the 2016 audit, the finding is repeated since the anticipated completion date was 1/1/18; See Corrective Action Plan
2016-002	Ohio Revised Code Section 5705.36, requesting increased or reduced amended certificates of estimated resources.	Not Corrected	Reissued as finding 2017-002; Due to the timing of the completion of the 2016 audit, the finding is repeated since the anticipated completion date was 1/1/18; See Corrective Action Plan

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# Dave Yost • Auditor of State

CITY OF WARREN

TRUMBULL COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 14, 2018