

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2008

**DAVID GRIFFING, AUDITOR**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Julian & Grube, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 15, 2009

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**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Supplementary  
Schedule of Expenditures of Federal Awards**

Mayor and Members of Council  
City of Warren  
391 Mahoning Ave., NW  
Warren, Ohio 44483-4634

Our audit was performed for the purpose of forming an opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2008 and we have issued our report thereon dated June 11, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Warren's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
June 11, 2009

**CITY OF WARREN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Direct Programs:</i>			
(B) Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 1,181,968
<b>Total Community Development Block Grants/Entitlement Grants</b>			<b>1,181,968</b>
(C) HOME Investment Partnerships Program	14.239	N/A	1,642,548
<b>Total HOME Investment Partnerships Program</b>			<b>1,642,548</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>2,824,516</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct Programs:</i>			
Bulletproof Vest Partnership Program	16.607	N/A	1,170
Edward Byrne Memorial Justice Assistance Grant	16.738	2007DJBX0576	19,253
Edward Byrne Memorial Justice Assistance Grant	16.738	2008DJBX0306	1,813
<b>Total Edward Byrne Memorial Justice Assistance Grant</b>			<b>21,066</b>
<i>Passed through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	16.575	2008VAGENE511	17,674
Crime Victim Assistance	16.575	2009VAGENE511	5,267
<b>Total Crime Victim Assistance</b>			<b>22,941</b>
<b>Total U.S. Department of Justice</b>			<b>45,177</b>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction:</i>			
Warren Greenway Bike trail ODOT Project	20.205	77201	57,133
US 422 Parkman Road ODOT Project	20.205	78220	969,898
Packard Music Hall Project	20.205	81386	111,427
East Market Street ODOT Project	20.205	79823	219,779
Packard Museum Expansion Project	20.205	80677	59,840
Mahoning Avenue/SR 45 ODOT Project	20.205	79827	15,231
<b>Total Highway Planning and Construction</b>			<b>1,433,308</b>
<i>Passed through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	HVEO-2008-78-00-00-00428-00	23,072
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	HVEO-2009-78-00-00-00292-00	7,005
<b>Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive</b>			<b>30,077</b>
<b>Total U.S. Department of Transportation</b>			<b>1,463,385</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant to States	93.994	78-200-11-DS-0108	32,000
<i>Passed through Trumbull County Health Department:</i>			
Immunization Grants	93.268	78-100-12-IM-0108	9,525
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	78-100-12-PI-0209	1,128
<i>Passed through Youngstown City Health Department:</i>			
HIV Prevention Activities_Health Department Based	93.940	50-200-12-HP-0108	7,811
<b>Total U.S. Department of Health and Human Services</b>			<b>50,464</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 4,383,542</b>

**CITY OF WARREN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Continued from Page 2

(A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. This schedule has been prepared on the cash basis of accounting.

(B) The City has established revolving loan programs to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the "Schedule"). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. Activity in the revolving loan funds during 2008 is as follows:

Beginning loans receivable balance as of January 2008:	\$ 1,776,711
Loans Disbursed:	162,661
Loan Repayments:	<u>(154,567)</u>
Ending loans receivable balance as of December 31, 2008:	<u>\$ 1,784,805</u>

Cash Balance on hand as of December 31, 2008	\$ 330,736
Delinquent amounts due as of December 31, 2008	\$ 311,627

(C) The City has established revolving loan programs to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the "Schedule"). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. Activity in the revolving loan funds during 2008 is as follows:

Beginning loans receivable balance as of January 2008:	\$ 1,960,340
Loans Disbursed:	33,104
Loan Repayments:	<u>-</u>
Ending loans receivable balance as of December 31, 2008:	<u>\$ 1,993,444</u>

Cash Balance on hand as of December 31, 2008	\$ -
Delinquent amounts due as of December 31, 2008	\$ -

(D) The City has established revolving loan programs to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the "Schedule"). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. Activity in the revolving loan funds during 2008 is as follows:

Beginning loans receivable balance as of January 2008:	\$ 2,068,869
Loans Disbursed:	118,983
Loan Repayments:	<u>(125,000)</u>
Ending loans receivable balance as of December 31, 2008:	<u>\$ 2,062,852</u>

Cash Balance on hand as of December 31, 2008	\$ -
Delinquent amounts due as of December 31, 2008	\$ -

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

Note: 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.





**Julian & Grube, Inc.**  
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**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***

Mayor and Members of Council  
City of Warren  
391 Mahoning Ave., NW  
Warren, Ohio 44483-4634

We have audited 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, as of and for the year ended December 31, 2008, which collectively comprise the City of Warren's basic financial statements and have issued our report thereon dated June 11, 2009. As disclosed in Note 3.A. and 3.B. to the financial statements, the City implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" for the year ended December 31, 2008. As disclosed in Note 3.B., the City has reported a prior period adjustment to properly restate net assets and fund balances at January 1, 2008 due to prior years overfunding of Bureau of Workers' Compensation premiums. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Warren's internal control over financial reporting as a basis for designing our auditing procedures 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 of Warren's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the City of Warren's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Warren's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Warren's financial statements that is more than inconsequential will not be prevented or detected by the City of Warren's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Warren's internal control.

Members of Council and Mayor  
City of Warren  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

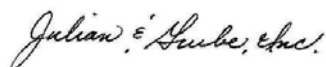
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Warren's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedules of findings and responses as items 2008-COW-001 and 2008-COW-002.

We noted certain matters that we reported to management of the City of Warren in a separate letter dated June 11, 2009.

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

This report is intended solely for the information and use of the management, the Council of the City of Warren, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.  
June 11, 2009



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Compliance With Requirements Applicable to Its  
Major Program and Internal Control Over Compliance In  
Accordance With *OMB Circular A-133***

Mayor and Members of Council  
City of Warren  
391 Mahoning Ave., NW  
Warren, Ohio 44483-4634

Compliance

We have audited the compliance of the City of Warren, Trumbull County, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. The City of Warren's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Warren's management. Our responsibility is to express an opinion on the City of Warren's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Warren'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. Our audit does not provide a legal determination on the City of Warren's compliance with those requirements.

In our opinion, the City of Warren complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Members of Council and Mayor  
City of Warren

Internal Control Over Compliance

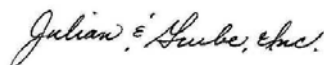
The management of the City of Warren is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Warren's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 of Warren's internal control over compliance.

A control deficiency in the City of Warren's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Warren's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City of Warren's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City of Warren's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, the Council of the City of Warren, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.  
June 11, 2009

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Highway Planning and Construction CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2008-COW-001

Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources.

The City had total appropriations exceeding total estimated resources in the following funds:

<u>December 31, 2008</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Nonmajor funds:</u>			
Home Investment Fund	\$2,038,753	\$3,272,894	\$1,234,143
General Capital Projects Fund	5,897,165	6,119,476	222,311

With appropriations exceeding estimated resources the City may spend more funds than in the Treasury or in process of collection and cause fund deficits.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the City should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources. In addition, the City should monitor its budgetary process on a regular basis.

*Client Response:* The City will monitor the budget on a continual basis and make modifications as necessary to ensure appropriations do not exceed estimated resources.

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>
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Finding Number	2008-COW-002
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Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the City Auditor that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The City did not request timely amended certificates throughout the year upon notice of increased or decreased resources.

The City is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources, throughout the year and at fiscal year end.

We recommend that the City review its available resources versus its appropriations throughout the year and file amended certificates when necessary. This will facilitate the City's appropriation process.

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

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

None.

**CITY OF WARREN  
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2008**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2007-COW-001	Ohio Revised Code Section 5705.36(A)(4) states that upon a 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 and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission and the commission shall certify an amended certificate reflecting the deficiency.	No	Partially corrected - moved to management letter



# **CITY OF WARREN, OHIO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2008**

**DAVID N. GRIFFING, CITY AUDITOR**

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**CITY OF WARREN, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

PREPARED BY:

CITY AUDITOR'S OFFICE  
DAVID GRIFFING, CITY AUDITOR

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

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# **INTRODUCTORY SECTION**

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**CITY OF WARREN, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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# CITY OF WARREN, OHIO

## Finance Department

DAVID N. GRIFFING  
City Auditor

NANCY E. RUGGIERI  
Deputy Auditor

CITY HALL  
391 Mahoning Avenue  
Warren, Ohio 44483  
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June 11, 2009

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, 2008, is hereby submitted. This report is prepared in conformance with generally accepted accounting principles (GAAP) in the United States of America as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City Auditor's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City is required by state law to have an annual audit performed by the Auditor of State's Office or an independent public accounting firm, if permitted by the Auditor of State. Julian & Grube, Inc. performed the audit for the year ended December 31, 2008. The City continues to receive an unqualified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2008 provided no instances of material weaknesses in the internal control structure and one instance of significant violation of applicable laws and regulations.

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

### COMMUNITY PROFILE

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

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

The City of Warren, historic capital of the Connecticut Western Reserve and Trumbull County seat, was incorporated as a village in 1843 and attained city status in 1869. Located in northeast Ohio, the City is situated approximately fifty-two miles southeast of Cleveland and fourteen miles northwest of Youngstown, occupies a land area of 16.08 square miles, and serves a population of 46,608 residents.

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

Cultural and recreational opportunities abound throughout Warren and the surrounding region. The W.D. Packard Music Hall auditorium (performance seating capacity for 2,500 and banquet seating for 1,000) is home to a variety of music and theatrical productions, the downtown district hosts several summer festivals and outdoor concerts, and local museums, historic and cultural landmarks provide a forum for the notable architectural, educational, and entertainment resources present in the community. The City is home to over 260 acres of public parks, including the downtown Riverwalk, Warren Community Amphitheatre, and Trumbull County Women's Park. These facilities provide a variety of recreational opportunities for local residents, including softball, soccer, biking, and tennis. The City also owns a municipal golf course that is presently leased and operated by a private corporation, and Mosquito Lake and Meander Creek Reservoir provide facilities for swimming, fishing and boating.

In addition to the City's comprehensive public school system and excellent parochial school system, advanced education can be pursued at the local branch of Kent State University. Several accredited colleges and universities with four-year and advanced degree programs are also located within a short driving distance, including Youngstown State University, Kent State University, Hiram College, and Akron University

A complete discussion of the City's reporting entity is provided in Note 2 of the BFS.

## **PROFILE OF THE GOVERNMENT**

The City provides a wide range of general governmental services to its residents including: public safety (police and fire), public health, municipal court, highways and streets, public improvements, community development (planning and zoning), water, sewers, sanitation, parks and recreation, and general administrative services. The City is a statutory city that operates under those powers granted by the Ohio Constitution and The Ohio Revised Code. The Mayor is elected at-large to serve a four-year term. The Mayor is responsible for administrating the policies and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing the superintendents of various departments. The 11 members of City Council are elected every 2 years with one serving as the President of Council. Council members serve as the legislative authority and the taxing authority. The Council members create and adopt the annual operating budget of the City.

Aside from the Mayor and Council, citizens elect three other at-large City administrative officials, each of whom is independent within the limits of Ohio law affecting the particular office. These officials, elected to four-year terms, are the Auditor, Treasurer, and Law Director. The Auditor serves as the chief financial officer of the City. As chief financial officer, no contract or obligation involving the City can be made without the Auditor's certification that appropriations are sufficient and that funds are available, or are in the process of collection, to satisfy the contract or obligation. The Auditor is the central disbursing agent for the City who distributes funds to creditors in payment of liabilities incurred by the City and its departments. In addition, the Auditor is responsible for the preparation of the City payroll and maintaining a permanent accounting system and records.

The Treasurer is the custodian of all City funds. The Treasurer is responsible for the investment of active, inactive, and interim funds as specified by Ohio law. In addition, the Treasurer serves as an internal control function for the Auditor.

The Law Director has the responsibility of the criminal and civil divisions of the City Law Department. The criminal division is responsible for prosecuting all cases arising in the two municipal courts within the City. The Law Director is also responsible for the civil division which prepares all contracts, bonds, legislation, and other instruments in writing. As designated by Ohio law, the Law Director serves as chief legal counsel for all City officials, directors, departments, and boards.

## **ECONOMIC CONDITION AND OUTLOOK**

The City benefits from its prime location as a central component of the regional Cleveland-Pittsburgh American manufacturing belt. Approximately 9,300 manufacturing plants, 9,400 wholesale distribution centers and 17 Fortune 500 corporate world headquarters are located within 80 miles of the City. Residents derive significant benefit from and have easy access to exceptional employment, educational, recreational, medical, and cultural facilities within and surrounding the greater Youngstown-Warren metropolitan area. Home to a diversified base of industrial and commercial activity, employment within the City is primarily concentrated in the production of steel, automotive and associated systems, wholesale and retail distribution, as well as education, medical, and other professional services. The factors of globalization and increased competition have required significant changes in the regional economy; in order to regain competitive advantage, local manufacturing firms have implemented supplementary research divisions and embraced technological advances, resulting in increased investment, economic diversification and enhanced productivity. In addition, City officials and business leaders are placing added emphasis on the attraction of diverse corporate, retail and industrial employers to the region. As employment in heavy manufacturing has decreased, local non-manufacturing sector employment has increased, allowing the area to sustain growth despite a transition of workforce demographics.

Spearheaded by partnerships between the Warren Community Development Department, Warren Redevelopment and Planning (WRAP), and the Regional Chamber, the City's economic development team possesses significant resources to assist the establishment, expansion, or relocation of any business. Support is available with regard to site selection, financial and tax abatement assistance, business plan development, and other associated issues. Sustained growth taking place in Warren and the surrounding metropolitan area represents positive economic trends that are expected to continue into the future.

The City of Warren, through the Community Development Department acts as the lead agency in a partnership with Trumbull County. This consortium receives funding from HUD for housing programs. Through these efforts, we were able to complete several housing projects within Trumbull County, one of which was the Manor at Howland Glen. It was a \$4 million senior housing project consisting of 50 units. Another project was the Warren Heights Apartments on the City's north end, this project was \$9.5 million to completely rehab 188 units.

Several small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2008. These loans help retain 25 current jobs and create 21 new employment opportunities. The City continues its program of site visits to existing companies within the City that focused on the needs and wellness of their current employers as well as giving them the chance to discuss any problems they may have or possible ways for the City to assist them in growing their business.

In cooperation with the Mahoning Valley Economic Development Corporation (MVEDC), Warren Commerce Park has been developed into a home for industry, with tenants including Leed's, Charles Manufacturing, Jaro Transportation and the Consolidated Container Company. Proximity to major highways and rail service provide a variety of transportation options, offering market advantages to all tenants. The City of Warren developed Northwest Business Park (adjacent to OH-82 with direct links to the Ohio Turnpike) through the advancement of local public-private partnerships. Currently, the park is home to the Boy Scouts regional headquarters and a number of smaller manufacturing firms. In addition, Eastgate Technology Center located on the City of Warren's east side accommodates innovative high-tech corporations.

Since 2002, over \$2.5 million has been spent on the construction of the Warren Riverwalk campus, including an outdoor amphitheatre, festival promenade, multi-purpose event area, and the exterior restoration of the Kinsman House and Land Office. The construction of the Riverwalk Stagehouse at the Warren Community Amphitheatre was completed in 2007 with several events having attendance in excess of 3,000 people. This project, together with ancillary recreational facilities, will provide first-class entertainment and cultural opportunities for residents and visitors alike. A series of concerts has been scheduled for 2008 that will have music sounding through the community throughout the summer and into the fall. These concerts will be held every Saturday and they will be free to all those in attendance.

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

Throughout 2008, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial and industrial development promoting an atmosphere conducive for job retention and growth.

### **PUBLIC SAFETY**

The Fire Department continued to receive grant funding through Cleveland State University for hazardous material, confined space and incident command training for the sixth consecutive year. They have also continued our train the trainer program to maximize the training dollars available to maintain a well trained department. All of the fire fighters are also trained and certified in the various National Incident Management Service (NIMS) courses which is mandatory to be considered for any future federal grants that may become available. The Ohio Department of Public Safety has instituted training requirements that are mandatory to maintain certification as a fire fighter; all of the cities' fire fighters have met this requirement for 2008.

The Emergency Services Division of the Police department is comprised of one Captain, three Lieutenants, nine Sergeants and thirty four Patrol Officers. This is the only division, other than communications, that is scheduled to work seven days a week and 24 hours a day, every day of the year. The ESD also provides a security detail of three Officers for the Municipal Court, and has three K-9 units. These K-9 units are State certified for narcotics detection, tracking, patrol, and article searches. The officers of ESD are the first respondents to virtually all calls for service by the Warren Police Department. These calls ranged from the most mundane to the most dangerous emergency situations. The aggressive, but courteous tactics of the ESD officers have been largely recognized as being the primary reason that Warren has enjoyed such a low crime rate. Our officers are recognized for a banner year and the utmost respect for the hours of service and sacrifices they have shown throughout 2008.

### **PUBLIC WORKS**

A railroad rehabilitation project was started in December of 2008. The project will supply rail service to a melt shop and casting mill to allow a new business to be started in the Warren area. This \$1,166,000 project is being funded by state grants funds. A contract was awarded to construct a shelter at Northend Park, the shelter is to serve as the beginning of the Bike Trail that is travel through the City and connect with a series of bike trails. These trails are being constructed to provide a safe environment for citizens to enjoy the great outdoors.

The new Trumbull County's Veterans Memorial was completed in 2008. The project was funded by private and public donations of \$400,000. All of the labor was donated by a local construction company and volunteers from the local trade association. The Memorial was dedicated on November 11, 2008 as part of the Veterans Day celebration in Warren. About 600 Trumbull County residents died fighting in World War II, but the walls of this memorial park include veterans from other wars as well.

### **UTILITY SERVICE**

In the year of 2008 the Water Filtration Plant began to rehab and update of our Tod Ave Pump station, with a completion date of July of 2009 which will help us to meet and/or exceed EPA rules and regulations. The small meter project has enabled us to stream line our reading and billing procedures to provide better customer service and improve our collection process, which allows us to collect and deposit funds more rapidly. These projects have given the department the ability to remain consistent as having the fourth lowest rates in Trumbull County.

The Water Department has been actively seeking to increase the sale of water outside the Warren community. These additional sales should offset any future rate increases to the citizens of Warren. The City of Warren Water Department is committed to improving the quality of life by strengthening our neighborhoods, delivering a safe drinking water to our citizens at an affordable cost, in addition to focusing on good quality customer service to make the City of Warren a desirable place to live and work.

The Water Pollution Control Department actively sought and obtained a storm water rate increase targeted only for storm water capital improvement programs. This rate increase allows the department to secure funding to begin capital improvements on seven (7) identified areas throughout the City that are in need of storm water control rehabilitation. The Department also obtained a Class IV Composting License from the Ohio Environmental Protection Agency which allows the Department to collect leaves in the fall from the City and surrounding communities, process them into leaf mulch and sell the mulch to offset expenses. The Department continued to expand its market with the end product, "Nature's Blend", which is manufactured from processed Biosolids. With the increase in cost of commercial fertilizers, "Nature's Blend" has become particularly attractive to the farming community and bulk sales increased dramatically.

The Environmental Services Department has continued to improve service to its customers. The department has aggressively pursued additional commercial accounts and expanded into the roll off business. These efforts have controlled costs and increased revenue while maintaining the cost to their customers without an increase. The next step for the department is to reduce the amount being transported to the landfill by removing yard waste from the waste stream. This will be accomplished by segregating them and transporting them to a compost facility. The fall leaves have been completely eliminated from the waste stream and grass clippings are next on the agenda. Although the population of the city has been declining, the amount of solid waste has not and yard waste continues to increase.

## **GENERAL GOVERNMENT**

The Packard Music Hall is continuing to increase the number of events and the days of use. Each year the number of events and days in use continue to increase. The Packard Music Hall saw 85% usage with nearly 150,000 in attendance. The box office continues to increase the number of events that are using its services. The website continues to improve as well, and it was upgraded to actually allow for online purchases with the actual site line by seat assignment. The Packard Music Hall Foundation continues to grow and make improvements to the hall. The foundation purchased two shows for 2008 along with the annual week long Children's Theater Camp. The hall has finally cleared all of the necessary requirement to receive grant funds from the federal and state governments for a total of \$2,100,000 and the construction phase of the project will be completed in 2009. The project includes a complete renovation of the stage, rigging, lighting and sound systems of the hall. It is estimated that completion will be in the fall of 2009.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its comprehensive annual financial report for the year ended December 31, 2007. This was the sixth year the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and this report will be submitted to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

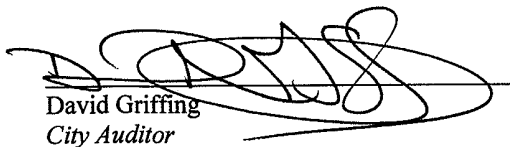
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive program of the City Auditor's office to improve the City's overall financial accounting, management and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the City of Warren Auditor's office for their contributions to this report. Special thanks are extended to Nancy Ruggieri, Deputy Auditor, for her effort and dedication to this project. I would also like to acknowledge the assistance provided by the staff of Julian & Grube, Inc., Steve Julian, CPA and Carrie Simmons, CPA their guidance and professionalism was invaluable and greatly appreciated.

I would like to acknowledge the efforts of our new auditors in this their fourth year replacing the State Auditor's Office. The firm of Julian & Grube, Inc. has done a great job of completing the process on time. Thanks to Tammy Gearhart, CPA of their office for completing the audit so that the report could be filed with GFOA.

I would also like to thank all of the elected officials, department heads and their staffs for their continued assistance and cooperation with the preparation of this CAFR. I know with their continued support, this project and our efforts toward sound financial management of the City of Warren will continue.

Sincerely,



David Griffing  
*City Auditor*



**CITY OF WARREN**  
ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2008

**ELECTED OFFICIALS**

***Executive Branch:***

Mayor	Michael J. O'Brien
Auditor	David N. Griffing
Treasurer	John Homlitas
Law Director	Gregory V. Hicks
Judge	Thomas Gysegem
Judge	Terry Ivanchak

***Legislative Branch:***

Council Member – Council President	Robert Marchese
Council Member – 1 <sup>st</sup> Ward	Fiore Dippolito
Council Member – 2 <sup>nd</sup> Ward	Alford Novak
Council Member – 3 <sup>rd</sup> Ward	M. Andrew Barkley
Council Member – 4 <sup>th</sup> Ward	Marti Morn
Council Member – 5 <sup>th</sup> Ward	Vincent S. Flask
Council Member – 6 <sup>th</sup> Ward	James Pugh
Council Member – 7 <sup>th</sup> Ward	Susan E. Hartman
Council Member – At-Large	Robert L. Dean, Jr.
Council Member – At-Large	Helen Rucker
Council Member – At-Large	Daniel Crouse

**APPOINTED OFFICIALS**

***Department of Public Safety:***

Director of Public Safety	William D. Franklin
Police Chief	John Mandopoulos
Fire Chief	Kenneth Nussle

***Department of Public Service:***

Director of Public Service	William D. Franklin
Deputy Health Commissioner	Robert Pinti
Director of Engineering	William Totten
Director of Operations	Frank Tempesta
Director of Water Utilities	Robert Davis
Director of Water Pollution Control	Thomas Angelo
Packard Music Hall Manager	Christopher Stephenson
Director of Environmental Services	Renee Cicero
Director of Community Development	Michael Keys



# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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# **FINANCIAL SECTION**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Mayor and Members of Council  
City of Warren  
391 Mahoning Ave., NW  
Warren, Ohio 44483-4634

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, as of and for the year ended December 31, 2008, which collectively comprise the City of Warren's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Warren, Trumbull County, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

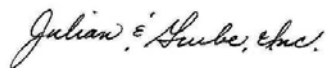
As disclosed in Note 3.A. and 3.B. to the financial statements, the City implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" for the year ended December 31, 2008. As disclosed in Note 3.B., the City has reported a prior period adjustment to properly restate net assets and fund balances at January 1, 2008 due to prior years overfunding of Bureau of Workers' Compensation premiums.

Independent Auditor's Report  
City of Warren

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2009, on our consideration of the City of Warren'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warren's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.  
June 11, 2009



## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (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, 2008. 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 2008 are as follows:

- The total net assets of the City decreased \$4,636,465. Net assets of governmental activities decreased \$3,262,208 or 7.12% below 2007 and net assets of business-type activities decreased \$1,374,257 or 4.47% over 2007.
- General revenues accounted for \$23,745,258 or 67.80% of total governmental activities revenue. Program specific revenues accounted for \$11,277,506 or 32.20% of total governmental activities revenue.
- The City had \$37,682,398 in expenses related to governmental activities; \$11,277,506 of these expenses was offset by program specific charges for services, grants or contributions. A portion of the remaining expenses of the governmental activities of \$26,404,892 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$23,745,258.
- The general fund had revenues and other financing sources of \$28,066,253 in 2008. This represents an increase of \$604,987 or 1.99% from 2007 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$30,313,547 in 2008, increased \$379,729 or 1.27% from 2007. The net decrease in fund balance for the general fund was \$2,247,294 or 34.84%.
- Net assets for the business-type activities, which are made up of the water, sewer, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility enterprise funds, decreased in 2008 by \$1,374,257.
- In the general fund, the actual revenues and other financing sources were \$1,651,376 less than in the final budget and actual expenditures and other financing uses were \$1,127,248 less than the amount in the final budget. Budgeted expenditures and other financing uses increased \$2,819,921 from the original to the final budget.

#### **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 assets 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, 2008 (UNAUDITED)

#### **Reporting the City as a Whole**

##### *Statement of Net Assets 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 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, 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 *assets* and changes in those assets. This change in net assets 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 assets and the statement of activities, the City is divided into two distinct kinds of activities:

**Governmental activities** - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements, and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

**Business-type activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility are reported here.

The City's statement of net assets and statement of activities can be found on pages 17-19 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 10.

##### *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, 2008 (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 fund is the general fund. Information for the major fund 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 20-24 of this report.

#### ***Proprietary Funds***

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, Packard Music Hall, sanitation, downtown parking, city redevelopment, and stormwater utility. The sewer, water and sanitation enterprise funds are considered major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 26-33 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 fiduciary fund types. The basic fiduciary fund financial statement can be found on page 34 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 35-74 of this report.

#### **Government-Wide Financial Analysis**

The statement of net assets provides the perspective of the City as a whole. The City restated net assets of the governmental activities and the business-type activities as described in Note 3.B. The following table provides a summary of the City's net assets for 2008 and 2007:

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

			<b>Net Assets</b>		2008 Total	(Restated) 2007 Total
	Governmental	Business-type	(Restated)	(Restated)		
	Activities 2008	Activities 2008	Governmental Activities 2007	Business-type Activities 2007		
<u>Assets</u>						
Current and other assets	\$ 25,019,165	\$ 12,722,970	\$ 28,599,532	\$ 14,476,672	\$ 37,742,135	\$ 43,076,204
Capital assets	<u>39,746,844</u>	<u>57,471,420</u>	<u>39,480,877</u>	<u>59,186,974</u>	<u>97,218,264</u>	<u>98,667,851</u>
Total assets	<u>64,766,009</u>	<u>70,194,390</u>	<u>68,080,409</u>	<u>73,663,646</u>	<u>134,960,399</u>	<u>141,744,055</u>
<u>Liabilities</u>						
Current liabilities	4,939,862	1,467,406	4,200,949	1,635,844	6,407,268	5,836,793
Long-term liabilities	<u>17,282,080</u>	<u>39,334,550</u>	<u>18,073,185</u>	<u>41,261,111</u>	<u>56,616,630</u>	<u>59,334,296</u>
Total liabilities	<u>22,221,942</u>	<u>40,801,956</u>	<u>22,274,134</u>	<u>42,896,955</u>	<u>63,023,898</u>	<u>65,171,089</u>
<u>Net assets</u>						
Invested in capital assets, net of related debt	34,666,493	19,391,428	33,024,924	19,416,251	54,057,921	52,441,175
Restricted	12,088,530	-	12,024,756	-	12,088,530	12,024,756
Unrestricted (deficit)	<u>(4,210,956)</u>	<u>10,001,006</u>	<u>756,595</u>	<u>11,350,440</u>	<u>5,790,050</u>	<u>12,107,035</u>
Total net assets	<u>\$ 42,544,067</u>	<u>\$ 29,392,434</u>	<u>\$ 45,806,275</u>	<u>\$ 30,766,691</u>	<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$71,936,501, a decrease of 6.05% from 2007. At year-end, net assets were \$42,544,067 and \$29,392,434 for the governmental activities and the business-type activities, respectively.

The City's current assets decreased \$5,334,069 during 2008, which reflects the decrease in cash and cash equivalents at year-end caused by overall increasing expenditures and expenses in excess of revenues. Stagnant revenues were primarily caused by the regional loss of employment and stagnant economic development.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 72.03% of total assets, compared to 69.61% at December 31, 2007. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$34,666,493 and \$19,391,428 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. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$12,088,530, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets is a deficit of \$4,210,956.

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

The table below shows the changes in net assets for 2008 and 2007.

	<b>Change in Net Assets</b>					
	Governmental	Business-type	Governmental	Business-type	2008	2007
	Activities	Activities	Activities	Activities	Total	Total
	2008	2008	2007	2007		
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 4,091,566	\$ 23,040,814	\$ 3,769,095	\$ 24,358,082	\$ 27,132,380	\$ 28,127,177
Operating grants and contributions	5,286,180	-	4,475,765	-	5,286,180	4,475,765
Capital grants and contributions	<u>1,899,760</u>	<u>33,056</u>	<u>780,998</u>	<u>-</u>	<u>1,932,816</u>	<u>780,998</u>
Total program revenues	<u>11,277,506</u>	<u>23,073,870</u>	<u>9,025,858</u>	<u>24,358,082</u>	<u>34,351,376</u>	<u>33,383,940</u>
General revenues:						
Property taxes	1,752,172	-	1,677,844	-	1,752,172	1,677,844
Income taxes	17,636,767	-	18,221,022	-	17,636,767	18,221,022
Unrestricted grants and entitlements	2,999,526	-	2,995,358	-	2,999,526	2,995,358
Investment earnings	838,469	27,045	1,239,089	57,086	865,514	1,296,175
Miscellaneous	<u>518,324</u>	<u>380,495</u>	<u>548,405</u>	<u>282,751</u>	<u>898,819</u>	<u>831,156</u>
Total general revenues	<u>23,745,258</u>	<u>407,540</u>	<u>24,681,718</u>	<u>339,837</u>	<u>24,152,798</u>	<u>25,021,555</u>
Total revenues	<u>35,022,764</u>	<u>23,481,410</u>	<u>33,707,576</u>	<u>24,697,919</u>	<u>58,504,174</u>	<u>58,405,495</u>
<b>Expenses:</b>						
General government	6,732,524	-	6,108,728	-	6,732,524	6,108,728
Security of persons and property	18,620,804	-	17,180,410	-	18,620,804	17,180,410
Public health and welfare	1,289,289	-	512,057	-	1,289,289	512,057
Transportation	4,644,555	-	3,948,040	-	4,644,555	3,948,040
Community environment	2,082,342	-	2,310,948	-	2,082,342	2,310,948
Leisure time activity	699,582	-	860,839	-	699,582	860,839
Economic development	2,981,877	-	2,066,544	-	2,981,877	2,066,544
Interest and fiscal charges	631,425	-	609,323	-	631,425	609,323
Sewer	-	7,686,872	-	8,008,014	7,686,872	8,008,014
Water	-	12,233,642	-	10,845,009	12,233,642	10,845,009
Sanitation	-	3,360,964	-	3,146,764	3,360,964	3,146,764
Packard Music Hall	-	684,553	-	685,045	684,553	685,045
City Redevelopment	-	50,605	-	49,618	50,605	49,618
Downtown Parking	-	150,089	-	154,011	150,089	154,011
Stormwater Utility	-	<u>1,291,516</u>	-	<u>646,497</u>	<u>1,291,516</u>	<u>646,497</u>
Total expenses	<u>37,682,398</u>	<u>25,458,241</u>	<u>33,596,889</u>	<u>23,534,958</u>	<u>63,140,639</u>	<u>57,131,847</u>
Increase (decrease) before transfers	(2,659,634)	(1,976,831)	110,687	1,162,961	(4,636,465)	1,273,648
Transfers	<u>(602,574)</u>	<u>602,574</u>	<u>(327,477)</u>	<u>327,477</u>	<u>-</u>	<u>-</u>
Change in net assets	(3,262,208)	(1,374,257)	(216,790)	1,490,438	(4,636,465)	1,273,648
Net assets at beginning of year (restated)	<u>45,806,275</u>	<u>30,766,691</u>	<u>46,023,065</u>	<u>29,276,253</u>	<u>76,572,966</u>	<u>75,299,318</u>
Net assets at end of year	<u>\$ 42,544,067</u>	<u>\$ 29,392,434</u>	<u>\$ 45,806,275</u>	<u>\$ 30,766,691</u>	<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>

## CITY OF WARREN, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)

#### Governmental Activities

Governmental activities net assets decreased \$3,262,208 in 2008, after decreasing \$216,790 in 2007. This is due to considerably higher expenses in 2008 for several of the City's departments combined with stagnant revenues. Total expenses increased \$4,085,509 or 12.16%, compared to the increase in total revenues of \$1,315,188 or 3.90%.

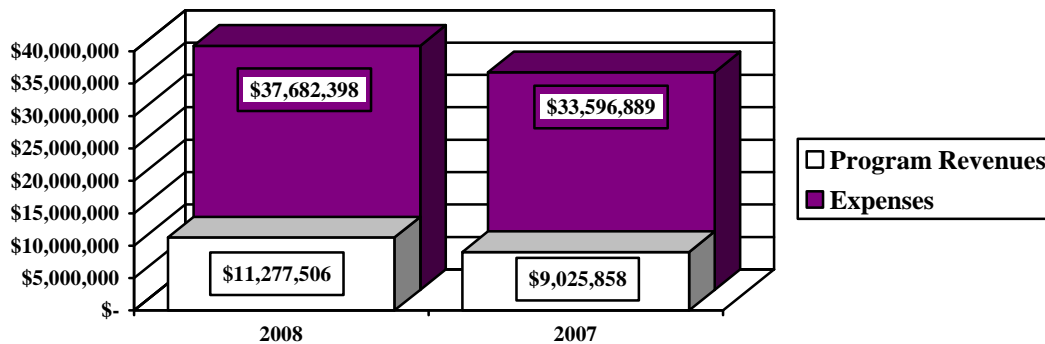
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$18,620,804 and \$17,180,410 of the total expenses of the City during 2008 and 2007, respectively. These expenses were partially funded by \$1,449,173 in 2008 compared to \$1,447,343 in 2007 in direct charges to users of the services. Transportation expenses totaled \$4,644,555 during 2008 and \$3,948,040 during 2007. During 2008, transportation expenses were partially funded by \$2,117,983 in operating grants and contributions, \$1,899,760 in capital grants and contributions, and \$33,155 in charges to users of services.

The City received a total of \$5,286,180 and \$4,475,765 during 2008 and 2007, respectively, in operating grants and contributions. Capital grants and contributions totaled \$1,899,760 during 2008, and \$780,998 during 2007. These revenues are restricted to a particular program or purpose. \$4,017,743 of the total grants and contributions subsidized transportation programs during 2008.

General revenues totaled \$23,745,258, and amounted to 67.80% of total governmental revenues during 2008. These revenues primarily consist of property and income tax revenue of \$19,338,939. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,999,526. These revenues sources combine for 63.93% of total governmental revenues.

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

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



**CITY OF WARREN, OHIO**

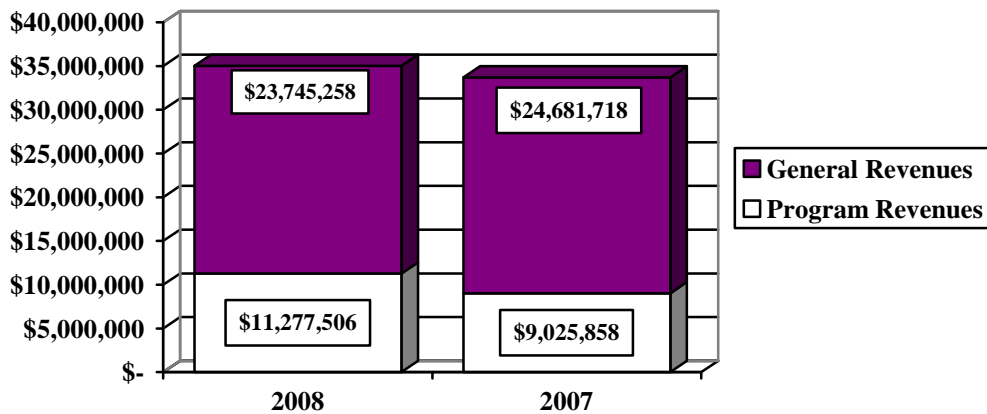
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

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 unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Program Expenses:				
General government	\$ 6,732,524	\$ 5,309,028	\$ 6,108,728	\$ 4,752,101
Security of persons and property	18,620,804	17,095,724	17,180,410	15,577,830
Public health and welfare	1,289,289	1,085,376	512,057	358,547
Transportation	4,644,555	593,657	3,948,040	1,011,403
Community environment	2,082,342	1,374,133	2,310,948	1,775,796
Leisure time activity	699,582	666,880	860,839	836,937
Economic development	2,981,877	(351,331)	2,066,544	(350,906)
Interest and fiscal charges	<u>631,425</u>	<u>631,425</u>	<u>609,323</u>	<u>609,323</u>
<b>Total</b>	<u><u>\$ 37,682,398</u></u>	<u><u>\$ 26,404,892</u></u>	<u><u>\$ 33,596,889</u></u>	<u><u>\$ 24,571,031</u></u>

The dependence upon general revenues for governmental activities is apparent, with 70.07% and 73.13% of expenses supported through taxes and other general revenues in 2008 and 2007, respectively.

**Governmental Activities - General and Program Revenues**



**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

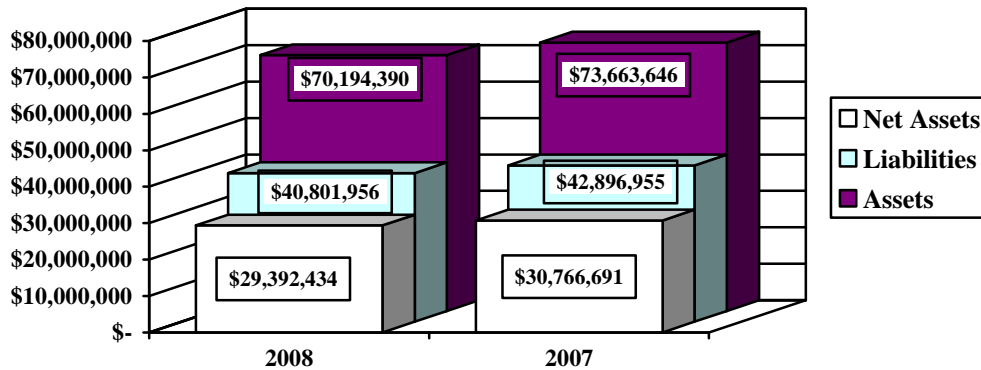
**Business-type Activities**

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater enterprise funds. In 2008 and 2007, these programs had program revenues of \$23,073,870 and \$24,358,082, respectively. The decrease is due to lower charges for services revenue in several of the City's enterprise funds, most notably in the sewer fund where charges for services revenue decreased \$908,731 from 2007. General revenues increased from \$339,837 in 2007 to \$407,540 in 2008.

Expenses for business-type activities totaled \$25,458,241 in 2008 compared to \$23,534,958 in 2007. The most significant changes in expenses were increases for both contractual services expenses and administrative costs. Contractual services expenses increased \$491,718 or 13.99% from 2007, and the increase in administrative costs was \$309,939 or 19.78%.

Net assets for business-type activities decreased \$1,374,257 or 4.47% from 2007. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

**Net Assets in Business - Type Activities**



**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 20) reported a combined fund balance of \$13,718,730 which is \$3,108,020 below last year's total of \$16,826,750 as restated. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2008 for all major and nonmajor governmental funds.



**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

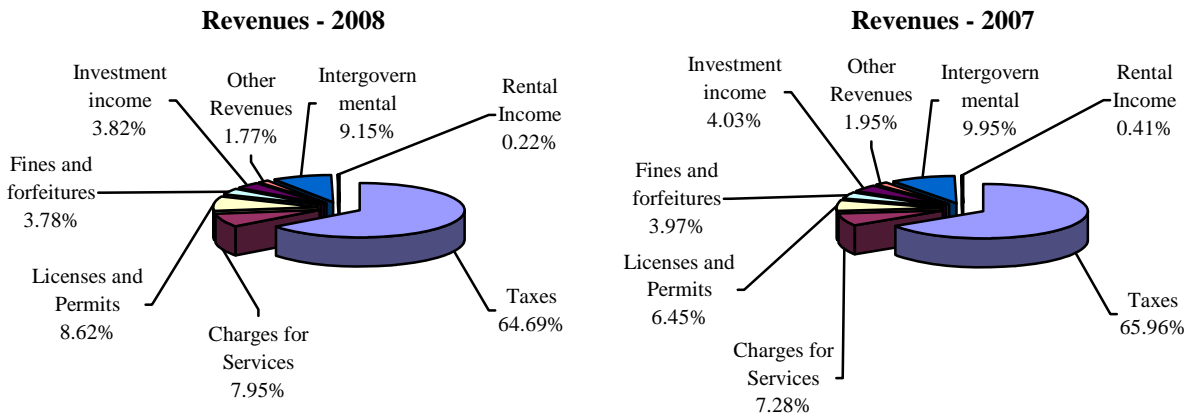
	Fund Balances 12/31/08	(Restated) Fund Balances 12/31/07	(Decrease)
Major funds:			
General	\$ 4,202,225	\$ 6,449,519	\$ (2,247,294)
Other nonmajor governmental funds	9,516,505	10,377,231	(860,726)
<b>Total</b>	<b>\$ 13,718,730</b>	<b>\$ 16,826,750</b>	<b>\$ (3,108,020)</b>

**General Fund**

The beginning balance of the general fund was restated at the beginning of the year as described in Note 3.B. to the financial statements. The City's general fund balance decreased \$2,247,294. The table that follows assists in illustrating the revenues of the general fund.

	2008 Amount	2007 Amount	Percentage Change
<b>Revenues</b>			
Taxes	\$ 18,013,849	\$ 18,070,111	(0.31) %
Charges for services	2,212,497	1,993,179	11.00 %
Licenses and permits	2,399,442	1,766,716	35.81 %
Fines and forfeitures	1,052,421	1,088,955	(3.35) %
Intergovernmental	2,548,929	2,725,268	(6.47) %
Investment income	1,062,876	1,105,165	(3.83) %
Rental income	60,013	113,186	(46.98) %
Other	492,726	533,686	(7.67) %
<b>Total</b>	<b>\$ 27,842,753</b>	<b>\$ 27,396,266</b>	<b>1.63 %</b>

Tax revenue represents 64.69% of all general fund revenue in 2008. The increase in charges for services revenue is primarily due to accrued receivables for administrative services during the year. The increase licenses and permits revenue is due to increased cable fees and more building permits issued during 2008 compared to 2007.



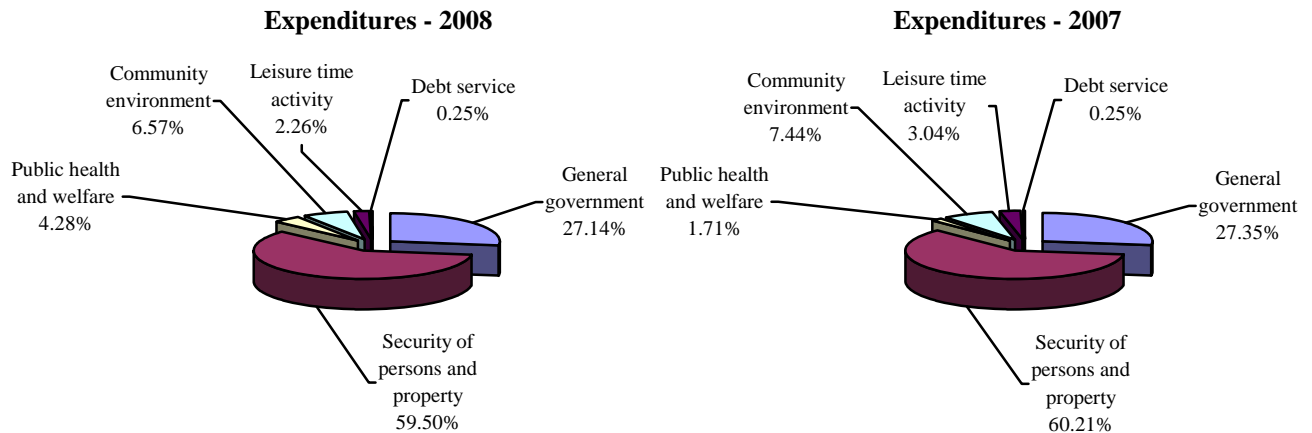
**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

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

	<u>2008</u> Amount	<u>2007</u> Amount	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 7,885,238	\$ 7,887,526	(0.03) %
Security of persons and property	17,286,495	17,361,249	(0.43) %
Public health and welfare	1,242,486	492,168	152.45 %
Community environment	1,909,315	2,145,697	(11.02) %
Leisure time activity	656,999	876,264	(25.02) %
Debt service	<u>71,314</u>	<u>71,314</u>	- %
<b>Total</b>	<b><u>\$ 29,051,847</u></b>	<b><u>\$ 28,834,218</u></b>	<b>0.75 %</b>

Overall, general fund expenditures remained consistent, increasing only 0.75% from 2007. The large increase in public health and welfare expenditures is a result of fees paid to the State for health services in 2008. Leisure time activities expenditures were higher in the prior year as a result of equipment purchases for the City's parks during 2007. Community environment expenditures returned to historically comparable levels, after increasing in 2007 due to large severance and workers' compensation payments. All other expenditures remained comparable to 2007.



***Budgeting Highlights***

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

**CITY OF WARREN, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

Budgetary information is presented for the general fund. In the general fund, one of the most significant changes was between the original and final budgeted amounts in the area of expenditures and other financing uses, which increased \$2,819,921 from \$28,721,026 to \$31,540,947. This increase was primarily related to increases in the budgeted amounts for wages and benefits, particularly in the police and fire departments. Receipts for income taxes were higher than anticipated in the final budget. However, charges for services, licenses and permits, fines and forfeitures, intergovernmental revenue, investment income and rental income received during 2008 were all less than anticipated in the final budget, which resulted in actual revenues of \$27,971,668 being less than final budgeted revenues of \$29,623,044. All departments within the general fund kept spending under budget which resulted in actual expenditures coming in \$1,041,502 lower than final appropriations.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**Capital Assets and Debt Administration**

***Capital Assets***

The following table shows 2008 balances compared to 2007:

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

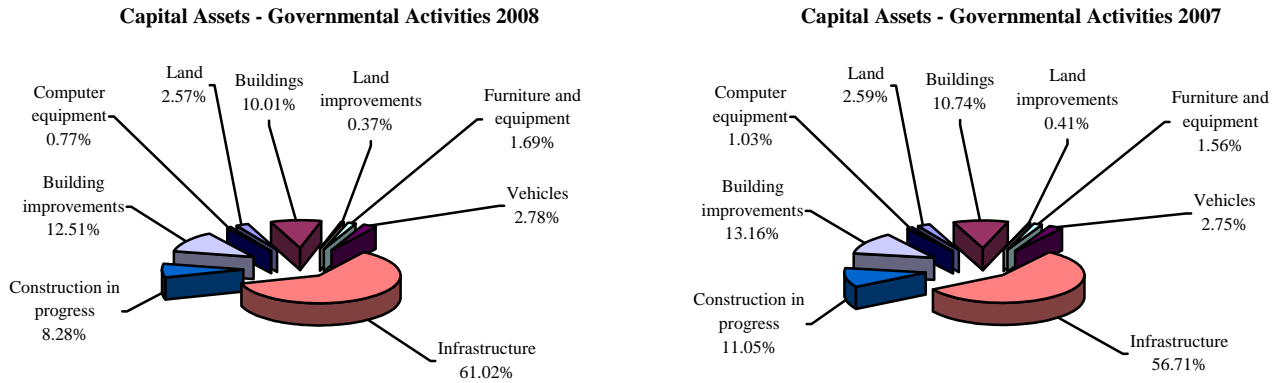
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Construction in progress	3,175,187	4,363,875	3,299,508	12,381,101	6,474,695	16,744,976
Land improvements	147,158	160,182	-	-	147,158	160,182
Buildings	3,992,315	4,241,488	7,041,107	7,800,267	11,033,422	12,041,755
Buildings improvements	4,976,572	5,194,531	10,979,666	11,796,635	15,956,238	16,991,166
Computer equipment	306,442	406,596	58,557	65,169	364,999	471,765
Furniture and equipment	674,082	617,647	5,529,740	1,043,195	6,203,822	1,660,842
Vehicles	1,107,164	1,083,880	637,189	723,498	1,744,353	1,807,378
Infrastructure	24,343,740	22,388,494	29,541,254	24,992,710	53,884,994	47,381,204
<b>Totals</b>	<b>\$ 39,746,844</b>	<b>\$ 39,480,877</b>	<b>\$ 57,471,420</b>	<b>\$ 59,186,974</b>	<b>\$ 97,218,264</b>	<b>\$ 98,667,851</b>

At the end of fiscal 2008, the City had \$97,218,264 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Of this total, \$39,746,844 was reported in governmental activities and \$57,471,420 was reported in business-type activities.

**CITY OF WARREN, OHIO**

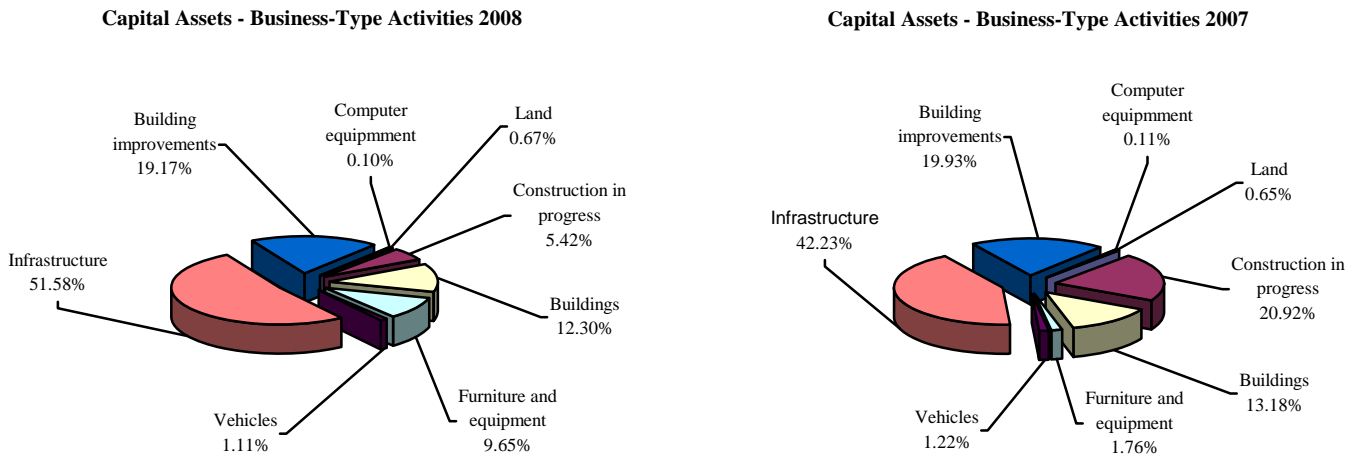
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category for 2008 and 2007.



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 61.02% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2008 and 2007.



The City's largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 51.58% of the City's total business-type capital assets.

See Note 10 to the basic financial statements for detail on the City's capital assets.

**CITY OF WARREN, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)

***Debt Administration***

The long-term obligations of the governmental activities were restated at the beginning of the year as described in Notes 3.B and 13 to the financial statements. The City had the following long-term obligations outstanding at December 31, 2008 and 2007 (See Note 13 to the basic financial statements for detail):

	Governmental Activities	
	2008	2007
General obligation bonds	\$ 4,668,596	\$ 5,785,670
Reinvestment partnership corporation loan	645,000	700,000
OWDA loans	237,753	389,051
HUD 108 loan	1,630,000	1,700,000
ODOD mortgage note	148,075	166,297
Police and fire pension liability	2,692,691	2,746,994
OPWC loan	243,736	-
Pollution remediation	1,568,577	1,314,736
Capital lease obligation	298,551	358,231
Compensated absences	5,279,633	5,069,512
Total long-term obligations	\$ 17,412,612	\$ 18,230,491
	Business-type Activities	
	2008	2007
General obligation bonds	\$ 2,681,500	\$ 3,180,500
Revenue bonds	8,700,000	9,115,000
OWDA loan	26,390,107	27,463,326
Capital lease obligation	189,078	247,622
Compensated absences	1,604,558	1,538,228
Total long-term obligations	\$ 39,565,243	\$ 41,544,676

**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 2009 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 2009 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 2009 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

## **CITY OF WARREN, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)**

Budgeted revenues and other financing sources in the general fund for 2009 are decreased slightly by \$1,088,113 or 3.65%, from final 2008 budgeted revenues and other financing sources due to a reduction in estimated income tax receipts and local government funds from the State. The 2009 general fund budget is \$28,689,576.

In order to meet these challenges, further cost containment and/or revenue enhancement actions will be essential. With the continuation of conservative budgeting practices, the City's financial position is anticipated to remain stable in future years.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact David N. Griffing, Auditor, City of Warren, 391 Mahoning Avenue NW, Warren Ohio 44483-4634.

**CITY OF WARREN, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2008

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 9,365,856	\$ 9,419,285	\$ 18,785,141
Receivables (net of allowances for uncollectibles):			
Income taxes . . . . .	2,655,473	-	2,655,473
Real and other taxes . . . . .	2,209,740	-	2,209,740
Accounts . . . . .	393,652	2,983,489	3,377,141
Loans . . . . .	5,529,474	-	5,529,474
Accrued interest . . . . .	141,814	-	141,814
Special assessments . . . . .	821,320	5,566	826,886
Internal balances . . . . .	909,274	(909,274)	-
Due from other governments . . . . .	2,176,593	-	2,176,593
Materials and supplies inventory . . . . .	49,439	61,035	110,474
Deferred charges . . . . .	71,353	183,150	254,503
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	695,177	979,719	1,674,896
Capital assets:			
Land and construction in progress . . . . .	4,199,371	3,683,907	7,883,278
Depreciable capital assets, net . . . . .	35,547,473	53,787,513	89,334,986
Total capital assets . . . . .	<u>39,746,844</u>	<u>57,471,420</u>	<u>97,218,264</u>
Total assets . . . . .	<u>64,766,009</u>	<u>70,194,390</u>	<u>134,960,399</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	279,839	422,029	701,868
Contracts payable . . . . .	128,380	41,333	169,713
Accrued wages and benefits . . . . .	882,014	375,142	1,257,156
Termination benefits payable . . . . .	170,211	981	171,192
Due to other governments . . . . .	981,662	94,384	1,076,046
Accrued interest payable . . . . .	91,950	533,537	625,487
Claims payable . . . . .	895,534	-	895,534
Unearned revenue . . . . .	1,510,272	-	1,510,272
Long-term liabilities:			
Due within one year . . . . .	2,636,289	3,281,940	5,918,229
Due in more than one year . . . . .	14,645,791	36,052,610	50,698,401
Total liabilities . . . . .	<u>22,221,942</u>	<u>40,801,956</u>	<u>63,023,898</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	34,666,493	19,391,428	54,057,921
Restricted for:			
Capital projects . . . . .	75,800	-	75,800
Debt service . . . . .	761,906	-	761,906
Street maintenance . . . . .	563,941	-	563,941
State highway . . . . .	94,202	-	94,202
Law enforcement . . . . .	196,316	-	196,316
Courts . . . . .	1,271,125	-	1,271,125
Community developments and improvements . . . . .	7,661,196	-	7,661,196
Police and fire pension . . . . .	768,867	-	768,867
Public health . . . . .	695,177	-	695,177
Unrestricted (deficit) . . . . .	<u>(4,210,956)</u>	<u>10,001,006</u>	<u>5,790,050</u>
Total net assets . . . . .	<u>\$ 42,544,067</u>	<u>\$ 29,392,434</u>	<u>\$ 71,936,501</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government . . . . .	\$ 6,732,524	\$ 1,423,496	\$ -	\$ -
Security of persons and property . . . . .	18,620,804	1,449,173	75,907	-
Public health and welfare . . . . .	1,289,289	203,913	-	-
Transportation . . . . .	4,644,555	33,155	2,117,983	1,899,760
Community environment . . . . .	2,082,342	708,209	-	-
Leisure time activity . . . . .	699,582	32,702	-	-
Economic development . . . . .	2,981,877	240,918	3,092,290	-
Interest and fiscal charges . . . . .	631,425	-	-	-
Total governmental activities. . . . .	37,682,398	4,091,566	5,286,180	1,899,760
<b>Business-type activities:</b>				
Sewer . . . . .	7,686,872	8,067,438	-	-
Water . . . . .	12,233,642	10,804,962	-	-
Sanitation . . . . .	3,360,964	3,050,445	-	-
Packard Music Hall . . . . .	684,553	204,224	-	33,056
City Redevelopment . . . . .	50,605	42,711	-	-
Downtown Parking . . . . .	150,089	27,503	-	-
Stormwater Utility . . . . .	1,291,516	843,531	-	-
Total business-type activities. . . . .	25,458,241	23,040,814	-	33,056
Total primary government . . . . .	\$ 63,140,639	\$ 27,132,380	\$ 5,286,180	\$ 1,932,816

**General revenues:**

Property taxes levied for:

- Debt service. . . . .
- Fire pension. . . . .
- Police pension. . . . .

Income taxes levied for:

- General purposes . . . . .
- Grants and entitlements not restricted to specific programs . . . . .
- Investment earnings . . . . .
- Miscellaneous . . . . .

Total general revenues. . . . .

Transfers. . . . .

Change in net assets. . . . .

Net assets at beginning of year (restated) . . . . .

Net assets at end of year. . . . .

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,309,028)	\$ -	\$ (5,309,028)
(17,095,724)	-	(17,095,724)
(1,085,376)	-	(1,085,376)
(593,657)	-	(593,657)
(1,374,133)	-	(1,374,133)
(666,880)	-	(666,880)
351,331	-	351,331
(631,425)	-	(631,425)
<u>(26,404,892)</u>	<u>-</u>	<u>(26,404,892)</u>
-	380,566	380,566
-	(1,428,680)	(1,428,680)
-	(310,519)	(310,519)
-	(447,273)	(447,273)
-	(7,894)	(7,894)
-	(122,586)	(122,586)
-	(447,985)	(447,985)
<u>-</u>	<u>(2,384,371)</u>	<u>(2,384,371)</u>
<u>(26,404,892)</u>	<u>(2,384,371)</u>	<u>(28,789,263)</u>
1,448,672	-	1,448,672
151,750	-	151,750
151,750	-	151,750
17,636,767	-	17,636,767
2,999,526	-	2,999,526
838,469	27,045	865,514
518,324	380,495	898,819
<u>23,745,258</u>	<u>407,540</u>	<u>24,152,798</u>
<u>(602,574)</u>	<u>602,574</u>	<u>-</u>
(3,262,208)	(1,374,257)	(4,636,465)
<u>45,806,275</u>	<u>30,766,691</u>	<u>76,572,966</u>
<u>\$ 42,544,067</u>	<u>\$ 29,392,434</u>	<u>\$ 71,936,501</u>

**CITY OF WARREN, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 2,284,152	\$ 3,945,729	\$ 6,229,881
Receivables (net of allowance for uncollectibles):			
Income taxes . . . . .	2,655,473	-	2,655,473
Real and other taxes . . . . .	-	2,209,740	2,209,740
Accounts . . . . .	358,459	33,596	392,055
Loans. . . . .	-	5,529,474	5,529,474
Accrued interest . . . . .	141,814	-	141,814
Special assessments. . . . .	47,285	774,035	821,320
Due from other governments . . . . .	1,084,807	1,091,786	2,176,593
Materials and supplies inventory . . . . .	6,937	41,123	48,060
Restricted assets:			
Equity in pooled cash and cash equivalents. . . . .	<u>695,177</u>	<u>-</u>	<u>695,177</u>
Total assets . . . . .	<u>\$ 7,274,104</u>	<u>\$ 13,625,483</u>	<u>\$ 20,899,587</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 75,453	\$ 191,276	\$ 266,729
Contracts payable. . . . .	21,334	107,046	128,380
Accrued wages and benefits . . . . .	796,484	55,856	852,340
Compensated absences payable. . . . .	1,401	-	1,401
Termination benefits payable . . . . .	170,211	-	170,211
Due to other governments . . . . .	251,439	8,629	260,068
Deferred revenue . . . . .	1,755,557	2,235,899	3,991,456
Unearned revenue. . . . .	<u>-</u>	<u>1,510,272</u>	<u>1,510,272</u>
Total liabilities. . . . .	<u>3,071,879</u>	<u>4,108,978</u>	<u>7,180,857</u>
<b>Fund balances:</b>			
Reserved for encumbrances . . . . .	75,930	4,620,864	4,696,794
Reserved for materials and supplies inventory . . . . .	6,937	41,123	48,060
Reserved for loans . . . . .	-	5,529,474	5,529,474
Reserved for tax advance. . . . .	-	26,220	26,220
Unreserved, undesignated (deficit), reported in:			
General fund. . . . .	4,119,358	-	4,119,358
Special revenue funds . . . . .	-	2,191,594	2,191,594
Debt service fund . . . . .	-	111,599	111,599
Capital projects funds . . . . .	-	(3,004,369)	(3,004,369)
Total fund balances . . . . .	<u>4,202,225</u>	<u>9,516,505</u>	<u>13,718,730</u>
Total liabilities and fund balances . . . . .	<u>\$ 7,274,104</u>	<u>\$ 13,625,483</u>	<u>\$ 20,899,587</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2008

<b>Total governmental fund balances</b>		\$ 13,718,730
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities, exclusive of internal service funds, are not financial resources and therefore are not reported in the funds.		39,623,669
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 673,248	
Income taxes	861,461	
Special assessments	821,320	
Intergovernmental revenues	1,550,884	
Investment income	84,543	
Total	3,991,456	3,991,456
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities (excluding amounts reported in the internal service funds) are as follows:		
General obligation bonds payable	(4,668,596)	
Loans payable	(2,756,489)	
Note payable	(148,075)	
Fire and pension liability	(2,692,691)	
Pollution remediation obligation	(1,568,577)	
Compensated absences	(5,197,727)	
Capital lease payable	(298,551)	
Total	(17,330,706)	(17,330,706)
In the statement of activities interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are reported when due.		(91,950)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		71,353
Unamortized deferred charges on refundings are not recognized in the funds.		152,868
Unamortized premiums on bond issuance are not recognized in the funds.		(22,336)
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 fund are included in governmental activities in the statement of net assets.		1,871,709
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		559,274
<b>Net assets of governmental activities</b>		<b>\$ 42,544,067</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Income taxes . . . . .	\$ 18,013,849	\$ -	\$ 18,013,849
Property and other taxes . . . . .	-	1,484,062	1,484,062
Charges for services . . . . .	2,212,497	23,603	2,236,100
Licenses and permits . . . . .	2,399,442	93,781	2,493,223
Fines and forfeitures . . . . .	1,052,421	471,085	1,523,506
Intergovernmental . . . . .	2,548,929	6,991,871	9,540,800
Special assessments . . . . .	-	22,036	22,036
Investment income . . . . .	1,062,876	124,911	1,187,787
Rental income . . . . .	60,013	-	60,013
Other . . . . .	492,726	228,481	721,207
Total revenues. . . . .	<u>27,842,753</u>	<u>9,439,830</u>	<u>37,282,583</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	7,885,238	54,544	7,939,782
Security of persons and property . . . . .	17,286,495	690,050	17,976,545
Public health and welfare . . . . .	1,242,486	-	1,242,486
Transportation . . . . .	-	2,534,139	2,534,139
Community environment . . . . .	1,909,315	-	1,909,315
Leisure time activity . . . . .	656,999	-	656,999
Economic development . . . . .	-	2,966,215	2,966,215
Capital outlay. . . . .	-	2,782,967	2,782,967
Debt service:			
Principal retirement . . . . .	55,304	1,483,101	1,538,405
Interest and fiscal charges . . . . .	16,010	569,914	585,924
Total expenditures . . . . .	<u>29,051,847</u>	<u>11,080,930</u>	<u>40,132,777</u>
Deficiency of revenues under expenditures . . . . .	<u>(1,209,094)</u>	<u>(1,641,100)</u>	<u>(2,850,194)</u>
<b>Other financing sources (uses):</b>			
Loan proceeds. . . . .	-	256,564	256,564
Transfers in . . . . .	223,500	916,953	1,140,453
Transfers out . . . . .	(1,261,700)	(393,143)	(1,654,843)
Total other financing sources (uses). . . . .	<u>(1,038,200)</u>	<u>780,374</u>	<u>(257,826)</u>
Net change in fund balances. . . . .	(2,247,294)	(860,726)	(3,108,020)
<b>Fund balances at beginning of year (restated) . . . . .</b>	<u>6,449,519</u>	<u>10,377,231</u>	<u>16,826,750</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 4,202,225</u>	<u>\$ 9,516,505</u>	<u>\$ 13,718,730</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WARREN, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

<b>Net change in fund balances - total governmental funds</b>		<b>\$ (3,108,020)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 2,824,370	
Current year depreciation	(2,554,546)	
Total		269,824
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	268,110	
Income taxes	(377,082)	
Licenses and permits	(471,360)	
Special assessments	248,206	
Intergovernmental revenues	316,872	
Investment income	(235,757)	
Total		(251,011)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		
		1,538,405
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	(4,090)	
Bond premium	4,582	
Deferred charges on refunding	(31,356)	
Bond issuance costs	(14,637)	
Total		(45,501)
Loan proceeds are recorded as revenue in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(256,564)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(297,578)
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 internal balances, is allocated among the governmental activities.		
		(1,111,763)
<b>Change in net assets of governmental activities</b>		<b>\$ (3,262,208)</b>

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, 2008

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 16,867,924	\$ 17,980,000	\$ 18,419,258	\$ 439,258
Charges for services . . . . .	2,148,362	2,290,000	2,057,382	(232,618)
Licenses and permits . . . . .	2,321,638	2,474,700	2,287,338	(187,362)
Fines and forfeitures . . . . .	1,103,264	1,176,000	1,045,043	(130,957)
Intergovernmental . . . . .	3,022,838	3,222,129	2,607,568	(614,561)
Investment income . . . . .	938,149	1,000,000	919,459	(80,541)
Rental income . . . . .	84,433	90,000	60,013	(29,987)
Other . . . . .	1,304,229	1,390,215	575,607	(814,608)
<b>Total revenues . . . . .</b>	<u>27,790,837</u>	<u>29,623,044</u>	<u>27,971,668</u>	<u>(1,651,376)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	8,329,533	8,566,554	8,018,949	547,605
Security of persons and property . . . . .	15,779,951	17,600,889	17,304,387	296,502
Public health and welfare . . . . .	869,539	1,265,977	1,239,698	26,279
Community environment . . . . .	1,746,273	1,993,913	1,931,021	62,892
Leisure time activity . . . . .	753,899	766,168	657,944	108,224
<b>Total expenditures . . . . .</b>	<u>27,479,195</u>	<u>30,193,501</u>	<u>29,151,999</u>	<u>1,041,502</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>311,642</u>	<u>(570,457)</u>	<u>(1,180,331)</u>	<u>(609,874)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	209,676	223,500	223,500	-
Transfers out . . . . .	(1,241,831)	(1,347,446)	(1,261,700)	85,746
<b>Total other financing sources (uses) . . . . .</b>	<u>(1,032,155)</u>	<u>(1,123,946)</u>	<u>(1,038,200)</u>	<u>85,746</u>
Net change in fund balance . . . . .	(720,513)	(1,694,403)	(2,218,531)	(524,128)
<b>Fund balance at beginning of year (restated) . . .</b>	4,020,589	4,020,589	4,020,589	-
<b>Prior year encumbrances appropriated. . . . .</b>	734,922	734,922	734,922	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,034,998</u>	<u>\$ 3,061,108</u>	<u>\$ 2,536,980</u>	<u>\$ (524,128)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF WARREN, OHIO**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2008

	<b>Business-type Activities -Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor</b>
<b>Assets:</b>				
<b>Current assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,646,462	\$ 5,834,188	\$ 271,953	\$ 666,682
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	1,096,358	1,045,214	605,770	236,147
Special assessments. . . . .	582	4,913	-	71
Notes . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	38,645	294	22,096	-
<b>Total current assets. . . . .</b>	<b>3,782,047</b>	<b>6,884,609</b>	<b>899,819</b>	<b>902,900</b>
<b>Noncurrent assets:</b>				
Deferred charges. . . . .	44,337	138,813	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents. . . . .	-	979,719	-	-
Capital assets:				
Land and construction in progress. . . . .	1,020,220	2,206,032	35,091	422,564
Depreciable capital assets, net. . . . .	15,702,148	35,476,418	424,268	2,184,679
<b>Total capital assets. . . . .</b>	<b>16,722,368</b>	<b>37,682,450</b>	<b>459,359</b>	<b>2,607,243</b>
<b>Total noncurrent assets . . . . .</b>	<b>16,766,705</b>	<b>38,800,982</b>	<b>459,359</b>	<b>2,607,243</b>
<b>Total assets . . . . .</b>	<b>\$ 20,548,752</b>	<b>\$ 45,685,591</b>	<b>\$ 1,359,178</b>	<b>\$ 3,510,143</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable . . . . .	\$ 179,128	\$ 160,298	\$ 46,955	\$ 35,648
Contracts payable . . . . .	-	34,661	-	6,672
Accrued wages and benefits . . . . .	107,696	206,478	37,156	23,812
Termination benefits payable . . . . .	981	-	-	-
Due to other governments . . . . .	50,867	32,507	5,741	5,269
Claims payable . . . . .	-	-	-	-
Note payable. . . . .	-	-	350,000	-
Current portion of general obligation bonds. . . . .	500,500	-	-	-
Current portion of revenue bonds . . . . .	-	435,000	-	-
Current portion of OWDA loans . . . . .	1,141,449	634,980	-	-
Current portion of capital lease obligations . . . . .	24,198	-	-	37,618
Current portion of compensated absences . . . . .	157,750	269,405	52,381	28,659
Accrued interest payable. . . . .	259,154	268,281	6,102	-
<b>Total current liabilities . . . . .</b>	<b>2,421,723</b>	<b>2,041,610</b>	<b>498,335</b>	<b>137,678</b>
<b>Long-term liabilities:</b>				
General obligation bonds . . . . .	2,074,014	-	-	-
Revenue bonds . . . . .	-	8,141,293	-	-
OWDA loans. . . . .	11,398,086	13,215,592	-	-
Capital lease obligations . . . . .	46,310	-	-	80,952
Compensated absences . . . . .	394,011	596,059	74,452	31,841
<b>Total long-term liabilities . . . . .</b>	<b>13,912,421</b>	<b>21,952,944</b>	<b>74,452</b>	<b>112,793</b>
<b>Total liabilities. . . . .</b>	<b>16,334,144</b>	<b>23,994,554</b>	<b>572,787</b>	<b>250,471</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. . . . .	1,537,811	15,255,585	109,359	2,488,673
Unrestricted. . . . .	2,676,797	6,435,452	677,032	770,999
<b>Total net assets . . . . .</b>	<b>\$ 4,214,608</b>	<b>\$ 21,691,037</b>	<b>\$ 786,391</b>	<b>\$ 3,259,672</b>

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

Net assets 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>
\$ 9,419,285	\$ 3,135,975
	-
2,983,489	1,597
5,566	-
-	350,000
61,035	1,379
<u>12,469,375</u>	<u>3,488,951</u>
183,150	-
979,719	-
3,683,907	-
53,787,513	123,175
57,471,420	123,175
58,634,289	123,175
<u>\$ 71,103,664</u>	<u>\$ 3,612,126</u>

\$ 422,029	\$ 13,110
41,333	-
375,142	29,674
981	-
94,384	721,594
-	895,534
350,000	-
500,500	-
435,000	-
1,776,429	-
61,816	-
508,195	22,513
533,537	-
<u>5,099,346</u>	<u>1,682,425</u>

2,074,014	-
8,141,293	-
24,613,678	-
127,262	-
1,096,363	57,992
36,052,610	57,992
<u>41,151,956</u>	<u>1,740,417</u>

19,391,428	123,175
10,560,280	1,748,534
29,951,708	\$ 1,871,709

(559,274)

\$ 29,392,434

**CITY OF WARREN, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,063,584	\$ 10,804,962	\$ 3,050,445	\$ 1,117,964
Other . . . . .	49,417	211,405	32,689	760
Total operating revenues . . . . .	<u>8,113,001</u>	<u>11,016,367</u>	<u>3,083,134</u>	<u>1,118,724</u>
<b>Operating expenses:</b>				
Personal services . . . . .	3,081,885	5,621,414	1,041,671	762,541
Contract services . . . . .	1,333,882	575,659	1,488,346	609,163
Materials and supplies . . . . .	402,780	1,210,728	334,067	94,515
Administrative costs . . . . .	628,442	671,013	198,280	378,890
Utilities . . . . .	597,609	682,319	17,898	89,011
Claims . . . . .	-	-	-	-
Other . . . . .	5,888	88,655	1,437	4,369
Depreciation . . . . .	717,489	1,984,340	175,124	162,757
Total operating expenses . . . . .	<u>6,767,975</u>	<u>10,834,128</u>	<u>3,256,823</u>	<u>2,101,246</u>
Operating income (loss) . . . . .	<u>1,345,026</u>	<u>182,239</u>	<u>(173,689)</u>	<u>(982,522)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue . . . . .	-	27,045	-	-
Special assessments . . . . .	3,854	-	-	5
Intergovernmental . . . . .	-	-	-	33,056
Loss on disposal of capital assets. . . . .	-	(3,865)	-	-
Other nonoperating revenues. . . . .	86,224	-	-	-
Interest expense and fiscal charges. . . . .	(678,325)	(954,196)	(14,125)	(7,925)
Total nonoperating revenues (expenses) . . . . .	<u>(588,247)</u>	<u>(931,016)</u>	<u>(14,125)</u>	<u>25,136</u>
Income (loss) before transfers . . . . .	756,779	(748,777)	(187,814)	(957,386)
Transfers in . . . . .	-	-	-	633,000
Transfers out . . . . .	(9,353)	(17,859)	(3,214)	-
Changes in net assets . . . . .	747,426	(766,636)	(191,028)	(324,386)
<b>Net assets at beginning of year (restated) . . . . .</b>	<u>3,467,182</u>	<u>22,457,673</u>	<u>977,419</u>	<u>3,584,058</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 4,214,608</u>	<u>\$ 21,691,037</u>	<u>\$ 786,391</u>	<u>\$ 3,259,672</u>

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

Changes in net assets 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>
\$ 23,036,955	\$ 5,706,549
<u>294,271</u>	<u>8,453</u>
<u>23,331,226</u>	<u>5,715,002</u>
10,507,511	288,172
4,007,050	235,395
2,042,090	78,898
1,876,625	750,034
1,386,837	31,041
-	6,183,883
100,349	-
<u>3,039,710</u>	<u>22,141</u>
<u>22,960,172</u>	<u>7,589,564</u>
<u>371,054</u>	<u>(1,874,562)</u>
27,045	11,350
3,859	-
33,056	-
(3,865)	-
86,224	-
<u>(1,654,571)</u>	<u>-</u>
<u>(1,508,252)</u>	<u>11,350</u>
(1,137,198)	(1,863,212)
633,000	-
<u>(30,426)</u>	<u>(88,184)</u>
(534,624)	(1,951,396)
	<u>3,823,105</u>
	<u>\$ 1,871,709</u>
<u>(839,633)</u>	
<u>\$ (1,374,257)</u>	

**CITY OF WARREN, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Sanitation</b>	<b>Nonmajor</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 8,303,095	\$ 11,181,450	\$ 3,113,564	\$ 1,073,498
Cash received from other operations. . . . .	49,417	211,405	32,689	760
Cash payments for personal services . . . . .	(3,051,437)	(5,531,773)	(1,027,081)	(739,952)
Cash payments for contract services . . . . .	(1,364,488)	(576,670)	(1,537,713)	(586,530)
Cash payments for materials and supplies . . .	(384,318)	(1,111,075)	(352,230)	(109,587)
Cash payments for utilities. . . . .	(597,609)	(682,319)	(17,898)	(89,011)
Cash payments for claims . . . . .	-	-	-	-
Cash payments for administrative costs . . . .	(628,442)	(671,013)	(198,280)	(378,890)
Cash payments for other expenses . . . . .	(5,888)	(88,655)	(1,437)	(4,369)
Net cash provided by (used in) operating activities. . . . .	<u>2,320,330</u>	<u>2,731,350</u>	<u>11,614</u>	<u>(834,081)</u>
<b>Cash flows from noncapital financing activities:</b>				
Special assessments. . . . .	3,810	-	-	-
Transfers in from other funds . . . . .	-	-	-	633,000
Transfers out to other funds . . . . .	(9,353)	(17,859)	(3,214)	-
Net cash provided by (used in) noncapital financing activities . . . . .	<u>(5,543)</u>	<u>(17,859)</u>	<u>(3,214)</u>	<u>633,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Nonoperating revenues . . . . .	86,224	-	-	-
Acquisition of capital assets. . . . .	(52,949)	(1,214,013)	(123,420)	(139,284)
Intergovernmental . . . . .	-	-	-	33,056
Principal retirement . . . . .	(1,918,306)	(843,991)	(250,000)	(46,834)
Note issuance . . . . .	-	-	350,000	-
Loan issuance . . . . .	-	763,368	-	-
Interest and fiscal charges . . . . .	(681,273)	(830,882)	(11,350)	(7,953)
Net cash used in capital and related financing activities. . . . .	<u>(2,566,304)</u>	<u>(2,125,518)</u>	<u>(34,770)</u>	<u>(161,015)</u>
<b>Cash flows from investing activities:</b>				
Cash used for internal note disbursements. . .	-	-	-	-
Interest received . . . . .	-	27,045	-	-
Principal payments received on internal notes .	-	-	-	-
Net cash provided by (used in) investing activities . . . . .	<u>-</u>	<u>27,045</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(251,517)	615,018	(26,370)	(362,096)
<b>Cash and cash equivalents at beginning of year (restated) . . . . .</b>	<u>2,897,979</u>	<u>6,198,889</u>	<u>298,323</u>	<u>1,028,778</u>
<b>Cash and cash equivalents at end of year . . .</b>	<u>\$ 2,646,462</u>	<u>\$ 6,813,907</u>	<u>\$ 271,953</u>	<u>\$ 666,682</u>

<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
\$ 23,671,607	\$ 5,707,311
294,271	6,856
(10,350,243)	(264,145)
(4,065,401)	(235,136)
(1,957,210)	(80,277)
(1,386,837)	(31,041)
-	(6,018,861)
(1,876,625)	(565,697)
(100,349)	-
<hr/>	<hr/>
4,229,213	(1,480,990)
<hr/>	<hr/>
3,810	-
633,000	-
(30,426)	(88,184)
<hr/>	<hr/>
606,384	(88,184)
<hr/>	<hr/>
86,224	-
(1,529,666)	(5,433)
33,056	-
(3,059,131)	-
350,000	-
763,368	-
(1,531,458)	-
<hr/>	<hr/>
(4,887,607)	(5,433)
<hr/>	<hr/>
-	(350,000)
27,045	11,350
-	250,000
<hr/>	<hr/>
27,045	(88,650)
<hr/>	<hr/>
(24,965)	(1,663,257)
<hr/>	<hr/>
10,423,969	4,799,232
<u>\$ 10,399,004</u>	<u>\$ 3,135,975</u>

-- continued

**CITY OF WARREN, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Business-type Activities - Enterprise Funds</b>			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 1,345,026	\$ 182,239	\$ (173,689)	\$ (982,522)
Adjustments:				
Depreciation . . . . .	717,489	1,984,340	175,124	162,757
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory . . . . .	(4,030)	149,404	(9,883)	-
Decrease (increase) in accounts receivable . . . . .	239,511	376,488	63,119	(44,466)
Increase (decrease) in accounts payable. . . . .	(10,058)	85,200	(57,647)	18,636
(Decrease) in contracts payable . . . . .	-	(135,968)	-	(10,229)
Increase in accrued wages and benefits . . . . .	19,963	45,390	4,629	7,551
Increase in due to other governments. . . . .	5,159	7,260	764	345
Increase (decrease) in compensated absences payable. . . . .	6,289	36,997	9,197	13,847
Increase in termination benefits payable . . . . .	981	-	-	-
Increase in claims payable . . . . .	-	-	-	-
Net cash provided by (used in) operating activities . . . . .	<u>\$ 2,320,330</u>	<u>\$ 2,731,350</u>	<u>\$ 11,614</u>	<u>\$ (834,081)</u>

**Non-cash capital transactions:**

At December 31, 2007, the Sewer fund purchased \$3,022 in capital assets on account.

At December 31, 2008 and December 31, 2007, the Water fund purchased \$55,149 and \$253,772, respectively, in capital assets on account.

At December 31, 2008, the internal service funds purchased \$12,851 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 371,054	\$ (1,874,562)
3,039,710	22,141
135,491	(1,379)
634,652	(835)
36,131	259
(146,197)	-
77,533	22,395
13,528	187,808
66,330	(1,839)
981	-
<u>-</u>	<u>165,022</u>
<u>\$ 4,229,213</u>	<u>\$ (1,480,990)</u>

**CITY OF WARREN, OHIO**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2008**

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 524,110
Cash with fiscal and escrow agents. . . . .	371,478
Accounts receivable . . . . .	<u>2,745</u>
Total assets . . . . .	<u>\$ 898,333</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	\$ 4,000
Due to other governments . . . . .	732,856
Deposits held and due to others . . . . .	<u>161,477</u>
Total liabilities . . . . .	<u>\$ 898,333</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, 2008

#### **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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. 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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

***Government-wide Financial Statements*** - The statement of net assets 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.

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

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

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

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

**C. Fund Accounting**

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

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

The following is the City's major governmental fund:

*General fund* - The general fund accounts for all financial resources except those required to be accounted for in another fund.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, long-term debt principal, interest and related costs (b) for grants and other resources whose use is restricted to a particular purpose and (c) for the acquisition and construction of major capital facilities other than those financed by proprietary fund types.

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

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

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

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

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

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

*Fiduciary Funds* - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are agency funds which account for highway patrol fines, auditors escrow, payroll and the municipal court.

**D. Measurement Focus and Basis of Accounting**

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

*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 and current liabilities 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, 2008

**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 all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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 revenue and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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 tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2008, are recorded as deferred revenue.

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

*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 2008.

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

**G. Cash 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 2008, investments were limited to U.S. government money market mutual funds, repurchase agreements, federal agency securities and STAR Ohio.

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

The City has invested funds in STAR Ohio during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2008.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2008, interest revenue in the general fund amounted to \$1,062,876 which includes \$932,288 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 assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments.

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**H. Inventories of Materials and Supplies**

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

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

**I. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, 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 assets and in the respective funds.

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

All reported capital assets are depreciated except for land 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, furniture and fixtures	5 - 20	10
Building improvements	15	15
Sewer and water treatment plants and buildings	N/A	20
Other buildings	40	40
Infrastructure	15 - 30	20 - 70

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**J. Compensated Absences**

Compensated absences of the City consist of vacation leave and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

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

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

At December 31, "termination benefits payable" consist of amounts for accumulated sick leave to be paid to employees who were terminated due to lay-offs in 2008. These amounts are not included as part of the compensated absences liability as the employees who will receive them were not expected to become eligible to retire under GASB Statement No. 16 as of the balance sheet date.

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

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

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



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**L. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

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

For advance refundings resulting in the defeasance of debt reported in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

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

**M. Interfund Activity**

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

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

**N. Fund Balance Reserves**

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, tax advance unavailable for appropriation, and loans receivable in the governmental fund financial statements.

**O. Restricted Assets**

The City reports amounts representing assets being held by a trustee to service principal and interest debt service in a bond reserve as restricted assets in the Water enterprise fund. These amounts are required to be maintained by the trustee in accordance with the bond indenture. The City also 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.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

**P. Estimates**

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

**Q. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside 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. The proprietary funds did not receive contributions of capital during 2008.

**R. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 17) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 establishes the enhancement of the usefulness and comparability of pollution remediation obligations. The implementation of GASB Statement No. 49 had an effect on the financial statements of the City at December 31, 2007; see Note 3.B. for the prior period adjustment in the governmental activities.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**B. Prior Period Adjustment**

*Governmental Activities - Restatement of Fund Balance - and Net Assets* - Governmental activities and the fund balance of the general fund, and other nonmajor governmental funds have been restated at December 31, 2007 to properly report the overfunding of the worker's compensation internal service fund by restating the beginning fund balance at December 31, 2007. The City received approval from the Bureau of Workers Compensation that the workers compensation fund was significantly overfunded. This adjustment is made in accordance with Ohio Revised Code Section 5705.13. In addition, the implementation of GASB Statement No. 49 had an effect on net assets of the governmental activities as previously reported.

The adjustments had the following effect on fund balances of the governmental activities as previously reported:

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund balance			
as previously reported	\$ 4,078,846	\$ 10,162,615	\$ 14,241,461
Adjustment to properly report workers compensation fund	2,370,673	214,616	2,585,289
Restated fund balance as of January 1, 2008	\$ 6,449,519	\$ 10,377,231	\$ 16,826,750

The adjustments had the following effect on net assets of the governmental activities as previously reported:

	Governmental Activities
Net assets as previously reported	\$ 48,427,387
Adjustment to properly state workers compensation fund	(1,052,535)
Adjustment for GASB Statement No. 49	(1,568,577)
Restated net assets of January 1, 2008	\$ 45,806,275

*Budgetary Statement - General Fund* - The beginning fund balance as reported on statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) - general fund has been restated from \$1,649,916 to \$4,020,589 to properly reflect the balance of the fund at December 31, 2007 for the workers compensation adjustment.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

*Proprietary Funds/Business-Type Activities - Restatement of Net Assets* - The net assets of the sewer, water, sanitation, and nonmajor enterprise funds and the workers compensation and data processing internal service funds have been restated at December 31, 2007 to properly account for the overfunding of the workers compensation internal service fund. A prior period adjustment will be made to properly state the net assets of the business-type at December 31, 2007.

The adjustment had the following effect on net assets of the enterprise funds as previously reported:

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Net assets as previously reported	\$ 3,172,677	\$ 21,888,024	\$ 870,820	\$ 3,502,276	\$ 29,433,797
Adjustment to properly state workers compensation fund	<u>294,505</u>	<u>569,649</u>	<u>106,599</u>	<u>81,782</u>	<u>1,052,535</u>
Restated net assets as of January 1, 2008	<u>\$ 3,467,182</u>	<u>\$ 22,457,673</u>	<u>\$ 977,419</u>	<u>\$ 3,584,058</u>	<u>\$ 30,486,332</u>

The adjustment had the following effect on net assets of the internal service funds and business-type activities as previously reported:

	<u>Internal Service Funds</u>	<u>Business-type Activities</u>
Net assets as previously reported	\$ 7,460,929	\$ 29,714,156
Adjustment to properly state workers compensation fund	<u>(3,637,824)</u>	<u>1,052,535</u>
Restated net assets as of January 1, 2008	<u>\$ 3,823,105</u>	<u>\$ 30,766,691</u>

Cash and cash equivalents at the beginning of year for the proprietary funds were restated by the amounts reported in the schedules above in the statement of cash flows - proprietary funds.

**C. Deficit Fund Balance**

Fund balances at December 31, 2008 included the following individual fund deficit:

<u>Nonmajor internal service fund:</u>	<u>Deficit</u>
Life insurance and hospital	\$ 53,877

This fund complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities.

**D. Compliance**

Contrary to Ohio Revised Code Sections 5705.39 and 5705.36, the City had appropriations in excess of estimated resources.

## CITY OF WARREN, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

#### NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

**A. Deposits with Financial Institutions**

At December 31, 2008, the carrying amount of all City deposits was \$10,430,781, exclusive of the \$2,899,934 in repurchase agreements included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$9,340,380 of the City's bank balance of \$11,090,380 was exposed to custodial risk as discussed below, while \$1,750,000 was covered by the Federal Deposit Insurance Corporation.

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**B. Investments**

As of December 31, 2008, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
Federal Home Loan Bank Federal Home Loan Mortgage Corporation	\$ 3,006,830	\$ -	\$ -	\$ -	\$ 961,200	\$ 2,045,630
Federal National Mortgage Association	2,005,170	-	-	-	-	2,005,170
Federal Farm Credit Bank	1,000,940	-	-	-	-	1,000,940
STAR Ohio	1,001,880	-	-	-	1,001,880	-
Repurchase Agreements	30,371	30,371	-	-	-	-
U.S. Government Money Market Mutual Fund	2,899,934	2,899,934	-	-	-	-
	979,719	979,719	-	-	-	-
<b>Total</b>	<b>\$ 10,924,844</b>	<b>\$ 3,910,024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,963,080</b>	<b>\$ 5,051,740</b>

*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 and U.S. Government money market mutual funds carry 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 service rating. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. Of the City's \$2,899,934 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**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, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Federal Home Loan Bank	\$ 3,006,830	27.53
Federal Home Loan Mortgage Corporation	2,005,170	18.35
Federal National Mortgage Association	1,000,940	9.16
Federal Farm Credit Bank	1,001,880	9.17
STAR Ohio	30,371	0.28
Repurchase agreements	2,899,934	26.54
U.S. Government money market mutual fund	<u>979,719</u>	<u>8.97</u>
Total	<u>\$ 10,924,844</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

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 assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 10,430,781
Investments	<u>10,924,844</u>
Total	<u>\$ 21,355,625</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 10,061,033
Business type activities	10,399,004
Agency funds	<u>895,588</u>
Total	<u>\$ 21,355,625</u>



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2008, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to:</u>			
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
General	\$ -	\$ 628,700	\$ 633,000	\$ 1,261,700
Nonmajor				
governmental	223,500	169,643	-	393,143
Sewer	-	9,353	-	9,353
Water	-	17,859	-	17,859
Sanitation	-	3,214	-	3,214
Internal service	-	88,184	-	88,184
Total	<u>\$ 223,500</u>	<u>\$ 916,953</u>	<u>\$ 633,000</u>	<u>\$ 1,773,453</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

The general fund received transfers of \$223,500 from the probation-municipal courts and special projects-courts nonmajor governmental funds for municipal court wages, benefits and postage. Transfers between the nonmajor governmental funds include a \$131,782 transfer from the motor vehicle levy special revenue fund to the capital projects fund for capital expenditures and a \$37,861 transfer from the CDBG fund to the guaranteed loan fund to cover a debt payment. Transfers amounting to \$9,353, \$17,859, \$3,214, \$88,184 from the enterprise funds and the data processing nonmajor internal service fund to the nonmajor debt service fund are required to transfer debt payments.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 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, 2008

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

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2008-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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 and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The assessed value upon which the 2007 levy (collected in 2008) was based was \$460,315,092. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of property tax is 3.5 mills of assessed value, all of which is unvoted.

#### **NOTE 7 - LOCAL INCOME TAX**

The 2 percent City income tax is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2008. Income tax revenue for 2008 reported in the general fund was \$18,013,849.

#### **NOTE 8 - RECEIVABLES**

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2008, as well as intended to finance 2008 operations.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 8 - RECEIVABLES - (Continued)**

A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

Income taxes	\$ 2,655,473
Real and other taxes	2,209,740
Accounts	393,652
Accrued interest	141,814
Special assessments	821,320
Due from other governments	2,176,593

**Business-type activities:**

Accounts	2,983,489
Special assessments	5,566

Receivables have been disaggregated on the face of the BFS. The only receivable not expected to be collected within the subsequent year are the 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 4 and 9 percent and are to be repaid over a period ranging from 5 to 20 years. The CDBG and HIP loans are reported net of an uncollectible allowance of 17.46%.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Construction in progress	<u>4,363,875</u>	<u>2,067,440</u>	<u>(3,256,128)</u>	<u>3,175,187</u>
Total capital assets, not being depreciated	<u>5,388,059</u>	<u>2,067,440</u>	<u>(3,256,128)</u>	<u>4,199,371</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	672,589	-	-	672,589
Buildings	10,235,124	-	-	10,235,124
Buildings and improvements	6,008,077	-	-	6,008,077
Computer equipment	1,185,476	18,284	-	1,203,760
Furniture and equipment	1,597,137	161,861	(5,000)	1,753,998
Vehicles	4,973,517	268,882	(161,790)	5,080,609
Infrastructure	<u>38,901,659</u>	<u>3,582,315</u>	<u>-</u>	<u>42,483,974</u>
Total capital assets, being depreciated	<u>63,573,579</u>	<u>4,031,342</u>	<u>(166,790)</u>	<u>67,438,131</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(512,407)	(13,024)	-	(525,431)
Buildings	(5,993,636)	(249,173)	-	(6,242,809)
Buildings and improvements	(813,546)	(217,959)	-	(1,031,505)
Computer equipment	(778,880)	(118,438)	-	(897,318)
Furniture and equipment	(979,490)	(105,426)	5,000	(1,079,916)
Vehicles	(3,889,637)	(245,598)	161,790	(3,973,445)
Infrastructure	<u>(16,513,165)</u>	<u>(1,627,069)</u>	<u>-</u>	<u>(18,140,234)</u>
Total accumulated depreciation	<u>(29,480,761)</u>	<u>(2,576,687)</u>	<u>166,790</u>	<u>(31,890,658)</u>
Total capital assets, being depreciated, net	<u>34,092,818</u>	<u>1,454,655</u>	<u>-</u>	<u>35,547,473</u>
Governmental activities capital assets, net	<u>\$ 39,480,877</u>	<u>\$ 3,522,095</u>	<u>\$ (3,256,128)</u>	<u>\$ 39,746,844</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

<b><u>Business-type activities:</u></b>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>12,381,101</u>	<u>1,044,792</u>	<u>(10,126,385)</u>	<u>3,299,508</u>
Total capital assets, not being depreciated	<u>12,765,500</u>	<u>1,044,792</u>	<u>(10,126,385)</u>	<u>3,683,907</u>
<i>Capital assets, being depreciated:</i>				
Buildings	53,737,163	-	(3,865)	53,733,298
Building improvements	12,321,062	-	-	12,321,062
Water and sewer lines	44,354,589	5,220,697	-	49,575,286
Computer equipment	206,903	-	-	206,903
Furniture and equipment	2,648,080	4,962,072	-	7,610,152
Vehicles	<u>3,814,322</u>	<u>226,845</u>	<u>(284,590)</u>	<u>3,756,577</u>
Total capital assets, being depreciated	<u>117,082,119</u>	<u>10,409,614</u>	<u>(288,455)</u>	<u>127,203,278</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(45,936,896)	(755,295)	-	(46,692,191)
Building improvements	(524,427)	(816,969)	-	(1,341,396)
Water and sewer lines	(19,361,879)	(672,153)	-	(20,034,032)
Computer equipment	(141,734)	(6,612)	-	(148,346)
Furniture and equipment	(1,604,885)	(475,527)	-	(2,080,412)
Vehicles	<u>(3,090,824)</u>	<u>(313,154)</u>	<u>284,590</u>	<u>(3,119,388)</u>
Total accumulated depreciation	<u>(70,660,645)</u>	<u>(3,039,710)</u>	<u>284,590</u>	<u>(73,415,765)</u>
Total capital assets, being depreciated, net	<u>46,421,474</u>	<u>7,369,904</u>	<u>(3,865)</u>	<u>53,787,513</u>
Business-type activities capital assets, net	<u>\$ 59,186,974</u>	<u>\$ 8,414,696</u>	<u>\$ (10,130,250)</u>	<u>\$ 57,471,420</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

**Governmental activities:**

General government	\$ 478,609
Security of persons and property	241,655
Public health and welfare	23,247
Transportation	1,706,420
Community environment	104,615
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>22,141</u>
Total depreciation expense - governmental activities	<u>\$ 2,576,687</u>

**Business-type activities:**

Sewer	\$ 717,489
Water	1,984,340
Sanitation	175,124
Packard Music Hall	30,686
City redevelopment	14,790
Downtown parking	48,059
Stormwater utility	<u>69,222</u>
Total depreciation expense - business-type activities	<u>\$ 3,039,710</u>

**NOTE 11 - COMPENSATED ABSENCES LIABILITY**

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

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2008, vested benefits for vacation leave and compensation time for governmental fund type employees totaled \$3,369,975 and vested benefits for sick leave totaled \$1,909,658. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$859,537 and vested benefits for sick leave totaled \$745,021 at December 31, 2008. 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, 2008

**NOTE 12 - LEASES**

**A. Governmental Capital Leases - Lessee Disclosure**

In prior years, the City entered into capitalized leases for equipment and a fire truck. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined BFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment and vehicles have been capitalized on the statement of net assets in the amount of \$69,680 and \$528,720, respectively. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets. Principal payments during 2008 amounted to \$55,304 paid by the general fund and \$4,376 paid by the street maintenance nonmajor special revenue fund.

The governmental assets acquired through capital leases are as follows:

	<u>Equipment</u>	<u>Vehicles</u>
Asset	\$ 69,680	\$ 528,720
Less: accumulated depreciation	<u>(51,858)</u>	<u>(475,848)</u>
Total	<u>\$ 17,822</u>	<u>\$ 52,872</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2008:

<u>Year Ended</u>	<u>Amount</u>
2009	\$ 71,902
2010	71,122
2011	68,517
2012	63,874
2013	<u>63,874</u>
Total	339,289
Less: amount representing interest	<u>(40,738)</u>
Present value of net minimum lease payments	<u>\$ 298,551</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 12 - LEASES - (Continued)**

**B. Proprietary Capital Leases - Lessee Disclosure**

In prior years, capital assets consisting of equipment have been capitalized in the sewer fund and the stormwater utility nonmajor enterprise fund. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The amount of \$119,345 and \$188,538 in the sewer and stormwater utility enterprise funds, respectively, represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the enterprise funds. Principal payments in 2008 totaled \$22,710 in the sewer fund and \$35,834 in the storm water utility fund.

The proprietary assets acquired through these capital leases are as follows:

	<u>Sewer Equipment</u>	<u>Stormwater Utility Equipment</u>
Asset	\$ 119,345	\$ 188,538
Less: accumulated depreciation	<u>(53,388)</u>	<u>(75,415)</u>
Total	<u>\$ 65,957</u>	<u>\$ 113,123</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2008:

	<u>Year Ended</u>	<u>Sewer</u>	<u>Stormwater Utility</u>	<u>Total</u>
	2009	\$ 28,224	\$ 43,523	\$ 71,747
	2010	28,224	43,523	71,747
	2011	<u>21,366</u>	<u>43,523</u>	<u>64,889</u>
Total		77,814	130,569	208,383
Less: amount representing interest		<u>(7,306)</u>	<u>(11,999)</u>	<u>(19,305)</u>
Present value of net minimum lease payments		<u>\$ 70,508</u>	<u>\$ 118,570</u>	<u>\$ 189,078</u>

**C. 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 is for a 15 year term and 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.



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 12 - LEASES - (Continued)**

The carrying value of the property follows:

	<u>Land</u>	<u>Building</u>
Asset	\$ 9,000	\$ 219,756
Less: accumulated depreciation	<u>-</u>	<u>(85,156)</u>
Total	<u>\$ 9,000</u>	<u>\$ 134,600</u>

**NOTE 13 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

Governmental activities long-term obligations have been restated at December 31, 2007, for the \$1,568,577 pollution remediation obligation reported in accordance with GASB Statement No. 49. During 2008, the following changes occurred in governmental activities long-term obligations:

	Interest Rate	Maturity Date	(Restated) Balance at 12/31/07	Additions	Reductions	Balance at 12/31/08	Amounts Due in One Year
<u>General obligation bonds</u>							
Correctional facility	4.50-5.85%	12/01/2010	\$ 186,170	\$ -	\$ (66,074)	\$ 120,096	\$ 61,992
Various purpose refunding, series 2003	2.00-4.00%	12/01/2013	3,840,500	-	(583,000)	3,257,500	597,500
Various purpose, series 2003	2.00-2.40%	12/01/2013	524,000	-	(188,000)	336,000	62,000
Multi purpose refunding, series 1996	3.80-6.25%	12/01/2011	<u>1,235,000</u>	-	<u>(280,000)</u>	<u>955,000</u>	<u>300,000</u>
Total general obligations bonds			<u>5,785,670</u>	<u>-</u>	<u>(1,117,074)</u>	<u>4,668,596</u>	<u>1,021,492</u>
<u>Other long-term obligations</u>							
Reinvestment partnership corporation loan	6.09%	8/01/2016	700,000	-	(55,000)	645,000	60,000
OWDA loan	3.75%	1/01/2010	389,051	-	(151,298)	237,753	157,025
HUD 108 loan	5.28%	8/01/2022	1,700,000	-	(70,000)	1,630,000	70,000
Ohio Department of Development mortgage note	4.00%	11/1/2015	166,297	-	(18,222)	148,075	18,964
Police and fire pension liability		5/01/2035	2,746,994	-	(54,303)	2,692,691	56,636
OPWC loan		7/01/2027	-	256,564	(12,828)	243,736	12,828
Pollution remediation obligation			1,568,577	-	-	1,568,577	-
Capital lease obligation			358,231	-	(59,680)	298,551	58,182
Compensated absences			<u>5,069,512</u>	<u>1,560,149</u>	<u>(1,350,028)</u>	<u>5,279,633</u>	<u>1,181,162</u>
Total other long-term obligations			<u>12,698,662</u>	<u>1,816,713</u>	<u>(1,771,359)</u>	<u>12,744,016</u>	<u>1,614,797</u>
Total governmental activities long-term obligations			18,484,332	<u>\$ 1,816,713</u>	<u>\$ (2,888,433)</u>	17,412,612	<u>\$ 2,636,289</u>
Add: Unamortized premium on bond issue			26,918			22,336	
Less: Unamortized deferred charges on refundings			<u>(184,224)</u>			<u>(152,868)</u>	
Total reported on the statement of net assets			<u>\$ 18,327,026</u>			<u>\$ 17,282,080</u>	

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

Police and Fire Pension Liability - The City pays installments on the police and fire pension liability incurred when the State of Ohio established the statewide system for police and firefighters in 1967. The liability is paid semi-annually from the police and fire nonmajor special revenue funds. Payment is made from unvoted property tax revenues received into the police and fire nonmajor special revenue funds.

The following is a summary of the City's future annual debt service principal and interest requirements for the police and fire pension liability:

Year Ended	Police and Fire Pension Liability		
	Principal	Interest	Total
2009	\$ 56,636	\$ 113,844	\$ 170,480
2010	59,069	111,411	170,480
2011	61,606	108,874	170,480
2012	64,252	106,229	170,481
2013	67,012	103,469	170,481
2014 - 2018	380,784	471,614	852,398
2019 - 2023	469,895	382,506	852,401
2024 - 2028	579,858	272,542	852,400
2029 - 2033	715,554	136,846	852,400
2034 - 2035	<u>238,025</u>	<u>10,026</u>	<u>248,051</u>
Total	<u>\$ 2,692,691</u>	<u>\$ 1,817,361</u>	<u>\$ 4,510,052</u>

General Obligation Bonds:

On November 11, 1995, Trumbull County issued general obligation bonds to finance the construction of a new correctional facility. The City entered into an agreement with Trumbull County to service a portion of the bonds. As part of this agreement, the City is allocated a portion of the correctional facility bonds. The City's share of the bonds at December 31, 2008 was \$120,096. These bonds are scheduled to mature December 1, 2010.

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

The assets held in trust as a result of the advance refundings described above are not included in the accompanying BFS.

On November 13, 2003, the City issued \$6,045,000 in general obligation various purpose refunding bonds to currently refund the callable portion of the 1993 general obligation various purpose refunding bonds (principal \$6,235,000; interest rate 5.10%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the general obligation various purpose refunded bonds at December 31, 2008 was \$3,325,000.

The 2003 general obligation various purpose refunding issue is comprised of current interest bonds, par value \$6,045,000, with an annual interest rate ranging from 2.00% - 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$313,575. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

During 2003, the City also issued \$1,282,000 in various purpose general obligation bonds to provide fire, police, health, engineering and operations improvements. The issue is comprised of current interest bonds with an annual interest rate ranging from 2.00% - 2.40%.

During 1996, the City issued multi-purpose refunding bonds with an annual interest rate ranging from 3.80% - 6.25%. At December 31, 2008, the balance of the bonds was \$955,000.

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

Year Ended	General Obligation Bonds		
	Principal	Interest	Total
2009	\$ 1,021,492	\$ 187,211	\$1,208,703
2010	1,064,604	150,325	1,214,929
2011	1,058,000	102,865	1,160,865
2012	747,500	56,623	804,123
2013	<u>777,000</u>	<u>29,526</u>	<u>806,526</u>
Total	<u>\$ 4,668,596</u>	<u>\$ 526,550</u>	<u>\$5,195,146</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

Reinvestment Partnership Corporation Loan - On April 29, 1999, the City received a \$985,000 loan from the Reinvestment Partnership Corporation. This loan was made through the Federal 108 Loan Guarantee Program. In 2000, the City began disbursing the loan proceeds for economic development and housing rehabilitation projects throughout the City. Interest payments (at 6.09 percent) on the loan began in 1999, and principal payments began August 1, 2002. Principal and interest payments are made out of the guaranteed loan nonmajor special revenue fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

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

Year Ended	Loan Payable		
	Principal	Interest	Total
2009	\$ 60,000	\$ 40,743	\$ 100,743
2010	65,000	37,170	102,170
2011	70,000	33,232	103,232
2012	75,000	28,920	103,920
2013	85,000	24,226	109,226
2014 - 2016	<u>290,000</u>	<u>38,191</u>	<u>328,191</u>
Total	<u>\$ 645,000</u>	<u>\$ 202,482</u>	<u>\$ 847,482</u>

HUD 108 Loan - On September 14, 2006, the City received a \$1,700,000 HUD Section 108 loan. The City disbursed the loan proceeds for economic development and housing rehabilitation projects throughout the City. Interest payments (at approximately 5.28 percent) on the loan began in 2007 and principal payments began August 1, 2008. Principal and interest payments are made out of the guaranteed loan nonmajor special revenue fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

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

Year Ended	Loan Payable		
	Principal	Interest	Total
2009	\$ 70,000	\$ 86,205	\$ 156,205
2010	75,000	82,733	157,733
2011	80,000	78,991	158,991
2012	85,000	74,975	159,975
2013	95,000	70,699	165,699
2014 - 2018	585,000	274,056	859,056
2019 - 2022	<u>640,000</u>	<u>91,894</u>	<u>731,894</u>
Total	<u>\$ 1,630,000</u>	<u>\$ 759,553</u>	<u>\$ 2,389,553</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

*Ohio Department of Development Mortgage Note* - In November 1999, the City received a \$202,000 note from the Ohio Department of Development. This note was to fund the Mahoningside Redevelopment Project. Principal and interest payments are made out of the CDBG nonmajor special revenue fund.

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

Year Ended	Note Payable		
	Principal	Interest	Total
2009	\$ 18,964	\$ 5,578	\$ 24,542
2010	19,736	4,806	24,542
2011	20,541	4,001	24,542
2012	21,378	3,164	24,542
2013	22,248	2,294	24,542
2014 - 2015	<u>45,208</u>	<u>1,831</u>	<u>47,039</u>
Total	<u>\$ 148,075</u>	<u>\$ 21,674</u>	<u>\$ 169,749</u>

*OWDA Loan* - During 2000, the City entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund the Mahoningside Redevelopment Project. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2008, the City had outstanding borrowings of \$237,753. The loan agreement requires semi-annual payments. The principal and interest payments are made out of the CDBG nonmajor special revenue fund.

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

Year Ended	OWDA Loan Payable		
	Principal	Interest	Total
2009	\$ 157,025	\$ 7,457	\$ 164,482
2010	<u>80,728</u>	<u>1,514</u>	<u>82,242</u>
Total	<u>\$ 237,753</u>	<u>\$ 8,971</u>	<u>\$ 246,724</u>

*Pollution Remediation Obligation* - In 2000, the City discovered considerable pollution at the site of the former Mahoningside Power Plant and subsequently commenced cleanup. The estimated cost to complete the remaining remediation work as of December 31, 2008 is \$1,568,577, which is derived from contracts that assume no unexpected change orders. This entire amount is reported as a noncurrent liability on the statement of net assets. The City has applied for a grant from the Ohio Department of Development which, if approved, would be used to help cover the costs of the cleanup (see Note 20 for detail).

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

*OPWC Loan* - During 2008, the City entered into an agreement with Trumbull County to pay a portion of the County's loan from the Ohio Public Works Commission (OPWC). The City's share of the interest-free loan is \$256,564 and is payable over 20 years. The proceeds were used to fund the North Road Reconstruction Project. The principal and interest payments are made out of the debt service fund.

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

Year Ended	OPWC Loan Payable		
	Principal	Interest	Total
2009	\$ 12,828	\$ -	\$ 12,828
2010	12,829	-	12,829
2011	12,828	-	12,828
2012	12,828	-	12,828
2013	12,828	-	12,828
2014 - 2018	64,141	-	64,141
2019 - 2023	64,141	-	64,141
2024 - 2027	<u>51,313</u>	<u>-</u>	<u>51,313</u>
Total	<u>\$ 243,736</u>	<u>\$ -</u>	<u>\$ 243,736</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

**B. Business-Type Activities**

During 2008, the following changes occurred in the business-type activities long-term obligations:

	Interest Rate	Maturity Date	Balance at 12/31/07	Additions	Reductions	Balance at 12/31/08	Amounts Due in One Year
<u>General obligation bonds</u>							
Refunding sewer improvements	2.00-4.00%	12/01/2013	\$ 3,169,500	\$ -	\$ (488,000)	\$ 2,681,500	\$ 500,500
Packard Hall various improvements	2.00-2.40%	12/01/2008	11,000	-	(11,000)	-	-
Total general obligations bonds			<u>3,180,500</u>	<u>-</u>	<u>(499,000)</u>	<u>2,681,500</u>	<u>500,500</u>
<u>Revenue bonds</u>							
Water system	3.80-5.00%	12/1/2022	9,115,000	-	(415,000)	8,700,000	435,000
Total revenue bonds			<u>9,115,000</u>	<u>-</u>	<u>(415,000)</u>	<u>8,700,000</u>	<u>435,000</u>
Total enterprise bonds			<u>12,295,500</u>	<u>-</u>	<u>(914,000)</u>	<u>11,381,500</u>	<u>935,500</u>
<u>OWDA Loans</u>							
Sewer system	10.16%	1/01/2012	2,854,396	-	(533,254)	2,321,142	587,433
Buckeye	3.54%	7/01/2014	616,166	-	(79,034)	537,132	81,856
Warren commerce park - phase I	4.80%	1/01/2017	86,607	-	(12,778)	73,829	13,399
Wastewater treatment plant and pump station improvements	3.04%	1/01/2017	576,216	-	(53,175)	523,041	54,803
Biosolids facility	3.04%	7/01/2017	3,977,059	-	(460,659)	3,516,400	126,978
Griswold street sanitary sewer	4.12%	7/01/2018	906,331	-	(66,640)	839,691	69,414
Warren commerce park - phase II	3.98%	1/01/2019	407,125	-	(28,543)	378,582	29,691
Warren commerce park - phase II	3.79%	1/01/2019	124,503	-	(8,821)	115,682	9,158
Downtown combined sewer	3.25%	1/01/2027	4,398,728	-	(164,692)	4,234,036	168,717
Water system improvements	3.95%	7/01/2023	9,175,094	-	(428,991)	8,746,103	441,741
Water meter replacements	3.34%	7/01/2028	4,341,101	763,368	-	5,104,469	193,239
Total OWDA loans			<u>27,463,326</u>	<u>763,368</u>	<u>(1,836,587)</u>	<u>26,390,107</u>	<u>1,776,429</u>
Total bonds and loans			<u>39,758,826</u>	<u>763,368</u>	<u>(2,750,587)</u>	<u>37,771,607</u>	<u>2,711,929</u>
<u>Other long-term obligations</u>							
Capital lease obligation	4.50-5.85%		247,622	-	(58,544)	189,078	61,816
Compensated absences			1,538,228	651,997	(585,667)	1,604,558	508,195
Total other long-term obligations			<u>1,785,850</u>	<u>651,997</u>	<u>(644,211)</u>	<u>1,793,636</u>	<u>570,011</u>
Total business-type activities			41,544,676	<u>\$ 1,415,365</u>	<u>\$ (3,394,798)</u>	39,565,243	<u>\$ 3,281,940</u>
Add: Unamortized premium on bond issue			19,393			16,092	
Less: Unamortized deferred charges on refundings			(302,958)			(246,785)	
Total reported on the statement of net assets			<u>\$ 41,261,111</u>			<u>\$ 39,334,550</u>	

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

General obligation bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

General Obligation Bonds:

The City issued \$51,000 in bonds for Packard Music Hall improvements on November 15, 2003. The bonds bore annual interest rates ranging from 2.00 percent to 2.40 percent and matured on December 1, 2008.

On November 15, 1993, the City issued \$10,430,000 general obligation sewer system improvement bonds. The bonds bear interest at rates ranging from 2.90 percent to 5.20 percent per annum and mature at various installments through November 15, 2013. A portion of the proceeds of the bonds was used for the advance refunding of the 1990 sewer system improvement bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding.

On November 13, 2003, the City issued \$5,043,000 in sewer system improvements refunding bonds to currently refund the callable portion of the 1993 sewer system improvement refunding bonds (principal \$5,215,000; interest rate 4.50%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the sewer system improvements refunded bonds at December 31, 2008 was \$2,725,000.

The 2003 sewer system improvements refunding issue is comprised of current interest bonds, par value \$5,043,000, with an annual interest rate ranging from 2.00% - 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$252,468. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2013 using the straight-line method.

Revenue Bonds:

On December 30, 1997, the City issued \$11,380,000 water system revenue bonds. The bonds bear interest at rates ranging from 3.80 percent to 5.00 percent per annum and mature at various installments through November 1, 2022. A portion of the proceeds of the bonds was used for the advance refunding of the 1992 water system improvement bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the water system revenue bonds at December 31, 2008 was \$8,700,000.

The 1992 water system improvement bonds advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$463,893. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2012 using the straight-line method.

The assets held in trust as a result of the advance refunding described above are not included in the accompanying BFS.



**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

The City has pledged future water customer revenues, net of specified operating expenses, to advance refund the 1992 water system improvement bonds. The water revenue bonds are payable solely from water customer net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 34.34 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$12,382,875. Principal and interest paid for the current year and total customer net revenues were \$880,583 and \$2,564,179, respectively.

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, 2008, the City has outstanding borrowings of \$26,390,107. 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 downtown combined sewer, water system improvements, and water meter replacement projects financed through OWDA loans are not closed out as of December 31, 2008. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2008 of \$4,234,036, \$8,746,103 and \$5,104,469, are not available.

The following is a summary of the City's future annual debt service principal and interest requirements for enterprise fund obligations:

Year Ended	Bonds Payable			OWDA Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 935,500	\$ 541,386	\$ 1,476,886	\$ 972,732	\$ 437,320	\$ 1,410,052
2010	973,500	507,177	1,480,677	1,295,432	356,758	1,652,190
2011	1,017,000	464,597	1,481,597	1,382,883	269,306	1,652,189
2012	1,062,500	419,402	1,481,902	1,066,198	174,362	1,240,560
2013	1,113,000	371,324	1,484,324	715,677	113,254	828,931
2014 - 2018	3,150,000	1,278,850	4,428,850	2,844,187	230,023	3,074,210
2019 - 2022	<u>3,130,000</u>	<u>400,750</u>	<u>3,530,750</u>	<u>28,390</u>	<u>571</u>	<u>28,961</u>
Total	<u>\$ 11,381,500</u>	<u>\$ 3,983,486</u>	<u>\$ 15,364,986</u>	<u>\$ 8,305,499</u>	<u>\$ 1,581,594</u>	<u>\$ 9,887,093</u>

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 14 - INTERNAL NOTES PAYABLE**

The City had the following internal note activity for 2008:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at 12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/08</u>
<u>Sanitation enterprise fund</u>							
<i>General obligation notes</i>							
Environmental services vehicle acquisition	4.540%	9/15/07	9/15/08	\$ 250,000	\$ -	\$ (250,000)	\$ -
Environmental services vehicle acquisition	3.150%	6/12/08	6/12/09	-	<u>350,000</u>	-	<u>350,000</u>
Total				<u>\$ 250,000</u>	<u>\$ 350,000</u>	<u>\$ (250,000)</u>	<u>\$ 350,000</u>

The notes payable at December 31, 2008 are internal City of Warren notes that represent amounts borrowed from other funds of the City. The notes are structured in essentially the same manner as note agreements with outside institutions. The fund which loaned the monies (the workers compensation retro plan internal service fund) has reported “notes receivable” on the fund financial statements for the principal amounts outstanding at December 31, 2008. On the statement of net assets, the “notes receivable” and “notes payable” have been presented as an internal balance.

**NOTE 15 - RISK MANAGEMENT**

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

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.

In the last three years, the City had one occurrence in which settled claims exceeded the self-insurance amount. The liability for unpaid claims of \$895,534 reported in the internal service fund at December 31, 2008, 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.

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 15 - RISK MANAGEMENT**

Another self-insurance fund which the City maintains is the workers' compensation fund which is classified as an internal service fund in the accompanying BFS. This fund is used 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. The initial premium savings between a retrospective plan and a fully insured plan for a given year is transferred into the fund from other City funds. Subsequent claims for a ten-year period are then the City's responsibility (subject to a stop-loss maximum) and are paid from the fund.

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Hospitalization self-insurance	2008	\$ 730,512	\$ 5,866,791	\$ (5,701,769)	\$ 895,534
	2007	679,681	4,975,634	(4,924,803)	730,512
Risk management	2008	-	96,000	(96,000)	-
	2007	-	176,324	(176,324)	-
Workers' compensation	2008	532,672	717,009	(532,672)	717,009
	2007	440,887	532,672	(440,887)	532,672

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.

**NOTE 16 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 16 - PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$1,043,704, \$1,216,075, and \$1,288,136, respectively; 91.60% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

**B. Ohio Police and Fire Pension Fund**

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$610,558 and \$732,799 for the year ended December 31, 2008, \$595,165 and \$743,508 for the year ended December 31, 2007, and \$498,100, \$1,040,049, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 92.25% has been contributed for police and 92.42% has been contributed for firefighters for 2008.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 17 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 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 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). 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 amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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, 2008, 2007, and 2006 were \$1,043,705, \$801,007, and \$630,067, respectively; 91.60% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**CITY OF WARREN, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

**B. Ohio Police and Fire Pension Fund**

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

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

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

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

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$323,236 and \$286,748 for the year ended December 31, 2008, \$315,088 and \$290,938 for the year ended December 31, 2007, and \$327,937, \$496,212, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 92.25% has been contributed for police and 92.42% has been contributed for firefighters for 2008.

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); and,
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

	<u>General</u>
Budget basis	\$ (2,218,531)
Net adjustment for revenue accruals	(128,915)
Net adjustment for expenditure accruals	(155,136)
Adjustment for encumbrances	<u>255,288</u>
GAAP basis	<u>\$ (2,247,294)</u>

**CITY OF WARREN, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**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, 2008.

**B. Litigation**

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

**C. Debt**

On August 28, 2001, the City and Austin Village Plaza entered into a \$350,000 promissory note with Second National Bank. In the event of default by Austin Village Plaza, the City may be called upon to repay the outstanding debt obligation. At this time, it is not determinable whether the City will sustain a liability related to this matter, therefore, in accordance with FASB Statement No. 5, "Accounting or Contingencies," a liability has not been reported in the financial statements.

**NOTE 20 - SIGNIFICANT SUBSEQUENT EVENT**

In May of 2009, the City applied for a grant from the Ohio Department of Development in the amount of \$1,568,577. If approved, the funds would be used to offset the costs of the pollution remediation work at the site of the former Mahoningside Power Plant (see Note 13.A for detail).



**COMBINING STATEMENTS  
AND INDIVIDUAL  
FUND SCHEDULES**

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

**General Fund**

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

**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.

***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.

***Police Pension***

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

**CITY OF WARREN, OHIO**

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

**Nonmajor Special Revenue Funds - (Continued)**

***Fire Pension***

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

***Community Development Block Grant (CDBG)***

To account for monies received from the State 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.

***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.

**Nonmajor Capital Projects Fund**

***General Capital Improvements***

The General Capital Improvements 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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 16,867,924	\$ 17,980,000	\$ 18,419,258	\$ 439,258
Charges for services . . . . .	2,148,362	2,290,000	2,057,382	(232,618)
Licenses and permits . . . . .	2,321,638	2,474,700	2,287,338	(187,362)
Fines and forfeitures . . . . .	1,103,264	1,176,000	1,045,043	(130,957)
Intergovernmental . . . . .	3,022,838	3,222,129	2,607,568	(614,561)
Investment income . . . . .	938,149	1,000,000	919,459	(80,541)
Rental income . . . . .	84,433	90,000	60,013	(29,987)
Other . . . . .	1,304,229	1,390,215	575,607	(814,608)
Total revenues . . . . .	<u>27,790,837</u>	<u>29,623,044</u>	<u>27,971,668</u>	<u>(1,651,376)</u>
<b>Expenditures:</b>				
Current:				
General government				
City council				
Personal services . . . . .	265,400	265,900	269,111	(3,211)
Contract services . . . . .	34,274	34,274	28,565	5,709
Materials and supplies. . . . .	4,223	4,223	3,516	707
Total city council . . . . .	<u>303,897</u>	<u>304,397</u>	<u>301,192</u>	<u>3,205</u>
Municipal court				
Personal services . . . . .	1,696,085	1,707,318	1,664,324	42,994
Contract services . . . . .	76,108	79,608	73,400	6,208
Materials and supplies. . . . .	7,647	6,428	5,597	831
Total municipal court. . . . .	<u>1,779,840</u>	<u>1,793,354</u>	<u>1,743,321</u>	<u>50,033</u>
Victims of crimes				
Personal services . . . . .	-	34,767	34,759	8
Contract services . . . . .	-	2,500	1,028	1,472
Materials and supplies. . . . .	-	2,719	2,575	144
Total victims of crimes . . . . .	<u>-</u>	<u>39,986</u>	<u>38,362</u>	<u>1,624</u>
Operations - general				
Personal services . . . . .	187,551	196,037	186,208	9,829
Contract services . . . . .	19,048	19,910	18,331	1,579
Materials and supplies. . . . .	478	500	-	500
Total operations - general . . . . .	<u>207,077</u>	<u>216,447</u>	<u>204,539</u>	<u>11,908</u>
Operations - maintenance				
Personal services . . . . .	882,122	922,036	902,736	19,300
Contract services . . . . .	401,112	377,147	351,275	25,872
Materials and supplies. . . . .	66,877	63,744	52,881	10,863
Total operations - maintenance. . . . .	<u>1,350,111</u>	<u>1,362,927</u>	<u>1,306,892</u>	<u>56,035</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services . . . . .	\$ 333,225	\$ 333,225	\$ 329,423	\$ 3,802
Contract services . . . . .	28,408	28,408	16,726	11,682
Materials and supplies. . . . .	14,886	17,886	12,877	5,009
Capital outlay . . . . .	-	2,000	-	2,000
Total mayor. . . . .	<u>376,519</u>	<u>381,519</u>	<u>359,026</u>	<u>22,493</u>
Purchasing				
Personal services . . . . .	162,155	162,155	159,057	3,098
Contract services . . . . .	20,450	20,450	18,876	1,574
Materials and supplies. . . . .	4,703	4,703	1,905	2,798
Total purchasing . . . . .	<u>187,308</u>	<u>187,308</u>	<u>179,838</u>	<u>7,470</u>
Finance				
Personal services . . . . .	458,338	458,338	447,110	11,228
Contract services . . . . .	56,300	56,300	49,101	7,199
Materials and supplies. . . . .	9,491	9,491	7,540	1,951
Capital outlay . . . . .	4,000	4,000	-	4,000
Total finance . . . . .	<u>528,129</u>	<u>528,129</u>	<u>503,751</u>	<u>24,378</u>
Human resources				
Personal services . . . . .	287,425	287,425	273,294	14,131
Contract services . . . . .	46,550	55,350	49,841	5,509
Materials and supplies. . . . .	2,200	2,200	864	1,336
Capital outlay . . . . .	-	2,050	2,040	10
Total human resources . . . . .	<u>336,175</u>	<u>347,025</u>	<u>326,039</u>	<u>20,986</u>
Law department				
Personal services . . . . .	777,964	777,964	775,508	2,456
Contract services . . . . .	51,204	53,204	32,922	20,282
Materials and supplies. . . . .	6,196	6,196	2,953	3,243
Total law department. . . . .	<u>835,364</u>	<u>837,364</u>	<u>811,383</u>	<u>25,981</u>
Civil service				
Personal services . . . . .	11,346	11,446	10,930	516
Contract services . . . . .	23,500	23,500	14,673	8,827
Materials and supplies. . . . .	1,000	1,000	73	927
Total civil service. . . . .	<u>35,846</u>	<u>35,946</u>	<u>25,676</u>	<u>10,270</u>
Administrative support				
Contract services . . . . .	1,782,819	1,782,820	1,491,542	291,278
Materials and supplies. . . . .	11,353	11,352	8,228	3,124
Other . . . . .	-	44,385	43,750	635
Total administrative support . . . . .	<u>1,794,172</u>	<u>1,838,557</u>	<u>1,543,520</u>	<u>295,037</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax				
Personal services . . . . .	\$ 459,924	\$ 523,924	\$ 520,842	\$ 3,082
Contract services . . . . .	96,300	130,800	128,579	2,221
Materials and supplies. . . . .	28,858	28,858	25,989	2,869
Capital outlay . . . . .	10,013	10,013	-	10,013
Total income tax . . . . .	<u>595,095</u>	<u>693,595</u>	<u>675,410</u>	<u>18,185</u>
Total general government . . . . .	<u>8,329,533</u>	<u>8,566,554</u>	<u>8,018,949</u>	<u>547,605</u>
Security of persons and property				
Police				
Personal services . . . . .	7,766,562	8,843,862	8,810,560	33,302
Contract services . . . . .	1,261,362	1,341,011	1,233,057	107,954
Materials and supplies. . . . .	230,507	290,508	229,172	61,336
Capital outlay . . . . .	31,388	31,388	6,349	25,039
Total police. . . . .	<u>9,289,819</u>	<u>10,506,769</u>	<u>10,279,138</u>	<u>227,631</u>
Fire				
Personal services . . . . .	6,181,794	6,686,794	6,663,741	23,053
Contract services . . . . .	192,219	276,219	252,061	24,158
Materials and supplies. . . . .	100,962	112,963	98,659	14,304
Capital outlay . . . . .	9,595	9,660	9,660	-
Total fire . . . . .	<u>6,484,570</u>	<u>7,085,636</u>	<u>7,024,121</u>	<u>61,515</u>
Bio-Terrorism				
Contract services . . . . .	2,977	4,800	828	3,972
Materials and supplies. . . . .	2,585	3,684	300	3,384
Total fire . . . . .	<u>5,562</u>	<u>8,484</u>	<u>1,128</u>	<u>7,356</u>
Total security of persons and property .	<u>15,779,951</u>	<u>17,600,889</u>	<u>17,304,387</u>	<u>296,502</u>
Public health and welfare				
Health				
Personal services . . . . .	229,214	369,577	358,657	10,920
Contract services . . . . .	36,379	55,155	48,399	6,756
Materials and supplies. . . . .	23,992	28,846	26,153	2,693
Other. . . . .	553,966	772,103	770,136	1,967
Total health . . . . .	<u>843,551</u>	<u>1,225,681</u>	<u>1,203,345</u>	<u>22,336</u>
Dental				
Contract services . . . . .	22,379	35,476	28,898	6,578
Materials and supplies. . . . .	3,609	4,820	7,455	(2,635)
Total dental. . . . .	<u>25,988</u>	<u>40,296</u>	<u>36,353</u>	<u>3,943</u>
Total public health and welfare . . . .	<u>869,539</u>	<u>1,265,977</u>	<u>1,239,698</u>	<u>26,279</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Environmental health				
Personal services . . . . .	\$ 352,961	\$ 569,103	\$ 566,624	\$ 2,479
Contract services . . . . .	12,273	19,608	17,054	2,554
Materials and supplies. . . . .	8,839	13,245	11,515	1,730
Other. . . . .	5,627	9,028	8,136	892
Total environmental health . . . . .	<u>379,700</u>	<u>610,984</u>	<u>603,329</u>	<u>7,655</u>
Weed control				
Contract services . . . . .	13,451	21,325	19,897	1,428
Materials and supplies. . . . .	692	1,116	1,115	1
Total weed control . . . . .	<u>14,143</u>	<u>22,441</u>	<u>21,012</u>	<u>1,429</u>
Mosquito control				
Contract services . . . . .	248	400	-	400
Materials and supplies. . . . .	1,479	2,385	2,158	227
Total mosquito control . . . . .	<u>1,727</u>	<u>2,785</u>	<u>2,158</u>	<u>627</u>
Engineering building and plant department				
Personal services . . . . .	964,702	968,702	961,543	7,159
Contract services . . . . .	332,627	332,627	301,703	30,924
Materials and supplies. . . . .	22,720	25,720	18,502	7,218
Capital outlay . . . . .	12,654	12,654	11,912	742
Other . . . . .	18,000	18,000	10,862	7,138
Total engineering building and plant department. . . . .	<u>1,350,703</u>	<u>1,357,703</u>	<u>1,304,522</u>	<u>53,181</u>
Total community environment. . . . .	<u>1,746,273</u>	<u>1,993,913</u>	<u>1,931,021</u>	<u>62,892</u>
Leisure time activity				
Operations - Packard Park				
Personal services . . . . .	125,939	131,638	120,071	11,567
Contract services . . . . .	95,069	94,150	71,666	22,484
Materials and supplies. . . . .	17,392	17,520	12,084	5,436
Other. . . . .	4,068	4,200	3,940	260
Total operations - packard park. . . . .	<u>242,468</u>	<u>247,508</u>	<u>207,761</u>	<u>39,747</u>
Operations - parks				
Personal services . . . . .	318,322	332,725	315,389	17,336
Contract services . . . . .	144,355	137,409	97,285	40,124
Materials and supplies. . . . .	48,130	47,926	36,999	10,927
Other. . . . .	624	600	510	90
Total operations - parks. . . . .	<u>511,431</u>	<u>518,660</u>	<u>450,183</u>	<u>68,477</u>
Total leisure time activity. . . . .	<u>753,899</u>	<u>766,168</u>	<u>657,944</u>	<u>108,224</u>
Total expenditures. . . . .	<u>27,479,195</u>	<u>30,193,501</u>	<u>29,151,999</u>	<u>1,041,502</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures. . . . .	\$ 311,642	\$ (570,457)	\$ (1,180,331)	\$ (609,874)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	209,676	223,500	223,500	-
Transfers out . . . . .	(1,241,831)	(1,347,446)	(1,261,700)	85,746
Total other financing sources (uses). . .	<u>(1,032,155)</u>	<u>(1,123,946)</u>	<u>(1,038,200)</u>	<u>85,746</u>
Net change in fund balance . . . . .	(720,513)	(1,694,403)	(2,218,531)	(524,128)
<b>Fund balance at beginning of year (restated) . . . . .</b>	4,020,589	4,020,589	4,020,589	-
<b>Prior year encumbrances appropriated .</b>	<u>734,922</u>	<u>734,922</u>	<u>734,922</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,034,998</u>	<u>\$ 3,061,108</u>	<u>\$ 2,536,980</u>	<u>\$ (524,128)</u>

**CITY OF WARREN, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 3,677,621	\$ 111,599	\$ 156,509	\$ 3,945,729
Receivables (net of allowances of uncollectibles):				
Real and other taxes . . . . .	382,654	1,827,086	-	2,209,740
Accounts. . . . .	33,596	-	-	33,596
Loans. . . . .	5,529,474	-	-	5,529,474
Special assessments . . . . .	704,036	69,999	-	774,035
Due from other governments . . . . .	997,872	93,914	-	1,091,786
Materials and supplies inventory . . . . .	41,123	-	-	41,123
Total assets. . . . .	<u>\$ 11,366,376</u>	<u>\$ 2,102,598</u>	<u>\$ 156,509</u>	<u>\$ 13,625,483</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 191,036	\$ -	\$ 240	\$ 191,276
Contracts payable . . . . .	26,577	-	80,469	107,046
Accrued wages and benefits. . . . .	55,856	-	-	55,856
Due to other governments . . . . .	8,629	-	-	8,629
Deferred revenue. . . . .	1,515,322	720,577	-	2,235,899
Unearned revenue . . . . .	261,530	1,248,742	-	1,510,272
Total liabilities . . . . .	<u>2,058,950</u>	<u>1,969,319</u>	<u>80,709</u>	<u>4,108,978</u>
<b>Fund balances:</b>				
Reserved for encumbrances. . . . .	1,540,695	-	3,080,169	4,620,864
Reserved for materials and supplies inventory . . . . .	41,123	-	-	41,123
Reserved for loans . . . . .	5,529,474	-	-	5,529,474
Reserved for tax advance . . . . .	4,540	21,680	-	26,220
Unreserved (deficit), undesignated, reported in:				
Special revenue funds . . . . .	2,191,594	-	-	2,191,594
Debt service fund . . . . .	-	111,599	-	111,599
Capital projects fund. . . . .	-	-	(3,004,369)	(3,004,369)
Total fund balances . . . . .	<u>9,307,426</u>	<u>133,279</u>	<u>75,800</u>	<u>9,516,505</u>
Total liabilities and fund equity . . . . .	<u>\$ 11,366,376</u>	<u>\$ 2,102,598</u>	<u>\$ 156,509</u>	<u>\$ 13,625,483</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 257,044	\$ 1,227,018	\$ -	\$ 1,484,062
Charges for services . . . . .	23,603	-	-	23,603
Licenses and permits. . . . .	93,781	-	-	93,781
Fines and forfeitures. . . . .	471,085	-	-	471,085
Intergovernmental . . . . .	4,904,284	187,827	1,899,760	6,991,871
Special assessments . . . . .	11,349	10,687	-	22,036
Investment income. . . . .	124,911	-	-	124,911
Other. . . . .	217,200	-	11,281	228,481
Total revenues. . . . .	<u>6,103,257</u>	<u>1,425,532</u>	<u>1,911,041</u>	<u>9,439,830</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	29,670	24,874	-	54,544
Security of persons and property . . . . .	690,050	-	-	690,050
Transportation . . . . .	2,534,139	-	-	2,534,139
Economic development. . . . .	2,966,215	-	-	2,966,215
Capital outlay . . . . .	462,115	-	2,320,852	2,782,967
Debt service:				
Principal retirement . . . . .	360,215	1,122,886	-	1,483,101
Interest and fiscal charges. . . . .	271,868	298,046	-	569,914
Total expenditures. . . . .	<u>7,314,272</u>	<u>1,445,806</u>	<u>2,320,852</u>	<u>11,080,930</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,211,015)</u>	<u>(20,274)</u>	<u>(409,811)</u>	<u>(1,641,100)</u>
<b>Other financing sources (uses):</b>				
Loan proceeds . . . . .	-	-	256,564	256,564
Transfers in . . . . .	666,561	118,610	131,782	916,953
Transfers out . . . . .	(393,143)	-	-	(393,143)
Total other financing sources (uses) . . . . .	<u>273,418</u>	<u>118,610</u>	<u>388,346</u>	<u>780,374</u>
Net change in fund balance . . . . .	(937,597)	98,336	(21,465)	(860,726)
<b>Fund balances at beginning of year (restated).</b>	<u>10,245,023</u>	<u>34,943</u>	<u>97,265</u>	<u>10,377,231</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 9,307,426</u>	<u>\$ 133,279</u>	<u>\$ 75,800</u>	<u>\$ 9,516,505</u>

**CITY OF WARREN, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 357,610	\$ 39,922	\$ 1,077
Receivables (net of allowances for uncollectibles):			
Real and other taxes. . . . .	-	-	-
Accounts . . . . .	9,834	-	578
Loans . . . . .	-	-	-
Special assessments. . . . .	-	-	-
Due from other governments . . . . .	-	876,305	-
Materials and supplies inventory . . . . .	-	6,777	-
	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 367,444</u>	<u>\$ 923,004</u>	<u>\$ 1,655</u>
 <b>Liabilities:</b>			
Accounts payable . . . . .	\$ 1,476	\$ 160,352	\$ -
Contracts payable . . . . .	-	-	-
Accrued wages and benefits . . . . .	-	41,834	-
Due to other governments . . . . .	-	6,463	-
Deferred revenue. . . . .	-	624,620	-
Unearned revenue . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>1,476</u>	<u>833,269</u>	<u>-</u>
 <b>Fund Equity:</b>			
Reserved for encumbrances . . . . .	167,769	8,411	-
Reserved for materials and supplies inventory . . . . .	-	6,777	-
Reserved for loans. . . . .	-	-	-
Reserved for tax advance . . . . .	-	-	-
Unreserved (deficit), undesignated reported in:			
Special revenue funds. . . . .	198,199	74,547	1,655
	<hr/>	<hr/>	<hr/>
Total fund equity . . . . .	<u>365,968</u>	<u>89,735</u>	<u>1,655</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity. . . . .	<u>\$ 367,444</u>	<u>\$ 923,004</u>	<u>\$ 1,655</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>	<u>Special Projects - Courts</u>
\$ 823	\$ 82,571	\$ 20,673	\$ 105,354	\$ 202,579	\$ 543,622
-	-	-	-	-	-
-	-	150	-	4,888	15,176
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 823</u>	<u>\$ 82,571</u>	<u>\$ 20,823</u>	<u>\$ 105,354</u>	<u>\$ 207,467</u>	<u>\$ 558,798</u>
\$ -	\$ -	\$ -	\$ 14,910	\$ -	\$ 1,058
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,910</u>	<u>-</u>	<u>1,058</u>
-	-	-	3,660	4,416	39,950
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>823</u>	<u>82,571</u>	<u>20,823</u>	<u>86,784</u>	<u>203,051</u>	<u>517,790</u>
<u>823</u>	<u>82,571</u>	<u>20,823</u>	<u>90,444</u>	<u>207,467</u>	<u>557,740</u>
<u>\$ 823</u>	<u>\$ 82,571</u>	<u>\$ 20,823</u>	<u>\$ 105,354</u>	<u>\$ 207,467</u>	<u>\$ 558,798</u>

- Continued

**CITY OF WARREN, OHIO**

COMBINING BALANCE SHEET  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
 DECEMBER 31, 2008

	<u>Legal Research - Courts</u>	<u>Police Pension</u>	<u>Fire Pension</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 136,980	\$ 352,904	\$ 275,401
Receivables (net of allowances for uncollectibles):			
Real and other taxes. . . . .	-	191,327	191,327
Accounts . . . . .	2,970	-	-
Loans . . . . .	-	-	-
Special assessments. . . . .	-	-	-
Due from other governments . . . . .	-	9,719	9,719
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	<u>\$ 139,950</u>	<u>\$ 553,950</u>	<u>\$ 476,447</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ -	\$ -	\$ -
Contracts payable . . . . .	-	-	-
Accrued wages and benefits . . . . .	-	-	-
Due to other governments . . . . .	-	-	-
Deferred revenue. . . . .	-	68,011	68,011
Unearned revenue . . . . .	-	130,765	130,765
Total liabilities . . . . .	<u>-</u>	<u>198,776</u>	<u>198,776</u>
<b>Fund Equity:</b>			
Reserved for encumbrances . . . . .	-	-	-
Reserved for materials and supplies inventory . . . . .	-	-	-
Reserved for loans. . . . .	-	-	-
Reserved for tax advance . . . . .	-	2,270	2,270
Unreserved:			
Special revenue funds. . . . .	<u>139,950</u>	<u>352,904</u>	<u>275,401</u>
Total fund equity . . . . .	<u>139,950</u>	<u>355,174</u>	<u>277,671</u>
Total liabilities and fund equity. . . . .	<u>\$ 139,950</u>	<u>\$ 553,950</u>	<u>\$ 476,447</u>

<b>CDBG</b>	<b>Guarantee Loan</b>	<b>Highway Construction</b>	<b>Motor Vehicle Levy</b>	<b>Home Investment</b>	<b>Total</b>
\$ 754,135	\$ 78,779	\$ 26,134	\$ 14	\$ 699,043	\$ 3,677,621
-	-	-	-	-	382,654
-	-	-	-	-	33,596
1,473,178	2,062,852	-	-	1,993,444	5,529,474
704,036	-	-	-	-	704,036
-	-	71,051	31,078	-	997,872
-	-	-	34,346	-	41,123
<u>\$ 2,931,349</u>	<u>\$ 2,141,631</u>	<u>\$ 97,185</u>	<u>\$ 65,438</u>	<u>\$ 2,692,487</u>	<u>\$ 11,366,376</u>
\$ 5,162	\$ -	\$ 2,983	\$ -	\$ 5,095	\$ 191,036
26,577	-	-	-	-	26,577
14,022	-	-	-	-	55,856
2,166	-	-	-	-	8,629
704,036	-	50,644	-	-	1,515,322
-	-	-	-	-	261,530
<u>751,963</u>	<u>-</u>	<u>53,627</u>	<u>-</u>	<u>5,095</u>	<u>2,058,950</u>
408,989	-	1,033	-	906,467	1,540,695
-	-	-	34,346	-	41,123
1,473,178	2,062,852	-	-	1,993,444	5,529,474
-	-	-	-	-	4,540
<u>297,219</u>	<u>78,779</u>	<u>42,525</u>	<u>31,092</u>	<u>(212,519)</u>	<u>2,191,594</u>
<u>2,179,386</u>	<u>2,141,631</u>	<u>43,558</u>	<u>65,438</u>	<u>2,687,392</u>	<u>9,307,426</u>
<u>\$ 2,931,349</u>	<u>\$ 2,141,631</u>	<u>\$ 97,185</u>	<u>\$ 65,438</u>	<u>\$ 2,692,487</u>	<u>\$ 11,366,376</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, 2008**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ -	\$ -
Charges for services. . . . .	-	5	-
Licenses and permits . . . . .	-	33,150	-
Fines and forfeitures. . . . .	121,634	-	20,740
Intergovernmental. . . . .	-	1,559,747	-
Special assessment . . . . .	-	-	-
Investment income . . . . .	-	-	-
Other . . . . .	-	6,483	-
	<hr/>	<hr/>	<hr/>
Total revenues. . . . .	121,634	1,599,385	20,740
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	29,670	-	-
Security of persons and property . . . . .	-	-	65,250
Transportation. . . . .	-	2,534,139	-
Economic development . . . . .	-	-	-
Capital outlay. . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	4,376	-
Interest and fiscal charges . . . . .	-	581	-
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	29,670	2,539,096	65,250
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	91,964	(939,711)	(44,510)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in. . . . .	-	570,000	-
Transfers out . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	570,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance. . . . .	91,964	(369,711)	(44,510)
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year (restated) . . . .</b>	274,004	459,446	46,165
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 365,968	\$ 89,735	\$ 1,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



<b>Drug Law Enforcement</b>	<b>Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Federal Forfeitures</b>	<b>Probation - Municipal Court</b>	<b>Special Projects - Courts</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	60,631	-
12,959	58,786	5,254	-	-	210,708
-	32,555	-	35,991	-	-
-	-	-	-	-	-
-	-	-	7,361	-	-
-	1,000	-	-	-	-
<u>12,959</u>	<u>92,341</u>	<u>5,254</u>	<u>43,352</u>	<u>60,631</u>	<u>210,708</u>
-	-	-	-	-	-
5,000	218,436	55	131,113	39,294	133,974
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,016	-	-	-	-	-
1,940	-	-	-	-	-
<u>13,956</u>	<u>218,436</u>	<u>55</u>	<u>131,113</u>	<u>39,294</u>	<u>133,974</u>
<u>(997)</u>	<u>(126,095)</u>	<u>5,199</u>	<u>(87,761)</u>	<u>21,337</u>	<u>76,734</u>
-	-	-	-	-	-
-	-	-	-	(7,500)	(216,000)
-	-	-	-	(7,500)	(216,000)
(997)	(126,095)	5,199	(87,761)	13,837	(139,266)
<u>1,820</u>	<u>208,666</u>	<u>15,624</u>	<u>178,205</u>	<u>193,630</u>	<u>697,006</u>
<u>\$ 823</u>	<u>\$ 82,571</u>	<u>\$ 20,823</u>	<u>\$ 90,444</u>	<u>\$ 207,467</u>	<u>\$ 557,740</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, 2008

	<b>Legal Research - Courts</b>	<b>Police Pension</b>	<b>Fire Pension</b>
	<hr/>	<hr/>	<hr/>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ 128,522	\$ 128,522
Charges for services. . . . .	-	-	-
Licenses and permits . . . . .	-	-	-
Fines and forfeitures. . . . .	41,004	-	-
Intergovernmental. . . . .	-	19,438	19,438
Special assessment . . . . .	-	-	-
Investment income . . . . .	-	-	-
Other . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues. . . . .	41,004	147,960	147,960
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current operations:			
General government . . . . .	-	-	-
Security of persons and property . . . . .	92,269	2,329	2,330
Transportation. . . . .	-	-	-
Economic development . . . . .	-	-	-
Capital outlay. . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	24,692	29,611
Interest and fiscal charges . . . . .	-	52,826	63,350
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	92,269	79,847	95,291
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(51,265)	68,113	52,669
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Transfers in. . . . .	-	-	-
Transfers out . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance. . . . .	(51,265)	68,113	52,669
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year (restated) . . . .</b>	191,215	287,061	225,002
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 139,950	\$ 355,174	\$ 277,671
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>CDBG</b>	<b>Guarantee Loan</b>	<b>Highway Construction</b>	<b>Motor Vehicle Levy</b>	<b>Home Investment</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,044
23,598	-	-	-	-	23,603
-	-	-	-	-	93,781
-	-	-	-	-	471,085
985,165	-	128,622	331,641	1,791,687	4,904,284
11,349	-	-	-	-	11,349
73,732	1,784	3,671	1,324	37,039	124,911
6,506	202,883	-	-	328	217,200
<u>1,100,350</u>	<u>204,667</u>	<u>132,293</u>	<u>332,965</u>	<u>1,829,054</u>	<u>6,103,257</u>
-	-	-	-	-	29,670
-	-	-	-	-	690,050
-	-	-	-	-	2,534,139
1,100,108	82,267	-	-	1,783,840	2,966,215
-	-	186,989	275,126	-	462,115
169,520	125,000	-	-	-	360,215
19,504	133,667	-	-	-	271,868
<u>1,289,132</u>	<u>340,934</u>	<u>186,989</u>	<u>275,126</u>	<u>1,783,840</u>	<u>7,314,272</u>
<u>(188,782)</u>	<u>(136,267)</u>	<u>(54,696)</u>	<u>57,839</u>	<u>45,214</u>	<u>(1,211,015)</u>
-	37,861	-	58,700	-	666,561
(37,861)	-	-	(131,782)	-	(393,143)
<u>(37,861)</u>	<u>37,861</u>	<u>-</u>	<u>(73,082)</u>	<u>-</u>	<u>273,418</u>
(226,643)	(98,406)	(54,696)	(15,243)	45,214	(937,597)
<u>2,406,029</u>	<u>2,240,037</u>	<u>98,254</u>	<u>80,681</u>	<u>2,642,178</u>	<u>10,245,023</u>
<u>\$ 2,179,386</u>	<u>\$ 2,141,631</u>	<u>\$ 43,558</u>	<u>\$ 65,438</u>	<u>\$ 2,687,392</u>	<u>\$ 9,307,426</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, 2008

	<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 . . . . .	\$ 120,000	\$ 120,000	\$ 121,532	\$ 1,532
Total revenues . . . . .	<u>120,000</u>	<u>120,000</u>	<u>121,532</u>	<u>1,532</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	81,818	75,000	46,548	28,452
Materials and supplies. . . . .	39,753	36,571	8,393	28,178
Capital outlay . . . . .	-	160,000	143,855	16,145
Total general government . . . . .	<u>121,571</u>	<u>271,571</u>	<u>198,796</u>	<u>72,775</u>
Total expenditures . . . . .	<u>121,571</u>	<u>271,571</u>	<u>198,796</u>	<u>72,775</u>
Net change in fund balance. . . . .	(1,571)	(151,571)	(77,264)	74,307
<b>Fund balance at beginning of year . . . .</b>	264,058	264,058	264,058	-
<b>Prior year encumbrances appropriated .</b>	<u>1,571</u>	<u>1,571</u>	<u>1,571</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 264,058</u>	<u>\$ 114,058</u>	<u>\$ 188,365</u>	<u>\$ 74,307</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services . . . . .	\$ -	\$ -	\$ 5	\$ 5
Licenses and permits. . . . .	45,000	45,000	33,150	(11,850)
Intergovernmental . . . . .	1,570,000	1,570,000	1,617,542	47,542
Other . . . . .	-	-	6,483	6,483
Total revenues . . . . .	<u>1,615,000</u>	<u>1,615,000</u>	<u>1,657,180</u>	<u>42,180</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	1,910,146	1,691,146	1,669,002	22,144
Contract services . . . . .	371,914	540,914	496,341	44,573
Materials and supplies. . . . .	247,104	313,214	256,433	56,781
Total transportation . . . . .	<u>2,529,164</u>	<u>2,545,274</u>	<u>2,421,776</u>	<u>123,498</u>
Total expenditures . . . . .	<u>2,529,164</u>	<u>2,545,274</u>	<u>2,421,776</u>	<u>123,498</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(914,164)</u>	<u>(930,274)</u>	<u>(764,596)</u>	<u>165,678</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>885,000</u>	<u>885,000</u>	<u>570,000</u>	<u>(315,000)</u>
Total other financing sources . . . . .	<u>885,000</u>	<u>885,000</u>	<u>570,000</u>	<u>(315,000)</u>
Net change in fund balance . . . . .	(29,164)	(45,274)	(194,596)	(149,322)
<b>Fund balance at beginning of year (restated) . . . . .</b>	182,875	182,875	182,875	-
<b>Prior year encumbrances appropriated .</b>	<u>29,164</u>	<u>29,164</u>	<u>29,164</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 182,875</u>	<u>\$ 166,765</u>	<u>\$ 17,443</u>	<u>\$ (149,322)</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, 2008

	<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 . . . . .	\$ 20,000	\$ 20,000	\$ 20,642	\$ 642
Total revenues . . . . .	<u>20,000</u>	<u>20,000</u>	<u>20,642</u>	<u>642</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	20,000	65,684	65,250	434
Total security of persons and property.	<u>20,000</u>	<u>65,684</u>	<u>65,250</u>	<u>434</u>
Total expenditures . . . . .	<u>20,000</u>	<u>65,684</u>	<u>65,250</u>	<u>434</u>
Net change in fund balance . . . . .	-	(45,684)	(44,608)	1,076
<b>Fund balance at beginning of year . . . .</b>	<u>45,685</u>	<u>45,685</u>	<u>45,685</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 45,685</u>	<u>\$ 1</u>	<u>\$ 1,077</u>	<u>\$ 1,076</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 5,000	\$ 13,956	\$ 12,959	\$ (997)
Total revenues . . . . .	5,000	13,956	12,959	(997)
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Materials and supplies . . . . .	5,000	5,000	5,000	-
Total security of persons and property.	5,000	5,000	5,000	-
Debt service:				
Principal retirement . . . . .	-	7,016	7,016	-
Interest and fiscal charges . . . . .	-	1,940	1,940	-
Total debt service . . . . .	-	8,956	8,956	-
Total expenditures . . . . .	5,000	13,956	13,956	-
Net change in fund balance . . . . .	-	-	(997)	(997)
<b>Fund balance at beginning of year . . . .</b>	1,820	1,820	1,820	-
<b>Fund balance at end of year . . . . .</b>	\$ 1,820	\$ 1,820	\$ 823	\$ (997)

**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, 2008

	<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 . . . . .	\$ 7,976	\$ 347,593	\$ 58,786	\$ (288,807)
Intergovernmental . . . . .	2,024	88,190	32,555	(55,635)
Other . . . . .	-	-	1,000	1,000
Total revenues . . . . .	<u>10,000</u>	<u>435,783</u>	<u>92,341</u>	<u>(343,442)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services. . . . .	-	12,500	1,800	10,700
Materials and supplies. . . . .	10,782	10,782	2,573	8,209
Capital outlay . . . . .	-	200,137	194,810	5,327
Other . . . . .	-	38,529	19,253	19,276
Total security of persons and property.	<u>10,782</u>	<u>261,948</u>	<u>218,436</u>	<u>43,512</u>
Total expenditures . . . . .	<u>10,782</u>	<u>261,948</u>	<u>218,436</u>	<u>43,512</u>
Net change in fund balance . . . . .	(782)	173,835	(126,095)	(299,930)
<b>Fund balance at beginning of year . . . .</b>	207,884	207,884	207,884	-
<b>Prior year encumbrances appropriated .</b>	<u>782</u>	<u>782</u>	<u>782</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 207,884</u>	<u>\$ 382,501</u>	<u>\$ 82,571</u>	<u>\$ (299,930)</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, 2008

	<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 . . . . .	\$ 3,000	\$ 3,000	\$ 5,304	\$ 2,304
Total revenues . . . . .	<u>3,000</u>	<u>3,000</u>	<u>5,304</u>	<u>2,304</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Materials and supplies. . . . .	3,028	3,028	55	2,973
Total security of persons and property.	<u>3,028</u>	<u>3,028</u>	<u>55</u>	<u>2,973</u>
Total expenditures . . . . .	<u>3,028</u>	<u>3,028</u>	<u>55</u>	<u>2,973</u>
Net change in fund balance . . . . .	(28)	(28)	5,249	5,277
<b>Fund balance at beginning of year . . . .</b>	15,396	15,396	15,396	-
<b>Prior year encumbrances appropriated .</b>	28	28	28	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 15,396</u>	<u>\$ 15,396</u>	<u>\$ 20,673</u>	<u>\$ 5,277</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 50,000	\$ 50,000	\$ 35,991	\$ (14,009)
Investment income . . . . .	-	-	7,361	7,361
Total revenues . . . . .	50,000	50,000	43,352	(6,648)
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	30,064	30,064	13,414	16,650
Materials and supplies. . . . .	23,000	23,000	3,135	19,865
Capital outlay . . . . .	2,240	140,179	120,224	19,955
Total security of persons and property.	55,304	193,243	136,773	56,470
Total expenditures . . . . .	55,304	193,243	136,773	56,470
Net change in fund balance . . . . .	(5,304)	(143,243)	(93,421)	49,822
<b>Fund balance at beginning of year . . . .</b>	174,901	174,901	174,901	-
<b>Prior year encumbrances appropriated .</b>	5,304	5,304	5,304	-
<b>Fund balance at end of year . . . . .</b>	\$ 174,901	\$ 36,962	\$ 86,784	\$ 49,822

**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, 2008

	<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 . . . . .	\$ 60,000	\$ 60,000	\$ 59,281	\$ (719)
Total revenues . . . . .	<u>60,000</u>	<u>60,000</u>	<u>59,281</u>	<u>(719)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	22,880	22,880	15,856	7,024
Contract services . . . . .	39,008	39,008	36,062	2,946
Materials and supplies . . . . .	-	1,000	-	1,000
Total security of persons and property.	<u>61,888</u>	<u>62,888</u>	<u>51,918</u>	<u>10,970</u>
Total expenditures . . . . .	<u>61,888</u>	<u>62,888</u>	<u>51,918</u>	<u>10,970</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,888)</u>	<u>(2,888)</u>	<u>7,363</u>	<u>10,251</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	-	(7,500)	(7,500)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balance . . . . .	(1,888)	(10,388)	(137)	10,251
<b>Fund balance at beginning of year (restated) . . . . .</b>	190,092	190,092	190,092	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>8,208</u>	<u>8,208</u>	<u>8,208</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 196,412</u>	<u>\$ 187,912</u>	<u>\$ 198,163</u>	<u>\$ 10,251</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, 2008

	<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 . . . . .	\$ 180,000	\$ 180,000	\$ 208,970	\$ 28,970
Total revenues . . . . .	<u>180,000</u>	<u>180,000</u>	<u>208,970</u>	<u>28,970</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	44,875	69,875	64,368	5,507
Materials and supplies. . . . .	36,712	36,712	18,015	18,697
Capital outlay . . . . .	24,140	174,140	95,052	79,088
Total security of persons and property.	<u>105,727</u>	<u>280,727</u>	<u>177,435</u>	<u>103,292</u>
Total expenditures . . . . .	<u>105,727</u>	<u>280,727</u>	<u>177,435</u>	<u>103,292</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>74,273</u>	<u>(100,727)</u>	<u>31,535</u>	<u>132,262</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	-	(216,000)	(216,000)	-
Total other financing uses. . . . .	<u>-</u>	<u>(216,000)</u>	<u>(216,000)</u>	<u>-</u>
Net change in fund balance . . . . .	74,273	(316,727)	(184,465)	132,262
<b>Fund balance at beginning of year . . . .</b>	658,402	658,402	658,402	-
<b>Prior year encumbrances appropriated .</b>	28,677	28,677	28,677	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 761,352</u>	<u>\$ 370,352</u>	<u>\$ 502,614</u>	<u>\$ 132,262</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 FISCAL YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 40,000	\$ 40,000	\$ 40,993	\$ 993
Total revenues . . . . .	<u>40,000</u>	<u>40,000</u>	<u>40,993</u>	<u>993</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	27,962	27,962	20,654	7,308
Materials and supplies. . . . .	1,000	1,000	-	1,000
Capital outlay . . . . .	71,615	71,615	71,615	-
Total security of persons and property.	<u>100,577</u>	<u>100,577</u>	<u>92,269</u>	<u>8,308</u>
Total expenditures . . . . .	<u>100,577</u>	<u>100,577</u>	<u>92,269</u>	<u>8,308</u>
Net change in fund balance . . . . .	(60,577)	(60,577)	(51,276)	9,301
<b>Fund balance at beginning of year . . . .</b>	116,029	116,029	116,029	-
<b>Prior year encumbrances appropriated .</b>	<u>72,227</u>	<u>72,227</u>	<u>72,227</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 127,679</u>	<u>\$ 127,679</u>	<u>\$ 136,980</u>	<u>\$ 9,301</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE PENSION**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 133,822	\$ 133,892	\$ 129,499	\$ (4,393)
Intergovernmental . . . . .	19,429	19,439	19,438	(1)
Total revenues . . . . .	<u>153,251</u>	<u>153,331</u>	<u>148,937</u>	<u>(4,394)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	3,150	3,150	2,329	821
Total security of persons and property.	<u>3,150</u>	<u>3,150</u>	<u>2,329</u>	<u>821</u>
Debt service:				
Principal retirement. . . . .	24,693	24,693	24,692	1
Interest and fiscal charges . . . . .	52,747	52,827	52,826	1
Total debt service . . . . .	<u>77,440</u>	<u>77,520</u>	<u>77,518</u>	<u>2</u>
Total expenditures . . . . .	<u>80,590</u>	<u>80,670</u>	<u>79,847</u>	<u>823</u>
Net change in fund balance . . . . .	72,661	72,661	69,090	(3,571)
<b>Fund balance at beginning of year . . . .</b>	<u>283,814</u>	<u>283,814</u>	<u>283,814</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 356,475</u>	<u>\$ 356,475</u>	<u>\$ 352,904</u>	<u>\$ (3,571)</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE PENSION**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 133,812	\$ 133,812	\$ 129,499	\$ (4,313)
Intergovernmental . . . . .	19,439	19,439	19,438	(1)
Total revenues . . . . .	<u>153,251</u>	<u>153,251</u>	<u>148,937</u>	<u>(4,314)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	3,150	3,150	2,330	820
Total security of persons and property.	<u>3,150</u>	<u>3,150</u>	<u>2,330</u>	<u>820</u>
Debt service:				
Principal retirement. . . . .	29,612	29,612	29,611	1
Interest and fiscal charges . . . . .	63,351	63,351	63,350	1
Total debt service . . . . .	<u>92,963</u>	<u>92,963</u>	<u>92,961</u>	<u>2</u>
Total expenditures . . . . .	<u>96,113</u>	<u>96,113</u>	<u>95,291</u>	<u>822</u>
Net change in fund balance . . . . .	57,138	57,138	53,646	(3,492)
<b>Fund balance at beginning of year . . . .</b>	<u>221,755</u>	<u>221,755</u>	<u>221,755</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 278,893</u>	<u>\$ 278,893</u>	<u>\$ 275,401</u>	<u>\$ (3,492)</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, 2008

	<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 . . . . .	\$ 470,921	\$ 500,000	\$ 178,165	\$ (321,835)
Intergovernmental . . . . .	1,450,435	1,540,000	1,054,924	(485,076)
Special assessments . . . . .	-	-	11,349	11,349
Investment income . . . . .	70,638	75,000	73,732	(1,268)
Other . . . . .	8,006	8,500	6,506	(1,994)
Total revenues . . . . .	<u>2,000,000</u>	<u>2,123,500</u>	<u>1,324,676</u>	<u>(798,824)</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Personal services . . . . .	355,733	379,233	288,712	90,521
Contract services . . . . .	225,850	225,850	175,083	50,767
Materials and supplies . . . . .	9,230	9,230	3,155	6,075
Capital outlay . . . . .	444,035	444,035	371,829	72,206
Other . . . . .	945,194	1,007,332	832,177	175,155
Total economic development and assistance. . . . .	<u>1,980,042</u>	<u>2,065,680</u>	<u>1,670,956</u>	<u>394,724</u>
Debt service:				
Principal retirement . . . . .	178,225	178,225	169,520	8,705
Interest and fiscal charges . . . . .	36,825	36,825	19,504	17,321
Total debt service . . . . .	<u>215,050</u>	<u>215,050</u>	<u>189,024</u>	<u>26,026</u>
Total expenditures . . . . .	<u>2,195,092</u>	<u>2,280,730</u>	<u>1,859,980</u>	<u>420,750</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(195,092)</u>	<u>(157,230)</u>	<u>(535,304)</u>	<u>(378,074)</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	-	(37,861)	(37,861)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>(37,861)</u>	<u>(37,861)</u>	<u>-</u>
Net change in fund balance . . . . .	(195,092)	(195,091)	(573,165)	(378,074)
<b>Fund balance at beginning of year (restated) . . . . .</b>				
	692,961	692,961	692,961	-
<b>Prior year encumbrances appropriated . . . . .</b>				
	195,092	195,092	195,092	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 692,961</u>	<u>\$ 692,962</u>	<u>\$ 314,888</u>	<u>\$ (378,074)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income . . . . .	\$ -	\$ -	\$ 1,784	\$ 1,784
Other . . . . .	150,000	258,667	208,900	(49,767)
Total revenues . . . . .	<u>150,000</u>	<u>258,667</u>	<u>210,684</u>	<u>(47,983)</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Contract services . . . . .	-	-	40	(40)
Other . . . . .	200,000	150,000	82,227	67,773
Total economic development and assistance. . . . .	<u>200,000</u>	<u>150,000</u>	<u>82,267</u>	<u>67,733</u>
Debt service:				
Principal retirement. . . . .	-	125,000	125,000	-
Interest and fiscal charges . . . . .	-	133,667	133,667	-
Total debt service . . . . .	<u>-</u>	<u>258,667</u>	<u>258,667</u>	<u>-</u>
Total expenditures . . . . .	<u>200,000</u>	<u>408,667</u>	<u>340,934</u>	<u>67,733</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(50,000)</u>	<u>(150,000)</u>	<u>(130,250)</u>	<u>19,750</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	37,861	37,861
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>37,861</u>	<u>37,861</u>
Net change in fund balance . . . . .	(50,000)	(150,000)	(92,389)	57,611
<b>Fund balance at beginning of year . . . .</b>	121,168	121,168	121,168	-
<b>Prior year encumbrances appropriated .</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 121,168</u>	<u>\$ 21,168</u>	<u>\$ 78,779</u>	<u>\$ 57,611</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, 2008

	<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 . . . . .	\$ 117,523	\$ 119,000	\$ 131,152	\$ 12,152
Investment income . . . . .	2,477	2,508	3,671	1,163
Total revenues . . . . .	<u>120,000</u>	<u>121,508</u>	<u>134,823</u>	<u>13,315</u>
<b>Expenditures:</b>				
Capital outlay				
Materials and supplies . . . . .	138,340	218,365	209,562	8,803
Capital outlay . . . . .	55,500	1,508	1,508	-
Total capital outlay . . . . .	<u>193,840</u>	<u>219,873</u>	<u>211,070</u>	<u>8,803</u>
Total expenditures . . . . .	<u>193,840</u>	<u>219,873</u>	<u>211,070</u>	<u>8,803</u>
Net change in fund balance . . . . .	(73,840)	(98,365)	(76,247)	22,118
<b>Fund balance at beginning of year . . . .</b>	24,525	24,525	24,525	-
<b>Prior year encumbrances appropriated .</b>	<u>73,840</u>	<u>73,840</u>	<u>73,840</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 24,525</u>	<u>\$ -</u>	<u>\$ 22,118</u>	<u>\$ 22,118</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, 2008

	<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 . . . . .	\$ 350,000	\$ 350,000	\$ 329,455	(20,545)
Investment income . . . . .	1,250	1,250	1,324	74
Total revenues . . . . .	<u>351,250</u>	<u>351,250</u>	<u>330,779</u>	<u>(20,471)</u>
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	129,700	129,700	117,900	11,800
Materials and supplies. . . . .	143,300	160,173	159,656	517
Total capital outlay . . . . .	<u>273,000</u>	<u>289,873</u>	<u>277,556</u>	<u>12,317</u>
Total expenditures . . . . .	<u>273,000</u>	<u>289,873</u>	<u>277,556</u>	<u>12,317</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>78,250</u>	<u>61,377</u>	<u>53,223</u>	<u>(8,154)</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	58,750	58,750	58,700	(50)
Transfers out . . . . .	(140,000)	(140,000)	(131,782)	8,218
Total other financing sources (uses). . . . .	<u>(81,250)</u>	<u>(81,250)</u>	<u>(73,082)</u>	<u>8,168</u>
Net change in fund balance . . . . .	(3,000)	(19,873)	(19,859)	14
<b>Fund balance at beginning of year . . . . .</b>	16,873	16,873	16,873	-
<b>Prior year encumbrances appropriated . . . . .</b>	3,000	3,000	3,000	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 16,873</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 14</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 876,852	\$ 1,183,750	\$ 1,791,687	\$ 607,937
Investment income . . . . .	44,444	60,000	37,039	(22,961)
Other . . . . .	78,704	106,250	328	(105,922)
Total revenues . . . . .	1,000,000	1,350,000	1,829,054	479,054
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Personal services . . . . .	190,000	190,000	60,619	129,381
Contract services . . . . .	10,700	10,700	245	10,455
Materials and supplies . . . . .	7,250	7,250	-	7,250
Capital outlay . . . . .	2,000	2,000	-	2,000
Other . . . . .	2,712,944	3,062,944	2,669,460	393,484
Total economic development and assistance. . . . .	2,922,894	3,272,894	2,730,324	542,570
Total expenditures . . . . .	2,922,894	3,272,894	2,730,324	542,570
Net change in fund balance . . . . .	(1,922,894)	(1,922,894)	(901,270)	1,021,624
<b>Fund balance (deficit) at beginning of year (restated) . . . . .</b>	(1,234,143)	(1,234,143)	(1,234,143)	-
<b>Prior year encumbrances appropriated .</b>	1,922,894	1,922,894	1,922,894	-
<b>Fund balance (deficit) at end of year . . .</b>	\$ (1,234,143)	\$ (1,234,143)	\$ (212,519)	\$ 1,021,624

**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, 2008

	<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 . . . . .	\$ 1,277,896	\$ 1,277,896	\$ 1,236,357	\$ (41,539)
Intergovernmental . . . . .	187,829	187,829	187,827	(2)
Special assessments . . . . .	20,000	20,000	10,687	(9,313)
Total revenues . . . . .	<u>1,485,725</u>	<u>1,485,725</u>	<u>1,434,871</u>	<u>(50,854)</u>
<b>Expenditures:</b>				
Current:				
General government				
Contract services . . . . .	33,250	33,250	24,874	8,376
Total general government . . . . .	<u>33,250</u>	<u>33,250</u>	<u>24,874</u>	<u>8,376</u>
Debt service:				
Principal retirement . . . . .	1,117,075	1,117,075	1,042,308	74,767
Interest and fiscal charges . . . . .	299,947	299,947	260,014	39,933
Total debt service . . . . .	<u>1,417,022</u>	<u>1,417,022</u>	<u>1,302,322</u>	<u>114,700</u>
Total expenditures . . . . .	<u>1,450,272</u>	<u>1,450,272</u>	<u>1,327,196</u>	<u>123,076</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>35,453</u>	<u>35,453</u>	<u>107,675</u>	<u>72,222</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	186,254	186,254	-	(186,254)
Total other financing sources . . . . .	<u>186,254</u>	<u>186,254</u>	<u>-</u>	<u>(186,254)</u>
Net change in fund balance . . . . .	221,707	221,707	107,675	(114,032)
<b>Fund balance at beginning of year . . . .</b>	<u>3,924</u>	<u>3,924</u>	<u>3,924</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . .</b>	<u>\$ 225,631</u>	<u>\$ 225,631</u>	<u>\$ 111,599</u>	<u>\$ (114,032)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 1,000,000	\$ 5,600,000	\$ 1,899,760	\$ (3,700,240)
Other . . . . .	-	-	11,281	11,281
Total revenues . . . . .	1,000,000	5,600,000	1,911,041	(3,688,959)
<b>Expenditures:</b>				
Capital outlay				
Contract services . . . . .	20,000	20,000	15,527	4,473
Capital outlay . . . . .	1,349,476	6,099,476	5,435,394	664,082
Total capital outlay . . . . .	1,369,476	6,119,476	5,450,921	668,555
Total expenditures . . . . .	1,369,476	6,119,476	5,450,921	668,555
Excess (deficiency) of revenues over (under) expenditures . . . . .	(369,476)	(519,476)	(3,539,880)	(3,020,404)
<b>Other financing sources:</b>				
Loan issuance . . . . .	-	-	256,564	256,564
Transfers in . . . . .	-	150,000	131,782	(18,218)
Total other financing sources . . . . .	-	150,000	388,346	238,346
Net change in fund balance . . . . .	(369,476)	(369,476)	(3,151,534)	(2,782,058)
<b>Fund balance at beginning of year . . . .</b>	(222,311)	(222,311)	(222,311)	-
<b>Prior year encumbrances appropriated .</b>	369,476	369,476	369,476	-
<b>Fund balance (deficit) at end of year . . .</b>	\$ (222,311)	\$ (222,311)	\$ (3,004,369)	\$ (2,782,058)

**CITY OF WARREN, OHIO**

**INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - ENTERPRISE FUNDS**

**Enterprise Funds**

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

**Major Enterprise Funds**

***Sewer***

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

***Water***

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

***Sanitation***

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

**Nonmajor Enterprise Funds**

***Packard Music Hall***

To account for the operations of the Packard Music Hall.

***City Redevelopment***

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

***Downtown Parking***

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

***Stormwater Utility***

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

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2008**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . . . .	\$ 134,698	\$ 111,320	\$ 9,921
Receivables (net of allowances for uncollectibles):			
Accounts . . . . .	-	-	-
Special assessments . . . . .	-	-	-
Total current assets. . . . .	<u>134,698</u>	<u>111,320</u>	<u>9,921</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress . . . . .	139,284	133,280	150,000
Depreciable capital assets, net . . . . .	253,547	305,619	1,225,498
Total capital assets . . . . .	<u>392,831</u>	<u>438,899</u>	<u>1,375,498</u>
Total noncurrent assets . . . . .	<u>392,831</u>	<u>438,899</u>	<u>1,375,498</u>
Total assets . . . . .	<u>\$ 527,529</u>	<u>\$ 550,219</u>	<u>\$ 1,385,419</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable. . . . .	\$ 34,713	\$ -	\$ 935
Contracts payable. . . . .	-	-	6,672
Accrued wages and benefits . . . . .	9,554	-	-
Due to other governments . . . . .	1,476	-	-
Current portion of capital lease obligations. . . . .	-	-	-
Current portion of compensated absences payable . . . . .	18,744	-	-
Total current liabilities. . . . .	<u>64,487</u>	<u>-</u>	<u>7,607</u>
Long-term liabilities:			
Capital lease obligations . . . . .	-	-	-
Compensated absences payable. . . . .	21,384	-	-
Total long-term liabilities . . . . .	<u>21,384</u>	<u>-</u>	<u>-</u>
Total liabilities . . . . .	<u>85,871</u>	<u>-</u>	<u>7,607</u>
<b>Net assets:</b>			
Investment in capital assets, net of related debt . . . . .	392,831	438,899	1,375,498
Unrestricted . . . . .	48,827	111,320	2,314
Total net assets . . . . .	<u>\$ 441,658</u>	<u>\$ 550,219</u>	<u>\$ 1,377,812</u>



<u>Stormwater Utility</u>	<u>Totals</u>
\$ 410,743	\$ 666,682
236,147	236,147
71	71
646,961	902,900
-	422,564
400,015	2,184,679
400,015	2,607,243
400,015	2,607,243
\$ 1,046,976	\$ 3,510,143
\$ -	\$ 35,648
-	6,672
14,258	23,812
3,793	5,269
37,618	37,618
9,915	28,659
65,584	137,678
80,952	80,952
10,457	31,841
91,409	112,793
156,993	250,471
281,445	2,488,673
608,538	770,999
\$ 889,983	\$ 3,259,672

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
**NONMAJOR ENTERPRISE FUNDS**  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

	<b>Packard Music Hall</b>	<b>City Redevelopment</b>	<b>Downtown Parking</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 204,224	\$ 42,711	\$ 27,503
Other . . . . .	692	-	-
Total operating revenues . . . . .	<u>204,916</u>	<u>42,711</u>	<u>27,503</u>
<b>Operating expenses:</b>			
Personal services . . . . .	304,636	-	-
Contract services. . . . .	155,927	24,979	93,762
Materials and supplies. . . . .	42,421	6,845	71
Administrative costs. . . . .	40,168	-	-
Utilities . . . . .	76,823	3,991	8,197
Other. . . . .	3,640	-	-
Depreciation. . . . .	30,686	14,790	48,059
Total operating expenses. . . . .	<u>654,301</u>	<u>50,605</u>	<u>150,089</u>
Operating loss . . . . .	<u>(449,385)</u>	<u>(7,894)</u>	<u>(122,586)</u>
<b>Nonoperating revenues (expenses):</b>			
Special assessments . . . . .	-	-	-
Intergovernmental . . . . .	33,056	-	-
Interest and fiscal charges . . . . .	(236)	-	-
Total nonoperating revenues (expenses). . . . .	<u>32,820</u>	<u>-</u>	<u>-</u>
Net loss before transfers. . . . .	(416,565)	(7,894)	(122,586)
Transfers in . . . . .	<u>560,000</u>	<u>-</u>	<u>73,000</u>
Changes in net assets . . . . .	143,435	(7,894)	(49,586)
<b>Net assets at beginning of year (restated). . . . .</b>	<u>298,223</u>	<u>558,113</u>	<u>1,427,398</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 441,658</u>	<u>\$ 550,219</u>	<u>\$ 1,377,812</u>

<u>Stormwater Utility</u>	<u>Totals</u>
\$ 843,526	\$ 1,117,964
68	760
843,594	1,118,724
457,905	762,541
334,495	609,163
45,178	94,515
338,722	378,890
-	89,011
729	4,369
69,222	162,757
1,246,251	2,101,246
(402,657)	(982,522)
5	5
-	33,056
(7,689)	(7,925)
(7,684)	25,136
(410,341)	(957,386)
-	633,000
(410,341)	(324,386)
1,300,324	3,584,058
\$ 889,983	\$ 3,259,672

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 204,224	\$ 42,711	\$ 29,131
Cash received from other operations . . . . .	692	-	-
Cash payments for personal services . . . . .	(306,259)	-	-
Cash payments for contract services . . . . .	(133,503)	(24,979)	(93,553)
Cash payments for materials and supplies . . . . .	(42,421)	(11,845)	(71)
Cash payments for utilities . . . . .	(76,823)	(3,991)	(8,197)
Cash payments for administrative costs. . . . .	(40,168)	-	-
Cash payments for other expenses . . . . .	(3,640)	-	-
Net cash provided by (used in) operating activities . . . . .	<u>(397,898)</u>	<u>1,896</u>	<u>(72,690)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in from other funds . . . . .	<u>560,000</u>	<u>-</u>	<u>73,000</u>
Net cash provided by noncapital financing activities . . . . .	<u>560,000</u>	<u>-</u>	<u>73,000</u>
<b>Cash flows from capital and related financing activities:</b>			
Aquisition of capital assets . . . . .	(139,284)	-	-
Intergovernmental . . . . .	33,056	-	-
Principal retirement. . . . .	(11,000)	-	-
Interest and fiscal charges . . . . .	(264)	-	-
Net cash used in capital and related financing activities . . . . .	<u>(117,492)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . .	44,610	1,896	310
<b>Cash and cash equivalents at beginning of year (restated)</b>	<u>90,088</u>	<u>109,424</u>	<u>9,611</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>134,698</u></u>	<u><u>111,320</u></u>	<u><u>9,921</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating loss . . . . .	(449,385)	(7,894)	(122,586)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation . . . . .	30,686	14,790	48,059
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable. . . . .	-	-	1,628
Increase (decrease) in accounts payable . . . . .	33,012	(5,000)	696
(Decrease) in contracts payable . . . . .	(9,742)	-	(487)
Increase in accrued wages and benefits. . . . .	586	-	-
Increase (decrease) in due to other governments . . . .	(742)	-	-
Increase (decrease) in compensated absences payable .	(2,313)	-	-
Net cash provided by (used in) operating activities. . . . .	<u><u>\$ (397,898)</u></u>	<u><u>\$ 1,896</u></u>	<u><u>\$ (72,690)</u></u>

<b>Stormwater Utility</b>	<b>Totals</b>
\$ 797,432	\$ 1,073,498
68	760
(433,693)	(739,952)
(334,495)	(586,530)
(55,250)	(109,587)
-	(89,011)
(338,722)	(378,890)
<u>(729)</u>	<u>(4,369)</u>
<u>(365,389)</u>	<u>(834,081)</u>
<u>-</u>	<u>633,000</u>
<u>-</u>	<u>633,000</u>
-	(139,284)
-	33,056
(35,834)	(46,834)
<u>(7,689)</u>	<u>(7,953)</u>
<u>(43,523)</u>	<u>(161,015)</u>
(408,912)	(362,096)
819,655	1,028,778
<u>410,743</u>	<u>666,682</u>
(402,657)	(982,522)
69,222	162,757
(46,094)	(44,466)
(10,072)	18,636
-	(10,229)
6,965	7,551
1,087	345
<u>16,160</u>	<u>13,847</u>
<u>\$ (365,389)</u>	<u>\$ (834,081)</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,760,801	\$ 9,306,800	\$ 8,303,095	\$ (1,003,705)
Other . . . . .	60,434	64,200	49,417	(14,783)
Total operating revenues . . . . .	<u>8,821,235</u>	<u>9,371,000</u>	<u>8,352,512</u>	<u>(1,018,488)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	2,939,535	3,054,535	3,051,437	3,098
Contract services . . . . .	1,276,441	1,509,779	1,404,605	105,174
Materials and supplies . . . . .	418,796	480,996	446,461	34,535
Capital outlay . . . . .	51,200	66,200	49,927	16,273
Administrative costs . . . . .	527,990	628,442	628,442	-
Utilities . . . . .	551,982	604,692	607,108	(2,416)
Other . . . . .	6,170	6,170	5,888	282
Total operating expenses . . . . .	<u>5,772,114</u>	<u>6,350,814</u>	<u>6,193,868</u>	<u>156,946</u>
Operating income . . . . .	<u>3,049,121</u>	<u>3,020,186</u>	<u>2,158,644</u>	<u>(861,542)</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	3,765	4,000	3,810	(190)
Debt service:				
Principal retirement . . . . .	(1,812,404)	(1,812,404)	(1,816,699)	(4,295)
Interest and fiscal charges . . . . .	(746,036)	(746,036)	(677,785)	68,251
Total nonoperating revenues (expenses) . . . . .	<u>(2,554,675)</u>	<u>(2,554,440)</u>	<u>(2,490,674)</u>	<u>63,766</u>
Net income (loss) before transfers . . . . .	494,446	465,746	(332,030)	(797,776)
Transfers in . . . . .	-	-	400,000	400,000
Transfers out . . . . .	-	(400,000)	(400,000)	-
Net change in fund balance . . . . .	494,446	65,746	(332,030)	(397,776)
<b>Fund balance at beginning of year (restated)</b>	2,767,425	2,767,425	2,767,425	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>130,554</u>	<u>130,554</u>	<u>130,554</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,392,425</u>	<u>\$ 2,963,725</u>	<u>\$ 2,565,949</u>	<u>\$ (397,776)</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 10,956,731	\$ 10,975,000	\$ 11,181,450	\$ 206,450
Other. . . . .	114,809	115,000	211,404	96,404
Total operating revenues . . . . .	<u>11,071,540</u>	<u>11,090,000</u>	<u>11,392,854</u>	<u>302,854</u>
<b>Operating expenses:</b>				
Personal services. . . . .	6,262,811	6,262,812	5,531,773	731,039
Contract services . . . . .	808,437	1,011,296	621,031	390,265
Materials and supplies. . . . .	1,388,178	1,455,179	1,259,604	195,575
Capital outlay . . . . .	1,061,651	2,496,651	2,312,324	184,327
Administrative costs. . . . .	529,501	701,323	671,013	30,310
Utilities . . . . .	642,498	800,815	724,718	76,097
Other. . . . .	97,210	103,200	88,655	14,545
Total operating expenses . . . . .	<u>10,790,286</u>	<u>12,831,276</u>	<u>11,209,118</u>	<u>1,622,158</u>
Operating loss . . . . .	<u>281,254</u>	<u>(1,741,276)</u>	<u>183,736</u>	<u>1,925,012</u>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings . . . . .	57,903	58,000	27,045	(30,955)
Loan issuance . . . . .	-	-	763,368	763,368
Debt service:				
Principal retirement. . . . .	(867,981)	(867,981)	(857,981)	10,000
Interest and fiscal charges . . . . .	(834,168)	(839,168)	(834,751)	4,417
Total nonoperating revenues (expenses) . . . . .	<u>(1,644,246)</u>	<u>(1,649,149)</u>	<u>(902,319)</u>	<u>746,830</u>
Net loss before transfers . . . . .	(1,362,992)	(3,390,425)	(718,583)	2,671,842
Transfers in . . . . .	865,557	867,000	849,521	(17,479)
Transfers out . . . . .	(876,573)	(930,583)	(849,521)	81,062
Net change in fund balance. . . . .	(1,374,008)	(3,454,008)	(718,583)	2,735,425
<b>Fund balance at beginning of year (restated)</b>	4,799,882	4,799,882	4,799,882	-
<b>Prior year encumbrances appropriated . . . . .</b>	1,399,008	1,399,008	1,399,008	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,824,882</u>	<u>\$ 2,744,882</u>	<u>\$ 5,480,307</u>	<u>\$ 2,735,425</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SANITATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 2,905,094	\$ 3,167,000	\$ 3,113,564	\$ (53,436)
Other. . . . .	23,850	26,000	32,689	6,689
Total operating revenues . . . . .	<u>2,928,944</u>	<u>3,193,000</u>	<u>3,146,253</u>	<u>(46,747)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,120,584	1,120,584	1,027,081	93,503
Contract services . . . . .	1,451,082	1,532,256	1,538,087	(5,831)
Materials and supplies. . . . .	299,523	423,184	348,499	74,685
Capital outlay . . . . .	-	200,000	133,799	66,201
Administrative costs. . . . .	136,867	147,051	198,280	(51,229)
Utilities . . . . .	10,105	18,086	17,898	188
Other. . . . .	1,500	1,500	1,437	63
Total operating expenses . . . . .	<u>3,019,661</u>	<u>3,442,661</u>	<u>3,265,081</u>	<u>177,580</u>
Operating income (loss) . . . . .	<u>(90,717)</u>	<u>(249,661)</u>	<u>(118,828)</u>	<u>130,833</u>
<b>Nonoperating revenues (expenses):</b>				
Sale of notes . . . . .	321,056	350,000	350,000	-
Debt service:				
Principal retirement . . . . .	(277,000)	(277,000)	(252,518)	24,482
Interest and fiscal charges . . . . .	<u>(14,500)</u>	<u>(14,500)</u>	<u>(12,046)</u>	<u>2,454</u>
Total nonoperating revenues (expenses) . . . . .	<u>29,556</u>	<u>58,500</u>	<u>85,436</u>	<u>26,936</u>
Net change in fund balance. . . . .	(61,161)	(191,161)	(33,392)	157,769
<b>Fund balance at beginning of year (restated)</b>	237,162	237,162	237,162	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>61,161</u>	<u>61,161</u>	<u>61,161</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 237,162</u>	<u>\$ 107,162</u>	<u>\$ 264,931</u>	<u>\$ 157,769</u>



**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PACKARD MUSIC HALL**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 171,248	\$ 289,500	\$ 204,224	\$ (85,276)
Other. . . . .	1,065	1,800	692	(1,108)
Total operating revenues . . . . .	<u>172,313</u>	<u>291,300</u>	<u>204,916</u>	<u>(86,384)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	347,246	347,246	306,259	40,987
Contract services . . . . .	170,949	193,872	133,613	60,259
Materials and supplies. . . . .	64,013	64,013	42,581	21,432
Capital outlay . . . . .	250,000	900,000	262,778	637,222
Administrative costs. . . . .	33,313	40,200	40,168	32
Utilities . . . . .	71,611	86,417	76,823	9,594
Other. . . . .	4,000	4,000	3,640	360
Total operating expenses . . . . .	<u>941,132</u>	<u>1,635,748</u>	<u>865,862</u>	<u>769,886</u>
Operating loss . . . . .	<u>(768,819)</u>	<u>(1,344,448)</u>	<u>(660,946)</u>	<u>683,502</u>
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental. . . . .	532,376	900,000	33,056	(866,944)
Debt service:				
Principal retirement. . . . .	(10,000)	(10,000)	(11,000)	(1,000)
Interest and fiscal charges . . . . .	<u>(474)</u>	<u>(474)</u>	<u>(264)</u>	<u>210</u>
Total nonoperating revenues (expenses) . . . . .	<u>521,902</u>	<u>889,526</u>	<u>21,792</u>	<u>(867,734)</u>
Net loss before transfers. . . . .	(246,917)	(454,922)	(639,154)	(184,232)
Transfers in . . . . .	<u>236,611</u>	<u>400,000</u>	<u>560,000</u>	<u>160,000</u>
Net change in fund balance. . . . .	(10,306)	(54,922)	(79,154)	(24,232)
<b>Fund balance at beginning of year (restated)</b>	79,782	79,782	79,782	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>10,306</u>	<u>10,306</u>	<u>10,306</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 79,782</u>	<u>\$ 35,166</u>	<u>\$ 10,934</u>	<u>\$ (24,232)</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CITY REDEVELOPMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 42,000	\$ 42,000	\$ 42,711	\$ 711
Total operating revenues . . . . .	<u>42,000</u>	<u>42,000</u>	<u>42,711</u>	<u>711</u>
<b>Operating expenses:</b>				
Contract services . . . . .	17,901	63,800	24,979	38,821
Materials and supplies. . . . .	34,345	34,345	11,845	22,500
Utilities . . . . .	1,599	5,700	3,991	1,709
Total operating expenses . . . . .	<u>53,845</u>	<u>103,845</u>	<u>40,815</u>	<u>63,030</u>
Net change in fund balance. . . . .	(11,845)	(61,845)	1,896	63,741
<b>Fund balance at beginning of year . . . . .</b>	97,579	97,579	97,579	-
<b>Prior year encumbrances appropriated . .</b>	<u>11,845</u>	<u>11,845</u>	<u>11,845</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 97,579</u>	<u>\$ 47,579</u>	<u>\$ 111,320</u>	<u>\$ 63,741</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOWNTOWN PARKING**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 40,000	\$ 40,000	\$ 29,131	\$ (10,869)
Total operating revenues . . . . .	<u>40,000</u>	<u>40,000</u>	<u>29,131</u>	<u>(10,869)</u>
<b>Operating expenses:</b>				
Contract services . . . . .	105,047	105,047	100,966	4,081
Materials and supplies. . . . .	5,000	5,000	71	4,929
Utilities . . . . .	12,756	12,756	8,772	3,984
Total operating expenses . . . . .	<u>122,803</u>	<u>122,803</u>	<u>109,809</u>	<u>12,994</u>
Net loss before transfers. . . . .	(82,803)	(82,803)	(80,678)	2,125
Transfers in . . . . .	<u>75,000</u>	<u>75,000</u>	<u>73,000</u>	<u>(2,000)</u>
Net change in fund balance. . . . .	(7,803)	(7,803)	(7,678)	125
<b>Fund balance at beginning of year . . . . .</b>	1,808	1,808	1,808	-
<b>Prior year encumbrances appropriated . .</b>	<u>7,803</u>	<u>7,803</u>	<u>7,803</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,808</u>	<u>\$ 1,808</u>	<u>\$ 1,933</u>	<u>\$ 125</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORMWATER UTILITY**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 774,934	\$ 774,934	\$ 797,432	\$ 22,498
Other. . . . .	66	66	68	2
Total operating revenues . . . . .	<u>775,000</u>	<u>775,000</u>	<u>797,500</u>	<u>22,500</u>
<b>Operating expenses:</b>				
Personal services. . . . .	296,339	467,639	433,693	33,946
Contract services . . . . .	91,801	387,086	381,018	6,068
Materials and supplies. . . . .	89,697	97,248	60,090	37,158
Administrative costs. . . . .	82,721	352,435	338,722	13,713
Other. . . . .	1,500	1,500	729	771
Total operating expenses . . . . .	<u>562,058</u>	<u>1,305,908</u>	<u>1,214,252</u>	<u>91,656</u>
Net income (loss) before transfers . . . . .	212,942	(530,908)	(416,752)	114,156
Transfers out . . . . .	<u>(136,000)</u>	<u>(136,000)</u>	<u>-</u>	<u>136,000</u>
Net change in fund balance. . . . .	76,942	(666,908)	(416,752)	250,156
<b>Fund balance at beginning of year (restated)</b>	799,962	799,962	799,962	-
<b>Prior year encumbrances appropriated . .</b>	<u>19,693</u>	<u>19,693</u>	<u>19,693</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 896,597</u>	<u>\$ 152,747</u>	<u>\$ 402,903</u>	<u>\$ 250,156</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 ASSETS  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2008**

	<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 and cash equivalents . . . . .	\$ 841,657	\$ 1,250,000	\$ 222,130	\$ 822,188	\$ 3,135,975
Receivables (net of allowances for uncollectibles):					
Accounts . . . . .	-	-	1,597	-	1,597
Notes . . . . .	-	350,000	-	-	350,000
Materials and supplies inventory . . . . .	-	-	1,379	-	1,379
Total current assets . . . . .	<u>841,657</u>	<u>1,600,000</u>	<u>225,106</u>	<u>822,188</u>	<u>3,488,951</u>
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net . . . . .	-	-	123,175	-	123,175
Total capital assets . . . . .	-	-	123,175	-	123,175
Total noncurrent assets . . . . .	-	-	123,175	-	123,175
Total assets . . . . .	<u>\$ 841,657</u>	<u>\$ 1,600,000</u>	<u>\$ 348,281</u>	<u>\$ 822,188</u>	<u>\$ 3,612,126</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	\$ -	\$ -	\$ 13,110	\$ -	\$ 13,110
Accrued wages and benefits . . . . .	-	-	29,674	-	29,674
Due to other governments . . . . .	-	717,009	4,585	-	721,594
Current portion of compensated absences . . . . .	-	-	22,513	-	22,513
Claims payable . . . . .	895,534	-	-	-	895,534
Total current liabilities . . . . .	<u>895,534</u>	<u>717,009</u>	<u>69,882</u>	<u>-</u>	<u>1,682,425</u>
Long-term liabilities:					
Compensated absences payable . . . . .	-	-	57,992	-	57,992
Total long-term liabilities . . . . .	-	-	57,992	-	57,992
Total liabilities . . . . .	<u>895,534</u>	<u>717,009</u>	<u>127,874</u>	<u>-</u>	<u>1,740,417</u>
<b>Net assets:</b>					
Investment in capital assets, net of related debt . . . . .	-	-	123,175	-	123,175
Unrestricted (deficit) . . . . .	(53,877)	882,991	97,232	822,188	1,748,534
Total net assets (deficit) . . . . .	<u>\$ (53,877)</u>	<u>\$ 882,991</u>	<u>\$ 220,407</u>	<u>\$ 822,188</u>	<u>\$ 1,871,709</u>

**CITY OF WARREN, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
**INTERNAL SERVICE FUNDS**  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 5,006,894	\$ 42,988	\$ 563,250	\$ 93,417	\$ 5,706,549
Other . . . . .	-	-	8,453	-	8,453
Total operating revenues. . . . .	<u>5,006,894</u>	<u>42,988</u>	<u>571,703</u>	<u>93,417</u>	<u>5,715,002</u>
<b>Operating expenses:</b>					
Personal services . . . . .	-	-	288,172	-	288,172
Contract services . . . . .	-	3,228	136,167	96,000	235,395
Materials and supplies . . . . .	-	-	78,898	-	78,898
Administrative costs . . . . .	-	717,009	33,025	-	750,034
Utilities . . . . .	-	-	31,041	-	31,041
Claims. . . . .	5,866,791	317,092	-	-	6,183,883
Depreciation . . . . .	-	-	22,141	-	22,141
Total operating expenses. . . . .	<u>5,866,791</u>	<u>1,037,329</u>	<u>589,444</u>	<u>96,000</u>	<u>7,589,564</u>
Operating loss . . . . .	<u>(859,897)</u>	<u>(994,341)</u>	<u>(17,741)</u>	<u>(2,583)</u>	<u>(1,874,562)</u>
<b>Nonoperating revenues:</b>					
Interest revenue . . . . .	-	11,350	-	-	11,350
Total nonoperating revenues. . . . .	<u>-</u>	<u>11,350</u>	<u>-</u>	<u>-</u>	<u>11,350</u>
Net loss before transfers. . . . .	(859,897)	(982,991)	(17,741)	(2,583)	(1,863,212)
Transfers out. . . . .	-	-	(88,184)	-	(88,184)
Changes in net assets . . . . .	(859,897)	(982,991)	(105,925)	(2,583)	(1,951,396)
<b>Net assets at beginning of year (restated) . . . . .</b>	<u>806,020</u>	<u>1,865,982</u>	<u>326,332</u>	<u>824,771</u>	<u>3,823,105</u>
<b>Net assets (deficit) at end of year. . . . .</b>	<u>\$ (53,877)</u>	<u>\$ 882,991</u>	<u>\$ 220,407</u>	<u>\$ 822,188</u>	<u>\$ 1,871,709</u>

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<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 . . . . .	\$ 5,007,656	\$ 42,988	\$ 563,250	\$ 93,417	\$ 5,707,311
Cash received from other operations . . . . .	-	-	6,856	-	6,856
Cash payments for personal services . . . . .	-	-	(264,145)	-	(264,145)
Cash payments for contract services . . . . .	-	(3,228)	(135,908)	(96,000)	(235,136)
Cash payments for materials and supplies . . . . .	-	-	(80,277)	-	(80,277)
Cash payments for utilities . . . . .	-	-	(31,041)	-	(31,041)
Cash payments for claims expense . . . . .	(5,701,769)	(317,092)	-	-	(6,018,861)
Cash payments for administrative costs . . . . .	-	(532,672)	(33,025)	-	(565,697)
Net cash provided by (used in) operating activities . . . . .	<u>(694,113)</u>	<u>(810,004)</u>	<u>25,710</u>	<u>(2,583)</u>	<u>(1,480,990)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers out to other funds . . . . .	-	-	(88,184)	-	(88,184)
Net cash used in noncapital financing activities . . . . .	<u>-</u>	<u>-</u>	<u>(88,184)</u>	<u>-</u>	<u>(88,184)</u>
<b>Cash flows from capital and related financing activities:</b>					
Aquisition of capital assets . . . . .	-	-	(5,433)	-	(5,433)
Net cash used in capital and related financing activities . . . . .	<u>-</u>	<u>-</u>	<u>(5,433)</u>	<u>-</u>	<u>(5,433)</u>
<b>Cash flows from investing activities:</b>					
Cash used for internal note disbursement . . . . .	-	(350,000)	-	-	(350,000)
Interest received . . . . .	-	11,350	-	-	11,350
Principal payment received on internal notes . . . . .	-	250,000	-	-	250,000
Net cash used in investing activities . . . . .	<u>-</u>	<u>(88,650)</u>	<u>-</u>	<u>-</u>	<u>(88,650)</u>
Net decrease in cash and cash equivalents . . . . .	(694,113)	(898,654)	(67,907)	(2,583)	(1,663,257)
<b>Cash and cash equivalents at beginning of year (restated) . . . . .</b>	<u>1,535,770</u>	<u>2,148,654</u>	<u>290,037</u>	<u>824,771</u>	<u>4,799,232</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 841,657</u>	<u>\$ 1,250,000</u>	<u>\$ 222,130</u>	<u>\$ 822,188</u>	<u>\$ 3,135,975</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ (859,897)	\$ (994,341)	\$ (17,741)	\$ (2,583)	\$ (1,874,562)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation . . . . .	-	-	22,141	-	22,141
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory . . . . .	-	-	(1,379)	-	(1,379)
Decrease (increase) in accounts receivable . . . . .	762	-	(1,597)	-	(835)
Increase in accounts payable . . . . .	-	-	259	-	259
Increase in accrued wages and benefits . . . . .	-	-	22,395	-	22,395
Increase in due to other governments . . . . .	-	184,337	3,471	-	187,808
(Decrease) in compensated absences payable . . . . .	-	-	(1,839)	-	(1,839)
Increase in claims payable . . . . .	165,022	-	-	-	165,022
Net cash provided by (used in) operating activities . . . . .	<u>\$ (694,113)</u>	<u>\$ (810,004)</u>	<u>\$ 25,710</u>	<u>\$ (2,583)</u>	<u>\$ (1,480,990)</u>



**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LIFE INSURANCE AND HOSPITALIZATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 5,000,000	\$ 5,000,000	\$ 5,007,656	\$ 7,656
Total operating revenues . . . . .	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,007,656</u>	<u>7,656</u>
<b>Operating expenses:</b>				
Claims expense . . . . .	5,000,319	5,700,319	5,701,803	(1,484)
Total operating expenses . . . . .	<u>5,000,319</u>	<u>5,700,319</u>	<u>5,701,803</u>	<u>(1,484)</u>
Net change in fund balance . . . . .	(319)	(700,319)	(694,147)	6,172
<b>Fund balance at beginning of year . . . . .</b>	1,535,451	1,535,451	1,535,451	-
<b>Prior year encumbrances appropriated . .</b>	<u>319</u>	<u>319</u>	<u>319</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,535,451</u>	<u>\$ 835,451</u>	<u>\$ 841,623</u>	<u>\$ 6,172</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WORKERS COMPENSATION**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 1,385,000	\$ 1,385,000	\$ 42,988	\$ (1,342,012)
Total operating revenues . . . . .	<u>1,385,000</u>	<u>1,385,000</u>	<u>42,988</u>	<u>(1,342,012)</u>
<b>Operating expenses:</b>				
Contract services . . . . .	6,000	6,000	3,228	2,772
Claims expense . . . . .	694,000	694,000	317,092	376,908
Administrative costs . . . . .	700,000	700,000	532,672	167,328
Total operating expenses . . . . .	<u>1,400,000</u>	<u>1,400,000</u>	<u>852,992</u>	<u>547,008</u>
Operating loss . . . . .	<u>(15,000)</u>	<u>(15,000)</u>	<u>(810,004)</u>	<u>(795,004)</u>
<b>Nonoperating revenues:</b>				
Investment earnings . . . . .	15,000	15,000	11,350	(3,650)
Total nonoperating revenues . . . . .	<u>15,000</u>	<u>15,000</u>	<u>11,350</u>	<u>(3,650)</u>
Net change in fund balance . . . . .	-	-	(798,654)	(798,654)
<b>Fund balance at beginning of year (restated)</b>	<u>2,398,654</u>	<u>2,398,654</u>	<u>2,398,654</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,398,654</u>	<u>\$ 2,398,654</u>	<u>\$ 1,600,000</u>	<u>\$ (798,654)</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DATA PROCESSING**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 565,200	\$ 565,200	\$ 563,250	\$ (1,950)
Other. . . . .	14,800	14,800	6,856	(7,944)
Total operating revenues . . . . .	<u>580,000</u>	<u>580,000</u>	<u>570,106</u>	<u>(9,894)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	276,793	290,793	264,145	26,648
Contract services . . . . .	119,457	195,970	136,417	59,553
Materials and supplies. . . . .	16,570	16,570	13,319	3,251
Capital outlay . . . . .	83,619	137,619	85,947	51,672
Administrative costs . . . . .	31,077	60,000	33,025	26,975
Utilities . . . . .	25,811	48,375	31,852	16,523
Total operating expenses . . . . .	<u>553,327</u>	<u>749,327</u>	<u>564,705</u>	<u>184,622</u>
Operating loss . . . . .	<u>26,673</u>	<u>(169,327)</u>	<u>5,401</u>	<u>174,728</u>
<b>Nonoperating revenues (expenses):</b>				
Debt service:				
Principal retirement. . . . .	(41,384)	(56,780)	(56,743)	37
Interest and fiscal charges . . . . .	(23,127)	(31,731)	(31,441)	290
Total nonoperating revenues (expenses) . . . . .	<u>(64,511)</u>	<u>(88,511)</u>	<u>(88,184)</u>	<u>327</u>
Net change in fund balance. . . . .	(37,838)	(257,838)	(82,783)	175,055
<b>Fund balance at beginning of year (restated)</b>	252,199	252,199	252,199	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>37,838</u>	<u>37,838</u>	<u>37,838</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 252,199</u>	<u>\$ 32,199</u>	<u>\$ 207,254</u>	<u>\$ 175,055</u>

**CITY OF WARREN, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RISK MANAGEMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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 . . . . .	\$ 230,000	\$ 230,000	\$ 93,417	\$ (136,583)
Total operating revenues . . . . .	<u>230,000</u>	<u>230,000</u>	<u>93,417</u>	<u>(136,583)</u>
<b>Operating expenses:</b>				
Contract services . . . . .	230,000	230,000	96,000	134,000
Total operating expenses . . . . .	<u>230,000</u>	<u>230,000</u>	<u>96,000</u>	<u>134,000</u>
Net change in fund balance . . . . .	-	-	(2,583)	(2,583)
<b>Fund balance at beginning of year . . . . .</b>	<u>824,771</u>	<u>824,771</u>	<u>824,771</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 824,771</u>	<u>\$ 824,771</u>	<u>\$ 822,188</u>	<u>\$ (2,583)</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, 2008**

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2008</u>
<b>Highway Patrol Fines</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 34,314	\$ 34,314	\$ -
Accounts receivable . . . . .	2,146	2,745	2,146	2,745
Total assets. . . . .	<u>\$ 2,146</u>	<u>\$ 37,059</u>	<u>\$ 36,460</u>	<u>\$ 2,745</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 2,146	\$ 37,059	\$ 36,460	\$ 2,745
Total liabilities . . . . .	<u>\$ 2,146</u>	<u>\$ 37,059</u>	<u>\$ 36,460</u>	<u>\$ 2,745</u>
<b>Auditors Escrow</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 403,042	\$ 262,600	\$ 502,910	\$ 162,732
Accounts receivable . . . . .	1,070	-	1,070	-
Total assets. . . . .	<u>\$ 404,112</u>	<u>\$ 262,600</u>	<u>\$ 503,980</u>	<u>\$ 162,732</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 5,500	\$ 4,000	\$ 5,500	\$ 4,000
Deposits held and due to others . . . . .	398,612	258,600	498,480	158,732
Total liabilities . . . . .	<u>\$ 404,112</u>	<u>\$ 262,600</u>	<u>\$ 503,980</u>	<u>\$ 162,732</u>
<b>Payroll</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 521,148	\$ 27,466	\$ 187,236	\$ 361,378
Total assets. . . . .	<u>\$ 521,148</u>	<u>\$ 27,466</u>	<u>\$ 187,236</u>	<u>\$ 361,378</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 436,345	\$ 27,466	\$ 102,433	\$ 361,378
Deposits held and due to others . . . . .	84,803	-	84,803	-
Total liabilities . . . . .	<u>\$ 521,148</u>	<u>\$ 27,466</u>	<u>\$ 187,236</u>	<u>\$ 361,378</u>
<b>Municipal Court</b>				
<b>Assets:</b>				
Cash with fiscal and escrow agents. . . . .	\$ 315,311	\$ 3,925,387	\$ 3,869,220	\$ 371,478
Total assets. . . . .	<u>\$ 315,311</u>	<u>\$ 3,925,387</u>	<u>\$ 3,869,220</u>	<u>\$ 371,478</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 101,809	\$ -	\$ 101,809	\$ -
Due to other governments . . . . .	213,502	3,925,387	3,767,411	371,478
Total liabilities . . . . .	<u>\$ 315,311</u>	<u>\$ 3,925,387</u>	<u>\$ 3,869,220</u>	<u>\$ 371,478</u>

- Continued

**CITY OF WARREN, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2008</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 924,190	\$ 324,380	\$ 724,460	\$ 524,110
Cash with fiscal and escrow agents. . . . .	315,311	3,925,387	3,869,220	371,478
Accounts receivable . . . . .	3,216	2,745	3,216	2,745
Total assets. . . . .	<u>\$ 1,242,717</u>	<u>\$ 4,252,512</u>	<u>\$ 4,596,896</u>	<u>\$ 898,333</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 107,309	\$ 4,000	\$ 107,309	\$ 4,000
Due to other governments . . . . .	649,847	3,952,853	3,869,844	732,856
Deposits held and due to others . . . . .	485,561	295,659	619,743	161,477
Total liabilities . . . . .	<u>\$ 1,242,717</u>	<u>\$ 4,252,512</u>	<u>\$ 4,596,896</u>	<u>\$ 898,333</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>140-149</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	<b>150-161</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>162-168</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>169-170</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>172-175</b>

**Sources:** Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF WARREN, OHIO**

NET ASSETS BY COMPONENT  
LAST SIX YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 34,666,493	\$ 33,024,924	\$ 30,967,884	\$ 29,524,698
Restricted for:				
Capital projects	75,800	9,405	570,073	768,172
Debt service	761,906	483,719	374,727	372,932
Street maintenance	563,941	627,749	982,767	611,593
State highway	94,202	143,919	177,075	148,916
Law enforcement	196,316	450,480	405,984	819,715
Courts	1,271,125	1,355,089	1,189,849	977,107
Community development and improvements	7,661,196	7,687,341	7,866,327	6,426,196
Police and fire pension	768,867	596,345	292,210	310,630
Public health	695,177	670,709	679,561	-
Other purposes	-	-	-	-
Unrestricted (deficit)	(4,210,956)	756,595	5,137,720	5,273,540
Total governmental activities net assets	<u>\$ 42,544,067</u>	<u>\$ 45,806,275</u>	<u>\$ 48,644,177</u>	<u>\$ 45,233,499</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 19,391,428	\$ 19,416,251	\$ 18,390,112	\$ 18,245,015
Unrestricted	10,001,006	11,350,440	9,833,606	9,169,546
Total business-type activities net assets	<u>\$ 29,392,434</u>	<u>\$ 30,766,691</u>	<u>\$ 28,223,718</u>	<u>\$ 27,414,561</u>
<b>Total Primary Government</b>				
Invested in capital assets, net of related debt	\$ 54,057,921	\$ 52,441,175	\$ 49,357,996	\$ 47,769,713
Restricted for:				
Capital projects	75,800	9,405	570,073	768,172
Debt service	761,906	483,719	374,727	372,932
Street maintenance	563,941	627,749	982,767	611,593
State highway	94,202	143,919	177,075	148,916
Law enforcement	196,316	450,480	405,984	819,715
Courts	1,271,125	1,355,089	1,189,849	977,107
Community development and improvements	7,661,196	7,687,341	7,866,327	6,426,196
Police and fire pension	768,867	596,345	292,210	310,630
Public health	695,177	670,709	679,561	-
Other purposes	-	-	-	-
Unrestricted	5,790,050	12,107,035	14,971,326	14,443,086
Total primary government net assets	<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>	<u>\$ 76,867,895</u>	<u>\$ 72,648,060</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

<u>2004</u>	<u>2003</u>
\$ 26,382,293	\$ 19,496,371
541,032	357,350
338,675	326,037
463,622	-
100,897	-
643,336	-
782,106	-
6,447,060	-
191,177	-
-	-
-	9,477,900
5,697,185	6,481,599
<u>\$ 41,587,383</u>	<u>\$ 36,139,257</u>
\$ 17,311,185	\$ 19,168,104
8,486,417	6,097,414
<u>\$ 25,797,602</u>	<u>\$ 25,265,518</u>
\$ 43,693,478	\$ 38,664,475
541,032	357,350
338,675	326,037
463,622	-
100,897	-
643,336	-
782,106	-
6,447,060	-
191,177	-
-	-
-	9,477,900
14,183,602	12,579,013
<u>\$ 67,384,985</u>	<u>\$ 61,404,775</u>

**CITY OF WARREN, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST SIX YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,423,496	\$ 1,350,401	\$ 1,459,245	\$ 1,210,264
Security of persons and property	1,449,173	1,447,343	1,506,767	1,368,960
Public health and welfare	203,913	153,510	150,522	157,623
Transportation	33,155	40,450	45,255	48,066
Community environment	708,209	535,152	1,135,168	526,502
Leisure time activities	32,702	23,902	16,087	13,646
Economic development	240,918	218,337	73,629	179,296
Operating grants and contributions:				
General government	-	6,226	-	40,248
Security of persons and property	75,907	155,237	87,594	257,611
Public health and welfare	-	-	715,000	-
Transportation	2,117,983	2,115,189	2,159,287	2,178,812
Economic development	3,092,290	2,199,113	2,077,372	2,673,342
Capital grants and contributions:				
General government	-	-	-	-
Transportation	1,899,760	780,998	670,191	2,017,348
Total governmental activities program revenues	<u>11,277,506</u>	<u>9,025,858</u>	<u>10,096,117</u>	<u>10,671,718</u>
Business-type activities:				
Charges for services:				
Sewer	8,067,438	8,976,173	8,265,798	8,743,627
Water	10,804,962	11,130,274	10,976,356	11,720,251
Sanitation	3,050,445	3,129,173	3,100,329	3,145,870
Other enterprise funds:				
Packard Music Hall	204,224	237,197	218,979	260,551
City Redevelopment	42,711	42,711	42,711	40,445
Downtown parking	27,503	37,959	29,192	4,805
Stormwater Utility	843,531	804,595	832,444	808,058
Capital grants and contributions:				
Other enterprise funds:				
Packard Music Hall	33,056	-	100,000	-
Total business-type activities program revenues	<u>23,073,870</u>	<u>24,358,082</u>	<u>23,565,809</u>	<u>24,723,607</u>
Total primary government	<u>\$ 34,351,376</u>	<u>\$ 33,383,940</u>	<u>\$ 33,661,926</u>	<u>\$ 35,395,325</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 6,732,524	\$ 6,108,728	\$ 6,119,385	\$ 5,856,271
Security of persons and property	18,620,804	17,180,410	17,031,559	16,406,869
Public health and welfare	1,289,289	512,057	517,820	592,167
Transportation	4,644,555	3,948,040	3,834,782	3,272,353
Community environment	2,082,342	2,310,948	1,884,819	1,730,863
Leisure time activities	699,582	860,839	665,407	905,187
Economic development	2,981,877	2,066,544	2,595,480	2,831,518
Interest and fiscal charges	631,425	609,323	682,090	668,091
Total governmental activities expenses	<u>37,682,398</u>	<u>33,596,889</u>	<u>33,331,342</u>	<u>32,263,319</u>

<u>2004</u>	<u>2003</u>
\$ 1,225,507	\$ 1,279,189
1,412,462	1,567,813
130,904	120,659
33,050	44,058
663,501	617,335
17,259	27,456
38,522	142,863
-	191,227
236,524	243,964
-	-
1,872,926	1,684,860
2,054,645	3,021,318
1,164,720	1,147,279
2,766,371	-
11,616,391	10,088,021
7,653,073	6,800,830
10,249,483	10,287,987
3,160,832	3,018,624
201,112	198,349
42,711	44,978
36,022	86,804
806,491	732,880
-	-
22,149,724	21,170,452
\$ 33,766,115	\$ 31,258,473
\$ 5,364,746	\$ 5,503,496
16,118,228	15,483,951
509,570	443,174
3,447,063	3,581,813
1,849,861	2,017,399
585,728	680,886
2,071,529	2,189,572
730,212	630,684
30,676,937	30,530,975

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**CITY OF WARREN, OHIO**

**CHANGES IN NET ASSETS  
LAST SIX YEARS (CONTINUED)  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Business-type activities:				
Sewer	\$ 7,686,872	\$ 8,008,014	\$ 8,191,531	\$ 8,714,806
Water	12,233,642	10,845,009	10,769,899	10,654,024
Sanitation	3,360,964	3,146,764	3,004,744	3,042,898
Other enterprise funds				
Packard Music Hall	684,553	685,045	539,752	711,637
City Redevelopment	50,605	49,618	52,594	75,597
Downtown parking	150,089	154,011	74,573	142,539
Stormwater Utility	1,291,516	646,497	580,352	818,288
Total business-type activities expenses	<u>25,458,241</u>	<u>23,534,958</u>	<u>23,213,445</u>	<u>24,159,789</u>
Total primary government	<u>\$ 63,140,639</u>	<u>\$ 57,131,847</u>	<u>\$ 56,544,787</u>	<u>\$ 56,423,108</u>
<b>Net (Expense) Revenue:</b>				
Governmental activities	\$ (26,404,892)	\$ (24,571,031)	\$ (23,235,225)	\$ (21,591,601)
Business-type activities	<u>(2,384,371)</u>	<u>823,124</u>	<u>352,364</u>	<u>563,818</u>
Total primary government net expense	<u>\$ (28,789,263)</u>	<u>\$ (23,747,907)</u>	<u>\$ (22,882,861)</u>	<u>\$ (21,027,783)</u>
<b>General Revenues and Other Changes in Net Assets:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,448,672	\$ 1,389,308	\$ 1,405,834	\$ 1,261,822
Fire pension	151,750	144,268	147,074	129,146
Police pension	151,750	144,268	147,074	129,146
Income taxes levied for:				
General Purposes	17,636,767	18,221,022	20,214,764	19,432,428
Grants and entitlements				
not restricted to specific programs	2,999,526	2,995,358	2,894,066	3,312,509
Investment earnings	838,469	1,239,089	1,229,795	1,111,515
Miscellaneous	518,324	548,405	776,416	563,907
Transfers	<u>(602,574)</u>	<u>(327,477)</u>	<u>(169,120)</u>	<u>(702,756)</u>
Total governmental activities	<u>23,142,684</u>	<u>24,354,241</u>	<u>26,645,903</u>	<u>25,237,717</u>
Business-type activities				
Investment earnings	27,045	57,086	53,205	30,745
Miscellaneous	380,495	282,751	234,468	319,640
Transfers	602,574	327,477	169,120	702,756
Total business-type activities	<u>1,010,114</u>	<u>667,314</u>	<u>456,793</u>	<u>1,053,141</u>
Total primary government	<u>\$ 24,152,798</u>	<u>\$ 25,021,555</u>	<u>\$ 27,102,696</u>	<u>\$ 26,290,858</u>
<b>Change in Net Assets:</b>				
Governmental activities	\$ (3,262,208)	\$ (216,790)	\$ 3,410,678	\$ 3,646,116
Business-type activities	<u>(1,374,257)</u>	<u>1,490,438</u>	<u>809,157</u>	<u>1,616,959</u>
Total primary government	<u>\$ (4,636,465)</u>	<u>\$ 1,273,648</u>	<u>\$ 4,219,835</u>	<u>\$ 5,263,075</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.



<u>2004</u>	<u>2003</u>
\$ 8,129,365	\$ 8,536,652
10,240,694	10,385,641
2,890,149	2,822,181
643,869	528,652
20,399	21,589
154,335	159,800
583,188	657,073
22,661,999	23,111,588
\$ 53,338,936	\$ 53,642,563
\$ (19,060,546)	\$ (20,442,954)
(512,275)	(1,941,136)
\$ (19,572,821)	\$ (22,384,090)
\$ 1,218,505	\$ 1,256,977
126,166	130,145
126,166	130,145
18,830,130	18,788,667
3,080,849	2,896,927
465,707	615,974
1,153,304	1,796,888
(492,155)	(645,036)
24,508,672	24,970,687
9,940	201,577
542,264	767,730
492,155	645,036
1,044,359	1,614,343
\$ 25,553,031	\$ 26,585,030
\$ 5,448,126	\$ 4,527,733
532,084	(326,793)
\$ 5,980,210	\$ 4,200,940

**CITY OF WARREN, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>General Fund:</b>						
Reserved	\$ 82,867	\$ 505,629	\$ 267,692	\$ 131,711	\$ 598,009	\$ 602,878
Unreserved	4,119,358	5,943,890	6,283,706	4,828,462	4,647,091	5,526,525
Total general fund	<u>\$ 4,202,225</u>	<u>\$ 6,449,519</u>	<u>\$ 6,551,398</u>	<u>\$ 4,960,173</u>	<u>\$ 5,245,100</u>	<u>\$ 6,129,403</u>
<b>All Other Governmental Funds:</b>						
Reserved	\$ 10,217,681	\$ 8,234,636	\$ 8,466,851	\$ 6,076,124	\$ 5,602,035	\$ 6,443,384
Unreserved (deficit), reported in:						
Special revenue funds	2,191,594	2,360,982	2,256,060	3,331,847	3,141,354	4,289,027
Debt service fund	111,599	3,924	1,441	8,466	577	4,803
Capital projects fund	(3,004,369)	(222,311)	62,827	51,707	(48,071)	(1,362,610)
Total all other governmental funds	<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>	<u>\$ 10,787,179</u>	<u>\$ 9,468,144</u>	<u>\$ 8,695,895</u>	<u>\$ 9,374,604</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 55,505	\$ 306,771	\$ 545,555	\$ 21,228
<u>3,804,593</u>	<u>1,224,226</u>	<u>1,647,182</u>	<u>1,883,572</u>
<u>\$ 3,860,098</u>	<u>\$ 1,530,997</u>	<u>\$ 2,192,737</u>	<u>\$ 1,904,800</u>
\$ 6,562,027	\$ 8,956,799	\$ 7,074,465	\$ 8,863,081
3,450,874	1,278,903	2,883,704	1,698,812
4,642	4,642	27,684	1,052
<u>(2,031,708)</u>	<u>(1,006,640)</u>	<u>(218,885)</u>	<u>(1,488,064)</u>
<u>\$ 7,985,835</u>	<u>\$ 9,233,704</u>	<u>\$ 9,766,968</u>	<u>\$ 9,074,881</u>

**CITY OF WARREN, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>					
Income taxes	\$ 18,013,849	\$ 18,070,111	\$ 20,138,026	\$ 19,610,734	\$ 18,567,076
Property and other taxes	1,484,062	1,667,959	1,657,168	1,485,169	1,456,326
Charges for services	2,236,100	2,067,415	1,693,234	2,187,422	2,055,303
Licenses and permits	2,493,223	1,886,000	2,466,676	1,852,130	1,839,742
Fines and forfeitures	1,523,506	1,531,452	1,594,451	1,441,968	1,422,329
Intergovernmental	9,540,800	7,787,994	7,831,448	10,574,125	11,200,065
Special assessments	22,036	30,688	44,629	42,597	19,828
Investment income	1,187,787	1,404,779	1,164,258	962,886	357,172
Rental income	60,013	113,186	168,256	36,830	34,314
Other	721,207	626,061	1,491,416	563,907	1,232,073
Total revenues	<u>37,282,583</u>	<u>35,185,645</u>	<u>38,249,562</u>	<u>38,757,768</u>	<u>38,184,228</u>
<b>Expenditures</b>					
Current:					
General government	7,939,782	7,991,047	7,533,078	7,824,849	7,610,099
Security of persons and property	17,976,545	17,671,898	17,233,644	16,259,126	15,940,459
Public health and welfare	1,242,486	492,168	493,377	588,693	585,532
Transportation	2,534,139	2,328,166	2,062,179	2,278,123	2,745,117
Community environment	1,909,315	2,145,697	1,886,410	1,783,381	1,806,298
Leisure time activity	656,999	876,264	675,183	762,761	885,871
Economic development	2,966,215	2,083,320	2,508,773	2,764,286	1,984,304
Capital outlay	2,782,967	1,833,099	1,927,685	3,017,762	6,029,700
Intergovernmental					
Debt service:					
Principal retirement	1,538,405	2,025,221	2,045,411	2,007,728	1,615,655
Interest and fiscal charges	585,924	580,065	606,431	640,178	700,193
Bond issuance cost	-	-	-	-	-
Total expenditures	<u>40,132,777</u>	<u>38,026,945</u>	<u>36,972,171</u>	<u>37,926,887</u>	<u>39,903,228</u>
Excess of revenues over (under) expenditures	<u>(2,850,194)</u>	<u>(2,841,300)</u>	<u>1,277,391</u>	<u>830,881</u>	<u>(1,719,000)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of refunding bonds	-	-	-	-	-
Sale of bonds	-	-	-	-	-
Sale of notes	-	-	1,700,000	-	-
Loan proceeds	256,564	-	-	-	-
Premium on bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Capital lease transaction	-	-	29,847	-	557,708
Sale of capital assets	-	-	-	-	-
Transfers in	1,140,453	1,046,488	1,941,380	2,228,086	3,027,653
Transfers (out)	(1,654,843)	(1,302,304)	(2,038,358)	(2,571,645)	(3,429,373)
Loss on write off of loans receivable	-	-	-	-	-
Total other financing sources (uses)	<u>(257,826)</u>	<u>(255,816)</u>	<u>1,632,869</u>	<u>(343,559)</u>	<u>155,988</u>
Net change in fund balances	<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>	<u>\$ 487,322</u>	<u>\$ (1,563,012)</u>
Capital expenditures	2,824,370	2,372,745	2,192,532	3,502,785	8,024,415
Debt service as a percentage of noncapital expenditures	5.69%	7.31%	7.62%	7.69%	7.26%

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 18,825,568	\$ 18,423,033	\$ 15,413,120	\$ 14,275,386	\$ 14,031,496
1,493,148	1,493,335	1,514,882	1,551,934	2,011,995
2,120,940	2,158,369	1,714,490	1,869,173	1,933,471
1,726,971	1,678,306	1,407,022	1,464,433	1,519,125
1,733,026	1,511,535	1,133,342	1,262,522	1,168,795
9,223,005	10,797,033	9,820,979	9,069,513	9,281,582
100,189	9,777	10,526	29,470	1,954
428,636	472,571	509,357	461,352	395,244
53,048	47,115	45,818	129,890	123,283
1,796,889	2,919,419	973,075	613,317	915,883
<u>37,501,420</u>	<u>39,510,493</u>	<u>32,542,611</u>	<u>30,726,990</u>	<u>31,382,828</u>
7,300,180	7,067,691	6,926,161	6,449,633	6,386,935
15,028,195	14,768,585	12,931,874	11,677,787	12,926,018
417,382	432,401	375,277	313,128	339,617
2,365,061	2,638,201	2,122,212	2,231,622	2,091,105
1,611,897	1,776,919	1,577,698	1,289,926	1,617,439
626,762	563,994	274,719	239,038	560,031
2,198,894	1,604,649	1,467,464	1,639,421	2,632,464
3,411,525	6,887,754	3,433,672	4,327,789	3,969,685
969,409	1,336,361	1,172,939	1,158,308	939,880
653,635	986,695	869,533	850,140	877,039
146,364	-	-	-	-
<u>34,729,304</u>	<u>38,063,250</u>	<u>31,151,549</u>	<u>30,176,792</u>	<u>32,340,213</u>
<u>2,772,116</u>	<u>1,447,243</u>	<u>1,391,062</u>	<u>550,198</u>	<u>(957,385)</u>
6,045,000	-	-	-	-
1,231,000	-	-	-	1,309,800
-	-	-	1,361,137	-
-	-	-	-	-
45,818	-	-	-	-
(6,548,575)	-	-	-	-
7,902	9,688	-	-	-
-	-	-	261,251	-
3,642,789	2,959,352	3,106,571	3,386,826	2,527,433
(3,974,247)	(3,296,767)	(3,895,018)	(4,059,640)	(2,528,159)
-	-	(1,812,450)	-	-
<u>449,687</u>	<u>(327,727)</u>	<u>(2,600,897)</u>	<u>949,574</u>	<u>1,309,074</u>
<u>\$ 3,221,803</u>	<u>\$ 1,119,516</u>	<u>\$ (1,209,835)</u>	<u>\$ 1,499,772</u>	<u>\$ 351,689</u>
3,241,838	6,887,754	3,433,672	4,327,789	3,969,685
5.62%	7.45%	7.37%	7.77%	6.40%

**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>
2008	\$ 431,072,850	\$ 1,231,636,714	\$ 13,860,410	15,750,466	\$ 15,381,832	246,109,312
2007	429,330,830	1,226,659,514	18,680,580	21,227,932	33,258,581	266,068,648
2006	431,539,380	1,232,969,657	19,583,030	22,253,443	48,898,902	260,794,144
2005	396,779,290	1,133,655,114	20,160,950	22,910,170	60,904,321	243,617,284
2004	395,601,480	1,130,289,943	17,397,860	19,770,295	62,347,140	249,388,560
2003	394,126,290	1,126,075,114	18,187,880	20,668,045	61,982,078	247,928,312
2002	377,707,860	1,079,165,314	17,604,360	20,004,955	72,590,158	290,360,632
2001	374,592,740	1,070,264,971	28,796,520	32,723,318	81,416,955	325,667,820
2000	374,824,460	1,070,927,029	28,552,120	32,445,591	77,083,732	308,334,928
1999	342,569,900	978,771,143	32,054,070	36,425,080	78,637,234	314,548,936

Source: Trumbull County Auditor's Office

(a) Real property is assessed at 35% of actual value.

(b) Public utility is assessed at 88% percent of actual value.

(c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.

For 2006, tangible personal is assessed at 18.75% of property value, including inventory.

For 2007, tangible personal is assessed at 12.50% of property value, including inventory.

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

**Total**

<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio</b>
\$ 460,315,092	\$ 1,493,496,492	30.82%
481,269,991	1,513,956,094	31.79%
500,021,312	1,516,017,244	32.98%
477,844,561	1,400,182,569	34.13%
475,346,480	1,399,448,798	33.97%
474,296,248	1,394,671,472	34.01%
467,902,378	1,389,530,901	33.67%
484,806,215	1,428,656,110	33.93%
480,460,312	1,411,707,547	34.03%
453,261,204	1,329,745,158	34.09%

**CITY OF WARREN, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

Collection Year	City Direct Rates				Overlapping Rates			
	General Obligation Debt	Police Pension	Fire Pension	Total Rate	Trumbull County	School District	Vocational School	Warren Township
2008	2.90	0.30	0.30	3.50	11.10	57.75	2.40	13.00
2007	2.90	0.30	0.30	3.50	11.10	58.50	2.40	13.00
2006	2.90	0.30	0.30	3.50	11.10	58.45	2.40	13.00
2005	2.90	0.30	0.30	3.50	10.35	59.65	2.40	13.00
2004	2.90	0.30	0.30	3.50	10.35	59.65	2.40	11.50
2003	2.90	0.30	0.30	3.50	10.35	52.55	2.40	11.50
2002	2.90	0.30	0.30	3.50	10.35	52.55	2.40	11.50
2001	2.90	0.30	0.30	3.50	10.35	52.38	2.40	11.50
2000	2.90	0.30	0.30	3.50	10.35	51.94	2.40	11.50
1999	2.90	0.30	0.30	3.50	10.35	52.64	2.40	11.50

Source: Trumbull County Auditor's Office



**Overlapping Rates - Continued**

<b><u>Library</u></b>	<b><u>Total Tax Rates</u></b>	<b><u>Total Direct and Overlapping Rates</u></b>
1.00	85.25	88.75
1.00	86.00	89.50
0.40	85.35	88.85
0.40	85.80	89.30
0.40	84.30	87.80
0.40	77.20	80.70
0.40	77.20	80.70
0.40	77.03	80.53
0.40	76.59	80.09
0.40	77.29	80.79

**CITY OF WARREN, OHIO**

PRINCIPAL TAXPAYERS  
REAL ESTATE PROPERTY TAX  
CURRENT YEAR AND SIX YEARS AGO

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Sams Real Estate Business	\$ 2,637,010	1	0.61%
Rydyl I, LLC	2,483,150	2	0.58%
Simon Northbury	2,015,760	3	0.47%
NRR Commerce	1,990,350	4	0.46%
Lowes Home Center	1,771,070	5	0.41%
Trumbull Plaza	1,737,260	6	0.40%
North Mar Center	1,461,430	7	0.34%
Warren Plaza Co	1,452,680	8	0.34%
Covelli Real Estate	1,426,470	9	0.33%
Nationwide Health Property	1,358,390	10	0.32%
<b>Total, Top Ten Principal Real Estate Property Taxpayers</b>	<b>\$ 18,333,570</b>		<b>4.26%</b>
<b>Total City Real Property Tax Assessed Valuation</b>	<b>\$ 431,072,850</b>		

<b>December 31, 2002</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
P&S Equities	\$ 2,698,930	1	0.71%
Delphi Automotive Systems LLC	1,916,670	2	0.51%
Simon-Northbury	1,752,740	3	0.46%
River Road Investments	1,563,310	4	0.41%
Lowes Home Center	1,541,470	5	0.41%
WCI Steel	1,496,150	6	0.40%
Nationwide Health	1,333,120	7	0.35%
Warren Plaza	1,179,430	8	0.31%
Howland Associates	1,137,710	9	0.30%
Trumbull Plaza	1,064,530	10	0.28%
<b>Total, Top Ten Principal Real Estate Property Taxpayers</b>	<b>\$ 15,684,060</b>		<b>4.14%</b>
<b>Total City Real Property Tax Assessed Valuation</b>	<b>\$ 377,707,860</b>		

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

**CITY OF WARREN, OHIO**

PRINCIPAL TAXPAYERS  
PUBLIC UTILITY PROPERTY TAX  
CURRENT YEAR AND SIX YEARS AGO

<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	75.63%
East Ohio Gas	1,744,890	2	12.59%
American Transmission System	1,456,980	3	10.51%
Norfolk Southern Combined	94,180	4	0.68%
CSX Transportation	56,740	5	0.41%
Youngstown Belt Railroad	53,700	6	0.39%
Warren & Trumbull Railroad	20,520	7	0.15%
<b>Total, Top Seven Principal Public Utility Property Taxpayers</b>	<b>\$ 13,909,870</b>		<b>100.36%</b>
<b>Total City Public Utility Property Tax Assessed Valuation</b>	<b>\$ 13,860,410</b>		

<b>December 31, 2002</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison Co.	\$ 10,094,660	1	57.34%
United Telephone	4,784,270	2	27.18%
East Ohio Gas Co.	1,783,170	3	10.13%
American Transmission	1,820,380	4	10.34%
<b>Total, Top Four Principal Public Utility Property Taxpayers</b>	<b>\$ 18,482,480</b>		<b>104.99%</b>
<b>Total City Public Utility Property Tax Assessed Valuation</b>	<b>\$ 17,604,360</b>		

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

Note: Certain adjustments were made to the 2002 and 2008 assessed valuation of Ohio Edison that are not reflected in the City's public utility assessed valuation at year-end.

**CITY OF WARREN, OHIO**

PRINCIPAL TAXPAYERS  
TANGIBLE PERSONAL PROPERTY TAX  
CURRENT YEAR AND SIX YEARS AGO

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
United Telephone Company of Ohio	\$ 2,003,460	1	13.02%
GE Lighting Inc.	1,216,740	2	7.91%
Novelis Corporation	1,049,180	3	6.82%
WCI Steel Inc.	891,090	4	5.79%
Specialty Pipe & Tube Inc.	736,900	5	4.79%
Trumbull Industries Inc.	653,200	6	4.25%
Sims Buick GMC Truck Inc.	477,140	7	3.10%
Diane Sauer Chevrolet Inc.	460,330	8	2.99%
Kellworth Steel Co.	429,670	9	2.79%
AVI Food Systems	399,400	10	2.60%
<b>Total, Top Ten Principal Tangible Personal Property Taxpayers</b>	<b>\$ 8,317,110</b>		<b>54.06%</b>
<b>Total City Tangible Personal Property Tax Assessed Valuation</b>	<b>\$ 15,381,832</b>		

<b>December 31, 2002</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Alcan Aluminum Corp	\$ 7,024,010	1	9.68%
Delphi Automotive Systems LLC	6,561,790	2	9.04%
GE Lighting Inc.	3,826,440	3	5.27%
WCI Steel Inc.	3,360,240	4	4.63%
Time Warner	1,915,610	5	2.64%
AVI Food Systems	1,824,600	6	2.51%
Trumbull Industries	1,574,380	7	2.17%
Tamarkin Co.	1,039,340	8	1.43%
Eastern Ohio Newspaper	1,033,180	9	1.42%
Kenilworth Steel Co.	948,080	10	1.31%
<b>Total, Top Ten Principal Tangible Personal Property Taxpayers</b>	<b>\$ 29,107,670</b>		<b>40.10%</b>
<b>Total City Tangible Personal Property Tax Assessed Valuation</b>	<b>\$ 72,590,158</b>		

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

**CITY OF WARREN, OHIO**

REAL AND PUBLIC UTILITY 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</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>
2008	\$ 1,556,160	\$ 1,423,214	91.46%	\$ 75,500	\$ 1,498,714	96.31%	\$ 301,393	19.37%
2007	1,563,511	1,461,666	93.49%	78,460	1,540,126	98.50%	242,664	15.52%
2006	1,577,768	1,474,794	93.47%	71,382	1,546,176	98.00%	213,940	13.56%
2005	1,458,232	1,375,610	94.33%	57,309	1,432,919	98.26%	183,622	12.59%
2004	1,444,415	1,363,730	94.41%	63,714	1,427,444	98.83%	157,103	10.88%
2003	1,441,977	1,373,142	95.23%	67,022	1,440,164	99.87%	164,882	11.43%
2002	1,382,548	1,312,330	94.92%	64,438	1,376,768	99.58%	169,323	12.25%
2001	1,407,161	1,341,960	95.37%	59,286	1,401,246	99.58%	194,425	13.82%
2000	1,410,785	1,333,773	94.54%	61,208	1,394,981	98.88%	189,985	13.47%
1999	1,310,301	1,211,862	92.49%	52,619	1,264,481	96.50%	150,681	11.50%

Source: Trumbull County Auditor's Office

**CITY OF WARREN, OHIO**

**TANGIBLE PERSONAL PROPERTY 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>
2008	\$ 53,836	\$ 46,420	86.22%	\$ 14,879	\$ 61,299	113.86%	\$ 59,669	110.83%
2007	116,217	114,467	98.49%	52,830	167,297	143.95%	63,943	55.02%
2006	171,146	155,732	90.99%	26,447	182,179	106.45%	91,581	53.51%
2005	213,165	211,882	99.40%	13,870	225,752	105.90%	90,910	42.65%
2004	218,215	212,989	97.61%	10,414	223,403	102.38%	84,485	38.72%
2003	216,937	205,165	94.57%	9,799	214,964	99.09%	42,505	19.59%
2002	253,789	241,310	95.08%	34,484	275,794	108.67%	33,089	13.04%
2001	284,209	270,497	95.18%	20,881	291,378	102.52%	47,705	16.79%
2000	268,923	264,056	98.19%	7,455	271,511	100.96%	48,003	17.85%
1999	274,265	262,372	95.66%	13,164	275,536	100.46%	43,517	15.87%

Source: Trumbull County Auditor's Office

**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>
2008	\$ 161,644	\$ 31,566	19.53%	\$ 8,987	\$ 40,553	25.09%	\$ 822,209	508.65%
2007	130,800	19,742	15.09%	15,346	35,088	26.83%	574,339	439.10%
2006	62,835	14,713	23.42%	4,968	19,681	31.32%	401,745	639.37%
2005	90,383	22,103	24.45%	9,239	31,342	34.68%	358,665	396.83%
2004	36,256	17,179	47.38%	9,300	26,479	73.03%	273,406	754.10%
2003	35,309	9,507	26.93%	17,597	27,104	76.76%	314,870	891.76%
2002	76,589	14,790	19.31%	40,275	55,065	71.90%	286,141	373.61%
2001	28,122	7,808	27.76%	15,362	23,170	82.39%	359,743	1279.22%
2000	142,383	42,463	29.82%	10,543	53,006	37.23%	284,546	199.85%
1999	26,666	15,710	58.91%	21,354	37,064	138.99%	234,723	880.23%

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>
2008	2.00%	\$ 18,726,513	\$ 14,710,035	78.55%	\$ 1,907,035	10.18%
2007	2.00%	18,732,996	14,771,563	78.85%	1,683,763	8.99%
2006	2.00%	20,768,808	16,148,224	77.75%	2,332,716	11.23%
2005	2.00%	19,846,297	15,106,710	76.12%	2,392,468	12.05%
2004	2.00%	18,824,408	15,336,812	81.47%	1,437,867	7.64%
2003	2.00%	19,304,428	15,698,928	81.32%	1,533,275	7.94%
2002	2.00%	18,717,334	15,837,958	84.62%	1,071,978	5.73%
2001 (1)	2.00%	15,812,065	13,615,102	86.11%	821,133	5.19%
2000	1.50%	14,696,557	12,273,247	83.51%	1,154,591	7.86%
1999	1.50%	14,067,525	11,896,493	84.57%	947,376	6.73%

Source: The City of Warren Income Tax Department

(1) The income tax was at 1.5% from January-June 2001 and 2% from July-December 2001.



	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	2,109,444	11.26%
	2,277,669	12.16%
	2,287,868	11.02%
	2,347,119	11.83%
	2,049,729	10.89%
	2,072,225	10.73%
	1,807,398	9.66%
	1,375,830	8.70%
	1,268,718	8.63%
	1,223,657	8.70%

**CITY OF WARREN, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Governmental Activities								
<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>Pollution Remediation Obligation</b>	<b>Capital Lease Obligation</b>
2008	\$ 4,668,596	\$ 645,000	\$ 237,753	\$ 1,630,000	\$ 148,075	\$ 243,736	\$ 1,568,577	\$ 298,551
2007	5,785,670	700,000	389,051	1,700,000	166,297	-	1,568,577	358,231
2006	7,480,560	755,000	534,831	1,700,000	183,805	-	-	418,207
2005	9,205,995	810,000	675,294	-	202,000	-	-	444,755
2004	10,928,630	860,000	810,635	-	-	-	-	496,639
2003	12,251,810	905,000	941,040	-	-	-	-	10,105
2002	11,965,320	945,000	1,066,689	-	-	-	-	7,447
2001	13,096,180	985,000	1,187,755	-	-	-	-	-
2000	14,156,145	985,000	1,300,759	-	-	-	-	-
1999	15,182,795	985,000	-	-	-	-	-	-

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>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>
\$ 2,681,500	\$ 8,700,000	\$ 26,390,107	\$ 189,078	\$ 47,400,973	\$ 1,303,190,400	3.64%	45,300	\$ 1,046
3,180,500	9,115,000	27,463,326	247,622	50,674,274	1,317,459,328	3.85%	45,796	1,107
3,671,500	9,515,000	24,032,121	304,233	48,595,257	1,241,208,988	3.92%	45,796	1,061
4,155,000	9,895,000	21,771,589	4,809	47,164,442	1,241,208,988	3.80%	45,796	1,030
4,630,000	10,260,000	22,988,827	8,179	50,982,910	1,208,870,119	4.22%	46,223	1,103
5,424,000	10,610,000	20,878,602	11,290	51,031,847	1,201,227,984	4.25%	46,608	1,095
5,880,000	10,945,000	15,668,286	14,163	46,491,905	1,150,195,000	4.04%	46,100	1,009
6,540,000	10,965,000	15,200,410	-	47,974,345	1,130,146,052	4.24%	46,466	1,032
7,170,000	11,040,000	15,969,302	-	50,621,206	1,132,257,264	4.47%	46,832	1,081
7,790,000	11,110,000	16,675,368	-	51,743,163	1,595,822,130	3.24%	47,845	1,081

**CITY OF WARREN, OHIO**

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Property</u>	<u>Bonded Debt Per Capita</u>
2008	45,796	\$ 1,493,496,492	\$ 4,668,596	0.31%	\$ 102
2007	45,796	1,513,956,094	5,785,670	0.38%	126
2006	45,796	1,516,017,244	7,480,560	0.49%	163
2005	45,796	1,400,182,569	9,205,995	0.66%	201
2004	46,223	1,399,448,798	10,928,630	0.78%	236
2003	46,608	1,394,671,472	12,251,810	0.88%	263
2002	46,100	1,389,530,901	11,965,320	0.86%	260
2001	46,466	1,428,656,110	13,096,180	0.92%	282
2000	46,832	1,411,707,547	14,156,145	1.00%	302
1999	47,845	1,329,745,158	15,182,795	1.14%	317

Sources:

- (1) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.
- (2) Trumbull County Auditor's Office.
- (3) 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, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Warren	\$ 4,668,596	100.00%	\$ 4,668,596
<b>Overlapping debt:</b>			
Trumbull County	21,740,342	13.17%	2,863,203
Warren City School District	35,210,000	87.83%	30,924,943
LaBrae Local School District	6,713,994	10.22%	686,170
Lakeview Local School District	2,650,684	0.02%	530
Geauga-Trumbull Jt. Solid Waste Management	550,000	7.10%	39,050
Total direct and overlapping debt	<u>\$ 71,533,616</u>		<u>\$ 39,182,491</u>

Source: Ohio Municipal Advisory Council

**CITY OF WARREN, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assesed value**	\$ 445,218,130	\$ 443,015,560	\$ 500,021,312	\$ 477,844,561
Legal debt margin:				
Debt limitation - 10.5% of assesed value	46,747,904	46,516,634	52,502,238	50,173,679
Debt applicable to limitation:				
Total bonded debt	16,050,096	18,081,170	20,667,060	23,255,995
Exemptions:				
Debt service fund balance	(133,279)	(34,943)	(36,117)	(33,214)
Debt supported by enterprise fund operations	<u>(11,381,500)</u>	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>
Total exemptions	<u>(11,514,779)</u>	<u>(12,330,443)</u>	<u>(13,222,617)</u>	<u>(14,083,214)</u>
Total debt applicable to limitation	<u>4,535,317</u>	<u>5,750,727</u>	<u>7,444,443</u>	<u>9,172,781</u>
Total legal debt margin within 10.5% limitation	<u>\$ 42,212,587</u>	<u>\$ 40,765,907</u>	<u>\$ 45,057,795</u>	<u>\$ 41,000,898</u>
Unvoted debt limitation - 5.5% of assesed valuation	\$ 24,486,997	\$ 24,365,856	\$ 27,501,172	\$ 26,281,451
Debt applicable to limitation:				
Total bonded debt	16,050,096	18,081,170	20,667,060	23,255,995
Exemptions:				
Debt service fund balance	(133,279)	(34,943)	(36,117)	(33,214)
Debt supported by enterprise fund operations	<u>(11,381,500)</u>	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>
Total exemptions	<u>(11,514,779)</u>	<u>(12,330,443)</u>	<u>(13,222,617)</u>	<u>(14,083,214)</u>
Total debt within 5.5% limitations	<u>4,535,317</u>	<u>5,750,727</u>	<u>7,444,443</u>	<u>9,172,781</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 19,951,680</u>	<u>\$ 18,615,129</u>	<u>\$ 20,056,729</u>	<u>\$ 17,108,670</u>

Source: City of Warren financial records

\*\* Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
\$ 475,346,480	\$ 484,904,328	\$ 467,902,378	\$ 1,389,530,901	\$ 1,428,656,110	\$ 1,411,707,547
49,911,380	50,914,954	49,129,750	145,900,745	150,008,892	148,229,292
25,818,630	28,620,810	28,790,320	11,890,000	11,950,000	12,025,000
(24,975)	(47,438)	(38,596)	(106,769)	(68,428)	(1,052)
<u>(14,890,000)</u>	<u>(16,034,000)</u>	<u>(16,825,000)</u>	<u>(10,945,000)</u>	<u>(10,965,000)</u>	<u>(11,040,000)</u>
<u>(14,914,975)</u>	<u>(16,081,438)</u>	<u>(16,863,596)</u>	<u>(11,051,769)</u>	<u>(11,033,428)</u>	<u>(11,041,052)</u>
10,903,655	12,539,372	11,926,724	838,231	916,572	983,948
<u>\$ 39,007,725</u>	<u>\$ 38,375,582</u>	<u>\$ 37,203,026</u>	<u>\$ 145,062,514</u>	<u>\$ 149,092,320</u>	<u>\$ 147,245,344</u>
\$ 26,144,056	\$ 26,669,738	\$ 25,734,631	\$ 76,424,200	\$ 78,576,086	\$ 77,643,915
25,818,630	28,620,810	28,790,320	11,890,000	11,950,000	12,025,000
(24,975)	(47,438)	(38,596)	(106,769)	(68,428)	(1,052)
<u>(14,890,000)</u>	<u>(16,034,000)</u>	<u>(16,825,000)</u>	<u>(10,945,000)</u>	<u>(10,965,000)</u>	<u>(11,040,000)</u>
<u>(14,914,975)</u>	<u>(16,081,438)</u>	<u>(16,863,596)</u>	<u>(11,051,769)</u>	<u>(11,033,428)</u>	<u>(11,041,052)</u>
10,903,655	12,539,372	11,926,724	838,231	916,572	983,948
<u>\$ 15,240,401</u>	<u>\$ 14,130,366</u>	<u>\$ 13,807,907</u>	<u>\$ 75,585,969</u>	<u>\$ 77,659,514</u>	<u>\$ 76,659,967</u>

**CITY OF WARREN, OHIO**

PLEGDED REVENUE BOND COVERAGE  
LAST TEN YEARS

**WATER REVENUE BONDS:**

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (2)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2008	\$ 11,016,367	\$ 8,849,788	\$ 2,166,579	\$ 415,000	\$ 465,582	\$ 880,582	2.46
2007	11,258,258	8,646,571	2,611,687	400,000	483,985	883,985	2.95
2006	11,088,516	8,864,527	2,223,989	380,000	501,272	881,272	2.52
2005	11,825,204	8,730,522	3,094,682	365,000	517,697	882,697	3.51
2004	10,560,858	8,581,674	1,979,184	350,000	533,097	883,097	2.24
2003	10,665,756	8,631,104	2,034,652	335,000	547,670	882,670	2.31
2002	9,438,057	7,798,305	1,639,752	20,000	548,520	568,520	2.88
2001	8,784,860	7,619,648	1,165,212	75,000	551,632	626,632	1.86
2000	7,749,739	7,205,496	544,243	70,000	554,503	624,503	0.87
1999	7,768,877	7,292,035	476,842	110,000	558,903	668,903	0.71

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of bonds only.



**CITY OF WARREN, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Year	Population (1)	Personal Income (3)	Per Capita Personal Income (2)	Unemployment Rates (2)			
				City of Warren	Trumbull County	Ohio	United States
2008	45,300	\$ 1,303,190,400	\$ 28,768	8.5%	7.5%	6.5%	5.8%
2007	45,796	1,317,459,328	28,768	7.4%	6.3%	5.6%	4.6%
2006	45,796	1,250,413,984	27,304	6.9%	6.3%	5.5%	4.6%
2005	45,796	1,241,208,988	27,103	7.4%	6.7%	5.9%	5.1%
2004	46,223	1,208,870,119	26,153	8.3%	7.5%	6.2%	5.5%
2003	46,608	1,201,227,984	25,773	7.7%	7.3%	6.2%	6.0%
2002	46,100	1,150,195,000	24,950	6.8%	6.9%	5.7%	5.8%
2001	46,466	1,130,146,052	24,322	6.0%	6.2%	4.4%	4.7%
2000	46,832	1,132,257,264	24,177	5.3%	4.9%	4.0%	4.0%
1999	47,845	1,595,822,130	33,354	5.5%	5.3%	4.3%	4.2%

Sources:

(1) U.S. Census Bureau.

(2) Ohio Job & Family Services, Office of Workforce Development. The per capita personal income figure was not available for 2008, so the 2007 number was used as an estimate.

(3) Population times per capita personal income.

**CITY OF WARREN**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<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	8.68%
Trumbull County Auditor	946,860	2	6.63%
St. Elizabeth Medical Center	757,092	3	5.30%
Warren City Schools	741,066	4	5.19%
City of Warren	486,849	5	3.41%
Ohio State Dept of Adm. Services	474,638	6	3.32%
GE Lighting Inc.	419,817	7	2.94%
Severstal Warren, Inc.	405,092	8	2.84%
AVI Food System Inc.	245,912	9	1.72%
General Motors Corp.	183,862	10	1.29%
<b>Total</b>	<b>\$ 5,900,534</b>		<b>41.34%</b>
Total 2008 City Income Tax Withholding	<u>\$ 14,274,847</u>		

<b>Employer</b>	<b>1999</b>		
	<b>Income Tax Withholding</b>	<b>Rank</b>	<b>Percentage of Total City Withholding</b>
Delphi Automotive	\$ 2,034,778	1	16.80%
Trumbull Memorial Hospital	767,796	2	6.34%
Trumbull County Auditor	526,244	3	4.35%
Warren City Schools	464,550	4	3.84%
GE/Client Business Services	429,977	5	3.55%
St. Elizabeth Medical Center	412,770	6	3.41%
General Motors Corp.	380,927	7	3.15%
Ohio State Dept of Adm. Services	327,855	8	2.71%
City of Warren	286,358	9	2.36%
WCI Inc.	262,237	10	2.17%
<b>Total</b>	<b>\$ 5,893,492</b>		<b>48.67%</b>
Total 1999 City Income Tax Withholding	<u>\$ 12,109,572</u>		

Note: Information on the number of employees for the top ten principal employers was not available. Principal employers were ranked based on the amount of income tax withholdings per year.

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CITY OF WARREN, OHIO

FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>General Government</b>								
Council	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Mayor	3.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Finance	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Income Tax	6.00	8.00	8.00	7.00	9.00	9.00	10.00	7.00
Law	9.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	34.00	34.00	33.00	32.00	34.00	34.00	30.00	34.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	48.00	49.00	50.00	46.00	51.00	50.00	49.00	47.00
Engineering	11.00	13.00	14.00	13.00	13.00	13.00	13.00	14.00
<b>Security of Persons and Property</b>								
Police	81.00	101.00	102.00	95.00	95.00	95.00	95.00	88.00
Fire	64.00	78.00	78.00	77.00	78.00	79.00	78.00	70.00
<b>Public Health and Welfare</b>								
Health Services	11.00	14.00	13.00	14.00	14.00	13.00	13.00	13.00
<b>Economic Development</b>								
Community Development	5.00	5.00	6.00	6.00	6.00	6.00	7.00	9.00
Packard Music Hall	4.00	7.00	7.00	5.00	5.00	5.00	5.00	3.00
Data Processing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Utility Services</b>								
Water	84.00	85.00	83.00	82.00	80.00	80.00	81.00	80.00
Sewer/Stormwater	48.00	52.00	48.00	47.00	48.00	46.00	46.00	48.00
Sanitation	15.00	15.00	15.00	15.00	14.00	15.00	16.00	15.00
<b>Total</b>	<b>456.00</b>	<b>508.00</b>	<b>504.00</b>	<b>486.00</b>	<b>494.00</b>	<b>493.00</b>	<b>491.00</b>	<b>474.00</b>

Source: City of Warren records

<u>2000</u>	<u>1999</u>
13.00	13.00
3.00	5.00
6.00	6.00
7.00	8.00
10.00	10.00
4.00	4.00
1.00	2.00
3.00	3.00
34.00	38.00
2.00	2.00
40.00	48.00
11.00	17.00
80.00	96.00
64.00	77.00
12.00	14.00
9.00	9.00
3.00	5.00
3.00	3.00
83.00	84.00
52.00	44.00
16.00	15.00
<u>456.00</u>	<u>503.00</u>

**CITY OF WARREN, OHIO**

OPERATING INDICATORS BY FUNCTION  
LAST THREE YEARS

<b>Function</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Security of Persons and Property</b>			
Police:			
Physical Arrests	4,125	4,041	3,942
Parking Violations	510	536	797
Traffic Violations	5,336	5,377	5,949
Fire:			
Calls for Service	1,377	1,399	1,304
Fire Safety Inspections	1,052	1,024	1,076
<b>Leisure Time Activities</b>			
Enclosed Shelter Rentals	76	71	87
Log Cabin Rentals	8	7	20
Pavilion Rentals	170	200	257
<b>Transportation</b>			
Street Resurfacing (Miles)	2	12	10
Potholes Repaired	871	536	638
<b>Water</b>			
New Connections	21	25	39
Water Main Breaks	107	104	86
Average Daily Consumption (thousands of gallons)	12,846	12,963	13,092
<b>Sewer</b>			
Average Daily Consumption (thousands of gallons)	17,952	13,700	16,216
<b>Sanitation</b>			
Refuse Collected (tons daily)	82	91	92

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

**CITY OF WARREN, OHIO**

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

<b>Function</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Security of Persons and Property</b>			
Police:			
Stations	1	1	1
Patrol Units (Marked)	33	33	33
Fire:			
Stations	3	3	3
Fire Pumpers	3	3	3
Reserve Fire Pumpers	1	2	2
Ladder Trucks	2	2	2
Heavy Rescue Truck	1	1	1
<b>Leisure Time Activities</b>			
Park Acreage	256.78	251.11	251.11
Packard Park			
Hardball Fields	1	1	1
Softball Fields	3	3	3
Tennis Courts	6	6	6
Perkins Park			
Hardball Fields	6	6	6
Softball Fields	2	2	2
Burbank Park			
Little League Fields	4	2	2
Deemer Park			
Tennis Courts	4	4	4
<b>Transportation</b>			
Streets (Paved Miles)	184.309	184.309	184.309
Traffic Signals	61	59	59
<b>Water</b>			
Water Mains (miles)	299	291	307
Fire Hydrants	1,906	1,904	1,915
Maximum Daily Capacity (thousands of gallons)	22,700	22,700	22,700
<b>Sewer</b>			
Sanitary Sewers (miles)	199.200	199.200	196.943
Storm Sewers (miles)	125.500	125.500	123.230
Maximum Daily Capacity (thousands of gallons)	40,000	40,000	40,000
<b>Sanitation</b>			
Collection Trucks	8	8	9

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

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Mary Taylor, CPA  
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**  
**SEPTEMBER 29, 2009**