

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

PREPARED BY:

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

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



Dave Yost • Auditor of State

City Council
City of Warren
391 Mahoning Ave., NW
Warren, Ohio 44483

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Rea & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

November 14, 2017

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INTRODUCTORY SECTION

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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CITY OF WARREN, OHIO

Finance Department

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City Auditor

NANCY E. RUGGIERI
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August 31, 2017

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, 2016 is hereby submitted. This report is prepared in conformance with generally accepted accounting principles (GAAP) in the United States of America as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with the City Auditor’s office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

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

The City is required by state law to have an annual audit performed by the Auditor of State’s Office or an independent public accounting firm, if permitted by the Auditor of State. Rea & Associates, Inc. performed the audit for the year ended December 31, 2016. The City continues to receive an unmodified opinion. The Independent Auditor’s Report on the City’s financial statements is included in the Financial Section of this report.

As a part of the City’s independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City’s independent audit for the year ended December 31, 2016 provided no instances of material weaknesses in the internal control structure.

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

COMMUNITY PROFILE

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

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

The City of Warren, historic capital of the Connecticut Western Reserve and Trumbull County seat, was incorporated as a village in 1843 and attained city status in 1869. Located in northeast Ohio, the City is situated approximately fifty-two miles southeast of Cleveland and fourteen miles northwest of Youngstown, occupies a land area of 16.30 square miles, and serviced a population of approximately 40,723 residents.

Warren is easily reached by a variety of rail, highway and air transportation 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.

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

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

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

PROFILE OF GOVERNMENT

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City benefits from its prime location as a central component of the regional Cleveland-Pittsburgh American manufacturing belt. Approximately 9,000 manufacturing plants, 9,400 wholesale distribution centers and 17 Fortune 500 corporate world headquarters are located within 80 miles of the City. Residents derive significant benefit from and have easy access to exceptional employment, educational, recreational, medical, and cultural facilities within and surrounding the greater Youngstown-Warren metropolitan area. Home to a diversified base of industrial and commercial activity, employment within the City is primarily concentrated in the medical field along with automotive and associated systems, wholesale and retail distribution, as well as education, and other professional services. The factors of globalization and increased competition have required significant changes in the regional economy; in order to regain competitive advantage, local manufacturing firms have implemented supplementary research divisions and embraced technological advances, resulting in increased investment, economic diversification and enhanced productivity. In addition, City officials and business leaders are placing added emphasis on the attraction of diverse corporate, retail and industrial employers to the region. As employment in heavy manufacturing had decreased, local non-manufacturing sector employment has increased, allowing the area to sustain the tax base despite a transition of workforce demographics.

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

Warren continues its program of site visits to existing companies within the City that focused on the needs and wellness of their current employers as well as giving them the chance to discuss any problems they may have or possible ways for the City to assist them in growing their business.

Downtown Warren is the home of the Tech Belt Energy Innovation Center (TBEIC), a government funded energy incubator aimed at development and commercialization of early stage energy technology.

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

Since 2002, over \$2.5 million has been spent on the construction of the Warren Riverwalk campus, including an outdoor amphitheater, festival promenade, multi-purpose event area, and the exterior restoration of the Kinsman House and Land Office. In 2015, the City started the interior restoration of the Kinsman House with construction of two accessible restrooms and an elevator which allows for better public use of this historic facility. The construction of the Riverwalk Stage House at the Warren Community Amphitheatre was included allowing for several events annually having attendance in excess of 4,000 people. This project, together with ancillary recreational facilities, provides first-class entertainment and cultural opportunities for residents and visitors alike. In addition to a series of concerts at the Amphitheater, other festivals and events in 2016 provided weekly entertainment throughout the summer and into the fall.

The City of Warren, through the Community Development Department, acts as the lead agency in a partnership with Trumbull County for receiving federal funding from HUD for affordable housing programs. Through these efforts, the City and county have completed several housing projects over the years such as the 2009 completion of a \$9.5 million acquisition and rehab of 188 units at the Warren Heights Apartments on the City's north end and the current \$12.5 million acquisition and rehab of 150 units at the Hampshire House Apartments on the City's southwest side completed in 2011. In 2012 construction began on the Morgandale project consisting of 10 units of senior housing and the YWCA was granted assistance to develop 12 units of permanent supportive housing in their building with construction beginning in 2013. A \$9 million senior housing project on the City's west side has been completed and is home to 60 residents.

An EDA planning grant was received to develop a plan for infrastructure improvements in a very important Golden Triangle industrial complex that sits in Warren and Howland that is home to over 30 businesses and thousands of jobs.

The former Delphi Packard facility on Dana Street is expected to soon undergo a transformation. A purchase agreement is in place and plans to rehabilitate the facility and add hundreds of jobs is in process.

The 288,000 sq. ft. Alcoa & Golden Aluminum plant off of Larchmont, empty for years, was purchased by Clark & Sons with a \$1.5 million investment into the acquisition and rehab of the factory.

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

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The local economy continues to stabilize after the recent recession. The City continues to explore options for reducing expenses and generating additional revenue. These actions are a function of the City's longstanding budget review policies set in place to ensure that the general fund expenditure levels are timely adjusted consistent with available and anticipated resources. The budget is the primary planning tool utilized to ensure that the City has sufficient resources to meet its operation and capital improvement requirements. The City's budgetary control program begins prior to the fiscal year with the preparation of a detailed specific –use budget based on line item justification by department heads. Budget performance reports are prepared and reviewed monthly by the finance department, deviations from budget are noted, and reports are submitted to department heads. Problem areas are anticipated and appropriate adjustments are made with a compromise of a budget and management considerations.

Despite the vigorous budget review process to eliminate extraneous expenses, the City needed to supplement regular revenue with additional revenue streams in order to offset rising costs associated with healthcare and other variables such as the cost of fuel and road salt. To that end, the City continues to be aggressive in applying for grants and has two full time employees dedicated to the grant writing process. The City contracts with a collection agency to assist in the collection of outstanding money owed to the City. In addition, the City has contracted with the City of Cleveland to ensure the City's taxpayers are in compliance with the City tax code which has improved income tax collections over the last four years.

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2016, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial, industrial and residential development promoting an atmosphere conducive for job retention, growth and residential investments.

PUBLIC SAFETY

Fire

The Fire Department continued to receive hazardous material technician, confined space, and incident command training through a grant with Cleveland State University. The year 2016 marked the fourteenth consecutive year of this grant.

During 2016, the Fire Department received a second SAFER (Staffing for Adequate Fire and Emergency Response) grant. The grant was for \$2.4 million dollars and will fund fifteen firefighters for two years. This will enable the Fire Department to staff 3 fire stations on a more consistent basis.

The Save a Life Smoke Alarm Program received another grant in 2016 for approximately \$10,000, aimed specifically at City residents who are hearing impaired. The grant included strobe alarms interconnected with bed shakers.

The Fire Department received Assistance to Firefighter's Grant for a new commercial washer and dryer. The dryer was the first in the history of the department. The drying of turnout gear is extremely important since drying in sunlight will eventually break down the thermal protective performance of the gear. The washer and dryer will extend the working life of the turnout gear.

Police

In 2016 The Warren Police department continued its involvement in the Internet Crimes Against Children Task Force (ICAC) and in the Attorney General's Safe Neighborhoods Initiative (Ceasefire).

The Warren P.D. will soon be the first law enforcement agency in the Mahoning Valley to be involved in the Big Brothers & Big Sisters of America program called Bigs in Blue, a one-to-one mentoring program that connects youth with police officers to build strong, trusting, lasting relationships. The goal is to pair one officer to one student in grades 5-7 and mentor them through graduation meeting with their student on a weekly basis.

In 2016 the Street Crimes Unit recovered 24 firearms, approximately \$156,000 in cash, conducted/assisted in over 12 drug search warrants. As a result, Warren Police Officers as a whole took 124 firearms off the streets contributing to the stability of the homicide rate holding steady at 4% which is more than a 50% reduction from 2014.

The former jail in the basement of the Municipal Building was turned into a 4,000 square foot evidence storage facility. This enabled the police department to conveniently store rape kits, drugs, homicide and other evidence into one extremely secure, clean, temperature controlled area which used to be housed in four separate locations.

In 2016 the City recognized its first full year of savings from the merged 911 operations with Trumbull County saving over \$500,000 annually in operating expenses while securing employment for the City dispatchers with employment at the county level.

PUBLIC WORKS

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

In 2016 capital improvements were made to the Atlantic Street Fire Station (\$162,680), Parkman Road Fire Station (\$132,100) Environmental Services building (\$370,295), and the City Operations Storage Garage (\$9,200).

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

UTILITY SERVICES

In 2016 the Water Pollution Control department evaluated all phases of its daily operation to determine the best equipment and processes to meet current and future wastewater needs of the City of Warren and surrounding communities. The City expects to receive the final draft of the "General Plan for Improvements and Basis of Design Report" in the 2nd quarter of 2017. This will allow the City to make informed decisions for planning improvements and repairs needed to continue to have an exceptional quality clean water facility.

WPC began the process of renewing its National Pollutant Discharge Elimination System (NPDES) permit in 2016 and expects to receive a renewal in 2017. Additionally, in 2016 the department completed the Storm Water Management Plan (MS4) and moved forward with engineering and design of both a new disinfection system and disc thickener. After completing the Downtown Flooding Study and upon the recommendation of the Ohio EPA a Comprehensive Sewer Study is underway with the report due to the OPEA by December 1, 2017.

ENVIRONMENTAL SERVICES

In an effort to continue to provide automated trash service to its customers the environmental services department purchased 4 new residential refuse trucks and one front load truck.

In 2016 the City received funds from the EPA for a Litter Management Grant. These funds helped provide funding for tire disposal and neighborhood clean-up projects. The department has also been awarded grant funds from the Geauga Trumbull Solid Waste District for tire disposal.

The department continues to grow its customer base to include commercial and residential customers
Information Technology

2016 was a busy time for the City with regards to technology. A new Windows based .NET platform was installed to replace the antiquated and expensive IBM Mainframe platform. The new system is designed to provide for long term growth and reliability. A new Network communication infrastructure was also implemented allowing the City increased communication bandwidth/speed and enhanced reliability. A feature rich and robust system gave the Police and Fire departments capabilities not previously available. These attributes assist in the efficiency of the department. The deployment of new software for the Utility department also began with complete migration of billing, collection, customer service, and reporting.

DOWNTOWN WARREN

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

GENERAL GOVERNMENT

In November of 2016 the residents of Warren approved a temporary .5 % income tax increase expected to generate an additional \$3.3 million dollars in the general fund annually to strengthen our safety forces and improve our City streets.

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

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

The City has added 173 new tax accounts.

A number of City offices now occupy the new Warren Government Center on East Market Street. The building also houses the Social Security Offices and various social service agencies. Directly across the street is the new Veterans Resource Center recently opened to serve the veterans of the community.

ACKNOWLEDGEMENTS

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

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

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

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

Respectfully submitted,



Vincent S. Flask
City Auditor

CITY OF WARREN
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2016

ELECTED OFFICIALS

Executive Branch:

Mayor	William D. Franklin
Auditor	Vincent S. Flask
Treasurer	John Homlitas
Law Director	Gregory V. Hicks
Judge	Thomas Gysegem
Judge	Terry Ivanchak

Legislative Branch:

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

APPOINTED OFFICIALS

Department of Public Safety:

Director of Public Safety	Enzo C. Cantalamessa
Police Chief	Eric Merkel
Fire Chief	Kenneth Nussle

Department of Public Service:

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

CITY of WARREN, OHIO

ADMINISTRATIVE

MAYOR

CIVIL SERVICE COMMISSION

Members

Civil Service Secretary

MUNICIPAL COURT

Presiding Admin. Judge

Muni. Judge

BOARD OF HEALTH

Health Commissioner

Deputy Health Commissioner

- Registrar
- Super. of Public Health
- Sanitation Supervisor
- Food Program Coord.
- Sanitation III
- Envir. Health Cer. Coord.
- Vital Stats. Clerk
- Code Inspector
- Public Health Clinician

- Court Admin. Magistrate
- Clerk of Muni. Ct.
- Chief Bailiff
- Deputy Bailiff
- Chief Deputy Clerk
- Probation Officer
- Administrative Assistant
- Coll. Dep. Bailiff/Clerk
- Statistician Clerk
- Ct. Reporter/Muni Ct. Legal Sec'y
- Deputy Muni Clerk I & II
- Senior Acct/Dep. Clerk
- P.T. Prob. Off/Dep Bailiff
- Deputy Clerk/D.V.A.

CITY COUNCIL

President

Council Members

Clerk of Council

SAFETY & SERVICE DIRECTOR

Admin. Coord.

Exec. Secretary II

Exec. Secretary I

Director of Human Res.

Personnel Supervisor

Executive Secretary I

FINANCE DEPT.

Auditor

Deputy Auditor

Senior Accountant

Accountant II

Accountant I

Financial Secretary

INCOME TAX

Treasurer

Tax Administrator

Invest. Auditor

Cashier/Auditor

LAW DEPT.

Law Director

Deputy Law Director

Assistant Law Dir.

Exec. Legal Sec. II

Legal Sec.

PIT Assistant Law Dir.

Paralegal Assistant

PACKARD MUSIC HALL

Aud. Manager

Asst. Aud. Manager

Aud. Maint. Men

Asst. Aud. Maint. Men

Aud. Tech. Coord.

POLICE DEPARTMENT

Police Chief

(Civilian Div.)

Office Supervisor

Clerk Typist

Data Entry Oper.

Animal Warden

(Uniform Div.)

Captains

Lieutenants

Sergeants

Police Officers

Comm. Coordinator

(Radio)

Comm. Coordinator/Superv.

Comm. Coord. TAG

Comm. Coord. Asst. TAG

Comm. Coordinator

OPERATIONS DEPARTMENT

Manager of Data Proc.

Data Proc. Coordinator

Info. Technology Syst. Tech.

Operations Support

(Street Maint.)

Foreman

Section Leaders

Equip. Operator II

Equip. Operator I

Park & Street Superv.

Laborer II

Laborer I

(General Fund)

Skilled Maint. Man

Equip. Operator IV

Secretary

Master Hwy Eq. Mech.

Heavy Equip. Mech.

Welder Fab.

Equipment Operator II

Equipment Operator I

DATA PROCESSING

Manager of Data Proc.

Data Proc. Coordinator

Info. Technology Syst. Tech.

Operations Support

(Street Maint.)

Foreman

Section Leaders

Equip. Operator II

Equip. Operator I

Park & Street Superv.

Laborer II

Laborer I

(General Fund)

Skilled Maint. Man

Equip. Operator IV

Secretary

Master Hwy Eq. Mech.

Heavy Equip. Mech.

Welder Fab.

Equipment Operator II

Equipment Operator I

COMMUNITY DEVELOPMENT

Executive Director

Grants Coordinator

Accountant

Program Specialist

Program Coordinator

ENGR., PLNG. & BLDG

Director of E, P & B

Office Supervisor

Engr. Aide IV

Engr. Aide III

Engr. Aide II

Building Official

Building Inspector

Electrical Inspector

Plumbing Inspector

ENVIRONMENTAL SERVICES

Manager

Secretary

Foreman

Heavy Equip. Mech.

Auto Mechanic

Env. Serv. Oper. II

WATER DEPARTMENT

Director of Water Util. Oper.

(Plant)

Plant Superintendent

Oper. Supervisor

Project Manager

Maint. Supervisor

Util. Plant Shift Leader

Assistant Chemist

Utility Plant Operator III

Maint. Electrician

Maint. Mechanic III

Laborer II

Secretary

(Water Service)

Water Serv. Superv.

Cross Conn. Tech.

Water Serviceman

Water Dist. Tech.

Customer Service Rep.

Meter Reader

Utility Serv. Rep.

Serv. Rep. Clerk

FIRE DEPARTMENT

Fire Chief

(Civilian Div.)

Exec. Secretary

Heavy Equip. Mech.

(Uniform Div.)

Assistant Chief

Captains

Lieutenants

Firefighters

WATER POLLUTION CONTROL

Director of W.P.C.

W.P.C. Superintendent

(Lab)

Chemist

Asst. Chemist

Lab Tech.

(Office)

Accounting Coord.

Net System Super.

Executive Secretary I

Clerk Typist

(Plant)

Chief Operator

Plant Operator

Plant Attendants

Computer Tech.

Ind. Print. Coord.

(Sanitary)

Foreman

Sec. Leader

Equip. Operator I

Laborer II

Laborer I

(Storm)

Sec. Leader

Equip. Operator IV

Equip. Operator I

Laborer II

Laborer I

(Maintenance)

Plant Maint. Mech. III

Plant Maint. Mech. II

Plant Maint. Mech. I

Heavy Equip. Mech.

(Bio. Solids)

Bio Solids Manager

Bio Solids Sales Rep.

Bio Solids Proc. Tech.

Laborer II

Organization Chart



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Warren
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

August 31, 2017

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 3, the City restated the net position balance to account for the exclusion of construction in progress that was recorded in error and has been revised accordingly. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset, and Schedule of the City Contributions on pages 5-20, 86-87, and 88-91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Yea & Associates, Inc.

Medina, Ohio

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CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (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, 2016. 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 2016 are as follows:

- The total net position of the City decreased \$1,650,896. Net position of governmental activities decreased \$1,704,653 or 4.11% from 2015 and net position of business-type activities increased \$53,757 or 0.19%.
- General revenues and transfers accounted for \$21,241,021 or 68.15% of total governmental activities revenue. Program specific revenues accounted for \$9,926,326 or 31.85% of total governmental activities revenue.
- The City had \$32,872,000 in expenses related to governmental activities; \$9,926,326 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$21,269,565 which did not cover the remaining expenses of \$22,945,674.
- The general fund had revenues of \$23,976,336 in 2016. This represents a decrease of \$2,007,679 or 7.73% from 2015 revenues. The expenditures and other financing uses of the general fund, which totaled \$24,805,237 in 2016, decreased \$1,135,022 or 4.38% from 2015. The net decrease in fund balance for the general fund was \$828,901 in 2016.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$2,327,564 in 2016. Expenditures in 2016 totaled \$3,039,319 and the fund balance at the end of the year was \$764,564.
- Net position for the business-type activities, which are made up of the water, sewer, sanitation, downtown parking, city redevelopment and stormwater utility enterprise funds, increased in 2016 by \$53,757.

Using this Comprehensive Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net *position* and changes in that position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors-some financial, others not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

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

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

The City's statement of net position and statement of activities can be found on pages 21-23 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 14.

Governmental Funds

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and general capital projects fund. Information for the major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 24-26 of this report.

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-84 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 85-92 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table that follows provides a summary of the City's net position for 2016 and 2015. Net position has been restated as described in Note 3B.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	Restated 2015	2016	Restated 2015
<u>Assets</u>						
Current and other assets	\$ 24,950,317	\$ 26,764,852	\$ 13,361,974	\$ 13,563,682	\$ 38,312,291	\$ 40,328,534
Capital assets, net	58,813,186	59,099,149	44,663,133	44,855,022	103,476,319	103,954,171
Total assets	<u>83,763,503</u>	<u>85,864,001</u>	<u>58,025,107</u>	<u>58,418,704</u>	<u>141,788,610</u>	<u>144,282,705</u>
<u>Deferred outflows of resources</u>						
Pension	8,313,266	3,693,912	3,291,676	1,114,554	11,604,942	4,808,466
Total deferred outflows of resources	<u>8,313,266</u>	<u>3,693,912</u>	<u>3,291,676</u>	<u>1,114,554</u>	<u>11,604,942</u>	<u>4,808,466</u>
<u>Liabilities</u>						
Current liabilities	1,956,850	2,834,320	1,309,412	1,125,507	3,266,262	3,959,827
Long-term liabilities:						
Due within one year	2,367,706	2,451,019	3,349,333	2,997,076	5,717,039	5,448,095
Net pension liability	31,397,913	26,235,166	8,778,562	6,062,571	40,176,475	32,297,737
Other amounts	14,033,622	15,176,883	19,808,304	21,544,478	33,841,926	36,721,361
Total liabilities	<u>49,756,091</u>	<u>46,697,388</u>	<u>33,245,611</u>	<u>31,729,632</u>	<u>83,001,702</u>	<u>78,427,020</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,237,323	1,289,364	-	-	1,237,323	1,289,364
Pension	1,336,880	120,033	320,790	110,325	1,657,670	230,358
Total deferred inflows of resources	<u>2,574,203</u>	<u>1,409,397</u>	<u>320,790</u>	<u>110,325</u>	<u>2,894,993</u>	<u>1,519,722</u>
<u>Net position</u>						
Net investment in capital assets	49,327,471	48,863,065	23,136,628	21,880,703	72,464,099	70,743,768
Restricted	13,867,373	14,208,427	-	-	13,867,373	14,208,427
Unrestricted (deficit)	<u>(23,448,369)</u>	<u>(21,620,364)</u>	<u>4,610,430</u>	<u>5,812,598</u>	<u>(18,837,939)</u>	<u>(15,807,766)</u>
Total net position	<u>\$ 39,746,475</u>	<u>\$ 41,451,128</u>	<u>\$ 27,747,058</u>	<u>\$ 27,693,301</u>	<u>\$ 67,493,533</u>	<u>\$ 69,144,429</u>

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,493,533, a decrease of 2.39% from 2015.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Current assets (equity in pooled cash and cash equivalents) decreased as a result of expenses outpacing declining revenues in governmental activities and from a decrease in accounts receivable in the business-type activities. The City has experienced a loss in revenue over the past several years from cuts in the Local Government Fund intergovernmental state revenue and the elimination of Ohio's estate tax beginning in 2013. In addition, property tax and income tax collections were down in 2016. Liabilities increased for governmental and business-type activities, mostly due to an increase in the net pension liability.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 72.98% of total assets, compared to the restated amount of 72.05% at December 31, 2015. Capital assets include land, easements, construction in progress (CIP), land improvements, buildings and improvements, computer software, furniture and equipment, vehicles and infrastructure. The City's net investment in capital assets at December 31, 2016, was \$49,327,471 and \$23,136,628 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, \$13,867,373, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$18,837,939.

The following table shows the changes in net position for 2016 and 2015. Net position for 2015 business-type activities has been restated as described in Note 3B.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	Restated <u>2015</u>	<u>2016</u>	Restated <u>2015</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,297,734	\$ 3,717,175	\$ 22,802,461	\$ 25,123,539	\$ 26,100,195	\$ 28,840,714
Operating grants and contributions	4,334,857	3,539,720	-	-	4,334,857	3,539,720
Capital grants and contributions	<u>2,293,735</u>	<u>4,718,978</u>	<u>1,093,619</u>	<u>27,500</u>	<u>3,387,354</u>	<u>4,746,478</u>
Total program revenues	<u>9,926,326</u>	<u>11,975,873</u>	<u>23,896,080</u>	<u>25,151,039</u>	<u>33,822,406</u>	<u>37,126,912</u>
General revenues:						
Property taxes	1,136,724	1,221,461	-	-	1,136,724	1,221,461
Income taxes	16,990,041	17,237,265	-	-	16,990,041	17,237,265
Unrestricted grants and entitlements	1,458,525	1,601,526	-	-	1,458,525	1,601,526
Investment earnings	117,016	73,839	-	-	117,016	73,839
Decrease in fair value of investments	(78,842)	-	-	-	(78,842)	-
Miscellaneous	<u>1,646,101</u>	<u>1,698,877</u>	<u>537,993</u>	<u>364,640</u>	<u>2,184,094</u>	<u>2,063,517</u>
Total general revenues	<u>21,269,565</u>	<u>21,832,968</u>	<u>537,993</u>	<u>364,640</u>	<u>21,807,558</u>	<u>22,197,608</u>
Total revenues	<u>31,195,891</u>	<u>33,808,841</u>	<u>24,434,073</u>	<u>25,515,679</u>	<u>55,629,964</u>	<u>59,324,520</u>

-Continued

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Change in Net Position (Continued)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	Restated <u>2015</u>	<u>2016</u>	Restated <u>2015</u>
Expenses:						
General government	\$ 6,373,481	\$ 6,488,811	\$ -	\$ -	\$ 6,373,481	\$ 6,488,811
Security of persons and property	16,529,431	16,095,857	-	-	16,529,431	16,095,857
Public health and welfare	755,064	615,477	-	-	755,064	615,477
Transportation	3,953,939	3,442,801	-	-	3,953,939	3,442,801
Community environment	1,901,508	1,813,704	-	-	1,901,508	1,813,704
Leisure time activity	781,777	737,876	-	-	781,777	737,876
Economic development	2,215,336	1,717,280	-	-	2,215,336	1,717,280
Interest and fiscal charges	361,464	386,234	-	-	361,464	386,234
Sewer	-	-	7,839,689	7,097,645	7,839,689	7,097,645
Water	-	-	11,786,057	12,013,437	11,786,057	12,013,437
Sanitation	-	-	3,570,325	3,326,132	3,570,325	3,326,132
City Redevelopment	-	-	367,444	215,209	367,444	215,209
Downtown Parking	-	-	129,999	136,252	129,999	136,252
Stormwater Utility	-	-	715,346	580,172	715,346	580,172
Total expenses	<u>32,872,000</u>	<u>31,298,040</u>	<u>24,408,860</u>	<u>23,368,847</u>	<u>57,280,860</u>	<u>54,666,887</u>
Transfers	<u>(28,544)</u>	<u>99,283</u>	<u>28,544</u>	<u>(99,283)</u>	<u>-</u>	<u>-</u>
Change in net position	(1,704,653)	2,610,084	53,757	2,047,549	(1,650,896)	4,657,633
Net position at beginning of year (restated)	<u>41,451,128</u>	<u>38,841,044</u>	<u>27,693,301</u>	<u>25,645,752</u>	<u>69,144,429</u>	<u>64,486,796</u>
Net position at end of year	<u>\$ 39,746,475</u>	<u>\$ 41,451,128</u>	<u>\$ 27,747,058</u>	<u>\$ 27,693,301</u>	<u>\$ 67,493,533</u>	<u>\$ 69,144,429</u>

Governmental Activities

Governmental activities net position decreased \$1,704,653 in 2016, after increasing \$2,610,084 in 2015. Expenses, including health care costs, fuel, and road salt, increased while program revenues and general revenues declined.

Total revenues decreased \$2,612,950 or 7.73%. Capital grants and contributions consist of grant revenue from the Ohio Department of Transportation (ODOT) for road construction and repair projects. The City received less money from ODOT during 2016 as compared to 2015. The increase in operating grants and contributions is mostly due to an increase in grant funding for the City's community development block grant programs and street programs. Miscellaneous revenues consist of refunds and reimbursements, which were received from various sources in 2016 and 2015. Income tax collections decreased slightly in 2016 after experiencing an increase in the previous year.

In total, 2016 expenses increased \$1,573,960 or 5.03%, due to an increase in the overall cost of City operations.

CITY OF WARREN, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

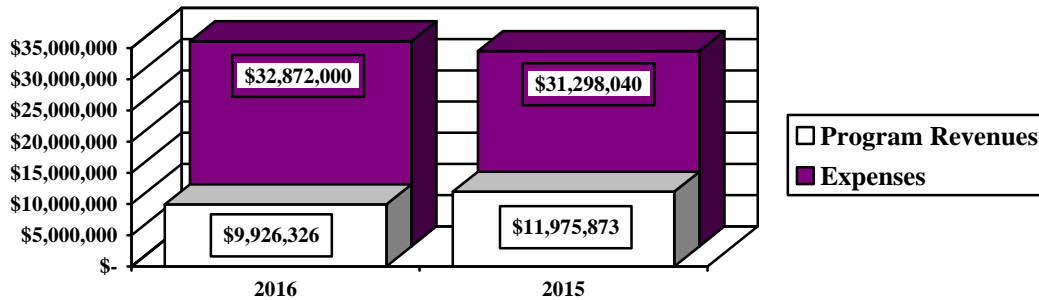
Security of persons and property, which primarily supports the operations of the police and fire departments, is the City’s largest category of governmental activity expenses accounting for \$16,529,431 and \$16,095,857 of the total expenses of the City during 2016 and 2015, respectively. These expenses were partially funded by \$1,238,827 in 2016 compared to \$1,525,792 in 2015 in direct charges to users of the services. Transportation expenses, which mainly consist of repair and upkeep of the City’s roads, totaled \$3,953,939 during 2016 and \$3,442,801 during 2015. In 2016, these expenses were funded by operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$6,628,592 during 2016, compared to \$8,258,698 during 2015. These revenues are restricted to a particular program or purpose. \$4,303,449 or 64.92% of the total grants and contributions subsidized transportation programs in 2016.

General revenues totaled \$21,269,565, and amounted to 68.18% of total governmental revenues during 2016. These revenues primarily consist of property and income tax revenue of \$18,126,765. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$1,458,525. These revenues sources combine for 62.78% of total governmental revenues.

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

Governmental Activities - Program Revenues vs. Total Expenses



CITY OF WARREN, OHIO

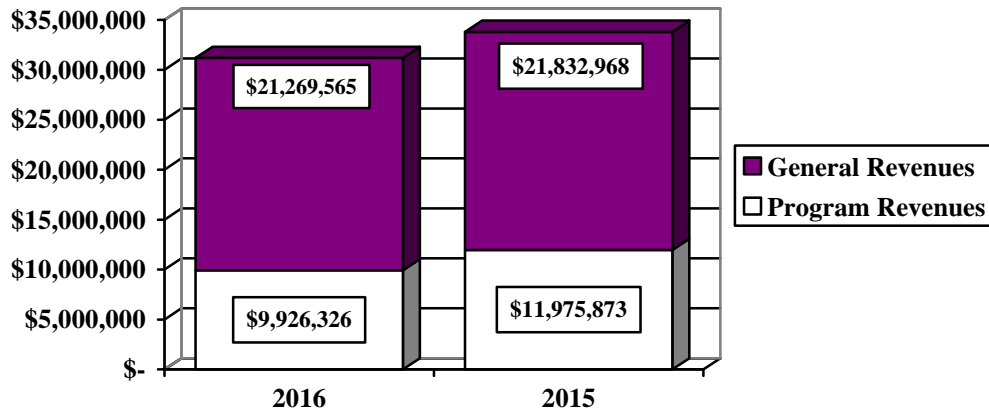
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

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

	Governmental Activities			
	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Program Expenses:				
General government	\$ 6,373,481	\$ 5,218,154	\$ 6,488,811	\$ 5,346,724
Security of persons and property	16,529,431	15,039,842	16,095,857	14,459,270
Public health and welfare	755,064	633,958	615,477	420,351
Transportation	3,953,939	(351,560)	3,442,801	(3,222,129)
Community environment	1,901,508	1,150,113	1,813,704	1,011,887
Leisure time activity	781,777	752,619	737,876	686,823
Economic development	2,215,336	141,084	1,717,280	233,007
Interest and fiscal charges	361,464	361,464	386,234	386,234
Total	\$ 32,872,000	\$ 22,945,674	\$ 31,298,040	\$ 19,322,167

The dependence upon general revenues for governmental activities is apparent, with 69.80% and 61.74% of expenses supported through taxes and other general revenues in 2016 and 2015, respectively.

Governmental Activities - General and Program Revenues



Business-type Activities

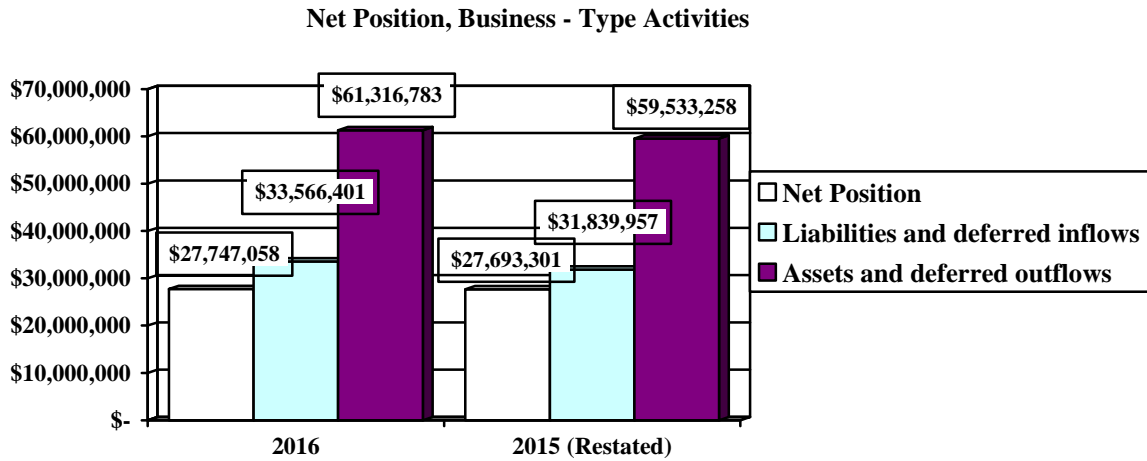
Business-type activities include the sewer, water, sanitation, downtown parking, city redevelopment, and stormwater enterprise funds. In 2016 and 2015, these programs had program revenues of \$23,896,080 and \$25,151,039, respectively, and general revenues of \$537,993 and \$364,640, respectively. Total revenues for 2016 were \$24,434,073 which represents a decrease of 4.24% from 2015 revenues of \$25,515,679. This decrease is a result of writing off delinquent accounts receivable that were deemed uncollectible during 2016.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Total expenses for business-type activities were \$24,408,860 in 2016 compared to \$23,368,847 in 2015. This represents an increase of 4.45%.

Net position for business-type activities increased \$53,757 or 0.19% from 2015 restated net position. The graph below shows the business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at year-end.



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 24) reported a combined fund balance of \$13,163,968 which is \$819,845 lower than last year's total of \$13,983,813. The main reasons for this decrease is a result of the City's ongoing road improvement program, which is reflected in the expenditures for the general capital projects fund and a decrease in the fund balance of the general fund. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2016 for all major and nonmajor governmental funds.

	Fund Balances 12/31/16	Fund Balances 12/31/15	Increase (Decrease)
Major funds:			
General	\$ 1,547,830	\$ 2,376,731	\$ (828,901)
General capital projects	764,564	1,476,319	(711,755)
Nonmajor governmental funds	<u>10,851,574</u>	<u>10,130,763</u>	<u>720,811</u>
Total	<u>\$ 13,163,968</u>	<u>\$ 13,983,813</u>	<u>\$ (819,845)</u>

CITY OF WARREN, OHIO

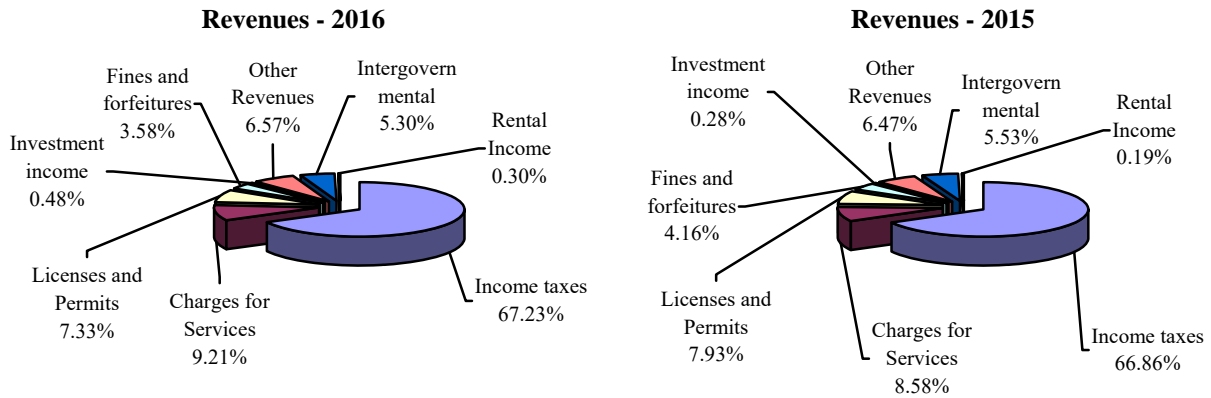
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

General Fund

The City's general fund balance decreased \$828,901. The table that follows assists in illustrating the revenues of the general fund.

	<u>2016</u> Amount	<u>2015</u> Amount	<u>Percentage</u> Change
Revenues			
Income taxes	\$ 16,115,081	\$ 16,939,262	(4.87) %
Charges for services	2,209,256	2,172,819	1.68 %
Licenses and permits	1,758,589	2,010,004	(12.51) %
Fines and forfeitures	858,684	1,053,589	(18.50) %
Intergovernmental	1,271,645	1,399,760	(9.15) %
Investment income	116,181	71,538	62.40 %
Rental income	72,547	48,899	48.36 %
Other	<u>1,574,353</u>	<u>1,637,940</u>	(3.88) %
Total	<u>\$ 23,976,336</u>	<u>\$ 25,333,811</u>	(5.36) %

The most significant changes in general fund revenues are a decrease in income tax collections, licenses and permits, intergovernmental, fines and forfeitures and other revenue. Income tax withholdings and collections from individuals and businesses decreased from the previous year, as less revenue was collected in the available period in 2016 as compared to 2015. The fourth quarter cable franchise fee was received in the available period in the prior year, but was received after the available period in March 2017 and was reported as a deferred inflow of resources for 2016, thereby lowering licenses and permits revenue. The City received less local government assistance revenue during 2016, which resulted in a decrease to intergovernmental revenue. Fines and forfeitures decreased due to less revenue generated from City costs. The City received less other revenue from refunds and reimbursements in 2016.



CITY OF WARREN, OHIO

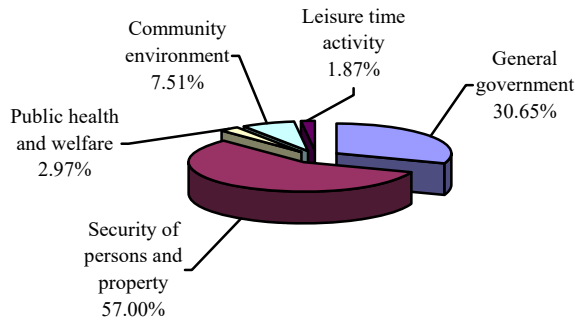
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

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

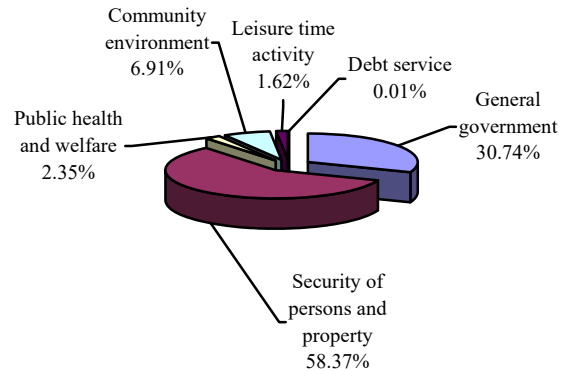
	<u>2016</u> Amount	<u>2015</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,527,157	\$ 7,953,497	(5.36) %
Security of persons and property	13,998,495	15,101,347	(7.30) %
Public health and welfare	729,262	607,931	19.96 %
Community environment	1,844,028	1,786,984	3.19 %
Leisure time activity	458,214	418,546	9.48 %
Debt service	<u>-</u>	<u>1,954</u>	(100.00) %
Total	<u>\$ 24,557,156</u>	<u>\$ 25,870,259</u>	(5.08) %

Security of persons and property expenditures represent the largest expenditure category for the general fund. The cost of running the City's police and fire departments is reflected in security of persons and property expenditures. Security of persons and property expenditures decreased during 2016 as a result of rank reductions and permanent eliminations in the police and fire forces and the merger of dispatch services with Trumbull County 911. Health department contracted labor and services expenditures increased in 2016, resulting in an increase in public health and welfare expenditures.

Expenditures - 2016



Expenditures - 2015



General Capital Projects Fund

The general capital projects fund is reported as a major fund, and is used to accumulate resources, primarily intergovernmental grants and proceeds from the issuance of debt, for capital related improvements throughout the City. Revenues and other financing sources were \$2,327,564 and expenditures were \$3,039,319. Fund balance at December 31, 2016 was \$764,564, all of which is restricted for capital improvements.

Proprietary Funds

The City's proprietary funds provide the same type of information found on the government-wide financial statements for business-type activities, but in more detail. The City's major proprietary funds include the sewer, water and sanitation enterprise funds. Charges for services decreased in the enterprise funds as a result of the City writing off approximately \$3 million in delinquent accounts receivable during 2016.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The sewer fund reported operating income of \$327,245 in 2016. Nonoperating revenues were \$18 and nonoperating expenses (primarily interest and fiscal charges) totaled \$174,912. Net position for the sewer fund increased \$152,351 during the year.

The water fund reported an operating loss of \$786,449 for 2016 as a result of writing off delinquent accounts receivable. The water fund had nonoperating revenues of \$212,659 and nonoperating expenses of \$301,301, consisting of interest and fiscal charges, and capital contributions of \$1,090,634. The water fund received capital contributions from state grants and private grants from Clean Energy Future-Lordstown, LLC for the construction of water infrastructure. The total change in net position for the water fund was an increase of \$215,543.

The sanitation fund reported operating loss of \$454,522 in 2016. Total operating expenses were \$3,559,871 in 2016 compared to \$3,300,627 in 2015, an increase of 7.85%. This increase is primarily related to additional vehicle maintenance costs and depreciation expense. In 2016, the City entered into a capital lease agreement for the purchase of five sanitation vehicles, which will be paid from the sanitation fund. Net position for the sanitation fund decreased \$461,436.

Budgeting Highlights

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

The City amended its general fund budget several times throughout the year. Original budgeted revenues and other financing sources of \$25,043,320 were increased to \$25,309,747 in the final budget. Actual revenues and other financing sources for the year were \$24,824,536 or \$485,211 (1.92%) less than the final budget. Income taxes revenue was expected to increase throughout the year and was increased \$250,052 from the original to final budget. Actual collections, however, came in lower than expected at \$657,354 below the final budget. This was mostly due to decreased collections from withholdings, as well as lower than anticipated payments from individuals and businesses.

For the general fund, original budgeted expenditures and other financing uses were \$25,559,681. The budget amendments throughout the year increased this amount to \$25,869,428 in the final budget. Actual expenditures and other financing uses were \$24,947,526 or \$921,902 (3.56%) below budget. There were no individually significant variances between the final budget and actual expenditures as the overall positive variance is attributable to various smaller items.

Capital Assets and Debt Administration

Capital Assets

At the end of 2016, the City had \$103,476,319 (net of accumulated depreciation) invested in land, easements, construction in progress (CIP), land improvements, buildings and improvements, software, furniture and equipment, vehicles and infrastructure. Of this total, \$58,813,186 was reported in governmental activities and \$44,663,133 was reported in business-type activities. Capital assets in the business-type activities were restated at December 31, 2015 as described in Notes 3.B and 10. The following table shows 2016 balances compared to 2015 restated balance:

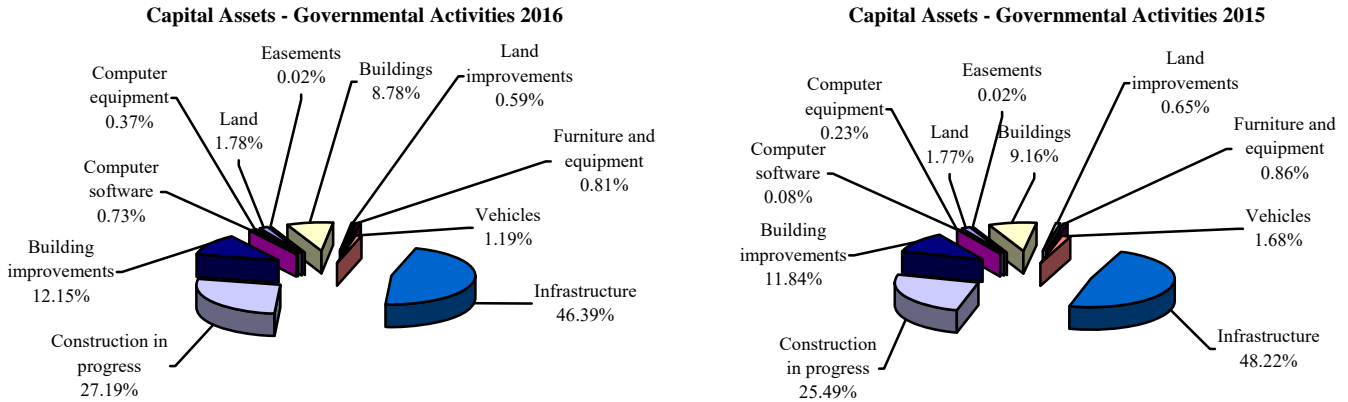
CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2016	2015	2016	Restated 2015	2016	Restated 2015
Land	\$ 1,044,396	\$ 1,044,396	\$ 384,399	\$ 384,399	\$ 1,428,795	\$ 1,428,795
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	15,990,862	15,063,990	1,518,029	1,651,616	17,508,891	16,715,606
Land improvements	344,341	383,127	-	-	344,341	383,127
Buildings	5,165,936	5,415,609	3,540,085	3,982,899	8,706,021	9,398,508
Building improvements	7,144,898	6,996,128	4,869,992	5,725,905	12,014,890	12,722,033
Computer software	427,546	45,151	-	-	427,546	45,151
Computer equipment	215,350	137,757	-	-	215,350	137,757
Furniture and equipment	476,380	505,522	3,991,385	3,846,917	4,467,765	4,352,439
Vehicles	701,129	994,156	1,905,240	674,394	2,606,369	1,668,550
Infrastructure	<u>27,288,995</u>	<u>28,499,960</u>	<u>28,454,003</u>	<u>28,588,892</u>	<u>55,742,998</u>	<u>57,088,852</u>
Totals	<u>\$ 58,813,186</u>	<u>\$ 59,099,149</u>	<u>\$ 44,663,133</u>	<u>\$ 44,855,022</u>	<u>\$ 103,476,319</u>	<u>\$ 103,954,171</u>

The following graphs show the breakdown of governmental capital assets by category for 2016 and 2015:



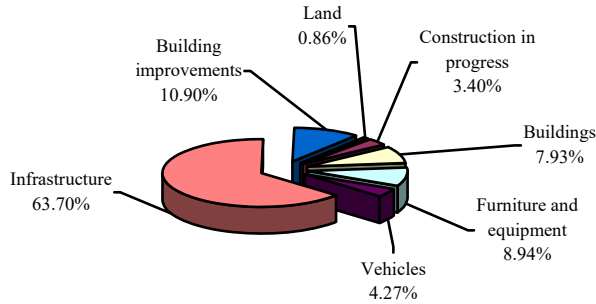
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 46.39% of the City's total governmental capital assets. Most of the capital asset acquisitions in 2016 were infrastructure improvements or construction projects related to infrastructure.

CITY OF WARREN, OHIO

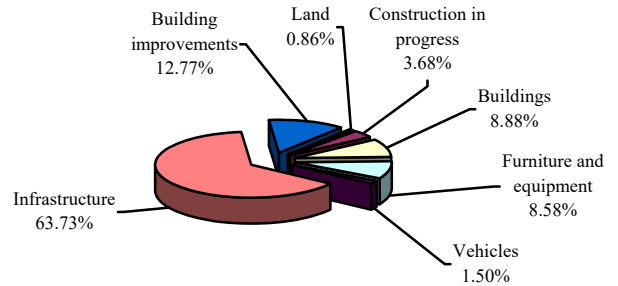
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2016 and 2015:

Capital Assets - Business-Type Activities 2016



Capital Assets - Business-Type Activities 2015



One of the largest business-type capital asset categories is infrastructure, which primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 63.73% of the City's total business-type capital assets.

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

Debt Administration

The following table summarizes the City's long-term obligations outstanding at December 31, 2016 and 2015. Additional detail can be found in Note 13 in the notes to the basic financial statements.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
General obligation bonds	\$ 9,344,605	\$ 10,082,176	\$ 3,806,301	\$ 4,395,887
Reinvestment partnership corporation loan	-	100,000	-	-
OWDA loans	-	-	16,417,608	18,307,791
HUD 108 loan	900,000	1,015,000	-	-
OPWC loan	141,110	153,938	44,036	45,833
Claims payable	898,414	1,105,761	-	-
Capital lease obligation	-	-	1,258,560	224,808
Compensated absences	5,117,199	5,171,027	1,631,132	1,567,235
Net pension liability	<u>31,397,913</u>	<u>26,235,166</u>	<u>8,778,562</u>	<u>6,062,571</u>
Total long-term obligations	<u>\$ 47,799,241</u>	<u>\$ 43,863,068</u>	<u>\$ 31,936,199</u>	<u>\$ 30,604,125</u>

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2016 budget. The continued challenges resulting from regional loss of employment, stagnant economic development, and the general national recession, have yielded significant influence on the objectives established in the 2016 budget. The primary objectives include continued improvement to constituent service delivery as well as long-term fiscal stability.

Despite the uncertainty surrounding the economy, the City continues to carefully monitor two primary sources of revenue: local income taxes and shared intergovernmental (State) revenue. In order to stabilize the impact of the fluctuations in these revenue sources, City Council continues to pursue economic development and job creation, maintain the community's reputation for high public safety standards, and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2017 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue. In November 2016, voters approved a 0.5% income tax increase, which is effective beginning January 1, 2017. The additional income tax revenue is intended to finance general fund operations, continue to provide existing core services, add approximately eight to twelve police officers and eight to twelve fire fighters and enable the City to implement its first Road Maintenance Program in more than fifteen years to address the City's infrastructure.

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

Contacting the City's Financial Management

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

CITY OF WARREN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 7,676,396	\$ 11,302,079	\$ 18,978,475
Receivables:			
Income taxes	4,904,675	-	4,904,675
Real and other taxes	1,621,654	-	1,621,654
Accounts	296,157	1,885,962	2,182,119
Intergovernmental	1,529,773	-	1,529,773
Accrued interest	8,845	-	8,845
Special assessments	1,825,758	317,762	2,143,520
Loans	6,242,641	-	6,242,641
Due from other funds	-	3,324	3,324
Internal balance	203,006	(203,006)	-
Materials and supplies inventory	102,563	40,128	142,691
Prepayments	10,223	-	10,223
Restricted assets:			
Equity in pooled cash and cash equivalents.	513,419	-	513,419
Net pension asset.	15,207	15,725	30,932
Capital assets:			
Non-depreciable capital assets	17,048,611	1,902,428	18,951,039
Depreciable capital assets, net	41,764,575	42,760,705	84,525,280
Total capital assets, net.	<u>58,813,186</u>	<u>44,663,133</u>	<u>103,476,319</u>
Total assets.	<u>83,763,503</u>	<u>58,025,107</u>	<u>141,788,610</u>
Deferred outflows of resources:			
Pension - OPERS	3,183,165	3,291,676	6,474,841
Pension - OP&F	5,130,101	-	5,130,101
Total deferred outflows of resources	<u>8,313,266</u>	<u>3,291,676</u>	<u>11,604,942</u>
Liabilities:			
Accounts payable.	227,211	400,808	628,019
Contracts payable.	6,506	241,681	248,187
Accrued wages and benefits payable	661,686	251,669	913,355
Due to other governments	255,903	176,713	432,616
Accrued interest payable	46,174	238,541	284,715
Claims payable	759,370	-	759,370
Long-term liabilities:			
Due within one year	2,367,706	3,349,333	5,717,039
Due in more than one year:			
Net pension liability	31,397,913	8,778,562	40,176,475
Other amounts due in more than one year.	14,033,622	19,808,304	33,841,926
Total liabilities	<u>49,756,091</u>	<u>33,245,611</u>	<u>83,001,702</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,237,323	-	1,237,323
Pension - OPERS.	310,214	320,790	631,004
Pension - OP&F	1,026,666	-	1,026,666
Total deferred inflows of resources	<u>2,574,203</u>	<u>320,790</u>	<u>2,894,993</u>
Net position:			
Net investment in capital assets	49,327,471	23,136,628	72,464,099
Restricted for:			
Debt service	2,220,095	-	2,220,095
Capital projects	764,564	-	764,564
Street maintenance	332,590	-	332,590
State highway	176,679	-	176,679
Law enforcement	384,759	-	384,759
Courts	1,484,004	-	1,484,004
Community developments and improvements.	7,991,263	-	7,991,263
Warren Hills landfill.	513,419	-	513,419
Unrestricted (deficit).	<u>(23,448,369)</u>	<u>4,610,430</u>	<u>(18,837,939)</u>
Total net position.	<u>\$ 39,746,475</u>	<u>\$ 27,747,058</u>	<u>\$ 67,493,533</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,373,481	\$ 1,155,198	\$ 129	\$ -
Security of persons and property	16,529,431	1,238,827	250,762	-
Public health and welfare	755,064	121,106	-	-
Transportation	3,953,939	2,050	2,009,714	2,293,735
Community environment	1,901,508	751,395	-	-
Leisure time activity	781,777	29,158	-	-
Economic development	2,215,336	-	2,074,252	-
Interest and fiscal charges	361,464	-	-	-
Total governmental activities	32,872,000	3,297,734	4,334,857	2,293,735
Business-type activities:				
Sewer	7,839,689	7,992,246	-	-
Water	11,786,057	10,392,869	-	1,090,634
Sanitation	3,570,325	3,097,256	-	2,985
City Redevelopment	367,444	421,570	-	-
Downtown Parking	129,999	21,165	-	-
Stormwater Utility	715,346	877,355	-	-
Total business-type activities	24,408,860	22,802,461	-	1,093,619
Total primary government	\$ 57,280,860	\$ 26,100,195	\$ 4,334,857	\$ 3,387,354

General revenues:

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

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (5,218,154)	\$ -	\$ (5,218,154)
(15,039,842)	-	(15,039,842)
(633,958)	-	(633,958)
351,560	-	351,560
(1,150,113)	-	(1,150,113)
(752,619)	-	(752,619)
(141,084)	-	(141,084)
(361,464)	-	(361,464)
<u>(22,945,674)</u>	<u>-</u>	<u>(22,945,674)</u>
-	152,557	152,557
-	(302,554)	(302,554)
-	(470,084)	(470,084)
-	54,126	54,126
-	(108,834)	(108,834)
-	162,009	162,009
<u>-</u>	<u>(512,780)</u>	<u>(512,780)</u>
<u>(22,945,674)</u>	<u>(512,780)</u>	<u>(23,458,454)</u>
1,136,724	-	1,136,724
16,990,041	-	16,990,041
1,458,525	-	1,458,525
117,016	-	117,016
(78,842)	-	(78,842)
<u>1,646,101</u>	<u>537,993</u>	<u>2,184,094</u>
<u>21,269,565</u>	<u>537,993</u>	<u>21,807,558</u>
<u>(28,544)</u>	<u>28,544</u>	<u>-</u>
<u>21,241,021</u>	<u>566,537</u>	<u>21,807,558</u>
(1,704,653)	53,757	(1,650,896)
<u>41,451,128</u>	<u>27,693,301</u>	<u>69,144,429</u>
<u>\$ 39,746,475</u>	<u>\$ 27,747,058</u>	<u>\$ 67,493,533</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 203,743	\$ 771,070	\$ 4,309,923	\$ 5,284,736
Receivables (net of allowance for uncollectibles):				
Income taxes.	4,904,675	-	-	4,904,675
Real and other taxes	-	-	1,621,654	1,621,654
Accounts.	251,919	-	38,553	290,472
Intergovernmental	610,187	-	919,586	1,529,773
Due from other funds	8,080	-	-	8,080
Loans	-	-	6,242,641	6,242,641
Accrued interest	8,845	-	-	8,845
Special assessments	80,373	-	1,745,385	1,825,758
Materials and supplies inventory.	2,438	-	100,125	102,563
Restricted assets:				
Equity in pooled cash and cash equivalents .	513,419	-	-	513,419
Total assets	<u>\$ 6,583,679</u>	<u>\$ 771,070</u>	<u>\$ 14,977,867</u>	<u>\$ 22,332,616</u>
Liabilities:				
Accounts payable.	\$ 177,406	\$ -	\$ 44,235	\$ 221,641
Contracts payable.	-	6,506	-	6,506
Accrued wages and benefits payable	620,662	-	33,848	654,510
Compensated absences payable	191,719	-	-	191,719
Due to other funds	92,824	-	6,387	99,211
Due to other governments	248,675	-	5,969	254,644
Total liabilities	<u>1,331,286</u>	<u>6,506</u>	<u>90,439</u>	<u>1,428,231</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . .	-	-	1,237,323	1,237,323
Delinquent property tax revenue not available .	-	-	384,331	384,331
Accrued interest not available	8,845	-	-	8,845
Special assessments revenue not available . . .	80,373	-	1,745,385	1,825,758
Miscellaneous revenue not available	105,622	-	4,238	109,860
Income tax revenue not available.	3,216,851	-	-	3,216,851
Intergovernmental revenue not available	292,872	-	664,577	957,449
Total deferred inflows of resources	<u>3,704,563</u>	<u>-</u>	<u>4,035,854</u>	<u>7,740,417</u>
Fund balances:				
Nonspendable	2,438	-	100,125	102,563
Restricted.	513,419	764,564	10,751,449	12,029,432
Assigned	58,956	-	-	58,956
Unassigned	973,017	-	-	973,017
Total fund balances.	<u>1,547,830</u>	<u>764,564</u>	<u>10,851,574</u>	<u>13,163,968</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,583,679</u>	<u>\$ 771,070</u>	<u>\$ 14,977,867</u>	<u>\$ 22,332,616</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total governmental fund balances		\$ 13,163,968
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities, exclusive of internal service funds, are not financial resources and therefore are not reported in the funds.		58,175,657
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Delinquent property taxes receivable	\$ 384,331	
Income taxes receivable	3,216,851	
Accounts receivable	109,860	
Special assessments receivable	1,825,758	
Intergovernmental receivable	957,449	
Accrued interest receivable	8,845	
Total	6,503,094	6,503,094
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	14,751	
Deferred outflows of resources	8,217,871	
Deferred inflows of resources	(1,327,583)	
Net pension liability	(31,143,504)	
Total	(24,238,465)	(24,238,465)
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	(8,585,000)	
Loans payable	(1,041,110)	
Compensated absences payable	(4,788,203)	
Total	(14,414,313)	(14,414,313)
On the statement of net position interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are accrued when due.		(45,343)
Unamortized premiums on bond issuances are not recognized in the funds.		(253,195)
Internal service funds are used by management to charge the costs of life and hospitalization insurance, workers' compensation, data processing and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		691,640
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		163,432
Net position of governmental activities		\$ 39,746,475

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, 2016

	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Income taxes	\$ 16,115,081	\$ -	\$ -	\$ 16,115,081
Property and other taxes.	-	-	1,249,316	1,249,316
Charges for services.	2,209,256	-	43,693	2,252,949
Licenses and permits	1,758,589	-	90,719	1,849,308
Fines and forfeitures	858,684	-	378,142	1,236,826
Intergovernmental.	1,271,645	2,210,233	4,344,317	7,826,195
Special assessments	-	-	10,522	10,522
Investment income.	116,181	-	21,303	137,484
Rental income	72,547	-	-	72,547
Decrease in fair value of investments	(78,842)	-	-	(78,842)
Other	1,653,195	-	298,055	1,951,250
Total revenues.	<u>23,976,336</u>	<u>2,210,233</u>	<u>6,436,067</u>	<u>32,622,636</u>
Expenditures:				
Current:				
General government	7,527,157	-	103,906	7,631,063
Security of persons and property	13,998,495	-	432,525	14,431,020
Public health and welfare.	729,262	-	-	729,262
Transportation	-	-	1,438,403	1,438,403
Community environment	1,844,028	-	-	1,844,028
Leisure time activity	458,214	-	-	458,214
Economic development.	-	-	2,199,189	2,199,189
Capital outlay	-	3,039,319	398,471	3,437,790
Debt service:				
Principal retirement	-	-	872,828	872,828
Interest and fiscal charges.	-	-	372,140	372,140
Total expenditures.	<u>24,557,156</u>	<u>3,039,319</u>	<u>5,817,462</u>	<u>33,413,937</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(580,820)</u>	<u>(829,086)</u>	<u>618,605</u>	<u>(791,301)</u>
Other financing sources (uses):				
Transfers in	-	117,331	219,537	336,868
Transfers (out).	(248,081)	-	(117,331)	(365,412)
Total other financing sources (uses)	<u>(248,081)</u>	<u>117,331</u>	<u>102,206</u>	<u>(28,544)</u>
Net change in fund balances	(828,901)	(711,755)	720,811	(819,845)
Fund balances at beginning of year .	<u>2,376,731</u>	<u>1,476,319</u>	<u>10,130,763</u>	<u>13,983,813</u>
Fund balances at end of year	<u>\$ 1,547,830</u>	<u>\$ 764,564</u>	<u>\$ 10,851,574</u>	<u>\$ 13,163,968</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, 2016

Net change in fund balances - total governmental funds \$ (819,845)

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

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

Capital asset additions	\$ 3,257,331	
Current year depreciation	(3,503,911)	
Total		(246,580)

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

Delinquent property taxes	(112,592)	
Income taxes	874,960	
Other revenues	102,429	
Special assessments	(191,862)	
Intergovernmental revenues	(1,918)	
Investment income	835	
Total		671,852

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 872,828

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

Decrease in accrued interest payable	4,595	
Amortization of bond premium	15,642	
Total		20,237

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,061,351

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (3,804,479)

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds. 144,097

Internal service funds used by management to charge the costs of life and hospitalization insurance, workers' compensation, data processing and risk management to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, excluding internal balance activity is allocated among the governmental activities. (604,114)

Change in net position of governmental activities \$ (1,704,653)

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 17,139,948	\$ 17,390,000	\$ 16,732,646	\$ (657,354)
Charges for services.	2,288,999	2,285,000	2,378,985	93,985
Licenses and permits	2,054,790	2,051,200	1,859,721	(191,479)
Fines and forfeitures	1,128,472	1,126,500	834,495	(292,005)
Intergovernmental.	1,373,901	1,393,347	1,271,944	(121,403)
Investment income.	75,131	75,000	122,759	47,759
Rental income	65,114	65,000	69,026	4,026
Other	666,965	673,700	1,554,960	881,260
Total revenues	24,793,320	25,059,747	24,824,536	(235,211)
Expenditures:				
Current:				
General government	8,184,002	7,754,223	7,283,716	470,507
Security of persons and property	13,698,403	14,478,016	14,233,404	244,612
Public health and welfare.	722,523	708,055	676,845	31,210
Community environment	1,928,234	1,892,626	1,803,231	89,395
Leisure time activity	525,519	535,508	468,459	67,049
Total expenditures.	25,058,681	25,368,428	24,465,655	902,773
Excess of expenditures over revenues	(265,361)	(308,681)	358,881	667,562
Other financing sources (uses):				
Transfers in	250,000	250,000	-	(250,000)
Transfers (out).	(501,000)	(501,000)	(481,871)	19,129
Total other financing sources (uses)	(251,000)	(251,000)	(481,871)	(230,871)
Net change in fund balance	(516,361)	(559,681)	(122,990)	436,691
Fund balance at beginning of year.	130,922	130,922	130,922	-
Prior year encumbrances appropriated	559,681	559,681	559,681	-
Fund balance at end of year	\$ 174,242	\$ 130,922	\$ 567,613	\$ 436,691

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sewer	Water	Sanitation	Nonmajor Funds	Total	
Assets:						
Current assets:						
Equity in pooled cash, cash equivalents and investments	\$ 4,559,395	\$ 4,214,134	\$ 63,975	\$ 2,464,575	\$ 11,302,079	\$ 2,391,660
Receivables (net of allowance for uncollectibles):						
Accounts	397,489	918,310	240,190	329,973	1,885,962	5,685
Special assessments	1,228	316,438	-	96	317,762	-
Due from other funds	3,324	-	-	-	3,324	130,705
Materials and supplies inventory	25,270	2,783	12,075	-	40,128	-
Prepayments	-	-	-	-	-	10,223
Total current assets	<u>4,986,706</u>	<u>5,451,665</u>	<u>316,240</u>	<u>2,794,644</u>	<u>13,549,255</u>	<u>2,538,273</u>
Noncurrent assets:						
Net pension asset	4,896	8,629	1,702	498	15,725	456
Capital assets:						
Non-depreciable capital assets	59,417	1,147,442	368,133	327,436	1,902,428	385,665
Depreciable capital assets, net	13,465,375	25,044,265	1,572,069	2,678,996	42,760,705	251,864
Total capital assets, net	<u>13,524,792</u>	<u>26,191,707</u>	<u>1,940,202</u>	<u>3,006,432</u>	<u>44,663,133</u>	<u>637,529</u>
Total noncurrent assets	<u>13,529,688</u>	<u>26,200,336</u>	<u>1,941,904</u>	<u>3,006,930</u>	<u>44,678,858</u>	<u>637,985</u>
Total assets	<u>18,516,394</u>	<u>31,652,001</u>	<u>2,258,144</u>	<u>5,801,574</u>	<u>58,228,113</u>	<u>3,176,258</u>
Deferred outflows of resources:						
Pension - OPERS	<u>1,024,901</u>	<u>1,806,261</u>	<u>356,194</u>	<u>104,320</u>	<u>3,291,676</u>	<u>95,395</u>
Liabilities:						
Current liabilities:						
Accounts payable	108,388	206,750	65,490	20,180	400,808	5,570
Contracts payable	5,590	208,772	27,319	-	241,681	-
Accrued wages and benefits payable	71,535	142,275	29,708	8,151	251,669	7,176
Due to other funds	6,770	33,128	3,000	-	42,898	-
Due to other governments	147,702	22,638	4,590	1,783	176,713	1,259
Claims payable	-	-	-	-	-	888,780
Current portion of general obligation bonds	-	590,000	-	-	590,000	80,000
Current portion of OWDA loans	898,938	1,038,152	-	-	1,937,090	-
Current portion of OPWC loans	-	-	-	1,798	1,798	-
Current portion of compensated absences	155,137	272,172	38,203	13,006	478,518	4,209
Capital lease obligations payable	37,464	-	267,000	37,463	341,927	-
Accrued interest payable	60,337	177,606	-	598	238,541	831
Total current liabilities	<u>1,491,861</u>	<u>2,691,493</u>	<u>435,310</u>	<u>82,979</u>	<u>4,701,643</u>	<u>987,825</u>
Long-term liabilities:						
General obligation bonds payable	-	3,216,301	-	-	3,216,301	426,410
OWDA loans payable	3,083,660	11,396,858	-	-	14,480,518	-
OPWC loans payable	-	-	-	42,238	42,238	-
Capital lease obligations payable	38,176	-	840,282	38,175	916,633	-
Net pension liability	2,733,306	4,817,110	949,933	278,213	8,778,562	254,409
Claims payable	-	-	-	-	-	769,004
Compensated absences payable	213,197	736,832	151,529	51,056	1,152,614	133,068
Total long-term liabilities	<u>6,068,339</u>	<u>20,167,101</u>	<u>1,941,744</u>	<u>409,682</u>	<u>28,586,866</u>	<u>1,582,891</u>
Total liabilities	<u>7,560,200</u>	<u>22,858,594</u>	<u>2,377,054</u>	<u>492,661</u>	<u>33,288,509</u>	<u>2,570,716</u>
Deferred inflows of resources:						
Pension - OPERS	<u>99,882</u>	<u>176,029</u>	<u>34,713</u>	<u>10,166</u>	<u>320,790</u>	<u>9,297</u>
Net position:						
Net investment in capital assets	9,466,554	9,950,396	832,920	2,886,758	23,136,628	131,119
Unrestricted	<u>2,414,659</u>	<u>473,243</u>	<u>(630,349)</u>	<u>2,516,309</u>	<u>4,773,862</u>	<u>560,521</u>
Total net position	<u>\$ 11,881,213</u>	<u>\$ 10,423,639</u>	<u>\$ 202,571</u>	<u>\$ 5,403,067</u>	<u>27,910,490</u>	<u>\$ 691,640</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					<u>(163,432)</u>	
Net position of business-type activities					<u>\$ 27,747,058</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Operating revenues:				
Charges for services	\$ 7,992,246	\$ 10,392,869	\$ 3,097,256	\$ 1,320,090
Other operating revenues	6,976	300,273	8,093	9,971
Total operating revenues.	<u>7,999,222</u>	<u>10,693,142</u>	<u>3,105,349</u>	<u>1,330,061</u>
Operating expenses:				
Personal services	3,530,951	5,707,572	1,170,865	344,499
Contract services.	1,331,246	811,872	1,593,692	419,041
Materials and supplies.	921,768	1,100,505	230,952	52,594
Administrative costs.	670,505	882,499	241,742	104,268
Utilities	522,026	561,398	13,473	94,604
Claims expense	-	-	-	-
Depreciation.	678,875	2,205,030	304,795	124,742
Other.	16,606	210,715	4,352	15,163
Total operating expenses.	<u>7,671,977</u>	<u>11,479,591</u>	<u>3,559,871</u>	<u>1,154,911</u>
Operating income (loss)	<u>327,245</u>	<u>(786,449)</u>	<u>(454,522)</u>	<u>175,150</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(119,094)	(301,301)	(9,899)	(1,844)
Loss on sale of capital assets	(55,818)	-	-	(59,244)
Special assessments	18	212,659	-	3
Total nonoperating revenues (expenses).	<u>(174,894)</u>	<u>(88,642)</u>	<u>(9,899)</u>	<u>(61,085)</u>
Income (loss) before capital contributions and transfers	152,351	(875,091)	(464,421)	114,065
Transfers in	-	-	-	67,385
Transfers out	-	-	-	(38,841)
Capital contributions	-	1,090,634	2,985	-
Change in net position	152,351	215,543	(461,436)	142,609
Net position at beginning of year (restated) .	<u>11,728,862</u>	<u>10,208,096</u>	<u>664,007</u>	<u>5,260,458</u>
Net position at end of year	<u>\$ 11,881,213</u>	<u>\$ 10,423,639</u>	<u>\$ 202,571</u>	<u>\$ 5,403,067</u>

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

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 22,802,461	\$ 6,598,839
325,313	37,097
23,127,774	6,635,936
10,753,887	305,098
4,155,851	122,405
2,305,819	34,274
1,899,014	280,075
1,191,501	16,689
-	5,353,710
3,313,442	17,393
246,836	1,050,359
23,866,350	7,180,003
(738,576)	(544,067)
(432,138)	(9,561)
(115,062)	(45,796)
212,680	-
(334,520)	(55,357)
(1,073,096)	(599,424)
67,385	-
(38,841)	-
1,093,619	-
49,067	(599,424)
	1,291,064
	\$ 691,640
4,690	
\$ 53,757	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Cash flows from operating activities:				
Cash received from customers	\$ 8,837,071	\$ 11,502,354	\$ 3,582,901	\$ 1,454,872
Cash received from other operations	7,417	300,273	8,093	9,971
Cash payments for personal services	(3,133,976)	(5,375,574)	(1,080,179)	(563,168)
Cash payments for contractual services	(1,262,757)	(791,422)	(1,576,083)	(191,896)
Cash payments for materials and supplies	(913,739)	(1,067,955)	(230,856)	(42,243)
Cash payments for utilities	(522,026)	(561,398)	(13,473)	(94,604)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(667,059)	(849,371)	(238,742)	(104,268)
Cash payments for other expenses	(16,606)	(210,715)	(4,352)	(15,163)
Net cash provided by (used in) operating activities .	<u>2,328,325</u>	<u>2,946,192</u>	<u>447,309</u>	<u>453,501</u>
Cash flows from noncapital financing activities:				
Cash received in transfers from other funds	-	-	-	67,385
Cash used in transfers to other funds	-	-	-	(38,841)
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,544</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(204,473)	(1,029,019)	(292,547)	(129,907)
Capital contributions	-	905,200	2,985	-
Principal retirement	(941,159)	(1,560,789)	(282,000)	(38,562)
Interest and fiscal charges	(142,017)	(448,706)	(9,899)	(4,270)
Net cash used in capital and related financing activities	<u>(1,287,649)</u>	<u>(2,133,314)</u>	<u>(581,461)</u>	<u>(172,739)</u>
Net increase (decrease) in cash and cash equivalents	1,040,676	812,878	(134,152)	309,306
Cash and cash equivalents at beginning of year	<u>3,518,719</u>	<u>3,401,256</u>	<u>198,127</u>	<u>2,155,269</u>
Cash and cash equivalents at end of year	<u>\$ 4,559,395</u>	<u>\$ 4,214,134</u>	<u>\$ 63,975</u>	<u>\$ 2,464,575</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 25,377,198	\$ 6,598,839
325,754	3,231
(10,152,897)	(277,642)
(3,822,158)	(118,161)
(2,254,793)	(35,426)
(1,191,501)	(16,689)
-	(5,615,455)
(1,859,440)	(395,136)
(246,836)	(1,050,359)
6,175,327	(906,798)
67,385	-
(38,841)	-
28,544	-
(1,655,946)	(171,443)
908,185	-
(2,822,510)	(75,000)
(604,892)	(11,613)
(4,175,163)	(258,056)
2,028,708	(1,164,854)
9,273,371	3,556,514
\$ 11,302,079	\$ 2,391,660

- - Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 327,245	\$ (786,449)	\$ (454,522)	\$ 175,150
Adjustments:				
Depreciation.	678,875	2,205,030	304,795	124,742
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in materials and supplies inventory.	22,127	(1,035)	3,915	-
(Decrease) in accounts receivable.	845,266	1,109,485	485,645	131,695
Decrease in intergovernmental receivable	-	-	-	3,087
(Increase) in due from other funds	(3,324)	-	-	-
(Increase) in prepayments	-	-	-	-
(Increase) in net pension asset	(1,375)	(1,414)	(327)	(99)
(Increase) in deferred outflows - pension - OPERS	(711,184)	(1,163,499)	(233,665)	(68,774)
Increase (decrease) in accounts payable	(2,947)	55,179	13,790	(9,542)
Increase in accrued wages and benefits	7,525	20,806	3,293	2,019
Increase in due to other funds	6,770	33,128	3,000	-
Increase (decrease) in due to other governments	58,574	2,228	514	(753)
Increase in compensated absences payable.	5,087	39,493	14,848	4,469
(Decrease) in claims payable.	-	-	-	-
Increase in net pension liability	1,026,857	1,320,835	283,439	84,860
Increase in deferred inflows - pension - OPERS.	68,829	112,405	22,584	6,647
Net cash provided by (used in) operating activities	<u>\$ 2,328,325</u>	<u>\$ 2,946,192</u>	<u>\$ 447,309</u>	<u>\$ 453,501</u>

Non-cash capital transactions:

At December 31, 2016 and December 31, 2015, the sewer fund purchased \$5,590 and \$55,456, respectively, in capital assets on account. At December 31, 2016 and December 31, 2015, the water fund purchased \$208,772 and \$4,500, respectively, in capital assets on account. At December 31, 2016, the sanitation fund purchased \$36,981 in capital assets on account, received a transfer of capital assets with a cost and accumulated depreciation of \$19,642 from the governmental activities, and entered into a capital lease obligation in the amount of \$1,389,282. At December 31, 2016 and December 31, 2014, the internal service funds purchased \$718 and \$148,355, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (738,576)	\$ (544,067)
3,313,442	17,393
25,007	-
2,572,091	125,189
3,087	-
(3,324)	(130,705)
-	(10,223)
(3,215)	(78)
(2,177,122)	(61,701)
56,480	3,092
33,643	895
42,898	-
60,563	(104,548)
63,897	10,961
-	(290,095)
2,715,991	71,127
210,465	5,962
<u>\$ 6,175,327</u>	<u>\$ (906,798)</u>

CITY OF WARREN, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,434,476
Cash with fiscal and escrow agents.	468,377
Accounts receivable.	<u>30,055</u>
Total assets	<u>\$ 1,932,908</u>
Liabilities:	
Due to other governments.	\$ 913,410
Deposits held and due to others.	<u>1,019,498</u>
Total liabilities	<u>\$ 1,932,908</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, 2016

NOTE 1 - DESCRIPTION OF THE CITY

The City of Warren, Ohio (the “City”) was created in 1843. It is located in Trumbull County and is a politic and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services to its residents: public safety (police and fire), public health, municipal court, highways and streets, public improvements, community development (planning and zoning), water, sewers, sanitation, parks and recreation and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City’s significant accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City’s BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s BFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units.

Included as part of the City’s primary government in the determination of the City’s reporting entity is the Warren Municipal Court (the “Court”). The Court’s operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court along with its share of the Court’s administrative and operating costs is recorded in the City’s general fund. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying BFS.

B. Basis of Presentation - Fund Accounting

The City’s BFS consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds, with the exception of services provided and used during the fiscal year, are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

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

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

C. Fund Accounting

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

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

The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

Other governmental funds of the City are used to account for (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (b) financial resources that are restricted or committed to expenditure for principal and interest.

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

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

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

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Note 15 for deferred outflows of resources related the City's net pension liability.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 15 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

F. Budgetary Data

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

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

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

G. Cash, Cash Equivalents and Investments

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

During 2016, investments were limited to nonnegotiable certificates of deposit (CDs), negotiable CDs, federal agency securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

The City invested in STAR Ohio during 2016. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2016, interest revenue in the general fund amounted to \$116,181 which includes \$114,930 assigned from other City funds.

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

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

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

H. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

I. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Autos and trucks	5	5
Machinery, equipment, software, furniture and fixtures	5 - 20	10
Land improvements	10 - 20	N/A
Building improvements	15	15
Sewer and water treatment plants and buildings	N/A	20
Other buildings	40	40
Infrastructure	15 - 30	20 - 70

K. Compensated Absences

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

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

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

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Unamortized Bond Premiums

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

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

N. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as due to/from other funds. These amounts are eliminated in the governmental activities column on the statement of net position, except for any residual amounts between governmental and business-type activities, which are presented as internal balance.

O. Interfund Activity

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

P. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. Restricted Assets

The City reports assets being held in accordance with a trust agreement to invest and manage funds related to the capping of the Warren Hills landfill site as restricted assets in the general fund.

R. Estimates

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

S. Capital Contributions

Capital contributions in proprietary fund financial statements arise from contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

T. Net Position

Net position represents the difference between assets plus deferred outflows less liabilities less deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2016.

V. Pensions

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

W. Fair Value Measurements

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's fiscal year 2016 financial statements (see Note 2.W and Note 4 to the basic financial statements); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the City's fiscal year 2016 financial statements (see Note 21 to the basic financial statements); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 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, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

B. Prior Period Adjustment

A prior period adjustment is required in order to restate net position and capital assets in the business-type activities and in the water fund for construction in progress, which was overstated in the prior year. The business-type activities and water fund at January 1, 2016 have been restated as follows:

	Business-Type Activities	Water Fund
Net position as previously reported	\$ 28,751,103	\$ 11,265,898
Adjustment for construction in progress	(1,057,802)	(1,057,802)
Restated net position at January 1, 2016	\$ 27,693,301	\$ 10,208,096

See Note 10 to the basic financial statements for detail on the effect of the prior period adjustment to the capital assets of the business-type activities.

C. Deficit Fund Balances

Fund balances at December 31, 2016 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
Workers compensation internal service	\$ 403,946

The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

D. Compliance

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2016

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, 2016, the carrying amount of all City deposits was \$13,959,969, which includes \$5,332,731 in nonnegotiable certificates of deposit. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2016, \$7,889,097 of the City's bank balance of \$14,389,221 was exposed to custodial risk as discussed below, while \$6,500,124 was covered by the Federal Deposit Insurance Corporation (FDIC).

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2016, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Amortized cost:</i>						
STAR Ohio	\$ 30,895	\$ 30,895	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
FHLB	980,170	-	-	-	-	980,170
FHLMC	2,945,180	-	-	-	-	2,945,180
FFCB	980,120	-	-	-	-	980,120
Negotiable CDs	2,498,413	1,499,426	998,987	-	-	-
Total	\$ 7,434,778	\$ 1,530,321	\$ 998,987	\$ -	\$ -	\$ 4,905,470

The weighted average maturity of investments is 2.55 years.

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

Credit Risk: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs were not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

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

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, 2016:

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Investment type</u>	Measurement	
	<u>Value</u>	<u>% to Total</u>
STAR Ohio	\$ 30,895	0.42
FHLB	980,170	13.18
FHLMC	2,945,180	39.61
FFCB	980,120	13.18
Negotiable CDs	<u>2,498,413</u>	<u>33.61</u>
Total	<u>\$ 7,434,778</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,959,969
Investments	<u>7,434,778</u>
Total	<u>\$ 21,394,747</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 8,189,815
Business-type activities	11,302,079
Agency funds	<u>1,902,853</u>
Total	<u>\$ 21,394,747</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2016, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	General Capital <u>Projects</u>	<u>Transfers to</u>		<u>Total</u>
		<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ -	\$ 180,696	\$ 67,385	\$ 248,081
Nonmajor governmental	117,331	-	-	117,331
Nonmajor enterprise	<u>-</u>	<u>38,841</u>	<u>-</u>	<u>38,841</u>
Total	<u>\$ 117,331</u>	<u>\$ 219,537</u>	<u>\$ 67,385</u>	<u>\$ 404,253</u>

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The city redevelopment nonmajor enterprise fund transferred \$38,841 to the general bond payment fund (a nonmajor governmental fund) to cover the enterprise fund's portion of a debt payment. Transfers from the motor vehicle levy fund, a nonmajor governmental fund, to the general capital projects fund in the amount of \$117,331 were for road improvement expenditures.

B. Due to/from other funds at December 31, 2016 consisted of the following:

<u>Due from</u>	<u>Due to</u>			<u>Total</u>
	<u>General</u>	<u>Sewer</u>	<u>Internal Service</u>	
General	\$ -	\$ 3,324	\$ 89,500	\$ 92,824
Nonmajor governmental	6,387	-	-	6,387
Sewer	770	-	6,000	6,770
Water	923	-	32,205	33,128
Sanitation	-	-	3,000	3,000
Total	<u>\$ 8,080</u>	<u>\$ 3,324</u>	<u>\$ 130,705</u>	<u>\$ 142,109</u>

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

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

NOTE 6 - PROPERTY TAXES

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Warren. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by a deferred inflows of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue.

The assessed value upon which the 2015 levy (collected in 2016) was based was \$368,708,060. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mils. The City's current share of property tax is 3.5 mils of assessed value, all of which is unvoted.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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. Voters approved a 0.5 percent income tax increase at the November 2016 election, which will become effective January 1, 2017. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2016. Income tax revenue for 2016 reported in the general fund was \$16,115,081.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2016, consisted of taxes, accounts (billings for user charged services and other fees), accrued interest, special assessments, loans and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2016. The only receivables not expected to be collected within one year are special assessments, which are collected over the life of the assessment.

NOTE 9 - LOANS RECEIVABLE

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Governmental activities:</u>	Balance 12/31/15	Additions	Disposals	Balance 12/31/16
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,044,396	\$ -	\$ -	\$ 1,044,396
Easements	13,353	-	-	13,353
Construction in progress	15,063,990	2,736,457	(1,809,585)	15,990,862
Total capital assets, not being depreciated	16,121,739	2,736,457	(1,809,585)	17,048,611
<i>Capital assets, being depreciated:</i>				
Land improvements	1,059,008	-	-	1,059,008
Buildings	14,195,169	-	-	14,195,169
Building improvements	10,717,769	702,852	-	11,420,621
Computer software	619,957	441,951	-	1,061,908
Computer equipment	1,326,155	148,355	(204,302)	1,270,208
Furniture and equipment	2,413,376	66,847	(6,665)	2,473,558
Vehicles	5,910,898	103,107	(216,157)	5,797,848
Infrastructure	59,123,021	891,153	-	60,014,174
Total capital assets, being depreciated	95,365,353	2,354,265	(427,124)	97,292,494
<i>Less: accumulated depreciation:</i>				
Land improvements	(675,881)	(38,786)	-	(714,667)
Buildings	(8,779,560)	(249,673)	-	(9,029,233)
Building improvements	(3,721,641)	(554,082)	-	(4,275,723)
Computer software	(574,806)	(59,556)	-	(634,362)
Computer equipment	(1,188,398)	(24,966)	158,506	(1,054,858)
Furniture and equipment	(1,907,854)	(95,989)	6,665	(1,997,178)
Vehicles	(4,916,742)	(396,134)	216,157	(5,096,719)
Infrastructure	(30,623,061)	(2,102,118)	-	(32,725,179)
Total accumulated depreciation	(52,387,943)	(3,521,304)	381,328	(55,527,919)
Total capital assets, being depreciated, net	42,977,410	(1,167,039)	(45,796)	41,764,575
Governmental activities capital assets, net	\$ 59,099,149	\$ 1,569,418	\$ (1,855,381)	\$ 58,813,186

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - CAPITAL ASSETS - (Continued)

Capital assets of the business-type activities have been restated at December 31, 2016, to correct an error reported in the prior year in construction progress. Construction in progress was overstated by \$1,507,802 in the water fund at December 31, 2015. Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Business-type activities:</u>	Restated Balance 12/31/15	Additions	Disposals	Balance 12/31/16
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>1,651,616</u>	<u>1,542,405</u>	<u>(1,675,992)</u>	<u>1,518,029</u>
Total capital assets, not being depreciated	<u>2,036,015</u>	<u>1,542,405</u>	<u>(1,675,992)</u>	<u>1,902,428</u>
<i>Capital assets, being depreciated:</i>				
Buildings	54,966,546	-	-	54,966,546
Building improvements	12,860,280	-	-	12,860,280
Water and sewer lines	53,744,037	696,680	(59,244)	54,381,473
Computer software	47,874	-	-	47,874
Computer equipment	108,526	-	(1,183)	107,343
Furniture and equipment	10,359,138	1,048,426	-	11,407,564
Vehicles	<u>4,317,621</u>	<u>1,644,738</u>	<u>(1,022,462)</u>	<u>4,939,897</u>
Total capital assets, being depreciated	<u>136,404,022</u>	<u>3,389,844</u>	<u>(1,082,889)</u>	<u>138,710,977</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(50,983,647)	(442,814)	-	(51,426,461)
Building improvements	(7,134,375)	(855,913)	-	(7,990,288)
Water and sewer lines	(25,155,145)	(772,325)	-	(25,927,470)
Computer software	(47,874)	-	-	(47,874)
Computer equipment	(108,526)	-	1,183	(107,343)
Furniture and equipment	(6,512,221)	(903,958)	-	(7,416,179)
Vehicles	<u>(3,643,227)</u>	<u>(358,074)</u>	<u>966,644</u>	<u>(3,034,657)</u>
Total accumulated depreciation	<u>(93,585,015)</u>	<u>(3,333,084)</u>	<u>967,827</u>	<u>(95,950,272)</u>
Total capital assets, being depreciated, net	<u>42,819,007</u>	<u>56,760</u>	<u>(115,062)</u>	<u>42,760,705</u>
Business-type activities capital assets, net	<u>\$ 44,855,022</u>	<u>\$ 1,599,165</u>	<u>\$ (1,791,054)</u>	<u>\$ 44,663,133</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 619,077
Security of persons and property	383,774
Transportation	2,209,674
Community environment	2,396
Leisure time activity	288,990
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>17,393</u>
Total depreciation expense - governmental activities	<u>\$ 3,521,304</u>

Business-type activities:

Sewer	\$ 678,875
Water	2,205,030
Sanitation*	304,795
City redevelopment	14,791
Downtown parking	38,059
Stormwater utility	<u>71,892</u>
Total depreciation expense - business-type activities	<u>\$ 3,313,442</u>

* The sanitation fund received a transfer of capital assets with accumulated depreciation of \$19,642 during 2016.

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, 2016, vested benefits for compensation time, vacation leave and sick leave for governmental fund type employees totaled \$5,117,199. For proprietary fund types, vested benefits for compensation time, vacation leave and sick leave totaled \$1,631,132 at December 31, 2016. 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, 2016

NOTE 12 - LEASES

A. Capital Leases - Lessee Disclosure

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

Capital assets consisting of equipment and vehicles have been capitalized in the amount of \$374,768 and \$1,389,282, which represents the present value of the future minimum lease payments at the time of acquisition. A corresponding liability in the amount of \$187,386, \$187,382, and \$1,389,282 was recorded in the sewer fund, stormwater utility nonmajor enterprise fund, and sanitation fund, respectively. Principal payments during 2016 amounted to \$36,765, \$36,765, and \$282,000 paid by the sewer fund, stormwater utility fund and sanitation fund, respectively. At December 31, 2016, accumulated depreciation on the equipment amounted to \$70,266 leaving a book value of \$304,502 and accumulated depreciation on the vehicles amounted to \$138,928 leaving a book value of \$1,250,354.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligations and the present value of the minimum lease payments as of December 31, 2016:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 369,715
2018	369,707
2019	292,764
2020	<u>293,746</u>
Total	1,325,932
Less: amount representing interest	<u>(67,372)</u>
Present value of net minimum lease payments	<u>\$ 1,258,560</u>

B. Operating Lease - Lessor Disclosure

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

The carrying value of the property follows:

	<u>Land</u>	<u>Building</u>
Asset	\$ 9,000	\$ 219,756
Less: accumulated depreciation	<u>-</u>	<u>(129,107)</u>
Total	<u>\$ 9,000</u>	<u>\$ 90,649</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2016, the following changes occurred in governmental activities long-term obligations:

Governmental activities:	Balance 12/31/15	Additions	Reductions	Balance 12/31/16	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose, series 2012	\$ 985,000	\$ -	\$ (130,000)	\$ 855,000	\$ 135,000
Pension refunding, series 2012	1,245,000	-	(50,000)	1,195,000	50,000
Various purpose, series 2013	<u>7,570,000</u>	-	<u>(540,000)</u>	<u>7,030,000</u>	<u>550,000</u>
Total general obligations bonds	<u>9,800,000</u>	-	<u>(720,000)</u>	<u>9,080,000</u>	<u>735,000</u>
<u>Other long-term obligations</u>					
Reinvestment partnership corporation loan	100,000	-	(100,000)	-	-
HUD 108 loan	1,015,000	-	(115,000)	900,000	125,000
OPWC loan	153,938	-	(12,828)	141,110	12,828
Claims payable	1,105,761	-	(207,347)	898,414	129,410
Compensated absences	5,171,027	1,337,473	(1,391,301)	5,117,199	1,365,468
Net pension liability	<u>26,235,166</u>	<u>5,162,747</u>	<u>-</u>	<u>31,397,913</u>	<u>-</u>
Total other long-term obligations	<u>33,780,892</u>	<u>6,500,220</u>	<u>(1,826,476)</u>	<u>38,454,636</u>	<u>1,632,706</u>
Total governmental activities long-term obligations	43,580,892	<u>\$ 6,500,220</u>	<u>\$ (2,546,476)</u>	47,534,636	<u>\$ 2,367,706</u>
Add: Unamortized premium on bond issues	<u>282,176</u>			<u>264,605</u>	
Total reported on the statement of net position	<u>\$ 43,863,068</u>			<u>\$ 47,799,241</u>	

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

Compensated Absences - Compensated absences will be paid from the fund which the employees' salaries are paid. The payments will be made primarily from the general fund, community development block grant fund and street maintenance nonmajor governmental fund.

Net Pension Liability - See Note 15 for additional detail.

General Obligation Bonds:

On November 13, 2003, the City issued \$6,045,000 in general obligation various purpose refunding bonds to currently refund the callable portion of the 1993 general obligation various purpose refunding bonds (principal \$6,235,000; interest rate 5.10%). The refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position. None of the defeased debt was outstanding at December 31, 2016.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

On December 4, 2012, the City issued various purpose general obligation bonds in the amount of \$1,370,000 to finance the acquisition of a fire truck and computer system improvements. The issue is comprised of serial bonds with annual interest rates ranging from 2.00% - 2.25% and a final maturity date of December 1, 2022.

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

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

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

Year	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 735,000	\$ 311,709	\$ 1,046,709
2018	750,000	297,009	1,047,009
2019	765,000	280,609	1,045,609
2020	785,000	259,559	1,044,559
2021	810,000	235,009	1,045,009
2022 - 2026	2,970,000	770,891	3,740,891
2027 - 2031	1,655,000	283,110	1,938,110
2032 - 2036	610,000	47,308	657,308
Total	\$ 9,080,000	\$ 2,485,204	\$ 11,565,204

Reinvestment Partnership Corporation Loan - On April 29, 1999, the City received a \$985,000 loan from the Reinvestment Partnership Corporation. This loan was made through the Federal 108 Loan Guarantee Program. In 2000, the City began disbursing the loan proceeds for economic development and housing rehabilitation projects throughout the City. These projects were not capitalized and reported in the City's capital assets; therefore, the loan was not included in the net investment in capital assets component of net position. On July 21, 2010, the City refinanced the loan at a lower interest rate. Interest payments were made semi-annually at a rate ranging from 1.66% - 2.66%. Principal and interest payments were made out of the guaranteed loan nonmajor governmental fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation. The final principal and interest payments in the amounts of \$100,000 and \$2,660, respectively, were made in 2016.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

HUD 108 Loan - On September 14, 2006, the City received a \$1,700,000 HUD Section 108 loan. The City disbursed the loan proceeds for economic development and housing rehabilitation projects throughout the City. These projects have not been capitalized and reported in the City's capital assets; therefore, the balance of the loan is not included in the net investment in capital assets component of net position. Interest payments (at approximately 5.28 percent) on the loan began in 2007 and principal payments began August 1, 2008. The loan matures August 1, 2022. Principal and interest payments are made out of the guaranteed loan nonmajor governmental fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

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

<u>Year</u>	<u>Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 125,000	\$ 49,356	\$ 174,356
2018	135,000	42,732	177,732
2019	145,000	35,468	180,468
2020	155,000	27,566	182,566
2021	165,000	19,024	184,024
2022	175,000	9,836	184,836
Total	\$ 900,000	\$ 183,982	\$ 1,083,982

OPWC Loan - During 2008, the City entered into an agreement with Trumbull County to pay a portion of the County's loan from the Ohio Public Works Commission (OPWC). The City's share of the interest-free loan is \$256,564 and is payable over 20 years, with a final payment date of December 1, 2027. The proceeds were used to fund the North Road Reconstruction Project. The principal and interest payments are made out of the debt service fund.

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

<u>Year</u>	<u>OPWC Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 12,828	\$ -	\$ 12,828
2018	12,828	-	12,828
2019	12,828	-	12,828
2020	12,829	-	12,829
2021	12,828	-	12,828
2022 - 2026	64,141	-	64,141
2027	12,828	-	12,828
Total	\$ 141,110	\$ -	\$ 141,110

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2016, the following changes occurred in the business-type activities long-term obligations:

	Balance			Balance	Amounts
	12/31/15	Additions	Reductions	12/31/16	Due in
					One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2012	\$ 4,295,000	\$ -	\$ (575,000)	\$ 3,720,000	\$ 590,000
Total general obligations bonds	<u>4,295,000</u>	<u>-</u>	<u>(575,000)</u>	<u>3,720,000</u>	<u>590,000</u>
<u>OWDA Loans</u>					
Wastewater treatment plant and pump station improvements	102,310	-	(67,691)	34,619	34,619
Biosolids facility	925,523	-	(455,781)	469,742	469,742
Griswold street sanitary sewer	288,733	-	(92,347)	196,386	96,191
Warren commerce park - phase II	143,936	-	(39,123)	104,813	40,695
Warren commerce park - phase II	43,725	-	(11,912)	31,813	12,368
Downtown combined sewer	2,919,787	-	(213,148)	2,706,639	220,131
Sewer inceptor rehabilitation	462,978	-	(24,392)	438,586	25,192
Water system improvements	5,314,288	-	(576,974)	4,737,314	599,990
Water meter replacements	3,686,811	-	(230,708)	3,456,103	238,478
Water treatment plant switch gear replacement	2,189,535	-	(95,601)	2,093,934	101,554
Waterline replacement	1,577,005	-	(59,552)	1,517,453	73,277
Bulk water dispensing station	653,160	-	(22,954)	630,206	24,853
Total OWDA loans	<u>18,307,791</u>	<u>-</u>	<u>(1,890,183)</u>	<u>16,417,608</u>	<u>1,937,090</u>
<u>Other long-term obligations</u>					
OPWC loan	45,833	-	(1,797)	44,036	1,798
Capital lease obligation	224,808	1,389,282	(355,530)	1,258,560	341,927
Compensated absences	1,567,235	510,879	(446,982)	1,631,132	478,518
Net pension liability	6,062,571	2,715,991	-	8,778,562	-
Total other long-term obligations	<u>7,900,447</u>	<u>4,616,152</u>	<u>(804,309)</u>	<u>11,712,290</u>	<u>822,243</u>
Total business-type activities	30,503,238	<u>\$ 4,616,152</u>	<u>\$ (3,269,492)</u>	31,849,898	<u>\$ 3,349,333</u>
Add: Unamortized premium on bond issue	<u>100,887</u>			<u>86,301</u>	
Total reported on the statement of net position	<u>\$ 30,604,125</u>			<u>\$ 31,936,199</u>	

General Obligation Bonds:

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

On December 4, 2012, the City issued \$5,975,000 various purpose refunding bonds to advance refund a portion of the waterworks system revenue bonds stated to mature on November 1, 2015 and currently refund all of the waterworks system revenue bonds stated to mature on November 1, 2022. The portion of the proceeds issued for the advance refunding were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.

The 2012 various purpose refunding issue is comprised of serial bonds with an annual interest rate ranging from 2.00% - 2.25%. The reacquisition price exceeded the net carrying amount of the old debt by \$182,459. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through maturity on December 1, 2022 using the straight-line method.

OPWC Loan:

The City received a \$53,921 loan from the OPWC in 2011 to help fund capital improvements for the City's storm sewer infrastructure. The interest free loan is payable in semi-annual installments over a thirty year period, with final payment due January 1, 2041. Payments on the loan are made from the stormwater utility nonmajor enterprise fund.

OWDA Loans:

The City has entered into debt financing arrangements through the OWDA to fund construction projects. The amounts due to the OWDA are payable solely from sewer and water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2016, the City has outstanding borrowings of \$16,417,608. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down.

The City has pledged future water and sewer customer revenues to repay the loans. The loans are payable solely from water and sewer fund revenues and are payable through 2034. Annual principal and interest payments on the loans are expected to require 94.95% of available net revenues for the water fund and 100.00% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$14,622,693 for the water fund and \$4,581,789 for the sewer fund. Principal and interest payments in 2016 totaled \$1,348,588 and \$1,044,267 in the water fund and sewer fund, respectively.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

Year	Bonds Payable			OPWC Loan Payable		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 590,000	\$ 76,025	\$ 666,025	\$ 1,798	\$ -	\$ 1,798
2018	600,000	64,225	664,225	1,797	-	1,797
2019	615,000	52,225	667,225	1,797	-	1,797
2020	625,000	39,925	664,925	1,798	-	1,798
2021	640,000	27,425	667,425	1,797	-	1,797
2022 - 2026	650,000	14,625	664,625	8,987	-	8,987
2027 - 2031	-	-	-	8,987	-	8,987
2032 - 2036	-	-	-	8,987	-	8,987
2037 - 2041	-	-	-	8,088	-	8,088
Total	\$ 3,720,000	\$ 274,450	\$ 3,994,450	\$ 44,036	\$ -	\$ 44,036

Year	OWDA Loans Payable		
	Principal	Interest	Total
2017	\$ 1,937,090	\$ 469,048	\$ 2,406,138
2018	1,483,254	393,698	1,876,952
2019	1,402,282	350,823	1,753,105
2020	1,421,548	310,377	1,731,925
2021	1,470,922	269,063	1,739,985
2022 - 2026	5,697,132	762,649	6,459,781
2027 - 2031	2,273,896	204,258	2,478,154
2032 - 2034	731,484	26,958	758,442
Total	\$ 16,417,608	\$ 2,786,874	\$ 19,204,482

NOTE 14 - RISK MANAGEMENT

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

The City purchases insurance policies in varying amounts for general liability, property damage, and employee and public officials' liability, including errors and omissions of the City's safety forces. There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - RISK MANAGEMENT - (Continued)

A. Hospitalization

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

Settled claims have not exceeded the self-insurance amount in any of the past three years. The liability for unpaid claims of \$745,658 reported in the internal service fund at December 31, 2016, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Hospitalization self-insurance	2016	\$ 836,460	\$ 5,215,755	\$ (5,306,557)	\$ 745,658
	2015	942,541	5,777,511	(5,883,592)	836,460

B. Risk Management

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

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Risk management	2016	\$ 5,658	\$ 137,955	\$ (129,901)	\$ 13,712
	2015	11,360	115,468	(121,170)	5,658

C. Workers' Compensation

The City has elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the City to pay a fraction of the premium it would pay as an experience-rated risk.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - RISK MANAGEMENT - (Continued)

In 2016, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2016 in the amount of \$233,909. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$129,410 under the Retrospective Rating Plan.

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

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

The claims liability of \$898,414 reported at December 31, 2016, as estimated by the third party administrator, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Of the total claims liability, \$129,410 is due within one year and is reported as a current liability on the statements of net position. The remaining portion is a noncurrent liability of \$769,004. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Workers' compensation	2016	\$ 1,105,761	\$ (28,350)	\$ (178,997)	\$ 898,414
	2015	1,047,355	282,873	(224,467)	1,105,761

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
 Employee	 10.0 %

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,383,796 for 2016. Of this amount, \$77,237 is reported as due to other governments.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
 Total Employer	 19.50 %	 24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,401,436 for 2016. Of this amount \$78,795 is reported as due to other governments.

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.10412400%	0.38103530%	
Proportion of the net pension liability current measurement date	<u>0.09969100%</u>	<u>0.35610900%</u>	
Change in proportionate share	<u>-0.00443300%</u>	<u>-0.02492630%</u>	
Proportion of the net pension asset prior measurement date	0.06731100%		
Proportion of the net pension asset current measurement date	<u>0.08925400%</u>		
Change in proportionate share	<u>0.02194300%</u>		
Proportionate share of the net pension liability	\$ 17,267,738	\$ 22,908,737	\$ 40,176,475
Proportionate share of the net pension asset	30,932	-	30,932
Pension expense	2,324,405	2,965,384	5,289,789

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 684	\$ -	\$ 684
Net difference between projected and actual earnings on pension plan investments	5,089,108	3,728,665	8,817,773
Changes in employer's proportionate percentage/ difference between employer contributions	1,253	-	1,253
City contributions subsequent to the measurement date	<u>1,383,796</u>	<u>1,401,436</u>	<u>2,785,232</u>
Total deferred outflows of resources	<u>\$ 6,474,841</u>	<u>\$ 5,130,101</u>	<u>\$ 11,604,942</u>
Deferred inflows of resources			
Differences between expected and actual experience	347,716	64,327	412,043
Changes in employer's proportionate percentage/ difference between employer contributions	<u>283,288</u>	<u>962,339</u>	<u>1,245,627</u>
Total deferred inflows of resources	<u>\$ 631,004</u>	<u>\$ 1,026,666</u>	<u>\$ 1,657,670</u>

\$2,785,232 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2017.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$ 982,224	\$ 783,851	\$ 1,766,075
2018	1,062,489	783,851	1,846,340
2019	1,271,932	783,853	2,055,785
2020	1,150,009	585,536	1,735,545
2021	(1,692)	(197,552)	(199,244)
Thereafter	<u>(4,921)</u>	<u>(37,540)</u>	<u>(42,461)</u>
Total	<u>\$ 4,460,041</u>	<u>\$ 2,701,999</u>	<u>\$ 7,162,040</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15- DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation COLA or ad hoc COLA	4.25 to 10.05 percent including wage inflation Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 27,511,725	\$ 17,267,738	\$ 8,627,259
Combined Plan	(634)	(30,832)	(55,123)
Member-Directed Plan	259	100	(259)

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent simple

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

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.47 %	7.80 %
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation			
Protected Securities *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	<u>120.00 %</u>		

* levered 2x

** numbers include inflation

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 30,213,562	\$ 22,908,737	\$ 16,720,840

NOTE 16 - 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 Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$230,633, \$272,465, and \$259,042, respectively; 95.22% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. 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).

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$17,832 and \$15,400 for the year ended December 31, 2016, \$21,377 and \$18,255 for the year ended December 31, 2015, and \$18,585 and \$16,034, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 95.01% has been contributed for police and 94.03% has been contributed for firefighters for 2016. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ (122,990)
Net adjustment for revenue accruals	(918,304)
Net adjustment for expenditure accruals	(268,263)
Net adjustment for other financing sources/uses	233,790
Funds budgeted elsewhere	72,312
Adjustment for encumbrances	<u>174,554</u>
GAAP basis	<u>\$ (828,901)</u>

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

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2016.

B. Litigation

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

C. Debt

On August 28, 2001, the City and Austin Village Plaza entered into a \$350,000 promissory note with Second National Bank. In the event of default by Austin Village Plaza, the City may be called upon to repay the outstanding debt obligation which is \$350,000 at December 31, 2016. At this time, it is not determinable whether the City will sustain a liability related to this matter, therefore a liability has not been reported in the financial statements.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 19 - FUND BALANCE

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

Fund balance	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 2,438	\$ -	\$ 100,125	\$ 102,563
Total nonspendable	<u>2,438</u>	<u>-</u>	<u>100,125</u>	<u>102,563</u>
Restricted:				
Debt service	-	-	1,649,264	1,649,264
Capital projects	-	764,564	-	764,564
Street maintenance	-	-	364,889	364,889
State highway	-	-	136,633	136,633
Law enforcement	-	-	380,521	380,521
Courts	-	-	1,517,036	1,517,036
Community development and improvement	-	-	6,703,106	6,703,106
Warren Hills landfill	513,419	-	-	513,419
Total restricted	<u>513,419</u>	<u>764,564</u>	<u>10,751,449</u>	<u>12,029,432</u>
Assigned:				
General government	20,560	-	-	20,560
Public safety programs	31,239	-	-	31,239
Public health programs	2,215	-	-	2,215
Community development and improvement	610	-	-	610
Parks and recreation	4,332	-	-	4,332
Total assigned	<u>58,956</u>	<u>-</u>	<u>-</u>	<u>58,956</u>
Unassigned (deficit)	<u>973,017</u>	<u>-</u>	<u>-</u>	<u>973,017</u>
Total fund balances	<u>\$ 1,547,830</u>	<u>\$ 764,564</u>	<u>\$ 10,851,574</u>	<u>\$ 13,163,968</u>

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 20 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 128,351
General capital projects	810,933
Nonmajor governmental	<u>479,179</u>
Total	<u>\$ 1,418,463</u>

NOTE 21 - TAX ABATEMENTS

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

The City has entered into Ezone Agreements with local businesses within the City. During 2016, the City's property tax revenues were reduced by \$7,413 as a result of these agreements.

NOTE 22 - SIGNIFICANT SUBSEQUENT EVENTS

The City issued \$5,095,000 in Various Purpose Refunding Bonds, Series 2017, on August 10, 2017. The bonds refunded the Various Purpose Bonds, Series 2013 (maturities 2019-2033). The refunding bonds bear an interest rate of 2.60%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARREN, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.09969100%	0.10412400%	0.10412400%
City's proportionate share of the net pension liability	\$ 17,267,738	\$ 12,558,519	\$ 12,274,864
City's covered-employee payroll	\$ 13,388,225	\$ 12,794,050	\$ 13,672,708
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.98%	98.16%	89.78%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.063360%	0.067311%	0.067311%
City's proportionate share of the net pension asset	\$ 30,832	\$ 25,915	\$ 7,063
City's covered-employee payroll	\$ 235,000	\$ 246,050	\$ 244,900
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	13.12%	10.53%	2.88%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.025894%	n/a	n/a
City's proportionate share of the net pension asset	\$ 99	n/a	n/a
City's covered-employee payroll	\$ 182,158	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.05%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARREN, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.35610900%	0.38103530%	0.38103530%
City's proportionate share of the net pension liability	\$ 22,908,737	\$ 19,739,218	\$ 18,557,615
City's covered-employee payroll	\$ 7,813,926	\$ 7,552,274	\$ 7,830,751
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	293.18%	261.37%	236.98%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARREN, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,332,531	\$ 1,606,587	\$ 1,535,286	\$ 1,777,452
Contributions in relation to the contractually required contribution	<u>(1,332,531)</u>	<u>(1,606,587)</u>	<u>(1,535,286)</u>	<u>(1,777,452)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 11,104,425	\$ 13,388,225	\$ 12,794,050	\$ 13,672,708
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 35,396	\$ 28,200	\$ 29,526	\$ 31,837
Contributions in relation to the contractually required contribution	<u>(35,396)</u>	<u>(28,200)</u>	<u>(29,526)</u>	<u>(31,837)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 294,967	\$ 235,000	\$ 246,050	\$ 244,900
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 15,869	\$ 17,305		
Contributions in relation to the contractually required contribution	<u>(15,869)</u>	<u>(17,305)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 167,042	\$ 182,158		
Contributions as a percentage of covered-employee payroll	9.50%	9.50%		

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,305,122	\$ 1,300,432	\$ 1,172,052	\$ 1,109,199	\$ 1,043,704	\$ 1,216,075
<u>(1,305,122)</u>	<u>(1,300,432)</u>	<u>(1,172,052)</u>	<u>(1,109,199)</u>	<u>(1,043,704)</u>	<u>(1,216,075)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,051,220	\$ 13,004,320	\$ 13,144,508	\$ 13,651,680	\$ 14,910,057	\$ 14,563,772
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%
\$ 18,634	\$ 19,506	\$ 23,723	\$ -	\$ -	\$ -
<u>(18,634)</u>	<u>(19,506)</u>	<u>(23,723)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 234,390	\$ 245,358	\$ 244,904	\$ -	\$ -	\$ -
7.95%	7.95%	9.69%	8.13%	7.00%	8.35%

CITY OF WARREN, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 677,614	\$ 790,943	\$ 770,359	\$ 642,290
Contributions in relation to the contractually required contribution	<u>(677,614)</u>	<u>(790,943)</u>	<u>(770,359)</u>	<u>(642,290)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,566,389	\$ 4,162,858	\$ 4,054,521	\$ 4,043,799
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
<i>Fire:</i>				
Contractually required contribution	\$ 723,822	\$ 858,001	\$ 821,972	\$ 771,907
Contributions in relation to the contractually required contribution	<u>(723,822)</u>	<u>(858,001)</u>	<u>(821,972)</u>	<u>(771,907)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,080,094	\$ 3,651,068	\$ 3,497,753	\$ 3,786,952
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 529,665	\$ 539,681	\$ 489,866	\$ 489,740	\$ 610,558	\$ 595,165
<u>(529,665)</u>	<u>(539,681)</u>	<u>(489,866)</u>	<u>(489,740)</u>	<u>(610,558)</u>	<u>(595,165)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,154,235	\$ 4,232,792	\$ 3,842,086	\$ 3,841,098	\$ 4,788,690	\$ 4,667,961
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 676,223	\$ 678,660	\$ 584,723	\$ 615,822	\$ 732,799	\$ 743,508
<u>(676,223)</u>	<u>(678,660)</u>	<u>(584,723)</u>	<u>(615,822)</u>	<u>(732,799)</u>	<u>(743,508)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,920,133	\$ 3,934,261	\$ 3,389,699	\$ 3,569,983	\$ 4,248,110	\$ 4,310,191
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF WARREN, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES

CITY OF WARREN, OHIO

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

General Fund

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

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

Packard Music Hall

To account for the operations of the Packard Music Hall.

Nonmajor Special Revenue Funds

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Court Computerization

To account for revenues collected by the courts to be used for computer maintenance of the courts.

Street Maintenance

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets within the City.

Police Grants

To account for all grants specific to the Police Department.

Drivers Alcohol Treatment

To account for fines collected to be used for expenditures related to drunk driving enforcement and treatment.

Drug Law Enforcement

To account for fines of the Municipal Court designated to subsidize each agency's law enforcement efforts that pertain to drug offenses.

Law Enforcement Trust

To account for monies received from the Federal Law Enforcement agencies designated for law enforcement purposes.

Enforcement and Education

To account for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

Federal Forfeitures

To account for revenues received from Federal forfeitures to be used for expenditures related to drug enforcement and education.

Probation - Municipal Court

To account for revenues received from municipal probation.

Special Projects - Courts

To account for revenues collected by the courts to be used on various projects in the courts.

Legal Research - Courts

To account for revenues collected by the courts to be used for legal research.

Community Development Block Grant (CDBG)

To account for State and federal monies received under the Community Development Block Grant program for providing decent housing and a suitable living environment and expanded economic opportunities principally for persons of low and moderate income and the allowable administrative costs associated with those projects.

CITY OF WARREN, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Guarantee Loan

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

Highway Construction

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

Motor Vehicle Levy

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

Home Investment

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

Nonmajor Debt Service Fund

General Bond Payment

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

Major Capital Projects Fund

General Capital Projects

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

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 17,139,948	\$ 17,390,000	\$ 16,732,646	\$ (657,354)
Charges for services	2,288,999	2,285,000	2,378,985	93,985
Licenses and permits	2,054,790	2,051,200	1,859,721	(191,479)
Fines and forfeitures	1,128,472	1,126,500	834,495	(292,005)
Intergovernmental	1,373,901	1,393,347	1,271,944	(121,403)
Investment income	75,131	75,000	122,759	47,759
Rental income	65,114	65,000	69,026	4,026
Other	666,965	673,700	1,554,960	881,260
Total revenues	<u>24,793,320</u>	<u>25,059,747</u>	<u>24,824,536</u>	<u>(235,211)</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	244,157	236,942	232,732	4,210
Contract services	25,649	25,749	24,750	999
Materials and supplies.	3,500	2,000	1,888	112
Total city council	<u>273,306</u>	<u>264,691</u>	<u>259,370</u>	<u>5,321</u>
Municipal court				
Personal services	1,877,810	1,780,898	1,733,113	47,785
Contract services	62,280	62,120	47,112	15,008
Total municipal court.	<u>1,940,090</u>	<u>1,843,018</u>	<u>1,780,225</u>	<u>62,793</u>
Victims of crimes				
Personal services	65,056	77,056	67,587	9,469
Contract services	2,200	2,360	2,328	32
Materials and supplies.	5,800	5,800	5,451	349
Total victims of crimes	<u>73,056</u>	<u>85,216</u>	<u>75,366</u>	<u>9,850</u>
Operations - general				
Personal services	107,388	107,388	100,149	7,239
Contract services	18,375	18,375	18,086	289
Materials and supplies.	-	10	6	4
Total operations - general	<u>125,763</u>	<u>125,773</u>	<u>118,241</u>	<u>7,532</u>
Operations - maintenance				
Personal services	767,310	752,310	624,070	128,240
Contract services	218,890	213,390	161,447	51,943
Materials and supplies.	48,796	59,296	55,378	3,918
Total operations - maintenance.	<u>1,034,996</u>	<u>1,024,996</u>	<u>840,895</u>	<u>184,101</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor				
Personal services	\$ 401,308	\$ 323,893	\$ 315,485	\$ 8,408
Contract services	32,610	26,510	21,387	5,123
Materials and supplies.	17,960	8,560	7,285	1,275
Total mayor.	<u>451,878</u>	<u>358,963</u>	<u>344,157</u>	<u>14,806</u>
Purchasing				
Personal services	53,350	52,691	49,892	2,799
Contract services	14,400	13,500	13,387	113
Materials and supplies.	4,350	1,050	924	126
Total purchasing	<u>72,100</u>	<u>67,241</u>	<u>64,203</u>	<u>3,038</u>
Finance				
Personal services	595,598	523,383	508,195	15,188
Contract services	64,600	50,527	48,316	2,211
Materials and supplies.	11,500	6,500	5,537	963
Total finance	<u>671,698</u>	<u>580,410</u>	<u>562,048</u>	<u>18,362</u>
Human resources				
Personal services	334,187	327,078	300,793	26,285
Contract services	44,900	37,750	30,900	6,850
Materials and supplies.	2,095	2,095	355	1,740
Total human resources	<u>381,182</u>	<u>366,923</u>	<u>332,048</u>	<u>34,875</u>
Law department				
Personal services	946,175	925,825	923,627	2,198
Contract services	46,150	32,650	23,967	8,683
Materials and supplies.	7,500	5,500	1,448	4,052
Total law department.	<u>999,825</u>	<u>963,975</u>	<u>949,042</u>	<u>14,933</u>
Civil service				
Personal services	11,769	11,925	11,511	414
Contract services	20,750	9,150	5,860	3,290
Materials and supplies.	1,500	50	35	15
Total civil service.	<u>34,019</u>	<u>21,125</u>	<u>17,406</u>	<u>3,719</u>
Administrative support				
Contract services	1,400,672	1,355,472	1,281,874	73,598
Materials and supplies.	18,726	18,726	8,209	10,517
Other	50,379	50,379	40,065	10,314
Total administrative support	<u>1,469,777</u>	<u>1,424,577</u>	<u>1,330,148</u>	<u>94,429</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax				
Personal services	\$ 523,026	\$ 511,529	\$ 501,177	\$ 10,352
Contract services	105,267	92,967	91,049	1,918
Materials and supplies.	28,019	22,819	18,341	4,478
Total income tax	<u>656,312</u>	<u>627,315</u>	<u>610,567</u>	<u>16,748</u>
Total general government	<u>8,184,002</u>	<u>7,754,223</u>	<u>7,283,716</u>	<u>470,507</u>
Security of persons and property				
Police				
Personal services	6,191,049	6,481,688	6,417,947	63,741
Contract services	1,743,883	1,790,883	1,776,172	14,711
Materials and supplies.	186,641	168,641	151,210	17,431
Total police.	<u>8,121,573</u>	<u>8,441,212</u>	<u>8,345,329</u>	<u>95,883</u>
Fire				
Personal services	5,194,509	5,655,609	5,565,669	89,940
Contract services	246,421	229,137	191,374	37,763
Materials and supplies.	133,375	129,575	110,930	18,645
Capital outlay	-	22,031	19,670	2,361
Total fire	<u>5,574,305</u>	<u>6,036,352</u>	<u>5,887,643</u>	<u>148,709</u>
Bio-Terrorism				
Contract services	2,525	452	432	20
Total bio-terrorism	<u>2,525</u>	<u>452</u>	<u>432</u>	<u>20</u>
Total security of persons and property .	<u>13,698,403</u>	<u>14,478,016</u>	<u>14,233,404</u>	<u>244,612</u>
Public health and welfare				
Health				
Personal services	332,092	327,942	325,050	2,892
Contract services	106,368	104,071	93,417	10,654
Materials and supplies.	21,046	17,525	14,952	2,573
Other.	211,000	211,000	202,571	8,429
Total health	<u>670,506</u>	<u>660,538</u>	<u>635,990</u>	<u>24,548</u>
Dental				
Personal services	1,935	435	-	435
Contract services	42,782	40,382	34,648	5,734
Materials and supplies.	7,300	6,700	6,207	493
Total dental.	<u>52,017</u>	<u>47,517</u>	<u>40,855</u>	<u>6,662</u>
Total public health and welfare	<u>722,523</u>	<u>708,055</u>	<u>676,845</u>	<u>31,210</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Environmental health				
Personal services	\$ 633,196	\$ 632,886	\$ 623,890	\$ 8,996
Contract services	25,916	22,376	16,140	6,236
Materials and supplies.	17,879	15,379	13,160	2,219
Other.	8,000	8,000	7,272	728
Total environmental health.	<u>684,991</u>	<u>678,641</u>	<u>660,462</u>	<u>18,179</u>
Weed control				
Contract services	12,150	6,730	5,858	872
Materials and supplies.	4,500	-	-	-
Total weed control.	<u>16,650</u>	<u>6,730</u>	<u>5,858</u>	<u>872</u>
Mosquito control				
Contract services	250	-	-	-
Materials and supplies.	2,650	1,384	1,383	1
Total mosquito control.	<u>2,900</u>	<u>1,384</u>	<u>1,383</u>	<u>1</u>
Engineering building and plant department				
Personal services	935,344	909,747	857,140	52,607
Contract services	249,375	257,150	254,603	2,547
Materials and supplies.	30,974	30,974	18,215	12,759
Other	8,000	8,000	5,570	2,430
Total engineering building and plant department.	<u>1,223,693</u>	<u>1,205,871</u>	<u>1,135,528</u>	<u>70,343</u>
Total community environment.	<u>1,928,234</u>	<u>1,892,626</u>	<u>1,803,231</u>	<u>89,395</u>
Leisure time activity				
Operations - Packard Park				
Personal services	69,251	57,251	52,050	5,201
Contract services	81,895	74,695	52,502	22,193
Materials and supplies.	18,087	12,586	5,537	7,049
Other.	5,000	5,000	3,668	1,332
Total operations - packard park.	<u>174,233</u>	<u>149,532</u>	<u>113,757</u>	<u>35,775</u>
Operations - parks				
Personal services	209,166	236,166	228,706	7,460
Contract services	96,050	108,750	103,038	5,712
Materials and supplies.	45,770	40,760	22,658	18,102
Other.	300	300	300	-
Total operations - parks.	<u>351,286</u>	<u>385,976</u>	<u>354,702</u>	<u>31,274</u>
Total leisure time activity.	<u>525,519</u>	<u>535,508</u>	<u>468,459</u>	<u>67,049</u>
Total expenditures.	<u>25,058,681</u>	<u>25,368,428</u>	<u>24,465,655</u>	<u>902,773</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, 2016

	<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	\$ (265,361)	\$ (308,681)	\$ 358,881	\$ 667,562
Other financing sources (uses):				
Transfers in	250,000	250,000	-	(250,000)
Transfers out	(501,000)	(501,000)	(481,871)	19,129
Total other financing sources (uses). . .	<u>(251,000)</u>	<u>(251,000)</u>	<u>(481,871)</u>	<u>(230,871)</u>
Net change in fund balance.	(516,361)	(559,681)	(122,990)	436,691
Fund balance at beginning of year	130,922	130,922	130,922	-
Prior year encumbrances appropriated .	<u>559,681</u>	<u>559,681</u>	<u>559,681</u>	<u>-</u>
Fund balance at end of year	<u>\$ 174,242</u>	<u>\$ 130,922</u>	<u>\$ 567,613</u>	<u>\$ 436,691</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PACKARD MUSIC HALL
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 75,000	\$ 75,000	\$ 64,449	\$ (10,551)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>64,449</u>	<u>(10,551)</u>
Expenditures:				
Current:				
General government				
Contract services	310,450	310,450	302,230	8,220
Total expenditures	<u>310,450</u>	<u>310,450</u>	<u>302,230</u>	<u>8,220</u>
Excess of expenditures over revenues . . .	(235,450)	(235,450)	(237,781)	(2,331)
Other financing sources:				
Transfers in	234,000	234,000	233,790	(210)
Total other financing sources	<u>234,000</u>	<u>234,000</u>	<u>233,790</u>	<u>(210)</u>
Net change in fund balance	(1,450)	(1,450)	(3,991)	(2,541)
Fund balance at beginning of year	2,543	2,543	2,543	-
Prior year encumbrances appropriated . .	<u>1,450</u>	<u>1,450</u>	<u>1,450</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,543</u>	<u>\$ 2,543</u>	<u>\$ 2</u>	<u>\$ (2,541)</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 2,657,259	\$ 1,652,664	\$ 4,309,923
Receivables (net of allowances of uncollectibles):			
Real and other taxes	-	1,621,654	1,621,654
Accounts.	38,553	-	38,553
Intergovernmental	829,151	90,435	919,586
Loans.	6,242,641	-	6,242,641
Special assessments	1,603,977	141,408	1,745,385
Materials and supplies inventory	100,125	-	100,125
Total assets.	<u>\$ 11,471,706</u>	<u>\$ 3,506,161</u>	<u>\$ 14,977,867</u>
Liabilities:			
Accounts payable	\$ 40,835	\$ 3,400	\$ 44,235
Accrued wages and benefits.	33,848	-	33,848
Due to other funds.	6,387	-	6,387
Due to other governments	5,969	-	5,969
Total liabilities	<u>87,039</u>	<u>3,400</u>	<u>90,439</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	1,237,323	1,237,323
Delinquent property tax revenue not available.	-	384,331	384,331
Special assessments revenue not available.	1,603,977	141,408	1,745,385
Miscellaneous revenue not available.	4,238	-	4,238
Intergovernmental revenue not available.	574,142	90,435	664,577
Total deferred inflows of resources	<u>2,182,357</u>	<u>1,853,497</u>	<u>4,035,854</u>
Fund balances:			
Nonspendable	100,125	-	100,125
Restricted.	9,102,185	1,649,264	10,751,449
Total fund balances	<u>9,202,310</u>	<u>1,649,264</u>	<u>10,851,574</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 11,471,706</u>	<u>\$ 3,506,161</u>	<u>\$ 14,977,867</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property and other taxes	\$ -	\$ 1,249,316	\$ 1,249,316
Charges for services	43,693	-	43,693
Licenses and permits	90,719	-	90,719
Fines and forfeitures.	378,142	-	378,142
Intergovernmental	4,163,447	180,870	4,344,317
Special assessments	-	10,522	10,522
Investment income.	21,303	-	21,303
Other.	298,055	-	298,055
	<hr/>	<hr/>	<hr/>
Total revenues	4,995,359	1,440,708	6,436,067
Expenditures:			
Current:			
General government	69,920	33,986	103,906
Security of persons and property	432,525	-	432,525
Transportation	1,438,403	-	1,438,403
Economic development.	2,199,189	-	2,199,189
Capital outlay	398,471	-	398,471
Debt service:			
Principal retirement	215,000	657,828	872,828
Interest and fiscal charges.	57,893	314,247	372,140
	<hr/>	<hr/>	<hr/>
Total expenditures.	4,811,401	1,006,061	5,817,462
	<hr/>	<hr/>	<hr/>
Excess of revenues over expendiutres	183,958	434,647	618,605
Other financing sources (uses):			
Transfers in	180,696	38,841	219,537
Transfers out.	(117,331)	-	(117,331)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses).	63,365	38,841	102,206
	<hr/>	<hr/>	<hr/>
Net change in fund balance	247,323	473,488	720,811
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>
	8,954,987	1,175,776	10,130,763
Fund balances at end of year	<hr/>	<hr/>	<hr/>
	\$ 9,202,310	\$ 1,649,264	\$ 10,851,574
	<hr/>	<hr/>	<hr/>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Police Grants</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 242,729	\$ 74,442	\$ 14,237
Receivables (net of allowances for uncollectibles):			
Accounts	7,008	-	-
Intergovernmental	-	709,968	12,588
Loans	-	-	-
Special assessments	-	-	-
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 249,737</u>	<u>\$ 784,410</u>	<u>\$ 26,825</u>
Liabilities:			
Accounts payable	\$ 3,264	\$ 41	\$ 4,605
Accrued wages and benefits	-	22,811	-
Due to other funds	-	6,387	-
Due to other governments	-	3,524	740
Total liabilities	<u>3,264</u>	<u>32,763</u>	<u>5,345</u>
Deferred inflows of resources:			
Special assessments revenue not available	-	-	-
Miscellaneous revenue not available	-	-	-
Intergovernmental revenue not available	-	534,096	-
Total deferred inflows of resources	<u>-</u>	<u>534,096</u>	<u>-</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	<u>246,473</u>	<u>217,551</u>	<u>21,480</u>
Total fund balances	<u>246,473</u>	<u>217,551</u>	<u>21,480</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 249,737</u>	<u>\$ 784,410</u>	<u>\$ 26,825</u>

<u>Drivers Alcohol Treatment</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Enforcement and Education</u>	<u>Federal Forfeitures</u>	<u>Probation - Municipal Court</u>
\$ 2,815	\$ 144,149	\$ 29,021	\$ 52,097	\$ 130,390	\$ 341,611
166	-	-	50	-	6,165
4,591	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,572</u>	<u>\$ 144,149</u>	<u>\$ 29,021</u>	<u>\$ 52,147</u>	<u>\$ 130,390</u>	<u>\$ 347,776</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,238	-	-	-	-	-
-	-	-	-	-	-
<u>4,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
3,334	144,149	29,021	52,147	130,390	347,776
<u>3,334</u>	<u>144,149</u>	<u>29,021</u>	<u>52,147</u>	<u>130,390</u>	<u>347,776</u>
<u>\$ 7,572</u>	<u>\$ 144,149</u>	<u>\$ 29,021</u>	<u>\$ 52,147</u>	<u>\$ 130,390</u>	<u>\$ 347,776</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2016

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 741,214	\$ 163,050	\$ 217,107
Receivables (net of allowances for uncollectibles):			
Accounts	17,711	2,066	2,775
Intergovernmental	-	-	-
Loans	-	-	1,414,278
Special assessments	-	-	1,603,977
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 758,925</u>	<u>\$ 165,116</u>	<u>\$ 3,238,137</u>
Liabilities:			
Accounts payable	\$ 1,254	\$ -	\$ 6,190
Accrued wages and benefits	-	-	11,037
Due to other funds	-	-	-
Due to other governments	-	-	1,705
Total liabilities	<u>1,254</u>	<u>-</u>	<u>18,932</u>
Deferred inflows of resources:			
Special assessments revenue not available	-	-	1,603,977
Miscellaneous revenue not available	-	-	-
Intergovernmental revenue not available	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,603,977</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	<u>757,671</u>	<u>165,116</u>	<u>1,615,228</u>
Total fund equity	<u>757,671</u>	<u>165,116</u>	<u>1,615,228</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 758,925</u>	<u>\$ 165,116</u>	<u>\$ 3,238,137</u>

<u>Guarantee Loan</u>	<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>Total</u>
\$ 111,652	\$ 121,159	\$ 117,495	\$ 154,091	\$ 2,657,259
-	2,612	-	-	38,553
-	57,565	44,439	-	829,151
1,119,302	-	-	3,709,061	6,242,641
-	-	-	-	1,603,977
-	-	100,125	-	100,125
<u>\$ 1,230,954</u>	<u>\$ 181,336</u>	<u>\$ 262,059</u>	<u>\$ 3,863,152</u>	<u>\$ 11,471,706</u>
\$ -	\$ 4,657	\$ 14,596	\$ 6,228	\$ 40,835
-	-	-	-	33,848
-	-	-	-	6,387
-	-	-	-	5,969
-	4,657	14,596	6,228	87,039
-	-	-	-	1,603,977
-	-	-	-	4,238
-	40,046	-	-	574,142
-	40,046	-	-	2,182,357
-	-	100,125	-	100,125
1,230,954	136,633	147,338	3,856,924	9,102,185
1,230,954	136,633	247,463	3,856,924	9,202,310
<u>\$ 1,230,954</u>	<u>\$ 181,336</u>	<u>\$ 262,059</u>	<u>\$ 3,863,152</u>	<u>\$ 11,471,706</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, 2016

	Court Computerization	Street Maintenance	Police Grants
Revenues:			
Charge for services	\$ -	\$ -	\$ -
Licenses and permits	-	2,050	-
Fines and forfeitures.	77,704	-	-
Intergovernmental.	-	1,396,171	75,592
Investment income	-	-	-
Other	129	6,425	-
	<hr/>	<hr/>	<hr/>
Total revenues.	77,833	1,404,646	75,592
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	69,920	-	-
Security of persons and property	-	-	63,278
Transportation.	-	1,438,403	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	69,920	1,438,403	63,278
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	7,913	(33,757)	12,314
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	100,000	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	100,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	7,913	66,243	12,314
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	238,560	151,308	9,166
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 246,473	\$ 217,551	\$ 21,480
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	88,669
3,160	60,584	-	8,655	-	-
-	-	19,740	-	85,803	-
-	-	-	-	550	-
-	-	5,075	-	-	-
<u>3,160</u>	<u>60,584</u>	<u>24,815</u>	<u>8,655</u>	<u>86,353</u>	<u>88,669</u>
-	-	-	-	-	-
8,371	86,390	20,131	-	50,066	56,539
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,371</u>	<u>86,390</u>	<u>20,131</u>	<u>-</u>	<u>50,066</u>	<u>56,539</u>
<u>(5,211)</u>	<u>(25,806)</u>	<u>4,684</u>	<u>8,655</u>	<u>36,287</u>	<u>32,130</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(5,211)</u>	<u>(25,806)</u>	<u>4,684</u>	<u>8,655</u>	<u>36,287</u>	<u>32,130</u>
<u>8,545</u>	<u>169,955</u>	<u>24,337</u>	<u>43,492</u>	<u>94,103</u>	<u>315,646</u>
<u>\$ 3,334</u>	<u>\$ 144,149</u>	<u>\$ 29,021</u>	<u>\$ 52,147</u>	<u>\$ 130,390</u>	<u>\$ 347,776</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, 2016

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
Revenues:			
Charge for services	\$ -	\$ -	\$ 43,693
Licenses and permits	-	-	-
Fines and forfeitures.	204,731	23,308	-
Intergovernmental.	-	-	1,069,624
Investment income	-	-	12,016
Other	<u>77,993</u>	<u>-</u>	<u>16,279</u>
Total revenues.	<u>282,724</u>	<u>23,308</u>	<u>1,141,612</u>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	118,344	29,406	-
Transportation.	-	-	-
Economic development	-	-	1,270,281
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>118,344</u>	<u>29,406</u>	<u>1,270,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>164,380</u>	<u>(6,098)</u>	<u>(128,669)</u>
Other financing sources (uses):			
Transfers in.	-	-	80,696
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>80,696</u>
Net change in fund balance.	164,380	(6,098)	(47,973)
Fund balances at beginning of year.	<u>593,291</u>	<u>171,214</u>	<u>1,663,201</u>
Fund balances at end of year	<u>\$ 757,671</u>	<u>\$ 165,116</u>	<u>\$ 1,615,228</u>

Guarantee Loan	Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ -	\$ -	\$ -	\$ -	\$ 43,693
-	-	-	-	90,719
-	-	-	-	378,142
-	110,804	485,944	919,769	4,163,447
109	874	821	6,933	21,303
161,660	2,612	-	27,882	298,055
<u>161,769</u>	<u>114,290</u>	<u>486,765</u>	<u>954,584</u>	<u>4,995,359</u>
-	-	-	-	69,920
-	-	-	-	432,525
-	-	-	-	1,438,403
-	-	-	928,908	2,199,189
-	113,561	284,910	-	398,471
215,000	-	-	-	215,000
57,893	-	-	-	57,893
<u>272,893</u>	<u>113,561</u>	<u>284,910</u>	<u>928,908</u>	<u>4,811,401</u>
<u>(111,124)</u>	<u>729</u>	<u>201,855</u>	<u>25,676</u>	<u>183,958</u>
-	-	-	-	180,696
-	-	(117,331)	-	(117,331)
-	-	(117,331)	-	63,365
(111,124)	729	84,524	25,676	247,323
<u>1,342,078</u>	<u>135,904</u>	<u>162,939</u>	<u>3,831,248</u>	<u>8,954,987</u>
<u>\$ 1,230,954</u>	<u>\$ 136,633</u>	<u>\$ 247,463</u>	<u>\$ 3,856,924</u>	<u>\$ 9,202,310</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 110,000	\$ 110,000	\$ 75,332	\$ (34,668)
Other	-	-	129	129
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>75,461</u>	<u>(34,539)</u>
Expenditures:				
Current:				
General government				
Personal services	28,000	28,000	22,717	5,283
Contract services	45,000	45,000	34,298	10,702
Materials and supplies.	20,905	20,905	16,885	4,020
Capital outlay	20,000	20,000	-	20,000
Total general government	<u>113,905</u>	<u>113,905</u>	<u>73,900</u>	<u>40,005</u>
Total expenditures	<u>113,905</u>	<u>113,905</u>	<u>73,900</u>	<u>40,005</u>
Net change in fund balance.	(3,905)	(3,905)	1,561	5,466
Fund balance at beginning of year	233,999	233,999	233,999	-
Prior year encumbrances appropriated .	<u>3,905</u>	<u>3,905</u>	<u>3,905</u>	<u>-</u>
Fund balance at end of year	<u>\$ 233,999</u>	<u>\$ 233,999</u>	<u>\$ 239,465</u>	<u>\$ 5,466</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 1,000	\$ 1,000	\$ 2,050	\$ 1,050
Intergovernmental	1,445,000	1,445,000	1,393,805	(51,195)
Other	-	-	6,425	6,425
Total revenues	<u>1,446,000</u>	<u>1,446,000</u>	<u>1,402,280</u>	<u>(43,720)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,100,500	928,500	890,509	37,991
Contract services	470,279	685,873	515,643	170,230
Materials and supplies	84,159	45,188	32,051	13,137
Total transportation	<u>1,654,938</u>	<u>1,659,561</u>	<u>1,438,203</u>	<u>221,358</u>
Total expenditures	<u>1,654,938</u>	<u>1,659,561</u>	<u>1,438,203</u>	<u>221,358</u>
Excess of expenditures over revenues	<u>(208,938)</u>	<u>(213,561)</u>	<u>(35,923)</u>	<u>177,638</u>
Other financing sources:				
Transfers in	204,000	204,000	100,000	(104,000)
Total other financing sources	<u>204,000</u>	<u>204,000</u>	<u>100,000</u>	<u>(104,000)</u>
Net change in fund balance	(4,938)	(9,561)	64,077	73,638
Fund balance at beginning of year	4,623	4,623	4,623	-
Prior year encumbrances appropriated	<u>4,938</u>	<u>4,938</u>	<u>4,938</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,623</u>	<u>\$ -</u>	<u>\$ 73,638</u>	<u>\$ 73,638</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE GRANTS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 80,393	\$ 5,393
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>80,393</u>	<u>5,393</u>
Expenditures:				
Current:				
Security of persons and property				
Other	75,000	78,450	75,576	2,874
Total security of persons and property.	<u>75,000</u>	<u>78,450</u>	<u>75,576</u>	<u>2,874</u>
Total expenditures.	<u>75,000</u>	<u>78,450</u>	<u>75,576</u>	<u>2,874</u>
Net change in fund balance	-	(3,450)	4,817	8,267
Fund balance at beginning of year	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 3,450</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,267</u></u>	<u><u>\$ 8,267</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 32,000	\$ 32,000	\$ 3,798	\$ (28,202)
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>3,798</u>	<u>(28,202)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	32,000	32,000	8,371	23,629
Total security of persons and property .	<u>32,000</u>	<u>32,000</u>	<u>8,371</u>	<u>23,629</u>
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>8,371</u>	<u>23,629</u>
Net change in fund balance	-	-	(4,573)	(4,573)
Fund balance at beginning of year.	<u>7,388</u>	<u>7,388</u>	<u>7,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,388</u>	<u>\$ 7,388</u>	<u>\$ 2,815</u>	<u>\$ (4,573)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 60,584	\$ 55,584
Total revenues.	<u>5,000</u>	<u>5,000</u>	<u>60,584</u>	<u>55,584</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	5,000	5,000	3,737	1,263
Capital outlay	-	90,022	82,653	7,369
Total security of persons and property .	<u>5,000</u>	<u>95,022</u>	<u>86,390</u>	<u>8,632</u>
Total expenditures	<u>5,000</u>	<u>95,022</u>	<u>86,390</u>	<u>8,632</u>
Net change in fund balance	-	(90,022)	(25,806)	64,216
Fund balance at beginning of year	<u>169,955</u>	<u>169,955</u>	<u>169,955</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 169,955</u>	<u>\$ 79,933</u>	<u>\$ 144,149</u>	<u>\$ 64,216</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Intergovernmental.	25,000	25,000	30,575	5,575
Other	-	-	5,075	5,075
Total revenues.	<u>50,000</u>	<u>50,000</u>	<u>35,650</u>	<u>(14,350)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	22,000	22,000	4,231	17,769
Materials and supplies	17,349	17,349	15,014	2,335
Other	17,000	17,000	10,037	6,963
Total security of persons and property .	<u>56,349</u>	<u>56,349</u>	<u>29,282</u>	<u>27,067</u>
Total expenditures	<u>56,349</u>	<u>56,349</u>	<u>29,282</u>	<u>27,067</u>
Net change in fund balance.	(6,349)	(6,349)	6,368	12,717
Fund balance at beginning of year	16,304	16,304	16,304	-
Prior year encumbrances appropriated .	<u>6,349</u>	<u>6,349</u>	<u>6,349</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,304</u>	<u>\$ 16,304</u>	<u>\$ 29,021</u>	<u>\$ 12,717</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 8,639	\$ 7,139
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>8,639</u>	<u>7,139</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	1,500	1,500	-	1,500
Total security of persons and property .	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net change in fund balance	-	-	8,639	8,639
Fund balance at beginning of year	<u>43,458</u>	<u>43,458</u>	<u>43,458</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 43,458</u>	<u>\$ 43,458</u>	<u>\$ 52,097</u>	<u>\$ 8,639</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 85,803	\$ 75,803
Investment income	-	-	550	550
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>86,353</u>	<u>76,353</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	5,000	5,000	4,016	984
Materials and supplies.	16,278	22,278	20,646	1,632
Capital outlay	-	36,211	25,794	10,417
Total security of persons and property	<u>21,278</u>	<u>63,489</u>	<u>50,456</u>	<u>13,033</u>
Total expenditures	<u>21,278</u>	<u>63,489</u>	<u>50,456</u>	<u>13,033</u>
Net change in fund balance.	(11,278)	(53,489)	35,897	89,386
Fund balance at beginning of year	82,825	82,825	82,825	-
Prior year encumbrances appropriated	<u>11,278</u>	<u>11,278</u>	<u>11,278</u>	<u>-</u>
Fund balance at end of year	<u>\$ 82,825</u>	<u>\$ 40,614</u>	<u>\$ 130,000</u>	<u>\$ 89,386</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROBATION - MUNICIPAL COURT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 90,000	\$ 90,000	\$ 86,097	\$ (3,903)
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>86,097</u>	<u>(3,903)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	23,640	23,640	19,737	3,903
Contract services	35,000	35,000	32,511	2,489
Materials and supplies.	9,000	9,000	4,303	4,697
Total security of persons and property.	<u>67,640</u>	<u>67,640</u>	<u>56,551</u>	<u>11,089</u>
Total expenditures	<u>67,640</u>	<u>67,640</u>	<u>56,551</u>	<u>11,089</u>
Net change in fund balance	22,360	22,360	29,546	7,186
Fund balance at beginning of year	<u>312,053</u>	<u>312,053</u>	<u>312,053</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 334,413</u>	<u>\$ 334,413</u>	<u>\$ 341,599</u>	<u>\$ 7,186</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 275,000	\$ 275,000	\$ 197,830	\$ (77,170)
Other	-	-	77,993	77,993
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>275,823</u>	<u>823</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	131,485	131,485	107,517	23,968
Materials and supplies.	40,633	40,633	12,690	27,943
Capital outlay	238,175	238,175	193,300	44,875
Total security of persons and property .	<u>410,293</u>	<u>410,293</u>	<u>313,507</u>	<u>96,786</u>
Total expenditures	<u>410,293</u>	<u>410,293</u>	<u>313,507</u>	<u>96,786</u>
Net change in fund balance	(135,293)	(135,293)	(37,684)	97,609
Fund balance at beginning of year	515,901	515,901	515,901	-
Prior year encumbrances appropriated. .	<u>260,543</u>	<u>260,543</u>	<u>260,543</u>	<u>-</u>
Fund balance at end of year	<u>\$ 641,151</u>	<u>\$ 641,151</u>	<u>\$ 738,760</u>	<u>\$ 97,609</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LEGAL RESEARCH - COURTS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 22,682	\$ (7,318)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>22,682</u>	<u>(7,318)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	30,000	35,500	29,406	6,094
Total security of persons and property.	<u>30,000</u>	<u>35,500</u>	<u>29,406</u>	<u>6,094</u>
Total expenditures	<u>30,000</u>	<u>35,500</u>	<u>29,406</u>	<u>6,094</u>
Net change in fund balance.	-	(5,500)	(6,724)	(1,224)
Fund balance at beginning of year	<u>169,774</u>	<u>169,774</u>	<u>169,774</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 169,774</u>	<u>\$ 164,274</u>	<u>\$ 163,050</u>	<u>\$ (1,224)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ 45,315	\$ 45,315
Intergovernmental	1,342,156	1,476,499	1,069,624	(406,875)
Investment income	600	600	1,666	1,066
Other	186,500	186,500	91,761	(94,739)
Total revenues	<u>1,529,256</u>	<u>1,663,599</u>	<u>1,208,366</u>	<u>(455,233)</u>
Expenditures:				
Current:				
Economic development				
Personal services	394,785	396,784	374,406	22,378
Contract services	394,705	392,705	290,054	102,651
Materials and supplies.	1,644	1,645	1,349	296
Capital outlay	362,194	496,537	466,320	30,217
Other	751,037	751,037	560,645	190,392
Total economic development	<u>1,904,365</u>	<u>2,038,708</u>	<u>1,692,774</u>	<u>345,934</u>
Total expenditures	<u>1,904,365</u>	<u>2,038,708</u>	<u>1,692,774</u>	<u>345,934</u>
Excess of expenditures over revenues	<u>(375,109)</u>	<u>(375,109)</u>	<u>(484,408)</u>	<u>(109,299)</u>
Other financing sources:				
Transfers in	-	-	80,696	80,696
Total other financing sources	<u>-</u>	<u>-</u>	<u>80,696</u>	<u>80,696</u>
Net change in fund balance.	(375,109)	(375,109)	(403,712)	(28,603)
Fund balance (deficit) at beginning of year.	(103,009)	(103,009)	(103,009)	-
Prior year encumbrances appropriated .	<u>375,109</u>	<u>375,109</u>	<u>375,109</u>	<u>-</u>
Fund balance (deficit) at end of year. . .	<u>\$ (103,009)</u>	<u>\$ (103,009)</u>	<u>\$ (131,612)</u>	<u>\$ (28,603)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 109	\$ 109
Other	290,000	290,000	276,660	(13,340)
Total revenues	<u>290,000</u>	<u>290,000</u>	<u>276,769</u>	<u>(13,231)</u>
Expenditures:				
Debt service:				
Principal retirement	225,000	225,000	215,000	10,000
Interest and fiscal charges	65,000	65,000	57,893	7,107
Total debt service	<u>290,000</u>	<u>290,000</u>	<u>272,893</u>	<u>17,107</u>
Total expenditures	<u>290,000</u>	<u>290,000</u>	<u>272,893</u>	<u>17,107</u>
Excess of expenditures over revenues . .	-	-	3,876	3,876
Net change in fund balance	-	-	3,876	3,876
Fund balance at beginning of year	<u>107,776</u>	<u>107,776</u>	<u>107,776</u>	<u>-</u>
Fund balance at end of year	<u>\$ 107,776</u>	<u>\$ 107,776</u>	<u>\$ 111,652</u>	<u>\$ 3,876</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 119,500	\$ 119,500	\$ 113,011	\$ (6,489)
Investment income	500	500	874	374
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>113,885</u>	<u>(6,115)</u>
Expenditures:				
Capital outlay				
Contract services	80,659	80,659	52,506	28,153
Materials and supplies	91,026	91,026	62,346	28,680
Total capital outlay	<u>171,685</u>	<u>171,685</u>	<u>114,852</u>	<u>56,833</u>
Total expenditures	<u>171,685</u>	<u>171,685</u>	<u>114,852</u>	<u>56,833</u>
Net change in fund balance	(51,685)	(51,685)	(967)	50,718
Fund balance at beginning of year	64,542	64,542	64,542	-
Prior year encumbrances appropriated .	<u>51,685</u>	<u>51,685</u>	<u>51,685</u>	<u>-</u>
Fund balance at end of year	<u>\$ 64,542</u>	<u>\$ 64,542</u>	<u>\$ 115,260</u>	<u>\$ 50,718</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 468,000	\$ 468,000	\$ 483,828	15,828
Investment income	2,000	2,000	848	(1,152)
Total revenues	<u>470,000</u>	<u>470,000</u>	<u>484,676</u>	<u>14,676</u>
Expenditures:				
Capital outlay				
Contract services	211,535	206,535	154,273	52,262
Materials and supplies.	145,571	145,571	142,306	3,265
Total capital outlay	<u>357,106</u>	<u>352,106</u>	<u>296,579</u>	<u>55,527</u>
Total expenditures	<u>357,106</u>	<u>352,106</u>	<u>296,579</u>	<u>55,527</u>
Excess of revenues over expenditures . . .	<u>112,894</u>	<u>117,894</u>	<u>188,097</u>	<u>70,203</u>
Other financing uses:				
Transfers out	(124,800)	(129,800)	(117,331)	12,469
Total other financing uses	<u>(124,800)</u>	<u>(129,800)</u>	<u>(117,331)</u>	<u>12,469</u>
Net change in fund balance.	(11,906)	(11,906)	70,766	82,672
Fund balance at beginning of year	34,823	34,823	34,823	-
Prior year encumbrances appropriated .	11,906	11,906	11,906	-
Fund balance at end of year.	<u>\$ 34,823</u>	<u>\$ 34,823</u>	<u>\$ 117,495</u>	<u>\$ 82,672</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 722,550	\$ 722,550	\$ 919,769	\$ 197,219
Investment income	-	-	1,038	1,038
Other	55,000	55,000	33,777	(21,223)
Total revenues	<u>777,550</u>	<u>777,550</u>	<u>954,584</u>	<u>177,034</u>
Expenditures:				
Current:				
Economic development				
Personal services	57,550	57,550	55,989	1,561
Other	1,161,628	1,161,628	1,041,312	120,316
Total economic development	<u>1,219,178</u>	<u>1,219,178</u>	<u>1,097,301</u>	<u>121,877</u>
Total expenditures	<u>1,219,178</u>	<u>1,219,178</u>	<u>1,097,301</u>	<u>121,877</u>
Net change in fund balance.	(441,628)	(441,628)	(142,717)	298,911
Fund balance (deficit) at beginning of year.	(274,126)	(274,126)	(274,126)	-
Prior year encumbrances appropriated . .	<u>441,628</u>	<u>441,628</u>	<u>441,628</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (274,126)</u>	<u>\$ (274,126)</u>	<u>\$ 24,785</u>	<u>\$ 298,911</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL BOND PAYMENT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,075,457	\$ 1,275,000	\$ 1,249,316	\$ (25,684)
Intergovernmental	168,699	200,000	180,870	(19,130)
Special assessments	8,435	10,000	10,522	522
Total revenues	<u>1,252,591</u>	<u>1,485,000</u>	<u>1,440,708</u>	<u>(44,292)</u>
Expenditures:				
Current:				
General government				
Contract services	40,500	40,500	33,986	6,514
Total general government	<u>40,500</u>	<u>40,500</u>	<u>33,986</u>	<u>6,514</u>
Debt service:				
Principal retirement	657,900	657,900	657,828	72
Interest and fiscal charges	301,345	301,345	275,406	25,939
Total debt service	<u>959,245</u>	<u>959,245</u>	<u>933,234</u>	<u>26,011</u>
Total expenditures	<u>999,745</u>	<u>999,745</u>	<u>967,220</u>	<u>32,525</u>
Excess of expenditures over revenues . .	<u>252,846</u>	<u>485,255</u>	<u>473,488</u>	<u>(11,767)</u>
Net change in fund balance	252,846	485,255	473,488	(11,767)
Fund balance at beginning of year	<u>1,175,776</u>	<u>1,175,776</u>	<u>1,175,776</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,428,622</u>	<u>\$ 1,661,031</u>	<u>\$ 1,649,264</u>	<u>\$ (11,767)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,400,000	\$ 2,400,000	\$ 2,290,616	\$ (109,384)
Total revenues	2,400,000	2,400,000	2,290,616	(109,384)
Expenditures:				
Capital outlay				
Contract services	50,000	38,500	16,378	22,122
Capital outlay	3,964,308	4,090,429	4,060,361	30,068
Total capital outlay	4,014,308	4,128,929	4,076,739	52,190
Total expenditures	4,014,308	4,128,929	4,076,739	52,190
Excess of expenditures over revenues . .	(1,614,308)	(1,728,929)	(1,786,123)	(57,194)
Other financing sources:				
Transfers in	100,000	100,000	117,331	17,331
Total other financing sources	100,000	100,000	117,331	17,331
Net change in fund balance.	(1,514,308)	(1,628,929)	(1,668,792)	(39,863)
Fund balance at beginning of year	114,621	114,621	114,621	-
Prior year encumbrances appropriated .	1,514,308	1,514,308	1,514,308	-
Fund balance (deficit) at end of year . . .	\$ 114,621	\$ -	\$ (39,863)	\$ (39,863)

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

Enterprise Funds

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

Major Enterprise Funds

Sewer

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

Water

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

Sanitation

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

Nonmajor Enterprise Funds

City Redevelopment

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

Downtown Parking

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

Stormwater Utility

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

CITY OF WARREN, OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2016

	<u>City Redevelopment</u>	<u>Downtown Parking</u>	<u>Stormwater Utility</u>	<u>Totals</u>
Assets:				
Current assets:				
Equity in pooled cash, cash equivalents and investments	\$ 443,994	\$ 6,933	\$ 2,013,648	\$ 2,464,575
Receivables (net of allowances for uncollectibles):				
Accounts	-	348	329,625	329,973
Special assessments	-	-	96	96
Total current assets.	<u>443,994</u>	<u>7,281</u>	<u>2,343,369</u>	<u>2,794,644</u>
Noncurrent assets:				
Net pension asset	-	-	498	498
Capital assets:				
Non-depreciable capital assets	133,280	150,000	44,156	327,436
Depreciable capital assets, net	187,293	841,028	1,650,675	2,678,996
Total capital assets	<u>320,573</u>	<u>991,028</u>	<u>1,694,831</u>	<u>3,006,432</u>
Total noncurrent assets	<u>320,573</u>	<u>991,028</u>	<u>1,695,329</u>	<u>3,006,930</u>
Total assets	<u>764,567</u>	<u>998,309</u>	<u>4,038,698</u>	<u>5,801,574</u>
Deferred outflows of resources:				
Pension - OPERS	-	-	104,320	104,320
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>104,320</u>	<u>104,320</u>
Liabilities:				
Current liabilities:				
Accounts payable.	10,861	6,971	2,348	20,180
Accrued wages and benefits	-	-	8,151	8,151
Due to other governments	674	-	1,109	1,783
Current portion of OPWC loans payable	-	-	1,798	1,798
Current portion of compensated absences payable	-	-	13,006	13,006
Current portion of capital lease obligations.	-	-	37,463	37,463
Accrued interest payable	-	-	598	598
Total current liabilities.	<u>11,535</u>	<u>6,971</u>	<u>64,473</u>	<u>82,979</u>
Long-term liabilities:				
OPWC loans payable	-	-	42,238	42,238
Capital lease obligations	-	-	38,175	38,175
Net pension liability.	-	-	278,213	278,213
Compensated absences payable.	-	-	51,056	51,056
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>409,682</u>	<u>409,682</u>
Total liabilities	<u>11,535</u>	<u>6,971</u>	<u>474,155</u>	<u>492,661</u>
Deferred inflows of resources:				
Pension - OPERS	-	-	10,166	10,166
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>10,166</u>	<u>10,166</u>
Net position:				
Net investment in capital assets	320,573	991,028	1,575,157	2,886,758
Unrestricted	432,459	310	2,083,540	2,516,309
Total net position	<u>\$ 753,032</u>	<u>\$ 991,338</u>	<u>\$ 3,658,697</u>	<u>\$ 5,403,067</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

	City Redevelopment	Downtown Parking	Stormwater Utility	Totals
Operating revenues:				
Charges for services	\$ 421,570	\$ 21,165	\$ 877,355	\$ 1,320,090
Other	9,746	-	225	9,971
Total operating revenues	<u>431,316</u>	<u>21,165</u>	<u>877,580</u>	<u>1,330,061</u>
Operating expenses:				
Personal services	-	-	344,499	344,499
Contract services.	240,744	85,299	92,998	419,041
Materials and supplies.	10,351	92	42,151	52,594
Administrative costs.	-	-	104,268	104,268
Utilities	88,055	6,549	-	94,604
Depreciation.	14,791	38,059	71,892	124,742
Other.	13,503	-	1,660	15,163
Total operating expenses	<u>367,444</u>	<u>129,999</u>	<u>657,468</u>	<u>1,154,911</u>
Operating income (loss).	<u>63,872</u>	<u>(108,834)</u>	<u>220,112</u>	<u>175,150</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	-	-	(1,844)	(1,844)
(Loss) on sale of capital assets	-	-	(59,244)	(59,244)
Special assessments	-	-	3	3
Total nonoperating revenues (expenses).	<u>-</u>	<u>-</u>	<u>(61,085)</u>	<u>(61,085)</u>
Net income (loss) before transfers.	63,872	(108,834)	159,027	114,065
Transfers in.	-	67,385	-	67,385
Transfers out	<u>(38,841)</u>	<u>-</u>	<u>-</u>	<u>(38,841)</u>
Changes in net position	25,031	(41,449)	159,027	142,609
Net position at beginning of year	<u>728,001</u>	<u>1,032,787</u>	<u>3,499,670</u>	<u>5,260,458</u>
Net position at end of year	<u>\$ 753,032</u>	<u>\$ 991,338</u>	<u>\$ 3,658,697</u>	<u>\$ 5,403,067</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	City Redevelopment	Downtown Parking	Stormwater Utility	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 421,570	\$ 23,904	\$ 1,009,398	\$ 1,454,872
Cash received from other operations	9,746	-	225	9,971
Cash payments for personal services	(247,954)	-	(315,214)	(563,168)
Cash payments for contract services	(10,806)	(85,026)	(96,064)	(191,896)
Cash payments for materials and supplies	-	(92)	(42,151)	(42,243)
Cash payments for utilities	(88,055)	(6,549)	-	(94,604)
Cash payments for administrative costs.	-	-	(104,268)	(104,268)
Cash payments for other expenses	(13,503)	-	(1,660)	(15,163)
Net cash provided by (used in) operating activities	<u>70,998</u>	<u>(67,763)</u>	<u>450,266</u>	<u>453,501</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	67,385	-	67,385
Transfers out to other funds	(38,841)	-	-	(38,841)
Net cash provided by (used in) noncapital financing activities	<u>(38,841)</u>	<u>67,385</u>	<u>-</u>	<u>28,544</u>
Cash flows from capital and related financing activities:				
Aquisition of capital assets	-	-	(129,907)	(129,907)
Principal retirement.	-	-	(38,562)	(38,562)
Interest and fiscal charges	-	-	(4,270)	(4,270)
Net cash used in capital and related financing activities.	<u>-</u>	<u>-</u>	<u>(172,739)</u>	<u>(172,739)</u>
Net increase (decrease) in cash and cash equivalents	32,157	(378)	277,527	309,306
Cash and cash equivalents at beginning of year.	411,837	7,311	1,736,121	2,155,269
Cash and cash equivalents at end of year	<u>\$ 443,994</u>	<u>\$ 6,933</u>	<u>\$ 2,013,648</u>	<u>\$ 2,464,575</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 63,872	\$ (108,834)	\$ 220,112	\$ 175,150
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	14,791	38,059	71,892	124,742
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable.	-	(348)	132,043	131,695
Decrease decrease in due from other governments	-	3,087	-	3,087
(Increase) in net pension asset	-	-	(99)	(99)
(Increase) in deferred outflows - pension - OPERS	-	-	(68,774)	(68,774)
Increase (decrease) in accounts payable	(8,339)	273	(1,476)	(9,542)
Increase in accrued wages and benefits.	-	-	2,019	2,019
Increase (decrease) in due to other governments.	674	-	(1,427)	(753)
Increase in compensated absences payable.	-	-	4,469	4,469
Increase in net pension liability	-	-	84,860	84,860
Increase in deferred inflows - pension - OPERS.	-	-	6,647	6,647
Net cash provided by (used in) operating activities	<u>\$ 70,998</u>	<u>\$ (67,763)</u>	<u>\$ 450,266</u>	<u>\$ 453,501</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,495,000	\$ 8,495,000	\$ 8,837,071	\$ 342,071
Other.	5,000	5,000	7,417	2,417
Total operating revenues	8,500,000	8,500,000	8,844,488	344,488
Operating expenses:				
Personal services.	3,939,653	3,939,654	3,133,976	805,678
Contract services.	1,557,324	1,645,429	1,413,452	231,977
Materials and supplies.	760,369	927,368	723,875	203,493
Capital outlay	812,484	3,119,484	2,637,199	482,285
Administrative costs.	375,000	803,000	667,059	135,941
Utilities	511,290	565,185	522,026	43,159
Other.	13,800	18,800	16,606	2,194
Total operating expenses.	7,969,920	11,018,920	9,114,193	1,904,727
Operating income (loss)	530,080	(2,518,920)	(269,705)	2,249,215
Nonoperating expenses:				
Debt service:				
Principal retirement	(925,259)	(916,962)	(904,394)	12,568
Interest and fiscal charges	(131,585)	(139,882)	(139,881)	1
Total nonoperating (expenses)	(1,056,844)	(1,056,844)	(1,044,275)	12,569
Net loss before capital contributions	(526,764)	(3,575,764)	(1,313,980)	2,261,784
Capital contributions	-	60,586	-	(60,586)
Net change in fund equity.	(526,764)	(3,515,178)	(1,313,980)	2,201,198
Fund equity at beginning of year	2,991,955	2,991,955	2,991,955	-
Prior year encumbrances appropriated . .	526,764	526,764	526,764	-
Fund equity at end of year	\$ 2,991,955	\$ 3,541	\$ 2,204,739	\$ 2,201,198

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 11,368,000	\$ 11,368,000	\$ 11,502,354	\$ 134,354
Other	327,000	327,000	300,273	(26,727)
Total operating revenues	<u>11,695,000</u>	<u>11,695,000</u>	<u>11,802,627</u>	<u>107,627</u>
Operating expenses:				
Personal services.	6,466,581	6,466,579	5,375,574	1,091,005
Contract services.	1,296,492	955,188	905,257	49,931
Materials and supplies.	1,209,484	1,411,486	1,222,023	189,463
Capital outlay	193,337	1,664,337	1,386,789	277,548
Administrative costs.	620,000	944,750	849,371	95,379
Utilities	42,593	637,147	561,398	75,749
Other.	245,250	250,250	210,715	39,535
Total operating expenses	<u>10,073,737</u>	<u>12,329,737</u>	<u>10,511,127</u>	<u>1,818,610</u>
Operating income (loss).	<u>1,621,263</u>	<u>(634,737)</u>	<u>1,291,500</u>	<u>1,926,237</u>
Nonoperating revenues (expenses):				
Loan issuance	-	1,026,000	-	(1,026,000)
Debt service:				
Principal retirement.	(1,562,705)	(1,562,705)	(1,560,789)	1,916
Interest and fiscal charges	(488,656)	(488,656)	(448,706)	39,950
Total nonoperating revenues (expenses)	<u>(2,051,361)</u>	<u>(1,025,361)</u>	<u>(2,009,495)</u>	<u>(984,134)</u>
Net loss before capital contributions	(430,098)	(1,660,098)	(717,995)	942,103
Capital contributions	<u>31,000</u>	<u>31,000</u>	<u>905,200</u>	<u>874,200</u>
Net change in fund equity.	(399,098)	(1,629,098)	187,205	1,816,303
Fund equity at beginning of year	3,001,158	3,001,158	3,001,158	-
Prior year encumbrances appropriated	<u>400,098</u>	<u>400,098</u>	<u>400,098</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,002,158</u>	<u>\$ 1,772,158</u>	<u>\$ 3,588,461</u>	<u>\$ 1,816,303</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 3,479,600	\$ 3,479,600	\$ 3,582,901	\$ 103,301
Other.	12,000	12,000	8,093	(3,907)
Total operating revenues	<u>3,491,600</u>	<u>3,491,600</u>	<u>3,590,994</u>	<u>99,394</u>
Operating expenses:				
Personal services.	1,203,574	1,202,574	1,080,179	122,395
Contract services.	1,730,467	1,984,585	1,933,323	51,262
Materials and supplies.	436,291	376,291	267,579	108,712
Capital outlay	1,509,101	1,277,203	283,420	993,783
Administrative costs.	220,000	267,500	238,742	28,758
Utilities	24,915	15,195	13,473	1,722
Other.	4,000	5,000	4,352	648
Total operating expenses	<u>5,128,348</u>	<u>5,128,348</u>	<u>3,821,068</u>	<u>1,307,280</u>
Operating loss	<u>(1,636,748)</u>	<u>(1,636,748)</u>	<u>(230,074)</u>	<u>1,406,674</u>
Nonoperating revenues:				
Sale of notes.	1,500,000	1,500,000	-	(1,500,000)
Total nonoperating revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Net loss before capital contributions	(136,748)	(136,748)	(230,074)	(93,326)
Capital contributions	17,500	17,500	2,985	(14,515)
Net change in fund equity.	(119,248)	(119,248)	(227,089)	(107,841)
Fund equity at beginning of year	78,879	78,879	78,879	-
Prior year encumbrances appropriated	119,248	119,248	119,248	-
Fund equity (deficit) at end of year.	<u>\$ 78,879</u>	<u>\$ 78,879</u>	<u>\$ (28,962)</u>	<u>\$ (107,841)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY REDEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 450,000	\$ 450,000	\$ 421,570	\$ (28,430)
Other	-	-	9,746	9,746
Total operating revenues	<u>450,000</u>	<u>450,000</u>	<u>431,316</u>	<u>(18,684)</u>
Operating expenses:				
Contract services	116,485	258,486	261,637	(3,151)
Materials and supplies	37,271	37,270	11,100	26,170
Utilities	120,296	134,296	88,055	46,241
Other	15,000	15,000	13,503	1,497
Total operating expenses	<u>289,052</u>	<u>445,052</u>	<u>374,295</u>	<u>70,757</u>
Operating income	<u>160,948</u>	<u>4,948</u>	<u>57,021</u>	<u>52,073</u>
Nonoperating expenses:				
Debt service:				
Principal retirement	(90,000)	(90,000)	-	90,000
Interest and fiscal charges	(75,000)	(75,000)	(38,841)	36,159
Total nonoperating expenses	<u>(165,000)</u>	<u>(165,000)</u>	<u>(38,841)</u>	<u>126,159</u>
Net change in fund equity	(4,052)	(160,052)	18,180	178,232
Fund equity at beginning of year	407,785	407,785	407,785	-
Prior year encumbrances appropriated . .	4,052	4,052	4,052	-
Fund equity at end of year	<u>\$ 407,785</u>	<u>\$ 251,785</u>	<u>\$ 430,017</u>	<u>\$ 178,232</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN PARKING
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 27,000	\$ 27,000	\$ 23,904	\$ (3,096)
Total operating revenues	<u>27,000</u>	<u>27,000</u>	<u>23,904</u>	<u>(3,096)</u>
Operating expenses:				
Contract services.	87,567	120,567	91,957	28,610
Materials and supplies.	2,000	2,000	92	1,908
Utilities	6,200	8,200	6,549	1,651
Other.	500	500	-	500
Total operating expenses	<u>96,267</u>	<u>131,267</u>	<u>98,598</u>	<u>32,669</u>
Net loss before transfers.	(69,267)	(104,267)	(74,694)	29,573
Transfers in	<u>63,000</u>	<u>98,000</u>	<u>67,385</u>	<u>(30,615)</u>
Net change in fund equity	(6,267)	(6,267)	(7,309)	(1,042)
Fund equity at beginning of year.	1,044	1,044	1,044	-
Prior year encumbrances appropriated . .	<u>6,267</u>	<u>6,267</u>	<u>6,267</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,044</u>	<u>\$ 1,044</u>	<u>\$ 2</u>	<u>\$ (1,042)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER UTILITY
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,050,000	\$ 1,050,000	\$ 1,009,398	\$ (40,602)
Other	-	-	225	225
Total operating revenues	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,009,623</u>	<u>(40,377)</u>
Operating expenses:				
Personal services.	475,068	475,068	315,214	159,854
Contract services.	123,671	157,271	148,450	8,821
Materials and supplies.	39,394	39,394	31,719	7,675
Capital outlay	215,322	300,322	273,608	26,714
Administrative costs.	63,963	110,363	104,268	6,095
Other.	2,000	2,000	1,660	340
Total operating expenses	<u>919,418</u>	<u>1,084,418</u>	<u>874,919</u>	<u>209,499</u>
Net income (loss)	130,582	(34,418)	134,704	169,123
Nonoperating expenses:				
Debt service:				
Principal retirement.	(1,798)	(1,798)	(1,797)	1
Total nonoperating expenses	<u>(1,798)</u>	<u>(1,798)</u>	<u>(1,797)</u>	<u>1</u>
Net change in fund equity	128,784	(36,216)	132,907	169,123
Fund equity at beginning of year.	1,514,905	1,514,905	1,514,905	-
Prior year encumbrances appropriated	221,216	221,216	221,216	-
Fund equity at end of year	<u>\$ 1,864,905</u>	<u>\$ 1,699,905</u>	<u>\$ 1,869,028</u>	<u>\$ 169,123</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 restrospective rating plan with the State of Ohio.

Data Processing

To account for operations of the data processing department which provides services to various City departments on a cost-reimbursement basis.

Risk Management

To account for expenses related to the general liability claims the City may have levied against it, except for police liability, which remains insured through a private insurance carrier.

CITY OF WARREN, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	Life				
	Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash, cash equivalents and investments	\$ 1,127,070	\$ 480,826	\$ 191,303	\$ 592,461	\$ 2,391,660
Receivables (net of allowances for uncollectibles):					
Accounts	300	3,419	-	1,966	5,685
Due from other funds	-	-	130,705	-	130,705
Prepayments.	-	10,223	-	-	10,223
Total current assets	<u>1,127,370</u>	<u>494,468</u>	<u>322,008</u>	<u>594,427</u>	<u>2,538,273</u>
Noncurrent assets:					
Net pension asset.	-	-	456	-	456
Capital assets:					
Non-depreciable capital assets	-	-	385,665	-	385,665
Depreciable capital assets, net	-	-	251,864	-	251,864
Total capital assets	<u>-</u>	<u>-</u>	<u>637,529</u>	<u>-</u>	<u>637,529</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>637,985</u>	<u>-</u>	<u>637,985</u>
Total assets	<u>1,127,370</u>	<u>494,468</u>	<u>959,993</u>	<u>594,427</u>	<u>3,176,258</u>
Deferred outflows of resources:					
Pension - OPERS	-	-	95,395	-	95,395
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>95,395</u>	<u>-</u>	<u>95,395</u>
Liabilities:					
Current liabilities:					
Accounts payable.	-	-	5,570	-	5,570
Accrued wages and benefits	-	-	7,176	-	7,176
Due to other governments	-	-	1,259	-	1,259
Claims payable	745,658	129,410	-	13,712	888,780
Current portion of general obligation bonds	-	-	80,000	-	80,000
Current portion of compensated absences	-	-	4,209	-	4,209
Accrued interest payable	-	-	831	-	831
Total current liabilities.	<u>745,658</u>	<u>129,410</u>	<u>99,045</u>	<u>13,712</u>	<u>987,825</u>
Long-term liabilities:					
General obligation bonds payable	-	-	426,410	-	426,410
Net pension liability	-	-	254,409	-	254,409
Claims payable	-	769,004	-	-	769,004
Compensated absences payable.	-	-	133,068	-	133,068
Total long-term liabilities	<u>-</u>	<u>769,004</u>	<u>813,887</u>	<u>-</u>	<u>1,582,891</u>
Total liabilities	<u>745,658</u>	<u>898,414</u>	<u>912,932</u>	<u>13,712</u>	<u>2,570,716</u>
Deferred inflows of resources:					
Pension - OPERS	-	-	9,297	-	9,297
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>9,297</u>	<u>-</u>	<u>9,297</u>
Net position:					
Net investment in capital assets	-	-	131,119	-	131,119
Unrestricted (deficit).	381,712	(403,946)	2,040	580,715	560,521
Total net position.	<u>\$ 381,712</u>	<u>\$ (403,946)</u>	<u>\$ 133,159</u>	<u>\$ 580,715</u>	<u>\$ 691,640</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 6,075,280	\$ 3,016	\$ 520,543	\$ -	\$ 6,598,839
Other	300	31,769	3,062	1,966	37,097
Total operating revenues.	<u>6,075,580</u>	<u>34,785</u>	<u>523,605</u>	<u>1,966</u>	<u>6,635,936</u>
Operating expenses:					
Personal services	-	-	305,098	-	305,098
Contract services	-	2,916	119,489	-	122,405
Materials and supplies	-	-	34,274	-	34,274
Administrative costs	-	233,909	46,166	-	280,075
Utilities	-	-	16,689	-	16,689
Claims.	5,215,755	-	-	137,955	5,353,710
Other	696,016	354,343	-	-	1,050,359
Depreciation	-	-	17,393	-	17,393
Total operating expenses.	<u>5,911,771</u>	<u>591,168</u>	<u>539,109</u>	<u>137,955</u>	<u>7,180,003</u>
Operating income (loss)	<u>163,809</u>	<u>(556,383)</u>	<u>(15,504)</u>	<u>(135,989)</u>	<u>(544,067)</u>
Nonoperating expenses:					
Interest and fiscal charges.	-	-	(9,561)	-	(9,561)
Loss on sale of assets	-	-	(45,796)	-	(45,796)
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>(55,357)</u>	<u>-</u>	<u>(55,357)</u>
Changes in net position	163,809	(556,383)	(70,861)	(135,989)	(599,424)
Net position at beginning of year	<u>217,903</u>	<u>152,437</u>	<u>204,020</u>	<u>716,704</u>	<u>1,291,064</u>
Net position at end of year.	<u>\$ 381,712</u>	<u>\$ (403,946)</u>	<u>\$ 133,159</u>	<u>\$ 580,715</u>	<u>\$ 691,640</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 6,075,280	\$ 3,016	\$ 520,543	\$ -	\$ 6,598,839
Cash received from other operations	-	-	3,231	-	3,231
Cash payments for personal services	-	-	(277,642)	-	(277,642)
Cash payments for contract services	-	(2,916)	(115,245)	-	(118,161)
Cash payments for materials and supplies	-	-	(35,426)	-	(35,426)
Cash payments for utilities	-	-	(16,689)	-	(16,689)
Cash payments for claims	(5,306,557)	(178,997)	-	(129,901)	(5,615,455)
Cash payments for administrative costs.	-	(348,970)	(46,166)	-	(395,136)
Cash payments for other expenses	(696,016)	(354,343)	-	-	(1,050,359)
Net cash provided by (used in) operating activities	<u>72,707</u>	<u>(882,210)</u>	<u>32,606</u>	<u>(129,901)</u>	<u>(906,798)</u>
Cash flows from capital and related financing activities:					
Aquisition of capital assets	-	-	(171,443)	-	(171,443)
Principal retirement	-	-	(75,000)	-	(75,000)
Interest and fiscal charges.	-	-	(11,613)	-	(11,613)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(258,056)</u>	<u>-</u>	<u>(258,056)</u>
Net increase (decrease) in cash and cash equivalents . .	72,707	(882,210)	(225,450)	(129,901)	(1,164,854)
Cash and cash equivalents at beginning of year . . .	<u>1,054,363</u>	<u>1,363,036</u>	<u>416,753</u>	<u>722,362</u>	<u>3,556,514</u>
Cash and cash equivalents at end of year	<u>\$ 1,127,070</u>	<u>\$ 480,826</u>	<u>\$ 191,303</u>	<u>\$ 592,461</u>	<u>\$ 2,391,660</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 163,809	\$ (556,383)	\$ (15,504)	\$ (135,989)	\$ (544,067)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation.	-	-	17,393	-	17,393
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable	(300)	(3,419)	130,874	(1,966)	125,189
(Increase) in due from other funds.	-	-	(130,705)	-	(130,705)
(Increase) in prepayments	-	(10,223)	-	-	(10,223)
(Increase) in net pension asset.	-	-	(78)	-	(78)
(Increase) in deferred outflows - pension - OPERS. .	-	-	(61,701)	-	(61,701)
Increase in accounts payable	-	-	3,092	-	3,092
Increase in accrued wages and benefits	-	-	895	-	895
Increase (decrease) in due to other governments . . .	-	(104,838)	290	-	(104,548)
Increase in compensated absences payable	-	-	10,961	-	10,961
Increase (decrease) in claims payable	(90,802)	(207,347)	-	8,054	(290,095)
Increase in net pension liability	-	-	71,127	-	71,127
Increase in deferred inflows - pension - OPERS. . . .	-	-	5,962	-	5,962
Net cash provided by (used in) operating activities	<u>\$ 72,707</u>	<u>\$ (882,210)</u>	<u>\$ 32,606</u>	<u>\$ (129,901)</u>	<u>\$ (906,798)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 6,500,000	\$ 6,500,000	\$ 6,075,280	\$ (424,720)
Total operating revenues	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,075,280</u>	<u>(424,720)</u>
Operating expenses:				
Claims expense	6,500,000	5,325,000	5,306,600	18,400
Other operating expenses	-	1,175,000	696,016	478,984
Total operating expenses	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,002,616</u>	<u>497,384</u>
Net change in fund equity	-	-	72,664	72,664
Fund equity at beginning of year.	<u>1,054,363</u>	<u>1,054,363</u>	<u>1,054,363</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,054,363</u>	<u>\$ 1,054,363</u>	<u>\$ 1,127,027</u>	<u>\$ 72,664</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS COMPENSATION
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 927,000	\$ 927,000	\$ 3,016	\$ (923,984)
Total operating revenues	<u>927,000</u>	<u>927,000</u>	<u>3,016</u>	<u>(923,984)</u>
Operating expenses:				
Contract services	27,000	27,000	2,916	24,084
Claims expense.	500,000	190,000	178,997	11,003
Administrative costs	400,000	350,000	348,970	1,030
Other operating expenses	-	360,000	354,343	5,657
Total operating expenses	<u>927,000</u>	<u>927,000</u>	<u>885,226</u>	<u>41,774</u>
Net change in fund equity	-	-	(882,210)	(882,210)
Fund equity at beginning of year (restated).	<u>1,363,036</u>	<u>1,363,036</u>	<u>1,363,036</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,363,036</u>	<u>\$ 1,363,036</u>	<u>\$ 480,826</u>	<u>\$ (882,210)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA PROCESSING
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 550,000	\$ 550,000	\$ 520,543	\$ (29,457)
Other.	-	-	3,231	3,231
Total operating revenues	<u>550,000</u>	<u>550,000</u>	<u>523,774</u>	<u>(26,226)</u>
Operating expenses:				
Personal services.	283,769	280,769	277,642	3,127
Contract services.	150,787	143,186	121,915	21,271
Materials and supplies.	13,300	13,301	5,333	7,968
Capital outlay	198,102	228,102	228,102	-
Administrative costs	45,000	46,200	46,166	34
Utilities	25,365	22,765	16,689	6,076
Total operating expenses	<u>716,323</u>	<u>734,323</u>	<u>695,847</u>	<u>38,476</u>
Operating loss	<u>(166,323)</u>	<u>(184,323)</u>	<u>(172,073)</u>	<u>12,250</u>
Nonoperating expenses:				
Debt service:				
Principal retirement.	(29,919)	(75,000)	(75,000)	-
Interest and fiscal charges	<u>(11,612)</u>	<u>(11,613)</u>	<u>(11,613)</u>	<u>-</u>
Total nonoperating expenses	<u>(41,531)</u>	<u>(86,613)</u>	<u>(86,613)</u>	<u>-</u>
Net change in fund equity	(207,854)	(270,936)	(258,686)	12,250
Fund equity at beginning of year.	208,899	208,899	208,899	-
Prior year encumbrances appropriated . .	<u>207,854</u>	<u>207,854</u>	<u>207,854</u>	<u>-</u>
Fund equity at end of year	<u>\$ 208,899</u>	<u>\$ 145,817</u>	<u>\$ 158,067</u>	<u>\$ 12,250</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RISK MANAGEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Total operating revenues	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Operating expenses:				
Claims expense	200,000	200,000	129,901	70,099
Total operating expenses	<u>200,000</u>	<u>200,000</u>	<u>129,901</u>	<u>70,099</u>
Net change in fund equity	-	-	(129,901)	(129,901)
Fund equity at beginning of year.	<u>722,362</u>	<u>722,362</u>	<u>722,362</u>	<u>-</u>
Fund equity at end of year	<u>\$ 722,362</u>	<u>\$ 722,362</u>	<u>\$ 592,461</u>	<u>\$ (129,901)</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, 2016

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 26,992	\$ 24,747	\$ 2,245
Accounts receivable	1,698	1,855	1,698	1,855
Total assets.	<u>\$ 1,698</u>	<u>\$ 28,847</u>	<u>\$ 26,445</u>	<u>\$ 4,100</u>
Liabilities:				
Deposits held and due to others	\$ 1,698	\$ 28,847	\$ 26,445	\$ 4,100
Total liabilities	<u>\$ 1,698</u>	<u>\$ 28,847</u>	<u>\$ 26,445</u>	<u>\$ 4,100</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,001,776	\$ 642,602	\$ 657,180	\$ 987,198
Accounts receivable	-	28,200	-	28,200
Total assets.	<u>\$ 1,001,776</u>	<u>\$ 670,802</u>	<u>\$ 657,180</u>	<u>\$ 1,015,398</u>
Liabilities:				
Deposits held and due to others	\$ 1,001,776	\$ 670,802	\$ 657,180	\$ 1,015,398
Total liabilities	<u>\$ 1,001,776</u>	<u>\$ 670,802</u>	<u>\$ 657,180</u>	<u>\$ 1,015,398</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,570	\$ 2,016,208	\$ 1,583,745	\$ 445,033
Total assets.	<u>\$ 12,570</u>	<u>\$ 2,016,208</u>	<u>\$ 1,583,745</u>	<u>\$ 445,033</u>
Liabilities:				
Due to other governments	\$ 12,570	\$ 2,016,208	\$ 1,583,745	\$ 445,033
Total liabilities	<u>\$ 12,570</u>	<u>\$ 2,016,208</u>	<u>\$ 1,583,745</u>	<u>\$ 445,033</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 401,784	\$ 468,377	\$ 401,784	\$ 468,377
Total assets.	<u>\$ 401,784</u>	<u>\$ 468,377</u>	<u>\$ 401,784</u>	<u>\$ 468,377</u>
Liabilities:				
Due to other governments	\$ 401,784	\$ 468,377	\$ 401,784	\$ 468,377
Total liabilities	<u>\$ 401,784</u>	<u>\$ 468,377</u>	<u>\$ 401,784</u>	<u>\$ 468,377</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,014,346	\$ 2,685,802	\$ 2,265,672	\$ 1,434,476
Cash with fiscal and escrow agents.	401,784	468,377	401,784	468,377
Accounts receivable	1,698	30,055	1,698	30,055
Total assets.	<u>\$ 1,417,828</u>	<u>\$ 3,184,234</u>	<u>\$ 2,669,154</u>	<u>\$ 1,932,908</u>
Liabilities:				
Due to other governments	\$ 414,354	\$ 2,484,585	\$ 1,985,529	\$ 913,410
Deposits held and due to others	1,003,474	699,649	683,625	1,019,498
Total liabilities	<u>\$ 1,417,828</u>	<u>\$ 3,184,234</u>	<u>\$ 2,669,154</u>	<u>\$ 1,932,908</u>

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STATISTICAL SECTION

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CITY OF WARREN, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	152-161
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and the real and personal property tax.	162-171
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	172-179
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	180-181
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	182-187

Sources: Sources are noted on the individual schedules.

CITY OF WARREN, OHIO

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

	<u>2016</u>	<u>(Restated) 2015 (b)</u>	<u>2014 (a)</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 49,327,471	\$ 48,863,065	\$ 47,726,468	\$ 44,093,603
Restricted for:				
Debt service	2,220,095	1,869,362	2,145,641	2,723,376
Capital projects	764,564	1,476,319	899,088	-
Street maintenance	332,590	162,939	844,586	828,714
State highway	176,679	173,276	178,562	272,923
Law enforcement	384,759	363,589	292,581	399,651
Courts	1,484,004	1,291,177	1,588,016	1,369,045
Community development and improvements	7,991,263	8,313,048	8,900,592	9,491,103
Police and fire pension	-	-	-	-
Warren Hills landfill	513,419	558,717	611,275	622,922
Unrestricted (deficit)	<u>(23,448,369)</u>	<u>(21,620,364)</u>	<u>(24,345,765)</u>	<u>(353,410)</u>
Total governmental activities net position	<u>\$ 39,746,475</u>	<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>	<u>\$ 59,447,927</u>
Business-type activities				
Net investment in capital assets	\$ 23,136,628	\$ 21,880,703	\$ 22,123,436	\$ 26,353,429
Restricted for:				
Debt service	-	-	-	-
Unrestricted	<u>4,610,430</u>	<u>5,812,598</u>	<u>3,522,316</u>	<u>7,037,170</u>
Total business-type activities net position	<u>\$ 27,747,058</u>	<u>\$ 27,693,301</u>	<u>\$ 25,645,752</u>	<u>\$ 33,390,599</u>
Total primary government				
Net investment in capital assets	\$ 72,464,099	\$ 70,743,768	\$ 69,849,904	\$ 70,447,032
Restricted for:				
Capital projects	764,564	1,476,319	899,088	-
Debt service	2,220,095	1,869,362	2,145,641	2,723,376
Street maintenance	332,590	162,939	844,586	828,714
State highway	176,679	173,276	178,562	272,923
Law enforcement	384,759	363,589	292,581	399,651
Courts	1,484,004	1,291,177	1,588,016	1,369,045
Community development and improvements	7,991,263	8,313,048	8,900,592	9,491,103
Police and fire pension	-	-	-	-
Public health	513,419	558,717	611,275	622,922
Unrestricted (deficit)	<u>(18,837,939)</u>	<u>(15,807,766)</u>	<u>(20,823,449)</u>	<u>6,683,760</u>
Total primary government net position	<u>\$ 67,493,533</u>	<u>\$ 69,144,429</u>	<u>\$ 64,486,796</u>	<u>\$ 92,838,526</u>

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

(b) Amounts have been restated, see Note 3.B. in the notes to the basic financial statements for detail.

2012	2011	2010	2009	2008	2007
\$ 42,910,889	\$ 41,689,055	\$ 41,287,935	\$ 37,644,539	\$ 34,666,493	\$ 33,024,924
1,996,713	1,615,731	1,123,312	1,013,994	761,906	483,719
-	21,924	-	49,172	75,800	9,405
808,811	771,607	725,984	712,053	563,941	627,749
345,451	274,377	223,765	159,839	94,202	143,919
345,503	413,142	461,705	501,540	196,316	450,480
1,315,547	1,122,989	842,855	947,689	1,271,125	1,355,089
10,168,030	10,218,860	9,560,569	8,319,608	7,661,196	7,687,341
104,782	1,108,729	1,002,814	901,168	768,867	596,345
665,959	692,804	702,538	696,863	695,177	670,709
(659,287)	(1,555,360)	(4,588,636)	(4,856,639)	(4,210,956)	756,595
<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>	<u>\$ 51,342,841</u>	<u>\$ 46,089,826</u>	<u>\$ 42,544,067</u>	<u>\$ 45,806,275</u>
\$ 25,997,973	\$ 24,563,803	\$ 23,458,196	\$ 21,755,533	\$ 19,391,428	\$ 19,416,251
-	963,817	962,846	967,855	979,719	1,000,383
7,100,100	6,435,075	5,387,270	6,493,160	9,021,287	10,350,057
<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>	<u>\$ 29,808,312</u>	<u>\$ 29,216,548</u>	<u>\$ 29,392,434</u>	<u>\$ 30,766,691</u>
\$ 68,908,862	\$ 66,252,858	\$ 64,746,131	\$ 59,400,072	\$ 54,057,921	\$ 52,441,175
-	21,924	-	49,172	75,800	9,405
1,996,713	2,579,548	2,086,158	1,981,849	1,741,625	1,484,102
808,811	771,607	725,984	712,053	563,941	627,749
345,451	274,377	223,765	159,839	94,202	143,919
345,503	413,142	461,705	501,540	196,316	450,480
1,315,547	1,122,989	842,855	947,689	1,271,125	1,355,089
10,168,030	10,218,860	9,560,569	8,319,608	7,661,196	7,687,341
104,782	1,108,729	1,002,814	901,168	768,867	596,345
665,959	692,804	702,538	696,863	695,177	670,709
6,440,813	4,879,715	798,634	1,636,521	4,810,331	11,106,652
<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>	<u>\$ 81,151,153</u>	<u>\$ 75,306,374</u>	<u>\$ 71,936,501</u>	<u>\$ 76,572,966</u>

CITY OF WARREN, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,155,198	\$ 1,142,087	\$ 1,258,784	\$ 1,219,533
Security of persons and property	1,238,827	1,525,792	1,598,937	1,452,930
Public health and welfare	121,106	195,126	212,498	204,455
Transportation	2,050	1,300	350	1,050
Community environment	751,395	801,817	783,143	762,676
Leisure time activity	29,158	51,053	23,252	36,082
Economic development	-	-	-	371,154
Operating grants and contributions:				
General government	129	-	-	-
Security of persons and property	250,762	110,795	139,755	166,236
Transportation	2,009,714	1,944,652	2,085,454	1,968,489
Community environment	-	-	515,924	362,596
Economic development	2,074,252	1,484,273	2,060,026	1,592,956
Capital grants and contributions:				
General government	-	-	-	-
Transportation	2,293,735	4,718,978	2,573,034	3,971,851
Total governmental activities program revenues	<u>9,926,326</u>	<u>11,975,873</u>	<u>11,251,157</u>	<u>12,110,008</u>
Business-type activities:				
Charges for services:				
Sewer	7,992,246	8,025,072	8,188,147	8,026,141
Water	10,392,869	11,932,352	10,930,207	10,276,785
Sanitation	3,097,256	3,624,806	3,446,470	3,434,612
Other business-type activities:				
Packard Music Hall	-	-	149,163	211,795
City Redevelopment	421,570	404,767	426,888	57,092
Downtown parking	21,165	30,614	23,088	34,024
Stormwater Utility	877,355	1,105,928	1,103,573	1,009,629
Capital grants and contributions				
Sewer	-	-	-	-
Water	1,090,634	10,000	8,600	-
Sanitation	2,985	17,500	-	-
Other business-type activities:				
Packard Music Hall	-	-	-	37,028
Stormwater Utility	-	-	-	-
Total business-type activities program revenues	<u>23,896,080</u>	<u>25,151,039</u>	<u>24,276,136</u>	<u>23,087,106</u>
Total primary government	<u>\$ 33,822,406</u>	<u>\$ 37,126,912</u>	<u>\$ 35,527,293</u>	<u>\$ 35,197,114</u>
Expenses:				
Governmental activities:				
General government	\$ 6,373,481	\$ 6,488,811	\$ 5,938,254	\$ 5,490,149
Security of persons and property	16,529,431	16,095,857	15,374,111	16,292,351
Public health and welfare	755,064	615,477	652,802	681,620
Transportation	3,953,939	3,442,801	4,256,445	4,124,435
Community environment	1,901,508	1,813,704	2,165,295	2,545,832
Leisure time activity	781,777	737,876	499,936	499,204
Economic development	2,215,336	1,717,280	2,381,519	2,481,991
Interest and fiscal charges	361,464	386,234	413,785	195,930
Bond issuance costs	-	-	-	226,597
Total governmental activities expenses	<u>32,872,000</u>	<u>31,298,040</u>	<u>31,682,147</u>	<u>32,538,109</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	1,304,044	\$ 1,331,458	\$ 1,355,736	\$ 1,380,902	\$ 1,423,496	\$ 1,350,401
	1,739,425	1,827,410	1,898,051	1,695,936	1,449,173	1,447,343
	201,798	193,402	206,308	220,439	203,913	153,510
	21,750	35,950	22,700	4,400	33,155	40,450
	794,078	698,223	845,630	747,261	708,209	535,152
	34,033	17,643	28,350	21,494	32,702	23,902
	526,844	587,408	30,482	181,329	240,918	218,337
	-	-	-	-	-	6,226
	162,239	116,784	132,324	548,325	75,907	155,237
	2,000,968	2,063,252	2,127,786	1,881,928	2,117,983	2,115,189
	-	-	-	-	-	-
	2,859,913	3,794,352	5,212,448	3,059,516	3,092,290	2,199,113
	309,751	-	-	-	-	-
	982,257	2,646,972	2,647,295	3,501,520	1,899,760	780,998
	<u>10,937,100</u>	<u>13,312,854</u>	<u>14,507,110</u>	<u>13,243,050</u>	<u>11,277,506</u>	<u>9,025,858</u>
	8,487,821	9,862,861	7,364,686	7,437,372	8,067,438	8,976,173
	11,042,614	10,746,044	9,762,568	9,631,170	10,804,962	11,130,274
	3,323,515	3,146,892	3,182,299	3,157,449	3,050,445	3,129,173
	185,971	213,131	197,508	216,722	204,224	237,197
	40,111	51,778	31,378	42,711	42,711	42,711
	24,530	29,566	30,940	29,448	27,503	37,959
	1,038,686	983,029	921,907	888,267	843,531	804,595
	-	246,037	1,072,931	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	59,020	232,913	675,680	1,236,504	33,056	-
	23,469	227,296	23,697	30,225	-	-
	<u>24,225,737</u>	<u>25,739,547</u>	<u>23,263,594</u>	<u>22,669,868</u>	<u>23,073,870</u>	<u>24,358,082</u>
\$	<u>35,162,837</u>	<u>39,052,401</u>	<u>37,770,704</u>	<u>35,912,918</u>	<u>34,351,376</u>	<u>33,383,940</u>
\$	5,841,107	\$ 5,614,737	\$ 5,400,182	\$ 6,087,221	\$ 6,732,524	\$ 6,108,728
	16,753,174	16,860,682	15,449,385	15,993,727	18,620,804	17,180,410
	634,143	615,238	633,699	545,444	1,289,289	512,057
	3,790,997	4,034,308	3,548,603	3,662,641	4,644,555	3,948,040
	1,758,742	1,797,152	1,817,279	2,020,146	2,082,342	2,310,948
	482,998	453,413	520,453	484,294	699,582	860,839
	2,402,035	2,821,164	2,936,898	1,620,800	2,981,877	2,066,544
	266,413	312,812	503,530	566,227	631,425	609,323
	59,662	-	-	-	-	-
	<u>31,989,271</u>	<u>32,509,506</u>	<u>30,810,029</u>	<u>30,980,500</u>	<u>37,682,398</u>	<u>33,596,889</u>

CITY OF WARREN, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Business-type activities:				
Sewer	\$ 7,839,689	\$ 7,097,645	\$ 7,157,384	\$ 7,126,141
Water	11,786,057	12,013,437	11,815,365	11,723,619
Sanitation	3,570,325	3,326,132	3,631,799	3,214,243
Other business-type activities:				
Packard Music Hall	-	-	525,830	706,478
City Redevelopment	367,444	215,209	260,920	76,175
Downtown parking	129,999	136,252	136,077	149,373
Stormwater Utility	715,346	580,172	634,430	551,745
Total business-type activities expenses	<u>24,408,860</u>	<u>23,368,847</u>	<u>24,161,805</u>	<u>23,547,774</u>
Total primary government	<u>\$ 57,280,860</u>	<u>\$ 54,666,887</u>	<u>\$ 55,843,952</u>	<u>\$ 56,085,883</u>
Net (expense) revenue:				
Governmental activities	\$ (22,945,674)	\$ (19,322,167)	\$ (20,430,990)	\$ (20,428,101)
Business-type activities	(512,780)	1,782,192	114,331	(460,668)
Total primary government net expense	<u>\$ (23,458,454)</u>	<u>\$ (17,539,975)</u>	<u>\$ (20,316,659)</u>	<u>\$ (20,888,769)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,136,724	\$ 1,221,461	\$ 1,370,616	\$ 1,311,792
Fire pension	-	-	-	-
Police pension	-	-	-	-
Income taxes levied for:				
General Purposes	16,990,041	17,237,265	16,247,030	16,624,172
Grants and entitlements				
not restricted to specific programs	1,458,525	1,601,526	2,016,181	3,639,724
Investment earnings	117,016	73,839	67,940	53,299
Miscellaneous	1,646,101	1,698,877	666,755	562,200
Decrease in fair value of investments	(78,842)	-	-	-
Special item	-	-	2,280,036	-
Transfers	(28,544)	99,283	(323,000)	(317,557)
Total governmental activities	<u>21,241,021</u>	<u>21,932,251</u>	<u>22,325,558</u>	<u>21,873,630</u>
Business-type activities				
Investment earnings	-	-	-	-
Miscellaneous	537,993	364,640	322,482	435,637
Special item	-	-	(2,280,036)	-
Transfers	28,544	(99,283)	323,000	317,557
Total business-type activities	<u>566,537</u>	<u>265,357</u>	<u>(1,634,554)</u>	<u>753,194</u>
Total primary government	<u>\$ 21,807,558</u>	<u>\$ 22,197,608</u>	<u>\$ 20,691,004</u>	<u>\$ 22,626,824</u>
Change in net position:				
Governmental activities	\$ (1,704,653)	\$ 2,610,084	\$ 1,894,568	\$ 1,445,529
Business-type activities	53,757	2,047,549	(1,520,223)	292,526
Total primary government	<u>\$ (1,650,896)</u>	<u>\$ 4,657,633</u>	<u>\$ 374,345</u>	<u>\$ 1,738,055</u>

2012	2011	2010	2009	2008	2007
\$ 6,684,587	\$ 7,130,457	\$ 7,211,259	\$ 7,291,440	\$ 7,686,872	\$ 8,008,014
12,190,368	12,240,091	11,925,632	11,875,667	12,233,642	10,845,009
3,331,447	3,212,094	3,129,254	3,118,475	3,360,964	3,146,764
657,521	563,301	387,126	440,581	684,553	685,045
46,689	45,514	58,066	20,650	50,605	49,618
131,147	145,216	128,252	136,918	150,089	154,011
715,049	760,294	557,878	769,785	1,291,516	646,497
<u>23,756,808</u>	<u>24,096,967</u>	<u>23,397,467</u>	<u>23,653,516</u>	<u>25,458,241</u>	<u>23,534,958</u>
<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>	<u>\$ 54,207,496</u>	<u>\$ 54,634,016</u>	<u>\$ 63,140,639</u>	<u>\$ 57,131,847</u>
\$ (21,052,171)	\$ (19,196,652)	\$ (16,302,919)	\$ (17,737,450)	\$ (26,404,892)	\$ (24,571,031)
468,929	1,642,580	(133,873)	(983,648)	(2,384,371)	823,124
<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>	<u>\$ (16,436,792)</u>	<u>\$ (18,721,098)</u>	<u>\$ (28,789,263)</u>	<u>\$ (23,747,907)</u>
\$ 995,193	\$ 1,223,713	\$ 1,129,724	\$ 1,298,598	\$ 1,448,672	\$ 1,389,308
94,034	128,896	118,708	133,797	151,750	144,268
94,034	117,974	116,983	133,797	151,750	144,268
16,968,167	17,292,458	16,247,214	16,411,492	17,636,767	18,221,022
4,115,473	4,750,099	3,375,874	2,908,110	2,999,526	2,995,358
67,451	128,848	111,444	302,100	838,469	1,239,089
673,628	834,099	716,079	605,315	518,324	548,405
-	-	-	-	-	-
-	-	-	-	-	-
<u>(327,269)</u>	<u>(220,975)</u>	<u>(260,092)</u>	<u>(510,000)</u>	<u>(602,574)</u>	<u>(327,477)</u>
<u>22,680,711</u>	<u>24,255,112</u>	<u>21,555,934</u>	<u>21,283,209</u>	<u>23,142,684</u>	<u>24,354,241</u>
143	-	-	1,772	27,045	57,086
339,037	416,949	465,545	295,990	380,495	282,751
-	-	-	-	-	-
<u>327,269</u>	<u>220,975</u>	<u>260,092</u>	<u>510,000</u>	<u>602,574</u>	<u>327,477</u>
<u>666,449</u>	<u>637,924</u>	<u>725,637</u>	<u>807,762</u>	<u>1,010,114</u>	<u>667,314</u>
<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>	<u>\$ 22,281,571</u>	<u>\$ 22,090,971</u>	<u>\$ 24,152,798</u>	<u>\$ 25,021,555</u>
\$ 1,628,540	\$ 5,058,460	\$ 5,253,015	\$ 3,545,759	\$ (3,262,208)	\$ (216,790)
1,135,378	2,280,504	591,764	(175,886)	(1,374,257)	1,490,438
<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>	<u>\$ 5,844,779</u>	<u>\$ 3,369,873</u>	<u>\$ (4,636,465)</u>	<u>\$ 1,273,648</u>

CITY OF WARREN, OHIO

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

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

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,538	\$ 7,445	\$ -	\$ -	\$ -	\$ -
665,959	692,804	-	-	-	-
743,525	74,882	-	-	-	-
3,810,108	4,810,152	-	-	-	-
-	-	324,890	88,913	82,867	505,629
-	-	4,250,122	4,027,419	4,119,358	5,943,890
<u>\$ 5,223,130</u>	<u>\$ 5,585,283</u>	<u>\$ 4,575,012</u>	<u>\$ 4,116,332</u>	<u>\$ 4,202,225</u>	<u>\$ 6,449,519</u>
\$ -	\$ 10,596	\$ -	\$ -	\$ -	\$ -
12,285,612	12,966,986	-	-	-	-
(492,011)	-	-	-	-	-
-	-	10,966,339	9,384,585	10,217,681	8,234,636
-	-	1,481,434	2,183,565	2,191,594	2,360,982
-	-	505,151	300,006	111,599	3,924
-	-	(2,073,152)	(1,341,226)	(3,004,369)	(222,311)
<u>\$ 11,793,601</u>	<u>\$ 12,977,582</u>	<u>\$ 10,879,772</u>	<u>\$ 10,526,930</u>	<u>\$ 9,516,505</u>	<u>\$ 10,377,231</u>

CITY OF WARREN, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues				
Income taxes	\$ 16,115,081	\$ 16,939,262	\$ 16,409,208	\$ 16,624,224
Property and other taxes	1,249,316	1,283,266	1,318,438	1,315,316
Charges for services	2,252,949	2,172,819	2,118,099	2,146,723
Licenses and permits	1,849,308	2,103,295	2,114,415	2,129,625
Fines and forfeitures	1,236,826	1,543,176	1,668,265	1,465,518
Intergovernmental	7,826,195	9,923,751	8,554,302	11,242,468
Special assessments	10,522	16,123	20,549	23,663
Investment income	137,484	101,689	107,227	163,524
Decrease in fair value of investments	(78,842)	-	-	-
Rental income	72,547	48,899	47,749	30,606
Other	1,951,250	1,842,483	1,478,244	983,926
Total revenues	<u>32,622,636</u>	<u>35,974,763</u>	<u>33,836,496</u>	<u>36,125,593</u>
Expenditures				
Current:				
General government	7,631,063	8,101,494	7,579,223	7,375,113
Security of persons and property	14,431,020	15,786,930	15,484,022	16,951,166
Public health and welfare	729,262	607,931	650,352	682,462
Transportation	1,438,403	1,690,699	1,619,094	1,311,023
Community environment	1,844,028	1,786,984	1,825,474	1,738,663
Leisure time activity	458,214	418,546	730,344	550,457
Economic development	2,199,189	1,711,494	2,276,793	2,417,744
Capital outlay	3,437,790	7,107,269	7,275,418	7,601,061
Debt service:				
Principal retirement	872,828	869,882	815,983	1,153,216
Interest and fiscal charges	372,140	395,033	399,298	164,201
Bond issuance costs	-	-	-	226,597
Total expenditures	<u>33,413,937</u>	<u>38,476,262</u>	<u>38,656,001</u>	<u>40,171,703</u>
Excess of revenues over (under) expenditures	<u>(791,301)</u>	<u>(2,501,499)</u>	<u>(4,819,505)</u>	<u>(4,046,110)</u>
Other financing sources (uses)				
Sale of bonds	-	-	-	8,585,000
Sale of notes	-	-	-	-
Loan proceeds	-	-	-	-
Premium on bonds	-	-	-	241,824
Transfers in	336,868	1,237,739	1,428,160	429,120
Transfers (out)	(365,412)	(1,138,456)	(1,751,160)	(658,493)
Total other financing sources (uses)	<u>(28,544)</u>	<u>99,283</u>	<u>(323,000)</u>	<u>8,597,451</u>
Special items	-	-	(39,538)	-
Net change in fund balances	<u>\$ (819,845)</u>	<u>\$ (2,402,216)</u>	<u>\$ (5,182,043)</u>	<u>\$ 4,551,341</u>
Capital expenditures	3,257,331	8,068,858	7,247,084	7,166,035
Debt service as a percentage of noncapital expenditures	4.13%	4.16%	3.87%	3.99%

2012	2011	2010	2009	2008	2007
\$ 17,080,705	\$ 16,996,981	\$ 15,872,631	\$ 15,624,357	\$ 18,013,849	\$ 18,070,111
1,356,637	1,404,962	1,475,498	1,511,528	1,484,062	1,667,959
2,068,967	2,085,260	2,084,254	2,139,791	2,236,100	2,067,415
2,281,768	2,193,463	2,303,729	2,070,754	2,493,223	1,886,000
1,751,023	1,827,530	1,918,363	1,747,233	1,523,506	1,531,452
10,388,955	13,551,987	13,198,824	12,037,848	9,540,800	7,787,994
35,896	65,724	50,813	27,680	22,036	30,688
125,471	271,739	216,055	393,622	1,187,787	1,404,779
-	-	-	-	-	-
26,274	31,653	36,552	94,831	60,013	113,186
760,098	916,099	803,079	697,315	721,207	626,061
<u>35,875,794</u>	<u>39,345,398</u>	<u>37,959,798</u>	<u>36,344,959</u>	<u>37,282,583</u>	<u>35,185,645</u>
7,614,421	7,387,486	7,565,426	7,313,305	7,939,782	7,991,047
17,396,017	16,783,776	15,299,674	15,187,309	17,976,545	17,671,898
631,915	621,583	627,133	585,216	1,242,486	492,168
1,661,599	1,584,939	1,568,297	1,640,909	2,534,139	2,328,166
1,766,330	1,770,245	1,707,275	1,761,935	1,909,315	2,145,697
493,165	456,404	440,263	491,804	656,999	876,264
3,291,712	3,500,283	3,631,183	2,032,605	2,966,215	2,083,320
2,681,709	2,379,047	4,238,297	3,920,919	2,782,967	1,833,099
3,494,229	1,342,926	1,937,447	1,530,310	1,538,405	2,025,221
256,922	277,837	481,373	534,299	585,924	580,065
44,710	-	-	-	-	-
<u>39,332,729</u>	<u>36,104,526</u>	<u>37,496,368</u>	<u>34,998,611</u>	<u>40,132,777</u>	<u>38,026,945</u>
<u>(3,456,935)</u>	<u>3,240,872</u>	<u>463,430</u>	<u>1,346,348</u>	<u>(2,850,194)</u>	<u>(2,841,300)</u>
1,960,000	-	-	-	-	-
13,529	-	-	-	-	-
-	-	520,000	-	256,564	-
62,088	-	-	-	-	-
960,193	552,103	384,562	1,104,143	1,140,453	1,046,488
<u>(1,085,009)</u>	<u>(684,894)</u>	<u>(556,470)</u>	<u>(1,525,959)</u>	<u>(1,654,843)</u>	<u>(1,302,304)</u>
<u>1,910,801</u>	<u>(132,791)</u>	<u>348,092</u>	<u>(421,816)</u>	<u>(257,826)</u>	<u>(255,816)</u>
-	-	-	-	-	-
<u>\$ (1,546,134)</u>	<u>\$ 3,108,081</u>	<u>\$ 811,522</u>	<u>\$ 924,532</u>	<u>\$ (3,108,020)</u>	<u>\$ (3,097,116)</u>
3,438,531	2,066,359	5,200,379	4,465,719	2,824,370	2,372,745
10.45%	4.76%	7.49%	6.76%	5.69%	7.31%

CITY OF WARREN, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value	Estimated Actual Value (c)
2016	\$ 347,125,760	\$ 991,787,886	\$ 21,582,300	\$ 24,525,341	\$ -	\$ -
2015	350,800,170	1,002,286,200	20,536,880	23,337,364	-	-
2014	373,901,310	1,068,289,457	19,577,610	22,247,284	-	-
2013	377,697,430	1,079,135,514	17,925,480	20,369,864	-	-
2012	381,924,920	1,091,214,057	16,126,650	18,325,739	-	-
2011	425,214,910	1,214,899,743	15,465,320	17,574,227	-	-
2010	427,449,060	1,221,283,029	14,918,570	16,952,920	727,665	7,276,650
2009	428,297,150	1,223,706,143	14,247,870	16,190,761	1,455,330	14,553,300
2008	431,072,850	1,231,636,714	13,860,410	15,750,466	15,381,832	246,109,312
2007	429,330,830	1,226,659,514	18,680,580	21,227,932	33,258,581	266,068,648

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 2007, tangible personal is assessed at 12.50% of property value, including inventory.
 For 2008, tangible personal is assessed at 6.25% of property value, including inventory.
 For 2009 and subsequent years, tangible personal is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible personal property is the only taxable tangible personal property.

Total

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$	368,708,060	\$ 1,016,313,227	3.50	36.28%
	371,337,050	1,025,623,564	3.50	36.21%
	393,478,920	1,090,536,741	3.50	36.08%
	395,622,910	1,099,505,378	3.50	35.98%
	398,051,570	1,109,539,796	3.50	35.88%
	440,680,230	1,232,473,970	3.50	35.76%
	443,095,295	1,245,512,599	3.50	35.58%
	444,000,350	1,254,450,204	3.50	35.39%
	460,315,092	1,493,496,492	3.50	30.82%
	481,269,991	1,513,956,094	3.50	31.79%

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
2016	2.90	0.30	0.30	3.50	12.30	63.90	2.40	-
2015	2.90	0.30	0.30	3.50	12.30	63.65	2.40	-
2014	2.90	0.30	0.30	3.50	12.30	62.20	2.40	-
2013	2.90	0.30	0.30	3.50	12.30	62.10	2.40	17.00
2012	2.90	0.30	0.30	3.50	12.30	62.30	2.40	13.00
2011	2.90	0.30	0.30	3.50	12.30	59.50	2.40	-
2010	2.90	0.30	0.30	3.50	12.30	59.25	2.40	13.00
2009	2.90	0.30	0.30	3.50	12.30	58.95	2.40	13.00
2008	2.90	0.30	0.30	3.50	11.10	57.75	2.40	13.00
2007	2.90	0.30	0.30	3.50	11.10	58.50	2.40	13.00

Source: Trumbull County Auditor's Office

Overlapping Rates - Continued

<u>Library</u>	<u>Total Tax Rates</u>	<u>Total Direct and Overlapping Rates</u>
1.00	79.60	83.10
1.00	79.35	82.85
1.00	77.90	81.40
1.00	94.80	98.30
1.00	91.00	94.50
1.00	75.20	78.70
1.00	87.95	91.45
1.00	87.65	91.15
1.00	85.25	88.75
1.00	86.00	89.50

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CITY OF WARREN, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 14,160,190	1	3.84%
Warren Ohio Hospital Company LLC	7,992,190	2	2.17%
American Transmission Systems Inc	3,488,140	3	0.95%
East Ohio Gas Co	2,663,670	4	0.72%
Wal-Mart Stores Inc.	2,323,200	5	0.63%
Rydyl I LLC	2,038,740	6	0.55%
NRR Commerce Ltd	2,018,390	7	0.55%
Simon-Northbury Colony Ltd	1,868,750	8	0.51%
North Mar Center	1,654,000	9	0.45%
Warren Plaza Co	1,553,200	10	0.42%
Total, Top Ten Property Taxpayers	\$ 39,760,470		10.79%
Total City Property Tax Assessed Valuation	\$ 368,708,060		

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 10,482,860	1	2.18%
Novelis Corporation	2,647,610	2	0.55%
GE Lighting Inc.	2,639,270	3	0.55%
Sams Real Estate Business	2,637,010	4	0.55%
Rydyl I LLC	2,483,150	5	0.52%
WCI Steel Inc.	2,373,940	6	0.49%
Specialty Pipe & Tube Inc.	2,135,190	7	0.44%
United Telephone	2,022,260	8	0.42%
Simon-Northbury	2,015,760	9	0.42%
Lowes Home Center	1,771,070	10	0.37%
Total, Top Ten Property Taxpayers	\$ 31,208,120		6.49%
Total City Property Tax Assessed Valuation	\$ 481,269,991		

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections (a)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2016	\$ 1,289,364	\$ 1,180,694	91.57%	\$ 75,016	\$ 1,255,710	97.39%	\$ 466,318	36.17%
2015	1,289,364	1,193,504	92.57%	92,748	1,286,252	99.76%	487,497	37.81%
2014	1,376,055	1,251,055	90.92%	79,058	1,330,113	96.66%	540,846	39.30%
2013	1,383,574	1,260,201	91.08%	71,295	1,331,496	96.24%	482,854	34.90%
2012	1,392,078	1,264,311	90.82%	88,358	1,352,669	97.17%	486,316	34.93%
2011	1,541,261	1,393,754	90.43%	81,909	1,475,663	95.74%	512,553	33.26%
2010	1,549,720	1,399,043	90.28%	83,431	1,482,474	95.66%	464,966	30.00%
2009	1,552,894	1,403,341	90.37%	85,752	1,489,093	95.89%	384,990	24.79%
2008	1,609,996	1,469,634	91.28%	90,379	1,560,013	96.90%	361,062	22.43%
2007	1,679,728	1,576,133	93.83%	131,290	1,707,423	101.65%	306,607	18.25%

Source: Trumbull County Auditor's Office

(a) Trumbull County does not identify delinquent collections by tax year; delinquent collections are therefore reported in the year collected.

CITY OF WARREN, OHIO

SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<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>
2016	\$ 46,517	\$ 23,630	50.80%	\$ 23,033	\$ 46,663	100.31%	\$ 2,112,438	4541.22%
2015	31,049	12,516	40.31%	13,282	25,798	83.09%	2,127,913	6853.40%
2014	166,177	43,500	26.18%	11,213	54,713	32.92%	2,296,344	1381.87%
2013	526,229	69,452	13.20%	-	69,452	13.20%	2,600,219	494.12%
2012	541,272	54,573	10.08%	1,705	56,278	10.40%	2,143,442	396.00%
2011	699,565	141,254	20.19%	14,730	155,984	22.30%	1,623,738	232.11%
2010	47,441	20,998	44.26%	48,334	69,332	146.14%	1,046,333	2205.55%
2009	190,805	58,847	30.84%	22,731	81,578	42.75%	1,022,078	535.67%
2008	161,644	31,566	19.53%	8,987	40,553	25.09%	822,209	508.65%
2007	130,800	19,742	15.09%	15,346	35,088	26.83%	574,339	439.10%

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2016	2.00%	\$ 17,095,349	\$ 13,513,180	79.05%	\$ 1,597,201	9.34%
2015	2.00%	16,616,546	12,983,653	78.14%	1,495,240	9.00%
2014	2.00%	16,547,733	12,880,337	77.84%	1,585,072	9.58%
2013	2.00%	16,594,792	12,852,413	77.45%	1,749,744	10.54%
2012	2.00%	17,337,806	13,278,181	76.59%	1,967,183	11.35%
2011	2.00%	16,819,929	13,421,787	79.80%	1,414,441	8.41%
2010	2.00%	15,758,181	12,547,026	79.62%	1,322,365	8.39%
2009	2.00%	16,240,720	13,050,010	80.35%	1,196,579	7.37%
2008	2.00%	18,726,513	14,710,035	78.55%	1,907,035	10.18%
2007	2.00%	18,732,996	14,771,563	78.85%	1,683,763	8.99%

Source: The City of Warren Income Tax Department

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	1,984,968	11.61%
	2,137,653	12.86%
	2,082,324	12.58%
	1,992,635	12.01%
	2,092,442	12.07%
	1,983,701	11.79%
	1,888,790	11.99%
	1,994,131	12.28%
	2,109,444	11.26%
	2,277,669	12.16%

CITY OF WARREN, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Governmental Activities							
Year	General Obligation Bonds	Reinvestment Partnership Corporation Loan	OWDA Loan	HUD 108 Loan	Ohio Department of Development Note	OPWC Loan	Capital Lease Obligation
2016	\$ 9,344,605	\$ -	\$ -	\$ 900,000	\$ -	\$ 141,110	\$ -
2015	10,082,176	100,000	-	1,015,000	-	153,938	-
2014	10,804,746	195,000	-	1,125,000	22,053	166,767	-
2013	11,482,316	290,000	-	1,225,000	45,208	179,595	-
2012	3,611,929	375,000	-	1,320,000	67,457	192,423	61,139
2011	1,533,091	450,000	-	1,405,000	53,928	205,251	119,660
2010	2,595,673	520,000	-	1,485,000	53,928	218,079	180,152
2009	3,664,858	585,000	80,728	1,560,000	53,928	230,908	240,369
2008	4,690,932	645,000	237,753	1,630,000	148,075	243,736	298,551
2007	5,812,588	700,000	389,051	1,700,000	166,297	-	358,231

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) See Schedule "Demographic and Economic Statistics - Last Ten Years" for personal income and population.

Business-Type Activities

General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loan	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 3,806,301	\$ -	\$ 16,417,608	\$ 44,036	\$ 1,258,560	\$ 31,912,220	\$ 691,472,238	4.62%	39,898	\$ 800
4,395,887	-	18,307,791	45,833	224,808	34,325,433	690,418,575	4.97%	40,425	849
4,980,473	-	19,569,057	47,631	296,967	37,207,694	690,569,152	5.39%	40,768	913
5,555,059	-	19,808,127	49,428	-	38,634,733	680,236,992	5.68%	40,723	949
6,695,533	-	18,881,084	51,225	-	31,255,790	680,008,236	4.60%	41,358	756
1,131,689	7,330,000	20,800,593	53,022	-	33,082,234	688,641,047	4.80%	41,557	796
1,671,990	7,810,000	22,494,105	-	61,980	37,090,907	1,248,588,736	2.97%	43,402	855
2,193,791	8,265,000	24,606,332	-	127,262	41,608,176	1,259,721,952	3.30%	43,789	950
2,697,592	8,700,000	26,390,107	-	189,078	45,870,824	1,303,190,400	3.52%	45,300	1,013
3,199,893	9,115,000	27,463,326	-	247,622	49,152,008	1,317,459,328	3.73%	45,796	1,073

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 (a)</u>	<u>Estimated Actual Value of Taxable Property (b)</u>	<u>General Obligation Bonds (c)</u>	<u>Less Amounts Restricted for Repayment</u>	<u>Net General Obligation Bonds</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2016	39,898	\$ 1,016,313,227	\$ 13,150,906	\$ 1,649,264	\$ 11,501,642	1.13%	\$ 288
2015	40,425	1,025,623,564	14,478,063	1,175,776	13,302,287	1.30%	329
2014	40,768	1,090,536,741	15,785,219	1,395,410	14,389,809	1.32%	353
2013	40,723	1,099,505,378	17,037,375	2,017,079	15,020,296	1.37%	369
2012	41,358	1,109,539,796	10,307,462	1,398,296	8,909,166	0.80%	215
2011	41,557	1,232,473,970	2,664,780	1,615,731	1,049,049	0.09%	25
2010	43,402	1,245,512,599	4,267,663	1,123,312	3,144,351	0.25%	72
2009	43,789	1,254,450,204	5,858,649	1,013,994	4,844,655	0.39%	111
2008	45,300	1,493,496,492	7,388,524	761,906	6,626,618	0.44%	146
2007	45,796	1,513,956,094	9,012,481	483,719	8,528,762	0.56%	186

Sources:

(a) See Schedule "Demographic and Economic Statistics - Last Ten Years" for population.

(b) See Schedule "Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years".

(c) Includes all general obligation bonded debt.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF WARREN, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Direct and Overlapping Debt</u>
Direct:			
City of Warren	\$ 10,385,715	100.00%	\$ 10,385,715
Total direct debt			<u>10,385,715</u>
Overlapping debt:			
Trumbull County	21,188,217	11.30%	2,394,269
Howland Local School District	767,040	13.22%	101,403
LaBrae Local School District	3,884,995	9.18%	356,643
Lakeview Local School District	24,275,000	0.03%	7,283
Total overlapping debt			<u>2,859,598</u>
Total direct and overlapping debt			<u>\$ 13,245,313</u>

(a) The estimated percentage applicable to the City is calculated as the assessed property value of each governmental unit within the City divided by the total assessed value of the governmental unit.

Source: Ohio Municipal Advisory Council

CITY OF WARREN, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed value**	\$ 368,708,060	\$ 371,337,050	\$ 393,478,920	\$ 395,622,910
Legal debt margin:				
Debt limitation - 10.5% of assessed value	38,714,346	38,990,390	41,315,287	41,540,406
Debt applicable to limitation:				
Total bonded debt	12,800,000	14,095,000	15,370,000	16,590,000
Exemptions:				
Debt service fund balance	(1,649,264)	(1,175,776)	(1,395,410)	(2,017,079)
Debt supported by enterprise fund operations	<u>(3,720,000)</u>	<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>
Total exemptions	<u>(5,369,264)</u>	<u>(5,470,776)</u>	<u>(6,260,410)</u>	<u>(7,442,079)</u>
Total debt applicable to limitation	<u>7,430,736</u>	<u>8,624,224</u>	<u>9,109,590</u>	<u>9,147,921</u>
Total legal debt margin within 10.5% limitation	<u>\$ 31,283,610</u>	<u>\$ 30,366,166</u>	<u>\$ 32,205,697</u>	<u>\$ 32,392,485</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 20,278,943	\$ 20,423,538	\$ 21,641,341	\$ 21,759,260
Debt applicable to limitation:				
Total bonded debt	12,800,000	14,095,000	15,370,000	16,590,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(3,720,000)</u>	<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>
Total debt within 5.5% limitations	<u>9,080,000</u>	<u>9,800,000</u>	<u>10,505,000</u>	<u>11,165,000</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 11,198,943</u>	<u>\$ 10,623,538</u>	<u>\$ 11,136,341</u>	<u>\$ 10,594,260</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.

2012	2011	2010	2009	2008	2007
\$ 398,051,570	\$ 440,168,950	\$ 442,367,630	\$ 443,215,720	\$ 445,218,130	\$ 443,015,560
41,795,415	46,217,740	46,448,601	46,537,651	46,747,904	46,516,634
10,075,000	9,980,000	12,055,000	14,093,104	16,050,096	18,081,170
(1,398,296)	(874,361)	(505,151)	(336,286)	(133,279)	(34,943)
<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>	<u>(12,295,500)</u>
<u>(7,946,296)</u>	<u>(9,329,861)</u>	<u>(9,977,651)</u>	<u>(10,782,286)</u>	<u>(11,514,779)</u>	<u>(12,330,443)</u>
2,128,704	650,139	2,077,349	3,310,818	4,535,317	5,750,727
<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>	<u>\$ 44,371,252</u>	<u>\$ 43,226,833</u>	<u>\$ 42,212,587</u>	<u>\$ 40,765,907</u>
\$ 21,892,836	\$ 24,209,292	\$ 24,330,220	\$ 24,376,865	\$ 24,486,997	\$ 24,365,856
10,075,000	9,980,000	12,055,000	14,093,104	16,050,096	18,081,170
<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>	<u>(10,446,000)</u>	<u>(11,381,500)</u>	<u>(12,295,500)</u>
<u>3,527,000</u>	<u>1,524,500</u>	<u>2,582,500</u>	<u>3,647,104</u>	<u>4,668,596</u>	<u>5,785,670</u>
<u>\$ 18,365,836</u>	<u>\$ 22,684,792</u>	<u>\$ 21,747,720</u>	<u>\$ 20,729,761</u>	<u>\$ 19,818,401</u>	<u>\$ 18,580,186</u>

CITY OF WARREN, OHIO

PLEDGED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS

REVENUE BONDS:

Year	Operating Revenues	Operating Expenses (a)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011 (b)	\$ 11,038,048	\$ 9,126,622	\$ 1,911,426	\$ 480,000	\$ 404,000	\$ 884,000	2.16
2010	10,185,894	9,044,975	1,140,919	455,000	425,840	880,840	1.30
2009	9,902,093	8,740,883	1,161,210	435,000	446,285	881,285	1.32
2008	11,016,367	8,849,788	2,166,579	415,000	465,582	880,582	2.46
2007	11,258,258	8,646,571	2,611,687	400,000	483,985	883,985	2.95

OWDA LOANS:

Year	Net Revenue Available for Debt Service	Debt Service Required for Revenue Bonds	Net Revenue Available for OWDA Loans	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 1,418,581	\$ -	\$ 1,418,581	\$ 985,789	\$ 362,799	\$ 1,348,588	1.05
2015	3,528,745	-	3,528,745	977,614	457,801	1,435,415	2.46
2014	2,161,670	-	2,161,670	835,990	425,025	1,261,015	1.71
2013	1,587,073	-	1,587,073	721,975	411,209	1,133,184	1.40
2012	2,084,390	-	2,084,390	588,698	440,140	1,028,838	2.03
2011	1,140,919	880,840	260,079	677,898	468,330	1,146,228	0.23
2010	1,161,210	881,285	279,925	641,133	425,840	1,066,973	0.26
2009	2,166,579	880,582	1,285,997	640,956	528,141	1,169,097	1.10
2008	2,611,687	883,985	1,727,702	428,991	365,300	794,291	2.18
2007	2,223,989	881,272	1,342,717	412,535	381,753	794,288	1.69

(a) Total operating expenses are exclusive of depreciation.

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

CITY OF WARREN, OHIO

PLEGGED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	\$ 7,999,222	\$ 6,993,102	\$ 1,006,120	\$ 904,394	\$ 139,873	\$ 1,044,267	0.96
2015	8,036,425	6,198,887	1,837,538	875,660	181,900	1,057,560	1.74
2014	8,195,004	5,994,030	2,200,974	928,923	212,310	1,141,233	1.93
2013	8,027,797	5,971,569	2,056,228	935,977	246,772	1,182,749	1.74
2012	8,495,601	5,578,884	2,916,717	1,279,509	303,062	1,582,571	1.84
2011	9,921,833	5,856,013	4,065,820	1,589,426	382,247	1,971,673	2.06
2010	7,377,857	6,142,767	1,235,090	1,471,094	432,635	1,903,729	0.65
2009	7,442,702	5,978,202	1,464,500	1,142,819	500,318	1,643,137	0.89
2008	8,113,001	6,050,486	2,062,515	1,321,372	568,946	1,890,318	1.09
2007	9,101,060	5,970,238	3,130,822	1,167,757	554,102	1,721,859	1.82

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the OWDA loans only.

CITY OF WARREN, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Annual Average Unemployment Rates (b)			
				City of Warren	Trumbull County	Ohio	United States
2016	39,898	\$ 691,472,238	\$ 17,331	7.7%	6.7%	4.9%	4.9%
2015	40,425	690,418,575	17,079	7.3%	6.5%	4.9%	5.3%
2014	40,768	690,569,152	16,939	8.4%	7.0%	5.7%	6.2%
2013	40,723	680,236,992	16,704	8.8%	8.1%	7.4%	7.4%
2012	41,358	680,008,236	16,442	9.2%	8.1%	7.2%	8.1%
2011	41,557	688,641,047	16,571	10.7%	9.6%	8.6%	8.9%
2010	43,402	1,248,588,736	28,768	12.2%	11.8%	10.1%	9.6%
2009	43,789	1,259,721,952	28,768	14.6%	13.8%	10.2%	9.3%
2008	45,300	1,303,190,400	28,768	8.5%	7.5%	6.5%	5.8%
2007	45,796	1,317,459,328	28,768	7.4%	6.3%	5.6%	4.6%

Sources:

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

CITY OF WARREN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2016		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull County Auditor	\$ 1,150,792	1	8.52%
Warren Ohio Hospital Co.	897,392	2	6.64%
Humility of Mary Health Partners	830,391	3	6.15%
Warren City Schools	719,863	4	5.33%
State of Ohio, Dep't of Adm. Services	491,960	5	3.64%
City of Warren	424,817	6	3.14%
AVI Food Systems	333,034	7	2.46%
Laird Controls, North America	186,834	8	1.38%
Covelli Enterprises	155,946	9	1.15%
Delphi Automotive Systems	148,651	10	1.10%
Total	\$ 5,339,680		39.51%
Total 2016 City Income Tax Withholding	<u>\$ 13,513,180</u>		

Employer	2007		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull Memorial Hospital	\$ 1,136,045	1	7.82%
Trumbull County Auditor	912,416	2	6.28%
St. Elizabeth Medical Center	738,934	3	5.08%
Warren City Schools	722,417	4	4.97%
Delphi Automotive Systems	619,485	5	4.26%
City of Warren	470,511	6	3.24%
State of Ohio, Dep't of Adm. Services	469,071	7	3.23%
GE Lighting	430,765	8	2.96%
WCI Steel	358,431	9	2.47%
AVI Food System Inc.	249,747	10	1.72%
Total	\$ 6,107,822		42.03%
Total 2007 City Income Tax Withholding	<u>\$ 14,531,752</u>		

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

CITY OF WARREN, OHIO

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

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

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

Source: City of Warren records

<u>2009</u>	<u>2008</u>	<u>2007</u>
12.00	13.00	13.00
3.00	3.00	4.00
5.00	5.00	6.00
5.00	6.00	8.00
9.00	9.00	10.00
4.00	4.00	4.00
1.00	3.00	2.00
3.00	3.00	3.00
34.00	34.00	34.00
2.00	2.00	2.00
25.00	48.00	49.00
11.00	11.00	13.00
77.00	81.00	101.00
57.00	64.00	78.00
10.00	11.00	14.00
6.00	5.00	5.00
2.00	4.00	7.00
2.00	3.00	3.00
85.00	84.00	85.00
53.00	48.00	52.00
15.00	15.00	15.00
<u>421.00</u>	<u>456.00</u>	<u>508.00</u>

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	2016	2015	2014	2013	2012	2011	2010
Security of Persons and Property							
Police:							
Physical Arrests	2,125	2,211	2,204	2,301	1,848	2,668	2,229
Parking Violations	624	1,369	547	1,728	452	545	273
Traffic Violations	1,391	2,208	3,406	2,849	2,036	4,238	3,803
Fire:							
Calls for Service	1,318	1,369	1,322	952	1,122	1,386	1,230
Fire Safety Inspections	1,042	1,152	935	1,346	1,213	1,152	1,125
Leisure Time Activities							
Enclosed Shelter Rentals	105	135	111	105	112	92	76
Log Cabin Rentals	28	34	21	25	11	18	5
Pavilion Rentals	146	168	194	231	260	205	200
Transportation							
Street Resurfacing (Miles)	5.6	6.6	23.5	6.46	8	6	8
Potholes Repaired	1,282	1,041	1,480	1,350	1,140	1,157	1,236
Water							
New Connections	10	50	7	5	17	13	11
Water Main Breaks	125	123	111	137	128	70	94
Average Daily Consumption (thousands of gallons)	10,614	11,377	11,591	11,383	11,380	12,504	11,625
Sewer							
Average Daily Consumption (thousands of gallons)	10,430	11,430	14,090	13,920	13,310	17,240	12,560
Sanitation							
Refuse Collected (tons daily)	106	92	95	92	91	90	90

Source: City of Warren Departments.

<u>2009</u>	<u>2008</u>	<u>2007</u>
2,887	4,125	4,041
453	510	536
3,036	5,336	5,377
1,030	1,377	1,399
1,135	1,052	1,024
78	76	71
10	8	7
177	170	200
16	2	12
1,006	871	536
16	21	25
53	107	104
11,285	12,846	12,963
13,380	17,952	13,700
88	82	91

CITY OF WARREN, OHIO

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2016	2015	2014	2013	2012	2011	2010
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	30	29	29	32	30	27	27
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	3	3	3	2	2
Reserve Fire Pumpers	1	1	1	1	1	1	1
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	1	1	2	1	1	1
Leisure Time Activities							
Park Acreage	262.92	262.92	262.92	262.92	262.92	262.92	256.78
Packard Park							
Hardball Fields	1	1	1	1	1	1	1
Softball Fields	3	3	3	3	3	3	3
Tennis Courts	6	6	6	6	6	6	6
Perkins Park							
Hardball Fields	6	6	6	6	6	6	6
Softball Fields	2	2	2	2	2	2	2
Burbank Park							
Little League Fields	4	4	4	4	4	4	4
Deemer Park							
Tennis Courts	0	0	0	0	4	4	4
Transportation							
Streets (Paved Miles)	184.423	184.423	184.423	184.423	184.423	184.423	184.309
Traffic Signals	60	60	60	60	63	63	63
Water							
Water Mains (miles)	300	300	300	300	300	300	300
Fire Hydrants	1,905	1,905	1,905	1,905	1,906	1,906	1,904
Maximum Daily Capacity (thousands of gallons)	22,800	22,800	22,800	22,800	22,700	22,700	22,700
Sewer							
Sanitary Sewers (miles)	201.390	201.390	201.390	201.390	199.200	199.200	199.200
Storm Sewers (miles)	123.902	123.902	123.394	123.394	125.500	125.500	125.500
Maximum Daily Capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Sanitation							
Collection Trucks	14	10	9	9	9	9	9

Source: City of Warren Departments.

<u>2009</u>	<u>2008</u>	<u>2007</u>
1	1	1
29	33	33
3	3	3
2	3	3
1	1	2
2	2	2
1	1	1
256.78	256.78	251.11
1	1	1
3	3	3
6	6	6
6	6	6
2	2	2
4	4	2
4	4	4
184.309	184.309	184.309
61	61	59
300	299	291
1,904	1,906	1,904
22,700	22,700	22,700
196.943	199.200	199.200
123.390	125.500	125.500
40,000	40,000	40,000
8	8	8

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City of Warren
Trumbull County, Ohio

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

For the Year Ended
December 31, 2016

CITY OF WARREN
TRUMBULL COUNTY, OHIO
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August 31, 2017

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

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2017, wherein we noted the City restated net position to account for the exclusion of construction in progress that was recorded in error.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002.

City's Response to Findings

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

Purpose of this Report

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

Hea & Associates, Inc.

Medina, Ohio

August 31, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Warren's, Trumbull County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 31, 2017, which contained an unmodified opinion on those financial statements. Our opinion also explained that the City restated net position to account for the exclusion of construction in progress reported in error. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hea & Associates, Inc.

Medina, Ohio

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CITY OF WARREN, OHIO
TRUMBULL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Grant Number	Federal CFDA Number	Total Provided to Subrecipients	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Direct Programs:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	N/A	14.218	\$168,151	\$1,237,880
Total CDBG - Entitlement Grants Cluster			168,151	1,237,880
HOME Investment Partnerships Program	N/A	14.239	0	967,995
Appalachia Economic Development Initiative	N/A	14.270	0	105,000
Total U.S. Department of Housing and Urban Development			168,151	2,310,875
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant	2015DJBX0129	16.738	0	17,470
<i>Direct Programs:</i>				
Public Safety Partnership and Community Policing Grants	2013UMWX0111	16.710	0	77,917
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	2017-VOCA-43553436	16.575	0	12,656
Crime Victim Assistance	2016-VOCA-19814797	16.575	0	39,516
Subtotal - Crime Victim Assistance				52,172
Total U.S. Department of Justice			0	147,559
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed Through Ohio Department of Transportation:</i>				
<i>Highway Planning and Construction Cluster:</i>				
Parkman Road Phase 3 ODOT Project	83629	20.205	0	7,100
Warren Riverwalk/MahoningSide Project	92055	20.205	0	18,263
Warren Riverwalk/Bullhead Trail ODOT Project	92068	20.205	0	480
Greenway Trailhead ODOT Project	93385	20.205	0	15,430
Palmyra, Highland, Main ODOT Project	95102	20.205	0	10,288
West Market Street Project	95103	20.205	0	28,708
Youngstown Road Project	95844	20.205	0	184,554
Tod/Atlantic Project	99581	20.205	0	4,950
Elm Road Resurfacing Project	99589	20.205	0	984,486
Total Highway Planning and Construction Cluster			0	1,254,259
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>				
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety	STEP-2017-78-00-00-00555-00	20.600	0	3,387
National Priority Safety Programs	IDEP-2017-78-00-00-00423-00	20.616	0	4,088
National Priority Safety Programs	OVI TF-2017-78-00-00-00450-00	20.616	0	21,831
Total Highway Safety Cluster			0	29,306
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	OVI TF-2016-78-00-00-00400-00	20.608	0	96,941
Subtotal - Minimum Penalties for Repeat Offenders for Driving While Intoxicated			0	96,941
Total U.S. Department of Transportation			0	1,380,506
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Health:</i>				
Maternal and Child Health Services Block Grant to the States	78-2-001-1-DS-0916	93.994	0	30,400
<i>Passed Through Trumbull County Health Department:</i>				
Public Health Emergency Preparedness	78-100-12-PH-0716	93.074	0	6,400
Public Health Emergency Preparedness	78-100-12-PH-0817	93.074	0	5,300
Subtotal - Public Health Emergency Preparedness			0	11,700
Total U.S. Department of Health and Human Services			0	42,100
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Direct Program:</i>				
Assistance to Firefighters Grant	EMW-2015-FO-06970	97.044	0	19,243
Total U.S. Department of Homeland Security			0	19,243
Total Federal Financial Assistance			\$168,151	\$3,900,283

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

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Warren (City) under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note B – Summary of Significant Accounting Policies

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

Note C – Loans Outstanding

The City administers loan programs with funding received from the Department of Housing and Urban Development. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. Following are the loan balances outstanding that have continuing compliance requirements for these programs as of December 31, 2016.

Program Title	CFDA Number	Amounts Outstanding
Home Investment Partnership	14.239	\$ 4,828,363
Community Development Block Grant	14.218	1,414,278

Note D – Matching

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

Note E – Subrecipients

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

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

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR §200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
(d) (1) (vii)	Major Programs (list): Community Development Block Grant HOME Investment Partnership Program	CFDA #14.218 #14.239
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520?	No

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Cont.)
2 CFR §200.515
DECEMBER 31, 2016**

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

Material Noncompliance

Finding Number: 2016-001

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

Condition: As of December 31, 2016, the City had total transfers out of the General Fund to the Packard Music Hall Fund (\$233,790), Street Maintenance (\$100,000), Community Development Block Grant (\$80,696) and Downtown Parking Fund (\$67,385), and Motor Vehicle Levy to Capital Projects (\$117,331) not specifically approved by City Council for the purpose of debt retirement payments, capital expenses, and general expenses.

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

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

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

Management's Response: See Corrective Action Plan.

Material Noncompliance

Finding Number: 2016-002

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

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

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)
2 CFR §200.515
DECEMBER 31, 2016**

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

Finding Number: 2016-002(continued)

	Final Estimated Resources	Actual Revenue	Estimated Resources Over Actual
General Fund	\$ 25,309,747	\$ 24,824,536	\$ 485,211
Packard Music Hall	309,000	298,239	10,761
Highway Construction	120,000	113,885	6,115
Court Compertization	110,000	75,461	34,539
Street Maintenance	1,650,000	1,502,280	147,720
Law Enforcement Trust	50,000	35,650	14,350
Drivers Alcohol Treatment	32,000	3,798	28,202
Probation - Municpal Court	90,000	86,097	3,903
Legal Research - Courts	30,000	22,682	7,318
Community Development Block Grant	1,663,599	1,289,062	374,537
General Bond Payment	1,485,000	1,440,708	44,292
Life Insurance and Hospitilization	6,500,000	6,075,280	424,720
General Capital Projects	2,400,000	2,290,616	109,384
Water	12,752,000	12,707,827	44,173
Sanitation	5,009,100	3,593,979	1,415,121
City Redevelopment	450,000	431,316	18,684
Downtown Parking	27,000	23,904	3,096
Stormwater Utility	1,050,000	1,009,623	40,377
Workers Compensation	927,000	3,016	923,984
Data Processing	550,000	523,774	26,226
Guarantee Loan	290,000	276,769	13,231
Risk Management	200,000	-	200,000

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

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

**CITY OF WARREN
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESITONED COSTS, (Cont.)
2 CFR §200.515
DECEMBER 31, 2016**

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

Finding Number: 2016-002(continued)

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

Management's Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None were noted.



CITY OF WARREN, OHIO

Finance Department

VINCENT S. FLASK
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

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**CITY OF WARREN
TRUMBULL COUNTY, OHIO
CORRECTIVE ACTION PLAN
2 CFR § 200.511(e)
DECEMBER 31, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The City will obtain approval from City Council for all transfers in future periods.	January 1, 2018	Vince Flask
2016-002	The City will review estimated resources compared to appropriations on a monthly basis for compliance.	January 1, 2018	Vince Flask

City of Warren
Trumbull County, Ohio
Schedule of Prior Audit Findings
2 CFR 200.511(b)
December 31, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Ohio Revised Code Section 5705.14, no council approval of transfers.	Not Corrected	Reissued as finding 2016-001; See Corrective Action Plan
2015-002	Ohio Revised Code Section 5705.36, requesting increased or reduced amended certificates of estimated resources.	Not Corrected	Reissued as finding 2016-002; See Corrective Action Plan
2015-003	Material audit adjustments made to the financial statements.	Corrective Action Taken and Finding is Fully Corrected	N/A – no additional information, finding is fully corrected for 2016.



Dave Yost • Auditor of State

CITY OF WARREN

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 28, 2017