



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF WARREN
TRUMBULL COUNTY
DECEMBER 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Warren
Trumbull County
391 Mahoning Avenue NW
Warren, Ohio 44483

To the Honorable Mayor and City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and the aggregate remaining fund information of the City of Warren, Trumbull County, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 29, 2020, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and included a disclosure regarding the potential financial impact of COVID-19 and the ensuing emergency measures.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or another matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the City's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

July 29, 2020



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

City of Warren
Trumbull County
391 Mahoning Avenue NW
Warren, Ohio 44483

To the Honorable Mayor and City Council:

Report on Compliance for each Major Federal Program

We have audited City of Warren's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City of Warren's major federal programs for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on each Major Federal Program

In our opinion, City of Warren complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. 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 also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely-presented component unit and the aggregate remaining fund information of the City of Warren (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 29, 2020, wherein we referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 84* during the year. We conducted our audit to opine on the City's basic financial statements as a whole. We have not performed any procedures to the audited financial statements subsequent to July 29, 2020. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State

Columbus, Ohio

August 5, 2020

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**CITY OF WARREN
TRUMBULL COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Programs:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 86,145	1,593,294
Total CDBG - Entitlement Grants Cluster			86,145	1,593,294
HOME Investment Partnerships Program	14.239	N/A		327,848
Section 108 Loan Guarantee Program	14.248	N/A		756,936
Total U.S. Department of Housing and Urban Development			86,145	2,678,078
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Programs:</i>				
Bulletproof Vest Partnership Program	16.607	N/A		3,530
Public Safety Partnership and Community Policing Grants	16.710	2014UMWX0128		116,143
Equitable Sharing Program Grant	16.922	N/A		12,000
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	16.575	2019-VOCA-132137487		65,761
Crime Victim Assistance	16.575	2020-VOCA-132924766		18,412
Subtotal - Crime Victim Assistance				84,173
Total U.S. Department of Justice				215,846
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Warren Riverwalk/Mahoningside Project	20.205	92055		37,628
Greenway Trailhead Project	20.205	93385		8,336
Youngstown Road Project	20.205	95844		207,288
Laird/Genesee/Woodland Project	20.205	99595		116,224
Reserve Ave Bridges Project	20.205	104612		86,266
Lovers Lane/Tod Avenue Project	20.205	104622		440,477
Harmon Avenue Project	20.205	107212		216,036
Total Highway Planning and Construction Cluster				1,112,255
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	IDEP/STEP-2019-Warren Police Dept. - 00036		2,809
State and Community Highway Safety	20.600	IDEP/STEP-2020-Warren Police Dept. - 00077		1,640
National Priority Safety Program	20.616	DDEP-2019-Warren Police Dept. - 00035		756
National Priority Safety Program	20.616	OVI-2019-Warren Police Dept. - 00006		42,033
Total Highway Safety Cluster				47,238
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2019-Warren Police Dept. - 00036		3,833
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2020-Warren Police Dept. - 00077		2,474
Subtotal - Minimum Penalties for Repeat Offenders for Driving While Intoxicated				6,307
Total U.S. Department of Transportation				1,165,800

**CITY OF WARREN
TRUMBULL COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(continued)**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health:</i>				
Maternal and Child Health Services Block Grant to the States	93.994	78-2-001-1-DS-1219		44,363
<i>Passed Through Summit County Health Department:</i>				
HIV Prevention	93.940	77-100-12-HP-0919		47,339
<i>Passed Through Trumbull County Health Department:</i>				
Public Health Emergency Preparedness	93.074	78-100-12-PH-1019		4,569
Public Health Emergency Preparedness	93.074	78-100-12-PH-1120		4,569
Subtotal - Public Health Emergency Preparedness			<u> </u>	9,138
Total U.S. Department of Health and Human Services			<u> </u>	100,840
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Programs:</i>				
Assistance to Firefighters Grant - 2017 Wellness	97.044	EMW-2017-FO-05667		4,600
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2015-FH-00597		904,609
Total U.S. Department of Homeland Security			<u> </u>	909,209
Total Expenditures of Federal Awards			<u>\$86,145</u>	<u>\$5,069,773</u>

The accompanying notes to the Schedule are an integral part of this Schedule.

**CITY OF WARREN
TRUMBULL COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 (the City) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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.

NOTE E – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at December 31, 2019 consist of:

CFDA Number	Program/Cluster Name	Outstanding Balance at December 31, 2019
14.218	Community Development Block Grants/Entitlement Grants	\$ 962,330
14.248	Section 108 Loan Guarantee Program	1,117,487
14.239	HOME Investment Partnerships Program	1,698,999

NOTE F - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) with REVOLVING LOAN CASH BALANCE

The current cash balance on the City's local program income account as of December 31, 2019 is \$116,936.

NOTE G - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**CITY OF WARREN
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control 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 Section 108 Loan Guarantee Program	<u>CFDA #</u> 14.218 14.248
(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

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

FINDING NUMBER 2019-001

Pledged Collateral

NONCOMPLIANCE

Ohio Rev. Code § 135.18(B) indicates if a public depository elects to provide security pursuant to Ohio Rev. Code § 135.18(A)(1), the public depository must pledge eligible securities equal to at least one hundred five per cent.

Ohio Rev. Code § 135.18(E) says a public depository shall designate a qualified trustee and place the eligible securities with the trustee for safekeeping. The trustee shall:

- hold the eligible securities in an account indicating the public depositor's security interest in the securities, and
- report to the public depositor information relating to the securities pledged to secure the public deposits in the manner and frequency required by the public depositor.

The City had deposits with a local bank in the amount of \$6,376,486 at December 31, 2019. The bank was not enrolled in the State Treasurer's Ohio Pooled Collateral System, therefore, requiring a specific collateral arrangement as detailed above. The City could not provide documentation as to how their monies were properly collateralized by the bank.

The City did not have controls in place to prevent this error. This also could put the funds on deposit with the bank at risk if not in compliance with the Ohio Rev. Code requirements.

The City should monitor and maintain documentation that their deposit balances, with their financial institution throughout the year, to help ensure they are collateralized as required.

Officials' Response: In the future, the city will take steps to comply with the requirements of the ORC and to see that all investments are collateralized as required by the ORC.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



CITY OF WARREN, OHIO

Finance Department

VINCENT S. FLASK
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) DECEMBER 31, 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Will not invest in term purchase agreements longer than 30 days and review daily statements	Partially Corrected	Reissued as Management Letter citation #5
2018-002	Pledged collateral	Not Corrected. Repeated as Finding 2019-001	
2018-003	Federal HUD noncompliance	Fully Corrected	



CITY OF WARREN, OHIO

Finance Department

VINCENT S. FLASK
City Auditor

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2019

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	City will take steps to comply with the requirements of the ORC and to see that all investments are collateralized as required by the ORC	August 2020	City Treasurer

CITY OF WARREN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

VINCENT S. FLASK, CITY AUDITOR

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY:

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

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

INTRODUCTORY SECTION

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CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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CITY OF WARREN, OHIO

Finance Department

VINCENT S. FLASK
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NANCY E. RUGGIERI
Deputy Auditor

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Warren, Ohio 44483
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July 29, 2020

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, 2019 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. The Auditor of State’s Office performed the audit for the year ended December 31, 2019. 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, 2019 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 reports the Warren City Health District as a discretely presented component unit.

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

The City of Warren, historic capital of the Connecticut Western Reserve and Trumbull County seat, was incorporated as a village in 1843 and attained city status in 1869. Located in northeast Ohio, the City is situated approximately fifty-two miles southeast of Cleveland and fourteen miles northwest of Youngstown, occupies a land area of 16.30 square miles, and serviced a population of approximately 40,000 residents.

Warren is easily reached by a variety of transportation systems. The City is served by 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 along with a number of rail lines that service local businesses and manufacturing facilities.

The City of Warren and surrounding area offers a vast variety of entertainment, artistic, and cultural opportunities. A city entrenched with historic highlights with an infusion of modern standards. Warren is the official site for the National Packard Museum. The state-of-the-art museum features the deep history of the Packard family, the Packard Motor Car, and other enterprises that contributed to the growth of Warren. Other historical landmarks include the Kinsman House, Harriet Taylor Upton House, John Stark Edwards House and Museum and the Sutliff Museum. The updated W.D. Packard Music Hall facility continues to host 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 newly renovated Robins Theatre will provide for additional musical, theatrical and movie options and The Trumbull Art Gallery is a flourishing establishment that displays local and national talent. The gallery continues to be a vibrant highlight for the city and hosts many functions that showcase arts and culture. The Main Warren Trumbull Public Library is showing benefits of its expansion project on Mahoning Ave. across from City Hall. Dave Grohl Alley is another example of an innovative location in the central business district. This tribute site honors the birthplace of a famous musician and native of Warren. The Trumbull County Veteran's Memorial abutting Courthouse Square proudly serves as a magnificent memorial to all war veterans and those who 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, 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 offers beautiful spaces for family gatherings to picnic and entertain. Most parks are equipped with playground equipment and a manicured environment for a wonderful family oriented setting. The Mosquito Lake and Meander Creek Reservoir are ancillary water attractions that offer a place to boat, swim, fish, and picnic.

Warren benefits from both a comprehensive public school and parochial school system. Warren schools can boast of modern 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 Trumbull Career & Technical Center. Within driving distance is Eastern Gateway Community College and Youngstown State University, Kent State University (Main Campus), Hiram College, University of Akron, and John Carroll University. All accredited colleges that offer four year degrees plus advanced degree programs. Employment opportunities are supplemented by the State of Ohio One Stop Employment program.

PROFILE OF GOVERNMENT

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City benefits from its prime location as a central component of the regional Cleveland-Pittsburgh American manufacturing belt. Approximately 9,000 manufacturing plants, 9,400 wholesale distribution centers and 17 Fortune 500 corporate world headquarters are located within 100 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, restaurant, and industrial employers to the region. As employment in heavy manufacturing has decreased, local non-manufacturing sector employment has increased, allowing the area to sustain 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, Eastgate Council of Governments, and others, support is available for site selection, business plans, and zoning compliance as well as assistance with financing, tax abatement and credits, TIFs and other associated issues. Growth taking place in Warren and the surrounding metropolitan area represents positive economic trends that are expected to continue into the future.

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

Both the City of Warren and the Business Resource Network (BRN) continue a program of site visits to existing companies within the City that focuses on the needs and wellness of their current employers as well as giving those employers the chance to discuss any problems they may have or possible ways for the City to assist them in business growth

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 Main Lite Electric. Proximity to major highways and rail service provide a variety of transportation options, offering market advantages to all tenants. On the City's west side Northwest Business Park (adjacent to OH-82 with direct links to the Ohio Turnpike) was developed 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, BRITE an energy incubator is located in the central business district downtown and accommodates innovative high-tech energy corporations.

The EDA planning grant received to develop a plan for infrastructure improvements and the Golden Triangle project has been completed. In partnership with the County Commissioners, the County Engineer, Howland Township, and Eastgate Council of Governments the implementation plan is well under way and making significant improvements to the infrastructure in that area. This is an extremely important manufacturing district to our communities. The manufacturing cluster located in the Golden Triangle is the second largest in the Mahoning Valley behind only Lordstown, and consists of over 35 companies employing thousands of residents. The multiplier effect shows almost 10,000 local jobs supported by these companies.

The former Delphi Packard facility on Dana Street has worked its way through unexpected legal delays and bankruptcy but now the project is back on track and is currently under renovations and proceeding with plans to provide hundreds of jobs to the City.

Also, in the Golden Triangle, Tecnocap has announced its plans for an expansion project which would also add new jobs and Novelis Industries announced a \$4.5 million investment in their Warren plant for new machinery and equipment.

Since 2002, over \$2.5 million has been spent on the construction of the Warren Riverwalk campus, including an outdoor amphitheater, festival promenade, multi-purpose event area, and the exterior restoration of the Kinsman House and Land Office. The previous interior restoration of the Kinsman House with construction of two accessible restrooms and an elevator now allows for better public use of this historic facility. The construction of the Riverwalk Stage House at the Warren Community Amphitheatre was included allowing for several events annually having attendance in excess of 4,000 people. This project, together with ancillary recreational facilities, provides first-class entertainment and cultural opportunities for residents and visitors alike. In addition to a series of concerts at the Amphitheater, other festivals and events in 2019 provided weekly entertainment throughout the summer and into the fall.

The city of Warren was host to 285 events in 2019 - Rock at the Amp series, African American Festival, Italian American Festival, Warren Farmers Market, Relay for Life, Welcome Home Warren, Taste of Warren, Rooftop Reunion, Oktoberfest and others including Christmas in the Square drawing over 2,500 people to Downtown Warren and construction of a new elevator and other amenities were completed at the Packard Music Hall allowing for improved accessibility to the facility.

The City of Warren, through the Community Development Department, acts as the lead agency in a partnership with Trumbull County for receiving federal funding from HUD for affordable housing programs. Through these efforts, the City and County have completed several housing projects over the years such as the \$9.5 million acquisition and rehab of 188 units at the Warren Heights Apartments on the City's north end, the \$12.5 million acquisition and rehab of 150 units at the Hampshire House Apartments on the City's southwest side, the Morgandale project consisting of 10 units of senior housing, the \$9 million senior housing project on the City's west side, and the YWCA was granted assistance to develop 12 units of permanent supportive housing in their building. Three new multi-tenant projects are in the pipeline to begin in 2020 with a total investment of nearly \$10 million dollars

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

One decade after the great recession the city finds itself stabilizing with the help of its residents approving an additional ½ percent to its tax base annually that began in 2017. The City continues to explore options for reducing expenses and generating additional revenue. These actions are a function of the City's longstanding budget review policies set in place to ensure that the general fund expenditure levels are timely adjusted consistent with available and anticipated resources. The budget is the primary planning tool utilized to ensure that the City has sufficient resources to meet its operation and capital improvement requirements. The City's budgetary control program begins prior to the fiscal year with the preparation of a detailed specific –use budget based on line item justification by department heads. Budget performance reports are prepared and reviewed monthly by the finance department, deviations from budget are noted, and reports are submitted to department heads. Problem areas are anticipated and appropriate adjustments are made with a compromise of a budget and management considerations.

In conjunction with a vigorous budget review process to eliminate extraneous expenses, the City continues to be aggressive in applying for grants and has two full time employees dedicated to the grant writing process. The City contracts with a collection agency to assist in the collection of outstanding money owed to the City. In addition, the City has contracted with the City of Cleveland to ensure the City's taxpayers are in compliance with the City tax code which has improved income tax collections since its inception.

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2019, 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 Warren City Fire Department received a one year extension on the Staffing for Adequate Fire and Emergency Response Grant that expires in April of 2020. The City of Warren did not experience a fire fatality for the second consecutive year. The Fire Department also hired eight firefighters in 2019 as a result of the SAFER Grant and the half percent income tax increase in 2017.

Additionally, the Fire Department has applied for another Assistance to Firefighter's Grant for a new fire truck as well as personal Protective Equipment washer and extractors for the Fire Stations on Atlantic Street and Parkman Road.

POLICE

The Police Department has been currently drawing down monies from a C.O.P.S. grant that has allowed the department to hire 3 additional officers. These three additional officers have been assigned to bolster our current staffing in our Street Crimes Unit bringing the unit's staffing up to 8 officers. The department continually applies for and was recently awarded \$4,596 in 2019 to equip patrol officers with body armor through the Bulletproof Vest Partnership. In 2019, the Police Department purchased \$40,000 worth of body armor for our Tactical Entry Team through a grant which came from the Ohio Attorney General's Office and requires no matching funds. The department was awarded \$21,927 through the Edward Byrne Memorial Justice Assistance Grant which was used to purchase investigative hardware/software for the Criminal Investigations Division. The Monies collected through drug forfeitures has funded the purchase of ammunition, Tasers, firearms, mobile video recorders, surveillance equipment, and other much needed equipment. A recently passed ½ percent income tax increase has assisted in the hiring of 3 police officers in 2019 which brings total staffing in the department to 71. Through participation in the Law Enforcement Support Organization (LESO) program, the police department has acquired at no cost a variety of police equipment such as flash lights, firearms parts, and firing range equipment. To assist in traffic enforcement, the department applied for and received \$4,922 for the Drugged Driving Enforcement Program and \$37,273 IDEP/STEP Enforcement Program.

PUBLIC WORKS

Road improvement projects completed in 2019 include: Lovers Lane / Tod Avenue, Harmon Avenue Sidewalks, 2019 OPWC / CDBG Roads, 2019 City Resurfacing.

The city renewed the Electrical Maintenance Contract in the amount of \$166,000. The contract covers the maintenance of Traffic Signals including Pedestrian Signals and the Emergency Preempt System, Caution Signals, School Flashing Beacons, Tornado Sirens, the Radio Fire Alarm, and Downtown Ornamental Street Lighting.

A street sweeping contract in the amount of \$116,242 was renewed. Streets in the Central Business District are swept four times per year. Arterial roads and residential streets with curbs are swept twice a year. Curb attached sidewalk areas in our central business district and along arterial roads are swept once a year in the spring. Additional authorization was given to sweep the unimproved city streets one time in the spring at a cost of \$20,254. The city incurred added costs in the amount of \$20,035 to dispose accumulated street sweeping debris.

A contract to cut grass and maintain various areas in the city throughout the growing season. The authorized work included mowing along the Greenway Trail, brush hogging the city's Riverwalk Trails, and maintaining the tree grates and mulch beds in the central business district. The collective cost of the work was \$10,668.

The city completed the 2019 annual inspection report that the Ohio EPA requires for the Mahoningside site. The report monitors the condition of the retaining wall along the eastern boundary of the property. The cost of the study was \$2,750. The Mahoningside property required several additional studies throughout the year. The survey work valued at \$950 was needed to continue with the development of the Mahoningside Project plans and specifications. An investigation into large sinkholes that have been a problem at the site for years was completed at a cost of \$1,400. The Environmental Design Group completed a study for the OEPA regarding a change of use proposal that is needed to accommodate the improvements planned through the Mahoningside Project. The soil cap was evaluated and a remedy revision notice was completed at a cost of \$9,940. The OEPA provided technical assistance through a Voluntary Action Program. The city authorized a time and material proposal to address the sinkholes at the Mahoningside site. Preliminary studies indicated cavities beneath the surface with a depth exceeding ten feet. The contractor used a combination of excavators to determine the extents of the problem area and transported fill to the site to address the matter. The cost of the work was \$10,390. Representatives of the OEPA were on site to review the repair.

The City entered into a competitively bid contract to repair asphalt pavement at various locations throughout the city where underground utility repairs were made. The work consisted of removing 3 inches of existing cold patch or temporary aggregate fill, and then applying 3 inches of compacted hot asphalt to each utility cut. The project repaired 1,465 SY of utility cuts at a cost of \$96,329. The project was funded through the water department. Bidding documents, project specifications, and construction oversight was provided by the engineering department.

The city moved forward to make assessments and prepare plans for improvements to City Hall, the Information Technology Building, and the City Law Office. The plans and specifications are complete. The project was originally put out to bid in September of 2018. The bids received were significantly higher than the architect's estimate and were rejected. The City of Warren has applied for and received a NOPEC grant in the amount of \$200,000 to assist with the costs of the needed HVAC improvements at City Hall and the City Law Office. The HVAC project was put out to bid on two separate occasions in 2019 without any bidders. The city has applied for and received a Save America's Treasures grant in the amount of \$500,000 to assist with covering a portion of the cost for restoring City Hall. The plans have been submitted to the National Park Service for review.

The City of Warren entered into contract for the 2019 City Resurfacing Project in July of 2019. The value of the contract was \$1,148,951. Manholes and inlets were adjusted, trees removed, and new signage was installed. Roadway repairs were made on North Park Ave., Country Club Drive NE, Saratoga Ave. SW & Deerfield Drive SW. Pavement Markings were applied on Tod Ave. SW, South Street (US 422), Summit Street NW, and East Market Street at North Road. Construction was completed in the fall and finalized at a cost of \$1,113,381. The project utilized funds generated from the city income tax and general fund revenues.

UTILITY SERVICES

WPC Summary

At Water Pollution Control, design and construction of many projects are being initiated in two broad categories: the Wastewater Treatment Plant & Pump Stations is the first; the Sanitary Sewer Collection System is the second. The first of three phases of projects for the Plant and Pump Stations Refurbishment has completed design with a \$2.5 million dollar loan. That project is currently in EPA review. Construction of that first phase is scheduled to be bid later in 2020 and has been pre-approved for a construction loan with an anticipated construction cost of \$29 million. Seven sanitary sewer projects are in various stages of design or construction. The three largest projects, all in EPA Review and near Courthouse Square, will total over \$3.1 million to be paid by loans that have already been pre-approved. Construction of all three of these projects should start in 2020.

The City of Warren's water dept. purchased several new vehicles and two 10-ton dump trucks in 2019 in a continuing effort to replace aging high maintenance equipment.

2019 presented a total of 114 water main breaks within our aging distribution system. An average of 13.7 million gallons per day of treated water was pumped into the distribution system 24/7/356 for use in 2019. We continue to move forward using GPS technology in the field for more accurate information. In conjunction with the IT dept. we hope to be cloud-based in 2020 to better serve our customers with real-time data in the field. Our lab personnel at the filtration plant perform over 80,000 tests annually to make sure all water meets or exceeds EPA guidelines.

Administrative division implemented an IVR phone payment option for customers to have the ability to pay their bills over the phone with an automated system 24 hours a day. The drive-thru system was replaced with new vacuum tubes and other upgrades.

ENVIRONMENTAL SERVICES

The Environmental Services Department provides automated residential trash service to all residents of the city of Warren and continues to be pro-active in increasing its customer base by offering residential service to those outside the city limits providing they have a current water account. In addition, the department has seen a steady increase in commercial service customers and revenue growth from roll-off rentals.

Information Technology

The Information Technology department has set the migration path for our Major ERP software from a locally hosted (ON-Prem) distributed platform to a Cloud/SaaS based platform via the vendor Data Centers. We have installed the security gateway appliance, tied in our Network Subnets, modified our Edge appliance configuration, created our hosted environments, & tested the platform for efficiency & distribution. To enhance and endure system up-time (application accessibility), we have negotiated a redundant Internet source via our Internet provider.

A newly revamped City Webpage was developed and implemented in 2019. The goals were to deliver a more modern look and feel. We also added multi-lingual capabilities. A more modern content manager was utilized to make daily editing more efficient. Navigation was enhanced. And we emphasized the integration of Social Media to enhance the end user experience. The calendar was enhanced to be easily referenced as well as installing mobile capabilities.

Heavy review was completed in the quest for a new solution for a complete solution on Permitting, Inspections, Code Enforcement, Parcel Management, Licensing, Certifications, and other relevant functions. The emphasis is to deploy online services which promote more citizen engagement along with increasing efficiency for our Engineering, Planning, & Building department and the Health department. Other departments will benefit immensely as well. The entire solution will integrate into a GIS platform. We are hopeful to deploy this solution in 2020.

DOWNTOWN WARREN

In the historic district just blocks from Courthouse Square the 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 and new fencing and permanent restrooms are being planned as well. The Mahoning Building is one of many downtown buildings experiencing a complete renovation for both residential and commercial occupancy. 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 completed another renovation to add to the beautiful façade improvements. The Coleman Professional Services has expanded operations in the Atrium Building with the addition of 27 employees into the site. New business includes Nova Coffee House and INFI LLC. The former vacant radio station building has been renovated and converted into upscale condo living spaces. In 2019 the Central Business District has seen the opening of three new restaurants and to the recent addition of a brewery. These join other entertainment and night spots generating additional traffic and economic stability to the downtown

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 over 22 commercial structures.

The "Ed's and Med's Corridor" is being bolstered by commitment and investments from the local hospitals.

GENERAL GOVERNMENT

In year three of an additional 5-year .5 % income tax, \$935,000 dollars was collected in the general fund above the previous year, a total of 5.5 million above 2016, allowing Warren to strengthen its safety forces and improve its city streets. Adding to the momentum, the city also added 967 new or reactivated accounts in 2019.

The operating changes at the Packard Music Hall stabilized its subsidy at \$250,000 annually. As a result of such the Packard Music Hall has performed above expectations and is becoming a destination point not only for city residents but for visitors from outside our community.

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

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

ACKNOWLEDGEMENTS

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

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

I would like to acknowledge the efforts of our state auditors. Thanks to Erik Holesko and his team for completing the audit so that the report could be filed on time with GFOA.

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

Respectfully submitted

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

Vincent S. Flask

CITY OF WARREN
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2019

ELECTED OFFICIALS

Executive Branch:

Mayor	William D. Franklin
Auditor	Vincent S. Flask
Treasurer	Tom Letson
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	Mark Forte
Council Member – 5 th Ward	Ken MacPherson
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

SAFETY & SERVICE DIRECTOR

FINANCE DEPT.

INCOME TAX

LAW DEPT.

Auditor
Deputy Auditor
Senior Accountant
Accountant II
Accountant I
Financial Secretary

Treasurer
Tax Administrator
Invest. Auditor
Cashier/Auditor

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

HUMAN RESOURCES

Director of Human Res.
Personnel Supervisor
Executive Secretary I

CITY COUNCIL

President
Council Members
Clerk of Council

BOARD OF HEALTH

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

MUNICIPAL COURT

Court Admin. Magistrate
Clerk of Muni. Ct.
Chief Bailiff
Deputy Bailiff
Chief Deputy Clerk
Production Officer
Administrative Assistant

COMMUNITY DEVELOPMENT

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

DATA PROCESSING

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

OPERATIONS DEPARTMENT (Operations Streets)

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

OPERATIONS DEPARTMENT (Operations Maint.)

Operations Supt.
Master Skilled Maint.
Skilled Maint.
Heavy Equip. Mech.
Welder/Meat Fab.
Automotive Mech.

FIRE DEPARTMENT (Uniform Div.)

Fire Chief
Assistant Chief
Captains
Lieutenants
Firefighters

FIRE DEPARTMENT (Civilian Div.)

Exec. Secretary
Heavy Equip. Mech.

WATER DEPARTMENT (Water Div.)

Water Dist. Support
Water Dist. Supply
Foreman
Section Leader
Heavy Equip. Mech.
Meter Room Coord.
Equip. Operator IV
Equip. Operator II
Master Cement Finish
Trapper/Meter Repair
Laborer II
Laborer I
Secretary

WATER DEPARTMENT (Water Util. Oper.)

Director of Water Util. Oper.
Consumer Service Rep.
Cashier
Daily Entry Operator
General Clerks

WATER POLLUTION CONTROL

Director of W.P.C.
W.P.C. Superintendent

ENVIRONMENTAL SERVICES

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

LABOR

(Labor)
Laborer II
Laborer I
(Grants)
Grants Director
Grants Writer

PLANT

(Plant)
Chief Plant Maint.
Plant Maint. Mech. III
Plant Maint. Mech. I
Heavy Equip. Mech.
(Sturm)
Sec. Leader
Equip. Operator IV
Equip. Operator I
Laborer II
(Maintenance)
Chief Plant Maint.
Plant Maint. Mech. III
Plant Maint. Mech. I
Heavy Equip. Mech.
(Sanitary)
Foreman
Sec. Leader
(Office)
Accounting Coord.
Net System Super.
Computer Tech.
Executive Secretary I
Clerk Typist
(Bio Solids)
Bio Solids Manager
Bio Solids Sales Rep.
Bio Solids Proc. Tech.
Equipment Oper I

Organization Chart

February 2016



Government Finance Officers Association

Certificate of
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Reporting

Presented to

**City of Warren
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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OHIO AUDITOR OF STATE KEITH FABER



101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Warren
Trumbull County
391 Mahoning Avenue NW
Warren, Ohio 44483

To the Honorable Mayor and City Council:

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 discretely presented component unit 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, 2019, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support 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 discretely presented component unit and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of December 31, 2019, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Additionally, as discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.



Keith Faber
Auditor of State

Columbus, Ohio

July 29, 2020

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CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (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, 2019. 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 2019 are as follows:

- The total net position of the City increased \$19,878,989. Net position of governmental activities increased \$18,409,365 or 75.13% from 2018's net position and net position of business-type activities increased \$1,469,624 or 6.90% from 2018's net position.
- Consistent with the provisions of Ohio Revised Code Section 3709.36, the City of Warren's health district was reorganized as a legally separate organization (Warren City Health District) rather than continuing to operate as a department of the City. The change was effective January 1, 2019 and is being accounted for by the City as a transfer of operations, which is reported as a special item. The Warren City Health District is reported as a discretely presented component unit of the City.
- General revenues, and special item accounted for \$26,292,537 or 73.75% of total governmental activities revenue. Program specific revenues accounted for \$9,359,488 or 26.25% of total governmental activities revenue.
- The City had \$17,152,660 in expenses related to governmental activities; \$9,359,488 of these expenses was offset by program specific charges for services, grants or contributions. General revenues and special item (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$26,292,537 covered the remaining expenses of \$7,793,172.
- The general fund had revenues and other financing sources of \$29,461,485 in 2019. This represents an increase of \$126,178 or 0.43% from 2018 revenues. The expenditures, other financing uses and special item of the general fund, which totaled \$27,911,449 in 2019, increased \$775,009 or 2.86% from 2018. The net increase in fund balance for the general fund was \$1,550,036 in 2019.
- The general capital projects fund, a major governmental fund, had revenues and other financing sources of \$3,815,675 in 2019. Expenditures in 2019 totaled \$3,254,456 and the fund balance at the end of the year was \$1,439,616.

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, 2019 (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 2019?" 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 three 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.

Component unit - The City's financial statements include financial data of the Warren City Health District. The component unit is described in the notes to the financial statements (see Notes 2.A and 24 for detail).

The City's statement of net position and statement of activities can be found on pages 23-25 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 15.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

Governmental Funds

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

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

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund 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 27-33 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 34-43 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. Custodial funds are the City's only fiduciary fund type. The basic financial statements for the custodial funds can be found on page 44 and 45 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 47-114 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 116-130 of this report.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. Governmental activities assets and liabilities were restated for an increase of \$1,865,717 as a result of implementing GASB Statement No. 84; the restatement had no effect on fund balance or net position at January 1, 2019 (see Note 3.A for detail). The table that follows provides a summary of the City's net position for 2019 and 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	(Restated) 2018	2019	2018	2019	(Restated) 2018
<u>Assets</u>						
Current and other assets	\$ 34,256,670	\$ 31,630,523	\$ 14,311,616	\$ 12,212,617	\$ 48,568,286	\$ 43,843,140
Capital assets, net	<u>61,649,716</u>	<u>61,595,031</u>	<u>44,082,712</u>	<u>44,157,654</u>	<u>105,732,428</u>	<u>105,752,685</u>
Total assets	<u>95,906,386</u>	<u>93,225,554</u>	<u>58,394,328</u>	<u>56,370,271</u>	<u>154,300,714</u>	<u>149,595,825</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	59,128	63,351	-	-	59,128	63,351
Pension	10,901,921	4,480,794	3,919,838	1,836,167	14,821,759	6,316,961
OPEB	<u>2,851,719</u>	<u>2,167,699</u>	<u>509,061</u>	<u>367,425</u>	<u>3,360,780</u>	<u>2,535,124</u>
Total deferred outflows of resources	<u>13,812,768</u>	<u>6,711,844</u>	<u>4,428,899</u>	<u>2,203,592</u>	<u>18,241,667</u>	<u>8,915,436</u>
<u>Liabilities</u>						
Current liabilities	3,897,126	4,636,759	1,759,710	1,985,932	5,656,836	6,622,691
Long-term liabilities:						
Due within one year	2,392,172	2,315,024	3,148,794	3,025,003	5,540,966	5,340,027
Net pension liability	38,427,864	26,731,438	13,009,152	7,407,631	51,437,016	34,139,069
Net OPEB liability	8,013,216	22,927,197	5,976,620	4,954,215	13,989,836	27,881,412
Other amounts	<u>9,845,581</u>	<u>11,713,586</u>	<u>15,664,194</u>	<u>17,234,261</u>	<u>25,509,775</u>	<u>28,947,847</u>
Total liabilities	<u>62,575,959</u>	<u>68,324,004</u>	<u>39,558,470</u>	<u>34,607,042</u>	<u>102,134,429</u>	<u>102,931,046</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,086,320	1,073,232	-	-	1,086,320	1,073,232
Pension	1,778,327	4,706,997	370,017	2,128,641	2,148,344	6,835,638
OPEB	<u>1,367,157</u>	<u>1,331,139</u>	<u>138,027</u>	<u>551,091</u>	<u>1,505,184</u>	<u>1,882,230</u>
Total deferred inflows of resources	<u>4,231,804</u>	<u>7,111,368</u>	<u>508,044</u>	<u>2,679,732</u>	<u>4,739,848</u>	<u>9,791,100</u>
<u>Net position</u>						
Net investment in capital assets	56,350,453	55,619,553	26,650,705	25,470,873	83,001,158	81,090,426
Restricted	14,342,498	13,210,855	-	-	14,342,498	13,210,855
Unrestricted (deficit)	<u>(27,781,560)</u>	<u>(44,328,382)</u>	<u>(3,893,992)</u>	<u>(4,183,784)</u>	<u>(31,675,552)</u>	<u>(48,512,166)</u>
Total net position	<u>\$ 42,911,391</u>	<u>\$ 24,502,026</u>	<u>\$ 22,756,713</u>	<u>\$ 21,287,089</u>	<u>\$ 65,668,104</u>	<u>\$ 45,789,115</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, 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, 2019, the City's assets and deferred outflows of resources were greater than liabilities and deferred inflows of resources by \$65,668,104, an increase of 43.41% from 2018.

While the City has experienced a loss in revenue over the past several years from cuts in the Local Government Fund intergovernmental state revenue and the elimination of Ohio's estate tax beginning in 2013, grants and entitlements not restricted to specific programs were up in 2019. The City's income tax withholdings were up from individual and business current and prior returns based off an additional 0.5% income tax that began in 2017 and did not see the full effect until 2018 and 2019. Liabilities decreased for the governmental activities and business-type activities increased, mostly due to an increase in the net pension liability.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 68.52% of total assets. Capital assets include land, easements, construction in progress (CIP), land improvements, buildings and improvements, computer software, furniture and equipment, vehicles and infrastructure. The City's net investment in capital assets at December 31, 2019, was \$56,350,453 and \$26,650,705 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, \$14,342,498, 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 \$31,675,552.

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CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The following table shows the changes in net position for 2019 and 2018.

	Change in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 2,903,445	\$ 3,763,198	\$ 27,790,905	\$ 24,424,457	\$ 30,694,350	\$ 28,187,655
Operating grants and contributions	4,624,082	3,452,997	-	-	4,624,082	3,452,997
Capital grants and contributions	<u>1,831,961</u>	<u>6,006,983</u>	<u>28,736</u>	<u>440,207</u>	<u>1,860,697</u>	<u>6,447,190</u>
Total program revenues	<u>9,359,488</u>	<u>13,223,178</u>	<u>27,819,641</u>	<u>24,864,664</u>	<u>37,179,129</u>	<u>38,087,842</u>
General revenues:						
Property taxes	1,052,179	1,053,071	-	-	1,052,179	1,053,071
Income taxes	20,787,329	21,345,452	-	-	20,787,329	21,345,452
Unrestricted grants and entitlements	2,461,054	2,336,729	-	-	2,461,054	2,336,729
Investment earnings	326,622	260,018	-	12	326,622	260,030
Increase in fair value of investments	125,816	12,050	-	-	125,816	12,050
Miscellaneous	<u>306,244</u>	<u>678,226</u>	<u>320,625</u>	<u>475,516</u>	<u>626,869</u>	<u>1,153,742</u>
Total general revenues	<u>25,059,244</u>	<u>25,685,546</u>	<u>320,625</u>	<u>475,528</u>	<u>25,379,869</u>	<u>26,161,074</u>
Total revenues	<u>34,418,732</u>	<u>38,908,724</u>	<u>28,140,266</u>	<u>25,340,192</u>	<u>62,558,998</u>	<u>64,248,916</u>
Expenses:						
General government	7,106,282	7,128,383	-	-	7,106,282	7,128,383
Security of persons and property	1,921,321	17,604,592	-	-	1,921,321	17,604,592
Public health and welfare	160,049	841,137	-	-	160,049	841,137
Transportation	3,874,549	3,714,265	-	-	3,874,549	3,714,265
Community environment	1,024,850	1,758,730	-	-	1,024,850	1,758,730
Leisure time activity	996,445	966,023	-	-	996,445	966,023
Economic development	1,886,918	1,471,834	-	-	1,886,918	1,471,834
Interest and fiscal charges	182,246	209,570	-	-	182,246	209,570
Sewer	-	-	8,757,648	8,773,308	8,757,648	8,773,308
Water	-	-	12,951,978	13,082,604	12,951,978	13,082,604
Sanitation	-	-	3,973,580	4,020,987	3,973,580	4,020,987
City Redevelopment	-	-	252,315	277,699	252,315	277,699
Downtown Parking	-	-	145,146	139,892	145,146	139,892
Stormwater Utility	-	-	<u>679,975</u>	<u>428,966</u>	<u>679,975</u>	<u>428,966</u>
Total expenses	<u>17,152,660</u>	<u>33,694,534</u>	<u>26,760,642</u>	<u>26,723,456</u>	<u>43,913,302</u>	<u>60,417,990</u>
Change in net position before transfers	17,266,072	5,214,190	1,379,624	(1,383,264)	18,645,696	3,830,926
Transfers	(90,000)	(88,540)	90,000	88,540	-	-
Special item	<u>1,233,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,293</u>	<u>-</u>
Change in net position	18,409,365	5,125,650	1,469,624	(1,294,724)	19,878,989	3,830,926
Net position at beginning of year	<u>24,502,026</u>	<u>19,376,376</u>	<u>21,287,089</u>	<u>22,581,813</u>	<u>45,789,115</u>	<u>41,958,189</u>
Net position at end of year	<u>\$ 42,911,391</u>	<u>\$ 24,502,026</u>	<u>\$ 22,756,713</u>	<u>\$ 21,287,089</u>	<u>\$ 65,668,104</u>	<u>\$ 45,789,115</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$18,409,365 in 2019, after increasing \$5,125,650 in 2018. Expenses, including security of persons and property, decreased while program revenues and general revenues also decreased.

Total revenues decreased \$4,489,992 or 11.54%. Capital grants and contributions consist of grant revenue from the Ohio Department of Transportation (ODOT) and Ohio Public Works Commission (OPWC) for road construction and repair projects. 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 2019 and 2018. During 2019, the City's investment earnings increased over 2018 as a result of better interest rates and maturing investments. Income tax collections decreased slightly despite a 0.5% additional income tax levy that began January 1, 2017. Income tax collections in 2020 for tax year 2019, included in income taxes receivable, were down from the prior year.

In total, 2019 expenses decreased \$16,541,874 or 49.09%, primarily due to changes in the net pension liability, net OPEB liability and the related pension and OPEB deferred inflows and outflows of resources. The changes are primarily a result of a new stipend-based health care model implemented by Ohio Police and Fire (OP&F). 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 \$1,921,321 and \$17,604,592 of the total expenses of the City during 2019 and 2018, respectively. These expenses were partially funded by \$1,402,673 in 2019 compared to \$1,320,428 in 2018 in direct charges to users of the services. A net decrease in expenses of \$15,397,255 related to the change in the City's net OPEB liability and related deferred inflows and outflows of resources for police and fire OP&F was reported in 2019. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$3,874,549 during 2019 and \$3,714,265 during 2018. In 2019, these expenses were funded by charges for services and operating and capital grants and contributions.

In total, operating grants and contributions and capital grants and contributions were \$6,456,043 during 2019, compared to \$3,452,997 during 2018. These revenues are restricted to a particular program or purpose. \$4,462,840 or 69.13% of the total grants and contributions subsidized transportation programs in 2019, and the increase is attributed to the increase in gas tax that went into effect July 1, 2019.

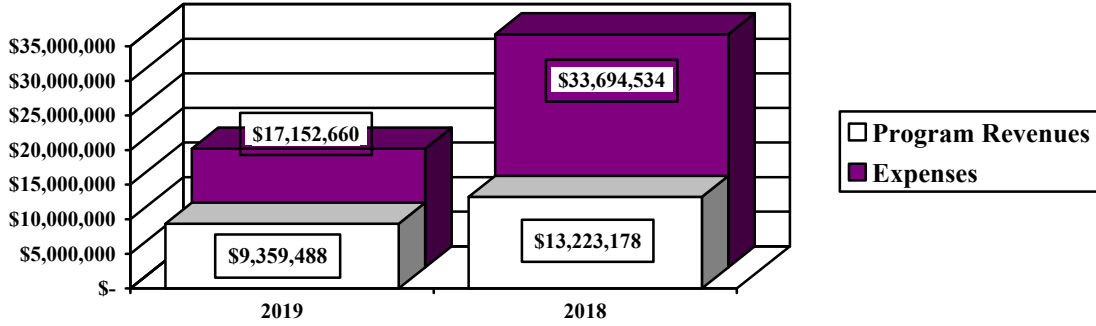
General revenues totaled \$25,059,244 and amounted to 70.47% of total governmental revenues during 2019. These revenues primarily consist of property and income tax revenue of \$21,839,508. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which includes local government and local government revenue assistance, making up \$2,461,054. The City also had a special item of \$1,233,293 for the transfer of Health District operations.

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses



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

Governmental Activities

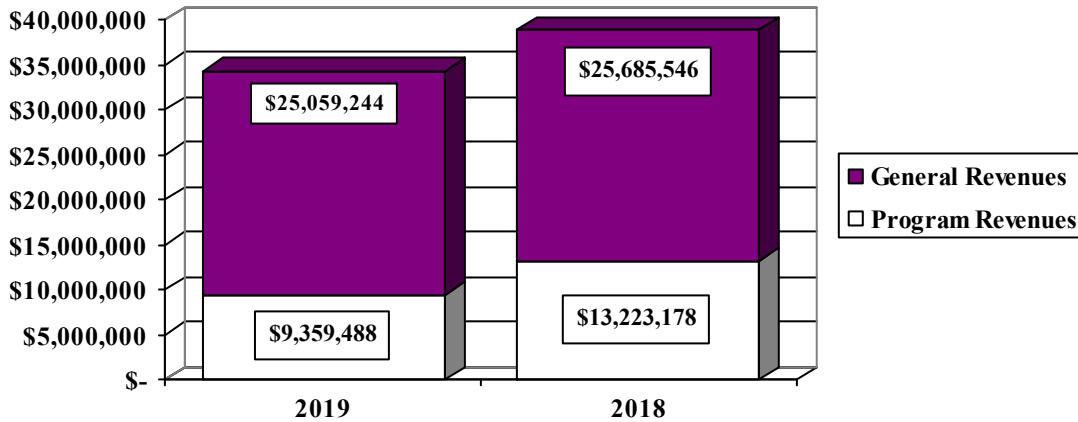
	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program Expenses:				
General government	\$ 7,106,282	\$ 6,292,619	\$ 7,128,383	\$ 5,168,713
Security of persons and property	1,921,321	426,660	17,604,592	16,209,608
Public health and welfare	160,049	160,049	841,137	707,872
Transportation	3,874,549	(591,441)	3,714,265	(3,730,487)
Community environment	1,024,850	539,309	1,758,730	972,437
Leisure time activity	996,445	966,235	966,023	921,944
Economic development	1,886,918	(182,505)	1,471,834	11,699
Interest and fiscal charges	182,246	182,246	209,570	209,570
Total	\$ 17,152,660	\$ 7,793,172	\$ 33,694,534	\$ 20,471,356

The dependence upon general revenues for governmental activities is apparent, with 45.43% and 60.76% of expenses supported through taxes and other general revenues in 2019 and 2018, respectively.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the sewer, water, sanitation, downtown parking, city redevelopment, and stormwater enterprise funds. In 2019 and 2018, these programs had program revenues of \$27,819,641 and \$24,864,664, respectively, and general revenues of \$320,625 and \$475,528, respectively. Total revenues for 2019 were \$28,140,266, which represents an increase from 2018 revenues of \$25,340,192. This increase is a result of an increase in utility collections.

Business-type activities received \$28,736 in capital contributions from OPWC for the phase I and II of the Star Allotment phase I and II sanitary and storm sewer project.

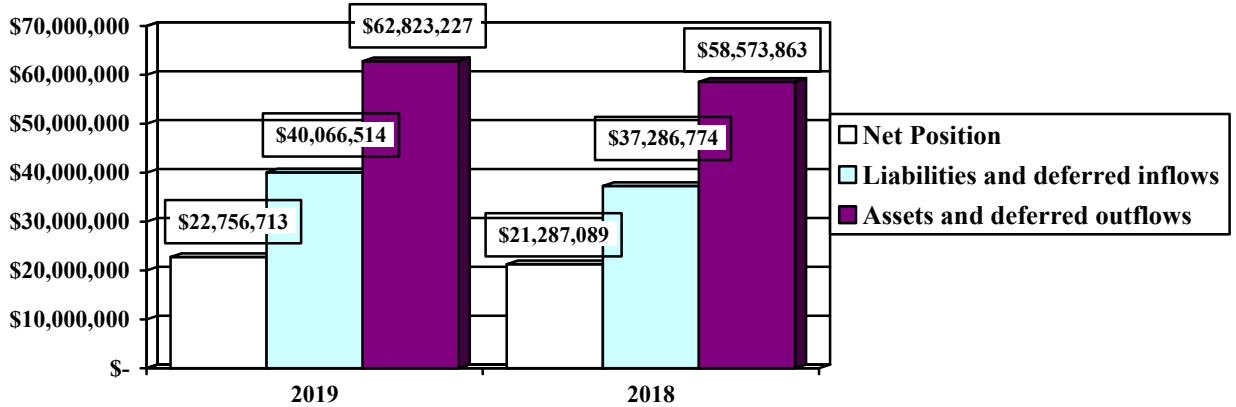
Total expenses for business-type activities were \$26,760,642 in 2019 compared to \$26,723,456 in 2018. This represents an increase of 0.14%.

Net position for business-type activities increased \$1,469,624 or 6.90% from 2018. The graph that follows shows the business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at year-end.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Net Position, Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 27) reported a combined fund balance of \$18,919,731 which is \$2,510,659 higher than last year's total of \$16,409,072. The following schedule indicates the fund balances and the total change in fund balances as of December 31, 2019 for all major and nonmajor governmental funds.

	Fund Balances 12/31/19	Fund Balances 12/31/18	Change
Major funds:			
General	\$ 6,710,011	\$ 5,159,975	\$ 1,550,036
General capital projects	1,439,616	878,397	561,219
Nonmajor governmental funds	<u>10,770,104</u>	<u>10,370,700</u>	<u>399,404</u>
Total	<u>\$ 18,919,731</u>	<u>\$ 16,409,072</u>	<u>\$ 2,510,659</u>

CITY OF WARREN, OHIO

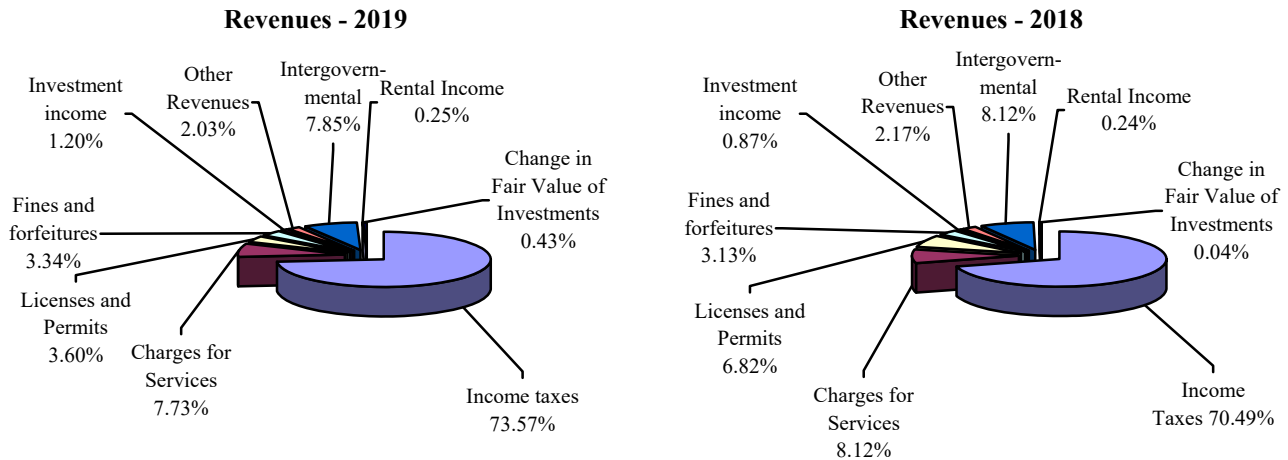
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

General Fund

The City's general fund balance increased \$1,550,036. The table that follows assists in illustrating the revenues of the general fund.

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Income taxes	\$ 21,366,470	\$ 20,679,002	3.32 %
Property and other taxes	150,917	154,682	(2.43) %
Charges for services	2,243,738	2,381,879	(5.80) %
Licenses and permits	1,045,079	2,000,116	(47.75) %
Fines and forfeitures	970,962	917,543	5.82 %
Intergovernmental	2,280,042	2,382,348	(4.29) %
Investment income	348,665	254,341	37.09 %
Rental income	72,543	71,054	2.10 %
Change in Fair Value of Investments	125,816	12,050	944.12 %
Other	<u>590,502</u>	<u>482,292</u>	22.44 %
Total	<u>\$ 29,194,734</u>	<u>\$ 29,335,307</u>	(0.48) %

The most significant changes in general fund revenues are income taxes, investment income, change in fair value of investments, intergovernmental revenue and licenses and permits. Income tax withholdings and collections from individuals and businesses increased from the previous year as a result of a 0.5% income tax increase that was effective January 1, 2017, as approved by voters in the November 2017 election. 2018 and 2019 reported increased income tax collections due to the income tax increase. Licenses and permits decreased primarily from the transfer of health operations during 2019 (birth/death certificates, clinic fees, etc.). Intergovernmental revenues increased during 2019 from local government revenue and grants. Investment income increased over the prior year as a result of better interest rates and maturing investments.



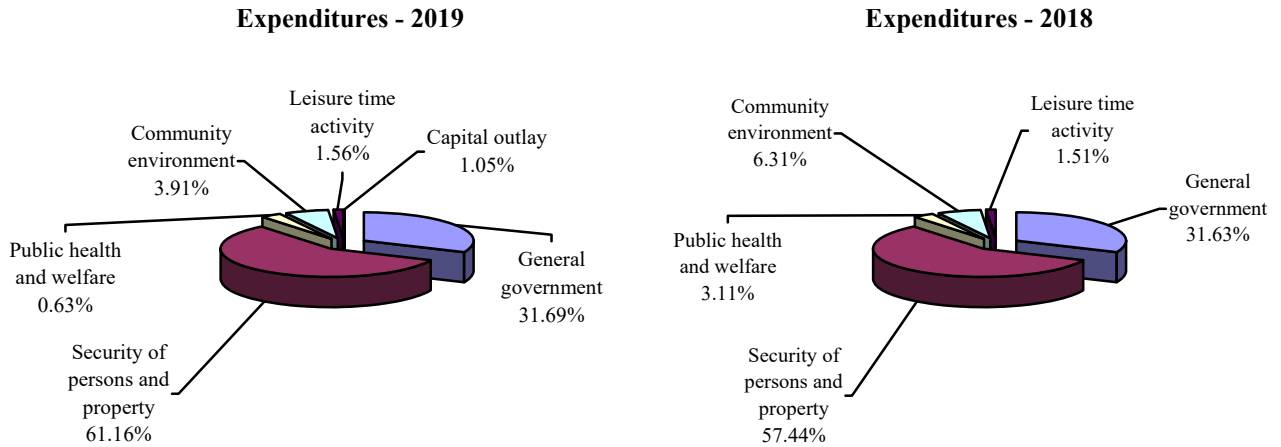
CITY OF WARREN, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

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

	<u>2019</u> Amount	<u>2018</u> Amount	<u>Percentage</u> Change
<u>Expenditures</u>			
General government	\$ 8,082,999	\$ 8,258,037	(2.12) %
Security of persons and property	15,596,787	14,998,219	3.99 %
Public health and welfare	160,048	812,647	(80.31) %
Community environment	997,224	1,646,638	(39.44) %
Leisure time activity	396,652	396,792	(0.04) %
Capital outlay	<u>266,751</u>	<u>-</u>	100.00 %
 Total	 <u>\$ 25,500,461</u>	 <u>\$ 26,112,333</u>	 (2.34) %

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 increased during 2019 as a result of increased funds available for general fund operations, including the addition of police officers and fire fighters, through the 0.5% income tax levy increase effective January 1, 2017. General government expenditures decreased in the area of contract services for administrative support and income tax during 2019. Public health and welfare and community environment decreased as a result of the change in the reporting of health district operations in 2019.



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 \$3,815,675 and expenditures were \$3,254,456. Fund balance at December 31, 2019 was \$1,439,616, all of which is restricted for capital improvements.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

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.

The sewer fund reported operating income of \$262,059 in 2019. Nonoperating expenses (interest and fiscal charges) totaled \$93,483. Charges for services increased from leachate fees and sewer surcharge fees during 2019. The sewer fund received \$1,336,278 in OWDA loans during 2019 to finance the high street overflow parking and wastewater treatment plant and pump station refurbishment projects, and \$28,736 in grants from the OPWC for the Star Allotment sanitary and storm sewer project. Net position for the sewer fund increased \$176,694 during the year.

The water fund reported an operating income of \$396,181 for 2019 as a result of increased service fees received during the year. The water fund had nonoperating expenses of \$305,803. The total change in net position for the water fund was an increase of \$90,378.

The sanitation fund reported operating loss of \$197,080 in 2019. Total operating expenses were \$4,070,458 in 2019 compared to \$3,954,313 in 2018, an increase of 2.94%. This increase is primarily related to additional vehicle maintenance costs and depreciation expense. Net position for the sanitation fund decreased \$196,309.

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 of \$26,318,659 were increased to \$26,500,605 in the final budget. Actual revenues for the year were \$28,990,277 or \$2,489,672 more than the final budget. Income taxes revenue was expected to increase throughout the year but was left the same from the original to final budget. Actual income tax collections from withholdings, as well as higher than anticipated payments from individuals and businesses, came in \$1,297,803 higher than expected.

For the general fund, original budgeted expenditures and other financing uses were \$26,767,539. The budget amendments throughout the year increased this amount to \$28,709,139 in the final budget. Actual expenditures and other financing uses were \$27,911,415 or \$797,724 below budget. Actual security of persons and property expenditures were \$541,714 less than the final appropriations, due to less regular wages, overtime and fringe benefits paid to uniform police officers than budgeted and less paid in administration wages, severance/separation pay and fringe benefits than budgeted in the fire department. There were no additional significant variances between the final budget and actual expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of 2019, the City had \$105,732,428 (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, \$61,649,716 was reported in governmental activities and \$44,082,712 was reported in business-type activities. Capital asset balances between computer software and computer equipment in the governmental activities were restated at December 31, 2018, as described in Note 10. The following table shows 2019 balances compared to 2018 balances:

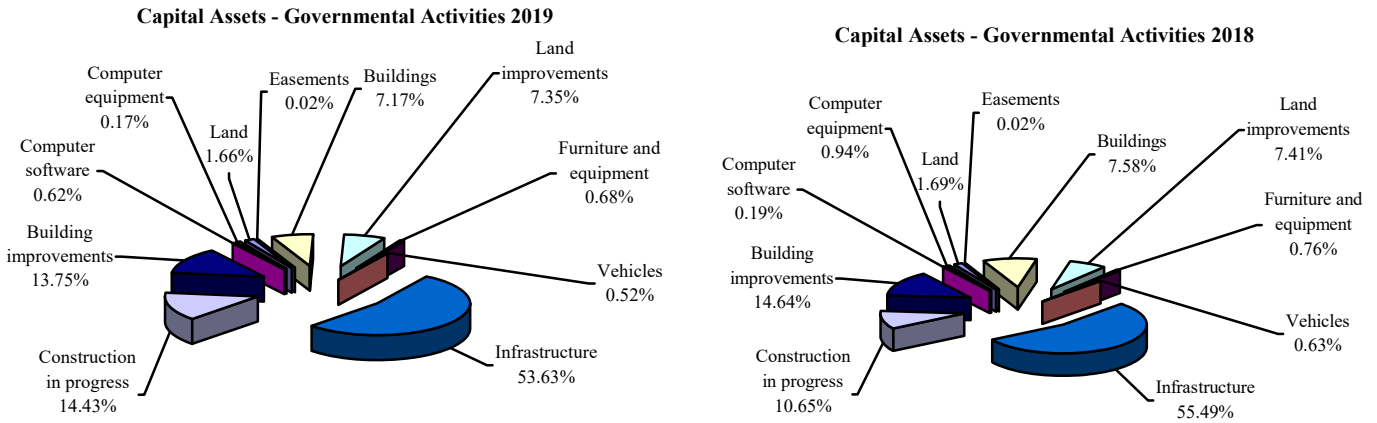
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	(Restated)				(Restated)	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,028,226	\$ 1,038,635	\$ 390,160	\$ 390,160	\$ 1,418,386	\$ 1,428,795
Easements	13,353	13,353	-	-	13,353	13,353
Construction in progress	8,893,322	6,565,878	6,006,433	5,344,617	14,899,755	11,910,495
Land improvements	4,532,503	4,561,567	-	-	4,532,503	4,561,567
Buildings	4,418,007	4,667,047	2,334,989	2,649,848	6,752,996	7,316,895
Building improvements	8,478,330	9,017,089	2,715,615	3,512,465	11,193,945	12,529,554
Computer software	380,261	578,445	-	-	380,261	578,445
Computer equipment	103,822	119,451	-	-	103,822	119,451
Furniture and equipment	421,696	469,860	2,310,993	2,524,561	2,732,689	2,994,421
Vehicles	319,596	385,468	1,294,224	1,547,802	1,613,820	1,933,270
Infrastructure	<u>33,060,600</u>	<u>34,178,238</u>	<u>29,030,298</u>	<u>28,188,201</u>	<u>62,090,898</u>	<u>62,366,439</u>
Totals	<u>\$ 61,649,716</u>	<u>\$ 61,595,031</u>	<u>\$ 44,082,712</u>	<u>\$ 44,157,654</u>	<u>\$ 105,732,428</u>	<u>\$ 105,752,685</u>

The following graphs show the breakdown of governmental capital assets by category for 2019 and 2018:



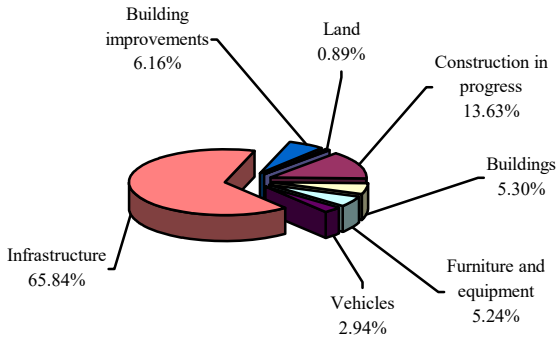
The City's largest capital asset category is infrastructure which includes roads, sidewalks, curbs, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 53.62% of the City's total governmental capital assets. Most of the capital asset acquisitions in 2019 were infrastructure improvements or construction projects related to infrastructure.

CITY OF WARREN, OHIO

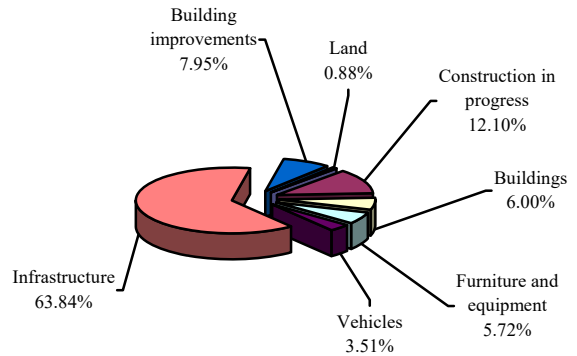
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2019 and 2018:

Capital Assets - Business-Type Activities 2019



Capital Assets - Business-Type Activities 2018



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 65.84% 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, 2019 and 2018. Additional detail can be found in Note 13 in the notes to the basic financial statements.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 6,102,920	\$ 6,818,349	\$ 1,957,543	\$ 2,587,129
OWDA loans	-	-	14,294,756	14,673,537
HUD 108 loan	495,000	640,000	-	-
OPWC loan	102,626	115,454	377,236	398,381
Claims payable	1,090,269	1,224,704	-	-
Capital lease obligation	305,298	-	342,446	600,276
Compensated absences	4,141,640	5,230,103	1,841,007	1,999,941
Net pension liability	38,427,864	26,731,438	13,009,152	7,407,631
Net OPEB liability	8,013,216	22,927,197	5,976,620	4,954,215
Total long-term obligations	<u>\$ 58,678,833</u>	<u>\$ 63,687,245</u>	<u>\$ 37,798,760</u>	<u>\$ 32,621,110</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2020 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 2020 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 2020 budget, the City emphasized various efforts to continue to contain costs while effectively utilizing new sources of revenue. In November 2016, voters approved a 0.5% income tax increase, which was effective beginning January 1, 2017. The additional income tax revenue is intended to finance general fund operations, continue to provide existing core services, add approximately eight to twelve police officers and eight to twelve fire fighters and enable the City to implement its first Road Maintenance Program in more than fifteen years to address the City's infrastructure.

Due to the COVID-19 pandemic, the City is looking at an estimated 20% reduction in revenues for the remainder of 2020. In May, thirty employees agreed to participate in a voluntary layoff program which is expected to cut expenses by approximately \$100,000 through August. The City is reviewing the budget and will continue to closely monitor this situation.

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.

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CITY OF WARREN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Warren City Health District
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 19,803,204	\$ 10,765,683	\$ 30,568,887	\$ -
Cash in segregated accounts	-	-	-	372,501
Receivables:				
Income taxes	3,502,316	-	3,502,316	-
Real and other taxes	1,522,573	-	1,522,573	-
Accounts	256,985	2,239,643	2,496,628	8,922
Intergovernmental	2,091,218	8,836	2,100,054	19,075
Accrued interest	1,598	-	1,598	-
Special assessments	2,057,000	304,821	2,361,821	-
Loans	5,779,879	-	5,779,879	-
Internal balance	(851,906)	851,906	-	-
Materials and supplies inventory	58,673	98,062	156,735	3,094
Net pension asset	35,130	42,665	77,795	4,050
Capital assets:				
Non-depreciable capital assets	9,934,901	6,396,593	16,331,494	-
Depreciable capital assets, net	51,714,815	37,686,119	89,400,934	-
Total capital assets, net	<u>61,649,716</u>	<u>44,082,712</u>	<u>105,732,428</u>	<u>-</u>
Total assets	<u>95,906,386</u>	<u>58,394,328</u>	<u>154,300,714</u>	<u>407,642</u>
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	59,128	-	59,128	-
Pension	10,901,921	3,919,838	14,821,759	367,713
OPEB	2,851,719	509,061	3,360,780	45,106
Total deferred outflows of resources	<u>13,812,768</u>	<u>4,428,899</u>	<u>18,241,667</u>	<u>412,819</u>
Liabilities:				
Accounts payable	338,534	547,739	886,273	2,683
Contracts payable	231,013	493,317	724,330	-
Accrued wages and benefits payable	743,155	390,419	1,133,574	46,859
Due to other governments	236,386	158,360	394,746	59,543
Accrued interest payable	17,751	169,875	187,626	-
Claims payable	742,734	-	742,734	-
Deposits payable	1,310,300	-	1,310,300	-
Payroll withholding payable	277,253	-	277,253	-
Long-term liabilities:				
Due within one year	2,392,172	3,148,794	5,540,966	41,957
Due in more than one year:				
Net pension liability	38,427,864	13,009,152	51,437,016	1,234,884
Net OPEB liability	8,013,216	5,976,620	13,989,836	567,326
Other amounts due in more than one year	9,845,581	15,664,194	25,509,775	256,684
Total liabilities	<u>62,575,959</u>	<u>39,558,470</u>	<u>102,134,429</u>	<u>2,209,936</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,086,320	-	1,086,320	-
Pension	1,778,327	370,017	2,148,344	26,951
OPEB	1,367,157	138,027	1,505,184	7,553
Total deferred inflows of resources	<u>4,231,804</u>	<u>508,044</u>	<u>4,739,848</u>	<u>34,504</u>
Net position:				
Net investment in capital assets	56,350,453	26,650,705	83,001,158	-
Restricted for:				
Debt service	2,000,295	-	2,000,295	-
Capital projects	1,670,629	-	1,670,629	-
Street maintenance	383,809	-	383,809	-
State highway	954,861	-	954,861	-
Law enforcement	232,309	-	232,309	-
Courts	1,612,478	-	1,612,478	-
Community developments and improvements	7,488,117	-	7,488,117	-
Warren Hills landfill	-	-	-	372,501
Unrestricted (deficit)	(27,781,560)	(3,893,992)	(31,675,552)	(1,796,480)
Total net position	<u>\$ 42,911,391</u>	<u>\$ 22,756,713</u>	<u>\$ 65,668,104</u>	<u>\$ (1,423,979)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 7,106,282	\$ 813,663	\$ -	\$ -
Security of persons and property . . .	1,921,321	1,402,673	91,988	-
Public health and welfare	160,049	-	-	-
Transportation	3,874,549	3,150	2,630,879	1,831,961
Community environment	1,024,850	485,541	-	-
Leisure time activity	996,445	30,210	-	-
Economic development	1,886,918	168,208	1,901,215	-
Interest and fiscal charges	182,246	-	-	-
Total governmental activities	<u>17,152,660</u>	<u>2,903,445</u>	<u>4,624,082</u>	<u>1,831,961</u>
Business-type activities:				
Sewer	8,757,648	9,307,279	-	8,118
Water	12,951,978	13,192,817	-	-
Sanitation	3,973,580	3,866,075	-	12,500
City Redevelopment	252,315	325,698	-	-
Downtown Parking	145,146	23,467	-	-
Stormwater Utility	679,975	1,075,569	-	8,118
Total business-type activities	<u>26,760,642</u>	<u>27,790,905</u>	<u>-</u>	<u>28,736</u>
Total primary government	<u>\$ 43,913,302</u>	<u>\$ 30,694,350</u>	<u>\$ 4,624,082</u>	<u>\$ 1,860,697</u>
Component Unit:				
Warren City Health District	<u>\$ 1,639,811</u>	<u>\$ 1,019,509</u>	<u>\$ 270,206</u>	<u>\$ -</u>

General revenues:
Property taxes levied for:
General purposes
Debt service
Income taxes levied for:
General purposes
Grants and entitlements not restricted
to specific programs
Investment earnings
Change in fair value of investments
Miscellaneous
Total general revenues
Transfers
Special item - transfer of Health District operations
Total general revenues, transfers and special item
Change in net position
Net position at beginning of year
Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Warren City Health District
\$ (6,292,619)	\$ -	\$ (6,292,619)	\$ -
(426,660)	-	(426,660)	-
(160,049)	-	(160,049)	-
591,441	-	591,441	-
(539,309)	-	(539,309)	-
(966,235)	-	(966,235)	-
182,505	-	182,505	-
(182,246)	-	(182,246)	-
(7,793,172)	-	(7,793,172)	-
-	557,749	557,749	-
-	240,839	240,839	-
-	(95,005)	(95,005)	-
-	73,383	73,383	-
-	(121,679)	(121,679)	-
-	403,712	403,712	-
-	1,058,999	1,058,999	-
(7,793,172)	1,058,999	(6,734,173)	-
-	-	-	(350,096)
149,766	-	149,766	-
902,413	-	902,413	-
20,787,329	-	20,787,329	-
2,461,054	-	2,461,054	-
326,622	-	326,622	812
125,816	-	125,816	-
306,244	320,625	626,869	158,598
25,059,244	320,625	25,379,869	159,410
(90,000)	90,000	-	-
1,233,293	-	1,233,293	-
26,202,537	410,625	26,613,162	159,410
18,409,365	1,469,624	19,878,989	(190,686)
24,502,026	21,287,089	45,789,115	(1,233,293)
<u>\$ 42,911,391</u>	<u>\$ 22,756,713</u>	<u>\$ 65,668,104</u>	<u>\$ (1,423,979)</u>

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CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 7,110,181	\$ 1,525,021	\$ 4,673,588	\$ 13,308,790
Receivables (net of allowance for uncollectibles):				
Income taxes	3,502,316	-	-	3,502,316
Real and other taxes	215,892	-	1,306,681	1,522,573
Accounts	222,292	-	31,888	254,180
Intergovernmental	791,370	145,676	1,154,172	2,091,218
Due from other funds	58,331	-	-	58,331
Loans	-	-	5,779,879	5,779,879
Accrued interest	1,598	-	-	1,598
Special assessments	55,909	-	2,001,091	2,057,000
Materials and supplies inventory	2,993	-	55,680	58,673
Total assets	<u>\$ 11,960,882</u>	<u>\$ 1,670,697</u>	<u>\$ 15,002,979</u>	<u>\$ 28,634,558</u>
Liabilities:				
Accounts payable	\$ 225,146	\$ 68	\$ 90,544	\$ 315,758
Contracts payable	-	231,013	-	231,013
Accrued wages and benefits payable	685,980	-	40,811	726,791
Due to other funds	-	-	6,689	6,689
Due to other governments	192,868	-	35,430	228,298
Deposits payable	1,310,300	-	-	1,310,300
Payroll withholding payable	277,253	-	-	277,253
Total liabilities	<u>2,691,547</u>	<u>231,081</u>	<u>173,474</u>	<u>3,096,102</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	153,987	-	932,333	1,086,320
Delinquent property tax revenue not available	61,905	-	374,348	436,253
Special assessments revenue not available	55,909	-	2,001,091	2,057,000
Miscellaneous revenue not available	121,142	-	-	121,142
Income tax revenue not available	1,821,179	-	-	1,821,179
Intergovernmental revenue not available	345,202	-	751,629	1,096,831
Total deferred inflows of resources	<u>2,559,324</u>	<u>-</u>	<u>4,059,401</u>	<u>6,618,725</u>
Fund balances:				
Nonspendable	2,993	-	55,680	58,673
Restricted	-	1,439,616	10,714,424	12,154,040
Assigned	525,489	-	-	525,489
Unassigned	6,181,529	-	-	6,181,529
Total fund balances	<u>6,710,011</u>	<u>1,439,616</u>	<u>10,770,104</u>	<u>18,919,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,960,882</u>	<u>\$ 1,670,697</u>	<u>\$ 15,002,979</u>	<u>\$ 28,634,558</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, 2019

Total governmental fund balances		\$ 18,919,731
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities (exclusive of \$301,495 reported in internal service funds) are not financial resources and therefore are not reported in the funds.		61,348,221
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	\$ 436,253	
Income taxes receivable	1,821,179	
Accounts receivable	121,142	
Special assessments receivable	2,057,000	
Intergovernmental receivable	1,096,831	
Total		5,532,405
The net pension asset and net pension liability (excluding amounts reported in internal service funds) are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	33,981	
Deferred outflows of resources	10,797,534	
Deferred inflows of resources	(1,768,228)	
Net pension liability	(38,077,417)	
Total		(29,014,130)
The net OPEB liability (excluding amounts reported in internal service funds) is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	2,838,897	
Deferred inflows of resources	(1,363,696)	
Net OPEB liability	(7,852,215)	
Total		(6,377,014)
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 \$97,061 in compensated absences reported in the internal service funds) are as follows.		
General obligation bonds payable	(6,060,000)	
Loans payable	(597,626)	
Compensated absences payable	(4,044,579)	
Capital lease payable	(305,298)	
Total		(11,007,503)
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in governmental funds, interest expenditures are accrued when due.		(17,751)
Unamortized deferred charges on refundings are not recognized in the funds.		59,128
Unamortized premiums on bond issuances are not recognized in the funds.		(42,920)
Internal service funds are used by management to charge the costs of life and hospitalization, 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.		4,413,434
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		(902,210)
Net position of governmental activities		<u>\$ 42,911,391</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Income taxes	\$ 21,366,470	\$ -	\$ -	\$ 21,366,470
Property and other taxes.	150,917	-	906,269	1,057,186
Charges for services.	2,243,738	-	-	2,243,738
Licenses and permits	1,045,079	-	101,984	1,147,063
Fines and forfeitures	970,962	-	432,119	1,403,081
Intergovernmental.	2,280,042	1,853,447	4,481,598	8,615,087
Special assessments	-	-	11,257	11,257
Investment income.	348,665	-	22,454	371,119
Rental income	72,543	-	-	72,543
Contributions and donations.	-	-	11,000	11,000
Change in fair value of investments	125,816	-	-	125,816
Other.	590,502	-	91,409	681,911
Total revenues	<u>29,194,734</u>	<u>1,853,447</u>	<u>6,058,090</u>	<u>37,106,271</u>
Expenditures:				
Current:				
General government	8,082,999	-	103,637	8,186,636
Security of persons and property	15,596,786	-	635,016	16,231,802
Public health and welfare.	160,049	-	-	160,049
Transportation	-	-	1,496,750	1,496,750
Community environment	997,224	-	-	997,224
Leisure time activity	396,652	-	-	396,652
Economic development.	-	-	1,870,301	1,870,301
Capital outlay	266,751	3,254,456	553,765	4,074,972
Debt service:				
Principal retirement.	-	-	867,828	867,828
Interest and fiscal charges.	-	-	194,288	194,288
Total expenditures	<u>25,500,461</u>	<u>3,254,456</u>	<u>5,721,585</u>	<u>34,476,502</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>3,694,273</u>	<u>(1,401,009)</u>	<u>336,505</u>	<u>2,629,769</u>
Other financing sources (uses):				
Capital lease transaction.	266,751	-	38,547	305,298
Transfers in	-	1,962,228	150,000	2,112,228
Transfers (out).	(2,076,580)	-	(125,648)	(2,202,228)
Total other financing sources (uses).	<u>(1,809,829)</u>	<u>1,962,228</u>	<u>62,899</u>	<u>215,298</u>
Special item:				
Transfer of Health District operations	<u>(334,408)</u>	<u>-</u>	<u>-</u>	<u>(334,408)</u>
Net change in fund balances	1,550,036	561,219	399,404	2,510,659
Fund balances at beginning of year	5,159,975	878,397	10,370,700	16,409,072
Fund balances at end of year	<u>\$ 6,710,011</u>	<u>\$ 1,439,616</u>	<u>\$ 10,770,104</u>	<u>\$ 18,919,731</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, 2019

Net change in fund balances - total governmental funds \$ 2,510,659

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period (excluding current year depreciation expense of \$155,257 in the internal service funds).

Capital asset additions	\$ 4,353,720	
Current year depreciation	(4,133,369)	
Total		220,351

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

Capital asset disposals, net of accumulated depreciation		(10,409)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	(5,007)	
Income taxes	(579,141)	
Licenses and permits, other revenues	(189,916)	
Special assessments	161,124	
Intergovernmental revenues	177,147	
Investment income	(22,043)	
Total		(457,836)

Capital lease transactions provide current financial resources to governmental funds, but in the statement of net position, the debt is reported as a liability.

(305,298)

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.

867,828

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	10,836	
Amortization of deferred charge on refunding	(4,223)	
Amortization of bond premium	5,429	
Total		12,042

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

Pension	2,411,854	
OPEB	41,878	
Total		2,453,732

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(5,440,333)	
OPEB	15,049,236	
Total		9,608,903

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CITY OF WARREN, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - *(Continued)*
FOR THE YEAR ENDED DECEMBER 31, 2019

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds (excluding \$62,167 reported in the internal service funds).	\$ 489,111
Internal service funds used by management to charge the costs of life and hospitalization insurance, workers' compensation, data processing and risk management to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, including \$964,731 in internal balance activity, is allocated among the governmental activities.	1,452,581
The special item for the transfer of Health District operations on the statement of activities differs from the amount reported in the governmental funds due to the transfer of long-term assets, deferred outflows, liabilities and deferred inflows.	<u>1,567,701</u>
Change in net position of governmental activities	<u><u>\$ 18,409,365</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 20,121,000	\$ 20,121,000	\$ 21,418,803	\$ 1,297,803
Property and other taxes.	140,000	140,000	151,227	11,227
Charges for services.	2,271,667	2,271,667	2,321,500	49,833
Licenses and permits	949,155	949,155	1,036,417	87,262
Fines and forfeitures	937,693	937,693	966,646	28,953
Intergovernmental.	1,270,420	1,452,366	2,159,503	707,137
Investment income.	141,000	141,000	358,702	217,702
Rental income	65,000	65,000	72,543	7,543
Other	422,724	422,724	504,936	82,212
Total revenues	26,318,659	26,500,605	28,990,277	2,489,672
Expenditures:				
Current:				
General government	7,878,589	7,988,951	7,779,047	209,904
Security of persons and property	16,305,797	16,727,022	16,185,308	541,714
Public health and welfare.	161,383	161,383	161,383	-
Community environment	1,034,965	1,029,965	999,821	30,144
Leisure time activity	356,505	415,238	399,276	15,962
Total expenditures.	25,737,239	26,322,559	25,524,835	797,724
Excess of revenues over expenditures	581,420	178,046	3,465,442	3,287,396
Other financing (uses):				
Transfers (out).	(1,030,300)	(2,386,580)	(2,386,580)	-
Total other financing (uses)	(1,030,300)	(2,386,580)	(2,386,580)	-
Net change in fund balance	(448,880)	(2,208,534)	1,078,862	3,287,396
Fund balance at beginning of year (restated).	3,432,461	3,432,461	3,432,461	-
Prior year encumbrances appropriated . . .	425,823	425,823	425,823	-
Fund balance at end of year	\$ 3,409,404	\$ 1,649,750	\$ 4,937,146	\$ 3,287,396

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor Funds
Assets:				
Current assets:				
Equity in pooled cash, cash equivalents and investments	\$ 2,274,559	\$ 4,588,083	\$ 421,929	\$ 3,481,112
Receivables (net of allowance for uncollectibles):				
Accounts	455,235	963,409	335,240	485,759
Special assessments	687	304,026	-	108
Due from other funds	-	-	-	-
Due from other governments	4,418	-	-	4,418
Materials and supplies inventory	25,629	60,350	12,083	-
Total current assets	<u>2,760,528</u>	<u>5,915,868</u>	<u>769,252</u>	<u>3,971,397</u>
Noncurrent assets:				
Net pension asset	14,534	22,226	4,816	1,089
Capital assets:				
Non-depreciable capital assets	5,310,302	121,409	35,091	929,791
Depreciable capital assets, net	13,073,284	21,293,123	879,042	2,440,670
Total capital assets, net	<u>18,383,586</u>	<u>21,414,532</u>	<u>914,133</u>	<u>3,370,461</u>
Total noncurrent assets	<u>18,398,120</u>	<u>21,436,758</u>	<u>918,949</u>	<u>3,371,550</u>
Total assets	<u>21,158,648</u>	<u>27,352,626</u>	<u>1,688,201</u>	<u>7,342,947</u>
Deferred outflows of resources:				
Pension	1,351,158	2,005,631	454,305	108,744
OPEB	181,006	245,662	64,166	18,227
Total deferred outflows of resources	<u>1,532,164</u>	<u>2,251,293</u>	<u>518,471</u>	<u>126,971</u>
Liabilities:				
Current liabilities:				
Accounts payable	107,221	302,676	108,300	29,542
Contracts payable	488,899	-	-	4,418
Accrued wages and benefits payable	120,092	208,040	56,865	5,422
Due to other funds	18,766	22,964	6,960	1,614
Due to other governments	114,986	33,750	8,786	838
Claims payable	-	-	-	-
Current portion of general obligation bonds	-	625,000	-	-
Current portion of OWDA loans	586,653	1,151,313	-	-
Current portion of OPWC loans	-	9,674	-	899
Current portion of compensated absences	152,062	271,164	31,018	9,738
Capital lease obligations payable	-	21,417	289,856	-
Accrued interest payable	41,039	127,773	1,063	-
Total current liabilities	<u>1,629,718</u>	<u>2,773,771</u>	<u>502,848</u>	<u>52,471</u>
Long-term liabilities:				
General obligation bonds payable	-	1,332,543	-	-
OWDA loans payable	4,497,998	8,058,792	-	-
OPWC loans payable	-	328,918	-	37,745
Capital lease obligations payable	-	26,738	4,435	-
Claims payable	-	-	-	-
Compensated absences payable	358,146	822,628	149,712	46,539
Net pension liability	4,431,620	6,777,062	1,468,435	332,035
Net OPEB liability	2,035,960	3,113,495	674,623	152,542
Total long-term liabilities	<u>11,323,724</u>	<u>20,460,176</u>	<u>2,297,205</u>	<u>568,861</u>
Total liabilities	<u>12,953,442</u>	<u>23,233,947</u>	<u>2,800,053</u>	<u>621,332</u>

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Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 10,765,683	\$ 6,494,414
2,239,643	2,805
304,821	-
-	-
8,836	-
98,062	-
<u>13,417,045</u>	<u>6,497,219</u>
42,665	1,149
6,396,593	-
<u>37,686,119</u>	<u>301,495</u>
<u>44,082,712</u>	<u>301,495</u>
<u>44,125,377</u>	<u>302,644</u>
<u>57,542,422</u>	<u>6,799,863</u>
3,919,838	104,387
<u>509,061</u>	<u>12,822</u>
<u>4,428,899</u>	<u>117,209</u>
547,739	22,776
493,317	-
390,419	16,364
50,304	1,338
158,360	8,088
-	918,746
625,000	-
1,737,966	-
10,573	-
463,982	3,736
311,273	-
169,875	-
<u>4,958,808</u>	<u>971,048</u>
1,332,543	-
12,556,790	-
366,663	-
31,173	-
-	914,257
1,377,025	93,325
13,009,152	350,447
5,976,620	161,001
<u>34,649,966</u>	<u>1,519,030</u>
<u>39,608,774</u>	<u>2,490,078</u>

CITY OF WARREN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - (Continued)
DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor Funds
Deferred inflows of resources:				
Pension	\$ 79,735	\$ 227,000	\$ 35,303	\$ 27,979
OPEB.	15,737	95,564	11,024	15,702
Total deferred inflows of resources	95,472	322,564	46,327	43,681
Net position:				
Net investment in capital assets.	12,810,036	9,886,419	626,851	3,327,399
Unrestricted (deficit)	(3,168,138)	(3,839,011)	(1,266,559)	3,477,506
Total net position	\$ 9,641,898	\$ 6,047,408	\$ (639,708)	\$ 6,804,905

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

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 370,017	\$ 10,099
<u>138,027</u>	<u>3,461</u>
<u>508,044</u>	<u>13,560</u>
26,650,705	301,495
<u>(4,796,202)</u>	<u>4,111,939</u>
21,854,503	<u>\$ 4,413,434</u>
<u>902,210</u>	
<u>\$ 22,756,713</u>	

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor Funds
Operating revenues:				
Charges for services	\$ 9,307,279	\$ 13,192,817	\$ 3,866,075	\$ 1,424,729
Other operating revenues	2,682	296,515	7,303	14,125
Total operating revenues.	<u>9,309,961</u>	<u>13,489,332</u>	<u>3,873,378</u>	<u>1,438,854</u>
Operating expenses:				
Personal services	4,675,859	6,650,357	1,437,941	304,252
Contract services.	1,907,865	1,472,228	1,711,229	479,225
Materials and supplies.	484,694	1,516,327	297,273	34,918
Administrative costs.	722,691	817,132	219,012	76,530
Utilities	541,636	577,467	10,656	108,240
Claims expense	-	-	-	-
Depreciation.	714,680	1,822,727	394,314	98,273
Other.	477	236,913	33	1,409
Total operating expenses.	<u>9,047,902</u>	<u>13,093,151</u>	<u>4,070,458</u>	<u>1,102,847</u>
Operating income (loss)	<u>262,059</u>	<u>396,181</u>	<u>(197,080)</u>	<u>336,007</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(92,912)	(294,989)	(11,729)	-
Loss on sale of capital assets	-	(9,295)	-	-
Other nonoperating expenses	(571)	(1,519)	-	-
Special assessments	-	-	-	5
Total nonoperating revenues (expenses)	<u>(93,483)</u>	<u>(305,803)</u>	<u>(11,729)</u>	<u>5</u>
Income (loss) before capital contributions and transfers	168,576	90,378	(208,809)	336,012
Transfers in	-	-	-	90,000
Capital contributions	<u>8,118</u>	<u>-</u>	<u>12,500</u>	<u>8,118</u>
Change in net position	176,694	90,378	(196,309)	434,130
Net position (deficit) at beginning of year	<u>9,465,204</u>	<u>5,957,030</u>	<u>(443,399)</u>	<u>6,370,775</u>
Net position (deficit) at end of year.	<u>\$ 9,641,898</u>	<u>\$ 6,047,408</u>	<u>\$ (639,708)</u>	<u>\$ 6,804,905</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
\$ 27,790,900	\$ 8,497,933
320,625	26
28,111,525	8,497,959
13,068,409	290,396
5,570,547	140,832
2,333,212	7,722
1,835,365	173,811
1,237,999	12,745
-	5,299,884
3,029,994	155,257
238,832	-
27,314,358	6,080,647
797,167	2,417,312
(399,630)	-
(9,295)	-
(2,090)	-
5	-
(411,010)	-
386,157	2,417,312
90,000	-
28,736	-
504,893	2,417,312
21,349,610	1,996,122
21,854,503	\$ 4,413,434
964,731	
\$ 1,469,624	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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	\$ 9,496,556	\$ 13,123,640	\$ 3,810,167	\$ 1,366,235
Cash received from other operations	2,160	296,515	7,303	14,989
Cash payments for personal services	(3,795,208)	(5,678,088)	(1,232,514)	(273,638)
Cash payments for contractual services	(2,008,162)	(1,538,421)	(1,699,537)	(482,224)
Cash payments for materials and supplies	(476,231)	(1,571,837)	(315,010)	(34,650)
Cash payments for utilities	(541,636)	(577,467)	(10,656)	(108,240)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(723,473)	(888,374)	(207,235)	(74,147)
Cash payments for other expenses	(477)	(236,913)	(33)	(1,409)
Net cash provided by operating activities	<u>1,953,529</u>	<u>2,929,055</u>	<u>352,485</u>	<u>406,916</u>
Cash flows from noncapital financing activities:				
Cash received in transfers from other funds	-	-	-	90,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,021,315)	(722,291)	(30,395)	(172,938)
Capital contributions	58,672	-	12,500	58,672
OWDA loan issuance	1,336,278	-	-	-
Principal retirement	(602,830)	(1,757,698)	(280,000)	(1,797)
Interest and fiscal charges	(99,098)	(326,437)	(12,764)	-
Net cash used in capital and related financing activities	<u>(1,328,293)</u>	<u>(2,806,426)</u>	<u>(310,659)</u>	<u>(116,063)</u>
Net increase in cash and cash equivalents	625,236	122,629	41,826	380,853
Cash and cash equivalents at beginning of year . . .	1,649,323	4,465,454	380,103	3,100,259
Cash and cash equivalents at end of year	<u>\$ 2,274,559</u>	<u>\$ 4,588,083</u>	<u>\$ 421,929</u>	<u>\$ 3,481,112</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 27,796,598	\$ 8,495,378
320,967	26
(10,979,448)	(303,552)
(5,728,344)	(124,015)
(2,397,728)	(2,545)
(1,237,999)	(12,745)
-	(5,685,407)
(1,893,229)	(173,161)
(238,832)	-
5,641,985	2,193,979
90,000	-
90,000	-
(2,946,939)	-
129,844	-
1,336,278	-
(2,642,325)	-
(438,299)	-
(4,561,441)	-
1,170,544	2,193,979
9,595,139	4,300,435
\$ 10,765,683	\$ 6,494,414

- - Continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2019

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)	\$ 262,059	\$ 396,181	\$ (197,080)	\$ 336,007
Adjustments:				
Depreciation.	714,680	1,822,727	394,314	98,273
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in materials and supplies inventory	4,030	(27,850)	(697)	-
(Increase) decrease in accounts receivable.	188,755	(69,177)	(55,908)	(57,630)
Decrease in due from other funds	-	-	4,817	769
Decrease in net pension asset	2,948	5,417	911	148
(Increase) in deferred outflows - pension	(730,121)	(1,035,016)	(253,212)	(65,322)
(Increase) in deferred outflows - OPEB	(57,691)	(50,674)	(23,768)	(9,503)
Increase (decrease) in accounts payable	(128,853)	(119,741)	(12,357)	(2,731)
Increase (decrease) in accrued wages and benefits	4,179	23,532	(18,083)	365
Increase (decrease) in due to other funds.	(782)	(71,242)	6,960	1,614
Increase (decrease) in due to other governments	33,636	3,242	(2,793)	57
Increase (decrease) in compensated absences payable	16,142	(132,270)	(42,617)	(189)
(Decrease) in claims payable	-	-	-	-
Increase in capital lease obligation.	-	26,282	7,009	-
Increase in net pension liability	1,945,467	2,845,912	653,977	156,165
Increase in net OPEB liability.	373,224	484,346	129,915	34,920
(Decrease) in deferred inflows - pension	(546,450)	(956,766)	(191,733)	(63,675)
(Decrease) in deferred inflows - OPEB	(127,694)	(215,848)	(47,170)	(22,352)
Net cash provided by operating activities	<u>\$ 1,953,529</u>	<u>\$ 2,929,055</u>	<u>\$ 352,485</u>	<u>\$ 406,916</u>

Non-cash capital transactions:

At December 31, 2019 and December 31, 2018, the sewer fund purchased \$488,899 and \$245,510, respectively, in capital assets on account.
 At December 31, 2019 and December 31, 2018, the water fund purchased \$5,999 and \$54,450, respectively, in capital assets on account.
 At December 31, 2019 and December 31, 2018, the storm water utility nonmajor enterprise fund purchased \$4,418 and \$181,948, 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
\$ 797,167	\$ 2,417,312
3,029,994	155,257
(24,517)	-
6,040	(2,555)
5,586	490
9,424	257
(2,083,671)	(55,023)
(141,636)	(2,905)
(263,682)	21,994
9,993	(5,411)
(63,450)	1,338
34,142	(2,014)
(158,934)	(62,167)
-	(385,523)
33,291	-
5,601,521	150,517
1,022,405	27,288
(1,758,624)	(52,582)
(413,064)	(12,294)
<u>\$ 5,641,985</u>	<u>\$ 2,193,979</u>

CITY OF WARREN, OHIO

STATEMENT OF FIUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,581
Cash in segregated accounts	397,046
Receivables (net of allowances for uncollectibles):	
Accounts	1,525
Total assets	400,152
Liabilities:	
Due to other governments.	400,152
Net position:	
Restricted for other governments, organizations, and individuals	\$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Custodial</u>
Additions:	
Fines and forfeitures for other governments, organizations and individuals	<u>\$ 1,793,080</u>
Deductions:	
Fines and forfeitures distributions to other governments, organizations and individuals	<u>1,793,080</u>
Net change in fiduciary net position	-
Net position beginning of year	<u>-</u>
Net position end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, boards, commissions, and departments that are not legally separate from the City. For the City of Warren, this includes police, fire, street construction, parks and recreation, sewer, water, sanitation, city redevelopment, downtown parking and stormwater utility and a City council.

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 and forfeitures collected by the Court along with its share of the Court’s administrative and operating costs is recorded in the City’s general fund. Fines and forfeitures collected and distributed by the Court to other governments, organizations and individuals are recorded in a custodial fund in the accompanying BFS.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organizations’ voting board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City’s only component unit is the Warren City Health District.

Discretely Presented Component Unit - The component unit column in the combined financial statements identifies the financial data of the City’s component unit: Warren City Health District. It is reported separately to emphasize that it is legally separate from the City.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

Warren City Health District (the "Health District") - The Health District was created as a legally separate organization under Chapter 3709 of the Ohio Revised Code. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, The Health District is considered a discretely presented component unit of the City of Warren. Separately issued financial statements can be obtained from the City Auditor at the City of Warren, 391 Mahoning Avenue NW, Warren, Ohio 44483.

Information related to the Health District is presented in Note 24.

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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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.

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.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

The City's nonmajor enterprise funds are used to account for city redevelopment, downtown parking, and stormwater utility operations.

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 custodial 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. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are custodial funds which account for highway patrol fines collected and distributed to other governments and Warren Municipal Court fines and forfeitures collected and distributed to other governments, organizations, and individuals.

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.

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 and fiduciary 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. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions and deductions from custodial funds.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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 custodial funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and deferred outflows of resources and in the presentation of expenses versus expenditures.

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

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

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

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 Notes 15 and 16 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively.

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, 2019, but which were levied to finance 2020 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

For the City, see Notes 15 and 16 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. 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 custodial 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 2019.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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 2019, investments were limited to nonnegotiable certificates of deposit (CDs), Federal Farm Credit Bank (FFCB) security, U.S. Treasury Bill, repurchase agreements, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

The City invested in STAR Ohio during 2019. 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 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2019, interest revenue in the general fund amounted to \$348,665, which includes \$278,391 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account for Warren Municipal Court activity. The interest bearing depository account is presented on the financial statements as "cash in segregated accounts" 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.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

H. Inventories of Materials and Supplies

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

On the fund financial statements, reported 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, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed. The City had no prepaid items at December 31, 2019.

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.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

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

K. Compensated Absences

Compensated absences of the City consist of vacation, sick, and comp time 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 and comp time 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, sick and comp time 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, sick and comp time leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, sick, and comp time leave at various rates.

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Unamortized Bond Premiums and Accounting Gain or Loss

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

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums and deferred charges from refunding 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, 2019

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. 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, 2019

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

R. Capital Contributions

Capital contributions in proprietary fund financial statements arise from contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. The sewer fund, sanitation fund and storm water utility nonmajor enterprise fund received contributions of capital in the amount of \$8,118, \$12,500 and \$8,118, respectively, from the Ohio Public Works Commission during 2019.

S. Net Position

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. During 2019, the City recognized a loss of \$334,408 on the statement of revenues, expenditures, and changes in fund balances of governmental funds and a gain of \$1,233,293 on the statement of activities for the transfer of the health district operations, recorded as a special item.

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. 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, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental. Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$0 and the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of \$2,283,688. As a result of implementing GASB Statement No. 84, the assets and liabilities of governmental activities were increased by \$1,865,717 at December 31, 2018, which had no effect on net position.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City; however, certain note disclosures in Note 13 have been modified to conform to the new requirements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

B. Restatement of Budget and Actual (Non-GAAP) Budgetary Basis Fund Balance

The unencumbered fund balance for the general fund on the statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) has been restated from \$3,851,481 at December 31, 2018 to \$3,432,461, as restated, to present only the legal budget for the general fund. In the prior year, a segregated cash account with a balance of \$419,020 related to the health district operations was included in this statement.

C. Deficit Fund Balance

The data processing internal service fund had a \$9,951 deficit fund balance at December 31, 2019. 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage 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 fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool, State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, 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. Cash in Segregated Accounts

The City has cash in the amount of \$397,046 being held in a segregated account for use Municipal Court. This amount is included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all City deposits was \$19,798,097, which includes \$4,603,175 in nonnegotiable certificates of deposit. Of the \$20,921,135 bank balance, \$5,501,457 was covered by the FDIC, \$5,425,569 was covered by the Ohio Pooled Collateral System (OPCS) and \$9,994,109 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

For 2019, the City’s financial institutions that were enrolled in OPCS were approved for a reduced collateral rate and one financial institution was not enrolled in OPCS. Although 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.

C. Investments

As of December 31, 2019, the City had the following investments and maturities:

<u>Measurement/Investment Type</u>	<u>Measurement Amount</u>	<u>Investment Maturity</u>
<i>Net Asset Value (NAV) per Share:</i>		
STAR Ohio	\$ 5,581,072	\$ 5,581,072
<i>Cost Value:</i>		
Repurchase agreement	2,573,026	2,573,026
<i>Fair Value (Level 2 Inputs):</i>		
FFCB	999,300	999,300
U.S. Treasury Bill	<u>2,016,019</u>	<u>2,016,019</u>
Total	<u>\$ 11,169,417</u>	<u>\$ 11,169,417</u>

The weighted average maturity of investments is 0.05 years.

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

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

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

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 fair value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific obligor or a specific class or type of security. The following table includes the percentage of each investment type held by the City at December 31, 2019:

<u>Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
STAR Ohio	\$ 5,581,072	49.96
Repurchase agreement	2,573,026	23.04
FFCB	999,300	8.95
U.S. Treasury bill	<u>2,016,019</u>	<u>18.05</u>
Total	<u>\$ 11,169,417</u>	<u>100.00</u>

D. 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, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 19,798,097
Investments	<u>11,169,417</u>
Total	<u>\$ 30,967,514</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 19,803,204
Business-type activities	10,765,683
Custodial funds	<u>398,627</u>
Total	<u>\$ 30,967,514</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to</u>			<u>Total</u>
	<u>General Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ 1,836,580	\$ 150,000	\$ 90,000	\$ 2,076,580
Nonmajor governmental	<u>125,648</u>	<u>-</u>	<u>-</u>	<u>125,648</u>
Total	<u>\$ 1,962,228</u>	<u>\$ 150,000</u>	<u>\$ 90,000</u>	<u>\$ 2,202,228</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

The general fund transferred \$75,500 and \$14,500 to the downtown parking and city redevelopment nonmajor enterprise funds to subsidize operations. The nonmajor street maintenance special revenue fund received \$150,000 from the general fund for road improvements and repairs. The general capital project fund received \$1,836,580 in transfers from the general fund during 2019 for various capital projects. Transfers from the motor vehicle levy fund, a nonmajor governmental fund, to the general capital projects fund were made in the amount of \$125,648 for road improvement expenditures.

B. Due to/from other funds at December 31, 2019 consisted of the following:

<u>Due from</u>	<u>Due to</u>
	General
	Fund
Nonmajor governmental fund	\$ 6,689
Sewer fund	18,766
Water fund	22,964
Sanitation fund	6,960
Stormwater nonmajor enterprise fund	1,614
Data processing internal service fund	1,338
Total	<u>\$ 58,331</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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Warren. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2019 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 2019 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 2018 levy (collected in 2019) was based was \$357,088,210. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mils. The City's current share of property tax is 3.5 mils of assessed value, all of which is unvoted.

NOTE 7 - LOCAL INCOME TAX

The 2.5 percent City income tax is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. Voters approved a 0.5 percent income tax increase at the November 2016 election, which became effective January 1, 2017. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2019. Income tax revenue for 2019 reported in the general fund was \$21,366,470.

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RECEIVABLES

Receivables at December 31, 2019, 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, 2019. The only receivables not expected to be collected within one year are special assessments, which are collected over the life of the assessment.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<i>Governmental Activities:</i>	
SAFER grant	\$ 261,319
Police ISE grant	4,113
Trumbull Metro Housing	12,624
Miscellaneous	12,033
Permissive tax	52,191
Gas and motor vehicle license tax	1,026,426
IDIS draw	4,355
Ohio Department of Public Safety	409
Ohio Department of Transportation	110,062
Ohio Public Works Commission	35,614
Local government	489,478
Homestead and rollback	<u>82,594</u>
Total	<u>\$ 2,091,218</u>
<i>Business-Type Activities:</i>	
Ohio Public Works Commission	<u>\$ 8,836</u>

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, 2019

NOTE 10 - CAPITAL ASSETS

*The beginning capital asset balances (at cost) for computer software and computer equipment were restated by \$468,550 to correct an error reported between the two classifications at December 31, 2018.

Capital asset activity for the year ended December 31, 2019, was as follows:

<u>Governmental activities:</u>	Restated* Balance 12/31/18	Additions	Disposals	Balance 12/31/19
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,038,635	\$ -	\$ (10,409)	\$ 1,028,226
Easements	13,353	-	-	13,353
Construction in progress	<u>6,565,878</u>	<u>3,960,670</u>	<u>(1,633,226)</u>	<u>8,893,322</u>
Total capital assets, not being depreciated	<u>7,617,866</u>	<u>3,960,670</u>	<u>(1,643,635)</u>	<u>9,934,901</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,792,235	339,477	-	6,131,712
Buildings	14,195,169	-	-	14,195,169
Building improvements	14,696,489	235,430	-	14,931,919
Computer software	1,584,739	-	(310,630)	1,274,109
Computer equipment	1,204,582	42,694	(293,011)	954,265
Furniture and equipment	2,566,523	32,838	(137,929)	2,461,432
Vehicles	5,287,660	130,243	(113,650)	5,304,253
Infrastructure	<u>71,451,870</u>	<u>1,245,594</u>	<u>-</u>	<u>72,697,464</u>
Total capital assets, being depreciated	<u>116,779,267</u>	<u>2,026,276</u>	<u>(855,220)</u>	<u>117,950,323</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,230,668)	(368,541)	-	(1,599,209)
Buildings	(9,528,122)	(249,040)	-	(9,777,162)
Building improvements	(5,679,400)	(774,189)	-	(6,453,589)
Computer software	(1,006,294)	(198,184)	310,630	(893,848)
Computer equipment	(1,085,131)	(58,323)	293,011	(850,443)
Furniture and equipment	(2,096,663)	(81,002)	137,929	(2,039,736)
Vehicles	(4,902,192)	(196,115)	113,650	(4,984,657)
Infrastructure	<u>(37,273,632)</u>	<u>(2,363,232)</u>	<u>-</u>	<u>(39,636,864)</u>
Total accumulated depreciation	<u>(62,802,102)</u>	<u>(4,288,626)</u>	<u>855,220</u>	<u>(66,235,508)</u>
Total capital assets, being depreciated, net	<u>53,977,165</u>	<u>(2,262,350)</u>	<u>-</u>	<u>51,714,815</u>
Governmental activities capital assets, net	<u>\$ 61,595,031</u>	<u>\$ 1,698,320</u>	<u>\$ (1,643,635)</u>	<u>\$ 61,649,716</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - CAPITAL ASSETS - (Continued)

Capital asset activity for the year ended December 31, 2019, was as follows:

<u>Business-type activities:</u>	Balance 12/31/18	Additions	Disposals	Balance 12/31/19
<i>Capital assets, not being depreciated:</i>				
Land	\$ 390,160	\$ -	\$ -	\$ 390,160
Construction in progress	<u>5,344,617</u>	<u>720,958</u>	<u>(59,142)</u>	<u>6,006,433</u>
Total capital assets, not being depreciated	<u>5,734,777</u>	<u>720,958</u>	<u>(59,142)</u>	<u>6,396,593</u>
<i>Capital assets, being depreciated:</i>				
Buildings	54,966,546	-	-	54,966,546
Building improvements	13,232,130	76,087	-	13,308,217
Water and sewer lines	55,697,546	1,649,559	-	57,347,105
Computer software	47,874	-	-	47,874
Computer equipment	73,158	-	-	73,158
Furniture and equipment	11,429,506	222,587	(95,288)	11,556,805
Vehicles	<u>4,896,616</u>	<u>354,298</u>	<u>(80,881)</u>	<u>5,170,033</u>
Total capital assets, being depreciated	<u>140,343,376</u>	<u>2,302,531</u>	<u>(176,169)</u>	<u>142,469,738</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(52,316,698)	(314,859)	-	(52,631,557)
Building improvements	(9,719,665)	(872,937)	-	(10,592,602)
Water and sewer lines	(27,509,345)	(807,462)	-	(28,316,807)
Computer software	(47,874)	-	-	(47,874)
Computer equipment	(73,158)	-	-	(73,158)
Furniture and equipment	(8,904,945)	(436,155)	95,288	(9,245,812)
Vehicles	<u>(3,348,814)</u>	<u>(598,581)</u>	<u>71,586</u>	<u>(3,875,809)</u>
Total accumulated depreciation	<u>(101,920,499)</u>	<u>(3,029,994)</u>	<u>166,874</u>	<u>(104,783,619)</u>
Total capital assets, being depreciated, net	<u>38,422,877</u>	<u>(727,463)</u>	<u>(9,295)</u>	<u>37,686,119</u>
Business-type activities capital assets, net	<u>\$ 44,157,654</u>	<u>\$ (6,505)</u>	<u>\$ (68,437)</u>	<u>\$ 44,082,712</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 713,628
Security of persons and property	325,813
Transportation	2,513,171
Community environment	939
Leisure time activity	579,818
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>155,257</u>
Total depreciation expense - governmental activities	<u>\$ 4,288,626</u>

Business-type activities:

Sewer	\$ 714,680
Water	1,822,727
Sanitation	394,314
City redevelopment	15,468
Downtown parking	48,059
Stormwater utility	<u>34,746</u>
Total depreciation expense - business-type activities	<u>\$ 3,029,994</u>

NOTE 11 - COMPENSATED ABSENCES LIABILITY

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

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2019, vested benefits for compensation time, vacation leave and sick leave for governmental fund type employees totaled \$4,141,640. For proprietary fund types, vested benefits for compensation time, vacation leave and sick leave totaled \$1,841,007 at December 31, 2019. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 12 - LEASES

A. Capital Leases - Lessee Disclosure

During 2016, the City entered into capitalized leases for a sewer cleaner and five sanitation vehicles, respectively. During 2017, the City entered into capitalized leases for two water vehicles. During 2019, the City entered into capitalized leases for the purchase of radio equipment. These lease agreements meet the criteria of a capital lease as defined by GASB Statement No. 62, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - LEASES - (Continued)

Capital assets consisting of equipment and vehicles have been capitalized in the amount of \$374,768 and \$1,434,762, which represents the present value of the future minimum lease payments at the time of acquisition. A corresponding liability in the amount of \$305,298, \$48,155, \$294,291 was recorded in the governmental activities, water fund, and sanitation fund, respectively, at December 31, 2019. Principal payments during 2019 amounted to \$11,121 and \$280,000 water fund and sanitation fund, respectively. At December 31, 2019, accumulated depreciation on the equipment amounted to \$140,538 leaving a book value of \$234,230 and accumulated depreciation on the vehicles amounted to \$569,353 leaving a book value of \$865,409.

Of the City's \$305,298 and \$342,446 governmental activities and business type activities capital lease obligation outstanding at December 31, 2019, respectively, \$305,298 and \$33,291 was related to radio equipment that was not capitalized, as the equipment leased was individually below the capitalization threshold.

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, 2019:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 141,433	\$ 321,658
2021	70,704	18,137
2022	70,703	7,717
2023	<u>70,703</u>	<u>7,717</u>
Total	353,543	355,229
Less: amount representing interest	<u>(48,245)</u>	<u>(12,783)</u>
Present value of net minimum lease payments	<u>\$ 305,298</u>	<u>\$ 342,446</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>(145,589)</u>
Total	<u>\$ 9,000</u>	<u>\$ 74,167</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Activities

Long-term obligations activity for the year ended December 31, 2019 consist of the following

	Balance	Additions	Reductions	Balance	Amounts
	12/31/18			12/31/19	Due in
Governmental activities:					One Year
<u>General obligation bonds</u>					
Various purpose, series 2012	\$ 580,000	\$ -	\$ (140,000)	\$ 440,000	\$ 145,000
Pension refunding, series 2012	1,095,000	-	(50,000)	1,045,000	50,000
Various purpose refunding bonds, series 2017	5,095,000	-	(520,000)	4,575,000	525,000
Total general obligations bonds	<u>6,770,000</u>	<u>-</u>	<u>(710,000)</u>	<u>6,060,000</u>	<u>720,000</u>
<u>Other long-term obligations</u>					
HUD 108 loan (direct borrowing)	640,000	-	(145,000)	495,000	155,000
Capital lease obligation	-	305,298	-	305,298	113,022
OPWC loan (direct borrowing)	115,454	-	(12,828)	102,626	6,415
Claims payable	1,224,704	37,541	(171,976)	1,090,269	176,012
Compensated absences	5,230,103	(145,910)	(942,553)	4,141,640	1,221,723
Net pension liability	26,731,438	12,401,090	(704,664)	38,427,864	-
Net OPEB liability	22,927,197	790,434	(15,704,415)	8,013,216	-
Total other long-term obligations	<u>56,868,896</u>	<u>13,388,453</u>	<u>(17,681,436)</u>	<u>52,575,913</u>	<u>1,672,172</u>
Total governmental activities long-term obligations	63,638,896	<u>\$ 13,388,453</u>	<u>\$ (18,391,436)</u>	58,635,913	<u>\$ 2,392,172</u>
Add: Unamortized premium on bond issues	<u>48,349</u>			<u>42,920</u>	
Total reported on the statement of net position	<u>\$ 63,687,245</u>			<u>\$ 58,678,833</u>	

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

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

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

Net Pension Liability and Net OPEB Liability - See Notes 15 and 16 for additional detail. The payments will be made primarily from the general fund, the water fund, sewer fund, sanitation fund and nonmajor enterprise stormwater utility fund.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds:

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

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 had an annual interest rate of 1.50% and matured December 1, 2016, and the term bonds bear an annual interest rate ranging from 2.00% - 3.50% and mature December 1, 2035.

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

The general obligation bonds are paid from the nonmajor general bond payment debt service fund.

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
2020	\$ 720,000	\$ 151,882	\$ 871,882
2021	745,000	135,434	880,434
2022	765,000	117,859	882,859
2023	625,000	99,449	724,449
2024	405,000	84,176	489,176
2025 - 2029	1,895,000	264,142	2,159,142
2030 - 2034	825,000	80,242	905,242
2035	80,000	2,800	82,800
Total	\$ 6,060,000	\$ 935,984	\$ 6,995,984

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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. On January 23, 2019, the debt service schedule was revised to reduce the amount of the interest payments on the remainder of the loan beginning August 1, 2019. 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.

HUD loans are direct borrowings that have terms negotiated directly between the City and HUD and are not offered for public sale. In the event of default, HUD may (1) continue to make payments due on the notes, (2) make a prepayment under Section I.D of the note or make an acceleration payment with respect to the principal amount subject to optional redemption, (3) purchase Government obligations in accordance with the contract, (4) pay interest due for late payment as provided in the note, contract, or fiscal agent/trust agreements, (5) pay any other obligation of the City under this contract or the fiscal agent/trust agreements, and (6) pay any reasonable expenses incurred by HUD or the fiscal agent/trustee as a result of the City's default. HUD may also withhold the guarantee of any or all obligations not yet guaranteed or the disbursement of any or all grants not yet disbursed in full under outstanding guarantee commitments or grant approvals for the City under Sections 108 and/or 106.

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

Year	Loan Payable		
	Principal	Interest	Total
2020	\$ 155,000	\$ 12,650	\$ 167,650
2021	165,000	8,698	173,698
2022	175,000	4,458	179,458
Total	\$ 495,000	\$ 25,806	\$ 520,806

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.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year</u>	<u>OPWC Loan Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,415	\$ -	\$ 6,415
2021	12,828	-	12,828
2022	12,828	-	12,828
2023	12,828	-	12,828
2024	12,828	-	12,828
2025-2027	<u>44,899</u>	<u>-</u>	<u>44,899</u>
Total	<u>\$ 102,626</u>	<u>\$ -</u>	<u>\$ 102,626</u>

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CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

Long-term obligations activity for the year ended December 31, 2019 consist of the following.

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19	Amounts Due in One Year
<u>General obligation bonds</u>					
Various purpose refunding, series 2012	\$ 2,530,000	\$ -	\$ (615,000)	\$ 1,915,000	\$ 625,000
Total general obligations bonds	<u>2,530,000</u>	<u>-</u>	<u>(615,000)</u>	<u>1,915,000</u>	<u>625,000</u>
<u>OWDA Loans (direct borrowings)</u>					
Warren commerce park - phase II	21,787	-	(21,787)	-	-
Warren commerce park - phase II	6,602	-	(6,602)	-	-
Downtown combined sewer	2,259,162	-	(234,793)	2,024,369	242,485
Sewer inceptor rehabilitation	387,377	-	(26,870)	360,507	27,750
High street overflow parking	1,143,856	297,632	(312,778)	1,128,710	316,418
Wastewater treatment plant and pump station refurbishment - phase I	532,419	826,467	-	1,358,886	-
I & I reduction plan	-	5,976	-	5,976	-
WPCC PST clarifier early action	-	206,203	-	206,203	-
Water system improvements	3,513,401	-	(648,812)	2,864,589	674,692
Water meter replacements	2,971,115	-	(254,812)	2,716,303	263,394
Water treatment plant switch gear replacement	1,888,847	-	(105,551)	1,783,296	107,609
Waterline replacement	1,369,434	-	(76,237)	1,293,197	77,761
Bulk water dispensing station	579,537	-	(26,817)	552,720	27,857
Total OWDA loans	<u>14,673,537</u>	<u>1,336,278</u>	<u>(1,715,059)</u>	<u>14,294,756</u>	<u>1,737,966</u>
<u>Other long-term obligations</u>					
OPWC loans (direct borrowing)	398,381	-	(21,145)	377,236	10,573
Capital lease obligation	600,276	33,291	(291,121)	342,446	311,273
Compensated absences	1,999,941	336,898	(495,832)	1,841,007	463,982
Net pension liability	7,407,631	5,601,521	-	13,009,152	-
Net OPEB liability	4,954,215	1,022,405	-	5,976,620	-
Total other long-term obligations	<u>15,360,444</u>	<u>6,994,115</u>	<u>(808,098)</u>	<u>21,546,461</u>	<u>785,828</u>
Total business-type activities	32,563,981	<u>\$ 8,330,393</u>	<u>\$ (3,138,157)</u>	37,756,217	<u>\$ 3,148,794</u>
Add: Unamortized premium on bond issue	57,129			42,543	
Total reported on the statement of net position	<u>\$ 32,621,110</u>			<u>\$ 37,798,760</u>	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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.

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

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

OPWC Loans - The City received loans in the amount of \$53,921 and \$386,962 from the OPWC in 2011 and 2017, respectively, to help fund capital improvements for the City's storm sewer and waterline infrastructure. The interest free loans are payable in semi-annual installments over thirty-year periods, with the final payment due January 1, 2041. Payments on the loan are made from the stormwater utility nonmajor enterprise fund and the water fund.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

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, 2019, the City has outstanding borrowings of \$14,294,756. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down. The High Street overflow and wastewater treatment plant (\$1,128,710), pump station refurbishment-phase I (\$1,358,886), I & I reduction Plan (\$5,976) and the WPCC PST clarifier early action (\$206,203) OWDA loans outstanding at December 31, 2019, are still being disbursed; therefore, a debt service schedule is not available for these loans.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 62.42% of available net revenues for the water fund and 71.86% of available net revenues for the sewer fund. The total principal and interest remaining to be paid on the loans is approximately \$10,465,669 for the water fund and \$2,702,618 for the sewer fund. Principal and interest payments in 2019 totaled \$1,385,059 and \$701,928 in the water fund and sewer fund, respectively.

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
2020	\$ 625,000	\$ 39,925	\$ 664,925	\$ 10,573	\$ -	\$ 10,573
2021	640,000	27,425	667,425	21,145	-	21,145
2022	650,000	14,625	664,625	21,145	-	21,145
2023	-	-	-	21,146	-	21,146
2024	-	-	-	21,145	-	21,145
2025- 2029	-	-	-	105,727	-	105,727
2030 - 2034	-	-	-	105,727	-	105,727
2035 - 2039	-	-	-	67,033	-	67,033
2040 - 2041	-	-	-	3,595	-	3,595
Total	\$ 1,915,000	\$ 81,975	\$ 1,996,975	\$377,236	\$ -	\$377,236

Year	OWDA Loans Payable		
	Principal	Interest	Total
2020	\$ 1,421,548	\$ 310,377	\$ 1,731,925
2021	1,470,922	269,063	1,739,985
2022	1,522,067	226,286	1,748,353
2023	1,575,058	181,986	1,757,044
2024	840,996	141,973	982,969
2025 - 2029	3,456,451	366,722	3,823,173
2030 - 2034	1,307,939	76,899	1,384,838
Total	\$ 11,594,981	\$ 1,573,306	\$ 13,168,287

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - RISK MANAGEMENT - (Continued)

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.

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 \$742,734 reported in the internal service fund at December 31, 2019, 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.

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	2019	\$ 969,677	\$ 5,143,221	\$ (5,370,164)	\$ 742,734
self-insurance	2018	985,499	6,236,643	(6,252,465)	969,677

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	2019	\$ 24,145	\$ 119,122	\$ (143,267)	\$ -
	2018	1,469	171,429	(148,753)	24,145

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 - RISK MANAGEMENT - (Continued)

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.

In 2019, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2019 in the amount of \$146,049. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$171,976 under the Retrospective Rating Plan.

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

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

The claims liability of \$1,090,269 reported at December 31, 2019, 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, \$176,012 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 \$914,257. 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	2019	\$ 1,224,704	\$ 37,541	\$ (171,976)	\$ 1,090,269
	2018	453,064	853,944	(82,304)	1,224,704

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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/asset 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 is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included due to other governments and payroll withholding payable 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, 2019

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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% 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 3.00% 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
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,697,998 for 2019. Of this amount, \$265,589 is reported in due to other governments and payroll withholding payable.

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 may be obtained by visiting the OP&F 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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F 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 3.00% 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 3.00% of their base pension or disability benefit.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 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 \$1,670,173 for 2019. Of this amount, \$240,228 is reported in due to other governments and payroll withholding payable.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.091079%	0.073197%	0.023725%	0.323433%	
Proportion of the net pension liability/asset current measurement date	0.086610%	0.069106%	0.022813%	0.339550%	
Change in proportionate share	-0.004469%	-0.004091%	-0.000912%	0.016117%	
Proportionate share of the net pension liability	\$ 23,720,764	\$ -	\$ -	\$ 27,716,252	\$ 51,437,016
Proportionate share of the net pension asset	-	(77,301)	(494)	-	(77,795)
Pension expense	4,786,906	21,444	(135)	3,400,255	8,208,470

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources:					
Differences between expected and actual experience	\$ 1,095	\$ -	\$ 2,162	\$ 1,138,751	\$ 1,142,008
Net difference between projected and actual earnings on pension plan investments	3,219,570	16,648	174	3,414,621	6,651,013
Changes of assumptions	2,064,951	17,259	162	734,795	2,817,167
Changes in employer's proportionate percentage/difference between employer contributions	70,531	-	-	772,869	843,400
Contributions subsequent to the measurement date	<u>1,643,578</u>	<u>41,379</u>	<u>13,041</u>	<u>1,670,173</u>	<u>3,368,171</u>
Total deferred outflows of resources	<u>\$ 6,999,725</u>	<u>\$ 75,286</u>	<u>\$ 15,539</u>	<u>\$ 7,731,209</u>	<u>\$ 14,821,759</u>
Deferred inflows of resources:					
Differences between expected and actual experience	\$ 311,465	\$ 31,560	\$ -	\$ 25,882	\$ 368,907
Changes in employer's proportionate percentage/difference between employer contributions	<u>353,918</u>	<u>-</u>	<u>-</u>	<u>1,425,519</u>	<u>1,779,437</u>
Total deferred inflows of resources	<u>\$ 665,383</u>	<u>\$ 31,560</u>	<u>\$ -</u>	<u>\$ 1,451,401</u>	<u>\$ 2,148,344</u>

\$3,368,171 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, 2020.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2020	\$ 1,852,257	\$ 2,611	\$ 359	\$ 1,352,779	\$ 3,208,006
2021	1,042,487	(712)	332	606,380	1,648,487
2022	298,680	(365)	335	897,933	1,196,583
2023	1,497,336	4,845	401	1,649,200	3,151,782
2024	4	(1,995)	298	103,343	101,650
Thereafter	-	(2,037)	773	-	(1,264)
Total	\$ 4,690,764	\$ 2,347	\$ 2,498	\$ 4,609,635	\$ 9,305,244

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

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 2018 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 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. 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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 35,042,465	\$ 23,720,764	\$ 14,312,326
Combined Plan	(25,569)	(77,301)	(114,717)
Member-Directed Plan	(228)	(494)	(913)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, 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, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2018 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 and Guidelines. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 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	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 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 8.00%. 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 8.00%. 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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 36,431,104	\$ 27,716,252	\$ 20,433,735

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability 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 these estimates annually.

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care currently is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

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

The City's contractually required contribution was \$5,216 for 2019. Of this amount, \$816 is reported in due to other governments and payroll withholding payable.

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

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, 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 Government Accounting Standards Board (GASB) Statement No. 75.

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 information and required supplementary information for the plan. The report may be obtained by visiting the OP&F 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.

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 employer units, 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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.

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$39,599 for 2019. Of this amount, \$5,696 is reported in due to other governments and payroll withholding payable.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.088000%	0.323433%	
Proportion of the net OPEB liability current measurement date	<u>0.083587%</u>	<u>0.339550%</u>	
Change in proportionate share	<u>-0.004413%</u>	<u>0.016117%</u>	
Proportionate share of the net OPEB liability	\$ 10,897,712	\$ 3,092,124	\$ 13,989,836
OPEB expense	\$ 830,751	\$ (15,397,255)	\$ (14,566,504)

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 3,689	\$ -	\$ 3,689
Net difference between projected and actual earnings on OPEB plan investments	499,597	104,671	604,268
Changes of assumptions	351,356	1,602,809	1,954,165
Changes in employer's proportionate percentage/ difference between employer contributions	37,609	716,234	753,843
Contributions subsequent to the measurement date	<u>5,216</u>	<u>39,599</u>	<u>44,815</u>
Total deferred outflows of resources	<u>\$ 897,467</u>	<u>\$ 2,463,313</u>	<u>\$ 3,360,780</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 29,569	\$ 82,844	\$ 112,413
Changes of assumptions	-	856,046	856,046
Changes in employer's proportionate percentage/ difference between employer contributions	<u>237,100</u>	<u>299,625</u>	<u>536,725</u>
Total deferred inflows of resources	<u>\$ 266,669</u>	<u>\$ 1,238,515</u>	<u>\$ 1,505,184</u>

\$44,815 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2020	\$ 214,201	\$ 204,143	\$ 418,344
2021	77,634	204,143	281,777
2022	82,068	204,143	286,211
2023	251,679	235,802	487,481
2024	-	185,890	185,890
Thereafter	-	151,078	151,078
Total	\$ 625,582	\$ 1,185,199	\$ 1,810,781

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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 13,942,237	\$ 10,897,712	\$ 8,476,512

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 10,475,067	\$ 10,897,712	\$ 11,384,488

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, 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	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 3,767,051	\$ 3,092,124	\$ 2,525,581

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

Changes Between Measurement Date and Report Date - Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 1,078,862
Net adjustment for revenue accruals	108,956
Net adjustment for expenditure accruals	(357,098)
Net adjustment for other financing sources/uses	242,343
Funds budgeted elsewhere	13,579
Adjustment for encumbrances	<u>463,394</u>
GAAP basis	<u>\$ 1,550,036</u>

The Packard Music Hall fund, payroll fund and the auditors escrow funds are legally budgeted in separate funds but are considered part of the general fund on GAAP basis.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - FUND BALANCE

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

Fund balance	General	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 2,993	\$ -	\$ 55,680	\$ 58,673
Total nonspendable	<u>2,993</u>	<u>-</u>	<u>55,680</u>	<u>58,673</u>
Restricted:				
Debt service	-	-	1,401,061	1,401,061
Capital projects	-	1,439,616	-	1,439,616
Street maintenance	-	-	885,383	885,383
State highway	-	-	279,081	279,081
Law enforcement	-	-	232,309	232,309
Courts	-	-	1,668,339	1,668,339
Community development and improvement	<u>-</u>	<u>-</u>	<u>6,248,251</u>	<u>6,248,251</u>
Total restricted	<u>-</u>	<u>1,439,616</u>	<u>10,714,424</u>	<u>12,154,040</u>
Assigned:				
General government	33,728	-	-	33,728
Public safety programs	355,264	-	-	355,264
Community development and improvement	534	-	-	534
Parks and recreation	1,297	-	-	1,297
Subsequent year appropriations	<u>134,666</u>	<u>-</u>	<u>-</u>	<u>134,666</u>
Total assigned	<u>525,489</u>	<u>-</u>	<u>-</u>	<u>525,489</u>
Unassigned (deficit)	<u>6,181,529</u>	<u>-</u>	<u>-</u>	<u>6,181,529</u>
Total fund balances	<u>\$ 6,710,011</u>	<u>\$ 1,439,616</u>	<u>\$ 10,770,104</u>	<u>\$ 18,919,731</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 19 - TRANSFER OF OPERATIONS

Consistent with the provisions of Ohio Revised Code Section 3709.36, the City of Warren’s health department was reorganized as a legally separate organization (Warren City Health District) rather than continuing to operate as a department of the City. This change was effective January 1, 2019 and is being accounted for by the City as a transfer of operations. The Health District is reported as a discretely presented component unit of the City of Warren. For 2019, the City is reporting a special items of (\$334,408) on the statement of revenues, expenditures, and changes in fund balances of governmental funds and \$1,233,293 on the statement of activities for the transfer of operations. The City contributed \$160,049 to the Health District during 2019, which is reported in public health expenditures/expenses in the basic financial statements.

NOTE 20 - 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, 2019.

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, 2019. At this time, it is not determinable whether the City will sustain a liability related to this matter, therefore a liability has not been reported in the financial statements.

NOTE 21 - 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	\$ 390,824
General capital projects	507,888
Nonmajor governmental	<u>968,157</u>
Total	<u>\$ 1,866,869</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 22 - 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 2019, the City's property tax revenues were reduced by \$4,300 as a result of these agreements.

NOTE 23 - SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 24 - WARREN CITY HEALTH DISTRICT

The constitution and laws of the State of Ohio establish the rights and privileges of the Warren City Health District (the "Health District") as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. Consistent with the provisions of the Ohio Revised Code Section 3709.36, the Health District is a legally separate organization. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, The Health District is considered a discretely presented component unit of the City of Warren.

The Health District's management believes these financial statements present all activities for which the Health District is financially accountable. The Health District has no component units.

Summary of Significant Accounting Policies

The financial statements of the Health District have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Health District's accounting policies are described as follows.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

Basis of Presentation - Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Health District has no fiduciary funds. The statements distinguish between those activities of the Health District that are governmental and those that are considered business-type activities. The Health District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Health District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health District.

Measurement Focus - 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 Health District are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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.

Revenues-Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the Health District receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal 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 Health District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health District on a reimbursement basis.

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

Deferred Outflows of Resources/Deferred Inflows of Resources - In addition to assets, the 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 Health District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

In addition to liabilities, the statements of financial position 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 Health District, deferred inflows of resources are reported on the government-wide statement of net position for pension and OPEB.

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

Inventories of Materials and Supplies - On government-wide 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. Inventory consists of expendable supplies held for consumption.

Capital Assets - Capital assets are reported in the government-wide financial statements. In accordance with the City's policy, all capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Health District maintains a capitalization threshold of \$5,000, in accordance with the City's policy.

All reported capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Autos and trucks	5 years
Machinery, equipment, software, furniture and fixtures	5 - 20 years

Compensated Absences - Compensated absences of the Health District consist of vacation, sick, and comp time 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 Health District and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation and comp time 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 Health District 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, which follows the City's policy. 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, which follows the City's policy.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

The total liability for vacation, sick and comp time 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. Health District employees are granted vacation, sick and comp time leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, sick, and comp time leave at various rates.

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

Net Position - Net position represents the difference between all other elements on the statement of net position. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Cash with Fiscal Agent

The City of Warren Treasurer is custodian for the Health District's deposits. The City's deposit and investment pool holds the Board of Health's assets, valued at the Treasurer's reported carrying amount. At December 31, 2019, the Board of Health had no deposits or investments held with the City.

Cash in Segregated Accounts

At December 31, 2019, the Health District had cash in with a carrying amount of \$372,501 in a segregated cash account for the Warren Hills landfill. Of the \$372,501 bank balance, \$250,000 was covered by the FDIC, and \$122,501 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the Health District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Health District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to the Health District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured.

Receivables

Receivables at December 31, 2019 consisted of charges for services (primarily billings from clinic services, birth/death certificates) and intergovernmental receivables arising from grants (HIV prevention federal funding from Summit County and dental sealant reimbursements from the State of Ohio Department of Health). Receivables have been recorded to the extent that they are measurable at December 31, 2019. All receivables are expected to be collected in the subsequent year.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

Capital Assets

Capital asset activity for the year ended December 31, 2019, for the Health District was as follows:

	Balance			Balance
	<u>01/01/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/19</u>
<i>Capital assets, being depreciated:</i>				
Computer equipment	\$ 5,370	\$ -	\$ -	\$ 5,370
Furniture and equipment	16,472	-	-	16,472
Vehicles	<u>93,069</u>	<u>20,580</u>	<u>-</u>	<u>113,649</u>
Total capital assets, being depreciated	<u>114,911</u>	<u>20,580</u>	<u>-</u>	<u>135,491</u>
<i>Less: accumulated depreciation:</i>				
Computer equipment	(5,370)	-	-	(5,370)
Furniture and equipment	(16,472)	-	-	(16,472)
Vehicles	<u>(93,069)</u>	<u>(20,580)</u>	<u>-</u>	<u>(113,649)</u>
Total accumulated depreciation	<u>(114,911)</u>	<u>(20,580)</u>	<u>-</u>	<u>(135,491)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Long-Term Obligations

Changes in the Health District's long-term obligations during the year consisted of the following.

	Balance			Balance	Due Within
	<u>1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u>	<u>One Year</u>
Compensated absences	\$ 372,979	\$ -	\$ (74,338)	\$ 298,641	\$ 41,957
Net pension liability	704,664	530,220	-	1,234,884	-
Net OPEB liability	<u>471,279</u>	<u>96,047</u>	<u>-</u>	<u>567,326</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,548,922</u>	<u>\$ 626,267</u>	<u>\$ (74,338)</u>	<u>\$ 2,100,851</u>	<u>\$ 41,957</u>

Risk Management

The Health District 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 Health District is included under the City's self-insured programs for hospitalization, risk management, and workers compensation, see Note 14 for detail.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

Defined Benefit Pension Plans

Plan descriptions and actuarial information for the District's defined benefit pension plans are the same as the City's (see Note 15 for detail).

For 2019, the Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$88,396 for 2019. Of this amount, \$13,142 is reported as due to other governments.

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Health District's proportion of the net pension liability (asset) was based on the Health Districts' 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 of the Health District's defined benefit pension plans:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.004492%	0.003610%	0.001170%	
Proportion of the net pension liability/asset current measurement date	<u>0.004509%</u>	<u>0.003598%</u>	<u>0.001188%</u>	
Change in proportionate share	<u>0.000017%</u>	<u>-0.000012%</u>	<u>0.000018%</u>	
Proportionate share of the net pension liability	\$ 1,234,884	\$ -	\$ -	\$ 1,234,884
Proportionate share of the net pension asset	-	(4,024)	(26)	(4,050)
Pension expense	265,595	1,116	(7)	266,704

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

At December 31, 2019, the Health District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member Directed	Total
Deferred outflows of resources:				
Differences between expected and actual experience	\$ 57	\$ -	\$ 113	\$ 170
Net difference between projected and actual earnings on OPEB plan investments	167,609	867	9	168,485
Changes of assumptions	107,500	898	8	108,406
Changes in employer's proportionate percentage/difference between employer contributions	2,256	-	-	2,256
Contributions subsequent to the measurement date	85,563	2,154	679	88,396
Total deferred outflows of resources	<u>\$ 362,985</u>	<u>\$ 3,919</u>	<u>\$ 809</u>	<u>\$ 367,713</u>
Deferred inflows of resources:				
Differences between expected and actual experience	\$ 16,215	\$ 1,643	\$ -	\$ 17,858
Changes in employer's proportionate percentage/difference between employer contributions	9,093	-	-	9,093
Total deferred inflows of resources	<u>\$ 25,308</u>	<u>\$ 1,643</u>	<u>\$ -</u>	<u>\$ 26,951</u>

\$88,396 reported as deferred outflows of resources related to pension resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member Directed	Total
2020	\$ 99,553	\$ 136	\$ 19	\$ 99,708
2021	56,030	(37)	17	56,010
2022	16,053	(19)	17	16,051
2023	80,478	252	21	80,751
2024	-	(104)	16	(88)
Thereafter	-	(106)	40	(66)
Total	\$ 252,114	\$ 122	\$ 130	\$ 252,366

Sensitivity of the Health District's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the Health District's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the Health District's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Health District's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,824,283	\$ 1,234,884	\$ 745,088
Combined Plan	(1,331)	(4,024)	(5,972)
Member-Directed Plan	(12)	(26)	(48)

Defined Benefit OPEB Plan

Plan descriptions and actuarial information for the Health District's defined benefit OPEB plan are the same as the City's (see Note 16 for detail).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$272 for 2019. Of this amount, \$40 is reported as due to other governments.

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPEB's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The Health District's proportion of the net OPEB liability was based on the Health District's share of contributions to the retirement plan relative to the contributions of all participating entities.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the net OPEB liability prior measurement date	0.004340%
Proportion of the net OPEB liability current measurement date	<u>0.004351%</u>
Change in proportionate share	<u><u>0.000011%</u></u>
Proportionate share of the net OPEB liability	\$ 567,326
OPEB expense	\$ 47,087

At December 31, 2019, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of resources:	
Differences between expected and actual experience	\$ 192
Net difference between projected and actual earnings on OPEB plan investments	26,009
Changes of assumptions	18,291
Changes in employer's proportionate percentage/difference between employer contributions	342
Contributions subsequent to the measurement date	<u>272</u>
Total deferred outflows of resources	<u><u>\$ 45,106</u></u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

	OPERS
Deferred inflows of resources:	
Differences between expected and actual experience	\$ 1,539
Changes in employer's proportionate percentage/difference between employer contributions	6,014
Total deferred inflows of resources	\$ 7,553

\$272 reported as deferred outflows of resources related to OPEB resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

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

	OPERS
Year Ending December 31:	
2020	\$ 12,765
2021	4,627
2022	4,891
2023	14,998
Total	\$ 37,281

Sensitivity of the Health District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Health District's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Health District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Health District's proportionate share of the net OPEB liability	\$ 725,822	\$ 567,326	\$ 441,280

Sensitivity of the Health District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 24 - WARREN CITY HEALTH DISTRICT - (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Health District's proportionate share of the net OPEB liability	\$ 545,324	\$ 567,326	\$ 592,667

Contingencies

Grants - The Health District received financial assistance from federal and state agencies in the form of grants. The expenditure 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 adverse effect, if any, on the financial condition of the Health District.

Litigation - The Health District is not party to any legal proceedings that, in the opinion of management, will have a material adverse effect on the financial condition of the Health District.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARREN, OHIO

SCHEDULES OF THE 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 SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.086610%	0.091079%	0.096746%	0.099691%
City's proportionate share of the net pension liability	\$ 23,720,764	\$ 14,288,530	\$ 21,969,371	\$ 17,267,738
City's covered payroll	\$ 12,414,643	\$ 12,173,938	\$ 11,104,425	\$ 13,388,225
City's proportionate share of the net pension liability as a percentage of its covered payroll	191.07%	117.37%	197.84%	128.98%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.069106%	0.073197%	0.075776%	0.063360%
City's proportionate share of the net pension asset	\$ 77,301	\$ 99,646	\$ 42,175	\$ 30,832
City's covered payroll	\$ 310,950	\$ 299,777	\$ 294,967	\$ 235,000
City's proportionate share of the net pension asset as a percentage of its covered payroll	24.86%	33.24%	14.30%	13.12%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.022813%	0.023725%	0.025474%	0.025894%
City's proportionate share of the net pension asset	\$ 494	\$ 828	\$ 106	\$ 99
City's covered payroll	\$ 137,200	\$ 130,040	\$ 167,042	\$ 182,158
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.36%	0.64%	0.06%	0.05%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.45%	103.40%	103.91%

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 fiscal year were determined as of the City's measurement date which is the prior year end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.104124%	0.104124%
\$ 12,558,519	\$ 12,274,864
\$ 12,794,050	\$ 13,672,708
98.16%	89.78%
86.45%	86.36%
0.067311%	0.067311%
\$ 25,915	\$ 7,063
\$ 246,050	\$ 244,900
10.53%	2.88%
114.83%	104.56%

CITY OF WARREN, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.339550%	0.323433%	0.331383%	0.356109%
City's proportionate share of the net pension liability	\$ 27,716,252	\$ 19,850,539	\$ 20,989,491	\$ 22,908,737
City's covered payroll	\$ 7,649,031	\$ 7,249,257	\$ 6,646,483	\$ 7,813,926
City's proportionate share of the net pension liability as a percentage of its covered payroll	362.35%	273.83%	315.80%	293.18%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

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 fiscal year were determined as of the City's measurement date which is the prior year end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.381035%	0.381035%
\$ 19,739,218	\$ 18,557,615
\$ 7,552,274	\$ 7,830,751
261.37%	236.98%
72.20%	73.00%

CITY OF WARREN, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,643,578	\$ 1,738,050	\$ 1,582,612	\$ 1,332,531
Contributions in relation to the contractually required contribution	<u>(1,643,578)</u>	<u>(1,738,050)</u>	<u>(1,582,612)</u>	<u>(1,332,531)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,739,843	\$ 12,414,643	\$ 12,173,938	\$ 11,104,425
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 41,379	\$ 43,533	\$ 38,971	\$ 35,396
Contributions in relation to the contractually required contribution	<u>(41,379)</u>	<u>(43,533)</u>	<u>(38,971)</u>	<u>(35,396)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 295,564	\$ 310,950	\$ 299,777	\$ 294,967
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 13,041	\$ 13,720	\$ 13,004	\$ 15,869
Contributions in relation to the contractually required contribution	<u>(13,041)</u>	<u>(13,720)</u>	<u>(13,004)</u>	<u>(15,869)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 130,410	\$ 137,200	\$ 130,040	\$ 167,042
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	9.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,606,587	\$ 1,535,286	\$ 1,777,452	\$ 1,305,122	\$ 1,300,432	\$ 1,172,052
<u>(1,606,587)</u>	<u>(1,535,286)</u>	<u>(1,777,452)</u>	<u>(1,305,122)</u>	<u>(1,300,432)</u>	<u>(1,172,052)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,388,225	\$ 12,794,050	\$ 13,672,708	\$ 13,051,220	\$ 13,004,320	\$ 13,139,596
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
\$ 28,200	\$ 29,526	\$ 31,837	\$ 18,634	\$ 19,506	\$ 23,723
<u>(28,200)</u>	<u>(29,526)</u>	<u>(31,837)</u>	<u>(18,634)</u>	<u>(19,506)</u>	<u>(23,723)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 235,000	\$ 246,050	\$ 244,900	\$ 234,390	\$ 245,358	\$ 244,819
12.00%	12.00%	13.00%	7.95%	7.95%	9.69%
\$ 17,305					
<u>(17,305)</u>					
<u>\$ -</u>					
\$ 182,158					
9.50%					

CITY OF WARREN, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 806,348	\$ 767,969	\$ 737,987	\$ 677,614
Contributions in relation to the contractually required contribution	<u>(806,348)</u>	<u>(767,969)</u>	<u>(737,987)</u>	<u>(677,614)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,243,937	\$ 4,041,942	\$ 3,884,142	\$ 3,566,389
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 863,825	\$ 847,666	\$ 790,802	\$ 723,822
Contributions in relation to the contractually required contribution	<u>(863,825)</u>	<u>(847,666)</u>	<u>(790,802)</u>	<u>(723,822)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,675,851	\$ 3,607,089	\$ 3,365,115	\$ 3,080,094
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 790,943	\$ 770,359	\$ 642,290	\$ 529,665	\$ 539,681	\$ 489,866
<u>(790,943)</u>	<u>(770,359)</u>	<u>(642,290)</u>	<u>(529,665)</u>	<u>(539,681)</u>	<u>(489,866)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,162,858	\$ 4,054,521	\$ 4,043,799	\$ 4,154,235	\$ 4,232,792	\$ 3,842,086
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%
\$ 858,001	\$ 821,972	\$ 771,907	\$ 676,223	\$ 678,660	\$ 584,723
<u>(858,001)</u>	<u>(821,972)</u>	<u>(771,907)</u>	<u>(676,223)</u>	<u>(678,660)</u>	<u>(584,723)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,651,068	\$ 3,497,753	\$ 3,786,952	\$ 3,920,133	\$ 3,934,261	\$ 3,389,699
23.50%	23.50%	20.38%	17.25%	17.25%	17.25%

CITY OF WARREN, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.083587%	0.088000%	0.093257%
City's proportionate share of the net OPEB liability	\$ 10,897,712	\$ 9,556,152	\$ 9,419,273
City's covered payroll	\$ 12,862,793	\$ 12,603,755	\$ 11,566,434
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	84.72%	75.82%	81.44%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal 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 THE 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>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.339550%	0.323433%	0.331383%
City's proportionate share of the net OPEB liability	\$ 3,092,124	\$ 18,325,260	\$ 15,730,006
City's covered payroll	\$ 7,649,031	\$ 7,249,257	\$ 6,646,483
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.43%	252.79%	236.67%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal 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 THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 5,216	\$ 5,489	\$ 129,938	\$ 230,633
Contributions in relation to the contractually required contribution	<u>(5,216)</u>	<u>(5,489)</u>	<u>(129,938)</u>	<u>(230,633)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,165,817	\$ 12,862,793	\$ 12,603,755	\$ 11,566,434
Contributions as a percentage of covered payroll	0.04%	0.04%	1.03%	1.99%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 272,465	\$ 259,042	\$ 139,176	\$ 536,229	\$ 535,017	\$ 378,744
<u>(272,465)</u>	<u>(259,042)</u>	<u>(139,176)</u>	<u>(536,229)</u>	<u>(535,017)</u>	<u>(378,744)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,805,383	\$ 13,040,100	\$ 13,917,608	\$ 13,285,610	\$ 13,249,678	\$ 13,384,415
1.97%	1.99%	1.00%	4.04%	4.04%	2.83%

CITY OF WARREN, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 21,220	\$ 20,210	\$ 19,421	\$ 17,832
Contributions in relation to the contractually required contribution	<u>(21,220)</u>	<u>(20,210)</u>	<u>(19,421)</u>	<u>(17,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,243,937	\$ 4,041,942	\$ 3,884,142	\$ 3,566,389
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 18,379	\$ 18,035	\$ 16,826	\$ 15,400
Contributions in relation to the contractually required contribution	<u>(18,379)</u>	<u>(18,035)</u>	<u>(16,826)</u>	<u>(15,400)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,675,851	\$ 3,607,089	\$ 3,365,115	\$ 3,080,094
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 21,377	\$ 18,585	\$ 146,625	\$ 280,411	\$ 285,713	\$ 259,341
<u>(21,377)</u>	<u>(18,585)</u>	<u>(146,625)</u>	<u>(280,411)</u>	<u>(285,713)</u>	<u>(259,341)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,162,858	\$ 4,054,521	\$ 4,043,799	\$ 4,154,235	\$ 4,232,792	\$ 3,842,086
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%
\$ 18,255	\$ 16,034	\$ 137,513	\$ 264,609	\$ 265,563	\$ 228,805
<u>(18,255)</u>	<u>(16,034)</u>	<u>(137,513)</u>	<u>(264,609)</u>	<u>(265,563)</u>	<u>(228,805)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,651,068	\$ 3,497,753	\$ 3,786,952	\$ 3,920,133	\$ 3,934,261	\$ 3,389,699
0.50%	0.50%	3.62%	6.75%	6.75%	6.75%

CITY OF WARREN, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.

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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 20,121,000	\$ 20,121,000	\$ 21,418,803	\$ 1,297,803
Property and other taxes	140,000	140,000	151,227	11,227
Charges for services	2,271,667	2,271,667	2,321,500	49,833
Licenses and permits	949,155	949,155	1,036,417	87,262
Fines and forfeitures	937,693	937,693	966,646	28,953
Intergovernmental	1,270,420	1,452,366	2,159,503	707,137
Investment income	141,000	141,000	358,702	217,702
Rental income	65,000	65,000	72,543	7,543
Other	422,724	422,724	504,936	82,212
Total revenues	<u>26,318,659</u>	<u>26,500,605</u>	<u>28,990,277</u>	<u>2,489,672</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	242,841	242,841	240,525	2,316
Contract services	27,147	27,147	23,218	3,929
Materials and supplies.	5,274	5,274	3,166	2,108
Total city council	<u>275,262</u>	<u>275,262</u>	<u>266,909</u>	<u>8,353</u>
Municipal court				
Personal services	1,958,073	1,956,572	1,944,824	11,748
Contract services	54,010	54,010	45,658	8,352
Total municipal court.	<u>2,012,083</u>	<u>2,010,582</u>	<u>1,990,482</u>	<u>20,100</u>
Victims of crimes				
Personal services	117,343	118,843	117,462	1,381
Contract services	4,600	7,600	3,250	4,350
Materials and supplies.	1,400	8,300	7,211	1,089
Total victims of crimes	<u>123,343</u>	<u>134,743</u>	<u>127,923</u>	<u>6,820</u>
Operations - general				
Personal services	100,853	106,357	105,566	791
Contract services	18,000	18,000	18,000	-
Materials and supplies.	50	50	8	42
Total operations - general	<u>118,903</u>	<u>124,407</u>	<u>123,574</u>	<u>833</u>
Operations - maintenance				
Personal services	722,709	716,893	684,452	32,441
Contract services	160,051	154,248	151,020	3,228
Materials and supplies.	41,012	51,645	49,132	2,513
Capital outlay	-	50,000	48,930	1,070
Total operations - maintenance.	<u>923,772</u>	<u>972,786</u>	<u>933,534</u>	<u>39,252</u>
Mayor				
Personal services	401,635	411,035	407,357	3,678
Contract services	27,706	30,256	29,868	388
Materials and supplies.	13,500	11,750	5,172	6,578
Total mayor.	<u>442,841</u>	<u>453,041</u>	<u>442,397</u>	<u>10,644</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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Purchasing				
Personal services	\$ 56,970	\$ 71,970	\$ 70,411	\$ 1,559
Contract services	13,779	13,779	13,119	660
Materials and supplies.	1,400	1,400	607	793
Total purchasing	<u>72,149</u>	<u>87,149</u>	<u>84,137</u>	<u>3,012</u>
Finance				
Personal services	513,970	509,570	502,233	7,337
Contract services	51,972	51,972	45,246	6,726
Materials and supplies.	8,249	8,249	5,702	2,547
Total finance	<u>574,191</u>	<u>569,791</u>	<u>553,181</u>	<u>16,610</u>
Human resources				
Personal services	344,539	341,539	318,080	23,459
Contract services	35,086	35,086	28,346	6,740
Materials and supplies.	1,250	1,250	984	266
Total human resources	<u>380,875</u>	<u>377,875</u>	<u>347,410</u>	<u>30,465</u>
Law department				
Personal services	957,814	962,489	952,814	9,675
Contract services	40,427	40,427	27,471	12,956
Materials and supplies.	5,011	5,011	3,963	1,048
Total law department.	<u>1,003,252</u>	<u>1,007,927</u>	<u>984,248</u>	<u>23,679</u>
Civil service				
Personal services	11,641	11,641	11,628	13
Contract services	9,925	15,925	10,634	5,291
Materials and supplies.	450	450	135	315
Total civil service.	<u>22,016</u>	<u>28,016</u>	<u>22,397</u>	<u>5,619</u>
Administrative support				
Contract services	1,236,544	1,246,544	1,227,056	19,488
Materials and supplies.	8,400	8,400	5,866	2,534
Other	32,500	39,970	36,134	3,836
Total administrative support	<u>1,277,444</u>	<u>1,294,914</u>	<u>1,269,056</u>	<u>25,858</u>
Income tax				
Personal services	536,799	536,799	531,628	5,171
Contract services	100,359	99,959	87,713	12,246
Materials and supplies.	15,300	15,700	14,458	1,242
Total income tax	<u>652,458</u>	<u>652,458</u>	<u>633,799</u>	<u>18,659</u>
Total general government	<u>7,878,589</u>	<u>7,988,951</u>	<u>7,779,047</u>	<u>209,904</u>
Security of persons and property				
Police				
Personal services	7,278,370	7,465,370	7,318,578	146,792
Contract services	1,589,809	1,609,809	1,544,591	65,218
Materials and supplies.	395,664	407,663	372,819	34,844
Capital outlay	18,890	226,291	222,480	3,811
Total police.	<u>9,282,733</u>	<u>9,709,133</u>	<u>9,458,468</u>	<u>250,665</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire				
Personal services	\$ 6,445,818	\$ 6,435,643	\$ 6,186,823	\$ 248,820
Contract services	357,096	354,096	321,386	32,710
Materials and supplies.	166,774	174,774	165,427	9,347
Capital outlay	53,376	53,376	53,204	172
Total fire	<u>7,023,064</u>	<u>7,017,889</u>	<u>6,726,840</u>	<u>291,049</u>
 Total security of persons and property .	 <u>16,305,797</u>	 <u>16,727,022</u>	 <u>16,185,308</u>	 <u>541,714</u>
Public health and welfare				
Health				
Contract services	161,383	161,383	161,383	-
Total health	<u>161,383</u>	<u>161,383</u>	<u>161,383</u>	<u>-</u>
 Total public health and welfare	 <u>161,383</u>	 <u>161,383</u>	 <u>161,383</u>	 <u>-</u>
Community environment				
Engineering building and plant department				
Personal services	737,450	731,750	720,694	11,056
Contract services	265,972	267,972	257,556	10,416
Materials and supplies.	23,543	22,243	16,387	5,856
Other	8,000	8,000	5,184	2,816
Total engineering building and plant department.	<u>1,034,965</u>	<u>1,029,965</u>	<u>999,821</u>	<u>30,144</u>
 Total community environment.	 <u>1,034,965</u>	 <u>1,029,965</u>	 <u>999,821</u>	 <u>30,144</u>
Leisure time activity				
Operations - Packard Park				
Personal services	78,948	86,192	85,213	979
Contract services	65,500	52,862	50,356	2,506
Materials and supplies.	7,326	15,653	13,981	1,672
Capital outlay	-	12,000	12,000	-
Other.	4,500	6,125	6,125	-
Total operations - packard park.	<u>156,274</u>	<u>172,832</u>	<u>167,675</u>	<u>5,157</u>
 Operations - parks				
Personal services	76,119	83,987	79,954	4,033
Contract services	101,346	124,738	122,843	1,895
Materials and supplies.	22,466	33,506	28,629	4,877
Other.	300	175	175	-
Total operations - parks.	<u>200,231</u>	<u>242,406</u>	<u>231,601</u>	<u>10,805</u>
 Total leisure time activity	 <u>356,505</u>	 <u>415,238</u>	 <u>399,276</u>	 <u>15,962</u>
 Total expenditures.	 <u>25,737,239</u>	 <u>26,322,559</u>	 <u>25,524,835</u>	 <u>797,724</u>
 Excess of revenues over expenditures . .	 <u>581,420</u>	 <u>178,046</u>	 <u>3,465,442</u>	 <u>3,287,396</u>
 Other financing (uses):				
Transfers (out).	<u>(1,030,300)</u>	<u>(2,386,580)</u>	<u>(2,386,580)</u>	<u>-</u>
Total other financing (uses)	<u>(1,030,300)</u>	<u>(2,386,580)</u>	<u>(2,386,580)</u>	<u>-</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Net change in fund balance.	\$ (448,880)	\$ (2,208,534)	\$ 1,078,862	\$ 3,287,396
Fund balance at beginning of year (restated)	3,432,461	3,432,461	3,432,461	-
Prior year encumbrances appropriated . .	425,823	425,823	425,823	-
Fund balance at end of year	<u>\$ 3,409,404</u>	<u>\$ 1,649,750</u>	<u>\$ 4,937,146</u>	<u>\$ 3,287,396</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PACKARD MUSIC HALL
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	85,000	85,000	82,200	(2,800)
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>82,200</u>	<u>(2,800)</u>
Expenditures:				
Current:				
General government				
Contract services	308,643	429,208	403,688	25,520
Total expenditures	<u>308,643</u>	<u>429,208</u>	<u>403,688</u>	<u>25,520</u>
Excess of expenditures over revenues . . .	<u>(223,643)</u>	<u>(344,208)</u>	<u>(321,488)</u>	<u>22,720</u>
Other financing sources:				
Transfers in	210,000	310,000	310,000	-
Total other financing sources	<u>210,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Net change in fund balance	(13,643)	(34,208)	(11,488)	22,720
Fund balance at beginning of year	70,947	70,947	70,947	-
Prior year encumbrances appropriated . .	<u>13,643</u>	<u>13,643</u>	<u>13,643</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,947</u>	<u>\$ 50,382</u>	<u>\$ 73,102</u>	<u>\$ 22,720</u>

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CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 3,272,527	\$ 1,401,061	\$ 4,673,588
Receivables (net of allowance of uncollectibles):			
Real and other taxes	-	1,306,681	1,306,681
Accounts	31,888	-	31,888
Intergovernmental	1,083,381	70,791	1,154,172
Loans	5,779,879	-	5,779,879
Special assessments	1,829,245	171,846	2,001,091
Materials and supplies inventory	55,680	-	55,680
Total assets	<u>\$ 12,052,600</u>	<u>\$ 2,950,379</u>	<u>\$ 15,002,979</u>
Liabilities:			
Accounts payable	\$ 90,544	\$ -	\$ 90,544
Accrued wages and benefits payable	40,811	-	40,811
Due to other funds	6,689	-	6,689
Due to other governments	35,430	-	35,430
Total liabilities	<u>173,474</u>	<u>-</u>	<u>173,474</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	932,333	932,333
Delinquent property tax revenue not available	-	374,348	374,348
Special assessments revenue not available	1,829,245	171,846	2,001,091
Intergovernmental revenue not available	680,838	70,791	751,629
Total deferred inflows of resources	<u>2,510,083</u>	<u>1,549,318</u>	<u>4,059,401</u>
Fund balances:			
Nonspendable	55,680	-	55,680
Restricted	9,313,363	1,401,061	10,714,424
Total fund balances	<u>9,369,043</u>	<u>1,401,061</u>	<u>10,770,104</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,052,600</u>	<u>\$ 2,950,379</u>	<u>\$ 15,002,979</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property and other taxes	\$ -	\$ 906,269	\$ 906,269
Licenses and permits	101,984	-	101,984
Fines and forfeitures.	432,119	-	432,119
Intergovernmental	4,340,016	141,582	4,481,598
Special assessments	10,745	512	11,257
Investment income.	22,454	-	22,454
Contributions and donations.	11,000	-	11,000
Other.	91,409	-	91,409
	<u>5,009,727</u>	<u>1,048,363</u>	<u>6,058,090</u>
Expenditures:			
Current:			
General government	78,024	25,613	103,637
Security of persons and property	635,016	-	635,016
Transportation	1,496,750	-	1,496,750
Economic development.	1,870,301	-	1,870,301
Capital outlay	553,765	-	553,765
Debt service:			
Principal retirement	145,000	722,828	867,828
Interest and fiscal charges.	26,180	168,108	194,288
	<u>4,805,036</u>	<u>916,549</u>	<u>5,721,585</u>
Excess of revenues over expenditures	<u>204,691</u>	<u>131,814</u>	<u>336,505</u>
Other financing sources (uses):			
Capital lease transaction	38,547	-	38,547
Transfers in	150,000	-	150,000
Transfers (out)	(125,648)	-	(125,648)
	<u>62,899</u>	<u>-</u>	<u>62,899</u>
Net change in fund balance	267,590	131,814	399,404
Fund balances at beginning of year	<u>9,101,453</u>	<u>1,269,247</u>	<u>10,370,700</u>
Fund balances at end of year	<u>\$ 9,369,043</u>	<u>\$ 1,401,061</u>	<u>\$ 10,770,104</u>

CITY OF WARREN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Court Computerization	Street Maintenance	Police Grants
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 338,295	\$ 230,349	\$ 20,758
Receivables (net of allowance for uncollectibles):			
Accounts	6,462	-	-
Intergovernmental	-	949,444	-
Loans	-	-	-
Special assessments	-	-	-
Materials and supplies inventory	-	55,680	-
Total assets	\$ 344,757	\$ 1,235,473	\$ 20,758
Liabilities:			
Accounts payable	\$ 5,952	\$ 15,719	\$ -
Accrued wages and benefits payable	-	22,552	-
Due to other funds	-	6,689	-
Due to other governments	-	3,484	-
Total liabilities	5,952	48,444	-
Deferred inflows of resources:			
Special assessments revenue not available	-	-	-
Intergovernmental revenue not available	-	629,775	-
Total deferred inflows of resources	-	629,775	-
Fund balances:			
Nonspendable	-	55,680	-
Restricted	338,805	501,574	20,758
Total fund balances	338,805	557,254	20,758
Total liabilities, deferred inflows of resources and fund balances	\$ 344,757	\$ 1,235,473	\$ 20,758

<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>
\$ 2,633	\$ 85,567	\$ 16,548	\$ 36,201	\$ 70,064	\$ 379,695
60	-	-	69	-	6,061
-	-	-	409	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,693</u>	<u>\$ 85,567</u>	<u>\$ 16,548</u>	<u>\$ 36,679</u>	<u>\$ 70,064</u>	<u>\$ 385,756</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,144
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,144
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,693	85,567	16,548	36,679	70,064	384,612
<u>2,693</u>	<u>85,567</u>	<u>16,548</u>	<u>36,679</u>	<u>70,064</u>	<u>384,612</u>
<u>\$ 2,693</u>	<u>\$ 85,567</u>	<u>\$ 16,548</u>	<u>\$ 36,679</u>	<u>\$ 70,064</u>	<u>\$ 385,756</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2019

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
Assets:			
Equity in pooled cash, cash equivalents and investments	\$ 744,061	\$ 191,223	\$ 188,112
Receivables (net of allowance for uncollectibles):			
Accounts	17,365	1,871	-
Intergovernmental	-	-	4,355
Loans	-	-	1,295,391
Special assessments	-	-	1,829,245
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 761,426</u>	<u>\$ 193,094</u>	<u>\$ 3,317,103</u>
Liabilities:			
Accounts payable	\$ 9,598	\$ -	\$ 3,329
Accrued wages and benefits payable	-	-	18,259
Due to other funds	-	-	-
Due to other governments	-	-	2,821
Total liabilities	<u>9,598</u>	<u>-</u>	<u>24,409</u>
Deferred inflows of resources:			
Special assessments revenue not available	-	-	1,829,245
Intergovernmental revenue not available	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,829,245</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	<u>751,828</u>	<u>193,094</u>	<u>1,463,449</u>
Total fund balances	<u>751,828</u>	<u>193,094</u>	<u>1,463,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 761,426</u>	<u>\$ 193,094</u>	<u>\$ 3,317,103</u>

<u>Guarantee Loan</u>	<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>Total</u>
\$ 116,936	\$ 253,162	\$ 343,940	\$ 254,983	\$ 3,272,527
-	-	-	-	31,888
-	76,982	52,191	-	1,083,381
714,302	-	-	3,770,186	5,779,879
-	-	-	-	1,829,245
-	-	-	-	55,680
<u>\$ 831,238</u>	<u>\$ 330,144</u>	<u>\$ 396,131</u>	<u>\$ 4,025,169</u>	<u>\$ 12,052,600</u>
\$ -	\$ -	\$ 12,322	\$ 42,480	\$ 90,544
-	-	-	-	40,811
-	-	-	-	6,689
-	-	-	29,125	35,430
-	-	12,322	71,605	173,474
-	-	-	-	1,829,245
-	51,063	-	-	680,838
-	51,063	-	-	2,510,083
-	-	-	-	55,680
<u>831,238</u>	<u>279,081</u>	<u>383,809</u>	<u>3,953,564</u>	<u>9,313,363</u>
<u>831,238</u>	<u>279,081</u>	<u>383,809</u>	<u>3,953,564</u>	<u>9,369,043</u>
<u>\$ 831,238</u>	<u>\$ 330,144</u>	<u>\$ 396,131</u>	<u>\$ 4,025,169</u>	<u>\$ 12,052,600</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, 2019**

	Court Computerization	Street Maintenance	Police Grants
Revenues:			
Licenses and permits	\$ -	\$ 3,150	\$ -
Fines and forfeitures	89,111	-	-
Intergovernmental	-	1,694,592	33,011
Special assessment	-	-	-
Investment income	-	-	-
Contributions and donations	-	-	-
Other	-	2,679	-
Total revenues	89,111	1,700,421	33,011
Expenditures:			
Current operations:			
General government	78,024	-	-
Security of persons and property	-	-	31,591
Transportation	-	1,496,750	-
Economic development	-	-	-
Capital outlay	-	38,547	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	78,024	1,535,297	31,591
Excess (deficiency) of revenues over (under) expenditures	11,087	165,124	1,420
Other financing sources (uses):			
Capital lease transaction	-	38,547	-
Transfers in	-	150,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	188,547	-
Net change in fund balance	11,087	353,671	1,420
Fund balances at beginning of year	327,718	203,583	19,338
Fund balances at end of year	\$ 338,805	\$ 557,254	\$ 20,758

Drivers Alcohol Treatment	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,834
8,282	58,151	-	10,411	-	-
-	-	40,000	-	9,764	-
-	-	-	-	-	-
-	-	-	-	929	-
-	-	11,000	-	-	-
-	-	-	-	-	-
<u>8,282</u>	<u>58,151</u>	<u>51,000</u>	<u>10,411</u>	<u>10,693</u>	<u>98,834</u>
-	-	-	-	-	-
10,184	-	54,602	42,104	12,000	108,665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,184</u>	<u>-</u>	<u>54,602</u>	<u>42,104</u>	<u>12,000</u>	<u>108,665</u>
<u>(1,902)</u>	<u>58,151</u>	<u>(3,602)</u>	<u>(31,693)</u>	<u>(1,307)</u>	<u>(9,831)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,902)</u>	<u>58,151</u>	<u>(3,602)</u>	<u>(31,693)</u>	<u>(1,307)</u>	<u>(9,831)</u>
<u>4,595</u>	<u>27,416</u>	<u>20,150</u>	<u>68,372</u>	<u>71,371</u>	<u>394,443</u>
<u>\$ 2,693</u>	<u>\$ 85,567</u>	<u>\$ 16,548</u>	<u>\$ 36,679</u>	<u>\$ 70,064</u>	<u>\$ 384,612</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, 2019

	<u>Special Projects - Courts</u>	<u>Legal Research - Courts</u>	<u>CDBG</u>
Revenues:			
Licenses and permits	\$ -	\$ -	\$ -
Fines and forfeitures	240,224	25,940	-
Intergovernmental	-	-	1,479,006
Special assessment	-	-	10,745
Investment income	-	-	8,003
Contributions and donations	-	-	-
Other	-	-	59,385
	<hr/>	<hr/>	<hr/>
Total revenues	240,224	25,940	1,557,139
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	358,604	17,266	-
Transportation	-	-	-
Economic development	-	-	1,581,655
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	358,604	17,266	1,581,655
Excess (deficiency) of revenues over (under) expenditures	<hr/> (118,380)	<hr/> 8,674	<hr/> (24,516)
Other financing sources (uses):			
Capital lease transaction	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net change in fund balance	(118,380)	8,674	(24,516)
Fund balances at beginning of year	<hr/> 870,208	<hr/> 184,420	<hr/> 1,487,965
Fund balances at end of year	<hr/> <u>\$ 751,828</u>	<hr/> <u>\$ 193,094</u>	<hr/> <u>\$ 1,463,449</u>

Guarantee Loan	Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ -	\$ -	\$ -	\$ -	\$ 101,984
-	-	-	-	432,119
-	137,399	627,204	319,040	4,340,016
-	-	-	-	10,745
120	3,082	3,909	6,411	22,454
-	-	-	-	11,000
29,250	-	95	-	91,409
<u>29,370</u>	<u>140,481</u>	<u>631,208</u>	<u>325,451</u>	<u>5,009,727</u>
-	-	-	-	78,024
-	-	-	-	635,016
-	-	-	-	1,496,750
2,163	-	-	286,483	1,870,301
-	92,261	422,957	-	553,765
145,000	-	-	-	145,000
26,180	-	-	-	26,180
<u>173,343</u>	<u>92,261</u>	<u>422,957</u>	<u>286,483</u>	<u>4,805,036</u>
<u>(143,973)</u>	<u>48,220</u>	<u>208,251</u>	<u>38,968</u>	<u>204,691</u>
-	-	-	-	38,547
-	-	-	-	150,000
-	-	(125,648)	-	(125,648)
-	-	(125,648)	-	62,899
<u>(143,973)</u>	<u>48,220</u>	<u>82,603</u>	<u>38,968</u>	<u>267,590</u>
<u>975,211</u>	<u>230,861</u>	<u>301,206</u>	<u>3,914,596</u>	<u>9,101,453</u>
<u>\$ 831,238</u>	<u>\$ 279,081</u>	<u>\$ 383,809</u>	<u>\$ 3,953,564</u>	<u>\$ 9,369,043</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 89,513	\$ (10,487)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>89,513</u>	<u>(10,487)</u>
Expenditures:				
Current:				
General government				
Personal services	12,400	12,400	9,887	2,513
Contract services	35,000	35,000	29,945	5,055
Materials and supplies.	20,550	20,550	14,620	5,930
Capital outlay	15,000	43,500	23,877	19,623
Total general government	<u>82,950</u>	<u>111,450</u>	<u>78,329</u>	<u>33,121</u>
Total expenditures	<u>82,950</u>	<u>111,450</u>	<u>78,329</u>	<u>33,121</u>
Net change in fund balance.	17,050	(11,450)	11,184	22,634
Fund balance at beginning of year	320,609	320,609	320,609	-
Prior year encumbrances appropriated .	<u>550</u>	<u>550</u>	<u>550</u>	<u>-</u>
Fund balance at end of year	<u>\$ 338,209</u>	<u>\$ 309,709</u>	<u>\$ 332,343</u>	<u>\$ 22,634</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 2,300	\$ 2,300	\$ 3,150	\$ 850
Intergovernmental	1,310,000	1,569,548	1,574,312	4,764
Other	-	-	2,679	2,679
Total revenues	<u>1,312,300</u>	<u>1,571,848</u>	<u>1,580,141</u>	<u>8,293</u>
Expenditures:				
Current:				
Transportation				
Personal services	948,950	1,006,498	954,613	51,885
Contract services	436,790	569,641	497,090	72,551
Materials and supplies	88,145	290,145	260,728	29,417
Total transportation	<u>1,473,885</u>	<u>1,866,284</u>	<u>1,712,431</u>	<u>153,853</u>
Total expenditures	<u>1,473,885</u>	<u>1,866,284</u>	<u>1,712,431</u>	<u>153,853</u>
Excess of expenditures over revenues	<u>(161,585)</u>	<u>(294,436)</u>	<u>(132,290)</u>	<u>162,146</u>
Other financing sources:				
Transfers in	150,000	250,000	150,000	(100,000)
Total other financing sources	<u>150,000</u>	<u>250,000</u>	<u>150,000</u>	<u>(100,000)</u>
Net change in fund balance	(11,585)	(44,436)	17,710	62,146
Fund balance at beginning of year	49,931	49,931	49,931	-
Prior year encumbrances appropriated	<u>11,585</u>	<u>11,585</u>	<u>11,585</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,931</u>	<u>\$ 17,080</u>	<u>\$ 79,226</u>	<u>\$ 62,146</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 68,900	\$ 68,900	\$ 38,737	\$ (30,163)
Total revenues	<u>68,900</u>	<u>68,900</u>	<u>38,737</u>	<u>(30,163)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	68,900	68,900	32,856	36,044
Total security of persons and property.	<u>68,900</u>	<u>68,900</u>	<u>32,856</u>	<u>36,044</u>
Total expenditures.	<u>68,900</u>	<u>68,900</u>	<u>32,856</u>	<u>36,044</u>
Net change in fund balance	-	-	5,881	5,881
Fund balance at beginning of year	<u>14,877</u>	<u>14,877</u>	<u>14,877</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,877</u>	<u>\$ 14,877</u>	<u>\$ 20,758</u>	<u>\$ 5,881</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, 2019

	<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	\$ 10,500	\$ 10,500	\$ 8,294	\$ (2,206)
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>8,294</u>	<u>(2,206)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services.	10,500	10,500	10,184	316
Total security of persons and property .	<u>10,500</u>	<u>10,500</u>	<u>10,184</u>	<u>316</u>
Total expenditures	<u>10,500</u>	<u>10,500</u>	<u>10,184</u>	<u>316</u>
Net change in fund balance	-	-	(1,890)	(1,890)
Fund balance at beginning of year.	<u>4,523</u>	<u>4,523</u>	<u>4,523</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,523</u>	<u>\$ 4,523</u>	<u>\$ 2,633</u>	<u>\$ (1,890)</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, 2019

	<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	\$ 5,500	\$ 5,500	\$ 58,901	\$ 53,401
Intergovernmental	-	26,000	-	(26,000)
Total revenues.	<u>5,500</u>	<u>31,500</u>	<u>58,901</u>	<u>27,401</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	5,500	5,500	-	5,500
Capital outlay	-	26,000	24,361	1,639
Total security of persons and property .	<u>5,500</u>	<u>31,500</u>	<u>24,361</u>	<u>7,139</u>
Total expenditures	<u>5,500</u>	<u>31,500</u>	<u>24,361</u>	<u>7,139</u>
Net change in fund balance	-	-	34,540	34,540
Fund balance at beginning of year.	<u>26,666</u>	<u>26,666</u>	<u>26,666</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,666</u>	<u>\$ 26,666</u>	<u>\$ 61,206</u>	<u>\$ 34,540</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 40,591	\$ 40,000	\$ (591)
Contributions and donations	-	-	11,000	11,000
Total revenues	<u>-</u>	<u>40,591</u>	<u>51,000</u>	<u>10,409</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	78	54,219	54,120	99
Other	-	500	482	18
Total security of persons and property .	<u>78</u>	<u>54,719</u>	<u>54,602</u>	<u>117</u>
Total expenditures	<u>78</u>	<u>54,719</u>	<u>54,602</u>	<u>117</u>
Net change in fund balance	(78)	(14,128)	(3,602)	10,526
Fund balance at beginning of year	20,072	20,072	20,072	-
Prior year encumbrances appropriated .	<u>78</u>	<u>78</u>	<u>78</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,072</u>	<u>\$ 6,022</u>	<u>\$ 16,548</u>	<u>\$ 10,526</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, 2019

	<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	\$ 6,600	\$ 6,600	\$ 10,784	\$ 4,184
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>10,784</u>	<u>4,184</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	3,600	3,600	-	3,600
Materials and supplies.	3,000	3,000	985	2,015
Capital outlay	<u>41,119</u>	<u>41,119</u>	<u>41,119</u>	<u>-</u>
Total security of persons and property .	<u>47,719</u>	<u>47,719</u>	<u>42,104</u>	<u>5,615</u>
Total expenditures	<u>47,719</u>	<u>47,719</u>	<u>42,104</u>	<u>5,615</u>
Net change in fund balance	(41,119)	(41,119)	(31,320)	9,799
Fund balance at beginning of year	26,402	26,402	26,402	-
Prior year encumbrances appropriated .	<u>41,119</u>	<u>41,119</u>	<u>41,119</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 26,402</u>	<u>\$ 26,402</u>	<u>\$ 36,201</u>	<u>\$ 9,799</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 9,500	\$ 9,500	\$ 9,764	\$ 264
Investment income	500	500	929	429
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,693</u>	<u>693</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	5,000	5,000	2,000	3,000
Materials and supplies.	5,000	10,000	10,000	-
Total security of persons and property .	<u>10,000</u>	<u>15,000</u>	<u>12,000</u>	<u>3,000</u>
Total expenditures	<u>10,000</u>	<u>15,000</u>	<u>12,000</u>	<u>3,000</u>
Net change in fund balance.	-	(5,000)	(1,307)	3,693
Fund balance at beginning of year	<u>71,371</u>	<u>71,371</u>	<u>71,371</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,371</u>	<u>\$ 66,371</u>	<u>\$ 70,064</u>	<u>\$ 3,693</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, 2019

	<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	\$ 97,890	\$ 7,890
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>97,890</u>	<u>7,890</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	23,640	23,640	19,574	4,066
Contract services	35,092	41,292	31,678	9,614
Materials and supplies.	8,757	8,757	7,387	1,370
Capital outlay	-	49,896	49,896	-
Total security of persons and property.	<u>67,489</u>	<u>123,585</u>	<u>108,535</u>	<u>15,050</u>
Total expenditures	<u>67,489</u>	<u>123,585</u>	<u>108,535</u>	<u>15,050</u>
Net change in fund balance	22,511	(33,585)	(10,645)	22,940
Fund balance at beginning of year	389,234	389,234	389,234	-
Prior year encumbrances appropriated	<u>849</u>	<u>849</u>	<u>849</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 412,594</u>	<u>\$ 356,498</u>	<u>\$ 379,438</u>	<u>\$ 22,940</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 250,000	\$ 250,000	\$ 240,523	\$ (9,477)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>240,523</u>	<u>(9,477)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	203,585	203,585	178,866	24,719
Materials and supplies.	31,112	31,112	16,655	14,457
Capital outlay	15,000	253,230	237,160	16,070
Total security of persons and property .	<u>249,697</u>	<u>487,927</u>	<u>432,681</u>	<u>55,246</u>
Total expenditures	<u>249,697</u>	<u>487,927</u>	<u>432,681</u>	<u>55,246</u>
Net change in fund balance	303	(237,927)	(192,158)	45,769
Fund balance at beginning of year	831,936	831,936	831,936	-
Prior year encumbrances appropriated. .	<u>31,297</u>	<u>31,297</u>	<u>31,297</u>	<u>-</u>
Fund balance at end of year	<u>\$ 863,536</u>	<u>\$ 625,306</u>	<u>\$ 671,075</u>	<u>\$ 45,769</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, 2019

	<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	\$ 32,000	\$ 32,000	\$ 26,066	\$ (5,934)
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>26,066</u>	<u>(5,934)</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	31,700	33,300	17,266	16,034
Total security of persons and property.	<u>31,700</u>	<u>33,300</u>	<u>17,266</u>	<u>16,034</u>
Total expenditures	<u>31,700</u>	<u>33,300</u>	<u>17,266</u>	<u>16,034</u>
Net change in fund balance.	300	(1,300)	8,800	10,100
Fund balance at beginning of year	<u>182,423</u>	<u>182,423</u>	<u>182,423</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 182,723</u>	<u>\$ 181,123</u>	<u>\$ 191,223</u>	<u>\$ 10,100</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, 2019

	<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	\$ 128,000	\$ 128,000	\$ -	\$ (128,000)
Intergovernmental	1,445,504	1,447,324	1,474,651	27,327
Special assessments	1,700	1,700	10,745	9,045
Investment income	2,000	2,000	2,103	103
Other	62,703	62,703	111,318	48,615
Total revenues	<u>1,639,907</u>	<u>1,641,727</u>	<u>1,598,817</u>	<u>(42,910)</u>
Expenditures:				
Current:				
Economic development				
Personal services	358,907	367,349	347,571	19,778
Contract services	418,240	426,150	425,302	848
Materials and supplies.	6,000	6,000	5,237	763
Capital outlay	357,180	370,181	369,562	619
Other	600,210	731,210	651,746	79,464
Total economic development	<u>1,740,537</u>	<u>1,900,890</u>	<u>1,799,418</u>	<u>101,472</u>
Total expenditures	<u>1,740,537</u>	<u>1,900,890</u>	<u>1,799,418</u>	<u>101,472</u>
Net change in fund balance.	(100,630)	(259,163)	(200,601)	58,562
Fund balance at beginning of year	158,542	158,542	158,542	-
Prior year encumbrances appropriated .	100,630	100,630	100,630	-
Fund balance at end of year.	<u>\$ 158,542</u>	<u>\$ 9</u>	<u>\$ 58,571</u>	<u>\$ 58,562</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 100	\$ 100	\$ 120	\$ 20
Other	180,470	180,470	174,250	(6,220)
Total revenues	<u>180,570</u>	<u>180,570</u>	<u>174,370</u>	<u>(6,200)</u>
Expenditures:				
Current:				
Economic development and assistance				
Other	-	2,163	2,163	-
Total economic development and assistance.	<u>-</u>	<u>2,163</u>	<u>2,163</u>	<u>-</u>
Debt service:				
Principal retirement.	145,000	145,000	145,000	-
Interest and fiscal charges	35,570	35,570	26,180	9,390
Total debt service	<u>180,570</u>	<u>180,570</u>	<u>171,180</u>	<u>9,390</u>
Total expenditures	<u>180,570</u>	<u>182,733</u>	<u>173,343</u>	<u>9,390</u>
Net change in fund balance.	-	(2,163)	1,027	3,190
Fund balance at beginning of year	<u>115,909</u>	<u>115,909</u>	<u>115,909</u>	<u>-</u>
Fund balance at end of year	<u>\$ 115,909</u>	<u>\$ 113,746</u>	<u>\$ 116,936</u>	<u>\$ 3,190</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 109,000	\$ 109,000	\$ 127,647	\$ 18,647
Investment income	1,000	1,000	3,082	2,082
Other	2,000	2,000	-	(2,000)
Total revenues	<u>112,000</u>	<u>112,000</u>	<u>130,729</u>	<u>18,729</u>
Expenditures:				
Capital outlay				
Contract services	31,600	31,600	6,013	25,587
Materials and supplies	82,291	83,591	83,133	458
Capital outlay	-	7,000	6,861	139
Total capital outlay	<u>113,891</u>	<u>122,191</u>	<u>96,007</u>	<u>26,184</u>
Total expenditures	<u>113,891</u>	<u>122,191</u>	<u>96,007</u>	<u>26,184</u>
Net change in fund balance	(1,891)	(10,191)	34,722	44,913
Fund balance at beginning of year	214,694	214,694	214,694	-
Prior year encumbrances appropriated .	<u>1,891</u>	<u>1,891</u>	<u>1,891</u>	<u>-</u>
Fund balance at end of year	<u>\$ 214,694</u>	<u>\$ 206,394</u>	<u>\$ 251,307</u>	<u>\$ 44,913</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 640,000	\$ 640,000	\$ 624,841	(15,159)
Investment income	850	850	3,909	3,059
Other	-	-	95	95
Total revenues	<u>640,850</u>	<u>640,850</u>	<u>628,845</u>	<u>(12,005)</u>
Expenditures:				
Capital outlay				
Contract services	272,032	252,032	195,466	56,566
Materials and supplies.	382,941	273,941	234,918	39,023
Capital outlay	-	13,815	13,815	-
Total capital outlay	<u>654,973</u>	<u>539,788</u>	<u>444,199</u>	<u>95,589</u>
Total expenditures	<u>654,973</u>	<u>539,788</u>	<u>444,199</u>	<u>95,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,123)</u>	<u>101,062</u>	<u>184,646</u>	<u>83,584</u>
Other financing (uses):				
Transfers (out).	-	(129,000)	(125,648)	3,352
Total other financing (uses)	<u>-</u>	<u>(129,000)</u>	<u>(125,648)</u>	<u>3,352</u>
Net change in fund balance.	(14,123)	(27,938)	58,998	86,936
Fund balance at beginning of year	251,434	251,434	251,434	-
Prior year encumbrances appropriated .	<u>14,123</u>	<u>14,123</u>	<u>14,123</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 251,434</u>	<u>\$ 237,619</u>	<u>\$ 324,555</u>	<u>\$ 86,936</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 503,800	\$ 506,950	\$ 319,040	\$ (187,910)
Investment income	1,000	1,000	3,193	2,193
Other	7,000	7,000	26,622	19,622
Total revenues	<u>511,800</u>	<u>514,950</u>	<u>348,855</u>	<u>(166,095)</u>
Expenditures:				
Current:				
Economic development				
Personal services	46,800	49,950	48,687	1,263
Other	978,085	978,085	939,457	38,628
Total economic development	<u>1,024,885</u>	<u>1,028,035</u>	<u>988,144</u>	<u>39,891</u>
Total expenditures	<u>1,024,885</u>	<u>1,028,035</u>	<u>988,144</u>	<u>39,891</u>
Net change in fund balance.	(513,085)	(513,085)	(639,289)	(126,204)
Fund balance (deficit) at beginning of year.	(284,109)	(284,109)	(284,109)	-
Prior year encumbrances appropriated .	<u>513,085</u>	<u>513,085</u>	<u>513,085</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (284,109)</u>	<u>\$ (284,109)</u>	<u>\$ (410,313)</u>	<u>\$ (126,204)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 889,885	\$ 918,000	\$ 906,269	\$ (11,731)
Intergovernmental	138,620	143,000	141,582	(1,418)
Special assessments	9,694	10,000	512	(9,488)
Total revenues	<u>1,038,199</u>	<u>1,071,000</u>	<u>1,048,363</u>	<u>(22,637)</u>
Expenditures:				
Current:				
General government				
Contract services	39,500	39,500	25,613	13,887
Total general government	<u>39,500</u>	<u>39,500</u>	<u>25,613</u>	<u>13,887</u>
Debt service:				
Principal retirement	732,828	732,328	722,828	9,500
Interest and fiscal charges	168,108	168,608	168,108	500
Total debt service	<u>900,936</u>	<u>900,936</u>	<u>890,936</u>	<u>10,000</u>
Total expenditures	<u>940,436</u>	<u>940,436</u>	<u>916,549</u>	<u>23,887</u>
Net change in fund balance	97,763	130,564	131,814	1,250
Fund balance at beginning of year	<u>1,269,247</u>	<u>1,269,247</u>	<u>1,269,247</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,367,010</u>	<u>\$ 1,399,811</u>	<u>\$ 1,401,061</u>	<u>\$ 1,250</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,089,992	\$ 2,089,992	\$ 1,825,384	\$ (264,608)
Total revenues	2,089,992	2,089,992	1,825,384	(264,608)
Expenditures:				
Capital outlay				
Contract services	37,561	37,561	18,315	19,246
Capital outlay	3,692,653	4,522,653	3,974,863	547,790
Total capital outlay	3,730,214	4,560,214	3,993,178	567,036
Total expenditures	3,730,214	4,560,214	3,993,178	567,036
Excess of expenditures over revenues . .	(1,640,222)	(2,470,222)	(2,167,794)	302,428
Other financing sources:				
Transfers in	600,450	1,430,450	1,962,228	531,778
Total other financing sources	600,450	1,430,450	1,962,228	531,778
Net change in fund balance.	(1,039,772)	(1,039,772)	(205,566)	834,206
Fund balance (deficit) at beginning of year	(48,154)	(48,154)	(48,154)	-
Prior year encumbrances appropriated .	1,039,772	1,039,772	1,039,772	-
Fund balance (deficit) at end of year . . .	\$ (48,154)	\$ (48,154)	\$ 786,052	\$ 834,206

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, 2019**

	<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	\$ 545,158	\$ 15,324	\$ 2,920,630	\$ 3,481,112
Receivables (net of allowance for uncollectibles):				
Accounts	2,145	2,046	481,568	485,759
Special assessments	-	-	108	108
Due from other governments	-	-	4,418	4,418
Total current assets.	<u>547,303</u>	<u>17,370</u>	<u>3,406,724</u>	<u>3,971,397</u>
Noncurrent assets:				
Net pension asset	-	-	1,089	1,089
Capital assets:				
Non-depreciable capital assets	133,280	155,761	640,750	929,791
Depreciable capital assets, net	155,794	696,852	1,588,024	2,440,670
Total capital assets, net	<u>289,074</u>	<u>852,613</u>	<u>2,228,774</u>	<u>3,370,461</u>
Total noncurrent assets	<u>289,074</u>	<u>852,613</u>	<u>2,229,863</u>	<u>3,371,550</u>
Total assets	<u>836,377</u>	<u>869,983</u>	<u>5,636,587</u>	<u>7,342,947</u>
Deferred outflows of resources:				
Pension	-	-	108,744	108,744
OPEB	-	-	18,227	18,227
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>126,971</u>	<u>126,971</u>
Liabilities:				
Current liabilities:				
Accounts payable.	10,233	7,478	11,831	29,542
Contracts payable.	-	-	4,418	4,418
Accrued wages and benefits payable.	-	-	5,422	5,422
Due to other funds	-	-	1,614	1,614
Due to other governments	-	-	838	838
Current portion of OPWC loans	-	-	899	899
Current portion of compensated absences	-	-	9,738	9,738
Total current liabilities.	<u>10,233</u>	<u>7,478</u>	<u>34,760</u>	<u>52,471</u>
Long-term liabilities:				
OPWC loans payable	-	-	37,745	37,745
Compensated absences payable.	-	-	46,539	46,539
Net pension liability.	-	-	332,035	332,035
Net OPEB liability.	-	-	152,542	152,542
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>568,861</u>	<u>568,861</u>
Total liabilities	<u>10,233</u>	<u>7,478</u>	<u>603,621</u>	<u>621,332</u>
Deferred inflows of resources:				
Pension	-	-	27,979	27,979
OPEB	-	-	15,702	15,702
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>43,681</u>	<u>43,681</u>
Net position:				
Net investment in capital assets	289,074	852,613	2,185,712	3,327,399
Unrestricted	537,070	9,892	2,930,544	3,477,506
Total net position	<u>\$ 826,144</u>	<u>\$ 862,505</u>	<u>\$ 5,116,256</u>	<u>\$ 6,804,905</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, 2019

	City Redevelopment	Downtown Parking	Stormwater Utility	Totals
Operating revenues:				
Charges for services	\$ 325,698	\$ 23,467	\$ 1,075,564	\$ 1,424,729
Other operating revenues	13,279	-	846	14,125
Total operating revenues	<u>338,977</u>	<u>23,467</u>	<u>1,076,410</u>	<u>1,438,854</u>
Operating expenses:				
Personal services	-	-	304,252	304,252
Contract services.	128,734	91,231	259,260	479,225
Materials and supplies.	5,517	683	28,718	34,918
Administrative costs.	-	-	76,530	76,530
Utilities	102,851	5,389	-	108,240
Depreciation.	15,468	48,059	34,746	98,273
Other.	-	-	1,409	1,409
Total operating expenses	<u>252,570</u>	<u>145,362</u>	<u>704,915</u>	<u>1,102,847</u>
Operating income (loss).	<u>86,407</u>	<u>(121,895)</u>	<u>371,495</u>	<u>336,007</u>
Nonoperating revenues:				
Special assessments	-	-	5	5
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Income (loss) before capital contributions and transfers.	86,407	(121,895)	371,500	336,012
Transfers in.	14,500	75,500	-	90,000
Capital contributions.	-	-	8,118	8,118
Changes in net position	100,907	(46,395)	379,618	434,130
Net position at beginning of year	<u>725,237</u>	<u>908,900</u>	<u>4,736,638</u>	<u>6,370,775</u>
Net position at end of year	<u>\$ 826,144</u>	<u>\$ 862,505</u>	<u>\$ 5,116,256</u>	<u>\$ 6,804,905</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	<u>City Redevelopment</u>	<u>Downtown Parking</u>	<u>Stormwater Utility</u>	<u>Totals</u>
Cash flows from operating activities:				
Cash received from customers	\$ 323,553	\$ 23,347	\$ 1,019,335	\$ 1,366,235
Cash received from other operations	14,989	-	-	14,989
Cash payments for personal services	-	-	(273,638)	(273,638)
Cash payments for contractual services	(142,575)	(91,072)	(248,577)	(482,224)
Cash payments for materials and supplies	(5,287)	(683)	(28,680)	(34,650)
Cash payments for utilities	(102,851)	(5,389)	-	(108,240)
Cash payments for administrative costs.	-	-	(74,147)	(74,147)
Cash payments for other expenses	-	-	(1,409)	(1,409)
Net cash provided by (used in) operating activities	<u>87,829</u>	<u>(73,797)</u>	<u>392,884</u>	<u>406,916</u>
Cash flows from noncapital financing activities:				
Cash received in transfers in from other funds	<u>14,500</u>	<u>75,500</u>	<u>-</u>	<u>90,000</u>
Net cash provided by noncapital financing activities	<u>14,500</u>	<u>75,500</u>	<u>-</u>	<u>90,000</u>
Cash flows from capital and related financing activities:				
Aquisition of capital assets	(13,550)	-	(159,388)	(172,938)
Capital contributions	-	-	58,672	58,672
Principal retirement.	-	-	(1,797)	(1,797)
Net cash used in capital and related financing activities.	<u>(13,550)</u>	<u>-</u>	<u>(102,513)</u>	<u>(116,063)</u>
Net increase (decrease) in cash and cash equivalents	88,779	1,703	290,371	380,853
Cash and cash equivalents at beginning of year.	<u>456,379</u>	<u>13,621</u>	<u>2,630,259</u>	<u>3,100,259</u>
Cash and cash equivalents at end of year	<u><u>\$ 545,158</u></u>	<u><u>\$ 15,324</u></u>	<u><u>\$ 2,920,630</u></u>	<u><u>\$ 3,481,112</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 86,407	\$ (121,895)	\$ 371,495	\$ 336,007
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	15,468	48,059	34,746	98,273
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) in accounts receivable.	(435)	(120)	(57,075)	(57,630)
Decrease in due from other funds.	-	-	769	769
Decrease in net pension asset	-	-	148	148
(Increase) in deferred outflows - pension	-	-	(65,322)	(65,322)
(Increase) in deferred outflows - OPEB	-	-	(9,503)	(9,503)
Increase (decrease) in accounts payable	(13,611)	159	10,721	(2,731)
Increase in accrued wages and benefits.	-	-	365	365
Increase in due to other funds.	-	-	1,614	1,614
Increase in due to other governments	-	-	57	57
(Decrease) in compensated absences payable	-	-	(189)	(189)
Increase in net pension liability.	-	-	156,165	156,165
Increase in net OPEB liability	-	-	34,920	34,920
(Decrease) in deferred inflows - pension.	-	-	(63,675)	(63,675)
(Decrease) in deferred inflows - OPEB	-	-	(22,352)	(22,352)
Net cash provided by (used in) operating activities	<u><u>\$ 87,829</u></u>	<u><u>\$ (73,797)</u></u>	<u><u>\$ 392,884</u></u>	<u><u>\$ 406,916</u></u>

Non-cash capital transactions:

At December 31, 2019 and December 31, 2018, the Storm Water Utility fund purchased \$4,418 and \$181,948, respectively, in capital assets on account.

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,588,790	\$ 8,788,790	\$ 9,496,556	\$ 707,766
Other	5,030	5,000	2,160	(2,840)
Total operating revenues	<u>8,593,820</u>	<u>8,793,790</u>	<u>9,498,716</u>	<u>704,926</u>
Operating expenses:				
Personal services.	4,189,643	4,126,643	3,795,208	331,435
Contract services.	2,235,135	2,457,587	2,234,283	223,304
Materials and supplies.	830,209	832,210	639,517	192,693
Capital outlay	2,438,565	7,068,989	6,639,896	429,093
Administrative costs.	720,000	743,000	723,473	19,527
Utilities	624,190	571,737	553,435	18,302
Other.	16,280	16,280	674	15,606
Total operating expenses.	<u>11,054,022</u>	<u>15,816,446</u>	<u>14,586,486</u>	<u>1,229,960</u>
Operating loss	<u>(2,460,202)</u>	<u>(7,022,656)</u>	<u>(5,087,770)</u>	<u>1,934,886</u>
Nonoperating revenues (expenses):				
Loan issuance.	263,000	4,714,442	1,336,151	(3,378,291)
Debt service:				
Principal retirement	(290,053)	(625,622)	(602,830)	22,792
Interest and fiscal charges	(77,888)	(278,606)	(99,098)	179,508
Total nonoperating revenues (expenses)	<u>(104,941)</u>	<u>3,810,214</u>	<u>634,223</u>	<u>(3,175,991)</u>
Loss before capital contributions	(2,565,143)	(3,212,442)	(4,453,547)	(1,241,105)
Capital contributions	-	445,000	58,672	(386,328)
Net change in fund equity.	(2,565,143)	(2,767,442)	(4,394,875)	(1,627,433)
Fund equity at beginning of year	(915,820)	(915,820)	(915,820)	-
Prior year encumbrances appropriated	<u>2,565,143</u>	<u>2,565,143</u>	<u>2,565,143</u>	<u>-</u>
Fund equity (deficit) at end of year	<u>\$ (915,820)</u>	<u>\$ (1,118,119)</u>	<u>\$ (2,745,552)</u>	<u>\$ (1,627,433)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 11,985,294	\$ 11,985,294	\$ 13,123,640	\$ 1,138,346
Other	165,000	165,000	296,515	131,515
Total operating revenues	12,150,294	12,150,294	13,420,155	1,269,861
Operating expenses:				
Personal services.	6,291,556	6,102,719	5,678,088	424,631
Contract services.	1,200,877	1,687,379	1,535,519	151,860
Materials and supplies.	1,414,900	1,874,900	1,723,380	151,520
Capital outlay	316,175	1,054,400	1,034,431	19,969
Administrative costs.	575,831	970,354	888,374	81,980
Utilities	618,660	645,135	577,555	67,580
Other.	348,275	483,275	236,913	246,362
Total operating expenses	10,766,274	12,818,162	11,674,260	1,143,902
Operating income (loss)	1,384,020	(667,868)	1,745,895	2,413,763
Nonoperating (expenses):				
Debt service:				
Principal retirement.	(1,746,585)	(1,746,585)	(1,746,577)	8
Interest and fiscal charges	(298,996)	(325,108)	(325,054)	54
Total nonoperating (expenses)	(2,045,581)	(2,071,693)	(2,071,631)	62
Loss before transfers and capital contributions.	(661,561)	(2,739,561)	(325,736)	2,413,825
Transfers in	218,000	218,000	-	(218,000)
Capital contributions	10,000	10,000	-	(10,000)
Net change in fund equity.	(433,561)	(2,511,561)	(325,736)	2,185,825
Fund equity at beginning of year	4,031,893	4,031,893	4,031,893	-
Prior year encumbrances appropriated . .	433,561	433,561	433,561	-
Fund equity at end of year	\$ 4,031,893	\$ 1,953,893	\$ 4,139,718	\$ 2,185,825

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 3,673,800	\$ 3,673,800	\$ 3,810,167	\$ 136,367
Other	3,500	3,500	7,303	3,803
Total operating revenues	<u>3,677,300</u>	<u>3,677,300</u>	<u>3,817,470</u>	<u>140,170</u>
Operating expenses:				
Personal services.	1,282,254	1,282,254	1,232,514	49,740
Contract services.	1,884,421	2,058,281	1,992,901	65,380
Materials and supplies.	307,287	402,287	324,612	77,675
Capital outlay	-	31,000	30,395	605
Administrative costs.	242,000	242,000	207,235	34,765
Utilities	16,624	17,764	10,655	7,109
Other.	3,500	3,500	33	3,467
Total operating expenses	<u>3,736,086</u>	<u>4,037,086</u>	<u>3,798,345</u>	<u>238,741</u>
Operating income (loss) before capital contributions	(58,786)	(359,786)	19,125	378,911
Capital contributions	<u>23,500</u>	<u>23,500</u>	<u>12,500</u>	<u>(11,000)</u>
Net change in fund equity.	(35,286)	(336,286)	31,625	367,911
Fund equity at beginning of year	344,817	344,817	344,817	-
Prior year encumbrances appropriated . .	<u>35,286</u>	<u>35,286</u>	<u>35,286</u>	<u>-</u>
Fund equity at end of year	<u>\$ 344,817</u>	<u>\$ 43,817</u>	<u>\$ 411,728</u>	<u>\$ 367,911</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, 2019

	<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	\$ 330,000	\$ 330,000	\$ 323,553	\$ (6,447)
Other	10,000	10,000	14,989	4,989
Total operating revenues	<u>340,000</u>	<u>340,000</u>	<u>338,542</u>	<u>(1,458)</u>
Operating expenses:				
Contract services.	270,154	270,155	173,648	96,507
Materials and supplies.	31,027	17,477	5,517	11,960
Utilities	111,676	111,676	107,254	4,422
Other.	-	13,550	13,550	-
Total operating expenses.	<u>412,857</u>	<u>412,858</u>	<u>299,969</u>	<u>112,889</u>
Operating income (loss) before transfers. . .	(72,857)	(72,858)	38,573	111,431
Transfers out	-	-	14,500	14,500
Net change in fund equity	(72,857)	(72,858)	53,073	125,931
Fund equity at beginning of year.	383,522	383,522	383,522	-
Prior year encumbrances appropriated . .	<u>72,857</u>	<u>72,857</u>	<u>72,857</u>	<u>-</u>
Fund equity at end of year	<u>\$ 383,522</u>	<u>\$ 383,521</u>	<u>\$ 509,452</u>	<u>\$ 125,931</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 21,150	\$ 28,150	\$ 23,347	\$ (4,803)
Total operating revenues	<u>21,150</u>	<u>28,150</u>	<u>23,347</u>	<u>(4,803)</u>
Operating expenses:				
Contract services.	96,496	110,131	97,907	12,224
Materials and supplies.	500	1,000	888	112
Utilities	6,743	5,931	5,823	108
Total operating expenses	<u>103,739</u>	<u>117,062</u>	<u>104,618</u>	<u>12,444</u>
Operating (loss) before transfers	(82,589)	(88,912)	(81,271)	7,641
Transfers in	<u>69,850</u>	<u>76,172</u>	<u>75,500</u>	<u>(672)</u>
Net change in fund equity	(12,739)	(12,740)	(5,771)	6,969
Fund equity at beginning of year.	882	882	882	-
Prior year encumbrances appropriated . .	<u>12,739</u>	<u>12,739</u>	<u>12,739</u>	<u>-</u>
Fund equity at end of year	<u>\$ 882</u>	<u>\$ 881</u>	<u>\$ 7,850</u>	<u>\$ 6,969</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,088,000	\$ 1,088,000	\$ 1,019,335	\$ (68,665)
Total operating revenues	<u>1,088,000</u>	<u>1,088,000</u>	<u>1,019,335</u>	<u>(68,665)</u>
Operating expenses:				
Personal services.	346,317	346,317	273,638	72,679
Contract services.	150,581	197,580	157,393	40,187
Materials and supplies.	324	34,824	30,220	4,604
Capital outlay	290,311	655,311	296,618	358,693
Administrative costs.	260,000	213,000	74,147	138,853
Other.	-	1,500	1,409	91
Total operating expenses	<u>1,047,533</u>	<u>1,448,532</u>	<u>833,425</u>	<u>615,107</u>
Operating income (loss)	40,467	(360,532)	185,910	546,442
Nonoperating (expenses):				
Debt service:				
Principal retirement.	-	(1,798)	(1,797)	1
Total nonoperating (expenses)	<u>-</u>	<u>(1,798)</u>	<u>(1,797)</u>	<u>1</u>
Income (loss) before capital contributions	40,467	(362,330)	184,113	546,443
Capital contributions	-	-	58,672	58,672
Net change in fund equity	40,467	(362,330)	242,785	605,115
Fund equity at beginning of year.	2,330,726	2,330,726	2,330,726	-
Prior year encumbrances appropriated	<u>299,533</u>	<u>299,533</u>	<u>299,533</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,670,726</u>	<u>\$ 2,267,929</u>	<u>\$ 2,873,044</u>	<u>\$ 605,115</u>

CITY OF WARREN, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - INTERNAL SERVICE FUNDS

Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. Following is a description of the City's internal service funds:

Life Insurance and Hospitalization

To account for the revenues and expenses associated with medical benefits provided to City employees and their covered dependents for which the City is self-insured.

Workers Compensation

To account for claims applicable to years in which the City elects to be partially self-insured under a retrospective rating plan with the State of Ohio.

Data Processing

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

Risk Management

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

CITY OF WARREN, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2019

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash, cash equivalents and investments	\$ 2,880,551	\$ 2,567,297	\$ 235,271	\$ 811,295	\$ 6,494,414
Receivables (net of allowance for uncollectibles):					
Accounts	-	2,805	-	-	2,805
Total current assets	<u>2,880,551</u>	<u>2,570,102</u>	<u>235,271</u>	<u>811,295</u>	<u>6,497,219</u>
Noncurrent assets:					
Net pension asset	-	-	1,149	-	1,149
Capital assets:					
Depreciable capital assets, net	-	-	301,495	-	301,495
Total capital assets, net	<u>-</u>	<u>-</u>	<u>301,495</u>	<u>-</u>	<u>301,495</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>302,644</u>	<u>-</u>	<u>302,644</u>
Total assets	<u>2,880,551</u>	<u>2,570,102</u>	<u>537,915</u>	<u>811,295</u>	<u>6,799,863</u>
Deferred outflows of resources:					
Pension	-	-	104,387	-	104,387
OPEB	-	-	12,822	-	12,822
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>117,209</u>	<u>-</u>	<u>117,209</u>
Liabilities:					
Current liabilities:					
Accounts payable	-	-	22,776	-	22,776
Accrued wages and benefits payable	-	-	16,364	-	16,364
Due to other funds	-	-	1,338	-	1,338
Due to other governments	-	5,560	2,528	-	8,088
Claims payable	742,734	176,012	-	-	918,746
Current portion of compensated absences	-	-	3,736	-	3,736
Total current liabilities.	<u>742,734</u>	<u>181,572</u>	<u>46,742</u>	<u>-</u>	<u>971,048</u>
Long-term liabilities:					
Claims payable	-	914,257	-	-	914,257
Compensated absences payable.	-	-	93,325	-	93,325
Net pension liability	-	-	350,447	-	350,447
Net OPEB liability	-	-	161,001	-	161,001
Total long-term liabilities	<u>-</u>	<u>914,257</u>	<u>604,773</u>	<u>-</u>	<u>1,519,030</u>
Total liabilities	<u>742,734</u>	<u>1,095,829</u>	<u>651,515</u>	<u>-</u>	<u>2,490,078</u>
Deferred inflows of resources:					
Pension	-	-	10,099	-	10,099
OPEB	-	-	3,461	-	3,461
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>13,560</u>	<u>-</u>	<u>13,560</u>
Net position:					
Net investment in capital assets	-	-	301,495	-	301,495
Unrestricted (deficit).	2,137,817	1,474,273	(311,446)	811,295	4,111,939
Total net position (deficit).	<u>\$ 2,137,817</u>	<u>\$ 1,474,273</u>	<u>\$ (9,951)</u>	<u>\$ 811,295</u>	<u>\$ 4,413,434</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 7,122,940	\$ 685,295	\$ 520,000	\$ 169,698	\$ 8,497,933
Other operating revenues.	-	-	26	-	26
Total operating revenues.	<u>7,122,940</u>	<u>685,295</u>	<u>520,026</u>	<u>169,698</u>	<u>8,497,959</u>
Operating expenses:					
Personal services	-	-	290,396	-	290,396
Contract services	-	9,221	131,611	-	140,832
Materials and supplies	-	-	7,722	-	7,722
Administrative costs	-	146,049	27,762	-	173,811
Utilities	-	-	12,745	-	12,745
Claims expense.	5,143,221	37,541	-	119,122	5,299,884
Depreciation	-	-	155,257	-	155,257
Total operating expenses.	<u>5,143,221</u>	<u>192,811</u>	<u>625,493</u>	<u>119,122</u>	<u>6,080,647</u>
Changes in net position	1,979,719	492,484	(105,467)	50,576	2,417,312
Net position at beginning of year	<u>158,098</u>	<u>981,789</u>	<u>95,516</u>	<u>760,719</u>	<u>1,996,122</u>
Net position (deficit) at end of year	<u>\$ 2,137,817</u>	<u>\$ 1,474,273</u>	<u>\$ (9,951)</u>	<u>\$ 811,295</u>	<u>\$ 4,413,434</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 7,122,940	\$ 682,490	\$ 520,000	\$ 169,948	\$ 8,495,378
Cash received from other operations	-	-	26	-	26
Cash payments for personal services	-	-	(303,552)	-	(303,552)
Cash payments for contractual services	-	(9,221)	(114,794)	-	(124,015)
Cash payments for materials and supplies	-	-	(2,545)	-	(2,545)
Cash payments for utilities	-	-	(12,745)	-	(12,745)
Cash payments for claims	(5,370,164)	(171,976)	-	(143,267)	(5,685,407)
Cash payments for administrative costs.	-	(147,227)	(25,934)	-	(173,161)
Net cash provided by operating activities	<u>1,752,776</u>	<u>354,066</u>	<u>60,456</u>	<u>26,681</u>	<u>2,193,979</u>
Net increase in cash and cash equivalents.	1,752,776	354,066	60,456	26,681	2,193,979
Cash and cash equivalents at beginning of year . . .	<u>1,127,775</u>	<u>2,213,231</u>	<u>174,815</u>	<u>784,614</u>	<u>4,300,435</u>
Cash and cash equivalents at end of year.	<u><u>\$ 2,880,551</u></u>	<u><u>\$ 2,567,297</u></u>	<u><u>\$ 235,271</u></u>	<u><u>\$ 811,295</u></u>	<u><u>\$ 6,494,414</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,979,719	\$ 492,484	\$ (105,467)	\$ 50,576	\$ 2,417,312
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation.	-	-	155,257	-	155,257
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable	-	(2,805)	-	250	(2,555)
Decrease in due from other funds.	-	-	490	-	490
Decrease in net pension asset.	-	-	257	-	257
(Increase) in deferred outflows - pension	-	-	(55,023)	-	(55,023)
(Increase) in deferred outflows - OPEB	-	-	(2,905)	-	(2,905)
Increase in accounts payable	-	-	21,994	-	21,994
(Decrease) in accrued wages and benefits.	-	-	(5,411)	-	(5,411)
Increase in due to other funds	-	-	1,338	-	1,338
(Decrease) in due to other governments	-	(1,178)	(836)	-	(2,014)
(Decrease) in compensated absences payable	-	-	(62,167)	-	(62,167)
(Decrease) in claims payable	(226,943)	(134,435)	-	(24,145)	(385,523)
Increase in net pension liability	-	-	150,517	-	150,517
Increase in net OPEB liability.	-	-	27,288	-	27,288
(Decrease) in deferred inflows - pension	-	-	(52,582)	-	(52,582)
(Decrease) in deferred inflows - OPEB	-	-	(12,294)	-	(12,294)
Net cash provided by operating activities	<u><u>\$ 1,752,776</u></u>	<u><u>\$ 354,066</u></u>	<u><u>\$ 60,456</u></u>	<u><u>\$ 26,681</u></u>	<u><u>\$ 2,193,979</u></u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<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	\$ 6,200,000	\$ 6,200,000	\$ 7,122,940	\$ 922,940
Total operating revenues	<u>6,200,000</u>	<u>6,200,000</u>	<u>7,122,940</u>	<u>922,940</u>
Operating expenses:				
Claims expense	6,200,658	6,200,658	5,370,232	830,426
Total operating expenses	<u>6,200,658</u>	<u>6,200,658</u>	<u>5,370,232</u>	<u>830,426</u>
Net change in fund equity	(658)	(658)	1,752,708	1,753,366
Fund equity at beginning of year	1,127,117	1,127,117	1,127,117	-
Prior year encumbrances appropriated	<u>658</u>	<u>658</u>	<u>658</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,127,117</u>	<u>\$ 1,127,117</u>	<u>\$ 2,880,483</u>	<u>\$ 1,753,366</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, 2019

	<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	\$ 480,000	\$ 480,000	\$ 682,490	\$ 202,490
Total operating revenues	<u>480,000</u>	<u>480,000</u>	<u>682,490</u>	<u>202,490</u>
Operating expenses:				
Contract services	20,000	20,000	9,221	10,779
Claims expense.	190,000	190,000	171,976	18,024
Administrative costs	270,000	270,000	147,227	122,773
Total operating expenses	<u>480,000</u>	<u>480,000</u>	<u>328,424</u>	<u>151,576</u>
Net change in fund equity	-	-	354,066	354,066
Fund equity at beginning of year.	<u>2,213,231</u>	<u>2,213,231</u>	<u>2,213,231</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,213,231</u>	<u>\$ 2,213,231</u>	<u>\$ 2,567,297</u>	<u>\$ 354,066</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 520,000	\$ 520,000	\$ 520,000	\$ -
Other	-	-	26	26
Total operating revenues	<u>520,000</u>	<u>520,000</u>	<u>520,026</u>	<u>26</u>
Operating expenses:				
Personal services	292,948	306,170	303,552	2,618
Contract services	156,575	156,589	116,727	39,862
Materials and supplies	7,500	15,410	11,551	3,859
Capital outlay	10,500	1,090	-	1,090
Administrative costs	36,000	36,000	25,934	10,066
Utilities	17,000	16,985	13,643	3,342
Total operating expenses	<u>520,523</u>	<u>532,244</u>	<u>471,407</u>	<u>60,837</u>
Net change in fund equity	(523)	(12,244)	48,619	60,863
Fund equity at beginning of year	174,292	174,292	174,292	-
Prior year encumbrances appropriated . .	<u>523</u>	<u>523</u>	<u>523</u>	<u>-</u>
Fund equity at end of year	<u>\$ 174,292</u>	<u>\$ 162,571</u>	<u>\$ 223,434</u>	<u>\$ 60,863</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, 2019

	<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	\$ 250,000	\$ 250,000	\$ 169,948	\$ (80,052)
Total operating revenues	<u>250,000</u>	<u>250,000</u>	<u>169,948</u>	<u>(80,052)</u>
Operating expenses:				
Claims expense.	274,145	274,145	143,267	130,878
Total operating expenses	<u>274,145</u>	<u>274,145</u>	<u>143,267</u>	<u>130,878</u>
Net change in fund equity	(24,145)	(24,145)	26,681	50,826
Fund equity at beginning of year.	760,469	760,469	760,469	-
Prior year encumbrances appropriated . .	<u>24,145</u>	<u>24,145</u>	<u>24,145</u>	<u>-</u>
Fund equity at end of year	<u>\$ 760,469</u>	<u>\$ 760,469</u>	<u>\$ 811,295</u>	<u>\$ 50,826</u>

CITY OF WARREN, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - CUSTODIAL FUNDS**

Custodial Funds

Custodial Funds are used to account for assets held by the City for individuals, private organizations, or other governmental units. The following are the City's custodial funds.

Highway Patrol Fines

To account for Highway Patrol fines collected and distributed to other entities.

Warren Municipal Court

To account for the the collection and distribution of Warren Municipal Court fines and forfeitures to other governments, organizations and individuals.

CITY OF WARREN, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	<u>Highway Patrol Fines</u>	<u>Warren Municipal Court</u>	<u>Total Custodial</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,581	\$ -	\$ 1,581
Cash in segregated accounts	-	397,046	397,046
Receivables (net of allowance for uncollectibles):			
Accounts	1,525	-	1,525
Total assets	<u>\$ 3,106</u>	<u>\$ 397,046</u>	<u>\$ 400,152</u>
Liabilities:			
Due to other governments	3,106	397,046	400,152
Total liabilities	<u>3,106</u>	<u>397,046</u>	<u>400,152</u>
Net position:			
Restricted for other governments, organizations and individuals	-	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WARREN, OHIO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Highway Patrol Fines</u>	<u>Warren Municipal Court</u>	<u>Total Custodial</u>
Additions:			
Fines and forfeitures for other governments, organizations and individuals	\$ 31,505	\$ 1,761,575	\$ 1,793,080
Deductions:			
Fines and forfeitures distributions to other governments, organizations and individuals	31,505	1,761,575	1,793,080
Net change in fiduciary net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.	190-199
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.	200-209
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.	210-217
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.	218-219
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.	220-225

Sources: Sources are noted on the individual schedules.

CITY OF WARREN, OHIO

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

	<u>2019</u>	<u>2018</u>	<u>2017 (a)</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 56,350,453	\$ 55,619,553	\$ 52,287,647	\$ 49,327,471
Restricted for:				
Debt service	2,000,295	1,855,516	1,843,561	2,220,095
Capital projects	1,670,629	899,883	576,256	764,564
Street maintenance	383,809	301,206	174,381	332,590
State highway	954,861	269,780	194,694	176,679
Law enforcement	232,309	213,958	177,944	384,759
Courts	1,612,478	1,712,210	1,650,347	1,484,004
Community development and improvements	7,488,117	7,539,282	7,796,740	7,991,263
Police and fire pension	-	-	-	-
Warren Hills landfill	-	419,020	505,366	513,419
Unrestricted (deficit)	<u>(27,781,560)</u>	<u>(44,328,382)</u>	<u>(45,830,560)</u>	<u>(23,448,369)</u>
Total governmental activities net position	<u>\$ 42,911,391</u>	<u>\$ 24,502,026</u>	<u>\$ 19,376,376</u>	<u>\$ 39,746,475</u>
Business-type activities				
Net investment in capital assets	\$ 26,650,705	\$ 25,470,873	\$ 23,698,307	\$ 23,136,628
Restricted for:				
Debt service	-	-	-	-
Unrestricted (deficit)	<u>(3,893,992)</u>	<u>(4,183,784)</u>	<u>(1,116,494)</u>	<u>4,610,430</u>
Total business-type activities net position	<u>\$ 22,756,713</u>	<u>\$ 21,287,089</u>	<u>\$ 22,581,813</u>	<u>\$ 27,747,058</u>
Total primary government				
Net investment in capital assets	\$ 83,001,158	\$ 81,090,426	\$ 75,985,954	\$ 72,464,099
Restricted for:				
Debt service	2,000,295	1,855,516	1,843,561	2,220,095
Capital projects	1,670,629	899,883	576,256	764,564
Street maintenance	383,809	301,206	174,381	332,590
State highway	954,861	269,780	194,694	176,679
Law enforcement	232,309	213,958	177,944	384,759
Courts	1,612,478	1,712,210	1,650,347	1,484,004
Community development and improvements	7,488,117	7,539,282	7,796,740	7,991,263
Police and fire pension	-	-	-	-
Warren Hills landfill	-	419,020	505,366	513,419
Unrestricted (deficit)	<u>(31,675,552)</u>	<u>(48,512,166)</u>	<u>(46,947,054)</u>	<u>(18,837,939)</u>
Total primary government net position	<u>\$ 65,668,104</u>	<u>\$ 45,789,115</u>	<u>\$ 41,958,189</u>	<u>\$ 67,493,533</u>

Source: City of Warren, Financial Records

(a) Amounts have been restated to reflect the implementation of GASB Statement No. 75, which was implemented in 2018.

2015	2014	2013	2012	2011	2010
\$ 48,863,065	\$ 47,726,468	\$ 44,093,603	\$ 42,910,889	\$ 41,689,055	\$ 41,287,935
1,869,362	2,145,641	2,723,376	1,996,713	1,615,731	1,123,312
1,476,319	899,088	-	-	21,924	-
162,939	844,586	828,714	808,811	771,607	725,984
173,276	178,562	272,923	345,451	274,377	223,765
363,589	292,581	399,651	345,503	413,142	461,705
1,291,177	1,588,016	1,369,045	1,315,547	1,122,989	842,855
8,313,048	8,900,592	9,491,103	10,168,030	10,218,860	9,560,569
-	-	-	104,782	1,108,729	1,002,814
558,717	611,275	622,922	665,959	692,804	702,538
(21,620,364)	(24,345,765)	(353,410)	(659,287)	(1,555,360)	(4,588,636)
<u>\$ 41,451,128</u>	<u>\$ 38,841,044</u>	<u>\$ 59,447,927</u>	<u>\$ 58,002,398</u>	<u>\$ 56,373,858</u>	<u>\$ 51,342,841</u>
\$ 21,880,703	\$ 22,123,436	\$ 26,353,429	\$ 25,997,973	\$ 24,563,803	\$ 23,458,196
-	-	-	-	963,817	962,846
5,812,598	3,522,316	7,037,170	7,100,100	6,435,075	5,387,270
<u>\$ 27,693,301</u>	<u>\$ 25,645,752</u>	<u>\$ 33,390,599</u>	<u>\$ 33,098,073</u>	<u>\$ 31,962,695</u>	<u>\$ 29,808,312</u>
\$ 70,743,768	\$ 69,849,904	\$ 70,447,032	\$ 68,908,862	\$ 66,252,858	\$ 64,746,131
1,869,362	2,145,641	2,723,376	1,996,713	2,579,548	2,086,158
1,476,319	899,088	-	-	21,924	-
162,939	844,586	828,714	808,811	771,607	725,984
173,276	178,562	272,923	345,451	274,377	223,765
363,589	292,581	399,651	345,503	413,142	461,705
1,291,177	1,588,016	1,369,045	1,315,547	1,122,989	842,855
8,313,048	8,900,592	9,491,103	10,168,030	10,218,860	9,560,569
-	-	-	104,782	1,108,729	1,002,814
558,717	611,275	622,922	665,959	692,804	702,538
(15,807,766)	(20,823,449)	6,683,760	6,440,813	4,879,715	798,634
<u>\$ 69,144,429</u>	<u>\$ 64,486,796</u>	<u>\$ 92,838,526</u>	<u>\$ 91,100,471</u>	<u>\$ 88,336,553</u>	<u>\$ 81,151,153</u>

CITY OF WARREN, OHIO

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 813,663	\$ 1,259,301	\$ 1,294,087	\$ 1,155,198
Security of persons and property	1,402,673	1,320,428	1,343,467	1,238,827
Public health and welfare	-	133,265	108,576	121,106
Transportation	3,150	3,700	2,550	2,050
Community environment	485,541	786,293	761,418	751,395
Leisure time activity	30,210	44,079	63,471	29,158
Economic development	168,208	216,132	111,174	-
Operating grants and contributions:				
General government	-	369	-	129
Security of persons and property	91,988	74,556	71,592	250,762
Transportation	2,630,879	2,134,069	2,076,358	2,009,714
Community environment	-	-	-	-
Economic development	1,901,215	1,244,003	1,639,750	2,074,252
Capital grants and contributions:				
General government	-	700,000	-	-
Transportation	1,831,961	5,306,983	1,831,422	2,293,735
Total governmental activities program revenues	<u>9,359,488</u>	<u>13,223,178</u>	<u>9,303,865</u>	<u>9,926,326</u>
Business-type activities:				
Charges for services:				
Sewer	9,307,279	7,428,822	8,207,341	7,992,246
Water	13,192,817	11,877,365	11,440,010	10,392,869
Sanitation	3,866,075	3,730,285	3,720,156	3,097,256
Other business-type activities:				
Packard Music Hall	-	-	-	-
City Redevelopment	325,698	329,493	358,938	421,570
Downtown parking	23,467	23,836	18,490	21,165
Stormwater Utility	1,075,569	1,034,656	1,087,434	877,355
Capital grants and contributions				
Sewer	8,118	217,386	-	-
Water	-	5,435	189,516	1,090,634
Sanitation	12,500	-	12,500	2,985
Other business-type activities:				
Packard Music Hall	-	-	-	-
Stormwater Utility	8,118	217,386	-	-
Total business-type activities program revenues	<u>27,819,641</u>	<u>24,864,664</u>	<u>25,034,385</u>	<u>23,896,080</u>
Total primary government	<u>\$ 37,179,129</u>	<u>\$ 38,087,842</u>	<u>\$ 34,338,250</u>	<u>\$ 33,822,406</u>
Expenses:				
Governmental activities:				
General government	\$ 7,106,282	\$ 7,128,383	\$ 7,193,770	\$ 6,373,481
Security of persons and property	1,921,321	17,604,592	15,589,381	16,529,431
Public health and welfare	160,049	841,137	780,424	755,064
Transportation	3,874,549	3,714,265	3,560,975	3,953,939
Community environment	1,024,850	1,758,730	1,824,742	1,901,508
Leisure time activity	996,445	966,023	689,808	781,777
Economic development	1,886,918	1,471,834	1,792,666	2,215,336
Interest and fiscal charges	182,246	209,570	321,509	361,464
Bond issuance costs	-	-	-	-
Total governmental activities expenses	<u>17,152,660</u>	<u>33,694,534</u>	<u>31,753,275</u>	<u>32,872,000</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	1,142,087	\$ 1,258,784	\$ 1,219,533	\$ 1,304,044	\$ 1,331,458	\$ 1,355,736
	1,525,792	1,598,937	1,452,930	1,739,425	1,827,410	1,898,051
	195,126	212,498	204,455	201,798	193,402	206,308
	1,300	350	1,050	21,750	35,950	22,700
	801,817	783,143	762,676	794,078	698,223	845,630
	51,053	23,252	36,082	34,033	17,643	28,350
	-	-	371,154	526,844	587,408	30,482
	-	-	-	-	-	-
	110,795	139,755	166,236	162,239	116,784	132,324
	1,944,652	2,085,454	1,968,489	2,000,968	2,063,252	2,127,786
	-	515,924	362,596	-	-	-
	1,484,273	2,060,026	1,592,956	2,859,913	3,794,352	5,212,448
	-	-	-	309,751	-	-
	4,718,978	2,573,034	3,971,851	982,257	2,646,972	2,647,295
	<u>11,975,873</u>	<u>11,251,157</u>	<u>12,110,008</u>	<u>10,937,100</u>	<u>13,312,854</u>	<u>14,507,110</u>
	8,025,072	8,188,147	8,026,141	8,487,821	9,862,861	7,364,686
	11,932,352	10,930,207	10,276,785	11,042,614	10,746,044	9,762,568
	3,624,806	3,446,470	3,434,612	3,323,515	3,146,892	3,182,299
	-	149,163	211,795	185,971	213,131	197,508
	404,767	426,888	57,092	40,111	51,778	31,378
	30,614	23,088	34,024	24,530	29,566	30,940
	1,105,928	1,103,573	1,009,629	1,038,686	983,029	921,907
	-	-	-	-	246,037	1,072,931
	10,000	8,600	-	-	-	-
	17,500	-	-	-	-	-
	-	-	37,028	59,020	232,913	675,680
	-	-	-	23,469	227,296	23,697
	<u>25,151,039</u>	<u>24,276,136</u>	<u>23,087,106</u>	<u>24,225,737</u>	<u>25,739,547</u>	<u>23,263,594</u>
\$	<u>37,126,912</u>	<u>35,527,293</u>	<u>35,197,114</u>	<u>35,162,837</u>	<u>39,052,401</u>	<u>37,770,704</u>
\$	6,488,811	\$ 5,938,254	\$ 5,490,149	\$ 5,841,107	\$ 5,614,737	\$ 5,400,182
	16,095,857	15,374,111	16,292,351	16,753,174	16,860,682	15,449,385
	615,477	652,802	681,620	634,143	615,238	633,699
	3,442,801	4,256,445	4,124,435	3,790,997	4,034,308	3,548,603
	1,813,704	2,165,295	2,545,832	1,758,742	1,797,152	1,817,279
	737,876	499,936	499,204	482,998	453,413	520,453
	1,717,280	2,381,519	2,481,991	2,402,035	2,821,164	2,936,898
	386,234	413,785	195,930	266,413	312,812	503,530
	-	-	226,597	59,662	-	-
	<u>31,298,040</u>	<u>31,682,147</u>	<u>32,538,109</u>	<u>31,989,271</u>	<u>32,509,506</u>	<u>30,810,029</u>

CITY OF WARREN, OHIO

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Business-type activities:				
Sewer	\$ 8,757,648	\$ 8,773,308	\$ 7,964,421	\$ 7,839,689
Water	12,951,978	13,082,604	12,690,692	11,786,057
Sanitation	3,973,580	4,020,987	3,733,769	3,570,325
Other business-type activities:				
Packard Music Hall	-	-	-	-
City Redevelopment	252,315	277,699	314,064	367,444
Downtown Parking	145,146	139,892	162,080	129,999
Stormwater Utility	679,975	428,966	603,721	715,346
Total business-type activities expenses	<u>26,760,642</u>	<u>26,723,456</u>	<u>25,468,747</u>	<u>24,408,860</u>
Total primary government	<u>\$ 43,913,302</u>	<u>\$ 60,417,990</u>	<u>\$ 57,222,022</u>	<u>\$ 57,280,860</u>
Net (expense) revenue:				
Governmental activities	\$ (7,793,172)	\$ (20,471,356)	\$ (22,449,410)	\$ (22,945,674)
Business-type activities	1,058,999	(1,858,792)	(434,362)	(512,780)
Total primary government net expense	<u>\$ (6,734,173)</u>	<u>\$ (22,330,148)</u>	<u>\$ (22,883,772)</u>	<u>\$ (23,458,454)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General Purposes	\$ 149,766	\$ 217,738	\$ -	\$ -
Debt service	902,413	835,333	1,337,229	1,136,724
Fire pension	-	-	-	-
Police pension	-	-	-	-
Income taxes levied for:				
General Purposes	20,787,329	21,345,452	18,091,853	16,990,041
Grants and entitlements				
not restricted to specific programs	2,461,054	2,336,729	1,974,260	1,458,525
Investment earnings	326,622	260,018	125,442	117,016
Change in fair value of investments	125,816	12,050	5,522	(78,842)
Miscellaneous	306,244	678,226	579,992	1,646,101
Special item	1,233,293	-	-	-
Transfers	(90,000)	(88,540)	142,734	(28,544)
Total governmental activities	<u>26,202,537</u>	<u>25,597,006</u>	<u>22,257,032</u>	<u>21,241,021</u>
Business-type activities				
Investment earnings	-	12	-	-
Miscellaneous	320,625	475,516	217,224	537,993
Special item	-	-	-	-
Transfers	90,000	88,540	(142,734)	28,544
Total business-type activities	<u>410,625</u>	<u>564,068</u>	<u>74,490</u>	<u>566,537</u>
Total primary government	<u>\$ 26,613,162</u>	<u>\$ 26,161,074</u>	<u>\$ 22,331,522</u>	<u>\$ 21,807,558</u>
Change in net position:				
Governmental activities	\$ 18,409,365	\$ 5,125,650	\$ (192,378)	\$ (1,704,653)
Business-type activities	1,469,624	(1,294,724)	(359,872)	53,757
Total primary government	<u>\$ 19,878,989</u>	<u>\$ 3,830,926</u>	<u>\$ (552,250)</u>	<u>\$ (1,650,896)</u>

Source: City of Warren, Financial Records

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 7,097,645	\$ 7,157,384	\$ 7,126,141	\$ 6,684,587	\$ 7,130,457	\$ 7,211,259
12,013,437	11,815,365	11,723,619	12,190,368	12,240,091	11,925,632
3,326,132	3,631,799	3,214,243	3,331,447	3,212,094	3,129,254
-	525,830	706,478	657,521	563,301	387,126
215,209	260,920	76,175	46,689	45,514	58,066
136,252	136,077	149,373	131,147	145,216	128,252
580,172	634,430	551,745	715,049	760,294	557,878
<u>23,368,847</u>	<u>24,161,805</u>	<u>23,547,774</u>	<u>23,756,808</u>	<u>24,096,967</u>	<u>23,397,467</u>
<u>\$ 54,666,887</u>	<u>\$ 55,843,952</u>	<u>\$ 56,085,883</u>	<u>\$ 55,746,079</u>	<u>\$ 56,606,473</u>	<u>\$ 54,207,496</u>
\$ (19,322,167)	\$ (20,430,990)	\$ (20,428,101)	\$ (21,052,171)	\$ (19,196,652)	\$ (16,302,919)
1,782,192	114,331	(460,668)	468,929	1,642,580	(133,873)
<u>\$ (17,539,975)</u>	<u>\$ (20,316,659)</u>	<u>\$ (20,888,769)</u>	<u>\$ (20,583,242)</u>	<u>\$ (17,554,072)</u>	<u>\$ (16,436,792)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,221,461	1,370,616	1,311,792	995,193	1,223,713	1,129,724
-	-	-	94,034	128,896	118,708
-	-	-	94,034	117,974	116,983
17,237,265	16,247,030	16,624,172	16,968,167	17,292,458	16,247,214
1,601,526	2,016,181	3,639,724	4,115,473	4,750,099	3,375,874
73,839	67,940	53,299	67,451	128,848	111,444
-	-	-	-	-	-
1,698,877	666,755	562,200	673,628	834,099	716,079
-	2,280,036	-	-	-	-
99,283	(323,000)	(317,557)	(327,269)	(220,975)	(260,092)
<u>21,932,251</u>	<u>22,325,558</u>	<u>21,873,630</u>	<u>22,680,711</u>	<u>24,255,112</u>	<u>21,555,934</u>
-	-	-	143	-	-
364,640	322,482	435,637	339,037	416,949	465,545
-	(2,280,036)	-	-	-	-
(99,283)	323,000	317,557	327,269	220,975	260,092
<u>265,357</u>	<u>(1,634,554)</u>	<u>753,194</u>	<u>666,449</u>	<u>637,924</u>	<u>725,637</u>
<u>\$ 22,197,608</u>	<u>\$ 20,691,004</u>	<u>\$ 22,626,824</u>	<u>\$ 23,347,160</u>	<u>\$ 24,893,036</u>	<u>\$ 22,281,571</u>
\$ 2,610,084	\$ 1,894,568	\$ 1,445,529	\$ 1,628,540	\$ 5,058,460	\$ 5,253,015
2,047,549	(1,520,223)	292,526	1,135,378	2,280,504	591,764
<u>\$ 4,657,633</u>	<u>\$ 374,345</u>	<u>\$ 1,738,055</u>	<u>\$ 2,763,918</u>	<u>\$ 7,338,964</u>	<u>\$ 5,844,779</u>

CITY OF WARREN, OHIO

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund:					
Nonspendable	\$ 2,993	\$ 3,729	\$ 3,013	\$ 2,438	\$ 3,283
Restricted	-	419,020	505,366	513,419	558,717
Assigned	525,489	357,577	311,428	58,956	85,482
Unassigned	6,181,529	4,379,649	2,141,301	973,017	1,729,249
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>\$ 6,710,011</u>	<u>\$ 5,159,975</u>	<u>\$ 2,961,108</u>	<u>\$ 1,547,830</u>	<u>\$ 2,376,731</u>
All other governmental funds:					
Nonspendable	\$ 55,680	\$ -	\$ 12,130	\$ 100,125	\$ 133,500
Restricted	12,154,040	11,249,097	10,810,968	11,516,013	11,473,582
Unassigned (deficit)	-	-	-	-	-
Reserved	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Total all other governmental funds	<u>\$ 12,209,720</u>	<u>\$ 11,249,097</u>	<u>\$ 10,823,098</u>	<u>\$ 11,616,138</u>	<u>\$ 11,607,082</u>

Source: City of Warren, Financial Records

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,877	\$ 4,426	\$ 3,538	\$ 7,445	\$ -
611,275	622,922	665,959	692,804	-
210,808	212,483	743,525	74,882	-
1,506,015	3,230,863	3,810,108	4,810,152	-
-	-	-	-	324,890
-	-	-	-	<u>4,250,122</u>
<u>\$ 2,332,975</u>	<u>\$ 4,070,694</u>	<u>\$ 5,223,130</u>	<u>\$ 5,585,283</u>	<u>\$ 4,575,012</u>
\$ 315	\$ -	\$ -	\$ 10,596	\$ -
14,060,602	17,497,378	12,285,612	12,966,986	-
(7,863)	-	(492,011)	-	-
-	-	-	-	10,966,339
-	-	-	-	1,481,434
-	-	-	-	505,151
-	-	-	-	<u>(2,073,152)</u>
<u>\$ 14,053,054</u>	<u>\$ 17,497,378</u>	<u>\$ 11,793,601</u>	<u>\$ 12,977,582</u>	<u>\$ 10,879,772</u>

CITY OF WARREN, OHIO

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues				
Income taxes	\$ 21,366,470	\$ 20,679,002	\$ 19,574,834	\$ 16,115,081
Property and other taxes	1,057,186	1,077,304	1,256,067	1,249,316
Charges for services	2,243,738	2,529,584	2,315,057	2,252,949
Licenses and permits	1,147,063	2,097,794	1,932,851	1,849,308
Fines and forfeitures	1,403,081	1,325,672	1,361,117	1,236,826
Intergovernmental	8,615,087	11,153,774	7,502,554	7,826,195
Special assessments	11,257	11,048	10,104	10,522
Investment income	371,119	283,645	164,024	137,484
Rental income	72,543	71,054	69,529	72,547
Change in fair value of investments	125,816	12,050	5,522	(78,842)
Other	692,911	535,500	730,284	1,951,250
Total revenues	<u>37,106,271</u>	<u>39,776,427</u>	<u>34,921,943</u>	<u>32,622,636</u>
Expenditures				
Current:				
General government	8,186,636	8,339,458	7,825,008	7,631,063
Security of persons and property	16,231,802	15,404,934	15,083,909	14,431,020
Public health and welfare	160,049	812,647	730,301	729,262
Transportation	1,496,750	1,533,931	1,459,169	1,438,403
Community environment	997,224	1,646,638	1,707,294	1,844,028
Leisure time activity	396,652	396,792	286,373	458,214
Economic development	1,870,301	1,442,020	1,749,327	2,199,189
Capital outlay	4,074,972	6,367,244	3,310,574	3,437,790
Debt service:				
Principal retirement	867,828	897,828	792,828	872,828
Interest and fiscal charges	194,288	227,290	271,418	372,140
Bond/refunding bond issuance costs	-	-	69,003	-
Total expenditures	<u>34,476,502</u>	<u>37,068,782</u>	<u>33,285,204</u>	<u>33,413,937</u>
Excess of revenues over (under) expenditures	<u>2,629,769</u>	<u>2,707,645</u>	<u>1,636,739</u>	<u>(791,301)</u>
Other financing sources (uses)				
Sale of refunding bonds	-	-	5,095,000	-
Sale of bonds	-	-	-	-
Sale of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	(6,170,449)	-
Loan proceeds	-	-	-	-
Premium on bonds/refunding bonds	-	-	-	-
Capital lease transaction	305,298	-	-	-
Transfers in	2,112,228	1,066,097	937,283	336,868
Transfers (out)	(2,202,228)	(1,148,876)	(878,335)	(365,412)
Total other financing sources (uses)	<u>215,298</u>	<u>(82,779)</u>	<u>(1,016,501)</u>	<u>(28,544)</u>
Special items	<u>(334,408)</u>	-	-	-
Net change in fund balances	<u>\$ 2,510,659</u>	<u>\$ 2,624,866</u>	<u>\$ 620,238</u>	<u>\$ (819,845)</u>
Capital expenditures	4,353,720	6,719,065	3,786,808	3,257,331
Debt service as a percentage of noncapital expenditures	3.53%	3.71%	3.61%	4.13%

Source: City of Warren, Financial Records

2015	2014	2013	2012	2011	2010
\$ 16,939,262	\$ 16,409,208	\$ 16,624,224	\$ 17,080,705	\$ 16,996,981	\$ 15,872,631
1,283,266	1,318,438	1,315,316	1,356,637	1,404,962	1,475,498
2,172,819	2,118,099	2,146,723	2,068,967	2,085,260	2,084,254
2,103,295	2,114,415	2,129,625	2,281,768	2,193,463	2,303,729
1,543,176	1,668,265	1,465,518	1,751,023	1,827,530	1,918,363
9,923,751	8,554,302	11,242,468	10,388,955	13,551,987	13,198,824
16,123	20,549	23,663	35,896	65,724	50,813
101,689	107,227	163,524	125,471	271,739	216,055
48,899	47,749	30,606	26,274	31,653	36,552
-	-	-	-	-	-
1,842,483	1,478,244	983,926	760,098	916,099	803,079
35,974,763	33,836,496	36,125,593	35,875,794	39,345,398	37,959,798
8,101,494	7,579,223	7,375,113	7,614,421	7,387,486	7,565,426
15,786,930	15,484,022	16,951,166	17,396,017	16,783,776	15,299,674
607,931	650,352	682,462	631,915	621,583	627,133
1,690,699	1,619,094	1,311,023	1,661,599	1,584,939	1,568,297
1,786,984	1,825,474	1,738,663	1,766,330	1,770,245	1,707,275
418,546	730,344	550,457	493,165	456,404	440,263
1,711,494	2,276,793	2,417,744	3,291,712	3,500,283	3,631,183
7,107,269	7,275,418	7,601,061	2,681,709	2,379,047	4,238,297
869,882	815,983	1,153,216	3,494,229	1,342,926	1,937,447
395,033	399,298	164,201	256,922	277,837	481,373
-	-	226,597	44,710	-	-
38,476,262	38,656,001	40,171,703	39,332,729	36,104,526	37,496,368
(2,501,499)	(4,819,505)	(4,046,110)	(3,456,935)	3,240,872	463,430
-	-	-	-	-	-
-	-	8,585,000	1,960,000	-	-
-	-	-	13,529	-	-
-	-	-	-	-	-
-	-	-	-	-	520,000
-	-	241,824	62,088	-	-
-	-	-	-	-	-
1,237,739	1,428,160	429,120	960,193	552,103	384,562
(1,138,456)	(1,751,160)	(658,493)	(1,085,009)	(684,894)	(556,470)
99,283	(323,000)	8,597,451	1,910,801	(132,791)	348,092
-	(39,538)	-	-	-	-
\$ (2,402,216)	\$ (5,182,043)	\$ 4,551,341	\$ (1,546,134)	\$ 3,108,081	\$ 811,522
8,068,858	7,247,084	7,166,035	3,438,531	2,066,359	5,200,379
4.16%	3.87%	3.99%	10.45%	4.76%	7.49%

CITY OF WARREN, OHIO

ASSESSSED 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)
2019	\$ 332,548,410	\$ 950,138,314	\$ 24,539,800	\$ 27,886,136	\$ -	\$ -
2018	337,744,240	964,983,543	23,981,680	27,251,909	-	-
2017	344,190,630	983,401,800	22,702,200	25,797,955	-	-
2016	347,125,760	991,787,886	21,582,300	24,525,341	-	-
2015	350,800,170	1,002,286,200	20,536,880	23,337,364	-	-
2014	373,901,310	1,068,289,457	19,577,610	22,247,284	-	-
2013	377,697,430	1,079,135,514	17,925,480	20,369,864	-	-
2012	381,924,920	1,091,214,057	16,126,650	18,325,739	-	-
2011	425,214,910	1,214,899,743	15,465,320	17,574,227	-	-
2010	427,449,060	1,221,283,029	14,918,570	16,952,920	727,665	7,276,650

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 2010 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 2010, telephone tangible personal property is the only taxable tangible personal property.

Total

	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
\$	357,088,210	\$ 978,024,451	3.50	36.51%
	361,725,920	992,235,452	3.50	36.46%
	366,892,830	1,009,199,755	3.50	36.35%
	368,708,060	1,016,313,227	3.50	36.28%
	371,337,050	1,025,623,564	3.50	36.21%
	393,478,920	1,090,536,741	3.50	36.08%
	395,622,910	1,099,505,378	3.50	35.98%
	398,051,570	1,109,539,796	3.50	35.88%
	440,680,230	1,232,473,970	3.50	35.76%
	443,095,295	1,245,512,599	3.50	35.58%

CITY OF WARREN, OHIO

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

Collection Year	City Direct Rates				Overlapping Rates			
	General Obligation Debt	Police Pension	Fire Pension	Total Rate	Trumbull County	Warren City School District	Labrae Local School District	Howland Local School District
2019	2.90	0.30	0.30	3.50	12.30	66.05	55.80	49.70
2018	2.90	0.30	0.30	3.50	12.30	65.20	55.80	43.55
2017	2.90	0.30	0.30	3.50	12.30	64.30	55.80	43.85
2016	2.90	0.30	0.30	3.50	12.30	63.90	56.50	43.95
2015	2.90	0.30	0.30	3.50	12.30	63.65	56.50	43.95
2014	2.90	0.30	0.30	3.50	12.30	62.20	56.30	43.95
2013	2.90	0.30	0.30	3.50	12.30	62.10	56.05	43.95
2012	2.90	0.30	0.30	3.50	12.30	62.30	56.55	43.45
2011	2.90	0.30	0.30	3.50	12.30	59.50	56.55	43.05
2010	2.90	0.30	0.30	3.50	12.30	59.25	56.50	43.00

Source: Trumbull County Auditor's Office

Overlapping Rates - Continued

Lakeview Local School District	Vocational School	Library	Total Tax Rates	Total Direct and Overlapping Rates
50.85	2.40	1.00	238.10	241.60
50.90	2.40	1.00	231.15	234.65
51.40	2.40	1.00	231.05	234.55
51.65	2.40	1.00	231.70	235.20
46.60	2.40	1.00	226.40	229.90
48.10	2.40	1.00	226.25	229.75
48.00	2.40	1.00	242.80	246.30
47.65	2.40	1.00	238.65	242.15
47.05	2.40	1.00	221.85	225.35
43.15	2.40	1.00	230.60	234.10

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CITY OF WARREN, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 17,102,570	1	4.79%
Medical Properties Trust of Warren-Steward LLC	11,777,240	2	3.30%
American Transmission Systems Inc	6,987,030	3	1.96%
East Ohio Gas Co	3,135,740	4	0.88%
Wal-Mart Stores Inc.	2,345,500	5	0.66%
Rydyl I LLC	2,263,420	6	0.63%
Simon-Northbury Colony Ltd	1,981,450	7	0.55%
NRR Commerce Ltd	1,953,680	8	0.55%
Warren Plaza LLC	1,558,760	9	0.44%
Lowes Home Center	1,545,640	10	0.43%
Total, Top Ten Property Taxpayers	\$ 50,651,030		14.19%
Total City Property Tax Assessed Valuation	\$ 357,088,210		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 11,200,080	1	2.53%
Sam's Real Estate Business	2,637,010	2	0.60%
Rydyl I LLC	2,483,150	3	0.56%
Simon-Northbury Colony Ltd	2,015,760	4	0.45%
NRR Commerce Ltd	1,990,350	5	0.45%
East Ohio Gas Co.	1,815,460	6	0.41%
Lowes Home Center	1,771,070	7	0.40%
North Mar Center	1,461,430	8	0.33%
Warren Plaza LLC	1,452,680	9	0.33%
Covelli Real Estate Holdings LLC	1,426,470	10	0.32%
Total, Top Ten Property Taxpayers	\$ 28,253,460		6.38%
Total City Property Tax Assessed Valuation	\$ 443,095,295		

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>
2019	\$ 1,242,452	\$ 1,143,046	92.00%	\$ 70,872	\$ 1,213,918	97.70%	\$ 436,253	35.11%
2018	1,264,944	1,168,195	92.35%	77,452	1,245,647	98.47%	441,260	34.88%
2017	1,283,007	1,181,848	92.12%	73,234	1,255,082	97.82%	465,494	36.28%
2016	1,289,364	1,180,694	91.57%	75,016	1,255,710	97.39%	466,318	36.17%
2015	1,289,364	1,193,504	92.57%	92,748	1,286,252	99.76%	487,497	37.81%
2014	1,376,055	1,251,055	90.92%	79,058	1,330,113	96.66%	540,846	39.30%
2013	1,383,574	1,260,201	91.08%	71,295	1,331,496	96.24%	482,854	34.90%
2012	1,392,078	1,264,311	90.82%	88,358	1,352,669	97.17%	486,316	34.93%
2011	1,541,261	1,393,754	90.43%	81,909	1,475,663	95.74%	512,553	33.26%
2010	1,549,720	1,399,043	90.28%	83,431	1,482,474	95.66%	464,966	30.00%

Source: Trumbull County Auditor's Office

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

CITY OF WARREN, OHIO

**SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year	Current Tax Levy	Current Tax Collections	Percent of Current Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
2019 (a)	\$ 1,614,931	\$ 6,418	0.40%	\$ 10,577	\$ 16,995	1.05%	\$ 2,009,279	124.42%
2018	200,366	19,785	9.87%	114,455	134,240	67.00%	2,179,283	1087.65%
2017	114,882	14,300	12.45%	4,928	19,228	16.74%	2,129,435	1853.58%
2016	46,517	23,630	50.80%	23,033	46,663	100.31%	2,112,438	4541.22%
2015	31,049	12,516	40.31%	13,282	25,798	83.09%	2,127,913	6853.40%
2014	166,177	43,500	26.18%	11,213	54,713	32.92%	2,296,344	1381.87%
2013	526,229	69,452	13.20%	-	69,452	13.20%	2,600,219	494.12%
2012	541,272	54,573	10.08%	1,705	56,278	10.40%	2,143,442	396.00%
2011	699,565	141,254	20.19%	14,730	155,984	22.30%	1,623,738	232.11%
2010	47,441	20,998	44.26%	48,334	69,332	146.14%	1,046,333	2205.55%

Source: Trumbull County Auditor's Office

(a) 2019 current tax levy includes \$1,523,654 for demolitions.

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
2019	2.50%	\$ 21,415,222	\$ 16,978,487	79.28%	\$ 2,133,919	9.96%
2018	2.50%	20,868,056	16,796,297	80.49%	1,865,784	8.94%
2017	2.50%	19,486,241	15,839,986	81.29%	1,475,457	7.57%
2016	2.00%	17,095,349	13,513,180	79.05%	1,597,201	9.34%
2015	2.00%	16,616,546	12,983,653	78.14%	1,495,240	9.00%
2014	2.00%	16,547,733	12,880,337	77.84%	1,585,072	9.58%
2013	2.00%	16,594,792	12,852,413	77.45%	1,749,744	10.54%
2012	2.00%	17,337,806	13,278,181	76.59%	1,967,183	11.35%
2011	2.00%	16,819,929	13,421,787	79.80%	1,414,441	8.41%
2010	2.00%	15,758,181	12,547,026	79.62%	1,322,365	8.39%

Source: The City of Warren Income Tax Department

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	2,302,816	10.75%
	2,205,975	10.57%
	2,170,798	11.14%
	1,984,968	11.61%
	2,137,653	12.86%
	2,082,324	12.58%
	1,992,635	12.01%
	2,092,442	12.07%
	1,983,701	11.79%
	1,888,790	11.99%

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
2019	\$ 6,102,920	\$ -	\$ -	\$ 495,000	\$ -	\$ 102,626	\$ 305,298
2018	6,818,349	-	-	640,000	-	115,454	-
2017	7,585,919	-	-	775,000	-	128,282	-
2016	9,344,605	-	-	900,000	-	141,110	-
2015	10,082,176	100,000	-	1,015,000	-	153,938	-
2014	10,804,746	195,000	-	1,125,000	22,053	166,767	-
2013	11,482,316	290,000	-	1,225,000	45,208	179,595	-
2012	3,611,929	375,000	-	1,320,000	67,457	192,423	61,139
2011	1,533,091	450,000	-	1,405,000	53,928	205,251	119,660
2010	2,595,673	520,000	-	1,485,000	53,928	218,079	180,152

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
\$ 1,957,543	\$ -	\$ 14,294,756	\$377,236	\$ 342,446	\$ 23,977,825	\$ 697,729,760	3.44%	38,752	\$ 619
2,587,129	-	14,673,537	398,381	600,276	25,833,126	690,837,618	3.74%	38,382	673
3,201,715	-	15,050,735	419,526	960,212	28,121,389	699,456,160	4.02%	39,562	711
3,806,301	-	16,417,608	44,036	1,258,560	31,912,220	691,472,238	4.62%	39,898	800
4,395,887	-	18,307,791	45,833	224,808	34,325,433	690,418,575	4.97%	40,425	849
4,980,473	-	19,569,057	47,631	296,967	37,207,694	690,569,152	5.39%	40,768	913
5,555,059	-	19,808,127	49,428	-	38,634,733	680,236,992	5.68%	40,723	949
6,695,533	-	18,881,084	51,225	-	31,255,790	680,008,236	4.60%	41,358	756
1,131,689	7,330,000	20,800,593	53,022	-	33,082,234	688,641,047	4.80%	41,557	796
1,671,990	7,810,000	22,494,105	-	61,980	37,090,907	1,248,588,736	2.97%	43,402	855

CITY OF WARREN, OHIO

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

Year	Population (a)	Estimated Actual Value of Taxable Property (b)	General Obligation Bonds (c)	Less Amounts Restricted for Repayment	Net General Obligation Bonds	Ratio of Net Bonded Debt to Estimated Actual Value of Property	Net Bonded Debt Per Capita
2019	38,752	\$ 978,024,451	\$ 8,060,463	\$ 1,401,061	\$ 6,659,402	0.68%	\$ 172
2018	38,382	992,235,452	9,405,478	1,269,247	8,136,231	0.82%	212
2017	39,562	1,009,199,755	10,787,634	1,170,076	9,617,558	0.95%	243
2016	39,898	1,016,313,227	13,150,906	1,649,264	11,501,642	1.13%	288
2015	40,425	1,025,623,564	14,478,063	1,175,776	13,302,287	1.30%	329
2014	40,768	1,090,536,741	15,785,219	1,395,410	14,389,809	1.32%	353
2013	40,723	1,099,505,378	17,037,375	2,017,079	15,020,296	1.37%	369
2012	41,358	1,109,539,796	10,307,462	1,398,296	8,909,166	0.80%	215
2011	41,557	1,232,473,970	2,664,780	1,615,731	1,049,049	0.09%	25
2010	43,402	1,245,512,599	4,267,663	1,123,312	3,144,351	0.25%	72

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, 2019

<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	\$ 7,005,844	100.00%	\$ 7,005,844
Total direct debt			<u>7,005,844</u>
Overlapping debt:			
Trumbull County	20,770,000	10.67%	2,216,159
Warren City School District	22,710,000	94.73%	21,513,183
Howland Local School District	479,400	13.11%	62,849
LaBrae Local School District	2,825,000	9.05%	255,663
Lakeview Local School District	22,650,000	0.03%	6,795
Total overlapping debt			<u>24,054,649</u>
Total direct and overlapping debt			<u>\$ 31,060,493</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed value	\$ 357,088,210	\$ 361,725,920	\$ 366,892,830	\$ 368,708,060
Legal debt margin:				
Debt limitation - 10.5% of assessed value	37,494,262	37,981,222	38,523,747	38,714,346
Debt applicable to limitation:				
Total bonded debt	7,975,000	9,300,000	10,650,000	12,800,000
Exemptions:				
Debt service fund balance	(1,401,061)	(1,269,247)	(1,170,076)	(1,649,264)
Debt supported by enterprise fund operations	<u>(1,915,000)</u>	<u>(2,530,000)</u>	<u>(3,130,000)</u>	<u>(3,720,000)</u>
Total exemptions	<u>(3,316,061)</u>	<u>(3,799,247)</u>	<u>(4,300,076)</u>	<u>(5,369,264)</u>
Total debt applicable to limitation	<u>4,658,939</u>	<u>5,500,753</u>	<u>6,349,924</u>	<u>7,430,736</u>
Total legal debt margin within 10.5% limitation	<u>\$ 32,835,323</u>	<u>\$ 32,480,469</u>	<u>\$ 32,173,823</u>	<u>\$ 31,283,610</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 19,639,852	\$ 19,894,926	\$ 20,179,106	\$ 20,278,943
Debt applicable to limitation:				
Total bonded debt	7,975,000	9,300,000	10,650,000	12,800,000
Exemptions:				
Debt supported by enterprise fund operations	<u>(1,915,000)</u>	<u>(2,530,000)</u>	<u>(3,130,000)</u>	<u>(3,720,000)</u>
Total debt within 5.5% limitations	<u>6,060,000</u>	<u>6,770,000</u>	<u>7,520,000</u>	<u>9,080,000</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 13,579,852</u>	<u>\$ 13,124,926</u>	<u>\$ 12,659,106</u>	<u>\$ 11,198,943</u>

Source: City of Warren, Financial Records

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 371,337,050	\$ 393,478,920	\$ 395,622,910	\$ 398,051,570	\$ 440,168,950	\$ 442,367,630
38,990,390	41,315,287	41,540,406	41,795,415	46,217,740	46,448,601
14,095,000	15,370,000	16,590,000	10,075,000	9,980,000	12,055,000
(1,175,776)	(1,395,410)	(2,017,079)	(1,398,296)	(874,361)	(505,151)
<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>
<u>(5,470,776)</u>	<u>(6,260,410)</u>	<u>(7,442,079)</u>	<u>(7,946,296)</u>	<u>(9,329,861)</u>	<u>(9,977,651)</u>
8,624,224	9,109,590	9,147,921	2,128,704	650,139	2,077,349
<u>\$ 30,366,166</u>	<u>\$ 32,205,697</u>	<u>\$ 32,392,485</u>	<u>\$ 39,666,711</u>	<u>\$ 45,567,601</u>	<u>\$ 44,371,252</u>
\$ 20,423,538	\$ 21,641,341	\$ 21,759,260	\$ 21,892,836	\$ 24,209,292	\$ 24,330,220
14,095,000	15,370,000	16,590,000	10,075,000	9,980,000	12,055,000
<u>(4,295,000)</u>	<u>(4,865,000)</u>	<u>(5,425,000)</u>	<u>(6,548,000)</u>	<u>(8,455,500)</u>	<u>(9,472,500)</u>
<u>9,800,000</u>	<u>10,505,000</u>	<u>11,165,000</u>	<u>3,527,000</u>	<u>1,524,500</u>	<u>2,582,500</u>
<u>\$ 10,623,538</u>	<u>\$ 11,136,341</u>	<u>\$ 10,594,260</u>	<u>\$ 18,365,836</u>	<u>\$ 22,684,792</u>	<u>\$ 21,747,720</u>

CITY OF WARREN, OHIO

PLEGGED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS

REVENUE BONDS:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2011 (b)	\$ 11,038,048	\$ 9,126,622	\$ 1,911,426	\$ 480,000	\$ 404,000	\$ 884,000	2.16
2010	10,185,894	9,044,975	1,140,919	455,000	425,840	880,840	1.30
2009	9,902,093	8,740,883	1,161,210	435,000	446,285	881,285	1.32

OWDA LOANS:

<u>Year</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Required for Revenue Bonds</u>	<u>Net Revenue Available for OWDA Loans</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2019	\$ 2,218,908	\$ -	\$ 2,218,908	\$ 1,112,229	\$ 272,830	\$ 1,385,059	1.60
2018	1,633,601	-	1,633,601	1,074,525	303,703	1,378,228	1.19
2017	1,261,080	-	1,261,080	1,038,152	333,505	1,371,657	0.92
2016	1,418,581	-	1,418,581	985,789	362,799	1,348,588	1.05
2015	3,528,745	-	3,528,745	977,614	457,801	1,435,415	2.46
2014	2,161,670	-	2,161,670	835,990	425,025	1,261,015	1.71
2013	1,587,073	-	1,587,073	721,975	411,209	1,133,184	1.40
2012	2,084,390	-	2,084,390	588,698	440,140	1,028,838	2.03
2011	1,140,919	880,840	260,079	677,898	468,330	1,146,228	0.23
2010	1,161,210	881,285	279,925	641,133	425,840	1,066,973	0.26

Source: City of Warren, Financial Records

(a) Total operating expenses are exclusive of depreciation.

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

CITY OF WARREN, OHIO

PLEGDED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

Year	Operating Revenues	Operating Expenses (a)	Net Revenue Available for Debt Service	Debt Service Requirements (b)			Coverage
				Principal	Interest	Total	
2019	\$ 9,309,961	\$ 8,333,222	\$ 976,739	\$ 602,830	\$ 99,098	\$ 701,928	1.39
2018	7,431,588	7,671,372	(239,784)	563,317	101,878	665,195	-0.36
2017	8,222,278	7,206,870	1,015,408	898,940	112,529	1,011,469	1.00
2016	7,999,222	6,993,102	1,006,120	904,394	139,873	1,044,267	0.96
2015	8,036,425	6,198,887	1,837,538	875,660	181,900	1,057,560	1.74
2014	8,195,004	5,994,030	2,200,974	928,923	212,310	1,141,233	1.93
2013	8,027,797	5,971,569	2,056,228	935,977	246,772	1,182,749	1.74
2012	8,495,601	5,578,884	2,916,717	1,279,509	303,062	1,582,571	1.84
2011	9,921,833	5,856,013	4,065,820	1,589,426	382,247	1,971,673	2.06
2010	7,377,857	6,142,767	1,235,090	1,471,094	432,635	1,903,729	0.65

Source: City of Warren, Financial Records

(a) Total operating expenses are exclusive of depreciation.

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

CITY OF WARREN, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Annual Average Unemployment Rates (b)			
				City of Warren	Trumbull County	Ohio	United States
2019	38,752	\$ 697,729,760	\$ 18,005	8.2%	5.6%	4.1%	3.5%
2018	38,382	690,837,618	17,999	7.3%	6.2%	4.6%	3.9%
2017	39,562	699,456,160	17,680	7.2%	6.1%	4.5%	3.9%
2016	39,898	691,472,238	17,331	7.7%	6.7%	4.9%	4.9%
2015	40,425	690,418,575	17,079	7.3%	6.5%	4.9%	5.3%
2014	40,768	690,569,152	16,939	8.4%	7.0%	5.7%	6.2%
2013	40,723	680,236,992	16,704	8.8%	8.1%	7.4%	7.4%
2012	41,358	680,008,236	16,442	9.2%	8.1%	7.2%	8.1%
2011	41,557	688,641,047	16,571	10.7%	9.6%	8.6%	8.9%
2010	43,402	1,248,588,736	28,768	12.2%	11.8%	10.1%	9.6%

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	2019		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull County Auditor	\$ 1,374,764	1	8.10%
Steward Trumbull Memorial	1,149,441	2	6.77%
Warren City Schools	979,228	3	5.77%
Mercy Health	944,797	4	5.56%
State of Ohio, Dep't of Adm. Services	670,683	5	3.95%
City of Warren	526,367	6	3.10%
AVI Food Systems	466,199	7	2.75%
Laird Controls, North America	228,402	8	1.35%
Glunt Industries	212,091	9	1.25%
Charter Communications Withholding	191,296	10	1.13%
Total	\$ 6,743,268		39.72%
Total 2019 City Income Tax Withholding	<u>\$ 16,978,487</u>		

Employer	2010		
	Income Tax Withholding	Rank	Percentage of Total City Withholding
Trumbull County Auditor	\$ 988,950	1	7.88%
Trumbull Memorial Hospital	898,227	2	7.16%
Warren City Schools	771,932	3	6.15%
St. Elizabeth Medical Center	761,568	4	6.07%
State of Ohio, Dep't of Adm. Services	433,693	5	3.46%
City of Warren	425,232	6	3.39%
GE Lighting Inc.	410,689	7	3.27%
Warren OH Hospital Co.	343,207	8	2.74%
AVI Food Systems Inc.	242,231	9	1.93%
Severstal Warren Inc.	219,088	10	1.75%
Total	\$ 5,494,817		43.79%
Total 2010 City Income Tax Withholding	<u>\$ 12,547,026</u>		

Source: The City of Warren Income Tax Department

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

CITY OF WARREN, OHIO

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

Function/Program	2019	2018	2017	2016	2015	2014	2013
General Government							
Council	12.00	12.00	12.00	12.00	12.00	12.00	11.00
Mayor	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Finance	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Income Tax	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Law	10.00	10.00	10.00	10.00	10.00	10.00	11.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	30.00	30.00	29.00	33.00	31.00	32.00	31.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	28.00	25.00	27.00	24.00	26.00	29.00	29.00
Engineering	8.00	8.00	8.00	10.00	11.00	12.00	11.00
Security of Persons and Property							
Police	74.00	75.00	64.00	63.00	65.00	80.00	82.00
Fire	68.00	66.00	68.00	51.00	53.00	58.00	70.00
Public Health and Welfare							
Health Services	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Economic Development							
Community Development	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Packard Music Hall (a)	-	-	-	-	-	-	5.00
Data Processing	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Services							
Water	77.00	75.00	74.00	73.00	71.00	75.00	75.00
Sewer/Stormwater	54.00	56.00	52.00	45.00	46.00	48.00	45.00
Sanitation	16.00	16.00	16.00	16.00	16.00	15.00	15.00
Total	<u>423.00</u>	<u>419.00</u>	<u>405.00</u>	<u>383.00</u>	<u>387.00</u>	<u>417.00</u>	<u>432.00</u>

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

Source: City of Warren records

<u>2012</u>	<u>2011</u>	<u>2010</u>
12.00	12.00	12.00
3.00	3.00	3.00
6.00	6.00	6.00
7.00	7.00	6.00
11.00	9.00	9.00
4.00	4.00	4.00
2.00	1.00	1.00
3.00	3.00	3.00
31.00	30.00	33.00
2.00	2.00	2.00
28.00	29.00	26.00
11.00	11.00	10.00
83.00	84.00	81.00
73.00	73.00	63.00
12.00	12.00	12.00
5.00	5.00	5.00
5.00	4.00	3.00
3.00	2.00	2.00
78.00	79.00	82.00
44.00	42.00	51.00
15.00	15.00	15.00
<u>438.00</u>	<u>433.00</u>	<u>429.00</u>

CITY OF WARREN, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	2019	2018	2017	2016	2015	2014	2013
Security of Persons and Property							
Police:							
Physical Arrests	2,197	2,525	2,060	2,125	2,211	2,204	2,301
Parking Violations	1,873	644	302	624	1,369	547	1,728
Traffic Violations	2,106	2,139	1,386	1,391	2,208	3,406	2,849
Fire:							
Calls for Service	1,434	1,418	1,346	1,318	1,369	1,322	952
Fire Safety Inspections	1,165	1,204	1,125	1,042	1,152	935	1,346
Leisure Time Activities							
Enclosed Shelter Rentals	118	139	108	105	135	111	105
Log Cabin Rentals	10	25	13	28	34	21	25
Pavilion Rentals	114	140	150	146	168	194	231
Transportation							
Street Resurfacing (Miles)	14.5	13.0	9.9	5.6	6.6	23.5	6.46
Potholes Repaired	1,375	1,550	1,450	1,282	1,041	1,480	1,350
Water							
New Connections	7	8	13	10	50	7	5
Water Main Breaks	116	117	95	125	123	111	137
Average Daily Consumption (thousands of gallons)	13,000	12,235	10,661	10,614	11,377	11,591	11,383
Sewer							
Average Daily Consumption (thousands of gallons)	14,950	12,500	11,373	10,430	11,430	14,090	13,920
Sanitation							
Refuse Collected (tons daily)	99	91	94	106	92	95	92

Source: City of Warren Departments.

<u>2012</u>	<u>2011</u>	<u>2010</u>
1,848	2,668	2,229
452	545	273
2,036	4,238	3,803
1,122	1,386	1,230
1,213	1,152	1,125
112	92	76
11	18	5
260	205	200
8	6	8
1,140	1,157	1,236
17	13	11
128	70	94
11,380	12,504	11,625
13,310	17,240	12,560
91	90	90

CITY OF WARREN, OHIO

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

Function	2019	2018	2017	2016	2015	2014	2013
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units (Marked)	35	30	30	30	29	29	32
Fire:							
Stations	3	3	3	3	3	3	3
Fire Pumpers	3	3	3	3	3	3	3
Reserve Fire Pumpers	0	0	0	1	1	1	1
Ladder Trucks	2	2	2	2	2	2	2
Heavy Rescue Truck	1	1	1	1	1	1	2
Leisure Time Activities							
Park Acreage	262.92	262.92	262.92	262.92	262.92	262.92	262.92
Packard Park							
Hardball Fields	1	2	1	1	1	1	1
Softball Fields	3	3	3	3	3	3	3
Tennis Courts	6	6	6	6	6	6	6
Perkins Park							
Hardball Fields	6	6	6	6	6	6	6
Softball Fields	2	2	2	2	2	2	2
Burbank Park							
Little League Fields	4	4	4	4	4	4	4
Deemer Park							
Tennis Courts	0	0	0	0	0	0	0
Transportation							
Streets (Paved Miles)	184.423	184.423	184.423	184.423	184.423	184.423	184.423
Traffic Signals	60	60	60	60	60	60	60
Water							
Water Mains (miles)	300	300	300	300	300	300	300
Fire Hydrants	1,905	1,905	1,905	1,905	1,905	1,905	1,905
Maximum Daily Capacity (thousands of gallons)	22,800	22,800	22,800	22,800	22,800	22,800	22,800
Sewer							
Sanitary Sewers (miles)	201.390	201.390	201.390	201.390	201.390	201.390	201.390
Storm Sewers (miles)	123.902	123.902	123.902	123.902	123.902	123.394	123.394
Maximum Daily Capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Sanitation							
Collection Trucks	13	12	12	14	10	9	9

Source: City of Warren Departments.

<u>2012</u>	<u>2011</u>	<u>2010</u>
1	1	1
30	27	27
3	3	3
3	2	2
1	1	1
2	2	2
1	1	1
262.92	262.92	256.78
1	1	1
3	3	3
6	6	6
6	6	6
2	2	2
4	4	4
4	4	4
184.423	184.423	184.309
63	63	63
300	300	300
1,906	1,906	1,904
22,700	22,700	22,700
199.200	199.200	199.200
125.500	125.500	125.500
40,000	40,000	40,000
9	9	9

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF WARREN

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/15/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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