

**CITY OF WARREN
TRUMBULL COUNTY**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Warren, Trumbull County, prepared by Julian & Grube, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 16, 2008

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CITY OF WARREN

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

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

Our audit was performed for the purpose of forming an opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2007, and we have issued our report thereon dated June 20, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Warren's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 20, 2008

CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct Programs:</i>			
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 21,901
Community Development Block Grants/Entitlement Grants	14.218	N/A	23,692
Community Development Block Grants/Entitlement Grants	14.218	N/A	7,145
Community Development Block Grants/Entitlement Grants	14.218	N/A	44,329
Community Development Block Grants/Entitlement Grants	14.218	N/A	90,470
Community Development Block Grants/Entitlement Grants	14.218	N/A	479,066
Community Development Block Grants/Entitlement Grants	14.218	N/A	568,484
(F) Community Development Block Grants/Entitlement Grants	14.218	N/A	406,513
(G) Community Development Block Grants/Entitlement Grants	14.218	N/A	190,400
Total Community Development Block Grants/Entitlement Grants			1,832,000
HOME Investment Partnerships Program	14.239	N/A	3,732
HOME Investment Partnerships Program	14.239	N/A	8,335
HOME Investment Partnerships Program	14.239	N/A	640,070
HOME Investment Partnerships Program	14.239	N/A	93,074
HOME Investment Partnerships Program	14.239	N/A	141,710
Total HOME Investment Partnerships Program			886,921
Total U.S. Department of Housing and Urban Development			2,718,921
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Programs:</i>			
Bulletproof Vest Partnership Program	16.607	N/A	1,762
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	7,408
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	16,152
Total Edward Byrne Memorial Justice Assistance Grant			23,560
<i>Passed through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	16.575	2007VAGENE511	18,434
Crime Victim Assistance	16.575	2008VAGENE511	5,239
Total Crime Victim Assistance			23,673
Total U.S. Department of Justice			48,995
U. S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction:</i>			
Warren Greenway Biketrail ODOT Project	20.205	77201	107,991
US 422 Parkman Road ODOT Project	20.205	78220	24,464
(E) Warren Riverwalk ODOT Project	20.205	78403	457,391
East Market Street ODOT Project	20.205	79823	76,208
Packard Museum Expansion Project	20.205	80677	14,080
(D) West Market Street ODOT Project	20.205	76176	146,251
(D) US 422 Parkman Road ODOT Project	20.205	78220	60,254
Total Highway Planning and Construction			886,639
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	HVEO-2007-78-00-00-00702-00	24,116
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	HVEO-2008-78-00-00-00428-00	9,804
Total Alcohol Traffic Safety and Drunk Driving Prevention Incentive			33,920
Total U.S. Department of Transportation			920,559
ENVIRONMENTAL PROTECTION AGENCY			
<i>Direct Programs:</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	69,536
Total Environmental Protection Agency			69,536
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant to States	93.994	78-2-001-1-AJ-07	29,113
<i>Passed through Trumbull County Health Department:</i>			
Immunization Grants	93.268	78-1-001-2-AZ-07	7,000
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	78-1-001-2-PI-0108	15,667
<i>Passed through Youngstown City Health Department:</i>			
HIV Prevention Activities_Health Department Based	93.940	50-2-001-2-AS-08	7,811
Total U.S. Department of Health and Human Services			59,591
Total Federal Financial Assistance			\$ 3,817,602

**CITY OF WARREN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Continued from Page 2

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. This schedule has been prepared on the cash basis of accounting.
- (B) The City administers loans programs with funding received from the Department of Housing and Urban Development. Following are the loan balances outstanding for these programs as of December 31, 2007:

Program Title	Federal CFDA Number	Amount Outstanding
Community Development Block Grant	14.218	\$ 1,776,711
HOME Investment Partnership	14.239	1,960,340
Section 108	14.248	2,068,869

- (C) The City passes-through certain Federal assistance received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash. The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.
- (D) During fiscal year 2006, CFDA 20.205 was reported using the cash basis of accounting to be consistent with the other federal programs reported on the federal schedule. Due to this change in reporting, \$206,505 representing expenditures made in 2005 for which reimbursement was received in 2006 was excluded from the 2006 federal schedule. Thus, it is included in the 2007 schedule.
- (E) During fiscal year 2006, the City expended \$429,426 for the Warren Riverwalk Project 78403. This was excluded from the 2006 federal schedule, and thus is included on the 2007 schedule.
- (F) The City had a revolving loan fund cash balance of \$406,513.
- (G) The City issued \$190,400 in new revolving loans from the repayments of previous revolving loans.

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



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Warren's basic financial statements and have issued our report thereon dated June 20, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Warren's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Warren's financial statements that is more than inconsequential will not be prevented or detected by the City of Warren's internal control.

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

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

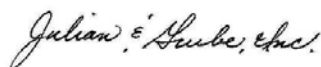
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Warren's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedules of findings and responses as item 2007-COW-001.

We noted certain matters that we reported to management of the City of Warren in a separate letter dated June 20, 2008.

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

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



Julian & Grube, Inc.
June 20, 2008



Julian & Grube, Inc.

Serving Ohio Local Governments

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

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

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

Compliance

We have audited the compliance of the City of Warren, Trumbull County, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The City of Warren's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Warren's management. Our responsibility is to express an opinion on the City of Warren's compliance based on our audit.

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

In our opinion, the City of Warren complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Members of Council and Mayor
City of Warren

Internal Control Over Compliance

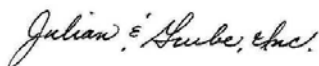
The management of the City of Warren is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Warren's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Warren's internal control over compliance.

A control deficiency in the City of Warren's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Warren's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City of Warren's internal control.

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

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

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



Julian & Grube, Inc.
June 20, 2008

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Community Development Block Grants/Entitlement Grants CFDA #14.218;
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**CITY OF WARREN
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2007-COW-001

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At fiscal year end, the City had appropriations that were greater than actual resources, which consist of actual revenues, beginning fund balance and prior year encumbrances appropriated, in the following funds:

	<u>Actual</u> <u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Major Funds</u>			
General	\$ 31,408,019	\$ 31,624,077	\$ 216,058
 <u>NonMajor Funds</u>			
Street Maintenance	2,427,760	2,618,850	191,090
Drug Law Enforcement	23,886	26,828	2,942
Home Investment	1,704,079	1,726,000	21,921
General Bond Payment	1,831,039	1,919,121	88,082
General Capital Projects	1,535,274	3,000,000	1,464,726

The City is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed actual resources.

We recommend the City monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State bulletin 97-010.

Client Response: The City Auditor will attempt to monitor appropriations and actual resources throughout the year and amend the budget as necessary.

3. FINDINGS FOR FEDERAL AWARDS

None.

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, 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, 2007

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CITY OF WARREN, OHIO

Finance Department

DAVID N. GRIFFING
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

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

June 20, 2008

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, 2007, is hereby submitted. This report is prepared in conformance with generally accepted accounting principles (GAAP) in the United States of America as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City Auditor's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City is required by state law to have an annual audit performed by the Auditor of State's Office or an independent public accounting firm, if permitted by the Auditor of State. Julian & Grube, Inc. performed the audit for the year ended December 31, 2007. The City continues to receive an unqualified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2007 provided no instances of material weaknesses in the internal control structure and one instance of significant violation of applicable laws and regulations.

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

COMMUNITY PROFILE

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

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

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

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

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

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

Several small business loans were approved through the City of Warren Revolving Loan Fund and UDAG program in 2007, as well as the Ohio Department of Development's Section 108 Loan Guarantee program. These loans created 11 new jobs and retained 15 additional ones. Warren began a program of site visits to existing companies within the city that focused on the needs and wellness of our current employers as well as giving them the chance to discuss any problems they may have or possible ways for the city to assist them in growing their business.

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

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

MAJOR INITIATIVES - CURRENT AND FUTURE PROJECTS

Throughout 2007, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial and industrial development promoting an atmosphere conducive for job retention and growth.

PUBLIC SAFETY

During the calendar year of 2007, the fire department established an EMS agreement with a local company, the agreement provided for this company to be the sole provider of 911 EMS service calls for the City of Warren. This provided our citizens prompt medical attention in cases of emergency, something that had been difficult to ensure prior to the agreement. The Fire Department received a training grant from Cleveland State University for the fifth consecutive year for hazardous material and confined space refresher courses. Additionally, the train the trainer program has proven to be very effective in training our driver's as well as the ice water rescue team. A thermal imaging camera was purchased and mounted on Ladder 1, this enables firefighters to quickly locate and remove occupants of structures in distress. This system also allows the department to maintain the ability to locate city personnel during disasters that may be trapped or disoriented.

The Emergency Services Division of the Police department is comprised of one Captain, three Lieutenants, nine Sergeants and thirty four Patrol Officers. This is the only division, other than communications, that is scheduled to work seven days a week and 24 hours a day, every day of the year. The ESD also provides a security detail of three Officers for the Municipal Court, and has three K-9 units. These K-9 units are State certified for narcotics detection, tracking, patrol, and article searches. The officers of ESD are the first respondents to virtually all calls for service by the Warren Police Department. The ESD officers responded to 43,151 calls for service during 2007. These calls ranged from the most mundane to the most dangerous emergency situations. The aggressive, but courteous tactics of the ESD officers have been largely recognized as being the primary reason that Warren has enjoyed such a low crime rate. Our officers are recognized for a banner year and the utmost respect for the hours of service and sacrifices they have shown throughout 2007.

PUBLIC WORKS

The City currently has two private developments under construction. One is a development of 6.1175 acres of land with an estimate of 20 lots available; this development is currently in phase I. The second is a development of 100 acres that will be developing individual lots, cluster homes, a senior's development and condominiums within the development; it is currently completing phase II of the project and ready to begin the next phase. In addition, 8 new residential housing permits were issued in 2007.

The Building Department issued building permits for construction work totaling \$28,780,247 in commercial construction and \$4,909,000 in residential construction for 2007. The department was responsible for inspections of those projects as well as the demolition of 85 structures in 2007. For the 2008 year, things will be even busier. The Warren City Schools will be continuing their construction projects where all new city schools will be built. There will be 4 new K-8 buildings and one new high school. The first of the K-8 schools is scheduled to open in August of 2007 the high school is scheduled to be completed in 2008. The second K-8 should be finished in late 2008 with the other two K-8 schools to begin construction in early 2008.

UTILITY SERVICE

In the year of 2007 the Water Filtration Plant continued to meet and/or exceed EPA rules and regulations. With the completion of the sodium hypochlorite feed system the Warren Water Filtration Plant continues to be a leader in new technology within the municipal water community. The Water Department completed the small meter project ahead of schedule and under budget. The small meter project was funded by revenue gained from the large meter project that was completed prior to the start of the small meter project. These projects have given the department the ability to remain consistent as having the fourth lowest rates in Trumbull County.

Contact has been made with Southington Township through an agreement with Aqua America to supply additional water to the residents of the township that have been suffering with inadequate water supply and quality. The additional sales of water should increase annual revenue by approximately \$250,000 to \$300,000. The Water Department has been actively seeking to increase the sale of water outside the Warren community. These additional sales should offset any future rate increases to the citizens of Warren. The City of Warren Water Department is committed to improving the quality of life by strengthening our neighborhoods, delivering a safe drinking water to our citizens at an affordable cost, in addition to focusing on good quality customer service to make the City of Warren a desirable place to live and work.

The Water Pollution Control Department has seen a significant decrease in the volume of flow since the completion of the Downtown Sewer Separation Project. This project constructed a new storm water system in the downtown and separated the flow from the sanitary sewer. The completion of this project was essential in reducing the costs for the department. By reducing the volume of flow, there will be less volume to treat, reducing the cost of chemicals for treatment, as well as wear and tear on the existing equipment in addition to the elimination of flooding problems caused by the excess volume. By controlling costs and reducing flooding problems throughout the city, customer satisfaction has increased measurably.

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

GENERAL GOVERNMENT

The Packard Music Hall is continuing to increase the number of events and the days of use. There were 149 combined with rehearsals, load-ins, technical days, change-over and conversions, and meetings for a total of 290 event/usage days at the hall, and the hall is on pace to eclipse that again in 2008. The Packard Music Hall saw 82% usage with nearly 140,000 in attendance. The box office continues to increase the number of events that are using its services, with 61% of the sales to Warren residence, an increasing number of sales are being made from other locales. The website continues to improve as well, and it was upgraded to actually allow for online purchases with the actual site line by seat assignment in 2007. The Packard Music Hall Foundation continues to grow and make improvements to the hall. The foundation purchased two shows for 2007 along with the annual week long Children's Theater Camp, all events were successful and more events and programming are scheduled for 2008.

In November of 2006, the Data Processing Department upgraded the City's IBM system to a new IBM iSeries System 520. The main memory was upgraded from 1.5 GB to 4.0 GB and a faster Ethernet card was installed upgrading the communication speed from 100mb/second to 2.1 GB/second resulting in a much faster response time for our users citywide. The storage was also upgraded from 146 GB to 210 GB. A much faster tape drive was installed enabling the department to reduce the average time to backup the system from 4.5 hours to less than 2 hours. All of these upgrades and improvements to the system positively impact our response time on our website to provide better service to our citizens that use it daily.

The Network Division continues to expand the infrastructure of the City's escalating technology demands. In 2007, the wireless backbone was replaced with a reliable, robust system with significant increases in speed and bandwidth. The new design has the ability to utilize multiple frequencies and incorporates redundancy which the initial system lacked. This communication pipeline is the foundation of connectivity and data sharing throughout all city departments. Vital functions such as system backups, internet and email distribution, As/400 emulations and virus definitions are distributed via the backbone. The wireless system eliminates the reoccurring costs that are associated with leased lines or hard wired solutions. The network staff also implemented a Virtual Private Network (VPN) for statewide data sharing for all participating Police agencies throughout the State of Ohio.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its comprehensive annual financial report for the year ended December 31, 2006. This was the fifth year the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

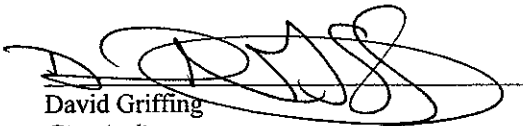
The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive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

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

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

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

Sincerely,



David Griffing
City Auditor

CITY OF WARREN
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2007

ELECTED OFFICIALS

Executive Branch:

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

Legislative Branch:

Council Member – Council President	Robert Marchese
Council Member – 1 st Ward	Fiore Dippolito
Council Member – 2 nd Ward	Alford Novak
Council Member – 3 rd Ward	M. Andrew Barkley
Council Member – 4 th Ward	Robert Holmes III
Council Member – 5 th Ward	Vincent S. Flask
Council Member – 6 th Ward	James Pugh
Council Member – 7 th Ward	Susan E. Hartman
Council Member – At-Large	Robert L. Dean, Jr.
Council Member – At-Large	Helen Rucker
Council Member – At-Large	Gary Fonce

APPOINTED OFFICIALS

Department of Public Safety:

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

Department of Public Service:

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warren
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Warren's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
City of Warren

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2008, on our consideration of the City of Warren's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Julian & Grube, Inc.
June 20, 2008

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 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, 2007. 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 2007 are as follows:

- The total net assets of the City increased \$1,273,648. Net assets of governmental activities decreased \$216,790 or 0.45% below 2006 and net assets of business-type activities increased \$1,490,438 or 5.28% over 2006.
- General revenues accounted for \$24,681,718 or 73.22% of total governmental activities revenue. Program specific revenues accounted for \$9,025,858 or 26.78% of total governmental activities revenue.
- The City had \$33,596,889 in expenses related to governmental activities; \$9,025,858 of these expenses was offset by program specific charges for services, grants or contributions. A portion of the remaining expenses of the governmental activities of \$24,571,031 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$24,681,718.
- The general fund had revenues and other financing sources of \$27,461,266 in 2007. This represents a decrease of \$3,164,729 or 10.33% from 2006 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$29,933,818 in 2007, increased \$899,048 or 3.10% from 2006. The net decrease in fund balance for the general fund was \$2,472,552 or 37.74%.
- Net assets for the business-type activities, which are made up of the water, sewer, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility enterprise funds, increased in 2007 by \$1,490,438.
- In the general fund, the actual revenues and other financing sources were \$888,684 lower than in the final budget and actual expenditures and other financing uses were \$1,609,039 less than the amount in the final budget. Budgeted expenditures and other financing uses increased \$3,009,585 from the original to the final budget.

Using this Comprehensive Annual Financial Report

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

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2007?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

Governmental Funds

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

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 UNAUDITED

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

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental fund is the general fund. Information for the major fund is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary Funds

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 35-69 of this report.

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets for 2007 and 2006:

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

			Net Assets		2007 Total	2006 Total
	Governmental	Business-type	Governmental	Business-type		
	Activities 2007	Activities 2007	Activities 2006	Activities 2006		
<u>Assets</u>						
Current and other assets	\$ 29,905,908	\$ 13,424,137	\$ 31,622,192	\$ 12,409,900	\$ 43,330,045	\$ 44,032,092
Capital assets	<u>39,480,877</u>	<u>59,186,974</u>	<u>39,585,287</u>	<u>55,978,660</u>	<u>98,667,851</u>	<u>95,563,947</u>
Total assets	<u>69,386,785</u>	<u>72,611,111</u>	<u>71,207,479</u>	<u>68,388,560</u>	<u>141,997,896</u>	<u>139,596,039</u>
<u>Liabilities</u>						
Current liabilities	4,200,949	1,635,844	4,023,665	1,551,136	5,836,793	5,574,801
Long-term liabilities	<u>16,758,449</u>	<u>41,261,111</u>	<u>18,539,637</u>	<u>38,613,706</u>	<u>58,019,560</u>	<u>57,153,343</u>
Total liabilities	<u>20,959,398</u>	<u>42,896,955</u>	<u>22,563,302</u>	<u>40,164,842</u>	<u>63,856,353</u>	<u>62,728,144</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	33,024,924	19,416,251	30,967,884	18,390,112	52,441,175	49,357,996
Restricted	12,024,756	-	12,538,573	-	12,024,756	12,538,573
Unrestricted	<u>3,377,707</u>	<u>10,297,905</u>	<u>5,137,720</u>	<u>9,833,606</u>	<u>13,675,612</u>	<u>14,971,326</u>
Total net assets	<u>\$ 48,427,387</u>	<u>\$ 29,714,156</u>	<u>\$ 48,644,177</u>	<u>\$ 28,223,718</u>	<u>\$ 78,141,543</u>	<u>\$ 76,867,895</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the City's assets exceeded liabilities by \$78,141,543, an increase of 1.66% from 2006. At year-end, net assets were \$48,427,387 and \$29,714,156 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 69.49% of total assets, compared to 68.46% at December 31, 2006. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2007, were \$33,024,924 and \$19,416,251 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$12,024,756, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$3,377,707 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net assets for fiscal years 2007 and 2006.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Change in Net Assets				2007 Total	2006 Total
	Governmental	Business-type	Governmental	Business-type		
	Activities 2007	Activities 2007	Activities 2006	Activities 2006		
Revenues:						
Program revenues:						
Charges for services	\$ 3,769,095	\$ 24,358,082	\$ 4,386,673	\$ 23,465,809	\$ 28,127,177	\$ 27,852,482
Operating grants and contributions	4,475,765	-	5,039,253	-	4,475,765	5,039,253
Capital grants and contributions	<u>780,998</u>	<u>-</u>	<u>670,191</u>	<u>100,000</u>	<u>780,998</u>	<u>770,191</u>
Total program revenues	<u>9,025,858</u>	<u>24,358,082</u>	<u>10,096,117</u>	<u>23,565,809</u>	<u>33,383,940</u>	<u>33,661,926</u>
General revenues:						
Property taxes	1,677,844	-	1,699,982	-	1,677,844	1,699,982
Income taxes	18,221,022	-	20,214,764	-	18,221,022	20,214,764
Unrestricted grants and entitlements	2,995,358	-	2,894,066	-	2,995,358	2,894,066
Investment earnings	1,239,089	57,086	1,229,795	53,205	1,296,175	1,283,000
Miscellaneous	<u>548,405</u>	<u>282,751</u>	<u>776,416</u>	<u>234,468</u>	<u>831,156</u>	<u>1,010,884</u>
Total general revenues	<u>24,681,718</u>	<u>339,837</u>	<u>26,815,023</u>	<u>287,673</u>	<u>25,021,555</u>	<u>27,102,696</u>
Total revenues	<u>33,707,576</u>	<u>24,697,919</u>	<u>36,911,140</u>	<u>23,853,482</u>	<u>58,405,495</u>	<u>60,764,622</u>
Expenses:						
General government	6,108,728	-	6,119,385	-	6,108,728	6,119,385
Security of persons and property	17,180,410	-	17,031,559	-	17,180,410	17,031,559
Public health and welfare	512,057	-	517,820	-	512,057	517,820
Transportation	3,948,040	-	3,834,782	-	3,948,040	3,834,782
Community environment	2,310,948	-	1,884,819	-	2,310,948	1,884,819
Leisure time activity	860,839	-	665,407	-	860,839	665,407
Economic development	2,066,544	-	2,595,480	-	2,066,544	2,595,480
Interest and fiscal charges	609,323	-	682,090	-	609,323	682,090
Sewer	-	8,008,014	-	8,191,531	8,008,014	8,191,531
Water	-	10,845,009	-	10,769,899	10,845,009	10,769,899
Sanitation	-	3,146,764	-	3,004,744	3,146,764	3,004,744
Packard Music Hall	-	685,045	-	539,752	685,045	539,752
City redevelopment	-	49,618	-	52,594	49,618	52,594
Downtown parking	-	154,011	-	74,573	154,011	74,573
Stormwater utility	-	646,497	-	580,352	646,497	580,352
Total expenses	<u>33,596,889</u>	<u>23,534,958</u>	<u>33,331,342</u>	<u>23,213,445</u>	<u>57,131,847</u>	<u>56,544,787</u>
Increase (decrease) before transfers	110,687	1,162,961	3,579,798	640,037	1,273,648	4,219,835
Transfers	<u>(327,477)</u>	<u>327,477</u>	<u>(169,120)</u>	<u>169,120</u>	<u>-</u>	<u>-</u>
Change in net assets	(216,790)	1,490,438	3,410,678	809,157	1,273,648	4,219,835
Net assets at beginning of year	<u>48,644,177</u>	<u>28,223,718</u>	<u>45,233,499</u>	<u>27,414,561</u>	<u>76,867,895</u>	<u>72,648,060</u>
Net assets at end of year	<u>\$ 48,427,387</u>	<u>\$ 29,714,156</u>	<u>\$ 48,644,177</u>	<u>\$ 28,223,718</u>	<u>\$ 78,141,543</u>	<u>\$ 76,867,895</u>

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Governmental activities net assets decreased \$216,790 in 2007, after increasing \$3,410,678 in 2006. This is due to the considerable decreases in both program revenues and general revenues. The City's income tax revenue, specifically, decreased \$1,993,742, or 9.86% compared to 2006.

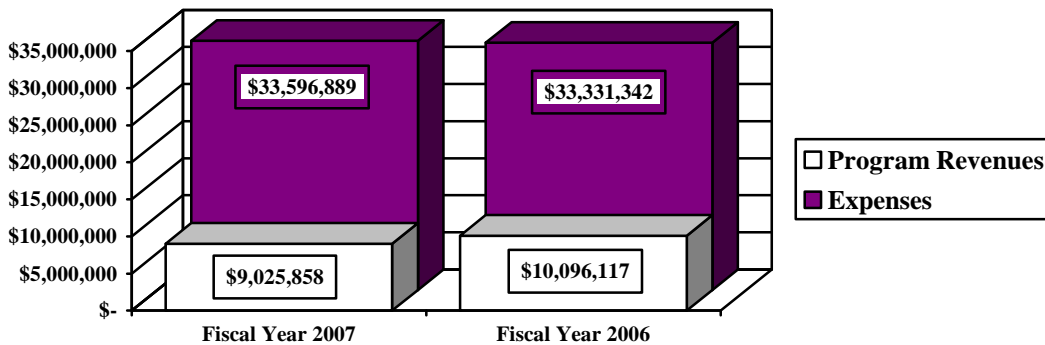
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$17,180,410 and \$17,031,559 of the total expenses of the City during 2007 and 2006, respectively. These expenses were partially funded by \$1,447,343 in 2007 compared to \$1,506,767 in 2006 in direct charges to users of the services. Transportation expenses totaled \$3,948,040 during 2007 and \$3,834,782 during 2006. During 2007, transportation expenses were partially funded by \$2,115,189 in operating grants and contributions, \$780,998 in capital grants and contributions, and \$40,450 in charges to users of services.

The City received a total of \$4,475,765 and \$5,039,253 during 2007 and 2006, respectively, in operating grants and contributions. Capital grants and contributions totaled \$780,998 during 2007, a 16.53% increase from 2006. These revenues are restricted to a particular program or purpose. \$780,998 of the total capital grants and contributions subsidized transportation programs during 2007.

General revenues totaled \$24,681,718, and amounted to 73.22% of total governmental revenues during 2007. These revenues primarily consist of property and income tax revenue of \$19,898,866. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,995,358. These revenues sources combine for 67.92% of total governmental revenues.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF WARREN, OHIO

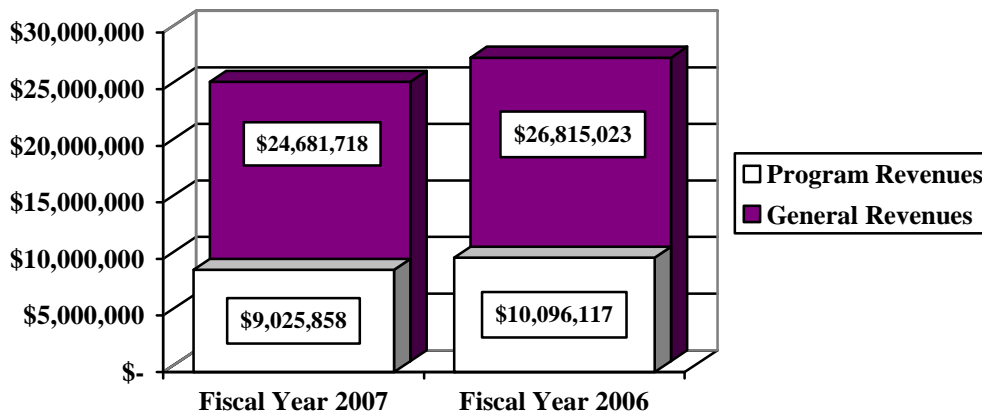
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Program Expenses:				
General government	\$ 6,108,728	\$ 4,752,101	\$ 6,119,385	\$ 4,660,140
Security of persons and property	17,180,410	15,577,830	17,031,559	15,437,198
Public health and welfare	512,057	358,547	517,820	(347,702)
Transportation	3,948,040	1,011,403	3,834,782	960,049
Community environment	2,310,948	1,775,796	1,884,819	749,651
Leisure time activity	860,839	836,937	665,407	649,320
Economic development	2,066,544	(350,906)	2,595,480	444,479
Interest and fiscal charges	<u>609,323</u>	<u>609,323</u>	<u>682,090</u>	<u>682,090</u>
Total	<u>\$ 33,596,889</u>	<u>\$ 24,571,031</u>	<u>\$ 33,331,342</u>	<u>\$ 23,235,225</u>

The dependence upon general revenues for governmental activities is apparent, with 73.13% and 69.71% of expenses supported through taxes and other general revenues in 2007 and 2006, respectively.

Governmental Activities – General and Program Revenues



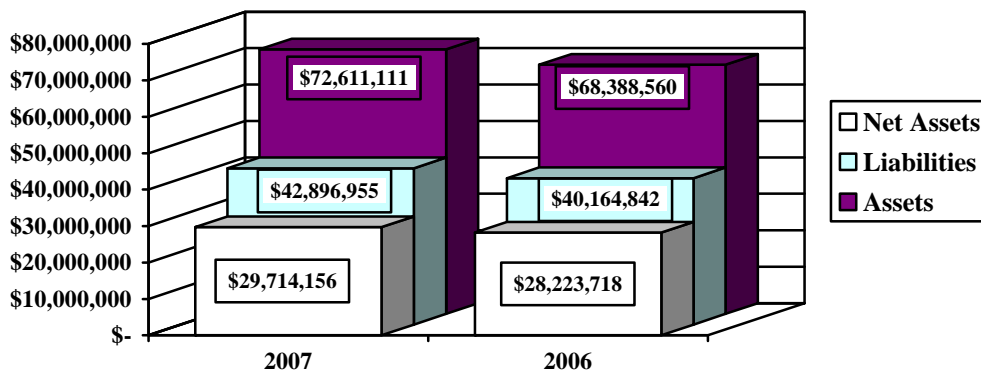
CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility enterprise funds. These programs had program revenues of \$24,358,082, general revenues of \$339,837, transfers in of \$327,477, and expenses of \$23,534,958 for 2007. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 20) reported a combined fund balance of \$14,241,461 which is \$3,097,116 below last year's total of \$17,338,577. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2007 for all major and nonmajor governmental funds.

	Fund Balances 12/31/07	Fund Balances 12/31/06	Increase (Decrease)
Major funds:			
General	\$ 4,078,846	\$ 6,551,398	\$ (2,472,552)
Other nonmajor governmental funds	10,162,615	10,787,179	(624,564)
Total	\$ 14,241,461	\$ 17,338,577	\$ (3,097,116)

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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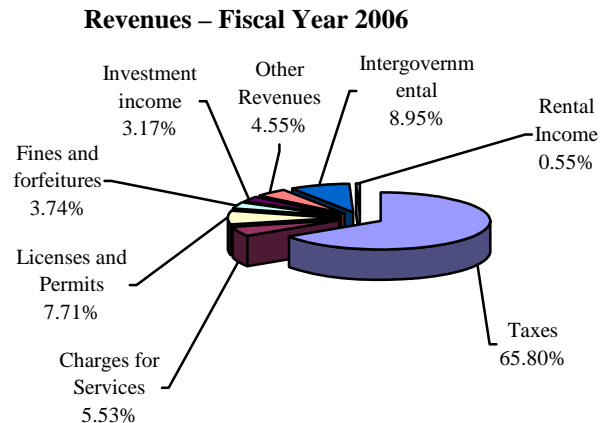
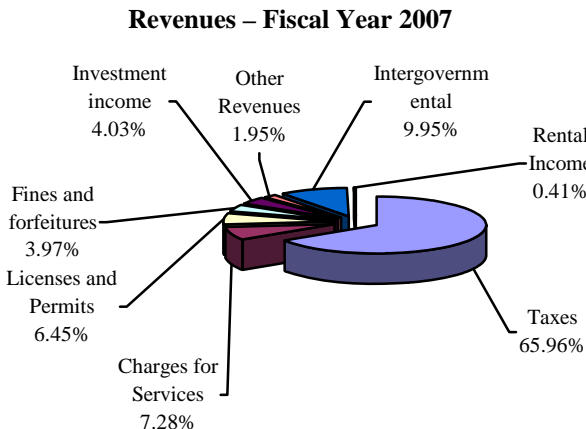
An analysis of the general fund revenues and expenditures is provided in the section below. The decrease in the fund balances of the other nonmajor governmental funds is primarily due to a fund balance decrease in the street maintenance fund, home investment fund and general capital improvements fund. Revenues and expenditures in the street maintenance fund and general capital improvements fund remained comparable to the prior year; however the funds received a combined \$958,860 less in transfers in from the general fund to subsidize transportation programs and construction projects. The fund balance of the home investment fund decreased as expenditures related to the home investment partnership program were greater than intergovernmental and other revenues received during 2007.

General Fund

The City's general fund balance decreased \$2,472,552. The table that follows assists in illustrating the revenues of the general fund.

<u>Revenues</u>	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>Percentage Change</u>
Income taxes	\$ 18,070,111	\$ 20,138,026	(10.27) %
Charges for services	1,993,179	1,693,189	17.72 %
Licenses and permits	1,766,716	2,358,486	(25.09) %
Fines and forfeitures	1,088,955	1,143,107	(4.74) %
Intergovernmental	2,725,268	2,740,609	(0.56) %
Investment income	1,105,165	970,241	13.91 %
Rental income	113,186	168,256	(32.73) %
Other	<u>533,686</u>	<u>1,393,060</u>	(61.69) %
Total	<u>\$ 27,396,266</u>	<u>\$ 30,604,974</u>	(10.48) %

Income tax revenue represents 65.96% of all general fund revenue in 2007. The bankruptcy of Delphi Automotive Systems contributed to the \$2,067,915 decrease in income tax collections during 2007. The increase in investment income is due to a more aggressive approach to investing and accrued interest on investments. Licenses and permits revenue decreased as a result of fewer building permits issued during 2007 than in 2006. Other revenue decreased as a result of revenue received in 2006 related to a trust account established for the purpose of providing payment of final closure costs of the Warren Hills landfill site.



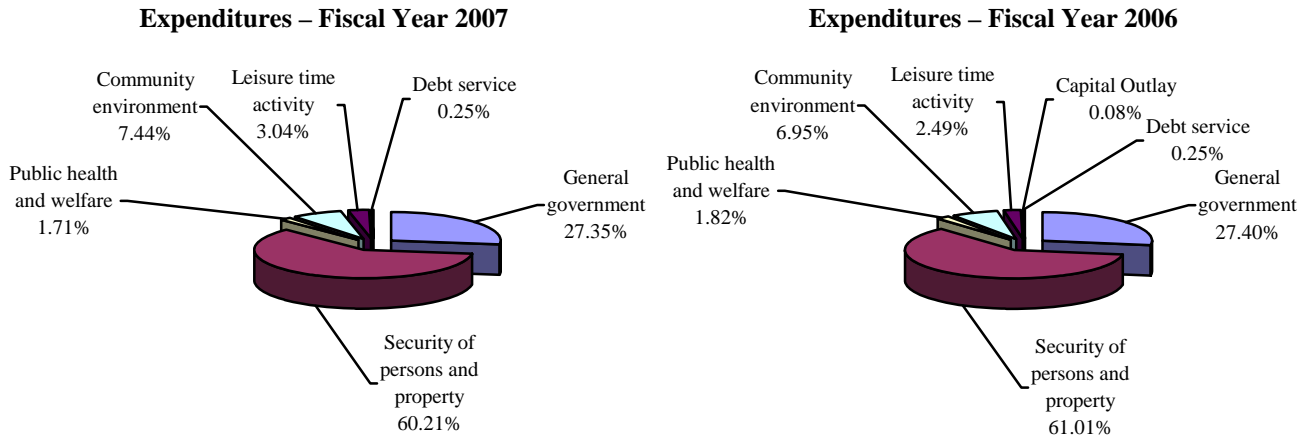
CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table that follows assists in illustrating the expenditures of the general fund.

	<u>2007</u> Amount	<u>2006</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,887,526	\$ 7,435,455	6.08 %
Security of persons and property	17,361,249	16,556,643	4.86 %
Public health and welfare	492,168	493,377	(0.25) %
Community environment	2,145,697	1,886,410	13.74 %
Leisure time activity	876,264	675,183	29.78 %
Capital outlay	-	21,021	(100.00) %
Debt service	<u>71,314</u>	<u>68,639</u>	3.90 %
 Total	 <u>\$ 28,834,218</u>	 <u>\$ 27,136,728</u>	 6.26 %

Overall, expenditures increased 6.26% from 2006. The capital outlay expense from 2006 was from the City entering into capital leases for copier equipment; there were no capital leases entered into during 2007. Leisure time activities expenditures increased as a result of increased equipment purchases for the City's parks during 2007. Community environment expenditures increased as a result of increased contract services. All other expenditures remained comparable to 2006. The largest expenditure line items, security of persons and property and general government, increased 4.86% and 6.08% from 2006, which is primarily attributed to overall wage and benefit increases.



CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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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.

Budgetary information is presented for the general fund. In the general fund, one of the most significant changes was between the original and final budgeted amounts in the area of expenditures and other financing uses, which increased \$3,009,585 from \$29,065,577 to \$32,075,162. This increase was primarily related to an increase in transfers out to other funds which were not included in the original budget. Actual revenues of \$27,789,540 were less than final budgeted revenues of \$28,743,224 as a result of less revenues received than anticipated for administrative services, building permits, parking fines, and workers compensation and other reimbursements. All departments within the general fund kept spending under budget which resulted in actual expenditures coming in \$1,017,228 lower than final appropriations.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

The following table shows fiscal 2007 balances compared to 2006:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Construction in progress	4,363,875	3,927,162	12,381,101	19,015,544	16,744,976	22,942,706
Land improvements	160,182	173,207	-	-	160,182	173,207
Buildings	4,241,488	4,490,660	7,800,267	9,230,557	12,041,755	13,721,217
Buildings improvements	5,194,531	5,412,489	11,796,635	273,703	16,991,166	5,686,192
Computer equipment	406,596	160,745	65,169	66,279	471,765	227,024
Furniture and equipment	617,647	532,585	1,043,195	799,681	1,660,842	1,332,266
Vehicles	1,083,880	1,192,678	723,498	589,214	1,807,378	1,781,892
Infrastructure	<u>22,388,494</u>	<u>22,671,577</u>	<u>24,992,710</u>	<u>25,619,283</u>	<u>47,381,204</u>	<u>48,290,860</u>
Totals	<u>\$ 39,480,877</u>	<u>\$ 39,585,287</u>	<u>\$ 59,186,974</u>	<u>\$ 55,978,660</u>	<u>\$ 98,667,851</u>	<u>\$95,563,947</u>

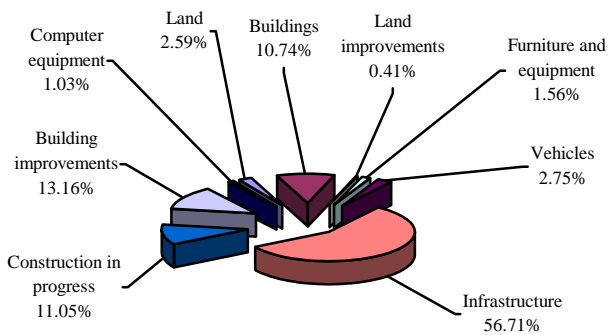
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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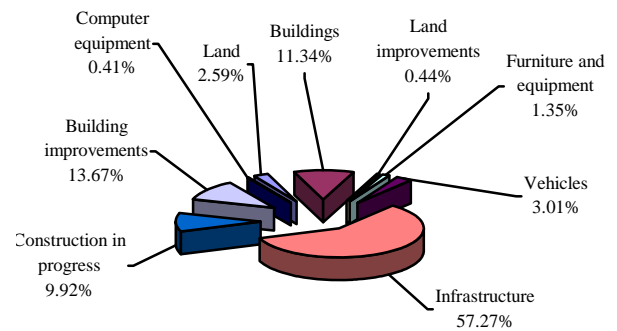
At the end of fiscal 2007, the City had \$98,667,851 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Of this total, \$39,480,877 was reported in governmental activities and \$59,186,974 was reported in business-type activities.

The following graphs show the breakdown of governmental capital assets by category for 2007 and 2006.

Capital Assets - Governmental Activities 2007



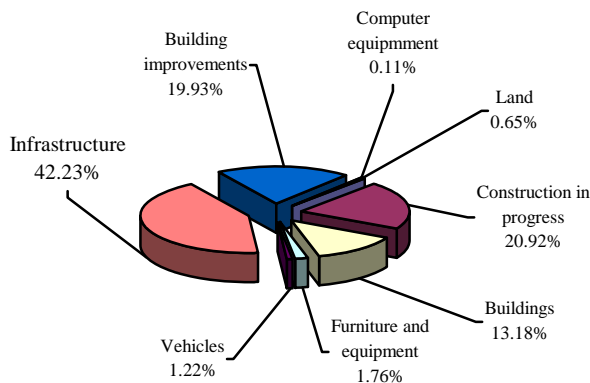
Capital Assets - Governmental Activities 2006



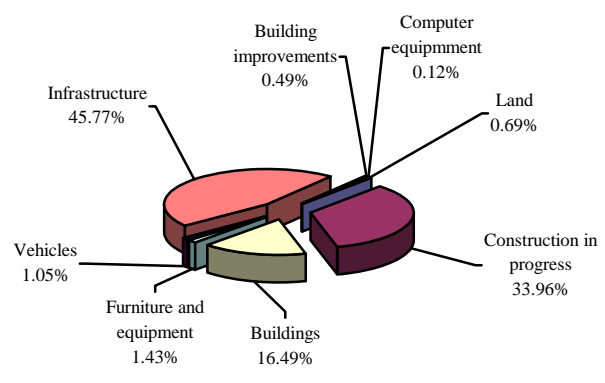
The City's largest capital asset category is infrastructure which includes roads, sidewalks, and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 56.71% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

Capital Assets - Business-Type Activities 2007



Capital Assets - Business-Type Activities 2006



The City's largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 42.23% of the City's total business-type capital assets.

See Note 10 to the basic financial statements for detail.

CITY OF WARREN, OHIO

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Debt Administration

The City had the following long-term obligations outstanding at December 31, 2007 and 2006 (See Note 13 to the basic financial statements for detail):

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 5,785,670	\$ 7,480,560
Reinvestment partnership corporation loan	700,000	755,000
OWDA loans	389,051	534,831
HUD 108 loan	1,700,000	1,700,000
ODOD mortgage note	166,297	183,805
Police and fire pension liability	2,746,994	2,799,061
Capital lease obligation	358,231	418,207
Compensated absences	<u>5,069,512</u>	<u>4,852,255</u>
Total long-term obligations	<u>\$ 16,915,755</u>	<u>\$ 18,723,719</u>
	<u>Business-type Activities</u>	
	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 3,180,500	\$ 3,671,500
Revenue bonds	9,115,000	9,515,000
OWDA loan	27,463,326	24,032,121
Capital lease obligation	247,622	304,233
Compensated absences	<u>1,538,228</u>	<u>1,427,289</u>
Total long-term obligations	<u>\$ 41,544,676</u>	<u>\$ 38,950,143</u>

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2008 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 2008 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 adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2008 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

CITY OF WARREN, OHIO

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UNAUDITED**

Budgeted revenues and other financing sources in the general fund for fiscal year 2008 are decreased slightly by \$751,120 or 2.9%, from final 2007 budgeted revenues and other financing sources due to a reduction in estimated income tax receipts. This reduction is expected based on a buyout program by a local employer, subsequently; collections in future years will be reduced. The 2008 general fund budget is \$28,727,026.

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

Contacting the City's Financial Management

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

CITY OF WARREN, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 14,512,108	\$ 8,371,051	\$ 22,883,159
Receivables (net of allowances for uncollectibles):			
Income taxes	3,437,964	-	3,437,964
Real and other taxes	2,012,297	-	2,012,297
Accounts	669,212	3,618,141	4,287,353
Loans	5,495,706	-	5,495,706
Accrued interest	371,647	-	371,647
Special assessments	573,114	5,517	578,631
Internal balances	(30,359)	30,359	-
Due from other governments	2,046,258	-	2,046,258
Materials and supplies inventory.	61,262	196,526	257,788
Deferred charges	85,990	202,160	288,150
Restricted assets:			
Equity in pooled cash and cash equivalents	670,709	1,000,383	1,671,092
Capital assets:			
Land and construction in progress	5,388,059	12,765,500	18,153,559
Depreciable capital assets, net	34,092,818	46,421,474	80,514,292
Total capital assets	<u>39,480,877</u>	<u>59,186,974</u>	<u>98,667,851</u>
Total assets.	<u>69,386,785</u>	<u>72,611,111</u>	<u>141,997,896</u>
Liabilities:			
Accounts payable.	195,003	587,543	782,546
Contracts payable.	75,606	187,530	263,136
Accrued wages and benefits	778,118	297,609	1,075,727
Due to other governments	764,204	80,856	845,060
Accrued interest payable	87,860	482,306	570,166
Claims payable	730,512	-	730,512
Unearned revenue	1,569,646	-	1,569,646
Long-term liabilities:			
Due within one year	2,628,232	3,183,908	5,812,140
Due in more than one year	14,130,217	38,077,203	52,207,420
Total liabilities	<u>20,959,398</u>	<u>42,896,955</u>	<u>63,856,353</u>
Net assets:			
Invested in capital assets, net of related debt	33,024,924	19,416,251	52,441,175
Restricted for:			
Capital projects	9,405	-	9,405
Debt service	483,719	-	483,719
Street maintenance	627,749	-	627,749
State highway	143,919	-	143,919
Law enforcement	450,480	-	450,480
Courts	1,355,089	-	1,355,089
Community developments and improvements	7,687,341	-	7,687,341
Police and fire pension	596,345	-	596,345
Public health	670,709	-	670,709
Unrestricted	<u>3,377,707</u>	<u>10,297,905</u>	<u>13,675,612</u>
Total net assets	<u>\$ 48,427,387</u>	<u>\$ 29,714,156</u>	<u>\$ 78,141,543</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 6,108,728	\$ 1,350,401	\$ 6,226	\$ -
Security of persons and property	17,180,410	1,447,343	155,237	-
Public health and welfare	512,057	153,510	-	-
Transportation	3,948,040	40,450	2,115,189	780,998
Community environment	2,310,948	535,152	-	-
Leisure time activity	860,839	23,902	-	-
Economic development	2,066,544	218,337	2,199,113	-
Interest and fiscal charges	609,323	-	-	-
Total governmental activities.	<u>33,596,889</u>	<u>3,769,095</u>	<u>4,475,765</u>	<u>780,998</u>
Business-type Activities:				
Sewer	8,008,014	8,976,173	-	-
Water	10,845,009	11,130,274	-	-
Sanitation	3,146,764	3,129,173	-	-
Packard Music Hall	685,045	237,197	-	-
City Redevelopment	49,618	42,711	-	-
Downtown Parking	154,011	37,959	-	-
Stormwater Utility	646,497	804,595	-	-
Total business-type activities.	<u>23,534,958</u>	<u>24,358,082</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 57,131,847</u>	<u>\$ 28,127,177</u>	<u>\$ 4,475,765</u>	<u>\$ 780,998</u>

General Revenues:

Property taxes levied for:

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

Income taxes levied for:

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

Total general revenues.

Transfers.

Change in net assets.

Net assets at beginning of year

Net assets at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (4,752,101)	\$ -	\$ (4,752,101)
(15,577,830)	-	(15,577,830)
(358,547)	-	(358,547)
(1,011,403)	-	(1,011,403)
(1,775,796)	-	(1,775,796)
(836,937)	-	(836,937)
350,906	-	350,906
(609,323)	-	(609,323)
<u>(24,571,031)</u>	<u>-</u>	<u>(24,571,031)</u>
-	968,159	968,159
-	285,265	285,265
-	(17,591)	(17,591)
-	(447,848)	(447,848)
-	(6,907)	(6,907)
-	(116,052)	(116,052)
-	158,098	158,098
<u>-</u>	<u>823,124</u>	<u>823,124</u>
<u>(24,571,031)</u>	<u>823,124</u>	<u>(23,747,907)</u>
1,389,308	-	1,389,308
144,268	-	144,268
144,268	-	144,268
18,221,022	-	18,221,022
2,995,358	-	2,995,358
1,239,089	57,086	1,296,175
<u>548,405</u>	<u>282,751</u>	<u>831,156</u>
24,681,718	339,837	25,021,555
<u>(327,477)</u>	<u>327,477</u>	<u>-</u>
(216,790)	1,490,438	1,273,648
<u>48,644,177</u>	<u>28,223,718</u>	<u>76,867,895</u>
<u>\$ 48,427,387</u>	<u>\$ 29,714,156</u>	<u>\$ 78,141,543</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,763,697	\$ 4,311,355	\$ 6,075,052
Receivables (net of allowance for uncollectibles):			
Income taxes	3,437,964	-	3,437,964
Real and other taxes	-	2,012,297	2,012,297
Accounts	638,103	30,347	668,450
Loans	-	5,495,706	5,495,706
Accrued interest	371,647	-	371,647
Special assessments	29,663	543,451	573,114
Due from other governments	950,370	1,095,888	2,046,258
Materials and supplies inventory	12,944	48,318	61,262
Restricted assets:			
Equity in pooled cash and cash equivalents	<u>670,709</u>	<u>-</u>	<u>670,709</u>
Total assets	<u>\$ 7,875,097</u>	<u>\$ 13,537,362</u>	<u>\$ 21,412,459</u>
Liabilities:			
Accounts payable	\$ 119,091	\$ 75,912	\$ 195,003
Contracts payable	46,354	29,252	75,606
Accrued wages and benefits	697,528	73,311	770,839
Compensated absences payable	87,019	-	87,019
Due to other governments	217,201	13,217	230,418
Deferred revenue	2,629,058	1,613,409	4,242,467
Unearned revenue	<u>-</u>	<u>1,569,646</u>	<u>1,569,646</u>
Total liabilities	<u>3,796,251</u>	<u>3,374,747</u>	<u>7,170,998</u>
Fund Balances:			
Reserved for encumbrances	492,685	2,653,099	3,145,784
Reserved for materials and supplies inventory	12,944	48,318	61,262
Reserved for loans	-	5,495,706	5,495,706
Reserved for tax advance	-	37,513	37,513
Unreserved, undesignated, reported in:			
General fund	3,573,217	-	3,573,217
Special revenue funds	-	2,146,366	2,146,366
Debt service fund	-	3,924	3,924
Capital projects funds	<u>-</u>	<u>(222,311)</u>	<u>(222,311)</u>
Total fund balances	<u>4,078,846</u>	<u>10,162,615</u>	<u>14,241,461</u>
Total liabilities and fund balances	<u>\$ 7,875,097</u>	<u>\$ 13,537,362</u>	<u>\$ 21,412,459</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007

Total governmental fund balances		\$ 14,241,461
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities, exclusive of internal service funds, are not financial resources and therefore are not reported in the funds.		39,353,845
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 405,138	
Income taxes	1,238,543	
Accounts	471,360	
Special assessments	573,114	
Intergovernmental revenues	1,234,012	
Investment income	<u>320,300</u>	
Total		4,242,467
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities (excluding amounts reported in the internal service funds) are as follows:		
General obligation bonds payable	(5,785,670)	
Loans payable	(2,789,051)	
Note payable	(166,297)	
Fire and pension liability	(2,746,994)	
Compensated absences	(4,900,149)	
Capital lease payable	<u>(358,231)</u>	
Total		(16,746,392)
In the statement of activities interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are reported when due.		(87,860)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		85,990
Unamortized deferred charges on refundings are not recognized in the funds.		184,224
Unamortized premiums on bond issuance is not recognized in the funds.		(26,918)
Internal service funds are used by management to charge the costs of life and hospitalization insurance, workers compensation, data processing and risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		7,460,929
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		<u>(280,359)</u>
Net assets of governmental activities		<u><u>\$ 48,427,387</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Income taxes	\$ 18,070,111	\$ -	\$ 18,070,111
Property and other taxes	-	1,667,959	1,667,959
Charges for services	1,993,179	74,236	2,067,415
Licenses and permits	1,766,716	119,284	1,886,000
Fines and forfeitures	1,088,955	442,497	1,531,452
Intergovernmental	2,725,268	5,062,726	7,787,994
Special assessments	-	30,688	30,688
Investment income	1,105,165	299,614	1,404,779
Rental income	113,186	-	113,186
Other	533,686	92,375	626,061
Total revenues.	<u>27,396,266</u>	<u>7,789,379</u>	<u>35,185,645</u>
Expenditures:			
Current:			
General government	7,887,526	103,521	7,991,047
Security of persons and property	17,361,249	310,649	17,671,898
Public health and welfare	492,168	-	492,168
Transportation	-	2,328,166	2,328,166
Community environment	2,145,697	-	2,145,697
Leisure time activity	876,264	-	876,264
Economic development	-	2,083,320	2,083,320
Capital outlay.	-	1,833,099	1,833,099
Debt service:			
Principal retirement	52,727	1,972,494	2,025,221
Interest and fiscal charges	18,587	561,478	580,065
Total expenditures	<u>28,834,218</u>	<u>9,192,727</u>	<u>38,026,945</u>
Deficiency of revenues under expenditures	<u>(1,437,952)</u>	<u>(1,403,348)</u>	<u>(2,841,300)</u>
Other financing sources (uses):			
Transfers in	65,000	981,488	1,046,488
Transfers out	(1,099,600)	(202,704)	(1,302,304)
Total other financing sources (uses).	<u>(1,034,600)</u>	<u>778,784</u>	<u>(255,816)</u>
Net change in fund balances.	(2,472,552)	(624,564)	(3,097,116)
Fund balances at beginning of year	<u>6,551,398</u>	<u>10,787,179</u>	<u>17,338,577</u>
Fund balances at end of year.	<u>\$ 4,078,846</u>	<u>\$ 10,162,615</u>	<u>\$ 14,241,461</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, 2007

Net change in fund balances - total governmental funds		\$ (3,097,116)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 2,372,745	
Current year depreciation	<u>(2,547,662)</u>	
Total		(174,917)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(6,032)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	9,885	
Income taxes	150,911	
Licenses and permits	(19,959)	
Special assessments	136,375	
Intergovernmental revenues	86,857	
Investment income	<u>104,627</u>	
Total		468,696
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		
		2,025,221
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	12,154	
Bond premium	4,582	
Deferred charges on refunding	(31,358)	
Bond issuance costs	<u>(14,636)</u>	
Total		(29,258)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(148,386)
Internal service funds used by management to charge the costs of life and hospitalization insurance, workers compensation, data processing and risk management to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balances is allocated among the governmental activities.		
		<u>745,002</u>
Change in net assets of governmental activities		\$ (216,790)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 18,175,000	\$ 18,175,000	\$ 18,238,361	\$ 63,361
Charges for services	2,159,000	2,159,000	1,994,549	(164,451)
Licenses and permits	2,106,700	2,106,700	1,774,541	(332,159)
Fines and forfeitures	1,115,000	1,115,000	1,094,722	(20,278)
Intergovernmental	2,923,890	2,923,890	2,954,959	31,069
Investment income	900,000	900,000	1,158,484	258,484
Rental income	90,000	90,000	113,186	23,186
Other	1,273,634	1,273,634	460,738	(812,896)
Total revenues	<u>28,743,224</u>	<u>28,743,224</u>	<u>27,789,540</u>	<u>(953,684)</u>
Expenditures:				
Current:				
General government	8,106,522	8,607,963	8,242,184	365,779
Security of persons and property	16,537,500	17,879,207	17,424,226	454,981
Public health and welfare	532,885	651,428	570,763	80,665
Community environment	2,152,660	2,276,907	2,229,065	47,842
Leisure time activity	765,946	968,246	900,285	67,961
Total expenditures	<u>28,095,513</u>	<u>30,383,751</u>	<u>29,366,523</u>	<u>1,017,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>647,711</u>	<u>(1,640,527)</u>	<u>(1,576,983)</u>	<u>63,544</u>
Other financing (uses):				
Transfers in	-	-	65,000	65,000
Transfers out	(970,064)	(1,691,411)	(1,099,600)	591,811
Total other financing (uses)	<u>(970,064)</u>	<u>(1,691,411)</u>	<u>(1,034,600)</u>	<u>656,811</u>
Net change in fund balance	(322,353)	(3,331,938)	(2,611,583)	720,355
Fund balance at beginning of year	3,810,414	3,810,414	3,810,414	-
Prior year encumbrances appropriated.	451,085	451,085	451,085	-
Fund balance at end of year	<u>\$ 3,939,146</u>	<u>\$ 929,561</u>	<u>\$ 1,649,916</u>	<u>\$ 720,355</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF WARREN, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities -Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 2,603,474	\$ 4,628,857	\$ 191,724	\$ 946,996
Receivables (net of allowance for uncollectibles):				
Accounts	1,335,869	1,421,702	668,889	191,681
Special assessments	538	4,913	-	66
Notes	-	-	-	-
Materials and supplies inventory	34,615	149,698	12,213	-
Deferred charges	53,432	148,728	-	-
Total current assets	<u>4,027,928</u>	<u>6,353,898</u>	<u>872,826</u>	<u>1,138,743</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and cash equivalents.	-	1,000,383	-	-
Capital assets:				
Land and construction in progress	5,717,749	6,729,380	35,091	283,280
Depreciable capital assets, net	11,672,181	31,925,885	475,972	2,347,436
Total capital assets	<u>17,389,930</u>	<u>38,655,265</u>	<u>511,063</u>	<u>2,630,716</u>
Total noncurrent assets	<u>17,389,930</u>	<u>39,655,648</u>	<u>511,063</u>	<u>2,630,716</u>
Total assets	<u>\$ 21,417,858</u>	<u>\$ 46,009,546</u>	<u>\$ 1,383,889</u>	<u>\$ 3,769,459</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 192,208	\$ 273,721	\$ 104,602	\$ 17,012
Contracts payable	-	170,629	-	16,901
Accrued wages and benefits	87,733	161,088	32,527	16,261
Due to other governments	45,708	25,247	4,977	4,924
Claims payable	-	-	-	-
Note payable	-	-	250,000	-
Current portion of general obligation bonds	488,000	-	-	11,000
Current portion of revenue bonds	-	415,000	-	-
Current portion of OWDA loans	1,315,778	424,796	-	-
Current portion of capital lease obligations	22,710	-	-	35,834
Current portion of compensated absences	146,049	256,358	46,892	21,491
Accrued interest payable.	293,143	185,808	3,327	28
Total current liabilities	<u>2,591,329</u>	<u>1,912,647</u>	<u>442,325</u>	<u>123,451</u>
Long-term liabilities:				
General obligation bonds	2,552,568	-	-	-
Revenue bonds	-	8,545,367	-	-
OWDA loans	12,631,353	13,091,399	-	-
Capital lease obligations	70,508	-	-	118,570
Compensated absences	399,423	572,109	70,744	25,162
Total long-term liabilities	<u>15,653,852</u>	<u>22,208,875</u>	<u>70,744</u>	<u>143,732</u>
Total liabilities	<u>18,245,181</u>	<u>24,121,522</u>	<u>513,069</u>	<u>267,183</u>
Net assets:				
Invested in capital assets, net of related debt.	362,445	16,327,431	261,063	2,465,312
Unrestricted	<u>2,810,232</u>	<u>5,560,593</u>	<u>609,757</u>	<u>1,036,964</u>
Total net assets	<u>\$ 3,172,677</u>	<u>\$ 21,888,024</u>	<u>\$ 870,820</u>	<u>\$ 3,502,276</u>

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

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 8,371,051	\$ 8,437,056
3,618,141	762
5,517	-
-	250,000
196,526	-
202,160	-
<u>12,393,395</u>	<u>8,687,818</u>
1,000,383	-
12,765,500	-
46,421,474	127,032
<u>59,186,974</u>	<u>127,032</u>
<u>60,187,357</u>	<u>127,032</u>
<u>\$ 72,580,752</u>	<u>\$ 8,814,850</u>
\$ 587,543	\$ -
187,530	-
297,609	7,279
80,856	533,786
-	730,512
250,000	-
499,000	-
415,000	-
1,740,574	-
58,544	-
470,790	-
482,306	-
<u>5,069,752</u>	<u>1,271,577</u>
2,552,568	-
8,545,367	-
25,722,752	-
189,078	-
1,067,438	82,344
<u>38,077,203</u>	<u>82,344</u>
<u>43,146,955</u>	<u>1,353,921</u>
19,416,251	127,032
10,017,546	7,333,897
<u>29,433,797</u>	<u>\$ 7,460,929</u>
280,359	
<u>\$ 29,714,156</u>	

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
Operating revenues:				
Charges for services	\$ 8,972,315	\$ 11,130,274	\$ 3,129,173	\$ 1,122,457
Other	128,745	127,984	21,313	4,709
Total operating revenues	<u>9,101,060</u>	<u>11,258,258</u>	<u>3,150,486</u>	<u>1,127,166</u>
Operating expenses:				
Personal services	3,127,296	5,653,063	1,044,464	743,931
Contract services	1,146,119	619,312	1,438,569	311,332
Materials and supplies	428,832	906,496	306,864	141,574
Administrative costs	574,775	745,149	169,915	76,847
Utilities	686,553	631,242	16,980	98,776
Claims	-	-	-	-
Other	6,663	91,309	1,457	5,226
Depreciation	<u>1,374,251</u>	<u>1,351,046</u>	<u>160,677</u>	<u>156,611</u>
Total operating expenses	<u>7,344,489</u>	<u>9,997,617</u>	<u>3,138,926</u>	<u>1,534,297</u>
Operating income (loss)	<u>1,756,571</u>	<u>1,260,641</u>	<u>11,560</u>	<u>(407,131)</u>
Nonoperating revenues (expenses):				
Interest revenue	-	57,086	-	-
Special assessments	3,858	-	-	5
Interest expense and fiscal charges	<u>(692,949)</u>	<u>(898,402)</u>	<u>(19,057)</u>	<u>(9,838)</u>
Total nonoperating revenues (expenses)	<u>(689,091)</u>	<u>(841,316)</u>	<u>(19,057)</u>	<u>(9,833)</u>
Income (loss) before transfers	1,067,480	419,325	(7,497)	(416,964)
Transfers in	-	-	-	444,600
Transfers out	<u>(24,886)</u>	<u>(60,525)</u>	<u>(7,918)</u>	<u>(23,794)</u>
Changes in net assets	1,042,594	358,800	(15,415)	3,842
Net assets at beginning of year	<u>2,130,083</u>	<u>21,529,224</u>	<u>886,235</u>	<u>3,498,434</u>
Net assets at end of year	<u>\$ 3,172,677</u>	<u>\$ 21,888,024</u>	<u>\$ 870,820</u>	<u>\$ 3,502,276</u>

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

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,354,219	\$ 7,361,470
282,751	8,319
24,636,970	7,369,789
10,568,754	252,791
3,515,332	262,370
1,783,766	68,691
1,566,686	563,105
1,433,551	24,259
-	5,280,126
104,655	-
3,042,585	13,941
22,015,329	6,465,283
2,621,641	904,506
57,086	29,297
3,863	-
(1,620,246)	-
(1,559,297)	29,297
1,062,344	933,803
444,600	-
(117,123)	(88,184)
1,389,821	845,619
	6,615,310
	\$ 7,460,929
100,617	
\$ 1,490,438	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Cash flows from operating activities:				
Cash received from customers	\$ 8,760,609	\$ 11,044,587	\$ 3,088,859	\$ 1,107,977
Cash received from other operations.	128,745	127,984	21,313	4,709
Cash payments for personal services	(3,045,939)	(5,580,666)	(1,034,124)	(745,409)
Cash payments for contract services	(1,014,818)	(621,716)	(1,387,684)	(302,316)
Cash payments for materials and supplies	(461,076)	(1,052,973)	(306,332)	(133,197)
Cash payments for utilities.	(686,553)	(631,242)	(16,980)	(98,776)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(574,775)	(745,149)	(169,915)	(76,847)
Cash payments for other expenses	(6,663)	(91,309)	(1,457)	(5,226)
Net cash provided by (used in) operating activities.	<u>3,099,530</u>	<u>2,449,516</u>	<u>193,680</u>	<u>(249,085)</u>
Cash flows from noncapital financing activities:				
Special assessments.	3,820	-	-	-
Transfers in from other funds	-	928,169	-	444,600
Transfers out to other funds.	(24,886)	(972,171)	(7,918)	(23,794)
Net cash provided by (used in) noncapital financing activities	<u>(21,066)</u>	<u>(44,002)</u>	<u>(7,918)</u>	<u>420,806</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	(342,104)	(5,867,381)	(178,921)	-
Principal retirement	(1,670,073)	(813,694)	(620,000)	(44,134)
Note issuance	-	-	250,000	-
Loan issuance	745,054	4,266,441	-	-
Interest and fiscal charges	(677,920)	(865,756)	(29,297)	(9,863)
Net cash used in capital and related financing activities.	<u>(1,945,043)</u>	<u>(3,280,390)</u>	<u>(578,218)</u>	<u>(53,997)</u>
Cash flows from investing activities:				
Cash used for internal note disbursements.	-	-	-	-
Interest received	-	57,086	-	-
Principal payments received on internal notes	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>57,086</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,133,421	(817,790)	(392,456)	117,724
Cash and cash equivalents at beginning of year	1,470,053	6,447,030	584,180	829,272
Cash and cash equivalents at end of year	<u>\$ 2,603,474</u>	<u>\$ 5,629,240</u>	<u>\$ 191,724</u>	<u>\$ 946,996</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,002,032	\$ 7,360,708
282,751	8,319
(10,406,138)	(255,506)
(3,326,534)	(303,636)
(1,953,578)	(68,807)
(1,433,551)	(24,259)
-	(5,231,723)
(1,566,686)	(471,320)
(104,655)	-
<hr/>	<hr/>
5,493,641	1,013,776
<hr/>	<hr/>
3,820	-
1,372,769	-
(1,028,769)	(88,184)
<hr/>	<hr/>
347,820	(88,184)
<hr/>	<hr/>
(6,388,406)	(90,480)
(3,147,901)	-
250,000	-
5,011,495	-
(1,582,836)	-
<hr/>	<hr/>
(5,857,648)	(90,480)
<hr/>	<hr/>
-	(250,000)
57,086	29,297
-	620,000
<hr/>	<hr/>
57,086	399,297
<hr/>	<hr/>
40,899	1,234,409
9,330,535	7,202,647
<hr/>	<hr/>
\$ 9,371,434	\$ 8,437,056

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CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,756,571	\$ 1,260,641	\$ 11,560	\$ (407,131)
Adjustments:				
Depreciation	1,374,251	1,351,046	160,677	156,611
Changes in assets and liabilities:				
(Increase) in materials and supplies inventory	(21,669)	(144,437)	(3,395)	-
(Increase) in accounts receivable	(211,706)	(85,687)	(40,314)	(14,480)
Increase (decrease) in accounts payable.	94,015	(133,099)	54,920	(1,944)
Increase (decrease) in contracts payable.	(5,574)	126,021	(108)	16,901
Increase in accrued wages and benefits	14,042	23,969	7,038	1,208
Increase in due to other governments.	34,544	4,473	1,115	2,643
Increase (decrease) in compensated absences payable	65,056	46,589	2,187	(2,893)
Increase in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,099,530</u>	<u>\$ 2,449,516</u>	<u>\$ 193,680</u>	<u>\$ (249,085)</u>

Non-cash capital transactions:

At December 31, 2007 and December 31, 2006, the Sewer fund purchased \$3,022 and \$5,910, respectively, in capital assets on account.

At December 31, 2007 and December 31, 2006, the Water fund purchased \$253,772 and \$371,868, respectively, in capital assets on account.

The Water fund contributed capital assets, net of accumulated depreciation, in the amount of \$16,523 to governmental activities during 2007.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,621,641	\$ 904,506
3,042,585	13,941
(169,501)	-
(352,187)	(762)
13,892	(42,590)
137,240	(1,220)
46,257	811
42,775	91,919
110,939	(3,660)
-	50,831
<u>\$ 5,493,641</u>	<u>\$ 1,013,776</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2007

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 924,190
Cash with fiscal and escrow agents.	315,311
Accounts	<u>3,216</u>
Total assets	<u>\$ 1,242,717</u>
Liabilities:	
Accounts payable	\$ 107,309
Due to other governments	649,847
Deposits held and due to others	<u>485,561</u>
Total liabilities	<u>\$ 1,242,717</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

C. Fund Accounting

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

E. Basis of Accounting

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

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2007, are recorded as deferred revenue.

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

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

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

F. Budgetary Data

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

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the Certificate 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 2007.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

G. Cash and Investments

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

During fiscal year 2007, investments were limited to U.S. government money market mutual funds, repurchase agreements, federal agency securities and STAR Ohio.

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

The City has invested funds in STAR Ohio during fiscal 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2007.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During fiscal year 2007, interest revenue in the general fund amounted to \$1,105,165 which includes \$920,285 assigned from other City funds.

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

H. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

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

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

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

J. Compensated Absences

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

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

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

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

M. Interfund Activity

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

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

N. Fund Balance Reserves

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

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

O. Restricted Assets

The City reports amounts representing assets being held by a trustee to service principal and interest debt service in a bond reserve as restricted assets in the Water enterprise fund. These amounts are required to be maintained by the trustee in accordance with the bond indenture. The City also reports assets being held in accordance with a trust agreement to invest and manage funds related to the capping of the Warren Hills landfill site as restricted assets in the general fund.

P. Estimates

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. The proprietary funds did not receive contributions of capital during 2007.

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer, water, Packard Music Hall, sanitation, downtown parking, city redevelopment, and stormwater utility programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

NOTE 3 - ACCOUNTABILITY & COMPLIANCE

Change in Accounting Principles

For 2007, the City has implemented GASB Statement No. 48 "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City; however, additional disclosure related to revenues pledged for the repayment of revenue bonds has been provided in Note 13.

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.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 moneys may be deposited or invested in the following securities:

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

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all City deposits was \$13,728,990, exclusive of the \$3,354,266 in repurchase agreements included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2007, \$14,204,290 of the City's bank balance of \$14,904,290 was exposed to custodial risk as discussed below, while \$700,000 was covered by Federal Deposit Insurance Corporation.

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

B. Investments

As of December 31, 2007, the City had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Federal Home Loan Bank	\$ 5,473,312	\$ -	\$ 1,000,000	\$ 503,280	\$ 1,000,630	\$ 2,969,402
Federal National Mortgage Association	2,010,630	-	1,003,440	-	-	1,007,190
STAR Ohio	29,377	29,377	-	-	-	-
Repurchase Agreements	3,354,266	3,354,266	-	-	-	-
U.S. Government Money Market Mutual Funds	1,197,177	1,197,177	-	-	-	-
Total	\$ 12,064,762	\$ 4,580,820	\$ 2,003,440	\$ 503,280	\$ 1,000,630	\$ 3,976,592

The weighted average maturity of investments is 1.39 years.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. Of the City's \$3,354,266 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Federal Home Loan Bank	\$ 5,473,312	45.37
Federal National Mortgage Association	2,010,630	16.67
STAR Ohio	29,377	0.24
Repurchase Agreements	3,354,266	27.80
U.S. Government Money Market Mutual Funds	<u>1,197,177</u>	<u>9.92</u>
Total	<u>\$ 12,064,762</u>	<u>100.00</u>

C. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 13,728,990
Investments	<u>12,064,762</u>
Total	<u>\$ 25,793,752</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 15,182,817
Business type activities	9,371,434
Agency funds	<u>1,239,501</u>
Total	<u>\$ 25,793,752</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>General</u>	<u>Transfers to:</u>		<u>Total</u>
		<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	
General	\$ -	\$ 655,000	\$ 444,600	\$ 1,099,600
Nonmajor governmental	65,000	137,704	-	202,704
Sewer	-	24,886	-	24,886
Water	-	44,002	-	44,002
Sanitation	-	7,918	-	7,918
Nonmajor enterprise	-	23,794	-	23,794
Internal service	-	88,184	-	88,184
Total	<u>\$ 65,000</u>	<u>\$ 981,488</u>	<u>\$ 444,600</u>	<u>\$ 1,491,088</u>

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

Governmental activities received \$16,523 in capital contributions from the Water enterprise fund during 2007. This amount, which is not included in the schedule above, is shown as a transfer on the statement of revenues, expenses, and changes in net assets - proprietary funds. This amount is included in transfers in governmental activities and business-type activities on the statement of net activities.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2002. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 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, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 12.5% for 2007. This percentage will be reduced to 6.25% for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2007-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the City, including the City of Warren. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The assessed value upon which the 2006 levy (collected in 2007) was based was \$481,269,991. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of property tax is 3.5 mills of assessed value, all of which is unvoted.

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2007. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2008 operations. Accordingly, the receivable is offset by a credit to "Unearned Revenue."

NOTE 7 - LOCAL INCOME TAX

The 2 percent City income tax, of which .5% will be subject to renewal after December 31, 2007, is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2007. Income tax revenue for 2007 was \$18,070,111. Income tax revenue is reported in the general fund.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 8 - RECEIVABLES

Receivables at December 31, 2007, consisted of taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2007, as well as intended to finance fiscal 2007 operations.

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

Governmental Activities:

Income taxes	\$ 3,437,964
Real and other taxes	2,012,297
Accounts	669,212
Accrued interest	371,647
Special assessments	573,114
Due from other governments	2,046,258

Business-type Activities:

Accounts	3,618,141
Special assessments	5,517

Receivables have been disaggregated on the face of the BFS. The only receivable not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

NOTE 9 - LOANS RECEIVABLE

Loans receivable represent low interest loans made by the City for development projects and small businesses under the Federal Community Development Block Grant (CDBG) program, Home Investment Partnership (HIP) program, Reinvestment Corporation and the U.S. Department of Housing & Urban Development (HUD) Section 108. The loans bear interest at annual rates ranging between 4 and 9 percent and are to be repaid over a period ranging from 5 to 20 years. The CDBG and HIP loans are reported net of an uncollectible allowance of 17.46%.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Construction in progress	<u>3,927,162</u>	<u>436,713</u>	<u>-</u>	<u>4,363,875</u>
Total capital assets, not being depreciated	<u>4,951,346</u>	<u>436,713</u>	<u>-</u>	<u>5,388,059</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	672,589	-	-	672,589
Buildings	10,235,124	-	-	10,235,124
Buildings and improvements	6,008,077	-	-	6,008,077
Computer equipment	848,593	336,883	-	1,185,476
Furniture and equipment	1,554,309	178,108	(135,280)	1,597,137
Vehicles	5,013,030	263,819	(303,332)	4,973,517
Infrastructure	<u>37,653,957</u>	<u>1,247,702</u>	<u>-</u>	<u>38,901,659</u>
Total capital assets, being depreciated	<u>61,985,679</u>	<u>2,026,512</u>	<u>(438,612)</u>	<u>63,573,579</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(499,382)	(13,025)	-	(512,407)
Buildings	(5,744,464)	(249,172)	-	(5,993,636)
Buildings and improvements	(595,588)	(217,958)	-	(813,546)
Computer equipment	(687,848)	(91,032)	-	(778,880)
Furniture and equipment	(1,021,724)	(93,046)	135,280	(979,490)
Vehicles	(3,820,352)	(366,585)	297,300	(3,889,637)
Infrastructure	<u>(14,982,380)</u>	<u>(1,530,785)</u>	<u>-</u>	<u>(16,513,165)</u>
Total accumulated depreciation	<u>(27,351,738)</u>	<u>(2,561,603)</u>	<u>432,580</u>	<u>(29,480,761)</u>
Total capital assets, being depreciated, net	<u>34,633,941</u>	<u>(535,091)</u>	<u>(6,032)</u>	<u>34,092,818</u>
Governmental activities capital assets, net	<u>\$ 39,585,287</u>	<u>\$ (98,378)</u>	<u>\$ (6,032)</u>	<u>\$39,480,877</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type Activities:</u>	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>19,015,544</u>	<u>5,673,333</u>	<u>(12,307,776)</u>	<u>12,381,101</u>
Total capital assets, not being depreciated	<u>19,399,943</u>	<u>5,673,333</u>	<u>(12,307,776)</u>	<u>12,765,500</u>
<i>Capital assets, being depreciated:</i>				
Buildings	53,729,169	7,994	-	53,737,163
Building improvements	374,415	11,946,647	-	12,321,062
Water and sewer lines	44,354,589	-	-	44,354,589
Computer equipment	199,740	7,163	-	206,903
Furniture and equipment	2,160,148	487,932	-	2,648,080
Vehicles	<u>3,563,287</u>	<u>452,129</u>	<u>(201,094)</u>	<u>3,814,322</u>
Total capital assets, being depreciated	<u>104,381,348</u>	<u>12,901,865</u>	<u>(201,094)</u>	<u>117,082,119</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(44,498,612)	(1,438,284)	-	(45,936,896)
Building improvements	(100,712)	(423,715)	-	(524,427)
Water and sewer lines	(18,735,306)	(626,573)	-	(19,361,879)
Computer equipment	(133,461)	(8,273)	-	(141,734)
Furniture and equipment	(1,360,467)	(244,418)	-	(1,604,885)
Vehicles	<u>(2,974,073)</u>	<u>(301,322)</u>	<u>184,571</u>	<u>(3,090,824)</u>
Total accumulated depreciation	<u>(67,802,631)</u>	<u>(3,042,585)</u>	<u>184,571</u>	<u>(70,660,645)</u>
Total capital assets, being depreciated, net	<u>36,578,717</u>	<u>9,859,280</u>	<u>(16,523)</u>	<u>46,421,474</u>
Business-type activities capital assets, net	<u>\$ 55,978,660</u>	<u>\$ 15,532,613</u>	<u>\$(12,324,299)</u>	<u>\$ 59,186,974</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 513,261
Security of persons and property	197,506
Public health and welfare	23,784
Transportation	1,650,435
Community environment	91,108
Accumulated depreciation on capital contributions	71,568
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>13,941</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,561,603</u></u>

Business-Type activities:

Sewer	\$ 1,374,251
Water	1,351,046
Sanitation	160,677
Packard Music Hall	32,182
City redevelopment	14,791
Downtown parking	48,059
Stormwater utility	<u>61,579</u>
Total depreciation expense - business-type activities	<u><u>\$ 3,042,585</u></u>

NOTE 11 - COMPENSATED ABSENCES LIABILITY

Vacation, compensation time, and sick leave accumulated by governmental fund type employees has 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, 2007, vested benefits for vacation leave and compensation time for governmental fund type employees, totaled \$3,163,082 and vested benefits for sick leave, totaled \$1,906,430. For proprietary fund types, vested benefits for vacation leave and compensation time totaled \$856,267 and vested benefits for sick leave totaled \$681,961 at December 31, 2007. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

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

General capital assets consisting of equipment and vehicles have been capitalized in the statement of net assets in the amount of \$69,680 and \$528,720, respectively. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the statement of net assets. Principal payments during 2007 amounted to \$52,727 paid by the general fund and \$7,249 paid by the street maintenance nonmajor special revenue fund.

The governmental assets acquired through capital leases are as follows:

	<u>Equipment</u>	<u>Vehicles</u>
Asset	\$ 69,680	\$ 528,720
Less: accumulated depreciation	<u>(39,300)</u>	<u>(370,104)</u>
Total	<u>\$ 30,380</u>	<u>\$ 158,616</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2007:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2008	\$ 76,271
2009	71,902
2010	71,122
2011	68,517
2012	63,874
2013	<u>63,874</u>
Total	415,560
Less: amount representing interest	<u>(57,329)</u>
Present value of net minimum lease payments	<u>\$ 358,231</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - LEASES - (Continued)

B. Proprietary Capital Leases - Lessee Disclosure

In prior years, capital assets consisting of equipment have been capitalized in the sewer fund, water fund, and the stormwater utility nonmajor enterprise fund. In a prior year, capital assets consisting of copier equipment have been capitalized in the Water enterprise fund. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The amount of \$16,118, \$119,345 and \$188,538 in the water, sewer and stormwater utility enterprise funds, respectively, represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the enterprise funds. Principal payments in 2007 totaled \$1,159 in the water fund, \$21,318 in the sewer fund, and \$34,134 in the storm water utility fund.

The proprietary assets acquired through capital leases are as follows:

	<u>Water Equipment</u>	<u>Sewer Equipment</u>	<u>Stormwater Utility Equipment</u>
Asset	\$ 16,118	\$ 119,345	\$ 188,538
Less: accumulated depreciation	<u>(16,118)</u>	<u>(29,519)</u>	<u>(37,708)</u>
Total	<u>\$ -</u>	<u>\$ 89,826</u>	<u>\$ 150,830</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2007:

<u>Year Ended December 31,</u>	<u>Sewer</u>	<u>Stormwater Utility</u>	<u>Total</u>
2008	\$ 28,224	\$ 43,523	\$ 71,747
2009	28,224	43,523	71,747
2010	28,224	43,523	71,747
2011	<u>21,366</u>	<u>43,523</u>	<u>64,889</u>
Total	106,038	174,092	280,130
Less: amount representing interest	<u>(12,820)</u>	<u>(19,688)</u>	<u>(32,508)</u>
Present value of net minimum lease payments	<u>\$ 93,218</u>	<u>\$ 154,404</u>	<u>\$ 247,622</u>

C. Operating Lease - Lessor Disclosure

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - LEASES - (Continued)

The carrying value of the property follows:

	<u>Land</u>	<u>Building</u>
Asset	\$ 9,000	\$ 219,756
Less: accumulated depreciation	<u>-</u>	<u>(79,662)</u>
Total	<u>\$ 9,000</u>	<u>\$ 140,094</u>

NOTE 13 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2007, the following changes occurred in governmental activities long-term obligations:

Governmental Activities:	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/07</u>	<u>Amounts Due in One Year</u>
<u>General Obligation Bonds</u>							
Correctional facility	4.50-5.85%	12/01/2010	\$ 322,060	\$ -	\$ (135,890)	\$ 186,170	\$ 66,074
Various purpose refunding, series 2003	2.00-4.00%	12/01/2013	4,415,500	-	(575,000)	3,840,500	583,000
Various purpose, series 2003	2.00-2.40%	12/01/2013	708,000	-	(184,000)	524,000	188,000
Multi purpose refunding, series 1996	3.80-6.25%	12/01/2011	1,500,000	-	(265,000)	1,235,000	280,000
Land acquisition	3.85-4.75%	11/01/2007	180,000	-	(180,000)	-	-
Communication system	3.85-4.75%	11/01/2007	<u>355,000</u>	<u>-</u>	<u>(355,000)</u>	<u>-</u>	<u>-</u>
Total general obligations bonds			<u>7,480,560</u>	<u>-</u>	<u>(1,694,890)</u>	<u>5,785,670</u>	<u>1,117,074</u>
<u>Other Long-Term Obligations</u>							
Reinvestment partnership corporation							
loan	6.09%	8/01/2016	755,000	-	(55,000)	700,000	55,000
OWDA loan	3.75%	1/01/2010	534,831	-	(145,780)	389,051	151,298
HUD 108 loan	5.28%	8/01/2022	1,700,000		-	1,700,000	70,000
Ohio Department of Development							
mortgage note	4.00%	11/1/1999	183,805	-	(17,508)	166,297	18,222
Police and fire pension liability		5/01/2035	2,799,061	-	(52,067)	2,746,994	54,303
Capital lease obligation			418,207	-	(59,976)	358,231	59,680
Compensated absences			<u>4,852,255</u>	<u>1,507,503</u>	<u>(1,290,246)</u>	<u>5,069,512</u>	<u>1,102,655</u>
Total other long-term obligations			<u>11,243,159</u>	<u>1,507,503</u>	<u>(1,620,577)</u>	<u>11,130,085</u>	<u>1,511,158</u>
Total governmental activities							
long-term obligations			18,723,719	<u>\$ 1,507,503</u>	<u>\$ (3,315,467)</u>	16,915,755	<u>\$ 2,628,232</u>
Add: Unamortized premium on bond issue			31,500			26,918	
Less: Unamortized deferred charges on refundings			<u>(215,582)</u>			<u>(184,224)</u>	
Total reported on the statement of net assets			<u>\$ 18,539,637</u>			<u>\$ 16,758,449</u>	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

Year Ended December 31,	<u>Police and Fire Pension Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 54,303	\$ 116,176	\$ 170,479
2009	56,636	113,844	170,480
2010	59,069	111,411	170,480
2011	61,606	108,874	170,480
2012	64,252	106,229	170,481
2013 - 2017	365,103	487,296	852,399
2018 - 2022	450,544	401,858	852,402
2023 - 2027	555,978	296,422	852,400
2028 - 2032	686,085	166,314	852,399
2033 - 2036	<u>393,418</u>	<u>25,313</u>	<u>418,731</u>
Total	<u>\$ 2,746,994</u>	<u>\$ 1,933,737</u>	<u>\$ 4,680,731</u>

General Obligation Bonds:

The City issued \$770,000 in land acquisition bonds on November 1, 1997. The bonds bear annual interest rates ranging from 3.85 percent to 4.75 percent. The final principal and interest payments were made on November 1, 2007.

The City issued \$1,540,000 in communication system bonds on November 1, 1997. The bonds bear annual interest rates ranging from 3.85 percent to 4.75 percent. The final principal and interest payments were made on November 1, 2007.

On November 11, 1995, Trumbull County issued general obligation bonds to finance the construction of a new correctional facility. The City entered into an agreement with Trumbull County to service a portion of the bonds. As part of this agreement, the City is allocated a portion of the correctional facility bonds. The City's share of the bonds at December 31, 2007 was \$186,170. These bonds are scheduled to mature December 1, 2010.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

On November 13, 2003, the City issued \$6,045,000 in general obligation various purpose refunding bonds to currently refund the callable portion of the 1993 general obligation various purpose refunding bonds (principal \$6,235,000; interest rate 5.10%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the general obligation various purpose refunded bonds at December 31, 2007 was \$3,880,000.

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

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

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

Year Ended December 31,	General Obligation Bonds		
	Principal	Interest	Total
2008	\$ 1,117,074	\$ 223,216	\$1,340,290
2009	1,021,492	187,211	1,208,703
2010	1,064,604	150,325	1,214,929
2011	1,058,000	102,865	1,160,865
2012	747,500	56,623	804,123
2013	<u>777,000</u>	<u>29,526</u>	<u>806,526</u>
Total	<u>\$ 5,785,670</u>	<u>\$ 749,766</u>	<u>\$6,535,436</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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

Year Ended December 31,	Loan Payable		
	Principal	Interest	Total
2008	\$ 55,000	\$ 43,954	\$ 98,954
2009	60,000	40,743	100,743
2010	65,000	37,170	102,170
2011	70,000	33,232	103,232
2012	75,000	28,920	103,920
2013 - 2016	<u>375,000</u>	<u>62,417</u>	<u>437,417</u>
Total	<u>\$ 700,000</u>	<u>\$ 246,436</u>	<u>\$ 946,436</u>

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

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

Year Ended December 31,	Loan Payable		
	Principal	Interest	Total
2008	\$ 70,000	\$ 89,713	\$ 159,713
2009	70,000	86,205	156,205
2010	75,000	82,733	157,733
2011	80,000	78,991	158,991
2012	85,000	74,975	159,975
2013 - 2017	545,000	302,023	847,023
2018 - 2022	<u>775,000</u>	<u>134,626</u>	<u>909,626</u>
Total	<u>\$ 1,700,000</u>	<u>\$ 849,266</u>	<u>\$ 2,549,266</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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

Year Ended December 31,	Note Payable		
	Principal	Interest	Total
2008	\$ 18,222	\$ 6,320	\$ 24,542
2009	18,964	5,578	24,542
2010	19,736	4,806	24,542
2011	20,541	4,001	24,542
2012	21,378	3,164	24,542
2013 - 2015	<u>67,456</u>	<u>4,125</u>	<u>71,581</u>
Total	<u>\$ 166,297</u>	<u>\$ 27,994</u>	<u>\$ 194,291</u>

OWDA Loan - During 2000, the City entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund the Mahoningside Redevelopment Project. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2007, the City had outstanding borrowings of \$389,051. The loan agreement requires semi-annual payments. The principal and interest payments are made out of the debt service fund.

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

Year Ended December 31,	OWDA Loan Payable		
	Principal	Interest	Total
2008	\$ 151,298	\$ 13,184	164,482
2009	157,025	7,457	164,482
2010	<u>80,728</u>	<u>1,514</u>	<u>82,242</u>
Total	<u>\$ 389,051</u>	<u>\$ 22,155</u>	<u>\$ 411,206</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Enterprise Fund Obligations

The City had the following long-term obligations outstanding at year-end related to enterprise fund operations:

	Interest Rate	Maturity Date	Balance at 12/31/06	Additions	Reductions	Balance at 12/31/07	Amounts Due in One Year
<u>General Obligation Bonds</u>							
Refunding sewer improvements	2.00-4.00%	12/01/2013	\$ 3,650,500	\$ -	\$ (481,000)	\$ 3,169,500	\$ 488,000
Packard Hall various improvements	2.00-2.40%	12/01/2008	21,000	-	(10,000)	11,000	11,000
Total general obligations bonds			<u>3,671,500</u>	<u>-</u>	<u>(491,000)</u>	<u>3,180,500</u>	<u>499,000</u>
<u>Revenue Bonds</u>							
Water system	3.80-5.00%	12/1/2022	9,515,000	-	(400,000)	9,115,000	415,000
Total revenue bonds			<u>9,515,000</u>	<u>-</u>	<u>(400,000)</u>	<u>9,115,000</u>	<u>415,000</u>
Total enterprise bonds			<u>13,186,500</u>	<u>-</u>	<u>(891,000)</u>	<u>12,295,500</u>	<u>914,000</u>
<u>OWDA Loans</u>							
Sewer system	10.16%	1/01/2012	3,338,468	-	(484,072)	2,854,396	533,254
Buckeye	3.54%	7/01/2014	692,474	-	(76,308)	616,166	79,034
Warren commerce park - phase I	4.80%	1/01/2017	98,793	-	(12,186)	86,607	12,778
Wastewater treatment plant and pump station improvements	3.04%	1/01/2017	627,810	-	(51,594)	576,216	53,174
Biosolids facility	3.04%	7/01/2017	4,340,365	-	(363,306)	3,977,059	370,170
Griswold street sanitary sewer	4.12%	7/01/2018	970,308	-	(63,977)	906,331	66,640
Warren commerce park - phase II	3.98%	1/01/2019	434,565	-	(27,440)	407,125	28,543
Warren commerce park - phase II	3.79%	1/01/2019	132,999	-	(8,496)	124,503	8,821
Downtown combined sewer	3.25%	1/01/2027	3,734,050	745,054	(80,376)	4,398,728	163,364
Water system improvements	3.95%	7/01/2023	9,587,629	-	(412,535)	9,175,094	424,796
Water meter replacements	3.34%	7/01/2028	74,660	4,266,441	-	4,341,101	-
Total OWDA loans			<u>24,032,121</u>	<u>5,011,495</u>	<u>(1,580,290)</u>	<u>27,463,326</u>	<u>1,740,574</u>
Total bonds and loans			<u>37,218,621</u>	<u>5,011,495</u>	<u>(2,471,290)</u>	<u>39,758,826</u>	<u>2,654,574</u>
<u>Other Long-Term Obligations</u>							
Capital lease obligation	4.50-5.85%		304,233	-	(56,611)	247,622	58,544
Compensated absences			1,427,289	603,073	(492,134)	1,538,228	470,790
Total other long-term obligations			<u>1,731,522</u>	<u>603,073</u>	<u>(548,745)</u>	<u>1,785,850</u>	<u>529,334</u>
Total business-type activities			38,950,143	<u>\$ 5,614,568</u>	<u>\$ (3,020,035)</u>	41,544,676	<u>\$ 3,183,908</u>
Add: Unamortized premium on bond issue			22,694			19,393	
Less: Unamortized deferred charges on refundings			<u>(359,131)</u>			<u>(302,958)</u>	
Total reported on the Statement of Net Assets			<u>\$ 38,613,706</u>			<u>\$ 41,261,111</u>	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

General Obligation Bonds:

The City issued \$51,000 in bonds for Packard Music Hall improvements on November 15, 2003. The bonds bear annual interest rates ranging from 2.00 percent to 2.40 percent and have a scheduled maturity date of December 1, 2008. At December 31, 2007 the balance of the bonds was \$11,000.

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

On November 13, 2003, the City issued \$5,043,000 in sewer system improvements refunding bonds to currently refund the callable portion of the 1993 sewer system improvement refunding bonds (principal \$5,215,000; interest rate 4.50%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the sewer system improvements refunded bonds at December 31, 2007 was \$3,190,000.

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

Revenue Bonds:

On December 30, 1997, the City issued \$11,380,000 water system revenue bonds. The bonds bear interest at rates ranging from 3.80 percent to 5.00 percent per annum and mature at various installments through November 1, 2022. A portion of the proceeds of the bonds was used for the advance refunding of the 1992 water system improvement bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the water system revenue bonds at December 31, 2007 was \$9,115,000.

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

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future water customer revenues, net of specified operating expenses, to advance refund the 1992 water system improvement bonds. The water revenue bonds are payable solely from water customer net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 33.12 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$13,263,457. Principal and interest paid for the current year and total customer net revenues were \$883,985 and \$2,668,773, respectively.

OWDA Loans:

The City has entered into debt financing arrangements through the OWDA to fund construction projects. The amounts due to the OWDA are payable solely from sewer and water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2007, the City has outstanding borrowings of \$27,463,326. 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 biosolids facility, downtown combined sewer, water system improvements, and water meter replacement projects financed through OWDA loans are not closed out as of December 31, 2007. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2007 of \$3,977,059, 4,398,728, \$9,175,094 and \$4,341,101, are not available.

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

Year Ended December 31,	Bonds Payable			OWDA Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 914,000	\$ 572,659	\$ 1,486,659	\$ 782,244	\$ 389,466	\$ 1,171,710
2009	935,500	541,386	1,476,886	845,754	325,847	1,171,601
2010	973,500	507,177	1,480,677	915,124	256,588	1,171,712
2011	1,017,000	464,597	1,481,597	990,924	180,785	1,171,709
2012	1,062,500	419,402	1,481,902	662,233	97,848	760,081
2013 - 2017	3,573,000	1,459,174	5,032,174	1,191,308	148,211	1,339,519
2018 - 2022	<u>3,820,000</u>	<u>591,750</u>	<u>4,411,750</u>	<u>183,757</u>	<u>6,429</u>	<u>190,186</u>
Total	<u>\$ 12,295,500</u>	<u>\$ 4,556,145</u>	<u>\$ 16,851,645</u>	<u>\$ 5,571,344</u>	<u>\$ 1,405,174</u>	<u>\$ 6,976,518</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - INTERNAL NOTES PAYABLE

The City had the following internal note activity for fiscal year 2007:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/07</u>
<u>Sanitation Enterprise Fund</u>							
<i>General Obligation Notes</i>							
Environmental services vehicle acquisition	4.600%	4/01/06	4/01/07	\$ 250,000	\$ -	\$ (250,000)	\$ -
Environmental services vehicle acquisition	4.810%	9/15/06	9/15/07	370,000	-	(370,000)	-
Environmental services vehicle acquisition	4.540%	9/15/07	9/15/08	-	250,000	-	250,000
Total				<u>\$ 620,000</u>	<u>\$ 250,000</u>	<u>\$ (620,000)</u>	<u>\$ 250,000</u>

The notes payable at December 31, 2007 are internal City of Warren notes that represent amounts borrowed from other funds of the City. The notes are structured in essentially the same manner as note agreements with outside institutions. The fund which loaned the monies (The workers compensation retro plan internal service fund) has reported "notes receivable" on the fund financial statements for the principal amounts outstanding at December 31, 2007. On the statement of net assets, the "notes receivable" and "notes payable" have been presented as an internal balance.

NOTE 15 - RISK MANAGEMENT

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

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

In the last three years, the City had one occurrence in which settled claims exceeded the self-insurance amount. The liability for unpaid claims of \$730,512 reported in the internal service fund at December 31, 2007, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - RISK MANAGEMENT

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

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

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Hospitalization self-insurance	2007	\$ 679,681	\$ 4,975,634	\$ (4,924,803)	\$ 730,512
	2006	246,362	5,379,589	(4,946,270)	679,681
Risk management	2007		176,324	(176,324)	-
	2006	-	189,334	(189,334)	-
Workers' compensation	2007	440,887	532,672	(440,887)	532,672
	2006	397,304	440,887	(397,304)	440,887

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. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 16 - PENSION PLANS - (Continued)

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the Traditional Pension Plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% of covered payroll for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2007, 2006, and 2005 were \$1,216,075, \$1,288,136, and \$1,945,341, respectively; 80.04% has been contributed for 2007 and 100% has been contributed for 2006 and 2005.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters for the fiscal years ended December 31, 2007, 2006, and 2005 were \$1,338,673, \$1,538,149, and \$1,185,714, respectively; 90.42% has been contributed for 2007 with the remainder being reported as a liability in the respective funds and 100% has been contributed for 2006 and 2005.

NOTE 17 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The City's actual employer contributions for 2007 which were used to fund post-employment benefits were \$801,007. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by OP&F is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program during 2007. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's actual contributions for 2007 that were used to fund post-employment benefits were \$315,088 for police officers and \$290,938 for firefighters. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.374 million, which was net of member contributions of \$58.533 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 (the latest information available), was 14,120 for police officers and 10,563 for firefighters.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

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

	<u>General</u>
Budget basis	\$ (2,611,583)
Net adjustment for revenue accruals	(393,274)
Net adjustment for expenditure accruals	(202,617)
Adjustment for encumbrances	<u>734,922</u>
GAAP basis	<u><u>\$ (2,472,552)</u></u>

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, 2007.

B. Litigation

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

C. Debt

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

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**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

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

General Fund

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

Nonmajor Special Revenue Funds

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

Court Computerization

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

Street Maintenance

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

Drivers Alcohol Treatment

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

Drug Law Enforcement

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

Law Enforcement Trust

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

Enforcement and Education

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

Federal Forfeitures

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

Probation - Municipal Court

To account for revenues received from municipal probation.

Special Projects - Courts

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

Legal Research - Courts

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

Police Pension

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

CITY OF WARREN, OHIO

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

Nonmajor Special Revenue Funds - (Continued)

Fire Pension

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

Community Development Block Grant (CDBG)

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

Guarantee Loan

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

Highway Construction

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

Motor Vehicle Levy

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

Home Investment

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

Nonmajor Debt Service Fund

General Bond Payment

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

Nonmajor Capital Projects Fund

General Capital Improvements

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

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 18,175,000	\$ 18,175,000	\$ 18,238,361	\$ 63,361
Charges for services	2,159,000	2,159,000	1,994,549	(164,451)
Licenses and permits	2,106,700	2,106,700	1,774,541	(332,159)
Fines and forfeitures	1,115,000	1,115,000	1,094,722	(20,278)
Intergovernmental	2,923,890	2,923,890	2,954,959	31,069
Investment income	900,000	900,000	1,158,484	258,484
Rental income	90,000	90,000	113,186	23,186
Other	1,273,634	1,273,634	460,738	(812,896)
Total revenues	<u>28,743,224</u>	<u>28,743,224</u>	<u>27,789,540</u>	<u>(953,684)</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	264,245	265,245	265,246	(1)
Contract services	34,676	34,676	32,348	2,328
Materials and supplies.	3,988	3,988	3,446	542
Capital outlay	1,450	1,450	1,450	-
Total city council	<u>304,359</u>	<u>305,359</u>	<u>302,490</u>	<u>2,869</u>
Municipal court				
Personal services	1,697,072	1,725,893	1,720,277	5,616
Contract services	89,507	87,356	64,268	23,088
Materials and supplies.	7,980	3,680	3,596	84
Total municipal court.	<u>1,794,559</u>	<u>1,816,929</u>	<u>1,788,141</u>	<u>28,788</u>
Victims of crimes				
Personal services	-	36,179	36,172	7
Contract services	-	1,576	1,294	282
Materials and supplies.	519	4,194	3,443	751
Capital outlay	-	1,200	1,162	38
Total victims of crimes	<u>519</u>	<u>43,149</u>	<u>42,071</u>	<u>1,078</u>
Operations - general				
Personal services	200,913	204,511	203,423	1,088
Contract services	21,918	21,350	21,032	318
Materials and supplies.	192	1,000	196	804
Total operations - general	<u>223,023</u>	<u>226,861</u>	<u>224,651</u>	<u>2,210</u>
Operations - maintenance				
Personal services	889,000	911,278	900,101	11,177
Contract services	372,345	406,697	362,324	44,373
Materials and supplies.	62,612	76,330	67,030	9,300
Total operations - maintenance.	<u>1,323,957</u>	<u>1,394,305</u>	<u>1,329,455</u>	<u>64,850</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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Mayor				
Personal services	\$ 342,776	\$ 342,776	\$ 331,301	\$ 11,475
Contract services	28,419	28,419	21,781	6,638
Materials and supplies.	7,102	15,102	12,720	2,382
Total mayor.	<u>378,297</u>	<u>386,297</u>	<u>365,802</u>	<u>20,495</u>
Purchasing				
Personal services	162,723	164,723	163,608	1,115
Contract services	17,800	22,800	20,153	2,647
Materials and supplies.	3,351	3,351	3,267	84
Capital outlay	-	3,000	2,409	591
Total purchasing	<u>183,874</u>	<u>193,874</u>	<u>189,437</u>	<u>4,437</u>
Finance				
Personal services	472,139	472,139	454,895	17,244
Contract services	53,000	53,000	51,737	1,263
Materials and supplies.	9,591	9,591	8,679	912
Capital outlay	-	4,000	4,000	-
Total finance	<u>534,730</u>	<u>538,730</u>	<u>519,311</u>	<u>19,419</u>
Human resources				
Personal services	270,412	273,412	267,332	6,080
Contract services	43,450	51,450	46,552	4,898
Materials and supplies.	1,814	3,514	2,644	870
Total human resources	<u>315,676</u>	<u>328,376</u>	<u>316,528</u>	<u>11,848</u>
Law department				
Personal services	786,137	792,437	791,717	720
Contract services	46,938	46,938	41,697	5,241
Materials and supplies.	6,511	6,511	3,884	2,627
Capital outlay	5,499	12,299	12,001	298
Total law department.	<u>845,085</u>	<u>858,185</u>	<u>849,299</u>	<u>8,886</u>
Civil service				
Personal services	12,671	12,671	11,190	1,481
Contract services	24,415	28,415	9,463	18,952
Materials and supplies.	1,000	2,000	808	1,192
Total civil service.	<u>38,086</u>	<u>43,086</u>	<u>21,461</u>	<u>21,625</u>
Administrative support				
Contract services	1,348,182	1,627,137	1,495,626	131,511
Materials and supplies.	12,298	13,298	11,363	1,935
Capital outlay	77,123	77,123	77,105	18
Other	110,000	102,000	87,436	14,564
Total administrative support	<u>1,547,603</u>	<u>1,819,558</u>	<u>1,671,530</u>	<u>148,028</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax				
Personal services	\$ 468,855	\$ 472,855	\$ 471,239	\$ 1,616
Contract services	104,509	117,009	93,135	23,874
Materials and supplies.	31,390	31,390	25,621	5,769
Capital outlay	12,000	32,000	32,013	(13)
Total income tax	<u>616,754</u>	<u>653,254</u>	<u>622,008</u>	<u>31,246</u>
 Total general government	 <u>8,106,522</u>	 <u>8,607,963</u>	 <u>8,242,184</u>	 <u>365,779</u>
Security of persons and property				
Police				
Personal services	8,063,228	8,648,227	8,615,451	32,776
Contract services	1,309,420	1,384,420	1,224,542	159,878
Materials and supplies.	222,365	264,975	200,171	64,804
Capital outlay	-	281,787	181,677	100,110
Total police.	<u>9,595,013</u>	<u>10,579,409</u>	<u>10,221,841</u>	<u>357,568</u>
Fire				
Personal services	6,630,353	6,909,353	6,848,361	60,992
Contract services	200,928	231,568	210,620	20,948
Materials and supplies.	90,120	103,320	96,787	6,533
Capital outlay	2,095	33,895	30,650	3,245
Total fire	<u>6,923,496</u>	<u>7,278,136</u>	<u>7,186,418</u>	<u>91,718</u>
Bio-Terrorism				
Contract services	6,299	8,540	3,722	4,818
Materials and supplies.	6,688	7,118	6,241	877
Capital outlay	6,004	6,004	6,004	-
Total fire	<u>18,991</u>	<u>21,662</u>	<u>15,967</u>	<u>5,695</u>
 Total security of persons and property .	 <u>16,537,500</u>	 <u>17,879,207</u>	 <u>17,424,226</u>	 <u>454,981</u>
Public health and welfare				
Health				
Personal services	363,741	374,594	354,154	20,440
Contract services	52,984	48,415	44,161	4,254
Materials and supplies.	32,325	35,954	31,081	4,873
Capital outlay	2,132	4,632	2,119	2,513
Other.	50,543	150,543	112,415	38,128
Total health	<u>501,725</u>	<u>614,138</u>	<u>543,930</u>	<u>70,208</u>
Dental				
Contract services	27,648	32,090	22,776	9,314
Materials and supplies.	3,512	5,200	4,057	1,143
Total dental.	<u>31,160</u>	<u>37,290</u>	<u>26,833</u>	<u>10,457</u>
 Total public health and welfare	 <u>532,885</u>	 <u>651,428</u>	 <u>570,763</u>	 <u>80,665</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Environmental health				
Personal services	\$ 592,983	\$ 582,130	\$ 577,353	\$ 4,777
Contract services	22,312	21,334	17,986	3,348
Materials and supplies.	10,304	12,517	9,518	2,999
Other.	112,000	12,000	8,188	3,812
Total environmental health	<u>737,599</u>	<u>627,981</u>	<u>613,045</u>	<u>14,936</u>
Weed control				
Contract services	25,883	24,500	21,356	3,144
Materials and supplies.	4,887	5,000	4,783	217
Total weed control	<u>30,770</u>	<u>29,500</u>	<u>26,139</u>	<u>3,361</u>
Mosquito control				
Contract services	233	480	125	355
Materials and supplies.	1,873	4,800	1,833	2,967
Total mosquito control	<u>2,106</u>	<u>5,280</u>	<u>1,958</u>	<u>3,322</u>
Engineering building and plant department				
Personal services	1,026,506	1,026,506	1,023,519	2,987
Contract services	315,980	517,980	508,664	9,316
Materials and supplies.	19,699	21,699	18,773	2,926
Capital outlay	-	27,961	27,682	279
Other	20,000	20,000	9,285	10,715
Total engineering building and plant department.	<u>1,382,185</u>	<u>1,614,146</u>	<u>1,587,923</u>	<u>26,223</u>
Total community environment.	<u>2,152,660</u>	<u>2,276,907</u>	<u>2,229,065</u>	<u>47,842</u>
Leisure time activity				
Operations - Packard Park				
Personal services	138,567	148,716	140,297	8,419
Contract services	76,955	103,381	73,466	29,915
Materials and supplies.	12,227	14,433	12,795	1,638
Other.	5,275	5,150	3,465	1,685
Total operations - packard park.	<u>233,024</u>	<u>271,680</u>	<u>230,023</u>	<u>41,657</u>
Operations - parks				
Personal services	312,083	317,058	315,980	1,078
Contract services	172,930	177,720	158,510	19,210
Materials and supplies.	47,484	51,752	46,978	4,774
Capital outlay	-	149,486	148,494	992
Other.	425	550	300	250
Total operations - parks.	<u>532,922</u>	<u>696,566</u>	<u>670,262</u>	<u>26,304</u>
Total leisure time activity.	<u>765,946</u>	<u>968,246</u>	<u>900,285</u>	<u>67,961</u>
Total expenditures.	<u>28,095,513</u>	<u>30,383,751</u>	<u>29,366,523</u>	<u>1,017,228</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures.	\$ 647,711	\$ (1,640,527)	\$ (1,576,983)	\$ 63,544
Other financing sources (uses):				
Transfers in	-	-	65,000	65,000
Transfers out	(970,064)	(1,691,411)	(1,099,600)	591,811
Total other financing sources (uses). . .	<u>(970,064)</u>	<u>(1,691,411)</u>	<u>(1,034,600)</u>	<u>656,811</u>
Net change in fund balance	(322,353)	(3,331,938)	(2,611,583)	720,355
Fund balance at beginning of year	3,810,414	3,810,414	3,810,414	-
Prior year encumbrances appropriated .	<u>451,085</u>	<u>451,085</u>	<u>451,085</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,939,146</u>	<u>\$ 929,561</u>	<u>\$ 1,649,916</u>	<u>\$ 720,355</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 4,160,266	\$ 3,924	\$ 147,165	\$ 4,311,355
Receivables (net of allowances of uncollectibles):				
Real and other taxes	348,322	1,663,975	-	2,012,297
Accounts.	30,347	-	-	30,347
Loans.	5,495,706	-	-	5,495,706
Special assessments	498,065	45,386	-	543,451
Due from other governments	1,027,508	68,380	-	1,095,888
Materials and supplies inventory	48,318	-	-	48,318
Total assets.	<u>\$ 11,608,532</u>	<u>\$ 1,781,665</u>	<u>\$ 147,165</u>	<u>\$ 13,537,362</u>
Liabilities:				
Accounts payable	\$ 48,164	\$ -	\$ 27,748	\$ 75,912
Contracts payable	7,100	-	22,152	29,252
Accrued wages and benefits.	73,311	-	-	73,311
Due to other governments	13,217	-	-	13,217
Deferred revenue.	1,164,633	448,776	-	1,613,409
Unearned revenue	271,700	1,297,946	-	1,569,646
Total liabilities	<u>1,578,125</u>	<u>1,746,722</u>	<u>49,900</u>	<u>3,374,747</u>
Fund balances:				
Reserved for encumbrances.	2,333,523	-	319,576	2,653,099
Reserved for materials and supplies inventory	48,318	-	-	48,318
Reserved for loans	5,495,706	-	-	5,495,706
Reserved for tax advance	6,494	31,019	-	37,513
Unreserved (deficit), undesignated, reported in:				
Special revenue funds	2,146,366	-	-	2,146,366
Debt service fund	-	3,924	-	3,924
Capital projects funds	-	-	(222,311)	(222,311)
Total fund balances	<u>10,030,407</u>	<u>34,943</u>	<u>97,265</u>	<u>10,162,615</u>
Total liabilities and fund equity	<u>\$ 11,608,532</u>	<u>\$ 1,781,665</u>	<u>\$ 147,165</u>	<u>\$ 13,537,362</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 286,216	\$ 1,381,743	\$ -	\$ 1,667,959
Charges for services	74,236	-	-	74,236
Licenses and permits.	119,284	-	-	119,284
Fines and forfeitures.	442,497	-	-	442,497
Intergovernmental	4,203,968	136,760	721,998	5,062,726
Special assessments	13,249	17,439	-	30,688
Investment income.	299,614	-	-	299,614
Other.	33,375	-	59,000	92,375
Total revenues.	<u>5,472,439</u>	<u>1,535,942</u>	<u>780,998</u>	<u>7,789,379</u>
Expenditures:				
Current:				
General government	74,342	29,179	-	103,521
Security of persons and property	310,649	-	-	310,649
Transportation	2,328,166	-	-	2,328,166
Economic development.	2,083,320	-	-	2,083,320
Capital outlay	417,795	-	1,415,304	1,833,099
Debt service:				
Principal retirement	296,721	1,675,773	-	1,972,494
Interest and fiscal charges.	274,324	287,154	-	561,478
Total expenditures.	<u>5,785,317</u>	<u>1,992,106</u>	<u>1,415,304</u>	<u>9,192,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(312,878)</u>	<u>(456,164)</u>	<u>(634,306)</u>	<u>(1,403,348)</u>
Other financing sources (uses):				
Transfers in	365,000	454,990	161,498	981,488
Transfers out	<u>(202,704)</u>	<u>-</u>	<u>-</u>	<u>(202,704)</u>
Total other financing sources (uses)	<u>162,296</u>	<u>454,990</u>	<u>161,498</u>	<u>778,784</u>
Net change in fund balance	(150,582)	(1,174)	(472,808)	(624,564)
Fund balances at beginning of year	<u>10,180,989</u>	<u>36,117</u>	<u>570,073</u>	<u>10,787,179</u>
Fund balances at end of year.	<u><u>\$ 10,030,407</u></u>	<u><u>\$ 34,943</u></u>	<u><u>\$ 97,265</u></u>	<u><u>\$ 10,162,615</u></u>

CITY OF WARREN, OHIO

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 265,629	\$ 45,275	\$ 45,685
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	-
Accounts	9,732	-	480
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	846,101	-
Materials and supplies inventory	-	16,402	-
Total assets	<u>\$ 275,361</u>	<u>\$ 907,778</u>	<u>\$ 46,165</u>
Liabilities:			
Accounts payable	\$ 1,357	\$ 6,093	\$ -
Contracts payable	-	-	-
Accrued wages and benefits	-	62,777	-
Due to other governments	-	9,605	-
Deferred revenue.	-	536,621	-
Unearned revenue	-	-	-
Total liabilities	<u>1,357</u>	<u>615,096</u>	<u>-</u>
Fund Equity:			
Reserved for encumbrances	214	23,071	-
Reserved for materials and supplies inventory	-	16,402	-
Reserved for loans.	-	-	-
Reserved for tax advance	-	-	-
Unreserved (deficit), undesignated reported in:			
Special revenue funds.	273,790	253,209	46,165
Total fund equity	<u>274,004</u>	<u>292,682</u>	<u>46,165</u>
Total liabilities and fund equity.	<u>\$ 275,361</u>	<u>\$ 907,778</u>	<u>\$ 46,165</u>

<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Enforcement and Education</u>	<u>Federal Forfeitures</u>	<u>Probation - Municipal Court</u>	<u>Special Projects - Courts</u>
\$ 1,820	\$ 208,666	\$ 15,424	\$ 180,205	\$ 197,534	\$ 687,079
-	-	-	-	-	-
-	-	200	-	3,538	13,438
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,820</u>	<u>\$ 208,666</u>	<u>\$ 15,624</u>	<u>\$ 180,205</u>	<u>\$ 201,072</u>	<u>\$ 700,517</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,208	\$ 3,511
-	-	-	-	6,000	-
-	-	-	-	-	-
-	-	-	2,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>8,208</u>	<u>3,511</u>
-	782	28	3,304	-	25,166
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,820</u>	<u>207,884</u>	<u>15,596</u>	<u>174,901</u>	<u>192,864</u>	<u>671,840</u>
<u>1,820</u>	<u>208,666</u>	<u>15,624</u>	<u>178,205</u>	<u>192,864</u>	<u>697,006</u>
<u>\$ 1,820</u>	<u>\$ 208,666</u>	<u>\$ 15,624</u>	<u>\$ 180,205</u>	<u>\$ 201,072</u>	<u>\$ 700,517</u>

- Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2007

	<u>Legal Research - Courts</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 188,256	\$ 283,814	\$ 221,755
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	174,161	174,161
Accounts	2,959	-	-
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	7,077	7,077
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 191,215</u>	<u>\$ 465,052</u>	<u>\$ 402,993</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Accrued wages and benefits	-	-	-
Due to other governments	-	-	-
Deferred revenue.	-	42,141	42,141
Unearned revenue	-	135,850	135,850
Total liabilities	<u>-</u>	<u>177,991</u>	<u>177,991</u>
Fund Equity:			
Reserved for encumbrances	72,227	-	-
Reserved for materials and supplies inventory	-	-	-
Reserved for loans.	-	-	-
Reserved for tax advance	-	3,247	3,247
Unreserved:			
Special revenue funds.	118,988	283,814	221,755
Total fund equity	<u>191,215</u>	<u>287,061</u>	<u>225,002</u>
Total liabilities and fund equity.	<u>\$ 191,215</u>	<u>\$ 465,052</u>	<u>\$ 402,993</u>

CDBG	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ 855,648	\$ 171,168	\$ 98,365	\$ 19,873	\$ 674,070	\$ 4,160,266
-	-	-	-	-	348,322
-	-	-	-	-	30,347
1,466,497	2,068,869	-	-	1,960,340	5,495,706
498,065	-	-	-	-	498,065
69,759	-	68,602	28,892	-	1,027,508
-	-	-	31,916	-	48,318
<u>\$ 2,889,969</u>	<u>\$ 2,240,037</u>	<u>\$ 166,967</u>	<u>\$ 80,681</u>	<u>\$ 2,634,410</u>	<u>\$ 11,608,532</u>
\$ 5,034	\$ -	\$ 23,048	\$ -	\$ 6,913	\$ 48,164
1,100	-	-	-	-	7,100
10,534	-	-	-	-	73,311
1,612	-	-	-	-	13,217
498,065	-	45,665	-	-	1,164,633
-	-	-	-	-	271,700
<u>516,345</u>	<u>-</u>	<u>68,713</u>	<u>-</u>	<u>6,913</u>	<u>1,578,125</u>
188,958	50,000	50,792	3,000	1,915,981	2,333,523
-	-	-	31,916	-	48,318
1,466,497	2,068,869	-	-	1,960,340	5,495,706
-	-	-	-	-	6,494
<u>718,169</u>	<u>121,168</u>	<u>47,462</u>	<u>45,765</u>	<u>(1,248,824)</u>	<u>2,146,366</u>
<u>2,373,624</u>	<u>2,240,037</u>	<u>98,254</u>	<u>80,681</u>	<u>2,627,497</u>	<u>10,030,407</u>
<u>\$ 2,889,969</u>	<u>\$ 2,240,037</u>	<u>\$ 166,967</u>	<u>\$ 80,681</u>	<u>\$ 2,634,410</u>	<u>\$ 11,608,532</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, 2007**

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services.	-	-	-
Licenses and permits	-	40,450	-
Fines and forfeitures.	155,454	-	25,436
Intergovernmental.	-	1,650,555	-
Special assessment	-	-	-
Investment income	-	-	-
Other	-	5,411	-
	<hr/>	<hr/>	<hr/>
Total revenues.	155,454	1,696,416	25,436
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	74,342	-	-
Security of persons and property	-	-	42,367
Transportation.	-	2,328,166	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	7,249	-
Interest and fiscal charges	-	1,096	-
	<hr/>	<hr/>	<hr/>
Total expenditures	74,342	2,336,511	42,367
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	81,112	(640,095)	(16,931)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in.	-	295,000	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	295,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	81,112	(345,095)	(16,931)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	192,892	637,777	63,096
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 274,004	\$ 292,682	\$ 46,165
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court	Special Projects - Courts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	78,834	-
2,058	20,728	2,120	-	-	193,461
-	91,093	-	52,113	-	-
-	-	-	-	-	-
-	-	-	12,031	-	-
-	-	-	-	-	-
<u>2,058</u>	<u>111,821</u>	<u>2,120</u>	<u>64,144</u>	<u>78,834</u>	<u>193,461</u>
-	-	-	-	-	-
-	18,671	112	77,867	78,251	38,252
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,117	-	-	-	-	-
2,949	-	-	-	-	-
<u>22,066</u>	<u>18,671</u>	<u>112</u>	<u>77,867</u>	<u>78,251</u>	<u>38,252</u>
<u>(20,008)</u>	<u>93,150</u>	<u>2,008</u>	<u>(13,723)</u>	<u>583</u>	<u>155,209</u>
-	-	-	-	-	-
-	-	-	-	-	(65,000)
-	-	-	-	-	(65,000)
(20,008)	93,150	2,008	(13,723)	583	90,209
21,828	115,516	13,616	191,928	192,281	606,797
<u>\$ 1,820</u>	<u>\$ 208,666</u>	<u>\$ 15,624</u>	<u>\$ 178,205</u>	<u>\$ 192,864</u>	<u>\$ 697,006</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, 2007

	Legal Research - Courts	Police Pension	Fire Pension
	<hr/>	<hr/>	<hr/>
Revenues:			
Property and other taxes	\$ -	\$ 143,108	\$ 143,108
Charges for services.	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures.	43,240	-	-
Intergovernmental.	-	14,154	14,154
Special assessment	-	-	-
Investment income	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues.	43,240	157,262	157,262
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	-	-
Security of persons and property	49,904	2,689	2,536
Transportation.	-	-	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	23,675	28,392
Interest and fiscal charges	-	53,843	64,570
	<hr/>	<hr/>	<hr/>
Total expenditures	49,904	80,207	95,498
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(6,664)	77,055	61,764
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in.	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	(6,664)	77,055	61,764
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	197,879	210,006	163,238
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 191,215	\$ 287,061	\$ 225,002
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CDBG	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Home Investment	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,216
74,236	-	-	-	-	74,236
-	-	-	-	-	119,284
-	-	-	-	-	442,497
1,301,334	-	134,349	341,781	604,435	4,203,968
13,249	-	-	-	-	13,249
69,926	159,226	5,525	1,144	51,762	299,614
9,111	18,656	-	-	197	33,375
<u>1,467,856</u>	<u>177,882</u>	<u>139,874</u>	<u>342,925</u>	<u>656,394</u>	<u>5,472,439</u>
-	-	-	-	-	74,342
-	-	-	-	-	310,649
-	-	-	-	-	2,328,166
1,092,423	9	-	-	990,888	2,083,320
-	-	171,186	246,609	-	417,795
163,288	55,000	-	-	-	296,721
25,736	126,130	-	-	-	274,324
<u>1,281,447</u>	<u>181,139</u>	<u>171,186</u>	<u>246,609</u>	<u>990,888</u>	<u>5,785,317</u>
<u>186,409</u>	<u>(3,257)</u>	<u>(31,312)</u>	<u>96,316</u>	<u>(334,494)</u>	<u>(312,878)</u>
-	-	-	70,000	-	365,000
-	-	-	(137,704)	-	(202,704)
-	-	-	(67,704)	-	162,296
186,409	(3,257)	(31,312)	28,612	(334,494)	(150,582)
<u>2,187,215</u>	<u>2,243,294</u>	<u>129,566</u>	<u>52,069</u>	<u>2,961,991</u>	<u>10,180,989</u>
<u>\$ 2,373,624</u>	<u>\$ 2,240,037</u>	<u>\$ 98,254</u>	<u>\$ 80,681</u>	<u>\$ 2,627,497</u>	<u>\$ 10,030,407</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, 2007

	<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	\$ 120,000	\$ 120,000	\$ 155,030	\$ 35,030
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>155,030</u>	<u>35,030</u>
Expenditures:				
Current:				
General government				
Contract services	65,450	65,450	49,029	16,421
Materials and supplies.	32,886	32,886	20,230	12,656
Capital outlay	26,731	26,731	22,327	4,404
Total general government	<u>125,067</u>	<u>125,067</u>	<u>91,586</u>	<u>33,481</u>
Total expenditures	<u>125,067</u>	<u>125,067</u>	<u>91,586</u>	<u>33,481</u>
Net change in fund balance.	(5,067)	(5,067)	63,444	68,511
Fund balance at beginning of year	183,397	183,397	183,397	-
Prior year encumbrances appropriated .	<u>17,217</u>	<u>17,217</u>	<u>17,217</u>	<u>-</u>
Fund balance at end of year	<u>\$ 195,547</u>	<u>\$ 195,547</u>	<u>\$ 264,058</u>	<u>\$ 68,511</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, 2007

	<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	\$ 45,000	\$ 45,000	\$ 40,450	\$ (4,550)
Intergovernmental	1,570,000	1,570,000	1,626,165	56,165
Other	-	-	5,411	5,411
Total revenues	<u>1,615,000</u>	<u>1,615,000</u>	<u>1,672,026</u>	<u>57,026</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,693,704	1,733,704	1,665,044	68,660
Contract services	599,394	599,393	517,479	81,914
Materials and supplies	278,815	353,815	229,126	124,689
Capital outlay	-	3,850	-	3,850
Total transportation	<u>2,571,913</u>	<u>2,690,762</u>	<u>2,411,649</u>	<u>279,113</u>
Total expenditures	<u>2,571,913</u>	<u>2,690,762</u>	<u>2,411,649</u>	<u>279,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(956,913)</u>	<u>(1,075,762)</u>	<u>(739,623)</u>	<u>336,139</u>
Other financing sources:				
Transfers in	<u>885,000</u>	<u>885,000</u>	<u>295,000</u>	<u>(590,000)</u>
Total other financing sources	<u>885,000</u>	<u>885,000</u>	<u>295,000</u>	<u>(590,000)</u>
Net change in fund balance	(71,913)	(190,762)	(444,623)	(253,861)
Fund balance at beginning of year	<u>388,821</u>	<u>388,821</u>	<u>388,821</u>	<u>-</u>
Prior year encumbrances appropriated .	<u>71,913</u>	<u>71,913</u>	<u>71,913</u>	<u>-</u>
Fund balance at end of year	<u>\$ 388,821</u>	<u>\$ 269,972</u>	<u>\$ 16,111</u>	<u>\$ (253,861)</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, 2007

	<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	\$ 20,000	\$ 20,000	\$ 25,846	\$ 5,846
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>25,846</u>	<u>5,846</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	22,355	57,355	44,208	13,147
Total security of persons and property.	<u>22,355</u>	<u>57,355</u>	<u>44,208</u>	<u>13,147</u>
Total expenditures	<u>22,355</u>	<u>57,355</u>	<u>44,208</u>	<u>13,147</u>
Net change in fund balance	(2,355)	(37,355)	(18,362)	18,993
Fund balance at beginning of year	61,692	61,692	61,692	-
Prior year encumbrances appropriated .	<u>2,355</u>	<u>2,355</u>	<u>2,355</u>	<u>-</u>
Fund balance at end of year	<u>\$ 61,692</u>	<u>\$ 26,692</u>	<u>\$ 45,685</u>	<u>\$ 18,993</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 2,058	\$ (2,942)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,058</u>	<u>(2,942)</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	5,000	4,761	-	4,761
Total security of persons and property.	<u>5,000</u>	<u>4,761</u>	<u>-</u>	<u>4,761</u>
Debt service:				
Principal retirement	-	19,117	19,117	-
Interest and fiscal charges	-	2,950	2,949	1
Total debt service	<u>-</u>	<u>22,067</u>	<u>22,066</u>	<u>1</u>
Total expenditures	<u>5,000</u>	<u>26,828</u>	<u>22,066</u>	<u>4,762</u>
Net change in fund balance	-	(21,828)	(20,008)	1,820
Fund balance at beginning of year	<u>21,828</u>	<u>21,828</u>	<u>21,828</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,828</u>	<u>\$ -</u>	<u>\$ 1,820</u>	<u>\$ 1,820</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 20,728	\$ 20,728
Intergovernmental	10,000	10,000	91,093	81,093
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>111,821</u>	<u>101,821</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	12,975	12,975	12,045	930
Capital outlay	11,506	116,506	11,506	105,000
Other	-	7,408	7,408	-
Total security of persons and property.	<u>24,481</u>	<u>136,889</u>	<u>30,959</u>	<u>105,930</u>
Total expenditures	<u>24,481</u>	<u>136,889</u>	<u>30,959</u>	<u>105,930</u>
Net change in fund balance	(14,481)	(126,889)	80,862	207,751
Fund balance at beginning of year	112,541	112,541	112,541	-
Prior year encumbrances appropriated .	<u>14,481</u>	<u>14,481</u>	<u>14,481</u>	<u>-</u>
Fund balance at end of year	<u>\$ 112,541</u>	<u>\$ 133</u>	<u>\$ 207,884</u>	<u>\$ 207,751</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, 2007

	<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	\$ 3,000	\$ 3,000	\$ 2,063	\$ (937)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,063</u>	<u>(937)</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	3,000	3,000	140	2,860
Total security of persons and property.	<u>3,000</u>	<u>3,000</u>	<u>140</u>	<u>2,860</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>140</u>	<u>2,860</u>
Net change in fund balance	-	-	1,923	1,923
Fund balance at beginning of year	<u>13,473</u>	<u>13,473</u>	<u>13,473</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,473</u>	<u>\$ 13,473</u>	<u>\$ 15,396</u>	<u>\$ 1,923</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 52,113	\$ 7,113
Investment income	-	-	12,031	12,031
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>64,144</u>	<u>19,144</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	31,900	71,900	42,903	28,997
Materials and supplies.	16,900	41,900	26,455	15,445
Capital outlay	<u>50,096</u>	<u>147,096</u>	<u>36,406</u>	<u>110,690</u>
Total security of persons and property.	<u>98,896</u>	<u>260,896</u>	<u>105,764</u>	<u>155,132</u>
Total expenditures	<u>98,896</u>	<u>260,896</u>	<u>105,764</u>	<u>155,132</u>
Net change in fund balance	(53,896)	(215,896)	(41,620)	174,276
Fund balance at beginning of year	162,625	162,625	162,625	-
Prior year encumbrances appropriated .	<u>53,896</u>	<u>53,896</u>	<u>53,896</u>	-
Fund balance at end of year	<u>\$ 162,625</u>	<u>\$ 625</u>	<u>\$ 174,901</u>	<u>\$ 174,276</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, 2007

	<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	\$ 60,000	\$ 60,000	\$ 80,101	\$ 20,101
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>80,101</u>	<u>20,101</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	18,448	20,948	17,129	3,819
Contract services	39,403	39,403	37,227	2,176
Materials and supplies	-	7,000	6,814	186
Capital outlay	-	27,000	19,520	7,480
Total security of persons and property.	<u>57,851</u>	<u>94,351</u>	<u>80,690</u>	<u>13,661</u>
Total expenditures	<u>57,851</u>	<u>94,351</u>	<u>80,690</u>	<u>13,661</u>
Net change in fund balance	2,149	(34,351)	(589)	33,762
Fund balance at beginning of year	187,462	187,462	187,462	-
Prior year encumbrances appropriated .	<u>2,453</u>	<u>2,453</u>	<u>2,453</u>	<u>-</u>
Fund balance at end of year	<u>\$ 192,064</u>	<u>\$ 155,564</u>	<u>\$ 189,326</u>	<u>\$ 33,762</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, 2007

	<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	\$ 150,000	\$ 150,000	\$ 194,580	\$ 44,580
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>194,580</u>	<u>44,580</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	52,778	52,778	20,976	31,802
Materials and supplies.	32,464	32,464	19,300	13,164
Capital outlay	-	25,000	24,140	860
Total security of persons and property.	<u>85,242</u>	<u>110,242</u>	<u>64,416</u>	<u>45,826</u>
Total expenditures	<u>85,242</u>	<u>110,242</u>	<u>64,416</u>	<u>45,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,758</u>	<u>39,758</u>	<u>130,164</u>	<u>90,406</u>
Other financing uses:				
Transfers out	-	(65,000)	(65,000)	-
Total other financing uses.	<u>-</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net change in fund balance	64,758	(25,242)	65,164	90,406
Fund balance at beginning of year	591,181	591,181	591,181	-
Prior year encumbrances appropriated .	<u>2,057</u>	<u>2,057</u>	<u>2,057</u>	<u>-</u>
Fund balance at end of year	<u>\$ 657,996</u>	<u>\$ 567,996</u>	<u>\$ 658,402</u>	<u>\$ 90,406</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LEGAL RESEARCH - COURTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<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	\$ 40,000	\$ 40,000	\$ 43,093	\$ 3,093
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>43,093</u>	<u>3,093</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	27,650	27,650	20,702	6,948
Materials and supplies.	1,260	1,260	-	1,260
Capital outlay	29,614	109,614	101,429	8,185
Total security of persons and property.	<u>58,524</u>	<u>138,524</u>	<u>122,131</u>	<u>16,393</u>
Total expenditures	<u>58,524</u>	<u>138,524</u>	<u>122,131</u>	<u>16,393</u>
Net change in fund balance	(18,524)	(98,524)	(79,038)	19,486
Fund balance at beginning of year	165,453	165,453	165,453	-
Prior year encumbrances appropriated .	<u>29,614</u>	<u>29,614</u>	<u>29,614</u>	<u>-</u>
Fund balance at end of year	<u>\$ 176,543</u>	<u>\$ 96,543</u>	<u>\$ 116,029</u>	<u>\$ 19,486</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 133,601	\$ 133,601	\$ 143,451	\$ 9,850
Intergovernmental	14,872	14,872	14,154	(718)
Total revenues	<u>148,473</u>	<u>148,473</u>	<u>157,605</u>	<u>9,132</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	3,150	3,150	2,689	461
Total general government	<u>3,150</u>	<u>3,150</u>	<u>2,689</u>	<u>461</u>
Debt service:				
Principal retirement	23,676	23,676	23,675	1
Interest and fiscal charges	53,843	53,843	53,843	-
Total debt service	<u>77,519</u>	<u>77,519</u>	<u>77,518</u>	<u>1</u>
Total expenditures	<u>80,669</u>	<u>80,669</u>	<u>80,207</u>	<u>462</u>
Net change in fund balance	67,804	67,804	77,398	9,594
Fund balance at beginning of year	<u>206,416</u>	<u>206,416</u>	<u>206,416</u>	<u>-</u>
Fund balance at end of year	<u>\$ 274,220</u>	<u>\$ 274,220</u>	<u>\$ 283,814</u>	<u>\$ 9,594</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 133,601	\$ 133,601	\$ 143,451	\$ 9,850
Intergovernmental	14,872	14,872	14,154	(718)
Total revenues	<u>148,473</u>	<u>148,473</u>	<u>157,605</u>	<u>9,132</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	3,150	3,150	2,688	462
Total general government	<u>3,150</u>	<u>3,150</u>	<u>2,688</u>	<u>462</u>
Debt service:				
Principal retirement	28,392	28,392	28,392	-
Interest and fiscal charges	64,570	64,570	64,570	-
Total debt service	<u>92,962</u>	<u>92,962</u>	<u>92,962</u>	<u>-</u>
Total expenditures	<u>96,112</u>	<u>96,112</u>	<u>95,650</u>	<u>462</u>
Net change in fund balance	52,361	52,361	61,955	9,594
Fund balance at beginning of year	<u>159,800</u>	<u>159,800</u>	<u>159,800</u>	<u>-</u>
Fund balance at end of year	<u>\$ 212,161</u>	<u>\$ 212,161</u>	<u>\$ 221,755</u>	<u>\$ 9,594</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, 2007

	<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	\$ 650,000	\$ 650,000	\$ 578,283	\$ (71,717)
Intergovernmental	1,526,500	1,526,500	1,293,911	(232,589)
Special assessments	10,000	10,000	13,249	3,249
Investment income	55,000	55,000	83,603	28,603
Other	8,500	8,500	9,111	611
Total revenues	<u>2,250,000</u>	<u>2,250,000</u>	<u>1,978,157</u>	<u>(271,843)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	342,085	342,085	332,322	9,763
Contract services	207,017	207,017	172,994	34,023
Materials and supplies	8,900	8,900	2,367	6,533
Capital outlay	730,936	730,936	373,476	357,460
Other	1,034,692	1,034,693	693,246	341,447
Total economic development and assistance.	<u>2,323,630</u>	<u>2,323,631</u>	<u>1,574,405</u>	<u>749,226</u>
Debt service:				
Principal retirement	177,509	177,509	163,288	14,221
Interest and fiscal charges	37,034	37,034	25,736	11,298
Total debt service	<u>214,543</u>	<u>214,543</u>	<u>189,024</u>	<u>25,519</u>
Total expenditures	<u>2,538,173</u>	<u>2,538,174</u>	<u>1,763,429</u>	<u>774,745</u>
Net change in fund balance	(288,173)	(288,174)	214,728	502,902
Fund balance at beginning of year	157,655	157,655	157,655	-
Prior year encumbrances appropriated .	<u>288,173</u>	<u>288,173</u>	<u>288,173</u>	<u>-</u>
Fund balance at end of year	<u>\$ 157,655</u>	<u>\$ 157,654</u>	<u>\$ 660,556</u>	<u>\$ 502,902</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 6,226	\$ 6,226
Other	181,130	181,130	195,500	14,370
Total revenues	<u>181,130</u>	<u>181,130</u>	<u>201,726</u>	<u>20,596</u>
Expenditures:				
Current:				
Economic development and assistance				
Contract services	-	3,000	9	2,991
Other	-	100,000	50,000	50,000
Total economic development and assistance.	<u>-</u>	<u>103,000</u>	<u>50,009</u>	<u>52,991</u>
Debt service:				
Principal retirement.	55,000	55,000	55,000	-
Interest and fiscal charges	126,130	126,130	126,130	-
Total debt service	<u>181,130</u>	<u>181,130</u>	<u>181,130</u>	<u>-</u>
Total expenditures	<u>181,130</u>	<u>284,130</u>	<u>231,139</u>	<u>52,991</u>
Net change in fund balance	-	(103,000)	(29,413)	73,587
Fund balance at beginning of year	<u>150,581</u>	<u>150,581</u>	<u>150,581</u>	<u>-</u>
Fund balance at end of year	<u>\$ 150,581</u>	<u>\$ 47,581</u>	<u>\$ 121,168</u>	<u>\$ 73,587</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 119,000	\$ 119,000	\$ 131,851	\$ 12,851
Investment income	1,000	1,000	5,525	4,525
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>137,376</u>	<u>17,376</u>
Expenditures:				
Capital outlay				
Materials and supplies	124,068	229,168	222,028	7,140
Total capital outlay	<u>124,068</u>	<u>229,168</u>	<u>222,028</u>	<u>7,140</u>
Total expenditures	<u>124,068</u>	<u>229,168</u>	<u>222,028</u>	<u>7,140</u>
Net change in fund balance	(4,068)	(109,168)	(84,652)	24,516
Fund balance at beginning of year	105,109	105,109	105,109	-
Prior year encumbrances appropriated .	<u>4,068</u>	<u>4,068</u>	<u>4,068</u>	<u>-</u>
Fund balance at end of year	<u>\$ 105,109</u>	<u>\$ 9</u>	<u>\$ 24,525</u>	<u>\$ 24,516</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 344,260	(5,740)
Investment income	1,250	1,250	1,144	(106)
Total revenues	351,250	351,250	345,404	(5,846)
Expenditures:				
Capital outlay				
Contract services	126,641	126,641	118,618	8,023
Materials and supplies.	147,303	147,303	147,143	160
Total capital outlay	273,944	273,944	265,761	8,183
Total expenditures	273,944	273,944	265,761	8,183
Excess (deficiency) of revenues over (under) expenditures	77,306	77,306	79,643	2,337
Other financing sources (uses):				
Transfers in.	58,750	58,750	70,000	11,250
Transfers out	(140,000)	(140,000)	(137,704)	2,296
Total other financing sources (uses).	(81,250)	(81,250)	(67,704)	13,546
Net change in fund balance	(3,944)	(3,944)	11,939	15,883
Fund balance at beginning of year	990	990	990	-
Prior year encumbrances appropriated	3,944	3,944	3,944	-
Fund balance at end of year	\$ 990	\$ 990	\$ 16,873	\$ 15,883

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 924,545	\$ 2,358,800	\$ 636,651	\$ (1,722,149)
Investment income	75,169	71,000	51,762	(19,238)
Other	286	120,200	197	(120,003)
Total revenues	<u>1,000,000</u>	<u>2,550,000</u>	<u>688,610</u>	<u>(1,861,390)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	137,800	163,800	89,064	74,736
Contract services	14,150	14,150	639	13,511
Materials and supplies	7,250	7,250	-	7,250
Capital outlay	2,000	2,000	-	2,000
Other	2,671,801	3,371,801	2,863,200	508,601
Total economic development and assistance.	<u>2,833,001</u>	<u>3,559,001</u>	<u>2,952,903</u>	<u>606,098</u>
Total expenditures	<u>2,833,001</u>	<u>3,559,001</u>	<u>2,952,903</u>	<u>606,098</u>
Net change in fund balance	(1,833,001)	(1,009,001)	(2,264,293)	(1,255,292)
Fund balance (deficit) at beginning of year	(817,532)	(817,532)	(817,532)	-
Prior year encumbrances appropriated .	<u>1,833,001</u>	<u>1,833,001</u>	<u>1,833,001</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ (817,532)</u>	<u>\$ 6,468</u>	<u>\$ (1,248,824)</u>	<u>\$ (1,255,292)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,301,049	\$ 1,301,049	\$ 1,385,400	\$ 84,351
Intergovernmental	132,813	132,813	136,760	3,947
Special assessments	-	10,000	17,439	7,439
Total revenues	1,433,862	1,443,862	1,539,599	95,737
Expenditures:				
Current:				
General government				
Contract services	33,000	33,000	29,179	3,821
Total general government	33,000	33,000	29,179	3,821
Debt service:				
Principal retirement	1,610,822	1,610,822	1,558,099	52,723
Interest and fiscal charges	275,299	275,299	239,838	35,461
Total debt service	1,886,121	1,886,121	1,797,937	88,184
Total expenditures	1,919,121	1,919,121	1,827,116	92,005
Excess (deficiency) of revenues over (under) expenditures	(485,259)	(475,259)	(287,517)	187,742
Other financing sources:				
Transfers in	443,414	475,259	290,000	(185,259)
Total other financing sources	443,414	475,259	290,000	(185,259)
Net change in fund balance	(41,845)	-	2,483	2,483
Fund balance at beginning of year	1,441	1,441	1,441	-
Fund balance (deficit) at end of year . . .	\$ (40,404)	\$ 1,441	\$ 3,924	\$ 2,483

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,915,122	\$ 2,350,000	\$ 721,998	\$ (1,628,002)
Other	156,500	-	59,000	59,000
Total revenues	<u>2,071,622</u>	<u>2,350,000</u>	<u>780,998</u>	<u>(1,569,002)</u>
Expenditures:				
Capital outlay				
Contract services	65,000	65,000	2,031	62,969
Capital outlay	2,964,951	3,464,951	1,755,554	1,709,397
Total capital outlay	<u>3,029,951</u>	<u>3,529,951</u>	<u>1,757,585</u>	<u>1,772,366</u>
Total expenditures	<u>3,029,951</u>	<u>3,529,951</u>	<u>1,757,585</u>	<u>1,772,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(958,329)</u>	<u>(1,179,951)</u>	<u>(976,587)</u>	<u>203,364</u>
Other financing sources:				
Transfers in	428,378	650,000	161,498	(488,502)
Total other financing sources	<u>428,378</u>	<u>650,000</u>	<u>161,498</u>	<u>(488,502)</u>
Net change in fund balance	(529,951)	(529,951)	(815,089)	(285,138)
Fund balance at beginning of year	62,827	62,827	62,827	-
Prior year encumbrances appropriated .	<u>529,951</u>	<u>529,951</u>	<u>529,951</u>	<u>-</u>
Fund balance (deficit) at end of year . . .	<u>\$ 62,827</u>	<u>\$ 62,827</u>	<u>\$ (222,311)</u>	<u>\$ (285,138)</u>

CITY OF WARREN, OHIO

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

Enterprise Funds

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

Major Enterprise Funds

Sewer

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

Water

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

Sanitation

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

Nonmajor Enterprise Funds

Packard Music Hall

To account for the operations of the Packard Music Hall.

City Redevelopment

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

Downtown Parking

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

Stormwater Utility

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

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2007**

	Packard Music Hall	City Redevelopment	Downtown Parking
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 54,923	\$ 109,424	\$ 9,611
Receivables (net of allowances for uncollectibles):			
Accounts	-	-	1,628
Special assessments	-	-	-
	54,923	109,424	11,239
Total current assets.	54,923	109,424	11,239
Noncurrent assets:			
Capital assets:			
Land and construction in progress	-	133,280	150,000
Depreciable capital assets, net	284,233	320,409	1,273,557
Total capital assets	284,233	453,689	1,423,557
Total noncurrent assets	284,233	453,689	1,423,557
Total assets	\$ 339,156	\$ 563,113	\$ 1,434,796
Liabilities:			
Current liabilities:			
Accounts payable.	\$ 1,701	\$ 5,000	\$ 239
Contracts payable.	9,742	-	7,159
Accrued wages and benefits	8,968	-	-
Due to other governments	2,218	-	-
Current portion of general obligation bonds.	11,000	-	-
Current portion of capital lease obligations.	-	-	-
Current portion of compensated absences payable	17,279	-	-
Accrued interest payable	28	-	-
	50,936	5,000	7,398
Total current liabilities.	50,936	5,000	7,398
Long-term liabilities:			
Capital lease obligations	-	-	-
Compensated absences payable.	25,162	-	-
Total long-term liabilities	25,162	-	-
Total liabilities	76,098	5,000	7,398
Net Assets:			
Investment in capital assets, net of related debt	273,233	453,689	1,423,557
Unrestricted	(10,175)	104,424	3,841
Total net assets	\$ 263,058	\$ 558,113	\$ 1,427,398

<u>Stormwater Utility</u>	<u>Totals</u>
\$ 773,038	\$ 946,996
190,053	191,681
66	66
963,157	1,138,743
-	283,280
469,237	2,347,436
469,237	2,630,716
469,237	2,630,716
<u>\$ 1,432,394</u>	<u>\$ 3,769,459</u>
\$ 10,072	\$ 17,012
-	16,901
7,293	16,261
2,706	4,924
-	11,000
35,834	35,834
4,212	21,491
-	28
60,117	123,451
118,570	118,570
-	25,162
118,570	143,732
178,687	267,183
314,833	2,465,312
938,874	1,036,964
<u>\$ 1,253,707</u>	<u>\$ 3,502,276</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>
Operating revenues:			
Charges for services	\$ 237,197	\$ 42,711	\$ 37,959
Other	4,536	-	-
Total operating revenues	<u>241,733</u>	<u>42,711</u>	<u>37,959</u>
Operating expenses:			
Personal services	328,117	-	-
Contract services.	144,668	18,276	95,190
Materials and supplies.	68,471	13,005	1,980
Administrative costs.	30,130	-	-
Utilities	86,448	3,546	8,782
Other.	4,100	-	-
Depreciation.	32,182	14,791	48,059
Total operating expenses.	<u>694,116</u>	<u>49,618</u>	<u>154,011</u>
Operating income (loss)	<u>(452,383)</u>	<u>(6,907)</u>	<u>(116,052)</u>
Nonoperating revenues (expenses):			
Special assessments	-	-	-
Interest and fiscal charges	(449)	-	-
Total nonoperating revenues (expenses).	<u>(449)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers.	(452,832)	(6,907)	(116,052)
Transfers in	400,000	-	44,600
Transfers out.	-	-	-
Changes in net assets	(52,832)	(6,907)	(71,452)
Net assets at beginning of year.	<u>315,890</u>	<u>565,020</u>	<u>1,498,850</u>
Net assets at end of year	<u>\$ 263,058</u>	<u>\$ 558,113</u>	<u>\$ 1,427,398</u>

<u>Stormwater Utility</u>	<u>Totals</u>
\$ 804,590	\$ 1,122,457
173	4,709
804,763	1,127,166
415,814	743,931
53,198	311,332
58,118	141,574
46,717	76,847
-	98,776
1,126	5,226
61,579	156,611
636,552	1,534,297
168,211	(407,131)
5	5
(9,389)	(9,838)
(9,384)	(9,833)
158,827	(416,964)
-	444,600
(23,794)	(23,794)
135,033	3,842
1,118,674	3,498,434
\$ 1,253,707	\$ 3,502,276

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

	Packard Music Hall	City Redevelopment	Downtown Parking
Cash flows from operating activities:			
Cash received from customers	\$ 237,197	\$ 42,711	\$ 36,331
Cash received from other operations	4,536	-	-
Cash payments for personal services	(329,923)	-	-
Cash payments for contract services	(135,265)	(18,333)	(95,520)
Cash payments for materials and supplies	(75,069)	(8,005)	(1,980)
Cash payments for utilities	(86,448)	(3,546)	(8,782)
Cash payments for administrative costs.	(30,130)	-	-
Cash payments for other expenses	(4,100)	-	-
Net cash provided by (used in) operating activities	<u>(419,202)</u>	<u>12,827</u>	<u>(69,951)</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	400,000	-	44,600
Transfers out to other funds.	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>400,000</u>	<u>-</u>	<u>44,600</u>
Cash flows from capital and related financing activities:			
Principal retirement.	(10,000)	-	-
Interest and fiscal charges	(474)	-	-
Net cash used in capital and related financing activities	<u>(10,474)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents. . .	(29,676)	12,827	(25,351)
Cash and cash equivalents at beginning of year. . . .	<u>84,599</u>	<u>96,597</u>	<u>34,962</u>
Cash and cash equivalents at end of year	<u><u>54,923</u></u>	<u><u>109,424</u></u>	<u><u>9,611</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss).	(452,383)	(6,907)	(116,052)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	32,182	14,791	48,059
Changes in assets and liabilities:			
(Increase) in accounts receivable.	-	-	(1,628)
Increase (decrease) in accounts payable	(7,783)	4,943	(7,489)
Increase in contracts payable	9,742	-	7,159
Increase in accrued wages and benefits	1,162	-	-
Increase in due to other governments	1,035	-	-
Increase (decrease) in compensated absences payable .	(3,157)	-	-
Net cash provided by (used in) operating activities.	<u>\$ (419,202)</u>	<u>\$ 12,827</u>	<u>\$ (69,951)</u>

Stormwater Utility	Totals
\$ 791,738	\$ 1,107,977
173	4,709
(415,486)	(745,409)
(53,198)	(302,316)
(48,143)	(133,197)
-	(98,776)
(46,717)	(76,847)
(1,126)	(5,226)
<hr/>	<hr/>
227,241	(249,085)
<hr/>	<hr/>
-	444,600
(23,794)	(23,794)
<hr/>	<hr/>
(23,794)	420,806
<hr/>	<hr/>
(34,134)	(44,134)
(9,389)	(9,863)
<hr/>	<hr/>
(43,523)	(53,997)
<hr/>	<hr/>
159,924	117,724
613,114	829,272
<hr/>	<hr/>
<u>773,038</u>	<u>946,996</u>
<hr/>	<hr/>
168,211	(407,131)
<hr/>	<hr/>
61,579	156,611
(12,852)	(14,480)
8,385	(1,944)
-	16,901
46	1,208
1,608	2,643
264	(2,893)
<hr/>	<hr/>
<u>\$ 227,241</u>	<u>\$ (249,085)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 8,402,350	\$ 8,427,350	\$ 8,760,609	\$ 333,259
Other	68,650	68,650	128,745	60,095
Total operating revenues	<u>8,471,000</u>	<u>8,496,000</u>	<u>8,889,354</u>	<u>393,354</u>
Operating expenses:				
Personal services.	3,237,773	3,237,773	3,045,939	191,834
Contract services	1,211,462	1,245,185	1,100,509	144,676
Materials and supplies.	414,684	441,684	454,210	(12,526)
Capital outlay	58,104	679,508	377,991	301,517
Administrative costs.	653,423	675,000	574,775	100,225
Utilities	781,274	802,474	730,499	71,975
Other	8,600	8,600	6,783	1,817
Total operating expenses	<u>6,365,320</u>	<u>7,090,224</u>	<u>6,290,706</u>	<u>799,518</u>
Operating income	<u>2,105,680</u>	<u>1,405,776</u>	<u>2,598,648</u>	<u>1,192,872</u>
Nonoperating revenues (expenses):				
Special assessments	4,000	4,000	3,820	(180)
Loan issuance	-	-	745,054	745,054
Debt service:				
Principal retirement	(1,161,188)	(1,161,188)	(1,668,723)	(507,535)
Interest and fiscal charges	(473,610)	(473,610)	(675,932)	(202,322)
Total nonoperating revenues (expenses)	<u>(1,630,798)</u>	<u>(1,630,798)</u>	<u>(1,595,781)</u>	<u>35,017</u>
Net change in fund balance.	474,882	(225,022)	1,002,867	1,227,889
Fund balance at beginning of year	1,319,935	1,319,935	1,319,935	-
Prior year encumbrances appropriated	150,118	150,118	150,118	-
Fund balance at end of year	<u>\$ 1,944,935</u>	<u>\$ 1,245,031</u>	<u>\$ 2,472,920</u>	<u>\$ 1,227,889</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 10,975,000	\$ 10,975,000	\$ 11,044,587	\$ 69,587
Other.	100,000	100,000	127,984	27,984
Total operating revenues	<u>11,075,000</u>	<u>11,075,000</u>	<u>11,172,571</u>	<u>97,571</u>
Operating expenses:				
Personal services.	5,694,980	5,748,980	5,580,666	168,314
Contract services	934,759	1,100,403	864,631	235,772
Materials and supplies.	1,401,934	1,401,934	1,307,548	94,386
Capital outlay	6,152,601	7,554,663	6,732,196	822,467
Administrative costs.	800,435	729,000	745,149	(16,149)
Utilities	687,740	758,781	669,122	89,659
Other.	89,960	108,400	91,309	17,091
Total operating expenses	<u>15,762,409</u>	<u>17,402,161</u>	<u>15,990,621</u>	<u>1,411,540</u>
Operating loss	<u>(4,687,409)</u>	<u>(6,327,161)</u>	<u>(4,818,050)</u>	<u>1,509,111</u>
Nonoperating revenues (expenses):				
Investment earnings	46,750	46,750	57,086	10,336
Loan issuance	-	3,570,000	4,266,441	696,441
Debt service:				
Principal retirement.	(838,324)	(850,685)	(850,658)	27
Interest and fiscal charges	(865,000)	(872,639)	(871,617)	1,022
Total nonoperating revenues (expenses)	<u>(1,656,574)</u>	<u>1,893,426</u>	<u>2,601,252</u>	<u>707,826</u>
Net loss before transfers	(6,343,983)	(4,433,735)	(2,216,798)	2,216,937
Transfers in	853,250	853,250	928,169	74,919
Transfers out	(912,423)	(928,983)	(928,169)	814
Net change in fund balance.	(6,403,156)	(4,509,468)	(2,216,798)	2,292,670
Fund balance at beginning of year	38,875	38,875	38,875	-
Prior year encumbrances appropriated	6,408,155	6,408,155	6,408,155	-
Fund balance at end of year	<u>\$ 43,874</u>	<u>\$ 1,937,562</u>	<u>\$ 4,230,232</u>	<u>\$ 2,292,670</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 3,116,000	\$ 3,116,000	\$ 3,088,859	\$ (27,141)
Other.	16,750	16,750	21,313	4,563
Total operating revenues	<u>3,132,750</u>	<u>3,132,750</u>	<u>3,110,172</u>	<u>(22,578)</u>
Operating expenses:				
Personal services.	1,084,404	1,084,404	1,034,124	50,280
Contract services	1,453,370	1,511,544	1,412,623	98,921
Materials and supplies.	213,533	374,532	338,054	36,478
Capital outlay	178,921	183,921	183,421	500
Administrative costs.	167,326	162,528	169,915	(7,387)
Utilities	17,912	19,536	16,980	2,556
Other.	1,500	1,500	1,457	43
Total operating expenses	<u>3,116,966</u>	<u>3,337,965</u>	<u>3,156,574</u>	<u>181,391</u>
Operating income (loss)	<u>15,784</u>	<u>(205,215)</u>	<u>(46,402)</u>	<u>158,813</u>
Nonoperating revenues (expenses):				
Sale of notes	420,000	420,000	250,000	(170,000)
Debt service:				
Principal retirement	(626,861)	(626,861)	(626,860)	1
Interest and fiscal charges	<u>(30,405)</u>	<u>(30,405)</u>	<u>(30,355)</u>	<u>50</u>
Total nonoperating revenues (expenses)	<u>(237,266)</u>	<u>(237,266)</u>	<u>(407,215)</u>	<u>(169,949)</u>
Net change in fund balance.	(221,482)	(442,481)	(453,617)	(11,136)
Fund balance at beginning of year	362,698	362,698	362,698	-
Prior year encumbrances appropriated	<u>221,482</u>	<u>221,482</u>	<u>221,482</u>	<u>-</u>
Fund balance at end of year	<u>\$ 362,698</u>	<u>\$ 141,699</u>	<u>\$ 130,563</u>	<u>\$ (11,136)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PACKARD MUSIC HALL
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 281,450	\$ 281,450	\$ 237,197	\$ (44,253)
Other.	800	800	4,536	3,736
Total operating revenues	<u>282,250</u>	<u>282,250</u>	<u>241,733</u>	<u>(40,517)</u>
Operating expenses:				
Personal services.	336,538	337,538	329,923	7,615
Contract services	154,119	158,185	145,558	12,627
Materials and supplies.	64,687	69,687	65,059	4,628
Capital outlay	-	11,681	10,023	1,658
Administrative costs.	33,650	35,000	30,130	4,870
Utilities	96,546	91,130	86,448	4,682
Other.	8,200	8,200	4,100	4,100
Total operating expenses	<u>693,740</u>	<u>711,421</u>	<u>671,241</u>	<u>40,180</u>
Operating loss	<u>(411,490)</u>	<u>(429,171)</u>	<u>(429,508)</u>	<u>(337)</u>
Nonoperating revenues (expenses):				
Intergovernmental.	50,000	50,000	-	(50,000)
Debt service:				
Principal retirement.	(10,000)	(10,000)	(10,000)	-
Interest and fiscal charges	(500)	(500)	(474)	26
Total nonoperating revenues (expenses)	<u>39,500</u>	<u>39,500</u>	<u>(10,474)</u>	<u>(49,974)</u>
Net loss before transfers.	(371,990)	(389,671)	(439,982)	(50,311)
Transfers in	<u>362,424</u>	<u>362,424</u>	<u>400,000</u>	<u>37,576</u>
Net change in fund balance.	(9,566)	(27,247)	(39,982)	(12,735)
Fund balance at beginning of year	75,033	75,033	75,033	-
Prior year encumbrances appropriated	<u>9,566</u>	<u>9,566</u>	<u>9,566</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,033</u>	<u>\$ 57,352</u>	<u>\$ 44,617</u>	<u>\$ (12,735)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY REDEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 40,000	\$ 40,000	\$ 42,711	\$ 2,711
Total operating revenues	<u>40,000</u>	<u>40,000</u>	<u>42,711</u>	<u>2,711</u>
Operating expenses:				
Contract services	32,679	38,800	18,333	20,467
Materials and supplies.	1,000	21,000	19,850	1,150
Utilities	6,321	5,200	3,546	1,654
Total operating expenses	<u>40,000</u>	<u>65,000</u>	<u>41,729</u>	<u>23,271</u>
Net change in fund balance.	-	(25,000)	982	25,982
Fund balance at beginning of year	<u>96,597</u>	<u>96,597</u>	<u>96,597</u>	<u>-</u>
Fund balance at end of year	<u>\$ 96,597</u>	<u>\$ 71,597</u>	<u>\$ 97,579</u>	<u>\$ 25,982</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN PARKING
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 40,000	\$ 40,000	\$ 36,331	\$ (3,669)
Total operating revenues	<u>40,000</u>	<u>40,000</u>	<u>36,331</u>	<u>(3,669)</u>
Operating expenses:				
Contract services	109,750	106,853	102,717	4,136
Materials and supplies.	5,100	5,100	1,980	3,120
Utilities	9,253	12,150	9,388	2,762
Total operating expenses	<u>124,103</u>	<u>124,103</u>	<u>114,085</u>	<u>10,018</u>
Net loss before transfers.	(84,103)	(84,103)	(77,754)	6,349
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>44,600</u>	<u>(30,400)</u>
Net change in fund balance.	(9,103)	(9,103)	(33,154)	(24,051)
Fund balance at beginning of year	25,859	25,859	25,859	-
Prior year encumbrances appropriated . .	<u>9,103</u>	<u>9,103</u>	<u>9,103</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,859</u>	<u>\$ 25,859</u>	<u>\$ 1,808</u>	<u>\$ (24,051)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER UTILITY
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 775,000	\$ 775,000	\$ 791,738	\$ 16,738
Other.	-	-	173	173
Total operating revenues	<u>775,000</u>	<u>775,000</u>	<u>791,911</u>	<u>16,911</u>
Operating expenses:				
Personal services.	437,773	437,773	415,486	22,287
Contract services	146,706	125,711	97,667	28,044
Materials and supplies.	122,600	122,599	66,890	55,709
Administrative costs.	69,040	90,035	46,717	43,318
Other.	1,500	1,500	1,126	374
Total operating expenses	<u>777,619</u>	<u>777,618</u>	<u>627,886</u>	<u>149,732</u>
Net income (loss) before transfers	(2,619)	(2,618)	164,025	166,643
Transfers out	-	(23,794)	(23,794)	-
Net change in fund balance.	(2,619)	(26,412)	140,231	166,643
Fund balance at beginning of year	610,496	610,496	610,496	-
Prior year encumbrances appropriated	<u>2,618</u>	<u>2,618</u>	<u>2,618</u>	<u>-</u>
Fund balance at end of year	<u>\$ 610,495</u>	<u>\$ 586,702</u>	<u>\$ 753,345</u>	<u>\$ 166,643</u>

CITY OF WARREN, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - INTERNAL SERVICE FUNDS**

Internal Service Funds

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

Life Insurance and Hospitalization

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

Workers Compensation

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

Data Processing

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

Risk Management

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

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,535,770	\$ 5,814,542	\$ 261,973	\$ 824,771	\$ 8,437,056
Receivables (net of allowances for uncollectibles):					
Accounts.	762	-	-	-	762
Notes.	-	250,000	-	-	250,000
Total current assets	<u>1,536,532</u>	<u>6,064,542</u>	<u>261,973</u>	<u>824,771</u>	<u>8,687,818</u>
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net	-	-	127,032	-	127,032
Total capital assets	-	-	127,032	-	127,032
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>127,032</u>	<u>-</u>	<u>127,032</u>
Total assets	<u>\$ 1,536,532</u>	<u>\$ 6,064,542</u>	<u>\$ 389,005</u>	<u>\$ 824,771</u>	<u>\$ 8,814,850</u>
Liabilities:					
Current liabilities:					
Accrued wages and benefits	\$ -	\$ -	\$ 7,279	\$ -	\$ 7,279
Due to other governments	-	532,672	1,114	-	533,786
Claims payable	730,512	-	-	-	730,512
Total current liabilities.	<u>730,512</u>	<u>532,672</u>	<u>8,393</u>	<u>-</u>	<u>1,271,577</u>
Long-term liabilities:					
Compensated absences payable.	-	-	82,344	-	82,344
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>82,344</u>	<u>-</u>	<u>82,344</u>
Total liabilities	<u>730,512</u>	<u>532,672</u>	<u>90,737</u>	<u>-</u>	<u>1,353,921</u>
Net Assets:					
Investment in capital assets, net of related debt. . .	-	-	127,032	-	127,032
Unrestricted	806,020	5,531,870	171,236	824,771	7,333,897
Total net assets	<u>\$ 806,020</u>	<u>\$ 5,531,870</u>	<u>\$ 298,268</u>	<u>\$ 824,771</u>	<u>\$ 7,460,929</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 5,130,257	\$ 1,405,158	\$ 564,446	\$ 261,609	\$ 7,361,470
Other	-	-	8,319	-	8,319
Total operating revenues.	<u>5,130,257</u>	<u>1,405,158</u>	<u>572,765</u>	<u>261,609</u>	<u>7,369,789</u>
Operating expenses:					
Personal services	-	-	252,791	-	252,791
Contract services	-	1,776	85,605	174,989	262,370
Materials and supplies	-	-	68,691	-	68,691
Administrative costs	-	532,672	30,433	-	563,105
Utilities	-	-	24,259	-	24,259
Claims.	4,973,206	306,920	-	-	5,280,126
Depreciation	-	-	13,941	-	13,941
Total operating expenses.	<u>4,973,206</u>	<u>841,368</u>	<u>475,720</u>	<u>174,989</u>	<u>6,465,283</u>
Operating income	<u>157,051</u>	<u>563,790</u>	<u>97,045</u>	<u>86,620</u>	<u>904,506</u>
Nonoperating revenues:					
Interest revenue	-	29,297	-	-	29,297
Total nonoperating revenues.	<u>-</u>	<u>29,297</u>	<u>-</u>	<u>-</u>	<u>29,297</u>
Net income before transfers.	157,051	593,087	97,045	86,620	933,803
Transfers out.	-	-	(88,184)	-	(88,184)
Changes in net assets	157,051	593,087	8,861	86,620	845,619
Net assets at beginning of year.	<u>648,969</u>	<u>4,938,783</u>	<u>289,407</u>	<u>738,151</u>	<u>6,615,310</u>
Net assets at end of year	<u>\$ 806,020</u>	<u>\$ 5,531,870</u>	<u>\$ 298,268</u>	<u>\$ 824,771</u>	<u>\$ 7,460,929</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,129,495	\$ 1,405,158	\$ 564,446	\$ 261,609	\$ 7,360,708
Cash received from other operations	-	-	8,319	-	8,319
Cash payments for personal services	-	-	(255,506)	-	(255,506)
Cash payments for contract services	-	(2,226)	(125,086)	(176,324)	(303,636)
Cash payments for materials and supplies	-	-	(68,807)	-	(68,807)
Cash payments for utilities	-	-	(24,259)	-	(24,259)
Cash payments for claims expense	(4,924,803)	(306,920)	-	-	(5,231,723)
Cash payments for administrative costs	-	(440,887)	(30,433)	-	(471,320)
Net cash provided by operating activities	<u>204,692</u>	<u>655,125</u>	<u>68,674</u>	<u>85,285</u>	<u>1,013,776</u>
Cash flows from noncapital financing activities:					
Transfers out to other funds	-	-	(88,184)	-	(88,184)
Net cash used in noncapital financing activities	-	-	(88,184)	-	(88,184)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	(90,480)	-	(90,480)
Net cash used in capital and related financing activities	-	-	(90,480)	-	(90,480)
Cash flows from investing activities:					
Cash used for internal note disbursement	-	(250,000)	-	-	(250,000)
Interest received	-	29,297	-	-	29,297
Principal payment received on internal notes	-	620,000	-	-	620,000
Net cash provided by investing activities	-	399,297	-	-	399,297
Net increase (decrease) in cash and cash equivalents	204,692	1,054,422	(109,990)	85,285	1,234,409
Cash and cash equivalents at beginning of year	1,331,078	4,760,120	371,963	739,486	7,202,647
Cash and cash equivalents at end of year	<u>\$ 1,535,770</u>	<u>\$ 5,814,542</u>	<u>\$ 261,973</u>	<u>\$ 824,771</u>	<u>\$ 8,437,056</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 157,051	\$ 563,790	\$ 97,045	\$ 86,620	\$ 904,506
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	-	13,941	-	13,941
Changes in assets and liabilities:					
(Increase) in accounts receivable	(762)	-	-	-	(762)
Decrease in accounts payable	(2,428)	(450)	(39,597)	(115)	(42,590)
Decrease in contracts payable	-	-	-	(1,220)	(1,220)
Increase in accrued wages and benefits	-	-	811	-	811
Increase in due to other governments	-	91,785	134	-	91,919
Decrease in compensated absences payable	-	-	(3,660)	-	(3,660)
Increase in claims payable	50,831	-	-	-	50,831
Net cash provided by operating activities	<u>\$ 204,692</u>	<u>\$ 655,125</u>	<u>\$ 68,674</u>	<u>\$ 85,285</u>	<u>\$ 1,013,776</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 5,000,000	\$ 5,000,000	\$ 5,129,495	\$ 129,495
Total operating revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,129,495</u>	<u>129,495</u>
Operating expenses:				
Claims expense	5,001,737	5,001,737	4,925,122	76,615
Total operating expenses	<u>5,001,737</u>	<u>5,001,737</u>	<u>4,925,122</u>	<u>76,615</u>
Net change in fund balance	(1,737)	(1,737)	204,373	206,110
Fund balance at beginning of year	1,329,341	1,329,341	1,329,341	-
Prior year encumbrances appropriated	<u>1,737</u>	<u>1,737</u>	<u>1,737</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,329,341</u>	<u>\$ 1,329,341</u>	<u>\$ 1,535,451</u>	<u>\$ 206,110</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS COMPENSATION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 1,321,000	\$ 1,321,000	\$ 1,405,158	\$ 84,158
Total operating revenues	<u>1,321,000</u>	<u>1,321,000</u>	<u>1,405,158</u>	<u>84,158</u>
Operating expenses:				
Contract services	6,000	6,000	2,226	3,774
Claims expense	669,000	669,000	306,920	362,080
Administrative costs	675,000	675,000	440,887	234,113
Total operating expenses	<u>1,350,000</u>	<u>1,350,000</u>	<u>750,033</u>	<u>599,967</u>
Operating income (loss)	<u>(29,000)</u>	<u>(29,000)</u>	<u>655,125</u>	<u>684,125</u>
Nonoperating revenues:				
Investment earnings	29,000	29,000	29,297	297
Total nonoperating revenues	<u>29,000</u>	<u>29,000</u>	<u>29,297</u>	<u>297</u>
Net change in fund balance.	-	-	684,422	684,422
Fund balance at beginning of year	<u>5,380,120</u>	<u>5,380,120</u>	<u>5,380,120</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,380,120</u>	<u>\$ 5,380,120</u>	<u>\$ 6,064,542</u>	<u>\$ 684,422</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA PROCESSING
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 580,200	\$ 580,200	\$ 564,446	\$ (15,754)
Other.	19,800	19,800	8,319	(11,481)
Total operating revenues	<u>600,000</u>	<u>600,000</u>	<u>572,765</u>	<u>(27,235)</u>
Operating expenses:				
Personal services.	258,675	258,675	255,506	3,169
Contract services	171,837	193,721	143,040	50,681
Materials and supplies.	18,065	18,065	12,703	5,362
Capital outlay	97,690	187,690	165,713	21,977
Administrative costs	36,367	39,466	30,433	9,033
Utilities	30,647	38,664	25,014	13,650
Total operating expenses	<u>613,281</u>	<u>736,281</u>	<u>632,409</u>	<u>103,872</u>
Operating loss	(13,281)	(136,281)	(59,644)	76,637
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement.	(52,713)	(52,713)	(52,723)	(10)
Interest and fiscal charges	(35,461)	(35,461)	(35,461)	-
Total nonoperating revenues (expenses)	<u>(88,174)</u>	<u>(88,174)</u>	<u>(88,184)</u>	<u>(10)</u>
Net change in fund balance.	(101,455)	(224,455)	(147,828)	76,627
Fund balance at beginning of year	270,508	270,508	270,508	-
Prior year encumbrances appropriated	101,455	101,455	101,455	-
Fund balance at end of year	<u>\$ 270,508</u>	<u>\$ 147,508</u>	<u>\$ 224,135</u>	<u>\$ 76,627</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RISK MANAGEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 230,000	\$ 230,000	\$ 261,609	\$ 31,609
Total operating revenues	<u>230,000</u>	<u>230,000</u>	<u>261,609</u>	<u>31,609</u>
Operating expenses:				
Contract services	230,000	230,000	176,324	53,676
Total operating expenses	<u>230,000</u>	<u>230,000</u>	<u>176,324</u>	<u>53,676</u>
Net change in fund balance	-	-	85,285	85,285
Fund balance at beginning of year	<u>739,486</u>	<u>739,486</u>	<u>739,486</u>	<u>-</u>
Fund balance at end of year	<u>\$ 739,486</u>	<u>\$ 739,486</u>	<u>\$ 824,771</u>	<u>\$ 85,285</u>

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

Agency Funds

Agency funds maintain assets held by the City as an agent for individuals, private organizations and other governmental units. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

Highway Patrol Fines

To account for Highway Patrol fines due to other entities.

Auditors Escrow

To account for various deposits received by the City in a fiduciary role.

Payroll

To account for the next payroll, payroll taxes, and other related payroll deductions accumulated from the governmental, proprietary, and fiduciary funds for the distribution to employees, other governmental units, and private organizations.

Municipal Court

To account for the activities within the Municipal Court.

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Balance 1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2007</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 42,319	\$ 42,319	\$ -
Accounts receivable	2,728	2,146	2,728	2,146
Total assets.	<u>\$ 2,728</u>	<u>\$ 44,465</u>	<u>\$ 45,047</u>	<u>\$ 2,146</u>
Liabilities:				
Accounts payable	\$ 2,728	\$ -	\$ 2,728	\$ -
Deposits held and due to others	-	44,465	42,319	2,146
Total liabilities	<u>\$ 2,728</u>	<u>\$ 44,465</u>	<u>\$ 45,047</u>	<u>\$ 2,146</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 334,483	\$ 340,553	\$ 271,994	\$ 403,042
Accounts receivable	-	1,070	-	1,070
Total assets.	<u>\$ 334,483</u>	<u>\$ 341,623</u>	<u>\$ 271,994</u>	<u>\$ 404,112</u>
Liabilities:				
Accounts payable	\$ 943	\$ 5,500	\$ 943	\$ 5,500
Deposits held and due to others	333,540	336,123	271,051	398,612
Total liabilities	<u>\$ 334,483</u>	<u>\$ 341,623</u>	<u>\$ 271,994</u>	<u>\$ 404,112</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 533,077	\$ 436,345	\$ 448,274	\$ 521,148
Total assets.	<u>\$ 533,077</u>	<u>\$ 436,345</u>	<u>\$ 448,274</u>	<u>\$ 521,148</u>
Liabilities:				
Accounts payable	\$ 404,346	\$ -	\$ 404,346	\$ -
Due to other governments	-	436,345	-	436,345
Deposits held and due to others	128,731	-	43,928	84,803
Total liabilities	<u>\$ 533,077</u>	<u>\$ 436,345</u>	<u>\$ 448,274</u>	<u>\$ 521,148</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 269,288	\$ 3,953,314	\$ 3,907,291	\$ 315,311
Total assets.	<u>\$ 269,288</u>	<u>\$ 3,953,314</u>	<u>\$ 3,907,291</u>	<u>\$ 315,311</u>
Liabilities:				
Accounts payable	\$ 110,089	\$ 101,809	\$ 110,089	\$ 101,809
Due to other governments	159,199	3,851,505	3,797,202	213,502
Total liabilities	<u>\$ 269,288</u>	<u>\$ 3,953,314</u>	<u>\$ 3,907,291</u>	<u>\$ 315,311</u>

- Continued

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Balance</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 867,560	\$ 819,217	\$ 762,587	\$ 924,190
Cash with fiscal and escrow agents.	269,288	3,953,314	3,907,291	315,311
Accounts receivable	2,728	3,216	2,728	3,216
Total assets.	<u>\$ 1,139,576</u>	<u>\$ 4,775,747</u>	<u>\$ 4,672,606</u>	<u>\$ 1,242,717</u>
Liabilities:				
Accounts payable	\$ 518,106	\$ 107,309	\$ 518,106	\$ 107,309
Due to other governments	159,199	4,287,850	3,797,202	649,847
Deposits held and due to others	462,271	380,588	357,298	485,561
Total liabilities	<u>\$ 1,139,576</u>	<u>\$ 4,775,747</u>	<u>\$ 4,672,606</u>	<u>\$ 1,242,717</u>

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STATISTICAL SECTION

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.	135-145
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	146-157
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.	158-164
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.	165-166
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.	168-171

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

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CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 33,024,924	\$ 30,967,884	\$ 29,524,698	\$ 26,382,293
Restricted for:				
Capital projects	9,405	570,073	768,172	541,032
Debt service	483,719	374,727	372,932	338,675
Street maintenance	627,749	982,767	611,593	463,622
State highway	143,919	177,075	148,916	100,897
Law enforcement	450,480	405,984	819,715	643,336
Courts	1,355,089	1,189,849	977,107	782,106
Community development and improvements	7,687,341	7,866,327	6,426,196	6,447,060
Police and fire pension	596,345	292,210	310,630	191,177
Public health	670,709	679,561	-	-
Other purposes	-	-	-	-
Unrestricted	<u>3,377,707</u>	<u>5,137,720</u>	<u>5,273,540</u>	<u>5,697,185</u>
Total governmental activities net assets	<u>\$ 48,427,387</u>	<u>\$ 48,644,177</u>	<u>\$ 45,233,499</u>	<u>\$ 41,587,383</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 19,416,251	\$ 18,390,112	\$ 18,245,015	\$ 17,311,185
Unrestricted	<u>10,297,905</u>	<u>9,833,606</u>	<u>9,169,546</u>	<u>8,486,417</u>
Total business-type activities net assets	<u>\$ 29,714,156</u>	<u>\$ 28,223,718</u>	<u>\$ 27,414,561</u>	<u>\$ 25,797,602</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 52,441,175	\$ 49,357,996	\$ 47,769,713	\$ 43,693,478
Restricted for:				
Capital projects	9,405	570,073	768,172	541,032
Debt service	483,719	374,727	372,932	338,675
Street maintenance	627,749	982,767	611,593	463,622
State highway	143,919	177,075	148,916	100,897
Law enforcement	450,480	405,984	819,715	643,336
Courts	1,355,089	1,189,849	977,107	782,106
Community development and improvements	7,687,341	7,866,327	6,426,196	6,447,060
Police and fire pension	596,345	292,210	310,630	191,177
Public health	670,709	679,561	-	-
Other purposes	-	-	-	-
Unrestricted	<u>13,675,612</u>	<u>14,971,326</u>	<u>14,443,086</u>	<u>14,183,602</u>
Total primary government net assets	<u>\$ 78,141,543</u>	<u>\$ 76,867,895</u>	<u>\$ 72,648,060</u>	<u>\$ 67,384,985</u>

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

2003

\$ 19,496,371

357,350

326,037

-

-

-

-

-

-

9,477,900

6,481,599

\$ 36,139,257

\$ 19,168,104

6,097,414

\$ 25,265,518

\$ 38,664,475

357,350

326,037

-

-

-

-

-

-

9,477,900

12,579,013

\$ 61,404,775

CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,350,401	\$ 1,459,245	\$ 1,210,264	\$ 1,225,507
Security of persons and property	1,447,343	1,506,767	1,368,960	1,412,462
Public health and welfare	153,510	150,522	157,623	130,904
Transportation	40,450	45,255	48,066	33,050
Community environment	535,152	1,135,168	526,502	663,501
Leisure time activities	23,902	16,087	13,646	17,259
Economic development	218,337	73,629	179,296	38,522
Operating grants and contributions:				
General government	6,226	-	40,248	-
Security of persons and property	155,237	87,594	257,611	236,524
Public health and welfare	-	715,000	-	-
Transportation	2,115,189	2,159,287	2,178,812	1,872,926
Economic development	2,199,113	2,077,372	2,673,342	2,054,645
Capital grants and contributions:				
General government	-	-	-	1,164,720
Transportation	780,998	670,191	2,017,348	2,766,371
Total governmental activities program revenues	<u>9,025,858</u>	<u>10,096,117</u>	<u>10,671,718</u>	<u>11,616,391</u>
Business-type activities:				
Charges for services:				
Sewer	8,976,173	8,265,798	8,743,627	7,653,073
Water	11,130,274	10,976,356	11,720,251	10,249,483
Sanitation	3,129,173	3,100,329	3,145,870	3,160,832
Other enterprise funds:				
Packard Music Hall	237,197	218,979	260,551	201,112
City Redevelopment	42,711	42,711	40,445	42,711
Downtown parking	37,959	29,192	4,805	36,022
Stormwater Utility	804,595	832,444	808,058	806,491
Capital grants and contributions				
Other enterprise funds:				
Packard Music Hall	-	100,000	-	-
Total business-type activities program revenues	<u>24,358,082</u>	<u>23,565,809</u>	<u>24,723,607</u>	<u>22,149,724</u>
Total primary government	<u>\$ 33,383,940</u>	<u>\$ 33,661,926</u>	<u>\$ 35,395,325</u>	<u>\$ 33,766,115</u>
Expenses:				
Governmental activities:				
General government	\$ 6,108,728	\$ 6,119,385	\$ 5,856,271	\$ 5,364,746
Security of persons and property	17,180,410	17,031,559	16,406,869	16,118,228
Public health and welfare	512,057	517,820	592,167	509,570
Transportation	3,948,040	3,834,782	3,272,353	3,447,063
Community environment	2,310,948	1,884,819	1,730,863	1,849,861
Leisure time activities	860,839	665,407	905,187	585,728
Economic development	2,066,544	2,595,480	2,831,518	2,071,529
Interest and fiscal charges	609,323	682,090	668,091	730,212
Total governmental activities expenses	<u>33,596,889</u>	<u>33,331,342</u>	<u>32,263,319</u>	<u>30,676,937</u>

2003

\$ 1,279,189
1,567,813
120,659
44,058
617,335
27,456
142,863

191,227
243,964
-
1,684,860
3,021,318

1,147,279
-

10,088,021

6,800,830
10,287,987
3,018,624

198,349
44,978
86,804
732,880

-

21,170,452

\$ 31,258,473

\$ 5,503,496
15,483,951
443,174
3,581,813
2,017,399
680,886
2,189,572

630,684

30,530,975

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CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Business-type activities:				
Sewer	\$ 8,008,014	\$ 8,191,531	\$ 8,714,806	\$ 8,129,365
Water	10,845,009	10,769,899	10,654,024	10,240,694
Sanitation	3,146,764	3,004,744	3,042,898	2,890,149
Other enterprise funds				
Packard Music Hall	685,045	539,752	711,637	643,869
City Redevelopment	49,618	52,594	75,597	20,399
Downtown parking	154,011	74,573	142,539	154,335
Stormwater Utility	646,497	580,352	818,288	583,188
Total business-type activities expenses	<u>23,534,958</u>	<u>23,213,445</u>	<u>24,159,789</u>	<u>22,661,999</u>
Total primary government	<u>\$ 57,131,847</u>	<u>\$ 56,544,787</u>	<u>\$ 56,423,108</u>	<u>\$ 53,338,936</u>
Net (Expense) Revenue:				
Governmental activities	\$ (24,571,031)	\$ (23,235,225)	\$ (21,591,601)	\$ (19,060,546)
Business-type activities	823,124	352,364	563,818	(512,275)
Total primary government net expense	<u>\$ (23,747,907)</u>	<u>\$ (22,882,861)</u>	<u>\$ (21,027,783)</u>	<u>\$ (19,572,821)</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities				
Taxes:				
Property taxes levied for:				
Debt service	\$ 1,389,308	\$ 1,405,834	\$ 1,261,822	\$ 1,218,505
Fire pension	144,268	147,074	129,146	126,166
Police pension	144,268	147,074	129,146	126,166
Income taxes levied for:				
General Purposes	18,221,022	20,214,764	19,432,428	18,830,130
Grants and entitlements				
not restricted to specific programs	2,995,358	2,894,066	3,312,509	3,080,849
Investment earnings	1,239,089	1,229,795	1,111,515	465,707
Miscellaneous	548,405	776,416	563,907	1,153,304
Special item				
Transfers	(327,477)	(169,120)	(702,756)	(492,155)
Total governmental activities	<u>24,354,241</u>	<u>26,645,903</u>	<u>25,237,717</u>	<u>24,508,672</u>
Business-type activities				
Investment earnings	57,086	53,205	30,745	9,940
Miscellaneous	282,751	234,468	319,640	542,264
Transfers	327,477	169,120	702,756	492,155
Total business-type activities	<u>667,314</u>	<u>456,793</u>	<u>1,053,141</u>	<u>1,044,359</u>
Total primary government	<u>\$ 25,021,555</u>	<u>\$ 27,102,696</u>	<u>\$ 26,290,858</u>	<u>\$ 25,553,031</u>
Change in Net Assets:				
Governmental activities	\$ (216,790)	\$ 3,410,678	\$ 3,646,116	\$ 5,448,126
Business-type activities	1,490,438	809,157	1,616,959	532,084
Total primary government	<u>\$ 1,273,648</u>	<u>\$ 4,219,835</u>	<u>\$ 5,263,075</u>	<u>\$ 5,980,210</u>

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

2003

\$ 8,536,652
10,385,641
2,822,181

528,652
21,589
159,800
657,073

23,111,588

\$ 53,642,563

\$ (20,442,954)
(1,941,136)

\$ (22,384,090)

\$ 1,256,977
130,145
130,145

18,788,667

2,896,927
615,974
1,796,888

(645,036)

24,970,687

201,577
767,730
645,036

1,614,343

\$ 26,585,030

\$ 4,527,733
(326,793)

\$ 4,200,940

CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund:						
Reserved	\$ 505,629	\$ 267,692	\$ 131,711	\$ 598,009	\$ 602,878	\$ 55,505
Unreserved	<u>3,573,217</u>	<u>6,283,706</u>	<u>4,828,462</u>	<u>4,647,091</u>	<u>5,526,525</u>	<u>3,804,593</u>
Total general fund	<u>\$ 4,078,846</u>	<u>\$ 6,551,398</u>	<u>\$ 4,960,173</u>	<u>\$ 5,245,100</u>	<u>\$ 6,129,403</u>	<u>\$ 3,860,098</u>
All Other Governmental Funds:						
Reserved	\$ 8,234,636	\$ 8,466,851	\$ 6,076,124	\$ 5,602,035	\$ 6,443,384	\$ 6,562,027
Unreserved (deficit), reported in:						
Special revenue funds	2,146,366	2,256,060	3,331,847	3,141,354	4,289,027	3,450,874
Debt service fund	3,924	1,441	8,466	577	4,803	4,642
Capital projects fund	<u>(222,311)</u>	<u>62,827</u>	<u>51,707</u>	<u>(48,071)</u>	<u>(1,362,610)</u>	<u>(2,031,708)</u>
Total all other governmental funds	<u>\$ 10,162,615</u>	<u>\$10,787,179</u>	<u>\$ 9,468,144</u>	<u>\$ 8,695,895</u>	<u>\$ 9,374,604</u>	<u>\$ 7,985,835</u>

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 306,771	\$ 545,555	\$ 21,228	\$ 518,032
<u>1,224,226</u>	<u>1,647,182</u>	<u>1,883,572</u>	<u>1,896,277</u>
<u>\$ 1,530,997</u>	<u>\$ 2,192,737</u>	<u>\$ 1,904,800</u>	<u>\$ 2,414,309</u>
\$ 8,956,799	\$ 7,074,465	\$ 8,863,081	\$ 7,580,971
1,278,903	2,883,704	1,698,812	1,325,954
4,642	27,684	1,052	237,186
<u>(1,006,640)</u>	<u>(218,885)</u>	<u>(1,488,064)</u>	<u>(933,952)</u>
<u>\$ 9,233,704</u>	<u>\$ 9,766,968</u>	<u>\$ 9,074,881</u>	<u>\$ 8,210,159</u>

CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues					
Income taxes	\$ 18,070,111	\$ 20,138,026	\$ 19,610,734	\$ 18,567,076	\$ 18,825,568
Property and other taxes	1,667,959	1,657,168	1,485,169	1,456,326	1,493,148
Charges for services	2,067,415	1,693,234	2,187,422	2,055,303	2,120,940
Licenses and permits	1,886,000	2,466,676	1,852,130	1,839,742	1,726,971
Fines and forfeitures	1,531,452	1,594,451	1,441,968	1,422,329	1,733,026
Intergovernmental	7,787,994	7,831,448	10,574,125	11,200,065	9,223,005
Special assessments	30,688	44,629	42,597	19,828	100,189
Investment income	1,404,779	1,164,258	962,886	357,172	428,636
Rental income	113,186	168,256	36,830	34,314	53,048
Other	626,061	1,491,416	563,907	1,232,073	1,796,889
Total revenues	<u>35,185,645</u>	<u>38,249,562</u>	<u>38,757,768</u>	<u>38,184,228</u>	<u>37,501,420</u>
Expenditures					
Current:					
General government	7,991,047	7,533,078	7,824,849	7,610,099	7,300,180
Security of persons and property	17,671,898	17,233,644	16,259,126	15,940,459	15,028,195
Public health and welfare	492,168	493,377	588,693	585,532	417,382
Transportation	2,328,166	2,062,179	2,278,123	2,745,117	2,365,061
Community environment	2,145,697	1,886,410	1,783,381	1,806,298	1,611,897
Leisure time activity	876,264	675,183	762,761	885,871	626,762
Economic development	2,083,320	2,508,773	2,764,286	1,984,304	2,198,894
Capital outlay	1,833,099	1,927,685	3,017,762	6,029,700	3,411,525
Intergovernmental					
Debt service:					
Principal retirement	2,025,221	2,045,411	2,007,728	1,615,655	969,409
Interest and fiscal charges	580,065	606,431	640,178	700,193	653,635
Bond issuance cost	-	-	-	-	146,364
Total expenditures	<u>38,026,945</u>	<u>36,972,171</u>	<u>37,926,887</u>	<u>39,903,228</u>	<u>34,729,304</u>
Excess of revenues over (under) expenditures	<u>(2,841,300)</u>	<u>1,277,391</u>	<u>830,881</u>	<u>(1,719,000)</u>	<u>2,772,116</u>
Other Financing Sources (Uses)					
Sale of refunding bonds	-	-	-	-	6,045,000
Sale of bonds	-	-	-	-	1,231,000
Sale of notes	-	1,700,000	-	-	-
Premium on bonds	-	-	-	-	45,818
Payment to refunding bond escrow agent	-	-	-	-	(6,548,575)
Capital lease transaction	-	29,847	-	557,708	7,902
Sale of capital assets	-	-	-	-	-
Transfers in	1,046,488	1,941,380	2,228,086	3,027,653	3,642,789
Transfers (out)	(1,302,304)	(2,038,358)	(2,571,645)	(3,429,373)	(3,974,247)
Loss on write off of loans receivable	-	-	-	-	-
Total other financing sources (uses)	<u>(255,816)</u>	<u>1,632,869</u>	<u>(343,559)</u>	<u>155,988</u>	<u>449,687</u>
Net change in fund balances	<u>\$ (3,097,116)</u>	<u>\$ 2,910,260</u>	<u>\$ 487,322</u>	<u>\$ (1,563,012)</u>	<u>\$ 3,221,803</u>
Capital expenditures	2,372,745	2,192,532	3,502,785	8,024,415	3,241,838
Debt service as a percentage of noncapital expenditures	7.31%	7.62%	7.69%	7.26%	5.62%

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 18,423,033	\$ 15,413,120	\$ 14,275,386	\$ 14,031,496	\$ 13,426,085
1,493,335	1,514,882	1,551,934	2,011,995	2,060,172
2,158,369	1,714,490	1,869,173	1,933,471	1,975,399
1,678,306	1,407,022	1,464,433	1,519,125	1,338,647
1,511,535	1,133,342	1,262,522	1,168,795	1,388,009
10,797,033	9,820,979	9,069,513	9,281,582	7,688,710
9,777	10,526	29,470	1,954	13,422
472,571	509,357	461,352	395,244	558,269
47,115	45,818	129,890	123,283	106,758
2,919,419	973,075	613,317	915,883	511,877
<u>39,510,493</u>	<u>32,542,611</u>	<u>30,726,990</u>	<u>31,382,828</u>	<u>29,067,348</u>
7,067,691	6,926,161	6,449,633	6,386,935	6,133,328
14,768,585	12,931,874	11,677,787	12,926,018	11,511,145
432,401	375,277	313,128	339,617	347,371
2,638,201	2,122,212	2,231,622	2,091,105	1,954,228
1,776,919	1,577,698	1,289,926	1,617,439	1,632,107
563,994	274,719	239,038	560,031	540,848
1,604,649	1,467,464	1,639,421	2,632,464	1,311,737
6,887,754	3,433,672	4,327,789	3,969,685	8,214,605
1,336,361	1,172,939	1,158,308	939,880	876,135
986,695	869,533	850,140	877,039	877,500
-	-	-	-	-
<u>38,063,250</u>	<u>31,151,549</u>	<u>30,176,792</u>	<u>32,340,213</u>	<u>33,399,004</u>
<u>1,447,243</u>	<u>1,391,062</u>	<u>550,198</u>	<u>(957,385)</u>	<u>(4,331,656)</u>
-	-	-	-	-
-	-	-	1,309,800	-
-	-	1,361,137	-	-
-	-	-	-	-
-	-	-	-	-
9,688	-	-	-	-
-	-	261,251	-	-
2,959,352	3,106,571	3,386,826	2,527,433	3,961,378
(3,296,767)	(3,895,018)	(4,059,640)	(2,528,159)	(2,696,617)
-	(1,812,450)	-	-	-
<u>(327,727)</u>	<u>(2,600,897)</u>	<u>949,574</u>	<u>1,309,074</u>	<u>1,264,761</u>
<u>\$ 1,119,516</u>	<u>\$ (1,209,835)</u>	<u>\$ 1,499,772</u>	<u>\$ 351,689</u>	<u>\$ (3,066,895)</u>
6,887,754	3,433,672	4,327,789	3,969,685	8,214,605
7.45%	7.37%	7.77%	6.40%	6.96%

CITY OF WARREN, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2007	\$ 429,330,830	\$ 1,226,659,514	\$ 18,680,580	21,227,932	\$ 33,258,581	133,034,324
2006	431,539,380	1,232,969,657	19,583,030	78,332,120	48,898,902	139,711,149
2005	396,779,290	1,133,655,114	20,160,950	22,910,170	60,904,321	243,617,284
2004	395,601,480	1,130,289,943	17,397,860	19,770,295	62,347,140	249,388,560
2003	394,126,290	1,126,075,114	18,187,880	20,668,045	61,982,078	247,928,312
2002	377,707,860	1,079,165,314	17,604,360	20,004,955	72,590,158	290,360,632
2001	374,592,740	1,070,264,971	28,796,520	32,723,318	81,416,955	325,667,820
2000	374,824,460	1,070,927,029	28,552,120	32,445,591	77,083,732	308,334,928
1999	342,569,900	978,771,143	32,054,070	36,425,080	78,637,234	314,548,936
1998	334,716,710	956,333,457	32,611,680	37,058,727	79,088,747	316,354,988

Source: Trumbull County Auditor's Office

- (1) This amount is calculated based on the following percentages:
 Real property is assessed at thirty-five percent of actual value.
 Public utility is assessed at eighty-eight percent of actual value.
 Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.

Total

Assessed Value	Estimated Actual Value	Ratio
\$ 481,269,991	\$ 1,380,921,770	34.85%
500,021,312	1,451,012,926	34.46%
477,844,561	1,400,182,569	34.13%
475,346,480	1,399,448,798	33.97%
474,296,248	1,394,671,472	34.01%
467,902,378	1,389,530,901	33.67%
484,806,215	1,428,656,110	33.93%
480,460,312	1,411,707,547	34.03%
453,261,204	1,329,745,158	34.09%
446,417,137	1,309,747,172	34.08%

CITY OF WARREN, OHIO

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

Collection Year	City Direct Rates				Overlapping Rates			
	General Obligation Debt	Police Pension	Fire Pension	Total Rate	Trumbull County	School District	Vocational School	Warren Township
2007	2.90	0.30	0.30	3.50	11.10	58.50	2.40	13.00
2006	2.90	0.30	0.30	3.50	11.10	58.45	2.40	13.00
2005	2.90	0.30	0.30	3.50	10.35	59.65	2.40	13.00
2004	2.90	0.30	0.30	3.50	10.35	59.65	2.40	11.50
2003	2.90	0.30	0.30	3.50	10.35	52.55	2.40	11.50
2002	2.90	0.30	0.30	3.50	10.35	52.55	2.40	11.50
2001	2.90	0.30	0.30	3.50	10.35	52.38	2.40	11.50
2000	2.90	0.30	0.30	3.50	10.35	51.94	2.40	11.50
1999	2.90	0.30	0.30	3.50	10.35	52.64	2.40	11.50
1998	2.90	0.30	0.30	3.50	9.30	53.35	2.40	10.50

Source: Trumbull County Auditor's Office

Overlapping Rates - Continued

<u>Library</u>	<u>Total Tax Rates</u>	<u>Total Direct and Overlapping Rates</u>
1.00	86.00	89.50
0.40	85.35	88.85
0.40	85.80	89.30
0.40	84.30	87.80
0.40	77.20	80.70
0.40	77.20	80.70
0.40	77.03	80.53
0.40	76.59	80.09
0.40	77.29	80.79
0.40	75.95	79.45

CITY OF WARREN, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Sams Real Estate Business	\$ 2,637,010	1	0.61%
Rydyl I, LLC	2,483,150	2	0.58%
Simon Northbury	2,015,760	3	0.47%
Lowes Home Center	1,771,070	4	0.41%
Trumbull Plaza	1,737,260	5	0.40%
Warren Plaza Co	1,452,680	6	0.34%
Covelli Real Estate	1,451,460	7	0.34%
WCI Steel Acquisition	1,388,210	8	0.32%
Nationwide Health Property	1,358,390	9	0.32%
Delphi Automotive	1,270,430	10	0.30%
Total, Top Ten Principal Real Estate Property Taxpayers	\$ 17,565,420		4.09%
Total City Real Property Tax Assessed Valuation	\$ 429,330,830		

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

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

CITY OF WARREN, OHIO
PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND FIVE YEARS AGO

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison	\$ 10,482,860	1	56.12%
East Ohio Gas	1,744,890	2	9.34%
American Transmission System	1,456,980	3	7.80%
Norfolk Southern Combined	94,180	4	0.50%
CSX Transportation	56,740	5	0.30%
Youngstown Belt Railroad	53,700	6	0.29%
Warren & Trumbull Railroad	20,520	7	0.11%
Total, Top Ten Principal Public Utility Property Taxpayers	\$ 13,909,870		74.46%
Total City Public Utility Property Tax Assessed Valuation	\$ 18,680,580		

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

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

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

CITY OF WARREN, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
United Telephone Company of Ohio	\$ 2,022,260	1	6.08%
Novelis Corporation	2,647,610	2	7.96%
GE Lighting Inc.	2,639,270	3	7.94%
WCI Steel Inc.	2,373,940	4	7.14%
Excel Extrusions Inc.	1,276,140	5	3.84%
Specialty Pipe & Tube Inc.	2,135,190	6	6.42%
Trumbull Industries Inc.	990,380	7	2.98%
Sims Buick GMC Truck Inc.	972,950	8	2.93%
Diane Sauer Chevrolet Inc.	961,000	9	2.89%
Kellworth Steel Co.	875,220	10	2.63%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 16,893,960		50.81%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 33,258,581		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Alcan Aluminum Corp	\$ 7,024,010	1	9.68%
Delphi Automotive Systems LLC	6,561,790	2	9.04%
GE Lighting Inc.	3,826,440	3	5.27%
WCI Steel Inc.	3,360,240	4	4.63%
Time Warner	1,915,610	5	2.64%
AVI Food Systems	1,824,600	6	2.51%
Trumbull Industries	1,574,380	7	2.17%
Tamarkin Co.	1,039,340	8	1.43%
Eastern Ohio Newspaper	1,033,180	9	1.42%
Kenilworth Steel Co.	948,080	10	1.31%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 29,107,670		40.10%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 72,590,158		

Source: Trumbull County Auditor's Office

Note: Information prior to 2002 was not available.

CITY OF WARREN, OHIO

REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2007	\$ 1,563,511	\$ 1,461,666	93.49%	\$ 78,460	\$ 1,540,126	98.50%	\$ 242,664	15.52%
2006	1,577,768	1,474,794	93.47%	71,382	1,546,176	98.00%	213,940	13.56%
2005	1,458,232	1,375,610	94.33%	57,309	1,432,919	98.26%	183,622	12.59%
2004	1,444,415	1,363,730	94.41%	63,714	1,427,444	98.83%	157,103	10.88%
2003	1,441,977	1,373,142	95.23%	67,022	1,440,164	99.87%	164,882	11.43%
2002	1,382,548	1,312,330	94.92%	64,438	1,376,768	99.58%	169,323	12.25%
2001	1,407,161	1,341,960	95.37%	59,286	1,401,246	99.58%	194,425	13.82%
2000	1,410,785	1,333,773	94.54%	61,208	1,394,981	98.88%	189,985	13.47%
1999	1,310,301	1,211,862	92.49%	52,619	1,264,481	96.50%	150,681	11.50%
1998	1,284,789	1,217,951	94.80%	55,067	1,273,018	99.08%	98,910	7.70%

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

**TANGIBLE PERSONAL PROPERTY 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
2007	\$ 116,217	\$ 114,467	98.49%	\$ 52,830	\$ 167,297	143.95%	\$ 63,943	55.02%
2006	171,146	155,732	90.99%	26,447	182,179	106.45%	91,581	53.51%
2005	213,165	211,882	99.40%	13,870	225,752	105.90%	90,910	42.65%
2004	218,215	212,989	97.61%	10,414	223,403	102.38%	84,485	38.72%
2003	216,937	205,165	94.57%	9,799	214,964	99.09%	42,505	19.59%
2002	253,789	241,310	95.08%	34,484	275,794	108.67%	33,089	13.04%
2001	284,209	270,497	95.18%	20,881	291,378	102.52%	47,705	16.79%
2000	268,923	264,056	98.19%	7,455	271,511	100.96%	48,003	17.85%
1999	274,265	262,372	95.66%	13,164	275,536	100.46%	43,517	15.87%
1998	275,933	255,500	92.59%	3,054	258,554	93.70%	40,865	14.81%

Source: Trumbull County Auditor's Office

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
2007	\$ 130,800	\$ 19,742	15.09%	\$ 15,346	\$ 35,088	26.83%	\$ 574,339	439.10%
2006	62,835	14,713	23.42%	4,968	19,681	31.32%	401,745	639.37%
2005	90,383	22,103	24.45%	9,239	31,342	34.68%	358,665	396.83%
2004	36,256	17,179	47.38%	9,300	26,479	73.03%	273,406	754.10%
2003	35,309	9,507	26.93%	17,597	27,104	76.76%	314,870	891.76%
2002	76,589	14,790	19.31%	40,275	55,065	71.90%	286,141	373.61%
2001	28,122	7,808	27.76%	15,362	23,170	82.39%	359,743	1279.22%
2000	142,383	42,463	29.82%	10,543	53,006	37.23%	284,546	199.85%
1999	26,666	15,710	58.91%	21,354	37,064	138.99%	234,723	880.23%
1998	17,159	12,543	73.10%	18,490	31,033	180.86%	271,620	1582.96%

Source: Trumbull County Auditor's Office

CITY OF WARREN, OHIO

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

Source: The City of Warren Income Tax Department

Note: Information prior to 1999 was not available.

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

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

CITY OF WARREN, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities						Business-Type Activities
	General Obligation Bonds	Reinvestment Partnership Corporation Loan	OWDA Loan	HUD 108 Loan	Ohio Department of Development Note	Capital Lease Obligation	General Obligation Bonds
2007	\$ 5,785,670	\$ 700,000	\$ 389,051	\$ 1,700,000	\$ 166,297	\$ 358,231	\$ 3,180,500
2006	7,480,560	755,000	534,831	1,700,000	183,805	418,207	3,671,500
2005	9,205,995	810,000	675,294	-	202,000	444,755	4,155,000
2004	10,928,630	860,000	810,635	-	-	496,639	4,630,000
2003	12,251,810	905,000	941,040	-	-	10,105	5,424,000
2002	11,965,320	945,000	1,066,689	-	-	7,447	5,880,000
2001	13,096,180	985,000	1,187,755	-	-	-	6,540,000
2000	14,156,145	985,000	1,300,759	-	-	-	7,170,000
1999	15,182,795	985,000	-	-	-	-	7,790,000
1998	15,797,875	-	-	-	-	-	8,375,000

Sources:

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

Business-Type Activities (Continued)

Revenue Bonds	OWDA Loans	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 9,115,000	\$ 27,463,326	\$ 247,622	\$ 49,105,697	\$ 1,317,459,328	3.73%	45,796	\$ 1,072
9,515,000	24,032,121	304,233	48,595,257	1,241,208,988	3.92%	45,796	1,061
9,895,000	21,771,589	4,809	47,164,442	1,241,208,988	3.80%	45,796	1,030
10,260,000	22,988,827	8,179	50,982,910	1,208,870,119	4.22%	46,223	1,103
10,610,000	20,878,602	11,290	51,031,847	1,201,227,984	4.25%	46,608	1,095
10,945,000	15,668,286	14,163	46,491,905	1,150,195,000	4.04%	46,100	1,009
10,965,000	15,200,410	-	47,974,345	1,130,146,052	4.24%	46,466	1,032
11,040,000	15,969,302	-	50,621,206	1,132,257,264	4.47%	46,832	1,081
11,110,000	16,675,368	-	51,743,163	1,595,822,130	3.24%	47,845	1,081
11,220,000	16,907,157	-	52,300,032	1,097,525,242	4.77%	48,458	1,079

CITY OF WARREN, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Property</u>	<u>Bonded Debt Per Capita</u>
2007	45,796	\$ 1,380,921,770	\$ 5,785,670	0.42%	\$ 126
2006	45,796	1,451,012,926	7,480,560	0.52%	163
2005	45,796	1,400,182,569	9,205,995	0.66%	201
2004	46,223	1,399,448,798	10,928,630	0.78%	236
2003	46,608	1,394,671,472	12,251,810	0.88%	263
2002	46,100	1,389,530,901	11,965,320	0.86%	260
2001	46,466	1,428,656,110	13,096,180	0.92%	282
2000	46,832	1,411,707,547	14,156,145	1.00%	302
1999	47,845	1,329,745,158	15,182,795	1.14%	317
1998	48,458	1,309,747,172	15,797,875	1.21%	326

Sources:

- (1) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.
- (2) Trumbull County Auditor's Office.
- (3) Includes all general obligation bonded debt.

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

CITY OF WARREN, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Warren	\$ 5,785,670	100.00%	\$ 5,785,670
Overlapping debt:			
Trumbull County	14,372,746	13.23%	1,901,514
Warren City School District	35,805,000	86.74%	31,057,257
Howland Local School District	56,500	13.80%	7,797
LaBrae Local School District	7,043,994	10.70%	753,707
Lakeview Local School District	2,840,070	0.02%	568
Geauga-Trumbull Jt. Solid Waste Management	750,000	7.25%	54,375
Total direct and overlapping debt	<u>\$ 66,653,980</u>		<u>\$ 39,560,888</u>

Source: Ohio Municipal Advisory Council

CITY OF WARREN, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assesed value**	\$ 443,015,560	\$ 500,021,312	\$ 477,844,561	\$ 475,346,480
Legal debt margin:				
Debt limitation - 10.5% of assesed value	46,516,634	52,502,238	50,173,679	49,911,380
Debt applicable to limitation:				
Total bonded debt	18,081,170	20,667,060	23,255,995	25,818,630
Exemptions:				
Debt service fund balance	(34,943)	(36,117)	(33,214)	(24,975)
Debt supported by enterprise fund operations	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>	<u>(14,890,000)</u>
Total exemptions	<u>(12,330,443)</u>	<u>(13,222,617)</u>	<u>(14,083,214)</u>	<u>(14,914,975)</u>
Total debt applicable to limitation	<u>5,750,727</u>	<u>7,444,443</u>	<u>9,172,781</u>	<u>10,903,655</u>
Total legal debt margin within 10.5% limitation	<u>\$ 40,765,907</u>	<u>\$ 45,057,795</u>	<u>\$ 41,000,898</u>	<u>\$ 39,007,725</u>
Unvoted debt limitation - 5.5% of assesed valuation	\$ 24,365,856	\$ 27,501,172	\$ 26,281,451	\$ 26,144,056
Debt applicable to limitation:				
Total bonded debt	18,081,170	20,667,060	23,255,995	25,818,630
Exemptions:				
Debt service fund balance	(34,943)	(36,117)	(33,214)	(24,975)
Debt supported by enterprise fund operations	<u>(12,295,500)</u>	<u>(13,186,500)</u>	<u>(14,050,000)</u>	<u>(14,890,000)</u>
Total exemptions	<u>(12,330,443)</u>	<u>(13,222,617)</u>	<u>(14,083,214)</u>	<u>(14,914,975)</u>
Total debt within 5.5% limitations	<u>5,750,727</u>	<u>7,444,443</u>	<u>9,172,781</u>	<u>10,903,655</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 18,615,129</u>	<u>\$ 20,056,729</u>	<u>\$ 17,108,670</u>	<u>\$ 15,240,401</u>

Source: City of Warren financial records

2003	2002	2001	2000	1999	1998
\$ 484,904,328	\$ 467,902,378	\$ 484,806,215	\$ 480,460,312	\$ 453,261,204	\$ 446,417,137
50,914,954	49,129,750	50,904,653	50,448,333	47,592,426	46,873,799
28,620,810	28,790,320	30,601,180	32,366,145	34,082,795	35,392,875
(47,438)	(38,596)	(106,769)	(68,428)	(1,052)	(237,186)
<u>(16,034,000)</u>	<u>(16,825,000)</u>	<u>(17,505,000)</u>	<u>(18,210,000)</u>	<u>(18,900,000)</u>	<u>(19,595,000)</u>
<u>(16,081,438)</u>	<u>(16,863,596)</u>	<u>(17,611,769)</u>	<u>(18,278,428)</u>	<u>(18,901,052)</u>	<u>(19,832,186)</u>
12,539,372	11,926,724	12,989,411	14,087,717	15,181,743	15,560,689
<u>\$ 38,375,582</u>	<u>\$ 37,203,026</u>	<u>\$ 37,915,242</u>	<u>\$ 36,360,616</u>	<u>\$ 32,410,683</u>	<u>\$ 31,313,110</u>
\$ 26,669,738	\$ 25,734,631	\$ 26,664,342	\$ 26,425,317	\$ 24,929,366	\$ 24,552,943
28,620,810	28,790,320	30,601,180	32,366,145	34,082,795	35,392,875
(47,438)	(38,596)	(106,769)	(68,428)	(1,052)	(237,186)
<u>(16,034,000)</u>	<u>(16,825,000)</u>	<u>(17,505,000)</u>	<u>(18,210,000)</u>	<u>(18,900,000)</u>	<u>(19,595,000)</u>
<u>(16,081,438)</u>	<u>(16,863,596)</u>	<u>(17,611,769)</u>	<u>(18,278,428)</u>	<u>(18,901,052)</u>	<u>(19,832,186)</u>
12,539,372	11,926,724	12,989,411	14,087,717	15,181,743	15,560,689
<u>\$ 14,130,366</u>	<u>\$ 13,807,907</u>	<u>\$ 13,674,931</u>	<u>\$ 12,337,600</u>	<u>\$ 9,747,623</u>	<u>\$ 8,992,254</u>

CITY OF WARREN, OHIO

PLEGDED REVENUE BOND COVERAGE
LAST TEN YEARS

WATER REVENUE BONDS:

<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (2)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2007	\$ 11,258,258	\$ 8,646,571	\$ 2,611,687	\$ 400,000	\$ 483,985	\$ 883,985	2.95
2006	11,088,516	8,864,527	2,223,989	380,000	501,272	881,272	2.52
2005	11,825,204	8,730,522	3,094,682	365,000	517,697	882,697	3.51
2004	10,560,858	8,581,674	1,979,184	350,000	533,097	883,097	2.24
2003	10,665,756	8,631,104	2,034,652	335,000	547,670	882,670	2.31
2002	9,438,057	7,798,305	1,639,752	20,000	548,520	568,520	2.88
2001	8,784,860	7,619,648	1,165,212	75,000	551,632	626,632	1.86
2000	7,749,739	7,205,496	544,243	70,000	554,503	624,503	0.87
1999	7,768,877	7,292,035	476,842	110,000	558,903	668,903	0.71
1998	7,481,114	6,848,084	633,030	160,000	517,900	677,900	0.93

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of bonds only.

CITY OF WARREN, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income (3)	Per Capita Personal Income (2)	Unemployment Rates (2)			
				City of Warren	Trumbull County	Ohio	United States
2007	45,796	\$ 1,317,459,328	\$ 28,768	7.4%	6.3%	5.6%	4.6%
2006	45,796	1,250,413,984	27,304	6.9%	6.3%	5.5%	4.6%
2005	45,796	1,241,208,988	27,103	7.4%	6.7%	5.9%	5.1%
2004	46,223	1,208,870,119	26,153	8.3%	7.5%	6.2%	5.5%
2003	46,608	1,201,227,984	25,773	7.7%	7.3%	6.2%	6.0%
2002	46,100	1,150,195,000	24,950	6.8%	6.9%	5.7%	5.8%
2001	46,466	1,130,146,052	24,322	6.0%	6.2%	4.4%	4.7%
2000	46,832	1,132,257,264	24,177	5.3%	4.9%	4.0%	4.0%
1999	47,845	1,595,822,130	33,354	5.5%	5.3%	4.3%	4.2%
1998	48,458	1,097,525,242	22,649	5.9%	6.0%	4.3%	4.5%

Sources:

- (1) U.S. Census Bureau
- (2) Ohio Job & Family Services, Office of Workforce Development
- (3) Population times per capita personal income

CITY OF WARREN

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2007		
	Income Tax Withholding	Rank	Percentage of Total City Employment
Trumbull Memorial Hospital	\$ 1,136,045	1	7.82%
Trumbull County Auditor	912,416	2	6.28%
St. Elizabeth Medical Center	738,934	3	5.08%
Warren City Schools	722,417	4	4.97%
Delphi Automotive System Svc. LLC	619,485	5	4.26%
City of Warren	470,511	6	3.24%
Ohio State Dept of Adm. Services	469,071	7	3.23%
GE Lighting Inc.	430,765	8	2.96%
WCI Steel Acquisition Inc.	358,431	9	2.47%
AVI Food System Inc.	249,747	10	1.72%
Total	\$ 6,107,822		42.03%
Total 2007 City Income Tax Withholding	<u>\$ 14,531,752</u>		

Employer	1998		
	Income Tax Withholding	Rank	Percentage of Total City Employment
General Motors Corp. NAO	\$ 2,253,279	1	19.27%
Trumbull Memorial Hospital	734,794	2	6.28%
Trumbull County Auditor	500,854	3	4.28%
Warren City Schools	422,432	4	3.61%
GE/Client Business Services	412,958	5	3.53%
St. Elizabeth Medical Center	388,783	6	3.32%
Ohio State Dept of Adm. Services	314,465	7	2.69%
WCI Inc.	301,748	8	2.58%
City of Warren	295,078	9	2.52%
CSC, Ltd.	158,754	10	1.36%
Total	\$ 5,783,145		49.45%
Total 1998 City Income Tax Withholding	<u>\$ 11,695,435</u>		

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

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CITY OF WARREN, OHIO

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

Function/Program	2007	2006	2005	2004	2003	2002	2001	2000
General Government								
Council	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Mayor	4.00	4.00	4.00	4.00	5.00	5.00	5.00	3.00
Finance	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Income Tax	8.00	8.00	7.00	9.00	9.00	10.00	7.00	7.00
Law	10.00	10.00	10.00	10.00	10.00	10.00	9.00	10.00
Civil Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	34.00	33.00	32.00	34.00	34.00	30.00	34.00	34.00
Judges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	49.00	50.00	46.00	51.00	50.00	49.00	47.00	40.00
Engineering	13.00	14.00	13.00	13.00	13.00	13.00	14.00	11.00
Security of Persons and Property								
Police	101.00	102.00	95.00	95.00	95.00	95.00	88.00	80.00
Fire	78.00	78.00	77.00	78.00	79.00	78.00	70.00	64.00
Public Health and Welfare								
Health Services	14.00	13.00	14.00	14.00	13.00	13.00	13.00	12.00
Economic Development								
Community Development	5.00	6.00	6.00	6.00	6.00	7.00	9.00	9.00
Packard Music Hall	7.00	7.00	5.00	5.00	5.00	5.00	3.00	3.00
Data Processing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Services								
Water	85.00	83.00	82.00	80.00	80.00	81.00	80.00	83.00
Sewer/Stormwater	52.00	48.00	47.00	48.00	46.00	46.00	48.00	52.00
Sanitation	15.00	15.00	15.00	14.00	15.00	16.00	15.00	16.00
Total	508.00	504.00	486.00	494.00	493.00	491.00	474.00	456.00

Source: City of Warren records

<u>1999</u>	<u>1998</u>
13.00	13.00
5.00	6.00
6.00	6.00
8.00	8.00
10.00	12.00
4.00	4.00
2.00	2.00
3.00	3.00
38.00	40.00
2.00	2.00
48.00	52.00
17.00	17.00
96.00	101.00
77.00	77.00
14.00	14.00
9.00	7.00
5.00	4.00
3.00	3.00
84.00	82.00
44.00	45.00
15.00	18.00
<u>503.00</u>	<u>516.00</u>

CITY OF WARREN, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST TWO YEARS**

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

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

CITY OF WARREN, OHIO

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

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

Source: City of Warren Departments.

Note: Information prior to 2006 was not available.

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Mary Taylor, CPA
Auditor of State

CITY OF WARREN

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 29, 2008**