CITY OF WARREN, PENNSYLVANIA

AUDIT REPORT

DECEMBER 31, 2023

CITY OF WARREN, PENNSYLVANIA
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F&G

FELIX & GLOEKLER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
2306 Peninsula Drive • Erie, Pennsylvania 16506

Independent Auditor's Report

To the City Council
City of Warren, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

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, Pennsylvania as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City of Warren, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Pennsylvania as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Warren, Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the City of Warren, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Warren, Pennsylvania's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the City of Warren, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 accompanying combining and individual nonmajor fund, pension fund financial statements, budget to actual schedules for the sewer and parking fund, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund, pension fund financial statements, budget to actual schedules for the sewer and parking fund, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Independent Auditor's Report
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2024 on our consideration of the City of Warren, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Warren's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warren, Pennsylvania's internal control over financial reporting and compliance.

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

August 31, 2024
Erie, Pennsylvania

CITY OF WARREN, PENNSYLVANIA
Management's Discussion and Analysis
For the Year Ended December 31, 2023

As management of the City of Warren, we offer readers of the City of Warren's financial statements this narrative overview and analysis of the financial activities of the City of Warren for the fiscal year ended December 31, 2023. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Government-wide Financial Statements

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $58,147,544 (net position). Of this amount, $13,656,593 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Financial Statements

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $11,796,404. Approximately 40% of this total amount, $4,704,943 is available for spending at the government's discretion (assigned and unassigned fund balances).

- The City's General Fund reported a positive fund balance of $4,955,378 as of December 31, 2023, compared to a positive fund balance of $4,329,234 as of December 31, 2022.

Overview of the Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position provides information on all the of the City's assets, liabilities and deferred outflows and inflows of resources with the difference between the four reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Warren is improving or deteriorating. Other factors to consider are changes in the City's property tax base, changes in the resident base, and the condition of the City's roads and bridges.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued payroll, accrued interest on long-term debt, and intergovernmental receivables.

The government-wide financial statements distinguish functions of the City of Warren that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portions of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, building code enforcement, and culture and recreation. The business-type activities of the City include the operation of the sewage treatment plant and the operation of the parking lots and garage.

The City's government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure), as well as all liabilities (including long-term debt). Additionally, certain eliminations have been made in regard to internal activity, payables and receivables.

In the statement of net position and the statement of activities, we separate the City activities as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including general government, fire, police, public works, building code enforcement, parks, recreation, and community services. Property and earned income taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type Activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's sewage treatment and parking activities are reported in this category.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Unlike government-wide financial statements, the focus of fund financial statements is directed toward specific activities of the City. Except for the general fund, specific funds are established to satisfy managerial control over resources or to satisfy finance-related legal requirements. The City's fund financial statements are divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds

Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available to spend in the near future to finance the City's programs. The differences of results in the governmental fund financial statements from those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, 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 the comparison between governmental funds and governmental activities.

The City of Warren adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The City also adopts a budget for the capital improvement program fund, the sewer revenue fund, and the parking revenue fund.

Proprietary Funds

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. For financial reporting purposes, proprietary funds are grouped into enterprise funds and internal service funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The City uses enterprise funds to account for its wastewater utility and parking facilities. An internal service fund is used to account for the City's tax collection office.

Fiduciary Funds

Assets held by the City for other parties, either as a trustee or an agent, and that cannot be used to finance the City's own operating programs are reported in the fiduciary funds. The City is the trustee, or fiduciary, for the City's three defined benefit pension plans. Fiduciary fund financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including a budgetary comparison schedule for the general fund, pension information, and postemployment benefit information. Other supplementary information includes a combining balance sheet and a combining statement of revenues, expenditures, and changes in fund balances for non-major governmental funds, and budgetary schedules for the sewer revenue fund and the parking revenue fund.

Government-wide Financial Analysis

The following schedule is a summary of the statements of net position:

City of Warren, Pennsylvania Net Position at December 31, 2023 and 2022						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 10,567,183	$ 9,366,605	$ 6,854,739	$ 6,387,818	$ 17,421,922	$ 15,754,423
Internal balances	1,308,108	1,088,008	(1,308,108)	(1,088,008)	-	-
Capital assets, net of depreciation	30,672,666	30,436,266	31,844,492	32,711,335	62,517,158	63,147,601
Note receivable	-	-	1,176,590	1,260,486	1,176,590	1,260,486
Net Pension Asset	160,318	-	-	-	160,318	-
Total Assets	42,708,275	40,890,879	38,567,713	39,271,631	81,275,988	80,162,510
Deferred Outflows of Resources						
Deferred Outflows - pensions	673,448	2,289,033	-	-	673,448	2,289,033
Total Deferred Outflows	673,448	-	-	-	673,448	-
Liabilities						
Current and other liabilities	2,767,473	1,941,804	732,388	753,213	3,499,861	2,695,017
Long-term portion of liabilities	4,418,831	6,469,965	15,790,833	16,458,637	20,209,664	22,928,602
Total Liabilities	7,186,304	8,411,769	16,523,221	17,211,850	23,709,525	25,623,619
Deferred Inflows of Resources						
Deferred Inflows - pensions	-	-	-	-	-	-
Unearned revenues-spec assessments	92,367	80,935	-	-	92,367	80,935
Total Deferred Inflows	92,367	80,935	-	-	92,367	80,935
Net Position						
Investment in capital assets, net of related debt	26,231,512	25,714,746	15,397,399	15,604,738	41,628,911	41,319,484
Restricted	2,862,040	2,925,197	-	-	2,862,040	2,925,197
Unrestricted	7,009,500	6,047,264	6,647,093	6,455,043	13,656,593	12,502,307
Total Net Position	$ 36,103,052	$ 34,687,207	$ 22,044,492	$ 22,059,781	$ 58,147,544	$ 56,746,988

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Warren, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $58,147,544 at the close of the most recent fiscal year.

A significant portion of the City's net assets reflects its investment in capital assets (land, buildings, improvements, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources of $2,862,040 are subject to external restrictions for highway, street and building renovation projects. The balance of unrestricted net position of $13,656,593 may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position from governmental activities increased $1,415,845 from $34,687,207 to $36,103,052.

The City's net position from business-type activities decreased $15,289 from $22,059,781 to $22,044,492. Net investment in capital assets decreased $207,339; unrestricted net position increased $192,050.

The following is a summary of the information presented in the statement of activities:

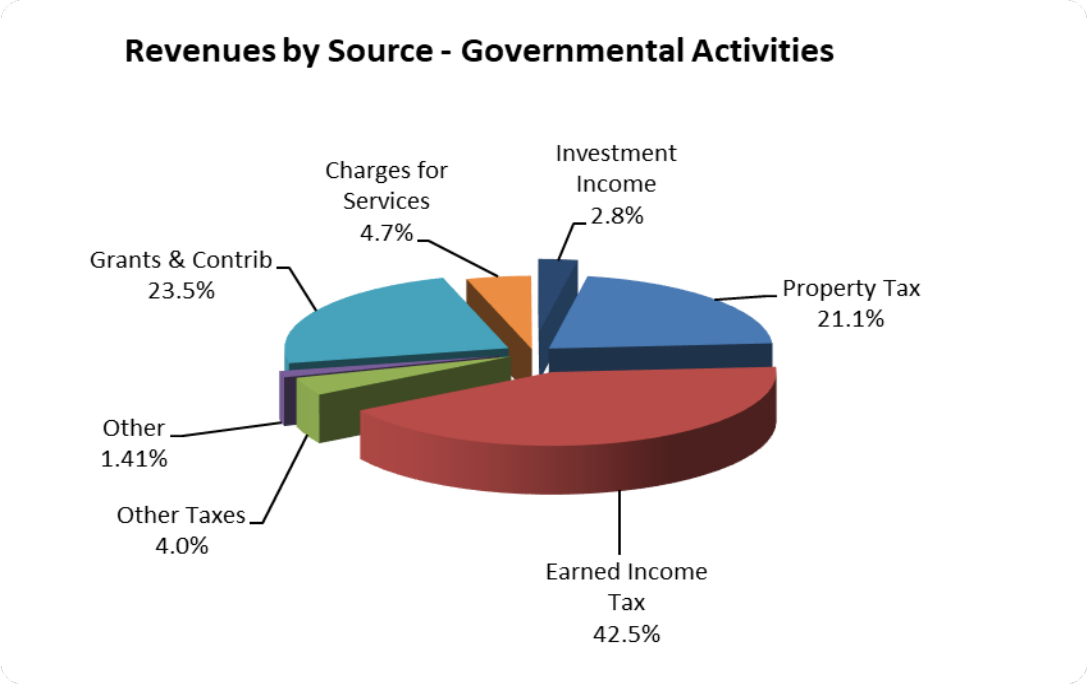
City of Warren, Pennsylvania

Changes in Net Position for the Years Ended December 31, 2023 and 2022

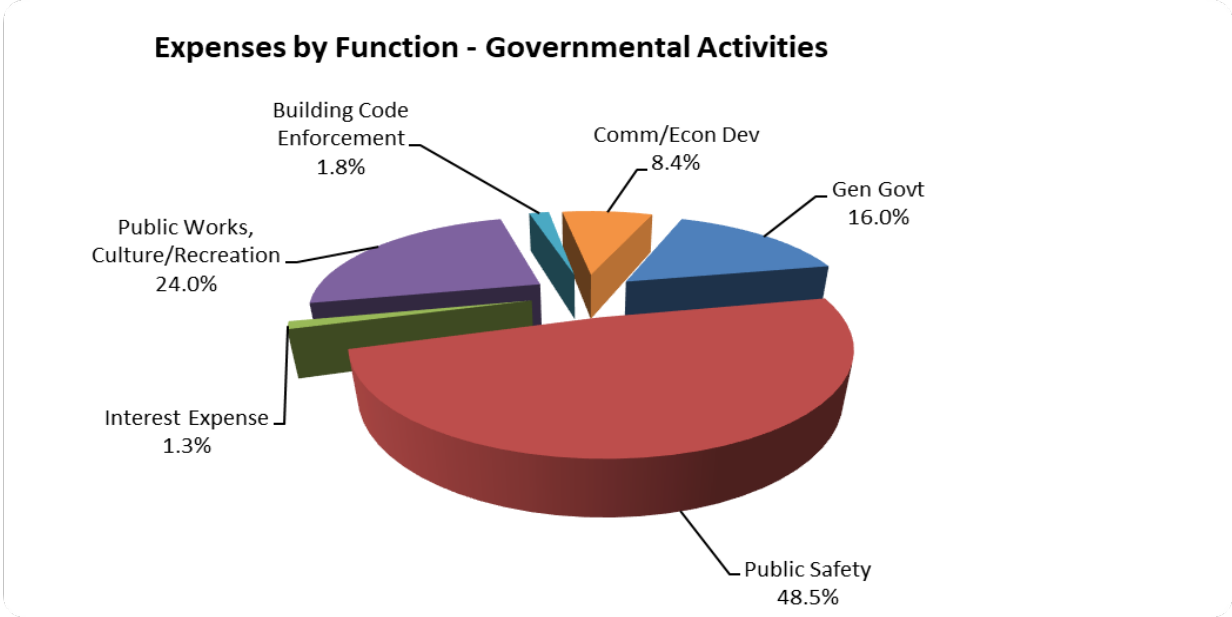
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	$ 490,557	$ 617,115	$ 2,930,101	$ 2,992,995	$ 3,420,658	$ 3,610,110
Operating grants and contrib	1,745,822	1,675,793	-	-	1,745,822	1,675,793
Capital grants and contrib	725,201	618,144	-	-	725,201	618,144
General Revenues:						
Property taxes	2,213,198	2,248,294	-	-	2,213,198	2,248,294
Earned income tax	4,456,964	4,237,594	-	-	4,456,964	4,237,594
Other taxes	419,323	423,260	-	-	419,323	423,260
Investment income	298,038	30,775	241,747	85,091	539,785	115,866
Other	147,966	254,164	-	(13,714)	147,966	240,450
Total Revenues	10,497,069	10,105,139	3,171,848	3,064,372	13,668,917	13,169,511
Expenses						
Governmental Activities:						
General government	1,520,188	1,674,460	-	-	1,520,188	1,674,460
Public safety	4,601,914	4,853,937	-	-	4,601,914	4,853,937
Public works, culture/rec	2,273,731	2,308,165	-	-	2,273,731	2,308,165
Community development	797,283	1,164,301	-	-	797,283	1,164,301
Building code enforcement	174,372	212,123	-	-	174,372	212,123
Interest expense	119,296	103,399	-	-	119,296	103,399
Other		-	-	-	-	-
Business-type Activities:						
Sewer wastewater		-	2,288,627	2,173,754	2,288,627	2,173,754
Parking		-	492,951	466,054	492,951	466,054
Total Expenses	9,486,784	10,316,385	2,781,578	2,639,808	12,268,362	12,956,193
Change in Net Position before other items	1,010,285	(211,246)	390,270	424,564	1,400,555	213,318
Special Item					-	-
Transfers	405,559	402,708	(405,559)	(402,708)	-	-
Capital Contributions					-	-
Change in Net Position	1,415,844	191,462	(15,289)	21,856	1,400,555	213,318
Net Position, Beginning of Year	34,687,208	34,495,746	22,059,781	22,037,925	56,746,989	56,533,671
Prior Period Adjustments						
Net Position, End of year	$ 36,103,052	$ 34,687,208	$ 22,044,492	$ 22,059,781	$ 58,147,544	$ 56,746,989

The City's governmental activities in 2023 relied heavily upon earned income tax revenue (42.5%), property tax revenue (21.1%), grants and contributions (23.5%), and charges for services (4.7%) to fund operations. There were no tax increases for 2023, therefore, the real estate rate remained at 20.8 mills and earned income remained at 2.3% (2.8% including the school district rate of 0.5%) for City residents. Earned income tax revenue saw an increase over 2022 revenues by $219,370, while property taxes saw a decrease of $35,096. Overall tax revenue increased 2.6% over 2022 collections.

The following graph shows the composition of revenues by source for the City's governmental activities:



The following graph presents governmental expenses by function:



Capital Assets

The City's investment in capital assets for governmental and business-type activities as of December 31, 2023, amounts to $62,517,158 (net of accumulated depreciation). This investment in capital assets includes land and buildings, machinery and equipment, vehicles, the sewer system, infrastructure and construction in progress.

Major capital asset events during the current fiscal year include the following:

- 2023 Ford Police Interceptors plus upfitting (2) for $59,928 each – Police Department
- Brush Hog for $3,200 – Department of Public Works
- Salt Spreader for $7,900 – Department of Public Works
- 2022 Chevy Silverado w/plow and upfitting for $118,100 - Department of Public Works
- Tennis Court Benches for $8,482 - Department of Public Works
- Vector Security Camera system w/installation for $5,490 – CARPool
- Pickleball Courts for $267,294 – Betts Park (funded by Warren Pickleball)
- Fire and EMS Software for $4,223 – Fire Department
- LG Refrigerator for $2,037 – Fire Department
- Turnout Coats and Pants (7) for $26,369 – Fire Department (offset by grant funds)
- Flooring and installation for $4,769 – Fire Department
- Motorola Mobile Radio for $4,366 – Fire Department
- Power Bikes (4) for $19,492 – Police Department (donation)
- Challenger Forcible Entry Training Door for $9,330 – Fire Department
- Stairmaster for $5,499 – Fire Department
- 2023 Ram 5500 plus upfitting for $69,219 – Department of Public Works
- Police Impound Lot for $14,985 – Police Department
- 2022 Ford Explorer plus upfitting for $51,460 – Fire Department
- AED with cabinet for $2,163 – CARPool
- Touchless sinks installed for $4,250 – Fire Department
- Koolmore Commercial Refrigerator for $2,749 – CARPool
- Beaty Park Pavilion for $14,377 - Department of Public Works
- S Irvine Street reconstruction project was completed using CDBG funding for a total project cost of $615,501.
- The Sewer Fund assets included a 2022 Dodge Ram with upfitting for $63,624, Vector Security Camera system w/installation at the compost site ($1,535) as well as a dehumidifier for $3,192.
- The Parking Fund assets included Vector Security Camera system w/installation for the parking garage for $9,275.

Long-Term Liabilities

At the end of the current fiscal year, the City had revenue and general obligation notes that totaled $4,423,910; compensated absences totaled $443,435; capital leases totaled $17,244. Included in the revenue and general obligation note balance is a note obtained in 2022 for the refinance of two existing loans with the remaining funds to be allocated for potential repairs to the Clark Street Parking Garage as well as promissory interfund notes for the 2020 purchase of an Aerial fire truck and the 2021 purchase of a Pumper Fire Truck, both financed with sewer funds. The balance outstanding at year end for the 2017 Pennvest sewer treatment plant upgrade construction project totaled $16,447,093.

General Fund Budgetary Highlights

The City continues to approach the annual budget process with a cautious financial strategy while many economic factors are still unpredictable. Fortunately, due to thoughtful spending and higher than anticipated revenues, the City's fund balance has increased over the past several years with a 2% increase at the end of 2021, a 6% increase as of the end of 2022 and an 8% increase as of the end of 2023. For 2023 there was a positive variance from final budget appropriations in the amount of $964,189 in revenues and $738,596 in expenditures, resulting in an overall positive increase in fund balance of $626,144.

Economic Factors and Next Year's Budget

According to the 2023 census data, the population for the City of Warren has experienced continuous decline, dropping from 9,404 in the 2020 census to 9,125 with the most recent count. Additionally, there have been several large tax appeals filed for properties located within the City, which could potentially have a negative impact on the monies collected for real estate taxes.

The factors listed above as well as infrastructure costs, public safety costs, employee-related costs for healthcare, pensions and wages were considered in preparing the City of Warren budget for the 2024 fiscal year. The City allocated $505,040 of its fund balance to balance the 2024 budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Warren's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Warren Finance Office, 318 West Third Avenue, Warren, PA 16365

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CITY OF WARREN, PENNSYLVANIA
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 9,204,221	$ 6,330,063	$ 15,534,284
Restricted cash	69,769	-	69,769
Receivable, net	211,575	434,576	646,151
Taxes receivable, net	341,122	-	341,122
Intergovernmental receivable, net	740,061	90,100	830,161
Prepaid items	435	-	435
Interfund receivable	1,308,108	(1,308,108)	-
Total Current Assets	11,875,291	5,546,631	17,421,922
Non-Current Assets			
Capital assets:			
Assets not being depreciated	895,179	46,795	941,974
Assets being depreciated, net	29,777,487	31,797,697	61,575,184
Note receivable	-	1,176,590	1,176,590
Net pension asset	160,318	-	160,318
Total Non-Current Assets	30,832,984	33,021,082	63,854,066
Total Assets	42,708,275	38,567,713	81,275,988
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	673,448	-	673,448
LIABILITIES			
Current Liabilities			
Accounts payable	207,492	46,503	253,995
Accrued liabilities	66,773	-	66,773
Intergovernmental payable	83,885	-	83,885
Interest payable	-	13,706	13,706
Other liabilities	1,943,565	-	1,943,565
Compensated absences	168,505	6,049	174,554
Finance lease payable	4,656	-	4,656
Notes payable	292,597	666,130	958,727
Total Current Liabilities	2,767,473	732,388	3,499,861
Non-Current Liabilities			
Compensated absences	274,930	9,870	284,800
Finance lease payable	12,588	-	12,588
Notes payable	4,131,313	15,780,963	19,912,276
Total Non-Current Liabilities	4,418,831	15,790,833	20,209,664
Total Liabilities	7,186,304	16,523,221	23,709,525
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues-special assessments	92,367	-	92,367
Total Deferred Inflows	92,367	-	92,367
NET POSITION			
Net investment in capital assets	26,231,512	15,397,399	41,628,911
Restricted for:			
Liquid fuels	67,553	-	67,553
Capital Improvement	2,768,614	-	2,768,614
CDBG	-	-	-
Streetscape project	25,873	-	25,873
Unrestricted	7,009,500	6,647,093	13,656,593
Total Net Position	$ 36,103,052	$ 22,044,492	$ 58,147,544

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA

Statement of Activities

For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Operating Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General government	$ 1,520,188	$ 79,097	$ 145,697	$ -
Public safety	4,601,914	48,456	952,984	-
Public works	1,749,916	253,761	359,719	-
Culture and recreation	523,815	48,330	-	-
Community development	797,283	22,131	287,422	725,201
Building code enforcement	174,372	38,782	-	-
Interest expense	119,296	-	-	-
Total Governmental Activities	9,486,784	490,557	1,745,822	725,201
Business-Type Activities:				
Sewer	2,288,627	2,497,960	-	-
Parking	492,951	432,141	-	-
Total Business-Type Activities	2,781,578	2,930,101	-	-
Total	$ 12,268,362	$ 3,420,658	$ 1,745,822	$ 725,201

The notes to the financial statements are an integral part of these statements.

	Net (Expense)/Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
	$ (1,295,394)	$ -	$ (1,295,394)
	(3,600,474)	-	(3,600,474)
	(1,136,436)	-	(1,136,436)
	(475,485)	-	(475,485)
	237,471	-	237,471
	(135,590)	-	(135,590)
	(119,296)	-	(119,296)
	(6,525,204)	-	(6,525,204)
	-	209,333	209,333
	-	(60,810)	(60,810)
	-	148,523	148,523
	(6,525,204)	148,523	(6,376,681)
General Revenues:			
Taxes			
Property tax	2,213,198	-	2,213,198
Earned income tax	4,456,964	-	4,456,964
Local services tax	299,985	-	299,985
Realty transfer tax	113,195	-	113,195
Utility tax	6,143	-	6,143
Investment earnings	298,038	241,747	539,785
Transfers in/(out)	405,559	(405,559)	-
Gain/(Loss) on sale of fixed assets	(8,602)	-	(8,602)
Miscellaneous revenues	156,568	-	156,568
Total General Revenues	7,941,048	(163,812)	7,777,236
Change in Net Position	1,415,844	(15,289)	1,400,555
Net Position, Beginning of Year	34,687,208	22,059,781	56,746,989
Net Position, End of Year	$ 36,103,052	$ 22,044,492	$ 58,147,544

CITY OF WARREN, PENNSYLVANIA
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Warren Redevelopment Assistance Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,707,249	$ 386,048	$ 4,994,375	$ 9,087,672
Restricted cash	69,979	-	-	69,979
Receivable, net	211,575	-	-	211,575
Taxes receivable, net	341,122	-	-	341,122
Intergovernmental receivable, net	-	740,061	-	740,061
Prepaid items	435	-	-	435
Interfund receivable	1,334,199	-	11,360	1,345,559
Total Assets	$ 5,664,559	$ 1,126,109	$ 5,005,735	$ 11,796,403
LIABILITIES				
Accounts payable	$ 196,123	$ -	$ 11,367	$ 207,490
Accrued liabilities	66,773	-	-	66,773
Interfund payable	-	5,000	-	5,000
Other liabilities	43,052	-	1,900,513	1,943,565
Total Liabilities	305,948	5,000	1,911,880	2,222,828
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	310,867	-	-	310,867
Unavailable revenue - special assessments	92,367	-	-	92,367
Total Deferred Inflows of Resources	403,234	-	-	403,234
FUND BALANCE				
Nonspendable:				
Prepaid items	435	-	-	435
Restricted:				
Liquid fuels	-	-	67,553	67,553
Streetscape project	-	-	-	-
CDBG	-	-	-	-
Capital improvement	-	-	2,768,614	2,768,614
Committed:				
Economic development funding	-	1,121,109	233,745	1,354,854
Boat Launch	250,000	-	-	250,000
Glade floodway	-	-	23,943	23,943
Assigned:				
Community improvement projects	625,000	-	-	625,000
Equipment	452	-	-	452
Operations	107,960	-	-	107,960
Parking fund	222,424	-	-	222,424
Unassigned	3,749,107	-	-	3,749,107
Total Fund Balance	4,955,378	1,121,109	3,093,855	9,170,342
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 5,664,560	$ 1,126,109	$ 5,005,735	$ 11,796,404

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2023

Differences in amounts reported for governmental activities in the Statement of Net Position

Fund balances - governmental funds		$ 9,170,342
Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the governmental funds		30,672,666
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		673,448
Certain long-term assets are not available to pay current period expenditures and, therefore, are unearned in the funds-Unavailable revenue-Property taxes		310,867
Certain assets/(liabilities) are not due and payable in the current period and, therefore, are not reported in the funds		
Notes payable	$ (4,423,910)	
Finance lease payable	(17,244)	
Net pension asset	160,318	
Compensated absences	(443,435)	(4,724,271)
Net position of governmental activities		$ 36,103,052

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Warren Redevelopment Assistance Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 7,077,002	$ -	$ -	$ 7,077,002
Intergovernmental	762,613	-	1,012,623	1,775,236
Charges for services	818,054	-	-	818,054
Interest, rents and royalties	91,756	9,519	202,255	303,530
Licenses and permits	316,385	-	-	316,385
Fines and forfeits	45,713	-	-	45,713
Other	125,777	-	-	125,777
Total Revenues	9,237,300	9,519	1,214,878	10,461,697
EXPENDITURES				
General government	1,042,590	-	-	1,042,590
Public safety	4,804,759	-	-	4,804,759
Public works	1,838,005	-	-	1,838,005
Culture and recreation	701,928	-	-	701,928
Community development	93,911	10,000	1,313,415	1,417,326
Building code enforcement	188,987	-	-	188,987
Debt service	-	-	285,885	285,885
Total Expenditures	8,670,180	10,000	1,599,300	10,279,480
Excess of revenues over expenditures	567,120	(481)	(384,422)	182,217
OTHER FINANCING SOURCES (USES)				
Transfers in	774,258	-	716,234	1,490,492
Transfers out	(716,234)	-	(368,699)	(1,084,933)
Gain on sale of asset	1,000	-	-	1,000
Total Other Financing Sources (Uses)	59,024	-	347,535	406,559
Net Change in Fund Balance	626,144	(481)	(36,887)	588,776
Fund Balances, Beginning of Year	4,329,234	1,121,590	3,130,742	8,581,566
Fund Balances, End of Year	$ 4,955,378	$ 1,121,109	$ 3,093,855	$ 9,170,342

The notes to the financial statements are an integral part of these statements.

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds		$	588,776
Capital outlay, reported as expenditures in the governmental funds, are shown as capital assets in the Statement of Net Position			1,352,066
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of assets) is to decrease net position			(9,602)
Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities			(1,106,064)
Certain activities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenues in the governmental funds:			
Unavailable revenue - property taxes	$ 12,483		
Change in net pension asset/liability	1,942,614		1,955,097
Deferred outflow/inflow activity is not reflected in the fund statements as they are related to future pension obligations			(1,615,585)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In the current year these amounts are:			
Payments on notes payable	285,261		
Payments on finance lease payable	6,265		
Issuance of finance lease payable	(11,160)		
Change in compensated absences	(29,210)		251,156
Change in net position of governmental activities		$	1,415,844

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities			Governmental Activities
	Sewer Fund	Parking Fund	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current Assets				
Cash and cash equivalents	$ 5,914,601	$ 415,462	$ 6,330,063	$ 116,338
Receivable, net	420,063	14,513	434,576	-
Intergovernmental receivable, net	90,100	-	90,100	-
Total Current Assets	6,424,764	429,975	6,854,739	116,338
Non-Current Assets				
Land	25,165	21,630	46,795	-
Assets being depreciated, net	25,124,351	6,673,346	31,797,697	-
Note receivable	1,176,590	-	1,176,590	-
Total Non-Current Assets	26,326,106	6,694,976	33,021,082	-
Total Assets	$ 32,750,870	$ 7,124,951	$ 39,875,821	$ 116,338
LIABILITIES AND NET POSITION				
Liabilities				
Current Liabilities				
Accounts payable	$ 40,992	$ 5,511	$ 46,503	2
Interest payable	13,706	-	13,706	-
Intergovernmental payable	-	-	-	83,885
Interfund payable	1,085,684	222,424	1,308,108	32,451
Compensated absences	6,049	-	6,049	-
Note payable	666,130	-	666,130	-
Total Current Liabilities	1,812,561	227,935	2,040,496	116,338
Non-Current Liabilities				
Compensated absences	9,870	-	9,870	-
Note payable	15,780,963	-	15,780,963	-
Total Non-Current Liabilities	15,790,833	-	15,790,833	-
Total Liabilities	17,603,394	227,935	17,831,329	116,338
NET POSITION				
Net investment in capital assets	8,702,423	6,694,976	15,397,399	-
Unrestricted	6,445,053	202,040	6,647,093	-
Total Net Position	15,147,476	6,897,016	22,044,492	-
Total Liabilities and Net Position	$ 32,750,870	$ 7,124,951	$ 39,875,821	$ 116,338

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities			Governmental Activities
	Sewer Fund	Parking Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for services	$ 2,497,960	$ 432,141	$ 2,930,101	$ 31,491
Total Operating Revenues	2,497,960	432,141	2,930,101	31,491
Operating Expenses				
Salaries and wages	411,725	82,407	494,132	19,108
Employee benefits	182,861	14,285	197,146	11,524
Supplies	189,419	6,789	196,208	306
Contracted Services	136,736	-	136,736	-
Utilities	202,923	33,054	235,977	109
Other	314,148	97,245	411,393	444
Depreciation	683,316	259,171	942,487	-
Total Operating Expenses	2,121,128	492,951	2,614,079	31,491
Operating Income (Loss)	376,832	(60,810)	316,022	-
Non-Operating Revenues (Expenses)				
Investment earnings	232,878	8,869	241,747	-
Gain (loss) on disposal	-	-	-	-
Interest expense	(167,499)	-	(167,499)	-
Transfers out	(256,410)	(149,149)	(405,559)	-
Total Non-Operating Revenue (Expenses)	(191,031)	(140,280)	(331,311)	-
Change in Net Position	185,801	(201,090)	(15,289)	-
Net Position, Beginning of Year	14,961,675	7,098,106	22,059,781	-
Net Position, End of Year	$ 15,147,476	$ 6,897,016	$ 22,044,492	$ -

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities			Governmental Activities
	Sewer Fund	Parking Fund	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:				
Cash receipts from customers	$ 2,513,504	$ 433,083	$ 2,946,587	$ 31,491
Cash payments to suppliers for goods and services	(555,258)	(39,538)	(594,796)	(435)
Cash payments to employees for services	(370,370)	(103,508)	(473,878)	(42,999)
Cash payments for other operating expenses	(314,698)	(97,245)	(411,943)	(444)
Net cash provided by (used by) operating activities	1,273,178	192,792	1,465,970	(12,387)
Cash flows from noncapital financing activities:				
Transfers to other funds	(256,410)	(149,149)	(405,559)	-
Net cash used by noncapital and related activities	(256,410)	(149,149)	(405,559)	-
Cash flows from capital and related financing activities:				
Acquisition/disposal of capital assets	(68,350)	(7,294)	(75,644)	-
Principal payments on note/lease	(659,504)	-	(659,504)	-
Interest paid on debt	(167,499)	-	(167,499)	-
Net cash used by capital and related financing activities	(895,353)	(7,294)	(902,647)	-
Cash flows from investing activities:				
Interest income	232,878	8,869	241,747	-
Payments received on note from General Fund	83,896	-	83,896	-
Net cash provided by investing activities	316,774	8,869	325,643	-
Net increase (decrease) in cash and cash equivalents	438,189	45,218	483,407	(12,387)
Cash and cash equivalents, January 1, 2022	5,476,412	370,244	5,846,656	128,725
Cash and cash equivalents, December 31, 2022	$ 5,914,601	$ 415,462	$ 6,330,063	$ 116,338
Reconciliation of operating income to net cash provided by (used by) operating activities:				
Operating income (loss)	$ 376,832	$ (60,810)	$ 316,022	$ -
Adjustment to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation	683,316	259,171	942,487	-
Changes in assets, liabilities, and deferred inflows				
(Increase) decrease in receivable	(6,776)	942	(5,834)	-
(Increase) decrease in intergovernmental receivable	22,320	-	22,320	-
Increase (decrease) in accounts payable	(26,180)	305	(25,875)	(20)
Increase (decrease) in compensated absences	(2,700)	-	(2,700)	-
Increase (decrease) in intergovernmental payable	-	-	-	(10,934)
Increase (decrease) in interest payable	(550)	-	(550)	-
Increase (decrease) in interfund payable	226,916	(6,816)	220,100	(1,433)
Net cash provided by (used by) operating activities	$ 1,273,178	$ 192,792	$ 1,465,970	$ (12,387)

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Fiduciary Net Position
Pension Trusts
December 31, 2023

ASSETS	
Cash and cash equivalents	$ 110,664
Investments	23,891,511
Total Assets	$ 24,002,175
LIABILITIES	
Accounts payable	$ 25,546
Total Liabilities	25,546
NET POSITION	
Net position held in trust for pension benefits	23,976,629
Total Net Position	23,976,629
Total Liabilities and Net Position	$ 24,002,175

The notes to the financial statements are an integral part of these statements.

CITY OF WARREN, PENNSYLVANIA
Statement of Changes in Fiduciary Net Position
Pension Trusts
For the Year Ended December 31, 2023

Additions:	
Contributions	
Employer	$ 642,638
Plan members	116,187
Total	758,825
Investment income (loss), net	3,482,862
Total Additions	4,241,687
Deductions:	
Benefits	1,279,175
Management expense	47,454
Total Deductions	1,326,629
Change in Net Position	2,915,058
Net Position, Beginning of Year	21,061,571
Net Position, End of Year	$ 23,976,629

The notes to the financial statements are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Warren, Pennsylvania was incorporated in 1832, operating as a borough under the Borough code until December 31, 1977, when it changed to a Home Rule Municipality under the Home Rule Charter and Optional Plans Law, Pennsylvania Act 62 of 1972. On January 2, 1989, the Borough changed its name to the City of Warren. The City operates under a council-manager form of government and provides the following services as authorized by its charter: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health and Social Services, Culture/Recreation, Public Improvements, Planning and Zoning, Code Enforcement, and General Administrative Services.

The City's financial statements include the accounts of all City operations. The criteria for including organizations within the City's reporting entity primarily include the degree of oversight responsibility maintained by the City Council. Examples of oversight responsibility include financial interdependency, selection of governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

The City established the Redevelopment Authority of the City of Warren, whose purpose is to acquire and dispose of blighted properties within the City. Financial data for the Redevelopment Authority of the City of Warren is not included as a component unit in these financial statements because inclusion is immaterial to the City's basic financial statements. The Redevelopment Authority of the City of Warren has issued separate financial statements for 2023.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

The Warren Redevelopment Assistance Loan fund is used to provide funding for start-up businesses and non-profit organizations created to improve the City of Warren.

The Capital Improvement Program fund accounts for governmental fund-type capital projects of the City.

The Community Development Block Grant fund accounts for federally funded programs of the City.

The Highway Aid fund accounts for monies received from the state and used for street and road projects.

The Glade Run Escrow fund accounts for funds held for the maintenance of Glade Run under an agreement with Department of Environmental Protection.

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following proprietary funds:

The Sewer Revenue fund accounts for activities of the City's sewage system. The City operates the sewage treatment plant and sewage pumping stations and collections systems.

The Parking Revenue fund accounts for the activities of the City's parking operations.

Additionally, the City reports the following fund types:

The Internal Service fund accounts for services provided to other departments of the City, or to other governments, on a cost reimbursement basis.

The Fiduciary funds account for the activities of the City's pension funds, which accumulates resources for pension benefit payments to qualified employees.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and pension trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary Information

The City follows these procedures in establishing the budget:

1. In accordance with the City's Home Rule Charter, on or before 45 days prior to December 31, the City Manager submits a proposed budget and an accompanying message to the City Council for the ensuing year. The message explains the budget both in fiscal terms and in terms of programs, policies, activities, and plans. The budget document provides a financial plan of the general fund, the capital improvement fund, the sewer revenue fund, and the parking revenue fund for the upcoming year and is balanced in that the total of proposed expenditures does not exceed total estimated revenues. The budget is in such form as the City Manager deems desirable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. A public hearing is conducted to obtain taxpayer comment.

3. Prior to December 31, the budget is legally enacted by resolution.

4. Formal budgetary integration is employed as a management control device during the year for the general fund, the capital improvement fund, and the enterprise funds.

5. Adoption of the budget constitutes the appropriation of the amounts specified in the general fund as expenditures.

6. Appropriations may be transferred within departments at any time during the year by the City Manager. City Council may, by resolution, transfer appropriations between departments. Appropriations may not be reduced below any amounts required by law or by more than the amount of unappropriated balance remaining.

7. Appropriations lapse at the end of each fiscal year unless encumbered.

8. City Council may authorize supplemental appropriations during the year.

The City does not provide a budget for its major special revenue fund, the Warren Redevelopment Assistance Loan fund, as the fund's revenues and expenditures relate only to the fund's loan activity.

Excess of expenditures over appropriations

The budget for the parking revenue fund disclosed an excess of expenditures over appropriations of $240,733 mainly due to depreciation expense not being budgeted for by the City and lower than anticipated other expenditures. The amounts over expended were funded by prior year's accumulated net position.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and cash equivalents and investments

The government's cash and cash equivalents as used in the statement of cash flows are considered to be cash on hand, demand deposits, pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT), and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pennsylvania statutes provide for investment of Governmental Funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds for investment purposes. Fiduciary Fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices.

The deposit and investment policy of the City adheres to state statutes and prudent business practice. The investments of the Fiduciary Funds are administered by trustees and are held separately from those of other City funds.

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year), but only those infrastructure projects that cost more than $10,000 are reported as capital assets.

Capital assets in governmental activities acquired prior to December 31, 2002 are valued at acquisition costs provided by an industrial appraiser. Governmental capital assets purchased after December 31, 2002 are valued at cost. Governmental infrastructure assets acquired after December 31, 2003 are reported at cost. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets life are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Computers and software	5
Machinery and equipment	8-15
Vehicles	8
Improvements	15-20
Buildings	20-40
Infrastructure	50

4. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category which is related to the actuarially determined changes of the net pension liability (see Note 7 for further information.)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of deferred inflows, which arise under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet and statement of net position. The governmental funds report unavailable revenues from two sources: property taxes, which is currently shown in the fund statements, and special assessments, which is shown in both the fund statements and government-wide statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the director of finance to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

The property tax is levied each June on the assessed valuation of property located in the City as of the preceding June. Assessed values are established annually by Warren County and are equalized by the State at an estimated 50% of current market value. Assessed valuation of taxable real estate amounted to $106,830,829 at a tax rate of 20.8 mills. Taxes are paid at discount to September 30th and at par to November 30th. Taxes paid after November 30th are assessed a 10% penalty.

Unpaid property taxes are returned to the County Treasurer by the City on the last Monday in April. The property is levied at that time. Delinquent notices are sent in July. Taxpayers have until the following June to pay the balance. If unpaid by July 1, property is advertised for sale. The property is then posted in August and sold on the second Monday of September.

3. Compensated absences and accumulated unpaid employee benefits

Unionized and nonunionized City employees generally earn sick leave at rates set forth in the respective union contracts. Sick leave accumulates on a monthly basis and is fully vested when earned. Accumulation policies vary depending on the contract.

4. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts.

5. Credit risk

During the course of operations, the City grants credit to its customers, substantially all of whom are located in the City's area.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Proprietary funds operating and nonoperating revenues and expenses.

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 operations. The principal operating revenues of the sewer fund, parking fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT

Primary Government:

Deposits

At December 31, 2023, the City's deposits, excluding the pension trust funds, are as follows:

	Bank	Book
Governmental Activities:		
Cash and cash equivalents	$ 9,316,222	$ 9,273,990
Business-Type Activities:		
Cash and cash equivalents	6,327,653	6,330,063
	$ 15,643,875	$ 15,604,053

Included in the governmental activities and business-type activities, unrestricted cash is the City's investment in PLGIT external investment pools, with total deposit of $6,261,640 as of December 31, 2023. The City's investment in the investment pool is the same as the value of the pool shares and is reported at amortized cost, which approximate market. All investments in an external investment pool that are not SEC registered are subject to oversight by the Commonwealth. The City can withdraw funds from the investment pools without limitation or fees. The credit quality rating for PLGIT accounts is AAAm.

Custodial Credit Risk – For a deposit, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of December 31, 2023, $546,362 of the City's $15,643,875 bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). Of the remaining bank balance, $15,097,513 is collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name, and the remaining balance is uncollateralized and uninsured. These deposits have carrying amounts of $15,604,053 as of December 31, 2023.

NOTE 3 – RECEIVABLES

Receivables as of December 31, 2023 for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Sewer Fund	Parking Fund	Warren Redevelopment Assistance Loan Fund	Capital Improvement Program	Total
Taxes	$ 341,122	$ -	$ -	$ -	$ -	$ 341,122
Intergovernmental	-	90,100	-	740,061	-	830,161
Other	360,196	490,592	14,513	-	-	865,301
Gross Receivables	701,318	580,692	14,513	740,061	-	2,036,584
Less: Allowance for Uncollectable	(148,621)	(70,529)	-	-	-	(219,150)
Net Receivables	$ 552,697	$ 510,163	$ 14,513	$ 740,061	$ -	$ 1,817,434

Reconciliation to Government-wide Statement of Net Position

Receivable	$ 849,547
Allowance for uncollectible accounts	(219,150)
Receivable, net	$ 630,397

The receivables in the Warren Redevelopment Assistance Loan Fund is related to West of Liberty Apartments and DewBoi Properties, LLC.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2023
Governmental Activities				
Capital Assets not Depreciated:				
Land	$ 609,956	$ -	$ -	$ 609,956
Construction in progress	110,423	58,873	(87,918)	81,378
Redevelopment properties	203,845	-	-	203,845
Total Capital Assets not Depreciated	$ 924,224	$ 58,873	$ (87,918)	$ 895,179
Capital Assets Depreciated:				
Infrastructure	$ 27,710,709	$ 615,501	$ -	$ 28,326,210
Buildings	6,120,679	-	(58,331)	6,062,348
Improvements other than buildings	4,019,795	226,239	87,918	4,333,952
Machinery and equipment, computers and software	2,640,690	92,818	(1,100)	2,732,408
Vehicles	3,544,692	358,635	(83,024)	3,820,303
Furnitures and fixtures	128,012	-	-	128,012
Total Assets Depreciated	44,164,577	1,293,193	(54,537)	45,403,233
Less Accumulated Depreciation:				
Infrastructure	(5,891,904)	(448,326)	-	(6,340,230)
Buildings	(3,493,581)	(140,996)	58,331	(3,576,246)
Improvements other than buildings	(1,988,883)	(147,112)	-	(2,135,995)
Machinery and equipment, computers and software	(1,615,011)	(146,532)	1,045	(1,760,498)
Vehicles	(1,548,382)	(221,205)	73,477	(1,696,110)
Furnitures and fixtures	(114,774)	(1,893)		(116,667)
Total Accumulated Depreciation	(14,652,535)	(1,106,064)	132,853	(15,625,746)
Total Capital Assets Being Depreciated, Net	$ 29,512,042	$ 187,129	$ 78,316	$ 29,777,487

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2023	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2023
Business-Type Activities				
Capital Assets not Depreciated:				
Land	$ 46,795	$ -	$ -	$ 46,795
Total Capital Assets not Depreciated	$ 46,795	$ -	$ -	$ 46,795
Capital Assets Depreciated:				
Buildings and improvements	$ 155,060	$ -	$ -	$ 155,060
Sewer treatment plant	26,155,219	-	-	26,155,219
Sewer machinery and equipment	633,253	4,727	-	637,980
Sewer collection system	3,075,041	-	-	3,075,041
Vehicles	653,715	63,624	-	717,339
Furniture and fixtures	342	-	-	342
Parking garage	9,570,275	-	-	9,570,275
Parking lots and parking equipment	1,123,356	9,275	(18,284)	1,114,347
Total Assets Depreciated	41,366,261	77,626	(18,284)	41,425,603
Less Accumulated Depreciation:				
Buildings and improvements	(2,037)	(5,087)	-	(7,124)
Sewer treatment plant	(3,162,150)	(527,025)	-	(3,689,175)
Sewer machinery and equipment	(334,883)	(40,871)	-	(375,754)
Sewer collection system	(1,189,994)	(52,163)	-	(1,242,157)
Vehicles	(243,924)	(58,170)	-	(302,094)
Furniture and fixtures	(327)	-	-	(327)
Parking garage	(3,273,151)	(192,565)	-	(3,465,716)
Parking lots and parking equipment	(495,256)	(66,606)	16,303	(545,559)
Total Accumulated Depreciation	(8,701,722)	(942,487)	16,303	(9,627,906)
Total Capital Assets Being Depreciated, Net	$ 32,664,539	$ (864,861)	$ (1,981)	$ 31,797,697

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	$ 564,093
Public safety	254,395
Public works	188,031
Culture and recreation	88,485
Community development	5,530
Building code enforcement	5,530
Total Depreciation Expense - Governmental Activities	$ 1,106,064
Business-Type Activities:	
Depreciation	
Sewer fund	$ 683,316
Parking fund	259,171
Total Depreciation Expense - Business-Type Activities	$ 942,487

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2023 is as follows:

Due To	Due From	Amount
General	Sewer	$ 1,085,684
General	Parking	222,424
General	Tax Agency	32,451
Capital Improvement	General	11,360
General	Warren Redevelopment Loan	5,000
CDBG	General	-
		$ 1,356,919

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Reconciliation of interfund balances between governmental activities and business-type activities were as follows:

Total interfund balances above	$ 1,356,919
Less: interfund balances between governmental funds	(48,811)
Total interfund balances between governmental activities and business-type activities	$ 1,308,108

Interfund balances represent amounts owed to general fund for short-term payments made out of the general fund for operating expenses.

Transfers for the year ended December 31, 2023 were as follows:

Transfer From	Transfer To	Amount
General Fund	Capital Improvement	$ 430,349
Glade Run Fund	General Fund	3,650
General Fund	Debt Service Fund	285,885
Parking Fund	General Fund	149,149
Sewer Fund	General Fund	256,410
Highway Aid Fund	General Fund	325,000
CDBG Fund	General Fund	40,049
		$ 1,490,492

Transfers are made to account for capital items purchased through the capital improvement fund and to fund operating expenses out of the general fund.

NOTE 6 – LONG-TERM LIABILITIES

General Obligation Debt

Sewer Treatment Plant Upgrade – A note in the amount of $21,491,723 was obtained to pay for costs of the sewer treatment plant upgrade. The note is payable to Pennvest in monthly installments of $69,126, including interest at 1%, maturing in 2044. The note is secured by full faith, credit, and taxing power of the City. Payments begin at the earlier of three months after the estimated date of completion, the first day of the calendar month following completion of the project, or three years from the date of settlement. Interest expense for the year was $167,499. The outstanding amount of the note as of December 31, 2023 is $16,447,093.

Parking Garage – The City obtained a General Obligation Note in the amount of $3,600,000 for accelerated payoff of the above Streetscape Project Note, Parking Garage Note and for additional repair work on parking garage and other capital projects. The note is payable to a bank in quarterly installments of $71,471, at a variable interest rate. The note matures March 2037. The note is secured by the full faith, credit, and taxing power of the City.

As of year ended December 31, 2023, there have been no significant events of default with finance-related consequences nor any termination events or subjective acceleration clauses.

Debt Service Requirements

	Governmental Activities		Business-Type Activities		Totals	
Year Ending	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 292,597	$ 109,306	$ 666,130	$ 161,423	$ 958,727	$ 270,729
2025	300,126	101,778	672,822	154,731	972,948	256,509
2026	307,849	94,053	679,581	147,972	987,430	242,025
2027	315,773	86,129	686,408	141,145	1,002,181	227,274
2028	323,907	77,997	693,304	134,250	1,017,211	212,247
2029-2033	1,749,137	260,380	3,572,401	565,364	5,321,538	825,744
2034-2038	1,134,521	45,787	3,755,484	382,282	4,890,005	428,069
2039-2043	-	-	3,947,948	189,817	3,947,948	189,817
2044-2046	-	-	1,773,015	20,015	1,773,015	20,015
	$ 4,423,910	$ 775,430	$ 16,447,093	$ 1,896,999	$ 20,871,003	$ 2,672,429

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Interfund Notes

The City of Warren General Fund signed two promissory notes with the City of Warren Sewer Fund to borrow money for the purchase of two firetrucks. Principal and interest payments shall commence on January 1, 2021 and July 1, 2021. The Notes bear interest rates of 3.0% per annum and principal and interest payments of $6,477 per month and $3,191 per month, respectively for 15 years ending December 31, 2035 and December 31, 2036, respectively.

Finance Leases

The City entered into lease agreements to finance the acquisition of office equipment. The leases are recorded at the present value of the future minimum lease payments as of the date of their purchase. The assets acquired under capital leases are recorded at $24,876, accumulated depreciation of $9,768 and are included with capital assets in the statement of net position.

Following is a schedule of the future minimum lease payments required under these capital leases, and the present value of the net minimum lease payments at December 31, 2023. Finance lease amortization is included in depreciation expense.

Asset Class	Governmental Activities
Machinery and equipment	$ 24,876
Less accumulated depreciation	(9,768)
Total	$ 15,108

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2023 are as follows:

Year Ending	Governmental Activities
2024	$ 6,244
2025	6,244
2026	4,037
2027	2,933
2028	1,466
Total minimum lease payments	20,924
Less amount representing interest	(3,680)
Present value of minimum lease payments	$ 17,244

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended December 31, 2023 was as follows:

	January 1, 2023	Additions	Reductions	December 31, 2023	Due Within One Year
Governmental Activities:					
Notes payable	$ 4,709,171	$ -	$ (285,261)	$ 4,423,910	$ 292,597
Finance Leases	12,349	11,160	(6,265)	17,244	4,656
Compensated absences	414,225	1,156,928	(1,127,718)	443,435	168,505
	$ 5,135,745	$ 1,168,088	$ (1,419,244)	$ 4,884,589	$ 465,758
Business-Type activities:					
Sewer fund upgrade note	$ 17,106,597	$ -	$ (659,504)	$ 16,447,093	$ 666,130
Compensated absences	18,619	94,628	(97,328)	15,919	6,049
	$ 17,125,216	$ 94,628	$ (756,832)	$ 16,463,012	$ 672,179

The liability for compensated absences is normally liquidated by the general or sewer funds.

NOTE 7 – RETIREMENT PLANS

The City administers three single-employer defined benefit pension plans: Municipal employees, Police and Firefighters. The Plans were established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Pennsylvania legislature. A separate report is not issued for each Plan. Each Plan is accounted for as a separate pension trust fund on the accrual basis and is governed by City Council. Assets are held separately and may be used only for the payment of benefits to members of the respective Plans.

Municipal Employees

The City of Warren Municipal Employee Pension Plan is a single-employer defined benefit pension Plan. The Plan was established by Ordinance No. 845, effective August 15, 1966. The Plan was amended and restated by Ordinance No. 1880, effective October 17, 2016. The Plan is governed by the City Council of the City of Warren which may amend Plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Vanguard. The Plan is required to file Form PC-203C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Benefit Provisions

Eligibility Requirements

New Hires Plan:	Hired on or after January 1, 2018 for union employees and hired on or after January 1, 2019 for non-union employees.
Normal Retirement:	Age 62 and 10 years of service. For New Hires Plan: Age 60 and 20 years of service.
Early Retirement:	Age 57 and 12 years of service. For New Hires Plan: None.
Vesting:	50% after 5 years of service, increasing by 10% for each additional year, up to a maximum of 100% after the completion of 10 years of service. For New Hires Plan: 100% after 20 years of service.
Retirement Benefit:	A monthly benefit equal to 1.2% of Final Average Monthly Salary (base pay averaged over the final 60 months of employment), plus 1.0% of Final Average Monthly Salary in excess of $550 multiplied by years of service. For New Hires Plan: A monthly benefit equal to 50% of Average Compensation (base pay averaged over the highest 5-year period, or rate of monthly pay at retirement, whichever is higher). Such benefit shall be offset by 40% of a Participant's full Social Security old-age insurance benefit.

Death Benefit

Before 10 Years of service:	Refund of contributions if any, plus interest.
After 10 Years of service	The participant's spouse will receive 50% of the participant's Accrued Benefit, payable for life or until remarriage. For New Hires Plan: Refund of Contributions

NOTE 7 – RETIREMENT PLANS (CONTINUED)

After Retirement:	The Normal Form of Benefit is a life annuity. At retirement, the participant may select an optional form of benefit payment that is an actuarial equivalent of the Normal Form. For New Hires Plan: None except that if total benefits paid to the participant are less than the refund of contributions, the excess balance is payable.
Late Retirement:	The Benefit is the greater of the Normal Retirement Benefit actuarially increased to Late Retirement date, or the accrued benefit at actual Late Retirement date. For New Hirs Plan: The accrued benefit at actual Late Retirement date.
Early Retirement:	
Amount of Benefit:	Normal Retirement benefit based on Years of Continuous Service at date of actual retirement payable at Normal Retirement. For New Hires Plan: None.
Reduction for Early Commencement:	Benefit may be elected immediately, but will be reduced by 6.7% for each year by which commencement of benefits precedes Normal Retirement Date.

Deposits

At December 31, 2023, the Plan held $35,050 in deposits. All deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's target asset allocation is as follows:

Asset Class	Target Percentage
Equities	55-65%
Fixed Income	32.5-42.5%
Cash Equivalents	0-5.0%

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Credit Risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. The credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated on the table below.

Investment Type	Fair Value	Credit Rating
Fixed Income Mutual Funds	$ 2,568,589	Not Rated
Equity Mutual Funds	$ 4,847,192	Not Rated

The above investments are categorized in the fair value hierarchy as Level 1 investments (Equity Mutual Funds) and Level 2 investments (Fixed Income Mutual Funds).

The valuation technique used in determining the above fair value are recently executed transactions, market price quotations and pricing models that factor in where applicable interest rates, bond, or CD spread volatility. There were no significant changes in the valuation techniques used as of December 31, 2023.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2023, the Plan had no investments (other than U.S. Government and U. S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

Interest Rate Risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no investment policy for interest rate risk other than the 42.5% limit on fixed income securities. The maturities of the Plan's debt investments are listed on the table below.

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1	N/A	1-5.99	6 - 10	More than 10
Debt Securities-Fixed Income Funds	$ 2,568,589	$ -	$ -	$ 579,221	$ 1,634,186	$ 355,182
Equity Mutual Funds	4,847,192					
Total	$ 7,415,781					

Contributions

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the Plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Employees hired on or before January 1, 2018 are required to contribute 2.0% of covered payroll to the Plan. Employees hired after January 1, 2018 are required to contribute 3.5% of covered payroll to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

Net Pension Liability

The components of the net pension liability at December 31, 2023 are as follows:

Total pension liability*	$ 7,229,648
Plan fiduciary net position	(7,450,831)
Net pension liability/(asset)	$ (221,183)

Plan fiduciary net position as a percentage of the total pension liability: 103.1%

*The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions

Inflation:	2.75%
Salary increases:	4.50% including inflation
Mortality:	PubG-2010 mortality projected for the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 SSA's trustee report.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Expected Long-Term
Rate of Return: 7.00 % applied to all periods

The long-term expected rate of return on pension Plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real ROR
US Equity-Large Cap	4.25% - 7.31%
US Equity-Small/Mid Cap	4.70% - 8.42%
Non-US Equity-Developed	4.54% - 7.92%
Non-US Equity-Emerging	5.22% - 9.27%
US Corp Bond - Core	.97% - 1.94%
US Corp Bond-High Yield	2.62% - 4.32%
Non-US Debt-Developed	.88% - 2.14%
Non-US Debt-Emerging	2.34% - 4.06%
US Treasuries / Cash	.47% - 1.07%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate

The following shows the effect of a 1% change in the discount rate on the net pension liability:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability/(Asset)	$ 588,266	$ (221,183)	$ (906,178)

Payable to the Pension Plan

At December 31, 2023, the City did not owe anything to the Plan.

Plan Membership

The Plan provides pensions for full-time municipal employees of the City. As of December 31, 2023, pension Plan membership consists of:

Active employees	22
Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	7
Total	59

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/22	$ 7,203,105	$ 6,601,024	$ 602,081
Changes for the Year:			
Service cost	171,758	-	171,758
Interest	487,460	-	487,460
Differences between expected and actual experience	(197,001)	-	(197,001)
Change of assumptions	-	-	-
Contributions - employer	-	171,713	(171,713)
Contributions - employee	-	29,870	(29,870)
Net investment income	-	1,104,365	(1,104,365)
Benefit payments and refunds of employee contributions	(435,674)	(435,674)	-
Administrative expense	-	(20,467)	20,467
Net changes	26,543	849,807	(823,264)
Balances at 12/31/2023	$ 7,229,648	$ 7,450,831	$ (221,183)

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Police Pension

The City of Warren Police Pension Plan is a single-employer defined benefit pension Plan. The Plan was established by Ordinance No. 376, effective May 7, 1945. The Plan was amended and restated by Ordinance No. 1669, effective January 1, 2002. The Plan is governed by the City Council of the City of Warren which may amend Plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Vanguard. The Plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

Benefit Provisions

Eligibility Requirements:

Normal Retirement:	If hired before January 1, 2021 – Completion of 20 years of service. If hired on or after January 1, 2021 – Age 50 and completion of 20 years of service.
Vesting:	100% after 12 years of service.
Retirement Benefit	If hired before January 1, 2021 - A monthly benefit equal to 50% of Final Average Monthly Compensation (total wages plus 40% of accumulated sick days earned prior to retirement averaged over the final 36 months of employment), plus Extra Service benefit of 1/40 of the Normal Retirement Benefit for each completed Year of Service in excess of 20 years, up to a maximum increase of $500. Service completed after age 65 is not counted. If hired on or after January 1, 2021 – A monthly benefit equal to 50% of Final Average Monthly Compensation (based pay plus longevity averaged over the final 36 months of employment).
Death Benefit	
Before Retirement Eligibility:	Refund of contributions plus interest.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

After Retirement Eligibility:	If hired before January 1, 2021 - The surviving spouse will receive 100% of the amount the participant was receiving or entitled to receive payable for life or until remarriage. In the event of the spouse's death or remarriage, the participant's children under age 18 will share the benefit, or until age 21 if a full-time student. If hired on or after January 1, 2021 - The surviving spouse will receive 50% of the amount the participant was receiving or entitled to receive payable for life or until remarriage. In the event of the spouse's death or remarriage, the participant's children under age 18 will share the benefit, or until age 21 if a full-time student.
Disability Benefit	
Service Related:	For total and permanent disablement, a monthly benefit equal to 50% of compensation averaged over the final 36 months prior to disablement will be payable commencing the first day of the month following disablement and continuing for duration of Disability prior to Normal Retirement date and life thereafter.
Non-Service Related:	None.
DROP Benefit:	None.
Cost-of Living Adjustment:	Normal retirees will receive a 2.0% per year increase in their benefit. Total increases may not exceed 70% of the contractual pay rate of a fourth-year officer/First Class Patrolman at the time of retirement. Disabled retirees will receive annual increases based on the Consumer Price Index up to a maximum of 30% of the original benefit.
Vesting Benefit:	A benefit at Normal Retirement date equal to 50% of Final Average Monthly Compensation in the 36 months preceding termination multiplied by the ratio of actual service to projected years of service at normal retirement eligibility. Benefit is paid in lieu of the return of member contributions.

Deposits

At December 31, 2023, the Plan held $57,799 in deposits. All deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Investments

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's target asset allocation is as follows:

Asset Class	Target Percentage
Equities	55-65%
Fixed Income	32.5-42.5%
Cash Equivalents	0-5.0%

Credit Risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no formal policy for credit risk. The credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated on the table below.

Investment Type	Fair Value	Credit Rating
Fixed Income Mutual Funds	$3,309,774	Not Rated

The above investments are categorized in the fair value hierarchy in the following manner:

	Level I	Level II
Money Market Funds	$ 6,228,297	$ -
Fixed Income Mutual Funds	-	3,309,774
	$ 6,228,297	$ 3,309,774

The valuation technique used in determining the above fair value are recently executed transactions, market price quotations and pricing models that factor in where applicable interest rates, bond, or CD spread volatility. There were no significant changes in the valuation techniques used as of December 31, 2023.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2023, the Plan had no investments (other than U.S. Government and U. S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Interest Rate Risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no investment policy for interest rate risk other than the 42.5% limit on fixed income securities. The maturities of the Plan's debt investments are listed on the table below.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5.99	6 - 10	More than 10
Fixed Income Mutual Funds	$ 3,309,774	$ -	$ 745,225	$ 2,106,061	$ 458,488
Equity Mutual Funds	6,228,297				
Total	$ 9,538,071				

Contributions

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the Plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Employees are required to contribute 5.0% of covered payroll to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Contributions are currently reduced to 2.0% of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

Net Pension Liability

The components of the net pension liability (asset) at December 31, 2023 are as follows:

Total pension liability*	$ 9,667,976
Plan fiduciary net position	(9,595,870)
Net pension liability/(asset)	$ 72,106

Plan fiduciary net position as a percentage of the total pension liability: 99.3%

NOTE 7 – RETIREMENT PLANS (CONTINUED)

*The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions:

Inflation:	2.75%
Salary increases:	4.50% including inflation, plus for officers hired prior to January 1, 2021 an additional 2.667% in the year preceding retirement to reflect unused sick days used in the calculation of Final Average Monthly Compensation.
Mortality:	PubS-2010 mortality projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 SSA's Trustee report.
Expected Long-Term Rate of Return:	7.00% applied to all periods

The long-term expected rate of return on pension Plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Real ROR
US Equity-Large Cap	4.25% - 7.31%
US Equity-Small/Mid Cap	4.70% - 8.42%
Non-US Equity-Developed	4.54% - 7.92%
Non-US Equity-Emerging	5.22% - 9.27%
US Corp Bond - Core	.97% - 1.94%
US Corp Bond-High Yield	2.62% - 4.32%
Non-US Debt-Developed	.88% - 2.14%
Non-US Debt-Emerging	2.34% - 4.06%
US Treasuries / Cash	.47% - 1.07%

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following shows the effect of a 1% change in the discount rate on the net pension liability(asset):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	$ 1,225,073	$ 72,106	$ (880,264)

Payable to the Pension Plan

At December 31, 2023, the City did not owe anything to the Plan.

Plan Membership

The Plan provides pensions for full-time policemen of the City. As of December 31, 2023, pension Plan membership consists of:

Active employees	15
Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	0
Total	42

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/22	$ 9,084,018	$ 8,637,498	$ 446,520
Changes for the Year:			
Service cost	255,477	-	255,477
Interest	655,279	-	655,279
Differences between expected and actual experience	358,060	-	358,060
Changes of assumptions	428	-	428
Changes of benefit terms	-	-	-
Contributions - employer	-	216,622	(216,622)
Contributions - employee	-	22,717	(22,717)
Net investment income	-	1,431,296	(1,431,296)
Benefit payments and refunds of employee contributions	(685,286)	(685,286)	-
Administrative expense	-	(26,977)	26,977
Net changes	583,958	958,372	(374,414)
Balances at 12/31/2023	$ 9,667,976	$ 9,595,870	$ 72,106

Firefighter Pension

The City of Warren Firefighters Pension Plan is a single-employer defined benefit pension Plan. The Plan was established September 1, 1974 (adopted pursuant to Act 600 of 1956). The Plan was amended and restated by Ordinance No. 1668, effective January 1, 2010. The Plan is governed by the City Council of the City of Warren which may amend Plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Vanguard. The Plan is required to file Form PC-202C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

Benefit Provisions

Pension Plan benefit provisions are as follows:

Eligibility Requirements

Normal Retirement:	Age 50 and 20 years of service. Retirement is mandatory at age 62 except for the Chief.
Early Retirement:	None.
Vesting:	100% after 12 years of service.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Retirement Benefit:	A monthly benefit equal to 50% of Final Average Monthly Compensation, base pay plus longevity averaged over the highest 5 years or the final monthly rate of pay, whichever is higher, plus a service increment of 1/40 of the Normal Retirement Benefit for each completed Year of Service in excess of 20 years, up to a maximum of $250. For new hires after January 1, 2020, the maximum service increment is $100. Service completed after age 65 is not counted.
Death Benefit	
Before Retirement Eligibility:	A monthly benefit equal to 50% of Vested Accrued Benefit at date of death is payable to the participant's spouse immediately upon death.
After Retirement Eligibility or in-Service death:	A monthly benefit equal to 100% of the benefit the participant was receiving or was entitled to receive payable to the survivor for life. For those participants who die while in active service, the benefit is deferred until the participant's normal retirement date.
Disability Benefit	
Service Related:	Upon total and permanent disablement as determined by a qualified physician, participant will receive a monthly benefit equal to 50% of compensation averaged over the final 60 months prior to disablement. Benefit commences the first day of the month following disablement and continuing for duration of Disability prior to Normal Retirement date and life thereafter.
Non-Service Related:	Hired on or after 1/1/2010, there is a 10-year service requirement. Monthly benefit is 30%.
DROP Benefit	None.
Other Benefits	
Vesting Benefit	Prospective Normal Retirement Benefit is multiplied by the ratio of service to date divided by projected service to Normal Retirement payable at Normal Retirement Date.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Member Contributions

Amount or Rate:	5.0% of wages + $2.50 per month for service increment (For those hired after January 1, 2020, $1 per month for service increment).
Interest Rate Credited to Member Contributions:	0.0%

Deposits

At December 31, 2023, the Plan held $17,815 in deposits. Deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's target asset allocation is as follows:

Asset Class	Target Percentage
Equities	55-65%
Fixed Income	32.5-42.5%
Cash Equivalents	0-5.0%

Credit Risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no formal policy for credit risk. At December 31, 2023, the credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated on the table below.

Investment Type	Fair Value	Credit Rating
Fixed Income Mutual Funds	$2,396,027	Not Rated

The above investments are categorized in the fair value hierarchy in the following manner:

	Level I	Level II
Money Market Funds	$ 4,541,632	$ -
Fixed Income Mutual Funds	-	2,396,027
	$ 4,541,632	$ 2,396,027

NOTE 7 – RETIREMENT PLANS (CONTINUED)

The valuation technique used in determining the above fair value are recently executed transactions, market price quotations and pricing models that factor in where applicable interest rates, bond, or CD spread volatility. Annuity contract is based on contract value adjusted for any investment related activity. There were no significant changes in the valuation techniques used as of December 31, 2023.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2023, all Plan assets were held by Brighthouse Life Insurance Company or Vanguard.

Interest Rate Risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The maturities of the Plan's debt investments are listed on the table below.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5.99	6 - 10	More than 10
Mutual Funds	$ 2,396,027	$ -	$ 540,647	$ 1,524,524	$ 330,856
Money Market Funds	4,541,632				
	$ 6,937,659				

Contributions

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the Plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Employees are required to contribute 5.0% of covered payroll + $2.50 per month ($1.00 per month if hired after January 1, 2020) for service increment to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

The components of the net pension liability at December 31, 2023 are as follows:

Total pension liability*	$ 6,942,802
Plan fiduciary net position	(6,954,043)
Net pension liability/(asset)	$ (11,241)

Plan fiduciary net position as a percentage of the total pension liability: 100.2%

*The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation:	2.75%
Salary increases:	4.5% including inflation
Mortality:	PubS-2010 mortality projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.
Expected Long-Term Rate of Return:	6.75 % applied to all periods

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2023 are summarized in the following table:

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Asset Class	Long-Term Expected Real ROR
US Equity-Large Cap	4.25% - 7.31%
US Equity-Small/Mid Cap	4.70% - 8.42%
Non-US Equity-Developed	4.54% - 7.92%
Non-US Equity-Emerging	5.22% - 9.27%
US Corp Bond - Core	.97% - 1.94%
US Corp Bond-High Yield	2.62% - 4.32%
Non-US Debt-Developed	.88% - 2.14%
Non-US Debt-Emerging	2.34% - 4.06%
US Treasuries / Cash	.47% - 1.07%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following shows the effect of a 1% change in the discount rate on the net pension liability:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (asset)	$ 929,732	$ (11,241)	$ (778,753)

Payable to the Pension Plan

At December 31, 2023, the City did not owe anything to the Plan.

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Plan Membership

The Plan provides pensions for full-time firefighters of the City. As of December 31, 2023, pension Plan membership consists of:

Active employees	22
Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to benefits but not yet receiving them	2
Total	30

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/22	$ 6,546,901	$ 5,813,206	$ 733,695
Changes for the Year:			
Service cost	224,790	-	224,790
Interest	443,786	-	443,786
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	(123,915)	-	(123,915)
Changes of assumptions	-	-	-
Contributions - employer	-	254,303	(254,303)
Contributions - employee	-	63,622	(63,622)
Net investment income	-	998,930	(998,930)
Benefit payments and refunds of employee contributions	(148,760)	(148,760)	-
Administrative expense	-	(27,258)	27,258
Net changes	395,901	1,140,837	(744,936)
Balances at 12/31/2023	$ 6,942,802	$ 6,954,043	$ (11,241)

NOTE 7 – RETIREMENT PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the City recognized pension expense of $315,609. At December 31, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to the municipal employee's, firefighter's and police officer's pension from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ (388,989)
Changes of assumptions	257,144
Net difference between projected and actual earnings on pension plan investments	805,293
Total	$ 673,448

Amounts reported as deferred outflows of resources (+) and deferred inflows (-) of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:

2024	26,935
2025	409,228
2026	692,392
2027	(408,926)
2028	3,382
Thereafter	(49,563)
Total	$ 673,448

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Grant Programs

The City participates in both state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City is potentially liable for any expenditure that may be disallowed pursuant to the terms of these grant programs.

Litigation

The City may be subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation, if any, will not have a material adverse effect on the City's financial position.

NOTE 9 – SELF INSURANCE – HEALTH INSURANCE

The City entered into an agreement with Municipal Benefit Services (funded by the Municipal Employees Insurance Trust) to provide health and welfare benefits to the City's employees and retirees.

The City's self-insurance program pays health and dental insurance coverage for City employees. Retired employees are also covered by the program provided they pay a monthly premium to the City. Under the Trust Agreement, the City is obligated to make employer contributions as determined by the Trust or on a monthly basis.

At December 31, 2023, there is no material liability of unpaid claims to be reported by the City.

NOTE 10 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 31, 2024, the date which the financial statements were available to be issued.

Required Supplementary

Information

CITY OF WARREN, PENNSYLVANIA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	$ 6,463,315	$ 6,463,315	$ 7,077,002	$ 613,687
Intergovernmental	760,671	760,671	762,613	1,942
Charges for services	654,400	654,400	818,054	163,654
Interest, rents and royalties	9,550	9,550	91,756	82,206
Licenses and permits	304,975	304,975	316,385	11,410
Fines and forfeits	51,500	51,500	45,713	(5,787)
Other	28,700	28,700	125,777	97,077
Total Revenues	8,273,111	8,273,111	9,237,300	964,189
EXPENDITURES				
Current:				
General government	1,155,334	1,155,334	1,042,590	112,744
Public safety	5,336,034	5,336,034	4,804,759	531,275
Public works	1,940,895	1,940,895	1,838,005	102,890
Culture and recreation	656,822	656,822	701,928	(45,106)
Community development	103,810	103,810	93,911	9,899
Building code enforcement	215,881	215,881	188,987	26,894
Total Expenditures	9,408,776	9,408,776	8,670,180	738,596
Excess of revenues over expenditures	(1,135,665)	(1,135,665)	567,120	1,702,785
OTHER FINANCING SOURCES (USES)				
Transfers in	405,559	405,559	774,258	368,699
Transfers out	(624,500)	(624,500)	(716,234)	(91,734)
Gain on sale of asset	10,000	10,000	1,000	(9,000)
Total Other Financing Sources (Uses)	(208,941)	(208,941)	59,024	267,965
Net Change in Fund Balance	(1,344,606)	(1,344,606)	626,144	1,970,750
Fund Balances, Beginning of Year	4,329,234	4,329,234	4,329,234	-
Fund Balances, End of Year	$ 2,984,628	$ 2,984,628	$ 4,955,378	$ 1,970,750

CITY OF WARREN, PENNSYLVANIA

Schedule of Changes in the City's Net Pension Liability and Related Ratios

December 31,

Municipal Employees Pension Plan

Total Pension Liability at Plan Year End

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Accrued Liability at January 1	$ 7,203,105	$ 6,963,688	$ 6,596,710	$ 6,352,664	$ 6,335,217	$ 6,106,471	$ 5,416,298	$ 5,210,339	$ 5,091,945
Service cost	171,758	180,582	189,453	170,404	162,677	151,378	166,289	137,298	135,432
Differences between expected and actual experience	(197,001)	-	13,298	-	(212,170)	-	70,534	-	(113,700)
Benefit payments	(435,674)	(426,586)	(387,506)	(385,549)	(375,405)	(363,384)	(327,099)	(320,606)	(276,676)
Changes of assumptions	-	-	83,275	-	-	-	356,408	-	-
Interest	487,460	485,421	468,458	459,191	442,345	440,752	424,041	389,267	373,338
Total Pension Liability (TPL)	$ 7,229,648	$ 7,203,105	$ 6,963,688	$ 6,596,710	$ 6,352,664	$ 6,335,217	$ 6,106,471	$ 5,416,298	$ 5,210,339
Plan Fiduciary Net Position									
Balance at January 1	$ 6,601,024	$ 8,090,250	$ 7,312,690	$ 6,425,877	$ 5,461,886	$ 5,893,933	$ 5,320,229	$ 5,139,874	$ 5,280,405
Benefit payments	(435,674)	(426,586)	(387,506)	(385,549)	(375,405)	(363,384)	(327,099)	(320,606)	(276,676)
Contributions - employer	171,713	208,825	212,654	213,434	193,712	193,392	135,508	136,779	193,634
Contributions - member	29,870	29,829	30,347	29,975	26,515	24,575	24,878	22,187	21,480
Net investment income	1,104,365	(1,275,419)	946,066	1,049,999	1,135,471	(259,726)	760,021	369,746	(48,092)
Administrative expenses	(20,467)	(25,875)	(24,001)	(21,046)	(16,302)	(26,904)	(19,604)	(27,751)	(30,877)
Total Plan Fiduciary Net Position	$ 7,450,831	$ 6,601,024	$ 8,090,250	$ 7,312,690	$ 6,425,877	$ 5,461,886	$ 5,893,933	$ 5,320,229	$ 5,139,874
City Net Pension Liability (Asset)	$ (221,183)	$ 602,081	$ (1,126,562)	$ (715,980)	$ (73,213)	$ 873,331	$ 212,538	$ 96,069	$ 70,465
Plan fiduciary net position as a percentage of the total pension liability	103.1%	91.6%	116.2%	110.9%	101.2%	86.2%	96.5%	98.2%	98.6%
Covered-employee payroll	$ 1,281,207	$ 1,458,990	$ 1,301,859	$ 1,475,101	$ 1,478,079	$ 1,279,181	$ 1,255,134	$ 1,264,036	$ 1,114,818
City's Net Pension Liability/(Asset) as a percentage of covered-employee payroll	-17.3%	41.3%	-86.5%	-48.5%	-5.0%	68.3%	16.9%	7.6%	6.3%

CITY OF WARREN, PENNSYLVANIA

Schedule of Changes in the City's Net Pension Liability and Related Ratios

December 31,

Police Pension Plan

Total Pension Liability at Plan Year End

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Acrued Liability at January 1	$ 9,084,018	$ 8,895,642	$ 8,362,539	$ 8,146,516	$ 8,063,251	$ 7,873,272	$ 7,269,402	$ 7,113,618	$ 7,193,968
Service cost	255,477	225,341	215,637	198,956	189,934	179,535	171,394	159,679	152,075
Changes of benefit terms	-	-	283,149	-	-	-	-	-	(18,267)
Differences between expected and actual experience	358,060	-	(143,969)	-	(115,414)	-	(59,672)	-	(267,700)
Benefit payments	(685,286)	(652,966)	(579,846)	(567,758)	(561,254)	(553,666)	(529,712)	(529,881)	(459,060)
Changes of assumptions	428	-	156,886	-	-	-	471,417	-	-
Interest	655,279	616,001	601,246	584,825	569,999	564,110	550,443	525,986	512,602
Total Pension Liability (TPL)	$ 9,667,976	$ 9,084,018	$ 8,895,642	$ 8,362,539	$ 8,146,516	$ 8,063,251	$ 7,873,272	$ 7,269,402	$ 7,113,618
Plan Fiduciary Net Position									
Balance at January 1	$ 8,637,498	$ 10,749,048	$ 9,816,583	$ 8,768,129	$ 7,568,938	$ 8,300,110	$ 7,611,053	$ 7,478,342	$ 7,835,276
Benefit payments	(685,286)	(652,966)	(579,846)	(567,758)	(561,254)	(553,666)	(529,712)	(529,881)	(459,060)
Contributions - employer	216,622	236,595	229,924	205,345	192,439	183,505	145,471	133,197	188,168
Contributions - member	22,717	23,849	43,231	21,541	19,988	19,727	17,913	18,538	17,049
Net investment income	1,431,296	(1,689,455)	1,270,307	1,413,188	1,566,206	(360,541)	1,086,322	544,151	(66,660)
Administrative expenses	(26,977)	(29,573)	(31,151)	(23,862)	(18,188)	(20,197)	(30,937)	(33,294)	(36,431)
Total Plan Fiduciary Net Position	$ 9,595,870	$ 8,637,498	$ 10,749,048	$ 9,816,583	$ 8,768,129	$ 7,568,938	$ 8,300,110	$ 7,611,053	$ 7,478,342
City Net Pension Liability (Asset)	$ 72,106	$ 446,520	$ (1,853,406)	$ (1,454,044)	$ (621,613)	$ 494,313	$ (426,838)	$ (341,651)	$ (364,724)
Plan fiduciary net position as a percentage of the total pension liability	99.3%	95.1%	120.8%	117.4%	107.6%	93.9%	105.4%	104.7%	105.1%
Covered-employee payroll	$ 1,158,608	$ 1,173,066	$ 1,141,448	$ 977,503	$ 1,024,603	$ 881,638	$ 931,319	$ 784,113	$ 937,229
City's Net Pension Liability/(Asset) as a percentage of covered-employee payroll	6.2%	38.1%	-162.4%	-148.8%	-60.7%	56.1%	-45.8%	-43.6%	-38.9%

CITY OF WARREN, PENNSYLVANIA

Schedule of Changes in the City's Net Pension Liability and Related Ratios

December 31

Firefighters Pension Plan

Total Pension Liability at Plan Year End

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Accrued Liability at January 1	$ 6,546,901	$ 6,000,925	$ 5,269,510	$ 4,825,391	$ 4,684,512	$ 3,560,261	$ 3,411,066	$ 3,069,427	$ 2,678,393
Service cost	224,790	233,849	223,779	170,095	220,114	193,215	154,335	154,629	147,970
Benefit payments	(148,760)	(105,227)	(84,650)	(61,141)	(21,402)	(1,352)	-	(21,854)	-
Change of benefit terms	-	-	-	-	-	636,134	-	-	388,152
Differences between expected and actual experience	(123,915)	-	(117,355)	-	(363,639)	-	(142,810)	-	(332,424)
Changes of assumptions	-	-	327,471	-	-	-	(87,452)	-	-
Interest	443,786	417,354	382,170	335,165	305,806	296,254	225,122	208,864	187,336
Total Pension Liability (TPL)	$ 6,942,802	$ 6,546,901	$ 6,000,925	$ 5,269,510	$ 4,825,391	$ 4,684,512	$ 3,560,261	$ 3,411,066	$ 3,069,427
Plan Fiduciary Net Position									
Balance at January 1	$ 5,813,206	$ 6,611,986	$ 5,614,378	$ 4,600,661	$ 3,533,786	$ 3,347,628	$ 2,642,410	$ 2,153,292	$ 1,848,930
Benefit payments	(148,760)	(105,227)	(84,650)	(61,141)	(21,402)	(1,352)	-	(21,854)	-
Contributions - employer	254,303	288,773	288,547	289,890	287,120	318,798	298,185	293,375	255,310
Contributions - member	63,622	57,814	57,481	57,442	55,027	48,304	46,872	42,398	40,464
Net investment income	998,930	(1,014,832)	755,873	747,807	758,568	(159,269)	374,329	189,906	25,278
Administrative expenses	(27,258)	(25,308)	(19,643)	(20,281)	(12,438)	(20,323)	(14,168)	(14,707)	(16,690)
Total Plan Fiduciary Net Position	$ 6,954,043	$ 5,813,206	$ 6,611,986	$ 5,614,378	$ 4,600,661	$ 3,533,786	$ 3,347,628	$ 2,642,410	$ 2,153,292
City Net Pension Liability (NPL)	$ (11,241)	$ 733,695	$ (611,061)	$ (344,868)	$ 224,730	$ 1,150,726	$ 212,633	$ 768,656	$ 916,135
Plan fiduciary net position as a percentage of the total pension liability	100.2%	88.8%	110.2%	106.5%	95.3%	75.4%	94.0%	77.5%	70.2%
Covered-employee payroll	$ 1,447,922	$ 1,606,575	$ 1,364,829	$ 1,231,796	$ 1,240,987	$ 1,161,591	$ 1,039,727	$ 940,445	$ 873,664
City's Net Pension Liability as a percentage of covered-employee payroll	-0.8%	45.7%	-44.8%	-28.0%	18.1%	99.1%	20.5%	81.7%	104.9%

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Municipal Employees Pension Plan

Year Ended December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions As a Percentage of Covered-employee Payroll
2014	198,243	198,243	-	1,160,268	17.1%
2015	193,634	193,634	-	1,114,818	17.4%
2016	136,779	136,779	-	1,264,036	10.8%
2017	135,508	135,508	-	1,255,134	10.8%
2018	193,392	193,392	-	1,279,181	15.1%
2019	193,712	193,712	-	1,478,079	13.1%
2020	213,434	213,434	-	1,475,101	14.5%
2021	212,654	212,654	-	1,409,640	15.1%
2022	208,825	208,825	-	1,458,990	14.3%
2023	171,713	171,713	-	1,281,207	13.5%

See Notes to the Supplementary Schedules for an explanation of changes to benefits and actuarial assumptions.

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Municipal Employees Pension Plan

Notes to the Supplementary Schedules

Unless otherwise specified, the following actuarial methods and assumptions were used in the calculation of actuarially determined contribution reported in the supplementary schedules:

Actuarial valuation date	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	14 years (aggregate)
Asset valuation method	4-year smoothing
Inflation	2.50%
Salary increase	4.50% including inflation
Investment rate of return	7.00% net of investment expenses not funded through the MMO, and including inflation
Mortality	2010 Public Retirement Plan – General Employees mortality tables (PubG-2010). Rates projected to improve based on Long-Range Demographic Assumptions for 2020 SSA's Trustee Report
Retirement age	Later of Normal Retirement age or attained age if currently eligible to retire.

Changes to Benefits:

Effective 1-1-2018, the pension plan was amended to grant Third Class City Code minimum required benefits for full-time, non-uniformed, non-union employees hired after January 1, 2018 and for full-time, non-uniformed, non-union employees hired after January 1, 2019.

Changes to Assumptions:

Effective 1-1-2009, AVA smoothing (4-year) and RP-2000 Combined Healthy Mortality Table

Effective 1-1-2011, pre-retirement death benefits are valued directly

Effective 1-1-2013, mortality assumption updated to recognize mortality improvements are expected to continue to occur

Effective 1-1-2017, inflation lowered from 3.0% to 2.75%; interest rate lowered from 7.5% to 7.25%; salary increase rate lowered from 5.0% to 4.75%; mortality assumption updated from RP-2000 Combined Healthy mortality and 7.5% Scale AA to RP-2014 mortality and mortality improvement based on the Social Security Administration's 2015 Demographic Assumptions; disability assumption updated from 60% of the rates from Advanced Pension tables to rates based on the Social Security Administration's 2010 projections of disability incidence.

Notes to the Supplementary Schedules (continued)

Effective 1-1-2021, inflation lowered from 2.75% to 2.50%; interest rate lowered from 7.25% to 7.00%; salary increase rate lowered from 4.75% to 4.50%; mortality assumption updated to 2010 Public Retirement Plans – General Employees mortality tables (PubG-2010). Mortality Improvement projected from year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report. Disability assumption updated to rates derived from the Social Security Administration's 2020 projections of disability incidence (ultimate rates only).

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Police Pension Plan

Year Ended December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions As a Percentage of Covered-employee Payroll
2014	221,701	221,701	-	782,344	28.3%
2015	188,168	188,168	-	937,229	20.1%
2016	133,197	133,197	-	784,113	17.0%
2017	145,471	145,471	-	931,319	15.6%
2018	183,505	183,505	-	881,638	20.8%
2019	192,439	192,439	-	1,024,003	18.8%
2020	205,345	205,345	-	977,503	21.0%
2021	229,924	229,924	-	1,141,448	20.1%
2022	236,595	236,595	-	1,173,066	20.2%
2023	216,622	216,622	-	1,158,608	18.3%

See Notes to the Supplementary Schedules for an explanation of changes to benefits and actuarial assumptions.

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Police Pension Plan

Notes to the Supplementary Schedules

Unless otherwise specified, the following actuarial methods and assumptions were used in the calculation of the most recent actuarially determined contribution reported in the supplementary schedules:

Actuarial valuation date	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	17 years
Asset valuation method	4-year smoothing
Inflation	2.50%
Salary increase	4.50% plus an additional 2.667% in the year preceding retirement to reflect the inclusion of pay for unused sick days in the calculation of Final Average Monthly Compensation including inflation.
Investment rate of return	7.00% net of investment expenses not funded through the MMO, and including inflation.
Mortality	2010 Public Retirement Plan – Public Safety mortality tables and projected to improve with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration' Trustee Report.
Retirement age	Participants who will be over age 55+ at 20 or more years of service are assumed to retire. For all others 40% are assumed to retire upon reaching 20 years of service, 20% are assumed to retire after reaching 21 or more years of service before age 55.

Changes to Benefits:

Effective 1-1-2007, the extra service benefit was changed to 1/40 of normal retirement benefit for each year completed over 20 up to a maximum monthly benefit of $500. Also, the percentage of accumulated sick days used in the calculation of final average monthly compensation increased to 40%.

Effective 1-1-2009, normal retirement eligibility was changed to 20 years of service with no age requirement.

Effective 1-1-2015, Plan amended to eliminate killed-in-service benefit.

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Police Pension Plan
(Continued)

Changes to Assumptions:

Effective 1-1-2009, asset smoothing (4-year), pre-retirement death benefits now directly valued, mortality table changed to RP-2000 Combined Healthy Mortality Table projected forward to 2005 with scale AA, and retirement assumption of 20% once 20 years of service with 100% assumed to age 55.

Effective 1-1-2013, mortality improvement and blue-collar adjustment now included.

Effective 1-1-2017, inflation lowered from 3.0% to 2.75%; interest rate lowered from 7.5% to 7.25%; salary increase rate lowered from 5.0% to 4.75%; mortality assumption updated from RP-2000 Combined Healthy Mortality with Blue Collar adjustment and 75% Scale AA to RP-2014 mortality with 50% Blue Collar adjustment and mortality improvement based on the Social Security Administration's 2015 Demographic Assumptions; disability assumption updated from 60% of the rates from Advance Pension Tables to rates based on the Social Security Administration's 2010 projections of disability incidence; retirement assumption was modified, increasing rates of retirement under age 55.

Effective 1-1-2021, inflation lowered from 2.75% to 2.50%; interest rate lowered from 7.25% to 7.00%; salary increase rate lowered from 4.75% to 4.50%; mortality assumption updated to 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010) and mortality improvement based on the Social Security Administration's 2020 Demographic Assumptions; disability assumption updated to rates derived from the Social Security Administration's 2020 projections of disability incidence (ultimate rates only).

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Firefighters Pension Plan

Year Ended December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions As a Percentage of Covered-employee Payroll
2014	255,007	255,007	-	807,829	31.6%
2015	255,310	255,310	-	873,664	29.2%
2016	293,375	293,375	-	940,445	31.2%
2017	298,185	298,185	-	1,039,727	28.7%
2018	318,798	318,798	-	1,161,591	27.4%
2019	287,120	287,120	-	1,240,987	23.1%
2020	289,890	289,890	-	1,231,796	23.5%
2021	288,547	288,547	-	1,364,829	21.1%
2022	288,773	288,773	-	1,606,575	18.0%
2023	254,303	254,303	-	1,447,922	17.6%

See Notes to the Supplementary Schedules for an explanation of changes to benefits and actuarial assumptions.

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Firefighters Pension Plan

Notes to the Supplementary Schedules

Unless otherwise specified, the following actuarial methods and assumptions were used in the calculation of the most recent actuarially determined contribution reported in the supplementary schedules:

Actuarial valuation date	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	4 years aggregate
Asset valuation method	4-Year smoothing
Inflation	2.50%
Salary increase	4.5% including inflation
Investment rate of return	6.75% net of investment expenses not funded through the MMO, and including inflation
Mortality	2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010). Mortality improvement rates derived from the Long-Range Demographic Assumptions for 2020 SSA's Trustee Report
Retirement Age:	Normal retirement age, or attained age, if currently eligible to retire

Changes to Benefits:
Effective in 2010, compensation base for benefits was changed to the greater of monthly rate of pay at retirement, normal retirement benefit is 50% of final average salary, employee contributions increased to 5.0% and a differentiation was made between service and non-service related disabilities.

Effective 1-1-2015, a 100% survivor benefit was added, a pre-retirement death benefit was added with 50% of the vested accrued payable immediately or 100% of the accrued payable at normal retirement, a service increment equal to 1/40 of benefit for service over 20 years up to a maximum of $250 a month and employee contributions increased $2.50 per month per employee.

Effective 1-1-2018, as of January 1, 2020, the retirement eligibility has been reduced from age 55 with 20 years of service to age 50 with 20 years of service. Additionally, for new hires after January 1, 2020, the maximum service increment has been reduced from $250 a month to $100 a month.

Effective 1-1-2020, a change in normal retirement eligibility requirement from age 55 after the completion of 20 years of service to age 50 after completion of 20 years of service.

CITY OF WARREN, PENNSYLVANIA
Schedule of Contributions
Firefighters Pension Plan
(Continued)

Changes to Assumptions:

Effective 1-1-2007, interest rate lowered to 5.5%.

Effective 1-1-2009, mortality table updated to RP-2000 Combined Healthy Mortality.

Effective 1-1-2011, interest rate lowered to 5.25% and direct value of the pre-retirement death benefits.

Effective 1-1-2013, interest rate increased to 6.50%, no turnover assumed and a mortality projection and blue-collar adjustment were included.

Effective 1-1-2017, interest rate was increased to 6.75%. The rate of inflation was lowered to 2.75% the mortality table was updated to RP-2014 Mortality Table with 50% Blue Collar Adjustment. Mortality Improvement rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report. Disability assumption changed to rates based on the Social Security Administration's 2010 projection of disability incidence.

Effective 1-1-2021, The rate of inflation was lowered to 2.50%. The mortality table was updated to 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010). Mortality Improvement rates derived from the Long-Range Demographic Assumptions for the 2020 SSA's Trustee Report. Disability assumption changed to rates based on the Social Security Administration's 2020 projection of disability incidence.

CITY OF WARREN, PENNSYLVANIA
Schedule of Investment Ratios

Annual money weighted return, net of investment expense not funded through MMO.

Municipal Employees

2016	7.36%
2017	14.63%
2018	-4.45%
2019	21.35%
2020	16.64%
2021	13.20%
2022	-13.57%
2023	17.26%

Police

2016	7.46%
2017	14.70%
2018	-4.44%
2019	21.33%
2020	16.46%
2021	13.25%
2022	-16.13%
2023	17.24%

Firefighters

2016	8.67%
2017	13.97%
2018	-4.70%
2019	21.21%
2020	16.12%
2021	13.48%
2022	-14.64%
2023	17.03%

CITY OF WARREN, PENNSYLVANIA
Pension Trusts
Schedules of Funding Progress

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a % of Covered Payroll ((b-a)/c)
Employee Pension Fund						
1/1/2023	$ 7,601,638	$ 7,006,104	$ (595,534)	108.5%	$ 1,458,990	N/A
1/1/2021	6,660,959	6,693,283	32,324	99.5%	1,475,101	2.2%
1/1/2019	5,779,012	6,123,047	344,035	94.4%	1,279,181	26.9%
1/1/2017	5,545,250	5,843,240	297,990	94.9%	1,264,036	23.60%
1/1/2015	4,989,306	4,978,245	(11,061)	100.2%	1,160,268	NA
1/1/2013	4,148,734	4,607,336	458,602	90.0%	1,120,583	40.9%
Police Pension Fund						
1/1/2023	$ 9,954,795	$ 9,442,506	$ (512,289)	105.4%	$ 1,173,066	N/A
1/1/2021	8,939,453	8,658,605	(280,848)	103.2%	977,503	N/A
1/1/2019	8,001,853	7,947,837	(54,016)	100.7%	881,638	NA
1/1/2017	7,928,591	7,681,147	(247,444)	103.2%	784,113	NA
1/1/2015	7,358,838	6,908,001	(450,837)	106.5%	782,344	NA
1/1/2013	6,494,538	6,772,003	277,465	95.9%	864,627	32.1%
Firefighters Pension Fund						
1/1/2023	$ 6,613,213	$ 6,422,986	$ (190,227)	103.0%	$ 1,606,575	N/A
1/1/2021	5,288,647	5,479,626	190,979	96.5%	1,231,796	15.5%
1/1/2019	3,533,786	4,320,873	787,087	81.8%	1,161,591	67.8%
1/1/2017	2,642,410	3,180,804	538,394	83.1%	940,445	57.20%
1/1/2015	1,848,930	2,734,121	885,191	67.6%	807,829	109.6%
1/1/2013	1,062,663	2,115,985	1,053,322	50.2%	805,823	130.7%

Other Supplementary Information

CITY OF WARREN, PENNSYLVANIA

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Parking Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for service	$ 424,370	$ 424,370	$ 432,141	$ 7,771
Total Operating Revenues	424,370	424,370	432,141	7,771
Operating Expenses				
Salaries and wages	93,244	93,244	82,407	10,837
Employee benefits	14,124	14,124	14,285	(161)
Supplies	17,250	17,250	6,789	10,461
Utilities	20,100	20,100	33,054	(12,954)
Other	107,500	107,500	97,245	10,255
Depreciation	-	-	259,171	(259,171)
Total Operating Expenses	252,218	252,218	492,951	(240,733)
Operating Income (Loss)	172,152	172,152	(60,810)	(232,962)
Non-Operating Revenue (Expense)				
Investment earnings	-	-	8,869	8,869
Transfers out	(149,149)	(149,149)	(149,149)	-
Total Non-Operating Revenue (Expense)	(149,149)	(149,149)	(140,280)	8,869
Change in Net Position	23,003	23,003	(201,090)	(224,093)
Net Position, Beginning of Year	7,098,106	7,098,106	7,098,106	-
Net Position, End of Year	$ 7,121,109	$ 7,121,109	$ 6,897,016	$ (224,093)

The notes to the financial statements are an integral part of these statements

CITY OF WARREN, PENNSYLVANIA

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Sewer Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for service	2,546,362	$ 2,546,362	$ 2,497,960	$ (48,402)
Total Operating Revenues	2,546,362	2,546,362	2,497,960	(48,402)
Operating Expenses				
Salaries and wages	400,351	400,351	411,725	(11,374)
Employee benefits	144,651	144,651	182,861	(38,210)
Supplies	181,740	181,740	189,419	(7,679)
Sludge removal	141,700	141,700	136,736	4,964
Utilities	172,260	172,260	202,923	(30,663)
Other	1,185,523	1,185,523	314,148	871,375
Depreciation / amortization	-	-	683,316	(683,316)
Total Operating Expenses	2,226,225	2,226,225	2,121,128	105,097
Operating Income (Loss)	320,137	320,137	376,832	56,695
Non-Operating Revenue (Expense)				
Investment earnings	71,730	71,730	232,878	161,148
Gain (loss) on disposal	-	-	-	-
Interest expense	(168,048)	(168,048)	(167,499)	549
Transfers out	(256,409)	(256,409)	(256,410)	(1)
Total Non-Operating Revenue (Expense)	(352,727)	(352,727)	(191,031)	161,696
Change in Net Position	(32,590)	(32,590)	185,801	218,391
Net Position, Beginning of Year	14,961,675	14,961,675	14,961,675	-
Net Position, End of Year	$ 14,929,085	$ 14,929,085	$ 15,147,476	$ 218,391

CITY OF WARREN, PENNSYLVANIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Capital Improvement Program Fund	Highway Aid	Glade Run Escrow	Community Development Block Grant	Debt Service	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 4,902,867	$ 67,553	$ 23,943	$ 12	$ -	$ 4,994,375
Accounts receivable	-	-	-	-	-	-
Interfund receivable	11,360	-	-	-	-	11,360
Intergovernmental receivable, net	-	-	-	-	-	-
Total Assets	$ 4,914,227	$ 67,553	$ 23,943	$ 12	$ -	$ 5,005,735
LIABILITIES						
Accounts payable	$ 11,367	$ -	$ -	$ -	$ -	$ 11,367
Interfund payable	-	-	-	-	-	-
Deferred revenue	1,900,501	-	-	12	-	1,900,513
Total Liabilities	1,911,868	-	-	12	-	1,911,880
FUND BALANCE						
Restricted:						
Liquid fuels	-	67,553	-	-	-	67,553
CDBG	-	-	-	-		-
Capital improvement	2,768,614	-	-	-	-	2,768,614
Committed						
Capital improvement	233,745	-	-	-	-	233,745
Glade floodway	-	-	23,943	-	-	23,943
Total Fund Balance	3,002,359	67,553	23,943	-	-	3,093,855
Total Liabilities and Fund Balance	$ 4,914,227	$ 67,553	$ 23,943	$ 12	$ -	$ 5,005,735

CITY OF WARREN, PENNSYLVANIA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Capital Improvement Program Fund	Highway Aid	Glade Run Escrow	Community Development Block Grant	Debt Service	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	151,637	287,422	$ -	$ 573,564	$ -	$ 1,012,623
Interest, rents and royalties	187,679	14,469	107	-	-	202,255
Other revenue	-	-	-	-	-	-
Total Revenues	339,316	301,891	107	573,564	-	1,214,878
EXPENDITURES						
Community development	739,851	-	-	573,564	-	1,313,415
Debt service	-	-	-	-	285,885	285,885
Total Expenditures	739,851	-	-	573,564	285,885	1,599,300
Excess of revenues over expenditures	(400,535)	301,891	107	-	(285,885)	(384,422)
OTHER FINANCING SOURCES (USES)						
Transfers in	430,349	-	-	-	285,885	716,234
Transfers out	-	(325,000)	(3,650)	(40,049)		(368,699)
Bond proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	430,349	(325,000)	(3,650)	(40,049)	285,885	347,535
Net Change in Fund Balance	29,814	(23,109)	(3,543)	(40,049)	-	(36,887)
Fund Balance, Beginning of Year	2,972,545	90,662	27,486	40,049	-	3,130,742
Fund Balance, End of Year	$ 3,002,359	$ 67,553	$ 23,943	$ -	$ -	$ 3,093,855

CITY OF WARREN, PENNSYLVANIA
Combining Schedule of Fiduciary Net Position
Pension Trusts
December 31, 2023

	Firefighter Pension	Police Pension	Non-Uniform Employee Pension	Total
ASSETS				
Cash and cash equivalents	$ 17,815	$ 57,799	$ 35,050	$ 110,664
Investments	6,937,659	9,538,071	7,415,781	23,891,511
Total Assets	$ 6,955,474	$ 9,595,870	$ 7,450,831	$ 24,002,175
LIABILITIES				
Accounts payable	$ 8,055	$ 8,396	$ 9,095	$ 25,546
Total Liabilities	8,055	8,396	9,095	25,546
NET POSITION				
Net position held in trust for pension	6,947,419	9,587,474	7,441,736	23,976,629
Total Net Position	6,947,419	9,587,474	7,441,736	23,976,629
Total Liabilities and Net Position	$ 6,955,474	$ 9,595,870	$ 7,450,831	$ 24,002,175

CITY OF WARREN, PENNSYLVANIA
Combining Schedule of Changes in Fiduciary Net Position
Pension Trusts
For the Year Ended December 31, 2023

	Firefighter Pension	Police Pension	Non-Uniform Employee Pension	Total
Additions:				
Contributions				
Employer	$ 254,303	$ 216,622	$ 171,713	$ 642,638
Plan members	63,600	22,717	29,870	116,187
Total	317,903	239,339	201,583	758,825
Investment income (loss), net	979,593	1,412,993	1,090,276	3,482,862
Total Additions	1,297,496	1,652,332	1,291,859	4,241,687
Deductions:				
Benefits	147,307	693,537	438,331	1,279,175
Management expense	15,904	16,349	15,201	47,454
Total Deductions	163,211	709,886	453,532	1,326,629
Change in Net Position	1,134,285	942,446	838,327	2,915,058
Net Position, Beginning of Year	5,813,134	8,645,028	6,603,409	21,061,571
Net Position, End of Year	$ 6,947,419	$ 9,587,474	$ 7,441,736	$ 23,976,629

F&G

FELIX & GLOEKLER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
2306 Peninsula Drive • Erie, Pennsylvania 16506

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

To the City Council
City of Warren, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, Pennsylvania as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Warren, Pennsylvania's basic financial statements, and have issued our report thereon dated August 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Warren, Pennsylvania's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

August 31, 2024
Erie, Pennsylvania

FELIX & GLOEKLER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
2306 Peninsula Drive • Erie, Pennsylvania 16506

Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance

Chairperson and Members
City of Warren

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Warren's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Warren's major federal programs for the year ended December 31, 2023. City of Warren's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Warren, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Warren and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Warren's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Warren's federal programs.

Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance (continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Warren's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Warren's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Warren's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Warren's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Warren's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in accordance with the Uniform Guidance (continued)

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Felix and Gloekler, P.C.

Felix and Gloekler, P.C.

August 31, 2024
Erie, Pennsylvania

CITY OF WARREN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Description of Grantor Agency/Program Title	Federal Assistance Listing Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Housing and Urban Development			
Passed through from PA Department of Community and Economic Development			
Community Development Block Grant	14.228	$ -	$ 573,564
U.S. Department of Agriculture			
Community Facilities Grant	10.766	$ -	$ 50,000
U.S Department of Transportation			
Highway Planning and Construction	20.205	$ -	$ 96,840
U.S. Department of Treasury			
ARPA Local Fiscal Recovery Funds	21.019	$ -	$ 54,796
Total Expenditures of Federal Awards		$ -	$ 775,200

CITY OF WARREN
Schedule of Expenditures of Federal Awards
Footnotes and Other Information
For the Year Ended December 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Warren under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Warren it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Warren.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein contained types of expenditures are not allowable or are limited as to reimbursement. The City did not use the de Minimis cost rate of 10 percent as provided by the federal government in accordance with the Uniform Guidance.

CITY OF WARREN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

1. Summary of auditors' results

   (i) Type of report issued on the financial statements: Unmodified opinion.

   (ii) Internal control over financial reporting:
   - Material weakness(es) identified – None
   - Significant deficiency(ies) identified – None reported

   (iii) The audit disclosed no noncompliance which is material to the financial statements.

   (iv) Internal control over major federal program:
   - Material weakness(es) identified – None
   - Significant deficiency(ies) identified – None reported

   (v) Type of report issued on compliance for major programs: Unmodified opinion.

   (vi) The audit disclosed no audit findings which are required to be reported.

   (vii) Major programs:

   CDBG – 14.228

   (viii) Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

   (ix) City of Warren did not qualify as a low-risk auditee.

2. Findings required to be reported in accordance with generally accepted government auditing standards

   None.

3. Findings and questioned costs for Federal awards

   None.

CITY OF WARREN
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

1. Prior significant deficiencies: None.

2. Prior material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program: None.

3. Known questioned costs greater than $25,000: None.

4. There were no findings in the prior year.

CITY OF WARREN
Corrective Action Plan
For the Year Ended December 31, 2023

Not applicable. There were no current year findings required to be reported.

CITY OF WARREN
List of Report Distribution
December 31, 2023

The following is a listing of all agencies that the audit reports are distributed to:

1. United States Bureau of the Census