A photograph of a modern, multi-story building with a large glass facade and a prominent red vertical element. The building is illuminated from within, and the sky is a deep blue. In the foreground, there are some trees and a bench.

City of Warren Michigan

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007**

GUIDE TO VIEWING THIS REPORT

The City of Warren offers its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007 to readers thereof in this electronic format. The purpose of this guide is to assist the reader in viewing and navigating through the contents of the report. Please take a moment to review some of the following features:

NAVIGATION:

In the upper left corner of the screen is a tab labeled "Bookmarks". Please click on it. What should be displayed is a line labeled "2007 Annual Financial Report". Please click on the "+" sign next to this line. Each section of the report should now be displayed. Click on the "+" sign next to each section to display the underlying sub-sections, statements or schedules. Continuing to click on any "+" sign will take you to a greater level of detail. Clicking on the text displayed on any line will take you directly to that specific section, sub-section, statement or schedule. Clicking on any "-" sign will collapse the level of the bookmarks displayed. ***It is recommended that the reader click on "Options" and then "Wrap Long Bookmarks" in order to display the entire bookmark title.***

PAGE DISPLAY:

Appearing on the toolbar at the top of the screen are icons that regulate the size of the page display. ***It is recommended that the reader click on the "fit page" icon.*** In doing so, the entire contents of the page will be displayed on the screen. Click on the "+" and "-" icons to either zoom-in or zoom-out of the page display.

Appearing on the toolbar at the bottom of the screen are icons that regulate the method the pages are displayed. The first two icons will display the contents as a single page. The third icon will display the contents as multiple pages. ***It is recommended that the reader click on the fourth icon.*** In doing so, the report will be displayed in a typical book fashion with facing pages. This will be beneficial when viewing statements and schedules that span multiple pages.

The pages can be advanced by either using the directional arrows appearing at the bottom of the screen, the scroll bar at the right of the screen or by utilizing the bookmarks as previously described.

City of Warren

MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2007



PREPARED BY:
CONTROLLER'S OFFICE
RICHARD A. FOX, CONTROLLER

Member of Government Finance Officers Association
of the United States and Canada



ONE CITY SQUARE
WARREN, MICHIGAN 48093

ADMINISTRATION

City of Warren was incorporated January 1, 1957, under Act 279, P.A. 1909 as amended (Home Rule Act). The 2000 population per Federal Census, 138,247.

City is administered by a Mayor, Council of nine members, Treasurer and Clerk, all of whom are elected for four year terms.

PRESENT ELECTIVE OFFICERS

(Terms expire November 10, 2007)

MAYOR

MARK A. STEENBERGH

TREASURER

MARILYN MARCHWINSKI-MARROCCO

CLERK

RICHARD P. SULAKA

COUNCIL

JAMES R. FOUTS, *President*
MARY M. KAMP, *Vice President*
KATHY J. VOGT, *Secretary*

MELINDA S. MOORE, *Asst. Secretary*
DONNA L. CAUMARTIN
MICHAEL W. CHUPA

CAROLYN K. MOCERI
KEITH J. SADOWSKI
MICHAEL J. WIECEK

DEPARTMENT HEADS

(Appointed Officials)

RICHARD A. FOX, *City Controller*
PHILIP O. MASTIN III, *City Assessor*
ROBERT VOUGHT, *Fire Commissioner*
JAMES P. VOHS, *Police Commissioner*
GEORGE G. CONSTANCE, *City Attorney*

ROBERT W. SLAVKO, *Public Services Director*
HENRY D. BOWMAN, *Parks and Recreation Director*
EDWIN A. BAYER III, *Planning Director*
DENISE L. WILLIAMS, *Director of Personnel Management*
AMY L. HENDERSTEIN, *Library Director*

CITY OF WARREN, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2007

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CITY CONTROLLER'S OFFICE

ONE CITY SQUARE, SUITE 425
WARREN, MI 48093-5289
(586) 574-4600
FAX (586) 574-4614
www.cityofwarren.org

December 18, 2007

To the Honorable Mayor, Members of City Council
and Citizens of the City of Warren

In accordance with City Charter and State Statute, the City of Warren is required to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a licensed certified public accounting firm in accordance with generally accepted auditing standards. Pursuant to those requirements, the City Controller's Office hereby submits the comprehensive annual financial report of the City of Warren for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a framework of internal controls that is designed to both protect the City's assets and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the certified public accounting firm of Ramie E. Phillips, Jr., P.C. The purpose of an independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2007 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The City's financial statements have received an "unqualified opinion" from the independent auditor. An unqualified opinion is the best opinion an organization can receive. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

General Information

The City of Warren was incorporated as a home rule City on January 1, 1957. The City is governed by a nine member Council, Mayor, Treasurer and City Clerk, all of whom are elected to a maximum of three four-year terms. The City encompasses 34.5 square miles (22,080 acres) of the southwestern section of Macomb County where it is adjacent to the City of Detroit. The City's boundaries are Eight Mile Road on the south, Fourteen Mile Road on the north, Dequindre Road on the west and a parallel line running due north from the Gratiot-Eight Mile Road intersection on the east. With a population of 138,247 (2000 census figure), Warren remains the third largest city in the State of Michigan.

Warren is an area rich with ethnic flavor and charm. We are proud of our community, from its rural beginnings to its phenomenal growth and its unique blend of industrial innovation, residential comfort, and educational and cultural opportunities.

General Information (continued)

Unquestionably contributing to the economic vitality of the City is the presence of General Motors Corporation and Daimler-Chrysler Corporation automotive facilities. Warren is proud to be the home of General Motors Technical Center, a 330-acre complex housing General Motors Corporation staff operations; research laboratories, engineering, and design. General Motors Corporation also operates the Hydramatic Plant on a 117-acre site within the city. Daimler-Chrysler Corporation has three major facilities in Warren. Occupying a 224-acre site, this complex includes an assembly plant, a stamping plant and a paint plant. The presence of General Motors Corporation and Daimler-Chrysler Corporation represents approximately 18.41% of the City's taxable value. In the past four years, General Motors and Chrysler have invested \$943 million in the GM Powertrain Facility and the Chrysler Stamping and Truck facilities in Warren. This is in addition to a billion dollar investment in the General Motors Technical Center. In the past year, 13 new commercial and industrial development permits and 162 single-family and multiple-dwelling residential permits were issued representing in excess of \$27.1 million of additional investment in the City.

The South Campus of Macomb Community College, the state's third largest college, is a public college located on a 100-acre site on Twelve Mile Road. The college, which offers courses in liberal arts, general education, allied health, applied technology and public services, is accredited by the North Central Accreditation Association. Davenport University also has a Warren Campus located on Dequindre, north of Eleven Mile Road.

Protecting the lives and property of Warren's citizens is the mission of our public safety departments. The Fire Department strives to ensure that the best fire extinguishment and emergency medical service is available. The Police Department operates an Emergency 911 System to afford residents the quickest possible response to any emergency situation. The City maintains a significant investment in equipment, facilities and personnel to provide our community the comfort of safe neighborhoods.

The mission of the Warren Public Library is to improve the quality of life for the citizens of Warren by providing services and resources that promote educational, cultural, social and economic well being. The library strives to be a source of information for lifetime learning and enjoyment. One of its primary goals is to stimulate young children's interest in reading and learning and to encourage literacy among all age groups. The Warren Public Library opened a new Civic Center Library during the current fiscal year. This facility occupies 35,000 square feet on the main floor of the new City Hall building. Many amenities make this Library an attractive and desirable place to visit. The Library features a computer lab, self check-out units, private study rooms and an inviting reading room with fireplace. New services such as after hours book pick-up and a drive-up book drop are also available. This new centrally located library will benefit all citizens of Warren. Warren also has three branch libraries. All of the libraries have internet access and word processing capabilities. Adaptive devices are provided for the visually impaired. Each branch has a specialty collection. Burnette Branch has an Irish, New Reader, and Crime Prevention collection. Busch Branch has a large Young adult collection. The Miller Branch located in the Warren Community Center has a large sheet music collection, comfortable lounge seating, study carrels and an aquarium. As a member of the Suburban Library Cooperative, the Warren Libraries provide access for patrons to all library materials in the State of Michigan.

The City of Warren has developed 325 acres into 24 city parks. Halmich Park, the largest of the city parks sits on approximately 80 acres and has four-lighted baseball diamonds, soccer fields, a concession stand and picnic pavilions. The City operates four indoor recreational facilities: the Warren Community Center, Owen Jax Recreation Center, Ridgewood Recreation Center and the Stilwell Manor Senior Drop-In Center. The Warren Community Center opened its doors in 2003. Formerly known as the old "Warren High School", the City purchased the then vacant facility and its adjoining 48 acres from the Warren Consolidated School District and developed it into a state-of-the-art community and recreational centerpiece. The facility houses the Parks and Recreation, Communications Department and City Council offices as well as the Miller Branch of the Warren Public Library. The facility operates a year round aquatics center which includes a 150 foot water slide, a lazy river, play structure and lap pool. In addition there are three gymnasiums, multi-purpose meeting rooms, auditorium and fitness center. The exterior grounds include a lighted football stadium, walking paths and irrigated soccer fields. With grant assistance from the Michigan Department of Transportation, the Recreation Department continues to offer specialized transportation for seniors and special populations. The Parks and Recreation Department offers many year-round recreational programs, including baseball, softball, basketball, volleyball, swimming, bowling, arts and crafts, music, theater and dancing. Programs service pre-school children to senior citizens. Summer concerts are conducted by the City's Cultural Commission and the Parks and Recreation Department. The department operates on a voter approved one-mill levy that enables the Parks and Recreation Department to maintain, improve and expand its programs and facilities.

The City's Public Service Department provides a variety of services to the City's residents. Amongst these are weekly garbage collection; street maintenance, including snow and ice removal; building inspections; operation of the Waste Water Treatment Plant and the Water and Sewer System.

Affordable and safe housing is provided to Warren seniors through the operation of its 366 unit Senior Citizen Housing Complex.

Reporting Entity

In conformance with criteria established by the Governmental Accounting Standards Board (GASB), the financial statements report all the funds of the City and its component units. Component units are separately legal entities for which the primary government is financially accountable. The component units of the City include the Tax Increment Finance Authority, Downtown Development Authority and Building Authority. Due to the degree of control exercised by the primary government, its financial relationship with each component unit and the component unit's benefit to the primary government, each component is reported in the accompanying financial statements as blended component units.

Report Organization

The Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section. This section introduces the reader to the City of Warren and to this report. Included in this section is a list of the principal officials, table of contents, this transmittal letter, and the City's organizational chart.

Financial Section. The independent auditor's report, management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements and required supplemental information is included here.

Statistical Section. Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, encompass more than the current year, and are designed to reflect social and economic data, financial trends and fiscal capabilities of the City.

Federal and State Projects Funds Compliance Reports. The City is the recipient of a number of federal and state grants. This section reports to the granting agency how the City has allocated or expended funds relative to the terms and conditions of the grant.

Accounting Systems, Budgetary and Internal Controls

The City's accounting system is organized and operated on a "fund basis". Each fund is a distinct, self-balancing entity created to account for all assets, liabilities, financial resources and uses associated with its intended purpose.

Annual balanced budgets are adopted for all the primary government's General, Special Revenue and Debt Service Funds as required by the Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Although not required, budgets were formally adopted for the proprietary funds and Sewage Disposal Plant Expansion Capital Projects Fund to assist management in monitoring operations.

The City Council, by resolution, adopted a budget on a budgetary center basis for all city departments, divisions, boards, commissions and other activities. Budgets for the General, Special Revenue and Debt Service Funds were adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal control represents the organization's plan of procedures associated with safeguarding assets and maintaining the integrity of financial records and consequently is designed to provide reasonable assurance that:

- transactions are executed in accordance with management's general or specific authorization.
- transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles, or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
- access to assets is permitted only in accordance with management's authorization.
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

General Governmental Functions

The City provides a full range of municipal services contemplated by statute and charter. This includes police and fire, sanitation, parks and recreation, libraries, public improvements, planning, zoning and general administrative services. These activities are accounted for in the Governmental Funds, consisting of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds. A description of each fund type and their respective funds is presented below. Significant variances in revenues, expenditures and changes in fund balance compared to the prior fiscal year are discussed below and in the Management's Discussion and Analysis (MD&A) report that follows.

The **General Fund** accounts for all financial resources except those required to be reported in another fund. Information relative to the General Fund's revenues and expenditures are shown below:

General Fund Revenues and Other Financing Sources

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2006</u>
Property taxes	\$ 63,707,694	64.8%	\$ 3,321,527
Licenses and permits	2,329,132	2.4	(91,861)
Intergovernmental:			
Federal revenue	596,689	0.6	(1,007,562)
State revenue	15,359,825	15.6	(560,011)
Local revenue	667,972	0.7	35,748
Charges for services	741,277	0.7	(373,136)
Fines and fees	4,985,395	5.1	(6,527)
Interest on investments	3,668,469	3.7	1,050,811
Miscellaneous	<u>6,166,481</u>	<u>6.3</u>	<u>(844,647)</u>
Sub-total	98,222,934	99.9	1,524,342
Transfers from other funds	<u>115,000</u>	<u>0.1</u>	<u>5,000</u>
Total	<u>\$ 98,337,934</u>	<u>100.0</u>	<u>\$ 1,529,342</u>

Taxable property values increased \$256 million compared to the prior year resulting in an increase in general fund property tax revenues of \$3.3 million. There was no change in the property tax rate levied for fiscal year 2007. The decrease in Federal revenues was the result of receiving a one-time \$1.4 million grant in fiscal year 2006 to improve regional public safety telecommunications. State shared revenues decreased once again during the fiscal year. Even though the reduction was modest compared to other years, it continues to trend downward and negatively impacts the City's operations. Sales Tax distributions were \$435,000 less than the prior fiscal year, following reductions of \$164,000 in fiscal year 2006, \$163,000 in fiscal year 2005, \$1,683,000 in fiscal year 2004, \$1,036,000 in fiscal year 2003, \$1,204,000 in fiscal year 2002, and \$490,000 in fiscal year 2001. Cumulatively, this represents a decrease of \$5.2 million in current state shared revenue distributions as compared to distributions received in fiscal year 2000. Interest rates remained fairly constant during the fiscal year but comparatively higher than the previous year resulting in an increase in interest income of \$1.05 million. The sale of city-owned property in fiscal year 2006 in the amount of \$1.7 million was the major factor contributing to the decrease in miscellaneous revenue.

General Fund Expenditures and Other Financing Uses

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2006</u>
General government	\$ 24,795,056	25.9%	\$(760,697)
Public safety	61,292,114	64.0	4,408,375
City development	5,236,345	5.4	445,323
Highways and streets	2,373,061	2.5	(22,826)
Recreation and culture	40,688	0.1	7,814
Debt service	<u>209,871</u>	<u>0.2</u>	<u>(99,353)</u>
Sub-total	93,947,135	98.1	3,978,636
Transfers to other funds	<u>1,857,627</u>	<u>1.9</u>	<u>711,952</u>
Total	<u>\$ 95,804,762</u>	<u>100.0</u>	<u>\$ 4,690,588</u>

Public safety expenditures increased primarily as the result of an increase in the City's contribution rate to the Police and Fire V.E.B.A. Trust from 13.44% to 24.00% in the current year. This actuarially determined rate adjustment increased public safety retiree health insurance expenditures by \$3.6 million in the current fiscal year. The General Fund transferred \$627,000 during the year to the Recreation, Library and District Court Building Renovation Funds. These monies were recorded as part of the General Fund's reserved fund balance in the prior year and represented dedicated tax millage or fees collected on behalf of these respective funds.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Special Revenue Funds of the City include:

The **Michigan Transportation Operating Funds – Major and Local Roads**. Michigan’s Act 51 of 1933, as amended, allocates gas and weight taxes to build and maintain roads, road sides and storm sewers, remove snow and control traffic flow.

The **Sanitation, Parks and Recreation, and Library Funds** account for the receipt of dedicated property taxes levied and other resources received specifically for the operation of the respective programs.

The **Community Development Block Grant Program** makes available federal funds to eligible families through direct assistance and neighborhood revitalization.

The **Home Investment Partnership Fund** makes available federal funds to expand the supply of decent and affordable housing for low and moderate-income households.

The **Housing Opportunities for Persons With Aids Fund** makes available federal funds to provide eligible families with decent, safe and affordable housing and related support services.

The **Tank Plant Redevelopment Fund** accounts for the purchase of the former Detroit Arsenal Tank Plant from the United States Department of Army and the subsequent redevelopment and sale of property at this site.

The **Communications Fund** was established to account for fees received under provisions of cable television franchise agreements. These fees are to be used for local programming and certain other uses.

The **Rental Ordinance Fund** was established to provide regulation and enforcement of minimum residential rental property standards to protect the health, welfare and safety of the occupants, the property owners and the community. Biennial inspections of residential rental properties are funded through fees collected from the property owners and Community Development Block Grant funds.

The **Vice Crime Confiscation Fund** and **Drug Forfeiture Fund** accounts for funds received from confiscation or restitution received from vice crime and drug enforcement operations. These funds must be used exclusively for on police operations.

The **Police Training Fund** accounts for receipt of funds from the State of Michigan to be used exclusively for police training.

The **Downtown Development Authority Administrative Fund** accounts for the receipt of the district’s incremental tax revenues and the payment of the Authority’s debt and operating expenditures.

Changes in fund balances of the Special Revenue Funds are as follows:

	Fiscal 2007 Fund <u>Balance</u>	Fiscal 2006 Fund <u>Balance</u>	Increase (Decrease) Over <u>Prior Year</u>
Michigan Transportation Operating -			
Major Roads	\$ 6,318,924	\$ 7,856,159	\$(1,537,235)
Local Roads	2,972,731	2,334,221	638,510
Sanitation	5,682,630	4,791,103	891,527
Recreation	3,754,923	3,249,691	505,232
Library	744,541	881,307	(136,766)
Community Development			
Block Grant	11,512	17,838	(6,326)
HOME Investment Partnership	952,095	932,632	19,463
H.O.P.W.A.	100	100	-
Tank Plant Redevelopment Fund	-	120,059	(120,059)
Communications	1,885,213	1,969,261	(84,048)
Rental Ordinance Fund	51,523	46,856	4,667
Vice Crime Confiscations Fund	192,999	118,294	74,705
Drug Forfeiture Fund	560,431	528,206	32,225
Police Training Fund	136,504	117,859	18,645
D.D.A. Administrative Fund	<u>8,248,764</u>	<u>-</u>	<u>8,248,764</u>
Total	<u>\$ 31,512,890</u>	<u>\$ 22,963,586</u>	<u>\$ 8,549,304</u>

Please refer to the Management’s Discussion and Analysis report for explanation of any significant variances shown above.

Debt Service Funds and Debt Administration

The debt service funds, unique to governmental funds, are used to account for the accumulation of financial resources for the periodic payment of principal and interest on long-term debt. Inflows of financial resources from those funds responsible for the payment of principal and interest are recorded as "operating transfers in". The actual payment for both principal and interest to the paying agent are reported as expenditures in the debt service funds. With the exception of the Chapter 20 and 21 Drain Bond Fund and Special Assessment Debt Fund, fund balance in the remaining debt service funds is normally minimal or non-existent.

GAAP, as it pertains to long-term debt, varies substantially between the governmental funds and proprietary funds. In the governmental funds, under the modified accrual accounting method, the issuance and payment of long-term debt is reported in the Statement of Revenues, Expenditures and Changes in Fund Balance; as it represents receipt and disbursement of current available financial resources. In the proprietary funds, under the full accrual accounting method, issuance and payment of long-term debt is reflected on the Statement of Net Assets; as it neither improves nor deteriorates the City's overall financial condition.

Principal and interest expenditures reported in the debt service funds for the fiscal year ended June 30, 2007 as compared to the prior year is as follows:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Chapter 20 and 21 Drain Bonds	\$ 229,809	\$ 699,510	\$(469,701)
Road Construction Bonds	1,997,287	2,117,152	(119,865)
Sidewalk Replacement Bonds	951,419	958,394	(6,975)
Tax Increment Finance Authority	212,058	208,825	3,233
Building Authority Bonds	2,019,105	1,952,957	66,148
Downtown Development Authority (1)	<u>3,761,938</u>	<u>4,133,876 (1)</u>	<u>(371,938)</u>
Total	<u>\$ 9,171,616</u>	<u>\$ 10,070,714</u>	<u>\$(899,098)</u>

(1) For the nineteen months ended June 30, 2006

The City's current bond ratings as supplied by Standard and Poors is as follows:

Road Construction Bonds	AA-
Sidewalk Replacement Bonds	AA-
Tax Increment Finance Authority Bonds	AA-
Building Authority Bonds	AA-
Downtown Development Authority Bonds	AA-
Water and Sewer Revenue Bonds	A

The Mayor, City Council and citizens of Warren can be proud of the City's financial condition, representative of the favorable ratings from Standard and Poors. Warren's bond ratings indicate that the City's bonds are of sound investment grade quality, and that the City has a strong capacity to pay principal and interest when due. In addition, the City's favorable ratings allow the City to issue debt at attractive interest rates, providing funds for City services rather than debt service.

For a more comprehensive analysis of the City's long-term debt, please refer to Note 5 and Note 7 to the financial statements, as well as the debt service schedules presented in the statistical section.

Capital Projects Funds

Financial resources to be used for the acquisition and/or construction of major capital improvements are accounted for in Capital Projects Funds. The Capital Projects funds of the City include:

The **37th District Court Building Renovation Fund** accounts for the accumulation of court collected fines dedicated towards the renovation of the 37th District Court Building.

The **Special Assessment Funds** account for construction programs where the primary source of revenue to fund the project is special assessments levied against the benefiting properties. The citywide Sidewalk Replacement and Tree Removal Program is reported as a special assessment fund.

The **Michigan Transportation Construction Funds** account for major road improvement projects financed through the issuance of Michigan Transportation Construction Bonds.

The **Sewage Disposal Plant Expansion Fund** accounts for major capital improvements at the Waste Water Treatment Plant financed through the sale of general obligation bonds.

The **Downtown Development Authority Construction Fund** was established pursuant to Act 197 of the Michigan Public Acts of 1975, as amended, to prevent property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible and improve the economic growth in the business district of the City. The construction fund accounts for capital expenditures within the district primarily funded through the issuance of development bonds.

Capital Projects Funds (continued)

The **Tax Increment Finance Authority** was established pursuant to Act 450 of the Michigan Public Acts of 1980 to prevent urban deterioration, encourage economic development and historic preservation in the area of the Van Dyke Avenue corridor between Eight Mile Road and Stephens. Primary sources of revenues to the Authority are in the form of tax increments, and in addition, the Authority has the power to issue debt.

The **Building Authority** was established pursuant to the provisions of Act 31 of the Public Acts of Michigan of 1948, as amended, to account for the costs of acquisition, furnishing, and operation of buildings, facilities and site improvement projects constructed for the benefit of the City. The primary source of revenue to the Authority is the issuance of debt.

Changes in fund balances of the Capital Projects Funds are as follows:

	Fiscal 2007 Fund <u>Balance</u>	Fiscal 2006 Fund <u>Balance</u>	Increase (Decrease) Over Prior Year
Court Building Renovation Fund	\$ 1,901,968	\$ 1,007,891	\$ 894,077
Special Assessment Funds	2,827,315	3,628,748	(801,433)
Road Construction Funds	4,755,410	1,336,462	3,418,948
Sewage Disposal Plant Expansion	96,828	96,828	-
Downtown Development Authority	3,033,277	23,526,874	(20,493,597)
Tax Increment Finance Authority	1,139,664	935,468	204,196
Building Authority	<u>817,442</u>	<u>1,678,030</u>	<u>(860,588)</u>
Total	<u>\$ 14,571,904</u>	<u>\$ 32,210,301</u>	<u>\$ (17,638,397)</u>

A decreasing fund balance in the Capital Projects Funds does not necessarily reflect any inherent weakness. In most cases, this represents expending resources previously received through the issuance of debt, dedicated towards constructing or acquiring assets that are capital in nature. Conversely, an increase in fund balance in the Capital Projects Funds generally denotes an infusion of resources that have not yet been expended for the purpose intended.

Please refer to the Management’s Discussion and Analysis report for explanation of any significant variances shown above.

Proprietary Fund Types

Water and Sewer System

Water and Sewer operations for the fiscal year ending December 31, 2006, resulted in operating income, before depreciation of \$3,565,779 on operating revenues of \$29,674,597. Non-operating items, consisting primarily of interest on long-term debt, accounted for an additional \$1,395,379 of expense for a System net gain of \$2,170,400 before depreciation. With the inclusion of non-cash depreciation expense of \$4,360,833, the net System loss for the fiscal year amounted to \$2,190,433.

Prudent management practices should be employed to assure that future operational and debt service costs are met. The objective should be to generate sufficient revenues to offset the non-cash depreciation expense with such funds appropriated for long term capital improvements.

Senior Citizen Housing

The operating income for the Senior Citizen Housing complex, net of depreciation in the amount of \$264,258, was \$580,432 for the fiscal year ended June 30, 2007, on operating revenues of \$2,143,419. Operating income net of non-operating revenues and expenses resulted in net income of \$413,632. Net income for fiscal year 2007 was comparable to the previous fiscal year’s operations.

A comprehensive plan promoting development of senior housing in our community is essential. Additional units for our seniors may be pursued if demand necessitates the construction of another facility.

Fiduciary Funds

Pension and Other Employee Benefit Trust Funds

The City of Warren sponsors two separate defined benefit single-employer pension plans; the first covering policemen and firemen under Act 345 of the State of Michigan, while the second system covers all other elected and general "full-time" employees. For the fiscal year ended June 30, 2007, the City contributed 22.10% and 42.59% respectively of earned payroll as determined by the City's actuary. Please refer to the notes to the financial statements for a detailed discussion of the plans. Related schedules of funding progress and contributions are presented as required supplementary information.

Collective bargaining agreements for full-time employees, other than police and fire, include a provision for participation in a Defined Contribution Plan. All new hires are automatically enrolled in the Defined Contribution Plan. The City contributes ten percent (10%) of wages on behalf of these employees and the employee is required to make a contribution of four percent (4%). Employees who were members of the Defined Benefit Plan when the Defined Contribution Plan was adopted were given the option of transferring to the Defined Contribution Plan. For those employees who elected to transfer, the City contributes fifteen percent (15%) of wages and the employee is required to make a contribution of three percent (3%).

Recent collective bargaining agreements also address retiree health insurance issues. Prior to these agreements, the City generally paid 100 percent of the cost of retiree health insurance when an employee was eligible to receive regular service or deferred retirement benefits. Effective with these contracts, employees hired after ratification may be responsible for payment of a share of their retiree health insurance dependant upon meeting certain age and service time requirements. The most recent bargaining agreements have now introduced Health Savings Accounts for new hires. Under this plan, the City will contribute 1% of wages and the employee will contribute 1% to 5% of wages into the plan. The City's financial obligation ends once the employee retires.

In an effort to fund the accrued liability for post-employment healthcare benefits, the City has established two Voluntary Employee Benefit Association (VEBA) Trusts - one administered by the City Employees' Retirement System, the other administered by the Police and Fire Retirement System for the benefit of their respective members. The trusts are designed to accumulate sufficient assets to fund the payment of post retirement health benefits as they become due. Contributions to the trust are actuarially determined. For fiscal year 2007, contribution rates for the City Employees VEBA Trust and Police and Fire VEBA Trust were 27.13% and 24.00%, respectively.

CASH MANAGEMENT

Idle cash in all funds, excluding the Pension and VEBA Trust funds, is invested in certificates of deposit and governmental investment pools. Interest income for the governmental funds and proprietary funds for the current fiscal year was \$6.6 million; an increase of \$562,000 from the prior fiscal year. The overall increase is due to higher average interest rates in the current year as compared to the previous year. Interest income recorded in individual funds, especially capital projects funds, can vary significantly from the prior year depending upon available cash balances.

Due to the amount of cash deposits and the limitations of FDIC insurance coverage, it is impossible to insure all deposits. In the State of Michigan, municipalities are not required to insure all bank deposits; however, the City evaluates each financial institution it deposits funds with and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

The City instituted a cash management system with Comerica Bank. Comerica is the primary depository for all governmental and proprietary funds. This program has enabled the City to consolidate accounts, streamline movement of funds between accounts, maximize investment income and manage the associated costs.

ECONOMIC OUTLOOK

The local economy of Southeastern Michigan is directly tied to the auto industry. The City of Warren is representative of this with the presence of General Motors, Daimler-Chrysler and numerous automotive suppliers. Even though the auto industry and the economy in general have been weak, property taxes, the main source of revenue to the City, have continued to increase annually. However, the City continues to realize reductions in state shared revenues from the collection of state sales tax. To minimize the effects of these reductions, vacant positions for the most part have remained unfilled or cut from the budget.

MAJOR INITIATIVES

The Downtown Development Authority (D.D.A.) has undertaken a major redevelopment of the City Center area. Phase I became reality with completion of the new municipal office building, attached parking garage, and the two-acre City Square. These facilities will serve as the focal point for community services and events in the downtown area. The D.D.A.'s multi-year plan continues with the ultimate goal of creating a "Downtown Warren"; complete with high-density residential housing and commercial development ringing the City Center. The Downtown Development Authority has issued \$75 million of bonds to finance the initial phase of this project.

The City continues to undertake major and local road projects to either improve pavement conditions or traffic flows in our community. Road projects can be funded solely by the City, through use of its state shared state gas and weight taxes, or jointly with participation from the Michigan Department of Transportation or Macomb County Road Commission. Major widening, resurfacing and watermain replacement projects are currently underway along Nine-Mile Road.

The City has aggressively continued its program for replacing broken and hazardous sidewalks and the removal of nuisance trees throughout the city. Financing for this project has come via transfers from the Tank Plant Redevelopment Fund and the issuance of Special Assessment Bonds.

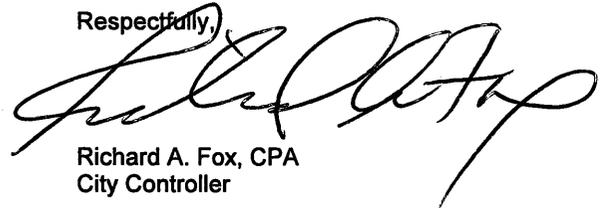
Within the boundaries of the Downtown Development Authority (DDA) resides the property formerly known as the "Detroit Arsenal Tank Plant". The City purchased this 153-acre site from the United States Department of Army in 1998 at a cost of \$5.925 million with the intention of redeveloping the site. The City, in coordination with various state and federal agencies, invested in excess of \$10 million in infrastructure improvements at this site. The State of Michigan designated the former Tank Plant property as a "Renaissance Zone", effectively providing companies relocating to this site with a tax-free status for a period of twelve years. The net effect to the City has been the realization of approximately \$41 million in proceeds from the sale of the property for private development and redevelopment. Just as important, what was an abandoned and aging industrial site is now home to new and refurbished industrial, technical and education facilities within the very heart of the city. Residual proceeds from the project have assisted the City in financing the construction of the Warren Community Center, the Sidewalk Replacement and Tree Removal Program, and also provide partial advance funding of the City's compensated absences and retiree health care liabilities.

General Motors commitment to the City is evident with its \$1 Billion redevelopment of the Technical Center facility. In addition, General Motors sold 300 acres of property adjacent to the Tech Center on the west side of Mound Road. Commercial and residential development of this site is currently in progress. Both of these developments reside within the boundaries of the DDA and should generate further investment in the area as well as significant tax revenues to finance the projects undertaken by the DDA within the City Center / Downtown District.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Controller's Office. The implementation of Governmental Accounting Standards Board (GASB) Statement No. 34 and a series of GASB Statements subsequent to this have represented the most comprehensive series of changes experienced by current practitioners of governmental accounting. A significant investment in time and resources has been expended to submit this report in full compliance with these Statements. I would like to express my sincere appreciation to all members of the Department who assisted and contributed so greatly to its preparation. I would also like to thank your office and members of the Warren City Council for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

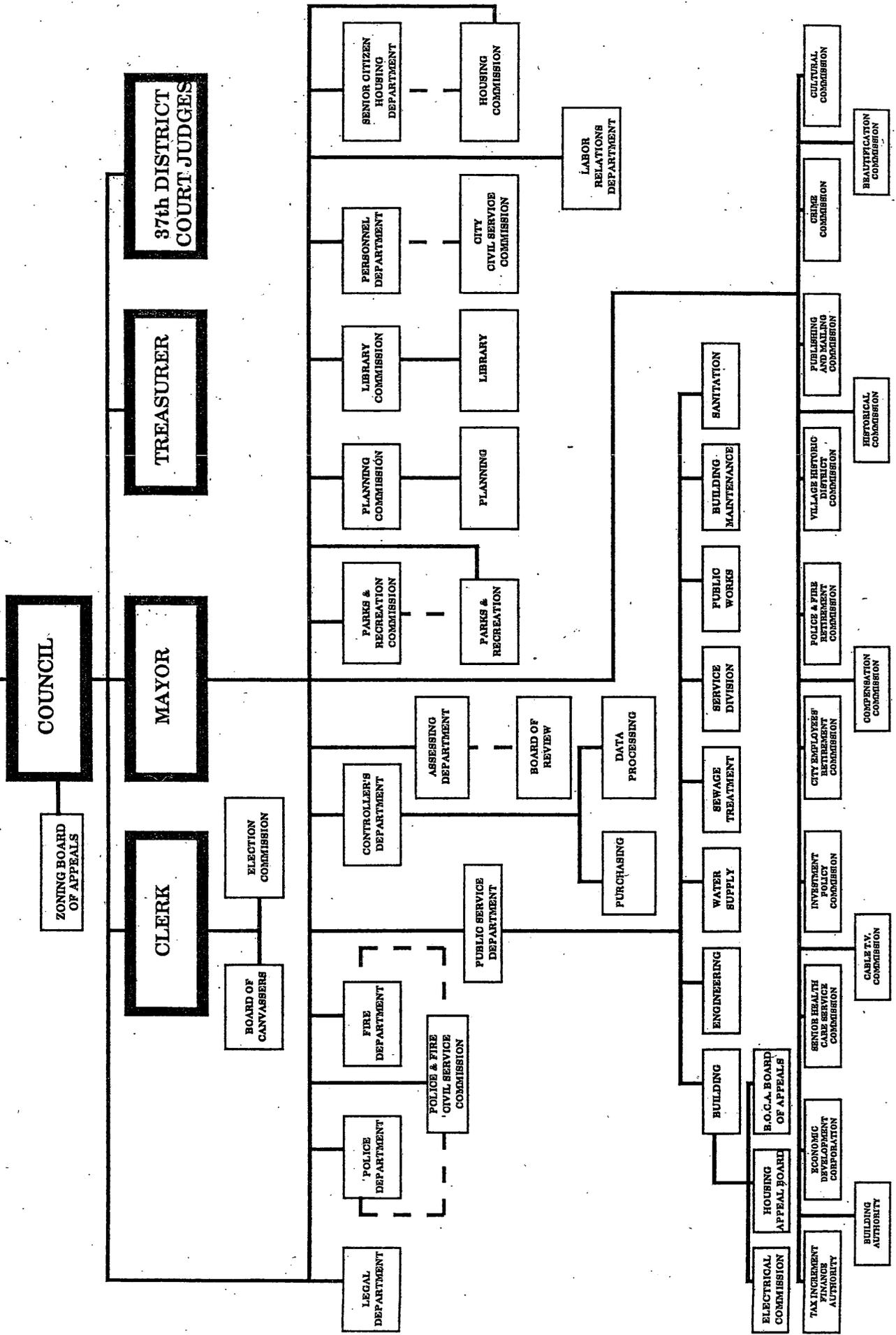
Respectfully,



Richard A. Fox, CPA
City Controller

CITY OF WARREN, MICHIGAN
ORGANIZATION CHART

CITIZENS OF THE CITY OF WARREN





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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council of
the City of Warren, Michigan

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warren, Michigan as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Police and Fire Retirement System and the Police and Fire Retirement Health Benefits Plan and Trust, which collectively represents 68 percent and 65 percent, respectively, of the assets and revenues of the Fiduciary Funds. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Police and Fire Retirement System and the Police and Fire Retirement Health Benefit Plan and Trust, is based on the reports of the other auditors.

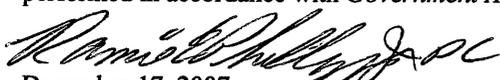
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and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

In my opinion, based on my audit and the reports of other auditors, the financial statements, referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warren, Michigan as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 1 through 12 and the budgetary comparison information on pages 82 through 148 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warren basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Warren. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2007, on my consideration of the City of Warren's internal control over financial reporting and on my test 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.


December 17, 2007

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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 Members
of the City Council
City of Warren, Michigan

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Warren as of and for the year ended June 30, 2007, which collectively comprise the City of Warren's basic financial statements and have issued my report thereon dated December 17, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Warren's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

December 17, 2007



RAMIE E. PHILLIPS, JR., PC, CPA

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Report on Compliance With Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Members
of the City Council
City of Warren, Michigan

Compliance

I have audited the compliance of the City of Warren with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Warren's management. My responsibility is to express an opinion on the City of Warren's compliance based on my audit.

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

In my opinion, the City of Warren complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Controls Over Compliance

The management of the City of Warren is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the City of Warren's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

City of Warren, Michigan

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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

A handwritten signature in black ink, appearing to read "Ramon E. Phillips" followed by a stylized flourish.

December 17, 2007

CITY OF WARREN, MICHIGAN

MANAGEMENT DISCUSSION AND ANALYSIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

This section of the City of Warren's annual financial report presents financial performance for the fiscal year ended June 30, 2007. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

The discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the City's approved budget, and (e) identify individual fund issues or concerns.

Financial Highlights

- The taxable value of real and personal property within the City increased by \$256 million from the prior year resulting in an increase in property tax revenues of \$3.9 million.
- The City received \$812,000 from its participation in the Medicare Prescription Drug program.
- The City was awarded a Federal Homeland Security Grant in the amount of \$319,000.
- The City was awarded a U.S. Department of Justice Grant in the amount of \$246,000.
- State shared sales tax distributions decreased by \$435,000 from the previous year to \$14.1 million. This represents the seventh consecutive year of decreases and an annual reduction of \$5.2 million as compared to the \$19.3 million received in fiscal year 2000.
- Concurrent with the annual reductions in State shared sales tax distributions, the cost of providing employee and retiree health insurance benefits has risen dramatically over the same period of time. Self-insured medical claims, a single component of the overall health insurance cost, increased \$1.4 million in fiscal year 2007 or 8.2%. Annual self-insured medical claims alone are currently \$9.2 million or 101.1% higher than was evident just seven years ago, representing an average annual increase of 10.5%. This trend continues to negatively impact departmental budgets as reflected in their line items for current employee insurances and contributions to the VEBA Trusts to fund retiree health insurance.

Overview of the Financial Statements

The City of Warren's annual report consists of three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's operations in more detail than the government-wide financial statements.
 - The governmental funds statements tell how general government services such as public safety, recreation and sanitation were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the Water and Sewer System and Senior Citizen Housing.
 - Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for City employees – in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the contents of each of the statements.

Figure A-1 Major Features of the Government-wide and Fund Financial Statements				
	<u>Government-wide Statements</u>	<u>Fund Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government, except fiduciary funds	The activities of the City that are not proprietary or fiduciary, such as public safety, recreation and sanitation	Activities the City operates similar to private businesses, such as the Water and Sewer System and Senior Citizen Housing	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plans for City employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide financial statements. The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the City's overall health, additional non-financial information such as the City's property tax base, demographics, and condition of capital assets, including infrastructure also needs to be considered.

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The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and other intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities)

The government-wide financial statements can be found on pages 13 – 16 of this report.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

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 with 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 this comparison between governmental funds and governmental activities.

The focus of the new reporting model is on major funds. A major fund is defined as a fund whose revenues, expenditures / expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. In addition, any other governmental fund or enterprise fund that management believes is particularly important to financial statement users (because of public interest or consistency) may be reported as a major fund. *The City has elected to report all governmental and proprietary funds as major funds in the fund financial statements. This election was made to provide the City's elected officials, department heads, financial administrators and other users a greater degree of detailed financial information to manage and evaluate the City's operations.*

The basic governmental fund financial statements can be found on pages 17 – 40 of this report.

Proprietary funds. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Enterprise funds, a type of proprietary fund, are used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more information and greater detail, such as cash flows. The City uses enterprise funds to account for its Water and Sewer System and Senior Citizen Housing operations

The basic proprietary fund financial statements can be found on pages 41 – 45 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. For example, the City is the trustee, or fiduciary, for its employees' pension and post-employment health insurance plans. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The accounting method used for fiduciary funds is much like that used for proprietary funds. 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 programs.

The basic fiduciary fund financial statements can be found on pages 46 – 47 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 48 – 81 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents budget-to-actual comparisons and information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 82 – 156 of this report.

CITY OF WARREN, MICHIGAN
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Financial Analysis of the City as a Whole

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$206.8 million at the close of the most recent fiscal year, a decrease of \$1.9 million as compared to the prior year.

A component of the City's net assets is its investment in capital assets (56.1 percent), which are reported net of accumulated depreciation and reduced by any outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens and consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of net assets (24.2 percent) represents resources subject to restrictions on their use as imposed by external parties or enabling legislation. The remaining balance, being unrestricted net assets (19.7 percent), may be used to meet the City's ongoing obligations to its citizens and creditors.

Total net assets in the governmental activities decreased during fiscal year 2007 by \$98,000 or 0.1 percent to \$125.8 million. Investment in capital assets net of related debt decreased by \$3.7 million from the prior year. Even though the City expended in excess of \$19 million in capital assets, \$16.4 million of the acquisitions were funded from debt proceeds. In addition, \$7.6 million of depreciation was charged against the investment in capital assets in the current year. Restricted net assets increased \$126,000 in the current year. Components of restricted net assets reporting significant changes from the prior year include: a decrease of \$1.3 million in Public Safety attributable to funding police and fire retiree health care and an increase of \$1.2 million in Capital Projects attributable to the accumulation of assets in the 37th District Court Building Renovation Fund. Unrestricted net assets increased \$3.5 million primarily from general fund operations. Further discussion of the general fund appears later in this section under the heading of "Financial Analysis of the City's Funds".

Total net assets in the business-type activities decreased by \$1.8 million or 2.1 percent to \$81.0 million. The Water and Sewer System had a net loss for the year of \$2.2 million while the Senior Citizen Housing funds generated net income of \$414,000. Even though the investment in capital assets net of related debt changed marginally, the Water and Sewer System acquired \$8.0 of capital assets during the year. In the process, \$6.4 million of debt was assumed to finance current and future capital acquisitions. The System also recorded \$4.4 million of depreciation in the current year.

**Table A-1
Net Assets**
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2006-2007
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
Current and other assets	\$ 123.6	\$ 133.9	\$ 36.6	\$ 42.7	\$ 160.2	\$ 176.6	(9.3)%
Capital assets	<u>153.7</u>	<u>141.9</u>	<u>118.2</u>	<u>114.8</u>	<u>271.9</u>	<u>256.7</u>	5.9 %
Total assets	<u>277.3</u>	<u>275.8</u>	<u>154.8</u>	<u>157.5</u>	<u>432.1</u>	<u>433.3</u>	(0.3)%
Long-term liabilities	134.0	129.6	61.4	57.8	195.4	187.4	4.3 %
Other liabilities	<u>17.5</u>	<u>20.3</u>	<u>12.4</u>	<u>16.9</u>	<u>29.9</u>	<u>37.2</u>	(19.6)%
Total liabilities	<u>151.5</u>	<u>149.9</u>	<u>73.8</u>	<u>74.7</u>	<u>225.3</u>	<u>224.6</u>	0.3 %
Net assets:							
Invested in capital assets, net of related debt	59.1	62.9	56.9	57.8	116.0	120.7	(3.9)%
Restricted	33.1	32.9	16.9	18.2	50.0	51.1	(2.2)%
Unrestricted	<u>33.6</u>	<u>30.1</u>	<u>7.2</u>	<u>6.8</u>	<u>40.8</u>	<u>36.9</u>	10.6 %
Total net assets	<u>125.8</u>	<u>125.9</u>	<u>81.0</u>	<u>82.8</u>	<u>206.8</u>	<u>208.7</u>	(0.9)%

CITY OF WARREN, MICHIGAN
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Table A-2
Changes in Net Assets
(in millions of dollars)

	Governmental		Business-type		Total		Total Percentage Change 2006-2007
	Activities		Activities		2007	2006	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
Revenues:							
Program revenues:							
Charges for services	\$ 13.7	\$ 14.6	\$ 31.8	\$ 32.4	\$ 45.5	\$ 47.0	(3.2)%
Operating grants and contributions	12.7	12.4	-	-	12.7	12.4	2.4 %
Capital grants and contributions	3.2	5.2	-	-	3.2	5.2	(38.5)%
General revenues:							
Property taxes	85.1	83.4	-	-	85.1	83.4	2.0 %
Other taxes	15.5	15.7	-	-	15.5	15.7	(1.3)%
Other	<u>4.3</u>	<u>5.2</u>	<u>0.9</u>	<u>0.7</u>	<u>5.2</u>	<u>5.9</u>	(11.9)%
Total revenues	<u>134.5</u>	<u>136.5</u>	<u>32.7</u>	<u>33.1</u>	<u>167.2</u>	<u>169.6</u>	(1.4)%
Expenses:							
General government	24.6	20.2	-	-	24.6	20.2	21.8 %
Public safety	61.8	56.0	-	-	61.8	56.0	10.4 %
City development	5.5	4.9	-	-	5.5	4.9	12.2 %
Highways and streets	12.7	10.7	-	-	12.7	10.7	18.7 %
Recreation and culture	12.4	11.0	-	-	12.4	11.0	12.7 %
Sanitation	8.3	8.2	-	-	8.3	8.2	1.2 %
Economic development	0.6	9.3	-	-	0.6	9.3	(93.6)%
Community development	2.0	2.3	-	-	2.0	2.3	(13.0)%
Capital projects	1.5	1.5	-	-	1.5	1.5	0.0 %
Interest on long-term debt	5.1	6.3	2.4	2.1	7.5	8.4	(10.7)%
Water and Sewer System	-	-	30.5	30.5	30.5	30.5	0.0 %
Senior Citizen Housing	-	-	<u>1.6</u>	<u>1.5</u>	<u>1.6</u>	<u>1.5</u>	6.7 %
Total expenses	<u>134.5</u>	<u>130.4</u>	<u>34.5</u>	<u>34.1</u>	<u>169.0</u>	<u>164.5</u>	2.7 %
Increase (decrease) in net assets before transfers	-	6.1	(1.8)	(1.0)	(1.8)	5.1	(135.3)%
Transfers	<u>(0.1)</u>	<u>(0.1)</u>	-	-	<u>(0.1)</u>	<u>(0.1)</u>	0.0 %
Increase (decrease) in net assets	(0.1)	6.0	(1.8)	(1.0)	(1.9)	5.0	(138.0)%
Net assets – beginning of year	<u>125.9</u>	<u>119.9</u>	<u>82.8</u>	<u>83.8</u>	<u>208.7</u>	<u>203.7</u>	2.5%
Net assets – end of year	<u>\$ 125.8</u>	<u>\$ 125.9</u>	<u>\$ 81.0</u>	<u>\$ 82.8</u>	<u>\$ 206.8</u>	<u>\$ 208.7</u>	(0.9)%

CITY OF WARREN, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

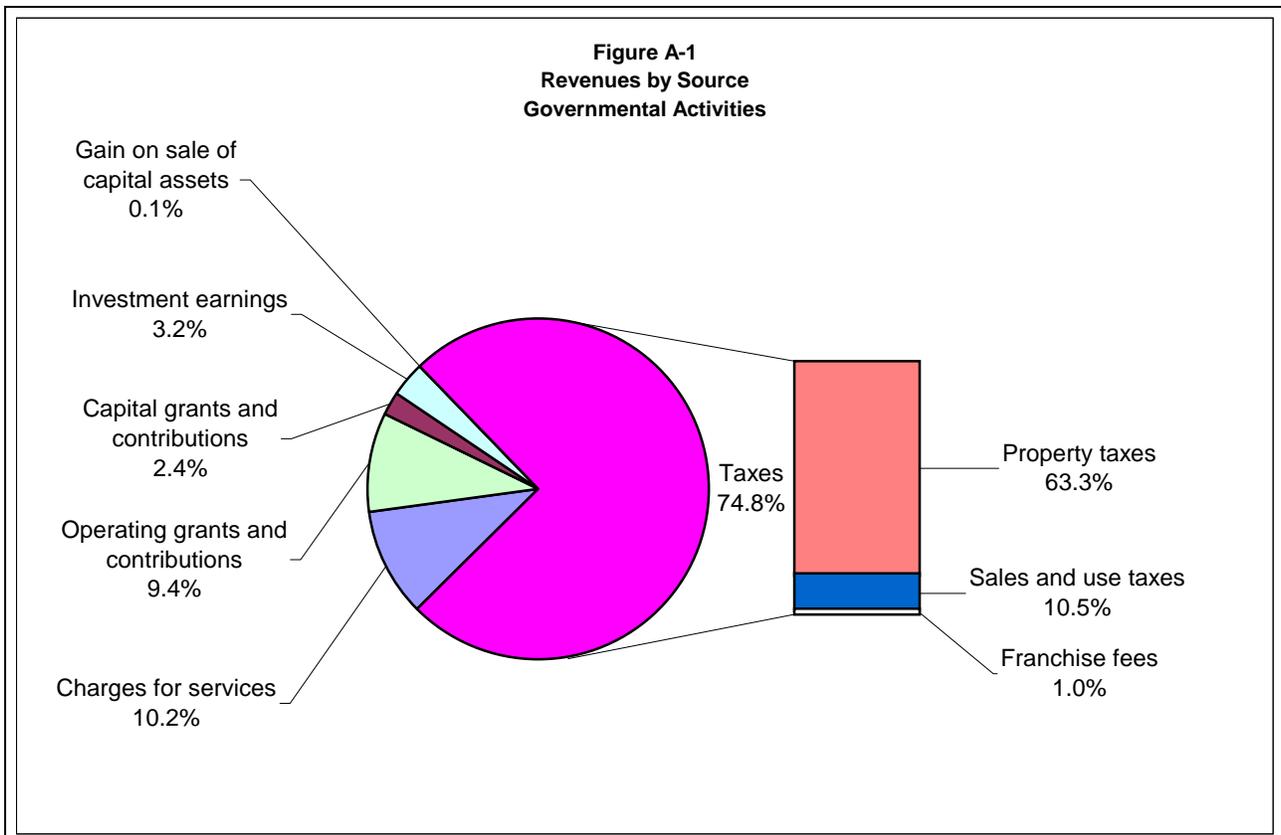
The change in net assets for governmental activities before transfers reports an increase of \$42,000 for fiscal year 2007 as compared to a \$6.1 million increase for fiscal year 2006.

In the prior year, the Downtown Development Authority (D.D.A) changed its fiscal year end from November 30 to June 30. Accordingly year-to-year comparisons become somewhat skewed as the D.D.A. reported revenues and expenses for the *nineteen months* ending June 30, 2006 as compared to the twelve months ending June 30, 2007 for the current year. For example, the D.D.A. reported property tax revenues of \$9.0 million for the fiscal year ended June 30, 2006 that normally would have been reported over the span of two years had the fiscal year not changed. Despite the change in the fiscal year, comparable "economic development" expenses decreased substantially, primarily due to relocation costs incurred in the prior year to make way for the new City Hall / City Center complex. Conversely, now that the new City Hall / City Center complex is open and operational, depreciation expense chargeable to "economic development" is approximately \$1.6 million more in 2007 than was reported in fiscal year 2006.

General government expenses in fiscal year 2007 exceeded 2006 expenses by \$4.4 million. Subsequent to the 2007 fiscal year, the City Council approved a settlement agreement with its prior insurance carrier and agent. As part of the agreement, the carrier will continue to provide coverage, within certain limitations, regarding two outstanding claims. At this time, the City is unable to determine what its potential exposure may be but has reserved an additional \$4.0 million dollars in accrued insurance claims to offset any potential loss.

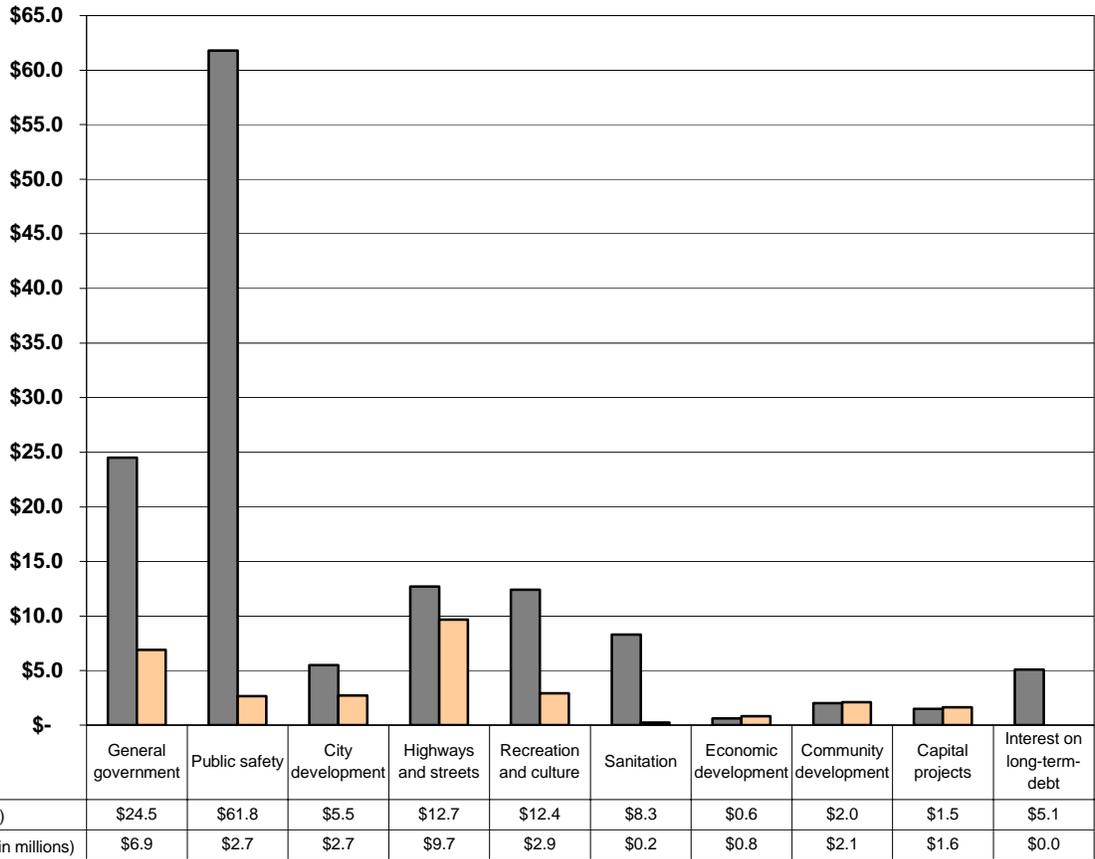
Public safety expenditures increased by \$5.8 million in the current fiscal year primarily due to an increase in the contribution rate to fund the Police and Fire Retiree VEBA Trust. Further detail is reported within the "Financial Analysis of the City's Funds" which follows this section. In addition, depreciation expense chargeable to public safety was approximately \$600,000 higher in the current year attributable to the telecommunications system capitalized in fiscal year 2006.

As represented in Figure A-1 and Figure A-2, property taxes continue to be the major source of governmental revenues. Program revenues, that being charges for services as well as operating and capital grants, generated only 22.0 percent of the resources necessary to operate the governmental functions of the City.



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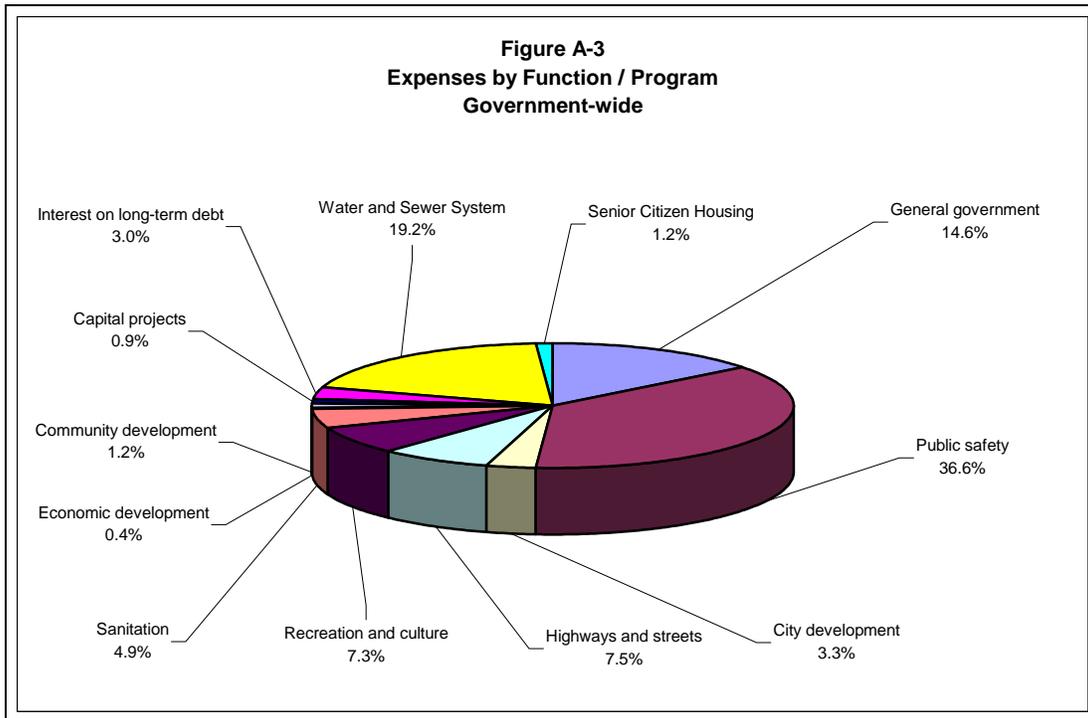
**Figure A-2
 Expenses and Program Revenues
 Governmental Activities**



The change in net assets for business-type activities reports a decrease of \$1.8 million in the current year as compared to a \$1.0 million loss in the prior year. Year-to-year comparisons of the Senior Citizen Housing activities were virtually the same. Operating profits before depreciation were \$845,000 in 2007 as compared to \$863,000 in fiscal year 2006 with net income increasing \$41,000 to \$414,000. Rental revenues and occupancy levels were consistent with the prior year. The Water and Sewer System realized a net loss of \$2.2 million for the year as compared to a net loss of \$1.4 million in the previous year. Losses from operations were \$795,000 and \$153,000 respectively, for fiscal years 2006 and 2005. Before depreciation, the System generated operating income of \$3.6 million as compared to \$3.9 million in fiscal year 2005. Operating revenues for fiscal year 2006 were \$29.7 million on a sales volume of 846,221 MCF (thousand cubic feet) as compared to operating revenues of \$30.3 million on a sales volume of 903,433 MCF in the previous year. The reduction in water sales lowered comparative gross profit margins by \$266,000. Operating expenditures were consistent with the prior year.

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Financial Analysis of the City's Funds

As of June 30, 2007, the governmental funds reported a combined fund balance of \$103.7 million, a decrease of \$7.4 million from the prior fiscal year. No deficit fund balances were reported in any of the governmental funds. Significant changes in individual fund balances during the current fiscal year are as follows:

- The general fund, whose resources are the City's main source of providing services to its citizenry, reported an increase in fund balance of \$2.6 million to \$55.5 million, with Unreserved-Undesignated Fund Balance, the amount available to the City to meet its future obligations, increasing by \$2.3 million to \$29.4 million. General fund property tax revenues, including industrial facilities taxes and tax collection fees, increased \$3.3 million attributable to the before mentioned increase in taxable property values. Interest income increased \$1.05 million as current year average annual interest rates were well above those in the prior year. The general fund also received \$812,000 in the current year from its participation in the Medicare Prescription Drug program. Effective July 1, 2006, the actuarially determined contribution rate to the Police and Fire V.E.B.A. Trust increased from 13.44% to 24.24% of covered payroll. This increase accounted for \$3.5 million of the overall \$4.4 million increase in public safety expenditures. During the fiscal year, the general fund transferred \$402,000 to the Recreation Fund, \$18,000 to the Library Fund and \$207,000 to the Court Building Renovation Fund. These funds were previously reported as a component of Reserved Fund Balance and had no effect on Unreserved – Undesignated Fund Balance in the current year.
- By their very nature, fund balance may fluctuate significantly in capital project funds. Expendable funds are normally received either through the issuance of debt or the accumulation of assets and typically the expenditure of available assets may span multiple fiscal years. During the current year, the City sold \$5.4 million of Capital Improvement Bonds, Series 2006 to finance various road construction projects. After expenditures, \$3.6 million was available at the end of the fiscal year to fund future construction. Fund balance in the Court Building Renovation Fund increased \$0.9 million with \$207,000 attributable to the previously mentioned general fund transfer and the balance from current year assessments. Fund balance in the Building Authority, Series 2005 Construction Fund decreased \$844,000 as funds were expended in the current year on capital equipment previously bonded for.
- Fund balance in the Downtown Development Authority (D.D.A.) Construction Fund decreased \$20.5 million in the current year to \$3.0 million as of June 30, 2007. The Authority expended an additional \$13.7 million towards constructing, equipping and furnishing the new Municipal Building and redevelopment of the surrounding City Center area. The new Municipal Building opened its doors to the public on October 30, 2006. The fiscal year 2007 budget authorized the creation of the Downtown Development Authority Administration Fund. The primary purpose of this fund is to record the capture of property tax revenues from within the boundaries of the D.D.A., service the debt on the D.D.A. construction bonds and finance expenditures of the Authority that cannot be paid from the D.D.A. construction bond proceeds. During the current fiscal year, the D.D.A. Construction Fund transferred \$7.4 million to the D.D.A. Administration Fund. This amount represents that portion of the DDA Construction Fund fund balance at June 30, 2006 not attributable to residual construction bond proceeds. At June 30, 2007, fund balance in the DDA Administration Fund was \$8.2 million. Operating budgets will be submitted annually for the D.D.A. Administration Fund and will be subject to City Council approval.

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JUNE 30, 2007

General Fund Budgetary Highlights

The City Council adopts an annual operating budget on a budgetary center basis and may be amended several times during the year. Amendments primarily represent either additional appropriations of funds or inter-departmental transfers between line items requiring no additional appropriation. Budget amendments are normally approved for the following reasons:

- Re-appropriations for material expenditures, primarily for capital acquisitions, approved in the prior fiscal year but not consummated by year-end.
- Award of grants and recognition of related expenditures.
- Emergencies.
- To prevent budget overruns.

Significant budget amendments approved during the current fiscal year included:

- Re-appropriations of \$1.5 million from the prior fiscal year, primarily for capital equipment expenditures.
- Increase in budgeted revenues and expenditures of \$246,000 upon award of a U.S. Department of Justice Grant.
- Increase in budgeted revenues and expenditures of \$140,000 upon award of a Justice Assistance Grant.
- Increase in budgeted revenues and expenditures of \$319,000 upon award of a Federal Homeland Security Grant.
- Increase in budgeted expenditures of \$284,000 and \$78,000 upon ratification of collective bargaining agreements with UAW Local 412 and AFSCME Local 1917, respectively.
- Increase of budgeted expenditures of \$2.1 million to cover costs associated with the retirement and recall of laid-off fire fighters.

The annual budget is developed from analysis of historical and anticipated trend information and facts known at the time of preparation. Accordingly, actual revenues received and expenditures incurred during the year may vary, sometimes significantly, from earlier estimates. Significant general fund budget-to-actual variances include: 1.) revenues from property tax collections exceeded budgeted estimates by \$2.5 million, 2.) the budget was not amended to reflect the receipt of \$812,000 of Medicare Part D payments, 3.) interest income exceeded estimates by \$2.1 million, 4.) State shared sales tax distributions were \$495,000 less than expected, 5.) The cost of providing counsel to indigent defendants exceeded anticipated costs by \$219,000, and 6.) non-medical self-insurance claims exceeded estimates by \$305,000. Significant budget-to-actual variances may exist both as to revenues and expenditures regarding grants. Budgeted revenues and expenses are amended upon award of the grant. Many of these grants are project oriented or capital in nature and may span multiple fiscal years until completion. The recording of actual revenues and actual expenditures may or may not coincide with the corresponding budget amendment in the year the grant was awarded.

Capital Assets and Debt Administration

As of June 30, 2007, the City's capital assets, net of accumulated depreciation, represents an investment of \$271.9 million, an increase of \$15.2 million, or 5.9 percent from the prior year. More detailed information about the City's capital assets is presented in Note 3 to the financial statements.

**Table A-3
Capital Assets**
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2006-2007
	2007	2006	2007	2006	2007	2006	
Land	\$ 24.8	\$ 24.5	\$ 0.8	\$ 0.8	25.6	\$ 25.3	1.2 %
Land improvements	3.8	2.3	-	-	3.8	2.3	65.2 %
Buildings	69.6	37.0	53.1	48.5	122.7	85.5	43.5 %
Utility system	-	-	62.5	63.7	62.5	63.7	(1.9)%
Machinery and equipment	21.0	16.5	1.8	1.8	22.8	18.3	24.6 %
Infrastructure	31.4	31.8	-	-	31.4	31.8	(1.3)%
Construction in progress	3.1	29.8	-	-	3.1	29.8	(89.6)%
Total	\$ 153.7	\$ 141.9	\$ 118.2	\$ 114.8	\$ 271.9	\$ 256.7	5.9 %

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Major capital acquisitions during the year included:

Police Department:

Mobile data computers (19) - \$111,000
Vehicles (29) - \$575,000
Multimedia emergency upgrade - \$35,000
Server / network - \$75,000

Parks and Recreation:

Play structure - \$158,000
Boiler - \$46,000

Waste Water Treatment Plant:

Plant-wide improvements – \$0.5 million
Solids handling improvements - \$4.9 million
Electro-mechanical services - \$0.6 million

Fire Department:

Generators (7) - \$447,000

Department of Public Works:

Road maintenance equipment - \$469,000

Michigan Transportation Funds:

Road construction projects - \$1.5 million

Downtown Development Authority:

City Hall / City Center - \$14.9 million

Water and Sewer System:

Water main replacements - \$0.8 million
Vehicles and equipment - \$0.7 million

The City and the Downtown Development Authority have a number of outstanding contracts for various road construction projects and for the development of the City Center, respectively. The balances of these contracts are reported in the governmental funds balance sheet and captioned under "fund balance – reserved for capital projects". The Water and Sewer System likewise has a number of outstanding contracts for system improvement projects. The balances of these contracts are reported in the business-type activities Statement of Net Assets and captioned under "net assets – restricted for construction". Sufficient funds are currently available to complete these projects.

Long-term Debt

At June 30, 2007, the City had long-term debt outstanding of \$178.2 million, an increase of \$4.9 million, or 2.8 percent from the prior year. More detailed information about the City's long-term debt is presented in Note 5 and Note 7 to the financial statements. Complete debt service schedules for each issue are also presented in the Statistical Section of this report.

Table A-4
Outstanding Debt
(in millions of dollars)

	Governmental		Business-type		Total		Total Percentage Change 2006-2007
	Activities		Activities				
	2007	2006	2007	2006	2007	2006	
Installment purchase agreement	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1	(100.0)%
Land contract	0.5	0.6	-	-	0.5	0.6	(16.6)%
Road Construction Bonds	17.2	13.2	-	-	17.2	13.2	30.3 %
Water & Sewer Revenue Bonds	-	-	57.4	52.7	57.4	52.7	8.9 %
County Drain Bonds	-	0.2	-	-	-	0.2	(100.0)%
Tax Increment Finance							
Authority Bonds	0.8	1.0	-	-	0.8	1.0	(20.0)%
Sidewalk Replacement Bonds	2.2	3.1	-	-	2.2	3.1	(29.0)%
Downtown Development							
Authority Bonds	74.5	75.0	-	-	74.5	75.0	(0.7)%
Building Authority Bonds	17.8	19.0	7.8	8.4	25.6	27.4	(6.5)%
Total	\$ 113.0	\$ 112.2	\$ 65.2	\$ 61.1	\$ 178.2	\$ 173.3	2.8 %

During the year, the City issued \$5.4 million of Capital Improvement Bonds, Series 2006 to finance various road construction projects. This debt will be repaid from the receipt of State gas and weight taxes. The Water and Sewer System drew down an additional \$4.3 million of capital improvement bonds through the Michigan Municipal Bond Authority to finance system improvements at the Waste Water Treatment Plant. The Water and Sewer System also issued \$2.1 million of Capital Improvement Bonds, Series 2006 to finance various sewer replacement projects. Repayment of the Water and Sewer debt will come from System revenues.

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Economic Factors and Next Year's Budget

Property taxes on residential, commercial and industrial properties in Warren, with a cumulative taxable value of approximately \$5.0 billion, account for 62.7% of the City's General Fund operating revenue. For nearly 10 years, the City has kept its property millage below the rate permitted by law through a combination of strong expenditure controls and modest growth in the tax base.

The City of Warren maintains a solid financial foundation through sound management practices. The continuance of these practices is critical to maintaining the economic stability of the City. Limitations on revenue growth imposed by State legislation, such as Proposal A, which restricts increases in property assessments to the rate of inflation, and fewer opportunities for new development make it more difficult to continue holding millage rates below authorized levels.

The tax effects of a struggling housing market are beginning to impact the City of Warren. Homes selling for less than previously established market values ultimately reduce the taxable value for property tax assessment. The loss of tax revenue will add yet another obstacle that the City must overcome to maintain economic stability.

In an effort to balance its own budget, the State continues to hold revenue sharing dollars well under historical levels. A struggling State economy provides less sales and income tax revenues to share and reduced distribution formulas compound the loss for local units of government. The total distribution of State shared revenues to the City of Warren is 26.7% less than it was just 7 years ago, a loss of over \$5.1 million annually. At its reduced levels, state shared revenues account for 14.4% of general fund operating revenues.

As a mature community, there are relatively few opportunities for economic growth through land development. Less development means less license and permit fees. Investment interest rates have seen marginal improvement in the past year but are still well below levels from a few years ago. Fewer funds available for investment and low returns on investment mean less interest income.

Tax limitations, reduced Shared revenues and declining local revenues result in few resources with which to meet the financial demands for City operations. The need for the City to pursue more efficient and cost-effective methods of providing City services is more critical than ever. The nature and extent of services that are provided must be continuously evaluated to assure that funding "non-essential" services does not compromise core functions.

Personnel costs are our most significant expenses with wages and fringe benefits accounting for over 83% of all expenditures. Contract negotiations with all unions now focus on limiting their impact on the City budget. Wage increases are not automatic. The City has implemented a number of initiatives in contract negotiations to bring both current and future costs under control.

Pension contributions for employees participating the City's original Defined Benefit (DB) pension systems continue to rise both as a percentage of participating payroll and in total dollars. The uncertain earning power of the stock and bond markets and rapidly escalating retiree health care costs factor significantly in these increases.

The creation of a 401(a) Defined Contribution (DC) plan helps to mitigate both current pension costs and stabilize future financial obligations. It effectively sets a cap on the liability to the DB plan by barring any new additions of personnel to that plan, limiting participation to existing employees who did not opt to transfer to the DC plan. The City contributes 15% of payroll cost to the DC plan for those employees who voluntarily transferred to it at the outset. The contribution rate for new hires is 10% of payroll cost. Both compare very favorably with similar offerings from other communities and the private sector. Both are substantial savings over the 42.59% contributed for members of the DB plan.

The City has also developed plans to help contain health insurance costs. Health insurance benefits payable at retirement for existing employees are funded on an annual basis using an actuarially determined percentage of payroll. Recent contract settlements provide a different program for new hires. The City contributes 1% and the employee can contribute up to 4% of payroll cost into a fund from which health insurance costs will be directly paid upon the employee's retirement. Contributions carry income tax incentives and the City's liability is limited to the contractually agreed contribution rate of 1%. This results in a substantial savings over the program for established employees where employees contribute nothing toward retirement health benefits and the City's current liability is actuarially established at 27.13% of payroll.

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

The demand to provide services has not subsided over the past several years. If anything it has increased. However, the financial resources to allocate manpower and materials to the task are in increasing short supply. It is imperative that elected officials, management personnel and laborers work together to find the best means to meet the demand for services. Gone are the days of narrowly defined job descriptions. Cooperation and openness to new ways of problem resolution are necessary.

Waste Water Treatment Plant employees have been at the forefront of change. With a workforce 27% smaller than a decade ago they are able to meet the challenges brought on largely by federal and state regulations. They have been asked to rethink their job responsibilities from the ground up and help redesign workflows. Transitioning has not always been a painless process but it is not without benefits for those who have met the tasks with determination. Educational resources and opportunities for professional growth exist where they never did before. Positions that used to be considered entry level for municipal employment are now destination jobs providing skills with potential marketability outside the confines of the City.

The Water Division faces many of the same type of issues as the Waste Water Treatment Plant; an aging infrastructure requiring more and more maintenance activity and escalating operating costs that are outside our direct control. As of July 2007, water rates from the City of Detroit had risen over 86% in the previous decade. We have to pass those costs on to consumers but we also have an obligation to assure that we doing everything we can internally to contain those costs we can control.

The frequency and severity of water main and sewer line breaks continue to escalate. In part this is the result of water pressure variations from the City of Detroit as it attempts to meet the increasing demand of growth communities to our north and in part because much of our underground infrastructure is nearing the end of its useful life.

For the 2008 calendar year a major water meter replacement program has been proposed both to improve diminishing meter registration accuracy and to move to less labor-intensive technologies to collect user data. An Automated Meter Reading System (AMR) will enable us to retrieve timely usage information and give us the ability to identify potential customer problems, such as spikes in usage indicating potential leaks, before they become too costly for the users. Eventually the full conversion to current technologies may give us the opportunity to offer services to other utilities providing new revenue streams to offset capital costs.

The City recently adopted an ordinance strengthening its resolve to combat blight. Warren residents and businesses are literally being told to clean up their own back – and front – yards. Aside from the aesthetics of cleanly and safely maintained residential, commercial and industrial areas, the community must do everything it can to preserve property values. Having the right tools to enforce compliance assures the majority of the residents and businesses that take pride in the community that they will not bear the brunt of costs for those who neglect to meet their responsibilities.

The City now conducts business in a new City Hall/Library complex, outfitted with several cost-effective technologies. The 4-story, 110,000 square foot facility includes a 35,000 square foot library on its ground floor complete with a computer lab and various collections oriented toward a variety of interests.

The new City Hall is one of the first steps in the rebirth and revitalization of the Warren community. This facility, combined with other economic developments financed through the Downtown Development Authority, provides the City of Warren with something it has never before had in its history – an identifiable downtown area. It is hoped that new shopping facilities, restaurants and entertainment options will help transform Warren from a bedroom commuter community to a vibrant place to work and play.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of Warren, Controller's Office, Suite 425, One City Square, Warren, Michigan 48093-5289.

CITY OF WARREN, MICHIGAN

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Exhibit A-1

CITY OF WARREN, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets - unrestricted:			
Cash and cash equivalents	\$ 61,057,917	\$ 6,801,419	\$ 67,859,336
Investments	29,600,000	-	29,600,000
Receivables (net of allowances where applicable)			
Accrued interest	343,204	10,243	353,447
Accounts	9,496,013	8,812,189	18,308,202
Land contract interest	-	16,501	16,501
Internal balances	1,683,471	7,500	1,690,971
Due from other governments	6,457,980	-	6,457,980
Inventory at cost	1,564,313	263,407	1,827,720
Prepaid expenditures	1,580	47,838	49,418
Total current assets - unrestricted	<u>110,204,478</u>	<u>15,959,097</u>	<u>126,163,575</u>
Current assets - restricted:			
Cash and cash equivalents	-	10,998,370	10,998,370
Internal balances	-	1,974,906	1,974,906
Due from other governments	-	4,486,605	4,486,605
Designated for future projects	-	2,535,004	2,535,004
Total current assets - restricted	<u>-</u>	<u>19,994,885</u>	<u>19,994,885</u>
Total current assets	<u>110,204,478</u>	<u>35,953,982</u>	<u>146,158,460</u>
Noncurrent assets:			
Receivables (net of allowances where applicable)			
Notes	5,839,643	-	5,839,643
Due from other governments	2,911,612	-	2,911,612
Delinquent taxes	1,091,490	-	1,091,490
Special assessments	2,513,717	-	2,513,717
Land contract	-	550,042	550,042
Total noncurrent receivables	<u>12,356,462</u>	<u>550,042</u>	<u>12,906,504</u>
Deferred charges:			
Bond issuance costs	1,050,834	166,696	1,217,530
Total deferred charges	<u>1,050,834</u>	<u>166,696</u>	<u>1,217,530</u>
Capital assets (net of accumulated depreciation)			
Land	24,759,940	826,863	25,586,803
Land improvements	3,765,055	-	3,765,055
Buildings	69,643,924	53,070,025	122,713,949
Utility system	-	62,521,246	62,521,246
Machinery and equipment	20,998,039	1,734,249	22,732,288
Infrastructure	31,439,699	-	31,439,699
Construction in progress	3,124,235	-	3,124,235
Total capital assets	<u>153,730,892</u>	<u>118,152,383</u>	<u>271,883,275</u>
Total noncurrent assets	<u>167,138,188</u>	<u>118,869,121</u>	<u>286,007,309</u>
Total assets	<u>\$ 277,342,666</u>	<u>\$ 154,823,103</u>	<u>\$ 432,165,769</u>

See accompanying notes to financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities - unrestricted:			
Accounts payable	\$ 5,626,213	\$ 1,841,174	\$ 7,467,387
Retainages payable	404,826	-	404,826
Accrued salaries and wages	2,354,286	203,245	2,557,531
Payroll taxes and deductions	16,052	151,453	167,505
Internal balances	-	3,559,661	3,559,661
Deposits	382,914	143,424	526,338
Accrued interest payable	1,060,884	52,194	1,113,078
Deferred revenue	2,837,962	15,020	2,852,982
Current portion of long-term liabilities:			
Land contract	81,037	-	81,037
Bonds payable	4,772,034	2,977,303	7,749,337
Total current liabilities - unrestricted	<u>17,536,208</u>	<u>8,943,474</u>	<u>26,479,682</u>
Current liabilities - restricted assets:			
Accounts payable	-	406,068	406,068
Accrued interest payable	-	329,013	329,013
Deposits	-	188,581	188,581
Construction contracts to be performed in future periods	-	2,535,004	2,535,004
Current portion of long-term liabilities:			
Bonds payable	-	38,344	38,344
Total current liabilities - restricted	<u>-</u>	<u>3,497,010</u>	<u>3,497,010</u>
Total current liabilities	<u>17,536,208</u>	<u>12,440,484</u>	<u>29,976,692</u>
Noncurrent liabilities - unrestricted:			
Accumulated compensatory time	2,259,315	184,317	2,443,632
Compensated absences payable	15,457,803	1,633,048	17,090,851
Accrued insurance claims	9,553,042	-	9,553,042
Noncurrent portion of long-term liabilities:			
Land contract	430,248	-	430,248
Bonds payable	107,750,306	62,099,246	169,849,552
Unamortized bond premium / discount	(816,827)	(70,760)	(887,587)
Deferred refunding charge	(674,125)	(2,559,087)	(3,233,212)
Total noncurrent liabilities - unrestricted	<u>133,959,762</u>	<u>61,286,764</u>	<u>195,246,526</u>
Noncurrent liabilities - restricted:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	83,079	83,079
Unamortized bond premium / discount	-	(319)	(319)
Total noncurrent liabilities - restricted	<u>-</u>	<u>82,760</u>	<u>82,760</u>
Total noncurrent liabilities	<u>133,959,762</u>	<u>61,369,524</u>	<u>195,329,286</u>
Total liabilities	<u>151,495,970</u>	<u>73,810,008</u>	<u>225,305,978</u>
Net Assets			
Invested in capital assets, net of related debt	59,140,668	56,924,642	116,065,310
Restricted for:			
Public safety	889,934	-	889,934
Sanitation	5,355,288	-	5,355,288
Recreation and culture	6,573,937	-	6,573,937
City development	28,201	-	28,201
Community development	6,774,540	-	6,774,540
Economic development	-	-	-
Highways and streets	10,509,983	-	10,509,983
Capital projects	2,858,600	10,930,820	13,789,420
Debt service	97,365	5,484,295	5,581,660
Insurance claims	-	500,000	500,000
Unrestricted	<u>33,618,180</u>	<u>7,173,338</u>	<u>40,791,518</u>
Total net assets	<u>125,846,696</u>	<u>81,013,095</u>	<u>206,859,791</u>
Total liabilities and net assets	<u>\$ 277,342,666</u>	<u>\$ 154,823,103</u>	<u>\$ 432,165,769</u>

EXHIBIT A-2

CITY OF WARREN, MICHIGAN
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2007

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 24,554,397	\$ 5,694,157	\$ 1,167,140	\$ 50,878
Public safety	61,848,485	901,990	666,325	1,082,817
City development	5,492,850	2,714,173	-	-
Highways and streets	12,731,865	405,984	8,864,313	402,539
Recreation and culture	12,351,491	2,304,906	598,578	2,021
Sanitation	8,317,174	223,945	-	-
Economic development	559,156	111,650	-	693,363
Community development	1,983,978	717,839	1,384,818	-
Capital projects	1,525,833	627,537	-	1,011,994
Interest on long-term debt	5,082,442	-	3,468	-
Total governmental activities	134,447,671	13,702,181	12,684,642	3,243,612
Business-type activities:				
Water and Sewer System	32,499,489	29,674,597	-	-
Senior Citizen Housing	1,937,454	2,143,419	-	-
Total business-type activities	34,436,943	31,818,016	-	-
Total primary government	\$ 168,884,614	\$ 45,520,197	\$ 12,684,642	\$ 3,243,612

General revenues:

Taxes:

Property taxes

Sales and use taxes

Franchise fees

Investment earnings

Gain (loss) on sale of capital assets

Total general revenues, investment earnings
and gain or loss on sale of capital assets

Excess (deficiency) of
revenues over expenses

Other financing sources (uses):

Transfer to Water and Sewer System

Total other financing sources (uses)

Change in net assets

Net assets - beginning of year

Net assets - end of year

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (17,642,222)	\$ -	\$ (17,642,222)
(59,197,353)	-	(59,197,353)
(2,778,677)	-	(2,778,677)
(3,059,029)	-	(3,059,029)
(9,445,986)	-	(9,445,986)
(8,093,229)	-	(8,093,229)
245,857	-	245,857
118,679	-	118,679
113,698	-	113,698
(5,078,974)	-	(5,078,974)
<u>(104,817,236)</u>	<u>-</u>	<u>(104,817,236)</u>
-	(2,824,892)	(2,824,892)
-	205,965	205,965
<u>-</u>	<u>(2,618,927)</u>	<u>(2,618,927)</u>
<u>(104,817,236)</u>	<u>(2,618,927)</u>	<u>(107,436,163)</u>
85,079,549	-	85,079,549
14,105,387	-	14,105,387
1,344,444	-	1,344,444
4,289,636	842,126	5,131,762
<u>40,283</u>	<u>-</u>	<u>40,283</u>
<u>104,859,299</u>	<u>842,126</u>	<u>105,701,425</u>
<u>42,063</u>	<u>(1,776,801)</u>	<u>(1,734,738)</u>
<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>
<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>
(97,937)	(1,776,801)	(1,874,738)
<u>125,944,633</u>	<u>82,789,896</u>	<u>208,734,529</u>
<u>\$ 125,846,696</u>	<u>\$ 81,013,095</u>	<u>\$ 206,859,791</u>

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CITY OF WARREN, MICHIGAN

FUND FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT B-1

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2007

	Special Revenue Funds		
	Michigan Transportation Operating		
	General Fund	Major Streets	Local Streets
Assets			
Cash and cash equivalents	\$ 11,775,406	\$ 5,972,686	\$ 2,926,804
Investments	29,600,000	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	269,545	23,867	10,229
Accounts	160,549	38,801	-
Due from other funds	13,797,850	-	-
Due from other governments	3,788,650	1,031,265	725,544
Prepaid expenditures	950	-	-
Inventory at cost	225,252	-	-
Assets held for resale	154,425	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	1,677,035	-	-
Special assessments	-	-	-
Total assets	<u>\$ 61,449,662</u>	<u>\$ 7,066,619</u>	<u>\$ 3,662,577</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	3,666,745	71,971	40,490
Retainage payable	-	17,865	36,547
Accrued salaries and wages	1,827,271	76,021	62,821
Payroll taxes and deductions	16,052	-	-
Deposits	316,177	-	-
Due to other funds	-	581,838	549,988
Deferred revenue	<u>167,792</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,994,037</u>	<u>747,695</u>	<u>689,846</u>
Fund balances:			
Reserved:			
Prepaid expenditures	950	-	-
Inventories	379,677	-	-
Receivables	1,677,035	-	-
Contingencies	-	-	-
Capital projects	-	192,725	244,450
Unreserved:			
Designated:			
Subsequent years' expenditures	6,020,092	2,391,141	171,777
Compensated absences	7,316,209	317,022	129,492
Compensatory time	1,116,192	21,000	9,000
Insurance claims	9,553,042	-	-
Undesignated	<u>29,392,428</u>	<u>3,397,036</u>	<u>2,418,012</u>
Total fund balances	<u>55,455,625</u>	<u>6,318,924</u>	<u>2,972,731</u>
Total liabilities and fund balances	<u>\$ 61,449,662</u>	<u>\$ 7,066,619</u>	<u>\$ 3,662,577</u>

See accompanying notes to financial statements.

Special Revenue Funds

Sanitation	Recreation	Library	Community Development Block Grant	HOME Investment Partnership	H.O.P.W.A.
\$ 5,473,037	\$ 4,103,707	\$ 544,970	\$ 149,852	\$ 1,033,118	\$ 9,109
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
368,493	-	708	-	-	-
-	-	-	16,231	-	472
82	157,259	252,862	-	-	-
-	630	-	-	-	-
23,911	4,852	-	-	-	-
-	-	-	-	-	-
-	-	-	5,839,643	-	-
-	-	-	866,559	1,759,682	285,371
265,665	146,831	73,417	-	-	-
-	-	-	-	-	-
<u>\$ 6,131,188</u>	<u>\$ 4,413,279</u>	<u>\$ 871,957</u>	<u>\$ 6,872,285</u>	<u>\$ 2,792,800</u>	<u>\$ 294,952</u>
240,889	482,267	65,973	138	274	-
-	17,722	-	-	-	-
157,669	141,630	61,443	-	-	-
-	-	-	-	-	-
50,000	16,737	-	-	-	-
-	-	-	352,281	100,903	32,921
-	-	-	<u>6,508,354</u>	<u>1,739,528</u>	<u>261,931</u>
<u>448,558</u>	<u>658,356</u>	<u>127,416</u>	<u>6,860,773</u>	<u>1,840,705</u>	<u>294,852</u>
-	630	-	-	-	-
23,911	4,852	-	-	-	-
631,183	146,831	73,417	-	-	-
382,069	-	-	-	-	-
-	69,810	-	-	-	-
945,034	843,269	346,329	-	-	-
145,565	56,330	114,036	-	-	-
56,360	23,804	20,915	-	-	-
-	-	-	-	-	-
<u>3,498,508</u>	<u>2,609,397</u>	<u>189,844</u>	<u>11,512</u>	<u>952,095</u>	<u>100</u>
<u>5,682,630</u>	<u>3,754,923</u>	<u>744,541</u>	<u>11,512</u>	<u>952,095</u>	<u>100</u>
<u>\$ 6,131,188</u>	<u>\$ 4,413,279</u>	<u>\$ 871,957</u>	<u>\$ 6,872,285</u>	<u>\$ 2,792,800</u>	<u>\$ 294,952</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	Special Revenue Funds		
	Tank Plant Redevelopment	Communications	Rental Ordinance
Assets			
Cash and cash equivalents	\$ -	\$ 1,554,311	\$ 55,967
Investments	-	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	-	-	-
Accounts	-	370,761	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepaid expenditures	-	-	-
Inventory at cost	-	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	-	-	-
Special assessments	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 1,925,072</u>	<u>\$ 55,967</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	20,059	355
Retainage payable	-	-	-
Accrued salaries and wages	-	19,800	4,089
Payroll taxes and deductions	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>39,859</u>	<u>4,444</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	-
Contingencies	-	-	-
Capital projects	-	-	-
Unreserved:			
Designated:			
Subsequent years' expenditures	-	502,483	-
Compensated absences	-	17,921	-
Compensatory time	-	-	4,994
Insurance claims	-	-	-
Undesignated	-	1,364,809	46,529
Total fund balances	<u>-</u>	<u>1,885,213</u>	<u>51,523</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,925,072</u>	<u>\$ 55,967</u>

See accompanying notes to financial statements.

Special Revenue Funds				Debt Service Funds	
Vice Crime Confiscations	Drug Forfeiture	Police Training	Downtown Development Authority Administration	Chapter 20 and 21 Drain Bonds	Special Assessment Bonds Series 2002
\$ 192,999	\$ 563,319	\$ 139,229	\$ 8,480,347	\$ 68,295	\$ 166,782
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	756	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,155,873	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,542	-
-	-	-	-	-	-
<u>\$ 192,999</u>	<u>\$ 563,319</u>	<u>\$ 139,229</u>	<u>\$ 9,636,976</u>	<u>\$ 96,837</u>	<u>\$ 166,782</u>
-	2,888	2,725	133,719	-	-
-	-	-	-	-	-
-	-	-	3,542	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,250,951	-	-
-	-	-	-	-	-
-	<u>2,888</u>	<u>2,725</u>	<u>1,388,212</u>	-	-
-	-	-	-	-	-
-	-	-	1,155,873	-	-
-	-	-	-	28,542	-
-	-	-	-	-	-
-	-	-	-	-	-
4,000	71,716	-	-	12,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>188,999</u>	<u>488,715</u>	<u>136,504</u>	<u>7,092,891</u>	<u>56,295</u>	<u>166,782</u>
<u>192,999</u>	<u>560,431</u>	<u>136,504</u>	<u>8,248,764</u>	<u>96,837</u>	<u>166,782</u>
<u>\$ 192,999</u>	<u>\$ 563,319</u>	<u>\$ 139,229</u>	<u>\$ 9,636,976</u>	<u>\$ 96,837</u>	<u>\$ 166,782</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	Debt Service Funds			
	Special Assessment Bonds		Tax Increment Finance Authority	
	Series 2003	Series 2005	Series 1991	Refunding Series 1999
Assets				
Cash and cash equivalents	\$ 505,104	\$ 1,358,060	\$ -	\$ -
Investments	-	-	-	-
Deposits	-	-	-	-
Receivables (net of allowances where applicable)				
Accrued interest	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory at cost	-	-	-	-
Assets held for resale	-	-	-	-
Receivables, non-current:				
Notes	-	-	-	-
Due from other governments	-	-	-	-
Delinquent taxes	-	-	-	-
Special assessments	-	-	-	-
Total assets	<u>\$ 505,104</u>	<u>\$ 1,358,060</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Payroll taxes and deductions	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Receivables	-	-	-	-
Contingencies	-	-	-	-
Capital projects	-	-	-	-
Unreserved:				
Designated:				
Subsequent years' expenditures	-	-	-	-
Compensated absences	-	-	-	-
Compensatory time	-	-	-	-
Insurance claims	-	-	-	-
Undesignated	<u>505,104</u>	<u>1,358,060</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>505,104</u>	<u>1,358,060</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 505,104</u>	<u>\$ 1,358,060</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2007

	Debt Service Funds		
	Michigan Transportation Bonds		Capital Improvement Bonds
	Refunding Series 2003	Series 2003	Series 2006
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	-	-	-
Accounts	-	-	-
Due from other funds	-	-	3,468
Due from other governments	-	-	-
Prepaid expenditures	-	-	-
Inventory at cost	-	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	-	-	-
Special assessments	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,468</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	-	-
Retainage payable	-	-	-
Accrued salaries and wages	-	-	-
Payroll taxes and deductions	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	-
Contingencies	-	-	-
Capital projects	-	-	-
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	-
Compensated absences	-	-	-
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	-	-	3,468
Total fund balances	<u>-</u>	<u>-</u>	<u>3,468</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,468</u>

See accompanying notes to financial statements.

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2007

	Capital Projects Funds		
	Special Assessment T.I.F.A. District	Michigan Transportation Construction	
		2000 Major Streets	2003 Major Streets
Assets			
Cash and cash equivalents	\$ 147,891	\$ 851,292	\$ 62,333
Investments	-	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	-	3,424	251
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	269,196
Prepaid expenditures	-	-	-
Inventory at cost	-	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	-	-	-
Special assessments	-	-	-
Total assets	<u>\$ 147,891</u>	<u>\$ 854,716</u>	<u>\$ 331,780</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	-	-
Retainage payable	-	-	2,500
Accrued salaries and wages	-	-	-
Payroll taxes and deductions	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,500</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	-
Contingencies	-	-	-
Capital projects	-	580,767	144,686
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	-
Compensated absences	-	-	-
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	<u>147,891</u>	<u>273,949</u>	<u>184,594</u>
Total fund balances	<u>147,891</u>	<u>854,716</u>	<u>329,280</u>
Total liabilities and fund balances	<u>\$ 147,891</u>	<u>\$ 854,716</u>	<u>\$ 331,780</u>

See accompanying notes to financial statements.

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Building Authority Construction Funds			37th District Court Building Renovation	Sewer Plant Expansion
	Series 2001	Series 2002	Series 2005		
\$ 5,359,890	\$ 1,122	\$ 26,915	\$ 807,459	\$ 1,849,098	\$ 96,828
-	-	-	-	-	-
-	-	-	-	-	-
22,840	-	100	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180,252	-	-	-	52,870	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,562,982</u>	<u>\$ 1,122</u>	<u>\$ 27,015</u>	<u>\$ 807,459</u>	<u>\$ 1,901,968</u>	<u>\$ 96,828</u>
354,526	-	-	-	-	-
106,867	-	-	2,620	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,530,175	-	877	14,657	-	-
-	-	-	-	-	-
<u>1,991,568</u>	<u>-</u>	<u>877</u>	<u>17,277</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,537,006	-	-	-	-	-
-	-	-	-	1,901,968	65,630
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,034,408</u>	<u>1,122</u>	<u>26,138</u>	<u>790,182</u>	<u>-</u>	<u>31,198</u>
<u>3,571,414</u>	<u>1,122</u>	<u>26,138</u>	<u>790,182</u>	<u>1,901,968</u>	<u>96,828</u>
<u>\$ 5,562,982</u>	<u>\$ 1,122</u>	<u>\$ 27,015</u>	<u>\$ 807,459</u>	<u>\$ 1,901,968</u>	<u>\$ 96,828</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2007

	<u>Capital Projects Funds</u>		
	<u>Tax Increment Finance Authority</u>	<u>Downtown Development Authority Construction</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,227,558	\$ 2,693,657	\$ 61,057,917
Investments	-	-	29,600,000
Deposits	-	-	-
Receivables (net of allowances where applicable)			-
Accrued interest	4,918	8,030	343,204
Accounts	-	-	940,068
Due from other funds	-	836,968	14,669,646
Due from other governments	-	-	6,457,980
Prepaid expenditures	-	-	1,580
Inventory at cost	-	-	254,015
Assets held for resale	-	-	1,310,298
Receivables, non-current:			
Notes	-	-	5,839,643
Due from other governments	-	-	2,911,612
Delinquent taxes	-	-	2,191,490
Special assessments	-	-	2,513,717
Total assets	<u>\$ 1,232,476</u>	<u>\$ 3,538,655</u>	<u>\$ 128,091,170</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	77,173	314,410	5,626,213
Retainage payable	-	190,968	404,826
Accrued salaries and wages	-	-	2,354,286
Payroll taxes and deductions	-	-	16,052
Deposits	-	-	382,914
Due to other funds	15,639	-	4,430,230
Deferred revenue	-	-	11,191,322
Total liabilities	<u>92,812</u>	<u>505,378</u>	<u>24,405,843</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	1,580
Inventories	-	-	1,564,313
Receivables	-	-	2,557,008
Contingencies	-	-	382,069
Capital projects	300,000	348,223	5,682,440
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	13,275,439
Compensated absences	-	-	8,096,575
Compensatory time	-	-	1,252,265
Insurance claims	-	-	9,553,042
Undesignated	<u>839,664</u>	<u>2,685,054</u>	<u>61,320,596</u>
Total fund balances	<u>1,139,664</u>	<u>3,033,277</u>	<u>103,685,327</u>
Total liabilities and fund balances	<u>\$ 1,232,476</u>	<u>\$ 3,538,655</u>	<u>\$ 128,091,170</u>

See accompanying notes to financial statements.

City of Warren, Michigan
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2007

Fund balances - governmental funds (Exhibit B-1) \$ 103,685,327

Amounts reported for governmental activities in the statement of net assets differ due to:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

Historical cost	\$ 291,983,109	
Accumulated depreciation	(138,252,217)	153,730,892

Long-term liabilities, including accrued interest on the associated debt, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities consist of:

Bonds payable	\$ (112,522,340)	
Land contract	(511,285)	
Compensated absences payable	(15,457,803)	
Compensatory time payable	(2,259,315)	
Accrued insurance claims	(9,553,042)	
Accrued interest payable	(1,060,884)	(141,364,669)

Bond issuance costs, premiums and discounts and deferred refunding charges are not current financial resources and therefore are not reported in the governmental funds.

Bond issuance costs	\$ 1,050,834	
Bond premiums / discounts	816,827	
Deferred refunding charge	674,125	2,541,786

Proceeds from certain long-term receivables do not represent current financial resources and therefore are not reported in the governmental funds.

Community Development Block Grant loans	\$ 5,839,643	
Special assessments	2,513,717	8,353,360

Delinquent property taxes were reduced to reflect a settlement agreement that will span multiple fiscal years. Going forward, annual budgets will appropriate funds equal to the amount of taxes to be written off during the respective fiscal year.

(1,100,000)

Total net assets - governmental activities (Exhibit A-1) **\$ 125,846,696**

EXHIBIT B-3

CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	Special Revenue Funds		
	General Fund	Major Streets	Local Streets
Revenues:			
Property taxes	\$ 63,707,694	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	2,329,132	-	-
Intergovernmental:			
Federal revenue	596,689	-	-
State revenue	15,359,825	6,280,975	2,476,463
Local revenue	667,972	23,802	-
Charges for services	741,277	-	-
Fines and fees	4,985,395	-	-
Interest	3,668,469	341,963	146,464
Sale of property	98,950	-	-
Miscellaneous	6,067,531	-	630
Total revenue	<u>98,222,934</u>	<u>6,646,740</u>	<u>2,623,557</u>
Expenditures:			
General government	24,795,056	-	-
Public safety	61,292,114	-	-
City development	5,236,345	-	-
Highways and streets	2,373,061	4,702,881	3,613,117
Recreation and culture	40,688	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	154,594	-	-
Interest	35,495	-	-
Other	19,782	-	-
Total expenditures	<u>93,947,135</u>	<u>4,702,881</u>	<u>3,613,117</u>
Excess (deficiency) of revenues over expenditures	<u>4,275,799</u>	<u>1,943,859</u>	<u>(989,560)</u>
Other financing sources (uses):			
Transfers in	115,000	72,154	1,705,790
Transfers out	(1,857,627)	(3,553,248)	(77,720)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>(1,742,627)</u>	<u>(3,481,094)</u>	<u>1,628,070</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	2,533,172	(1,537,235)	638,510
Fund balance - beginning of year	<u>52,922,453</u>	<u>7,856,159</u>	<u>2,334,221</u>
Fund balance - end of year	<u>\$ 55,455,625</u>	<u>\$ 6,318,924</u>	<u>\$ 2,972,731</u>

See accompanying notes to financial statements

Special Revenue Funds

<u>Sanitation</u>	<u>Recreation</u>	<u>Library</u>	<u>Community Development Block Grant</u>	<u>HOME Investment Partnership</u>	<u>H.O.P.W.A.</u>
\$ 8,574,048	\$ 4,417,133	\$ 2,208,567	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	985,321	100,868	298,629
-	338,480	382,493	-	-	-
-	-	-	-	-	-
120,000	2,132,857	-	-	-	-
-	-	54,536	-	-	-
225,164	169,164	32,550	-	-	-
8,740	5,405	2,305	-	-	-
103,945	103,323	17,210	335,214	269,197	-
<u>9,031,897</u>	<u>7,166,362</u>	<u>2,697,661</u>	<u>1,320,535</u>	<u>370,065</u>	<u>298,629</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,409,835	2,852,254	-	-	-
8,084,472	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,326,861	350,602	298,629
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,084,472</u>	<u>6,409,835</u>	<u>2,852,254</u>	<u>1,326,861</u>	<u>350,602</u>	<u>298,629</u>
<u>947,425</u>	<u>756,527</u>	<u>(154,593)</u>	<u>(6,326)</u>	<u>19,463</u>	<u>-</u>
-	402,631	17,827	-	-	-
(55,898)	(653,926)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(55,898)</u>	<u>(251,295)</u>	<u>17,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
891,527	505,232	(136,766)	(6,326)	19,463	-
<u>4,791,103</u>	<u>3,249,691</u>	<u>881,307</u>	<u>17,838</u>	<u>932,632</u>	<u>100</u>
<u>\$ 5,682,630</u>	<u>\$ 3,754,923</u>	<u>\$ 744,541</u>	<u>\$ 11,512</u>	<u>\$ 952,095</u>	<u>\$ 100</u>

EXHIBIT B-3 (continued)

CITY OF WARREN, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Revenue Funds		
	Tank Plant Redevelopment	Communications	Rental Ordinance
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	40,000
Fines and fees	-	1,344,444	169,735
Interest	-	79,562	2,471
Sale of property	-	-	-
Miscellaneous	-	630	-
Total revenue	-	1,424,636	212,206
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	207,539
Highways and streets	45,840	-	-
Recreation and culture	-	1,287,987	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	45,840	1,287,987	207,539
Excess (deficiency) of revenues over expenditures	(45,840)	136,649	4,667
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(74,219)	(220,697)	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	(74,219)	(220,697)	-
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(120,059)	(84,048)	4,667
Fund balance - beginning of year	120,059	1,969,261	46,856
Fund balance - end of year	\$ -	\$ 1,885,213	\$ 51,523

Special Revenue Funds				Debt Service Funds	
Vice Crime Confiscations	Drug Forfeiture	Police Training	D.D.A. Administration	Chapter 20 and 21 Drain Bonds	Special Assessment Bonds Series 2002
\$ -	\$ -	\$ -	\$ 5,556,021	\$ 95	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	53,077	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,340	352,131	-	-	-	-
7,365	26,439	5,728	56,705	7,821	-
-	341	-	-	-	-
-	-	-	111,650	-	-
<u>74,705</u>	<u>378,911</u>	<u>58,805</u>	<u>5,724,376</u>	<u>7,916</u>	<u>-</u>
-	-	-	-	-	-
-	231,686	40,160	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	934,757	-	-
-	-	-	-	-	-
-	-	-	-	220,000	240,000
-	-	-	-	9,809	7,625
-	-	-	-	2,000	275
-	<u>231,686</u>	<u>40,160</u>	<u>934,757</u>	<u>231,809</u>	<u>247,900</u>
<u>74,705</u>	<u>147,225</u>	<u>18,645</u>	<u>4,789,619</u>	<u>(223,893)</u>	<u>(247,900)</u>
-	-	-	7,366,483	-	32,546
-	(115,000)	-	(3,907,338)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>(115,000)</u>	<u>-</u>	<u>3,459,145</u>	<u>-</u>	<u>32,546</u>
74,705	32,225	18,645	8,248,764	(223,893)	(215,354)
<u>118,294</u>	<u>528,206</u>	<u>117,859</u>	<u>-</u>	<u>320,730</u>	<u>382,136</u>
<u>\$ 192,999</u>	<u>\$ 560,431</u>	<u>\$ 136,504</u>	<u>\$ 8,248,764</u>	<u>\$ 96,837</u>	<u>\$ 166,782</u>

EXHIBIT B-3 (continued)

CITY OF WARREN, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	Debt Service Funds			
	Special Assessment Bonds		Tax Increment Finance Authority	
	Series 2003	Series 2005	Series 1991	Refunding Series 1999
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal revenue	-	-	-	-
State revenue	-	-	-	-
Local revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Interest	-	-	-	-
Sale of property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
City development	-	-	-	-
Highways and streets	-	-	-	-
Recreation and culture	-	-	-	-
Sanitation	-	-	-	-
Economic development	-	-	-	-
Community development	-	-	-	-
Capital projects	-	-	-	-
Debt service:				
Principal retirement	471,779	150,000	-	170,000
Interest	21,740	60,275	24,000	18,058
Other	160	225	700	300
Total expenditures	<u>493,679</u>	<u>210,500</u>	<u>24,700</u>	<u>188,358</u>
Excess (deficiency) of revenues over expenditures	<u>(493,679)</u>	<u>(210,500)</u>	<u>(24,700)</u>	<u>(188,358)</u>
Other financing sources (uses):				
Transfers in	-	276,556	24,700	188,358
Transfers out	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>276,556</u>	<u>24,700</u>	<u>188,358</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(493,679)</u>	<u>66,056</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year	<u>998,783</u>	<u>1,292,004</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ 505,104</u>	<u>\$ 1,358,060</u>	<u>\$ -</u>	<u>\$ -</u>

Debt Service Funds					
Downtown Development Authority Bonds				Michigan Transportation Bonds	
Series 2002	Series 2003	Series 2004	Series 2005	Series 1997	Series 2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500,000	-	-	-	320,000	400,000
950,063	771,250	878,375	662,250	110,670	225,155
275	250	225	225	350	275
<u>1,450,338</u>	<u>771,500</u>	<u>878,600</u>	<u>662,475</u>	<u>431,020</u>	<u>625,430</u>
(1,450,338)	(771,500)	(878,600)	(662,475)	(431,020)	(625,430)
1,450,338	771,500	878,600	662,475	431,020	625,430
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,450,338</u>	<u>771,500</u>	<u>878,600</u>	<u>662,475</u>	<u>431,020</u>	<u>625,430</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT B-3 (continued)

CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	Debt Service Funds		
	Michigan Transportation Bonds		Capital Improvement Bonds
	Refunding Series 2003	Series 2003	Series 2006
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	-
Fines and fees	-	-	-
Interest	-	-	3,468
Sale of property	-	-	-
Miscellaneous	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>3,468</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	-	-
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	580,000	100,000	-
Interest	30,037	179,400	52,025
Other	<u>250</u>	<u>225</u>	<u>81</u>
Total expenditures	<u>610,287</u>	<u>279,625</u>	<u>52,106</u>
Excess (deficiency) of revenues over expenditures	<u>(610,287)</u>	<u>(279,625)</u>	<u>(48,638)</u>
Other financing sources (uses):			
Transfers in	610,287	279,625	52,106
Transfers out	-	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>610,287</u>	<u>279,625</u>	<u>52,106</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	3,468
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,468</u>

Debt Service Funds				Capital Projects Funds	
Building Authority Bonds				Special Assessment Funds	
Series 2001	Series 2002	Series 2005	Refunding Series 2005	Special Assessment Revolving	Sidewalk and Tree Revolving
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	5,543	938,541
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,953
-	-	-	-	1,659	24,323
-	-	-	-	-	-
-	-	-	-	7,202	967,817
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	22,521	1,503,312
350,000	411,656	450,000	60,000	-	-
78,006	52,200	176,450	440,793	-	-
275	251	225	225	-	-
<u>428,281</u>	<u>464,107</u>	<u>626,675</u>	<u>501,018</u>	<u>22,521</u>	<u>1,503,312</u>
<u>(428,281)</u>	<u>(464,107)</u>	<u>(626,675)</u>	<u>(501,018)</u>	<u>(15,319)</u>	<u>(535,495)</u>
428,281	464,107	626,675	501,018	-	74,219
-	-	-	-	-	(309,102)
-	-	-	-	-	-
-	-	-	-	-	-
<u>428,281</u>	<u>464,107</u>	<u>626,675</u>	<u>501,018</u>	<u>-</u>	<u>(234,883)</u>
-	-	-	-	(15,319)	(770,378)
-	-	14,657	-	933,065	2,532,056
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,657</u>	<u>\$ -</u>	<u>\$ 917,746</u>	<u>\$ 1,761,678</u>

EXHIBIT B-3 (continued)

CITY OF WARREN, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	Capital Projects Funds		
	Special	Michigan Transportation Construction	
	Assessment T.I.F.A. District	2000 Major Streets	2003 Major Streets
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	-
Fines and fees	-	-	-
Interest	-	40,728	4,640
Sale of property	-	-	-
Miscellaneous	-	-	-
Total revenue	<u>-</u>	<u>40,728</u>	<u>4,640</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	15,736	386	197,448
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	<u>15,736</u>	<u>386</u>	<u>197,448</u>
Excess (deficiency) of revenues over expenditures	<u>(15,736)</u>	<u>40,342</u>	<u>(192,808)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(15,736)</u>	<u>40,342</u>	<u>(192,808)</u>
Fund balance - beginning of year	<u>163,627</u>	<u>814,374</u>	<u>522,088</u>
Fund balance - end of year	<u>\$ 147,891</u>	<u>\$ 854,716</u>	<u>\$ 329,280</u>

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Building Authority Construction Funds			37th District Court Building Renovation	Sewer Plant Expansion
	Series 2001	Series 2002	Series 2005		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180,251	-	-	200,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	622,584	-
176,920	61	2,021	50,767	64,903	-
-	-	-	-	-	-
-	50	-	-	-	-
<u>357,171</u>	<u>111</u>	<u>2,021</u>	<u>250,767</u>	<u>687,487</u>	<u>-</u>
-	-	18,546	36,688	-	-
-	-	-	536,953	-	-
-	-	-	-	-	-
2,069,081	-	-	441,857	-	-
-	-	-	64,773	-	-
-	-	-	14,670	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,079	-	-	-	-	-
<u>2,138,160</u>	<u>-</u>	<u>18,546</u>	<u>1,094,941</u>	<u>-</u>	<u>-</u>
<u>(1,780,989)</u>	<u>111</u>	<u>(16,525)</u>	<u>(844,174)</u>	<u>687,487</u>	<u>-</u>
-	-	-	-	206,590	-
-	-	-	-	-	-
5,409,304	-	-	-	-	-
-	-	-	-	-	-
(56,901)	-	-	-	-	-
<u>5,352,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,590</u>	<u>-</u>
3,571,414	111	(16,525)	(844,174)	894,077	-
<u>-</u>	<u>1,011</u>	<u>42,663</u>	<u>1,634,356</u>	<u>1,007,891</u>	<u>96,828</u>
<u>\$ 3,571,414</u>	<u>\$ 1,122</u>	<u>\$ 26,138</u>	<u>\$ 790,182</u>	<u>\$ 1,901,968</u>	<u>\$ 96,828</u>

EXHIBIT B-3 (continued)

CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	<u>Capital Projects Funds</u>		
	<u>Tax Increment Finance Authority</u>	<u>Downtown Development Authority Construction</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 489,946	\$ -	\$ 84,953,504
Special assessments	-	-	944,084
Licenses and permits	-	-	2,329,132
Intergovernmental:			-
Federal revenue	-	-	1,981,507
State revenue	-	-	25,271,564
Local revenue	-	-	691,774
Charges for services	-	-	3,039,087
Fines and fees	-	-	7,596,165
Interest	44,035	576,623	5,760,013
Sale of property	-	-	115,741
Miscellaneous	4,000	12,000	7,025,380
Total revenue	<u>537,981</u>	<u>588,623</u>	<u>139,707,951</u>
Expenditures:			
General government	-	-	24,850,290
Public safety	-	-	62,100,913
City development	-	-	5,443,884
Highways and streets	-	-	13,459,407
Recreation and culture	-	-	10,655,537
Sanitation	-	-	8,099,142
Economic development	120,727	13,715,737	14,771,221
Community development	-	-	1,976,092
Capital projects	-	-	1,525,833
Debt service:			
Principal retirement	-	-	4,578,029
Interest	-	-	4,783,676
Other	-	-	95,653
Total expenditures	<u>120,727</u>	<u>13,715,737</u>	<u>152,339,677</u>
Excess (deficiency) of revenues over expenditures	<u>417,254</u>	<u>(13,127,114)</u>	<u>(12,631,726)</u>
Other financing sources (uses):			
Transfers in	-	-	18,264,316
Transfers out	(213,058)	(7,366,483)	(18,404,316)
Proceeds from sale of bonds	-	-	5,409,304
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	(56,901)
Total other financing sources (uses)	<u>(213,058)</u>	<u>(7,366,483)</u>	<u>5,212,403</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	204,196	(20,493,597)	(7,419,323)
Fund balance - beginning of year	<u>935,468</u>	<u>23,526,874</u>	<u>111,104,650</u>
Fund balance - end of year	<u>\$ 1,139,664</u>	<u>\$ 3,033,277</u>	<u>\$ 103,685,327</u>

City of Warren, Michigan
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 June 30, 2007

Net change in fund balances - governmental funds (Exhibit B-3) \$ (7,419,323)

Amounts reported for governmental activities in the statement of activities differ due to:

Governmental funds report capital outlays as expenditures. However, in the statement of activities these items are capitalized and the costs of those assets are allocated over their estimated useful lives as depreciation.

Capitalized assets	\$ 19,494,763	
Depreciation	<u>(7,586,690)</u>	11,908,073

In the statement of activities, the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, only the proceeds from the sale are reported.

(75,458)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets.

Issuance on long-term debt	\$ (5,409,304)	
Principal payment on long-term debt	<u>4,578,029</u>	(831,275)

Governmental funds report the effect of issuance costs, premiums, discounts and advance refunding charges when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond issuance costs, net of amortization	\$ (46,604)	
Bond discounts, net of amortization	11,307	
Deferred refunding charges, net of amortization	<u>(67,467)</u>	(102,764)

Accrued interest expense on long-term debt does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

(43,448)

Changes in accumulated employee compensated absences and compensatory time, as well as estimated general insurance claims, are recorded when earned or incurred in the statement of activities.

Compensated absences	\$ 441,138	
Compensatory time	(129,332)	
Insurance claims	<u>(4,053,904)</u>	(3,742,098)

In the governmental funds, revenues from certain long-term receivables are only reported upon receipt of the proceeds.

Community Development Block Grant loans	\$ 166,428	
Special assessments	<u>41,928</u>	<u>208,356</u>

Change in net assets - governmental activities (Exhibit A-2) \$ (97,937)

See accompanying notes to financial statements

EXHIBIT B-5

CITY OF WARREN, MICHIGAN
STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2007

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Assets				
Current assets:				
Cash and cash equivalents	\$ 677,502	\$ 3,944,893	\$ 2,179,024	\$ 6,801,419
Accounts receivable	8,808,411	2,368	1,410	8,812,189
Accrued interest on investments	198	7,369	2,676	10,243
Due from other funds	7,500	-	-	7,500
Land contract interest receivable	16,501	-	-	16,501
Materials and supplies inventory - at cost	263,407	-	-	263,407
Prepaid expenses	47,838	-	-	47,838
Total current assets	<u>9,821,357</u>	<u>3,954,630</u>	<u>2,183,110</u>	<u>15,959,097</u>
Restricted assets:				
Cash and cash equivalents	10,809,789	46,458	142,123	10,998,370
Due from other funds	1,974,906	-	-	1,974,906
Due from State of Michigan	4,486,605	-	-	4,486,605
Designated for future projects	2,535,004	-	-	2,535,004
Total restricted assets	<u>19,806,304</u>	<u>46,458</u>	<u>142,123</u>	<u>19,994,885</u>
Deferred charges:				
Bond issuance costs	-	-	166,696	166,696
Other assets:				
Land contract receivable	550,042	-	-	550,042
Property, plant and equipment at cost:				
Land	605,219	221,644	-	826,863
Building and improvements	62,457,585	2,994,301	9,905,821	75,357,707
Utility system	111,194,113	-	-	111,194,113
Machinery, equipment and furniture	12,093,422	289,408	1,101,169	13,483,999
Total property, plant and equipment	<u>186,350,339</u>	<u>3,505,353</u>	<u>11,006,990</u>	<u>200,862,682</u>
Less: accumulated depreciation	<u>76,840,792</u>	<u>2,353,002</u>	<u>3,516,505</u>	<u>82,710,299</u>
Net property, plant and equipment	<u>109,509,547</u>	<u>1,152,351</u>	<u>7,490,485</u>	<u>118,152,383</u>
Total assets	<u>\$ 139,687,250</u>	<u>\$ 5,153,439</u>	<u>\$ 9,982,414</u>	<u>\$ 154,823,103</u>

(Continued)

Note:

(1) For fiscal year ended December 31, 2006.

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Liabilities and Fund Equity				
Current liabilities - unrestricted:				
Accounts payable	\$ 1,799,511	\$ 23,211	\$ 18,452	\$ 1,841,174
Accrued wages payable	192,633	8,784	1,828	203,245
Payroll taxes and deductions	151,453	-	-	151,453
Due to other funds	1,467,269	2,026,994	65,398	3,559,661
Building Authority bonds - current	-	-	540,000	540,000
Revenue bonds payable - current	2,437,303	-	-	2,437,303
Accrued interest payable	-	-	52,194	52,194
Deferred revenue	-	-	15,020	15,020
Customer deposits	143,424	-	-	143,424
Total current liabilities - unrestricted	<u>6,191,593</u>	<u>2,058,989</u>	<u>692,892</u>	<u>8,943,474</u>
Current liabilities - restricted assets:				
Accounts payable	406,068	-	-	406,068
Accrued interest payable	329,013	-	-	329,013
Building Authority bonds payable	38,344	-	-	38,344
Construction contracts to be performed in future periods	2,535,004	-	-	2,535,004
Tenant security deposits	-	46,458	142,123	188,581
Total current liabilities - restricted assets	<u>3,308,429</u>	<u>46,458</u>	<u>142,123</u>	<u>3,497,010</u>
Long term liabilities - unrestricted:				
Accumulative sick leave	1,608,850	24,198	-	1,633,048
Accumulative compensatory time	178,744	5,573	-	184,317
Revenue bonds payable	54,924,246	-	-	54,924,246
Building Authority bonds payable	-	-	7,175,000	7,175,000
Unamortized bond premium / (discount)	(264,471)	-	193,711	(70,760)
Deferred refunding charge	(2,004,537)	-	(554,550)	(2,559,087)
Total long term liabilities - unrestricted	<u>54,442,832</u>	<u>29,771</u>	<u>6,814,161</u>	<u>61,286,764</u>
Long term liabilities - restricted assets:				
Building Authority bonds payable	83,079	-	-	83,079
Unamortized bond discount	(319)	-	-	(319)
Total long term liabilities - restricted assets	<u>82,760</u>	<u>-</u>	<u>-</u>	<u>82,760</u>
Total liabilities	<u>64,025,614</u>	<u>2,135,218</u>	<u>7,649,176</u>	<u>73,810,008</u>
Net assets				
Invested in capital assets, net of related debt	55,772,291	1,152,351	-	56,924,642
Restricted for:				
Debt service	5,484,295	-	-	5,484,295
Construction	10,930,820	-	-	10,930,820
Insurance claims	500,000	-	-	500,000
Unrestricted net assets	<u>2,974,230</u>	<u>1,865,870</u>	<u>2,333,238</u>	<u>7,173,338</u>
Total net assets	<u>75,661,636</u>	<u>3,018,221</u>	<u>2,333,238</u>	<u>81,013,095</u>
Total liabilities and net assets	<u>\$ 139,687,250</u>	<u>\$ 5,153,439</u>	<u>\$ 9,982,414</u>	<u>\$ 154,823,103</u>

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CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES
For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Operating revenues:				
Charges for services	\$ 29,674,597	\$ -	\$ -	\$ 29,674,597
Rental revenues	-	471,641	1,014,897	1,486,538
Maintenance revenues	-	-	347,309	347,309
Other operating revenues	-	299,864	9,708	309,572
Total operating revenues	<u>29,674,597</u>	<u>771,505</u>	<u>1,371,914</u>	<u>31,818,016</u>
Operating expenses:				
Water purchases	7,007,742	-	-	7,007,742
Personal services	11,722,630	416,333	50,357	12,189,320
Contractual services	-	23,452	41,195	64,647
Materials and supplies	825,527	18,394	27,166	871,087
Utilities	-	134,568	68,650	203,218
Other services and charges	6,552,919	176,686	341,928	7,071,533
Depreciation	4,360,833	91,774	172,484	4,625,091
Total operating expenses	<u>30,469,651</u>	<u>861,207</u>	<u>701,780</u>	<u>32,032,638</u>
Operating income (loss)	<u>(795,054)</u>	<u>(89,702)</u>	<u>670,134</u>	<u>(214,622)</u>
Nonoperating revenues (expenses):				
Interest income	634,459	90,353	117,314	842,126
Interest expense	(2,024,223)	-	(356,366)	(2,380,589)
Bond issuance costs	-	-	(17,860)	(17,860)
Fiscal charges	-	-	(241)	(241)
Gain / (loss) on disposal of assets	-	-	-	-
Other revenue / (expense)	(5,615)	-	-	(5,615)
Total nonoperating revenues (expenses)	<u>(1,395,379)</u>	<u>90,353</u>	<u>(257,153)</u>	<u>(1,562,179)</u>
Net income (loss)	(2,190,433)	651	412,981	(1,776,801)
Net assets - beginning of year	<u>77,852,069</u>	<u>3,017,570</u>	<u>1,920,257</u>	<u>82,789,896</u>
Net assets - end of year	<u>\$ 75,661,636</u>	<u>\$ 3,018,221</u>	<u>\$ 2,333,238</u>	<u>\$ 81,013,095</u>

Note:

(1) For fiscal year ended December 31, 2006.

See accompanying notes to financial statements.

EXHIBIT B-7

CITY OF WARREN, MICHIGAN
STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Cash flows from operating activities:				
Cash received from customers	\$ 27,434,895	\$ 478,942	\$ 1,386,000	\$ 29,299,837
Cash payments to suppliers for goods and services	(15,184,524)	(346,406)	(533,525)	(16,064,455)
Cash payments to employees for services	(11,766,640)	(419,427)	(50,346)	(12,236,413)
Other operating revenues	1,838,935	292,288	-	2,131,223
Net cash provided by (used for) operating activities	2,322,666	5,397	802,129	3,130,192
Cash flows from other nonoperating activities:				
Cash flows from capital and related financing activities:				
Other income	-	-	-	-
Acquisition and construction of capital assets	(12,042,591)	-	-	(12,042,591)
Debt issuance less debt principal payments	4,646,251	-	(545,000)	4,101,251
Debt interest, issuance costs and fiscal charges	(1,869,651)	-	(320,217)	(2,189,868)
Net cash provided by (used for) capital and related financing activities	(9,265,991)	-	(865,217)	(10,131,208)
Cash flows from investing activities:				
Interest on investments	636,163	90,378	119,854	846,395
Net cash provided by (used for) investing activities	636,163	90,378	119,854	846,395
Other cash flows:				
Deposit error (2)	-	65,982	-	65,982
Net increase (decrease) in cash and cash equivalents	(6,307,162)	161,757	56,766	(6,088,639)
Cash and cash equivalents - beginning of year	17,794,453	3,829,594	2,264,381	23,888,428
Cash and cash equivalents - end of year	\$ 11,487,291	\$ 3,991,351	\$ 2,321,147	\$ 17,799,789

(Continued)

Notes:

(1) For fiscal year ended December 31, 2006

(2) General Fund state shared revenues were errantly deposited into the Sr. Housing account on June 30, 2007.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (795,054)	\$ (89,702)	\$ 670,134	\$ (214,622)
Adjustments to reconcile income to net cash provided by (used for) operating activities:				
Depreciation	4,360,833	91,774	172,484	4,625,091
Other income	-	-	-	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(432,942)	26	(1,410)	(434,326)
(Increase) decrease in grants receivable	-	-	-	-
(Increase) decrease in interest receivable	2,225	-	-	2,225
(Increase) decrease in interfund receivables	-	-	-	-
(Increase) decrease in inventory	(11,581)	-	-	(11,581)
Increase (decrease) in accounts payable	(185,493)	4,344	(8,552)	(189,701)
Increase (decrease) in				
wages and benefits payable	(26,835)	(3,094)	11	(29,918)
(Increase) decrease in prepaid expenses	(17,175)	860	-	(16,315)
Increase (decrease) in customer deposits	29,230	(301)	3,266	32,195
Increase (decrease) in interfund payables	(600,542)	1,490	(46,034)	(645,086)
Increase (decrease) in deferred revenue	-	-	12,230	12,230
Total adjustments	<u>3,117,720</u>	<u>95,099</u>	<u>131,995</u>	<u>3,344,814</u>
Net cash provided by operating activities	<u>\$ 2,322,666</u>	<u>\$ 5,397</u>	<u>\$ 802,129</u>	<u>\$ 3,130,192</u>

Note:

(1) For fiscal year ended December 31, 2006.

EXHIBIT B-8

CITY OF WARREN, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2007

	Pension and Other Employee Benefit Trust Funds (1)	Agency Funds
Assets		
Cash and cash equivalents	\$ 251,010	\$ 2,135,779
Receivables:		
Investment sales	151,458	-
Accrued interest and dividends	2,245,822	184
Other	3,780	-
Prepaid expenses	2,404	-
Investments, at fair value:		
Securities lending short-term collateral investment pool	97,034,809	-
Short-term cash management funds	21,538,422	-
Certificates of deposit	5,027,145	-
U.S. government obligations	39,459,513	-
U.S. government agencies' notes and debentures	25,575,366	-
Corporate and other bonds and securities	65,078,857	-
Equity mutual funds	38,889,387	-
Fixed income mutual funds	6,457,787	-
Real estate investment trusts	8,806,834	-
Private equity	500,334	-
Equities	<u>276,873,570</u>	<u>-</u>
Total investments	<u>585,242,024</u>	<u>-</u>
Total assets	<u>587,896,498</u>	<u>2,135,963</u>
Liabilities		
Accounts payable	424,845	70,312
Investment purchases	1,295,813	
Due broker under securities lending agreement	97,034,809	-
Due to other funds:		
General fund	7,764,240	348
Water and sewer system	3,796	-
Deposits and escrows	-	1,460,520
Due to other governmental units	<u>-</u>	<u>604,783</u>
Total liabilities	<u>106,523,503</u>	<u>\$ 2,135,963</u>
Net assets		
Held in trust for pension and other employee benefits	<u>\$ 481,372,995</u>	

Note:

(1) The City Employees' Retirement System, Police and Fire Retirement System Police and Fire V.E.B.A. Trust and City Employees' Retirement Q.E.B.A Trust are reported for the fiscal year ended December 31, 2006.

The City Employee V.E.B.A. Trust is reported for the fiscal year ended June 30, 2007.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended June 30, 2007

	<u>Pension and Other Employee Benefit Trust Funds (1)</u>
Additions:	
Contributions:	
Employee contributions	\$ 532,753
Employer contributions	25,174,863
Employer contributions made on behalf of employees	<u>1,127,754</u>
Total contributions	<u>26,835,370</u>
Investment activity:	
Net appreciation/(depreciation) in fair value of investments	37,248,947
Interest and dividend income	<u>14,739,622</u>
	51,988,569
Less investment expense	<u>(2,386,263)</u>
Net investment gain/(loss)	<u>49,602,306</u>
Securities lending income:	
Interest and fees	3,765,365
Less borrower rebates and bank fees	<u>(3,619,199)</u>
Net securities lending income	<u>146,166</u>
Miscellaneous income	<u>21,352</u>
Total additions	<u>76,605,194</u>
Deductions:	
Retirees' pension benefits	28,095,850
Retirees' health insurance	13,139,796
Refunds and withdrawals of contributions	2,530,122
Administrative expense	<u>468,400</u>
Total deductions	<u>44,234,168</u>
Other Financing Sources (Uses):	
Operating transfers in	<u>-</u>
Net increase (decrease)	32,371,026
Net assets held in trust for pension and other employee benefits:	
Beginning of year	<u>449,001,969</u>
End of year	<u>\$ 481,372,995</u>

Note:

(1) The City Employees' Retirement System, Police and Fire Retirement System Police and Fire V.E.B.A. Trust and City Employees' Retirement Q.E.B.A Trust are reported for the fiscal year ended December 31, 2006.

The City Employee V.E.B.A. Trust is reported for the fiscal year ended June 30, 2007.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Warren, formerly Warren Township, was incorporated January 1, 1957, under the provisions of Act 279, P.A. 1909 as amended (Home Rule Act). The City is administered by a Mayor, Council of nine members, Treasurer and Clerk, all of whom are elected for four-year terms. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, library, planning and zoning and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has not chosen to do so.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments. Significant changes in the Statement include the following:

- 1.) A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations
- 2.) Financial statements prepared using both full accrual and modified accrual, inclusive of a reconciliation between the two accounting methods.
- 3.) A change in the fund financial statements to focus on the reporting entity's major funds.

The City has elected to report all governmental and proprietary funds as major funds in the fund financial statements. In addition, the budget-to-actual data that appears in the Required Supplemental Information section of this report is far more detailed than required under the provisions of GASB Statement No. 34. These elections were made to provide the City's elected officials, department heads, financial administration and other users of this report a greater degree of detailed financial information to manage and evaluate the City's operations.

1. REPORTING ENTITY

The financial statements of the reporting entity include those of the City of Warren (the primary government) and its component units, entities for which the City is considered to be financially responsible. Blended component units, although legally separate entities, are in substance part of the City's operations and data for these units is combined with the data of the primary government. The following entities are considered blended component units of the City based upon the following criteria:

The **City of Warren Building Authority** was incorporated, pursuant to the provisions of Act 31, Public Acts of Michigan, 1948, as amended, and approved by the Warren City Council for the purpose of acquiring, furnishing, equipping and maintaining buildings, structures and sites for use by the City. The Authority is governed by a Commission consisting of three members who are appointed by the Mayor and the City Council. All contracts entered into by the Authority must be approved by the City Council. The City has pledged its full faith and credit for payment of annual lease payments to the Authority in order to satisfy principal and interest requirements from issuance of Building Authority Bonds. The City of Warren Building Authority is reported within the Enterprise and Capital Projects funds.

The **Tax Increment Finance Authority** of the City of Warren was established pursuant to Act 450 of the Michigan Public Acts of 1980, and approved by the Warren City Council to prevent urban deterioration, encourage economic development and historic preservation within a defined geographic area of the City of Warren. The Authority is governed by a Board of Directors consisting of eight members who are appointed by the Mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Tax Increment Finance Authority Bonds. The Tax Increment Finance Authority is reported as a Capital Projects fund.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY (continued)

The **Downtown Development Authority** of the City of Warren was established pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended, and approved by the Warren City Council to prevent property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible and improve economic growth in the business district of the City. The Authority is governed by a Board of Directors which consists of the Mayor plus eight members appointed by the Mayor subject to the approval of the City Council. The Downtown Development Authority is reported within the Special Revenue and Capital Project funds.

Additional Information for each of the individual component units may be obtained at the entity's administrative offices.

City of Warren Building Authority
Council Office
5460 Arden
Warren, MI 48092

Tax Increment Finance Authority
Controller's Office
One City Square, Suite 425
Warren, MI 48093-5289

Downtown Development Authority
Controller's Office
One City Square, Suite 425
Warren, MI 48093-5289

2. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The statements are prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Both, governmental activities and business-type activities are reported on a consolidated basis. The City's business-type activities include the operation of the Water and Sewer System and the Senior Citizen Housing complex. All other activities of the City, including police and fire protection, recreation, sanitation, library, public works, etc., are considered governmental activities.

For the most part, interfund activity has been eliminated from the government-wide financial statements. Exceptions are payments-in-lieu of taxes, water purchases and other charges between the proprietary funds and other governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of net assets reports net assets in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from the goods or services provided 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported as general revenues.

The City does not allocate indirect expenses. An administrative service fee is charged by the general fund to other funds to recover direct costs such as finance, personnel, purchasing, legal costs, etc., incurred by the general fund. This reimbursement is eliminated by the reducing corresponding revenues and expenses in the general fund.

3. FUND FINANCIAL STATEMENTS

The financial transactions of the City are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. FUND FINANCIAL STATEMENTS (continued)

The following fund types are used by the City:

Governmental Funds

The governmental funds measurement focus in the fund financial statements is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City.

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Proprietary Funds

The proprietary funds measurement focus is based upon determining operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. 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. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The following is a description of proprietary funds of the City:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods and services and the activity (a) is financed with debt that is solely secured by the pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on the pricing policy designed to recover similar costs.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

4. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. BASIS OF ACCOUNTING (continued)

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 90 days of the end of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service payments expenditures, as well as expenditures related to compensated absences and claims and judgements, are recognized when due.

5. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, short-term investment pools, and certificates of deposit with original maturities of three months or less from the date of acquisition.

Investments

Investments, including pension funds, are stated at fair value.

Receivables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of the fiscal year end, balances are reported as "due to / due from other funds" in the governmental funds financial statements. These amounts are eliminated on the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes and interest earnings are considered susceptible to accrual and are recognized as revenues of the current fiscal period. However, delinquent property taxes are reported as a reservation of fund balance in the governmental fund financial statements because they are not available to pay current liabilities.

Only the portion of special assessments due within the current fiscal year is considered as revenue susceptible to accrual in the governmental fund financial statements. The remaining balance of special assessment receivables is recorded as deferred revenue.

Inventories and prepaid items

All inventories are valued at cost using the first-in / first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventories and prepaid items are reported as a reservation of fund balance in the governmental fund financial statements because they are not available to pay current liabilities.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of at least \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated lives:

Buildings	40 - 60 years
Water and sewer mains	50 years
Machinery and equipment	5 - 25 years
Land improvements	20 years
Road system	12 - 50 years

Compensated absences and compensatory time

All full-time employees of the City earn one sick leave day for each month of service rendered, not to exceed twelve days in any calendar year. Employees are allowed to accumulate anywhere from 27 days to 225 days depending upon their hire date, union affiliation and pension plan participation. Upon retirement, most employees are paid eighty percent of their accumulated sick bank.

Employees are allowed to accumulate compensatory time in lieu of receiving overtime pay. Compensatory time is allowed to accumulate to a maximum of 150 hours.

Compensated absences and compensatory time, inclusive of associated payroll taxes and benefits, are accrued in the government-wide financial statements.

The governmental fund financial statements report a designation of fund balance for compensated absences and compensatory time to the extent that budget appropriations have been approved to fund this noncurrent liability.

Long-term debt

In the government-wide financial statements, and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond proceeds, premiums, discounts and issuance costs, in the Statement of Revenues, Expenditures and Changes in Fund Balances in the current period. The face amount of the debt issued is reported as other financing sources.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6. ENCUMBRANCES

Budgets in governmental funds and proprietary funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Appropriations for the fiscal year lapse every June 30. However, management does restrict "unreserved fund balance designated for the subsequent year's expenditures" by the amount of material expenditures for goods and services which were ordered, budgeted and appropriated at year end but which had not been received or completed at that date. City Council, by separate resolution, reappropriates funds in the subsequent year to complete these transactions.

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. BUDGETARY DATA

Annual balanced budgets are adopted for the General, Special Revenue and Debt Service Funds as required by the Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Budgets were not formally adopted for Tax Increment Finance Authority, Building Authority, Downtown Development Authority or Special Assessment Debt Service Funds. Although not required, budgets were formally adopted for the Water and Sewer System and Senior Citizen Housing Proprietary Funds as well as the Sewer Plant Expansion and 37th District Court Building Renovation Capital Projects Funds to assist management in monitoring operations.

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

Not later than the second Monday in April of each year, the Mayor shall submit to the Council a recommended budget for the next fiscal year.

The recommended budget of the Mayor, together with his supporting schedules, information and messages, shall be reviewed by the Council.

A public hearing on the budget shall be held not less than one week before its final adoption.

Not later than the third Monday in May of each year, the Council shall, by resolution, adopt a budget for the ensuing fiscal year in accordance with the Michigan Uniform Budgeting and Accounting Act.

Budgets for the General, Special Revenue and Debt Service Funds were adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City Council, by resolution, adopted the fiscal year 2007 budget on a budgetary center basis for all city departments, divisions, boards, commissions and other activities. Subsequently, management must seek approval from the City Council to amend any budgetary center's budget during the fiscal year. For the fiscal year ended June 30, 2007, the following budgetary centers exceeded the approved budget.

	<u>Total Expenditures</u>	<u>Amount Budgeted</u>	<u>Amount Over Budget</u>
Special Revenue Funds:			
Downtown Development Authority:			
Administration Fund	\$ 934,757	\$ 824,307	\$ 110,450

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS

The provisions of GASB statement No. 40 require the following disclosures regarding the City's, including its blended component units and fiduciary funds deposits and investments and their exposure to various risks (*custodial credit, credit, interest rate, foreign currency and concentration*).

Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. Custodial credit risk disclosures for the City's demand accounts and certificates of deposit are as follows:

	<u>Demand Accounts</u>	<u>Certificates of Deposit</u>	<u>Total</u>
General City (excluding Water and Sewer System)	\$ 2,580,501	\$ 45,600,000	\$ 48,180,501
Plus outstanding checks	1,982,939	-	1,982,939
Less deposits in transit	<u>(26,863)</u>	<u>-</u>	<u>(26,863)</u>
	<u>\$ 4,536,577</u>	<u>\$ 45,600,000</u>	<u>\$ 50,136,577</u>
FDIC insured	384,717	800,000	1,184,717
Uninsured and uncollateralized	4,151,860	44,800,000	48,951,860
Water and Sewer System (as of December 31, 2006)	\$ 575,544	\$ 80,000	\$ 655,544
Plus outstanding checks	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 575,544</u>	<u>\$ 80,000</u>	<u>\$ 655,544</u>
FDIC insured (1)	-	-	-
Uninsured and uncollateralized	575,544	80,000	655,544
Building Authority	\$ 2,000,549	\$ 1,133,359	\$ 3,133,908
Plus outstanding checks	<u>3,805</u>	<u>-</u>	<u>3,805</u>
	<u>\$ 2,004,354</u>	<u>\$ 1,133,359</u>	<u>\$ 3,137,713</u>
FDIC insured	100,922	100,000	200,922
Uninsured and uncollateralized	1,903,432	1,033,359	2,936,791
Tax Increment Finance Authority	\$ 4,811	\$ -	\$ 4,811
Plus outstanding checks	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,811</u>	<u>\$ -</u>	<u>\$ 4,811</u>
FDIC insured	4,811	-	4,811
Uninsured and uncollateralized	-	-	-
Downtown Development Authority	\$ 7,555,997	\$ 3,508,865	\$ 11,064,862
Plus outstanding checks	<u>400</u>	<u>-</u>	<u>400</u>
	<u>\$ 7,556,397</u>	<u>\$ 3,508,865</u>	<u>\$ 11,065,262</u>
FDIC insured	200,000	200,000	400,000
Uninsured and uncollateralized	7,356,397	3,308,865	10,665,262

(1) The Water and Sewer System utilizes the same depositories as other City funds. Accordingly, their demand accounts and certificates of deposit should be considered predominately uninsured and uncollateralized.

Due to the amount of cash deposits and the limits of FDIC insurance, the City has determined that it is impractical to insure all deposits. The Controller evaluates each financial institution used as a depository for City funds and assesses the level of risk of each institution.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the City. Investments in external investment pools and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. None of the City's investments were exposed to custodial credit risk.

The City's investments in debt securities are exposed to credit and interest rate risks. *Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments in mutual funds, external investment pools, or other pooled investments that meet the definition of a 2a7-like pool are not subject to interest rate disclosure.

Credit and interest rate risk disclosures for the City's short-term cash management funds is as follows:

	Amount <u>Invested</u>	<u>Rating</u>	2a-7 <u>Like</u>	Weighted <u>Ave. Maturity</u>
General City (excluding Water and Sewer System):				
Chase – Govt. Operating Money Market Fund	\$ 4,822,683	Moody's Aaa	Yes	Not Applicable
LaSalle Bank – Public Funds Investment Trust	1,822,916	Moody's Aaa	No	30 days
National City – Municipal Investment Fund	219,000	Moody's A1+/P1	No	25 days
Huntington Bank – Automated Funds Investment	448,652	Not Rated	No	Not Available
MBIA – Michigan Class	10,630,654	Fitch AAA/V1+	Yes	Not Applicable
Comerica – Government Cash Investment Fund	17,094,937	Not Rated	Yes	Not Applicable
	<u>\$ 35,038,842</u>			
Water and Sewer System (as of December 31, 2006):				
Comerica – Government Cash Investment Fund	\$ 10,817,747	Not rated	Yes	Not Applicable
National City – Municipal Investment Fund	14,000	Moody's A1+/P1	No	25 days
	<u>\$ 10,831,747</u>			
Building Authority:				
Comerica – Government Cash Investment Fund	\$ 22,435	Not Rated	Yes	Not Applicable
Tax Increment Finance Authority:				
Comerica – Government Cash Investment Fund	\$ 1,222,747	Not Rated	Yes	Not Applicable
Downtown Development Authority:				
Chase – Govt. Operating Money Market Fund	\$ 29,602	Moody's Aaa	Yes	Not Applicable
Fifth Third Institutional Money Market Trust	79,440	Moody's Aaa	Yes	Not Applicable
	<u>\$ 109,042</u>			

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. None of the City's investments or deposits has exposure to foreign currency risk.

Concentration risk is the risk of loss attributed to the magnitude of an investment in a singular issuer. Concentration risk is subject to disclosure when investment in any one issuer represents 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. None of the City's investments were subject to concentration risk disclosure.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

Deposits and Investments of the Pension, VEBA and QEBA Trust Funds are summarized as follows:

City Employees' Retirement System:

The Board of Trustees of the Employees' Retirement System is authorized by Act No. 314 of the Public Acts of Michigan of 1965, as amended, to make investments in stocks, bonds, or other evidences of indebtedness, that in its judgment it may deem proper to purchase as an investment. The Employees' Retirement System Board of Trustees has contracted with independent investment firms to manage the system's investment portfolio.

As permitted under state statutes, the System is authorized to participate in securities lending transactions. The System entered into an agreement with Comerica Bank to lend its securities to broker-dealers and banks pursuant to the loan agreement.

During the fiscal year, Comerica Bank at the direction of the System lent securities and received United States currency as collateral. Borrowers were required to deliver collateral for each loan equal to at least one hundred percent (100%) of the market value of the loaned securities.

The System did not impose any restrictions during the fiscal year on the amount of the loans that Comerica Bank made on its behalf. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. There were no losses to the System or Comerica Bank during the fiscal year resulting from default of the borrowers.

During the fiscal year, the System and the borrower maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in a pool. The average duration of such investment pool as of December 31, 2006 was 105 days. Because the loans could terminate on demand, their duration did not generally match the duration of the investments made with the cash collateral. The collateral held and the fair value of the underlying securities on loan for the System as of December 31, 2006 was \$30,717,288 and \$29,796,335 respectively.

Custodial credit risk for deposits. Cash balances, without recognizing checks issued but not cashed, at December 31, 2006, excluding impress funds, were \$103,554. Of this amount, \$24,749 was covered by federal deposit insurance and the remainder was uninsured and uncollateralized. The System believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution.

Custodial credit risk for investments. At December 31, 2006, none of the System's investments were exposed to custodial credit risk.

Credit and interest rate risk. To minimize exposure to these risks, the System has implemented the following policies for its fixed income investments: 1.) a maximum investment of 30 percent in bonds rated BBB, the balance in investment grade bonds rated A or better; 2.) may only invest in commercial paper maturing within 270 days of any domestic issuer provided such commercial paper be rated A1 or equivalent; and 3.) a weighted average portfolio maturity not to exceed 10 years.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

Credit and interest rate risk disclosure for the System's short-term cash management funds are as follows:

<u>Short-term cash management funds:</u>	<u>Amount Invested</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Ave. Weighted Maturity</u>
Comerica Short-term Fund Series C	\$ 5,260,118	Not Rated	Yes	Not applicable
Government Agency Repurchase Agreement	<u>1,059,075</u>	Not Rated	No	Overnight
	<u>\$ 6,319,193</u>			

Credit and interest rate risk disclosure for debt investments, other than short-term cash management funds is as follows:

<u>Credit Ratings:</u>	<u>Amount Invested</u>	<u>Percentage</u>
U.S. government	\$ 11,276,486	25.29%
U.S. government agencies	7,390,707	16.58%
Other debt securities as rated by Standard & Poors:		
AAA	3,909,943	8.77%
AA	4,492,254	10.08%
AA-	3,054,955	6.85%
A+	5,680,073	12.74%
A	6,010,732	13.48%
BBB+	1,320,220	2.96%
BBB	<u>1,445,075</u>	<u>3.25%</u>
	<u>\$ 44,580,445</u>	<u>100.00%</u>

<u>Interest Rate Risk:</u>	<u>Maturity Range</u>		
	<u>0 – 5 Years</u>	<u>5 – 15 Years</u>	<u>> 15 Years</u>
U.S. government	\$ 1,495,320	\$ 7,070,743	\$ 2,710,423
U.S. government agencies	3,432,094	3,816,099	142,513
Other debt securities	<u>9,235,246</u>	<u>13,276,743</u>	<u>3,401,264</u>
	<u>\$ 14,162,660</u>	<u>\$ 24,163,585</u>	<u>\$ 6,254,200</u>
	31.77%	54.20%	14.03%

Foreign currency risk. None of the System's investments have exposure to foreign currency risk.

Concentration risk. None of the System's investments are subject to concentration risk disclosure.

Police and Fire Retirement System:

The Police and Fire Retirement System is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse purchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles. The System's deposits and investment policies are in accordance with statutory authority.

As permitted by state statutes and under the provisions of securities lending authorization agreements, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's securities custodians manage the securities lending program and receive cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan of not less than 100 percent of the market value of the loaned securities. During the year ended December 31, 2006, only United States currency was received as collateral.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

The System did not impose any restrictions during the year on the amount of loans made on its behalf by securities custodians. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or securities custodians.

All securities loans can be terminated on demand by either the System or the borrower. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of the investments held by the investment pool as of December 31, 2006 was 105 days. Because loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On December 31, 2006, the System had no credit risk exposure to borrowers. The collateral held and the fair market value of underlying securities on loan for the System as of December 31, 2006 was \$66,317,521 and \$64,170,689, respectively.

Custodial credit risk for deposits. The System does not have a deposit policy for custodial credit risk. At December 31, 2006, the Police and Fire Retirement System had deposits of \$145,908, of which the entire amount was covered by federal depository insurance. The System believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution.

Credit risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices. As of December 31, 2006, the credit quality ratings of debt securities, other than the U.S. government, are as follows:

<u>Credit Ratings:</u>	<u>Amount Invested</u>
U.S. government	\$ 26,873,607
U.S. government agencies	18,184,659
Short-term cash management funds	12,337,096
Fixed-income mutual funds	4,168,098
Other debt securities as rated by Standard & Poors:	
AAA	3,812,378
AA+	502,514
AA	1,770,697
AA-	2,594,496
A+	5,176,504
A	4,489,745
A-	2,665,019
BBB+	3,574,211
BBB	4,893,202
BBB-	1,823,313
BB+	562,125
Not rated	1,116,976

Interest rate risk. The System's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day or less maturity. At December 31, 2006, the average maturities of investments are as follows:

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

<u>Interest Rate Risk:</u>	<u>Maturity Range</u>		
	<u>0 – 5 Years</u>	<u>5 – 15 Years</u>	<u>> 15 Years</u>
Asset backed	\$ 179,481	\$ 521,788	\$ 1,160,849
Corporate	9,686,062	9,496,345	5,515,059
Federal agencies	7,555,346	2,472,416	83,060
FHLM pools	-	473,385	1,992,249
FNMA pools	178,697	802,300	4,323,503
Foreign corporate	1,059,110	1,558,523	695,179
Foreign government	-	65,898	-
GNMA I pools	-	-	85,296
International agency	137,809	80,598	-
Municipal bonds	409,215	-	-
Private placement	1,181,148	895,495	557,926
U.S. government obligations	12,612,223	8,293,238	5,968,146

Foreign currency risk. The System restricts the amount of investments in foreign currency denominated investments to 5 percent of total pension system investments. The following securities are subject to foreign currency risk:

Foreign bonds	Euro	\$ 720,254
Foreign stocks	Euro	13,633,744
	Swiss Frank	3,167,862
	Yen	8,903,313
	UK pound	5,201,859
	Hong Kong Dollar	1,106,338
	Israeli Shekel	484,955
	Norwegian Krone	674,814
	Swedish Krona	369,905
	Other	206,585

Police and Fire VEBA Trust:

The Police and Fire Retirement Health Benefits Plan and Trust is authorized by Michigan Public Act 485 of 1996 to invest in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, bankers acceptances, mutual funds and investment pools that are composed of authorized investment vehicles, certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.

Custodial credit risk for deposits. The System does not have a deposit policy for custodial credit risk. At December 31, 2006, the Trust had certificates of deposit of \$5,027,145, of which \$100,000 was covered by federal depository insurance. The Trust believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution.

Credit risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices. As of December 31, 2006, the credit quality ratings of debt securities, other than the U.S. government, are as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Rating Organization</u>
Index funds	BAA through AAA	\$ 2,289,689	Moody's

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

Interest rate risk. The Trust's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day or less maturity. At December 31, 2006, the average maturity of the bond index funds was 6.96 years

City Employees' VEBA Trust:

The Board of Trustees of the Employees' VEBA Trust is authorized by Act No. 314 of the Public Acts of Michigan of 1965, as amended, to make investments in stocks, bonds, or other evidences of indebtedness, that in its judgment it may deem proper to purchase as an investment. The Board of Trustees has contracted with independent investment firms to manage the system's investment portfolio.

There were no outstanding deposits as of June 30, 2007.

None of the Trust's investments were exposed to custodial credit, foreign currency or concentration risk. Credit and interest rate risk disclosure for the Trust's investments in debt securities is as follows:

	<u>Amount Invested</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Weighted Ave. Maturity</u>
<u>Short-term cash management funds:</u>				
Goldman Sachs FS Prime Obligations Fund	\$ 2,877,760	Moody's Aaa	Yes	Not Applicable

Debt securities (other than short-term cash management funds):

<u>Credit Rating</u>	<u>Fair Value</u>	<u>Segmented Time Distribution</u>	<u>Fair Value</u>
U.S. Government	\$ 1,309,420	Less than 1 year	\$ 1,093,162
Moody's: Aaa	1,155,517	1 – 5 years	2,101,340
Aa1	580,710	5 – 10 years	1,680,453
Aa2	385,232	10 – 15 years	625,270
Aa3	601,544		<u>\$ 5,500,225</u>
A1	682,819		
A2	209,068		
A3	164,239		
Bbb+	<u>411,676</u>		
	<u>\$ 5,500,225</u>		

City Employees' QEBA Trust:

There were no outstanding deposits at December 31, 2006.

All of the QEBA Trust's investments are in short-term cash management funds. Credit and interest risk disclosures for the short-term cash management funds are as follows:

	<u>Amount Invested</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Weighted Ave. Maturity</u>
<u>Short-term cash management funds:</u>				
Goldman Sachs FS Prime Obligations Fund	\$ 12,335	Moody's Aaa	Yes	Not Applicable

External investment pools are excluded from disclosure of concentration of credit risk. None of the investments indicated above have exposure to foreign currency risk.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES

Delinquent tax receivables represent uncollected personal property taxes. Delinquent taxes remain as a lien on the property until paid or stricken by the Macomb County Circuit Court.

<u>Delinquent Taxes by Year</u>	<u>Total (1)</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
2000	\$ 268,859	\$ 204,430	\$ 48,111	\$ 16,318
2001	319,761	250,723	60,872	8,166
2002	402,431	318,873	77,383	6,175
2003	491,996	391,083	100,913	-
2004	574,052	456,272	117,780	-
2005	144,700	116,799	27,901	-
2006	<u>312,297</u>	<u>251,879</u>	<u>60,418</u>	<u>-</u>
	2,514,096	1,990,059	493,378	30,659
Less: Allowance for Uncollectible Taxes	<u>(322,606)</u>	<u>(313,024)</u>	<u>(7,465)</u>	<u>(2,117)</u>
	<u>\$ 2,191,490</u>	<u>\$ 1,677,035</u>	<u>\$ 485,913</u>	<u>\$ 28,542</u>

(1) Includes delinquent 1% tax administrative fees.

On November 9, 2005 the Warren City Council approved a proposed settlement agreement with DTE Energy in regards to utility assessments. Under the terms of the agreement, provided the City uses approved State Tax Commission (STC) multiplier tables for the tax years 2006, 2007 and 2008, DTE Energy will pay personal property taxes for the 1997, 1998, 1999 and 2005 tax years as previously assessed. In addition, effective October 2007 and for the four years thereafter, the STC will issue an order to strike outstanding personal property taxes for the 2000, 2001, 2002, 2003 and 2004 tax years. Ultimately, outstanding delinquent personal property taxes totaling approximately \$1.1 million will be stricken. Funds will be appropriated in each budget year as the order to strike is received. These delinquent personal property taxes are reflected as a component of "Fund Balance – Reserved for Accounts Receivable" in the Governmental Funds Balance Sheet. Conversely, "Delinquent Taxes Receivable" has been reduced by the amount of this potential write-off in the Statement of Net Assets.

Notes receivable consists primarily of loans made under the Community Development Block Grant's Home Loan Rehabilitation Program. This program assists low and very low-income residents to afford safe and sanitary housing, including limited improvements to the property. The largest portion of the \$5,839,643 notes outstanding at June 30, 2007 represents deferred and installment loans. Deferred loans are payable at the end of a set deferral period or upon change of home ownership, whichever comes first. Installment loans are payable through a series of monthly payments over a prescribed period of time, not to exceed twenty years. All loans are secured by a mortgage or equity interest lien. Annual interest rates range from 0% for deferred loans to 4% for installment basis loans.

Interfund receivables, payables and transfers. During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of the fiscal year end, balances are reported as "due to / due from other funds". All amounts represented are considered to be current obligations.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES (continued)

	<u>Amount Receivable</u>		<u>Amount Payable</u>
<u>Governmental Funds:</u>		<u>Governmental Funds:</u>	
General Fund:		Michigan Transportation – Major Roads:	
Due from other Governmental Funds:		Due to other Governmental Funds:	
Michigan Transportation - Major Roads	\$ 581,838	General Fund	\$ 581,838
Michigan Transportation - Local Roads	549,988		<u>581,838</u>
Community Development Block Grant	351,809	Michigan Transportation – Local Roads:	
HOME Investment Partnership	84,672	Due to other Governmental Funds:	
H.O.P.W.A.	32,921	General Fund	<u>549,988</u>
D.D.A. Administration Fund	413,983		<u>549,988</u>
Tax Increment Finance Authority	15,639	Community Development Block Grant:	
Due from Proprietary Funds:		Due to other Governmental Funds:	
Senior Housing – Stilwell Manor	2,026,994	General Fund	351,809
Senior Housing – Jos. Coach Manor	65,398	H.O.P.W.A.	<u>472</u>
Water and Sewer System (1)	1,118,663		<u>352,281</u>
Due from Fiduciary Funds:		HOME Investment Partnership:	
Fire Insurance Withholding	348	Due to other Governmental Funds:	
City Employees’ Retirement System (1)	121,098	General Fund	84,672
Police and Fire Retirement System (1)	135,692	Community Development Block Grant	<u>16,231</u>
City Employees’ VEBA Trust	3,785,879		<u>100,903</u>
Police and Fire VEBA Trust (1)	<u>4,512,928</u>	H.O.P.W.A.:	
	<u>13,797,850</u>	Due to other Governmental Funds:	
Community Development Block Grant:		General Fund	<u>32,921</u>
Due from other Governmental Funds:			<u>32,921</u>
HOME Investment Partnership	<u>16,231</u>	D.D.A. Administration Fund:	
	<u>16,231</u>	Due to other Governmental Funds:	
H.O.P.W.A.:		General Fund	413,983
Due from other Governmental Funds:		D.D.A. Construction Fund	<u>836,968</u>
Community Development Block Grant	<u>472</u>		<u>1,250,951</u>
	<u>472</u>	Capital Imp. Bonds Series 2006 Construction:	
Capital Imp. Bonds Series 2006 Debt:		Due to other Governmental Funds:	
Due from other Governmental Funds:		Capital Imp Bonds Series 2006 Debt	3,468
Cap. Imp. Bonds Series 2006 Cstr.	<u>3,468</u>	Due to Proprietary Funds:	
	<u>3,468</u>	Water and Sewer System (1)	<u>1,526,707</u>
Building Authority Series 2005 Debt:			<u>1,530,175</u>
Due from other Governmental Funds:		Building Authority Series 2005 Construction:	
Building Authority Series 2005 Cstr.	<u>14,657</u>	Due to other Governmental Funds:	
	<u>14,657</u>	Building Authority Series 2005 Debt	<u>14,657</u>
D.D.A. Construction Fund:			<u>14,657</u>
Due from other Governmental Funds:		Tax Increment Finance Authority:	
D.D.A. Administration Fund	<u>836,968</u>	Due to other Governmental Funds:	
	<u>836,968</u>	General Fund	<u>15,639</u>
			<u>15,639</u>
		Building Authority Series 2002 Construction:	
		Due to Proprietary Funds:	
		Water and Sewer System (1)	<u>877</u>
			<u>877</u>
 Total Governmental Funds	 <u>14,669,646</u>	 Total Governmental Funds	 <u>4,430,230</u>
<u>Proprietary Funds:</u>		<u>Proprietary Funds:</u>	
Water and Sewer System (1)		Water and Sewer System (1):	
Due from Governmental Funds:		Due to Governmental Funds:	
General Fund	7,500	General Fund	<u>1,467,269</u>
Capital Imp. Bonds Series 2006 Cstr.	<u>1,974,906</u>		<u>1,467,269</u>
	<u>1,982,406</u>	Senior Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	<u>2,026,994</u>
			<u>2,026,994</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

3. RECEIVABLES (continued)

	<u>Amount Receivable</u>			<u>Amount Payable</u>
<u>Proprietary Funds (continued):</u>		<u>Proprietary Funds (continued):</u>		
		Senior Housing – Jos. Coach Manor:		
		Due to Governmental Funds:		
		General Fund		\$ 65,398
				<u>65,398</u>
Total Proprietary Funds	<u>1,982,406</u>	Total Proprietary Funds		<u>3,559,661</u>
<u>Fiduciary Funds:</u>		<u>Fiduciary Funds:</u>		
		Police and Fire Retirement System (1):		
		Due to Governmental Funds:		
		General Fund		109,168
				<u>109,168</u>
		City Employees' Retirement System (1):		
		Due to Governmental Funds:		
		General Fund		117,677
		Due to Proprietary Funds:		
		Water and Sewer System (1)		3,796
				<u>121,473</u>
		Police and Fire VEBA Trust (1):		
		Due to Governmental Funds:		
		General Fund		3,751,516
				<u>3,751,516</u>
		City Employees' VEBA Trust:		
		Due to Governmental Funds:		
		General Fund		3,785,879
				<u>3,785,879</u>
		Fire Insurance Withholding Fund:		
		Due to Governmental Funds:		
		General Fund		348
				<u>348</u>
Total Fiduciary Funds	<u>-</u>	Total Fiduciary Funds		<u>7,768,384</u>
Total – due from other funds	16,652,052	Total – due to other funds		15,758,275
(1) Denotes fiscal year ending		(1) Denotes fiscal year ending		
December 31, 2006		December 31, 2006		
	<u>6,977,010</u>			<u>7,870,787</u>
	<u>\$ 23,629,062</u>			<u>\$ 23,629,062</u>

Transfers from funds receiving revenues to funds through which the resources are to be expended are recorded as operating transfers and are reported as other financial sources (uses). A summary of inter-fund transfers by fund type is as follows:

TRANSFERS FROM:	TRANSFERS TO					
	Governmental Funds					
	General Fund	Special Revenue	Debt Service	Capital Projects	Proprietary Funds (1)	Total
General Fund	\$ -	\$ 635,902	\$ 945,135	\$ 206,590	\$ 70,000	\$ 1,857,627
Special Revenue	115,000	1,562,500	6,836,327	74,219	70,000	8,658,046
Capital Projects	-	7,366,483	522,160	-	-	7,888,643
	<u>\$ 115,000</u>	<u>\$ 9,564,885</u>	<u>\$ 8,303,622</u>	<u>\$ 280,809</u>	<u>\$ 140,000</u>	<u>\$ 18,404,316</u>

(1) Fiscal year ended December 31, 2006.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 24,524,850	\$ 235,090	\$ -	\$ 24,759,940
Construction in progress	<u>29,813,356</u>	<u>1,420,479</u>	<u>28,109,600</u>	<u>3,124,235</u>
Total capital assets not being depreciated	<u>54,338,206</u>	<u>1,655,569</u>	<u>28,109,600</u>	<u>27,884,175</u>
Capital assets being depreciated:				
Infrastructure	125,407,898	1,506,004	-	126,913,902
Land Improvements	6,752,731	1,833,739	9,085	8,577,385
Buildings	52,819,773	35,181,899	-	88,001,672
Machinery and equipment	<u>34,505,327</u>	<u>7,427,152</u>	<u>1,326,504</u>	<u>40,605,975</u>
Total capital assets being depreciated	219,485,729	45,948,794	1,335,589	264,098,934
Less accumulated depreciation for:				
Infrastructure	(93,580,980)	(1,893,223)	(-)	(95,474,203)
Land improvements	(4,440,488)	(374,492)	(2,650)	(4,812,330)
Buildings	(15,839,382)	(2,518,366)	(-)	(18,357,748)
Machinery and equipment	<u>(18,064,808)</u>	<u>(2,800,609)</u>	<u>(1,257,481)</u>	<u>(19,607,936)</u>
Total accumulated depreciation	<u>(131,925,658)</u>	<u>(7,586,690)</u>	<u>(1,260,131)</u>	<u>(138,252,217)</u>
Total capital assets, being depreciated, net	<u>87,560,071</u>	<u>38,362,104</u>	<u>75,458</u>	<u>125,846,717</u>
Governmental activities capital assets, net	<u>\$ 141,898,277</u>	<u>\$ 40,017,673</u>	<u>\$ 28,185,058</u>	<u>\$ 153,730,892</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 826,863	\$ -	\$ -	\$ 826,863
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>826,863</u>	<u>-</u>	<u>-</u>	<u>826,863</u>
Capital assets being depreciated:				
Buildings	69,131,118	6,226,589	-	75,357,707
Utility system	110,165,562	1,066,102	37,551	111,194,113
Machinery and equipment	<u>12,757,348</u>	<u>726,651</u>	<u>-</u>	<u>13,483,999</u>
Total capital assets being depreciated	192,054,028	8,019,342	37,551	200,035,819
Less accumulated depreciation for:				
Buildings	(20,634,639)	(1,653,043)	-	(22,287,682)
Utility system	(46,458,001)	(2,252,417)	(37,551)	(48,672,867)
Machinery and equipment	<u>(11,030,119)</u>	<u>(719,631)</u>	<u>-</u>	<u>(11,749,750)</u>
Total accumulated depreciation	<u>(78,122,759)</u>	<u>(4,625,091)</u>	<u>(37,551)</u>	<u>(82,710,299)</u>
Total capital assets, being depreciated, net	<u>113,931,269</u>	<u>3,394,251</u>	<u>-</u>	<u>117,325,520</u>
Business-type activities capital assets, net	<u>\$ 114,758,132</u>	<u>\$ 3,394,251</u>	<u>\$ -</u>	<u>\$ 118,152,383</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

3. CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 197,372
Public safety	1,646,764
City development	51,737
Highways and streets	1,895,702
Recreation and culture	1,890,875
Sanitation	238,972
Economic development	1,665,048
Community development	<u>220</u>
Total depreciation expense – governmental activities	<u>\$ 7,586,690</u>
Business-type activities:	
Water and sewer system	\$ 4,360,833
Senior citizen housing	<u>264,258</u>
Total depreciation expense – business-type activities	<u>\$ 4,625,091</u>

4. LEASES

Capital Leases

Characteristics of capital leases generally transfer the benefits and risks of ownership to the lessee. As such, equipment under capital lease agreements is capitalized at the present value of future minimum lease payments as of the inception date. No capital lease agreements were outstanding during the fiscal year ending June 30, 2007.

Operating Leases

The City has three 24-month automobile lease agreements outstanding at June 30, 2007. Two of the leases expire in fiscal year 2008, the other in fiscal year 2009. The City exercised a single-payment option on each of these leases. Accordingly, the lease expenditure was recorded in the year of origination and no expenditures will be chargeable to future periods. Equipment under operating lease agreements is not capitalized as the lease does not give rise to any property rights.

5. LONG-TERM DEBT

A **Land Contract** was executed between the City and the City of Warren Water and Sewer System for the acquisition of a garage facility to be utilized by the Department of Public Works. The property was acquired at a cost of \$1,206,976. The land contract has principal maturities ranging from \$53,649 to \$102,656 a year, and is due through fiscal year 2013 at an annual interest rate of 6.00%.

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
DPW Garage	07/01/12	\$ 1,206,976	\$ 695,691	\$ 511,285	\$ 81,037
		<u>\$ 1,206,976</u>	<u>\$ 695,691</u>	<u>\$ 511,285</u>	<u>\$ 81,037</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

Road Construction Bonds are comprised of various bond issues that pledge state-collected gas and weight tax receipts returned to the City. The full faith and credit of the City is pledged as additional security. These bond issues have aggregate principal maturities ranging from \$301,714 to \$1,440,918 a year, and are due serially through fiscal year 2027 with annual interest rates ranging from 2.30% to 5.100%.

	Final Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
MTF, Series 1997	06/01/12	\$ 4,500,000	\$ 2,600,000	\$ 1,900,000	\$ 340,000
MTF, Series 2000	06/01/16	5,165,000	900,000	4,265,000	400,000
MTF, Series 2003 refunding	06/01/08	4,310,000	3,745,000	565,000	565,000
MTF, Series 2003	06/01/18	5,500,000	400,000	5,100,000	100,000
Capital Improvement, Series 2006	09/01/27	<u>5,409,304</u>	<u>-</u>	<u>5,409,304</u>	<u>35,918</u>
		<u>\$ 24,884,304</u>	<u>\$ 7,645,000</u>	<u>\$ 17,239,304</u>	<u>\$ 1,440,918</u>

Water and Sewer Bonds are comprised of bonds issued to fund major infrastructure replacement projects and are payable solely from the net revenues of the Water and Sewer System. The bond issues have principal maturities ranging from \$1,541,102 to \$3,857,857 a year and are due serially through fiscal year 2026 with annual interest rates ranging from 1.625% to 5.125%.

	Final Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
<u>Business-type activities (1):</u>					
Revenue Bonds:					
Refunding Series 1999	05/01/16	\$ 12,000,000	\$ 2,250,000	\$ 9,750,000	\$ 855,000
Series 1999	11/01/11	11,400,000	11,150,000	250,000	50,000
Series 2000	11/01/11	13,750,000	10,925,000	2,825,000	500,000
Refunding Series 2005	11/01/26	21,675,000	490,000	21,185,000	115,000
Capital Improvement Bonds:					
Series 2003	06/01/23	1,280,543	136,782	1,143,761	48,221
SRF, Series 5134-01	10/01/24	4,750,000	375,000	4,375,000	195,000
SRF, Series 5134-02	04/01/26	6,465,000	-	6,465,000	260,000
SRF, Series 5134-03	10/01/24	1,147,091	100,000	1,047,091	50,000
SRF, Series 5134-04	04/01/26	8,200,000	-	8,200,000	350,000
Series 2006	09/01/26	<u>2,120,696</u>	<u>-</u>	<u>2,120,696</u>	<u>14,082</u>
		<u>\$ 82,788,330</u>	<u>\$ 25,426,782</u>	<u>\$ 57,361,548</u>	<u>\$ 2,437,303</u>

(1) For fiscal year ended December 31, 2006

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

County Drain Bonds are comprised of various bond issues for which the City is required by State Statute to levy sufficient taxes to pay principal and interest installments as they become due. These bonds matured during the current fiscal year.

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Warren Sanitary Drain Refunding Issue	01/01/07	\$ 4,750,000	\$ 4,750,000	\$ -	\$ -
		<u>\$ 4,750,000</u>	<u>\$ 4,750,000</u>	<u>\$ -</u>	<u>\$ -</u>

Tax Increment Finance Authority Bonds are comprised of bonds issued to finance part of the cost of constructing various improvements in the Development Area No. 1 of the City of Warren Tax Increment Finance Authority, pursuant to the Tax Increment Financing and Development Plan adopted by the Board of the Authority on December 18, 1990 and approved by the City Council on February 12, 1990. The bond principal and interest are payable from Tax Increment revenues payable to the Authority from collections of ad valorem taxes commencing July 1, 1991. As additional security the City has pledged its full faith and credit for the prompt payment of principal and interest on the bonds when due. The Tax Increment Finance Authority bonds have principal maturities ranging from \$160,000 to \$250,000 a year, and are due serially through fiscal year 2011, with annual interest rates ranging from 4.25% to 5.00%.

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Series 1991	10/01/10	\$ 2,200,000	\$ 1,720,000	\$ 480,000	\$ -
Refunding Series 1999	10/01/08	<u>1,390,000</u>	<u>1,050,000</u>	<u>340,000</u>	<u>180,000</u>
		<u>\$ 3,590,000</u>	<u>\$ 2,770,000</u>	<u>\$ 820,000</u>	<u>\$ 180,000</u>

Building Authority Bonds are comprised of bonds issued to finance various construction projects and equipment acquisitions. For the Warren Community Center Bonds, Series 2001, Multiple Purpose Bonds, Series 2002, Multiple Purpose Bonds, Series 2005 and the Warren Community Center Refunding Bonds, Series 2005, the City and Water and Sewer System have entered into lease agreements with the Building Authority and agrees to pay as cash rentals amounts that will be sufficient to enable the Building Authority to pay principal and interest on the bonds as they become due. The City has pledged its full faith and credit for the payment of these rentals. For the Senior Housing Refunding Bonds - Refunding Series 2004, principal and interest payments are to be paid from cash flows generated by monthly rental unit receipts. In addition, the City has pledged its full faith and credit for the payment of these principal and interest payments as they become due. The Warren Community Center Bonds, Series 2001, Multiple Purpose Bonds, Series 2002, Multiple Purpose Bonds, Series 2005 and Warren Community Center Refunding Bonds, Series 2005 have aggregate principal maturities ranging from \$560,000 to \$1,397,395 a year, and are due serially through fiscal year ended June 30, 2027 with annual interest rates ranging from 3.00% to 4.70%. The Senior Housing Refunding Bonds, Series 2004 has principal maturities ranging from \$540,000 to \$1,075,000 a year, and are due serially through the fiscal year ended June 30, 2017 with annual interest rates ranging from 2.75% to 5.25%.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Series 2001, Community Center	11/01/10	\$ 13,000,000	\$ 11,500,000	\$ 1,500,000	\$ 350,000
Series 2002, Multi-purpose	11/01/09	2,858,720	1,555,144	1,303,576	411,656
Series 2005, Multi-purpose	06/01/15	5,180,000	850,000	4,330,000	475,000
Series 2005, WCC refunding	11/01/26	10,835,000	220,000	10,615,000	60,000
<u>Business-type activities:</u>					
Senior Housing - Refunding Series 2004	11/01/16	8,930,000	1,215,000	7,715,000	540,000
Water and Sewer System (1)- Series 2002, Multi-purpose	11/01/09	<u>266,280</u>	<u>144,856</u>	<u>121,424</u>	<u>38,344</u>
		<u>\$ 41,070,000</u>	<u>\$ 15,485,000</u>	<u>\$ 25,585,000</u>	<u>\$ 1,875,000</u>

(1) For fiscal year ended December 31, 2006.

Sidewalk Replacement Bonds are comprised of bonds issued to finance various sidewalk and drive approach improvements in designated special assessment districts throughout the City. The payment of principal and interest on the bonds shall be payable primarily from the collection of special assessments levied against those properties improved within each district. Assessments can be paid in full or in installments due July 1 of each year, together with interest on the unpaid balance of the assessment at an annual rate that is 1% per annum in excess of the average rate of the interest payable on the bonds. In addition, the full faith and credit of the City are pledged to the payment of the principal and interest on the bonds when due. The bonds have aggregate maturities ranging from \$175,000 to \$854,460 a year, and are due serially through fiscal year 2015 with annual interest rates ranging from 2.00% to 4.00%.

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Special Assessment Bonds -					
Series 2002	12/01/07	\$ 1,145,000	\$ 960,000	\$ 185,000	\$ 185,000
Series 2003	06/01/08	2,304,457	1,809,997	494,460	494,460
Series 2005	06/01/15	<u>1,835,000</u>	<u>300,000</u>	<u>1,535,000</u>	<u>175,000</u>
		<u>\$ 5,284,457</u>	<u>\$ 3,069,997</u>	<u>\$ 2,214,460</u>	<u>\$ 854,460</u>

Downtown Development Authority Bonds are comprised of bonds issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended, in anticipation of the collection of certain tax increment revenue payments for the purpose of paying costs of development and redevelopment of all or a portion of the downtown district as specified in the Authority's development and tax increment financing plan. In addition, the City has pledged its full faith and credit as additional security for payment of the principal and interest when due. In order to achieve the desired development and redevelopment objectives as described in the plan, the City has authorized the issuance of Downtown Development Bonds in four series not to exceed \$75,000,000 in total. The bonds have aggregate maturities ranging from \$1,000,000 to \$5,750,000 a year, and are due serially through fiscal year 2029 with annual interest rates ranging from 3.00% to 5.00%.

	<u>Final Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Downtown Development Bonds -					
Series 2002	10/01/25	\$ 20,000,000	\$ 500,000	\$ 19,500,000	\$ 500,000
Series 2003	10/01/26	20,000,000	-	20,000,000	500,000
Series 2004	10/01/27	20,000,000	-	20,000,000	-
Series 2005	10/01/28	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>
		<u>\$ 75,000,000</u>	<u>\$ 500,000</u>	<u>\$ 74,500,000</u>	<u>\$ 1,000,000</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for the above long-term debt obligations are as follows:

Year Ended June 30	Governmental activities		Business-type activities (Senior Citizen Housing)	
	Principal	Interest	Principal	Interest
2008	\$ 4,853,071	\$ 4,774,180	\$ 540,000	\$ 305,737
2009	4,586,416	4,596,983	620,000	288,238
2010	5,024,522	4,416,554	625,000	267,616
2011	4,722,681	4,225,973	620,000	246,219
2012	4,620,411	4,041,011	610,000	223,931
2013 - 2017	23,056,648	17,365,193	4,700,000	607,422
2018 - 2022	29,836,938	11,684,707	-	-
2023 - 2027	32,332,938	4,443,787	-	-
2028 - 2029	4,000,000	148,125	-	-
	<u>\$ 113,033,625</u>	<u>\$ 55,696,513</u>	<u>\$ 7,715,000</u>	<u>\$ 1,939,163</u>

Year Ended December 31	Business-type activities (Water and Sewer System)	
	Principal	Interest
2007	\$ 2,475,647	\$ 1,928,034
2008	2,570,096	1,890,960
2009	2,686,686	1,798,228
2010	2,739,082	1,699,574
2011	2,872,245	1,598,158
2012 - 2016	16,402,001	6,370,410
2017 - 2021	17,128,062	3,508,763
2022 - 2026	10,609,153	923,585
	<u>\$ 57,482,972</u>	<u>\$ 19,717,712</u>
	<u>\$ 113,033,625</u>	<u>\$ 55,696,513</u>
		<u>\$ 65,197,972</u>
		<u>\$ 21,656,875</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

6. COMPENSATED ABSENCES AND COMPENSATORY TIME

All full-time employees of the City earn one sick leave day for each month of service rendered. Employees are allowed to accumulate from 27 days to 225 days depending upon their hire date, union affiliation and pension plan participation. Upon retirement, most employees are paid eighty percent of their accumulated sick bank. Firefighters who work 56 hours per week and were hired prior to January 1, 1984, are paid sixty percent of their accumulated sick bank. If an employee dies while in the service of the City, the beneficiary is paid one hundred percent of the accumulated sick bank. An employee is paid twenty-five percent of the accumulated sick bank upon severance from the City in good standing after five years of service.

Compensated absences is accrued at the employee's current rate of pay and applicable retirement payout percentage, inclusive of related payroll taxes and fringes, on sick bank balances accumulated as of December 31, 2006.

Maximum Sick-Leave Banks

<u>Bargaining Unit</u>	<u>Pay-Out Base</u>	<u>Hire Date</u>
AFSCME Local 1250	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After November 23, 1999
AFSCME Local 1250: 37th District Court	225 days	Prior to May 10, 1988
	65 days	After May 10, 1988
	27 days	After November 23, 1999
AFSCME Local 1917	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After January 11, 2000
UAW Local 412 - Unit 35	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to September 1, 1988
	65 days	After September 1, 1988
	27 days	After April 13, 1999
UAW Local 412 - Unit 59	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After November 10, 1998
Fire Fighters Local 1383: 56 hour employees	120 days	Prior to January 1, 1984
	65 days	After January 1, 1984
	225 days	Prior to December 15, 1986
	140 days	After December 15, 1986
Police Officers	225 days	Prior to January 1, 1984
	140 days	After January 1, 1984

Employees are allowed to receive pay for overtime worked or accumulate hours in their compensatory time bank. Generally, no more than 150 hours may be accumulated in an employee's compensatory time bank. Employees are allowed the option of receiving cash payment or time off for those hours accumulated.

Compensatory time is accrued at the employee's current rate of pay, inclusive of related payroll taxes and benefits, on accumulated compensatory time balances as of December 31, 2006.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

6. COMPENSATED ABSENCES AND COMPENSATORY TIME (continued)

Changes in accrued compensated absences and compensatory time by activity and function is as follows:

	Compensated Absences			Compensatory Time		
	Beginning Balance	Additions (Reductions)	Ending Balance	Beginning Balance	Additions (Reductions)	Ending Balance
Governmental activities:						
General government	\$ 1,549,988	\$ 123,614	\$ 1,673,602	\$ 264,429	\$ 40,832	\$ 305,261
Public safety	12,775,820	(557,510)	12,218,310	1,506,721	44,916	1,551,637
City development	477,577	(1,124)	476,453	110,119	38,353	148,472
Highways and streets	458,079	(56,025)	402,054	77,358	(12,356)	65,002
Recreation and culture	455,859	55,886	511,745	89,085	20,167	109,252
Sanitation	154,111	(5,932)	148,179	72,306	(7,648)	64,658
Economic development	8,936	(3,805)	5,131	7,391	1,161	8,552
Community development	18,571	3,758	22,329	2,574	3,907	6,481
	<u>15,898,941</u>	<u>(441,138)</u>	<u>15,457,803</u>	<u>2,129,983</u>	<u>129,332</u>	<u>2,259,315</u>
Business-type activities:						
Water and Sewer System	1,621,952	(13,102)	1,608,850	168,042	10,702	178,744
Senior Citizen Housing	22,877	1,321	24,198	10,093	(4,520)	5,573
	<u>1,644,829</u>	<u>(11,781)</u>	<u>1,633,048</u>	<u>178,135</u>	<u>6,182</u>	<u>184,317</u>
	<u>\$ 17,543,770</u>	<u>\$(452,919)</u>	<u>\$ 17,090,851</u>	<u>\$ 2,308,118</u>	<u>\$ 135,514</u>	<u>\$ 2,443,632</u>

7. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Road Construction Bonds	\$ 13,230,000	\$ 5,409,304	\$ 1,400,000	\$ 17,239,304	\$ 1,440,918
County Drain Bonds	220,000	-	220,000	-	-
Building Authority Bonds	19,020,232	-	1,271,656	17,748,576	1,296,656
T.I.F.A. Bonds	990,000	-	170,000	820,000	180,000
Sidewalk Replacement Bonds	3,076,239	-	861,779	2,214,460	854,460
D.D.A. Bonds	75,000,000	-	500,000	74,500,000	1,000,000
Installment Purchase Agreements	78,209	-	78,209	-	-
Land Contract Payable	587,670	-	76,385	511,285	81,037
Accrued insurance claims	5,499,138	7,817,876	3,763,972	9,553,042	-
Compensated absences	15,898,941	-	441,138	15,457,803	-
Compensatory time	2,129,983	129,332	-	2,259,315	-
Governmental activity long-term liabilities	<u>\$ 135,730,412</u>	<u>\$ 13,356,512</u>	<u>\$ 8,783,139</u>	<u>\$ 140,303,785</u>	<u>\$ 4,853,071</u>
Business-type activities:					
Water and Sewer Bonds	\$ 52,670,356	6,428,022	1,736,830	57,361,548	2,437,303
Building Authority Bonds	8,419,768	-	583,344	7,836,424	578,344
Compensated absences	1,644,829	-	11,781	1,633,048	-
Compensatory time	178,135	6,182	-	184,317	-
Business-type activity long-term liabilities	<u>\$ 62,913,088</u>	<u>\$ 6,434,204</u>	<u>\$ 2,331,955</u>	<u>\$ 67,015,337</u>	<u>\$ 3,015,647</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

8. DEBT EXTINGUISHMENTS

On October 17, 2002, the Warren City Council approved the City's participation in a settlement agreement between South Macomb Disposal Authority, of which the City is a member thereof, and the Authority's insurance carriers regarding remediation and response costs associated with the Authority's disposal facilities known as Sites 9 and 9A. As a result of this settlement, the Authority placed sufficient funds in escrow to defease \$20,000,000 of South Macomb Disposal Authority Revenue Bonds, Series 2000. This defeasance effectively eliminated \$7,644,000 of the City's debt to the Authority relative to this bond issue.

	<u>Principal Defeased on October 17, 2002</u>	<u>Outstanding Principal at June 30, 2007</u>
South Macomb Disposal Authority - Solid Waste Bonds, Series 2000	\$ 7,644,000	\$ 7,644,000

On August 1, 2005, the City of Warren Building Authority sold \$10.835 million of refunding bonds to defease \$9.925 million of City of Warren Building Authority Bonds, Series 2001. The Series 2001 bonds were originally issued for the purpose of constructing the Warren Community Center. Sufficient funds have been placed in escrow to satisfy the debt service requirements of the defeased bonds through their call date of November 1, 2010. The City realized an approximate net present value saving of \$236,863 on the advance refunding.

	<u>Principal Defeased on August 1, 2005</u>	<u>Outstanding Principal at June 30, 2007</u>
City of Warren Building Authority Bonds, Series 2001	\$ 9,925,000	\$ 9,925,000

On September 1, 2005, the City of Warren Water and Sewer System sold \$21.675 million of refunding bonds to defease \$11.1 million and \$8.8 million of Water and Sewer Revenue Bonds, Series 1999 and Series 2000 respectively. Sufficient funds have been placed in escrow to satisfy the debt service requirements of the defeased bonds through their call date of January 1, 2011. The Water and Sewer System realized an approximate net present value saving of \$518,901 on the advanced refunding.

	<u>Principal Defeased on September 1, 2005</u>	<u>Outstanding Principal at December 31, 2005</u>
Water and Sewer System Revenue Bonds: Series 1999\$ 11,100,000 Series 20008,800,000	\$ 11,100,000 8,800,000	

9. DEFERRED REVENUE

Deferred revenues reported in the Community Development Block Grant Fund, HOME Investment Partnership Fund and the Special Assessment Construction Funds represents receivables that are measurable but not yet available under the modified accrual basis of accounting. Accordingly, they are not recorded as revenue. The balance sheet records the receivable but includes deferred revenue as its offset. Deferred revenues as reported in all other funds represent receipt of funds prior to rendering any service. A summary of deferred revenues is as follows:

<u>Governmental Activities:</u>	<u>Revenue</u>	<u>Amount</u>
General Fund	Law enforcement grants	\$ 167,792
Special Revenue Funds:		
Community Development Block Grant	Grant / Loans	6,508,354
HOME Investment Partnership	Grant	1,739,528
H.O.P.W.A.	Grant	261,931
Capital Projects Funds:		
Special Assessment Construction Funds	Special assessments	2,513,717
		<u>\$ 11,191,322</u>
<u>Business-type Activities:</u>		
Senior Citizen Housing	Prepaid rents	\$ 15,020
		<u>\$ 15,020</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

C. DETAILED NOTES ON ALL FUNDS

10. LEGAL DEBT MARGIN

Section 8.11 of the City of Warren Charter limits the net bonded indebtedness incurred for all public purposes to ten percent of the assessed value of all the real and personal property in the City. In computing such net bonded indebtedness, money borrowed under the provisions of special assessment bonds, revenue bonds, mortgage bonds, Michigan transportation bonds, calamity bonds, and tax anticipation notes are excluded. In addition, resources of the debt service fund pledged for the retirement of any outstanding bonds is deducted from the amount of bonded indebtedness. At June 30, 2007, the legal debt limit exceeded net bonded indebtedness by \$590,352,485.

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS

The City's post-employment health and dental benefits are administered under a combination of premium based, self-insurance, and/or Medicare coverage plans. In general, if a retiree or members of his immediate family are entitled to retirement benefits under the City Employees Retirement System or the Police and Fire Retirement System then they are entitled to the post-retirement health and dental insurance benefits. Currently, the City provides 100 percent of the cost of health insurance and either 50 percent or 100 percent of dental coverage dependent upon the coverage selected. Some collective bargaining agreements include language that employees will pay either 50 percent or 25 percent of their health insurance upon retirement dependant on age and years of service. There are currently no retirees under the provisions of these contracts. The most recent collective bargaining agreements include provisions for an Individual Retirement Health Plan. During employment, the City will contribute 1% of the employee's wages and the employee will contribute 1% to 5% of wages into the plan. At retirement, the employee will not be provided retiree health insurance under any of the City's existing plans. Likewise, there are currently no retirees under the provisions of these contracts.

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust:

Plan Description. Established by City Ordinance and collective bargaining agreements, the City of Warren General Employees' Retirement System is the administrator of a single-employer public employee' Voluntary Employee Benefit Association (VEBA) Trust.

At December 31, 2004, the date of the most recent valuation, the plan consisted of 464 active participants, 517 retired participants and 34 inactive vested participants.

The Trust is created for the exclusive purpose of providing funding for health, life and disability benefits for those retirees and beneficiaries eligible to receive such retirement benefits under the City of Warren General Employees Retirement System and Defined Contribution Plan.

Summary of Significant Accounting Policies. The financial statements of the Trust are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed. Retiree health, life and disability benefits are recognized in the period incurred.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price.

Funding Policy. Contributions to the plan represent 23.02% of covered payroll for the months of July, 2006 through December, 2006 in accordance with the actuarial valuation of December 31, 2001 and 27.13% of covered payroll for the months of January, 2007 through June, 2007 in accordance with the actuarial valuation of December 31, 2004.

Funded Status and Funding Progress. The funded status of the plan as of the most recent actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b -a] / c)
12/31/04	\$15,033,329	\$114,898,479	\$99,865,150	13.08%	\$27,560,084	362.35%

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

For the fiscal year ended June 30, 2007 contributions to the plan totaled \$7,140,097 and post-employment health benefits totaled \$6,671,371. For the current year and the preceding two years, the plan's *other postemployment benefits* (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2007	\$6,671,371	107.03%	\$ -
06/30/2006	6,468,530	101.58	-
06/30/2005	5,617,418	117.64	-

Additional information from the most recent actuarial valuation is as follows: 1.) individual entry age actuarial cost method, 2.) unfunded actuarial accrued liabilities are being amortized over a 30 year period, and 3.) actuarial assumptions include investment returns of 7.5% per year, medical inflation rate of 5.0% and salary increases of 5.0%.

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-35.

Police and Fire Retirement Health Benefits Plan and Trust:

Plan Description. The Police and Fire Retirement Benefits Plan and Trust, an irrevocable trust, is the administrator of a single-employer public employees' health and benefits plan that covers substantially all of the police and fire retirees of the City. The board of trustees is made up of five individuals. Two trustees are appointed by the mayor. The police employees and the fire employees each have their own elected trustees. The city treasurer is also required by city ordinance to be a member of the board.

At December 31, 2003, the date of the most recent valuation, the plan consisted of 416 active participants, 383 retired participants and 6 inactive vested participants.

Summary of Significant Accounting Policies. The Plan and Trust's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenue in the period in which they are earned. Insurance and other costs are recognized when due and payable in accordance with the terms of the Plan and Trust.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price.

Funding policy. Contributions to the plan represent 13.44% of covered payroll for active members of the Police and Fire Defined Benefit Plan for the months of January 2006 through June 2006 and 24.24% of covered payroll for the months of July 2006 through December 2006 in accordance with the actuarial valuation of December 31, 2003 using the individual entry age actuarial cost method.

Funded Status and Funding Progress. The funded status of the plan as of the most recent actuarial valuation is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ([b -a] / c)</u>
12/31/03	\$ - (1)	\$116,492,235	\$116,492,235	N/ A %	\$29,400,497	396.23%

(1) On December 30, 2004, the City provided initial funding to the plan with a transfer of \$17.069 million.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

For the fiscal year ended December 31, 2006, contributions to the plan totaled \$6,009,872 and post-employment health benefits totaled \$6,468,425. For the current year and the preceding two years, the plan's *other postemployment benefits* (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2006	\$ 6,468,425	92.91%	\$ -
12/31/2005	6,819,017	62.15	-
12/31/2004 (1)	2,514,639	86.11	-

(1) For the six month period ending December 31, 2004.

Additional information from the most recent actuarial valuation is as follows: 1.) individual entry age actuarial cost method, 2.) unfunded actuarial accrued liabilities are being amortized over a 30 year period, and 3.) actuarial assumptions include investment returns of 7.5% per year, medical inflation rate of 5.0% and salary increases of 5.0%.

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-36.

2. PENSION PLANS

The City has two separate defined benefit single employer pension plans and a defined contribution pension plan covering substantially all full-time employees.

Employees' Retirement System Defined Benefit Plan:

Plan Description. Established under General City Ordinance on January 1, 1958, the City of Warren Employees' Retirement System is the administrator of a single-employer public employees' retirement system that covers all full time employees, except police and fire personnel.

The System provides retirement, disability and death benefits to plan members and their beneficiaries. The obligation to contribute to and maintain the System for these employees was established by City ordinance and negotiation with the various collective bargaining units. At December 31, 2006, membership consisted of 534 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 234 current active employees.

The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the City of Warren Employees' Retirement System, One City Square, Suite 415, Warren, Michigan 48093-5287.

Summary of Significant Accounting Policies. The financial statements of the Employees' Retirement System are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Pension benefits and refund of contributions are recognized in the period such payments are made.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price.

The assets of the Employees' Retirement System include no loans to any participants or officers of the System, City officials or any other related party.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

2. PENSION PLANS (continued)

Funding Policy. The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an Aggregate actuarial funding method. Employer contributions represented 37.68% of covered payroll for the period of January 1, 2006 through June 30, 2006 in accordance with the actuarial valuation dated December 31, 2003 and 42.59% of covered payroll for the period of July 1, 2006 through December 31, 2006 in accordance with the actuarial valuation dated December 31, 2004. Employees are not required to contribute to the System. Amounts shown as employee contributions represent purchase of prior service credit. Administrative costs are financed through investment earnings.

Reserves. A description of each legally required reserve and its fully funded balance at December 31, 2006 is as follows:

Reserve for Employees' Contribution: \$ 412,984

Composed of accumulated contributions by active employees plus interest thereon.

Reserve for Employer's Contribution: \$ 1,355,764

Composed of accumulated City contributions, net of amounts transferred for the payment of pensions to the Reserve for Retirees' Benefit Payments plus interest thereon.

Reserve for Retirees' Benefit Payments: \$ 125,722,952

Actuarially determined to provide sufficient resources for annuity payments. Upon retirement of an employee, expected future benefit payments are computed and transfers are then made into this reserve from the Reserve for Employees' Contribution and Employer's Contribution. This account is credited annually with interest from the Reserve for Undistributed Income.

Reserve for Undistributed Income: \$ 4,581,746

Composed of net investment income less expenditure for other services and charges, and interest transferred to the Reserves for Employees' Contribution, Employer's Contribution and Retirees' Benefit Payments.

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due is presented as required supplementary information on Exhibit C-33. The City has made all actuarially required contributions, and there is no net pension obligation.

Police and Fire Retirement System Defined Benefit Plan:

Plan Description. The Police and Fire Retirement System is the administrator of a single-employer public employees' retirement system that covers substantially all police and fire employees of the City.

The System provides retirement, disability and death benefits to plan members and their beneficiaries. The obligation to contribute to and maintain the System for these employees was established by City ordinance and negotiation with the police and fire collective bargaining units. At December 31, 2005, the date of the most recent actuarial evaluation, membership consisted of 399 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 380 current active employees.

The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the City of Warren Police and Fire Retirement System, One City Square, Suite 415, Warren, Michigan 48093-5287.

Summary of Significant Accounting Policies. The System's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

2. PENSION PLANS (continued)

Funding Policy. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are intended to accumulate sufficient assets to pay pension benefits when due.

Police and Fire employment contracts provide for direct employee pension contributions of 1.0 percent of payroll for all police and fire employees hired prior to July 1, 2000 and 5.0 percent of payroll for all police employees hired after July 1, 2000. In addition, the agreements provide that current City contributions of 4.0 percent of payroll be made on behalf of all police and fire employees hired prior to July 1, 2000. Under the terms of the contracts, these employer contributions made on behalf of the employees are effectively treated as direct employee contributions and are, therefore, recorded in the reserved net asset balance for the employee contributions.

Administrative costs of the plan are financed through investment earnings.

Reserves. As of December 31, 2006, the System's legally required reserves have been fully funded as follows:

Reserve for employees' contributions	\$ 19,566,891
Reserve for retired benefit payments	171,983,955

Defined Contribution Plan and Trust

Plan Description. The Defined Contribution Plan and Trust was approved by the Warren City Council at their meeting of April 8, 1997. The plan is administered by the International City Management Association Retirement Corporation (ICMA). Participation in the plan is extended to all full time employees, other than police and fire personnel. Employees were allowed to transfer the actuarially determined value of prior service credit from the City Employees' Retirement System to the Defined Contribution Plan upon adoption of the plan and settlement of respective collective bargaining agreements. Employees hired after ratification of the respective collective bargaining agreements are automatically enrolled in the Defined Contribution Plan. There were 210 active participants in the plan as of June 30, 2007.

Funding Policy. For employees transferring from the Defined Benefit Pension Plan to the Defined Contribution Plan, the City contributes 15.0% of payroll and the employee contributes 3.0%. For employees hired after ratification of their respective union contracts, the City contributes 10.0% of payroll and the employee contributes 4.0%.

Qualified Excess Benefit Arrangement (QEBA) Trust

Plan Description. The City Employees' Retirement System provides retirement benefits to its participants. Because of statutory limitations on benefits set forth in Section 415(b) of the Internal Revenue Code, certain participants do not receive their full benefits under the Employees' Retirement System. Congress has recognized that governmental employers who sponsor tax-qualified retirement plans have contractual obligations to provide full retirement benefits to their employees, regardless of the limitations of Section 415(b). Thus, pursuant to Section 415(m), a governmental plan may include a qualified excess benefit arrangement that allows the payment of the full benefit to plan participants, without jeopardizing the tax-qualified status of the governmental plan. The benefits provided by the QEBA shall equal the "excess benefit" of the participants. The "excess benefit" of a participant shall equal the difference between (i) the annual benefit that would be payable to the participant pursuant to the terms of the City Employees' Retirement System without application of Section 415(b) limitations, and (ii) the annual benefit actually paid to the participant by the City Employees' Retirement System in accordance with the limitations of Section 415(b).

Summary of Significant Accounting Policies. The System's financial statements are prepared using the accrual basis of accounting. Employer contributions and benefit payments are recognized as revenue or expense in the period when due.

Investments are reported at fair value.

Funding Policy. No benefits payable under the QEBA shall be paid from the Employees' Retirement System. Rather the amounts due under the QEBA shall be paid directly by the City in an amount sufficient to pay the "excess benefits" when due.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

3. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

In accordance with the provision of IRC Section 457, subsection (g), plan assets are held for the exclusive benefit of employees in a trust or qualifying insurance contract in an amount equal to the fair market value of the deferred account maintained with respect to each participant.

The City's primary responsibility is to process employee payroll withholdings and remits the withheld funds to the plan administrators. The City does not perform any investing function. Accordingly, due to the absence of fiduciary responsibility with respect to these funds, deferred compensation plan assets are not reported in the accompanying financial statements.

4. PROPERTY TAXES

Property taxes are levied each July 1 on the taxable value of property located in the City as of the preceding December 31. The schedule below reports the taxable value and state equalized value of real and personal property, including Industrial Facilities and Obsolete Property Rehabilitation Act Exemption Tax Rolls as billed on July 1, 2006. During the fiscal year, values may be amended through judgments of the State Tax Commission, Michigan Tax Tribunal or Board of Review.

	<u>Taxable Value</u>		<u>State Equalized Value</u>	
Real Property	\$ 3,827,356,780	75.92%	\$ 4,733,145,160	79.53%
Personal Property	757,977,563	15.03	758,099,739	12.74
Industrial Facilities Exemption	449,211,979	8.91	451,757,859	7.59
Obsolete Property Rehabilitation	<u>7,080,800</u>	<u>0.14</u>	<u>8,082,830</u>	<u>0.14</u>
	<u>\$ 5,041,627,122</u>	<u>100.00%</u>	<u>\$ 5,951,085,588</u>	<u>100.00%</u>

On November 7, 1978, Article 9, Section 6, of the 1963 Michigan Constitution was amended placing certain limitations on increases of taxes. The amendment did not, and will not, limit the levy of taxes for the payment of principal and interest on bonds or other evidences of indebtedness outstanding at the time the amendment became effective; nor will the amendment limit taxes imposed for the payment of bonds or other indebtedness issued, or incurred, after their effective date if said bonds, or other indebtedness have been approved by the voter.

On March 15, 1994, Michigan voters passed Proposal A which places a limit on the value used to compute property taxes. Effective with the July 1, 1995 levy, property taxes are calculated using a Taxable Value. The Taxable Value is the lower of the 2006 State Equalized Value or the 2006 Capped Value. The State Equalized Value is the Assessed Value (representing fifty percent of the true cash value) multiplied by the Equalization Factor (currently equal to 1.000). The Capped Value is calculated by using the 2005 Taxable Value minus losses times the lower of 1.05 or the 2005 Consumer Price Index for the twelve months ended September 30 plus any additions.

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

4. PROPERTY TAXES (continued)

The tax levy for July 1, 2006 was based on the following rates: (per \$1,000 of Taxable Valuation)

	<u>Millage Rate Levied</u>	<u>Maximum Authorized Millage Rate</u>	
		<u>By City Charter</u>	<u>By State Law</u>
General Operating	8.7724	9.000	8.7724
Library	.4873	.500	.4873
Emergency Medical Service	.2923	.300 (extra voted; indefinite)	.2923
Recreation	.9746	1.000 (extra voted; indefinite)	.9746
Police and Fire Pension Requirements	2.5748	-	Not to exceed author- ized contribution - Act 345, P.A. of Michigan 1937 as amended.
Refuse Collection and Disposal	1.8918	-	3.000 Act 298, P.A. of Michigan 1917, as amended, subject to Headlee limitation of 2.9240
Police Protection	.9746	.9798 (extra voted; thru levy of July 1, 2018)	.9746
Fire and Emergency Medical Service	.9746	.9798 (extra voted; thru levy of July 1, 2018)	.9746

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City utilizes a combination of self-insurance and commercial insurance. All coverage is premium based with the following exceptions.

The City's is self-insured for non-HMO medical benefits afforded to employees and retirees. The program is liable for the first \$200,000 per person. The City has purchased an insurance policy to cover any cost over the \$200,000 limitation, not to exceed the limit of \$4,800,000 lifetime per person.

The City is self-insured for workers' compensation, automobile and public entity liability insurance. The City maintains a \$350,000 Self-Insured Retention (SIR) for worker's compensation and a \$500,000 SIR for auto and public entity liability. The City has purchased additional insurance to cover potential claims in excess of the SIR.

A designation of unreserved fund balance in the amount of \$9,553,042 is reported in the fund financial statements representing potential developed claims outstanding as of June 30, 2007 as provided by the City's insurance carrier. The Water and Sewer System enterprise fund has reserved \$500,000 of net assets as of December 31, 2006, towards payment of potential self-insured medical claims. The City believes these designations are sufficient to pay potential self-insured medical, workers' compensation, automobile or public entity liability claims incurred as of their respective balance sheet dates.

Amounts reported as accrued insurance claims in the government-wide financial statements for the prior two fiscal years is as follows:

	<u>2006</u>	<u>Estimated Claims Incurred</u>	<u>Payments and Adjustments</u>	<u>2007</u>
Worker's compensation, automobile and public entity liability	\$ 3,480,671	\$ 3,302,769	\$ (2,867,042)	\$ 3,916,398
Other insurance related items	<u>2,018,467</u>	<u>4,515,107</u>	<u>(896,930)</u>	<u>5,636,644</u>
Estimated liability - end of year	<u>\$ 5,499,138</u>	<u>\$ 7,817,876</u>	<u>\$ (3,763,972)</u>	<u>\$ 9,553,042</u>

6. CONTINGENT LIABILITIES

Litigation

There are various claims and legal actions pending against the City of Warren and its various operating units, most of which are either partially or fully covered by insurance. The City maintains Public Entity Liability Coverage with a \$10 million limit. It is the opinion of management that any potential claims not covered by insurance would not materially affect the financial statements of the City.

7. UNAVAILABLE ASSETS HELD BY OTHER GOVERNMENTAL UNIT

The Macomb County Department of Public Works is holding \$5,672,263 of funds for the City of Warren to be used for the maintenance, construction, and debt service of drain construction projects within the City of Warren.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

D. OTHER INFORMATION

8. JOINT VENTURE

The City is a member of the South Macomb Disposal Authority, which provides refuse disposal services to participating municipalities in Macomb County, Michigan. Other members include the cities of Center Line, Roseville, Eastpointe and St. Clair Shores, Michigan. The City appoints one member to the joint venture's governing board, who then approves the annual budget. Complete financial statements for the South Macomb Disposal Authority can be obtained from the administrative offices at 2001 Pleasant Avenue, Box 286, St. Clair Shores, Michigan 48080.

9. SUBSEQUENT EVENTS

On October 23, 2007, City Council approved a settlement agreement with its prior insurance carrier and agent. Under the terms of the agreement, the City will receive \$1.0 million and be required to pay \$410,000 to settle prior claims. The carrier will continue to provide coverage to the City, within certain limitations, regarding two outstanding claims. At this time, the City is unable to determine what its potential exposure may be relative to settling these claims.

General elections were held on November 6, 2007 for the purpose of selecting a new Mayor, a new City Clerk, and a new City Treasurer. No incumbents ran for re-election to these positions due to term limitations. The election also included selecting the nine member City Council. Five City Council positions were vacant; three due to term limits and two due to members running for other elected positions. The election resulted in a City Council composed of five new members and four incumbents.

(Continued)

CITY OF WARREN, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF WARREN, MICHIGAN
SUMMARY BUDGETARY COMPARISON SCHEDULE
REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES AND USES

GENERAL FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$ 61,189,427	\$ 61,189,427	\$ 63,707,694	\$ 2,518,267	\$ 60,386,167
Licenses and permits	2,007,000	2,007,000	2,329,132	322,132	2,420,993
Intergovernmental:					
Federal revenue	47,000	368,730	596,689	227,959	1,604,251
State revenue	15,046,446	15,481,965	15,359,825	(122,140)	15,919,836
Local revenue	620,000	620,000	667,972	47,972	632,224
Charges for services	767,000	768,150	741,277	(26,873)	1,114,413
Fines and fees	4,604,500	4,604,500	4,985,395	380,895	4,991,922
Interest on investments	1,600,000	1,600,000	3,668,469	2,068,469	2,617,658
Miscellaneous	5,295,350	5,295,350	6,166,481	871,131	7,011,128
Total revenues	<u>91,176,723</u>	<u>91,935,122</u>	<u>98,222,934</u>	<u>6,287,812</u>	<u>96,698,592</u>
Expenditures:					
General government	26,711,734	26,869,863	24,795,056	2,074,807	25,555,753
Public safety	59,629,033	63,992,876	61,292,114	2,700,762	56,883,739
City development	5,620,555	5,977,952	5,236,345	741,607	4,791,022
Highways and streets	2,550,000	2,550,000	2,373,061	176,939	2,395,887
Recreation and culture	58,075	58,225	40,688	17,537	32,874
Debt service	209,871	209,871	209,871	-	309,224
Total expenditures	<u>94,779,268</u>	<u>99,658,787</u>	<u>93,947,135</u>	<u>5,711,652</u>	<u>89,968,499</u>
Excess (deficiency) of revenues over expenditures	<u>(3,602,545)</u>	<u>(7,723,665)</u>	<u>4,275,799</u>	<u>11,999,464</u>	<u>6,730,093</u>
Other financing sources (uses):					
Transfer from:					
Drug forfeiture fund	115,000	115,000	115,000	-	110,000
Transfer to:					
Michigan transportation operating funds	(179,308)	(179,308)	(215,444)	(36,136)	(177,720)
Water and Sewer System	(70,000)	(70,000)	(70,000)	-	(67,000)
Building Authority debt funds	(955,000)	(955,000)	(945,135)	9,865	(900,955)
Total other financing sources (uses)	<u>(1,089,308)</u>	<u>(1,089,308)</u>	<u>(1,115,579)</u>	<u>(26,271)</u>	<u>(1,035,675)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	<u>(4,691,853)</u>	<u>(8,812,973)</u>	<u>3,160,220</u>	<u>11,973,193</u>	<u>5,694,418</u>
Fund balance transfers:					
Recreation Special Revenue Fund	-	-	(402,631)	(402,631)	-
Library Special Revenue Fund	-	-	(17,827)	(17,827)	-
District Court Building Renovation Fund	-	-	(206,590)	(206,590)	-
Fund balance - beginning of year	<u>52,922,453</u>	<u>52,922,453</u>	<u>52,922,453</u>	<u>-</u>	<u>47,228,035</u>
Fund balance - end of year	<u>\$ 48,230,600</u>	<u>\$ 44,109,480</u>	<u>\$ 55,455,625</u>	<u>\$ 11,346,145</u>	<u>\$ 52,922,453</u>

See accompanying notes to financial statements.

EXHIBIT C-2

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ 58,703,184	\$ 58,703,184	\$ 60,180,239	\$ 1,477,055	\$ 57,378,297
Industrial facilities	917,243	917,243	1,399,059	481,816	1,085,902
Interest and penalties	190,000	190,000	602,903	412,903	467,971
Payment in lieu of taxes- trailer parks and senior citizen housing	29,000	29,000	31,304	2,304	31,334
Administration fee	1,350,000	1,350,000	1,494,189	144,189	1,422,663
	<u>61,189,427</u>	<u>61,189,427</u>	<u>63,707,694</u>	<u>2,518,267</u>	<u>60,386,167</u>
Licenses and permits:					
Building permits	900,000	900,000	751,364	(148,636)	954,828
Electrical permits	190,000	190,000	261,390	71,390	194,894
Mechanical permits	180,000	180,000	247,981	67,981	194,309
Plumbing permits	200,000	200,000	502,710	302,710	486,084
Plan review fees	190,000	190,000	151,567	(38,433)	183,702
Sidewalk permits	15,000	15,000	30,811	15,811	21,573
Zoning permits and fees	150,000	150,000	176,365	26,365	172,188
Animal licenses	22,000	22,000	27,539	5,539	26,982
Other licenses and permits	160,000	160,000	179,405	19,405	186,433
	<u>2,007,000</u>	<u>2,007,000</u>	<u>2,329,132</u>	<u>322,132</u>	<u>2,420,993</u>
Intergovernmental:					
Federal revenue:					
Civil defense grant	47,000	47,000	52,686	5,686	51,194
Local Law Enforcement Grant	-	-	44,581	44,581	118,850
Metro Medical Response Grant	-	-	212,264	212,264	12,263
I.C.T.P. Grant	-	-	-	-	1,365,618
Bullet Proof Vest Grant	-	-	4,583	4,583	6,799
Bureau of Justice Assistance Grant	-	-	50,000	50,000	-
U.S. Department of Justice Grant	-	245,791	180,820	(64,971)	-
Cities Readiness Grant	-	75,939	51,755	(24,184)	-
Domestic Preparedness Equipment Grant	-	-	-	-	49,527
	<u>47,000</u>	<u>368,730</u>	<u>596,689</u>	<u>227,959</u>	<u>1,604,251</u>
State revenue:					
State shared:					
Sales and use tax	14,600,000	14,600,000	14,105,387	(494,613)	14,540,634
Liquor licenses	75,000	75,000	76,120	1,120	84,171
Grants:					
COMET Grant	29,000	29,000	27,813	(1,187)	27,666
MATS Grant	60,000	60,000	79,320	19,320	78,839
Drug Court Grant - 2004	-	-	-	-	70,691
Drug Court Grant - 2005	-	10,000	24,945	14,945	2,391
Drug Court Grant - 2006	-	30,000	13,615	(16,385)	-
Byrne Formula Grant - 2004	-	-	-	-	79,828
Byrne Formula Grant - 2005	-	-	49,012	49,012	97,097
Justice Assistance Grant - 2006	-	140,000	84,594	(55,406)	-
911 Dispatch Training Grant	100,000	100,000	165,045	65,045	149,233
Personal Property Audit Grant	-	-	-	-	138,960
Homeland Security Grant - 2004	-	-	20,896	20,896	391,980
Homeland Security Grant - 2005	-	-	350,616	350,616	-
Homeland Security Grant - 2006	-	255,519	179,566	(75,953)	-
Community Foundation of SE MI. grant	-	-	-	-	75,000
Judge's salary standardizator	182,446	182,446	182,896	450	183,346
	<u>15,046,446</u>	<u>15,481,965</u>	<u>15,359,825</u>	<u>(122,140)</u>	<u>15,919,836</u>

(Continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues, continued:					
Local revenue:					
School Liaison Officer reimbursement	275,000	275,000	275,000	-	251,718
Macomb West Nile Virus Assistance	5,000	5,000	-	(5,000)	-
Election expense reimbursement	50,000	50,000	57,477	7,477	55,994
City of Center Line court reimbursemen	290,000	290,000	335,495	45,495	324,512
	<u>620,000</u>	<u>620,000</u>	<u>667,972</u>	<u>47,972</u>	<u>632,224</u>
Charges for services:					
Police services and auctions	\$ 185,000	\$ 185,500	\$ 194,719	\$ 9,219	\$ 183,522
Fire services	20,000	20,500	12,800	(7,700)	151,581
Clerk's services	190,000	190,000	210,516	20,516	218,544
I.F.T. exemption processing fees	2,000	2,000	8,500	6,500	2,250
Planning commission	18,000	18,000	13,853	(4,147)	16,916
Site plan fees	40,000	40,000	30,099	(9,901)	49,871
Engineering and inspection fees	100,000	100,000	112,298	12,298	212,463
Weed cutting	50,000	50,000	59,240	9,240	55,305
Board of appeals - fees	22,000	22,000	27,355	5,355	27,575
Block Grant administration	85,000	85,000	2,662	(82,338)	100,000
Miscellaneous	55,000	55,150	69,235	14,085	96,386
	<u>767,000</u>	<u>768,150</u>	<u>741,277</u>	<u>(26,873)</u>	<u>1,114,413</u>
Fines and fees:					
Property maintenance	175,500	175,500	93,946	(81,554)	-
37th District Court:					
Fines and fees	4,100,000	4,100,000	4,511,835	411,835	4,632,262
Probation fees	275,000	275,000	312,495	37,495	293,750
Civil infractions	4,000	4,000	50	(3,950)	3,075
Civil fees / drug treatment	-	-	30,145	30,145	20,985
Drug Court revenue	50,000	50,000	36,924	(13,076)	41,850
	<u>4,604,500</u>	<u>4,604,500</u>	<u>4,985,395</u>	<u>380,895</u>	<u>4,991,922</u>
Interest on investments	<u>1,600,000</u>	<u>1,600,000</u>	<u>3,668,469</u>	<u>2,068,469</u>	<u>2,617,658</u>
Miscellaneous:					
Equipment rentals:					
Major Street Fund	365,000	365,000	548,668	183,668	481,186
Local Street Fund	705,000	705,000	531,435	(173,565)	558,398
Salt dome rental	5,000	5,000	5,000	-	5,000
Administrative fees:					
Major Street Fund	459,100	459,100	459,100	-	444,400
Local Street Fund	196,700	196,700	196,700	-	190,400
Water and Sewer System	1,531,000	1,531,000	1,531,000	-	1,482,000
Senior Citizen Housing	111,250	111,250	111,250	-	107,700
Library	44,500	44,500	44,500	-	43,100
Recreation	89,100	89,100	89,100	-	86,300
Sanitation	786,800	786,800	786,800	-	761,700
Communications	103,500	103,500	103,500	-	100,200
Downtown Development Authority	598,400	598,400	598,400	-	579,300
Court building rental	250,000	250,000	250,000	-	250,000
Medicare prescription drug subsidy	-	-	812,078	812,078	-
Sale of property and equipmen	50,000	50,000	98,950	48,950	1,921,444
	<u>5,295,350</u>	<u>5,295,350</u>	<u>6,166,481</u>	<u>871,131</u>	<u>7,011,128</u>
Total revenues	<u>91,176,723</u>	<u>91,935,122</u>	<u>98,222,934</u>	<u>6,287,812</u>	<u>96,698,592</u>
Other financing sources:					
Transfer from:					
Drug forfeiture fund	115,000	115,000	115,000	-	110,000
Total other financing sources	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>110,000</u>
Total revenues and other financing sources	<u>\$ 91,291,723</u>	<u>\$ 92,050,122</u>	<u>\$ 98,337,934</u>	<u>\$ 6,287,812</u>	<u>\$ 96,808,592</u>

EXHIBIT C-3

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government:					
Council:					
Personal services:					
Elected officials	\$ 247,986	\$ 247,986	\$ 247,986	\$ -	\$ 247,986
Permanent employees	248,305	248,305	225,598	22,707	250,828
Clerical co-op	2,000	2,000	7,209	(5,209)	2,822
Overtime	4,000	4,000	2,244	1,756	2,216
Employee benefits:					
Social security	40,048	40,347	38,293	2,054	39,706
Employee insurances	168,356	168,405	175,422	(7,017)	162,756
Retiree health insurance	129,688	129,688	125,303	4,385	120,615
Longevity	10,976	11,776	11,778	(2)	10,944
Retirement fund	108,975	108,975	95,497	13,478	99,734
Cost of living	860	860	376	484	584
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	3,000	5,000	5,000	-	6,000
Employee legal services	465	545	755	(210)	230
Office supplies	9,000	9,000	4,348	4,652	4,115
Other services and charges:					
Contractual services	13,000	13,000	5,056	7,944	2,412
Court reporter	25,500	25,500	26,100	(600)	26,025
Postage	2,500	2,500	1,198	1,302	663
Telephone	3,000	3,000	1,424	1,576	1,319
Printing and publishing	3,000	3,000	1,371	1,629	802
Total Council	1,024,259	1,027,487	978,558	48,929	983,357
Mayor:					
Personal services:					
Elected official	110,212	110,212	110,212	-	110,636
Permanent employees	373,359	373,359	353,388	19,971	326,629
Temporary employees	15,000	15,000	18,668	(3,668)	12,086
Employee benefits:					
Social security	39,073	40,039	38,354	1,685	34,406
Employee insurances	69,961	69,961	61,835	8,126	57,861
Retiree health insurance	125,544	128,964	123,479	5,485	105,471
Longevity	6,509	7,363	7,336	27	9,036
Retirement fund	81,830	82,867	81,903	964	74,230
Cost of living	1,290	1,290	536	754	731
Auto allowance	10,800	10,800	10,800	-	8,139
Uniform / cleaning allowance	-	9,000	9,000	-	-
Employee legal services	-	400	230	170	-
Office supplies	15,000	15,000	10,521	4,479	7,568
Other services and charges:					
Contractual services	4,200	4,200	2,449	1,751	2,059
Postage	8,000	8,000	859	7,141	736
Auto expense	1,000	1,000	743	257	602
Capital outlay:					
Office equipment	2,000	2,000	400	1,600	548
Total Mayor	863,778	879,455	830,713	48,742	750,738

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
37th District Court:					
Personal services:					
Elected officials	\$ 182,896	\$ 182,896	\$ 182,896	\$ -	\$ 183,599
Permanent employees	2,298,643	2,298,643	2,252,663	45,980	2,269,576
Temporary employees	95,000	95,000	135,064	(40,064)	116,723
Temporary employees - drug court	-	121,002	80,281	40,721	73,247
Overtime	2,000	2,000	754	1,246	-
Employee benefits:					
Social security	194,735	207,889	199,510	8,379	196,801
Employee insurances	561,645	562,578	535,330	27,248	518,098
Retiree health insurance	651,790	665,600	646,943	18,657	593,530
Longevity	84,687	89,487	86,718	2,769	77,336
Retirement fund	681,013	685,034	637,799	47,235	591,345
Cost of living	9,890	9,890	4,736	5,154	6,614
Uniform / cleaning allowance	29,000	61,000	61,000	-	58,000
Employee legal services	4,495	5,775	4,557	1,218	2,227
Office supplies	48,000	48,000	44,313	3,687	38,830
Other services and charges:					
Contractual services	45,000	45,000	35,110	9,890	30,093
Independent audit	16,000	16,000	14,900	1,100	14,500
Contractual services - data processing	165,000	165,000	158,063	6,937	160,094
Postage	18,000	18,000	15,802	2,198	15,447
Bank service charges	20,000	20,000	21,973	(1,973)	20,541
Transcripts	500	500	-	500	69
Drug Court expense	50,000	50,000	39,783	10,217	41,104
W.R.A.P. Drug Court expense	-	6,999	-	6,999	476
Michigan Drug Court Enhancement Grant 2005 exp.	-	-	-	-	44,340
Michigan Drug Court grant 2005 expense	-	47,609	30,142	17,467	-
Michigan Drug Court grant 2006 expense	-	30,000	13,900	16,100	-
Byrne Formula Grant 2004 expense	-	-	-	-	92,260
Byrne Formula Grant 2005 expense	-	27,774	17,739	10,035	55,500
Justice Assistance Grant expense	-	46,619	25,105	21,514	-
Counsel for indigent defendants	500,000	500,000	719,418	(219,418)	607,923
Witness and jury fees	28,000	28,000	20,339	7,661	19,259
Telephone	32,000	32,000	22,821	9,179	22,741
Mileage	3,000	3,000	2,087	913	2,279
Public utilities	100,000	100,000	98,494	1,506	86,443
Building rental	250,000	250,000	250,000	-	250,000
Dues and subscriptions	6,000	6,000	5,405	595	5,368
Books	13,000	13,000	11,065	1,935	10,460
Capital outlay:					
Office equipment	15,000	15,000	16,230	(1,230)	5,329
Total 37th District Court	6,105,294	6,455,295	6,390,940	64,355	6,210,152
Administrative Hearings:					
Personal services:					
Temporary employees	21,000	21,000	27,450	(6,450)	-
Employee benefits:					
Social security	1,628	1,628	2,100	(472)	-
Employee insurances	24	24	32	(8)	-
Fees and per diem	9,600	9,600	17,200	(7,600)	-
Operating supplies	5,000	5,000	3,211	1,789	-
Other services and charges:					
Contractual services	5,000	5,000	3,130	1,870	-
Postage	5,000	5,000	224	4,776	-
Telephone	-	-	510	(510)	-
Printing and publishing	7,000	7,000	-	7,000	-
Total Administrative Hearings	54,252	54,252	53,857	395	-

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

General government, continued:	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Clerk:					
Personal services					
Elected official	\$ 81,511	\$ 81,511	\$ 81,511	\$ -	\$ 81,825
Permanent employees	402,296	402,296	403,048	(752)	357,978
Seasonal employees	30,000	30,000	37,107	(7,107)	33,877
Overtime	33,000	33,000	24,150	8,850	11,015
Employee benefits:					
Social security	44,244	44,842	43,724	1,118	38,600
Employee insurances	97,816	97,865	90,539	7,326	75,145
H.S.A. expense	-	-	562	(562)	-
Retiree health insurance	120,016	122,132	121,445	687	106,291
Longevity	16,363	17,963	18,065	(102)	15,313
Retirement fund	119,542	119,827	111,666	8,161	94,815
Cost of living	1,720	1,720	851	869	946
Uniforms	190	190	190	-	190
Uniform / cleaning allowance	6,000	9,000	9,000	-	8,000
Employee legal services	930	1,050	986	64	384
Office supplies	21,000	21,000	19,807	1,193	11,754
Other services & charges					
Contractual services	25,000	25,000	11,003	13,997	9,078
Postage	35,000	35,000	10,437	24,563	12,430
Election wages	194,100	194,100	181,123	12,977	24,620
Election expense	85,000	85,000	83,253	1,747	25,469
Auto expense	1,500	1,500	946	554	1,264
Printing and publishing	60,000	60,000	48,058	11,942	43,077
Capital outlay:					
Office equipment	-	-	770	(770)	-
Total Clerk	1,375,228	1,382,996	1,298,241	84,755	952,071
Treasurer:					
Personal services:					
Elected official	81,511	81,511	81,511	-	81,825
Permanent employees	605,300	605,300	607,585	(2,285)	574,400
Seasonal employees	20,000	20,000	15,324	4,676	20,362
Overtime	11,000	11,000	14,567	(3,567)	5,003
Employee benefits:					
Social security	57,734	59,145	58,681	464	54,420
Employee insurances	136,916	137,015	131,957	5,058	114,556
H.S.A. expense	-	-	713	(713)	-
Retiree health insurance	181,240	183,600	172,325	11,275	159,171
Longevity	17,780	20,980	22,132	(1,152)	17,604
Retirement fund	198,573	198,573	172,734	25,839	163,253
Cost of living	2,365	2,365	1,065	1,300	1,471
Uniform / cleaning allowance	7,000	14,000	14,000	-	12,000
Employee legal services	1,085	1,325	1,152	173	461
Office supplies	9,500	9,500	7,031	2,469	6,866
Other services and charges:					
Contractual services	14,500	14,500	16,743	(2,243)	18,634
Postage	63,000	63,000	64,205	(1,205)	46,820
Legal fees	8,000	8,000	835	7,165	13,450
Tax statement preparation	46,000	60,175	18,189	41,986	21,499
Mileage	600	600	511	89	740
Delinquent personal property tax write off	150,000	150,000	150,000	-	125,000
Capital outlay:					
Office equipment	-	-	-	-	-
Total Treasurer	1,612,104	1,640,589	1,551,260	89,329	1,437,535

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Controller:					
Personal services:					
Appointed official	\$ 105,669	\$ 105,669	\$ 110,611	\$ (4,942)	\$ 110,594
Permanent employees	1,119,132	1,119,132	1,121,256	(2,124)	1,098,396
Clerical co-op	20,000	20,000	14,978	5,022	15,956
Overtime	32,000	32,000	33,649	(1,649)	31,570
Employee benefits:					
Social security	102,224	105,310	102,691	2,619	99,756
Employee insurances	245,342	245,788	244,112	1,676	225,451
Retiree health insurance	328,520	339,445	346,466	(7,021)	311,843
Longevity	39,593	45,468	49,984	(4,516)	40,736
Retirement fund	394,916	401,094	378,833	22,261	354,468
Cost of living	4,085	4,085	1,981	2,104	2,827
Auto allowance	3,600	3,600	3,600	-	-
Uniform / cleaning allowance	10,000	28,000	28,000	-	18,000
Employee legal services	1,395	2,115	1,741	374	691
Office supplies	21,000	21,000	20,562	438	17,804
Other services & charges:					
Contractual services	3,000	3,000	2,520	480	2,719
Postage	4,000	4,000	2,626	1,374	2,472
Mileage	1,200	1,200	706	494	1,135
Auto expense	1,200	1,200	1,085	115	772
Capital outlay:					
Office equipment	2,000	2,000	-	2,000	2,569
Total controller	2,438,876	2,484,106	2,465,401	18,705	2,337,759
Charges reimbursable via Public Act 55	(239,355)	(239,355)	(239,355)	-	(242,004)
Net Controller	2,199,521	2,244,751	2,226,046	18,705	2,095,755
Information Systems:					
Personal services:					
Permanent employees	218,818	218,818	228,007	(9,189)	225,547
Temporary employees	7,000	7,000	2,700	4,300	3,045
Overtime	10,000	10,000	14,437	(4,437)	5,766
Employee benefits:					
Social security	18,818	19,354	19,199	155	17,984
Employee insurances	40,297	40,375	42,198	(1,823)	39,044
Retiree health insurance	58,953	60,852	64,005	(3,153)	54,772
Longevity	5,349	6,149	6,116	33	4,166
Retirement fund	32,186	32,636	34,245	(1,609)	32,431
Cost of living	645	645	324	321	454
Uniform / cleaning allowance	1,000	5,000	5,000	-	2,000
Employee legal services	155	275	218	57	77
Operating supplies	5,770	5,770	4,877	893	4,268
Other services and charges:					
Contractual services	130,000	130,000	114,999	15,001	106,557
Software services	18,000	18,000	10,528	7,472	10,817
Capital outlay:					
Computer equipment	5,000	5,000	1,492	3,508	8,282
Total Information Systems	551,991	559,874	548,345	11,529	515,210

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

General government, continued:	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Legal:					
Personal services:					
Appointed official	\$ 105,760	\$ 105,760	\$ 105,822	\$ (62)	\$ 105,821
Assistant attorneys	552,594	552,594	562,952	(10,358)	548,982
Clerical staff	208,509	208,509	195,539	12,970	189,425
Part-time employees:					
Law clerks	38,000	38,000	40,592	(2,592)	35,291
Clerical co-op	10,000	10,000	12,670	(2,670)	17,700
Employee benefits:					
Social security	70,734	73,897	73,416	481	69,215
Employee insurances	129,717	130,168	130,555	(387)	123,701
Retiree health insurance	224,164	235,363	241,118	(5,755)	206,892
Longevity	23,825	30,205	29,748	457	23,356
Retirement fund	244,541	249,628	247,390	2,238	227,671
Cost of living	2,365	2,365	1,125	1,240	1,535
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	-	22,000	22,000	-	-
Employee legal services	-	400	154	246	-
Office supplies	7,500	7,500	6,610	890	5,738
Other services and charges:					
Contractual services	2,700	2,700	2,343	357	1,749
Postage	2,300	2,300	1,717	583	1,602
Legal fees	8,000	8,000	2,571	5,429	7,040
Mileage	1,200	1,200	923	277	1,094
Books, dues and subscription	23,000	23,540	17,985	5,555	17,466
Total Legal	1,658,509	1,707,729	1,698,830	8,899	1,587,878
Assessing:					
Personal services:					
Appointed official	97,019	97,019	99,311	(2,292)	99,279
Permanent employees	660,035	660,035	605,995	54,040	611,480
Seasonal employees	7,500	7,500	10,679	(3,179)	8,314
Overtime	12,000	12,000	5,772	6,228	7,536
Employee benefits:					
Social security	63,047	63,047	58,070	4,977	58,332
Employee insurances	143,265	143,265	114,801	28,464	119,862
H.S.A. expense	-	-	544	(544)	-
Retiree health insurance	203,397	203,397	178,683	24,714	178,480
Longevity	29,351	30,151	26,989	3,162	30,218
Retirement fund	285,493	285,493	254,202	31,291	233,888
Cost of living	2,580	2,580	1,200	1,380	1,615
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	9,000	13,000	12,000	1,000	18,000
Employee legal services	1,395	1,555	1,382	173	576
Office supplies	6,000	6,000	5,201	799	5,347
Other services and charges:					
Contractual services:					
Data conversion	11,000	11,000	8,500	2,500	-
Software services	12,000	12,000	7,660	4,340	14,810
Personal property audit grant expense	-	-	-	-	339,450
Postage	22,960	22,960	21,868	1,092	21,395
Board of review	5,500	5,500	5,076	424	4,482
Tax roll preparation	18,000	18,000	14,968	3,032	11,009
Auto expense	2,500	2,500	1,725	775	1,437
Total Assessing	1,595,642	1,600,602	1,438,226	162,376	1,769,110

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
D.P.W. Garage:					
Personal services:					
Clerical salaries	\$ 49,786	\$ 49,786	\$ 49,836	\$ (50)	\$ 50,754
Mechanics wages	413,002	413,002	410,174	2,828	413,710
Overtime - clerical	1,500	1,500	287	1,213	2,211
Overtime - mechanics	40,000	40,000	39,857	143	37,312
Employee benefits:					
Social security	41,241	41,241	40,228	1,013	41,244
Employee insurances	118,953	118,953	118,997	(44)	109,802
Retiree health insurance	133,036	133,036	132,576	460	124,195
Longevity	18,022	18,022	17,953	69	17,765
Retirement fund	120,984	120,984	103,204	17,780	102,338
Cost of living	1,832	1,832	942	890	1,363
Uniforms	1,520	1,520	2,051	(531)	1,520
Uniform / cleaning allowance	8,000	8,000	8,000	-	16,000
Employee legal services	1,240	1,240	1,216	24	614
Supplies:					
Operating supplies	125,000	125,000	92,804	32,196	115,131
Gasoline and diesel oil	95,000	95,000	100,165	(5,165)	88,787
Other services and charges:					
Contractual service	41,000	41,000	32,837	8,163	31,061
Telephone and radio	13,000	13,000	8,328	4,672	6,813
Vehicle maintenance	270,000	270,000	212,630	57,370	240,291
Public utilities	115,000	115,000	111,393	3,607	100,559
Building maintenance	20,000	20,000	31,641	(11,641)	-
Capital outlay:					
Capital improvements	20,000	20,000	12,288	7,712	-
Office equipment	2,000	2,000	1,118	882	442
Equipment and machinery	4,000	7,337	32,083	(24,746)	28,918
Total expenditures	<u>1,654,116</u>	<u>1,657,453</u>	<u>1,560,608</u>	<u>96,845</u>	<u>1,530,830</u>
Other uses:					
Reimbursement to Major Streets	72,154	72,154	72,154	-	-
Reimbursement to Local Streets	107,154	107,154	143,290	(36,136)	-
Total other uses	<u>179,308</u>	<u>179,308</u>	<u>215,444</u>	<u>(36,136)</u>	<u>-</u>
Total D.P.W. Garage	<u>1,833,424</u>	<u>1,836,761</u>	<u>1,776,052</u>	<u>60,709</u>	<u>1,530,830</u>
Building Maintenance:					
Personal services:					
Superintendent	72,745	72,745	72,784	(39)	69,800
Permanent employees	733,589	733,589	513,136	220,453	639,367
Seasonal employees	20,000	20,000	100,910	(80,910)	30,941
Overtime	30,000	30,000	67,914	(37,914)	24,566
Employee benefits:					
Social security	69,769	69,769	60,902	8,867	62,919
Employee insurances	241,441	241,441	168,684	72,757	189,491
Retiree health insurance	220,065	220,065	175,562	44,503	182,384
Longevity	28,500	30,100	28,594	1,506	34,636
Retirement fund	327,698	327,698	245,252	82,446	248,266
Cost of living	3,421	3,421	1,271	2,150	1,989
Uniforms	2,660	2,660	1,633	1,027	2,660
Uniform / cleaning allowance	12,000	13,000	13,000	-	22,000
Employee legal services	1,860	1,860	1,344	516	755
Supplies:					
Operating	50,000	50,000	39,160	10,840	31,182
Maintenance	70,000	70,000	47,398	22,602	34,442
Other services and charges:					
Contractual services	325,000	325,000	120,899	204,101	22,432
Vehicle maintenance	6,000	6,000	6,071	(71)	5,487
Capital outlay:					
Equipment - maintenance	17,000	17,000	8,990	8,010	1,050
Total Building Maintenance	<u>2,231,748</u>	<u>2,234,348</u>	<u>1,673,504</u>	<u>560,844</u>	<u>1,604,367</u>

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual
General government, continued:					
Civil Service - Police and Fire:					
Personal services:					
Permanent employees	\$ 49,974	\$ 49,974	\$ 51,915	\$ (1,941)	\$ 51,344
Overtime	3,000	3,000	237	2,763	439
Fees and per diem	3,000	3,000	2,000	1,000	1,700
Employee benefits:					
Social security	4,433	4,433	4,304	129	4,334
Employee insurances	9,739	9,739	5,931	3,808	7,556
Retiree health insurance	14,297	14,297	14,158	139	13,101
Longevity	2,999	2,999	3,003	(4)	2,983
Retirement fund	24,357	24,357	23,569	788	20,750
Cost of living	215	215	107	108	148
Uniform / cleaning allowance	1,000	1,000	1,000	-	2,000
Employee legal services	155	155	154	1	77
Supplies:					
Office supplies	1,400	1,400	1,130	270	557
Exams and operating supplies	26,000	26,000	11,339	14,661	120
Other services and charges:					
Postage	1,000	1,000	149	851	82
Total Civil Service - Police and Fire	141,569	141,569	118,996	22,573	105,191
Personnel:					
Personal services:					
Permanent employees	387,004	387,004	397,549	(10,545)	388,267
Temporary / Co-op	4,000	4,000	2,388	1,612	3,728
Overtime	3,509	3,509	2,177	1,332	3,157
Fees and per diem	3,000	3,000	3,000	-	3,000
Employee benefits:					
Social security	32,069	33,141	33,035	106	31,636
Employee insurances	81,311	81,441	83,458	(2,017)	77,274
Retiree health insurance	102,451	106,249	109,555	(3,306)	95,088
Longevity	12,395	13,995	13,979	16	11,425
Retirement fund	93,150	94,519	96,009	(1,490)	87,087
Cost of living	1,290	1,290	648	642	820
Uniform / cleaning allowance	2,000	10,000	10,000	-	4,000
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	310	550	448	102	154
Office supplies	6,500	6,500	5,314	1,186	3,023
Other services and charges:					
Contractual services	28,000	28,000	11,135	16,865	21,045
Contractual services -					
Employee Assistance Center	18,000	18,000	15,300	2,700	14,400
Postage	9,000	9,000	4,634	4,366	4,775
Medical services	33,500	33,500	44,110	(10,610)	33,024
Mileage	250	250	108	142	134
Printing and publishing	20,000	20,000	10,322	9,678	18,308
Insurance Line of Credit cost	5,000	5,000	-	5,000	-
Membership and dues	1,100	1,100	505	595	990
Total Personnel	847,439	863,648	847,274	16,374	804,935

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Labor Relations:					
Personal services:					
Permanent employees	\$ 78,691	\$ 78,691	\$ 82,361	\$ (3,670)	\$ 82,259
Temporary employees	3,000	3,000	4,608	(1,608)	3,168
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	6,867	7,166	7,279	(113)	6,755
Employee insurances	16,339	16,388	17,126	(738)	15,842
Retiree health insurance	21,402	22,460	22,472	(12)	19,591
Longevity	2,700	3,500	3,500	-	2,700
Retirement fund	12,841	13,126	13,060	66	12,766
Cost of living	215	215	107	108	146
Uniform / cleaning allowance	-	2,000	2,000	-	-
Employee legal services	-	80	39	41	-
Office supplies	2,000	2,000	293	1,707	495
Other services and charges:					
Arbitration expense	150,000	150,000	146,441	3,559	125,998
Printing and publishing	4,000	4,000	-	4,000	-
Membership and dues	8,000	8,000	6,725	1,275	6,789
Total Labor Relations	310,055	314,626	306,011	8,615	276,509
City Retirement:					
Retiree benefits:					
Insurance	7,100,000	7,100,000	6,113,373	986,627	5,993,630
Medicare reimbursement	550,000	550,000	527,291	22,709	468,450
Personal services:					
Accounting services	149,370	149,370	-	149,370	-
Clerical services	89,985	89,985	-	89,985	-
Temporary employees	22,750	22,750	10,420	12,330	4,795
Fees and per diem	600	600	-	600	-
Employee benefits:					
Social security	1,763	1,763	791	972	297
Employee insurances	26	26	12	14	4
Office supplies	2,500	2,500	332	2,168	108
Other services and charges:					
Contractual services	802,533	802,533	-	802,533	-
Service contracts	1,000	1,000	-	1,000	-
Disability physicals	2,000	2,000	-	2,000	-
Bank custodial fees	40,480	40,480	-	40,480	-
Conferences and workshops	10,000	10,000	-	10,000	-
Legal fees	12,000	12,000	-	12,000	-
Postage	4,500	4,500	3,895	605	3,213
Printing and publishing	2,000	2,000	297	1,703	-
Telephone	750	750	401	349	-
Insurance and bonds	18,000	18,000	-	18,000	-
Memberships and dues	750	750	-	750	-
Total city retirement	8,811,007	8,811,007	6,656,812	2,154,195	6,470,497
Charges reimbursable via Public Act 55	(1,134,618)	(1,134,618)	(16,148)	(1,118,470)	(8,417)
Charges reimbursable via VEBA Trust	(7,676,389)	(7,676,389)	(6,640,664)	(1,035,725)	(6,462,080)
Net City Retirement	-	-	-	-	-

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Police and Fire Retirement:					
Retiree benefits:					
Insurance	\$ 7,100,000	\$ 7,100,000	\$ 6,846,833	\$ 253,167	\$ 6,325,203
Medicare reimbursement	335,000	335,000	336,555	(1,555)	291,983
Personal services:					
Permanent employees	116,007	116,007	118,119	(2,112)	121,083
Overtime	5,295	5,295	5,124	171	4,634
Social security	9,860	10,159	10,134	25	10,137
Employee insurances	22,951	23,000	23,971	(971)	22,181
Retiree health insurance	31,803	32,861	33,614	(753)	30,498
Longevity	4,479	5,279	5,281	(2)	4,468
Retirement fund	41,088	41,897	41,990	(93)	38,312
Cost of living	430	430	220	210	300
Uniform / cleaning allowance	1,000	3,000	3,000	-	2,000
Employee legal services	155	235	192	43	77
Office supplies	4,620	4,620	360	4,260	599
Other services and charges:					
Contractual services	1,785,000	1,785,000	-	1,785,000	-
Independent audit	23,000	23,000	-	23,000	-
Postage	4,725	4,725	2,549	2,176	2,428
Telephone	-	-	301	(301)	-
Disability physicals	1,000	1,000	-	1,000	-
Conferences and workshops	16,837	16,837	-	16,837	-
Printing and publishing	3,360	3,360	-	3,360	-
Insurance and bonds	35,000	35,000	-	35,000	-
Total police and fire retirement	9,541,610	9,546,705	7,428,243	2,118,462	6,853,903
Charges reimbursable via Public Act 55	(2,106,610)	(2,106,610)	(244,856)	(1,861,754)	(236,717)
Charges reimbursable via VEBA Trust	(7,435,000)	(7,435,000)	(7,183,387)	(251,613)	(6,617,186)
Net Police and Fire Retirement	-	5,095	-	5,095	-
Beautification Commission:					
Personal services:					
Temporary employee	8,000	8,000	4,082	3,918	-
Employee benefits:					
Social security	620	620	312	308	-
Employee insurances	9	9	-	9	-
Office supplies	800	800	376	424	284
Other services and charges:					
Contractual services	4,000	4,000	2,100	1,900	2,124
Postage	1,000	1,000	914	86	1,241
Telephone expense	600	600	203	397	181
Mileage	800	800	818	(18)	660
Public utilities	700	700	274	426	314
School program	1,000	1,000	457	543	950
Awards committee	9,000	9,000	8,216	784	8,596
Clean up campaign	2,000	2,000	556	1,444	1,328
Installation and informational dinner meetings	1,200	1,200	828	372	739
Dial-a-helper	300	300	-	300	-
City flower plantings	1,200	1,200	999	201	-
Total Beautification Commission	31,229	31,229	20,135	11,094	16,417
Senior Health Care Services Commission:					
Other services and charges:					
Community promotion and public relations	2,500	2,500	2,500	-	2,500
Total Senior Health Care Services Commission	2,500	2,500	2,500	-	2,500

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Council of Commissions					
Office supplies	\$ 200	\$ 200	\$ 71	\$ 129	\$ 84
Other services and charges:					
Printing and publishing	300	300	-	300	-
Appreciation reception	3,000	3,000	2,732	268	2,282
Total Council of Commissions	<u>3,500</u>	<u>3,500</u>	<u>2,803</u>	<u>697</u>	<u>2,366</u>
Animal Welfare Commission					
Office supplies	600	600	380	220	271
Other services and charges:					
Operating expense	3,000	3,000	123	2,877	1,628
Education	500	500	-	500	-
Postage	100	100	-	100	10
Telephone	600	600	279	321	56
Vaccination fair	700	700	829	(129)	188
Dog park	4,000	4,000	1,437	2,563	3,244
Chipping clinic	500	500	-	500	-
Total Animal Welfare Commission	<u>10,000</u>	<u>10,000</u>	<u>3,048</u>	<u>6,952</u>	<u>5,397</u>
Administrative Unallocated Expense:					
Other services and charges:					
Education allowance	10,000	92,850	90,099	2,751	5,526
Independent audit	53,000	53,000	51,900	1,100	50,400
Tax reverted property acquisition	25,000	25,000	12,536	12,464	24,871
Unemployment costs	50,000	50,000	45,369	4,631	145,726
Professional services	375,000	375,000	228,343	146,657	174,297
Telephone and radio	80,000	80,000	58,635	21,365	67,462
Conferences and workshops	9,000	9,000	8,651	349	6,698
Community promotion	10,000	10,000	7,807	2,193	3,322
Insurance and bonds	1,950,000	1,950,000	2,255,036	(305,036)	2,174,167
Lawsuit settlements	100,000	100,000	2,250	97,750	1,874,690
Investment Policy Commission bank rating	1,000	1,000	330	670	305
401(a) Board operating expense	1,500	1,500	950	550	750
Disability Commission operating expense	1,000	1,000	228	772	103
Public utilities - court building	10,000	10,000	9,355	645	8,510
Public utilities - city hall	300,000	300,000	304,784	(4,784)	161,513
Eight Mile Road Vision Action Plan	7,500	7,500	7,370	130	7,370
HOME Program	53,000	53,000	53,000	-	45,000
Michigan Suburbs Alliance	7,000	7,000	6,912	88	6,912
Auction sale	1,000	1,000	593	407	100
Refund of taxes paid under protest	95,000	95,000	83,030	11,970	53,355
Accrued liabilities and commitments	600,000	131,015	-	131,015	-
Liability transfer:					
Accumulated sick leave	600,000	600,000	-	600,000	94,358
Compensatory time	100,000	100,000	17,983	82,017	-
Total expenditures	<u>4,439,000</u>	<u>4,052,865</u>	<u>3,245,161</u>	<u>807,704</u>	<u>4,905,435</u>
Other uses:					
Transfer to Building Authority Debt Service Funds:					
Series 2005 multiple purpose bonds	535,000	535,000	530,227	4,773	498,075
Series 2002 multiple purpose bonds	420,000	420,000	414,908	5,092	402,880
Total other uses	<u>955,000</u>	<u>955,000</u>	<u>945,135</u>	<u>9,865</u>	<u>900,955</u>
Total Administrative Unallocated Expense	<u>5,394,000</u>	<u>5,007,865</u>	<u>4,190,296</u>	<u>817,569</u>	<u>5,806,390</u>
Total expenditures	26,711,734	26,869,863	24,795,056	2,074,807	25,555,753
Total other uses	1,134,308	1,134,308	1,160,579	(26,271)	900,955
Total general government	<u>27,846,042</u>	<u>28,004,171</u>	<u>25,955,635</u>	<u>2,048,536</u>	<u>26,456,708</u>

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety:					
Fire Department:					
Personal services:					
Appointed official	\$ 104,929	\$ 104,929	\$ 104,990	\$ (61)	\$ 104,987
Firemen	9,809,860	11,162,720	11,230,293	(67,573)	10,126,011
Mechanics	153,679	209,229	179,487	29,742	153,586
Civilians and clerical	151,831	151,831	147,670	4,161	151,377
Clerical co-op	10,000	10,000	6,798	3,202	-
Overtime:					
Firemen	550,000	550,000	478,250	71,750	406,325
Mechanics	10,000	10,000	7,980	2,020	5,795
Clerical	3,000	3,000	58	2,942	-
Shift premium	270,000	270,000	255,348	14,652	268,486
Employee benefits:					
Education allowance	30,800	30,800	35,346	(4,546)	31,250
Cleaning allowance	8,000	8,000	5,123	2,877	7,500
Food allowance	105,600	105,600	103,639	1,961	105,868
Uniform / cleaning allowance	3,000	5,000	3,000	2,000	6,000
Social security	92,850	92,850	98,384	(5,534)	89,541
Holiday pay	613,132	613,132	585,761	27,371	609,401
Employee insurances	2,415,230	2,415,337	2,398,300	17,037	2,277,140
Retiree health insurance	2,916,841	3,255,795	3,224,935	30,860	1,694,410
Longevity	307,777	308,577	309,537	(960)	301,017
Retirement fund	2,688,050	2,999,729	2,977,511	22,218	2,679,935
Cost of living	24,908	24,908	11,938	12,970	18,662
Uniforms	52,350	52,350	55,257	(2,907)	52,087
Employee legal services	465	545	499	46	230
Supplies:					
EMS medical supplies	45,000	45,000	36,863	8,137	36,092
Operating supplies	73,000	73,000	43,070	29,930	39,748
Other services and charges:					
Contractual services	30,000	36,156	28,410	7,746	29,278
Fire Prevention Week	3,000	3,500	1,858	1,642	2,800
S.M.I.R.T. fund	7,500	7,500	7,500	-	7,500
Laundry	22,184	22,184	17,145	5,039	17,489
Instruction	40,000	40,000	36,913	3,087	26,146
Medical services	30,000	30,000	8,135	21,865	14,177
Telephone and radio	55,000	55,000	39,519	15,481	44,409
Vehicle maintenance	175,000	175,000	211,083	(36,083)	172,742
Public utilities	145,000	145,000	136,706	8,294	126,961
Building maintenance	48,000	48,000	40,412	7,588	33,010
Hydrant installation and repairs	30,000	30,000	30,000	-	30,000
Public fire protection (water)	60,000	60,000	60,000	-	60,000
Membership and dues	4,000	4,000	2,152	1,848	405
Capital outlay:					
Fire equipment	80,000	80,000	33,708	46,292	90,111
Cities Readiness Grant expense	-	75,939	51,755	24,184	-
Metro Medical Response Grant equipment	-	225,152	92,359	132,793	45,215
Homeland Security Grant 2006 expense	-	319,399	224,458	94,941	-
Domestic Preparedness Grant expense	-	25,262	-	25,262	63,432
Total Fire Department	21,169,986	23,884,424	23,322,150	562,274	19,929,123

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
Police Department:					
Personal services:					
Appointed official	\$ 104,929	\$ 104,929	\$ 104,325	\$ 604	\$ 104,985
Policemen	15,687,698	15,687,698	15,062,599	625,099	15,784,665
Civilians and clerical	1,927,811	1,927,811	1,825,763	102,048	1,808,236
Crossing guards	130,556	130,556	111,278	19,278	107,491
Temporary employees	40,000	40,000	30,209	9,791	43,860
Overtime - policemen	1,551,827	1,551,827	1,680,623	(128,796)	1,513,686
Overtime - civilians	35,000	35,000	19,712	15,288	19,705
Employee benefits:					
Shift premium	335,000	335,000	303,931	31,069	313,680
Gun allowance	176,250	176,250	164,556	11,694	167,811
Education allowance	57,000	57,000	58,500	(1,500)	59,000
Cleaning allowance	143,400	143,400	130,331	13,069	138,049
Uniform / cleaning allowance	18,000	480,000	462,000	18,000	29,000
Vest allowance	36,000	36,000	37,000	(1,000)	-
Social security	369,957	377,378	359,879	17,499	346,996
Holiday pay	909,563	909,563	862,135	47,428	877,841
Employee insurances	4,031,873	4,054,765	3,845,948	208,817	3,669,741
Retiree health insurance	5,134,067	5,161,083	5,002,690	158,393	3,087,779
H.S.A. expense	-	-	2,767	(2,767)	-
Longevity	417,013	417,013	393,410	23,603	413,388
Retirement fund	4,889,665	4,889,908	4,683,004	206,904	4,692,734
Cost of living	46,526	46,526	23,937	22,589	35,089
Uniforms	110,340	110,340	180,021	(69,681)	112,740
Employee legal services	2,325	2,405	2,330	75	1,152
Office supplies	80,000	80,000	52,259	27,741	58,194
Other services and charges:					
Operating expense	52,000	52,000	38,120	13,880	27,304
Ammunition	32,000	32,000	26,426	5,574	26,652
Contractual services	325,000	325,000	268,991	56,009	262,897
Postage	6,500	6,500	5,252	1,248	5,091
Special investigations	10,000	10,000	10,000	-	7,000
Prisoners' food	30,000	30,000	30,369	(369)	32,345
Crime prevention	6,000	6,000	6,285	(285)	5,825
Instruction	56,000	56,000	35,777	20,223	40,847
911 Dispatch training expense	10,000	10,000	1,647	8,353	5,649
Telephone and radio	140,000	140,000	86,928	53,072	131,559
Vehicle maintenance	260,000	260,000	284,606	(24,606)	272,474
Community promotion	1,500	1,500	248	1,252	947
Youth Athletic League	6,000	6,500	3,796	2,704	4,708
DARE operating expense	20,000	20,000	19,503	497	19,132
Public utilities	195,000	195,000	188,449	6,551	182,312
Building maintenance	70,000	70,000	36,295	33,705	59,726
Capital outlay:					
Capital improvements	-	-	-	-	46,751
Office equipment	37,142	40,422	25,436	14,986	24,844
Fleet turnover	344,800	344,800	339,010	5,790	15,596
Police equipment	42,926	45,141	38,065	7,076	20,169
911 equipment	80,000	161,241	-	161,241	84,292
Law Enforcement Grant equipment	-	49,535	49,535	-	137,720
State Domestic Preparedness Grant	-	16,528	-	16,528	1,840
Federal Bureau of Justice Assistance Grant expense	-	50,000	50,000	-	-
U.S. Department of Justice Grant expense	-	245,791	180,820	64,971	-
Interoperable Communications Grant expense	-	82,640	-	82,640	1,365,618
Total Police Department	37,959,668	39,011,050	37,124,765	1,886,285	36,167,120

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
Animal Control:					
Personal services:					
Permanent employees	\$ 99,778	\$ 99,778	\$ 97,775	\$ 2,003	\$ 95,424
Temporary employees	9,000	9,000	5,400	3,600	9,728
Overtime	3,000	3,000	3,359	(359)	507
Employee benefits:					
Social security	9,083	9,083	8,548	535	8,547
Employee insurances	24,190	24,190	25,142	(952)	23,140
Retiree health insurance	27,051	27,051	26,748	303	23,527
Longevity	2,994	2,994	2,982	12	1,978
Retirement fund	29,103	29,103	27,316	1,787	24,184
Cost of living	430	430	219	211	295
Uniforms	760	760	1,141	(381)	379
Uniform / cleaning allowance	2,000	2,000	2,000	-	4,000
Employee legal services	310	310	307	3	154
Operating supplies	1,200	1,200	1,178	22	1,181
Other services and charges:					
Animal collections	60,000	60,000	42,576	17,424	43,844
Vehicle maintenance	6,000	6,000	5,715	285	5,130
Capital outlay:					
Vehicles	21,500	21,500	20,044	1,456	-
Total Animal Control	296,399	296,399	270,450	25,949	242,018
Civil Defense:					
Personal services:					
Policemen	86,776	86,776	90,761	(3,985)	88,829
Overtime	3,500	3,500	2,084	1,416	1,664
Shift premium	250	250	8	242	5
Employee benefits:					
Gun allowance	750	750	750	-	750
Cleaning allowance	600	600	600	-	600
Vest allowance	1,000	1,000	1,000	-	-
Holiday pay	4,673	4,673	4,672	1	4,658
Employee insurances	17,864	17,864	18,367	(503)	16,670
Retiree health insurance	24,052	24,292	24,830	(538)	13,538
Longevity	3,100	3,100	3,100	-	3,100
Retirement fund	22,148	22,148	22,046	102	21,607
Cost of Living	167	167	85	82	123
Uniforms	600	600	-	600	600
Uniform / cleaning allowance	-	1,000	1,000	-	-
Operating supplies	300	300	-	300	-
Other services and charges:					
Contractual services	23,000	23,000	19,874	3,126	11,595
Public utilities	100	100	878	(778)	130
Capital outlay:					
State Homeland Security Grant '04 expense	-	45,406	24,021	21,385	371,657
State Homeland Security Grant '05 expense	-	551,377	348,746	202,631	-
Total Civil Defense	188,880	786,903	562,822	224,081	535,526
Crime Commission:					
Office supplies	1,200	1,200	175	1,025	801
Other services and charges:					
Contractual services	2,500	2,500	2,100	400	1,350
Telephone	400	400	288	112	254
Community promotion and public relations	7,000	7,000	6,221	779	4,869
Public utilities	3,000	3,000	3,143	(143)	2,678
Total Crime Commission	14,100	14,100	11,927	2,173	9,952
Total public safety	59,629,033	63,992,876	61,292,114	2,700,762	56,883,739

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development:					
Engineering and Inspections:					
Personal services:					
Engineers and inspectors	\$ 374,252	\$ 374,252	\$ 379,768	\$ (5,516)	\$ 382,991
Clerical	94,315	94,315	96,738	(2,423)	95,805
Temporary employees - inspection	45,000	45,000	19,217	25,783	18,853
Overtime - engineers and inspectors	140,000	140,000	98,770	41,230	143,947
Overtime - clerical	3,000	3,000	2,999	1	3,492
Employee benefits:					
Social security	53,238	53,238	45,121	8,117	50,485
Employee insurances	102,501	102,501	94,444	8,057	95,573
Retiree health insurance	160,482	161,323	151,916	9,407	152,659
Longevity	22,569	22,569	22,790	(221)	22,497
Retirement fund	237,559	237,724	207,219	30,505	207,993
Cost of living	1,790	1,790	1,057	733	1,682
Uniforms	950	950	950	-	950
Uniform / cleaning allowance	6,000	8,000	8,000	-	12,000
Employee legal services	930	970	947	23	474
Office supplies	15,000	15,000	9,576	5,424	8,238
Other services and charges:					
Software services	7,500	7,500	6,616	884	2,375
Contractual services - engineering and inspections	35,000	117,523	35,416	82,107	32,478
Postage	1,100	1,100	1,451	(351)	1,093
Telephone and radio	4,530	4,530	1,653	2,877	3,409
Auto expense	18,000	18,000	13,071	4,929	16,560
Public utilities	20,000	20,000	4,747	15,253	16,027
Memberships and dues	3,000	3,000	1,100	1,900	1,100
Total expenditures	1,346,716	1,432,285	1,203,566	228,719	1,270,681
Other uses:					
Transfer to Water and Sewer System	70,000	70,000	70,000	-	67,000
Total other uses	70,000	70,000	70,000	-	67,000
Total Engineering and Inspections	1,416,716	1,502,285	1,273,566	228,719	1,337,681
Property Maintenance:					
Personal services:					
Permanent employees	185,322	185,322	187,095	(1,773)	184,587
Seasonal employees	25,000	25,000	31,246	(6,246)	47,282
Overtime	2,506	2,506	-	2,506	-
Employee benefits:					
Social security	17,315	17,580	17,689	(109)	18,523
Employee insurances	30,174	30,246	29,236	1,010	28,016
Retiree health insurance	49,602	50,542	50,318	224	44,804
Longevity	7,931	8,296	8,216	80	5,603
Retirement fund	46,907	47,127	45,659	1,468	41,914
Cost of living	645	645	322	323	439
Uniform / cleaning allowance	2,000	4,000	4,000	-	4,000
Employee legal services	310	390	346	44	154
Office supplies	10,500	10,500	6,613	3,887	5,940
Other services and charges:					
Contractual services	90,000	99,200	83,045	16,155	13,750
Weed mowing program	45,000	45,000	38,453	6,547	39,728
Rodent control program	2,500	2,500	260	2,240	415
Housing code enforcement program	100,000	100,000	109,583	(9,583)	97,437
Postage	6,800	6,800	7,627	(827)	2,012
West Nile Virus expense	5,000	5,000	-	5,000	-
Auto expense	3,500	3,500	2,291	1,209	2,711
Printing and publishing	10,000	10,000	-	10,000	-
Total Property Maintenance	641,012	654,154	621,999	32,155	537,315

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
Building Inspections:					
Personal services:					
Supervisory	\$ 170,500	\$ 170,500	\$ 91,876	\$ 78,624	\$ 101,442
Inspectors	700,695	700,695	653,659	47,036	632,883
Clerical	186,626	186,626	142,153	44,473	144,357
Clerical Co-op / Temporary	35,000	35,000	127,382	(92,382)	39,939
Overtime - inspectors	10,000	10,000	18,409	(8,409)	12,835
Overtime - clerical	2,000	2,000	3,108	(1,108)	3,130
Fees and per diem	5,000	5,000	4,831	169	3,523
Employee benefits:					
Social security	88,985	90,953	83,038	7,915	74,924
Employee insurances	196,456	196,456	150,873	45,583	134,340
Retiree health insurance	279,235	279,235	243,647	35,588	217,076
Longevity	30,861	34,519	34,469	50	32,025
Retirement fund	360,423	360,423	285,847	74,576	252,529
Cost of living	3,655	3,655	1,569	2,086	2,010
Auto allowance	3,600	3,600	-	3,600	503
Uniform / cleaning allowance	9,000	21,000	22,000	(1,000)	12,000
Employee legal services	1,395	1,395	1,255	140	538
Office supplies	20,000	20,000	15,091	4,909	12,711
Other services and charges:					
Software services	11,000	221,500	219,863	1,637	10,405
Contractual services	8,400	8,400	620	7,780	-
Contractual services - inspectors	140,000	140,000	193,637	(53,637)	172,817
Nuisance abatements:					
Title search	5,000	5,000	2,944	2,056	3,818
Demolition expense	6,000	6,000	-	6,000	-
Postage	4,200	4,200	3,335	865	3,895
Auto expense	9,000	9,000	7,555	1,445	8,232
Total Building Inspections	2,287,031	2,515,157	2,307,161	207,996	1,875,932
Public Service Director:					
Personal services:					
Appointed official	101,948	101,948	106,715	(4,767)	106,687
Permanent employees	193,024	193,024	119,799	73,225	126,905
Clerical Co-op	22,620	22,620	16,926	5,694	25,500
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	24,784	24,784	18,749	6,035	19,279
Employee insurances	63,691	63,691	49,227	14,464	46,687
Retiree health insurance	76,457	76,457	60,417	16,040	55,403
Longevity	4,994	5,794	5,755	39	4,941
Retirement fund	62,731	62,731	29,005	33,726	29,883
Cost of living	860	860	322	538	439
Uniform / cleaning allowance	1,000	5,000	5,000	-	2,000
Employee legal services	155	315	230	85	77
Office supplies	6,000	6,000	3,452	2,548	3,070
Other services and charges:					
Postage	864	864	647	217	753
Auto expense	5,000	5,000	4,442	558	4,058
Total Public Service Director	568,128	573,088	420,686	152,402	425,682
Zoning Board of Appeals:					
Meeting allowance	7,560	7,560	5,705	1,855	6,055
Office supplies	1,500	1,500	591	909	894
Other services and charges:					
Outside court reporter	6,000	6,000	5,250	750	5,500
Postage	6,500	6,500	4,407	2,093	5,688
Total Zoning Board of Appeals	21,560	21,560	15,953	5,607	18,137

(continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
Planning:					
Personal services:					
Appointed official	\$ 86,517	\$ 86,517	\$ 90,561	\$ (4,044)	\$ 90,485
Permanent employees	253,576	253,576	216,025	37,551	214,451
Co-op employees - planning aides	12,000	12,000	14,354	(2,354)	24,250
Overtime	8,000	8,000	3,622	4,378	7,845
Meeting allowance	8,820	8,820	5,495	3,325	6,545
Employee benefits:					
Social security	29,367	29,367	26,847	2,520	26,756
Employee insurances	67,787	67,787	52,635	15,152	49,140
Retiree health insurance	91,493	91,493	85,791	5,702	76,005
Longevity	11,200	13,600	13,600	-	11,197
Retirement fund	107,763	107,763	88,957	18,806	80,584
Cost of living	1,075	1,075	439	636	600
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	2,000	7,000	7,000	-	2,000
Employee legal services	310	310	243	67	77
Office supplies	10,000	10,000	6,419	3,581	2,205
Other services and charges:					
Contractual services	25,000	43,200	24,256	18,944	10,294
Tax reverted property expense	5,000	5,000	114	4,886	30,393
Postage	3,800	3,800	2,506	1,294	3,015
Mileage	1,800	1,800	644	1,156	830
Publications - advertising	6,000	6,000	3,998	2,002	3,640
Membership and dues	21,000	21,000	19,874	1,126	19,363
Total Planning	756,108	781,708	666,980	114,728	663,275
Total expenditures	5,620,555	5,977,952	5,236,345	741,607	4,791,022
Total other uses	70,000	70,000	70,000	-	67,000
Total city development	5,690,555	6,047,952	5,306,345	741,607	4,858,022
Highways and streets:					
Street Maintenance:					
Employee benefits:					
Uniforms	-	-	-	-	5,521
Operating supplies	-	-	-	-	3,632
Total expenditures	-	-	-	-	9,153
Other uses:					
Reimbursement to major streets	-	-	-	-	70,000
Reimbursement to local streets	-	-	-	-	107,720
Total other uses	-	-	-	-	177,720
Total Street Maintenance	-	-	-	-	186,873
Highway Street Lighting:					
Street lighting	2,550,000	2,550,000	2,373,061	176,939	2,386,734
Total expenditures	2,550,000	2,550,000	2,373,061	176,939	2,395,887
Total other uses	-	-	-	-	177,720
Total highways and streets	2,550,000	2,550,000	2,373,061	176,939	2,573,607

(continued)

EXHIBIT C-3 (continued)

CITY OF WARREN, MICHIGAN
 DETAILED BUDGETARY COMPARISON SCHEDULE -
 EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

Year ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Recreation and culture:					
Cultural Commission:					
Office supplies	\$ 100	\$ 100	\$ 11	\$ 89	\$ 27
Other services and charges:					
Contractual services - sound system	3,000	3,000	3,000	-	2,500
Concert band	500	500	500	-	500
Summer program	15,200	15,200	15,294	(94)	12,505
Art consultant	4,000	4,000	4,000	-	4,000
Artist in residence program	500	500	300	200	500
Winter program	4,000	4,150	4,000	150	3,031
Warren Community Chorus	500	500	500	-	500
Warren Symphony Orchestra	500	500	500	-	500
Warren Tri-County Fine Arts	500	500	500	-	500
Total Cultural Commission	28,800	28,950	28,605	345	24,563
Historical Commission:					
Office supplies	1,200	1,200	881	319	769
Other services and charges:					
Telephone and radio	250	250	203	47	166
Community promotion and public relations	2,500	2,500	2,102	398	537
Memberships and dues	400	400	240	160	335
Historical site plaques	3,300	3,300	2,207	1,093	1,048
Museum expense	4,125	4,125	3,274	851	2,167
Capital outlay:					
Office equipment	2,000	2,000	-	2,000	410
Total Historical Commission	13,775	13,775	8,907	4,868	5,432
Village Historical Commission:					
Office supplies	500	500	-	500	-
Other services and charges:					
Community promotion and public relations	2,000	2,000	-	2,000	-
Public utilities	3,000	3,000	3,176	(176)	2,879
City flower plantings	2,000	2,000	-	2,000	-
Landscaping project	8,000	8,000	-	8,000	-
Total Village Historical Commission	15,500	15,500	3,176	12,324	2,879
Total recreation and culture	58,075	58,225	40,688	17,537	32,874
Debt service:					
D.P.W. garage lease	110,517	110,517	110,517	-	110,517
Energy program - city hall	99,354	99,354	99,354	-	198,707
Total debt service	209,871	209,871	209,871	-	309,224
Total expenditures	94,779,268	99,658,787	93,947,135	5,711,652	89,968,499
Total other uses	1,204,308	1,204,308	1,230,579	(26,271)	1,145,675
Total General Fund	\$ 95,983,576	\$ 100,863,095	\$ 95,177,714	\$ 5,685,381	\$ 91,114,174

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EXHIBIT C-4

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 MICHIGAN TRANSPORTATION OPERATING FUNDS
 MAJOR STREETS

Year Ended June 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	\$ 6,250,000	\$ 6,250,000	\$ 6,280,975	\$ 30,975	\$ 6,352,609
P.A. 48 - METRO Act proceeds	-	-	-	-	386,196
County:					
Weed mowing	14,000	14,000	14,511	511	14,511
Winter maintenance	9,000	9,000	9,291	291	9,291
Interest on investments	140,000	140,000	341,963	201,963	297,770
Miscellaneous	-	-	-	-	-
Total revenues	6,413,000	6,413,000	6,646,740	233,740	7,060,377
Expenditures - highways and streets					
Administration and engineering					
Personal services					
Supervision	113,072	113,072	115,556	(2,484)	116,961
Clerical	70,270	70,270	64,700	5,570	69,944
Overtime	500	500	-	500	-
Employees benefits:					
Social security	15,094	15,545	14,905	640	15,028
Employee insurances	40,537	40,727	37,239	3,488	37,511
Retiree health insurance	48,690	50,277	49,005	1,272	45,822
Longevity	6,971	8,171	8,030	141	6,936
Retirement fund	62,789	63,741	59,651	4,090	56,909
Cost of living	645	645	298	347	439
Auto allowance	1,800	1,800	1,800	-	1,800
Education allowance	-	3,300	1,600	1,700	-
Uniform / cleaning allowance	1,500	4,500	4,500	-	3,000
Employee legal services	233	333	237	96	96
Other services and charges					
Administrative costs	459,100	459,100	459,100	-	444,400
Accumulated sick leave	49,000	49,000	-	49,000	-
Accumulated compensatory time	21,000	21,000	-	21,000	-
Total administration and engineering	891,201	901,981	816,621	85,360	798,846
Routine maintenance:					
Personal services					
Permanent employees	519,812	774,812	758,221	16,591	648,019
Temporary employees	20,800	20,800	30,225	(9,425)	24,804
Overtime	28,321	45,321	42,744	2,577	49,556
Employee benefits:					
Social security	46,463	68,108	64,068	4,040	56,014
Employee insurances	147,630	204,950	206,208	(1,258)	159,379
Retiree health insurance	144,687	217,944	204,144	13,800	165,171
Longevity	22,652	36,952	35,067	1,885	31,408
Retirement fund	223,167	330,528	314,477	16,051	239,063
Cost of living	2,124	2,124	1,670	454	1,865
Uniform / cleaning allowance	5,835	19,435	19,389	46	14,528
Employee legal services	1,240	1,960	1,837	123	885
Uniforms	1,764	2,764	1,779	985	-
Repairs and maintenance supplies	48,000	48,000	28,364	19,636	48,498
Other services and charges					
Contractual services	55,000	170,016	72,206	97,810	243,031
Joint sealing	75,000	75,000	-	75,000	-
Concrete and pavement repairs	280,000	280,000	76,100	203,900	-
Equipment rentals	260,000	410,000	455,422	(45,422)	404,155
Total routine maintenance	1,882,495	2,708,714	2,311,921	396,793	2,086,376

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
MAJOR STREETS

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personal services:					
Permanent employees	\$ 46,148	\$ 46,148	\$ 39,136	\$ 7,012	\$ 29,630
Overtime	39,855	39,855	28,580	11,275	29,049
Employee benefits:					
Social security	6,835	6,835	5,821	1,014	4,671
Employee insurances	13,106	13,106	13,425	(319)	9,741
Retiree health insurance	22,052	22,052	20,489	1,563	14,726
Longevity	2,011	2,011	1,484	527	665
Retirement fund	31,839	31,839	26,901	4,938	20,909
Cost of living	189	189	-	189	43
Uniform / cleaning allowance	-	-	-	-	217
Employee legal services	110	110	83	27	77
Uniforms	156	156	157	(1)	-
Repairs and maintenance supplies	200,000	200,000	88,083	111,917	103,299
Other services and charges:					
Contractual services	25,000	25,000	-	25,000	1,050
Equipment rentals	90,000	90,000	75,193	14,807	57,029
Salt dome rental	2,500	2,500	2,500	-	2,500
Total snow and ice control	<u>479,801</u>	<u>479,801</u>	<u>301,852</u>	<u>177,949</u>	<u>273,606</u>
Traffic services:					
Personal services:					
Permanent employees	37,536	37,536	47,498	(9,962)	48,047
Overtime	616	616	227	389	441
Employee benefits:					
Social security	3,154	3,154	4,102	(948)	4,210
Employee insurances	10,660	10,660	12,589	(1,929)	11,784
Retiree health insurance	10,178	10,178	13,494	(3,316)	12,845
Longevity	1,636	1,636	2,328	(692)	2,584
Retirement fund	15,788	15,788	15,746	42	14,886
Cost of living	153	153	78	75	139
Uniform / cleaning allowance	768	768	524	244	1,403
Employee legal services	89	89	114	(25)	62
Uniforms	127	127	128	(1)	-
Other services and charges:					
Traffic signs	10,000	10,000	6,753	3,247	8,869
Traffic signals	100,000	111,712	5,392	106,320	-
Traffic signal maintenance	198,000	198,000	222,347	(24,347)	207,015
Pavement marking	100,000	100,000	77,783	22,217	47,104
Equipment rentals	15,000	15,000	18,053	(3,053)	20,002
Total traffic services	<u>503,705</u>	<u>515,417</u>	<u>427,156</u>	<u>88,261</u>	<u>379,391</u>
Construction	<u>750,000</u>	<u>1,631,091</u>	<u>845,331</u>	<u>785,760</u>	<u>52,574</u>
Total expenditures - highways and street:	<u>4,507,202</u>	<u>6,237,004</u>	<u>4,702,881</u>	<u>1,534,123</u>	<u>3,590,793</u>
Excess (deficiency) of revenues over expenditure	<u>1,905,798</u>	<u>175,996</u>	<u>1,943,859</u>	<u>1,767,863</u>	<u>3,469,584</u>
Other financing sources (uses)					
Transfer from general fund	72,154	72,154	72,154	-	70,000
Transfers to:					
Water and Sewer System	(35,000)	(35,000)	(35,000)	-	(35,000)
Michigan transportation local street operating fund	(1,562,500)	(1,562,500)	(1,562,500)	-	(1,550,000)
1997 Act 175 - debt fund	(431,020)	(431,020)	(431,020)	-	(430,660)
2000 Act 175 - debt fund	(625,430)	(625,430)	(625,430)	-	(329,930)
2003 Act 175 - refunding debt fund	(567,835)	(567,835)	(567,567)	268	(1,000,482)
2003 Act 175 - debt fund	(279,900)	(279,900)	(279,625)	275	(281,875)
2006 Capital Improvement Bonds - debt service	-	(52,776)	(52,106)	670	-
Total other uses	<u>(3,429,531)</u>	<u>(3,482,307)</u>	<u>(3,481,094)</u>	<u>1,213</u>	<u>(3,557,947)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing use	<u>(1,523,733)</u>	<u>(3,306,311)</u>	<u>(1,537,235)</u>	<u>1,769,076</u>	<u>(88,363)</u>
Fund balance - beginning of year	<u>7,856,159</u>	<u>7,856,159</u>	<u>7,856,159</u>	<u>-</u>	<u>7,944,522</u>
Fund balance - end of year	<u>\$ 6,332,426</u>	<u>\$ 4,549,848</u>	<u>\$ 6,318,924</u>	<u>\$ 1,769,076</u>	<u>\$ 7,856,159</u>

EXHIBIT C-5

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
LOCAL STREETS

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006
	Original	Amended	Actual	Variance	Actual
	Budget	Budget			
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	\$ 2,075,000	\$ 2,075,000	\$ 2,094,911	\$ 19,911	\$ 2,119,875
P.A. 48 - METRO Act proceeds	375,000	375,000	381,552	6,552	-
Interest on investments	100,000	100,000	146,464	46,464	110,180
Miscellaneous	-	-	630	630	418
Total revenues	<u>2,550,000</u>	<u>2,550,000</u>	<u>2,623,557</u>	<u>73,557</u>	<u>2,230,473</u>
Expenditures - highways and streets					
Administration and engineering					
Personal services					
Supervision	113,072	113,072	115,556	(2,484)	116,961
Clerical	70,270	70,270	64,700	5,570	69,943
Overtime	500	500		500	-
Employees benefits:					
Social security	15,094	15,545	14,903	642	15,165
Employee insurances	40,537	40,727	37,239	3,488	37,510
Retiree health insurance	48,690	50,277	49,004	1,273	46,248
Longevity	6,971	8,171	8,030	141	6,936
Retirement fund	62,789	63,741	59,646	4,095	57,610
Cost of living	645	645	298	347	439
Auto allowance	1,800	1,800	1,800	-	1,800
Education allowance	-	3,300	1,600	1,700	-
Uniform / cleaning allowance	1,500	4,500	4,500	-	3,000
Employee legal services	233	333	237	96	96
Other services and charges					
Administrative costs	196,700	196,700	196,700	-	190,400
Accumulated sick leave	21,000	21,000	-	21,000	-
Accumulated compensatory time	9,000	9,000	-	9,000	-
Total administration and engineering	<u>588,801</u>	<u>599,581</u>	<u>554,213</u>	<u>45,368</u>	<u>546,108</u>
Routine maintenance:					
Personal services					
Permanent employees	917,756	917,756	631,526	286,230	750,041
Temporary employees	31,200	31,200	39,113	(7,913)	30,547
Overtime	65,896	65,896	35,193	30,703	51,729
Employee benefits:					
Social security	83,406	83,406	57,335	26,071	70,218
Employee insurances	260,648	260,648	192,690	67,958	203,332
Retiree health insurance	261,258	261,258	181,042	80,216	205,877
Longevity	39,994	39,994	30,376	9,618	31,452
Retirement fund	402,200	402,200	281,094	121,106	294,461
Cost of living	3,751	3,751	1,351	2,400	2,480
Uniform / cleaning allowance	17,629	17,629	9,563	8,066	28,427
Employee legal services	2,188	2,188	1,494	694	815
Uniforms	3,112	3,112	3,139	(27)	-
Repairs and maintenance supplies:					
Repairs and maintenance supplies	62,000	62,000	22,351	39,649	36,055
Other services and charges					
Contractual services	430,000	693,638	546,656	146,982	594,176
Joint sealing	155,000	155,000	240	154,760	-
Concrete and pavement repairs	415,000	415,000	177,568	237,432	-
Equipment rentals	610,000	610,000	455,157	154,843	504,885
Total routine maintenance	<u>3,761,038</u>	<u>4,024,676</u>	<u>2,665,888</u>	<u>1,358,788</u>	<u>2,804,495</u>

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
LOCAL STREETS

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personal services:					
Permanent employees	\$ 51,673	\$ 51,673	\$ 37,257	\$ 14,416	\$ 29,588
Overtime	18,665	18,665	12,545	6,120	13,558
Employee benefits:					
Social security	5,641	5,641	4,256	1,385	3,482
Employee insurances	14,675	14,675	10,820	3,855	8,819
Retiree health insurance	18,201	18,201	15,076	3,125	10,798
Longevity	2,252	2,252	1,171	1,081	650
Retirement fund	27,143	27,143	21,322	5,821	15,458
Cost of living	211	211	-	211	86
Employee legal services	123	123	86	37	17
Uniforms	175	175	177	(2)	-
Repairs and maintenance supplies	100,000	100,000	52,693	47,307	32,486
Other services and charges:					
Contractual services	20,000	20,000	-	20,000	1,050
Equipment rentals	80,000	80,000	58,337	21,663	39,088
Salt dome rental	2,500	2,500	2,500	-	2,500
Total snow and ice control	<u>341,259</u>	<u>341,259</u>	<u>216,240</u>	<u>125,019</u>	<u>157,580</u>
Traffic services:					
Personal services:					
Permanent employees	51,998	51,998	47,188	4,810	38,746
Overtime	647	647	186	461	527
Employee benefits:					
Social security	4,331	4,331	4,063	268	3,358
Employee insurances	14,768	14,768	12,639	2,129	9,909
Retiree health insurance	13,974	13,974	13,519	455	10,172
Longevity	2,266	2,266	2,193	73	1,813
Retirement fund	21,682	21,682	15,320	6,362	11,694
Cost of living	213	213	81	132	137
Uniform / cleaning allowance	768	768	524	244	1,425
Employee legal services	124	124	111	13	39
Uniforms	176	176	177	(1)	-
Other services and charges:					
Traffic signs	15,000	15,000	6,007	8,993	8,448
Traffic signal maintenance	44,000	44,000	45,160	(1,160)	41,360
Pavement marking	15,000	15,000	11,667	3,333	7,064
Equipment rentals	15,000	15,000	17,941	(2,941)	14,425
Total traffic services	<u>199,947</u>	<u>199,947</u>	<u>176,776</u>	<u>23,171</u>	<u>149,117</u>
Construction	-	-	-	-	-
Total expenditures - highways and street:	<u>4,891,045</u>	<u>5,165,463</u>	<u>3,613,117</u>	<u>1,552,346</u>	<u>3,657,300</u>
Excess (deficiency) of revenues over expenditure	<u>(2,341,045)</u>	<u>(2,615,463)</u>	<u>(989,560)</u>	<u>1,625,903</u>	<u>(1,426,827)</u>
Other financing sources (uses)					
Transfer from:					
General fund	107,154	107,154	143,290	36,136	107,720
Michigan transportation major street operating fund	1,562,500	1,562,500	1,562,500	-	1,550,000
Transfers to:					
Water and Sewer System	(35,000)	(35,000)	(35,000)	-	(35,000)
2003 Act 175 - refunding debt fund	(42,753)	(42,753)	(42,720)	33	(75,305)
Total other uses	<u>1,591,901</u>	<u>1,591,901</u>	<u>1,628,070</u>	<u>36,169</u>	<u>1,547,415</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing use	(749,144)	(1,023,562)	638,510	1,662,072	120,588
Fund balance - beginning of year	<u>2,334,221</u>	<u>2,334,221</u>	<u>2,334,221</u>	<u>-</u>	<u>2,213,633</u>
Fund balance - end of year	<u>\$ 1,585,077</u>	<u>\$ 1,310,659</u>	<u>\$ 2,972,731</u>	<u>\$ 1,662,072</u>	<u>\$ 2,334,221</u>

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

SANITATION

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ 8,172,576	\$ 8,172,576	\$ 8,391,395	\$ 218,819	\$ 7,988,329
Industrial facilities	127,697	127,697	182,653	54,956	151,178
	<u>8,300,273</u>	<u>8,300,273</u>	<u>8,574,048</u>	<u>273,775</u>	<u>8,139,507</u>
Miscellaneous:					
Transfer station royalties	120,000	120,000	120,000	-	560,000
Recycling revenue	46,000	46,000	40,312	(5,688)	39,434
Sale of equipment	-	-	8,740	8,740	812
Miscellaneous	60,000	60,000	63,633	3,633	69,326
	<u>226,000</u>	<u>226,000</u>	<u>232,685</u>	<u>6,685</u>	<u>669,572</u>
Interest on investments	110,000	110,000	225,164	115,164	160,189
Total revenues	<u>8,636,273</u>	<u>8,636,273</u>	<u>9,031,897</u>	<u>395,624</u>	<u>8,969,268</u>
Expenditures - Sanitation:					
Personal services:					
Supervisory	153,399	153,399	159,774	(6,375)	155,225
Wages-rubbish collection	1,597,153	1,597,153	1,286,737	310,416	1,415,235
Mechanics wages	222,093	222,093	200,485	21,608	171,848
Clerical	89,823	89,823	40,390	49,433	34,496
Seasonal employees - summer rubbish collection	440,000	440,000	462,872	(22,872)	362,372
Clerical co-op	-	-	23,976	(23,976)	18,502
Overtime - rubbish collection	380,000	380,000	365,628	14,372	374,180
Overtime - mechanics	33,653	33,653	33,765	(112)	31,427
Overtime - clerical	4,000	4,000	623	3,377	625
Employee benefits:					
Social security	234,291	234,291	204,787	29,504	205,234
Employee insurances	691,953	691,953	591,203	100,750	550,813
Retiree health insurance	628,723	628,723	533,029	95,694	519,694
Longevity	56,344	59,544	53,891	5,653	51,598
Retirement fund	800,947	800,947	600,017	200,930	583,583
Cost of living	9,562	9,562	4,457	5,105	6,810
Uniforms	7,220	7,220	3,725	3,495	7,220
Uniform / cleaning allowance	37,000	41,000	41,000	-	62,000
Education allowance	-	4,400	4,800	(400)	-
Employee legal services	5,735	5,735	4,646	1,089	2,457
Office supplies	14,000	14,000	14,060	(60)	10,656
Other services and charges:					
Contractual services	19,000	19,000	13,752	5,248	10,585
Hazardous waste collection	30,000	30,000	30,544	(544)	25,226
Rubbish hauling	1,503,800	1,503,800	1,361,418	142,382	1,354,735
Recycling and compost disposal	675,000	675,000	496,113	178,887	510,459
S M D A closure costs	30,000	30,000	9,191	20,809	6,819
S M D A legal and engineering costs	100,000	100,000	46,564	53,436	47,926
Unemployment	45,000	45,000	44,730	270	30,540
Telephone	5,000	5,000	4,663	337	3,744
Truck expense	250,000	250,000	186,368	63,632	181,668
Gasoline & diesel fuel	250,000	250,000	256,724	(6,724)	237,787
Community recycling & composting education	1,000	1,000	-	1,000	-
Printing and publishing	6,000	6,000	3,859	2,141	3,798
Insurance and bonds	129,200	129,200	129,200	-	125,100
Public utilities	46,000	46,000	36,969	9,031	37,747
Building maintenance	20,000	20,000	17,510	2,490	12,501
Administrative costs	786,800	786,800	786,800	-	761,700
Refund of taxes paid under protest	15,000	15,000	10,936	4,064	7,407
Estimated uncollectible taxes	10,000	10,000	10,000	-	10,000
Accumulated sick leave liability	7,000	7,000	-	7,000	-
Accumulated compensatory time liability	5,000	5,000	-	5,000	-
Capital outlay:					
Capital improvements	-	-	-	-	6,394
Office and garage equipment	8,500	8,500	9,266	(766)	1,974
Vehicles	140,308	170,308	-	170,308	132,935
Total expenditures - Sanitation	<u>9,488,504</u>	<u>9,530,104</u>	<u>8,084,472</u>	<u>1,445,632</u>	<u>8,073,020</u>
Excess (deficiency) of revenues over expenditures	(852,231)	(893,831)	947,425	1,841,256	896,248
Other financing uses:					
Transfer to Building Authority Bond Debt Fund:					
Series 2005 multiple purpose bonds	(32,000)	(32,000)	(31,639)	361	(29,720)
Series 2002 multiple purpose bonds	(25,000)	(25,000)	(24,259)	741	(23,555)
Total other financing uses	<u>(57,000)</u>	<u>(57,000)</u>	<u>(55,898)</u>	<u>1,102</u>	<u>(53,275)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(909,231)	(950,831)	891,527	1,842,358	842,973
Fund balance - beginning of year	4,791,103	4,791,103	4,791,103	-	3,948,130
Fund balance - end of year	<u>\$ 3,881,872</u>	<u>\$ 3,840,272</u>	<u>\$ 5,682,630</u>	<u>\$ 1,842,358</u>	<u>\$ 4,791,103</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 4,210,272	\$ 4,210,272	\$ 4,323,036	\$ 112,764	\$ 4,115,229
Industrial facilities	65,785	65,785	94,097	28,312	77,883
	<u>4,276,057</u>	<u>4,276,057</u>	<u>4,417,133</u>	<u>141,076</u>	<u>4,193,112</u>
Intergovernmental:					
State grants:					
Emerald Ash Borer Grant	-	-	19,985	19,985	20,000
S.M.A.R.T. Community Credit Grant	152,000	152,000	253,592	101,592	278,020
Michigan Department of Transportation	58,000	58,000	64,903	6,903	60,984
	<u>210,000</u>	<u>210,000</u>	<u>338,480</u>	<u>128,480</u>	<u>359,004</u>
Charges for services:					
Recreation fees	450,000	450,000	477,996	27,996	506,468
Warren Community Center fees	1,000,000	1,000,000	1,541,325	541,325	1,435,686
Skating rink fees	-	-	31,050	31,050	-
Ice rink concessions	-	-	12,495	12,495	-
Bingo fees	1,000	1,000	731	(269)	980
Senior transportation	25,000	25,000	24,261	(739)	19,980
Special events	45,000	45,000	44,599	(401)	44,979
Forestry - tree planting	5,000	5,000	400	(4,600)	3,007
	<u>1,526,000</u>	<u>1,526,000</u>	<u>2,132,857</u>	<u>606,857</u>	<u>2,011,100</u>
Miscellaneous:					
Lease proceeds	54,000	54,000	54,000	-	54,000
DTE Energy tree grant	-	-	-	-	3,000
Sale of equipment	-	-	5,405	5,405	850
W.C.C. brick program	-	-	200	200	500
Miscellaneous	20,000	20,000	49,123	29,123	55,464
	<u>74,000</u>	<u>74,000</u>	<u>108,728</u>	<u>34,728</u>	<u>113,814</u>
Interest on investments					
	<u>80,000</u>	<u>80,000</u>	<u>169,164</u>	<u>89,164</u>	<u>116,094</u>
	<u>80,000</u>	<u>80,000</u>	<u>169,164</u>	<u>89,164</u>	<u>116,094</u>
Total revenues	<u>6,166,057</u>	<u>6,166,057</u>	<u>7,166,362</u>	<u>1,000,305</u>	<u>6,793,124</u>
Expenditures - Recreation and culture:					
General parks and recreation expenditures:					
Personal services:					
Appointed official	92,715	92,715	97,050	(4,335)	92,726
Supervision	480,993	480,993	500,567	(19,574)	498,251
Maintenance wages	595,449	595,449	398,085	197,364	416,347
Seasonal employees - maintenance	75,000	75,000	125,389	(50,389)	85,689
Seasonal employees - recreation	1,250,000	1,250,000	1,389,765	(139,765)	1,309,157
Overtime - maintenance	35,000	35,000	68,272	(33,272)	32,658
Overtime - supervision and clerical	1,000	1,000	2,064	(1,064)	1,309
Shift premium	1,000	1,000	-	1,000	-
Employee benefits:					
Social security	200,517	202,657	191,525	11,132	181,315
Employee insurances	353,960	353,960	286,119	67,841	269,040
Retiree health insurance	316,039	316,039	288,985	27,054	253,915
Longevity	37,935	41,935	42,776	(841)	37,619

(continued)

See accompanying notes to financial statements

EXHIBIT C-7 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
General parks and recreation expenditures:					
Employee benefits (continued):					
Retirement fund	\$ 369,324	\$ 369,324	\$ 297,310	\$ 72,014	\$ 264,612
Cost of living	4,440	4,440	1,957	2,483	2,613
Uniforms	2,280	2,280	1,279	1,001	1,322
Uniform / cleaning allowance	12,000	25,000	25,000	-	18,000
Education allowance	-	9,300	7,100	2,200	-
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	1,860	1,860	1,498	362	602
Supplies:					
Office	11,000	11,000	12,985	(1,985)	9,035
Bingo supplies	1,000	1,000	166	834	452
Operating supplies	12,000	12,000	17,677	(5,677)	11,936
Playground and athletic	80,000	80,000	91,858	(11,858)	78,423
Repair and maintenance	155,000	155,000	150,543	4,457	144,498
Other services and charges:					
Contractual services	410,000	410,000	344,028	65,972	341,939
Postage	8,000	8,000	7,089	911	6,986
Unemployment	3,000	3,000	2,352	648	9,842
Tree maintenance	500,000	500,000	447,084	52,916	403,923
Telephone and radio	32,000	32,000	31,129	871	26,300
Auto expense	45,000	45,000	34,780	10,220	35,242
Conference and workshops	4,000	4,000	2,231	1,769	3,323
Printing and publishing	20,000	20,000	41,881	(21,881)	27,823
Insurance and bonds	87,700	87,700	87,700	-	84,900
Public utilities	525,000	525,000	535,576	(10,576)	527,925
Building maintenance	55,000	55,000	69,132	(14,132)	46,802
Rentals and janitorial services	12,000	12,000	6,255	5,745	8,165
Administrative costs	89,100	89,100	89,100	-	86,300
Special events	100,000	100,000	96,653	3,347	69,627
Ice rink expenditures	-	-	3,361	(3,361)	-
Ice rink concession expenditures	-	-	3,162	(3,162)	-
Refund taxes paid under protest	12,000	12,000	5,634	6,366	3,819
Estimated uncollectible taxes	4,000	4,000	6,427	(2,427)	7,966
Liability transfer:					
Accumulated sick leave	24,000	24,000	-	24,000	-
Accumulated compensatory time	1,000	1,000	-	1,000	-
Capital outlay:					
Capital improvements	223,000	467,739	210,500	257,239	137,069
Office equipment	4,000	4,000	1,235	2,765	13,723
Maintenance equipment	11,000	11,000	10,999	1	40,705
Recreation equipment	160,000	160,000	170,610	(10,610)	9,866
Total general parks and recreation	<u>6,421,912</u>	<u>6,695,091</u>	<u>6,208,488</u>	<u>486,603</u>	<u>5,605,364</u>
Veterans Park pool expenditures:					
Public utilities	-	-	-	-	3,235
Building maintenance	-	-	-	-	-
Total Veterans Park pool	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,235</u>

(continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Transportation expenditures:					
Personal services:					
Seasonal employees	\$ 140,000	\$ 140,000	\$ 122,633	\$ 17,367	\$ 127,968
Employee benefits:					
Social security	10,850	10,850	9,382	1,468	9,790
Employee insurances	2,914	2,914	2,568	346	1,976
Supplies:					
Office	1,000	1,000	1,052	(52)	590
Operating supplies	900	900	244	656	175
Other services and charges:					
Contractual services	5,600	5,600	4,386	1,214	3,753
Postage	150	150	-	150	-
Building maintenance	2,000	2,000	780	1,220	1,070
Telephone and radio	2,000	2,000	-	2,000	318
Auto expense	45,000	45,000	33,190	11,810	38,965
Printing and publishing	250	250	-	250	-
Public utilities	14,000	14,000	13,839	161	14,926
Conference and workshops	300	300	-	300	-
Insurance and bonds	10,900	10,900	10,900	-	10,600
Bus rental	10,000	10,000	2,373	7,627	1,512
Total transportation	<u>245,864</u>	<u>245,864</u>	<u>201,347</u>	<u>44,517</u>	<u>211,643</u>
Total expenditures - recreation and culture	<u>6,667,776</u>	<u>6,940,955</u>	<u>6,409,835</u>	<u>531,120</u>	<u>5,820,242</u>
Excess (deficiency) of revenues over expenditures	(501,719)	(774,898)	756,527	1,531,425	972,882
Other financing sources (uses):					
Transfer to Building Authority Bond Debt Fund:					
Series 2001 Warren Community Center bonds	(277,412)	(277,412)	(276,340)	1,072	(252,104)
Series 2005 W.C.C. refunding bonds	(324,588)	(324,588)	(323,272)	1,316	(299,016)
Series 2002 Multiple Purpose bonds	(25,000)	(25,000)	(24,940)	60	(24,217)
Series 2005 Multiple Purpose bonds	(30,000)	(30,000)	(29,374)	626	(27,592)
Total other financing uses	<u>(657,000)</u>	<u>(657,000)</u>	<u>(653,926)</u>	<u>3,074</u>	<u>(602,929)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(1,158,719)	(1,431,898)	102,601	1,534,499	369,953
Fund balance transfers:					
General Fund	-	-	402,631	402,631	-
Fund balance - beginning of year	<u>3,249,691</u>	<u>3,249,691</u>	<u>3,249,691</u>	<u>-</u>	<u>2,879,738</u>
Fund balance - end of year	<u>\$ 2,090,972</u>	<u>\$ 1,817,793</u>	<u>\$ 3,754,923</u>	<u>\$ 1,937,130</u>	<u>\$ 3,249,691</u>

EXHIBIT C-8

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 2,105,136	\$ 2,105,136	\$ 2,161,518	\$ 56,382	\$ 2,057,614
Industrial facilities	<u>32,900</u>	<u>32,900</u>	<u>47,049</u>	<u>14,149</u>	<u>38,941</u>
	<u>2,138,036</u>	<u>2,138,036</u>	<u>2,208,567</u>	<u>70,531</u>	<u>2,096,555</u>
Intergovernmental:					
State:					
State aid	99,261	99,261	109,277	10,016	99,860
Penal fines	174,000	174,000	147,171	(26,829)	185,689
Renaissance Zone reimbursement	49,000	49,000	51,250	2,250	49,353
Personal property business inventory tax	<u>74,795</u>	<u>74,795</u>	<u>74,795</u>	<u>-</u>	<u>74,795</u>
	<u>397,056</u>	<u>397,056</u>	<u>382,493</u>	<u>(14,563)</u>	<u>409,697</u>
Fines and fees:					
Over the counter fines	35,000	35,000	32,033	(2,967)	34,255
Copy machine fees	6,900	6,900	7,767	867	7,410
Lost book fees	4,300	4,300	5,440	1,140	5,736
Video cassette user fees	9,300	9,300	8,757	(543)	8,671
CD ROM rentals	<u>1,500</u>	<u>1,500</u>	<u>539</u>	<u>(961)</u>	<u>1,221</u>
	<u>57,000</u>	<u>57,000</u>	<u>54,536</u>	<u>(2,464)</u>	<u>57,293</u>
Other:					
Sale of equipment	-	-	2,305	2,305	315,440
Donations	-	3,275	3,450	175	2,034
Miscellaneous	<u>-</u>	<u>-</u>	<u>13,760</u>	<u>13,760</u>	<u>105</u>
	<u>-</u>	<u>3,275</u>	<u>19,515</u>	<u>16,240</u>	<u>317,579</u>
Interest on investments	<u>24,000</u>	<u>24,000</u>	<u>32,550</u>	<u>8,550</u>	<u>29,731</u>
	<u>24,000</u>	<u>24,000</u>	<u>32,550</u>	<u>8,550</u>	<u>29,731</u>
Total revenues	<u>2,616,092</u>	<u>2,619,367</u>	<u>2,697,661</u>	<u>78,294</u>	<u>2,910,855</u>

(continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Expenditures - recreation and culture:					
Personal services					
Appointed official	\$ 86,517	\$ 86,517	\$ 86,565	\$ (48)	\$ 86,504
Permanent employees	823,944	823,944	836,861	(12,917)	824,187
Permanent employees - pages	256,327	257,827	247,493	10,334	175,212
Overtime	18,000	18,000	15,421	2,579	11,866
Shift premium	9,500	9,500	6,456	3,044	7,724
Employee benefits:					
Social security	95,915	97,587	96,966	621	87,993
Employee insurances	166,645	166,694	162,202	4,492	159,065
Retiree health insurance	245,329	251,191	257,611	(6,420)	225,219
Longevity	25,292	27,800	27,784	16	24,143
Retirement fund	342,487	347,432	348,638	(1,206)	300,473
Cost of living	3,454	3,454	1,742	1,712	2,339
Uniforms	190	190	449	(259)	190
Uniform / cleaning allowance	11,000	21,000	21,000	-	18,000
Education allowance	-	18,400	20,400	(2,000)	-
Employee legal services	2,480	2,480	1,830	650	845
Auto allowance	3,600	3,600	3,600	-	3,600
Office supplies	29,000	29,000	28,154	846	27,400
Other services and charges					
Copy machine expense	12,750	12,750	8,178	4,572	8,098
Contractual services	100,000	100,000	48,223	51,777	51,261
Cooperative services	139,000	139,000	130,451	8,549	131,888
Library cooperative indirect aic	49,631	49,631	54,639	(5,008)	49,930
Postage	6,500	6,500	1,963	4,537	2,673
Video cassettes and tapes	13,000	13,000	12,245	755	9,993
Library circulation material	20,000	20,200	20,331	(131)	14,874
CD ROM Multi-media programs	-	-	-	-	1,045
Periodicals	17,000	17,000	16,825	175	15,959
Telephone and radic	13,500	13,500	10,092	3,408	11,393
Mileage	2,000	2,000	1,096	904	1,572
Auto expense	1,500	1,500	1,844	(344)	1,168
Conferences and workshop:	500	500	490	10	425
Book binding	200	200	-	200	35
Insurance and bonds	25,400	25,400	25,400	-	24,600
Public utilities	225,000	225,000	176,662	48,338	146,905
Building maintenance	25,000	25,000	16,241	8,759	10,782
Administrative expense	44,500	44,500	44,500	-	43,100
Library commission dues and expense	500	500	158	342	176
Refund taxes paid under protes	5,000	5,000	2,817	2,183	1,910
Estimated uncollectible taxes	2,000	2,000	3,214	(1,214)	3,983
Liability transfer:					
Accumulated sick leave	5,000	5,000	-	5,000	-
Accumulated compensatory time	2,000	2,000	-	2,000	-
Capital outlay:					
Office equipment	12,600	12,600	12,351	249	6,308
Library books	100,000	101,575	101,362	213	89,431
Total expenditures - recreation and cultur	2,942,261	2,988,972	2,852,254	136,718	2,582,269
Excess (deficiency) of revenues over expenditure	(326,169)	(369,605)	(154,593)	215,012	328,586
Other financing sources (uses)					
Transfer to Building Authority Bond Debt Funds					
Warren Community Center bonds, Series 2001	-	-	-	-	(60,404)
W.C.C. refunding bonds, Series 2005	-	-	-	-	(71,645)
Total other financing sources	-	-	-	-	(132,049)
Excess (deficiency) of budgeted revenues and othe financing sources over budgeted expenditures an other financing uses	(326,169)	(369,605)	(154,593)	215,012	196,537
Fund balance transfers					
General Fund	-	-	17,827	17,827	-
Fund balance - beginning of year	881,307	881,307	881,307	-	684,770
Fund balance - end of year	\$ 555,138	\$ 511,702	\$ 744,541	\$ 232,839	\$ 881,307

EXHIBIT C-9

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2007

With Comparative Accumulative Actual Totals for the Year Ended June 30, 2006

	Accumulative Totals for			Accumulative Totals Through June 2006
	Program Years 1982-83 thru 1997-99 and Program Years 2000-01 thru 2002-03		Variance	
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal grant	\$ 24,290,636	\$ 24,290,636	\$ -	\$ 24,290,636
Miscellaneous:				
Program income	3,166,588	4,887,193	1,720,605	4,887,193
Reimbursement from HOME	-	45,218	45,218	45,218
Transfer from CDBG Rental Rehabilitation Program	-	15,309	15,309	15,309
Total revenues	<u>27,457,224</u>	<u>29,238,356</u>	<u>1,781,132</u>	<u>29,238,356</u>
Expenditures - community development				
Residential rehabilitation costs	9,938,272	11,531,579	(1,593,307)	11,531,579
Residential rehabilitation development cost:	810,000	982,516	(172,516)	982,516
Commercial rehabilitation costs	54,135	54,135	-	54,135
Capital improvements - recreator	1,735,912	1,735,912	-	1,735,912
Capital projects - senior activity center	272,827	272,827	-	272,827
Contractual services - feasibility study	6,291	6,291	-	6,291
Contractual services - W.O.R.D.	14,840	14,840	-	14,840
Contractual services - chores service	396,392	396,392	-	396,392
Contractual services - day care center	12,500	12,500	-	12,500
Public improvements - fire stations	663,999	663,999	-	663,999
Public works projects	583,271	583,271	-	583,271
Street program	2,990,368	2,990,368	-	2,990,368
Bunert school	84,093	84,093	-	84,093
Relocation reimbursements	10,257	10,257	-	10,257
Sidewalk replacement	169,683	169,683	-	169,683
Rodent control	30,159	30,159	-	30,159
Abandoned buildings	434,299	434,299	-	434,299
U. F. F. I. testing	60,000	60,000	-	60,000
Youth interim program	6,880	6,880	-	6,880
I-696 equity line item	119	119	-	119
Smoke detector program	24,484	24,484	-	24,484
Tree planting program	283,788	283,788	-	283,788
Code enforcement	752,854	752,854	-	752,854
Community police unit	2,279,800	2,279,800	-	2,279,800
Planning studies	107,000	107,000	-	107,000
Handicapped project	578,603	578,603	-	578,603
Shelter for the homeless	60,000	60,000	-	60,000
Administrative costs	3,782,188	3,800,283	(18,095)	3,800,283
Contingency and local options	-	-	-	-
Public alley improvements	144,979	144,979	-	144,979
Parking lot improvements	176,285	176,285	-	176,285
Rental rehabilitation	55,682	70,991	(15,309)	70,991
Home ownership assistance	51,925	51,925	-	51,925
Barrier removal	73,793	73,793	-	73,793
Sewer replacement	231,527	231,527	-	231,527
Property disposition	2,592	2,592	-	2,592
Rental ordinance enforcement	325,000	325,000	-	325,000
Housing support services	76,980	76,980	-	76,980
Fire department rescue squad	120,000	120,000	-	120,000
Homeless prevention	52,575	52,575	-	52,575
Beautification	2,872	2,872	-	2,872
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community development	<u>27,457,224</u>	<u>29,238,356</u>	<u>(1,781,132)</u>	<u>29,238,356</u>
Excess (deficiency) of revenues over expenditure:	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

EXHIBIT C-9 (continued)

Accumulative Totals for Program Years 1999-2000			Accumulative Totals Through June 2006	Accumulative Totals for Program Years 2003-2004			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 1,049,326	\$ 1,045,251	\$ (4,075)	\$ 1,033,586	\$ 1,142,271	\$ 1,008,384	\$ (133,887)	\$ 823,253
400,000	530,887	130,887	530,887	400,000	581,527	181,527	581,527
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,449,326</u>	<u>1,576,138</u>	<u>126,812</u>	<u>1,564,473</u>	<u>1,542,271</u>	<u>1,589,911</u>	<u>47,640</u>	<u>1,404,780</u>
400,000	530,887	(130,887)	530,887	845,000	907,300	(62,300)	722,169
-	-	-	-	170,000	170,000	-	170,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,000	26,000	-	26,000	29,103	29,103	-	29,103
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
396,868	396,868	-	396,868	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	39,500	24,840	14,660	24,840
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
44,590	44,590	-	44,590	-	-	-	-
75,418	75,418	-	75,418	66,491	66,491	-	66,491
144,550	144,550	-	144,550	-	-	-	-
50,000	45,925	4,075	34,260	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	20,314	20,314	-	20,314
177,400	177,400	-	177,400	218,000	218,000	-	218,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	40,000	40,000	-	40,000
10,500	10,500	-	10,500	10,500	10,500	-	10,500
-	-	-	-	103,363	103,363	-	103,363
-	-	-	-	-	-	-	-
44,000	44,000	-	44,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,449,326</u>	<u>1,576,138</u>	<u>(126,812)</u>	<u>1,564,473</u>	<u>1,542,271</u>	<u>1,589,911</u>	<u>(47,640)</u>	<u>1,404,780</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EXHIBIT C-9 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2007
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2006

	Accumulative Totals for Program Years 2004-2005			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 999,839	\$ 963,839	\$ (36,000)	\$ 963,839
Miscellaneous:				
Program income	600,000	414,599	(185,401)	414,599
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>1,599,839</u>	<u>1,378,438</u>	<u>(221,401)</u>	<u>1,378,438</u>
Expenditures - community development				
Residential rehabilitation costs	601,000	414,599	186,401	414,599
Residential rehabilitation development cost:	100,000	100,000	-	100,000
Commercial rehabilitation costs	-	-	-	-
Capital improvements - recreator	-	-	-	-
Capital projects - senior activity center	-	-	-	-
Contractual services - feasibility study	-	-	-	-
Contractual services - W.O.R.D.	-	-	-	-
Contractual services - chores service	30,270	30,270	-	30,270
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	358,939	358,939	-	358,939
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	-	-	-	-
Rodent control	-	-	-	-
Abandoned buildings	20,000	-	20,000	-
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	65,506	65,506	-	65,506
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	121,063	121,063	-	121,063
Shelter for the homeless	22,500	22,500	-	22,500
Administrative costs	210,600	195,600	15,000	195,600
Contingency and local options	-	-	-	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	40,000	40,000	-	40,000
Housing support services	13,000	13,000	-	13,000
Fire department rescue squad	-	-	-	-
Homeless prevention	16,961	16,961	-	16,961
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>1,599,839</u>	<u>1,378,438</u>	<u>221,401</u>	<u>1,378,438</u>
Excess (deficiency) of revenues over expenditure:	\$ -	\$ -	\$ -	\$ -

Accumulative Totals for Program Years 2005-2006			Accumulative Totals Through June 2006	Accumulative Totals for Program Years 2006-2007			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 1,182,789	\$ 1,058,507	\$ (124,282)	\$ 830,636	\$ 1,128,970	\$ 560,654	\$ (568,316)	\$ -
400,000	468,017	68,017	468,017	500,000	335,214	(164,786)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,582,789</u>	<u>1,526,524</u>	<u>(56,265)</u>	<u>1,298,653</u>	<u>1,628,970</u>	<u>895,868</u>	<u>(733,102)</u>	<u>-</u>
463,468	395,268	68,200	366,537	544,349	268,048	276,301	-
150,000	150,000	-	105,633	175,000	125,901	49,099	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,377	25,377	-	4,593	35,000	5,427	29,573	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
285,691	285,691	-	285,691	-	-	-	-
-	-	-	-	-	-	-	-
200,539	200,250	289	161,218	363,882	126,506	237,376	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,515	81,515	-	46,461	110,000	51,114	58,886	-
-	-	-	-	-	-	-	-
22,500	22,500	-	15,190	30,000	28,900	1,100	-
277,867	290,616	(12,749)	243,342	277,347	227,550	49,797	-
-	-	-	-	19,417	-	19,417	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	40,000	40,000	-	-
14,000	13,475	525	2,900	13,975	-	13,975	-
-	-	-	-	-	-	-	-
16,832	16,832	-	4,250	15,000	5,910	9,090	-
-	-	-	-	-	-	-	-
5,000	5,000	-	5,000	5,000	5,000	-	-
-	-	-	-	-	-	-	-
<u>1,582,789</u>	<u>1,526,524</u>	<u>56,265</u>	<u>1,280,815</u>	<u>1,628,970</u>	<u>884,356</u>	<u>744,614</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ 17,838	\$ -	\$ 11,512	\$ 11,512	\$ -

EXHIBIT C-9 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2007

With Comparative Accumulative Actual Totals for the Year Ended June 30, 2006

	Accumulative Totals for Combined Program Years			Accumulative Totals Through
	Budget	Actual	Variance	June 2006
Revenues:				
Intergovernmental:				
Federal grant	\$ 29,793,831	\$ 28,927,271	\$ (866,560)	\$ 27,941,950
Miscellaneous:				
Program income	5,466,588	7,217,437	1,750,849	6,882,223
Reimbursement from HOME	-	45,218	45,218	45,218
Transfer from CDBG Rental Rehabilitation Program	-	15,309	15,309	15,309
Total revenues	<u>35,260,419</u>	<u>36,205,235</u>	<u>944,816</u>	<u>34,884,700</u>
Expenditures - community development				
Residential rehabilitation costs	12,792,089	14,047,681	(1,255,592)	13,565,771
Residential rehabilitation development cost:	1,405,000	1,528,417	(123,417)	1,358,149
Commercial rehabilitation costs	54,135	54,135	-	54,135
Capital improvements - recreation	1,735,912	1,735,912	-	1,735,912
Capital projects - senior activity center	272,827	272,827	-	272,827
Contractual services - feasibility study	6,291	6,291	-	6,291
Contractual services - W.O.R.D.	14,840	14,840	-	14,840
Contractual services - chores service	542,142	512,569	29,573	486,358
Contractual services - day care center	12,500	12,500	-	12,500
Public improvements - fire stations	663,999	663,999	-	663,999
Public works projects	583,271	583,271	-	583,271
Street program	4,031,866	4,031,866	-	4,031,866
Bunert school	84,093	84,093	-	84,093
Relocation reimbursements	10,257	10,257	-	10,257
Sidewalk replacement	734,104	496,439	237,665	330,901
Rodent control	30,159	30,159	-	30,159
Abandoned buildings	533,799	499,139	34,660	499,139
U. F. F. I. testing	60,000	60,000	-	60,000
Youth interim program	6,880	6,880	-	6,880
I-696 equity line item	119	119	-	119
Smoke detector program	24,484	24,484	-	24,484
Tree planting program	328,378	328,378	-	328,378
Code enforcement	1,151,784	1,092,898	58,886	1,006,730
Community police unit	2,424,350	2,424,350	-	2,424,350
Planning studies	157,000	152,925	4,075	141,260
Handicapped project	699,666	699,666	-	699,666
Shelter for the homeless	155,314	154,214	1,100	118,004
Administrative costs	4,943,402	4,909,449	33,953	4,634,625
Contingency and local options	19,417	-	19,417	-
Public alley improvements	144,979	144,979	-	144,979
Parking lot improvements	176,285	176,285	-	176,285
Rental rehabilitation	55,682	70,991	(15,309)	70,991
Home ownership assistance	51,925	51,925	-	51,925
Barrier removal	73,793	73,793	-	73,793
Sewer replacement	231,527	231,527	-	231,527
Property disposition	2,592	2,592	-	2,592
Rental ordinance enforcement	525,000	525,000	-	485,000
Housing support services	138,955	124,455	14,500	113,880
Fire department rescue squad	223,363	223,363	-	223,363
Homeless prevention	101,368	92,278	9,090	73,786
Beautification	2,872	2,872	-	2,872
Arsenal Acres clearance	44,000	44,000	-	44,000
Child advocacy	10,000	10,000	-	5,000
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community development	<u>35,260,419</u>	<u>36,193,723</u>	<u>(933,304)</u>	<u>34,866,862</u>
Excess (deficiency) of revenues over expenditure:	\$ -	\$ 11,512	\$ 11,512	\$ 17,838
Fund balance - beginning of the year				
Fund balance - end of the year				

EXHIBIT C-9 (continued)

Eliminations Reported as of June 30, 2006			Accumulative Totals Through June 2005	Current Fiscal Year Activity			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 28,907,092	\$ 27,941,950	\$ (965,142)	\$ 26,935,938	\$ 886,739	\$ 985,321	\$ 98,582	\$ 1,006,012
4,966,588	6,882,223	1,915,635	6,414,206	500,000	335,214	(164,786)	468,017
-	45,218	45,218	45,218	-	-	-	-
-	15,309	15,309	15,309	-	-	-	-
<u>33,873,680</u>	<u>34,884,700</u>	<u>1,011,020</u>	<u>33,410,671</u>	<u>1,386,739</u>	<u>1,320,535</u>	<u>(66,204)</u>	<u>1,474,029</u>
12,247,740	13,565,771	(1,318,031)	13,140,076	544,349	481,910	62,439	425,695
1,230,000	1,358,149	(128,149)	1,201,791	175,000	170,268	4,732	156,358
54,135	54,135	-	54,135	-	-	-	-
1,735,912	1,735,912	-	1,735,912	-	-	-	-
272,827	272,827	-	272,827	-	-	-	-
6,291	6,291	-	6,291	-	-	-	-
14,840	14,840	-	14,840	-	-	-	-
521,495	486,358	35,137	462,460	20,647	26,211	(5,564)	23,898
12,500	12,500	-	12,500	-	-	-	-
663,999	663,999	-	663,999	-	-	-	-
583,271	583,271	-	583,271	-	-	-	-
4,082,248	4,031,866	50,382	3,746,175	(50,382)	-	(50,382)	285,691
84,093	84,093	-	84,093	-	-	-	-
10,257	10,257	-	10,257	-	-	-	-
419,683	330,901	88,782	169,683	314,421	165,538	148,883	161,218
30,159	30,159	-	30,159	-	-	-	-
533,799	499,139	34,660	484,803	-	-	-	14,336
60,000	60,000	-	60,000	-	-	-	-
6,880	6,880	-	6,880	-	-	-	-
119	119	-	119	-	-	-	-
24,484	24,484	-	24,484	-	-	-	-
328,378	328,378	-	328,378	-	-	-	-
1,106,491	1,006,730	99,761	917,080	45,293	86,168	(40,875)	89,650
2,424,350	2,424,350	-	2,424,350	-	-	-	-
157,000	141,260	15,740	141,260	-	11,665	(11,665)	-
699,666	699,666	-	699,666	-	-	-	-
125,314	118,004	7,310	97,658	30,000	36,210	(6,210)	20,346
4,666,055	4,634,625	31,430	4,332,308	277,347	274,824	2,523	302,317
54,121	-	54,121	-	(34,704)	-	(34,704)	-
144,979	144,979	-	144,979	-	-	-	-
176,285	176,285	-	176,285	-	-	-	-
55,682	70,991	(15,309)	70,991	-	-	-	-
51,925	51,925	-	51,925	-	-	-	-
73,793	73,793	-	73,793	-	-	-	-
231,527	231,527	-	231,527	-	-	-	-
2,592	2,592	-	2,592	-	-	-	-
485,000	485,000	-	445,000	40,000	40,000	-	40,000
124,980	113,880	11,100	100,580	13,975	10,575	3,400	13,300
223,363	223,363	-	223,363	-	-	-	-
95,575	73,786	21,789	60,075	5,793	18,492	(12,699)	13,711
2,872	2,872	-	2,872	-	-	-	-
44,000	44,000	-	44,000	-	-	-	-
5,000	5,000	-	-	5,000	5,000	-	5,000
-	(18,095)	18,095	(18,095)	-	-	-	-
<u>33,873,680</u>	<u>34,866,862</u>	<u>(993,182)</u>	<u>33,315,342</u>	<u>1,386,739</u>	<u>1,326,861</u>	<u>59,878</u>	<u>1,551,520</u>
\$ -	\$ 17,838	\$ 17,838	\$ 95,329	-	(6,326)	(6,326)	(77,491)
				<u>17,838</u>	<u>17,838</u>	-	<u>95,329</u>
				<u>\$ 17,838</u>	<u>\$ 11,512</u>	<u>\$ (6,326)</u>	<u>\$ 17,838</u>

EXHIBIT C-10

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2007

With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Program Year 1994-95 thru 1998-99			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 2,001,248	\$ 2,001,248	\$ -	\$ 2,001,248
Miscellaneous:				
Program income	460,000	407,533	(52,467)	407,533
Rental match	54,595	71,204	16,609	71,204
Community processing fee	1,800	2,881	1,081	2,881
Miscellaneous	-	140	140	140
Local match	<u>500,525</u>	<u>360,061</u>	<u>(140,464)</u>	<u>360,061</u>
Total revenues	<u>3,018,168</u>	<u>2,843,067</u>	<u>(175,101)</u>	<u>2,843,067</u>
Expenditures - community development:				
Acquisition / new construction	1,669,018	1,709,807	(40,789)	1,709,807
Rental rehabilitation	257,171	273,780	(16,609)	273,780
Single family acquisition rehabilitation	675,562	525,897	149,665	559,664
Community Housing Development Organizations Operating	45,767	33,767	12,000	-
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	86,850	79,578	7,272	79,578
Program administration	238,800	211,522	27,278	211,522
Contingencies	45,000	-	45,000	-
Eligible activities applied towards match	-	8,716	(8,716)	8,716
Total expenditures - community development	<u>3,018,168</u>	<u>2,843,067</u>	<u>175,101</u>	<u>2,843,067</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

Accumulative Totals for Program Year 1999-2000			Accumulative Totals Through June 2006	Accumulative Totals for Program Year 2000-01			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 427,000	\$ 427,000	\$ -	\$ 427,000	\$ 403,548	\$ 340,959	\$ (62,589)	\$ 334,642
240,000	199,983	(40,017)	199,983	460,000	395,558	(64,442)	395,558
-	10,645	10,645	10,645	-	11,865	11,865	11,865
-	600	600	600	-	-	-	-
-	-	-	-	-	-	-	-
<u>98,550</u>	<u>145,136</u>	<u>46,586</u>	<u>145,136</u>	<u>98,550</u>	<u>98,000</u>	<u>(550)</u>	<u>98,000</u>
<u>765,550</u>	<u>783,364</u>	<u>17,814</u>	<u>783,364</u>	<u>962,098</u>	<u>846,382</u>	<u>(115,716)</u>	<u>840,065</u>
523,750	534,591	(10,841)	534,591	701,255	612,690	88,565	606,373
-	10,645	(10,645)	10,645	-	11,865	(11,865)	11,865
185,550	158,977	26,573	174,540	156,048	123,882	32,166	144,250
-	15,563	(15,563)	-	20,545	20,368	177	-
-	-	-	-	-	-	-	-
550	125	425	125	550	-	550	-
55,700	63,225	(7,525)	63,050	83,700	77,577	6,123	77,577
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>765,550</u>	<u>783,126</u>	<u>(17,576)</u>	<u>782,951</u>	<u>962,098</u>	<u>846,382</u>	<u>115,716</u>	<u>840,065</u>
\$ -	\$ 238	\$ 238	\$ 413	\$ -	\$ -	\$ -	\$ -

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2007
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Program Year 2001-02			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 386,400	\$ 164,348	\$ (222,052)	\$ 164,348
Miscellaneous:				
Program income	580,000	153,353	(426,647)	153,353
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	110,000	111,186	1,186	111,186
Total revenues	<u>1,076,400</u>	<u>428,887</u>	<u>(647,513)</u>	<u>428,887</u>
Expenditures - community development:				
Acquisition / new construction	690,000	181,052	508,948	170,470
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	226,200	130,017	96,183	164,649
Community Housing Development Organizations Operating	70,000	34,632	35,368	-
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	-	125	(125)	125
Program administration	90,200	56,515	33,685	56,515
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>1,076,400</u>	<u>402,341</u>	<u>674,059</u>	<u>391,759</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ 26,546	\$ 26,546	\$ 37,128

EXHIBIT C-10 (continued)

Accumulative Totals for Program Year 2002-03			Accumulative Totals Through June 2006	Accumulative Totals for Program Year 2003-04			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 702,361	\$ 293,020	\$ (409,341)	\$ 293,020	\$ 425,642	\$ 247,528	\$ (178,114)	\$ 226,275
720,000	829,461	109,461	829,461	600,000	646,889	46,889	646,889
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
109,125	146,015	36,890	146,015	90,000	123,210	33,210	123,210
1,531,486	1,268,496	(262,990)	1,268,496	1,115,642	1,017,627	(98,015)	996,374
1,042,430	717,193	325,237	717,193	744,231	562,022	182,209	562,022
-	-	-	-	-	-	-	-
173,306	169,539	3,767	169,539	153,847	223,041	(69,194)	140,259
72,250	-	72,250	-	15,000	-	15,000	-
-	-	-	-	-	-	-	-
135,000	135,925	(925)	135,925	100,000	100,000	-	100,000
108,500	136,714	(28,214)	136,714	102,564	42,564	60,000	42,564
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,531,486	1,159,371	372,115	1,159,371	1,115,642	927,627	188,015	844,845
\$ -	\$ 109,125	\$ 109,125	\$ 109,125	\$ -	\$ 90,000	\$ 90,000	\$ 151,529

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2007
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Program Year 2004-05			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 360,550	\$ 103,322	\$ (257,228)	\$ 95,322
Miscellaneous:				
Program income	700,000	74,311	(625,689)	74,311
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	60,000	134,594	74,594	134,594
Total revenues	<u>1,120,550</u>	<u>312,227</u>	<u>(808,323)</u>	<u>304,227</u>
Expenditures - community development:				
Acquisition / new construction	796,933	39,000	757,933	58,000
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	90,000	2,471	87,529	-
Community Housing Development Organizations Operating	21,200	20,000	1,200	-
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	100,000	76,000	24,000	68,000
Program administration	112,417	103,163	9,254	103,163
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>1,120,550</u>	<u>240,634</u>	<u>879,916</u>	<u>229,163</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ 71,593	\$ 71,593	\$ 75,064

Accumulative Totals for Program Year 2005-06			Accumulative Totals Through June 2006	Accumulative Totals for Program Year 2006-07			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 335,936	\$ 181,636	\$ (154,300)	\$ 158,321	\$ 518,041	\$ 41,983	\$ (476,058)	\$ -
600,000	390,992	(209,008)	390,992	-	216,197	216,197	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>45,000</u>	<u>79,000</u>	<u>34,000</u>	<u>79,000</u>	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>-</u>
<u>980,936</u>	<u>651,628</u>	<u>(329,308)</u>	<u>628,313</u>	<u>571,041</u>	<u>311,180</u>	<u>(259,861)</u>	<u>-</u>
709,889	208,116	501,773	34,000	185,633	-	185,633	-
-	-	-	-	-	-	-	-
90,000	-	90,000	-	6,000	-	6,000	-
20,349	10,000	10,349	-	19,096	-	19,096	-
-	-	-	-	230,120	-	230,120	-
60,000	-	60,000	-	98,000	-	98,000	-
100,698	48,254	52,444	34,940	32,192	41,845	(9,653)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>980,936</u>	<u>266,370</u>	<u>714,566</u>	<u>68,940</u>	<u>571,041</u>	<u>41,845</u>	<u>529,196</u>	<u>-</u>
\$ -	\$ 385,258	\$ 385,258	\$ 559,373	\$ -	\$ 269,335	\$ 269,335	\$ -

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2007
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 5,560,726	\$ 3,801,044	\$ (1,759,682)	\$ 3,700,176
Miscellaneous:				
Program income	4,360,000	3,314,277	(1,045,723)	3,098,080
Rental match	54,595	93,714	39,119	93,714
Community processing fee	1,800	3,481	1,681	3,481
Miscellaneous	-	140	140	140
Local match	<u>1,164,750</u>	<u>1,250,202</u>	<u>85,452</u>	<u>1,197,202</u>
Total revenues	<u>11,141,871</u>	<u>8,462,858</u>	<u>(2,679,013)</u>	<u>8,092,793</u>
Expenditures - community development:				
Acquisition / new construction	7,063,139	4,564,471	2,498,668	4,392,456
Rental rehabilitation	257,171	296,290	(39,119)	296,290
Single family acquisition rehabilitation	1,756,513	1,333,824	422,689	1,352,901
Community Housing Development Organizations Operating	284,207	134,330	149,877	-
Housing Rehabilitation Owner Occupied	230,120	-	230,120	-
Direct home buyer assistance	580,950	391,753	189,197	383,753
Program administration	924,771	781,379	143,392	726,045
Contingencies	45,000	-	45,000	-
Eligible activities applied towards match	<u>-</u>	<u>8,716</u>	<u>(8,716)</u>	<u>8,716</u>
Total expenditures - community development	<u>11,141,871</u>	<u>7,510,763</u>	<u>3,631,108</u>	<u>7,160,161</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 952,095</u>	<u>\$ 952,095</u>	<u>\$ 932,632</u>
Fund balance - beginning of the year				
Fund balance - end of the year				

Eliminations Reported as of June 30, 2006			Accumulative Totals Through June 2005	Current Fiscal Year Activity			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 5,178,805	\$ 3,700,176	\$ (1,478,629)	\$ 3,439,887	\$ 381,921	\$ 100,868	\$ (281,053)	\$ 260,289
4,360,000	3,098,080	(1,261,920)	2,707,088	-	216,197	216,197	390,992
54,595	93,714	39,119	93,714	-	-	-	-
1,800	3,481	1,681	3,481	-	-	-	-
-	140	140	140	-	-	-	-
<u>1,111,750</u>	<u>1,197,202</u>	<u>85,452</u>	<u>1,118,202</u>	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>79,000</u>
<u>10,706,950</u>	<u>8,092,793</u>	<u>(2,614,157)</u>	<u>7,362,512</u>	<u>434,921</u>	<u>370,065</u>	<u>(64,856)</u>	<u>730,281</u>
6,919,055	4,392,456	2,526,599	4,216,686	144,084	172,015	(27,931)	175,770
257,171	296,290	(39,119)	296,290	-	-	-	-
2,110,195	1,352,901	757,294	1,282,642	(353,682)	(19,077)	(334,605)	70,259
-	-	-	-	284,207	134,330	149,877	-
-	-	-	-	230,120	-	230,120	-
482,950	383,753	99,197	351,753	98,000	8,000	90,000	32,000
892,579	726,045	166,534	651,188	32,192	55,334	(23,142)	74,857
45,000	-	45,000	-	-	-	-	-
-	8,716	(8,716)	8,716	-	-	-	-
<u>10,706,950</u>	<u>7,160,161</u>	<u>3,546,789</u>	<u>6,807,275</u>	<u>434,921</u>	<u>350,602</u>	<u>84,319</u>	<u>352,886</u>
\$ -	\$ 932,632	\$ 932,632	\$ 555,237	-	19,463	19,463	377,395
				<u>932,632</u>	<u>932,632</u>	<u>-</u>	<u>555,237</u>
				<u>\$ 932,632</u>	<u>\$ 952,095</u>	<u>\$ 19,463</u>	<u>\$ 932,632</u>

EXHIBIT C-11

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2007
With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Program Years 2004-2005			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 403,411	\$ 403,411	\$ -	\$ 403,411
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 403,411</u>	<u>\$ 403,411</u>	<u>-</u>	<u>\$ 403,411</u>
Expenditures - community development:				
Emergency housing assistance	46,892	46,892	-	46,892
Housing advocacy assistance	114,697	114,697	-	114,697
Tenant based rental assistance	196,261	196,261	-	196,261
In-home non-medical care for medically fragile	33,411	33,411	-	33,411
Short-term rent, mortgage & utilities	-	-	-	-
Move in assistance	-	-	-	-
Program administration	12,150	12,150	-	12,150
Contingencies	-	-	-	-
Total expenditures - community development	<u>403,411</u>	<u>403,411</u>	<u>-</u>	<u>403,411</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Accumulative Totals for Program Years 2005-2006			Accumulative Totals Through June 2006	Accumulative Totals for Program Years 2006-2007			Accumulative Totals Through June 2006
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 386,005	\$ 386,005	\$ -	\$ 206,589	\$ 404,584	\$ 119,213	\$ (285,371)	\$ -
-	-	-	-	-	-	-	-
<u>\$ 386,005</u>	<u>\$ 386,005</u>	<u>-</u>	<u>\$ 206,589</u>	<u>\$ 404,584</u>	<u>\$ 119,213</u>	<u>(285,371)</u>	<u>\$ -</u>
73,344	73,344	-	41,303	-	-	-	-
90,901	90,901	-	47,726	100,000	49,907	50,093	-
170,000	170,000	-	88,397	185,995	29,359	156,636	-
40,000	40,000	-	19,598	40,000	19,432	20,568	-
-	-	-	-	32,000	9,568	22,432	-
-	-	-	-	34,679	1,600	33,079	-
11,760	11,760	-	9,465	11,910	9,247	2,663	-
-	-	-	-	-	-	-	-
<u>386,005</u>	<u>386,005</u>	<u>-</u>	<u>206,489</u>	<u>404,584</u>	<u>119,113</u>	<u>285,471</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

EXHIBIT C-11

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2007
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2006

	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2006
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 1,194,000	\$ 908,629	\$ (285,371)	\$ 610,000
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 1,194,000</u>	<u>\$ 908,629</u>	<u>(285,371)</u>	<u>\$ 610,000</u>
Expenditures - community development:				
Emergency housing assistance	120,236	120,236	-	88,195
Housing advocacy assistance	305,598	255,505	50,093	162,423
Tenant based rental assistance	552,256	395,620	156,636	284,658
In-home non-medical care for medically fragile	113,411	92,843	20,568	53,009
Short-term rent, mortgage & utilities	32,000	9,568	22,432	-
Move in assistance	34,679	1,600	33,079	-
Program administration	35,820	33,157	2,663	21,615
Contingencies	-	-	-	-
Total expenditures - community development	<u>1,194,000</u>	<u>908,529</u>	<u>285,471</u>	<u>609,900</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
Fund balance - beginning of year				
Fund balance - end of year				

Eliminations Reported as of June 30, 2006			Accumulative Totals Through June 2005	Current Fiscal Year			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 797,000	\$ 610,000	\$ (187,000)	\$ 174,871	\$ 397,000	\$ 298,629	\$ (98,371)	\$ 435,129
-	-	-	-	-	-	-	-
<u>\$ 797,000</u>	<u>\$ 610,000</u>	<u>(187,000)</u>	<u>\$ 174,871</u>	<u>\$ 397,000</u>	<u>\$ 298,629</u>	<u>(98,371)</u>	<u>\$ 435,129</u>
116,392	88,195	28,197	36,756	3,844	32,041	(28,197)	51,439
210,197	162,423	47,774	81,660	95,401	93,082	2,319	80,763
366,261	284,658	81,603	23,457	185,995	110,962	75,033	261,201
75,000	53,009	21,991	26,432	38,411	39,834	(1,423)	26,577
-	-	-	-	32,000	9,568	22,432	-
-	-	-	-	34,679	1,600	33,079	-
23,910	21,615	2,295	6,466	11,910	11,542	368	15,149
5,240	-	5,240	-	(5,240)	-	(5,240)	-
<u>797,000</u>	<u>609,900</u>	<u>187,100</u>	<u>174,771</u>	<u>397,000</u>	<u>298,629</u>	<u>98,371</u>	<u>435,129</u>
<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	-	-	-	-
				<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
				<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

EXHIBIT C-12

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 TANK PLANT REDEVELOPMENT FUND
 Year Ended June 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Construction contracts	-	-	45,840	(45,840)	-
Total expenditures	-	-	45,840	(45,840)	-
Other financing sources (uses):					
Transfers to:					
Sidewalk & tree revolving fund	(150,059)	(150,059)	(74,219)	75,840	(2,061,267)
Total other financing sources (uses)	(150,059)	(150,059)	(74,219)	75,840	(2,061,267)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(150,059)	(150,059)	(120,059)	30,000	(2,061,267)
Fund balance - beginning of year	150,059	150,059	120,059	(30,000)	2,181,326
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ 120,059

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
COMMUNICATIONS

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Franchise fees	\$ 1,130,000	\$ 1,130,000	\$ 1,344,444	\$ 214,444	\$ 1,206,596
Interest on investments	60,000	60,000	79,562	19,562	71,488
Miscellaneous	-	-	630	630	498
Total revenues	<u>1,190,000</u>	<u>1,190,000</u>	<u>1,424,636</u>	<u>234,636</u>	<u>1,278,582</u>
Expenditures - recreation and culture:					
Personal services:					
Permanent employees	322,435	322,435	305,552	16,883	327,114
Temporary employees	230,000	230,000	277,696	(47,696)	248,540
Overtime	10,000	10,000	6,696	3,304	1,137
Meeting allowance	2,100	2,100	-	2,100	-
Employee benefits:					
Social security	44,599	45,762	46,914	(1,152)	44,602
Employee insurances	44,414	44,657	46,005	(1,348)	42,638
Retiree health insurance	86,292	90,416	86,490	3,926	78,419
Longevity	8,155	8,155	8,160	(5)	4,699
Retirement fund	41,229	41,844	39,910	1,934	40,380
Cost of living	1,290	1,290	563	727	954
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	-	10,000	11,000	(1,000)	-
Education allowance	-	5,200	2,650	2,550	-
Employee legal services	-	400	243	157	38
Office supplies	3,000	3,000	2,316	684	1,966
Operating supplies	15,000	15,000	12,541	2,459	12,692
Tapes	8,000	8,000	6,480	1,520	2,398
Other services and charges:					
Contractual services	85,000	85,000	25,202	59,798	34,450
Software and contractual services:	15,000	15,000	6,645	8,355	7,531
Postage	45,000	45,000	43,355	1,645	40,745
Unemployment costs	1,000	1,000	334	666	12,403
Telephone and radio	7,500	7,500	7,384	116	6,497
Mileage	250	250	-	250	9
Vehicle maintenance	8,000	8,000	1,672	6,328	1,655
Conferences and workshops	2,500	2,500	-	2,500	-
Community promotion	4,000	4,000	779	3,221	-
Sets and design	3,000	3,000	788	2,212	2,277
Web site	30,000	38,640	6,898	31,742	3,730
City calendar	37,500	37,500	29,098	8,402	26,900
Music library	5,000	5,000	3,305	1,695	3,366
Auditorium expense	8,000	8,000	-	8,000	-
City newsletter	50,000	50,000	44,303	5,697	43,520
Public utilities	125,000	125,000	125,268	(268)	131,432
Administrative costs	103,500	103,500	103,500	-	100,200
Memberships and dues	3,000	3,000	1,099	1,901	-
Accumulated sick leave	5,000	5,000	-	5,000	-
Capital outlay:					
Office equipment	7,500	7,500	1,484	6,016	26,290
Cable TV equipment	70,000	77,565	30,057	47,508	48,543
Total expenditures - recreation and culture	<u>1,435,864</u>	<u>1,473,814</u>	<u>1,287,987</u>	<u>185,827</u>	<u>1,298,725</u>
Excess (deficiency) of revenues over expenditure:	<u>(245,864)</u>	<u>(283,814)</u>	<u>136,649</u>	<u>420,463</u>	<u>(20,143)</u>
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds					
Warren Community Center Bonds, Series 2001	(85,712)	(85,712)	(85,381)	331	(77,603)
W.C.C. Refunding Bonds, Series 2005	(100,288)	(100,288)	(99,881)	407	(92,043)
Multiple Purpose Bonds, Series 2005	(36,000)	(36,000)	(35,435)	565	(33,287)
Total other financing sources (uses)	<u>(222,000)</u>	<u>(222,000)</u>	<u>(220,697)</u>	<u>1,303</u>	<u>(202,933)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses:	<u>(467,864)</u>	<u>(505,814)</u>	<u>(84,048)</u>	<u>421,766</u>	<u>(223,076)</u>
Fund balance - beginning of year	<u>1,969,261</u>	<u>1,969,261</u>	<u>1,969,261</u>	<u>-</u>	<u>2,192,337</u>
Fund balance - end of year	<u>\$ 1,501,397</u>	<u>\$ 1,463,447</u>	<u>\$ 1,885,213</u>	<u>\$ 421,766</u>	<u>\$ 1,969,261</u>

See accompanying notes to financial statements.

EXHIBIT C-14

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

RENTAL ORDINANCE FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Charges for services:					
Community Development					
Block Grant reimbursement	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
Fines and fees:					
Inspection fees	130,000	130,000	169,735	39,735	133,995
Interest on investments	2,000	2,000	2,471	471	2,577
Total revenues	<u>172,000</u>	<u>172,000</u>	<u>212,206</u>	<u>40,206</u>	<u>176,572</u>
Expenditures - city development:					
Personal services:					
Permanent employees	99,809	104,509	104,451	58	104,067
Overtime	1,200	1,200	-	1,200	687
Employee benefits:					
Social security	8,326	8,576	8,466	110	8,567
Employee insurances	23,234	23,434	24,217	(783)	22,339
Retiree health insurance	26,858	28,058	27,707	351	25,777
Longevity	3,993	3,993	3,991	2	2,926
Retirement fund	30,227	30,427	30,590	(163)	28,092
Cost of living	430	430	215	215	296
Uniform / cleaning allowance	2,000	2,000	2,000	-	4,000
Employee legal services	310	310	307	3	154
Office supplies	2,000	2,800	1,910	890	840
Other services and charges:					
Postage	3,000	3,500	2,968	532	2,399
Vehicle maintenance	800	800	717	83	463
Accumulated sick leave	1,000	1,000	-	1,000	-
Total expenditures - city development	<u>203,187</u>	<u>211,037</u>	<u>207,539</u>	<u>3,498</u>	<u>200,607</u>
Excess (deficiency) of revenues over expenditures	(31,187)	(39,037)	4,667	43,704	(24,035)
Fund balance - beginning of year	<u>46,856</u>	<u>46,856</u>	<u>46,856</u>	<u>-</u>	<u>70,891</u>
Fund balance - end of year	<u>\$ 15,669</u>	<u>\$ 7,819</u>	<u>\$ 51,523</u>	<u>\$ 43,704</u>	<u>\$ 46,856</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

VICE CRIME CONFISCATION FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Vice crime confiscations	\$ 6,000	\$ 6,000	\$ 67,340	\$ 61,340	\$ 27,253
Interest on investments	<u>2,800</u>	<u>2,800</u>	<u>7,365</u>	<u>4,565</u>	<u>3,993</u>
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>74,705</u>	<u>65,905</u>	<u>31,246</u>
Other financing sources (uses):					
Transfer to general fund	<u>(25,000)</u>	<u>(25,000)</u>	-	<u>25,000</u>	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	-	<u>25,000</u>	-
Excess (deficiency) of revenues over other financing uses	(16,200)	(16,200)	74,705	90,905	31,246
Fund balance - beginning of year	<u>118,294</u>	<u>118,294</u>	<u>118,294</u>	-	<u>87,048</u>
Fund balance - end of year	<u>\$ 102,094</u>	<u>\$ 102,094</u>	<u>\$ 192,999</u>	<u>\$ 90,905</u>	<u>\$ 118,294</u>

See accompanying notes to financial statements.

EXHIBIT C-16

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

DRUG FORFEITURE FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Drug forfeitures	\$ 210,000	\$ 210,000	\$ 352,131	\$ 142,131	\$ 274,228
Interest on investments	15,000	15,000	26,439	11,439	22,491
Other revenue:					
Sale of equipment	-	-	341	341	1,541
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>378,911</u>	<u>153,911</u>	<u>298,260</u>
Expenditures - public safety:					
Operating supplies	6,000	6,000	5,510	490	5,206
Other services and charges:					
Contractual services	4,000	4,000	1,589	2,411	394
Special investigations	50,000	50,000	24,000	26,000	24,463
Telephone and radio	10,000	10,000	8,936	1,064	7,463
Vehicle maintenance	5,000	5,000	209	4,791	3,569
Canine unit expense	5,000	5,000	3,568	1,432	4,092
Capital outlay:					
Office equipment	-	-	-	-	6,688
Vehicles	48,500	48,500	20,969	27,531	96,405
Police equipment	8,000	147,675	166,905	(19,230)	2,416
Total expenditures - public safety	<u>136,500</u>	<u>276,175</u>	<u>231,686</u>	<u>44,489</u>	<u>150,696</u>
Excess (deficiency) of revenues over expenditures	<u>88,500</u>	<u>(51,175)</u>	<u>147,225</u>	<u>198,400</u>	<u>147,564</u>
Other financing sources (uses):					
Transfer to general fund	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>	<u>(110,000)</u>
Total other financing sources (uses)	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>	<u>(110,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(26,500)</u>	<u>(166,175)</u>	<u>32,225</u>	<u>198,400</u>	<u>37,564</u>
Fund balance - beginning of year	<u>528,206</u>	<u>528,206</u>	<u>528,206</u>	<u>-</u>	<u>490,642</u>
Fund balance - end of year	<u>\$ 501,706</u>	<u>\$ 362,031</u>	<u>\$ 560,431</u>	<u>\$ 198,400</u>	<u>\$ 528,206</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

POLICE TRAINING FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
State:					
Police training	\$ 53,000	\$ 53,000	\$ 53,077	\$ 77	\$ 56,004
Interest on investments	2,800	2,800	5,728	2,928	3,899
Total revenues	<u>55,800</u>	<u>55,800</u>	<u>58,805</u>	<u>3,005</u>	<u>59,903</u>
Expenditures - public safety:					
Other services and charges:					
Conferences and workshops	51,300	51,300	40,160	11,140	36,850
Capital outlay:					
Office equipment	-	-	-	-	2,536
Total expenditures - public safety	<u>51,300</u>	<u>51,300</u>	<u>40,160</u>	<u>11,140</u>	<u>39,386</u>
Excess (deficiency) of revenues over expenditures	4,500	4,500	18,645	14,145	20,517
Fund balance - beginning of year	<u>117,859</u>	<u>117,859</u>	<u>117,859</u>	<u>-</u>	<u>97,342</u>
Fund balance - end of year	<u>\$ 122,359</u>	<u>\$ 122,359</u>	<u>\$ 136,504</u>	<u>\$ 14,145</u>	<u>\$ 117,859</u>

See accompanying notes to financial statements.

EXHIBIT C-18

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN DEVELOPMENT AUTHORITY ADMINISTRATION FUND
 Year Ended June 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes	\$ 5,107,505	\$ 5,107,505	\$ 5,556,021	\$ 448,516	\$ -
Interest on investments	120,000	120,000	56,705	(63,295)	-
Rental revenues	-	-	111,650	111,650	-
Total revenues	5,227,505	5,227,505	5,724,376	496,871	-
Expenditures - economic development:					
Personal services:					
Permanent employee	76,727	76,727	64,722	12,005	-
Temporary employee	31,200	31,200	32,927	(1,727)	-
Employee benefits:					
Social security	8,779	8,932	9,085	(153)	-
Employee insurances	16,348	16,348	15,955	393	-
Retiree health insurance	20,519	21,062	21,569	(507)	-
Longevity	1,535	1,535	1,532	3	-
Retirement fund	8,208	8,208	8,383	(175)	-
Cost of living	215	215	157	58	-
Auto allowance	3,600	3,600	3,600	-	-
Uniform / cleaning allowance	-	2,000	2,000	-	-
Employee legal services	-	80	38	42	-
Office supplies	4,000	4,000	2,909	1,091	-
Other services and charges:					
Contractual services	3,000	3,000	190	2,810	-
Court reporter	9,000	9,000	5,350	3,650	-
Postage	1,000	1,000	744	256	-
Telephone	-	-	152	(152)	-
Mileage	1,000	1,000	56	944	-
Conferences and workshops	3,000	3,000	-	3,000	-
Community promotion	20,000	20,000	160,429	(140,429)	-
Printing and publishing	10,000	10,000	5,599	4,401	-
Administrative costs	598,400	598,400	598,400	-	-
Memberships and dues	5,000	5,000	960	4,040	-
Total expenditures - economic development	821,531	824,307	934,757	(110,450)	-
Excess (deficiency) of revenues over expenditures	4,405,974	4,403,198	4,789,619	386,421	-
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds:					
Warren Community Center Bonds, Series 2001	(66,818)	(66,818)	(66,560)	258	-
W.C.C. Refunding Bonds, Series 2005	(78,182)	(78,182)	(77,865)	317	-
Transfer to D.D.A. Debt Service Funds:					
Series 2002	(1,451,313)	(1,451,313)	(1,450,338)	975	-
Series 2003	(772,500)	(772,500)	(771,500)	1,000	-
Series 2004	(879,625)	(879,625)	(878,600)	1,025	-
Series 2005	(663,500)	(663,500)	(662,475)	1,025	-
Total other financing sources (uses)	(3,911,938)	(3,911,938)	(3,907,338)	4,600	-
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	494,036	491,260	882,281	391,021	-
Fund balance transfers:					
Transfer from D.D.A. Construction Fund	-	-	7,366,483	7,366,483	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ 494,036	\$ 491,260	\$ 8,248,764	\$ 7,757,504	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

CHAPTER 20 and 21 DRAIN BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ -	\$ -	\$ 95	\$ 95	\$ -
Interest on investments	<u>6,000</u>	<u>6,000</u>	<u>7,821</u>	<u>1,821</u>	<u>20,527</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>7,916</u>	<u>1,916</u>	<u>20,527</u>
Expenditures - debt service:					
Principal payments	220,000	220,000	220,000	-	660,000
Interest payments	11,000	11,000	9,809	1,191	39,510
Estimated uncollectible taxes	2,000	2,000	2,000	-	2,000
Refund of taxes paid under protest	5,000	5,000	-	5,000	310
Maintenance fees	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total expenditures - debt service	<u>248,000</u>	<u>248,000</u>	<u>231,809</u>	<u>16,191</u>	<u>701,820</u>
Excess (deficiency) of revenues over expenditures	(242,000)	(242,000)	(223,893)	18,107	(681,293)
Fund balance - beginning of year	<u>320,730</u>	<u>320,730</u>	<u>320,730</u>	<u>-</u>	<u>1,002,023</u>
Fund balance - end of year	<u>\$ 78,730</u>	<u>\$ 78,730</u>	<u>\$ 96,837</u>	<u>\$ 18,107</u>	<u>\$ 320,730</u>

See accompanying notes to financial statements.

EXHIBIT C-20

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2002 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual (1)
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	-
Interest payments	950,063	950,063	950,063	-	1,438,688
Fiscal charges	1,250	1,250	275	975	412
Total expenditures - debt service	1,451,313	1,451,313	1,450,338	975	1,439,100
Excess (deficiency) of revenues over expenditures	(1,451,313)	(1,451,313)	(1,450,338)	975	(1,439,100)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,451,313	1,451,313	1,450,338	(975)	1,439,100
Total other financing sources (uses)	1,451,313	1,451,313	1,450,338	(975)	1,439,100
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Nineteen month period ending June 30, 2006

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

2003 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual (1)
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	771,250	771,250	771,250	-	1,156,875
Fiscal charges	1,250	1,250	250	1,000	375
Total expenditures - debt service	772,500	772,500	771,500	1,000	1,157,250
Excess (deficiency) of revenues over expenditures	(772,500)	(772,500)	(771,500)	1,000	(1,157,250)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	772,500	772,500	771,500	(1,000)	1,157,250
Total other financing sources (uses)	772,500	772,500	771,500	(1,000)	1,157,250
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Nineteen month period ending June 30, 2006

See accompanying notes to financial statements.

EXHIBIT C-22

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

2004 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual (1)
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	878,375	878,375	878,375	-	1,317,563
Fiscal charges	1,250	1,250	225	1,025	337
Total expenditures - debt service	879,625	879,625	878,600	1,025	1,317,900
Excess (deficiency) of revenues over expenditures	(879,625)	(879,625)	(878,600)	1,025	(1,317,900)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	879,625	879,625	878,600	(1,025)	1,317,900
Total other financing sources (uses)	879,625	879,625	878,600	(1,025)	1,317,900
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Nineteen month period ending June 30, 2006

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2005 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual (1)
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Accrued interest on sale of bonds	\$ -	\$ -	\$ -	\$ -	\$ 36,792
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,792</u>
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	662,250	662,250	662,250	-	220,750
Fiscal charges	1,250	1,250	225	1,025	113
Total expenditures - debt service	<u>663,500</u>	<u>663,500</u>	<u>662,475</u>	<u>1,025</u>	<u>220,863</u>
Excess (deficiency) of revenues over expenditures	<u>(663,500)</u>	<u>(663,500)</u>	<u>(662,475)</u>	<u>1,025</u>	<u>(184,071)</u>
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	<u>663,500</u>	<u>663,500</u>	<u>662,475</u>	<u>(1,025)</u>	<u>184,071</u>
Total other financing sources (uses)	<u>663,500</u>	<u>663,500</u>	<u>662,475</u>	<u>(1,025)</u>	<u>184,071</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Nineteen month period ending June 30, 2006

See accompanying notes to financial statements.

EXHIBIT C-24

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

1997 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	320,000	320,000	320,000	-	305,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	110,670	110,670	110,670	-	125,310
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	350	350	350	-	350
Local streets	-	-	-	-	-
Total expenditures - debt service	431,020	431,020	431,020	-	430,660
Excess (deficiency) of revenues over expenditures	(431,020)	(431,020)	(431,020)	-	(430,660)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	431,020	431,020	431,020	-	430,660
Local streets	-	-	-	-	-
Total other financing sources (uses)	431,020	431,020	431,020	-	430,660
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2000 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - debt service:					
Principal payments:					
Major streets	400,000	400,000	400,000	-	100,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	225,155	225,155	225,155	-	229,655
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	275	275	275	-	275
Local streets	-	-	-	-	-
Total expenditures - debt service	<u>625,430</u>	<u>625,430</u>	<u>625,430</u>	<u>-</u>	<u>329,930</u>
Excess (deficiency) of revenues over expenditures	<u>(625,430)</u>	<u>(625,430)</u>	<u>(625,430)</u>	<u>-</u>	<u>(329,930)</u>
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	625,430	625,430	625,430	-	329,930
Local streets	-	-	-	-	-
Total other financing sources (uses)	<u>625,430</u>	<u>625,430</u>	<u>625,430</u>	<u>-</u>	<u>329,930</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT C-26

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION REFUNDING BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	539,400	539,400	539,400	-	953,250
Local streets	40,600	40,600	40,600	-	71,750
Interest payments:					
Major streets	27,935	27,935	27,935	-	47,000
Local streets	2,103	2,103	2,103	-	3,537
Fiscal charges:					
Major streets	500	500	233	267	232
Local streets	50	50	17	33	18
Total expenditures - debt service	610,588	610,588	610,288	300	1,075,787
Excess (deficiency) of revenues over expenditures	(610,588)	(610,588)	(610,288)	300	(1,075,787)
Other financing sources (uses) :					
Transfer from Michigan transportation operating:					
Major streets	567,835	567,835	567,568	(267)	1,000,482
Local streets	42,753	42,753	42,720	(33)	75,305
Total other financing sources (uses)	610,588	610,588	610,288	(300)	1,075,787
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	100,000	100,000	100,000	-	100,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	179,400	179,400	179,400	-	181,650
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	500	500	225	275	225
Local streets	-	-	-	-	-
Total expenditures - debt service	279,900	279,900	279,625	275	281,875
Excess (deficiency) of revenues over expenditures	(279,900)	(279,900)	(279,625)	275	(281,875)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	279,900	279,900	279,625	(275)	281,875
Local streets	-	-	-	-	-
Total other financing sources (uses)	279,900	279,900	279,625	(275)	281,875
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

EXHIBIT C-28

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

2006 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Accrued interest on sale of bonds	\$ -	\$ -	\$ 3,468	\$ 3,468	\$ -
Total revenues	-	-	3,468	3,468	-
Expenditures - debt service:					
Principal payments:					
Major streets	-	-	-	-	-
Local streets	-	-	-	-	-
Interest payments:					
Major streets	-	52,026	52,025	1	-
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	-	750	81	669	-
Local streets	-	-	-	-	-
Total expenditures - debt service	-	52,776	52,106	670	-
Excess (deficiency) of revenues over expenditures	-	(52,776)	(48,638)	4,138	-
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	-	52,776	52,106	(670)	-
Local streets	-	-	-	-	-
Total other financing sources (uses)	-	52,776	52,106	(670)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	3,468	3,468	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 3,468	\$ 3,468	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

37TH DISTRICT COURT BUILDING RENOVATION FUND

Year Ended June 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Court building renovation fee	\$ 525,000	\$ 525,000	\$ 622,584	\$ 97,584	\$ 604,131
Interest on investments	19,000	19,000	64,903	45,903	26,987
Total revenues	<u>544,000</u>	<u>544,000</u>	<u>687,487</u>	<u>143,487</u>	<u>631,118</u>
Expenditures - capital projects:					
Capital improvements	<u>1,464,773</u>	<u>1,464,773</u>	-	<u>1,464,773</u>	-
Total expenditures - debt service	<u>1,464,773</u>	<u>1,464,773</u>	-	<u>1,464,773</u>	-
Excess (deficiency) of budgeted revenues over budgeted expenditures	(920,773)	(920,773)	687,487	1,608,260	631,118
Fund balance transfer:					
General Fund	-	-	206,590	206,590	-
Fund balance - beginning of year	<u>1,007,891</u>	<u>1,007,891</u>	<u>1,007,891</u>	<u>-</u>	<u>376,773</u>
Fund balance - end of year	<u>\$ 87,118</u>	<u>\$ 87,118</u>	<u>\$ 1,901,968</u>	<u>\$ 1,814,850</u>	<u>\$ 1,007,891</u>

See accompanying notes to financial statements.

EXHIBIT C-30

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 SEWAGE DISPOSAL PLANT EXPANSION FUND
 Year Ended June 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - capital projects:					
Capital improvements	31,198	31,198	-	31,198	-
Total expenditures - capital projects	<u>31,198</u>	<u>31,198</u>	<u>-</u>	<u>31,198</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(31,198)	(31,198)	-	31,198	-
Fund balance - beginning of year	<u>96,828</u>	<u>96,828</u>	<u>96,828</u>	<u>-</u>	<u>96,828</u>
Fund balance - end of year	<u>\$ 65,630</u>	<u>\$ 65,630</u>	<u>\$ 96,828</u>	<u>\$ 31,198</u>	<u>\$ 96,828</u>

See accompanying notes to financial statements.

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EXHIBIT C-31

CITY OF WARREN, MICHIGAN
 COMBINING STATEMENT OF NET ASSETS
 FIDUCIARY AND AGENCY FUNDS

June 30, 2007

	Pension and Other Employee Benefit Trust Funds			
	Police & Fire Retirement System (1)	City Employees' Retirement System (1)	Police & Fire VEBA Trust (1)	City Employees' VEBA Trust
Assets				
Cash and cash equivalents	\$ 145,908	\$ 92,767	\$ -	\$ -
Receivables:				
Investment sales	-	151,458	-	-
Accrued interest and dividends	1,378,357	639,383	115,808	112,177
Other	-	3,780	-	-
Prepaid expenses	-	2,404	-	-
Investments, at fair value:				
Securities lending short-term collateral investment pool	66,317,521	30,717,288	-	-
Short-term cash management funds	12,337,096	6,319,193	4,373	2,877,760
Certificates of deposit	-	-	5,027,145	-
U.S. government obligations	26,873,607	11,276,486	-	1,309,420
U.S. government agencies' notes and debentures	18,184,659	7,390,707	-	-
Corporate and other bonds and securities	34,974,800	25,913,252	-	4,190,805
Equity mutual funds	10,509,981	852,247	12,599,393	14,927,766
Fixed income mutual funds	4,168,098	-	2,289,689	-
Real estate investment trusts	8,470,312	336,522	-	-
Private equity	500,334	-	-	-
Equities	197,274,038	79,599,532	-	-
Total investments	<u>379,610,446</u>	<u>162,405,227</u>	<u>19,920,600</u>	<u>23,305,751</u>
Total assets	<u>381,134,711</u>	<u>163,295,019</u>	<u>20,036,408</u>	<u>23,417,928</u>
Liabilities				
Accounts payable	207,595	202,958	6,186	7,979
Investment purchases	1,115,959	179,854	-	-
Due broker under securities lending agreement	66,317,521	30,717,288	-	-
Due to other funds:				
General fund	109,168	117,677	3,751,516	3,785,879
Water and Sewer System	-	3,796	-	-
Deposits and escrows	-	-	-	-
Due to other governmental units	-	-	-	-
Total liabilities	<u>67,750,243</u>	<u>31,221,573</u>	<u>3,757,702</u>	<u>3,793,858</u>
Net assets				
Held in trust for pension and other employee benefits	<u>\$ 313,384,468</u>	<u>\$ 132,073,446</u>	<u>\$ 16,278,706</u>	<u>\$ 19,624,070</u>

Note:

(1) The City Employees' Retirement System, Police and Fire Retirement System, Police and Fire V.E.B.A. Trust and City Employees' Retirement Q.E.B.A. Trust are reported for the fiscal year ended December 31, 2006.

The City Employee V.E.B.A. Trust is reported for the fiscal year ended June 30, 2007.

See accompanying notes to financial statements.

		Agency Funds			
City Employees' Retirement QEBA Trust (1)	Total Pension and Other Employee Benefit Trust Funds	Cash Bond Fund	Tax Collection Fund	Fire Insurance Withholding Fund	Totals
\$ 12,335	\$ 251,010	\$ 1,385,038	\$ 675,095	\$ 75,646	\$ 2,135,779
-	151,458	-	-	-	-
97	2,245,822	-	-	184	184
-	3,780	-	-	-	-
-	2,404	-	-	-	-
-	97,034,809	-	-	-	-
-	21,538,422	-	-	-	-
-	5,027,145	-	-	-	-
-	39,459,513	-	-	-	-
-	25,575,366	-	-	-	-
-	65,078,857	-	-	-	-
-	38,889,387	-	-	-	-
-	6,457,787	-	-	-	-
-	8,806,834	-	-	-	-
-	500,334	-	-	-	-
-	<u>276,873,570</u>	-	-	-	-
-	<u>585,242,024</u>	-	-	-	-
<u>12,432</u>	<u>587,896,498</u>	<u>1,385,038</u>	<u>675,095</u>	<u>75,830</u>	<u>2,135,963</u>
127	424,845	-	70,312	-	70,312
-	1,295,813	-	-	-	-
-	97,034,809	-	-	-	-
-	7,764,240	-	-	348	348
-	3,796	-	-	-	-
-	-	1,385,038	-	75,482	1,460,520
-	-	-	<u>604,783</u>	-	<u>604,783</u>
<u>127</u>	<u>106,523,503</u>	<u>\$ 1,385,038</u>	<u>\$ 675,095</u>	<u>\$ 75,830</u>	<u>\$ 2,135,963</u>
<u>\$ 12,305</u>	<u>\$ 481,372,995</u>				

EXHIBIT C-32

CITY OF WARREN, MICHIGAN
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS

For the Year Ended June 30, 2007

	Police & Fire Retirement System (1)	City Employees' Retirement System (1)	Police & Fire VEBA Trust (1)	City Employees' VEBA Trust
Additions:				
Contributions:				
Employee contributions	\$ 532,753	\$ -	\$ -	\$ -
Employer contributions	5,821,391	6,168,503	6,009,872	7,140,097
Employer contributions made on behalf of employees	<u>1,127,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions	<u>7,481,898</u>	<u>6,168,503</u>	<u>6,009,872</u>	<u>7,140,097</u>
Investment activity:				
Net appreciation/(depreciation) in fair value of investments	26,892,525	6,917,684	1,308,508	2,130,230
Interest and dividend income	<u>8,884,708</u>	<u>4,287,276</u>	<u>707,900</u>	<u>858,735</u>
	35,777,233	11,204,960	2,016,408	2,988,965
Less investment expenses	<u>(1,594,967)</u>	<u>(745,935)</u>	<u>(14,937)</u>	<u>(30,424)</u>
Net investment gain/(loss)	<u>34,182,266</u>	<u>10,459,025</u>	<u>2,001,471</u>	<u>2,958,541</u>
Securities lending income:				
Interest and fees	2,676,590	1,088,775	-	-
Less borrower rebates and bank fees	<u>(2,566,686)</u>	<u>(1,052,513)</u>	<u>-</u>	<u>-</u>
Net securities lending income	<u>109,904</u>	<u>36,262</u>	<u>-</u>	<u>-</u>
Miscellaneous income	<u>-</u>	<u>21,352</u>	<u>-</u>	<u>-</u>
Total additions	<u>41,774,068</u>	<u>16,685,142</u>	<u>8,011,343</u>	<u>10,098,638</u>
Deductions:				
Retirees' pension benefits	16,399,260	11,663,909	-	-
Retirees' health insurance	-	-	6,468,425	6,671,371
Refunds and withdrawals of contributions	2,463,382	66,740	-	-
Administrative expense	<u>139,018</u>	<u>283,802</u>	<u>7,387</u>	<u>32,686</u>
Total additions/(deductions)	<u>19,001,660</u>	<u>12,014,451</u>	<u>6,475,812</u>	<u>6,704,057</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease)	22,772,408	4,670,691	1,535,531	3,394,581
Net assets held in trust for pension and other employee benefits:				
Beginning of year	<u>290,612,060</u>	<u>127,402,755</u>	<u>14,743,175</u>	<u>16,229,489</u>
End of year	<u>\$ 313,384,468</u>	<u>\$ 132,073,446</u>	<u>\$ 16,278,706</u>	<u>\$ 19,624,070</u>

Note:

(1) The City Employees' Retirement System, Police and Fire Retirement System, Police and Fire V.E.B.A. Trust and City Employees' Retirement Q.E.B.A. Trust are reported for the fiscal year ended December 31, 2006.

The City Employee V.E.B.A. Trust is reported for the fiscal year ended June 30, 2007.

See accompanying notes to financial statements.

City Employees' Retirement QEBA Trust (1)	Total Pension and Other Employee Benefit Trust Funds
\$ -	\$ 532,753
35,000	25,174,863
-	<u>1,127,754</u>
<u>35,000</u>	<u>26,835,370</u>
-	37,248,947
<u>1,003</u>	<u>14,739,622</u>
1,003	51,988,569
-	<u>(2,386,263)</u>
<u>1,003</u>	<u>49,602,306</u>
-	3,765,365
-	<u>(3,619,199)</u>
-	<u>146,166</u>
-	21,352
<u>36,003</u>	<u>76,605,194</u>
32,681	28,095,850
-	13,139,796
-	2,530,122
<u>5,507</u>	<u>468,400</u>
<u>38,188</u>	<u>44,234,168</u>
-	-
(2,185)	32,371,026
<u>14,490</u>	<u>449,001,969</u>
<u>\$ 12,305</u>	<u>\$ 481,372,995</u>

CITY OF WARREN, MICHIGAN
 CITY EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION

Schedule 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)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/00	\$ 144,779,678	\$ 144,779,678	\$ -	100.0%	\$ 17,821,494	-
12/31/01	142,295,567	142,295,567	-	100.0	16,761,095	-
12/31/02	135,317,087	135,317,087	-	100.0	16,759,827	-
12/31/03	128,846,689	128,846,689	-	100.0	16,908,433	-
12/31/04	126,080,178	126,080,178	-	100.0	16,719,853	-
12/31/05	126,603,539	126,603,539	-	100.0	15,770,253	-

Schedule of Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/01	12/31/99	\$ 4,025,117	100.00%
12/31/02	12/31/00	4,157,994	100.00
12/31/03	12/31/01	4,510,992	100.00
12/31/04	12/31/02	5,259,667	100.00
12/31/05	12/31/03	5,878,849	100.00
12/31/06	12/31/04	6,168,503	100.00

Notes to the Required Schedules

Valuation date	December 31, 2005
Actuarial cost method	Aggregate
Amortization Method	Level percent of payroll, closed
Remaining amortization period	Expected future working lifetime
Asset valuation method	Closed 4 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases*	5.00 - 8.80%
*Includes inflation at	5.00%

Membership of the plan consisted of the following at December 31, 2005, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	510
Terminated plan members entitled to but not yet receiving benefits	26
Active plan members	<u>248</u>
Total	<u>784</u>

CITY OF WARREN, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/00	\$ 315,902,368	\$ 230,836,429	\$ (85,065,939)	136.85	\$ 26,048,853	-
12/31/01	322,076,923	249,131,827	(72,945,096)	129.28	28,469,158	-
12/31/02	305,839,164	254,162,580	(51,676,584)	120.30	28,352,146	-
12/31/03	288,185,499	263,489,300	(24,696,199)	109.40	29,400,497	-
12/31/04	277,076,691	283,888,444	6,811,753	97.60	30,306,876	22.50
12/31/05	279,654,923	303,319,483	23,664,560	92.20	30,155,774	78.50

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
12/31/01	\$ 6,190,998	100.00
12/31/02	3,704,792	100.00
12/31/03	1,297,595	100.00
12/31/04	1,895,672	100.00
12/31/04	4,280,739	100.00
12/31/05	6,949,145	100.00

Notes to the Required Schedules

The information presented in the required supplementary schedules was determined as part of the actuarial valuation dates indicated. Additional information as of December 31, 2005, the latest valuation, follows:

Actuarial cost method	Entry age
Amortization Method	Level percent of payroll, closed
Remaining amortization period	20 years
Asset valuation method	4 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases*	0.1% - 3.0%
*Includes inflation at	5.00%
Cost of living adjustments	None

EXHIBIT C-35

CITY OF WARREN, MICHIGAN
 CITY EMPLOYEES' RETIREMENT HEALTH, LIFE AND DISABILITY BENEFITS PLAN AND TRUST
 REQUIRED SUPPLEMENTARY INFORMATION

Schedule 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)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	\$ 10,000,000	\$ 74,349,303	\$ 64,349,303	13.45%	\$ 28,362,379	226.88%
12/31/04	15,033,329	114,898,479	99,865,150	13.08	27,560,084	362.35

Schedule of Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
06/30/04	12/31/01	\$ 5,363,770	100.00%
06/30/05	12/31/01	6,608,058	100.00
06/30/06	12/31/01	6,570,757	100.00
06/30/07	12/31/04	7,140,097	100.00

EXHIBIT C-36

CITY OF WARREN, MICHIGAN
 POLICE AND FIRE RETIREMENT BENEFITS PLAN AND TRUST
 REQUIRED SUPPLEMENTARY INFORMATION

Schedule 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)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/03	\$ - (1)	\$ 116,492,235	\$ 116,492,235	N/A%	\$ 29,400,497	396.23%

(1) On December 30, 2004, the City provided initial funding to the plan with a transfer of \$17.069 million.

Schedule of Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/06	12/31/03	\$ 6,009,872	100.00%

CITY OF WARREN, MICHIGAN
 STATE of MICHIGAN CONSTRUCTION CODE ACT
 (Public Act 245 of 1999)

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2007

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Revenues:	
Building permits	\$ 751,364
Electrical permits	261,390
Mechanical permits	247,981
Plumbing permits	502,710
Plan review fees	151,567
Sidewalk permits	30,811
Zoning permits	176,365
Other licenses and permits	179,405
Block Grant administration	2,662
Board of appeals	27,355
Site plan fees	30,099
Planning commission fees	<u>13,835</u>
Total revenues	<u>2,375,544</u>
Expenditures (1):	
Building department	2,307,161
Planning department	<u>666,980</u>
Total expenditures	<u>2,974,141</u>
Excess (deficiency) of revenues over expenditures	(598,597)
Cumulative shortfall as of June 30, 2006	<u>(3,496,355)</u>
Cumulative shortfall as of June 30, 2007	<u>\$(4,094,952)</u>

(1) Overhead costs were not charged against departmental expenditures.

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CITY OF WARREN, MICHIGAN

STATISTICAL SECTION

Statistical Information

Statistical information contained herein relates to the physical, economic and social characteristics of the City. It is designed to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes and supporting schedules presented in the financial section.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Assets by Component	D-1
Changes in Net Assets	D-2
Fund Balances of Governmental Funds	D-3
Changes in Fund Balances of Governmental Funds	D-4

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate property taxes

Actual, State Equalized and Taxable Value of Taxable Property	D-5
Direct and Overlapping Property Tax Rates	D-6
Principal Property Taxpayers	D-7
Property Tax Levies and Collections	D-8

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

Ratios of Net General Bonded Debt Outstanding and Net Outstanding Debt by Type	D-9
Direct and Overlapping Governmental Activities Debt	D-10
Legal Debt Margin Information	D-11
Pledged Revenue Coverage	D-12
Debt Service Requirements to Maturity - Governmental Activities	D-13
Business-Type Activities	D-14

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons over time and with other governments.

Demographic and Economic Statistics	D-15
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Principal Employers	D-17

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Operating Indicators by Function	D-18
Value of New Construction	D-19
Full-Time Equivalent City Government Employees by Function	D-20

CITY OF WARREN, MICHIGAN
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year		
	2002	2003	2004
Governmental Activities:			
Invested in capital assets, net of related debt	\$ 41,827,921	\$ 65,870,765	\$ 59,951,114
Restricted	42,874,655	40,540,140	45,965,199
Unrestricted	<u>31,006,985</u>	<u>26,078,527</u>	<u>21,492,100</u>
Total governmental activities net assets	<u>\$ 115,709,561</u>	<u>\$ 132,489,432</u>	<u>\$ 127,408,413</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 68,611,245	\$ 66,341,283	\$ 63,155,395
Restricted	6,561,063	11,848,018	14,525,360
Unrestricted	<u>16,582,226</u>	<u>12,754,091</u>	<u>9,886,743</u>
Total business-type activities net assets	<u>\$ 91,754,534</u>	<u>\$ 90,943,392</u>	<u>\$ 87,567,498</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 110,439,166	\$ 132,212,048	\$ 123,106,509
Restricted	49,435,718	52,388,158	60,490,559
Unrestricted	<u>47,589,211</u>	<u>38,832,618</u>	<u>31,378,843</u>
Total primary government net assets	<u>\$ 207,464,095</u>	<u>\$ 223,432,824</u>	<u>\$ 214,975,911</u>

Fiscal Year		
2005	2006	2007
\$ 61,211,667	\$ 62,875,434	\$ 59,140,668
33,684,984	32,961,557	33,087,848
<u>25,044,605</u>	<u>30,107,642</u>	<u>33,618,180</u>
<u>\$ 119,941,256</u>	<u>\$ 125,944,633</u>	<u>\$ 125,846,696</u>
\$ 58,641,924	\$ 57,819,780	\$ 56,924,642
17,557,693	18,181,409	16,915,115
<u>7,604,682</u>	<u>6,788,707</u>	<u>7,173,338</u>
<u>\$ 83,804,299</u>	<u>\$ 82,789,896</u>	<u>\$ 81,013,095</u>
\$ 119,853,591	\$ 120,695,214	\$ 116,065,310
51,242,677	51,142,966	50,002,963
<u>32,649,287</u>	<u>36,896,349</u>	<u>40,791,518</u>
<u>\$ 203,745,555</u>	<u>\$ 208,734,529</u>	<u>\$ 206,859,791</u>

CITY OF WARREN, MICHIGAN
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
General government	\$ 20,082,664	\$ 19,473,919	\$ 16,615,611
Public safety	51,582,496	48,394,428	57,884,081
City development	5,422,940	5,810,991	6,005,387
Highways and streets	8,605,050	11,283,073	11,502,440
Recreation and culture	8,166,273	8,678,166	11,220,933
Sanitation	7,041,930	7,107,239	7,879,934
Economic development	1,383,706	557,046	1,113,253
Community development	3,017,165	2,931,591	2,395,311
Capital projects	833,806	2,922,550	2,912,390
Interest on long-term debt	2,480,239	2,528,384	3,165,735
Total governmental activities expenses	<u>108,616,269</u>	<u>109,687,387</u>	<u>120,695,075</u>
Business-type activities:			
Water and Sewer System	27,280,070	29,180,277	30,575,456
Senior citizen housing	1,966,902	2,140,531	2,075,410
Total business-type activities expenses	<u>29,246,972</u>	<u>31,320,808</u>	<u>32,650,866</u>
Total primary government expenses	<u>\$ 137,863,241</u>	<u>\$ 141,008,195</u>	<u>\$ 153,345,941</u>
Program Revenues			
Governmental activities:			
Charges for services	\$ 9,183,044	\$ 10,609,157	\$ 11,620,300
Operating grants and contributions	11,626,648	11,164,027	12,058,948
Capital grants and contributions	4,138,308	3,692,522	2,829,698
Total governmental activities program revenues	<u>24,948,000</u>	<u>25,465,706</u>	<u>26,508,946</u>
Business-type activities:			
Water and Sewer System	27,085,680	28,156,665	26,992,448
Senior citizen housing	1,885,404	1,966,201	1,964,734
Total business-type activities program revenues	<u>28,971,084</u>	<u>30,122,866</u>	<u>28,957,182</u>
Total primary government program revenues	<u>\$ 53,919,084</u>	<u>\$ 55,588,572</u>	<u>\$ 55,466,128</u>
Net (expense) revenue			
Governmental activities	\$ (83,668,269)	\$ (84,221,681)	\$ (94,186,129)
Business-type activities	(275,888)	(1,197,942)	(3,693,684)
Total primary government net (expense) revenue	<u>\$ (83,944,157)</u>	<u>\$ (85,419,623)</u>	<u>\$ (97,879,813)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 64,901,453	\$ 70,605,876	\$ 71,837,273
Sales and use taxes	17,587,680	16,551,307	14,867,961
Franchise fees	1,289,771	1,162,911	1,129,307
Investment earnings	2,137,399	1,199,309	890,520
Gain (loss) on sale of capital assets	278,840	3,438,149	380,049
Reduction in long-term debt obligation	-	400,000	-
SMDA settlement agreement	-	7,644,000	-
Transfers	-	-	-
Total governmental activities	<u>86,195,143</u>	<u>101,001,552</u>	<u>89,105,110</u>
Business-type activities:			
Investment earnings	1,477,928	386,800	317,790
Gain (loss) on sale of capital assets	(2,383)	-	-
Total business-type activities	<u>1,475,545</u>	<u>386,800</u>	<u>317,790</u>
Total primary government	<u>\$ 87,670,688</u>	<u>\$ 101,388,352</u>	<u>\$ 89,422,900</u>
Changes in Net Assets			
Governmental activities	\$ 2,526,874	\$ 16,779,871	\$ (5,081,019)
Business-type activities	1,199,657	(811,142)	(3,375,894)
Total primary government	<u>\$ 3,726,531</u>	<u>\$ 15,968,729</u>	<u>\$ (8,456,913)</u>

Fiscal Year		
2005	2006	2007
\$ 17,504,006	\$ 20,176,196	\$ 24,554,397
50,525,480	55,968,750	61,848,485
5,106,065	4,938,429	5,492,850
10,930,533	10,735,706	12,731,865
11,066,379	11,001,914	12,351,491
8,044,439	8,174,592	8,317,174
862,902	9,269,389	559,156
3,335,621	2,336,495	1,983,978
1,624,148	1,498,553	1,525,833
4,163,954	6,254,880	5,082,442
<u>113,163,527</u>	<u>130,354,904</u>	<u>134,447,671</u>
31,225,489	32,188,319	32,499,489
1,800,146	1,872,601	1,937,454
<u>33,025,635</u>	<u>34,060,920</u>	<u>34,436,943</u>
\$ 146,189,162	\$ 164,415,824	\$ 168,884,614
\$ 12,714,891	\$ 14,584,784	\$ 13,702,181
12,935,941	12,463,692	12,684,642
4,789,306	5,171,647	3,243,612
<u>30,440,138</u>	<u>32,220,123</u>	<u>29,630,435</u>
26,928,099	30,329,100	29,674,597
2,034,821	2,081,469	2,143,419
<u>28,962,920</u>	<u>32,410,569</u>	<u>31,818,016</u>
\$ 59,403,058	\$ 64,630,692	\$ 61,448,451
\$ (82,723,389)	\$ (98,134,781)	\$ (104,817,236)
(4,062,715)	(1,650,351)	(2,618,927)
<u>(86,786,104)</u>	<u>(99,785,132)</u>	<u>(107,436,163)</u>
\$ 74,911,034	\$ 83,352,957	\$ 85,079,549
14,705,085	14,540,634	14,105,387
1,151,761	1,206,596	1,344,444
1,602,968	3,075,634	4,289,636
84,927	2,099,337	40,283
-	-	-
-	-	-
(17,199,543)	(137,000)	(140,000)
<u>75,256,232</u>	<u>104,138,158</u>	<u>104,719,299</u>
299,516	635,948	842,126
-	-	-
<u>299,516</u>	<u>635,948</u>	<u>842,126</u>
\$ 75,555,748	\$ 104,774,106	\$ 105,561,425
\$ (7,467,157)	\$ 6,003,377	\$ (97,937)
(3,763,199)	(1,014,403)	(1,776,801)
<u>(11,230,356)</u>	<u>4,988,974</u>	<u>(1,874,738)</u>

CITY OF WARREN, MICHIGAN
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1998	1999	2000 (1)	2001
General Fund:				
Reserved	\$ 2,301,961	\$ 2,063,260	\$ 1,273,879	\$ 1,608,054
Unreserved	<u>21,838,803</u>	<u>24,413,375</u>	<u>26,501,015</u>	<u>28,019,105</u>
Total general fund	<u>\$ 24,140,764</u>	<u>\$ 26,476,635</u>	<u>\$ 27,774,894</u>	<u>\$ 29,627,159</u>
All Other Governmental Funds:				
Reserved	\$ 5,599,323	\$ 3,511,722	\$ 4,492,276	\$ 22,271,772
Unreserved, reported in:				
Special revenue funds	18,214,035	24,574,221	47,606,490	30,561,656
Capital projects funds	9,177,908	8,098,053	8,972,959	12,998,658
Debt service funds	<u>456,930</u>	<u>747,781</u>	<u>1,092,076</u>	<u>1,433,845</u>
Total all other governmental funds	<u>\$ 33,448,196</u>	<u>\$ 36,931,777</u>	<u>\$ 62,163,801</u>	<u>\$ 67,265,931</u>

- (1) Reflects proceeds from the sale of the Detroit Arsenal Tank Plant of \$25.5 million.
(2) Reflects implementation of GASB Statement No. 34 and GASB Interpretation No. 6

Fiscal Year					
2002 (2)	2003	2004	2005	2006	2007
\$ 1,912,343	\$ 2,250,381	\$ 2,326,703	\$ 2,507,872	\$ 4,389,944	\$ 2,057,662
<u>49,390,183</u>	<u>55,051,386</u>	<u>55,173,474</u>	<u>44,720,163</u>	<u>48,532,509</u>	<u>53,397,963</u>
<u>\$ 51,302,526</u>	<u>\$ 57,301,767</u>	<u>\$ 57,500,177</u>	<u>\$ 47,228,035</u>	<u>\$ 52,922,453</u>	<u>\$ 55,455,625</u>
\$ 12,143,950	\$ 4,350,252	\$ 9,931,404	\$ 45,883,472	\$ 27,970,850	\$ 8,129,748
31,099,498	29,538,059	23,917,188	22,677,100	20,653,148	28,587,139
10,134,377	16,841,480	35,011,030	8,990,773	6,586,018	9,396,449
<u>1,790,644</u>	<u>2,991,789</u>	<u>4,003,520</u>	<u>3,934,800</u>	<u>2,972,181</u>	<u>2,116,366</u>
<u>\$ 55,168,469</u>	<u>\$ 53,721,580</u>	<u>\$ 72,863,142</u>	<u>\$ 81,486,145</u>	<u>\$ 58,182,197</u>	<u>\$ 48,229,702</u>

CITY OF WARREN, MICHIGAN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1998	1999	2000	2001
Revenues:				
Property taxes	58,767,119	61,427,133	63,288,839	64,206,353
Special assessments	121,586	80,620	95,614	108,795
Licenses and permits	1,849,837	2,218,341	2,299,396	2,400,352
Intergovernmental:				
Federal revenue	1,717,816	2,992,850	2,472,371	2,138,084
State revenue	26,510,138	29,129,463	29,999,066	29,790,997
Local revenue	175,753	200,938	228,809	264,505
Charges for services	1,838,627	2,757,121	2,185,417	1,867,839
Fines and fees	5,167,149	5,955,125	5,765,687	5,703,761
Interest	3,922,018	3,768,635	4,883,438	6,825,098
Other	4,428,977	3,633,304	3,838,813	3,855,755
Total revenues	104,499,020	112,163,530	115,057,450	117,161,539
Expenditures:				
General government	22,676,340	24,582,365	27,685,739	28,185,166
Public safety	41,610,310	42,776,329	44,224,911	49,669,931
City development	4,205,735	4,284,874	5,179,591	5,513,970
Highway and streets	10,721,908	11,184,691	8,967,483	9,836,390
Recreation and culture	7,033,750	7,610,905	8,215,644	9,314,814
Sanitation	6,052,888	6,359,861	6,676,854	7,270,063
Economic development	6,068,378	4,083,417	4,838,582	4,661,727
Community development	1,928,104	3,344,939	2,607,216	1,791,358
Capital projects	1,613,508	2,001,583	462,881	1,691,125
Debt service:				
Principal retirement	5,628,019	3,271,590	4,101,167	2,958,333
Interest	1,418,948	1,229,453	1,061,560	1,134,537
Other	2,259	114,071	5,539	3,711
Total expenditures	108,960,147	110,844,078	114,027,167	122,031,125
Excess of revenues over (under) expenditures	(4,461,127)	1,319,452	1,030,283	(4,869,586)
Other Financing Sources (Uses):				
Transfers to fiduciary funds	-	-	-	(10,000,000)
Transfers to Water and Sewer System	-	-	-	-
Proceeds from sale of property (1)	4,500,000	4,500,000	25,500,000	3,834,381
Proceeds from issuance of debt	10,357,500	1,335,791	-	17,989,600
Payment to refunded bond escrow agent	-	(1,335,791)	-	-
Bond premium (discounts)	-	-	-	-
Other	253,476	-	-	-
Total other financing sources (uses)	15,110,976	4,500,000	25,500,000	11,823,981
Net changes in fund balances	\$ 10,649,849	\$ 5,819,452	\$ 26,530,283	\$ 6,954,395
Debt service as a percentage of non-capital expenditures (2)	-	-	-	-

(1) Amounts reported in fiscal years 1998 through 2003 represent proceeds from the sale of property formerly known as the Detroit Arsenal Tank Plant.

(2) Prior to the implementation of GASB Statement No. 34 in fiscal year 2002, capitalization of infrastructure improvements was not required. A significant portion of debt service reported for the fiscal years prior to 2002 was for infrastructure improvements, no portion of which was capitalized. Inclusion of debt service ratios for these years would be misleading.

(3) Reflects Downtown Development Authority revenues and expenditures for the nineteen month period ending June 30, 2006 due to a change in the Authority's fiscal year end.

Fiscal Year					
2002	2003	2004	2005	2006 (3)	2007
64,815,974	70,514,428	71,740,065	74,787,704	84,328,809	84,953,504
225,149	1,158,599	1,610,111	994,766	982,318	944,084
1,886,189	1,669,227	1,655,809	2,167,451	2,420,993	2,329,132
2,604,890	2,093,760	2,559,108	4,612,382	3,305,681	1,981,507
27,430,409	27,179,229	25,638,979	25,856,586	25,703,221	25,271,564
341,125	444,803	761,802	589,986	656,026	691,774
2,069,475	2,372,927	2,730,910	2,894,923	4,101,728	3,039,087
5,686,199	5,767,711	6,208,873	6,810,020	7,295,418	7,596,165
3,094,011	1,858,340	1,445,693	2,599,643	5,404,617	5,760,013
4,202,329	6,442,251	7,151,246	6,173,358	6,358,491	7,025,380
<u>112,355,750</u>	<u>119,501,275</u>	<u>121,502,596</u>	<u>127,486,819</u>	<u>140,557,302</u>	<u>139,592,210</u>
21,854,246	21,658,378	22,167,103	22,496,853	25,992,081	24,850,290
52,530,308	47,697,824	56,633,024	52,271,304	59,597,955	62,100,913
5,511,262	5,766,893	5,951,477	5,159,713	5,106,033	5,443,884
9,288,019	12,307,374	11,106,835	13,003,033	12,658,806	13,459,407
20,717,736	23,338,068	10,877,663	10,060,656	9,816,038	10,655,537
7,003,913	6,887,669	7,836,537	8,234,143	8,338,889	8,099,142
1,831,462	7,189,029	2,176,103	13,951,104	39,215,525	14,771,221
3,010,281	2,926,258	2,395,477	3,333,119	2,339,535	1,976,092
833,806	2,958,848	2,912,390	1,624,148	1,498,553	1,525,833
3,489,706	6,131,084	4,550,765	4,535,349	4,693,582	4,578,029
2,366,436	2,460,689	2,914,632	3,743,818	5,646,793	4,783,676
2,442	10,695	365,860	403,167	442,173	95,653
<u>128,439,617</u>	<u>139,332,809</u>	<u>129,887,866</u>	<u>138,816,407</u>	<u>175,345,963</u>	<u>152,339,677</u>
(16,083,867)	(19,831,534)	(8,385,270)	(11,329,588)	(34,788,661)	(12,747,467)
-	-	-	(17,068,543)	-	-
-	-	-	(131,000)	(137,000)	(140,000)
-	3,433,442	-	-	2,240,087	115,741
2,853,012	21,145,000	32,114,457	27,015,000	25,835,000	5,409,304
-	-	(4,224,218)	-	(10,474,047)	-
-	(194,556)	(164,997)	(135,008)	(284,909)	(56,901)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,853,012</u>	<u>24,383,886</u>	<u>27,725,242</u>	<u>9,680,449</u>	<u>17,179,131</u>	<u>5,328,144</u>
<u>\$ (13,230,855)</u>	<u>\$ 4,552,352</u>	<u>\$ 19,339,972</u>	<u>\$ (1,649,139)</u>	<u>\$ (17,609,530)</u>	<u>\$ (7,419,323)</u>
5.27%	7.49%	5.97%	6.98%	7.88%	7.05%

CITY OF WARREN, MICHIGAN
ACTUAL, STATE EQUALIZED AND TAXABLE VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Valuation Date Dec. 31	Fiscal Year Ended June 30	Real Property					
		Commercial		Industrial		Residential	
		State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
1996	1998	\$ 373,923,630	\$ 373,911,940	\$ 514,135,500	\$ 513,997,990	\$ 1,909,055,530	\$ 1,771,296,550
1997	1999	387,603,260	384,514,720	530,289,940	530,146,930	2,059,420,370	1,838,462,500
1998	2000	400,055,970	394,745,298	578,183,020	575,496,839	2,249,073,151	1,897,961,574
1999	2001	412,107,635	407,027,240	596,940,240	591,344,440	2,422,794,590	1,972,198,770
2000	2002	428,511,820	422,540,360	595,333,340	590,524,930	2,624,024,180	2,076,874,770
2001	2003	556,269,070	439,853,430	739,418,720	608,519,340	2,829,961,930	2,185,762,640
2002	2004	572,342,170	456,093,940	751,245,420	627,577,820	3,006,294,040	2,277,219,880
2003	2005	576,504,460	470,293,930	764,593,450	647,805,090	3,120,583,610	2,384,669,010
2004	2006	604,599,380	490,771,640	769,510,100	664,498,290	3,210,976,430	2,486,422,141
2005	2007	644,444,170	524,682,180	768,670,720	677,550,990	3,320,030,270	2,625,123,610

The State Equalized Value (SEV) is the Actual Value multiplied by the Equalization Factor, currently equal to fifty percent.

The amounts reported are provided annually by the City Assessor's Office and do not reflect any tax exempt properties. Assessments are valued as of December 31 of each year. The respective taxes were levied on July 1 of the following year for the fiscal year indicated. During the fiscal year, the SEV and taxable values may be amended through judgments of the State Tax Commission (STC), Michigan Tax Tribunal (MTT) or Board of Review (BOR).

On March 15, 1994, Michigan voters passed Proposal A which places a limit on the value used to compute property taxes. Effective with the July 1, 1995 levy, property taxes are calculated using a Taxable Value. The Taxable Value is the lower of the State Equalized Value or the Capped Value. The State Equalized Value is the Assessed Value (representing fifty percent of the true cash value) multiplied by the Equalization Factor (currently equal to 1.000). The Capped Value is calculated by using the prior year's Taxable Value minus losses times the lower of 1.05 or the prior year's Consumers Price Index for the twelve months ended September 30 plus any additions.

- (1) I.F.T. = Industrial Facilities Tax
O.P.R.A. = Obsolete Property Rehabilitation Act

Personal Property		I.F.T. & O.P.R.A. Tax Rolls (1)		Totals		Total Direct Tax Rate
State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	
\$ 681,659,019	\$ 681,659,019	\$ 179,269,111	\$ 179,269,111	\$ 3,658,042,790	\$ 3,520,134,610	16.5832
741,599,450	741,599,450	185,599,878	185,599,878	3,904,512,898	3,680,323,478	16.5832
815,719,604	815,719,604	145,174,495	145,164,365	4,188,206,240	3,829,087,680	16.3068
746,029,641	746,029,641	179,112,913	178,622,613	4,356,985,019	3,895,222,704	16.3068
763,518,885	763,518,885	256,608,504	256,446,284	4,667,996,729	4,109,905,229	16.2600
767,486,522	767,486,522	351,576,421	350,315,051	5,244,712,663	4,351,936,983	16.2524
787,465,492	787,465,492	338,931,568	337,459,259	5,456,278,690	4,485,816,391	16.1924
774,437,678	773,857,285	357,893,123	356,598,373	5,594,012,321	4,633,223,688	16.1924
733,292,078	733,169,122	412,279,953	411,167,403	5,730,657,941	4,786,028,596	16.9424
758,099,739	757,977,563	459,840,689	456,292,779	5,951,085,588	5,041,627,122	16.9424

CITY OF WARREN, MICHIGAN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	City-wide Direct Tax Rate							
	General	Emergency	Police	Police	Police	Fire	Fire	
	Operating (1)	Library	Medical Service	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Protection
1998	8.8182	0.4899	0.2939	0.9798	1.9900	1.7918	0.9798	0.9798
1999	8.8182	0.4899	0.2939	0.9798	1.9900	1.7918	0.9798	0.9798
2000	8.7997	0.4889	0.2933	0.9777	1.8400	1.6918	0.9777	0.9777
2001	8.7997	0.4889	0.2933	0.9777	1.8400	1.6918	0.9777	0.9777
2002	8.7671	0.4870	0.2921	0.9740	1.8400	1.6918	0.9740	0.9740
2003	8.7724	0.4873	0.2923	0.9746	1.8248	1.6918	0.9746	0.9746
2004	8.7724	0.4873	0.2923	0.9746	1.8248	1.8918	0.9746	0.9746
2005	8.7724	0.4873	0.2923	0.9746	1.8248	1.8918	0.9746	0.9746
2006	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746
2007	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746

(1) The City general operating tax rate charter limit equals 9.0000 mills.

	School District Overlapping Tax Rate					
	Fitzgerald		Van Dyke		East Detroit	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	11.3600	29.3600	13.7600	31.7600	10.5000	28.5000
Combined City & County Rate	25.0354	25.0354	25.0354	25.0354	25.0354	25.0354
1998 Total Direct & Overlapping Rate	36.3954	54.3954	38.7954	56.7954	35.5354	53.5354
School District Rate	11.3500	29.3500	13.7600	31.7600	10.5000	28.5000
Combined City & County Rate	24.9943	24.9943	24.9943	24.9943	24.9943	24.9943
1999 Total Direct & Overlapping Rate	36.3443	54.3443	38.7543	56.7543	35.4943	53.4943
School District Rate	11.3500	29.3500	13.1860	31.1860	10.5000	28.5000
Combined City & County Rate	24.6689	24.6689	24.6689	24.6689	24.6689	24.6689
2000 Total Direct & Overlapping Rate	36.0189	54.0189	37.8549	55.8549	35.1689	53.1689
School District Rate	14.1000	32.1000	13.2160	31.2160	10.5000	28.5000
Combined City & County Rate	24.5963	24.5963	24.5963	24.5963	24.5963	24.5963
2001 Total Direct & Overlapping Rate	38.6963	56.6963	37.8123	55.8123	35.0963	53.0963
School District Rate	14.1000	32.1000	13.2200	31.2200	10.5000	28.5000
Combined City & County Rate	24.6821	24.6821	24.6821	24.6821	24.6821	24.6821
2002 Total Direct & Overlapping Rate	38.7821	56.7821	37.9021	55.9021	35.1821	53.1821
School District Rate	14.1000	32.1000	13.2167	32.2167	10.1000	28.0730
Combined City & County Rate	25.9540	25.9540	25.9540	25.9540	25.9540	25.9540
2003 Total Direct & Overlapping Rate	40.0540	58.0540	39.1707	58.1707	36.0540	54.0270
School District Rate	13.1000	31.1000	12.7600	30.7600	8.4000	26.3730
Combined City & County Rate	25.7704	25.7704	25.7704	25.7704	25.7704	25.7704
2004 Total Direct & Overlapping Rate	38.8704	56.8704	38.5304	56.5304	34.1704	52.1434
School District Rate	14.1000	32.1000	13.7600	31.7600	9.6000	27.5730
Combined City & County Rate	25.6702	25.6702	25.6702	25.6702	25.6702	25.6702
2005 Total Direct & Overlapping Rate	39.7702	57.7702	39.4302	57.4302	35.2702	53.2432
School District Rate	14.1000	32.1000	13.7600	31.7600	9.6000	27.5730
Combined City & County Rate	26.3182	26.3182	26.3182	26.3182	26.3182	26.3182
2006 Total Direct & Overlapping Rate	40.4182	58.4182	40.0782	58.0782	35.9182	53.8912
School District Rate	14.1000	32.1000	11.9906	29.9906	9.6000	27.5190
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
2007 Total Direct & Overlapping Rate	40.4167	58.4167	38.3073	56.3073	35.9167	53.8357

Chapter 20 Drain Debt	County-wide Overlapping Tax Rate							Total County-wide Overlapping Tax Rate
	Total City-wide Direct Tax Rate	Macomb I.S.D.	Macomb Community College	Huron Clinton Metro Authority	S.M.A.R.T.	Macomb County		
						Operating	Drain Debt	
0.2600	16.5832	2.0367	1.6539	0.2236	0.3300	4.2000	0.0080	8.4522
0.2600	16.5832	2.0363	1.6134	0.2235	0.3299	4.2000	0.0080	8.4111
0.2600	16.3068	2.0210	1.5840	0.2218	0.3273	4.2000	0.0080	8.3621
0.2600	16.3068	2.0210	1.5140	0.2202	0.3273	4.2000	0.0070	8.2895
0.2600	16.2600	2.0033	1.6707	0.2186	0.3235	4.2000	0.0060	8.4221
0.2600	16.2524	2.9863	1.6925	0.2170	0.6000	4.2000	0.0058	9.7016
-	16.1924	2.9729	1.5859	0.2161	0.5973	4.2000	0.0058	9.5780
-	16.1924	2.9615	1.5002	0.2154	0.5949	4.2000	0.0058	9.4778
-	16.9424	2.9430	1.4212	0.2146	0.5912	4.2000	0.0058	9.3758
-	16.9424	2.9430	1.4212	0.2146	0.5900	4.2000	0.0055	9.3743

School District Overlapping Tax Rate

	School District Overlapping Tax Rate					
	Center Line		Warren Woods		Warren Consolidated	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	24.7350	24.7350	12.6000	30.6000	15.8266	25.0000
Combined City & County Rate	25.0354	25.0354	25.0354	25.0354	25.0354	25.0354
1998 Total Direct & Overlapping Rate	49.7704	49.7704	37.6354	55.6354	40.8620	50.0354
School District Rate	24.4403	24.4403	12.6000	30.6000	15.7776	25.0000
Combined City & County Rate	24.9943	24.9943	24.9943	24.9943	24.9943	24.9943
1999 Total Direct & Overlapping Rate	49.4346	49.4346	37.5943	55.5943	40.7719	49.9943
School District Rate	24.3640	24.3640	12.6000	30.6000	15.3459	25.0000
Combined City & County Rate	24.6689	24.6689	24.6689	24.6689	24.6689	24.6689
2000 Total Direct & Overlapping Rate	49.0329	49.0329	37.2689	55.2689	40.0148	49.6689
School District Rate	24.3640	25.0000	12.6000	30.6000	14.8163	25.0000
Combined City & County Rate	24.5963	24.5963	24.5963	24.5963	24.5963	24.5963
2001 Total Direct & Overlapping Rate	48.9603	49.5963	37.1963	55.1963	39.4126	49.5963
School District Rate	24.3640	25.0000	12.6000	30.6000	16.1471	26.2500
Combined City & County Rate	24.6821	24.6821	24.6821	24.6821	24.6821	24.6821
2002 Total Direct & Overlapping Rate	49.0461	49.6821	37.2821	55.2821	40.8292	50.9321
School District Rate	25.2111	26.0000	12.6000	30.6000	16.9626	27.4964
Combined City & County Rate	25.9540	25.9540	25.9540	25.9540	25.9540	25.9540
2003 Total Direct & Overlapping Rate	51.1651	51.9540	38.5540	56.5540	42.9166	53.4504
School District Rate	23.8646	25.0000	11.6000	29.6000	15.6806	26.3464
Combined City & County Rate	25.7704	25.7704	25.7704	25.7704	25.7704	25.7704
2004 Total Direct & Overlapping Rate	49.6350	50.7704	37.3704	55.3704	41.4510	52.1168
School District Rate	24.5354	26.0000	12.6000	30.6000	16.0426	27.2764
Combined City & County Rate	25.6702	25.6702	25.6702	25.6702	25.6702	25.6702
2005 Total Direct & Overlapping Rate	50.2056	51.6702	38.2702	56.2702	41.7128	52.9466
School District Rate	23.5778	26.0000	12.6000	30.6000	15.9930	27.2764
Combined City & County Rate	26.3182	26.3182	26.3182	26.3182	26.3182	26.3182
2006 Total Direct & Overlapping Rate	49.8960	52.3182	38.9182	56.9182	42.3112	53.5946
School District Rate	22.1022	26.0000	12.6000	30.6000	15.8294	27.2764
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
2007 Total Direct & Overlapping Rate	48.4189	52.3167	38.9167	56.9167	42.1461	53.5931

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CITY OF WARREN, MICHIGAN
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	Year Ended June 30, 2007			Year Ended June 30, 1998		
	Taxable Value (including I.F.T.)	Rank	Percent of Total Taxable Value	Taxable Value (including I.F.T.)	Rank	Percent of Total Taxable Value
General Motors	\$ 615,207,951	1	12.20%	\$ 399,366,604	1	11.35%
Daimler-Chrysler/DCX	313,019,057	2	6.21%	271,422,531	2	7.71%
Detroit Edison	44,364,203	3	0.88%	51,501,332	4	1.46%
Art Van Furniture	28,095,828	4	0.56%	19,628,621	5	0.56%
International Transmission	19,417,164	5	0.39%			
Iroquois Industries	14,896,108	6	0.30%			
E.D.S.	10,123,173	7	0.20%	53,256,412	3	1.51%
Consumers Energy	9,544,678	8	0.19%	14,139,688	7	0.40%
Flex-N-Gate	9,256,552	9	0.18%			
Paslin Company	9,036,689	10	0.18%			
Universal City Center				16,360,088	6	0.46%
Cold Heading / Ajax Metal				13,944,651	8	0.40%
General Electric-Carboloy				10,309,868	9	0.29%
Metal Specialist				9,207,572	10	0.26%
Ten largest taxpayers	1,072,961,403		21.28%	859,137,367		24.41%
Other taxpayers	3,968,709,819		78.72%	2,660,997,243		75.59%
Total taxable value	<u>\$ 5,041,671,222</u>		<u>100.00%</u>	<u>\$ 3,520,134,610</u>		<u>100.00%</u>

CITY OF WARREN, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Fiscal Year	Total Tax Levy	Returned Delinquent		Collected by March 1	Percent Collected by March 1	Delq. Real Property Taxes Reimbursed by Macomb County
			Real Property	Personal Property			
1997	1998	57,067,718	(1,461,565)	(268,739)	55,337,414	96.97%	1,461,565
1998	1999	59,618,060	(1,766,971)	(320,281)	57,530,808	96.50%	1,766,971
1999	2000	61,075,857	(1,674,105)	(309,091)	59,092,661	96.75%	1,674,105
2000	2001	62,089,403	(1,569,707)	(564,895)	59,954,801	96.56%	1,569,707
2001	2002	64,867,996	(1,807,180)	(730,973)	62,329,843	96.09%	1,807,180
2002	2003	68,063,602	(1,921,053)	(899,682)	65,242,867	95.86%	1,921,053
2003	2004	69,103,197	(2,093,752)	(808,009)	66,201,436	95.80%	2,093,752
2004	2005	71,479,514	(2,012,871)	(953,863)	68,512,780	95.85%	2,012,871
2005	2006	76,728,050	(2,710,021)	(467,085)	73,550,944	95.86%	2,710,021
2006	2007	80,607,081	(3,320,658)	(487,287)	76,799,136	95.28%	3,320,658

Notes: (1) The schedule above does not include any levies or delinquencies relative to the 1.0% administrative fee assessed on county and school taxes collected by the city.

(2) On November 9, 2005 the Warren City Council approved a proposed settlement agreement with DTE Energy in regards to utility assessments. Under the terms of the agreement, provided the City uses approved State Tax Commission (STC) multiplier tables for the tax years 2006, 2007 and 2008, DTE Energy will pay personal property taxes for the 1997, 1998, 1999 and 2005 tax years as previously assessed. In addition, effective October 2007 and for the four years thereafter, the STC will issue an order to strike outstanding personal property taxes for the 2000, 2001, 2002, 2003 and 2004 tax years. Ultimately, outstanding delinquent personal property taxes totaling approximately \$1.1 million will be stricken. Funds will be appropriated in each budget year as the order to strike is received. These delinquent personal property taxes are reflected in the governmental funds balance sheet as part of "fund balance – reserved for accounts receivable" as of June 30, 2007.

Personal Property Taxes Collected March 1 - June 30	Collected Within Fiscal Year of Levy	Percent Collected in Fiscal Year	Subsequent to Tax Year			Receivable as of June 30, 2007	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To-Date
			STC, MTT and BOR Adjustments	Personal Property Tax Write Off				
29,500	56,828,479	99.58%	2,307	(65,843)	-	57,004,182	99.88%	
100	59,297,879	99.46%	3,737	(92,512)	-	59,529,285	99.84%	
52,838	60,819,604	99.58%	57,317	(38,501)	-	61,094,673	99.94%	
36,161	61,560,669	99.15%	37,889	(29,304)	260,757	61,837,231	99.53%	
-	64,137,023	98.87%	139,403	(107,778)	317,081	64,582,540	99.35%	
41,387	67,205,307	98.74%	129,011	(73,337)	398,580	67,720,696	99.31%	
72,446	68,367,634	98.94%	169,295	-	487,227	68,785,265	99.30%	
149,937	70,675,588	98.88%	146,255	-	568,669	71,057,100	99.21%	
133,554	76,394,519	99.57%	210,774	-	141,460	76,797,364	99.82%	
220,410	80,340,204	99.67%	39,436	-	306,313	80,340,204	99.62%	

CITY OF WARREN, MICHIGAN

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING AND NET OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Governmental Activities - General Bonded Debt							
	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	South Macomb Disposal Authority	Building Authority Bonds	Tax Increment Finance Authority Bonds	Downtown Development Authority Bonds
1998	\$ 6,018,423	\$ 1,060,323	\$ -	\$ -	\$ 4,150,000	\$ 1,925,000	\$ -
1999	4,729,733	1,012,722	2,453,566	-	3,333,333	1,950,000	-
2000	2,418,428	962,222	3,000,000	-	2,916,667	1,845,000	-
2001	1,702,679	908,647	3,000,000	7,644,000	15,333,333	1,720,000	-
2002	1,233,144	851,809	3,000,000	7,644,000	17,608,720	1,595,000	-
2003	755,693	791,510	-	-	16,725,386	1,465,000	20,000,000
2004	473,636	727,538	-	-	15,476,137	1,310,000	40,000,000
2005	227,834	659,671	-	-	19,384,018	1,150,000	60,000,000
2006	78,209	587,670	-	-	19,020,232	990,000	75,000,000
2007	-	511,285	-	-	17,748,576	820,000	74,500,000

Other Governmental Activities Debt			Total Net Governmental Activities Debt	Business-type Activities Building Authority Bonds		
Michigan Transportation Bonds	Special Assessment Bonds	Available in Debt Service Funds		Installment Purchase Agreements	Senior Citizen Housing	Water and Sewer System
1998	\$ 14,645,000	\$ -	\$ 31,775,725	\$ 79,343	\$ 10,210,000	\$ 3,540,000
1999	13,365,000	-	30,145,314	56,687	9,905,000	3,096,667
2000	11,875,000	-	25,505,594	34,031	9,605,000	2,963,333
2001	15,270,000	-	47,194,035	11,375	9,255,000	2,596,667
2002	13,590,000	-	46,239,353	-	9,085,000	2,210,000
2003	12,180,000	1,145,000	52,012,214	-	8,955,000	2,069,613
2004	16,305,000	2,773,969	74,463,936	-	8,850,000	1,158,863
2005	14,760,000	3,924,409	97,042,841	-	8,825,000	195,982
2006	13,230,000	3,076,239	109,309,427	-	8,260,000	159,768
2007	17,239,304	2,214,460	111,000,211	-	7,715,000	121,424

Comments:

The ratios presented are required by Governmental Accounting Standards Board (GASB) Statement No. 44. While the ratios are an indication of the burden of debt on the City of Warren's citizenry and business community as a whole, in many cases the repayment of the debt will be financed by select taxpayers, users or other sources of revenue. In other cases, the debt burden is shared by not only the citizenry but also by the business community, further distorting per capita ratios. The narrative that follows focuses on debt to be repaid by sources other than property taxes levied on the citywide tax base. Excluding these items from the tables presented above would dramatically affect the ratios presented.

- (a) Debt service requirements for the Tax Increment Finance Authority Bonds and Downtown Development Authority Bonds are derived from the capture of incremental tax revenues on properties within the respective authority's defined geographic boundaries.
- (b) Debt service requirements for the Michigan Transportation Bonds are derived from the receipt of state shared gas and weight taxes.
- (c) Debt service requirements for the Special Assessment Bonds are derived from the receipt of installment payments from taxpayers whose property directly benefited from either the City's sidewalk replacement or tree removal program.
- (d) Debt service requirements for the Building Authority Senior Housing Bonds are derived from the receipt of rental payments from residents of the Joseph Coach Manor senior housing complex.
- (e) Debt service requirements for the Water and Sewer Bonds are received from residential as well as commercial and industrial users of the system.

Sources:

- (1) 1990 U.S. Census Bureau - FY 1997 - 1999; 2000 U.S. Census Bureau - FY 2000; Southeast Michigan Council of Governments - Estimated Population - FY 2001 - 2007
- (2) 1990 and 2000 U.S. Census Bureau

Governmental Activities - General Bonded Debt

County Drain Bonds	Amounts Available in Debt Service Funds	Total Net General Bonded Debt	Taxable Value of Property	Percentage of Taxable Value of Property	Estimated Population (1)	Per Capita
\$ 4,609,923	(632,944)	\$ 17,130,725	\$ 3,520,134,610	0.49%	144,864	\$ 118.25
4,110,000	(809,040)	16,780,314	3,680,323,478	0.46%	144,864	115.83
3,630,000	(1,141,723)	13,630,594	3,829,087,680	0.36%	138,247	98.60
3,150,000	(1,534,624)	31,924,035	3,895,222,704	0.82%	137,282	232.54
2,575,000	(1,858,320)	32,649,353	4,109,905,229	0.79%	137,323	237.76
2,005,000	(2,246,410)	39,496,179	4,351,936,983	0.91%	137,394	287.47
1,440,000	(1,605,137)	57,822,174	4,485,816,391	1.29%	135,971	425.25
880,000	(1,002,023)	81,299,500	4,633,223,688	1.75%	135,572	599.68
220,000	(220,000)	95,676,111	4,786,028,596	2.00%	135,375	706.75
-	-	93,579,861	5,041,627,122	1.86%	136,824	683.94

Business-type Activities

Total Primary Government

Water and Sewer Revenue Bonds	Total Business-type Activities Debt	Total Net Primary Government Debt	Per Capita Income (2)	Percentage of Total Per Capita Income	Per Capita
\$ 12,105,000	\$ 25,934,343	\$ 57,710,068	\$ 15,224	2.62%	\$ 398.37
11,965,000	25,023,354	55,168,668	15,224	2.50%	380.83
23,920,000	36,522,364	62,027,958	21,407	2.10%	448.67
37,455,000	49,318,042	96,512,077	21,407	3.28%	703.02
37,230,000	48,525,000	94,764,353	21,407	3.22%	690.08
36,620,000	47,644,613	99,656,827	21,407	3.39%	725.34
37,793,016	47,801,879	122,265,815	21,407	4.20%	899.21
44,789,812	53,810,794	150,853,635	21,407	5.20%	1,112.72
52,670,356	61,090,124	170,399,551	21,407	5.88%	1,258.72
57,361,548	65,197,972	176,198,183	21,407	6.02%	1,287.77

EXHIBIT D-10

CITY OF WARREN, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2007

Net Direct debt:

Land Contract:			
DPW Garage	Building acquisition		\$ 511,285
Building Authority Bonds:			
Series 2001	Warren Community Center	\$ 1,500,000	
Series 2002	Capital equipment	1,303,576	
Series 2005	Capital equipment	4,330,000	
Refunding Series 2005	Warren Community Center	<u>10,615,000</u>	17,748,576
Tax Increment Finance Authority:			
Series 1991	TIFA District development	480,000	
Series 1999	Refunding issue	<u>340,000</u>	820,000
Downtown Development Authority:			
Series 2002	City Center development	19,500,000	
Series 2003	City Center development	20,000,000	
Series 2004	City Center development	20,000,000	
Series 2005	City Center development	<u>15,000,000</u>	74,500,000
Road Construction Bonds:			
Series 1997 Michigan Transportation Bonds	Road improvements	1,900,000	
Series 2000 Michigan Transportation Bonds	Road improvements	4,265,000	
Series 2003 Michigan Transportation Bonds	Refunding issue	565,000	
Series 2003 Michigan Transportation Bonds	Road improvements	5,100,000	
Series 2006 Capital Improvement Bonds	Road improvements	5,409,304	
Less amounts available in debt service funds		<u>(3,468)</u>	17,235,836
Special Assessment Bonds:			
Series 2002	Sidewalk replacement program	185,000	
Series 2003	Sidewalk replacement program	494,460	
Series 2005	Sidewalk replacement program	1,535,000	
Less amounts available in debt service funds		<u>(2,029,946)</u>	184,514
			111,000,211
Less:			
Road Construction Bonds		(17,235,836)	
Special Assessment Bonds		<u>(184,514)</u>	<u>(17,420,350)</u>

Net direct debt to be repaid with property taxes 93,579,861

Overlapping Debt:

Macomb County:			
County at large	15.10%	85,451,318	12,903,149
Macomb Intermediate School District	14.79%	2,000,000	295,800
Local School Districts:			
Center Line	65.04%	14,410,000	9,372,264
East Detroit	20.54%	24,400,000	5,011,760
Fitzgerald	100.00%	43,706,000	43,706,000
Van Dyke	97.96%	8,300,000	8,130,680
Warren Consolidated	48.74%	145,124,000	70,733,438
Warren Woods	100.00%	51,750,000	<u>51,750,000</u>

Net direct debt outstanding and overlapping debt \$ 295,482,952

CITY OF WARREN, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	1998	1999	2000	2001	2002
Assessed value	\$ 3,658,042,790	\$ 3,904,512,898	\$ 4,188,206,240	\$ 4,356,985,019	\$ 4,667,996,729
Debt limit (10% of assessed value)	\$ 365,804,279	\$ 390,451,290	\$ 418,820,624	\$ 435,698,502	\$ 466,799,673
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 365,804,279	\$ 390,451,290	\$ 418,820,624	\$ 435,698,502	\$ 466,799,673
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2003	2004	2005	2006	2007
Assessed value	\$ 5,244,712,663	\$ 5,456,278,690	\$ 5,594,012,321	\$ 5,730,657,941	\$ 5,951,085,588
Debt limit (10% of assessed value)	\$ 524,471,266	\$ 545,627,869	\$ 559,401,232	\$ 573,065,794	\$ 595,108,559
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 524,471,266	\$ 545,627,869	\$ 559,401,232	\$ 573,065,794	\$ 595,108,559
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Section 8.11 of the Warren City Charter limits the net bonded indebtedness incurred for all public purposes to ten percent of the assessed value of all real and personal property in the city. Net bonded indebtedness applicable to the legal debt margin is defined as general obligation bonds, the principal and interest of which are payable from taxes levied upon taxable real and personal property in the city and for payment of which the full faith and credit of the city are pledged, when authorized by a three-fifths vote of the electors voting thereon at any general or special election.

CITY OF WARREN, MICHIGAN
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Building Authority - Senior Housing Bonds (1)

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
1998	\$ 1,196,872	\$ 291,198	\$ 905,674	\$ 305,000	\$ 609,526	\$ 914,526	0.99
1999	1,233,185	284,025	949,160	305,000	578,176	883,176	1.07
2000	1,248,416	302,505	945,911	300,000	547,001	847,001	1.12
2001	1,282,010	411,592	870,418	350,000	515,226	865,226	1.01
2002	1,274,805	373,870	900,935	170,000	494,659	664,659	1.36
2003	1,301,852	463,039	838,813	130,000	487,051	617,051	1.36
2004	1,304,157	419,674	884,483	105,000	481,033	586,033	1.51
2005	1,333,913	502,418	831,495	200,000	258,763	458,763	1.81
2006	1,360,742	469,765	890,977	565,000	333,850	898,850	0.99
2007	1,371,914	529,296	842,618	545,000	319,975	864,975	0.97

(1) Building Authority Bonds were issued for the purpose of constructing the 244 unit senior citizen housing complex known as Jos. Coach Manor. Pursuant to certain Lease Contracts between the Building Authority and the City, the bonds were issued in anticipation of Cash Rentals from the City in amounts sufficient to pay the principal and interest on the bonds when due. The Cash Rentals constitute a full faith and credit general obligation of the City and the City is required to provide sufficient monies in its annual budget for the payment thereof and if necessary, to levy ad valorem taxes on all taxable property within its boundaries. The City's intent then as it is now, is that rental revenues generated from Jos. Coach Manor would be sufficient to pay the principal and interest on the bonds when due. The rental revenue stream has exceeded the debt service requirements due to steady occupancy rates and debt refinancing and the City has not, nor does it anticipate the need to appropriate any general fund monies.

Road Construction Bonds

Fiscal Year	Prior Fiscal Year Gas & Weight Taxes	Current Fiscal Year Pledge (50%)	Debt Service			Coverage	Capital Improvement Bonds (2)
			Principal	Interest	Total		
1998	\$ 6,013,050	\$ 3,006,525	\$ 1,185,000	\$ 702,619	\$ 1,887,619	1.59	\$ -
1999	7,296,181	3,648,091	1,280,000	712,581	1,992,581	1.83	-
2000	7,663,789	3,831,895	1,490,000	651,225	2,141,225	1.79	-
2001	8,241,342	4,120,671	1,770,000	768,920	2,538,920	1.62	-
2002	8,280,939	4,140,470	1,680,000	748,605	2,428,605	1.70	-
2003	8,161,941	4,080,971	1,410,000	668,096	2,078,096	1.96	-
2004	8,227,899	4,113,950	1,560,000	556,380	2,116,380	1.94	-
2005	8,873,331	4,436,666	1,545,000	628,533	2,173,533	2.04	-
2006	8,579,546	4,289,773	1,530,000	587,152	2,117,152	2.03	-
2007	8,472,484	4,236,242	1,400,000	597,288	1,997,288	2.12	52,025

(2) Debt service on the Michigan Transportation Fund Bonds is pledged from the receipt of State gas & weight taxes received in the previous year. Debt service on the road improvement portion of the Capital Improvement Bonds, Series 2006 is likewise paid from gas & weight taxes but is secured by the levy of sufficient City taxes rather than the pledge of gas & weight taxes. \$52,025 of interest was paid during the fiscal year ended June 30, 2007 and is reflected in the above debt service schedule.

Special Assessment Bonds (3)							
Fiscal Year	S/A		Transferred to Debt Funds	Debt Service			Coverage
	Collections (4)	Interest (5)		Principal	Interest	Total	
1998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
1999	-	-	-	-	-	-	N/A
2000	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	N/A
2003	1,433,178	-	1,433,178	-	16,683	16,683	85.91
2004	1,528,997	234,592	1,763,589	675,488	70,154	745,642	2.37
2005	851,422	392,063	1,243,485	684,561	59,876	744,437	1.67
2006	690,910	-	690,910	848,170	110,224	958,394	0.72
2007	309,102	-	309,102	861,779	89,640	951,419	0.32

(3) The Special Assessment Bonds Series 2002 were issued in anticipation of the collection of certain outstanding special assessments for sidewalk replacements which became due on or after July 1, 2003. The Capital Improvement Bonds Series 2003 and Series 2005 were likewise issued to finance citywide sidewalk improvements. Even though the City has pledged the levy of taxes for the repayment of principal and interest on the Capital Improvement Bonds, the City has designated the collections from certain special assessment districts to meet the debt service requirements.

(4) Property owners commonly elect to make special assessment payments in full rather than in installments. This creates uneven revenue streams in relation to the respective debt service.

(5) The entire amount of interest required for debt service on the Special Assessment Bonds Series 2002 and Capital Improvement Bonds Series 2003 and Series 2005 has been transferred to its respective debt service fund. Funds previously transferred from the Tank Plant Redevelopment Fund to the Sidewalk and Tree Revolving Fund were utilized to satisfy the interest requirements.

Water and Sewer System (6)							
Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
1997	\$ 20,296,965	\$ 19,320,445	\$ 976,520	\$ 470,000	\$ 853,413	\$ 1,323,413	0.74
1998	22,963,790	19,263,990	3,699,800	500,000	779,828	1,279,828	2.89
1999	24,894,068	21,357,566	3,536,502	195,000	1,189,751	1,384,751	2.55
2000	23,077,520	21,392,682	1,684,838	465,000	1,448,749	1,913,749	0.88
2001	26,035,549	21,764,797	4,270,752	495,000	2,000,609	2,495,609	1.71
2002	28,156,665	23,609,474	4,547,191	520,000	1,906,551	2,426,551	1.87
2003	26,992,448	24,891,280	2,101,168	1,405,000	1,844,467	3,249,467	0.65
2004	26,928,099	25,483,252	1,444,847	1,534,512	1,871,595	3,406,107	0.42
2005	30,329,100	26,442,209	3,886,891	1,745,439	1,710,971	3,456,410	1.12
2006	29,674,597	26,108,818	3,565,779	1,775,174	1,869,651	3,644,825	0.98

(6) Fiscal year end of December 31.

CITY OF WARREN, MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - LAND CONTRACTS
June 30, 2007

DPW Garage	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 1991	2008	\$ 81,037.27	6.000%	\$ 29,479.51	\$ 110,516.78
Payment dates:	2009	85,972.44	6.000%	24,544.34	110,516.78
Principal: July 1 and January 1	2010	91,208.16	6.000%	19,308.62	110,516.78
Interest: July 1 and January 1	2011	96,762.73	6.000%	13,754.05	110,516.78
	2012	102,655.59	6.000%	7,861.19	110,516.78
	2013	<u>53,648.79</u>	6.000%	<u>1,609.60</u>	<u>55,258.39</u>
Total Land Contract Requirements		<u>\$ 511,284.98</u>		<u>\$ 96,557.31</u>	<u>\$ 607,842.29</u>

DEBT SERVICE REQUIREMENTS TO MATURITY - SIDEWALK REPLACEMENT BONDS

Special Assessment Bonds Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: October 1, 2002	2008	<u>\$ 185,000.00</u>	2.500%	<u>\$ 2,312.50</u>	<u>\$ 187,312.50</u>
Payment dates:					
Principal: December 1					
Interest: December 1 and June 1		<u>\$ 185,000.00</u>		<u>\$ 2,312.50</u>	<u>\$ 187,312.50</u>
 Capital Improvement Bonds Series 2003					
Issued: July 1, 2003	2008	<u>\$ 494,460.33</u>	2.250%	<u>\$ 11,125.36</u>	<u>\$ 505,585.69</u>
Payment dates:					
Principal: June 1					
Interest: December 1 and June 1		<u>\$ 494,460.33</u>		<u>\$ 11,125.36</u>	<u>\$ 505,585.69</u>
 Capital Improvement Bonds Series 2005					
Issued: June 1, 2005	2008	\$ 175,000.00	3.250%	\$ 55,400.00	\$ 230,400.00
Payment dates:	2009	175,000.00	3.250%	49,712.50	224,712.50
Principal: June 1	2010	175,000.00	3.500%	44,025.00	219,025.00
Interest: December 1 and June 1	2011	200,000.00	3.500%	37,900.00	237,900.00
	2012	200,000.00	3.500%	30,900.00	230,900.00
	2013	200,000.00	3.750%	23,900.00	223,900.00
	2014	200,000.00	4.000%	16,400.00	216,400.00
	2015	<u>210,000.00</u>	4.000%	<u>8,400.00</u>	<u>218,400.00</u>
		<u>\$ 1,535,000.00</u>		<u>\$ 266,637.50</u>	<u>\$ 1,801,637.50</u>
Total Sidewalk Replacement Bonds Debt Service Requirements		<u>\$ 2,214,460.33</u>		<u>\$ 280,075.36</u>	<u>\$ 2,494,535.69</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - ROAD CONSTRUCTION BONDS

June 30, 2007

Michigan Transportation Fund Series 1997	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 1997	2008	\$ 340,000.00	4.850%	\$ 95,310.00	\$ 435,310.00
Payment dates:	2009	360,000.00	5.000%	78,820.00	438,820.00
Principal: June 1	2010	380,000.00	5.000%	60,820.00	440,820.00
Interest: December 1 and June 1	2011	400,000.00	5.100%	41,820.00	441,820.00
Major Street Portion 100%	2012	420,000.00	5.100%	21,420.00	441,420.00
		<u>\$ 1,900,000.00</u>		<u>\$ 298,190.00</u>	<u>\$ 2,198,190.00</u>
Michigan Transportation Fund Series 2000					
Issued: September 1, 2000	2008	\$ 400,000.00	4.600%	\$ 207,155.00	\$ 607,155.00
Payment dates:	2009	400,000.00	4.600%	188,755.00	588,755.00
Principal: June 1	2010	465,000.00	4.700%	170,355.00	635,355.00
Interest: December 1 and June 1	2011	500,000.00	4.800%	148,500.00	648,500.00
Major Street Portion 100%	2012	500,000.00	4.900%	124,500.00	624,500.00
	2013	500,000.00	5.000%	100,000.00	600,000.00
	2014	500,000.00	5.000%	75,000.00	575,000.00
	2015	500,000.00	5.000%	50,000.00	550,000.00
	2016	500,000.00	5.000%	25,000.00	525,000.00
		<u>\$ 4,265,000.00</u>		<u>\$ 1,089,265.00</u>	<u>\$ 5,354,265.00</u>
Michigan Transportation Fund Refunding Series 2003					
Issued: August 1, 2003	2008	\$ 565,000.00	2.750%	\$ 15,537.50	\$ 580,537.50
Payment dates:					
Principal: June 1		<u>\$ 565,000.00</u>		<u>\$ 15,537.50</u>	<u>\$ 580,537.50</u>
Interest: December 1 and June 1					
Major Street Portion 93.00%					
Local Street Portion 7.00%					
Michigan Transportation Fund Series 2003					
Issued: December 1, 2003	2008	\$ 100,000.00	2.350%	\$ 177,100.00	\$ 277,100.00
Payment dates:	2009	500,000.00	2.600%	174,750.00	674,750.00
Principal: June 1	2010	500,000.00	2.900%	161,750.00	661,750.00
Interest: December 1 and June 1	2011	500,000.00	3.150%	147,250.00	647,250.00
Major Street Portion 100%	2012	500,000.00	3.400%	131,500.00	631,500.00
	2013	500,000.00	3.500%	114,500.00	614,500.00
	2014	500,000.00	3.650%	97,000.00	597,000.00
	2015	500,000.00	3.750%	78,750.00	578,750.00
	2016	500,000.00	3.900%	60,000.00	560,000.00
	2017	500,000.00	4.000%	40,500.00	540,500.00
	2018	500,000.00	4.100%	20,500.00	520,500.00
		<u>\$ 5,100,000.00</u>		<u>\$ 1,203,600.00</u>	<u>\$ 6,303,600.00</u>
Capital Improvement Bonds Series 2006					
Issued: December 1, 2006	2008	\$ 35,918.35	3.750%	\$ 207,428.47	\$ 243,346.82
Payment dates:	2009	35,918.35	3.750%	206,081.53	241,999.88
Principal: September 1	2010	35,918.35	3.750%	204,734.60	240,652.95
Interest: September 1 and March 1	2011	35,918.35	3.750%	203,387.66	239,306.01
Major Street Portion 100%	2012	107,755.05	3.750%	200,693.78	308,448.83
	2013	107,755.05	3.750%	196,652.97	304,408.02
	2014	222,693.77	3.750%	190,457.05	413,150.82
	2015	341,224.33	3.750%	179,883.59	521,107.92
	2016	359,183.50	3.750%	166,750.94	525,934.44
	2017	377,142.68	3.750%	152,944.82	530,087.50
	2018	395,101.85	3.750%	138,465.24	533,567.09
	2019	413,061.03	3.750%	123,312.19	536,373.22
	2020	448,979.38	3.800%	107,036.68	556,016.06
	2021	466,938.55	3.850%	89,517.51	556,456.06
	2022	502,856.90	3.900%	70,723.23	573,580.13
	2023	301,714.14	4.000%	54,883.24	356,597.38
	2024	301,714.14	4.000%	42,814.67	344,528.81
	2025	305,305.98	4.000%	30,674.27	335,980.25
	2026	305,305.98	4.000%	18,462.03	323,768.01
	2027	308,897.78	4.000%	6,177.95	315,075.73
		<u>\$ 5,409,303.51</u>		<u>\$ 2,591,082.42</u>	<u>\$ 8,000,385.93</u>
Total Road Construction Bonds Debt Service Requirements		<u>\$ 17,239,303.51</u>		<u>\$ 5,197,674.92</u>	<u>\$ 22,436,978.43</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2007

Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: June 1, 2002	2008	\$ 500,000.00	3.750%	\$ 931,625.00	\$ 1,431,625.00
Payment dates:	2009	500,000.00	3.875%	912,562.50	1,412,562.50
Principal: October 1	2010	500,000.00	4.125%	892,562.50	1,392,562.50
Interest: October 1 and April 1	2011	500,000.00	4.250%	871,625.00	1,371,625.00
	2012	500,000.00	4.300%	850,250.00	1,350,250.00
	2013	500,000.00	4.400%	828,500.00	1,328,500.00
	2014	750,000.00	4.500%	800,625.00	1,550,625.00
	2015	750,000.00	4.500%	766,875.00	1,516,875.00
	2016	750,000.00	5.000%	731,250.00	1,481,250.00
	2017	1,250,000.00	5.000%	681,250.00	1,931,250.00
	2018	1,250,000.00	5.000%	618,750.00	1,868,750.00
	2019	1,250,000.00	5.000%	556,250.00	1,806,250.00
	2020	1,500,000.00	5.000%	487,500.00	1,987,500.00
	2021	1,500,000.00	5.000%	412,500.00	1,912,500.00
	2022	1,500,000.00	5.000%	337,500.00	1,837,500.00
	2023	1,500,000.00	5.000%	262,500.00	1,762,500.00
	2024	1,500,000.00	5.000%	187,500.00	1,687,500.00
	2025	1,500,000.00	5.000%	112,500.00	1,612,500.00
	2026	1,500,000.00	5.000%	37,500.00	1,537,500.00
		<u>\$ 19,500,000.00</u>		<u>\$ 11,279,625.00</u>	<u>\$ 30,779,625.00</u>
Series 2003					
Issued: July 1, 2003	2008	\$ 500,000.00	3.000%	\$ 763,750.00	\$ 1,263,750.00
Payment dates:	2009	500,000.00	3.000%	748,750.00	1,248,750.00
Principal: October 1	2010	500,000.00	3.000%	733,750.00	1,233,750.00
Interest: October 1 and April 1	2011	500,000.00	3.000%	718,750.00	1,218,750.00
	2012	500,000.00	3.000%	703,750.00	1,203,750.00
	2013	500,000.00	3.250%	688,125.00	1,188,125.00
	2014	500,000.00	3.250%	671,875.00	1,171,875.00
	2015	750,000.00	3.500%	650,625.00	1,400,625.00
	2016	750,000.00	3.500%	624,375.00	1,374,375.00
	2017	750,000.00	3.750%	597,187.50	1,347,187.50
	2018	1,250,000.00	4.000%	558,125.00	1,808,125.00
	2019	1,250,000.00	4.000%	508,125.00	1,758,125.00
	2020	1,250,000.00	4.000%	458,125.00	1,708,125.00
	2021	1,500,000.00	4.000%	403,125.00	1,903,125.00
	2022	1,500,000.00	4.000%	343,125.00	1,843,125.00
	2023	1,500,000.00	4.000%	283,125.00	1,783,125.00
	2024	1,500,000.00	4.125%	222,187.50	1,722,187.50
	2025	1,500,000.00	4.250%	159,375.00	1,659,375.00
	2026	1,500,000.00	4.250%	95,625.00	1,595,625.00
	2027	1,500,000.00	4.250%	31,875.00	1,531,875.00
		<u>\$ 20,000,000.00</u>		<u>\$ 9,963,750.00</u>	<u>\$ 29,963,750.00</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2007

Series 2004	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: April 1, 2004	2008	\$ -		\$ 878,375.00	\$ 878,375.00
Payment dates:	2009	500,000.00	3.250%	870,250.00	1,370,250.00
Principal: October 1	2010	500,000.00	3.250%	854,000.00	1,354,000.00
Interest: October 1 and April 1	2011	500,000.00	3.250%	837,750.00	1,337,750.00
	2012	500,000.00	3.500%	820,875.00	1,320,875.00
	2013	500,000.00	3.750%	802,750.00	1,302,750.00
	2014	500,000.00	4.000%	783,375.00	1,283,375.00
	2015	500,000.00	4.000%	763,375.00	1,263,375.00
	2016	750,000.00	4.000%	738,375.00	1,488,375.00
	2017	750,000.00	4.500%	706,500.00	1,456,500.00
	2018	750,000.00	4.500%	672,750.00	1,422,750.00
	2019	1,250,000.00	4.500%	627,750.00	1,877,750.00
	2020	1,250,000.00	4.500%	571,500.00	1,821,500.00
	2021	1,250,000.00	4.500%	515,250.00	1,765,250.00
	2022	1,500,000.00	4.500%	453,375.00	1,953,375.00
	2023	1,500,000.00	4.500%	385,875.00	1,885,875.00
	2024	1,500,000.00	4.600%	317,625.00	1,817,625.00
	2025	1,500,000.00	4.625%	248,437.50	1,748,437.50
	2026	1,500,000.00	4.750%	178,125.00	1,678,125.00
	2027	1,500,000.00	4.750%	106,875.00	1,606,875.00
	2028	1,500,000.00	4.750%	35,625.00	1,535,625.00
		<u>\$ 20,000,000.00</u>		<u>\$ 12,168,812.50</u>	<u>\$ 32,168,812.50</u>
Series 2005					
Issued: December 1, 2005	2008	\$ -		\$ 662,250.00	\$ 662,250.00
Payment dates:	2009	-		662,250.00	662,250.00
Principal: October 1	2010	250,000.00	4.125%	657,093.75	907,093.75
Interest: October 1 and April 1	2011	250,000.00	4.125%	646,781.25	896,781.25
	2012	250,000.00	4.125%	636,468.75	886,468.75
	2013	250,000.00	4.125%	626,156.25	876,156.25
	2014	250,000.00	4.125%	615,843.75	865,843.75
	2015	250,000.00	4.125%	605,531.25	855,531.25
	2016	500,000.00	4.125%	590,062.50	1,090,062.50
	2017	500,000.00	4.125%	569,437.50	1,069,437.50
	2018	500,000.00	4.125%	548,812.50	1,048,812.50
	2019	500,000.00	4.200%	528,000.00	1,028,000.00
	2020	1,000,000.00	4.500%	495,000.00	1,495,000.00
	2021	1,000,000.00	4.500%	450,000.00	1,450,000.00
	2022	1,000,000.00	4.500%	405,000.00	1,405,000.00
	2023	1,000,000.00	4.500%	360,000.00	1,360,000.00
	2024	1,250,000.00	4.500%	309,375.00	1,559,375.00
	2025	1,250,000.00	4.500%	253,125.00	1,503,125.00
	2026	1,250,000.00	4.500%	196,875.00	1,446,875.00
	2027	1,250,000.00	4.500%	140,625.00	1,390,625.00
	2028	1,250,000.00	4.500%	84,375.00	1,334,375.00
	2029	1,250,000.00	4.500%	28,125.00	1,278,125.00
		<u>\$ 15,000,000.00</u>		<u>\$ 10,071,187.50</u>	<u>\$ 25,071,187.50</u>
Total Downtown Development Authority Debt Service Requirements		<u>\$ 74,500,000.00</u>		<u>\$ 43,483,375.00</u>	<u>\$ 117,983,375.00</u>

EXHIBIT D-13 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - TAX INCREMENT FINANCE AUTHORITY BONDS

June 30, 2007

Series	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Series 1991</u>					
Issued: May 1, 1991	2008	\$ -	5.000%	\$ 24,000.00	\$ 24,000.00
Payment dates:	2009	-	5.000%	24,000.00	24,000.00
Principal: October 1	2010	230,000.00	5.000%	18,250.00	248,250.00
Interest: October 1 and April 1	2011	<u>250,000.00</u>	5.000%	<u>6,250.00</u>	<u>256,250.00</u>
		<u>\$ 480,000.00</u>		<u>\$ 72,500.00</u>	<u>\$ 552,500.00</u>
<u>Refunding Series 1999</u>					
Issued: April 1, 1999	2008	\$ 180,000.00	4.250%	\$ 10,705.00	\$ 190,705.00
Payment dates:	2009	<u>160,000.00</u>	4.300%	<u>3,440.00</u>	<u>163,440.00</u>
Principal: October 1					
Interest: October 1 and April 1		<u>\$ 340,000.00</u>		<u>\$ 14,145.00</u>	<u>\$ 354,145.00</u>
Total Tax Increment Finance Authority Debt Service Requirements		<u>\$ 820,000.00</u>		<u>\$ 86,645.00</u>	<u>\$ 906,645.00</u>

DEBT SERVICE REQUIREMENTS TO MATURITY - BUILDING AUTHORITY BONDS
(Governmental Activities)

Series	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Warren Community Center Series 2001</u>					
Issued: July 1, 2001	2008	350,000.00	4.630%	61,862.51	411,862.51
Payment dates:	2009	375,000.00	4.630%	45,096.88	420,096.88
Principal: November 1	2010	375,000.00	4.700%	27,612.50	402,612.50
Interest: November 1 and May 1	2011	<u>400,000.00</u>	4.700%	<u>9,400.00</u>	<u>409,400.00</u>
		<u>\$ 1,500,000.00</u>		<u>\$ 143,971.89</u>	<u>\$ 1,643,971.89</u>
<u>Multi-Purpose Bonds Series 2002</u>					
Issued: March 1, 2002	2008	\$ 411,655.65	3.250%	\$ 38,821.41	\$ 450,477.06
Payment dates:	2009	434,525.41	3.250%	24,527.82	459,053.23
Principal: November 1	2010	<u>457,395.17</u>	3.700%	<u>8,461.81</u>	<u>465,856.98</u>
Interest: November 1 and May 1					
		<u>\$ 1,303,576.23</u>		<u>\$ 71,811.04</u>	<u>\$ 1,375,387.27</u>
<u>Multi-Purpose Bonds Series 2005</u>					
Issued: June 1, 2005	2008	\$ 475,000.00	3.500%	\$ 162,950.00	\$ 637,950.00
Payment dates:	2009	500,000.00	3.500%	146,325.00	646,325.00
Principal: June 1	2010	500,000.00	3.750%	128,825.00	628,825.00
Interest: December 1 and June 1	2011	525,000.00	3.750%	110,075.00	635,075.00
	2012	550,000.00	3.750%	90,387.50	640,387.50
	2013	575,000.00	3.750%	69,762.50	644,762.50
	2014	600,000.00	4.000%	48,200.00	648,200.00
	2015	<u>605,000.00</u>	4.000%	<u>24,200.00</u>	<u>629,200.00</u>
		<u>\$ 4,330,000.00</u>		<u>\$ 780,725.00</u>	<u>\$ 5,110,725.00</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - BUILDING AUTHORITY BONDS
(Governmental Activities)

June 30, 2007

Warren Community Center Refunding Series 2005	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 2005	2008	\$ 60,000.00	3.000%	\$ 438,992.50	\$ 498,992.50
Payment dates:	2009	60,000.00	3.250%	437,117.50	497,117.50
Principal: November 1	2010	65,000.00	3.500%	435,005.00	500,005.00
Interest: November 1 and May 1	2011	65,000.00	3.500%	432,730.00	497,730.00
	2012	490,000.00	3.750%	422,405.00	912,405.00
	2013	515,000.00	4.000%	402,917.50	917,917.50
	2014	510,000.00	4.000%	382,417.50	892,417.50
	2015	535,000.00	4.000%	361,517.50	896,517.50
	2016	560,000.00	4.000%	339,617.50	899,617.50
	2017	585,000.00	4.000%	316,717.50	901,717.50
	2018	630,000.00	4.100%	292,102.50	922,102.50
	2019	650,000.00	4.150%	265,700.00	915,700.00
	2020	670,000.00	4.200%	238,142.50	908,142.50
	2021	695,000.00	4.250%	209,303.75	904,303.75
	2022	715,000.00	4.250%	179,341.25	894,341.25
	2023	760,000.00	4.250%	147,997.50	907,997.50
	2024	780,000.00	4.250%	115,272.50	895,272.50
	2025	820,000.00	4.300%	81,067.50	901,067.50
	2026	865,000.00	4.375%	44,515.63	909,515.63
	2027	<u>585,000.00</u>	4.375%	<u>12,796.88</u>	<u>597,796.88</u>
		<u>\$ 10,615,000.00</u>		<u>\$ 5,555,677.51</u>	<u>\$ 16,170,677.51</u>
Total Governmental Activities Debt Service Requirements		<u>\$ 17,748,576.23</u>		<u>\$ 6,552,185.44</u>	<u>\$ 24,300,761.67</u>

(Business-type Activities - fiscal year ended June 30, 2007)

Senior Housing Refunding Series 2004	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 2004	2008	\$ 540,000.00	2.750%	\$ 305,737.50	\$ 845,737.50
Payment dates:	2009	620,000.00	3.250%	288,237.50	908,237.50
Principal: November 1	2010	625,000.00	3.375%	267,615.63	892,615.63
Interest: November 1 and May 1	2011	620,000.00	3.500%	246,218.76	866,218.76
	2012	610,000.00	3.750%	223,931.26	833,931.26
	2013	705,000.00	3.875%	198,834.38	903,834.38
	2014	895,000.00	4.000%	167,275.00	1,062,275.00
	2015	950,000.00	4.125%	129,781.25	1,079,781.25
	2016	1,075,000.00	5.000%	83,312.50	1,158,312.50
	2017	<u>1,075,000.00</u>	5.250%	<u>28,218.75</u>	<u>1,103,218.75</u>
		<u>\$ 7,715,000.00</u>		<u>\$ 1,939,162.53</u>	<u>\$ 9,654,162.53</u>

(Business-type Activities - fiscal year ended December 31, 2006)

Water and Sewer System Multi-Purpose Bonds Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 2004	2007	\$ 38,344.35	3.250%	\$ 4,239.18	\$ 42,583.53
Payment dates:	2008	40,474.59	3.500%	2,992.98	43,467.57
Principal: November 1	2009	<u>42,604.83</u>	3.700%	<u>1,576.38</u>	<u>44,181.21</u>
Interest: November 1 and May 1					
		<u>\$ 121,423.77</u>		<u>\$ 8,808.54</u>	<u>\$ 130,232.31</u>
Total Building Authority Debt Service Requirements		<u>\$ 25,585,000.00</u>		<u>\$ 8,500,156.51</u>	<u>\$ 34,085,156.51</u>

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CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2006)

Water and Sewer System Refunding Series 1999	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: February 1, 1999	2007	\$ 855,000.00	4.300%	\$ 416,525.00	\$ 1,271,525.00
Payment dates:	2008	890,000.00	4.300%	379,007.50	1,269,007.50
Principal: May 1	2009	930,000.00	4.300%	339,877.50	1,269,877.50
Interest: May 1 and November 1	2010	975,000.00	4.300%	298,920.00	1,273,920.00
	2011	1,035,000.00	4.350%	255,446.25	1,290,446.25
	2012	1,080,000.00	4.500%	208,635.00	1,288,635.00
	2013	1,135,000.00	4.500%	158,797.50	1,293,797.50
	2014	1,060,000.00	4.600%	108,880.00	1,168,880.00
	2015	1,050,000.00	4.700%	59,825.00	1,109,825.00
	2016	740,000.00	4.750%	17,575.00	757,575.00
		<u>\$ 9,750,000.00</u>		<u>\$ 2,243,488.75</u>	<u>\$ 11,993,488.75</u>
Water and Sewer System Series 1999					
Issued: March 1, 1999	2007	\$ 50,000.00	4.100%	\$ 10,750.00	\$ 60,750.00
Payment dates:	2008	50,000.00	4.200%	8,700.00	58,700.00
Principal: November 1	2009	50,000.00	4.300%	6,600.00	56,600.00
Interest: May 1 and November 1	2010	50,000.00	4.400%	4,450.00	54,450.00
	2011	50,000.00	4.500%	2,250.00	52,250.00
		<u>\$ 250,000.00</u>		<u>\$ 32,750.00</u>	<u>\$ 282,750.00</u>
Water and Sewer System Series 2000					
Issued: September 1, 2000	2007	\$ 500,000.00	5.000%	\$ 143,500.00	\$ 643,500.00
Payment dates:	2008	525,000.00	5.000%	118,500.00	643,500.00
Principal: November 1	2009	575,000.00	5.125%	92,250.00	667,250.00
Interest: May 1 and November 1	2010	600,000.00	5.125%	62,781.00	662,781.00
	2011	625,000.00	5.125%	32,031.00	657,031.00
		<u>\$ 2,825,000.00</u>		<u>\$ 449,062.00</u>	<u>\$ 3,274,062.00</u>
Water and Sewer System Refunding Series 2005					
Issued: September 1, 2005	2007	\$ 115,000.00	3.500%	\$ 888,738.00	\$ 1,003,738.00
Payment dates:	2008	120,000.00	3.625%	884,713.00	1,004,713.00
Principal: November 1	2009	125,000.00	3.625%	880,362.00	1,005,362.00
Interest: May 1 and November 1	2010	130,000.00	3.625%	875,831.00	1,005,831.00
	2011	135,000.00	3.750%	871,119.00	1,006,119.00
	2012	865,000.00	3.750%	866,056.00	1,731,056.00
	2013	885,000.00	3.750%	833,619.00	1,718,619.00
	2014	930,000.00	4.000%	800,431.00	1,730,431.00
	2015	975,000.00	4.000%	763,231.00	1,738,231.00
	2016	1,870,000.00	4.000%	724,231.00	2,594,231.00
	2017	2,005,000.00	4.125%	649,431.00	2,654,431.00
	2018	2,040,000.00	4.125%	566,725.00	2,606,725.00
	2019	2,075,000.00	4.250%	482,575.00	2,557,575.00
	2020	2,110,000.00	4.250%	394,388.00	2,504,388.00
	2021	2,170,000.00	4.250%	304,712.00	2,474,712.00
	2022	1,030,000.00	4.500%	212,488.00	1,242,488.00
	2023	1,025,000.00	4.500%	166,138.00	1,191,138.00
	2024	1,015,000.00	4.500%	120,012.00	1,135,012.00
	2025	1,010,000.00	4.750%	74,338.00	1,084,338.00
	2026	555,000.00	4.750%	26,362.00	581,362.00
		<u>\$ 21,185,000.00</u>		<u>\$ 11,385,500.00</u>	<u>\$ 32,570,500.00</u>

EXHIBIT D-14 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2006)

Capital Improvement Bonds Series 2003	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 2003	2007	\$ 48,221.34	2.250%	\$ 37,745.89	\$ 85,967.23
Payment dates:	2008	50,539.67	2.250%	36,634.83	87,174.50
Principal: June 1	2009	55,000.00	2.250%	35,447.51	90,447.51
Interest: June 1 and December 1	2010	55,000.00	2.550%	34,127.51	89,127.51
	2011	55,000.00	2.750%	32,670.01	87,670.01
	2012	60,000.00	2.850%	31,058.76	91,058.76
	2013	60,000.00	3.000%	29,303.76	89,303.76
	2014	65,000.00	3.125%	27,388.13	92,388.13
	2015	65,000.00	3.300%	25,300.00	90,300.00
	2016	70,000.00	3.500%	23,002.50	93,002.50
	2017	70,000.00	3.600%	20,517.50	90,517.50
	2018	75,000.00	3.750%	17,870.00	92,870.00
	2019	75,000.00	3.800%	15,057.50	90,057.50
	2020	80,000.00	3.900%	12,072.50	92,072.50
	2021	85,000.00	4.000%	8,812.50	93,812.50
	2022	85,000.00	4.000%	5,412.50	90,412.50
	2023	90,000.00	4.125%	1,856.25	91,856.25
		<u>\$ 1,143,761.01</u>		<u>\$ 394,277.65</u>	<u>\$ 1,538,038.66</u>
Capital Improvement Bonds Series 5134-01					
Approved: September 25, 2003	2007	\$ 195,000.00	2.500%	\$ 109,375.00	\$ 304,375.00
Payment Dates:	2008	200,000.00	2.500%	104,500.00	304,500.00
Principal: October 1	2009	205,000.00	2.500%	99,500.00	304,500.00
Interest: April 1 and October 1	2010	210,000.00	2.500%	94,375.00	304,375.00
	2011	215,000.00	2.500%	89,305.00	304,305.00
	2012	220,000.00	2.500%	83,750.00	303,750.00
	2013	225,000.00	2.500%	78,250.00	303,250.00
	2014	230,000.00	2.500%	72,625.00	302,625.00
	2015	240,000.00	2.500%	66,875.00	306,875.00
	2016	245,000.00	2.500%	60,875.00	305,875.00
	2017	250,000.00	2.500%	54,750.00	304,750.00
	2018	255,000.00	2.500%	48,500.00	303,500.00
	2019	265,000.00	2.500%	42,125.00	307,125.00
	2020	270,000.00	2.500%	35,500.00	305,500.00
	2021	275,000.00	2.500%	28,750.00	303,750.00
	2022	285,000.00	2.500%	21,875.00	306,875.00
	2023	290,000.00	2.500%	14,750.00	304,750.00
	2024	300,000.00	2.500%	7,500.00	307,500.00
		<u>\$ 4,375,000.00</u>		<u>\$ 1,113,180.00</u>	<u>\$ 5,488,180.00</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2006)

Capital Improvement Bonds Series 5134-02 (1)	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: September 23, 2004	2007	\$ 260,000.00	2.125%	\$ 130,684.70	\$ 390,684.70
Payment Dates:	2008	270,000.00	2.125%	128,987.51	398,987.51
Principal: April 1	2009	275,000.00	2.125%	123,196.88	398,196.88
Interest: April 1 and October 1	2010	280,000.00	2.125%	117,300.00	397,300.00
	2011	285,000.00	2.125%	111,296.88	396,296.88
	2012	290,000.00	2.125%	105,187.51	395,187.51
	2013	300,000.00	2.125%	98,918.76	398,918.76
	2014	305,000.00	2.125%	92,490.63	397,490.63
	2015	310,000.00	2.125%	85,956.25	395,956.25
	2016	315,000.00	2.125%	79,315.63	394,315.63
	2017	325,000.00	2.125%	72,515.63	397,515.63
	2018	330,000.00	2.125%	65,556.25	395,556.25
	2019	340,000.00	2.125%	58,437.50	398,437.50
	2020	345,000.00	2.125%	51,159.38	396,159.38
	2021	355,000.00	2.125%	43,721.88	398,721.88
	2022	360,000.00	2.125%	36,125.00	396,125.00
	2023	370,000.00	2.125%	28,368.75	398,368.75
	2024	375,000.00	2.125%	20,453.13	395,453.13
	2025	385,000.00	2.125%	12,378.13	397,378.13
	2026	390,000.00	2.125%	4,143.75	394,143.75
		<u>\$ 6,465,000.00</u>		<u>\$ 1,466,194.15</u>	<u>\$ 7,931,194.15</u>
 Capital Improvement Bonds Series 5134-03 (2)					
Approved: March 25, 2004	2007	\$ 50,000.00	2.125%	\$ 22,250.68	\$ 72,250.68
Payment Dates:	2008	55,000.00	2.125%	21,188.18	76,188.18
Principal: October 1	2009	55,000.00	2.125%	20,019.44	75,019.44
Interest: April 1 and October 1	2010	55,000.00	2.125%	18,850.68	73,850.68
	2011	55,000.00	2.125%	17,681.94	72,681.94
	2012	55,000.00	2.125%	16,513.18	71,513.18
	2013	60,000.00	2.125%	15,344.44	75,344.44
	2014	60,000.00	2.125%	14,069.44	74,069.44
	2015	60,000.00	2.125%	12,794.44	72,794.44
	2016	65,000.00	2.125%	11,519.44	76,519.44
	2017	65,000.00	2.125%	10,138.18	75,138.18
	2018	65,000.00	2.125%	8,756.94	73,756.94
	2019	65,000.00	2.125%	7,375.68	72,375.68
	2020	70,000.00	2.125%	5,994.44	75,994.44
	2021	70,000.00	2.125%	4,506.94	74,506.94
	2022	70,000.00	2.125%	3,019.44	73,019.44
	2023	70,000.00	2.125%	1,531.94	71,531.94
	2024	2,091.00	2.125%	44.44	2,135.44
		<u>\$ 1,047,091.00</u>		<u>\$ 211,599.86</u>	<u>\$ 1,258,690.86</u>

(2) The City of Warren Water and Sewer System is authorized to draw down an amount not to exceed \$1.22 million of Capital Improvement Bonds sold to the Michigan Municipal Bond Authority through the State Revolving Fund Loan Program for CWRF Project #5134-03. The schedule that appears above represents the estimated amortization of principal and interest of those funds eligible for draw down as of December 31, 2006.

EXHIBIT D-14 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2006)

Capital Improvement Bonds Series 5134-04 (3)	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: March 31, 2005	2007	\$ 350,000.00	1.625%	\$ 103,036.58	\$ 453,036.58
Payment Dates:	2008	355,000.00	1.625%	124,678.13	479,678.13
Principal: April 1	2009	360,000.00	1.625%	118,868.76	478,868.76
Interest: April 1 and October 1	2010	370,000.00	1.625%	112,937.51	482,937.51
	2011	375,000.00	1.625%	106,884.38	481,884.38
	2012	380,000.00	1.625%	100,750.00	480,750.00
	2013	385,000.00	1.625%	94,534.38	479,534.38
	2014	390,000.00	1.625%	88,237.51	478,237.51
	2015	400,000.00	1.625%	81,818.76	481,818.76
	2016	405,000.00	1.625%	75,278.13	480,278.13
	2017	410,000.00	1.625%	68,656.25	478,656.25
	2018	420,000.00	1.625%	61,912.50	481,912.50
	2019	425,000.00	1.625%	55,046.88	480,046.88
	2020	430,000.00	1.625%	48,100.01	478,100.01
	2021	440,000.00	1.625%	41,031.26	481,031.26
	2022	445,000.00	1.625%	33,840.63	478,840.63
	2023	455,000.00	1.625%	26,528.13	481,528.13
	2024	460,000.00	1.625%	19,093.76	479,093.76
	2025	470,000.00	1.625%	11,537.51	481,537.51
	2026	475,000.00	1.625%	3,859.38	478,859.38
		<u>\$ 8,200,000.00</u>		<u>\$ 1,376,630.45</u>	<u>\$ 9,576,630.45</u>
Capital Improvement Bonds Series 2006					
Issued: December 1, 2006	2007	\$ 14,081.65	3.750%	\$ 61,189.17	\$ 75,270.82
Payment dates:	2008	14,081.65	3.750%	81,057.50	95,139.15
Principal: September 1	2009	14,081.65	3.750%	80,529.44	94,611.09
Interest: September 1 and March 1	2010	14,081.65	3.750%	80,001.38	94,083.03
	2011	42,244.95	3.750%	79,473.32	121,718.27
	2012	42,244.95	3.750%	77,889.12	120,134.07
	2013	87,306.23	3.750%	76,304.94	163,611.17
	2014	133,775.68	3.750%	73,030.96	206,806.64
	2015	140,816.50	3.750%	68,014.36	208,830.86
	2016	147,857.33	3.750%	62,733.76	210,591.09
	2017	154,898.15	3.750%	57,189.10	212,087.25
	2018	161,938.98	3.750%	51,380.42	213,319.40
	2019	176,020.63	3.800%	45,307.70	221,328.33
	2020	183,061.45	3.850%	38,618.92	221,680.37
	2021	197,143.10	3.900%	31,571.06	228,714.16
	2022	118,285.86	4.000%	23,882.48	142,168.34
	2023	118,285.86	4.000%	19,151.04	137,436.90
	2024	119,694.03	4.000%	14,419.60	134,113.63
	2025	119,694.03	4.000%	9,631.84	129,325.87
	2026	121,102.16	4.000%	4,844.11	125,946.27
		<u>\$ 2,120,696.49</u>		<u>\$ 1,036,220.22</u>	<u>\$ 3,156,916.71</u>
Total Water and Sewer System Debt Service Requirements		<u>\$ 57,361,548.50</u>		<u>\$ 19,708,903.08</u>	<u>\$ 77,070,451.58</u>

CITY OF WARREN, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
1998	144,864	54,602	\$ 15,224	\$ 2,205,409,536	4.40%	3.70%	4.10%
1999	144,864	54,602	15,224	2,205,409,536	4.80%	4.00%	4.00%
2000	138,247	55,551	21,407	2,959,453,529	4.40%	3.70%	3.90%
2001	137,282	55,662	21,407	2,938,795,774	6.10%	5.20%	5.10%
2002	137,323	55,707	21,407	2,939,673,461	7.50%	6.40%	6.60%
2003	137,394	55,959	21,407	2,941,193,358	8.80%	7.50%	7.80%
2004	135,971	56,045	21,407	2,910,731,197	8.20%	7.00%	7.30%
2005	135,572	56,188	21,407	2,902,189,804	8.30%	7.10%	6.90%
2006	135,335	56,472	21,407	2,897,116,345	8.40%	7.20%	6.90%
2007	136,824	57,523	21,407	2,928,991,368	9.20%	7.90%	7.40%

Sources:

- (1) 1990 U.S. Census Bureau FY 1997 - 1999
2000 U.S. Census Bureau FY 2000
Southeast Michigan Council of Governments FY 2001 - 2007
- (2) 1990 and 2000 U.S. Census Bureau
- (3) Michigan Department of Labor and Economic Growth
- *Not Seasonally Adjusted*

CITY OF WARREN, MICHIGAN
MISCELLANEOUS DEMOGRAPHICS
1990 AND 2000 U.S. CENSUS DATA

Population

2000 Census	138,247	1970 Census	179,260
1990 Census	144,864	1960 Census	89,246
1980 Census	161,134	1950 Census	42,653

Age Statistics

	2000	Percent	1990	Percent
Under 5	8,784	6.35%	9,006	6.22%
5 to 19	25,935	18.76%	25,148	17.36%
20 to 24	7,511	5.43%	11,370	7.85%
25 to 34	20,550	14.86%	25,605	17.68%
35 to 44	21,969	15.89%	17,808	12.29%
45 to 54	16,252	11.76%	16,905	11.67%
55 to 64	13,375	9.67%	17,467	12.06%
65 and older	23,871	17.27%	21,555	14.88%
	<u>138,247</u>		<u>144,864</u>	

Occupied Housing Units

	2000	Percent	1990	Percent
Owner occupied	44,659	80.39%	43,415	79.51%
Renter occupied	10,892	19.61%	11,187	20.49%
	<u>55,551</u>		<u>54,602</u>	

Value of Specified Owner Occupied Housing Units

	2000	Percent	1990	Percent
Less than \$100,000	14,422	34.85%	35,949	92.69%
\$100,000 to \$199,999	26,215	63.35%	2,812	7.25%
\$200,000 to \$299,999	610	1.47%	17	0.04%
\$300,000 or more	137	0.33%	6	0.02%
	<u>41,384</u>		<u>38,784</u>	
Median value	\$ 117,800		\$ 69,500	

School Enrollment (3 years of age and over)

	2000	Percent	1990	Percent
Pre-primary school	3,880	11.96%	2,550	7.67%
Elementary or high school	21,825	67.25%	20,611	61.99%
College or graduate school	6,747	20.79%	10,088	30.34%
	<u>32,452</u>		<u>33,249</u>	

Educational Attainment (25 years of age and over)

	2000	Percent	1990	Percent
Less than 9th grade	6,072	6.33%	9,178	9.24%
9th to 12th grade, no diploma	16,099	16.78%	18,894	19.02%
High school graduate	34,369	35.82%	35,862	36.10%
Some college, no degree	20,793	21.67%	18,994	19.12%
Associates degree	6,125	6.38%	6,166	6.21%
Bachelor's degree	8,862	9.24%	7,169	7.22%
Graduate or professional degree	3,629	3.78%	3,091	3.11%
	<u>95,949</u>		<u>99,354</u>	

**Household Income
(number of households)**

	2000	Percent	1990	Percent
Less than \$10,000	3,388	6.09%	5,356	9.80%
\$10,000 to \$14,999	2,778	4.99%	3,789	6.93%
\$15,000 to \$24,999	7,415	13.33%	8,786	16.07%
\$25,000 to \$34,999	7,664	13.78%	8,562	15.66%
\$35,000 to \$49,999	9,814	17.65%	11,681	21.37%
\$50,000 to \$74,999	12,756	22.93%	11,150	20.40%
\$75,000 to \$99,999	6,480	11.65%	3,744	6.85%
\$100,000 to \$149,999	4,268	7.67%	1,319	2.41%
\$150,000 or more	1,056	1.90%	281	0.51%
	<u>55,619</u>		<u>54,668</u>	
Median household income	\$ 44,626		\$ 35,980	
Per capita income	\$ 21,407		\$ 15,224	

**Employed Civilian Population
(16 years of age and over)**

	2000	Percent	1990	Percent
<u>By Occupation:</u>				
Management, professional and related	16,272	25.35%	17,032	24.62%
Service occupations	9,539	14.86%	8,203	11.86%
Sales and office occupations	17,871	27.84%	21,274	30.76%
Farming, fishing and forestry	67	0.10%	229	0.33%
Construction, production and transportation	20,439	31.84%	22,434	32.43%
	<u>64,188</u>		<u>69,172</u>	
<u>By Industry:</u>				
Agriculture, forestry, fishing and mining	88	0.14%	397	0.57%
Construction	3,770	5.87%	3,482	5.03%
Manufacturing	17,201	26.80%	20,661	29.87%
Wholesale trade	2,528	3.94%	3,240	4.68%
Retail trade	7,845	12.22%	12,816	18.53%
Transportation, warehousing and utilities	2,430	3.79%	2,246	3.25%
Information	1,239	1.93%	1,370	1.98%
Finance, insurance, real estate, rental and leasing	3,213	5.01%	3,597	5.20%
Professional, scientific, management, administrative and waste management services	6,284	9.79%	4,308	6.23%
Educational, health and social services	9,526	14.84%	8,611	12.45%
Arts, entertainment, recreation, accommodation and food services	5,195	8.09%	2,355	3.40%
Other services	3,029	4.72%	3,731	5.39%
Public administration	1,840	2.87%	2,358	3.41%
	<u>64,188</u>		<u>69,172</u>	

EXHIBIT D-17

**CITY OF WARREN, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

		Year Ended		Year Ended	
		June 30, 2007 (1)		June 30, 1998 (2)	
		Employees	Rank	Employees	Rank
General Motors Corporation	Automotive	23,452	1	23,000	1
Daimler/Chrysler Corporation	Automotive	3,201	2	5,900	2
TACOM / TARDEC	Government	1,320	3	3,652	3
St. John Macomb Hospital	Health care	1,312	4	1,925	4
Warren Consolidated Schools	Education	1,221	5		
Henry Ford Bi-County Hospital	Health care	1,218	6	1,023	6
AZ Automotive	Automotive	1,210	7		
Art Van Furniture	Retail furniture	1,192	8	742	8
Campbell-Ewald Company	Advertising	995	9	726	9
Asset Acceptance Financial	Financial services	729	10		
City of Warren	Governmental			1,800	5
Macomb Community College	Education			1,008	7
Becker Group	Consulting			500	10

Source:

(1) Macomb County Planning and Development

(2) City of Warren Mayor's Office

CITY OF WARREN, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (1)
General government:										
<u>37th District Court</u>										
Small claims	1,152	1,035	1,054	1,112	1,072	1,141	1,328	1,226	1,047	1,200
Landlord & tenant	2,593	2,753	2,677	3,386	3,234	3,568	3,873	3,998	4,144	4,100
Parking tickets	1,547	1,255	1,523	1,298	1,345	1,630	2,189	1,622	1,448	1,500
Traffic misdemeanor & civil	35,138	45,374	46,081	37,367	46,205	64,352	59,961	58,565	55,744	58,000
Non-traffic felony	1,655	1,631	1,708	1,826	2,399	1,874	2,184	2,097	2,261	2,300
Non-traffic misdemeanor	1,940	2,147	2,424	2,110	2,834	2,294	2,330	2,149	2,194	2,200
Traffic OUIL/OWI	N/A	N/A	N/A	N/A	N/A	414	734	691	794	750
General civil	2,666	2,802	2,602	3,249	4,325	4,916	4,502	4,524	4,888	4,800
Probation - active cases	1,300	1,423	1,795	1,500	1,686	1,143	1,441	1,168	1,220	1,200
Pre-sentence investigations	N/A	N/A	N/A	N/A	N/A	414	523	460	386	400
Alcohol evaluations	N/A	N/A	N/A	N/A	N/A	470	562	543	513	550
<u>City Clerk</u>										
Business licenses	9,891	10,000	2,350	986	1,017	1,100	1,207	989	920	1,500
Public hearings	95	120	44	61	53	80	76	53	62	100
Changes in voter registrations	32,500	33,000	23,000	22,000	20,000	23,000	29,499	23,391	38,399	45,000
Dog licenses issued	11,662	11,662	4,065	3,800	4,500	4,000	6,833	4,794	5,233	7,500
Garage sale permits	N/A	N/A	1,413	1,424	1,053	1,500	2,177	2,167	2,365	4,000
Death certificates	17,260	17,500	1,857	1,809	1,900	1,900	1,870	1,951	1,889	3,500
Birth certificates	5,331	5,500	1,748	1,659	1,700	1,900	1,368	1,162	1,273	3,500
Lawsuits issued	N/A	35	42	55	61	70	34	36	33	95
Contracts signed, catalogued	N/A	44	28	59	70	60	63	52	79	95
Dog park passes	N/A	N/A	N/A	N/A	600	600	410	200	270	600
Passports issued	N/A	N/A	N/A	N/A	N/A	N/A	334	278	214	600
Internet requests processed	N/A	N/A	N/A	N/A	N/A	N/A	1,252	1,366	1,547	2,200
<u>Treasurer</u>										
Tax bills processed -										
manually	138,000	138,000	137,000	135,000	135,000	135,000	135,000	135,000	136,000	135,000
CD ROM	77,000	77,000	78,000	80,000	80,000	83,000	83,000	83,000	82,000	83,000
Checks processed	45,500	45,500	43,050	42,800	42,800	32,400	29,900	41,400	41,400	41,400
Water bills processed	215,000	215,000	215,000	215,000	215,000	540,000	518,000	518,000	518,000	518,000
Status changes	10,000	10,000	11,000	13,000	13,000	15,000	15,000	14,000	12,000	9,000
Personal property										
tax collections	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Delinquent tax accounts	100	100	75	60	60	72	125	125	210	250
<u>Assessing</u>										
Personal property audits	150	190	180	210	210	125	116	316	320	440
Small claim MTT appeals	26	30	17	20	8	47	19	25	42	38
Full tax tribunal appeals	23	28	47	34	14	21	21	25	33	35
Board of Review appeals	900	890	850	750	862	807	801	834	864	850
Processing of										
homestead affidavits	2,500	3,300	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Process deeds and										
transfer affidavits	5,500	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700
Reviews transfers to										
uncap taxable value	3,000	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Prepare special										
assessment rolls	5	5	9	7	30	50	30	30	30	35
Review / appraise										
taxable properties	N/A	N/A	N/A	N/A	54,000	54,000	54,000	54,000	54,000	54,000
Review / appraise										
exempt properties	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Verify sales & transfers,										
inspect sold property	3,000	3,500	3,600	3,600	3,600	3,600	3,600	3,600	3,500	2,900
Inspect and appraise										
building permit activity	2,250	2,600	2,859	2,850	2,850	2,646	2,646	2,220	2,450	2,750
Identify / photograph										
real property parcels	N/A	N/A	23,000	23,000	23,000	2,400	2,400	2,400	2,400	2,500
Digitally sketch										
real property parcels	N/A	N/A	N/A	N/A	30,269	12,000	12,000	12,000	12,000	5,000

EXHIBIT D-18 (continued)

CITY OF WARREN, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (1)
Public Safety:										
<u>Fire Department</u>										
Incident responses	10,278	10,517	10,643	10,537	10,594	10,629	10,605	11,385	11,779	12,000
Equipment responses	21,981	22,851	23,294	22,957	23,215	23,254	18,767	16,594	17,182	18,300
Fire training (hours)	12,555	13,012	9,910	14,821	8,573	671	5,177	6,144	4,173	4,000
Medical training (hours)	1,906	2,847	5,064	3,804	2,290	2,303	1,912	1,725	1,171	1,500
<u>Police Department</u>										
Calls for police service	69,986	71,279	73,000	76,000	76,000	76,324	90,200	90,900	88,000	90,640
Part I crimes	7,241	5,996	4,917	4,795	6,570	5,214	4,785	5,223	5,853	6,000
Burglary incidents	1,169	760	850	686	772	672	669	829	704	700
Auto theft incidents	1,142	1,052	752	781	930	1,172	1,092	1,302	1,363	1,380
Part II Crimes	6,697	6,196	6,118	6,085	4,524	6,526	4,773	7,470	6,632	6,100
Narcotic and drug incidents	1,571	852	1,064	1,067	1,141	950	1,229	1,242	1,430	1,350
Traffic citations	N/A	N/A	44,855	35,522	40,865	44,977	49,429	48,280	45,154	46,000
OUIL charges	384	396	435	583	462	496	478	475	402	400
Traffic accidents	4,421	4,884	5,198	4,954	5,200	4,800	4,153	1,192	3,713	3,800
Juveniles charged	1,188	940	800	421	421	395	437	431	250	250
Total arrests	7,677	7,256	7,443	6,507	6,265	6,591	7,057	6,948	7,018	7,100
Abandoned autos processed	3,136	3,557	4,399	4,034	4,892	5,200	1,650	1,683	1,560	1,600
Guns registered	1,640	2,170	3,512	1,575	2,406	1,573	2,058	3,250	2,090	2,200
D.A.R.E. graduates	3,250	2,400	2,500	2,472	2,382	1,800	1,895	1,800	1,651	1,700
<u>Animal Control</u>										
Calls for service	4,856	6,240	6,864	7,215	2,000	4,500	2,587	2,332	2,610	2,700
Stray animals picked up	N/A	N/A	N/A	N/A	1,408	1,700	1,449	1,063	1,335	1,300
Wild animals secured	N/A	N/A	N/A	N/A	401	400	448	308	430	450
Dead animals handled	N/A	N/A	N/A	N/A	234	250	115	303	332	350
Animals given up by owners	N/A	N/A	N/A	N/A	768	500	781	992	850	730
<u>Civil Defense</u>										
Responses to disaster or emergency incidents	33	34	35	35	10	10	20	13	9	12
Functional / full-scale exercise	1	1	1	1	1	1	1	2	3	2
City Development:										
<u>Engineering</u>										
Service requests processed	805	900	900	1,247	900	900	618	422	674	441
Planning reviews	149	112	112	121	112	100	114	141	141	120
Site plan reviews	223	300	300	300	300	300	206	226	245	324
Projects inspected	113	116	116	100	116	100	106	97	128	132
Sidewalk inspections / repairs	N/A	N/A	N/A	N/A	N/A	N/A	5,141	2,542	2,739	2,895
<u>Property Maintenance Inspection</u>										
Weed enforcement -										
Vacant parcels	720	830	925	1,000	1,000	1,000	1,075	1,000	850	1,050
Occupied properties	158	142	333	425	425	471	530	600	680	680
Vacant buildings	330	327	395	415	415	425	525	625	N/A	N/A
Complaints investigated	8,500	8,270	11,292	11,100	11,100	12,298	13,279	14,000	13,500	14,000
<u>Building Inspections</u>										
Service requests	3,619	5,794	6,355	6,482	6,482	2,787	3,889	1,984	N/A	N/A
Certificates of Occupancy	314	255	229	341	171	256	364	326	339	350
Building permits	2,543	2,927	2,532	5,199	2,499	2,829	2,666	2,976	3,528	3,100
Plumbing permits	1,141	1,264	1,265	1,047	1,047	1,063	1,038	961	1,066	1,100
Electrical permits	1,932	2,099	1,888	1,596	1,596	1,640	1,431	1,573	1,844	1,800
Mechanical permits	2,013	1,671	1,651	1,381	1,381	1,424	1,159	1,218	1,929	1,700
Miscellaneous permits	1,738	1,612	1,576	709	709	651	1,124	1,504	1,884	2,000
Building inspections	9,080	8,794	8,110	9,970	9,970	9,037	8,472	7,404	10,103	9,500
Plumbing inspections	2,882	2,857	3,698	3,379	3,379	2,494	2,809	2,764	2,981	3,000
Electrical inspections	4,524	4,791	5,277	5,126	5,126	5,689	5,261	4,523	4,584	5,000
Mechanical inspections	3,900	3,660	3,799	3,751	3,751	4,937	4,471	4,422	5,644	5,500
Zoning inspections	6,913	5,794	6,355	10,482	6,430	4,204	5,889	5,681	4,940	5,800
Plan reviews	N/A	N/A	N/A	N/A	N/A	2,829	2,586	2,976	3,528	3,100

CITY OF WARREN, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (1)
Recreation and Culture:										
<u>Library</u>										
Annual attendance	689,972	503,205	416,730	441,200	489,962	501,123	402,380	371,361	389,200	390,000
Circulation -										
annual total	796,582	709,854	684,904	647,610	600,661	606,019	567,201	544,590	539,164	540,000
children's materials	193,984	169,744	156,006	153,568	144,159	121,085	121,491	117,958	121,788	122,000
Reference requests	48,670	47,064	53,129	53,928	61,123	71,865	67,868	71,121	73,025	73,000
Reserves placed	29,174	30,812	31,079	35,013	24,923	30,427	36,185	40,595	48,184	49,000
Registered borrowers	56,681	56,037	55,196	60,000	37,871	42,585	46,072	37,386	41,997	40,500
Materials -										
loaned to other libraries	30,100	37,247	38,528	37,630	35,487	45,203	69,905	57,635	62,714	63,000
received from other libraries	27,945	30,117	30,079	33,473	33,601	42,031	56,119	41,340	45,426	45,500
added to collection	26,570	27,000	38,654	34,964	18,769	20,539	26,951	24,520	16,292	19,000
deleted from collection	41,621	42,000	48,923	77,617	21,053	19,650	19,600	19,331	27,215	27,000
Home Page hits	N/A	80,018	87,934	151,749	202,665	194,268	192,889	201,309	222,454	225,000
<u>Recreation</u>										
Pavilion rentals	572	558	558	503	489	472	475	475	438	450
Bus transportation	15,211	28,089	28,089	35,600	25,500	48,650	52,000	28,300	28,500	29,000
Adult & youth sports -										
registrants	6,138	6,500	5,438	6,080	6,896	6,550	6,510	5,800	6,500	7,000
participants	111,728	112,800	106,820	106,200	107,244	106,552	106,200	102,575	101,204	107,000
Senior programs	49,273	32,068	32,068	36,600	34,104	36,200	36,500	51,204	52,000	53,000
Senior sports programs	25,815	25,815	17,026	18,200	27,870	26,200	25,000	22,000	23,000	24,000
Trees removed	267	470	398	820	492	452	950	1,076	800	1,000
Trees trimmed	2,645	3,334	3,981	4,311	4,351	4,100	4,000	4,000	4,000	3,000
Pool attendance	108,242	70,964	92,781	86,938	77,900	109,331	239,704	301,505	300,000	300,000
Yearly pass registrations	132	214	300	400	300	1,000	3,700	3,923	4,200	4,900
Sanitation										
Collections points (per week)	49,150	49,500	49,500	49,500	50,000	55,000	56,000	56,000	56,000	56,000
Curbside collection (tons) -										
Refuse land filled	47,520	49,783	50,999	50,944	49,385	51,866	51,537	47,626	51,780	50,000
Curbside recycling	7,525	7,184	7,053	6,244	6,081	6,069	5,726	4,977	3,633	5,000
Curbside compost	15,272	15,328	17,557	15,654	14,991	16,283	16,613	14,891	16,123	16,000
Drop-off center -										
Car batteries (each)	874	764	1,097	1,151	1,252	1,566	1,219	935	935	1,100
Non-ferrous metal (tons)	12	12	10	9	7	12	7	133	128	130
Concrete (tons)	N/A	388	428	499	513	591	559	398	385	370
Motor oil (gallons)	N/A	15,675	14,050	13,550	12,600	18,450	13,325	11,075	11,950	13,000
Collected / dropped off (tons) -										
Cardboard	91	62	96	100	118	175	138	124	147	160
White goods / scrap metal	418	557	736	922	1,149	896	542	370	284	300
Senior Citizen Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	13	25	14	7	8	4	7	9	6	9
Linoleum replacements	4	13	10	12	13	12	7	14	9	12
Refrigerator replacements	4	3	5	4	6	30	36	N/A	N/A	N/A
Stove replacements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	25	5
Apartments painted	24	21	23	20	19	17	18	28	9	15
Air conditioner replacements	N/A	N/A	N/A	N/A	N/A	16	18	18	10	15
Maintenance work orders	412	522	613	1,021	625	666	789	532	682	700
<u>Jos. Coach Manor</u>										
Carpet replacements	20	26	11	13	3	4	6	15	12	14
Linoleum replacements	7	8	7	16	10	8	8	18	13	15
Hot water tank replacements	6	21	28	45	114	N/A	N/A	2	-	6
Apartments painted	29	32	28	37	25	24	36	48	27	25
Countertop replacements	3	6	6	5	6	1	1	8	8	10
Maintenance work orders	912	1,085	871	1,099	1,067	1,054	1,271	1,223	1,203	1,250

EXHIBIT D-18 (continued)

CITY OF WARREN, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Water and Sewer System (2)										
<u>Water Department:</u>										
Water utility accounts	49,272	49,272	49,272	49,280	49,339	49,359	49,546	49,768	49,948	50,122
Sewer utility accounts	49,007	49,007	49,007	49,010	49,064	49,079	49,198	49,269	49,319	49,370
Second meter accounts	N/A	N/A	N/A	N/A	N/A	N/A	63	173	256	384
Water sold (thousand cu. ft.)	1,129,768	1,139,015	1,076,870	956,085	969,120	1,025,088	950,539	844,666	930,433	839,755
Water purchased	1,230,787	1,245,811	1,190,223	1,061,407	1,066,307	1,144,504	1,081,053	941,846	1,035,761	932,468
Broken water main repairs	293	466	482	318	288	399	393	267	311	238
Sewer jetting (in footage)	295,027	173,223	236,679	396,567	417,432	289,125	148,660	276,869	197,240	257,313
<u>Waste Water Treatment Plant:</u>										
Sewage treated (billions of gallons)	10.0	9.2	8.5	8.7	7.9	7.2	7.9	8.4	8.0	9.0
Sludge solids removed (thousands of tons)	39.9	31.4	28.9	23.5	23.3	26.4	30.8	31.2	32.1	31.4
Power consumption (millions of kilowatt hours)	20.1	19.1	17.6	18.5	15.1	14.2	13.4	14.6	16.5	13.3
Natural gas for incinerator (millions of cu. ft.)	110	81	90	74	73	77	80	31	78	82
Laboratory samples taken	7,382	6,818	6,914	6,956	6,914	6,760	6,773	6,788	6,743	6,556
Analytical lab tests run	46,391	44,876	46,400	46,448	47,637	47,624	45,685	45,751	44,608	45,863
Dye tests performed to locate illicit connections	N/A	N/A	20	50	50	50	50	50	20	200
Storm water samples collected	N/A	N/A	246	457	582	202	804	386	457	275
Illicit discharges identified	N/A	N/A	N/A	6	11	13	10	7	17	24
Illicit discharges removed	N/A	N/A	N/A	4	7	10	14	9	50	14

N/A = information was either not applicable to or not reported in the fiscal year

- (1) Fiscal year 2007 estimates
- (2) Fiscal year ended December 31

Source:
 Fiscal year adopted budget

CITY OF WARREN, MICHIGAN
VALUE OF NEW CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year	Residential One-Family	Residential Multiple Family	Commercial Development	Industrial Development	Total (1)
1998	\$ 4,034,600	\$ 3,685,000	\$ 28,221,476	\$ 12,817,000	\$ 48,758,076
1999	7,334,500	1,440,000	17,404,675	13,637,000	39,816,175
2000	4,390,800	2,955,000	21,559,000	31,560,958	60,465,758
2001	4,495,000	1,525,000	110,807,914	3,200,550	120,028,464
2002	9,379,693	2,218,000	4,436,000	9,421,307	25,455,000
2003	8,907,716	4,469,000	17,990,000	1,200,000	32,566,716
2004	4,737,401	3,116,008	25,704,900	7,100,000	40,658,309
2005	2,733,500	1,979,995	34,361,001	980,000	40,054,496
2006	8,251,000	21,128,530	28,978,077	19,379,285	77,736,892
2006	6,670,204	6,950,103	12,992,814	500,000	27,113,121

(1) Estimated Cost of Construction

Source:

City of Warren Building Department

CITY OF WARREN, MICHIGAN
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<u>General government:</u>										
Council	14	14	14	14	14	14	14	13	13	13
37th District Court	45	46	46	49	50	49	50	50	50	50
Mayor	7	7	7	7	7	7	7	7	7	7
Clerk	11	11	11	11	11	11	11	10	8	9
Treasurer	15	15	15	15	15	15	15	13	12	12
Controller	18	19	20	20	20	20	20	19	19	19
Information Systems	4	4	4	4	4	4	4	4	3	3
Legal	10	10	11	11	11	11	11	11	11	11
Assessing	13	13	13	13	13	13	13	12	12	12
Labor Relations	3	3	3	3	3	3	3	1	1	1
Personnel	6	6	6	6	6	6	6	6	6	6
D.P.W. Garage	10	10	10	10	10	10	10	8	8	8
Building Maintenance	18	18	18	18	18	18	18	16	15	15
Police & Fire Civil Service	1	1	1	1	1	1	1	1	1	1
Police & Fire Retirement	2	2	2	2	2	2	2	2	2	2
Beautification Commission	-	-	-	1	1	1	1	-	-	-
	<u>177</u>	<u>179</u>	<u>181</u>	<u>185</u>	<u>186</u>	<u>185</u>	<u>186</u>	<u>173</u>	<u>168</u>	<u>169</u>
<u>Public safety:</u>										
Fire Department	179	179	179	179	179	179	179	139	148	148
Police Department	280	284	286	286	290	290	290	281	278	274
Animal Control	2	2	2	2	2	2	2	2	2	2
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<u>462</u>	<u>466</u>	<u>468</u>	<u>468</u>	<u>472</u>	<u>472</u>	<u>472</u>	<u>423</u>	<u>429</u>	<u>425</u>
<u>City Development:</u>										
Public Service Director	4	4	4	4	4	4	4	4	4	4
Engineering	17	17	17	17	17	17	17	9	8	8
Property Maintenance	6	6	6	6	6	6	6	3	3	3
Building Inspections	19	20	20	20	20	20	20	18	17	17
Planning	7	7	7	7	7	7	7	5	4	5
Rental Ordinance	-	-	2	2	2	2	2	2	2	2
	<u>53</u>	<u>54</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>41</u>	<u>38</u>	<u>39</u>
<u>Highways and Streets</u>	<u>41</u>	<u>35</u>								
<u>Recreation and Culture:</u>										
Library	23	23	23	23	22	22	22	16	16	16
Recreation	22	22	22	21	20	20	20	20	20	20
Communications	3	4	4	4	6	6	7	6	6	6
	<u>48</u>	<u>49</u>	<u>49</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>49</u>	<u>42</u>	<u>42</u>	<u>42</u>
<u>Sanitation</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>42</u>	<u>42</u>	<u>42</u>
<u>Economic Development:</u>										
D.D.A.	-	-	-	-	1	1	1	1	1	1
<u>Community Development:</u>										
C.D.B.G.	3	3	3	3	4	4	4	4	4	4
<u>Senior Housing</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>Water and Sewer System</u>	<u>126</u>	<u>121</u>	<u>118</u>	<u>114</u>	<u>105</u>	<u>105</u>	<u>107</u>	<u>107</u>	<u>106</u>	<u>97</u>
Total full-time city employees	<u>960</u>	<u>964</u>	<u>967</u>	<u>966</u>	<u>964</u>	<u>963</u>	<u>966</u>	<u>879</u>	<u>876</u>	<u>859</u>

Source:
 Adopted fiscal year budget

CITY OF WARREN, MICHIGAN

FEDERAL AND STATE PROJECT FUNDS - COMPLIANCE REPORTS

Included in the compliance audits of federal and state project funds are the following:

Department of Housing and Urban Development

Community Development Block Grant

Account Numbers - B-99-MC-26-0016
B-03-MC-26-0016
B-04-MC-26-0016
B-05-MC-26-0016
B-06-MC-26-0016

HOME Investment Partnership

Account Numbers - M-99-MC-26-0216
M-00-MC-26-0216
M-01-MC-26-0216
M-02-MC-26-0216
M-03-MC-26-0216
M-04-MC-26-0216
M-05-MC-26-0216
M-06-MC-26-0216

Housing Opportunities for Persons with AIDS

Account Number – MIH04F002
MIH05F002
MIH06F002

Emergency Management Performance Grant

Local Law Enforcement Block Grant Program

Account Number - 2004-LBBX-0872

State Domestic Preparedness Equipment Support Program

2004 Homeland Security Grant
2005 Homeland Security Grant
Assistance to Firefighters Grant

Public Safety Partnership and Community Policing Grants

Secure Our Schools Grant
Account Number – 2005-CKWX-0554
COPS Interoperable Communications Technology Program Grant
Account Number – 2004-INWX-011

Edward Byrne Memorial Justice Assistance Grant Program

Federal Bureau Justice Grant

Centers for Disease Control and Prevention, Investigations and Technical Assistance

Cities Readiness Grant

Edward Byrne Memorial Formula Grant Program

Account Numbers - 72025-4-06-z
- SCAO 2007-009

Metropolitan Medical Response System

Account Number – 233-02-0032

EXHIBIT E-1

CITY OF WARREN, MICHIGAN
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

June 30, 2007

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Cash / Deferred Grant Revenue July 1, 2006</u>	<u>Grant Revenue Recognized</u>
Department of Housing and Urban Development - (1) Community Development Block Grant:	14.218			
1999-00		B-99-MC-26-0016	\$ 15,740	\$ 1,045,251
2003-04		B-03-MC-26-0016	339,527	1,008,384
2004-05		B-04-MC-26-0016	114,373	963,839
2005-06		B-05-MC-26-0016	513,340	1,058,507
2006-07		B-06-MC-26-0016	-	560,654
(2) HOME Investment Partnership:	14.239			
1999-00		M-99-MC-26-0216	\$ 413	\$ 427,000
2000-01		M-00-MC-26-0216	68,906	340,959
2001-02		M-01-MC-26-0216	259,180	164,348
2002-03		M-02-MC-26-0216	519,910	293,020
2003-04		M-03-MC-26-0216	350,896	247,528
2004-05		M-04-MC-26-0216	403,919	103,322
2005-06		M-05-MC-26-0216	808,037	181,636
2006-07		M-06 MC-26-0216	-	41,983
(3) Housing Opportunities for Persons with AIDS	14.241			
2004-05		MIH04F002	\$ 1,589	\$ 403,411
2005-06		MIH05F002	185,511	386,005
2006-07		MIH06F002	-	119,213
Emergency Management Performance Grant:	97.042			
2006-07			\$ -	\$ 52,686
Local Law Enforcement Block Grant Program:	16.592			
2004-05 Grant		2004-LBBX-0872	\$ 44,581	\$ 50,450
State Domestic Preparedness Equipment Support Program:	97.004			
2004 Homeland Security Grant			\$ -	\$ 780,046
2005 Homeland Security Grant			-	550,616
Assistance to Firefighters Grant		EMW-2005-FG-19970	-	179,566
Public Safety Partnership and Community Policing Grants:	16.710			
Secure Our Schools Grant		2005-CKWX-0554	\$ -	\$ 180,820
COPS Interoperable Communications Technology Program Grant		2004-INWX-0011	300,000	3,513,710
Byrne Memorial Justice Assistance Grant: Federal Bureau Justice Grant	16.738			
			\$ -	\$ 50,000
Centers for Disease Control and Prevention, Investigations and Technical Assistance:	93.283			
Cities Readiness Initiative Grant			\$ -	\$ 51,755
Byrne Memorial Formula Grant Program	16.579			
2005-06 Grant		72025-4-06-z	\$ -	\$ 146,109
2006-07 Grant		SCAO 2007-009	-	84,594
Metropolitan Medical Response System	97.071	233-02-0032	\$ -	\$ 432,208

<u>Grantee Matching Contributions & Miscellaneous Revenue</u>	<u>Expenditures</u>	<u>Advances (Repayments) or Adjustments</u>	<u>Cash / Deferred Grant Revenue June 30, 2007</u>
\$ 530,887	\$ (1,576,138)	\$ (11,665)	\$ 4,075
581,527	(1,589,911)	(205,640)	133,887
414,599	(1,378,438)	(78,373)	36,000
468,017	(1,526,524)	(389,058)	124,282
335,214	(884,356)	568,316	579,828
\$ 356,364	\$ (783,126)	\$ (413)	\$ 238
505,423	(846,382)	(6,317)	62,589
264,539	(402,341)	(37,128)	248,598
975,476	(1,159,371)	(110,569)	518,466
770,099	(927,627)	(172,782)	268,114
208,905	(240,634)	(146,691)	328,821
469,992	(266,370)	(653,737)	539,558
269,197	(41,845)	476,058	745,393
\$ -	\$ (403,411)	\$ (1,589)	\$ -
-	(386,005)	(185,511)	-
-	(119,113)	285,371	285,471
\$ 176,699	\$ (229,385)	\$ -	\$ -
\$ 5,606	\$ (56,056)	\$ (44,581)	\$ -
\$ -	\$ (780,046)	\$ -	\$ -
-	(550,616)	-	-
44,892	(224,458)	-	-
\$ -	\$ (180,820)	\$ -	\$ -
-	(3,513,710)	(29,597)	270,403
\$ -	\$ (50,000)	\$ -	\$ -
\$ -	\$ (51,755)	\$ -	\$ -
\$ 293,133	\$ (439,242)	\$ -	\$ -
167,749	(252,343)	-	-
\$ -	\$ (432,208)	\$ 167,792	\$ 167,792

CITY OF WARREN, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2007

1. The accompanying schedule of federal awards includes the federal grant activity of the City of Warren, Macomb County, Michigan and is presented in the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB A-133, Audits of State, Local Governments, and Non-Profit Organizations.

CITY OF WARREN, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2007

Summary of Audit Results:

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Warren.
2. No reportable conditions relating to the financial statements are reported in the independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of the City of Warren were disclosed during the audit.
4. No reportable conditions relating to the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for Community Development Block Grant, Home Investment Partnership, Housing Opportunities for Persons with AIDS and 2005 Homeland Security Grant expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the City of Warren.
7. The programs tested as major programs include: Community Development Block Grant - CFDA #14.218, Home Investment Partnership - CFDA #14.239, Housing Opportunities for Persons with AIDS - CFDA #14.241 and 2005 Homeland Security Grant - CFDA #97.004.
8. Type A programs are programs with \$300,000 or more of federal expenditures. Type B programs are programs with federal expenditures between \$100,000 and \$300,000.
9. The City of Warren was determined to be a low-risk auditee.

Findings – Financial Statements Audit:

None

Findings and Questioned Costs – Major Federal Award Program Audit:

None

EXHIBIT E-2

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 1999/00 - C.D.B.G. No. B-99-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 1999 through June 30, 2007

Total 1999/00 program year funds allocated to recipient	\$ 1,138,000
Add: Unobligated funds reprogrammed from:	
1998/99 program year	300,000
Less: Unobligated funds reprogrammed to:	
1997/98 program year	(92)
2000/01 program year	(5,992)
2001/02 program year	(13,132)
2002/03 program year	(369,458)
Total 1999/00 program year adjusted resources	1,049,326
Less: 1999/00 program year funds drawn by recipient	(1,045,251)
1999/00 program year funds available from HUD	\$ 4,075
Total 1999/00 program year funds drawn down by recipient	\$ 1,045,251
Add: Program income allocated to 1999/00 program year	<u>530,887</u>
Total 1999/00 program year funds received	1,576,138
Less: Funds applied to 1999/00 program year costs	(1,576,138)
1999/00 program year funds held by recipient	\$ -
Total 1990/00 program year funds available for disposition	\$ 4,075

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 1999/00 - C.D.B.G. No. B-99-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 1999 through June 30, 2007

	Expenditures 7-1-06 to <u>6-30-07</u>	Authorized <u>Costs</u>	Cumulative Expenditures 7-1-99 thru <u>6-30-07</u>	Questioned <u>Costs</u>
<u>Program Activity and Related Costs</u>				
Housing Rehabilitation	\$ -	\$ 530,887 (1)	\$ 530,887	\$ -
Public Improvements:				
Street Improvements	-	396,868 (2)	396,868	-
Tree Planting	-	44,590 (5)	44,590	-
Community Police Unit	-	144,550	144,550	-
Administrative Costs	-	177,400	177,400	-
Planning Studies	11,665	50,000	45,925	-
Contractual Services:				
Chore Services	-	26,000	26,000	-
Code Enforcement - Housing Ordinance	-	75,418 (3)	75,418	-
Code Enforcement - Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	10,500	10,500	-
Abandoned Building Removal	-	40,000	40,000	-
Arsenal Acres Clearance	-	44,000 (6)	44,000	-
Contingency and Local Options	-	- (4)	-	-
	<u>\$ 11,665</u>	<u>\$ 1,580,213</u>	<u>\$ 1,576,138</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$300,000 was increased by \$530,887 from program income earned (original budgeted estimate for program income was \$400,000). It was decreased by reprogramming \$300,000 to "Street Improvements" in the 2002/03 program year.
- (2) "Street Improvements" was increased by reprogramming \$300,000 from "Street Improvements" in the 1998-99 program year and decreased by reprogramming \$100,000 to "Arsenal Acres Clearance" in the 1999-00 program year and by reprogramming \$13,132 to "Park Roof Replacements" in the 2001-02 program year.
- (3) "Code Enforcement" was increased by reprogramming \$11,000 from "Contingency and Local Option" in the 1999-00 program year. "Code Enforcement" was decreased by reprogramming \$582 to "Handicap Ramp Curb Cuts" in the 2000-01 program year.
- (4) "Contingencies and Local Option" was decreased by reprogramming \$11,000 to "Code Enforcement" in the 1999-00 program year. It was decreased by reprogramming \$3,449 to "Street Improvements" and \$10,009 to "Contingencies" in the 2002/03 program year.
- (5) "Tree Planting" was decreased by reprogramming \$5,410 to "Handicap Ramp Curb Cuts" in the 2000-01 program year.
- (6) "Arsenal Acres Clearance" was decreased by reprogramming \$56,000 to "Street Improvements" in the 2002/03 program year.

See accompanying notes to financial statements.

EXHIBIT E-4

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2003/04 – C.D.B.G. No. B-03-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2003 through June 30, 2007

Total 2003/04 program year funds allocated to recipient	\$ 1,090,000
Add: Unobligated funds reprogrammed from: 2002/03 program year	110,000
Less: Unobligated funds reprogrammed to: 2002/03 program year	(22,386)
2004/05 program year	(6,637)
2005/06 program year	(8,197)
2006/07 program year	(20,509)
Total 2003/04 program year adjusted resources	\$ 1,142,271
Less: 2003/04 program year funds drawn by recipient	(1,008,384)
2003/04 program year funds available from HUD	\$ 133,887
Total 2003/04 program year funds drawn down by recipient	\$ 1,008,384
Add: Program income allocated to 2003/04 program year	581,527
Total 2003/04 program year funds received	1,589,911
Less: Funds applied to 2003/04 program year costs	(1,589,911)
2003/04 program year funds held by recipient	-
Total 2003/04 program year funds available for disposition	\$ 133,887

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2003/04 – C.D.B.G. No. B-03-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2003 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-03 thru 6-30-07</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 185,131	\$ 1,026,527 (1)	\$ 907,300	\$ -
Rehabilitation Delivery	-	170,000	170,000	-
Fire Safety Equipment	-	103,363 (2)	103,363	-
Administrative Costs	-	218,000	218,000	-
Contractual Services:				
CHORE Service	-	29,103 (4)	29,103	-
Code Enforcement – Housing Ordinance	-	66,491 (6)	66,491	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	10,500	10,500	-
Homeless Shelter	-	20,314 (5)	20,314	-
Abandoned Building Removal	-	39,500	24,840	-
Contingency and Local Option	-	- (3)	-	-
	<u>\$ 185,131</u>	<u>\$ 1,723,798</u>	<u>\$ 1,589,911</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$445,000 was increased by \$181,527 from program income earned (original budgeted estimate for program income was \$400,000).
- (2) "Fire Safety Equipment" was increased by reprogramming \$110,000 from "Street Paving" in the 2002/03 program year and decreased by reprogramming \$6,637 to "Street Paving" in the 2004/05 program year.
- (3) "Contingency and Local Option" was decreased by reprogramming \$22,499 to the following:
 \$ 1,998 to "Homeless Prevention" in the 2002/03 program year.
 \$ 20,387 to "Handicap Ramp Curb Cuts" in the 2002/03 program year.
 \$ 114 to "Contingency and Local Option" in the 2005/06 program year.
- (4) "CHORE Service" was decreased by reprogramming \$1,809 to "Street Improvements" and \$4,088 to "Contingency and Local Option" in the 2005/06 program year.
- (5) "Homeless Shelter" was decreased by reprogramming \$2,186 to "Contingency and Local Option" in the 2005/06 program year.
- (6) "Code Enforcement – Housing Ordinance" was decreased by reprogramming \$20,509 to "Sidewalk Replacement" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-6

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2004/05 – C.D.B.G. No. B-04-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2004 through June 30, 2007

Total 2004/05 program year funds allocated to recipient	\$ 1,053,000
Add: Unobligated funds reprogrammed from:	
2000/01 program year	12,259
2001/02 program year	200,000
2002/03 program year	146,346
2003/04 program year	6,638
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(21,094)
2005/06 program year	(318,937)
2006/07 program year	<u>(78,373)</u>
Total 2004/05 program year adjusted resources	\$ 999,839
Less: 2004/05 program year funds drawn by recipient	<u>(963,839)</u>
2004/05 program year funds available from HUD	<u>\$ 36,000</u>
Total 2004/05 program year funds drawn down by recipient	\$ 963,839
Add: Program income allocated to 2004/05 program year	<u>414,599</u>
Total 2004/05 program year funds received	1,378,438
Less: Funds applied to 2004/05 program year costs	<u>(1,378,438)</u>
2004/05 program year funds held by recipient	<u>\$ -</u>
Total 2004/05 program year funds available for disposition	<u>\$ 36,000</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2004/05 – C.D.B.G. No. B-04-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2004 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-07</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ -	\$ 415,599 (1)	\$ 414,599	\$ -
Rehabilitation Delivery	-	100,000	100,000	-
Administrative Costs	-	195,600	195,600	-
Planning Study	-	15,000	-	-
Public Improvements:				
Sidewalk Replacement	-	121,063 (6)	121,063	-
Street Paving	-	358,939 (2)	358,939	-
Contractual Services:				
CHORE Service	-	30,270 (7)	30,270	-
Code Enforcement – Housing Ordinance	-	65,506 (5)	65,506	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	13,000 (3)	13,000	-
Homeless Shelter	-	22,500	22,500	-
Homeless Prevention	-	16,961 (8)	16,961	-
Abandoned Building Removal	-	20,000	-	-
Contingency and Local Option	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,414,438</u>	<u>\$ 1,378,438</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$601,000 was decreased by \$185,401 from less program income earned than budgeted (original budgeted estimate for program income was \$600,000).
- (2) "Street Paving" was increased by reprogramming \$305,850 from the following:
 \$ 6,638 from "Fire Safety Equipment" in the 2003/04 program year.
 \$ 12,259 from "Street Paving" in the 2000/01 program year.
 \$ 10,096 from "Code Enforcement – Housing Ordinance" in the 2002/03 program year.
 \$ 200,000 from "Housing Rehabilitation" in the 2001/02 program year.
 \$ 76,857 from "Housing Rehabilitation" in the 2002/03 program year.
"Street Paving" was decreased by reprogramming \$180,000 to "Street Paving" in the 2005/06 program year and \$7,061 to "Sidewalk Replacement" in the 2006/07 program year.
- (3) "Housing Support Services" was increased by reprogramming \$1,250 from "Housing Support Services" in the 2002/03 program year.
- (4) "Contingencies and Local Options" was increased by reprogramming \$58,143 from "Housing Rehabilitation" in the 2002/03 program year and decreased by reprogramming \$58,143 to the following:
 \$ 21,094 to "Street Paving" in the 2002/03 program year.
 \$ 3,500 to "Code Enforcement – Housing Ordinance" in the 2004/05 program year.
 \$ 33,549 to "Sidewalk Replacement" in the 2006/07 program year.
- (5) "Code Enforcement – Housing Ordinance" was increased by reprogramming \$3,500 from "Contingency and Local Option" in the 2004/05 program year and decreased by reprogramming \$24,994 to "Sidewalk Replacement" in the 2006/07 program year.
- (6) "Sidewalk Replacement" was decreased by reprogramming \$138,937 to "Street Paving" in the 2005/06 program year.
- (7) "Chore Service" was decreased by reprogramming \$4,730 to "Sidewalk Replacement" in the 2006/07 program year.
- (8) "Homeless Prevention" was decreased by reprogramming \$8,039 to "Sidewalk Replacement" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-8

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2005/06 – C.D.B.G. No. B-05-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2005 through June 30, 2007

Total 2005/06 program year funds allocated to recipient	\$ 989,335
Add: Unobligated funds reprogrammed from:	
2002/03 program year	30,655
2003/04 program year	8,197
2004/05 program year	318,937
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(20,986)
2006/07 program year	<u>(143,349)</u>
Total 2005/06 program year adjusted resources	\$ 1,182,789
Less: 2005/06 program year funds drawn by recipient	<u>(1,058,507)</u>
2005/06 program year funds available from HUD	<u>\$ 124,282</u>
Total 2005/06 program year funds drawn down by recipient	\$ 1,058,507
Add: Program income allocated to 2005/06 program year	<u>468,017</u>
Total 2005/06 program year funds received	1,526,524
Less: Funds applied to 2005/06 program year costs	<u>(1,526,524)</u>
2005/06 program year funds held by recipient	<u>\$ -</u>
Total 2005/06 program year funds available for disposition	<u>\$ 124,282</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2005/06 – C.D.B.G. No. B-05-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2005 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-07</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 28,731	\$ 518,736 (1)	\$ 395,268	\$ -
Rehabilitation Delivery	44,367	150,000	150,000	-
Administrative Costs	47,274	290,616 (2)	290,616	-
Public Improvements:				
Sidewalk Replacement	39,032	200,539 (7)	200,250	-
Street Paving	-	285,691 (3)	285,691	-
Contractual Services:				
CHORE Service	20,784	25,377 (6)	25,377	-
Code Enforcement – Housing Ordinance	35,054	81,515 (4)	81,515	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	10,575	14,000	13,475	-
Homeless Shelter	7,310	22,500	22,500	-
Homeless Prevention	12,582	16,832 (8)	16,832	-
Child Advocacy	-	5,000	5,000	-
Contingency and Local Option	-	- (5)	-	-
	<u>\$ 245,709</u>	<u>\$1,650,806</u>	<u>\$ 1,526,524</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$463,468 was increased by \$55,268 from more program income earned than budgeted (original budgeted estimate for program income was \$320,000).
- (2) Original "Administrative Costs" allocation of \$277,867 was increased by \$12,749 from more program income earned than budgeted (original budgeted estimate for program income was \$80,000).
- (3) "Street Paving" was increased by reprogramming \$349,998 from the following:
 \$ 29,252 from "Park Improvements" in the 2002/03 program year.
 \$ 1,809 from "CHORE Service" in the 2003/04 program year.
 \$ 138,937 from "Sidewalk Improvements" in the 2004/05 program year.
 \$ 180,000 from "Street Paving" in the 2004/05 program year.
 "Street Paving" was decreased by reprogramming \$20,986 to "Park Improvements" in the 2002/03 program year and by reprogramming \$43,319 to "Housing Rehabilitation" in the 2006/07 program year.
- (4) "Code Enforcement – Housing Ordinance" was increased by reprogramming \$3,719 from "Contingency and Local Option" in the 2005/06 program year and decreased by reprogramming \$19,204 to "Housing Rehabilitation" in the 2006/07 program year.
- (5) "Contingencies and Local Options" was increased by reprogramming \$7,791 from the following:
 \$ 1,403 from "Contingency and Local Option" in the 2002/03 program year.
 \$ 114 from "Contingency and Local Option" in the 2003/04 program year.
 \$ 2,186 from "Homeless Shelter" in the 2003/04 program year.
 \$ 4,088 from CHORE Service" in the 2003/04 program year.
 "Contingencies and Local Options" was decreased by reprogramming \$3,719 to "Code Enforcement – Housing Ordinance" in the 2005/06 program year and by reprogramming \$20,572 to "Housing Rehabilitation" in the 2006/07 program year.
- (6) "Chore Service" was decreased by reprogramming \$9,623 to "Housing Rehabilitation" in the 2006/07 program year.
- (7) "Sidewalk Replacement" was decreased by reprogramming \$49,461 to "Housing Rehabilitation" in the 2006/07 program year.
- (8) "Homeless Prevention" was decreased by reprogramming \$1,168 to "Housing Rehabilitation" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-10

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2006/07 – C.D.B.G. No. B-06-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2007

Total 2006/07 program year funds allocated to recipient	\$ 886,739
Add: Unobligated funds reprogrammed from:	
2003/04 program year	20,509
2004/05 program year	78,373
2005/06 program year	<u>143,349</u>
Total 2006/07 program year adjusted resources	\$ 1,128,970
Less: 2006/07 program year funds drawn by recipient	<u>(560,654)</u>
2006/07 program year funds available from HUD	<u>\$ 568,316</u>
Total 2006/07 program year funds drawn down by recipient	\$ 560,654
Add: Program income allocated to 2006/07 program year	<u>335,214</u>
Total 2006/07 program year funds received	895,868
Less: Funds applied to 2006/07 program year costs	<u>(884,356)</u>
2006/07 program year funds held by recipient	<u>\$ 11,512</u>
Total 2006/07 program year funds available for disposition	<u>\$ 579,828</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2006/07 – C.D.B.G. No. B-06-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2006 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-07</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 268,048	\$ 414,803 (1)	\$ 268,048	\$ -
Rehabilitation Delivery	125,901	175,000	125,901	-
Administrative Costs	227,550	242,107 (2)	227,550	-
Public Improvements:				
Sidewalk Replacement	126,506	363,882 (3)	126,506	-
Contractual Services:				
CHORE Service	5,427	35,000	5,427	-
Code Enforcement – Housing Ordinance	51,114	110,000	51,114	-
Code Enforcement – Rental Ordinance	40,000	40,000	40,000	-
Housing Support Services	-	13,975	-	-
Homeless Shelter	28,900	30,000	28,900	-
Homeless Prevention	5,910	15,000	5,910	-
Child Advocacy	5,000	5,000	5,000	-
Contingency and Local Option	-	19,417	-	-
	<u>\$ 884,356</u>	<u>\$ 1,464,184</u>	<u>\$ 884,356</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$401,000 was decreased by \$129,546 from less program income earned than budgeted (original budgeted estimate for program income was \$400,000). It was also increased by reprogramming \$143,349 from the following:
- \$ 9,623 from "Chore Service" in the 2005/06 program year.
 - \$ 43,319 from "Street Paving" in the 2005/06 program year.
 - \$ 19,204 from "Code Enforcement-Housing Ordinance" in the 2005/06 program year.
 - \$ 49,461 from "Sidewalk Replacement" in the 2005/06 program year.
 - \$ 1,168 from "Homeless Prevention" in the 2005/06 program year.
 - \$ 20,572 from "Contingency and Local Option" in the 2005/06 program year.
- (2) Original "Administrative Costs" allocation of \$277,347 was decreased by \$35,240 from less program income earned than budgeted (original budgeted estimate for program income was \$100,000).
- (3) "Sidewalk Replacement" was increased by reprogramming \$98,882 from the following:
- \$ 20,509 from "Code Enforcement-Housing Ordinance" in the 2003/04 program year.
 - \$ 24,994 from "Code Enforcement-Housing Ordinance" in the 2004/05 program year.
 - \$ 4,730 from "Chore Service" in the 2004/05 program year.
 - \$ 7,061 from "Street Paving" in the 2004/05 program year.
 - \$ 8,039 from "Homeless Prevention" in the 2004/05 program year.
 - \$ 33,549 from "Contingency and Local Option" in the 2004/05 program year.

See accompanying notes to financial statements.

EXHIBIT E-12

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 1999/00 - H.O.M.E. No. M-99-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 1999 through June 30, 2007

Total 1999/00 program year funds allocated to recipient	\$ 437,000
Less: Unobligated funds reprogrammed to: 2002/03 program year	(10,000)
Total program year adjusted resources	\$ 427,000
Less: 1999/00 program year funds drawn by recipient	(427,000)
1999/00 program year funds available from HUD	<u>\$ -</u>
Total 1999/00 program year funds drawn down by recipient	\$ 427,000
Add: Program Income	199,983
Rental matching funds	10,645
Community processing fees	600
Local matching contributions received and allocated to 1999/00 program year	<u>145,136</u>
Total 1999/00 program year funds received	783,364
Less: Funds applied to 1999/00 program year costs	(783,126)
1999/00 program year funds held by recipient	<u>\$ 238</u>
Total 1999/00 program year funds available for disposition	<u>\$ 238</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 1999/00 - H.O.M.E. No. M-99-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 1999 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-99 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 534,591 (1)	\$ 534,591	\$ -
Rental Rehabilitation	-	10,645 (2)	10,645	-
Single Family Acquisition Rehabilitation	-	162,540 (3)	158,977	-
CHDO Operating	-	12,000 (6)	15,563	-
Direct Homebuyer Assistance	-	125 (4)	125	-
Program Administration	<u>175</u>	<u>63,463 (5)</u>	<u>63,225</u>	<u>-</u>
	<u>\$ 175</u>	<u>\$ 783,364</u>	<u>\$ 783,126</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by \$46,886 from more local match contributions received than budgeted and decreased by \$36,045 from program income not received as budgeted.
- (2) "Rental Rehabilitation" budget was increased by \$10,645 from more rental matching funds received than budgeted.
- (3) "Single Family Acquisition Rehabilitation" was increased by \$125 from more local match contributions received than budgeted, decreased by \$11,135 from program income not received as budgeted and decreased by \$12,000 for CHDO Operating.
- (4) "Direct Homebuyer Assistance" was decreased by \$425 from local match contributions not received as budgeted and decreased by reprogramming \$10,000 to "Direct Homebuyer Assistance" in the 2002/03 program year.
- (5) "Program Administration" was increased by \$600 from more processing fees received than budgeted and increased by \$7,163 from more program income received than budgeted.
- (6) "CHDO Operating" in the amount of \$12,000 was previously included in "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-14

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2000/01 - H.O.M.E. No. M-00-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2000 through June 30, 2007

Total 2000/01 program year funds allocated to recipient	\$ 437,000
Add: Unobligated funds reprogrammed from 1998/99 program year	39,753
Less: Unobligated funds reprogrammed to 2002/03 program year	<u>(73,205)</u>
Total program year adjusted resources	403,548
Less: 2000/01 program year funds drawn by recipient	<u>(340,959)</u>
2000/01 program year funds available from HUD	<u>\$ 62,589</u>
Total 2000/01 program year funds drawn down by recipient	\$ 340,959
Add: Program Income	395,558
Rental matching funds	11,865
Community processing fees	-
Local matching contributions received and allocated to 2000/01 program year	<u>98,000</u>
Total 2000/01 program year funds received	846,382
Less: Funds applied to 2000/01 program year costs	<u>(846,382)</u>
2000/01 program year funds held by recipient	<u>\$ -</u>
Total 2000/01 program year funds available for disposition	<u>\$ 62,589</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2000/01 - H.O.M.E. No. M-00-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2000 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-00 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 6,317	\$ 636,013 (1)	\$ 612,690	\$ -
Rental Rehabilitation	-	11,865 (2)	11,865	-
Single Family Acquisition Rehabilitation	-	162,183 (3)	123,882	-
CHDO Operating	-	20,545 (6)	20,368	-
Direct Homebuyer Assistance	-	- (4)	-	-
Program Administration	-	78,365 (5)	77,577	-
Contingencies	-	-	-	-
	<u>\$ 6,317</u>	<u>\$ 908,971</u>	<u>\$ 846,382</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by reprogramming \$3,255 from "Rental Rehabilitation" in the 1998/99 program year. It was decreased by \$64,454 from program income not received as budgeted.
- (2) "Rental Rehabilitation" budget was increased by \$11,865 from more rental matching funds received than budgeted. It was decreased by reprogramming \$50,000 to "Acquisition New Construction" in the 2002/03 program year.
- (3) "Single Family Acquisition Rehabilitation" was increased by reprogramming \$36,494 from "Rental Rehabilitation" in the 1998/99 program year and by reprogramming \$3 from "Single Family Acquisition Rehabilitation" in the 1997/98 program year. It was increased by \$6,135 from more program income received than budgeted. It was decreased by \$20,545 for "CHDO Operating".
- (4) "Direct Homebuyer Assistance" was decreased by \$550 from local match contributions not received as budgeted. It was decreased by reprogramming \$15,000 to "Acquisition New Construction" in the 2002/03 program year.
- (4) "Program Administration" was decreased by \$6,123 from program income not received as budgeted.
- (5) "Contingencies" was decreased by reprogramming \$8,205 to "Acquisition New Construction" in the 2002/03 program year.
- (6) "CHDO Operating" in the amount of \$20,545 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-16

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2001/02 - H.O.M.E. No. M-01-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2001 through June 30, 2007

Total 2001/02 program year funds allocated to recipient	\$ 488,000
Less: Unobligated funds reprogrammed to the 2002/03 program year	(101,600)
Less: 2001/02 program year funds drawn by recipient	<u>(164,348)</u>
2001/02 program year funds available from HUD	<u>\$ 222,052</u>
Total 2001/02 program year funds drawn down by recipient	\$ 164,348
Add: Program Income	153,353
Local matching contributions received and allocated to 2001/02 program year	<u>111,186</u>
Total 2001/02 program year funds received	428,887
Less: Funds applied to 2001/02 program year costs	<u>(402,341)</u>
2001/02 program year funds held by recipient	<u>\$ 26,546</u>
Total 2001/02 program year funds available for disposition	<u>\$ 248,598</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 HOME INVESTMENT PARTNERSHIP FUND
 PROGRAM YEAR 2001/02 - H.O.M.E. No. M-01-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2001 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-01 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 10,582	\$ 425,868 (1)	\$ 181,052	\$ -
Single Family Acquisition Rehabilitation	-	126,179 (2)	130,017	-
CHDO Operating	-	34,632 (5)	34,632	-
Direct Homebuyer Assistance	-	125 (3)	125	-
Program Administration	-	64,135 (4)	56,515	-
	<u>\$ 10,582</u>	<u>\$ 650,939</u>	<u>\$ 402,341</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by \$265,193 from program income not received as budgeted and increased by \$1,061 from more match received than budgeted.
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$135,389 from program income not received as budgeted. It was decreased by reprogramming \$101,600 to "Acquisition New Construction" in the 2002/03 program year and decreased by \$34,632 for "CHDO Operating".
- (3) "Direct Homebuyer Assistance" was increased by \$125 from more local match contributions received than budgeted.
- (4) "Program Administration" was decreased by \$26,065 from program income not received as budgeted.
- (5) "CHDO Operating" in the amount of \$34,632 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-18

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2002/03 - H.O.M.E. No. M-02-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2002 through June 30, 2007

Total 2002/03 program year funds allocated to recipient	\$ 485,000
Add: Unobligated funds reprogrammed from:	
1996/97 program year	4,000
1997/98 program year	30,000
1999/00 program year	10,000
2000/01 program year	73,205
2001/02 program year	101,600
Less: Unobligated funds reprogrammed to:	
2006/07 program year	(1,444)
Less: 2002/03 program year funds drawn by recipient	(293,020)
2002/03 program year funds available from HUD	<u>\$ 409,341</u>
Total 2002/03 program year funds drawn down by recipient	\$ 293,020
Add: Program Income	829,461
Local matching contributions received and allocated to 2002/03 program year	<u>146,015</u>
Total 2002/03 program year funds received	1,268,496
Less: Funds applied to 2002/03 program year costs	(1,159,371)
2002/03 program year funds held by recipient	<u>\$ 109,125</u>
Total 2002/03 program year funds available for disposition	<u>\$ 518,466</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2002/03 - H.O.M.E. No. M-02-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2002 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-02 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 1,213,684 (1)	\$ 717,193	\$ -
Single Family Acquisition Rehabilitation	-	195,478 (2)	169,539	-
CHDO Operating	-	24,250 (4)	-	-
Direct Homebuyer Assistance	-	135,925 (3)	135,925	-
Program Administration	-	108,500	136,714	-
	<u>\$ -</u>	<u>\$ 1,677,837</u>	<u>\$ 1,159,371</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by reprogramming \$75,000 to "Direct Homebuyer Assistance" in the 2002/03 program year. It was increased by \$135,289 from more program income received than budgeted and increased by \$35,289 from more local match contributions received than budgeted. It was also increased by reprogramming \$159,805 from the following:
\$ 50,000 from "Rental Rehabilitation" in the 2000/01 program year.
\$ 8,205 from "Contingencies" in the 2000/01 program year.
\$101,600 from "Single Family Acquisition Rehabilitation" in the 2001/02 program year.
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$24,384 from less program income received than budgeted and by reprogramming \$1,444 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year. It was decreased by \$24,250 for "CHDO Operating".
- (3) "Direct Homebuyer Assistance" was increased by \$925 from more local match contributions received than budgeted. It was also increased by reprogramming \$134,000 from the following:
\$ 4,000 from "Direct Homebuyer Assistance" in the 1996/97 program year.
\$30,000 from "Direct Homebuyer Assistance" in the 1997/98 program year.
\$10,000 from "Direct Homebuyer Assistance" in the 1999/00 program year.
\$15,000 from "Direct Homebuyer Assistance" in the 2000/01 program year.
\$75,000 from "Acquisition New Construction" in the 2002/03 program year.
- (4) "CHDO Operating" in the amount of \$24,250 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-20

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2003/04 - H.O.M.E. No. M-03-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2003 through June 30, 2007

Total 2003/04 program year funds allocated to recipient	\$ 425,642
Less: 2003/04 program year funds drawn by recipient	(247,528)
2003/04 program year funds available from HUD	<u>\$ 178,114</u>
Total 2003/04 program year funds drawn down by recipient	\$ 247,528
Add: Program Income	646,889
Local matching contributions received and allocated to 2003/04 program year	<u>123,210</u>
Total 2003/04 program year funds received	1,017,627
Less: Funds applied to 2003/04 program year costs	(927,627)
2003/04 program year funds held by recipient	<u>\$ 90,000</u>
Total 2003/04 program year funds available for disposition	<u>\$ 268,114</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 HOME INVESTMENT PARTNERSHIP FUND
 PROGRAM YEAR 2003/04 - H.O.M.E. No. M-03-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2003 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-03 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 804,709 (1)	\$ 562,022	\$ -
Single Family Acquisition Rehabilitation	82,782	173,468 (2)	223,041	-
CHDO Operating	-	15,000 (3)	-	-
Direct Homebuyer Assistance	-	100,000	100,000	-
Program Administration	-	102,564	42,564	-
	<u>\$ 82,782</u>	<u>\$ 1,195,741</u>	<u>\$ 927,627</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by \$27,268 from more program income received than budgeted and increased by \$33,210 from more local match contributions received than budgeted. It was decreased by \$15,000 for "CHDO Operating".
- (2) "Single Family Acquisition Rehabilitation" was increased by \$19,621 from more program income received than budgeted.
- (3) "CHDO Operating" in the amount of \$15,000 was previously combined with "Acquisition New Construction".

See accompanying notes to financial statements.

EXHIBIT E-22

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2004/05 - H.O.M.E. No. M-04-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2004 through June 30, 2007

Total 2004/05 program year funds allocated to recipient	\$ 424,177
Less: Unobligated funds reprogrammed to: 2006/07 program year	(63,627)
Less: 2004/05 program year funds drawn by recipient	(103,322)
2004/05 program year funds available from HUD	<u>\$ 257,228</u>
Total 2004/05 program year funds drawn down by recipient	\$ 103,322
Add: Program Income	74,311
Local matching contributions received and allocated to 2004/05 program year	<u>134,594</u>
Total 2004/05 program year funds received	312,227
Less: Funds applied to 2004/05 program year costs	(240,634)
2004/05 program year funds held by recipient	<u>\$ 71,593</u>
Total 2004/05 program year funds available for disposition	<u>\$ 328,821</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2004/05 - H.O.M.E. No. M-04-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2004 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 1,000	\$ 263,527 (1)	\$ 39,000	\$ -
Single Family Acquisition Rehabilitation	2,471	72,311 (2)	2,471	-
CHDO Operating	-	21,200 (3)	20,000	-
Direct Homebuyer Assistance	8,000	100,000	76,000	-
Program Administration	<u>-</u>	<u>112,417</u>	<u>103,163</u>	<u>-</u>
	<u>\$ 11,471</u>	<u>\$ 569,455</u>	<u>\$ 240,634</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by \$538,000 from less program income received than budgeted and increased by \$4,594 from more local match contributions received than budgeted. It was decreased by \$21,200 for "CHDO Operating".
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$17,689 from less program income received than budgeted and decreased by reprogramming \$63,627 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year.
- (3) "CHDO Operating" in the amount of \$21,200 was previously combined with "Acquisition New Construction".

See accompanying notes to financial statements.

EXHIBIT E-24

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2005/06 - H.O.M.E. No. M-05-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2005 through June 30, 2007

Total 2005/06 program year funds allocated to recipient	\$ 406,985
Less: Unobligated funds reprogrammed to: 2006/07 program year	(71,049)
Less: 2005/06 program year funds drawn by recipient	(181,636)
2005/06 program year funds available from HUD	<u>\$ 154,300</u>
Total 2005/06 program year funds drawn down by recipient	\$ 181,636
Add: Program Income	390,992
Local matching contributions received and allocated to 2005/06 program year	<u>79,000</u>
Total 2005/06 program year funds received	651,628
Less: Funds applied to 2005/06 program year costs	(266,370)
2005/06 program year funds held by recipient	<u>\$ 385,258</u>
Total 2005/06 program year funds available for disposition	<u>\$ 539,558</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2005/06 - H.O.M.E. No. M-05-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2005 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 174,116	\$ 660,097 (1)	\$ 208,116	\$ -
Single Family Acquisition Rehabilitation	-	21,320 (2)	-	-
CHDO Operating	10,000	20,349 (4)	10,000	-
Direct Homebuyer Assistance	-	60,000	-	-
Program Administration	<u>13,314</u>	<u>44,162 (3)</u>	<u>48,254</u>	<u>-</u>
	<u>\$ 197,430</u>	<u>\$ 805,928</u>	<u>\$ 266,370</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by \$83,792 from less program income received than budgeted and increased by \$34,000 from more local match contributions received than budgeted. It was decreased by \$20,349 for "CHDO Operating".
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$68,680 from less program income received than budgeted and by reprogramming \$71,049 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year
- (3) "Program Administration" was decreased by \$56,537 from less program income received than budgeted.
- (4) "CHDO Operating" in the amount of \$20,349 was previously combined with "Acquisition / New Construction".

See accompanying notes to financial statements.

EXHIBIT E-26

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2006/07 - H.O.M.E. No. M-06-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2007

Total 2006/07 program year funds allocated to recipient	\$ 381,921
Add: Unobligated funds reprogrammed from:	
2002/03 program year	1,444
2004/05 program year	63,627
2005/06 program year	71,049
Less: 2006/07 program year funds drawn by recipient	(41,983)
2006/07 program year funds available from HUD	<u>\$ 476,058</u>
Total 2006/07 program year funds drawn down by recipient	\$ 41,983
Add: Program Income	216,197
Local matching contributions received and allocated to 2006/07 program year	<u>53,000</u>
Total 2006/07 program year funds received	311,180
Less: Funds applied to 2006/07 program year costs	(41,845)
2006/07 program year funds held by recipient	<u>\$ 269,335</u>
Total 2006/07 program year funds available for disposition	<u>\$ 745,393</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2006/07 - H.O.M.E. No. M-06-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2006 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-07</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 401,830 (1)	\$ -	\$ -
Single Family Acquisition Rehabilitation	-	6,000 (2)	-	-
CHDO Operating	-	19,096	-	-
Direct Homebuyer Assistance	-	98,000	-	-
Program Administration	41,845	32,192	41,845	-
Owner Occupied Residential Rehabilitation	-	230,120 (3)	-	-
	<u>\$ 41,845</u>	<u>\$ 787,238</u>	<u>\$ 41,845</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by \$216,197 from more program income received than budgeted.
- (2) "Single Family Acquisition Rehabilitation" was decreased by reprogramming \$94,000 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year.
- (3) "Owner Occupied Residential Rehabilitation" was added by reprogramming \$230,120 from the following:
- \$ 1,444 from "Single Family Acquisition Rehabilitation" in the 2002/03 program year.
 - \$ 63,627 from "Single Family Acquisition Rehabilitation" in the 2004/05 program year.
 - \$ 71,049 from "Single Family Acquisition Rehabilitation" in the 2005/06 program year.
 - \$ 94,000 from "Single Family Acquisition Rehabilitation" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-28

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2004/05 – ACCOUNT NO. MIH04F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2004 through June 30, 2007

Total 2004/05 program year funds allocated to recipient	\$ 405,000
Less: Unobligated funds reprogrammed to: 2006/07 program year	(1,589)
Total 2004/05 program year adjusted resources	403,411
Less: 2004/05 program year funds drawn by recipient	(403,411)
2004/05 program year funds available from HUD	\$ -
Total 2004/05 program year funds drawn down by recipient	\$ 403,411
Less: Funds applied to 2004/05 program year costs	(403,411)
2004/05 program year funds held by recipient	\$ -
Total 2004/05 program year funds available for disposition	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2004/05 – ACCOUNT NO. MIH04F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2004 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-07</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ 46,892 (1)	\$ 46,892	\$ -
Housing Advocacy Assistance	-	114,697 (4)	114,697	-
Tenant Based Rental Assistance	-	196,261 (2)	196,261	-
In Home Non-medical Care for Medically Fragile	-	33,411 (5)	33,411	-
Administration	-	12,150	12,150	-
Contingency and Local Option	-	-(3)	-	-
	<u>\$ -</u>	<u>\$ 403,411</u>	<u>\$ 403,411</u>	<u>\$ -</u>

- (1) "Emergency Housing Assistance" was increased by reprogramming \$6,261 from "Contingency and Local Option" and \$3,739 from "Tenant Based Rental Assistance" and \$6,892 from "Housing Advocacy Assistance" in the 2004/05 program year.
- (2) "Tenant Based Rental Assistance" was decreased by reprogramming \$3,739 to "Emergency Housing Assistance" in the 2004/05 program year
- (3) "Contingency and Local Option" was decreased by reprogramming \$6,261 to "Emergency Housing Assistance" and decreased by reprogramming \$1,589 to "Housing Advocacy Assistance" in the 2004/05 program year.
- (4) "Housing Advocacy Assistance" was decreased by reprogramming \$6,892 to "Emergency Housing Assistance" and increased by reprogramming \$1,589 from "Contingency and Local Option" in the 2004/05 program year.
- (5) "In Home Non-medical Care for Medically Fragile" was decreased by reprogramming \$1,589 to "In Home Non-medical Care for Medically Fragile" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-30

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2005/06 – ACCOUNT NO. MIH05F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2005 through June 30, 2007

Total 2005/06 program year funds allocated to recipient	\$ 392,000
Less: Unobligated funds reprogrammed to: 2006/07 program year	(5,995)
Total 2005/06 program year adjusted resources	386,005
Less: 2005/06 program year funds drawn by recipient	(386,005)
2005/06 program year funds available from HUD	<u>\$ -</u>
Total 2005/06 program year funds drawn down by recipient	\$ 386,005
Less: Funds applied to 2005/06 program year costs	(386,005)
2005/06 program year funds held by recipient	<u>\$ -</u>
Total 2005/06 program year funds available for disposition	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2005/06 – ACCOUNT NO. MIH05F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2005 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-07</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ 32,041	\$ 73,344 (1)	\$ 73,344	\$ -
Housing Advocacy Assistance	43,175	90,901 (2)	90,901	-
Tenant Based Rental Assistance	81,603	170,000	170,000	-
In Home Non-medical Care for Mentally Fragile Administration	20,402 2,295	40,000 11,760	40,000 11,760	- -
Contingency and Local Option	<u>-</u>	<u>-(3)</u>	<u>-</u>	<u>-</u>
	<u>\$ 179,516</u>	<u>\$ 386,005</u>	<u>\$ 386,005</u>	<u>\$ -</u>

- (1) "Emergency Housing Assistance" was increased by reprogramming \$28,500 from "Housing Advocacy Assistance" in the 2005/06 program year and decreased by reprogramming \$156 to "Tenant Based Rental Assistance" in the 2006/07 program year.
- (2) "Housing Advocacy Assistance" was decreased by reprogramming \$28,500 to "Emergency Housing Assistance" in the 2005/06 program year and by reprogramming \$599 to "Tenant Based Rental Assistance" in the 2006/07 program year.
- (3) "Contingency and Local Option" was decreased by reprogramming \$5,240 to "Tenant Based Rental Assistance" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-32

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2006/07 – ACCOUNT NO. MIH06F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2007

Total 2006/07 program year funds allocated to recipient	\$ 397,000
Add: Unobligated funds reprogrammed from:	
2004/05 program year	1,589
2005/06 program year	<u>5,995</u>
Total 2006/07 program year adjusted resources	404,584
Less: 2006/07 program year funds drawn by recipient	<u>(119,213)</u>
2005/06 program year funds available from HUD	<u>\$ 285,371</u>
Total 2006/07 program year funds drawn down by recipient	\$ 119,213
Less: Funds applied to 2006/07 program year costs	<u>(119,113)</u>
2006/07 program year funds held by recipient	<u>\$ 100</u>
Total 2006/07 program year funds available for disposition	<u>\$ 285,471</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2006/07 – ACCOUNT NO. MIH06F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2006 through June 30, 2007

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-06 to 6-30-07</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-07</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ - (1)	\$ -	\$ -
Housing Advocacy Assistance	49,907	100,000	49,907	-
Tenant Based Rental Assistance	29,359	185,995 (2)	29,359	-
In Home Non-medical Care for Mentally Fragile	19,432	40,000 (3)	19,432	-
Administrative Costs	9,247	11,910	9,247	-
Short-term Rent, Mortgage and Utility Assistance	9,568	32,000 (4)	9,568	-
Move In Assistance	<u>1,600</u>	<u>34,679 (5)</u>	<u>1,600</u>	<u>-</u>
	<u>\$ 119,113</u>	<u>\$ 404,584</u>	<u>\$ 119,113</u>	<u>\$ -</u>

- (1) "Emergency Housing Assistance" was decreased by reprogramming \$66,679 to the following:
\$ 32,000 to "Short-term Rent, Mortgage and Utility Assistance" in the 2006/07 program year.
\$ 34,679 to "Move In Assistance" in the 2006/07 program year.
- (2) "Tenant Based Rental Assistance" was increased by reprogramming \$5,995 from the following:
\$ 156 from "Emergency Housing Assistance" in the 2005/06 program year.
\$ 599 from "Housing Advocacy" in the 2005/06 program year.
\$ 5,240 from "Contingency and Local Option" in the 2005/06 program year.
- (3) "In Home Non-medical Care for Medically Fragile" was increased by reprogramming \$1,589 from
"In Home Non-medical Care for Medically Fragile" in the 2004/05 program year.
- (4) "Short-term Rent, Mortgage and Utility Assistance" was increased by reprogramming \$32,000 from
"Emergency Housing Assistance" in the 2006/07 program year.
- (5) "Move In Assistance" was increased by reprogramming \$34,679 from "Emergency Housing Assistance" in the 2006/07 program year.

See accompanying notes to financial statements.