

# City of Warren Michigan

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2009**

# City of Warren

MICHIGAN

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2009



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 to four year terms.

## PRESENT ELECTIVE OFFICERS

*(Terms expire November 2, 2011)*

### MAYOR

JAMES R. FOUTS

### TREASURER

CAROLYN KURKOWSKI-MOCERI

### CLERK

PAUL J. WOJNO

## COUNCIL

MARY KAMP, *President*

DONNA KACZOR CAUMARTIN, *Vice President*

KEITH J. SADOWSKI, *Secretary*

SCOTT C. STEVENS, *Asst. Secretary*

ROBERT BOCCOMINO

PATRICK GREEN

MARK LISS

KATHY VOGHT

STEVEN WARNER

## DEPARTMENT HEADS

*(Appointed Officials)*

RICHARD A. FOX, *City Controller*

PHILIP O. MASTIN III, *City Assessor*

WILBURT McADAMS, *Fire Commissioner*

WILLIAM DWYER, *Police Commissioner*

DAVID RICHARDS, *City Attorney*

RICHARD SABAUGH, *Public Services Director*

HENRY D. BOWMAN, *Parks and Recreation Director*

DENISE L. WILLIAMS, *Director of Personnel*

*Management*

AMY L. HENDERSTEIN, *Library Director*

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December 15, 2009

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, 2009.

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, 2009 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)

With over 4,000 businesses, Warren has a diverse business climate and was ranked 2<sup>nd</sup> in Michigan for Best Places to do Business (2006) by Forbes Magazine. Unquestionably contributing to the economic vitality of the City is the presence of General Motors Corporation and 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 18.29% of the City's taxable value. In the past year, 10 new commercial development permits, 1 new industrial permit and 12 single-family/multiple-dwelling residential permits were issued representing \$17.1 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. Macomb Community College is one of the nation's leading community colleges, providing learning experiences to more than 59,000 students annually. Macomb ranks nationally in the top two percent in the number of associate's degrees awarded and as the largest grantor of associate's degrees in Michigan. The college's comprehensive educational programming includes pre-college experiences, university transfer and career preparation programs, bachelor's degree completion and graduate degree programs, workforce training, professional and continuing education and enrichment opportunities. Davenport University also operates a facility in Warren and is one of the few private universities offering baccalaureate and masters degree programs focused exclusively on business and technology and the integration of both into health care professions.

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 to service the community. The Police Department operates an Emergency 911 system, in-vehicle wireless communications and a high tech mobile command center to afford residents the quickest possible response to any emergency situation. This continual investment in equipment, facilities and personnel has resulted in Warren having one of the lowest crime rates in the nation for a city of over 100,000 people.

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 in 2006 and occupies 35,000 square feet on the main floor of the City Hall building. 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, each providing internet access and adaptive devices for the visually impaired. 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 three indoor recreational facilities: the Warren Community Center, Owen Jax 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, an auditorium and a 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 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, Building Authority and Brownfield Redevelopment 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 the Sewage Disposal Plant Expansion and 37<sup>th</sup> District Court Building Renovation capital projects funds 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 2008</u>
Property taxes	\$ 64,567,547	68.6%	\$( 822,831)
Licenses and permits	1,759,663	1.9	68,536
Intergovernmental:			
Federal revenue	592,062	0.6	190,487
State revenue	14,228,618	15.1	( 582,432)
Local revenue	727,954	0.8	( 72,141)
Charges for services	1,096,795	1.2	276,883
Fines and fees	4,600,677	4.9	( 479,116)
Interest on investments	568,188	0.6	( 2,274,291)
Miscellaneous	<u>5,945,177</u>	<u>6.3</u>	<u>( 117,222)</u>
Sub-total	94,086,681	100.0	( 3,812,127)
Settlement agreement	-	-	( 1,000,000)
Transfers from other funds	<u>-</u>	<u>-</u>	<u>( 120,000)</u>
Total	<u>\$ 94,086,681</u>	<u>100.0</u>	<u>\$( 4,932,127)</u>

While taxable property values decreased in total by \$4.0 million compared to the prior year, there was a \$34.5 million increase in the taxable value of IFT and OPRA properties which are taxed at a lower rate, resulting in an overall decrease in general fund property tax revenues of \$0.6 million. Unfortunately, due to the current and sustained housing crisis taxable property values are projected to decline further over the next few years. There was no change in the property tax rate levied for fiscal year 2009. License and permit revenues were consistent with the prior year but still 24.4% below where they were in 2007 due to reductions in construction spending. State shared sales tax revenues for fiscal year 2009 were \$546,000 below those for 2008. Even though this only represents a reduction of 3.9% from the prior year, these reduced levels continue to negatively impact the City's operations. Sales Tax distributions in 2008 were the same as 2007 however 2007 revenues were \$435,000 less than the prior fiscal year. These follow 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 \$5.7 million in current state shared revenue distributions as compared to distributions received in fiscal year 2000. Even though the City's balance in cash and cash equivalents only decreased by 7.3% from the prior year, earnings on the City's investments were 80.0% lower as interest rates plummeted to a historic low of 0.095% in June of 2009 as compared to 2.068% in June of 2008 and 4.930% in June of 2007.

**General Fund Expenditures and Other Financing Uses**

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2008</u>
General government	\$ 25,756,493	26.4%	\$( 34,126)
Public safety	62,036,856	63.7	( 237,288)
City development	5,875,287	6.0	785,844
Highways and streets	2,387,939	2.4	14,538
Recreation and culture	41,567	0.1	( 4,702)
Debt service	<u>110,517</u>	<u>0.1</u>	<u>-</u>
Sub-total	96,208,659	98.7	524,266
Transfers to other funds	<u>1,238,403</u>	<u>1.3</u>	<u>6,152</u>
Total	<u>\$ 97,447,062</u>	<u>100.0</u>	<u>\$ 530,418</u>

General Fund expenditures held steady, increasing only 0.5% from the prior year with only City Development expenditures showing any significant increase. Within City Development, the following activities contributed to the overall increase: 1.) Property Maintenance expenditures increased 25.0% as the City stepped up its weed mowing and code enforcement activities, 2.) Building Inspection expenditures increased 18.7% primarily from the effects of multiple retirements within the department, and 3.) Planning expenditures increased 13.8% primarily from the expense of acquiring tax reverted properties.

## 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 **Neighborhood Stabilization Program** was established as part of the Housing and Economic recovery Act of 2008 to make available federal funds to provide emergency assistance in the redevelopment of abandoned and foreclosed homes and residential properties.

The **Brownfield Redevelopment Authority** was established under Michigan Pubic Act 381 of 1996 to encourage the redevelopment of blighted, contaminated and functionally obsolete properties by providing economic incentives through tax increment financing for certain eligible activities.

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 2009 Fund <u>Balance</u>	Fiscal 2008 Fund <u>Balance</u>	Increase (Decrease) Over <u>Prior Year</u>
Michigan Transportation Operating -			
Major Roads	\$ 2,817,902	\$ 4,357,661	\$( 1,539,759)
Local Roads	3,722,231	3,153,917	568,314
Sanitation	4,531,917	6,278,906	( 1,746,989)
Recreation	3,619,309	3,521,802	97,507
Library	147,934	442,340	( 294,406)
Community Development			
Block Grant	58,347	33,708	24,639
HOME Investment Partnership	391,492	738,485	( 346,993)
H.O.P.W.A.	100	100	-
Neighborhood Stabilization Program	100	-	100
Brownfield Redevelopment Authority	6,131	246,963	( 240,832)
Communications	2,000,018	1,938,447	61,571
Rental Ordinance Fund	67,735	77,946	( 10,211)
Vice Crime Confiscations Fund	203,864	209,887	( 6,023)
Drug Forfeiture Fund	955,725	740,558	215,167
Police Training Fund	137,232	139,561	( 2,329)
D.D.A. Administrative Fund	<u>10,232,722</u>	<u>9,447,484</u>	<u>785,238</u>
Total	<u>\$ 28,892,759</u>	<u>\$ 31,327,765</u>	<u>\$( 2,435,006)</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, 2009 as compared to the prior year is as follows:

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Chapter 20 and 21 Drain Bonds	\$ -	\$ -	\$ -
Road Construction Bonds	1,990,068	2,143,450	( 153,382)
Sidewalk Replacement Bonds	250,971	923,298	( 672,327)
Tax Increment Finance Authority	187,440	214,705	( 27,265)
Building Authority Bonds	2,022,592	1,999,283	23,309
Downtown Development Authority	<u>4,693,813</u>	<u>4,236,000</u>	<u>457,813</u>
Total	<u>\$ 9,144,884</u>	<u>\$ 9,516,736</u>	<u>\$( 371,852)</u>

The City's most current bond ratings as of December 2008 as supplied by Standard and Poors are 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 37<sup>th</sup> 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 are 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 2009 Fund <u>Balance</u>	Fiscal 2008 Fund <u>Balance</u>	Increase (Decrease) Over Prior Year
Court Building Renovation Fund	\$ 3,165,648	\$ 2,650,692	\$ 514,956
Special Assessment Funds	1,937,336	2,156,176	( 218,840)
Road Construction Funds	7,155,233	3,200,490	3,954,743
Sewage Disposal Plant Expansion	-	96,828	( 96,828)
Downtown Development Authority	2,497,621	2,707,231	( 209,610)
Tax Increment Finance Authority	1,381,123	1,131,516	249,607
Building Authority	<u>544,061</u>	<u>402,968</u>	<u>141,093</u>
Total	<u>\$ 16,681,022</u>	<u>\$ 12,345,901</u>	<u>\$ 4,335,121</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, 2008, resulted in operating income of \$3,370,284 before depreciation on operating revenues of \$30,465,234. Non-operating items, consisting of interest income and interest expense on long-term debt, accounted for \$1,785,620 of additional expense for a System net gain of \$1,584,664 before depreciation. With the inclusion of non-cash depreciation expense in the amount of \$4,279,950, the net System loss for the fiscal year was \$2,695,286.

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 \$258,573, was \$559,721 for the fiscal year ended June 30, 2009, on operating revenues of \$2,184,011. Operating income net of non-operating revenues and expenses resulted in net income of \$270,940. Net income for fiscal year 2009 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, 2009, the City contributed 25.49% and 47.94% 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 contributes 1% of wages and the employee contributes 1% to 5% of wages into the plan. The City's post-employment health benefit obligation terminates upon retirement of the HSA participant.

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 2009, contribution rates for the City Employees VEBA Trust and Police and Fire VEBA Trust were 33.50% and 27.46%, respectively.

### **CASH MANAGEMENT**

Idle cash in all funds, excluding the Pension and VEBA Trust funds, is invested in certificates of deposit, treasury bills and governmental investment pools. Interest income for the governmental funds and proprietary funds for the current fiscal year was \$1.3 million. Due to the dramatic drop in interest rates as previously described, this represents a decrease of \$3.7 million from the previous fiscal year and a \$5.3 million decrease from fiscal year 2007. 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 auto industry is the lifeblood of the economy of Southeast Michigan. The City of Warren is no exception to this with the presence of the General Motors Technical Center and GM and Chrysler manufacturing facilities as well as numerous third-party suppliers to the auto industry. Though the auto industry has been a solid supporter of the community with property tax revenue and water and sewer system user fees, its role in the City's financial future is uncertain. The economic recession has been particularly devastating for this industry. Time will tell whether the combinations of bankruptcy relief, reorganization and federal assistance will provide a viable foundation from which the auto industry can rebuild.

As the State of Michigan grapples with its own financial woes, reductions in shared revenues from state sales tax collections have direct impact on City services. It is anticipated that, over time, the State will reduce the allocation to constitutionally prescribed limits. The City has been able to minimize the impact of prior losses by leaving personnel vacancies unfilled or eliminating them from budgets. While this has proven effective in the short term, the combination of state revenue sharing, property tax and interest income losses dictate that the city must perform comprehensive evaluations of service levels required to meet community needs. A flexible plan to provide community services within available resources must be devised. The success or failure of any plan will depend on how well community organizations (administrative, legislative, labor and citizen groups) can work together to meet common goals.

## MAJOR INITIATIVES

With the completion of the new City Hall, complete with attached parking and a two-acre City Square, the Downtown Development Authority (D.D.A.) has undertaken major redevelopment of the City center area. These facilities serve as the focal point for community services and events. As the economy recovers, the D.D.A.'s ultimate goal of creating a "Downtown Warren" will progress with commercial development and high-density residential housing.

There is an ongoing commitment to improve conditions of road surfaces and traffic flows throughout the City. Road projects are either funded directly by the City utilizing state shared gas and weight taxes or through cooperative efforts with the Michigan Department of Transportation or Macomb County Road Commission. Road widening and resurfacing projects, as well as water main and sewer line replacements, are currently underway at various locations.

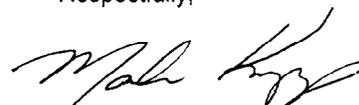
An aggressive program for replacing broken and hazardous sidewalks and removing nuisance trees continues to be coordinated by the City. The projects are funded either through Tank Plant Redevelopment Fund resources and/or the issuance of Special Assessment Bonds.

Future plans, as funds become available, include the construction of a combination police mini-station and neighborhood library in the southern end of the City, the revamping or construction of senior-oriented recreational facilities at strategic locations and restoration of emergency transport services.

## 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 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.

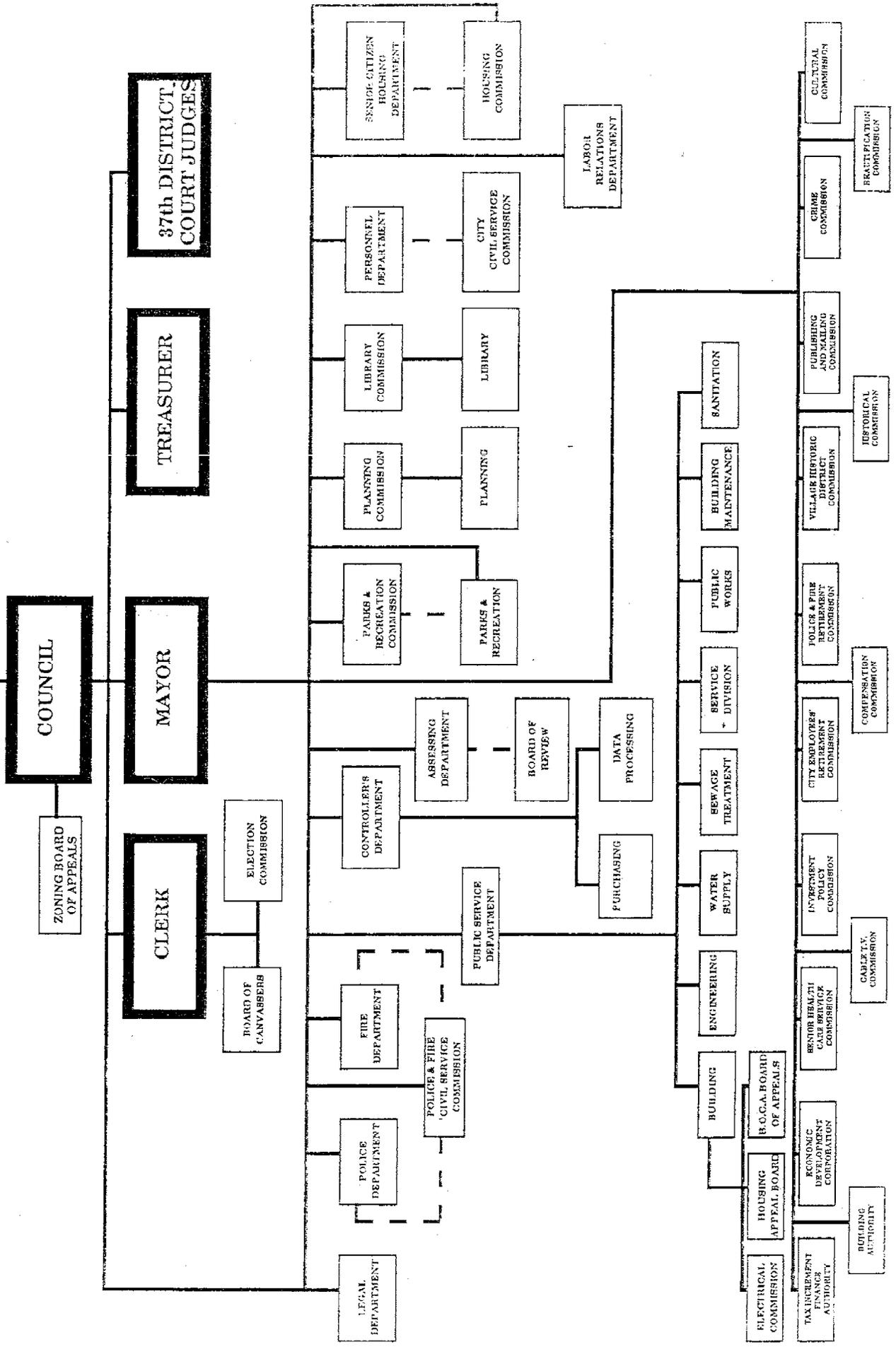
Respectfully,



Mark S. Knapp  
Acting 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, 2009, 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 69 percent and 81 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, 2009, and the respective changes in financial position and, where applicable, cash flows 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 83 through 153 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 15, 2009, 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 15, 2009



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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, 2009, which collectively comprise the City of Warren's basic financial statements and have issued my report thereon dated December 15, 2009. 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 15, 2009



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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, 2009. 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, 2009.

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 cursive script, appearing to read "David D. Phillips".

December 15, 2009

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**CITY OF WARREN, MICHIGAN**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

This section of the City of Warren's annual financial report presents financial performance for the fiscal year ended June 30, 2009. 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 decreased by \$4.0 million from the prior year. Property tax revenues as reported in the governmental funds were \$800,000 less than the previous year. Further reductions in taxable values are anticipated going forward.
- State shared sales tax distributions were \$13.6 million or \$546,000 less than what was received in fiscal year 2008. Even though this only represents a 3.9% reduction from the prior year, current levels are comparatively \$5.7 million or 29.5% less than the \$19.3 million received in fiscal year 2000. Further reductions are projected for fiscal year 2010.
- Interest income as reported in the governmental funds was \$3.3 million or 76.7% less than the previous year. Even though the balance of cash and investments at year end was only \$1.2 million less than reported in the previous year, comparable year-to-year interest rates were 95% lower due to the financial crisis that began in the fall of 2008.
- The City was awarded \$200,000 from the Byrne Memorial Justice Assistance Grant Program.
- 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. Reversing a multi-year trend, self-insured medical claims, a single component of the overall health insurance cost, decreased \$1.8 million or 8.8% in fiscal year 2009 as the city contracted with a new carrier. Annual self-insured medical claims alone are currently \$9.2 million or 97.6% higher than was evident just nine years ago, representing an average annual increase of 7.9%. Partially offsetting the self-insured savings, payments to the city's HMO carrier increased \$590,000 in the current year. This continued upward trend in health insurance costs continues to negatively impact departmental budgets as well as adversely affecting 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, 2009

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.

<b>Figure A-1 Major Features of the Government-wide and Fund Financial Statements</b>				
	<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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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 – 82 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 pension and other post-employment benefit plans. Required supplementary information can be found on pages 83 – 160 of this report.

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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 \$200.8 million at the close of the most recent fiscal year, a decrease of \$8.1 million as compared to the prior year.

A component of the City's net assets is its investment in capital assets (52.8 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 (27.2 percent) represents resources subject to restrictions on their use as imposed by external parties or enabling legislation. The remaining balance, being unrestricted net assets (20.0 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 2009 by \$5.7 million or 4.4 percent to \$123.5 million. Investment in capital assets net of related debt decreased by \$8.4 million as compared to the prior year. The primary reason for the decrease was a realization that \$7.0 million of capital assets acquired in a previous fiscal year were in fact financed through debt proceeds rather than available funds. During the current fiscal year, the City invested \$5.2 million in capital assets and \$8.4 million of depreciation was charged against governmental activities. Restricted net assets increased \$6.9 million in the current year. Components of restricted net assets reporting significant changes from the prior year include: 1.) Sanitation decreased \$1.7 million primarily from the acquisition of \$2.4 million of trucks and packers that were financed from available funds rather than from debt proceeds, and 2.) Economic Development increased \$9.0 million with \$7.0 million attributable to the before mentioned adjustment to investment in capital assets net of related debt. Unrestricted net assets decreased \$4.2 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 of the business-type activities decreased by \$2.4 million or 3.0 percent to \$77.3 million. The Water and Sewer System had a net loss for the year of \$2.7 million while the Senior Citizen Housing funds generated net income of \$271,000. Water and Sewer restricted assets decreased \$2.3 million; representing the net amount of budgeted appropriations for capital equipment acquisitions less fiscal year debt service requirements and less fixed asset capitalizations. Unrestricted net assets decreased \$1.2 million from unrestricted net income before depreciation in the amount of \$3.5 million less the before mentioned budget transfer for capital equipment acquisitions in the amount of \$4.7 million.

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

	Governmental		Business-type		Total		Total Percentage Change 2008-2009
	Activities	Activities	Activities	Activities	2009	2008	
	2009	2008	2009	2008	2009	2008	
Current and other assets	\$ 129.8	\$ 125.0	\$ 33.0	\$ 32.9	\$ 162.8	\$ 157.9	3.1%
Capital assets	148.8	152.2	113.3	115.1	262.1	267.3	( 1.9)%
Total assets	<u>278.6</u>	<u>277.2</u>	<u>146.3</u>	<u>148.0</u>	<u>424.9</u>	<u>425.2</u>	( 0.1)%
Long-term liabilities	129.1	128.9	55.1	58.2	184.2	187.1	( 1.5)%
Other liabilities	26.0	19.1	13.9	10.1	39.9	29.2	36.6%
Total liabilities	<u>155.1</u>	<u>148.0</u>	<u>69.0</u>	<u>68.3</u>	<u>224.1</u>	<u>216.3</u>	3.6%
Net assets:							
Invested in capital assets, net of related debt	48.4	56.8	57.7	56.5	106.1	113.3	( 6.4)%
Restricted	42.9	36.0	11.8	14.1	54.7	50.1	9.2 %
Unrestricted	<u>32.2</u>	<u>36.4</u>	<u>7.8</u>	<u>9.1</u>	<u>40.0</u>	<u>45.5</u>	( 12.1) %
Total net assets	<u>123.5</u>	<u>129.2</u>	<u>77.3</u>	<u>79.7</u>	<u>200.8</u>	<u>208.9</u>	( 3.9) %

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**Table A-2**  
**Changes in Net Assets**  
*(in millions of dollars)*

	Governmental		Business-type		Total		Total Percentage Change 2008-2009
	Activities 2009	2008	Activities 2009	2008	2009	2008	
Revenues:							
Program revenues:							
Charges for services	\$ 13.4	\$ 13.5	\$ 32.7	\$ 34.1	\$ 46.1	\$ 47.6	( 3.1)%
Operating grants and contributions	11.5	12.2	-	-	11.5	12.2	( 5.7)%
Capital grants and contributions	1.7	4.2	-	-	1.7	4.2	( 59.5)%
General revenues:							
Property taxes	87.6	88.4	-	-	87.6	88.4	( 0.9)%
Other taxes	15.1	15.6	-	-	15.1	15.6	( 3.2)%
Other	<u>0.6</u>	<u>4.3</u>	<u>0.3</u>	<u>0.8</u>	<u>0.9</u>	<u>5.1</u>	( 82.4)%
Total revenues	<u>129.9</u>	<u>138.2</u>	<u>33.0</u>	<u>34.9</u>	<u>162.9</u>	<u>173.1</u>	( 5.9)%
Expenses:							
General government	21.8	22.2	-	-	21.8	22.2	( 1.8)%
Public safety	63.4	62.5	-	-	63.4	62.5	1.4 %
City development	6.0	5.3	-	-	6.0	5.3	13.2 %
Highways and streets	10.9	11.0	-	-	10.9	11.0	( 0.9)%
Recreation and culture	12.4	12.7	-	-	12.4	12.7	( 2.4)%
Sanitation	8.3	8.6	-	-	8.3	8.6	( 3.5)%
Economic development	4.2	3.5	-	-	4.2	3.5	20.0 %
Community development	2.1	2.3	-	-	2.1	2.3	( 8.7)%
Capital projects	1.4	1.6	-	-	1.4	1.6	( 12.5)%
Interest on long-term debt	4.9	5.0	2.4	2.4	7.3	7.4	( 1.4)%
Water and Sewer System	-	-	31.4	32.1	31.4	32.1	( 2.2)%
Senior Citizen Housing	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>1.7</u>	<u>1.6</u>	<u>1.7</u>	( 5.9)%
Total expenses	<u>135.4</u>	<u>134.7</u>	<u>35.4</u>	<u>36.2</u>	<u>170.8</u>	<u>170.9</u>	( 0.1)%
Increase (decrease) in net assets before transfers	( 5.5)	3.5	( 2.4)	( 1.3)	( 7.9)	2.2	(359.1)%
Transfers	<u>( 0.2)</u>	<u>( 0.1)</u>	<u>-</u>	<u>-</u>	<u>( 0.2)</u>	<u>( 0.1)</u>	100.0 %
Increase (decrease) in net assets	( 5.7)	3.4	( 2.4)	( 1.3)	( 8.1)	2.1	(385.7)%
Net assets – beginning of year	<u>129.2</u>	<u>125.8</u>	<u>79.7</u>	<u>81.0</u>	<u>208.9</u>	<u>206.8</u>	1.0 %
Net assets – end of year	<u>\$ 123.5</u>	<u>\$ 129.2</u>	<u>\$ 77.3</u>	<u>\$ 79.7</u>	<u>\$ 200.8</u>	<u>\$ 208.9</u>	( 3.9)%

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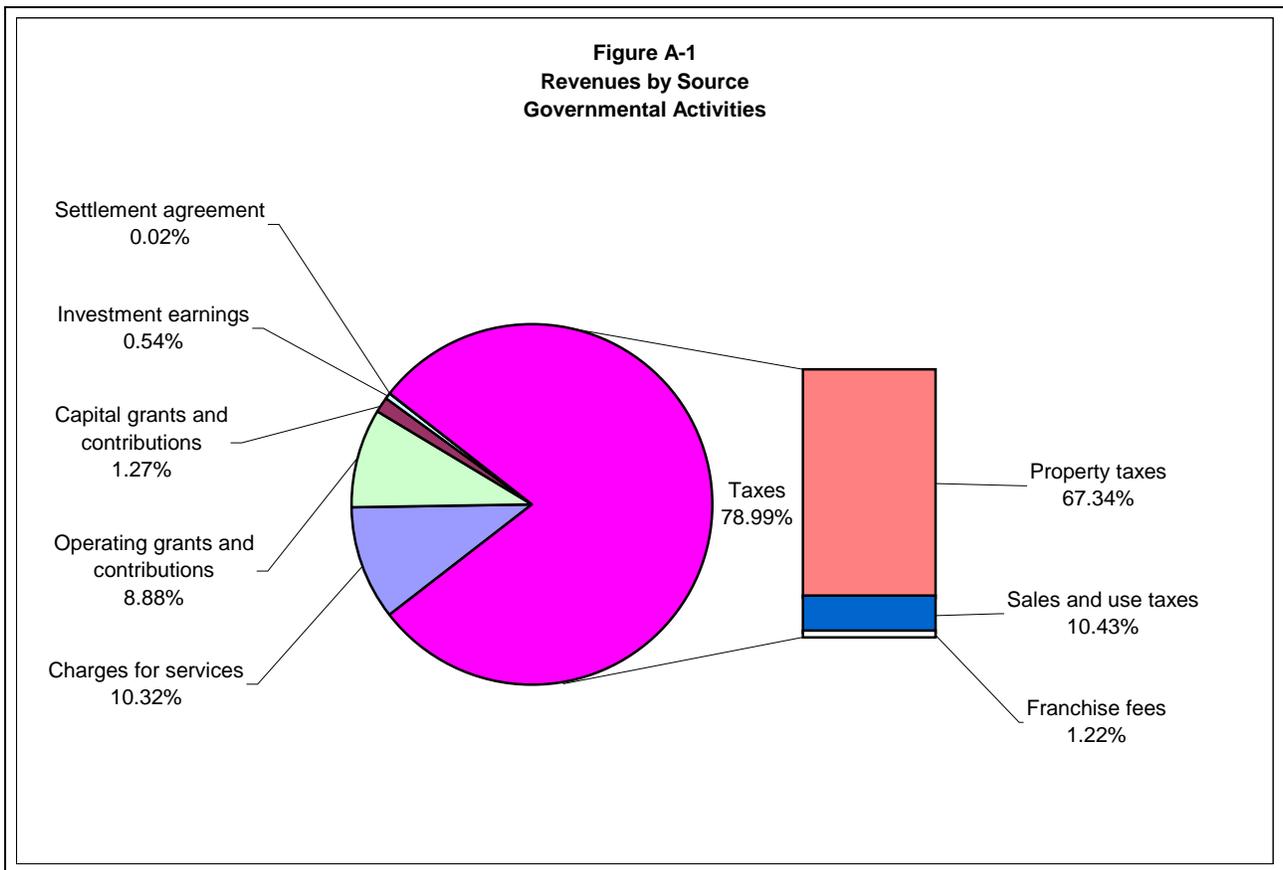
JUNE 30, 2009

The change in net assets for governmental activities before transfers reports a decrease of \$5.5 million for fiscal year 2009 as compared to a \$3.5 million increase for fiscal year 2008. This \$9.0 million decrease is due primarily to revenue reductions rather than expenditure increases.

Total revenues decreased \$8.3 million in the current year attributable to: 1.) lower taxable values resulting in a reduction in property tax revenues of \$0.8 million, 2.) a reduction in State shared revenues of \$0.5 million, 3.) investment earnings that were \$2.7 million lower due to historically low interest rates, and 4.) a reduction of \$2.5 million in capital grants and contributions due primarily to a one-time receipt of \$1.9 million in fiscal year 2008 from the Michigan Department of Transportation towards a designated road project. General government expenses in fiscal year 2009 were generally consistent with the prior year; exceeding fiscal year 2008 expenses by \$0.7 million.

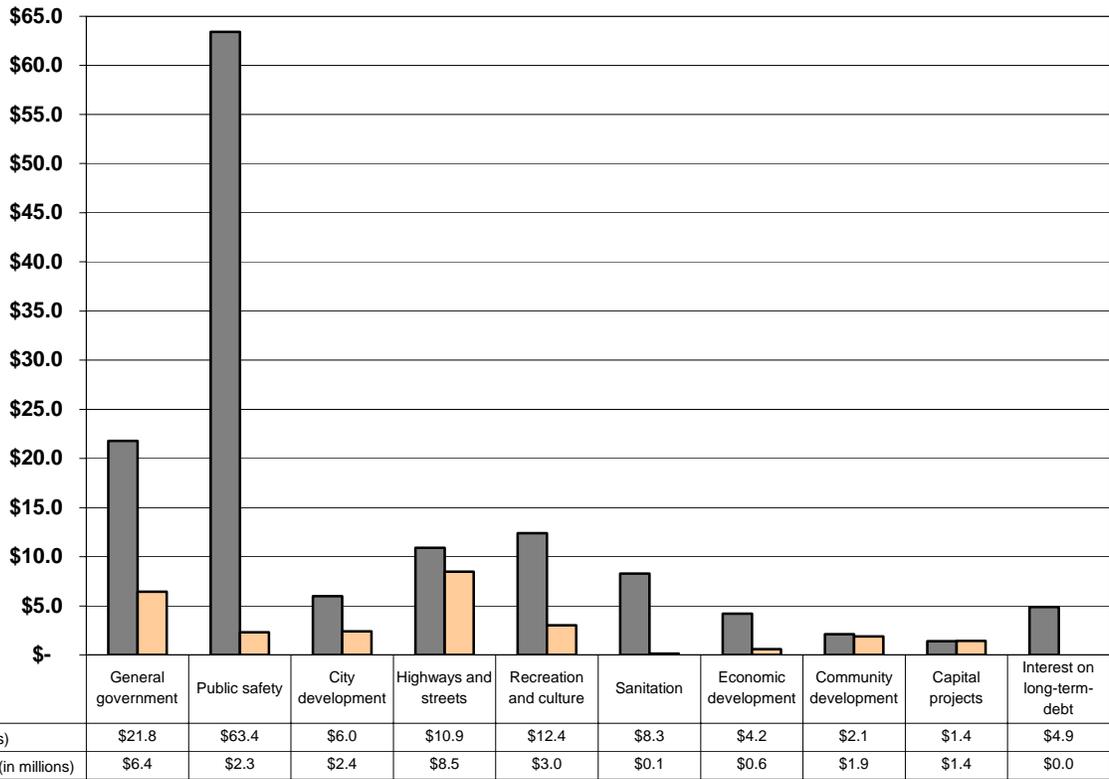
There are a number of both positive and negative transactions that are ultimately reflected in the change in net assets. Some of the more significant of these were previously highlighted in the Letter of Transmittal and additional items are reported in the "Financial Analysis of the City's Funds" which follows this section. .

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 21.0 percent of the resources necessary to operate the governmental functions of the City.



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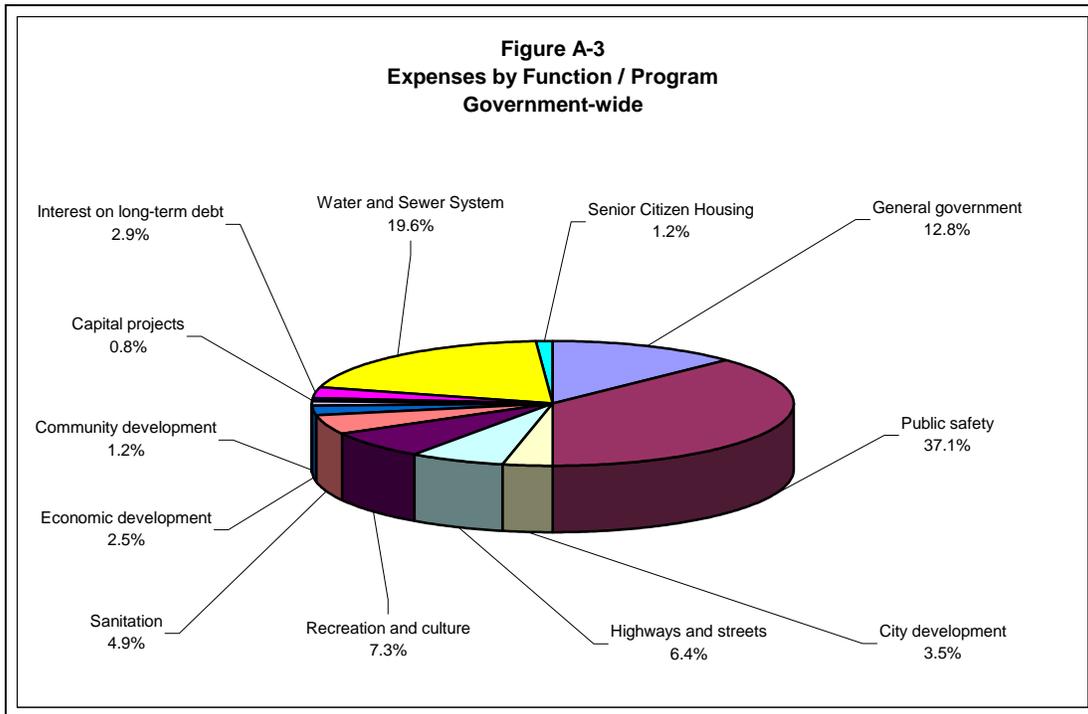
**Figure A-2  
Expenses and Program Revenues  
Governmental Activities**



The change in net assets for business-type activities reports a decrease of \$2.4 million in the current year as compared to a \$1.3 million loss in the prior year. Senior Citizen Housing operating profits before depreciation were \$818,300 in 2009 as compared to \$762,900 in fiscal year 2008 with net income decreasing \$35,000 to \$271,000. Rental revenues and occupancy levels were consistent with the prior year; however decreased investment earnings contributed to the reduction in net income. The Water and Sewer System realized a net loss of \$2.7 million for the year as compared to a net loss of \$1.6 million in the previous year. Losses from operations were \$910,000 and \$153,000 respectively, for fiscal years 2008 and 2007. Before depreciation, the System generated operating income of \$3.4 million as compared to \$4.4 million in fiscal year 2007. Operating revenues for fiscal year 2008 were \$30.5 million on a sales volume of 759,993 MCF (thousand cubic feet) as compared to operating revenues of \$32.0 million on a sales volume of 883,463 MCF in the previous year. This 14.0% decrease in water sales resulted in \$324,766 less operating revenue, net of wholesale water costs, to fund operations and debt service expenditures. Operating expenditures including water purchases but before depreciation were 1.6% lower than the prior year.

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**Financial Analysis of the City's Funds**

As of June 30, 2009, the governmental funds reported a combined fund balance of \$101.2 million, a decrease of \$1.4 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 a decrease in fund balance of \$3.4 million to \$54.2 million, with Unreserved-Undesignated Fund Balance, the amount available to the City to meet its future obligations, increasing by \$2.8 million to \$29.8 million. Total revenues decreased \$3.8 million or 3.9% from the previous year. Significant reductions from prior year revenues occurred in the following areas : 1.) general fund property tax revenues, including industrial facilities taxes and tax collection fees, decreased \$823,000 attributable to the before mentioned decrease in taxable property values, 2.) State shared sales tax revenues decreased by another \$546,000, 3.) fines and fees collected by the 37<sup>th</sup> District Court were \$479,000 lower, and 4.) interest income was \$2.3 million less than the previous year due once again to historically low interest rates. General fund expenditures increased \$524,000 or 0.5% from the prior year. Expenditures were consistent with the prior year with the exception of those previously highlighted in the letter of transmittal. It should be noted that a component of Unreserved Fund Balance, that being Designated – Subsequent Year Expenditures decreased from \$9.7 million in 2008 to \$4.0 million in 2009. The primary reasons for the variance were: 1.) \$842,000 less of re-appropriations at the end of the fiscal year, and 2.) reducing the amount necessary to balance the subsequent year's budget by \$4.8 million, primarily due to eliminating vacant positions from the 2010 adopted budget. This substantial reduction in designated fund balance is the main reason for Unreserved-Undesignated Fund Balance increasing \$2.8 million even though total fund balance decreased by \$3.4 million.
- Following a \$1.9 million decrease in the previous year, fund balance in the Michigan Transportation Operating – Major Street Fund decreased another \$1.5 million in the current year. Contributing factors have been: 1.) reductions in State gas and weight tax revenues, 2.) reduced interest earnings on its available cash balances due to historically low interest rates, 3.) increased Winter Maintenance costs in fiscal year 2009, and 4.) transfers of \$1.5 million in both fiscal years 2009 and 2008 to support the activities of the Michigan Transportation Operating – Local Street Fund.
- Fund balance in the Sanitation Special Revenue Fund decreased \$1.7 million in 2009 as compared to increasing \$0.6 million in 2008. This \$2.3 million swing is attributable to purchasing twelve garbage trucks and nineteen packer bodies in the current fiscal year that were paid from available fund balance rather than from issuing additional debt.
- By their very nature, fund balance may fluctuate significantly in capital project funds. Expendable funds are normally received through the issuance of debt or the accumulation of assets; with the subsequent expenditure of available assets in many cases spanning multiple fiscal years thereafter. The Capital Improvement Bonds, Series 2008 fund balance increased \$3.9 million from \$5.2 million of net bond proceeds less \$1.3 million expended on road and sidewalk improvement projects throughout the city. Fund balance in the Court Building Renovation Fund increased \$515,000 as fines continued to be collected designated for renovation of the 37<sup>th</sup> District Court building.

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**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 \$1.326 million from the prior fiscal year for capital equipment and grant related expenditures.
- Increase in budgeted revenues and expenditures in the amount of \$200,000 upon award of a 2008 Justice Assistance Grant.
- Increase in budgeted expenditures in the amount of \$120,486 for tax reverted property expense.

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 penalties and interest on taxes and tax administration fees cumulatively exceeded budget estimates by \$580,000, 2.) federal grant revenues exceeded budgeted estimates by \$499,000, 3.) state shared sales tax revenues were \$541,000 lower than expected due reductions in State distributions, 4.) fines and fees collected by the 37<sup>th</sup> District Court were \$339,000 below projections and \$479,000 less than received in the prior fiscal year, and 5.) many departmental budgets reflect significant wage and benefit savings as the result of not filling budgeted positions. 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, 2009, the City's capital assets, net of accumulated depreciation, represents an investment of \$262.1 million, a decrease of \$5.2 million, or 1.9 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 2008-2009
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Land	\$ 25.1	\$ 25.1	\$ 0.8	\$ 0.8	\$ 25.9	\$ 25.9	0.0 %
Land improvements	3.6	3.5	-	-	3.6	3.5	2.9 %
Buildings	64.4	67.2	50.1	51.4	114.5	118.6	( 3.5)%
Utility system	-	-	61.4	61.7	61.4	61.7	( 0.5)%
Machinery and equipment	19.3	18.9	1.0	1.2	20.3	20.1	1.0 %
Infrastructure	34.3	35.5	-	-	34.3	35.5	( 3.4)%
Construction in progress	<u>2.1</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>2.1</u>	<u>2.0</u>	5.0 %
Total	<u>\$ 148.8</u>	<u>\$ 152.2</u>	<u>\$ 113.3</u>	<u>\$ 115.1</u>	<u>\$ 262.1</u>	<u>\$ 267.3</u>	( 1.9)%

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Major capital acquisitions during the year included:

<p><b>Police Department:</b>          Communication equipment - \$91,000          Vehicles (16) - \$332,000</p> <p><b>Parks and Recreation:</b>          Fitzgerald Rec. Center improvements - \$121,000          Playground equipment - \$47,000</p> <p><b>Water and Sewer System:</b>          Water mains - \$1.6 million          Sewer lines - \$291,000          Backhoes (2) - \$164,000</p> <p><b>Waste Water Treatment Plant:</b>          Plant-wide improvements – \$509,000</p>	<p><b>Fire Department:</b>          Roofing - \$69,000          Rescue trailer - \$200,000          Trucks (2) - \$73,000</p> <p><b>Sanitation:</b>          Trucks (12) - \$1.2 million          Packers (19) - \$1.2 million</p> <p><b>Michigan Transportation Funds:</b>          Road construction projects - \$0.8 million</p> <p><b>Downtown Development Authority:</b>          City Hall / City Center - \$260,000</p>
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There are a number of outstanding contracts for various road construction projects and other projects that are capital in nature. The balances of these contracts are reported in the governmental funds Balance Sheet and are captioned as “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 as “net assets – restricted for construction”. Sufficient funds are currently available to complete these projects.

**Long-term Debt**

At June 30, 2009, the City had long-term debt outstanding of \$167.9 million, a decrease of \$2.5 million, or 1.5 percent from the prior year. \$5.3 million of Capital Improvement Bonds were issued in the current fiscal year to fund road improvement and sidewalk replacement projects within the City. More detailed information about the City's long-term debt is presented in Note 5 and Note 7 to the financial statements. Comprehensive debt service schedules are presented in Exhibit D-13 and Exhibit D-14 of the Statistical Section.

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

	Governmental		Business-type		Total		Total Percentage Change 2008-2009
	Activities	2008	Activities	2008	2009	2008	
Land contract	\$ 0.3	\$ 0.4	\$ -	\$ -	\$ 0.3	\$ 0.4	( 25.0)%
Road Construction Bonds	17.7	15.8	-	-	17.7	15.8	12.0 %
Water & Sewer Revenue Bonds	-	-	52.4	54.9	52.4	54.9	( 4.6)%
Tax Increment Finance							
Authority Bonds	0.5	0.6	-	-	0.5	0.6	( 16.7)%
Sidewalk Replacement Bonds	3.3	1.4	-	-	3.3	1.4	135.7 %
Downtown Development							
Authority Bonds	72.0	73.5	-	-	72.0	73.5	( 2.0)%
Building Authority Bonds	15.1	16.5	6.6	7.3	21.7	23.8	( 8.8)%
Total	<u>\$ 108.9</u>	<u>\$ 108.2</u>	<u>\$ 59.0</u>	<u>\$ 62.2</u>	<u>\$ 167.9</u>	<u>\$ 170.4</u>	( 1.5)%

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**Economic Factors and Next Year's Budget**

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. Declining taxable values result in reduced tax revenue with which to support City operations. The loss of tax revenue adds yet another obstacle that the City must overcome to maintain economic stability.

In an effort to balance its own budget, the State continues to reduce revenue sharing distributions. A struggling State economy generates less sales and income tax revenue with the reduced distribution formula compounding the loss for local units of government. The total distribution of State shared revenues to the City of Warren is 29.6% less than it was just 9 years ago, a loss of over \$5.7 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 are 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.

Wages and fringe benefits account for over 83% of all expenditures. Union contract negotiations focus on limiting the impact on the City budget utilizing trade-offs and cost savings to offset changes. Several initiatives in contract negotiations have helped keep 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.

A 401(a) Defined Contribution (DC) plan helps to mitigate current pension costs and stabilize future financial obligations. It has effectively set a cap on the liability to the DB plan by barring any new additions of personnel to that plan. Participation in the DB plan is limited to existing employees who did not opt to transfer to the DC plan. For those employees who did transfer the City contributes 15% of payroll cost to the DC plan. 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 47.94% 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. 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 33.50% of payroll.

Demand for city services increases each year while financial resources for manpower and materials become more and more scarce. It is imperative for elected officials, management and labor to find common ground in ways to best meet the demand. Gone are the days of narrowly defined job descriptions. Cooperation and openness to new ways of problem resolution are necessary.

CITY OF WARREN, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

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 historically 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 2008, water rates from the City of Detroit had risen over 90% 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.

A major water meter replacement program has been proposed to improve registration accuracy and automate customer usage data collection. 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. Evaluation of vendor proposals are complete but the contract award was delayed as the result of seeking funding through the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA potential financing terms were considerably more favorable than local alternatives. Though the project did not qualify for ARRA subsidies it is anticipated to be completed utilizing interest subsidized Recovery Zone Economic Bonds.

Ordinances evidencing the City's resolve to combat blight have been enacted. 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 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 illustrates commitment to a rebirth and revitalization of the Warren community. Combined with other economic developments financed through the Downtown Development Authority, this facility helps provide 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.

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**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, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets - unrestricted:			
Cash and cash equivalents	\$ 87,475,776	\$ 6,036,071	\$ 93,511,847
Investments	2,106,712	1,722,207	3,828,919
Deposits	851,991	-	851,991
Receivables (net of allowances where applicable)			
Accrued interest	5,709	1,940	7,649
Accounts	9,684,733	10,881,040	20,565,773
Land contract interest	-	11,637	11,637
Internal balances (1)	2,510,982	7,765	2,518,747
Due from other governments	5,917,403	-	5,917,403
Inventory at cost	1,520,267	239,795	1,760,062
Prepaid expenses / expenditures	391,992	31,703	423,695
Total current assets - unrestricted	<u>110,465,565</u>	<u>18,932,158</u>	<u>129,397,723</u>
Current assets - restricted:			
Cash and cash equivalents	-	6,975,879	6,975,879
Due from unrestricted	-	4,398,330	4,398,330
Internal balances (1)	-	1,079,210	1,079,210
Designated for future projects	-	1,104,363	1,104,363
Total current assets - restricted	<u>-</u>	<u>13,557,782</u>	<u>13,557,782</u>
Total current assets	<u>110,465,565</u>	<u>32,489,940</u>	<u>142,955,505</u>
Noncurrent assets:			
Receivables (net of allowances where applicable)			
Notes	6,291,810	-	6,291,810
Due from other governments	9,029,307	-	9,029,307
Delinquent taxes	460,340	-	460,340
Other	-	-	-
Special assessments	2,571,539	-	2,571,539
Land contract	-	387,897	387,897
Total noncurrent receivables	<u>18,352,996</u>	<u>387,897</u>	<u>18,740,893</u>
Deferred charges:			
Bond issuance costs	937,148	130,976	1,068,124
Total deferred charges	<u>937,148</u>	<u>130,976</u>	<u>1,068,124</u>
Capital assets (net of accumulated depreciation)			
Land	25,082,543	826,863	25,909,406
Land improvements	3,606,408	-	3,606,408
Buildings	64,449,256	50,125,304	114,574,560
Utility system	-	61,310,911	61,310,911
Machinery and equipment	19,285,493	1,029,090	20,314,583
Infrastructure	34,339,015	-	34,339,015
Construction in progress	2,068,600	-	2,068,600
Total capital assets	<u>148,831,315</u>	<u>113,292,168</u>	<u>262,123,483</u>
Total noncurrent assets	<u>168,121,459</u>	<u>113,811,041</u>	<u>281,932,500</u>
Total assets	<u>\$ 278,587,024</u>	<u>\$ 146,300,981</u>	<u>\$ 424,888,005</u>

(1) Internal receivables and payables are not equal due to timing differences in reporting Water and Sewer Sytem balances as of December 31, 2008.

See accompanying notes to financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities - unrestricted:			
Accounts payable	\$ 5,300,181	\$ 2,014,276	\$ 7,314,457
Payable to restricted	-	4,398,330	4,398,330
Retainages payable	61,980	-	61,980
Accrued salaries and wages	3,099,519	109,972	3,209,491
Payroll taxes and deductions	-	95,349	95,349
Internal balances (1)	1,080,072	1,604,239	2,684,311
Deposits	396,750	135,884	532,634
Accrued interest payable	1,101,653	46,360	1,148,013
Deferred revenue	9,444,524	-	9,444,524
Current portion of long-term liabilities:			
Land contract	91,208	-	91,208
Bonds payable	5,438,314	3,269,082	8,707,396
Total current liabilities - unrestricted	<u>26,014,201</u>	<u>11,673,492</u>	<u>37,687,693</u>
Current liabilities - restricted assets:			
Accounts payable	-	598,659	598,659
Accrued interest payable	-	345,150	345,150
Deposits	-	187,720	187,720
Construction contracts to be performed in future periods	-	1,104,363	1,104,363
Current portion of long-term liabilities:			
Bonds payable	-	42,605	42,605
Total current liabilities - restricted	<u>-</u>	<u>2,278,497</u>	<u>2,278,497</u>
Total current liabilities	<u>26,014,201</u>	<u>13,951,989</u>	<u>39,966,190</u>
Noncurrent liabilities - unrestricted:			
Accumulated compensatory time	2,285,906	148,002	2,433,908
Compensated absences payable	14,084,094	1,505,238	15,589,332
Accrued insurance claims	10,716,554	-	10,716,554
Noncurrent portion of long-term liabilities:			
Land contract	253,067	-	253,067
Bonds payable	103,116,548	55,680,543	158,797,091
Unamortized bond premium / (discount)	(796,838)	(49,429)	(846,267)
Deferred refunding charge	(576,263)	(2,192,801)	(2,769,064)
Total noncurrent liabilities - unrestricted	<u>129,083,068</u>	<u>55,091,553</u>	<u>184,174,621</u>
Noncurrent liabilities - restricted:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	-	-
Unamortized bond premium / (discount)	-	(106)	(106)
Total noncurrent liabilities - restricted	<u>-</u>	<u>(106)</u>	<u>(106)</u>
Total noncurrent liabilities	<u>129,083,068</u>	<u>55,091,447</u>	<u>184,174,515</u>
Total liabilities	<u>155,097,269</u>	<u>69,043,436</u>	<u>224,140,705</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	48,445,832	57,656,542	106,102,374
Restricted for:			
Public safety	1,296,821	-	1,296,821
Sanitation	4,323,032	-	4,323,032
Recreation and culture	5,754,286	-	5,754,286
City development	63,705	-	63,705
Community development	6,707,717	-	6,707,717
Economic development	11,363,678	-	11,363,678
Highways and streets	9,523,229	-	9,523,229
Capital projects	3,712,309	4,628,660	8,340,969
Debt service	99,447	6,650,731	6,750,178
Insurance claims	-	500,000	500,000
Unrestricted	32,199,699	7,821,612	40,021,311
Total net assets	<u>123,489,755</u>	<u>77,257,545</u>	<u>200,747,300</u>
Total liabilities and net assets	<u>\$ 278,587,024</u>	<u>\$ 146,300,981</u>	<u>\$ 424,888,005</u>

EXHIBIT A-2

CITY OF WARREN, MICHIGAN  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 21,806,236	\$ 5,429,606	\$ 1,001,562	\$ 5,086
Public safety	63,420,416	1,254,524	399,810	643,009
City development	6,016,830	2,390,586	-	-
Highways and streets	10,856,256	415,938	8,019,089	35,886
Recreation and culture	12,386,834	2,481,789	519,281	392
Sanitation	8,292,078	136,097	-	-
Economic development	4,202,199	395,565	119,683	63,008
Community development	2,085,824	407,939	1,469,893	-
Capital projects	1,415,169	507,338	-	901,464
Interest on long-term debt	4,911,254	-	13,600	-
Total governmental activities	<u>135,393,096</u>	<u>13,419,382</u>	<u>11,542,918</u>	<u>1,648,845</u>
Business-type activities:				
Water and Sewer System	33,432,269	30,465,234	-	-
Senior Citizen Housing	1,965,932	2,184,011	-	-
Total business-type activities	<u>35,398,201</u>	<u>32,649,245</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 170,791,297</u>	<u>\$ 46,068,627</u>	<u>\$ 11,542,918</u>	<u>\$ 1,648,845</u>

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 items:

Settlement agreement

Transfer to Water and Sewer System (1)

Total other financing sources (uses)

Change in net assets

Net assets - beginning of year

Net assets - end of year

(1) Internal transfers are not equal due to timing differences in reporting Water and Sewer System activities as of December 31, 2008.

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (15,369,982)	\$ -	\$ (15,369,982)
(61,123,073)	-	(61,123,073)
(3,626,244)	-	(3,626,244)
(2,385,343)	-	(2,385,343)
(9,385,372)	-	(9,385,372)
(8,155,981)	-	(8,155,981)
(3,623,943)	-	(3,623,943)
(207,992)	-	(207,992)
(6,367)	-	(6,367)
<u>(4,897,654)</u>	<u>-</u>	<u>(4,897,654)</u>
<u>(108,781,951)</u>	<u>-</u>	<u>(108,781,951)</u>
-	(2,967,035)	(2,967,035)
-	218,079	218,079
<u>-</u>	<u>(2,748,956)</u>	<u>(2,748,956)</u>
<u>\$ (108,781,951)</u>	<u>\$ (2,748,956)</u>	<u>\$ (111,530,907)</u>
87,572,093	-	87,572,093
13,559,035	-	13,559,035
1,582,133	-	1,582,133
703,476	324,610	1,028,086
<u>(115,498)</u>	<u>-</u>	<u>(115,498)</u>
<u>103,301,239</u>	<u>324,610</u>	<u>103,625,849</u>
<u>(5,480,712)</u>	<u>(2,424,346)</u>	<u>(7,905,058)</u>
23,485	-	23,485
<u>(253,092)</u>	<u>-</u>	<u>(253,092)</u>
<u>(229,607)</u>	<u>-</u>	<u>(229,607)</u>
(5,710,319)	(2,424,346)	(8,134,665)
<u>129,200,074</u>	<u>79,681,891</u>	<u>208,881,965</u>
<u>\$ 123,489,755</u>	<u>\$ 77,257,545</u>	<u>\$ 200,747,300</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, 2009

	Special Revenue Funds		
	General Fund	Michigan Transportation Operating	
		Major Streets	Local Streets
<b>Assets</b>			
Cash and cash equivalents	\$ 42,208,579	\$ 2,036,770	\$ 3,587,394
Investments	-	-	-
Deposits	442,508	-	-
Receivables, net			
Accrued interest	2,960	177	118
Accounts	365,854	-	-
Due from other funds	11,802,431	-	-
Due from other governments	3,824,664	960,461	321,219
Prepaid expenditures	362,690	-	-
Inventory at cost	145,251	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	806,046	-	-
Special assessments	-	-	-
Total assets	<u>\$ 59,960,983</u>	<u>\$ 2,997,408</u>	<u>\$ 3,908,731</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	2,708,674	59,605	73,863
Retainage payable	-	6,158	3,025
Accrued salaries and wages	2,409,013	72,301	84,439
Deposits	330,671	-	-
Due to other funds	-	41,442	25,173
Deferred revenue	315,217	-	-
Total liabilities	<u>5,763,575</u>	<u>179,506</u>	<u>186,500</u>
Fund balances:			
Reserved:			
Prepaid expenditures	362,690	-	-
Inventories	145,251	-	-
Receivables	806,046	-	-
Grants and capital projects	63,817	282,055	223,980
Unreserved:			
Designated:			
Subsequent years' expenditures	3,984,585	689,024	892,076
Compensated absences	7,171,390	191,064	153,492
Compensatory time	1,176,970	32,615	21,743
Insurance claims	10,716,554	-	-
Undesignated	29,770,105	1,623,144	2,430,940
Total fund balances	<u>54,197,408</u>	<u>2,817,902</u>	<u>3,722,231</u>
Total liabilities and fund balances	<u>\$ 59,960,983</u>	<u>\$ 2,997,408</u>	<u>\$ 3,908,731</u>

See accompanying notes to financial statements.

Special Revenue Funds

Sanitation	Recreation	Library	Community Development Block Grant	C.D.B.G. - Recovery	HOME Investment Partnership
\$ 5,096,113	\$ 3,816,366	\$ 4,377	\$ 58,847	\$ -	\$ 391,524
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
129,870	522	-	-	-	-
-	-	-	15,278	-	-
-	165,167	225,684	34,385	-	20,452
10,255	11,126	3,718	3,396	-	-
9,377	5,149	-	-	-	-
-	-	-	-	-	-
-	-	-	5,962,512	-	329,298
-	-	-	1,022,647	229,180	1,488,031
171,821	85,701	43,351	-	-	-
-	-	-	-	-	-
<u>\$ 5,417,436</u>	<u>\$ 4,084,031</u>	<u>\$ 277,130</u>	<u>\$ 7,097,065</u>	<u>\$ 229,180</u>	<u>\$ 2,229,305</u>
672,771	202,020	49,008	-	-	-
-	-	-	-	-	-
178,222	234,749	80,188	-	-	-
34,526	25,953	-	500	-	100
-	-	-	53,059	-	20,384
-	2,000	-	6,985,159	229,180	1,817,329
<u>885,519</u>	<u>464,722</u>	<u>129,196</u>	<u>7,038,718</u>	<u>229,180</u>	<u>1,837,813</u>
10,255	11,126	3,718	3,396	-	-
9,377	5,149	-	-	-	-
171,821	85,701	43,351	-	-	-
-	87,200	-	-	-	-
1,051,001	852,345	59,865	-	-	-
101,382	104,330	29,000	-	-	-
34,349	25,804	12,000	-	-	-
-	-	-	-	-	-
<u>3,153,732</u>	<u>2,447,654</u>	<u>-</u>	<u>54,951</u>	<u>-</u>	<u>391,492</u>
<u>4,531,917</u>	<u>3,619,309</u>	<u>147,934</u>	<u>58,347</u>	<u>-</u>	<u>391,492</u>
<u>\$ 5,417,436</u>	<u>\$ 4,084,031</u>	<u>\$ 277,130</u>	<u>\$ 7,097,065</u>	<u>\$ 229,180</u>	<u>\$ 2,229,305</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

Special Revenue Funds

	H.O.P.W.A.	Neighborhood Stabilization Program	Brownfield Redevelopment Fund	Communications
<b>Assets</b>				
Cash and cash equivalents	\$ 100	\$ 100	\$ 6,131	\$ 1,668,457
Investments	-	-	-	-
Deposits	-	-	-	-
Receivables, net				
Accrued interest	-	-	-	-
Accounts	-	-	-	405,644
Due from other funds	-	-	-	-
Due from other governments	7,467	44,348	-	-
Prepaid expenditures	-	-	-	694
Inventory at cost	-	-	-	-
Assets held for resale	-	-	-	-
Receivables, non-current:				
Notes	-	-	-	-
Due from other governments	504,450	5,784,999	-	-
Delinquent taxes	-	-	-	-
Special assessments	-	-	-	-
Total assets	<u>\$ 512,017</u>	<u>\$ 5,829,447</u>	<u>\$ 6,131</u>	<u>\$ 2,074,795</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	-	-	-	26,373
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	28,404
Deposits	-	-	-	-
Due to other funds	7,467	44,348	-	-
Deferred revenue	<u>504,450</u>	<u>5,784,999</u>	<u>-</u>	<u>20,000</u>
Total liabilities	<u>511,917</u>	<u>5,829,347</u>	<u>-</u>	<u>74,777</u>
Fund balances:				
Reserved:				
Prepaid expenditures	-	-	-	694
Inventories	-	-	-	-
Receivables	-	-	-	-
Grants and capital projects	-	-	1,729	-
Unreserved:				
Designated:				
Subsequent years' expenditures	-	-	-	232,157
Compensated absences	-	-	-	26,334
Compensatory time	-	-	-	-
Insurance claims	-	-	-	-
Undesignated	<u>100</u>	<u>100</u>	<u>4,402</u>	<u>1,740,833</u>
Total fund balances	<u>100</u>	<u>100</u>	<u>6,131</u>	<u>2,000,018</u>
Total liabilities and fund balances	<u>\$ 512,017</u>	<u>\$ 5,829,447</u>	<u>\$ 6,131</u>	<u>\$ 2,074,795</u>

See accompanying notes to financial statements.

Special Revenue Funds					Debt Service	
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Downtown Development Authority Administration	Chapter 20 and 21 Drain Bonds	
\$ 74,471	\$ 198,113	\$ 975,951	\$ 136,907	\$ 7,245,055	\$ 86,740	
-	-	-	-	2,106,712	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	6,750	-	325	-	-	
-	-	-	-	2,945	-	
-	-	-	-	-	-	
46	-	-	-	67	-	
-	-	-	-	-	-	
-	-	-	-	1,360,490	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	15,421	-	
-	-	-	-	-	-	
<u>\$ 74,517</u>	<u>\$ 204,863</u>	<u>\$ 975,951</u>	<u>\$ 137,232</u>	<u>\$ 10,730,690</u>	<u>\$ 86,740</u>	
2,259	999	20,226	-	50,051	-	
-	-	-	-	-	-	
4,523	-	-	-	7,680	-	
-	-	-	-	5,000	-	
-	-	-	-	435,237	-	
-	-	-	-	-	-	
<u>6,782</u>	<u>999</u>	<u>20,226</u>	<u>-</u>	<u>497,968</u>	<u>-</u>	
46	-	-	-	67	-	
-	-	-	-	1,360,490	-	
-	-	-	-	15,421	-	
-	-	-	-	-	-	
55,273	72,200	319,412	5,400	72,012	14,200	
4,030	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>8,386</u>	<u>131,664</u>	<u>636,313</u>	<u>131,832</u>	<u>8,784,732</u>	<u>72,540</u>	
<u>67,735</u>	<u>203,864</u>	<u>955,725</u>	<u>137,232</u>	<u>10,232,722</u>	<u>86,740</u>	
<u>\$ 74,517</u>	<u>\$ 204,863</u>	<u>\$ 975,951</u>	<u>\$ 137,232</u>	<u>\$ 10,730,690</u>	<u>\$ 86,740</u>	

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

	Debt Service Funds			
	Tax Increment Finance Authority		Special Assessment Bonds	
	Series 1991	Refunding Series 1999	Series 2003	Series 2005
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,348,113
Investments	-	-	-	-
Deposits	-	-	-	-
Receivables, net				
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,348,113</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	-	-	-	113
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>113</u>
Fund balances:				
Reserved:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Receivables	-	-	-	-
Grants and capital projects	-	-	-	-
Unreserved:				
Designated:				
Subsequent years' expenditures	-	-	-	-
Compensated absences	-	-	-	-
Compensatory time	-	-	-	-
Insurance claims	-	-	-	-
Undesignated	-	-	-	1,348,000
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,000</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,348,113</u>

See accompanying notes to financial statements.



EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2009

	Debt Service Funds		
	Michigan Transportation Bonds Series 2000	Michigan Transportation Bonds Series 2003	Capital Improvement Bonds Series 2006
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Deposits	-	-	-
Receivables, net			
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	-	-	-
Retainage payable	-	-	-
Accrued salaries and wages	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	-
Grants and capital projects	-	-	-
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	-
Compensated absences	-	-	-
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Debt Service Funds					Capital Projects
Capital Improvement Bonds - Roads Series 2008	Building Authority Bonds				Special Assessment Revolving
	Series 2001	Series 2002	Series 2005	Refunding Series 2005	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 579,265
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	113	-	-
8,640	-	-	14,657	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	214,041
<u>\$ 8,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,770</u>	<u>\$ -</u>	<u>\$ 793,306</u>
-	-	-	113	-	9,289
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	292,041
-	-	-	113	-	301,330
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,640	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	14,657	-	491,976
<u>8,640</u>	<u>-</u>	<u>-</u>	<u>14,657</u>	<u>-</u>	<u>491,976</u>
<u>\$ 8,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,770</u>	<u>\$ -</u>	<u>\$ 793,306</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2009

	Capital Projects Funds		
	Sidewalk and Tree Revolving	Michigan Transportation Construction	
		2000 Major Streets	2003 Major Streets
<b>Assets</b>			
Cash and cash equivalents	\$ 1,457,485	\$ 621,245	\$ 152,700
Investments	-	-	-
Deposits	-	-	-
Receivables, net			
Accrued interest	-	49	11
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	142,617
Prepaid expenditures	-	-	-
Inventory at cost	-	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	-	-	-
Special assessments	2,357,498	-	-
Total assets	<u>\$ 3,814,983</u>	<u>\$ 621,294</u>	<u>\$ 295,328</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	2,125	-	28
Retainage payable	10,000	-	-
Accrued salaries and wages	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	2,357,498	-	-
Total liabilities	<u>2,369,623</u>	<u>-</u>	<u>28</u>
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	142,617
Grants and capital projects	346,379	527,133	3,930
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	-
Compensated absences	-	-	-
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	1,098,981	94,161	148,753
Total fund balances	<u>1,445,360</u>	<u>621,294</u>	<u>295,300</u>
Total liabilities and fund balances	<u>\$ 3,814,983</u>	<u>\$ 621,294</u>	<u>\$ 295,328</u>

See accompanying notes to financial statements.

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Capital Improvement Bonds Series 2008	Building Authority Construction Funds			37th District Court Building Renovation
		Series 2001	Series 2002	Series 2005	
\$ 3,431,541	\$ 4,620,988	\$ 966	\$ 6,091	\$ 451,733	\$ 3,115,183
-	-	-	-	-	-
409,483	-	-	-	-	-
267	367	-	-	-	-
-	-	-	-	100,000	-
-	-	-	-	-	-
119,669	-	-	-	805	50,465
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,960,960</u>	<u>\$ 4,621,355</u>	<u>\$ 966</u>	<u>\$ 6,091</u>	<u>\$ 552,538</u>	<u>\$ 3,165,648</u>
517,208	714,589	-	-	-	-
-	19,084	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,079,195	13,600	-	877	14,657	-
-	-	-	-	-	-
<u>1,596,403</u>	<u>747,273</u>	<u>-</u>	<u>877</u>	<u>14,657</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
119,669	-	-	-	-	-
512,664	2,032,969	-	-	-	-
-	-	-	-	-	3,080,692
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,732,224</u>	<u>1,841,113</u>	<u>966</u>	<u>5,214</u>	<u>537,881</u>	<u>84,956</u>
<u>2,364,557</u>	<u>3,874,082</u>	<u>966</u>	<u>5,214</u>	<u>537,881</u>	<u>3,165,648</u>
<u>\$ 3,960,960</u>	<u>\$ 4,621,355</u>	<u>\$ 966</u>	<u>\$ 6,091</u>	<u>\$ 552,538</u>	<u>\$ 3,165,648</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

	Capital Projects Funds			
	Sewer Plant Expansion	Tax Increment Finance Authority	Downtown Development Authority Construction	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 1,447,420	\$ 2,651,051	\$ 87,475,776
Investments	-	-	-	2,106,712
Deposits	-	-	-	851,991
Receivables, net				
Accrued interest	-	117	1,643	5,709
Accounts	-	-	-	1,009,078
Due from other funds	-	-	-	11,848,911
Due from other governments	-	-	-	5,917,403
Prepaid expenditures	-	-	-	391,992
Inventory at cost	-	-	-	159,777
Assets held for resale	-	-	-	1,360,490
Receivables, non-current:				
Notes	-	-	-	6,291,810
Due from other governments	-	-	-	9,029,307
Delinquent taxes	-	-	-	1,122,340
Special assessments	-	-	-	2,571,539
Total assets	<u>\$ -</u>	<u>\$ 1,447,537</u>	<u>\$ 2,652,694</u>	<u>\$ 130,142,835</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	-	59,507	131,360	5,300,181
Retainage payable	-	-	23,713	61,980
Accrued salaries and wages	-	-	-	3,099,519
Deposits	-	-	-	396,750
Due to other funds	-	6,907	-	1,742,346
Deferred revenue	-	-	-	18,307,873
Total liabilities	<u>-</u>	<u>66,414</u>	<u>155,073</u>	<u>28,908,649</u>
Fund balances:				
Reserved:				
Prepaid expenditures	-	-	-	391,992
Inventories	-	-	-	1,520,267
Receivables	-	-	-	1,384,626
Grants and capital projects	-	300,000	130,565	4,512,421
Unreserved:				
Designated:				
Subsequent years' expenditures	-	-	-	11,388,882
Compensated absences	-	-	-	7,781,022
Compensatory time	-	-	-	1,303,481
Insurance claims	-	-	-	10,716,554
Undesignated	-	1,081,123	2,367,056	62,234,941
Total fund balances	<u>-</u>	<u>1,381,123</u>	<u>2,497,621</u>	<u>101,234,186</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,447,537</u>	<u>\$ 2,652,694</u>	<u>\$ 130,142,835</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, 2009

**Fund balances - governmental funds (Exhibit B-1)** \$ 101,234,186

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	\$ 301,577,848	
Accumulated depreciation	<u>(152,746,533)</u>	148,831,315

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	\$ (108,554,862)	
Land contract	(344,275)	
Compensated absences payable	(14,084,094)	
Compensatory time payable	(2,285,906)	
Accrued insurance claims	(10,716,554)	
Accrued interest payable	<u>(1,101,653)</u>	(137,087,344)

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	\$ 937,148	
Bond premiums / discounts	796,838	
Deferred refunding charge	<u>576,263</u>	2,310,249

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	\$ 6,291,810	
Special assessments	<u>2,571,539</u>	8,863,349

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.

(662,000)

**Total net assets - governmental activities (Exhibit A-1)** \$ 123,489,755

EXHIBIT B-3

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

For the Year Ended June 30, 2009

	Special Revenue Funds		
	General Fund	Michigan Transportation Operating	
		Major Streets	Local Streets
Revenues:			
Property taxes	\$ 64,567,547	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	1,759,663	-	-
Intergovernmental:			
Federal revenue	592,062	-	-
State revenue	14,228,618	5,948,637	2,381,276
Local revenue	727,954	23,802	-
Charges for services	1,096,795	-	-
Fines and fees	4,600,677	-	-
Interest	568,188	47,950	33,362
Sale of property	25,180	-	-
Miscellaneous	5,919,997	-	-
Total revenue	<u>94,086,681</u>	<u>6,020,389</u>	<u>2,414,638</u>
Expenditures:			
General government	25,756,493	-	-
Public safety	62,036,856	-	-
City development	5,875,287	-	-
Highways and streets	2,387,939	4,023,722	3,516,856
Recreation and culture	41,567	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	85,973	-	-
Interest	24,544	-	-
Other	-	-	-
Total expenditures	<u>96,208,659</u>	<u>4,023,722</u>	<u>3,516,856</u>
Excess (deficiency) of revenues over expenditures	<u>(2,121,978)</u>	<u>1,996,667</u>	<u>(1,102,218)</u>
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	-	63,818	1,709,598
Transfers out	(1,238,403)	(3,600,244)	(39,066)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>(1,238,403)</u>	<u>(3,536,426)</u>	<u>1,670,532</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(3,360,381)</u>	<u>(1,539,759)</u>	<u>568,314</u>
Fund balance - beginning of year	<u>57,557,789</u>	<u>4,357,661</u>	<u>3,153,917</u>
Fund balance - end of year	<u>\$ 54,197,408</u>	<u>\$ 2,817,902</u>	<u>\$ 3,722,231</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>C.D.B.G. - Recovery</u>	<u>HOME Investment Partnership</u>
\$ 8,720,327	\$ 4,492,659	\$ 2,246,330	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	601,336	-	495,199
-	303,445	344,191	-	-	-
-	-	-	-	-	-
-	2,245,615	84,180	-	-	-
-	-	-	-	-	-
52,503	30,818	1,479	-	-	-
102,553	-	-	-	-	-
136,097	130,803	569	88,812	-	198,892
<u>9,011,480</u>	<u>7,203,340</u>	<u>2,676,749</u>	<u>690,148</u>	<u>-</u>	<u>694,091</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,453,848	3,051,155	-	-	-
10,475,172	-	-	-	-	-
-	-	-	-	-	-
-	-	-	665,509	-	1,041,084
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,475,172</u>	<u>6,453,848</u>	<u>3,051,155</u>	<u>665,509</u>	<u>-</u>	<u>1,041,084</u>
<u>(1,463,692)</u>	<u>749,492</u>	<u>(374,406)</u>	<u>24,639</u>	<u>-</u>	<u>(346,993)</u>
(226,515)	-	-	-	-	-
-	-	80,000	-	-	-
(56,782)	(651,985)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(283,297)</u>	<u>(651,985)</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,746,989)	97,507	(294,406)	24,639	-	(346,993)
<u>6,278,906</u>	<u>3,521,802</u>	<u>442,340</u>	<u>33,708</u>	<u>-</u>	<u>738,485</u>
\$ <u>4,531,917</u>	\$ <u>3,619,309</u>	\$ <u>147,934</u>	\$ <u>58,347</u>	\$ <u>-</u>	\$ <u>391,492</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, 2009

	Special Revenue Funds			
	H.O.P.W.A.	Neighborhood Stabilization Program	Brownfield Redevelopment Authority	Communications
Revenues:				
Property taxes	\$ -	\$ -	\$ 321,600	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal revenue	328,910	44,448	-	-
State revenue	-	-	-	-
Local revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	1,582,133
Interest	-	-	3,357	14,778
Sale of property	-	-	-	-
Miscellaneous	-	-	-	21,191
Total revenue	<u>328,910</u>	<u>44,448</u>	<u>324,957</u>	<u>1,618,102</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
City development	-	-	-	-
Highways and streets	-	-	-	-
Recreation and culture	-	-	-	1,336,241
Sanitation	-	-	-	-
Economic development	-	-	565,789	-
Community development	328,910	44,348	-	-
Capital projects	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>328,910</u>	<u>44,348</u>	<u>565,789</u>	<u>1,336,241</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>100</u>	<u>(240,832)</u>	<u>281,861</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(220,290)
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>	<u>(220,290)</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>-</u>	<u>100</u>	<u>(240,832)</u>	<u>61,571</u>
Fund balance - beginning of year	<u>100</u>	<u>-</u>	<u>246,963</u>	<u>1,938,447</u>
Fund balance - end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 6,131</u>	<u>\$ 2,000,018</u>

Special Revenue Funds					Debt Service	
<u>Rental Ordinance</u>	<u>Vice Crime Confiscations</u>	<u>Drug Forfeiture</u>	<u>Police Training</u>	<u>Downtown Development Authority Administration</u>	<u>Chapter 20 and 21 Drain Bonds</u>	
\$ -	\$ -	\$ -	\$ -	\$ 6,371,533	\$ 512	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	47,940	-	-	
-	-	-	-	-	-	
40,000	-	-	-	-	-	
264,295	76,184	565,132	-	-	-	
846	1,968	7,199	1,196	58,433	716	
-	-	-	-	-	-	
-	-	-	-	456,815	-	
<u>305,141</u>	<u>78,152</u>	<u>572,331</u>	<u>49,136</u>	<u>6,886,781</u>	<u>1,228</u>	
-	-	-	-	-	-	
-	84,175	357,164	51,465	-	-	
315,352	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	1,189,098	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	3,092	
<u>315,352</u>	<u>84,175</u>	<u>357,164</u>	<u>51,465</u>	<u>1,189,098</u>	<u>3,092</u>	
<u>(10,211)</u>	<u>(6,023)</u>	<u>215,167</u>	<u>(2,329)</u>	<u>5,697,683</u>	<u>(1,864)</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	(4,912,445)	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	(4,912,445)	-	
(10,211)	(6,023)	215,167	(2,329)	785,238	(1,864)	
<u>77,946</u>	<u>209,887</u>	<u>740,558</u>	<u>139,561</u>	<u>9,447,484</u>	<u>88,604</u>	
<u>\$ 67,735</u>	<u>\$ 203,864</u>	<u>\$ 955,725</u>	<u>\$ 137,232</u>	<u>\$ 10,232,722</u>	<u>\$ 86,740</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, 2009

	Debt Service Funds			
	Tax Increment Finance Authority		Special Assessment Bonds	
	Series 1991	Refunding Series 1999	Series 2003	Series 2005
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	-	160,000	-	175,000
Interest	24,000	3,440	-	49,713
Other	700	150	-	225
Total expenditures	<u>24,700</u>	<u>163,590</u>	<u>-</u>	<u>224,938</u>
Excess (deficiency) of revenues over expenditures	<u>(24,700)</u>	<u>(163,590)</u>	<u>-</u>	<u>(224,938)</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	24,700	163,590	-	268,575
Transfers out	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	<u>24,700</u>	<u>163,590</u>	<u>-</u>	<u>268,575</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	-	43,637
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,304,363</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,348,000</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, 2009

	Debt Service Funds		
	Michigan Transportation Bonds Series 2000	Michigan Transportation Bonds Series 2003	Capital Improvement Bonds Series 2006
	<u>Series 2000</u>	<u>Series 2003</u>	<u>Series 2006</u>
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>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	-	-
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	400,000	500,000	35,919
Interest	188,755	174,750	206,081
Other	<u>250</u>	<u>250</u>	<u>161</u>
Total expenditures	<u>589,005</u>	<u>675,000</u>	<u>242,161</u>
Excess (deficiency) of revenues over expenditures	<u>(589,005)</u>	<u>(675,000)</u>	<u>(242,161)</u>
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	589,005	675,000	242,161
Transfers out	-	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>589,005</u>	<u>675,000</u>	<u>242,161</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Debt Service Funds					Capital Projects
Capital Improvement Bonds - Roads Series 2008	Building Authority Bonds				Special Assessment Revolving
	Series 2001	Series 2002	Series 2005	Refunding Series 2005	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	51,787
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,640	-	-	-	-	4,164
-	-	-	-	-	-
-	-	-	-	-	6,492
<u>8,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,443</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	89,348
-	375,000	434,525	500,000	60,000	-
45,743	45,097	24,528	146,325	437,117	-
99	275	252	225	225	-
<u>45,842</u>	<u>420,372</u>	<u>459,305</u>	<u>646,550</u>	<u>497,342</u>	<u>89,348</u>
<u>(37,202)</u>	<u>(420,372)</u>	<u>(459,305)</u>	<u>(646,550)</u>	<u>(497,342)</u>	<u>(26,905)</u>
-	-	-	-	-	-
45,842	420,372	459,305	646,550	497,342	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,842</u>	<u>420,372</u>	<u>459,305</u>	<u>646,550</u>	<u>497,342</u>	<u>-</u>
8,640	-	-	-	-	(26,905)
-	-	-	14,657	-	518,881
<u>\$ 8,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,657</u>	<u>\$ -</u>	<u>\$ 491,976</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, 2009

	Capital Projects Funds		
	Sidewalk and Tree Revolving	Michigan Transportation Construction	
		2000 Major Streets	2003 Major Streets
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	1,003,598	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	9,675	-	-
Fines and fees	-	-	-
Interest	29,791	5,594	771
Sale of property	-	-	-
Miscellaneous	-	82	-
Total revenue	<u>1,043,064</u>	<u>5,676</u>	<u>771</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	7,730	610
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	940,015	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	<u>940,015</u>	<u>7,730</u>	<u>610</u>
Excess (deficiency) of revenues over expenditures	<u>103,049</u>	<u>(2,054)</u>	<u>161</u>
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	-	-	-
Transfers out	(294,984)	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>(294,984)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(191,935)	(2,054)	161
Fund balance - beginning of year	<u>1,637,295</u>	<u>623,348</u>	<u>295,139</u>
Fund balance - end of year	<u>\$ 1,445,360</u>	<u>\$ 621,294</u>	<u>\$ 295,300</u>

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Capital Improvement Bonds Series 2008	Building Authority Construction Funds			37th District Court Building Renovation
		Series 2001	Series 2002	Series 2005	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	100,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	491,171
26,331	3,108	11	392	5,075	23,785
-	-	-	-	-	-
<u>26,331</u>	<u>3,108</u>	<u>11</u>	<u>392</u>	<u>105,075</u>	<u>514,956</u>
-	-	-	8,232	76,333	-
-	-	-	-	-	-
-	-	-	-	3,027	-
55,193	780,588	-	-	-	-
-	-	-	-	126,793	-
-	-	-	-	-	-
-	-	-	-	-	-
-	385,806	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	76,641	-	-	-	-
<u>55,193</u>	<u>1,243,035</u>	<u>-</u>	<u>8,232</u>	<u>206,153</u>	<u>-</u>
<u>(28,862)</u>	<u>(1,239,927)</u>	<u>11</u>	<u>(7,840)</u>	<u>(101,078)</u>	<u>514,956</u>
-	-	-	-	250,000	-
111,416	-	-	-	-	-
-	(111,416)	-	-	-	-
-	5,305,000	-	-	-	-
-	-	-	-	-	-
-	(79,575)	-	-	-	-
<u>111,416</u>	<u>5,114,009</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
82,554	3,874,082	11	(7,840)	148,922	514,956
<u>2,282,003</u>	<u>-</u>	<u>955</u>	<u>13,054</u>	<u>388,959</u>	<u>2,650,692</u>
\$ <u>2,364,557</u>	\$ <u>3,874,082</u>	\$ <u>966</u>	\$ <u>5,214</u>	\$ <u>537,881</u>	\$ <u>3,165,648</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, 2009

	Capital Projects Funds			Total Governmental Funds
	Sewer Plant Expansion	Tax Increment Finance Authority	Downtown Development Authority Construction	
Revenues:				
Property taxes	\$ -	\$ 508,661	\$ -	\$ 87,229,169
Special assessments	-	-	-	1,055,385
Licenses and permits	-	-	-	1,759,663
Intergovernmental:				
Federal revenue	-	-	-	2,161,955
State revenue	-	-	-	23,254,107
Local revenue	-	-	-	751,756
Charges for services	-	-	-	3,476,265
Fines and fees	-	-	-	7,579,592
Interest	-	9,773	49,872	995,060
Sale of property	-	-	-	127,733
Miscellaneous	-	6	-	6,959,756
Total revenue	<u>-</u>	<u>518,440</u>	<u>49,872</u>	<u>135,350,441</u>
Expenditures:				
General government	-	-	-	25,841,058
Public safety	-	-	-	62,529,660
City development	-	-	-	6,193,666
Highways and streets	-	-	-	10,772,638
Recreation and culture	-	-	-	11,009,604
Sanitation	-	-	-	10,475,172
Economic development	-	80,543	259,482	2,094,912
Community development	-	-	-	2,079,851
Capital projects	-	-	-	1,415,169
Debt service:				
Principal retirement	-	-	-	4,586,417
Interest	-	-	-	4,668,984
Other	-	-	-	84,021
Total expenditures	<u>-</u>	<u>80,543</u>	<u>259,482</u>	<u>141,751,152</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>437,897</u>	<u>(209,610)</u>	<u>(6,400,711)</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	23,485
Transfers in	-	-	-	11,157,641
Transfers out	(96,828)	(188,290)	-	(11,410,733)
Proceeds from sale of bonds	-	-	-	5,305,000
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	(79,575)
Total other financing sources (uses)	<u>(96,828)</u>	<u>(188,290)</u>	<u>-</u>	<u>4,995,818</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(96,828)</u>	<u>249,607</u>	<u>(209,610)</u>	<u>(1,404,893)</u>
Fund balance - beginning of year	<u>96,828</u>	<u>1,131,516</u>	<u>2,707,231</u>	<u>102,639,079</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 1,381,123</u>	<u>\$ 2,497,621</u>	<u>\$ 101,234,186</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, 2009

**Net change in fund balances - governmental funds (Exhibit B-3)** \$ (1,404,893)

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	\$ 5,243,916	
Depreciation	<u>(8,370,480)</u>	(3,126,564)

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.

(243,231)

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	\$ (5,305,000)	
Principal payment on long-term debt	<u>4,586,417</u>	(718,583)

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	\$ (5,979)	
Bond discounts, net of amortization	27,348	
Deferred refunding charges, net of amortization	<u>(33,246)</u>	(11,877)

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.

(66,797)

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	\$ 166,230	
Compensatory time	(149,379)	
Insurance claims	<u>(433,834)</u>	(416,983)

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

Community Development Block Grant loans	\$ 252,485	
Special assessments	<u>(187,876)</u>	64,609

Property tax revenues were adjusted to reflect the current year amortization of a settlement agreement that will eliminate certain delinquent taxes receivable over a period of multiple fiscal years .

214,000

**Change in net assets - governmental activities (Exhibit A-2)** \$ (5,710,319)

See accompanying notes to financial statements

EXHIBIT B-5

CITY OF WARREN, MICHIGAN  
STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2009

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
<b>Assets</b>				
Current assets - unrestricted				
Cash and cash equivalents	\$ 3,385,034	\$ 2,026,045	\$ 624,992	\$ 6,036,071
Investments	-	-	1,722,207	1,722,207
Accounts receivable	10,877,066	704	3,270	10,881,040
Accrued interest on investments	292	162	1,486	1,940
Due from other funds	7,540	225	-	7,765
Land contract interest receivable	11,637	-	-	11,637
Materials and supplies inventory - at cost	239,795	-	-	239,795
Prepaid expenses	29,400	2,303	-	31,703
Total current assets - unrestricted	<u>14,550,764</u>	<u>2,029,439</u>	<u>2,351,955</u>	<u>18,932,158</u>
Current assets - restricted				
Cash and cash equivalents	6,788,159	47,449	140,271	6,975,879
Due from unrestricted	4,398,330	-	-	4,398,330
Due from other funds	1,079,210	-	-	1,079,210
Designated for future projects	1,104,363	-	-	1,104,363
Total current assets - restricted	<u>13,370,062</u>	<u>47,449</u>	<u>140,271</u>	<u>13,557,782</u>
Total current assets	<u>27,920,826</u>	<u>2,076,888</u>	<u>2,492,226</u>	<u>32,489,940</u>
Noncurrent assets:				
Bond issuance costs	-	-	130,976	130,976
Land contract receivable	387,897	-	-	387,897
Property, plant and equipment at cost:				
Land	605,219	221,644	-	826,863
Building and improvements	63,133,850	2,994,301	9,905,821	76,033,972
Utility system	114,483,271	-	-	114,483,271
Machinery, equipment and furniture	12,534,182	289,408	1,101,169	13,924,759
Total property, plant and equipment	190,756,522	3,505,353	11,006,990	205,268,865
Less: accumulated depreciation	(85,585,559)	(2,533,117)	(3,858,021)	(91,976,697)
Net property, plant and equipment	<u>105,170,963</u>	<u>972,236</u>	<u>7,148,969</u>	<u>113,292,168</u>
Total noncurrent assets	<u>105,558,860</u>	<u>972,236</u>	<u>7,279,945</u>	<u>113,811,041</u>
Total assets	<u>\$ 133,479,686</u>	<u>\$ 3,049,124</u>	<u>\$ 9,772,171</u>	<u>\$ 146,300,981</u>

(Continued)

Note:

(1) For fiscal year ended December 31, 2008.

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	
<b>Liabilities</b>				
Current liabilities - unrestricted:				
Accounts payable	\$ 1,967,551	\$ 18,426	\$ 28,299	\$ 2,014,276
Payable to restricted	4,398,330	-	-	4,398,330
Accrued wages payable	96,946	11,521	1,505	109,972
Payroll taxes and deductions	95,349	-	-	95,349
Due to other funds	1,303,296	23,482	277,461	1,604,239
Building Authority bonds - current	-	-	625,000	625,000
Revenue bonds payable - current	2,644,082	-	-	2,644,082
Accrued interest payable	-	-	46,360	46,360
Deferred revenue	-	-	-	-
Customer deposits	135,884	-	-	135,884
Total current liabilities - unrestricted	<u>10,641,438</u>	<u>53,429</u>	<u>978,625</u>	<u>11,673,492</u>
Current liabilities - restricted:				
Accounts payable	598,659	-	-	598,659
Accrued interest payable	345,150	-	-	345,150
Building Authority bonds payable	42,605	-	-	42,605
Construction contracts to be performed in future periods	1,104,363	-	-	1,104,363
Tenant security deposits	-	47,449	140,271	187,720
Total current liabilities - restricted	<u>2,090,777</u>	<u>47,449</u>	<u>140,271</u>	<u>2,278,497</u>
Total current liabilities	<u>12,732,215</u>	<u>100,878</u>	<u>1,118,896</u>	<u>13,951,989</u>
Noncurrent liabilities - unrestricted:				
Accumulative sick leave	1,487,430	17,808	-	1,505,238
Accumulative compensatory time	139,118	8,884	-	148,002
Revenue bonds payable	49,750,543	-	-	49,750,543
Building Authority bonds payable	-	-	5,930,000	5,930,000
Unamortized bond premium / (discount)	(201,631)	-	152,202	(49,429)
Deferred refunding charge	(1,757,083)	-	(435,718)	(2,192,801)
Total noncurrent liabilities - unrestricted	<u>49,418,377</u>	<u>26,692</u>	<u>5,646,484</u>	<u>55,091,553</u>
Noncurrent liabilities - restricted:				
Building Authority bonds payable	-	-	-	-
Unamortized bond discount	(106)	-	-	(106)
Total noncurrent liabilities - restricted assets	<u>(106)</u>	<u>-</u>	<u>-</u>	<u>(106)</u>
Total noncurrent liabilities	<u>49,418,271</u>	<u>26,692</u>	<u>5,646,484</u>	<u>55,091,447</u>
Total liabilities	<u>62,150,486</u>	<u>127,570</u>	<u>6,765,380</u>	<u>69,043,436</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	56,090,337	972,236	593,969	57,656,542
Restricted for:	-	-	-	-
Debt service	6,650,731	-	-	6,650,731
Construction	4,628,660	-	-	4,628,660
Insurance claims	500,000	-	-	500,000
Unrestricted net assets	<u>3,459,472</u>	<u>1,949,318</u>	<u>2,412,822</u>	<u>7,821,612</u>
Total net assets	<u>71,329,200</u>	<u>2,921,554</u>	<u>3,006,791</u>	<u>77,257,545</u>
Total liabilities and net assets	<u>\$ 133,479,686</u>	<u>\$ 3,049,124</u>	<u>\$ 9,772,171</u>	<u>\$ 146,300,981</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, 2009

	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	\$ 30,465,234	\$ -	\$ -	\$ 30,465,234
Rental revenues	-	473,881	998,977	1,472,858
Maintenance revenues	-	-	356,207	356,207
Other operating revenues	-	344,133	10,813	354,946
Total operating revenues	<u>30,465,234</u>	<u>818,014</u>	<u>1,365,997</u>	<u>32,649,245</u>
Operating expenses:				
Water purchases	6,920,391	-	-	6,920,391
Personal services	12,697,278	409,547	49,750	13,156,575
Contractual services	-	28,459	42,183	70,642
Materials and supplies	866,527	26,077	31,851	924,455
Utilities	-	133,826	75,314	209,140
Other services and charges	6,610,754	187,905	380,805	7,179,464
Depreciation	4,279,950	88,985	169,588	4,538,523
Total operating expenses	<u>31,374,900</u>	<u>874,799</u>	<u>749,491</u>	<u>32,999,190</u>
Operating income (loss)	<u>(909,666)</u>	<u>(56,785)</u>	<u>616,506</u>	<u>(349,945)</u>
Nonoperating revenues (expenses):				
Interest income	271,749	18,265	34,596	324,610
Interest expense	(2,057,369)	-	(323,541)	(2,380,910)
Bond issuance costs	-	-	(17,860)	(17,860)
Fiscal charges	-	-	(241)	(241)
Gain / (loss) on disposal of assets	-	-	-	-
Other revenue / (expense)	-	-	-	-
Total nonoperating revenues (expenses)	<u>(1,785,620)</u>	<u>18,265</u>	<u>(307,046)</u>	<u>(2,074,401)</u>
Net income (loss)	(2,695,286)	(38,520)	309,460	(2,424,346)
Net assets - beginning of year	<u>74,024,486</u>	<u>2,960,074</u>	<u>2,697,331</u>	<u>79,681,891</u>
Net assets - end of year	<u>\$ 71,329,200</u>	<u>\$ 2,921,554</u>	<u>\$ 3,006,791</u>	<u>\$ 77,257,545</u>

## Note:

(1) For fiscal year ended December 31, 2008.

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, 2009

	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	\$ 27,431,463	\$ 479,799	\$ 1,356,322	\$ 29,267,584
Cash payments to suppliers for goods and services	(14,772,765)	(429,979)	(74,181)	(15,276,925)
Cash payments to employees for services	(12,944,686)	(418,382)	(50,773)	(13,413,841)
Other operating revenues / expenses	1,817,927	337,396	(331,455)	1,823,868
Net cash provided by (used for) operating activities	1,531,939	(31,166)	899,913	2,400,686
Cash flows from capital and related financing activities:				
Other income	-	-	-	-
Acquisition and construction of capital assets	(1,871,274)	-	-	(1,871,274)
Debt issuance less debt principal payments	(2,559,829)	-	(620,000)	(3,179,829)
Debt interest, issuance costs and fiscal charges	(1,902,657)	-	(288,479)	(2,191,136)
Net cash provided by (used for) capital and related financing activities	(6,333,760)	-	(908,479)	(7,242,239)
Cash flows from investing activities:				
Interest on investments	271,629	21,197	33,887	326,713
Net cash provided by (used for) investing activities	271,629	21,197	33,887	326,713
Net increase (decrease) in cash and cash equivalents	(4,530,192)	(9,969)	25,321	(4,514,840)
Cash and cash equivalents - beginning of year	14,703,385	2,083,463	2,462,149	19,248,997
Cash and cash equivalents - end of year	\$ 10,173,193	\$ 2,073,494	\$ 2,487,470	\$ 14,734,157

(Continued)

Notes:

(1) For fiscal year ended December 31, 2008

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	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)	\$ (909,666)	\$ (56,785)	\$ 616,506	\$ (349,945)
Adjustments to reconcile income to net cash provided by (used for) operating activities:				
Depreciation	4,279,950	88,985	169,588	4,538,523
Other income	-	-	-	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,215,801)	1,175	(1,086)	(1,215,712)
(Increase) decrease in grants receivable	-	-	-	-
(Increase) decrease in interest receivable	2,504	-	-	2,504
(Increase) decrease in interfund receivables	(40)	(225)	-	(265)
(Increase) decrease in inventory	(53,519)	-	-	(53,519)
Increase (decrease) in accounts payable	(13,141)	(17,097)	(26,412)	(56,650)
Increase (decrease) in wages and benefits payable	(275,722)	(8,835)	(1,023)	(285,580)
(Increase) decrease in prepaid expenses	28,317	(1,499)	-	26,818
Increase (decrease) in customer deposits	(2,507)	1,120	(1,449)	(2,836)
Increase (decrease) in interfund payables	(308,436)	(35,116)	150,929	(192,623)
Increase (decrease) in deferred revenue	-	(2,889)	(7,140)	(10,029)
Total adjustments	<u>2,441,605</u>	<u>25,619</u>	<u>283,407</u>	<u>2,750,631</u>
Net cash provided by operating activities	\$ <u>1,531,939</u>	\$ <u>(31,166)</u>	\$ <u>899,913</u>	\$ <u>2,400,686</u>

Note:

(1) For fiscal year ended December 31, 2008.

**EXHIBIT B-8**

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

June 30, 2009

	Pension and Other Employee Benefit Trust Funds (1)	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,068,850	\$ 2,286,019
Receivables:		
Investment sales	-	-
Accrued interest and dividends	1,867,150	6
Other	5,260	149,664
Prepaid expenses	135,956	-
Due from other funds	-	12,581
Investments, at fair value:		
Securities lending short-term collateral investment pool	36,365,480	-
Short-term cash management funds	25,124,134	-
Certificates of deposit	3,643,354	-
U.S. government obligations	25,478,232	-
U.S. government agencies' notes and debentures	33,904,370	-
Corporate and other bonds and securities	77,847,569	-
Fixed income mutual funds	5,058,496	-
Equities	142,041,225	-
Equity mutual funds	40,189,668	-
Real estate investment trusts	4,306,067	-
Private equity	2,489,608	-
Hedge funds	3,081,687	-
Distressed debt recovery fund	1,217,839	-
Mezzanine debt financing	1,143,971	-
Total investments	401,891,700	-
Total assets	404,968,916	2,448,270
<b>Liabilities</b>		
Accounts payable	2,919,955	17,271
Investment purchases	388,709	-
Due broker under securities lending agreement	37,050,593	-
Due to other funds	6,626,279	158,936
Accrued medical claims	916,918	-
Deposits and escrows	-	1,383,778
Due to other governmental units	-	888,285
Total liabilities	47,902,454	\$ 2,448,270
<b>Net assets</b>		
Held in trust for pension and other employee benefits	\$ 357,066,462	

Note:

(1) Fiscal year ended December 31, 2008.

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, 2009

	<u>Pension and Other Employee Benefit Trust Funds (1)</u>
<b>Additions:</b>	
Contributions:	
Employee contributions	\$ 612,043
Employer contributions	30,446,951
Employer contributions made on behalf of employees	<u>1,094,806</u>
Total contributions	<u>32,153,800</u>
Investment activity:	
Net appreciation/(depreciation) in fair value of investments	(136,392,176)
Interest and dividend income	<u>13,859,774</u>
	(122,532,402)
Less investment expense	<u>(2,113,823)</u>
Net investment gain/(loss)	<u>(124,646,225)</u>
Securities lending income:	
Interest and fees	1,714,138
Less borrower rebates and bank fees	(1,184,519)
Recognition of impaired asset	<u>(865,021)</u>
Net securities lending income	<u>(335,402)</u>
Miscellaneous income	<u>24,829</u>
Total additions	<u>(92,802,998)</u>
<b>Deductions:</b>	
Retirees' pension benefits	32,978,804
Retirees' health insurance	14,145,699
Refunds and withdrawals of contributions	1,694,512
Incentive bonuses	10,000
Administrative expense	<u>727,375</u>
Total deductions	<u>49,556,390</u>
Net increase (decrease)	(142,359,388)
Net assets held in trust for pension and other employee benefits:	
Beginning of year	<u>499,425,850</u>
End of year	<u>\$ 357,066,462</u>

Note:

(1) Fiscal year ended December 31, 2008.

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, 2009

**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 due to either the Authority existing for the exclusive benefit of the City itself or due to the degree of City Council oversight in adopting the Authority's plan, approving the issuance and repayment of debt, or in cases adopting the Authority's annual operating budget.

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, 2009

**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.

The **Brownfield Redevelopment Authority** was established pursuant to Act 381 of the Public Acts of Michigan, 1996, as amended. The Act allows municipalities to establish the Authority, adopt brownfield redevelopment financing plans, and capture incremental local and school property taxes from redeveloped properties to pay for the environmental costs associated with those properties. The Act as amended in 2000 expanded the definition of brownfield properties to include not only contaminated but also blighted or functionally obsolete properties and also expanded eligible activities to include infrastructure improvements, demolition, lead and asbestos abatement as well site preparation.

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

<u>Building Authority</u>	<u>Downtown Development Authority &amp; Tax Increment Finance Authority</u>	<u>Brownfield Redevelopment Authority</u>
Council Office 5460 Arden Warren, MI 48092	Mayor's Office One City Square, Suite 215 Warren, MI 48093-6726	Planning Department One City Square, Suite 315 Warren, MI 48093-5283

**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 operations 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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4. BASIS OF ACCOUNTING (continued)**

**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.

**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 collected within the current fiscal year is considered as revenue 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, 2009

**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. 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, 2009

**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 37<sup>th</sup> 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 2009 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, 2009, there were no budgetary centers in excess of the approved budget.

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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 and 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>
<b>General City (excluding Water and Sewer System)</b>	\$ 3,077,742	\$ 3,250,000	\$ 6,327,742
Plus outstanding checks	946,254	-	946,254
Less deposits in transit	<u>( 27,130)</u>	<u>-</u>	<u>( 27,130)</u>
	<u>\$ 3,996,866</u>	<u>\$ 3,250,000</u>	<u>\$ 7,246,866</u>
FDIC insured	652,940	500,000	1,152,940
Uninsured and uncollateralized	3,343,926	2,750,000	6,093,926
<b>Water and Sewer System (as of December 31, 2008)</b>	\$ 302,390	\$ 100,000	\$ 402,390
Plus outstanding checks	193,489	-	193,489
Less deposits in transit	<u>( 330,872)</u>	<u>-</u>	<u>( 330,872)</u>
	<u>\$ 165,007</u>	<u>\$ 100,000</u>	<u>\$ 265,007</u>
FDIC insured (1)	-	-	-
Uninsured and uncollateralized	165,007	100,000	265,007
<b>Building Authority</b>	\$ 1,220,571	\$ 1,722,207	\$ 2,942,778
Plus outstanding checks	<u>10,701</u>	<u>-</u>	<u>10,701</u>
	<u>\$ 1,231,272</u>	<u>\$ 1,722,207</u>	<u>\$ 2,953,479</u>
FDIC insured	250,766	250,000	500,766
Uninsured and uncollateralized	980,506	1,472,207	2,452,713
<b>Tax Increment Finance Authority</b>	\$ 621	\$ -	\$ 621
Plus outstanding checks	<u>127,175</u>	<u>-</u>	<u>127,175</u>
	<u>\$ 127,796</u>	<u>\$ -</u>	<u>\$ 127,796</u>
FDIC insured	127,796	-	127,796
Uninsured and uncollateralized	-	-	-
<b>Downtown Development Authority</b>	\$ 8,521,621	\$ 1,754,262	\$ 10,275,883
Plus outstanding checks	<u>1,293</u>	<u>-</u>	<u>1,293</u>
	<u>\$ 8,522,914</u>	<u>\$ 1,754,262</u>	<u>\$ 10,277,176</u>
FDIC insured	258,139	250,000	508,139
Uninsured and uncollateralized	8,264,775	1,504,262	9,769,037

(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, 2009

**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:

	<u>Amount Invested</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Weighted Ave. Maturity</u>
<b>General City (excluding Water and Sewer System):</b>				
JPMorgan Chase – Michigan Governmental MMF	\$ 18,724,977	Moody's Aaa	Yes	Not Applicable
Banc of America–Fidelity Instl Cash Portfolio Govt CI	5,124,242	Moody's Aaa	Yes	Not Applicable
National City – Municipal Investment Fund	241,000	Not Rated	No	45 days
Huntington Bank – Automated Funds Investment	8,385,543	Not Rated	No	Not Available
MBIA – Michigan Class	186,812	S&P AAA	Yes	Not Applicable
Comerica – Government Cash Investment Fund	<u>21,018,722</u>	Not Rated	Yes	Not Applicable
	<u>\$ 53,681,296</u>			
<b>Water and Sewer System (as of December 31, 2008):</b>				
Comerica – Government Cash Investment Fund	\$ 9,729,153	Not rated	Yes	Not Applicable
National City – Municipal Investment Fund	<u>41,000</u>	Not rated	No	45 days
	<u>\$ 9,770,153</u>			
<b>Building Authority:</b>				
Comerica – Government Cash Investment Fund	\$ 3,182	Not Rated	Yes	Not Applicable
<b>Tax Increment Finance Authority:</b>				
Comerica – Government Cash Investment Fund	\$ 1,446,799	Not Rated	Yes	Not Applicable
<b>Downtown Development Authority:</b>				
JPMorgan Chase – Michigan Governmental MMF	\$ 31,063	Moody's Aaa	Yes	Not Applicable
Fifth Third Institutional Money Market Trust	<u>1,343,322</u>	S&P AAA	Yes	Not Applicable
	<u>\$ 1,374,385</u>			

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

	<u>Fair value</u>	<u>Credit Rating</u>	<u>Maturity</u>
<b>General City:</b>			
United States Treasury Bills	\$ 19,999,300	US Government	28 days
<b>Downtown Development Authority:</b>			
Federal National Mortgage Association Note	\$ 352,450	US Govt Agency	180 days

*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. None of the City's investments were subject to concentration risk disclosure.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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, 2008 was 65 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's cost and the fair value of the underlying securities on loan for the System as of December 31, 2008 was \$4,361,799 and \$4,209,238 respectively.

*Custodial credit risk for deposits.* Cash balances, without recognizing checks issued but not cashed, at December 31, 2008, excluding impress funds, were \$24,840. All deposits were covered by the Federal Deposit Insurance Corporation.

*Custodial credit risk for investments.* At December 31, 2008, 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.

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>Fair Value</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Ave. Weighted Maturity</u>
Comerica Short-term Fund Series C	\$ 8,926,777	Not Rated	Yes	Not applicable
Government Agency Repurchase Agreement	<u>1,001,115</u>	Not Rated	No	Overnight
	<u>\$ 9,927,892</u>			

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS (continued)**

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

<u>Credit Ratings:</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. government	\$ 4,637,713	9.41%
U.S. government agencies	6,895,600	14.00%
Other debt securities as rated by Standard & Poors:		
AAA	6,817,864	13.84%
AA+	257,943	0.52%
AA	920,948	1.87%
AA-	3,574,725	7.26%
A+	8,692,744	17.65%
A	10,680,751	21.68%
A-	4,465,945	9.07%
BBB+	200,796	0.41%
BBB	960,180	1.95%
BBB-	529,690	1.08%
BB-	59,150	0.12%
B+	185,212	0.38%
B-	128,645	0.26%
CCC	213,657	0.43%
Not rated	<u>41,162</u>	<u>0.07%</u>
	<u>\$ 49,262,725</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>&gt; 15 Years</u>
U.S. government	\$ 518,145	\$ 3,259,222	\$ 860,346
U.S. government agencies	3,400,831	3,402,614	92,155
Other debt securities	<u>15,643,573</u>	<u>16,910,275</u>	<u>5,175,564</u>
	<u>\$ 19,562,549</u>	<u>\$ 23,572,111</u>	<u>\$ 6,128,065</u>
	39.71%	47.85%	12.44%

*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, 2008, only United States currency was received as collateral.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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. However, the System did recognize a loss of approximately \$685,000 during the year as a result of the decline in values of loaned securities.

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, 2008 was 12 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, 2008, 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, 2008 was \$32,688,794 and \$31,777,771, respectively.

*Custodial credit risk for deposits.* The System does not have a deposit policy for custodial credit risk. At December 31, 2008, the Police and Fire Retirement System had deposits of \$1,053,222, of which \$500,000 is 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; only those with an acceptable estimated risk level are used as depositories.

*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, 2007, the credit quality ratings of debt securities, other than the U.S. government, are as follows:

<u>Credit Ratings:</u> (as rated by S&P):	<u>Fair Value</u>
AAA	\$ 32,853,000
AA	2,417,000
A	19,296,000
BBB	9,557,000
BB	44,000
CCC	33,000
Not rated	27,330,000

*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, 2008, the average maturities of investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 5 yrs</u>	<u>6 – 10 yrs</u>	<u>More than 10</u>
Asset backed	\$ 1,607,734	\$ -	\$ 502,521	\$ 187,853	\$ 917,360
Corporate - Bonds	27,756,779	934,263	12,201,259	10,910,530	3,710,727
Corporate – CMO	1,339,997	82,732	-	61,911	1,195,354
Corp.– Private placement	1,029,660	31,485	631,530	3,714	362,931
Foreign – Bonds	3,229,922	22,032	1,214,102	1,414,313	579,475
Foreign – Gov't	5,516	-	5,516	-	-
Municipal – Bonds	10,198	-	10,198	-	-
U.S. Gov't – Agency	8,636,735	-	6,245,021	2,391,714	-
U.S. Gov't – CMO	198,417	-	-	-	198,417
U.S. Gov't – Mortgage backed	14,951,400	-	-	87,908	14,863,492
U.S Gov't – Other	2,167,315	-	-	-	2,167,315
U.S. Gov't – TIPS	435,870	-	100,822	335,048	-
U.S. Gov't – Notes and bonds	20,958,705	-	11,733,514	4,478,516	4,746,675

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS (continued)**

*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:

<u>Security</u>	<u>Foreign Currency</u>	<u>Fair Value</u>
Foreign stocks	Euro	\$ 6,787,371
	Swiss franc	2,200,929
	Yen	4,629,826
	UK pound	2,942,514
	Hong Kong dollar	2,103,537
	Israeli shekel	220,893
	Norwegian krone	153,684
	Swedish krona	291,174

**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 Plan and Trust does not have a deposit policy for custodial credit risk. At December 31, 2008, the Plan and Trust had certificates of deposit of \$3,643,354, of which \$500,000 was covered by federal depository insurance. The Plan and 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 Plan and Trust evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those with an acceptable estimated risk level are used as depositories.

*Credit risk.* State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan and Trust has no investment policy that would further limit its investment choices. As of December 31, 2008, the credit quality ratings of debt securities are as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Rating Organization</u>
Index funds	BAA through AAA	\$ 2,593,547	Moody's
Short-term cash management	Aaa	2,106,982	Moody's

*Interest rate risk.* The Plan and 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, 2008, the average maturity of the bond index funds, valued at \$2,593,547, was 5.40 years.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS (continued)**

**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 December 31, 2008.

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>Fair Value</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	\$ 3,869,050	S&P AAAM	Yes	Not Applicable

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

<u>Credit Rating</u>	<u>Fair Value</u>	<u>Percentage</u>	<u>Segmented Time Distribution</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. government agencies	\$ 987,493	15.39%	0 - 5 years	\$ 3,366,336	52.46%
Other debt securities as rated by Standard & Poors:			5-10 years	2,329,260	36.30%
AAA	971,636	15.14%	> 10 years	<u>721,124</u>	<u>11.24%</u>
AA+	101,154	1.58%		<u>\$ 6,416,720</u>	<u>100.00%</u>
AA	167,487	2.61%			
AA-	501,575	7.82%			
A+	1,280,638	19.96%			
A	1,416,314	22.07%			
A-	576,607	8.99%			
BBB+	<u>413,816</u>	<u>6.44%</u>			
	<u>\$ 6,416,720</u>	<u>100.00%</u>			

**City Employees' QEBA Trust:**

There were no outstanding deposits at December 31, 2007.

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>Fair Value</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	\$ 9,630	S&P AAAM	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, 2009

**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>
2002	\$ 179,205	\$ 141,662	\$ 34,872	\$ 2,671
2003	219,011	173,661	45,350	-
2004	259,233	205,754	53,479	-
2005	114,978	87,971	27,007	-
2006	146,029	113,466	32,563	-
2007	160,432	126,339	34,093	-
2008	<u>482,747</u>	<u>388,384</u>	<u>94,363</u>	<u>-</u>
	1,561,635	1,237,237	321,727	2,671
Less: Allowance for Uncollectible Taxes	<u>( 439,295)</u>	<u>( 431,191)</u>	<u>( 5,433)</u>	<u>( 2,671)</u>
	<u>\$ 1,122,340</u>	<u>\$ 806,046</u>	<u>\$ 316,294</u>	<u>\$ -</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. Approximately \$662,000 of delinquent taxes remains to be stricken as of June 30, 2009. 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 \$6,291,810 notes outstanding at June 30, 2009 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, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**2. RECEIVABLES (continued)**

	<u>Amount Receivable</u>		<u>Amount Payable</u>
<b><u>Governmental Funds:</u></b>		<b><u>Governmental Funds:</u></b>	
General Fund:		Michigan Transportation – Major Roads:	
Due from other Governmental Funds:		Due to other Governmental Funds:	
Michigan Transportation - Major Roads	\$ 41,442	General Fund	\$ 41,442
Michigan Transportation - Local Roads	25,173	Michigan Transportation – Local Roads:	
Community Development Block Grant	53,059	Due to other Governmental Funds:	
HOME Investment Partnership	9,809	General Fund	25,173
H.O.P.W.A.	7,116	Community Development Block Grant:	
Neighborhood Stabilization Program	39,996	Due to other Governmental Funds:	
D.D.A. Administration Fund	435,237	General Fund	53,059
Tax Increment Finance Authority	6,907	HOME Investment Partnership:	
Due from Proprietary Funds:		Due to other Governmental Funds:	
Senior Housing – Stilwell Manor	23,482	General Fund	9,809
Senior Housing – Jos. Coach Manor	277,236	Community Development Block Grant	10,575
Water and Sewer System (1)	2,210,264		<u>20,384</u>
Due from Fiduciary and Agency Funds:		H.O.P.W.A.:	
Fire Insurance Withholding	8	Due to other Governmental Funds:	
Payroll Revolving Fund	152,687	General Fund	7,116
City Employees' Retirement System (1)	124,474	Community Development Block Grant	351
Police and Fire Retirement System (1)	138,143		<u>7,467</u>
City Employees' VEBA Trust (1)	4,166,480	Neighborhood Stabilization Program:	
Police and Fire VEBA Trust (1)	4,090,918	Due to other Governmental Funds:	
	<u>11,802,431</u>	General Fund	39,996
Community Development Block Grant:		Community Development Block Grant	4,352
Due from other Governmental Funds:			<u>44,348</u>
HOME Investment Partnership	10,575	D.D.A. Administration Fund:	
H.O.P.W.A.	351	Due to other Governmental Funds:	
Neighborhood Stabilization Program	4,352	General Fund	435,237
	<u>15,278</u>	Capital Imp. Bonds Series 2006 Construction:	
D.D.A. Administration Fund:		Due to Proprietary Funds:	
Due from Fiduciary and Agency Funds:		Water and Sewer System (1):	1,079,195
Tax Collection Fund	2,945	Capital Imp. Bonds Series 2008 Construction:	
2008 Capital Imp. Debt Retirement – Roads:		Due to other Governmental Funds:	
Due from other Governmental Funds:		2008 Capital Imp Debt Retirement – Roads	8,640
Capital Imp. Bonds Series 2008 Construction	8,640	2008 Capital Imp Debt Retirement – Sidewalks	4,960
2008 Capital Imp. Debt Retirement - Sidewalks:			<u>13,600</u>
Due from other Governmental Funds:		Building Authority Series 2002 Construction:	
Capital Imp. Bonds Series 2008 Construction	4,960	Due to Proprietary Funds:	
Building Authority Series 2005 Debt Retirement:		Water and Sewer System (1)	877
Due from other Governmental Funds:		Building Authority Series 2005 construction Fund:	
Building Authority Series 2005 Construction	14,657	Due to other Governmental Funds:	
		Building Authority Series 2005 Debt Retirement	14,657
Total Governmental Funds	<u>11,848,911</u>	Tax Increment Finance Authority:	
		Due to other Governmental Funds:	
		General Fund	6,907
			<u>6,907</u>
		Total Governmental Funds	<u>1,742,346</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	
		Due to Governmental Funds:	
		General Fund	23,482
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	277,236
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	225
			<u>277,461</u>
		Total Proprietary Funds	<u>1,604,239</u>
		<b><u>Proprietary Funds:</u></b>	
		Water and Sewer System (1)	
		Due to Governmental Funds:	
		General Fund	1,303,296
		Senior Citizen Housing – Stilwell Manor:	

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**2. RECEIVABLES (continued)**

	Amount Receivable		Amount Payable
<b><u>Fiduciary and Agency Funds:</u></b>		<b><u>Fiduciary and Agency Funds:</u></b>	
Payroll Revolving Fund:		Police and Fire Retirement System (1):	
Due from other Fiduciary and Agency Funds:		Due to Governmental Funds:	
City Employees' Retirement System (1)	\$ <u>12,581</u>	General Fund	\$ 132,963
		City Employees' Retirement System (1):	
		Due to Governmental Funds:	
		General Fund	124,457
		Due to Proprietary Funds:	
		Water and Sewer System (1)	<u>4,487</u>
			<u>128,944</u>
		Police and Fire VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	3,597,343
		City Employees' VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	2,767,029
		Payroll Revolving Fund:	
		Due to Governmental Funds:	
		General Fund	152,687
		Due to other Fiduciary and Agency Funds:	
		Police and Fire Retirement System (1):	2,077
		City Employees' VEBA Trust (1)	873
		Police and Fire VEBA Trust (1)	<u>346</u>
			<u>155,983</u>
		Tax Collection Fund:	
		Due to Governmental Funds:	
		Downtown Development Authority	2,945
		Fire Insurance Withholding Fund:	
		Due to Governmental Funds:	
		General Fund	<u>8</u>
Total Fiduciary and Agency Funds	<u>12,581</u>	Total Fiduciary and Agency Funds	<u>6,785,215</u>
Total – due from other funds	12,948,467	Total – due to other funds	10,131,800
(1) Denotes fiscal year ending		(1) Denotes fiscal year ending	
December 31, 2008	<u>( 11,829,610)</u>	December 31, 2008	<u>( 9,012,943)</u>
	<u>\$ 1,118,857</u>		<u>\$ 1,118,857</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:

<u>TRANSFERS FROM:</u>	<u>TRANSFERS TO</u>					<u>Total</u>
	<u>Governmental Funds</u>					
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Proprietary Funds (1)</u>	
General Fund	\$ -	\$ 203,416	\$ 956,855	\$ -	\$ 78,132	\$ 1,238,403
Special Revenue	-	1,650,000	7,752,680	-	78,132	9,480,812
Capital Projects	<u>-</u>	<u>-</u>	<u>483,274</u>	<u>111,416</u>	<u>96,828</u>	<u>691,518</u>
	<u>\$ -</u>	<u>\$ 1,853,416</u>	<u>\$ 9,192,809</u>	<u>\$ 111,416</u>	<u>\$ 253,092</u>	<u>\$ 11,410,733</u>

(1) Fiscal year ended December 31, 2008.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Governmental activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 25,079,168	\$ 3,375	\$ -	\$ 25,082,543
Construction in progress	<u>1,971,198</u>	<u>1,080,217</u>	<u>982,815</u>	<u>2,068,600</u>
Total capital assets not being depreciated	<u>27,050,366</u>	<u>1,083,592</u>	<u>982,815</u>	<u>27,151,143</u>
Capital assets being depreciated:				
Infrastructure	132,753,104	831,570	-	133,584,674
Land Improvements	8,801,639	517,162	-	9,318,801
Buildings	88,548,247	210,812	-	88,759,059
Machinery and equipment	<u>40,881,629</u>	<u>3,583,595</u>	<u>1,701,053</u>	<u>42,764,171</u>
Total capital assets being depreciated	270,984,619	5,143,139	1,701,053	274,426,705
Less accumulated depreciation for:				
Infrastructure	( 97,282,422)	( 1,963,237)	( -)	( 99,245,659)
Land improvements	( 5,251,714)	( 460,679)	( -)	( 5,712,393)
Buildings	( 21,331,693)	( 2,978,110)	( -)	( 24,309,803)
Machinery and equipment	<u>( 21,968,046)</u>	<u>( 2,968,454)</u>	<u>( 1,457,822)</u>	<u>( 23,478,678)</u>
Total accumulated depreciation	<u>( 145,833,875)</u>	<u>( 8,370,480)</u>	<u>( 1,457,822)</u>	<u>( 152,746,533)</u>
Total capital assets, being depreciated, net	<u>125,150,744</u>	<u>( 3,227,341)</u>	<u>243,231</u>	<u>121,680,172</u>
Governmental activities capital assets, net	<u>\$ 152,201,110</u>	<u>\$( 2,143,749)</u>	<u>\$ 1,226,046</u>	<u>\$ 148,831,315</u>
<b><u>Business-type activities:</u></b>				
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	75,500,490	533,482	-	76,033,972
Utility system	112,664,297	1,883,769	64,795	114,483,271
Machinery and equipment	<u>13,652,998</u>	<u>271,761</u>	<u>-</u>	<u>13,924,759</u>
Total capital assets being depreciated	201,817,785	2,689,012	64,795	204,442,002
Less accumulated depreciation for:				
Buildings	( 24,096,391)	( 1,812,277)	-	( 25,908,668)
Utility system	( 50,908,063)	( 2,329,092)	( 64,795)	( 53,172,360)
Machinery and equipment	<u>( 12,498,515)</u>	<u>( 397,154)</u>	<u>-</u>	<u>( 12,895,669)</u>
Total accumulated depreciation	<u>( 87,502,969)</u>	<u>( 4,538,523)</u>	<u>( 64,795)</u>	<u>( 91,976,697)</u>
Total capital assets, being depreciated, net	<u>114,314,816</u>	<u>( 1,849,511)</u>	<u>-</u>	<u>112,465,305</u>
Business-type activities capital assets, net	<u>\$ 115,141,679</u>	<u>\$( 1,849,511)</u>	<u>\$ -</u>	<u>\$ 113,292,168</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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	\$ 178,210
Public safety	1,681,736
City development	38,452
Highways and streets	1,927,911
Recreation and culture	1,876,960
Sanitation	339,027
Economic development	<u>2,328,184</u>
Total depreciation expense – governmental activities	<u>\$ 8,370,480</u>
Business-type activities:	
Water and sewer system	\$ 4,279,950
Senior citizen housing	<u>258,573</u>
Total depreciation expense – business-type activities	<u>\$ 4,538,523</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, 2009.

**Operating Leases**

The City has a 24-month automobile lease agreement outstanding at June 30, 2009 that will expire in fiscal year 2010. The City exercised a single-payment option on this lease at inception. Accordingly, the lease expenditure was recorded in the year of origination and no expenditures will be chargeable to future periods.

The City has also entered into a 3-year operating lease agreement for exercise equipment at the Warren Community Center. Annual payments are \$12,104 per year. The future minimum lease payments for this lease are as follows:

FY 2010	\$ 12,104
FY 2011	<u>12,104</u>
Total	<u>\$ 24,208</u>

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>Governmental activities:</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
DPW Garage	07/01/12	<u>\$ 1,206,976</u>	<u>\$ 862,701</u>	<u>\$ 344,275</u>	<u>\$ 91,208</u>
		<u>\$ 1,206,976</u>	<u>\$ 862,701</u>	<u>\$ 344,275</u>	<u>\$ 91,208</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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 \$165,000 to \$1,688,788 a year, and are due serially through fiscal year 2029 with annual interest rates ranging from 2.90% to 6.500%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
MTF, Series 1997	06/01/12	\$ 4,500,000	\$ 3,300,000	\$ 1,200,000	\$ 380,000
MTF, Series 2000	06/01/16	5,165,000	1,700,000	3,465,000	465,000
MTF, Series 2003	06/01/18	5,500,000	1,000,000	4,500,000	500,000
Capital Improvement, Series 2006	09/01/26	5,409,304	71,837	5,337,467	35,918
Capital Improvement, Series 2008	09/01/28	<u>3,241,199</u>	<u>-</u>	<u>3,241,199</u>	<u>161,033</u>
		<u>\$ 23,815,503</u>	<u>\$ 6,071,837</u>	<u>\$ 17,743,666</u>	<u>\$ 1,541,951</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%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities (1):</u>					
Revenue Bonds:					
Refunding Series 1999	05/01/16	\$ 12,000,000	\$ 3,995,000	\$ 8,005,000	\$ 930,000
Series 1999	11/01/11	11,400,000	11,250,000	150,000	50,000
Series 2000	11/01/11	13,750,000	11,950,000	1,800,000	575,000
Refunding Series 2005	11/01/26	21,675,000	725,000	20,950,000	125,000
Capital Improvement Bonds:					
Series 2003	06/01/23	1,280,543	235,543	1,045,000	55,000
SRF, Series 5134-01	10/01/24	4,750,000	770,000	3,980,000	205,000
SRF, Series 5134-02	04/01/26	6,465,000	530,000	5,935,000	275,000
SRF, Series 5134-03	10/01/24	1,147,091	205,000	942,091	55,000
SRF, Series 5134-04	04/01/26	8,200,000	705,000	7,495,000	360,000
Series 2006	09/01/26	<u>2,120,696</u>	<u>28,163</u>	<u>2,092,533</u>	<u>14,082</u>
		<u>\$ 82,788,330</u>	<u>\$ 30,393,706</u>	<u>\$ 52,394,624</u>	<u>\$ 2,644,082</u>

(1) For fiscal year ended December 31, 2008

**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 \$230,000 to \$250,000 a year, and are due serially through fiscal year 2011, with an annual interest rate of 5.00%.

	<u>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	\$ 230,000
Refunding Series 1999	10/01/08	<u>1,390,000</u>	<u>1,390,000</u>	<u>-</u>	<u>-</u>
		<u>\$ 3,590,000</u>	<u>\$ 3,110,000</u>	<u>\$ 480,000</u>	<u>\$ 230,000</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**5. LONG-TERM DEBT (continued)**

**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 agree 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 3.50% to 4.70%. The Senior Housing Refunding Bonds, Series 2004 has principal maturities ranging from \$610,000 to \$1,075,000 a year, and are due serially through the fiscal year ended June 30, 2017 with annual interest rates ranging from 3.375% to 5.250%.

	<u>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	\$ 12,225,000	\$ 775,000	\$ 375,000
Series 2002, Multi-purpose	11/01/09	2,858,720	2,401,325	457,395	457,395
Series 2005, Multi-purpose	06/01/15	5,180,000	1,825,000	3,355,000	500,000
Series 2005, WCC refunding	11/01/26	10,835,000	340,000	10,495,000	65,000
<u>Business-type activities:</u>					
Senior Housing - Refunding Series 2004	11/01/16	8,930,000	2,375,000	6,555,000	625,000
Water and Sewer System (1)- Series 2002, Multi-purpose	11/01/09	<u>266,280</u>	<u>223,675</u>	<u>42,605</u>	<u>42,605</u>
		<u>\$ 41,070,000</u>	<u>\$ 19,390,000</u>	<u>\$ 21,680,000</u>	<u>\$ 2,065,000</u>

(1) For fiscal year ended December 31, 2008.

**Sidewalk Replacement Bonds** are comprised of bonds issued to finance various sidewalk and drive approach improvements and paving projects 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. 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 \$34,397 to \$543,967 a year, and are due serially through fiscal year 2024 with annual interest rates ranging from 3.50% to 6.00%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Capital Improvement Bonds - Series 2005	06/01/15	\$ 1,835,000	\$ 650,000	\$ 1,185,000	\$ 175,000
Series 2008	09/01/23	<u>2,063,801</u>	<u>-</u>	<u>2,063,801</u>	<u>343,967</u>
		<u>\$ 3,898,801</u>	<u>\$ 650,000</u>	<u>\$ 3,248,801</u>	<u>\$ 518,967</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**C. DETAILED NOTES ON ALL FUNDS**

**5. LONG-TERM DEBT (continued)**

**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 \$1,250,000 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>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	\$ 1,500,000	\$ 18,500,000	\$ 500,000
Series 2003	10/01/26	20,000,000	1,000,000	19,000,000	500,000
Series 2004	10/01/27	20,000,000	500,000	19,500,000	500,000
Series 2005	10/01/28	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>	<u>250,000</u>
		<u>\$ 75,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 72,000,000</u>	<u>\$ 1,750,000</u>

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

Year Ended <u>June 30</u>	<u>Governmental activities</u>		<u>Business-type activities (Senior Citizen Housing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,529,522	\$ 4,691,931	\$ 625,000	\$ 267,616
2011	5,227,681	4,476,100	620,000	246,219
2012	5,125,411	4,265,889	610,000	223,931
2013	4,706,404	4,054,501	705,000	198,834
2014	5,042,694	3,855,446	895,000	167,275
2015 - 2019	25,885,713	15,969,262	3,100,000	241,313
2020 - 2024	33,627,203	9,325,803	-	-
2025 - 2029	<u>23,754,509</u>	<u>2,036,169</u>	<u>-</u>	<u>-</u>
	<u>\$ 108,899,137</u>	<u>\$ 48,675,101</u>	<u>\$ 6,555,000</u>	<u>\$ 1,345,188</u>

Year Ended <u>December 31</u>	<u>Business-type activities (Water and Sewer System)</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,686,686	\$ 1,798,228
2010	2,739,082	1,699,574
2011	2,872,245	1,598,158
2012	2,992,245	1,489,840
2013	3,137,306	1,385,073
2014 - 2018	16,899,287	5,249,397
2019 - 2023	15,312,797	2,349,831
2024 - 2026	<u>5,797,581</u>	<u>328,617</u>
	<u>\$ 52,437,229</u>	<u>\$ 15,898,718</u>
	<u>\$ 108,899,137</u>	<u>\$ 48,675,101</u>
	<u>\$ 58,992,229</u>	<u>\$ 17,243,906</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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, 2008.

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 January 1, 1984
	140 days	After January 1, 1984
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, 2008.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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
<b>Governmental activities:</b>						
General government	\$ 1,542,429	\$( 28,321)	\$ 1,514,108	\$ 238,964	\$ 5,065	\$ 244,029
Public safety	11,063,797	37,488	11,101,285	1,596,701	142,600	1,739,301
City development	499,563	( 165,308)	334,255	97,102	( 9,979)	87,123
Highways and streets	369,532	( 18,539)	350,993	53,329	1,029	54,358
Recreation and culture	596,934	43,816	640,750	109,741	427	110,168
Sanitation	146,822	( 45,440)	101,382	32,349	10,407	42,756
Economic development	5,309	4,938	10,247	6,120	( 1,007)	5,113
Community development	25,938	5,136	31,074	2,221	837	3,058
	<u>14,250,324</u>	<u>( 166,230)</u>	<u>14,084,094</u>	<u>2,136,527</u>	<u>149,379</u>	<u>2,285,906</u>
<b>Business-type activities:</b>						
Water and Sewer System	1,468,846	18,584	1,487,430	166,798	( 27,680)	139,118
Senior Citizen Housing	26,648	( 8,840)	17,808	10,656	( 1,772)	8,884
	<u>1,495,494</u>	<u>9,744</u>	<u>1,505,238</u>	<u>177,454</u>	<u>( 29,452)</u>	<u>148,002</u>
	<u>\$ 15,745,818</u>	<u>\$( 156,486)</u>	<u>\$ 15,589,332</u>	<u>\$ 2,313,981</u>	<u>\$ 119,927</u>	<u>\$ 2,433,908</u>

**7. CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Road Construction Bonds	\$ 15,798,385	\$ 3,241,199	\$ 1,295,918	\$ 17,743,666	\$ 1,541,952
Building Authority Bonds	16,451,921	-	1,369,526	15,082,395	1,397,395
T.I.F.A. Bonds	640,000	-	160,000	480,000	230,000
Sidewalk Replacement Bonds	1,360,000	2,063,801	175,000	3,248,801	518,967
D.D.A. Bonds	73,500,000	-	1,500,000	72,000,000	1,750,000
Land Contract Payable	430,248	-	85,973	344,275	91,208
Accrued insurance claims	10,282,720	3,636,901	3,203,067	10,716,554	-
Compensated absences	14,250,324	-	166,230	14,084,094	-
Compensatory time	2,136,527	149,379	-	2,285,906	-
Governmental activity long-term liabilities	<u>\$ 134,850,125</u>	<u>\$ 9,091,280</u>	<u>\$ 7,955,714</u>	<u>\$ 135,985,691</u>	<u>\$ 5,529,522</u>
<b>Business-type activities:</b>					
Water and Sewer Bonds	\$ 54,924,245	-	2,529,620	52,394,625	2,644,082
Building Authority Bonds	7,258,079	-	660,474	6,597,605	667,605
Compensated absences	1,495,494	9,744	-	1,505,238	-
Compensatory time	177,454	-	29,452	148,002	-
Business-type activity long-term liabilities	<u>\$ 63,855,272</u>	<u>\$ 9,744</u>	<u>\$ 3,219,546</u>	<u>\$ 60,645,470</u>	<u>\$ 3,311,687</u>

(1) Amount "due within one year" is not determinable.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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, 2009</u>
South Macomb Disposal Authority - Solid Waste Bonds, Series 2000	\$ 7,644,000	\$ 7,217,847

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, 2009</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, 2008</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	Public safety grants	\$ 163,217
	Foreclosure grant	152,000
Special Revenue Funds:		
Recreation	Prepaid rent	2,000
Community Development Block Grant	Grant / Loans	6,985,159
C.D.B.G. – Recovery	Grant	229,180
HOME Investment Partnership	Grant / Loans	1,817,329
H.O.P.W.A.	Grant	504,450
Neighborhood Stabilization Program	Grant	5,784,999
Communications	Foreclosure grant	20,000
Capital Projects Funds:		
Special Assessment Construction Funds	Special assessments	<u>2,649,539</u>
		<u>\$ 18,307,873</u>

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**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. 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*. 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, 2009, the legal debt limit exceeded net bonded indebtedness by \$580,925,774.

**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 City Employees' Retirement Health, Life and Disability Benefits Plan and Trust is a single-employer public employee' Voluntary Employee Benefit Association (VEBA) Trust administered by the City of Warren Employees' Retirement System Board of Trustees.

The Trust is created for the exclusive purpose of funding 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. At December 31, 2006, the date of the most recent valuation, the plan consisted of 438 active participants, 528 retired participants and 37 inactive vested participants.

The plan issues a publicly available financial report that 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 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. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Gains and losses on sales and exchanges are recorded on the trade date. Interest on fixed income securities is recorded as earned with no amortization of premiums or discounts.

*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. Contributions to the plan represent 27.13% of covered payroll for the period of January 1, 2008 through June 30, 2008 and 33.50% of covered payroll for the period of July 1, 2008 through December 31, 2008 in accordance with actuarial valuations of December 31, 2004 and December 31, 2006, respectively. Administrative costs of the Plan are financed through investment earnings. Actuarial valuations are performed bi-annually.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**1. POST-EMPLOYMENT HEALTH BENEFITS (continued):**

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

*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)
12/31/06	\$16,229,489	\$161,270,365	\$145,040,876	10.06%	\$27,490,701	527.60%

For the fiscal year ended December 31, 2008 contributions to the plan totaled \$8,461,778 and post-employment health benefits totaled \$7,052,372. For the current year and the preceding two years, the plan's Other Post-Employment Benefits (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$8,461,778	100.00%	\$ -
12/31/2007 (1)	3,842,163	100.00	-
06/30/2007	7,140,097	100.00	-
06/30/2006	6,570,757	100.00	-

(1) Change in fiscal year end to January 1 – December 31. Represents six month period ending December 31, 2007.

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-36. These schedules report multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits and also report amounts contributed to the Plan in comparison to the Annual Required Contribution (ARC).

**Police and Fire Retirement Health Benefits Plan and Trust:**

*Plan Description.* The City of Warren City Police and Fire Retirement Health Benefits Plan and Trust is a single-employer public employee' Voluntary Employee Benefit Association (VEBA) Trust administered by the City of Warren Police and Fire Retirement System.

The Trust is created for the exclusive purpose of funding health, life and disability benefits for substantially all police and fire retirees of the City. At December 31, 2008, membership consisted of 360 current active employees and 463 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.

The plan issues a publicly available financial report that 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 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.* 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. Contributions to the plan represent 24.00% of covered payroll for the period of January, 2008 through June, 2008 and 27.46% for the period of July 2008 through December 2008. Administrative costs of the Plan are financed through investment earnings.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**1. POST-EMPLOYMENT HEALTH BENEFITS (continued):**

*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)
12/31/06	\$16,278,706	\$173,368,137	\$157,089,431	9.39%	\$29,425,088	533.86%

For the fiscal year ended December 31, 2008, contributions to the plan totaled \$7,854,920 and post-employment health benefits totaled \$7,093,327. For the current year and the preceding two years, the plan's Other Post-Employment Benefits (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$7,854,920	100.00%	\$ -
12/31/2007	7,579,855	100.00	-
12/31/2006	6,168,503	100.00	-

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

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-37.

**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, 2008, membership consisted of 544 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 207 current active employees.

The plan issues a publicly available financial report that 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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**2. PENSION PLANS (continued)**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Gains and losses on sales and exchanges are recorded on the trade date. Interest on fixed income securities is recorded as earned with no amortization of premiums or discounts.

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.

*Reserves.* A description of each legally required reserve and its balance at December 31, 2008 is as follows:

Reserve for Employees' Contribution: \$ 397,835

Composed of accumulated contributions by active employees plus interest thereon.

Reserve for Employer's Contribution: \$ (20,080,457)

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: \$ 121,046,543

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: \$ -

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.

*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 were determined using the aggregate actuarial cost method. Employer contributions represented 45.29% of covered payroll for the period of January 1, 2008 through June 30, 2008 in accordance with the actuarial valuation dated December 31, 2005 and 47.94% of covered payroll for the period of July 1, 2008 through December 31, 2008 in accordance with the actuarial valuation dated December 31, 2006. 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.

*Funded Status and Funding Progress.* Actuarial valuations are performed annually using the aggregate cost method to compute the City's recommended contribution rate and is the appropriate method for a plan closed to new hires. Other actuarial methods and assumptions used in the latest report dated December 31, 2007 are as follows:

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%

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**2. PENSION PLANS (continued)**

For valuations using the aggregate cost method, the provisions of GASB Statement No. 50 require that the schedules of funding progress that appears below and also as Required Supplementary Information (RSI) following the notes to the financial statements be presented using the entry age actuarial cost method because the aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. The information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

**Schedule of Funding Progress**  
*Entry Age Cost Method*  
(thousands of dollars)

Most Recent Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/07	\$ 136,044	\$ 180,381	\$ 44,337	75.4 %	\$ 14,734	300.9 %

For the current year and the preceding two years, the plan's Other Post-Employment 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>
12/31/2008	\$ 7,016,960	100.00%	\$ -
12/31/2007	6,603,342	100.00	-
12/31/2006	6,168,503	100.00	-

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-34. These schedules report multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits and also report amounts contributed to the Plan in comparison to the Annual Required Contribution (ARC).

**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, 2007, the date of the most recent actuarial evaluation, membership consisted of 443 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 359 current active employees.

The plan issues a publicly available financial report that 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, 2009

**D. OTHER INFORMATION**

**2. PENSION PLANS (continued)**

*Reserves.* As of December 31, 2008, the System's legally required reserves have been fully funded as follows:

Reserve for employees' contributions	\$ 19,703,715
Reserve for retired benefit payments	198,142,743

*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. The normal cost and actuarial accrued liability were determined using the entry age actuarial cost method. Employer contributions represented 25.35% of covered payroll for the period of January 1, 2008 through June 30, 2008 in accordance with the actuarial valuation dated December 31, 2005 and 25.49% of covered payroll for the period of July 1, 2008 through December 31, 2008 in accordance with the actuarial valuation dated December 31, 2006.

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.

*Funded Status and Funding Progress.* Actuarial valuations are performed annually using the entry age cost method to compute the City's recommended contribution rate. Other actuarial methods and assumptions used in the latest report dated December 31, 2007 are as follows:

Amortization Method	Level percent of payroll, closed
Remaining amortization period	25 years
Asset valuation method	4 year smoothed market
<b>Actuarial assumptions:</b>	
Investment rate of return	7.50%
Projected salary increases*	5.0%-8.0%
*Includes inflation at	5.0%

**Schedule of Funding Progress**  
*Entry Age Cost Method*

Most Recent 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)
12/31/07	\$316,619,175	\$336,477,451	\$19,858,276	94.10%	\$ 29,995,123	66.20%

For the current year and the preceding two years, the plan's Other Post-Employment Benefits (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$8,138,100	100.00%	\$ -
12/31/2007	7,473,960	100.00	\$ -
12/31/2006	6,949,145	100.00	-
12/31/2005	4,280,739	100.00	-

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**2. PENSION PLANS (continued)**

**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 219 active participants in the plan as of June 30, 2009.

*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.

**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 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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**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, 2008. 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	\$ 4,004,777,026	76.45%	\$ 4,574,270,796	78.74%
Personal Property	703,900,807	13.44	704,021,523	12.12
Industrial Facilities Exemption	524,243,272	10.01	525,153,562	9.04
Obsolete Property Rehabilitation	<u>5,811,860</u>	<u>0.10</u>	<u>5,811,860</u>	<u>0.10</u>
	<u>\$ 5,238,732,965</u>	<u>100.00%</u>	<u>\$ 5,809,257,741</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 2008 State Equalized Value or the 2008 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 2007 Taxable Value minus losses times the lower of 1.05 or the 2007 Consumer Price Index for the twelve months ended September 30 plus any additions.

Property tax payment dates for the 2009 fiscal year are as follows:

Full or First Installment	July 1, 2008 thru September 2, 2008
Second Installment	December 1, 2008 thru February 2, 2009

Property taxes are due and payable in full or in two installments, provided that the first installment is paid by September 2. If electing to pay the first installment by September 2, the second installment must be paid by February 2 to avoid collection fees. Starting February 3, a 3-1/2% collection fee is charged on unpaid second installment taxes.

Any installment not paid by September 2 is late and only the full payment will be accepted with a collection fee of 1% in September. For each month after September, a ½ of 1% for each month will be added on the balance due until the tax is fully paid. Any tax not paid by March 2 will be considered delinquent and must be paid to the Macomb County Treasurer's Office with all City collection fees and an additional 4% collection fee and 1% interest for each month until paid.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**4. PROPERTY TAXES (continued)**

The tax levy for July 1, 2008 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

**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 \$100,000 per member contract. The City has purchased an insurance policy to cover any cost over the \$100,000 limitation, not to exceed the limit of \$5,000,000 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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**5. RISK MANAGEMENT (continued)**

A designation of unreserved fund balance in the amount of \$10,716,554 is reported in the fund financial statements representing potential developed claims outstanding as of June 30, 2009 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, 2008, towards payment of potential self-insured medical claims. The City evaluates these designations to determine if they are sufficient enough 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>2008</u>	<u>Est. Claims Incurred / Reserved</u>	<u>Payments and Adjustments</u>	<u>2009</u>
Worker's compensation, automobile and public entity liability	\$ 3,259,994	\$ 2,881,017	\$ (3,223,780)	\$ 2,917,231
Other insurance related items	<u>7,022,726</u>	<u>910,313</u>	<u>( 133,716)</u>	<u>7,799,323</u>
Estimated liability - end of year	<u>\$ 10,282,720</u>	<u>\$ 3,791,330</u>	<u>\$ (3,357,496)</u>	<u>\$ 10,716,554</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 \$5,487,506 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.

**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.

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

**D. OTHER INFORMATION**

**9. SUBSEQUENT EVENTS**

In April of 2009, Chrysler Corporation filed a tax appeal on all of their personal property located in the City of Warren. In May of 2009, General Motors Corporation filed an appeal on all of their personal and real property located within the City. These two appeals have the potential to significantly impact future property tax revenues. The actual amount of any lost revenue is undeterminable until such time that either a settlement is reached between the respective parties or a judgment is made by the Michigan Tax Tribunal.

On July 2, 2009, City Council approved a \$5.975 million settlement agreement with the City's former trash hauling contractor C&R Maintenance, d/b/a Rizzo Services. The 2010 adopted budget was amended to reflect this supplemental appropriation with a further designation that funds were to be drawn from the Reserve for Accrued Insurance Claims within the General Fund. On November 10, 2009, City Council approved a request by the City's Director of Personnel and Risk Management to commence litigation in an effort to recoup any portion of the settlement agreement that may be covered by the City's insurance carrier.

On October 1, 2009, the City entered in to an arbitration settlement agreement with AFSCME Local 1250 and AFSCME Local 1917. According to the agreement, the City will remit \$400,000 above the actuarial required contribution to the City Employees' Retirement System by December 31, 2009 and an additional \$250,000 each year thereafter until the Plan has reached previously agreed to funding levels.

On October 2, 2009, the Michigan Office of Financial and Insurance Regulation closed Warren Bank. All deposit accounts were transferred to Huntington Bank pursuant to a purchase and assumption agreement with the FDIC. None of the City's deposits in Warren Bank were in excess current FDIC limitations.

On October 13, 2009, City Council approved a collective bargaining agreement with the Warren Professional Firefighter Union, Local 1383 for the contract period of July 1, 2007 through June 30, 2009. Retroactive wage and benefit provisions through June 30, 2009 totaled \$1,632,989.

The City's fiscal year 2010 adopted budget reflects State shared sales and use tax revenues of \$14.1 million. It is anticipated that actual State shared revenues will be approximately \$2.0 million less than projected.

**CITY OF WARREN, MICHIGAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

GENERAL FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$ 63,910,977	\$ 63,910,977	\$ 64,567,547	\$ 656,570	\$ 65,390,378
Licenses and permits	1,863,000	1,863,000	1,759,663	(103,337)	1,691,127
Intergovernmental:					
Federal revenue	48,000	92,626	592,062	499,436	401,575
State revenue	14,559,446	14,759,446	14,228,618	(530,828)	14,811,050
Local revenue	600,000	600,000	727,954	127,954	800,095
Charges for services	762,000	763,500	1,096,795	333,295	819,912
Fines and fees	4,940,000	4,940,000	4,600,677	(339,323)	5,079,793
Interest on investments	2,500,000	2,500,000	568,188	(1,931,812)	2,842,479
Miscellaneous	6,032,425	6,057,150	5,945,177	(111,973)	6,062,399
Total revenues	<u>95,215,848</u>	<u>95,486,699</u>	<u>94,086,681</u>	<u>(1,400,018)</u>	<u>97,898,808</u>
Expenditures:					
General government	29,508,451	29,934,966	25,756,493	4,178,473	25,790,619
Public safety	63,907,525	65,111,254	62,036,856	3,074,398	62,274,144
City development	6,352,963	6,497,875	5,875,287	622,588	5,089,443
Highways and streets	2,500,000	2,500,000	2,387,939	112,061	2,373,401
Recreation and culture	48,400	49,814	41,567	8,247	46,269
Debt service	110,517	110,517	110,517	-	110,517
Total expenditures	<u>102,427,856</u>	<u>104,204,426</u>	<u>96,208,659</u>	<u>7,995,767</u>	<u>95,684,393</u>
Excess (deficiency) of revenues over expenditures	<u>(7,212,008)</u>	<u>(8,717,727)</u>	<u>(2,121,978)</u>	<u>6,595,749</u>	<u>2,214,415</u>
Other financing sources (uses):					
Settlement agreement	-	-	-	-	1,000,000
Transfer from:					
Drug forfeiture fund	125,000	125,000	-	(125,000)	120,000
Transfer to:					
Michigan transportation operating funds	(202,636)	(202,636)	(203,416)	(780)	(215,146)
Water and Sewer System	(78,132)	(78,132)	(78,132)	-	(74,200)
Building Authority debt funds	(965,000)	(965,000)	(956,855)	8,145	(942,905)
Total other financing sources (uses)	<u>(1,120,768)</u>	<u>(1,120,768)</u>	<u>(1,238,403)</u>	<u>(117,635)</u>	<u>(112,251)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	<u>(8,332,776)</u>	<u>(9,838,495)</u>	<u>(3,360,381)</u>	<u>6,478,114</u>	<u>2,102,164</u>
Fund balance - beginning of year	<u>57,557,789</u>	<u>57,557,789</u>	<u>57,557,789</u>	<u>-</u>	<u>55,455,625</u>
Fund balance - end of year	<u>\$ 49,225,013</u>	<u>\$ 47,719,294</u>	<u>\$ 54,197,408</u>	<u>\$ 6,478,114</u>	<u>\$ 57,557,789</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ 60,741,489	\$ 60,741,489	\$ 60,758,447	\$ 16,958	\$ 61,621,076
Industrial facilities	1,834,488	1,834,488	1,894,025	59,537	1,619,827
Interest and penalties	205,000	205,000	510,285	305,285	598,600
Payment in lieu of taxes- trailer parks and senior citizen housing	30,000	30,000	30,281	281	31,008
Administration fee	1,100,000	1,100,000	1,374,509	274,509	1,519,867
	<u>63,910,977</u>	<u>63,910,977</u>	<u>64,567,547</u>	<u>656,570</u>	<u>65,390,378</u>
Licenses and permits:					
Building permits	700,000	700,000	570,476	(129,524)	559,380
Electrical permits	200,000	200,000	248,014	48,014	204,164
Mechanical permits	190,000	190,000	148,919	(41,081)	165,889
Plumbing permits	250,000	250,000	186,728	(63,272)	204,024
Plan review fees	150,000	150,000	87,193	(62,807)	119,110
Sidewalk permits	20,000	20,000	12,236	(7,764)	17,521
Zoning permits and fees	150,000	150,000	123,761	(26,239)	143,505
Animal licenses	23,000	23,000	31,735	8,735	28,569
Other licenses and permits	180,000	180,000	350,601	170,601	248,965
	<u>1,863,000</u>	<u>1,863,000</u>	<u>1,759,663</u>	<u>(103,337)</u>	<u>1,691,127</u>
Intergovernmental:					
Federal revenue:					
Civil defense grant	48,000	48,000	49,053	1,053	56,575
Metro Medical Response Grant	-	-	-	-	78,894
Metro Medical Response Grant - 2006	-	-	1,474	1,474	115,231
Metro Medical Response Grant - 2007	-	-	144,500	144,500	-
Metro Medical Response Grant - 2008	-	-	219,190	219,190	-
I.C.T.P. Grant	-	-	98,556	98,556	37,381
Bullet Proof Vest Grant	-	-	3,128	3,128	-
U.S. Department of Justice Grant	-	-	-	-	64,971
U.S. Department of Justice Grant - 2006	-	-	32,468	32,468	25,505
U.S. Department of Justice Grant - 2008	-	31,088	30,155	(933)	-
Regional Response Team Training Grant	-	13,538	13,538	-	-
Cities Readiness Grant	-	-	-	-	23,018
	<u>48,000</u>	<u>92,626</u>	<u>592,062</u>	<u>499,436</u>	<u>401,575</u>
State revenue:					
State shared:					
Sales and use tax	14,100,000	14,100,000	13,559,035	(540,965)	14,105,387
Liquor licenses	75,000	75,000	78,375	3,375	80,052
Grants:					
COMET Grant	27,000	27,000	-	(27,000)	27,959
MATS Grant	65,000	65,000	50,557	(14,443)	78,956
Drug Court Grant - 2005	-	-	-	-	3,135
Drug Court Grant - 2006	-	-	356	356	3,371
Justice Assistance Grant - 2006	-	-	-	-	35,208
Justice Assistance Grant - 2007	-	-	60,500	60,500	122,313
Justice Assistance Grant - 2008	-	200,000	131,328	(68,672)	-
911 Dispatch Training Grant	110,000	110,000	173,885	63,885	171,773
Judge's salary standardizator	182,446	182,446	174,582	(7,864)	182,896
	<u>14,559,446</u>	<u>14,759,446</u>	<u>14,228,618</u>	<u>(530,828)</u>	<u>14,811,050</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues, continued:					
Local revenue:					
School Liaison Officer reimbursement	275,000	275,000	275,000	-	275,000
Election expense reimbursement	-	-	56,895	56,895	167,309
City of Center Line court reimbursemen	<u>325,000</u>	<u>325,000</u>	<u>396,059</u>	<u>71,059</u>	<u>357,786</u>
	<u>600,000</u>	<u>600,000</u>	<u>727,954</u>	<u>127,954</u>	<u>800,095</u>
Charges for services:					
Police services and auctions	\$ 185,000	\$ 186,500	\$ 200,442	\$ 13,942	\$ 211,195
Towing administrative fees	100,000	100,000	116,050	16,050	73,225
Fire services	12,000	12,000	21,716	9,716	17,953
Clerk's services	190,000	190,000	192,458	2,458	205,871
I.F.T. exemption processing fees	8,000	8,000	9,000	1,000	12,000
Planning commission	13,000	13,000	4,632	(8,368)	6,565
Site plan fees	35,000	35,000	17,060	(17,940)	31,229
Engineering and inspection fees	80,000	80,000	78,776	(1,224)	48,187
Weed cutting	60,000	60,000	269,060	209,060	106,677
Board of appeals - fees	24,000	24,000	28,835	4,835	29,075
Block Grant administration	-	-	15,984	15,984	17,525
Miscellaneous	<u>55,000</u>	<u>55,000</u>	<u>142,782</u>	<u>87,782</u>	<u>60,410</u>
	<u>762,000</u>	<u>763,500</u>	<u>1,096,795</u>	<u>333,295</u>	<u>819,912</u>
Fines and fees:					
37th District Court:					
Property maintenance	100,000	100,000	51,641	(48,359)	64,667
Fines and fees	4,500,000	4,500,000	4,219,962	(280,038)	4,649,205
Probation fees	290,000	290,000	281,639	(8,361)	314,740
Civil fees / drug treatment	-	-	31,105	31,105	31,420
Drug Court revenue	<u>50,000</u>	<u>50,000</u>	<u>16,330</u>	<u>(33,670)</u>	<u>19,761</u>
	<u>4,940,000</u>	<u>4,940,000</u>	<u>4,600,677</u>	<u>(339,323)</u>	<u>5,079,793</u>
Interest on investments	<u>2,500,000</u>	<u>2,500,000</u>	<u>568,188</u>	<u>(1,931,812)</u>	<u>2,842,479</u>
Miscellaneous:					
Equipment rentals:					
Major Street Fund	532,000	532,000	509,348	(22,652)	672,623
Local Street Fund	597,000	597,000	452,988	(144,012)	551,194
Salt dome rental	5,000	5,000	5,000	-	5,000
Administrative fees:					
Major Street Fund	487,100	487,100	487,100	-	473,800
Local Street Fund	208,700	208,700	108,140	(100,560)	203,000
Water and Sewer System	1,633,500	1,633,500	1,633,500	-	1,589,000
Senior Citizen Housing	118,025	118,025	118,025	-	114,810
Library	47,200	47,200	47,200	-	45,900
Recreation	94,600	94,600	94,600	-	92,000
Sanitation	834,700	834,700	834,700	-	812,000
Communications	109,800	109,800	109,800	-	106,800
Downtown Development Authority	634,800	634,800	634,800	-	617,500
Court building rental	250,000	250,000	250,000	-	250,000
Medicare prescription drug subsidy	430,000	430,000	634,796	204,796	454,586
Sale of property and equipmen	<u>50,000</u>	<u>74,725</u>	<u>25,180</u>	<u>(49,545)</u>	<u>74,186</u>
	<u>6,032,425</u>	<u>6,057,150</u>	<u>5,945,177</u>	<u>(111,973)</u>	<u>6,062,399</u>
Total revenues	<u>95,215,848</u>	<u>95,486,699</u>	<u>94,086,681</u>	<u>(1,400,018)</u>	<u>97,898,808</u>
Other financing sources:					
Settlement agreement	-	-	-	-	1,000,000
Transfer from:					
Drug forfeiture fund	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>	<u>120,000</u>
Total other financing sources	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>	<u>1,120,000</u>
Total revenues and other financing sources	<u>\$ 95,340,848</u>	<u>\$ 95,611,699</u>	<u>\$ 94,086,681</u>	<u>\$ (1,525,018)</u>	<u>\$ 99,018,808</u>

EXHIBIT C-3

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government:					
<b>Council:</b>					
Personal services:					
Elected officials	\$ 247,644	\$ 247,644	\$ 247,651	\$ (7)	\$ 248,321
Permanent employees	236,289	236,289	193,982	42,307	238,658
Clerical co-op	10,000	10,000	2,850	7,150	-
Overtime	4,500	4,500	7,209	(2,709)	3,077
Employee benefits:					
Social security	39,941	39,941	36,321	3,620	38,156
Employee insurances	180,778	180,778	142,560	38,218	173,309
Retiree health insurance	124,565	124,565	110,380	14,185	115,107
Longevity	12,414	12,414	13,551	(1,137)	12,488
Retirement fund	103,502	103,502	101,866	1,636	103,474
Cost of living	860	860	278	582	621
Auto allowance	3,600	3,600	-	3,600	2,850
Employee legal services	2,015	2,015	1,830	185	1,920
Office supplies	10,000	10,000	6,040	3,960	5,897
Other services and charges:					
Contractual services	34,000	24,000	2,290	21,710	4,911
Court reporter	30,000	30,000	21,020	8,980	20,343
Postage	2,500	2,500	961	1,539	731
Education	2,000	2,000	-	2,000	-
Telephone	3,000	3,000	1,743	1,257	1,460
Printing and publishing	3,000	3,000	6,940	(3,940)	2,664
Capital outlay:					
Office equipment	-	-	5,475	(5,475)	-
<b>Total Council</b>	<b>1,050,608</b>	<b>1,040,608</b>	<b>902,947</b>	<b>137,661</b>	<b>973,987</b>
<b>Mayor:</b>					
Personal services					
Elected official	108,548	108,548	108,548	-	108,485
Permanent employees	366,834	366,834	241,433	125,401	386,108
Temporary employees	45,000	45,000	49,307	(4,307)	35,914
Employee benefits:					
Social security	40,297	40,297	30,492	9,805	41,759
Employee insurances	58,309	58,309	41,950	16,359	58,718
Retiree health insurance	65,109	65,109	67,079	(1,970)	95,669
Longevity	-	-	-	-	2,842
Retirement fund	48,029	48,029	35,662	12,367	68,402
Cost of living	1,290	1,290	391	899	874
Auto allowance	3,600	3,600	3,600	-	6,200
Employee legal services	1,085	1,085	781	304	973
Office supplies	15,000	15,000	10,903	4,097	12,428
Other services and charges					
Contractual services	6,000	6,000	1,283	4,717	2,823
Postage	7,000	7,000	1,972	5,028	3,135
Auto expense	1,500	1,500	197	1,303	420
Capital outlay:					
Office equipment	2,000	2,000	-	2,000	-
<b>Total Mayor</b>	<b>769,601</b>	<b>769,601</b>	<b>593,598</b>	<b>176,003</b>	<b>824,750</b>

(continued)

See accompanying notes to financial statements.

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>37th District Court:</b>					
Personal services:					
Elected officials	\$ 180,136	\$ 180,136	\$ 172,007	\$ 8,129	\$ 180,029
Permanent employees	2,416,166	2,416,166	2,422,511	(6,345)	2,363,431
Temporary employees	120,000	120,000	150,434	(30,434)	136,518
Temporary employees - drug court	-	178,624	93,644	84,980	80,051
Overtime	2,000	2,000	876	1,124	1,489
Employee benefits:					
Social security	204,405	218,070	208,827	9,243	202,992
Employee insurances	673,001	673,001	579,927	93,074	571,784
Retiree health insurance	872,085	872,085	833,391	38,694	710,227
Longevity	95,669	95,669	93,867	1,802	88,852
Retirement fund	743,435	743,435	685,956	57,479	679,799
Cost of living	9,675	9,675	4,418	5,257	7,510
Employee legal services	6,975	6,975	7,168	(193)	7,053
Office supplies	52,000	52,000	45,646	6,354	47,977
Other services and charges:					
Contractual services	45,000	45,000	30,730	14,270	38,609
Independent audit	16,000	16,000	15,700	300	15,300
Contractual services - data processing	175,000	175,000	187,790	(12,790)	180,017
Postage	18,000	18,000	16,605	1,395	16,257
Bank service charges	22,000	22,000	17,450	4,550	21,847
Transcripts	500	500	117	383	450
Drug Court expense	50,000	50,000	22,201	27,799	22,622
W.R.A.P. Drug Court expense	-	6,999	-	6,999	-
Michigan Drug Court grant expense - 2005	-	12,277	12,173	104	5,190
Michigan Drug Court grant expense - 2006	-	12,659	7,705	4,954	3,441
Justice Assistance Grant expense - 2006	-	8,281	1,140	7,141	13,234
Justice Assistance Grant expense - 2007	-	40,726	33,035	7,691	58,700
Justice Assistance Grant expense - 2008	-	65,947	59,685	6,262	-
Counsel for indigent defendants	600,000	600,000	609,677	(9,677)	611,188
Witness and jury fees	26,000	26,000	14,772	11,228	17,191
Telephone	32,000	32,000	16,299	15,701	28,628
Mileage	3,000	3,000	2,364	636	2,169
Public utilities	110,000	110,000	93,571	16,429	88,456
Building rental	250,000	250,000	250,000	-	250,000
Dues and subscriptions	6,000	6,000	4,886	1,114	5,535
Books	13,000	13,000	12,121	879	10,397
Capital outlay:					
Office equipment	5,000	5,000	14,857	(9,857)	9,962
<b>Total 37th District Court</b>	<b>6,747,047</b>	<b>7,086,225</b>	<b>6,721,550</b>	<b>364,675</b>	<b>6,476,905</b>

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

General government, continued:	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
<b>Clerk:</b>					
Personal services					
Elected official	\$ 80,281	\$ 80,281	\$ 80,280	\$ 1	\$ 80,234
Permanent employees	444,541	444,541	458,086	(13,545)	436,982
Seasonal employees	40,575	40,575	35,270	5,305	44,571
Overtime	45,000	45,000	25,502	19,498	36,379
Employee benefits:					
Social security	48,922	48,922	47,778	1,144	47,336
Employee insurances	94,230	94,230	96,546	(2,316)	89,122
Retiree health insurance	175,228	175,228	172,941	2,287	138,103
Longevity	19,134	19,134	18,925	209	17,747
Retirement fund	138,084	138,084	125,744	12,340	121,612
Cost of living	1,720	1,720	910	810	1,448
Uniforms	190	190	190	-	190
Employee legal services	1,395	1,395	1,382	13	1,382
Office supplies	25,000	25,000	18,288	6,712	23,425
Other services & charges					
Contractual services	50,000	50,000	6,259	43,741	7,362
Postage	38,000	38,000	9,531	28,469	28,736
Election wages	281,480	281,480	167,460	114,020	256,678
Election expense	191,536	191,536	59,398	132,138	144,621
Auto expense	1,500	1,500	1,077	423	1,000
Printing and publishing	58,000	58,000	38,062	19,938	34,557
<b>Total Clerk</b>	<b>1,734,816</b>	<b>1,734,816</b>	<b>1,363,629</b>	<b>371,187</b>	<b>1,511,485</b>
<b>Treasurer:</b>					
Personal services:					
Elected official	80,281	80,281	80,280	1	80,234
Permanent employees	627,146	627,146	550,464	76,682	524,249
Seasonal employees	25,000	25,000	27,854	(2,854)	29,551
Overtime	16,000	16,000	10,820	5,180	9,536
Employee benefits:					
Social security	59,378	59,378	52,689	6,689	50,844
Employee insurances	189,841	189,841	144,226	45,615	137,418
Retiree health insurance	220,041	220,041	194,214	25,827	152,103
Longevity	15,373	15,373	15,263	110	12,223
Retirement fund	200,702	200,702	154,353	46,349	136,970
Cost of living	2,365	2,365	989	1,376	1,582
Employee legal services	1,860	1,860	1,536	324	1,600
Office supplies	11,000	11,000	9,719	1,281	12,194
Other services and charges:					
Contractual services	17,000	17,000	18,500	(1,500)	17,874
Postage	66,000	66,000	58,941	7,059	28,147
Legal fees	2,000	2,000	-	2,000	-
Tax statement preparation	46,000	46,000	19,847	26,153	28,401
Mileage	1,000	1,000	739	261	573
Delinquent personal property tax write off	200,000	200,000	200,000	-	175,000
Capital outlay:					
Office equipment	-	-	2,766	(2,766)	10,692
<b>Total Treasurer</b>	<b>1,780,987</b>	<b>1,780,987</b>	<b>1,543,200</b>	<b>237,787</b>	<b>1,409,191</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>Controller:</b>					
Personal services:					
Appointed official	\$ 112,448	\$ 112,448	\$ 117,601	\$ (5,153)	\$ 114,716
Permanent employees	1,200,319	1,200,319	1,160,528	39,791	1,142,207
Clerical co-op	40,000	40,000	24,163	15,837	28,577
Overtime	42,000	42,000	31,640	10,360	41,991
Employee benefits:					
Social security	111,641	111,641	104,155	7,486	99,870
Employee insurances	293,716	293,716	241,475	52,241	240,226
Retiree health insurance	473,972	473,972	463,270	10,702	374,010
Longevity	48,793	48,793	49,588	(795)	45,489
Retirement fund	444,104	444,104	409,668	34,436	384,997
Cost of living	4,085	4,085	1,893	2,192	3,107
Auto allowance	7,200	7,200	3,600	3,600	3,600
Employee legal services	2,945	2,945	2,726	219	2,752
Office supplies	22,000	22,000	23,029	(1,029)	19,040
Other services & charges:					
Contractual services	3,000	3,000	1,148	1,852	2,263
Postage	3,500	3,500	2,233	1,267	2,073
Mileage	1,000	1,000	615	385	573
Auto expense	1,400	1,400	906	494	1,602
Capital outlay:					
Office equipment	2,000	2,000	-	2,000	842
Total controller	2,814,123	2,814,123	2,638,238	175,885	2,507,935
Charges reimbursable via Public Act 55	(273,179)	(273,179)	(273,179)	-	(253,225)
<b>Net Controller</b>	<u>2,540,944</u>	<u>2,540,944</u>	<u>2,365,059</u>	<u>175,885</u>	<u>2,254,710</u>
<b>Information Systems:</b>					
Personal services:					
Permanent employees	234,983	234,983	245,742	(10,759)	238,332
Temporary employees	-	-	-	-	1,095
Overtime	10,000	10,000	973	9,027	2,281
Employee benefits:					
Social security	19,522	19,522	19,102	420	18,577
Employee insurances	52,477	52,477	46,706	5,771	46,209
Retiree health insurance	84,378	84,378	85,368	(990)	67,833
Longevity	6,248	6,248	6,243	5	5,838
Retirement fund	34,396	34,396	34,763	(367)	33,957
Cost of living	645	645	322	323	515
Employee legal services	465	465	461	4	461
Operating supplies	6,500	6,500	3,700	2,800	2,881
Other services and charges:					
Contractual services	245,000	245,000	197,127	47,873	209,665
Software services	20,000	20,000	8,268	11,732	19,640
Capital outlay:					
Computer equipment	5,000	5,000	1,144	3,856	1,614
<b>Total Information Systems</b>	<u>719,614</u>	<u>719,614</u>	<u>649,919</u>	<u>69,695</u>	<u>648,898</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>Legal:</b>					
Personal services:					
Appointed official	\$ 112,546	\$ 112,546	\$ 117,703	\$ (5,157)	\$ 115,373
Assistant attorneys	603,590	603,590	626,463	(22,873)	599,297
Clerical staff	223,323	223,323	195,640	27,683	160,405
Part-time employees:					
Law clerks	42,000	42,000	35,294	6,706	31,548
Clerical co-op	11,000	11,000	6,668	4,332	25,797
Employee benefits:					
Social security	77,399	77,399	74,385	3,014	69,832
Employee insurances	157,257	157,257	129,414	27,843	127,846
Retiree health insurance	287,323	287,323	296,454	(9,131)	234,875
Longevity	25,140	25,140	25,146	(6)	23,210
Retirement fund	241,348	241,348	223,716	17,632	223,760
Cost of living	2,365	2,365	1,177	1,188	1,691
Auto allowance	3,600	3,600	-	3,600	1,500
Employee legal services	775	775	602	173	525
Office supplies	7,500	7,500	5,591	1,909	4,657
Other services and charges:					
Contractual services	6,400	6,400	2,283	4,117	6,829
Postage	2,500	2,500	1,698	802	2,666
Legal fees	5,000	5,000	3,100	1,900	5,850
Mileage	1,250	1,250	2,012	(762)	1,091
Books, dues and subscription	23,000	23,000	15,946	7,054	16,881
Capital outlay:					
Office equipment	1,000	1,000	728	272	-
<b>Total Legal</b>	<b>1,834,316</b>	<b>1,834,316</b>	<b>1,764,020</b>	<b>70,296</b>	<b>1,653,633</b>
<b>Assessing:</b>					
Personal services:					
Appointed official	103,302	103,302	112,781	(9,479)	105,348
Permanent employees	690,787	690,787	681,978	8,809	653,200
Seasonal employees	8,500	8,500	6,387	2,113	455
Overtime	12,000	12,000	2,912	9,088	7,716
Employee benefits:					
Social security	65,467	65,467	63,816	1,651	60,665
Employee insurances	144,344	144,344	119,119	25,225	123,645
Retiree health insurance	252,570	252,570	255,078	(2,508)	200,436
Longevity	30,853	30,853	30,654	199	27,464
Retirement fund	309,630	309,630	307,264	2,366	281,595
Cost of living	2,580	2,580	1,289	1,291	2,060
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	1,860	1,860	1,843	17	1,843
Office supplies	6,200	6,200	3,327	2,873	4,470
Other services and charges:					
Contractual services:					
Data conversion	12,000	12,000	9,010	2,990	8,500
Software services	14,000	14,000	8,766	5,234	10,087
Personal property audit	120,000	120,000	-	120,000	-
Postage	22,960	22,960	23,483	(523)	23,352
Board of review	8,000	8,000	7,776	224	5,176
Tax roll preparation	18,000	18,000	15,415	2,585	13,438
Auto expense	2,500	2,500	1,955	545	2,074
Capital outlay:					
Office equipment	-	-	-	-	1,063
<b>Total Assessing</b>	<b>1,829,153</b>	<b>1,829,153</b>	<b>1,656,453</b>	<b>172,700</b>	<b>1,536,187</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>D.P.W. Garage:</b>					
Personal services:					
Clerical salaries	\$ 53,397	\$ 53,397	\$ 44,453	\$ 8,944	\$ 53,886
Mechanics wages	450,957	450,957	396,807	54,150	399,828
Clerical co-op	-	-	375	(375)	-
Overtime - clerical	1,500	1,500	-	1,500	751
Overtime - mechanics	40,000	40,000	32,589	7,411	43,868
Employee benefits:					
Social security	43,808	43,808	37,617	6,191	39,318
Employee insurances	149,700	149,700	113,107	36,593	115,400
Retiree health insurance	189,370	189,370	164,893	24,477	141,019
Longevity	17,593	17,593	17,553	40	15,314
Retirement fund	136,037	136,037	91,627	44,410	94,835
Cost of living	1,832	1,832	814	1,018	1,368
Uniforms	1,520	1,520	1,288	232	685
Employee legal services	1,240	1,240	1,075	165	1,101
Supplies:					
Operating supplies	125,000	125,000	107,810	17,190	96,002
Gasoline and diesel oil	110,000	110,000	125,372	(15,372)	148,767
Other services and charges:					
Contractual service	41,000	41,000	8,531	32,469	32,647
Telephone and radio	13,000	13,000	9,530	3,470	8,394
Vehicle maintenance	265,000	265,000	249,843	15,157	232,412
Public utilities	115,000	115,000	117,787	(2,787)	110,822
Building maintenance	25,000	25,000	16,869	8,131	24,237
Capital outlay:					
Capital improvements	-	20,522	20,521	1	13,185
Office equipment	2,000	2,000	2,030	(30)	1,855
Equipment and machinery	2,000	2,000	81,682	(79,682)	9,697
<b>Total expenditures</b>	<b>1,784,954</b>	<b>1,805,476</b>	<b>1,642,173</b>	<b>163,303</b>	<b>1,585,391</b>
Other uses:					
Reimbursement to Major Streets	63,818	63,818	63,818	-	76,792
Reimbursement to Local Streets	138,818	138,818	139,598	(780)	138,354
<b>Total other uses</b>	<b>202,636</b>	<b>202,636</b>	<b>203,416</b>	<b>(780)</b>	<b>215,146</b>
<b>Total D.P.W. Garage</b>	<b>1,987,590</b>	<b>2,008,112</b>	<b>1,845,589</b>	<b>162,523</b>	<b>1,800,537</b>
<b>Building Maintenance:</b>					
Personal services:					
Superintendent	67,183	67,183	70,265	(3,082)	73,553
Permanent employees	786,594	786,594	447,094	339,500	555,981
Seasonal employees	95,000	95,000	227,904	(132,904)	165,609
Overtime	40,000	40,000	17,625	22,375	44,032
Employee benefits:					
Social security	79,105	79,105	59,854	19,251	66,326
Employee insurances	295,183	295,183	133,603	161,580	172,475
Retiree health insurance	288,211	288,211	163,406	124,805	182,798
Longevity	28,526	28,526	21,379	7,147	28,228
Retirement fund	358,042	358,042	202,392	155,650	247,685
Cost of living	3,421	3,421	1,036	2,385	1,910
Uniforms	2,660	2,660	1,299	1,361	1,498
Employee legal services	2,325	2,325	1,382	943	1,587
Supplies:					
Operating	55,000	55,000	40,570	14,430	39,543
Maintenance	75,000	75,000	57,686	17,314	55,096
Other services and charges:					
Contractual services	400,000	400,000	133,108	266,892	158,031
Vehicle maintenance	6,500	6,500	7,761	(1,261)	7,563
Capital outlay:					
Office equipment	-	-	3,623	(3,623)	-
Maintenance equipment	-	-	986	(986)	-
<b>Total Building Maintenance</b>	<b>2,582,750</b>	<b>2,582,750</b>	<b>1,590,973</b>	<b>991,777</b>	<b>1,801,915</b>

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>Civil Service - Police and Fire:</b>					
Personal services:					
Permanent employees	\$ 53,554	\$ 53,554	\$ 56,623	\$ (3,069)	\$ 54,440
Overtime	3,000	3,000	-	3,000	-
Fees and per diem	3,000	3,000	2,400	600	1,750
Employee benefits:					
Social security	4,648	4,648	4,587	61	4,415
Employee insurances	6,946	6,946	6,720	226	6,385
Retiree health insurance	20,090	20,090	20,078	12	15,751
Longevity	3,201	3,201	3,206	(5)	3,100
Retirement fund	28,749	28,749	28,754	(5)	26,176
Cost of living	215	215	107	108	170
Employee legal services	155	155	154	1	154
Supplies:					
Office supplies	1,400	1,400	1,132	268	592
Exams and operating supplies	28,000	28,000	13,910	14,090	10,109
Other services and charges:					
Postage	1,000	1,000	146	854	93
<b>Total Civil Service - Police and Fire</b>	<b>153,958</b>	<b>153,958</b>	<b>137,817</b>	<b>16,141</b>	<b>123,135</b>
<b>Personnel:</b>					
Personal services:					
Permanent employees	391,891	391,891	398,784	(6,893)	377,679
Temporary / Co-op	4,000	4,000	2,901	1,099	2,652
Overtime	3,633	3,633	2,172	1,461	2,596
Fees and per diem	3,000	3,000	2,550	450	2,700
Employee benefits:					
Social security	32,138	32,138	32,189	(51)	30,875
Employee insurances	74,684	74,684	72,174	2,510	77,223
Retiree health insurance	97,045	97,045	99,753	(2,708)	92,801
Longevity	12,241	12,241	12,237	4	13,647
Retirement fund	99,856	99,856	102,759	(2,903)	97,306
Cost of living	1,290	1,290	628	662	994
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	930	930	909	21	858
Office supplies	6,000	6,000	5,262	738	5,114
Other services and charges:					
Contractual services	28,000	28,000	13,543	14,457	15,722
Contractual services -					
Employee Assistance Center	18,000	18,000	15,325	2,675	15,450
Postage	8,000	8,000	8,040	(40)	4,755
Medical services	45,000	45,000	35,641	9,359	47,091
Mileage	250	250	103	147	65
Printing and publishing	17,000	17,000	16,482	518	12,054
Membership and dues	1,000	1,000	560	440	520
<b>Total Personnel</b>	<b>847,558</b>	<b>847,558</b>	<b>825,612</b>	<b>21,946</b>	<b>803,702</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>Labor Relations:</b>					
Personal services:					
Permanent employees	\$ 196,467	\$ 196,467	\$ 200,285	\$ (3,818)	\$ 152,457
Temporary employees	3,000	3,000	-	3,000	-
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	15,489	15,489	14,552	937	12,106
Employee insurances	43,191	43,191	39,148	4,043	29,017
Retiree health insurance	70,785	70,785	71,305	(520)	44,235
Longevity	6,800	6,800	6,800	-	6,200
Retirement fund	71,144	71,144	71,773	(629)	46,235
Cost of living	430	430	215	215	281
Auto allowance	3,600	3,600	3,600	-	2,100
Employee legal services	310	310	154	156	154
Office supplies	2,000	2,000	768	1,232	1,120
Other services and charges:					
Arbitration expense	90,000	90,000	73,608	16,392	138,213
Printing and publishing	4,000	4,000	-	4,000	708
Membership and dues	8,000	8,000	7,948	52	7,432
<b>Total Labor Relations</b>	<u>519,216</u>	<u>519,216</u>	<u>490,156</u>	<u>29,060</u>	<u>440,258</u>
<b>City Retirement:</b>					
Retiree benefits:					
Insurance	7,200,000	7,200,000	6,545,336	654,664	6,417,617
Medicare reimbursement	685,000	685,000	593,128	91,872	569,669
Personal services:					
Accounting services	172,815	172,815	-	172,815	-
Clerical services	100,364	100,364	-	100,364	-
Temporary employees	22,750	22,750	5,775	16,975	8,365
Fees and per diem	600	600	-	600	-
Employee benefits:					
Social security	1,763	1,763	442	1,321	640
Employee insurances	26	26	4	22	9
Office supplies	2,500	2,500	53	2,447	36
Other services and charges:					
Contractual services	830,152	830,152	-	830,152	-
Service contracts	1,000	1,000	792	208	-
Disability physicals	3,000	3,000	-	3,000	-
Bank custodial fees	41,250	41,250	-	41,250	-
Conferences and workshops	10,000	10,000	-	10,000	-
Legal fees	12,000	12,000	-	12,000	-
Postage	5,500	5,500	3,638	1,862	3,733
Printing and publishing	2,000	2,000	-	2,000	-
Telephone	750	750	785	(35)	293
Insurance and bonds	15,000	15,000	-	15,000	-
Memberships and dues	200	200	-	200	-
Capital outlay:					
Office equipment	7,000	7,000	2,621	4,379	-
Total city retirement	9,113,670	9,113,670	7,152,574	1,961,096	7,000,362
Charges reimbursable via Public Act 55	(1,184,012)	(1,184,012)	(13,176)	(1,170,836)	(13,076)
Charges reimbursable via VEBA Trust	(7,929,658)	(7,929,658)	(7,139,398)	(790,260)	(6,987,286)
<b>Net City Retirement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

General government, continued:	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
<b>Police and Fire Retirement:</b>					
Retiree benefits:					
Insurance	\$ 9,300,000	\$ 9,300,000	\$ 6,609,342	\$ 2,690,658	\$ 7,739,002
Medicare reimbursement	450,000	450,000	414,038	35,962	380,494
Personal services:					
Permanent employees	124,090	124,090	126,269	(2,179)	122,853
Temporary employees	22,750	22,750	2,187	20,563	2,352
Overtime	6,000	6,000	4,378	1,622	5,972
Social security	12,289	12,289	10,584	1,705	10,442
Employee insurances	29,722	29,722	20,201	9,521	26,171
Retiree health insurance	45,500	45,500	45,869	(369)	36,811
Longevity	5,301	5,301	5,304	(3)	4,949
Retirement fund	48,584	48,584	48,569	15	45,849
Cost of living	430	430	222	208	356
Employee legal services	310	310	307	3	307
Office supplies	5,260	5,260	-	5,260	360
Other services and charges:					
Contractual services	1,875,000	1,875,000	792	1,874,208	-
Independent audit	27,000	27,000	-	27,000	-
Postage	4,870	4,870	2,854	2,016	3,086
Telephone	1,000	1,000	949	51	364
Disability physicals	1,500	1,500	-	1,500	-
Conferences and workshops	17,865	17,865	-	17,865	-
Printing and publishing	3,460	3,460	-	3,460	-
Insurance and bonds	35,000	35,000	-	35,000	-
Capital outlay:					
Office equipment	7,000	7,000	2,622	4,378	-
Total police and fire retirement	12,022,931	12,022,931	7,294,487	4,728,444	8,379,368
Charges reimbursable via Public Act 55	(2,272,931)	(2,272,931)	(271,107)	(2,001,824)	(259,872)
Charges reimbursable via VEBA Trust	(9,750,000)	(9,750,000)	(7,023,380)	(2,726,620)	(8,119,496)
<b>Net Police and Fire Retirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beautification Commission:</b>					
Personal services:					
Temporary employee	8,000	8,000	4,397	3,603	4,807
Employee benefits:					
Social security	620	620	336	284	368
Employee insurances	9	9	-	9	-
Office supplies	800	800	324	476	512
Other services and charges:					
Contractual services	4,000	22,590	11,639	10,951	2,025
Postage	1,200	1,200	1,443	(243)	1,046
Telephone expense	400	400	249	151	209
Mileage	1,200	1,200	632	568	595
Public utilities	500	500	313	187	266
School program	1,000	1,000	457	543	1,545
Awards committee	9,500	9,500	8,421	1,079	4,108
Clean up campaign	2,000	2,000	1,241	759	337
Installation and informational dinner meetings	1,200	1,200	707	493	765
Dial-a-helper	300	300	-	300	-
City flower plantings	1,200	1,200	787	413	999
<b>Total Beautification Commission</b>	<b>31,929</b>	<b>50,519</b>	<b>30,946</b>	<b>19,573</b>	<b>17,582</b>
<b>Senior Health Care Services Commission:</b>					
Other services and charges:					
Community promotion and public relations	2,500	2,500	2,500	-	2,500
<b>Total Senior Health Care Services Commission</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
<b>Council of Commissions</b>					
Office supplies	\$ 100	\$ 100	\$ 18	\$ 82	\$ 68
Other services and charges:					
Appreciation reception	3,400	4,351	3,507	844	2,113
<b>Total Council of Commissions</b>	<u>3,500</u>	<u>4,451</u>	<u>3,525</u>	<u>926</u>	<u>2,181</u>
<b>Animal Welfare Commission</b>					
Office supplies	600	600	542	58	-
Other services and charges:					
Operating expense	3,000	3,000	809	2,191	2,045
Education	500	500	3,598	(3,098)	2,488
Postage	100	100	-	100	15
Telephone	600	600	324	276	607
Vaccination fair	700	700	898	(198)	718
Dog park	4,000	6,700	4,575	2,125	-
Chipping clinic	500	500	200	300	-
<b>Total Animal Welfare Commission</b>	<u>10,000</u>	<u>12,700</u>	<u>10,946</u>	<u>1,754</u>	<u>5,873</u>
<b>Administrative Unallocated Expense:</b>					
Other services and charges:					
Education allowance	70,000	70,000	60,316	9,684	61,306
Independent audit	56,000	56,000	54,900	1,100	53,400
Tax reverted property acquisition	-	54,574	54,574	-	-
Unemployment costs	25,000	25,000	17,968	7,032	24,334
Professional services	200,000	200,000	174,133	25,867	108,273
Telephone and radio	70,000	70,000	50,635	19,365	46,248
Conferences and workshops	10,000	10,000	9,213	787	6,796
Community promotion	25,000	25,000	3,629	21,371	8,891
Insurance and bonds	2,300,000	2,300,000	2,136,714	163,286	2,489,102
Lawsuit settlements	25,000	25,000	571	24,429	4,080
Investment Policy Commission bank rating	1,000	1,000	739	261	345
401(a) Board operating expense	1,500	1,500	1,300	200	1,275
Disability Commission operating expense	1,000	1,000	1	999	338
Public utilities - court building	10,000	10,000	9,111	889	9,320
Public utilities - civic center	375,000	375,000	320,252	54,748	234,633
Eight Mile Road Vision Action Plan	7,500	7,500	7,370	130	7,370
HOME Program	-	-	-	-	17,284
Michigan Suburbs Alliance	7,000	7,000	6,912	88	6,912
Auction sale	1,000	1,000	-	1,000	368
Refund of taxes paid under protest	280,000	280,000	524,440	(244,440)	627,531
Accrued liabilities and commitments	975,000	975,000	-	975,000	-
Liability transfer:					
Accumulated sick leave	100,000	100,000	-	100,000	-
Compensatory time	25,000	25,000	28,692	(3,692)	10,530
<b>Total expenditures</b>	<u>4,565,000</u>	<u>4,619,574</u>	<u>3,461,470</u>	<u>1,158,104</u>	<u>3,718,336</u>
Other uses:					
Transfer to Building Authority Debt Service Funds:					
Series 2005 multiple purpose bonds	550,000	550,000	546,240	3,760	539,957
Series 2002 multiple purpose bonds	415,000	415,000	410,615	4,385	402,948
<b>Total other uses</b>	<u>965,000</u>	<u>965,000</u>	<u>956,855</u>	<u>8,145</u>	<u>942,905</u>
<b>Total Administrative Unallocated Expense</b>	<u>5,530,000</u>	<u>5,584,574</u>	<u>4,418,325</u>	<u>1,166,249</u>	<u>4,661,241</u>
Total expenditures	29,508,451	29,934,966	25,756,493	4,178,473	25,790,619
Total other uses	1,167,636	1,167,636	1,160,271	7,365	1,158,051
<b>Total general government</b>	<u>30,676,087</u>	<u>31,102,602</u>	<u>26,916,764</u>	<u>4,185,838</u>	<u>26,948,670</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety:					
<b>Fire Department:</b>					
Personal services:					
Appointed official	\$ 111,666	\$ 111,666	\$ 103,098	\$ 8,568	\$ 108,908
Firemen	9,434,907	9,434,907	9,093,210	341,697	9,085,457
Mechanics	81,566	81,566	81,116	450	80,868
Civilians and clerical	162,681	162,681	136,370	26,311	158,233
Clerical co-op	10,000	10,000	21,374	(11,374)	4,956
Overtime:					
Firemen	550,000	602,171	916,954	(314,783)	709,324
Mechanics	10,000	10,000	1,832	8,168	3,321
Clerical	3,000	3,000	149	2,851	-
Shift premium	270,000	270,000	231,694	38,306	235,092
Employee benefits:					
Education allowance	23,450	23,450	24,108	(658)	23,983
Cleaning allowance	7,500	7,500	6,471	1,029	6,834
Food allowance	105,600	105,600	88,707	16,893	91,803
Auto allowance	3,600	3,600	2,400	1,200	-
Uniform / cleaning allowance	-	-	-	-	428,000
Social security	120,109	120,109	118,879	1,230	110,465
Holiday pay	583,237	583,237	511,500	71,737	528,927
Employee insurances	2,966,883	2,966,883	2,241,262	725,621	2,321,927
Retiree health insurance	3,203,205	3,213,814	3,133,106	80,708	2,840,854
Longevity	254,555	254,555	248,715	5,840	246,711
Retirement fund	2,964,646	2,974,493	2,846,034	128,459	2,817,985
Cost of living	24,741	24,741	11,259	13,482	18,457
Uniforms	51,900	51,900	41,801	10,099	41,355
Employee legal services	22,785	22,785	18,931	3,854	16,614
Supplies:					
EMS medical supplies	45,000	45,000	26,454	18,546	35,101
Operating supplies	73,000	73,000	57,927	15,073	40,625
Gasoline and oil	78,000	78,000	73,586	4,414	-
Other services and charges:					
Contractual services	30,000	30,000	40,374	(10,374)	24,455
Fire Prevention Week	3,000	3,000	3,033	(33)	1,948
S.M.I.R.T. fund	7,500	7,500	7,500	-	7,500
Laundry	23,000	23,000	19,228	3,772	16,751
Instruction	40,000	40,000	29,684	10,316	38,941
Medical services	30,000	30,000	5,856	24,144	5,856
Telephone and radio	52,000	52,000	48,089	3,911	40,982
Vehicle maintenance	190,000	190,000	232,563	(42,563)	361,197
Public utilities	140,000	140,000	137,114	2,886	142,948
Building maintenance	48,000	112,620	108,061	4,559	64,532
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	4,271	(271)	1,791
Capital outlay:					
Capital improvements	15,000	15,000	14,647	353	-
Fire equipment	75,000	75,000	137,221	(62,221)	51,708
Cities Readiness Grant expense	-	-	-	-	22,206
Metro Medical Response Grant equipment	-	132,793	-	132,793	78,894
Metro Medical Response Grant equipment - 2005	-	-	1,474	(1,474)	115,231
Metro Medical Response Grant equipment - 2006	-	153,436	144,500	8,936	-
Metro Medical Response Grant equipment - 2007	-	258,145	219,190	38,955	-
Homeland Security Grant 2006 expense	-	-	-	-	18,656
Domestic Preparedness Grant 3 expense	-	-	-	-	7,042
<b>Total Fire Department</b>	<b>21,909,531</b>	<b>22,591,152</b>	<b>21,279,742</b>	<b>1,311,410</b>	<b>21,046,438</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
<b>Police Department:</b>					
Personal services:					
Appointed official	\$ 114,971	\$ 114,971	\$ 115,792	\$ (821)	\$ 76,934
Policemen	16,434,007	16,434,007	16,316,714	117,293	16,560,242
Civilians and clerical	2,070,581	2,070,581	1,934,247	136,334	2,001,997
Crossing guards	123,000	123,000	124,065	(1,065)	112,567
Temporary employees	38,000	38,000	44,743	(6,743)	28,399
Overtime - policemen	1,710,763	1,710,763	1,771,033	(60,270)	2,052,581
Overtime - civilians	32,000	32,000	59,079	(27,079)	11,853
Employee benefits:					
Shift premium	350,000	350,000	328,945	21,055	314,594
Gun allowance	199,750	199,750	216,154	(16,404)	210,140
Education allowance	52,200	52,200	55,917	(3,717)	61,450
Cleaning allowance	141,000	141,000	133,724	7,276	135,409
Uniform / cleaning allowance	-	-	-	-	39,000
Social security	426,651	426,651	414,015	12,636	391,050
Holiday pay	944,511	944,511	907,320	37,191	893,848
Employee insurances	4,825,206	4,825,206	4,157,426	667,780	4,206,234
Retiree health insurance	5,708,617	5,708,617	5,611,115	97,502	5,283,244
Longevity	430,477	430,477	426,759	3,718	461,358
Retirement fund	5,820,123	5,820,123	5,749,353	70,770	5,855,388
Cost of living	46,693	46,693	24,025	22,668	38,787
Uniforms	109,940	109,940	118,765	(8,825)	134,897
Employee legal services	2,635	2,635	2,534	101	2,458
Office supplies	60,000	60,000	51,169	8,831	69,949
Other services and charges:					
Operating expense	57,000	57,000	49,226	7,774	51,450
Ammunition	32,000	32,000	30,116	1,884	31,044
Contractual services	380,000	380,000	251,623	128,377	262,649
Postage	7,000	7,000	6,189	811	5,659
Special investigations	10,000	10,000	10,000	-	5,000
Prisoners' food	37,000	37,000	27,656	9,344	31,990
Crime prevention	6,000	6,000	5,751	249	355
Instruction	56,000	56,000	43,515	12,485	55,923
911 Dispatch training expense	10,000	10,000	4,379	5,621	7,961
Telephone and radio	135,000	135,000	142,078	(7,078)	139,387
Vehicle maintenance	290,000	290,000	332,949	(42,949)	376,906
Community promotion	1,500	3,000	2,032	968	147
Youth Athletic League	6,000	6,000	5,632	368	7,376
DARE operating expense	20,000	20,000	17,839	2,161	19,573
Public utilities	200,000	200,000	182,479	17,521	188,111
Building maintenance	70,000	70,000	46,885	23,115	44,487
Capital outlay:					
Capital improvements	5,000	5,000	-	5,000	8,248
Office equipment	69,880	69,880	54,551	15,329	48,487
Fleet turnover	326,500	351,225	331,721	19,504	374,409
Police equipment	15,120	15,120	5,366	9,754	33,124
911 equipment	80,000	321,241	-	321,241	-
U.S. Department of Justice Grant expense	-	-	-	-	64,971
U.S. Department of Justice Grant expense - 2006	-	32,469	31,964	505	25,505
U.S. Department of Justice Grant expense - 2007	-	91,695	-	91,695	-
U.S. Department of Justice Grant expense - 2008	-	31,088	30,155	933	-
Interoperable Communications Grant expense	-	99,390	98,556	834	37,381
<b>Total Police Department</b>	<b>41,455,125</b>	<b>41,977,233</b>	<b>40,273,556</b>	<b>1,703,677</b>	<b>40,762,522</b>

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
<b>Animal Control:</b>					
Personal services:					
Permanent employees	\$ 106,928	\$ 106,928	\$ 109,375	\$ (2,447)	\$ 106,685
Temporary employees	12,000	12,000	3,690	8,310	4,913
Overtime	3,501	3,501	4,235	(734)	5,307
Employee benefits:					
Social security	9,770	9,770	9,170	600	9,180
Employee insurances	31,320	31,320	27,705	3,615	27,561
Retiree health insurance	38,208	38,208	39,205	(997)	31,586
Longevity	3,195	3,195	3,193	2	3,129
Retirement fund	33,907	33,907	31,929	1,978	31,373
Cost of living	430	430	228	202	361
Uniforms	760	760	760	-	760
Employee legal services	310	310	307	3	307
Operating supplies	1,300	1,300	1,052	248	1,146
Other services and charges:					
Animal collections	60,000	60,000	44,039	15,961	57,785
Vehicle maintenance	6,000	6,000	6,395	(395)	6,998
Capital outlay:					
Vehicles	25,000	25,000	-	25,000	-
<b>Total Animal Control</b>	<b>332,629</b>	<b>332,629</b>	<b>281,283</b>	<b>51,346</b>	<b>287,091</b>
<b>Civil Defense:</b>					
Personal services:					
Policemen	90,586	90,586	94,713	(4,127)	81,284
Overtime	3,539	3,539	521	3,018	2,560
Shift premium	250	250	5	245	3
Employee benefits:					
Social security	-	-	-	-	198
Gun allowance	850	850	1,050	(200)	850
Education allowance	600	600	600	-	-
Cleaning allowance	600	600	600	-	600
Holiday pay	4,858	4,858	4,858	-	3,022
Employee insurances	11,388	11,388	9,152	2,236	16,721
Retiree health insurance	28,628	28,628	28,896	(268)	21,411
Longevity	3,400	3,400	3,400	-	-
Retirement fund	26,574	26,574	26,256	318	22,275
Cost of Living	167	167	83	84	139
Uniforms	600	600	600	-	600
Uniform / cleaning allowance	-	-	-	-	1,000
Operating supplies	300	300	-	300	198
Other services and charges:					
Contractual services	19,500	19,500	16,215	3,285	14,386
Public utilities	1,000	1,000	874	126	873
<b>Total Civil Defense</b>	<b>192,840</b>	<b>192,840</b>	<b>187,823</b>	<b>5,017</b>	<b>166,120</b>
<b>Crime Commission:</b>					
Office supplies	1,000	1,000	948	52	694
Other services and charges:					
Contractual services	2,500	2,500	1,850	650	1,800
Telephone	400	400	287	113	291
Community promotion and public relations	7,300	7,300	6,823	477	6,454
Public utilities	3,200	3,200	2,902	298	2,734
Fallen Hero memorial	3,000	3,000	1,642	1,358	-
<b>Total Crime Commission</b>	<b>17,400</b>	<b>17,400</b>	<b>14,452</b>	<b>2,948</b>	<b>11,973</b>
<b>Total public safety</b>	<b>63,907,525</b>	<b>65,111,254</b>	<b>62,036,856</b>	<b>3,074,398</b>	<b>62,274,144</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development:					
<b>Engineering and Inspections:</b>					
Personal services:					
Engineers and inspectors	\$ 378,746	\$ 378,746	\$ 332,298	\$ 46,448	\$ 302,930
Clerical	101,151	101,151	89,955	11,196	88,973
Clerical co-op	-	-	4,729	(4,729)	-
Temporary employees - inspection	45,000	45,000	35,679	9,321	23,839
Overtime - engineers and inspectors	147,689	147,689	116,716	30,973	121,816
Overtime - clerical	3,500	3,500	5,856	(2,356)	2,835
Employee benefits:					
Social security	54,223	54,223	46,975	7,248	42,987
Employee insurances	126,414	126,414	84,907	41,507	89,388
Retiree health insurance	219,323	219,323	190,760	28,563	148,493
Longevity	21,816	21,816	24,672	(2,856)	20,255
Retirement fund	268,332	268,332	209,597	58,735	188,801
Cost of living	1,790	1,790	1,001	789	1,423
Uniforms	950	950	760	190	760
Employee legal services	1,240	1,240	1,011	229	1,024
Office supplies	15,000	15,000	9,570	5,430	10,400
Other services and charges:					
Software services	4,000	4,000	3,601	399	4,060
Contractual services - engineering and inspections	53,000	132,000	44,738	87,262	25,860
Postage	2,000	2,000	1,075	925	1,780
Auto expense	15,500	15,500	15,363	137	14,867
Memberships and dues	10,000	10,000	8,955	1,045	1,394
Capital outlay:					
Office equipment	-	-	3,648	(3,648)	-
<b>Total expenditures</b>	<u>1,469,674</u>	<u>1,548,674</u>	<u>1,231,866</u>	<u>316,808</u>	<u>1,091,885</u>
Other uses:					
Transfer to Water and Sewer System	78,132	78,132	78,132	-	74,200
<b>Total other uses</b>	<u>78,132</u>	<u>78,132</u>	<u>78,132</u>	<u>-</u>	<u>74,200</u>
<b>Total Engineering and Inspections</b>	<u>1,547,806</u>	<u>1,626,806</u>	<u>1,309,998</u>	<u>316,808</u>	<u>1,166,085</u>
<b>Property Maintenance:</b>					
Personal services:					
Permanent employees	234,606	234,606	223,873	10,733	195,088
Seasonal employees	30,000	30,000	61,803	(31,803)	40,403
Overtime	2,722	2,722	567	2,155	-
Employee benefits:					
Social security	21,509	21,509	22,340	(831)	18,791
Employee insurances	62,465	62,465	37,356	25,109	33,771
Retiree health insurance	55,090	55,090	42,509	12,581	45,979
Longevity	5,760	5,760	5,763	(3)	9,962
Retirement fund	54,443	54,443	50,233	4,210	45,733
Cost of living	860	860	373	487	490
Auto allowance	3,600	3,600	1,330	2,270	-
Employee legal services	620	620	589	31	461
Office supplies	10,500	10,500	10,375	125	5,181
Other services and charges:					
Contractual services	180,000	180,000	165,263	14,737	142,510
Weed mowing program	150,000	150,000	139,550	10,450	65,478
Rodent control program	3,000	3,000	5,120	(2,120)	1,052
Housing code enforcement program	115,000	115,000	103,029	11,971	97,002
Postage	10,000	10,000	4,902	5,098	3,245
West Nile Virus expense	5,000	5,000	-	5,000	-
Auto expense	3,500	3,500	3,782	(282)	2,616
Printing and publishing	7,500	7,500	6,384	1,116	1,783
Capital outlay:					
Office equipment	-	-	1,265	(1,265)	-
<b>Total Property Maintenance</b>	<u>956,175</u>	<u>956,175</u>	<u>886,406</u>	<u>69,769</u>	<u>709,545</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
<b>Building Inspections:</b>					
Personal services:					
Supervisory	\$ 181,715	\$ 181,715	\$ 107,675	\$ 74,040	\$ 98,266
Inspectors	760,289	760,289	755,928	4,361	647,776
Clerical	201,546	201,546	189,977	11,569	159,993
Clerical Co-op / Temporary	12,000	12,000	48,383	(36,383)	54,041
Overtime - inspectors	10,000	10,000	13,724	(3,724)	10,455
Overtime - clerical	2,000	2,000	299	1,701	310
Fees and per diem	5,000	5,000	6,743	(1,743)	5,280
Employee benefits:					
Social security	93,769	93,769	88,230	5,539	76,500
Employee insurances	249,045	249,045	165,570	83,475	164,625
Retiree health insurance	402,095	402,095	361,654	40,441	257,927
Longevity	37,469	37,469	41,112	(3,643)	33,094
Retirement fund	426,254	426,254	365,017	61,237	292,847
Cost of living	3,655	3,655	1,437	2,218	2,361
Auto allowance	3,600	3,600	-	3,600	-
Employee legal services	2,635	2,635	2,202	433	2,214
Office supplies	20,000	20,000	17,898	2,102	21,118
Other services and charges:					
Software services	14,000	14,000	11,150	2,850	23,058
Contractual services - inspectors	243,200	243,200	319,355	(76,155)	253,893
Nuisance abatements:					
Title search	6,000	6,000	8,730	(2,730)	7,829
Demolition expense	6,000	6,000	-	6,000	-
Postage	4,200	4,200	8,917	(4,717)	5,212
Auto expense	9,000	9,000	9,725	(725)	10,221
<b>Total Building Inspections</b>	<b>2,693,472</b>	<b>2,693,472</b>	<b>2,523,726</b>	<b>169,746</b>	<b>2,127,020</b>
<b>Public Service Director:</b>					
Personal services:					
Appointed official	108,515	108,515	113,487	(4,972)	110,277
Permanent employees	122,690	122,690	121,134	1,556	126,453
Clerical Co-op	25,000	25,000	25,858	(858)	23,140
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	19,878	19,878	19,467	411	19,742
Employee insurances	41,598	41,598	37,366	4,232	41,117
Retiree health insurance	22,160	22,160	20,832	1,328	38,062
Longevity	1,107	1,107	1,109	(2)	5,476
Retirement fund	23,696	23,696	23,774	(78)	26,755
Cost of living	645	645	322	323	502
Employee legal services	465	465	448	17	435
Office supplies	5,135	5,135	5,113	22	4,526
Other services and charges:					
Postage	899	899	2,340	(1,441)	1,132
Auto expense	5,000	5,000	926	4,074	2,599
Capital outlay:					
Office equipment	-	-	-	-	4,392
<b>Total Public Service Director</b>	<b>380,788</b>	<b>380,788</b>	<b>372,176</b>	<b>8,612</b>	<b>404,608</b>
<b>Zoning Board of Appeals:</b>					
Meeting allowance	7,560	7,560	6,055	1,505	6,475
Office supplies	1,500	1,500	1,095	405	835
Other services and charges:					
Outside court reporter	6,000	6,000	6,345	(345)	5,250
Postage	6,500	6,500	6,057	443	4,088
Education	2,500	2,500	-	2,500	-
<b>Total Zoning Board of Appeals</b>	<b>24,060</b>	<b>24,060</b>	<b>19,552</b>	<b>4,508</b>	<b>16,648</b>

(continued)

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

GENERAL FUND

Year ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
<b>Planning:</b>					
Personal services:					
Appointed official	\$ 92,197	\$ 92,197	\$ 99,614	\$ (7,417)	\$ 93,992
Permanent employees	270,980	270,980	261,381	9,599	254,857
Co-op employees - planning aides	12,000	12,000	12,045	(45)	18,931
Overtime	8,000	8,000	9,674	(1,674)	4,303
Meeting allowance	8,820	8,820	7,175	1,645	6,580
Employee benefits:					
Social security	31,186	31,186	30,720	466	29,765
Employee insurances	80,553	80,553	62,601	17,952	66,310
Retiree health insurance	130,789	130,789	115,727	15,062	101,946
Longevity	14,560	14,560	12,011	2,549	13,333
Retirement fund	106,959	106,959	104,147	2,812	98,880
Cost of living	1,075	1,075	532	543	799
Auto allowance	3,600	3,600	3,395	205	3,600
Employee legal services	775	775	730	45	730
Office supplies	8,000	8,000	5,246	2,754	3,473
Other services and charges:					
Contractual services	22,000	22,000	19,767	2,233	12,590
Tax reverted property expense	5,000	70,912	71,720	(808)	2,004
Postage	3,800	3,800	1,565	2,235	2,243
Mileage	1,500	1,500	1,044	456	960
Publications - advertising	6,000	6,000	2,139	3,861	4,098
Membership and dues	21,000	21,000	20,328	672	20,343
<b>Total Planning</b>	<u>828,794</u>	<u>894,706</u>	<u>841,561</u>	<u>53,145</u>	<u>739,737</u>
Total expenditures	6,352,963	6,497,875	5,875,287	622,588	5,089,443
Total other uses	<u>78,132</u>	<u>78,132</u>	<u>78,132</u>	-	<u>74,200</u>
<b>Total city development</b>	<u>6,431,095</u>	<u>6,576,007</u>	<u>5,953,419</u>	<u>622,588</u>	<u>5,163,643</u>
Highways and streets:					
<b>Highway Street Lighting:</b>					
Street lighting	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,387,939</u>	<u>112,061</u>	<u>2,373,401</u>
<b>Total highways and streets</b>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,387,939</u>	<u>112,061</u>	<u>2,373,401</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Recreation and culture:					
<b>Cultural Commission:</b>					
Office supplies	\$ 100	\$ 100	\$ -	\$ 100	\$ 31
Other services and charges:					
Contractual services - sound system	4,500	4,500	3,100	1,400	4,500
Concert band	500	500	500	-	500
Summer program	16,700	16,700	16,700	-	15,055
Art consultant	-	-	-	-	1,000
Art festival	500	500	500	-	-
Artist in residence program	1,000	1,000	300	700	700
Winter program	4,000	4,000	3,931	69	3,979
Warren Community Chorus	500	500	500	-	500
Warren Symphony Orchestra	500	500	500	-	500
Warren Tri-County Fine Arts	500	500	500	-	500
<b>Total Cultural Commission</b>	<b>28,800</b>	<b>28,800</b>	<b>26,531</b>	<b>2,269</b>	<b>27,265</b>
<b>Historical Commission:</b>					
Office supplies	1,200	1,200	1,242	(42)	770
Other services and charges:					
Telephone and radio	250	250	249	1	209
Community promotion and public relations	1,300	1,300	1,574	(274)	903
Memberships and dues	300	300	333	(33)	160
Historical site plaques	1,300	2,714	2,684	30	1,155
Museum expense	3,650	3,650	3,476	174	4,943
Hall of fame	1,500	1,500	1,465	35	1,164
Capital outlay:					
Office equipment	1,800	1,800	125	1,675	4,017
<b>Total Historical Commission</b>	<b>11,300</b>	<b>12,714</b>	<b>11,148</b>	<b>1,566</b>	<b>13,321</b>
<b>Village Historical Commission:</b>					
Office supplies	500	500	-	500	-
Other services and charges:					
Community promotion and public relations	4,000	4,000	855	3,145	2,844
Public utilities	3,300	3,300	3,033	267	2,839
Landscaping project	500	500	-	500	-
<b>Total Village Historical Commission</b>	<b>8,300</b>	<b>8,300</b>	<b>3,888</b>	<b>4,412</b>	<b>5,683</b>
<b>Total recreation and culture</b>	<b>48,400</b>	<b>49,814</b>	<b>41,567</b>	<b>8,247</b>	<b>46,269</b>
<b>Debt service:</b>					
D.P.W. garage lease	110,517	110,517	110,517	-	110,517
<b>Total debt service</b>	<b>110,517</b>	<b>110,517</b>	<b>110,517</b>	<b>-</b>	<b>110,517</b>
Total expenditures	102,427,856	104,204,426	96,208,659	7,995,767	95,684,393
Total other uses	1,245,768	1,245,768	1,238,403	7,365	1,232,251
<b>Total General Fund</b>	<b>\$ 103,673,624</b>	<b>\$ 105,450,194</b>	<b>\$ 97,447,062</b>	<b>\$ 8,003,132</b>	<b>\$ 96,916,644</b>

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EXHIBIT C-4

BUDGETARY COMPARISON SCHEDULE  
CITY OF WARREN, MICHIGAN

MICHIGAN TRANSPORTATION OPERATING FUNDS  
MAJOR STREETS

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
<b>Revenues:</b>					
Intergovernmental:					
State:					
Gas and weight tax	\$ 6,280,000	\$ 6,280,000	\$ 5,948,637	\$ (331,363)	\$ 6,179,253
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	190,000	190,000	47,950	(142,050)	246,294
Total revenues	<u>6,493,000</u>	<u>6,493,000</u>	<u>6,020,389</u>	<u>(472,611)</u>	<u>6,449,349</u>
<b>Expenditures - highways and streets</b>					
Administration and engineering					
Personal services					
Supervision	116,554	116,554	117,804	(1,250)	118,669
Clerical	75,599	75,599	52,789	22,810	49,201
Overtime	500	500	3,851	(3,351)	4,133
Employees benefits:					
Social security	15,541	15,541	13,763	1,778	13,571
Employee insurances	62,385	62,385	46,271	16,114	46,524
Retiree health insurance	53,197	53,197	47,897	5,300	43,257
Longevity	5,432	5,432	6,836	(1,404)	6,090
Retirement fund	57,441	57,441	59,893	(2,452)	50,813
Cost of living	645	645	275	370	481
Auto allowance	1,800	1,800	-	1,800	610
Education allowance	-	-	200	(200)	-
Employee legal services	465	465	378	87	422
Other services and charges					
Administrative costs	487,100	487,100	487,100	-	473,800
Accumulated sick leave	7,000	7,000	-	7,000	-
Accumulated compensatory time	21,000	21,000	-	21,000	-
	904,659	904,659	837,057	67,602	807,571
Supervisory wage and benefit allocation	-	-	(234,319)	234,319	-
Total administration and engineering	<u>904,659</u>	<u>904,659</u>	<u>602,738</u>	<u>301,921</u>	<u>807,571</u>
Routine maintenance:					
Personal services					
Permanent employees	875,408	756,591	654,574	102,017	747,693
Temporary employees	23,000	23,000	20,384	2,616	28,247
Overtime	34,713	34,713	9,397	25,316	28,719
Employee benefits:					
Social security	76,021	76,021	51,183	24,838	61,192
Employee insurances	280,999	240,999	183,523	57,476	209,537
Retiree health insurance	320,846	320,846	217,649	103,197	213,833
Longevity	43,916	43,916	34,860	9,056	34,210
Retirement fund	410,129	410,129	277,583	132,546	319,006
Cost of living	3,328	3,328	1,271	2,057	2,495
Education allowance	566	566	933	(367)	755
Employee legal services	2,258	2,258	1,710	548	1,945
Uniforms	2,766	2,766	2,333	433	2,316
Repairs and maintenance supplies	48,000	48,000	67,059	(19,059)	38,480
Other services and charges					
Contractual services	65,000	65,000	48,660	16,340	55,047
Joint sealing	75,000	75,000	63,094	11,906	83,494
Concrete and pavement repairs	280,000	358,223	212,141	146,082	116,934
Equipment rentals	425,000	425,000	378,830	46,170	485,004
	2,966,950	2,886,356	2,225,184	661,172	2,428,907
Supervisory wage and benefit allocation	-	-	209,355	(209,355)	-
Total routine maintenance	<u>2,966,950</u>	<u>2,886,356</u>	<u>2,434,539</u>	<u>451,817</u>	<u>2,428,907</u>
Construction	-	82,232	3,681	78,551	666,908

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS  
MAJOR STREETS

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personal services					
Permanent employees	\$ 47,065	\$ 47,065	\$ 45,841	\$ 1,224	\$ 34,593
Overtime	38,361	63,353	63,353	-	74,025
Employee benefits:					
Social security	6,817	9,433	9,433	-	9,347
Employee insurances	15,107	22,868	20,298	2,570	20,791
Retiree health insurance	29,465	41,392	41,391	1	33,249
Longevity	2,361	2,361	1,752	609	1,332
Retirement fund	37,662	51,347	49,955	1,392	48,860
Cost of living	179	179	2	177	127
Employee legal services	121	121	104	17	51
Uniforms	149	149	165	(16)	81
Repairs and maintenance supplies	200,000	265,776	264,726	1,050	154,017
Other services and charges					
Contractual services	25,000	25,000	-	25,000	-
Equipment rentals	90,000	122,060	122,059	1	105,323
Salt dome rental	2,500	2,500	2,500	-	2,500
	<u>494,787</u>	<u>653,604</u>	<u>621,579</u>	<u>32,025</u>	<u>484,296</u>
Supervisory wage and benefit allocation	-	-	25,826	(25,826)	-
Total snow and ice control	<u>494,787</u>	<u>653,604</u>	<u>647,405</u>	<u>6,199</u>	<u>484,296</u>
Traffic services:					
Personal services					
Permanent employees	43,579	43,579	19,924	23,655	40,236
Overtime	554	554	107	447	427
Employee benefits:					
Social security	3,606	3,606	1,722	1,884	3,365
Employee insurances	13,988	13,988	5,386	8,602	11,525
Retiree health insurance	15,581	15,581	7,546	8,035	12,165
Longevity	2,186	2,186	1,131	1,055	1,773
Retirement fund	19,921	19,921	9,463	10,458	12,265
Cost of living	166	166	40	126	138
Education allowance	43	43	22	21	57
Employee legal services	112	112	56	56	109
Uniforms	138	138	71	67	145
Other services and charges					
Traffic signs	10,000	10,000	8,518	1,482	7,150
Traffic signals	200,000	220,502	7,832	212,670	6,085
Traffic signal maintenance	230,000	230,000	212,834	17,166	242,031
Pavement marking	100,000	100,000	46,007	53,993	34,030
Equipment rentals	17,000	17,000	8,459	8,541	15,453
	<u>656,874</u>	<u>677,376</u>	<u>329,118</u>	<u>348,258</u>	<u>386,954</u>
Supervisory wage and benefit allocation	-	-	6,241	(6,241)	-
Total traffic services	<u>656,874</u>	<u>677,376</u>	<u>335,359</u>	<u>342,017</u>	<u>386,954</u>
Total expenditures - highways and street:	<u>5,023,270</u>	<u>5,204,227</u>	<u>4,023,722</u>	<u>1,180,505</u>	<u>4,774,636</u>
Excess (deficiency) of revenues over expenditure	<u>1,469,730</u>	<u>1,288,773</u>	<u>1,996,667</u>	<u>707,894</u>	<u>1,674,713</u>
Other financing sources (uses)					
Transfer from general fund	63,818	63,818	63,818	-	76,792
Transfers to:					
Water and Sewer System	(39,066)	(39,066)	(39,066)	-	(37,100)
Michigan transportation local street operating fund	(1,570,000)	(1,570,000)	(1,570,000)	-	(1,575,000)
1997 Act 175 - debt fund	(439,170)	(439,170)	(439,170)	-	(435,660)
2000 Act 175 - debt fund	(589,030)	(589,030)	(589,005)	25	(607,430)
2003 Act 175 - refunding debt fund	-	-	-	-	(540,132)
2003 Act 175 - debt fund	(675,250)	(675,250)	(675,000)	250	(277,325)
2006 Capital Improvement Bonds - debt fund	(242,751)	(242,751)	(242,161)	590	(240,121)
2008 Capital Improvement Bonds - debt fund	-	(53,189)	(45,842)	7,347	-
Total other uses	<u>(3,491,449)</u>	<u>(3,544,638)</u>	<u>(3,536,426)</u>	<u>8,212</u>	<u>(3,635,976)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing use	<u>(2,021,719)</u>	<u>(2,255,865)</u>	<u>(1,539,759)</u>	<u>716,106</u>	<u>(1,961,263)</u>
Fund balance - beginning of year	<u>4,357,661</u>	<u>4,357,661</u>	<u>4,357,661</u>	<u>-</u>	<u>6,318,924</u>
Fund balance - end of year	<u>\$ 2,335,942</u>	<u>\$ 2,101,796</u>	<u>\$ 2,817,902</u>	<u>\$ 716,106</u>	<u>\$ 4,357,661</u>

EXHIBIT C-5

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS  
LOCAL STREETS

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
<b>Revenues:</b>					
Intergovernmental:					
State:					
Gas and weight tax	\$ 2,080,000	\$ 2,080,000	\$ 1,989,140	\$ (90,860)	\$ 2,061,057
P.A. 48 - METRO Act proceeds	375,000	375,000	392,136	17,136	389,532
Interest on investments	100,000	100,000	33,362	(66,638)	105,517
Miscellaneous	-	-	-	-	102
Total revenues	<u>2,555,000</u>	<u>2,555,000</u>	<u>2,414,638</u>	<u>(140,362)</u>	<u>2,556,208</u>
<b>Expenditures - highways and streets</b>					
Administration and engineering					
Personal services					
Supervision	116,554	116,554	117,804	(1,250)	118,669
Clerical	75,599	75,599	52,789	22,810	49,201
Overtime	500	500	3,642	(3,142)	2,946
Employees benefits:					
Social security	15,541	15,541	13,744	1,797	13,360
Employee insurances	62,385	62,385	46,271	16,114	46,524
Retiree health insurance	53,197	53,197	47,817	5,380	42,512
Longevity	5,432	5,432	6,836	(1,404)	6,090
Retirement fund	57,441	57,441	59,779	(2,338)	49,933
Cost of living	645	645	275	370	481
Auto allowance	1,800	1,800	-	1,800	750
Education allowance	-	-	200	(200)	-
Employee legal services	465	465	378	87	422
Other services and charges					
Administrative costs	208,700	208,700	108,140	100,560	203,000
Accumulated sick leave	3,000	3,000	-	3,000	-
Accumulated compensatory time	9,000	9,000	-	9,000	-
	<u>610,259</u>	<u>610,259</u>	<u>457,675</u>	<u>152,584</u>	<u>533,888</u>
Supervisory wage and benefit allocation	-	-	(234,011)	234,011	-
Total administration and engineering	<u>610,259</u>	<u>610,259</u>	<u>223,664</u>	<u>386,595</u>	<u>533,888</u>
Routine maintenance:					
Personal services					
Permanent employees	672,158	672,158	614,131	58,027	638,454
Temporary employees	29,000	29,000	28,481	519	32,874
Overtime	61,954	61,954	22,023	39,931	35,774
Employee benefits:					
Social security	61,994	61,994	56,025	5,969	57,048
Employee insurances	215,757	215,757	186,077	29,680	198,876
Retiree health insurance	258,220	258,220	236,567	21,653	195,357
Longevity	33,720	33,720	36,906	(3,186)	28,049
Retirement fund	330,069	330,069	289,111	40,958	296,692
Cost of living	2,555	2,555	1,268	1,287	2,050
Education allowance	548	548	226	322	731
Employee legal services	1,734	1,734	1,607	127	1,775
Uniforms	2,125	2,125	2,170	(45)	2,471
Repairs and maintenance supplies	50,000	50,000	65,295	(15,295)	28,293
Other services and charges					
Contractual services	440,000	440,000	347,592	92,408	423,819
Joint sealing	155,000	155,000	130,387	24,613	172,551
Concrete and pavement repairs	415,000	532,335	317,896	214,439	254,351
Equipment rentals	500,000	500,000	384,623	115,377	463,059
	<u>3,229,834</u>	<u>3,347,169</u>	<u>2,720,385</u>	<u>626,784</u>	<u>2,832,224</u>
Supervisory wage and benefit allocation	-	-	206,109	(206,109)	-
Total routine maintenance	<u>3,229,834</u>	<u>3,347,169</u>	<u>2,926,494</u>	<u>420,675</u>	<u>2,832,224</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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personal services:					
Permanent employees	\$ 50,900	\$ 50,900	\$ 24,114	\$ 26,786	\$ 75,293
Overtime	17,833	17,833	33,597	(15,764)	24,089
Employee benefits:					
Social security	5,540	5,540	4,869	671	8,363
Employee insurances	16,338	16,338	10,099	6,239	23,956
Retiree health insurance	23,948	23,948	21,341	2,607	29,758
Longevity	2,553	2,553	922	1,631	2,268
Retirement fund	30,603	30,603	25,234	5,369	44,577
Cost of living	194	194	5	189	288
Employee legal services	131	131	75	56	139
Uniforms	161	161	86	75	218
Repairs and maintenance supplies	100,000	100,000	28,985	71,015	127,441
Other services and charges:					
Contractual services	20,000	20,000	14,245	5,755	5,481
Equipment rentals	80,000	80,000	54,438	25,562	137,894
Salt dome rental	2,500	2,500	2,500	-	2,500
	<u>350,701</u>	<u>350,701</u>	<u>220,510</u>	<u>130,191</u>	<u>482,265</u>
Supervisory wage and benefit allocation	-	-	13,644	(13,644)	-
Total snow and ice control	<u>350,701</u>	<u>350,701</u>	<u>234,154</u>	<u>116,547</u>	<u>482,265</u>
Traffic services:					
Personal services:					
Permanent employees	54,038	54,038	23,164	30,874	41,963
Overtime	585	585	129	456	678
Employee benefits:					
Social security	4,463	4,463	1,995	2,468	3,505
Employee insurances	17,346	17,346	6,300	11,046	12,153
Retiree health insurance	19,285	19,285	8,740	10,545	12,545
Longevity	2,711	2,711	1,390	1,321	1,817
Retirement fund	24,654	24,654	10,956	13,698	13,306
Cost of living	205	205	47	158	141
Education allowance	43	43	19	24	57
Employee legal services	139	139	59	80	115
Uniforms	171	171	83	88	153
Other services and charges:					
Traffic signs	12,000	12,000	9,027	2,973	5,434
Traffic signal maintenance	50,000	50,000	42,656	7,344	48,190
Pavement marking	15,000	15,000	6,899	8,101	5,104
Equipment rentals	17,000	17,000	13,927	3,073	17,083
	<u>217,640</u>	<u>217,640</u>	<u>125,391</u>	<u>92,249</u>	<u>162,244</u>
Supervisory wage and benefit allocation	-	-	7,153	(7,153)	-
Total traffic services	<u>217,640</u>	<u>217,640</u>	<u>132,544</u>	<u>85,096</u>	<u>162,244</u>
Total expenditures - highways and street:	<u>4,408,434</u>	<u>4,525,769</u>	<u>3,516,856</u>	<u>1,008,913</u>	<u>4,010,621</u>
Excess (deficiency) of revenues over expenditure	<u>(1,853,434)</u>	<u>(1,970,769)</u>	<u>(1,102,218)</u>	<u>868,551</u>	<u>(1,454,413)</u>
Other financing sources (uses)					
Transfer from:					
General fund	138,818	138,818	139,598	780	138,354
Michigan transportation major street operating fund	1,570,000	1,570,000	1,570,000	-	1,575,000
Transfers to:					
Water and Sewer System	(39,066)	(39,066)	(39,066)	-	(37,100)
2003 Act 175 - refunding debt fund	-	-	-	-	(40,655)
Total other uses	<u>1,669,752</u>	<u>1,669,752</u>	<u>1,670,532</u>	<u>780</u>	<u>1,635,599</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing use	<u>(183,682)</u>	<u>(301,017)</u>	<u>568,314</u>	<u>869,331</u>	<u>181,186</u>
Fund balance - beginning of year	<u>3,153,917</u>	<u>3,153,917</u>	<u>3,153,917</u>	<u>-</u>	<u>2,972,731</u>
Fund balance - end of year	<u>\$ 2,970,235</u>	<u>\$ 2,852,900</u>	<u>\$ 3,722,231</u>	<u>\$ 869,331</u>	<u>\$ 3,153,917</u>

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

SANITATION

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
<b>Revenues:</b>					
Property taxes:					
Real and personal property	\$ 8,456,346	\$ 8,456,346	\$ 8,456,643	\$ 297	\$ 8,576,875
Industrial facilities	255,393	255,393	263,684	8,291	225,510
	<u>8,711,739</u>	<u>8,711,739</u>	<u>8,720,327</u>	<u>8,588</u>	<u>8,802,385</u>
Miscellaneous:					
Transfer station royalties	40,000	40,000	17,048	(22,952)	120,000
Lease proceeds	-	-	18,150	-	-
Recycling revenue	41,000	41,000	91,948	50,948	53,025
Sale of equipment	-	-	102,553	102,553	6,714
Miscellaneous	25,000	25,000	8,951	(16,049)	40,336
	<u>106,000</u>	<u>106,000</u>	<u>238,650</u>	<u>132,650</u>	<u>220,075</u>
Interest on investments	190,000	190,000	52,503	(137,497)	202,482
Total revenues	<u>9,007,739</u>	<u>9,007,739</u>	<u>9,011,480</u>	<u>3,741</u>	<u>9,224,942</u>
<b>Expenditures - Sanitation:</b>					
Personal services:					
Supervisory	163,630	163,630	194,338	(30,708)	170,523
Wages-rubbish collection	1,686,154	1,686,154	1,170,264	515,890	1,275,654
Mechanics wages	230,392	230,392	182,546	47,846	201,938
Clerical	82,047	82,047	79,637	2,410	57,997
Seasonal employees - summer rubbish collection	464,064	464,064	718,889	(254,825)	477,380
Clerical co-op	-	-	-	-	9,525
Overtime - rubbish collection	397,933	397,933	227,185	170,748	384,774
Overtime - mechanics	37,000	37,000	18,925	18,075	37,938
Overtime - clerical	4,000	4,000	-	4,000	2,591
Employee benefits:					
Social security	243,269	243,269	201,900	41,369	205,373
Employee insurances	866,127	866,127	512,412	353,715	597,766
Retiree health insurance	855,026	855,026	606,502	248,524	566,751
Longevity	62,601	62,601	57,806	4,795	55,416
Retirement fund	807,220	807,220	549,550	257,670	625,200
Cost of living	9,562	9,562	3,598	5,964	6,766
Uniforms	7,220	7,220	4,023	3,197	4,225
Education allowance	1,600	1,600	1,600	-	2,400
Employee legal services	6,510	6,510	4,493	2,017	5,030
Office supplies	15,000	15,000	14,228	772	14,165
Other services and charges:					
Contractual services	19,000	19,000	2,087	16,913	18,226
Hazardous waste collection	30,000	30,000	7,537	22,463	26,988
Rubbish hauling	1,435,000	1,435,000	1,119,133	315,867	1,381,976
Recycling and compost disposal	675,000	675,000	375,395	299,605	486,096
S M D A closure costs	25,000	25,000	6,945	18,055	8,387
S M D A legal and engineering costs	100,000	100,000	121,711	(21,711)	48,145
Unemployment	30,000	30,000	25,800	4,200	47,085
Telephone	5,000	5,000	3,087	1,913	2,937
Truck expense	275,000	275,000	323,630	(48,630)	252,397
Gasoline & diesel fuel	280,000	280,000	325,460	(45,460)	324,479
Community recycling & composting education	1,000	1,000	2,050	(1,050)	301
Printing and publishing	6,000	6,000	4,431	1,569	3,991
Insurance and bonds	137,000	137,000	137,000	-	133,300
Public utilities	46,000	46,000	36,670	9,330	38,004
Building maintenance	20,000	20,000	24,795	(4,795)	15,660
Administrative costs	834,700	834,700	834,700	-	812,000
Refund of taxes paid under protest	13,000	13,000	68,789	(55,789)	82,059
Estimated uncollectible taxes	15,000	15,000	18,569	(3,569)	10,000
Accumulated sick leave liability	2,000	2,000	-	2,000	-
Accumulated compensatory time liability	2,000	2,000	-	2,000	-
Capital outlay:					
Office and garage equipment	16,900	16,900	3,019	13,881	9,425
Vehicles	-	2,391,256	2,486,468	(95,212)	170,019
Total expenditures - Sanitation	<u>9,906,955</u>	<u>12,298,211</u>	<u>10,475,172</u>	<u>1,823,039</u>	<u>8,572,887</u>
Excess (deficiency) of revenues over expenditures	(899,216)	(3,290,472)	(1,463,692)	1,826,780	652,055
Other financing uses:					
Settlement agreement	-	-	(226,515)	(226,515)	-
Transfer to Building Authority Bond Debt Fund:					
Series 2005 multiple purpose bonds	(33,000)	(33,000)	(32,774)	226	(32,220)
Series 2002 multiple purpose bonds	(25,000)	(25,000)	(24,008)	992	(23,559)
Total other financing uses	<u>(58,000)</u>	<u>(58,000)</u>	<u>(283,297)</u>	<u>(225,297)</u>	<u>(55,779)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(957,216)	(3,348,472)	(1,746,989)	1,601,483	596,276
Fund balance - beginning of year	6,278,906	6,278,906	6,278,906	-	5,682,630
Fund balance - end of year	<u>\$ 5,321,690</u>	<u>\$ 2,930,434</u>	<u>\$ 4,531,917</u>	<u>\$ 1,601,483</u>	<u>\$ 6,278,906</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 4,356,462	\$ 4,356,462	\$ 4,356,817	\$ 355	\$ 4,418,558
Industrial facilities	131,571	131,571	135,842	4,271	116,176
	<u>4,488,033</u>	<u>4,488,033</u>	<u>4,492,659</u>	<u>4,626</u>	<u>4,534,734</u>
Intergovernmental:					
State grants:					
S.M.A.R.T. Community Credit Grant	152,000	152,000	220,668	68,668	183,573
Michigan Department of Transportation	58,000	58,000	82,777	24,777	51,950
	<u>210,000</u>	<u>210,000</u>	<u>303,445</u>	<u>93,445</u>	<u>235,523</u>
Charges for services:					
Recreation fees	460,000	460,000	569,334	109,334	587,267
Warren Community Center fees	1,300,000	1,300,000	1,566,272	266,272	1,532,803
Skating rink fees	51,000	51,000	42,343	(8,657)	52,860
Ice rink concessions	17,000	17,000	-	(17,000)	4,110
Bingo fees	1,000	1,000	763	(237)	726
Senior transportation	24,000	24,000	26,329	2,329	24,115
Special events	45,000	45,000	40,534	(4,466)	42,009
Forestry - tree planting	1,000	1,000	40	(960)	2,267
	<u>1,899,000</u>	<u>1,899,000</u>	<u>2,245,615</u>	<u>346,615</u>	<u>2,246,157</u>
Miscellaneous:					
Lease proceeds	54,000	54,000	75,200	21,200	54,000
DTE Energy tree grant	-	2,000	2,000	-	-
Miscellaneous	49,000	49,000	53,603	4,603	55,192
	<u>103,000</u>	<u>105,000</u>	<u>130,803</u>	<u>25,803</u>	<u>109,192</u>
Interest on investments					
	135,000	135,000	30,818	(104,182)	134,488
	<u>135,000</u>	<u>135,000</u>	<u>30,818</u>	<u>(104,182)</u>	<u>134,488</u>
<b>Total revenues</b>	<u>6,835,033</u>	<u>6,837,033</u>	<u>7,203,340</u>	<u>366,307</u>	<u>7,260,094</u>
Expenditures - Recreation and culture:					
General parks and recreation expenditures:					
Personal services:					
Appointed official	98,751	98,751	103,277	(4,526)	100,699
Supervision	514,296	514,296	536,907	(22,611)	523,154
Maintenance wages	617,915	617,915	521,818	96,097	469,625
Seasonal employees - maintenance	85,000	85,000	87,449	(2,449)	124,023
Seasonal employees - recreation	1,350,000	1,350,000	1,551,024	(201,024)	1,588,250
Overtime - maintenance	35,854	35,854	50,632	(14,778)	69,190
Overtime - supervision and clerical	5,284	5,284	8,578	(3,294)	14,368
Employee benefits:					
Social security	214,904	214,904	205,609	9,295	211,424
Employee insurances	425,031	425,031	329,577	95,454	323,204
Retiree health insurance	448,889	448,889	430,904	17,985	336,708
Longevity	54,881	54,881	54,608	273	42,859

(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, 2009  
With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
General parks and recreation expenditures:					
Employee benefits (continued):					
Retirement fund	\$ 426,196	\$ 426,196	\$ 387,538	\$ 38,658	\$ 350,179
Cost of living	4,440	4,440	2,116	2,324	3,375
Uniforms	2,280	2,280	1,818	462	2,019
Education allowance	4,950	4,950	4,950	-	4,550
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	3,100	3,100	2,765	335	2,637
Supplies:					
Office	12,000	12,000	11,745	255	11,358
Bingo supplies	1,000	1,000	587	413	172
Operating supplies	12,000	12,000	11,848	152	13,481
Playground and athletic	86,000	86,000	67,079	18,921	78,191
Repair and maintenance	165,000	165,000	166,998	(1,998)	202,752
Other services and charges:					
Contractual services	450,000	450,000	388,724	61,276	375,590
Postage	8,000	8,000	6,950	1,050	9,792
Unemployment	4,000	4,000	3,236	764	8,129
Tree maintenance	490,000	492,000	6,670	485,330	358,999
Telephone and radio	32,000	32,000	31,431	569	29,615
Auto expense	50,000	50,000	47,289	2,711	56,599
Conference and workshops	4,000	4,000	2,962	1,038	2,860
Printing and publishing	35,000	35,000	42,248	(7,248)	70,110
Insurance and bonds	93,000	93,000	93,000	-	90,500
Public utilities	550,000	550,000	597,647	(47,647)	575,502
Building maintenance	50,000	50,000	64,984	(14,984)	59,486
Rentals and janitorial services	12,000	12,000	-	12,000	7,605
Administrative costs	94,600	94,600	94,600	-	92,000
Special events	100,000	100,000	109,973	(9,973)	103,353
Ice rink expenditures	8,500	8,500	9,283	(783)	7,668
Ice rink concession expenditures	10,000	10,000	524	9,476	1,866
Refund taxes paid under protest	11,000	11,000	36,808	(25,808)	45,923
Estimated uncollectible taxes	15,000	15,000	15,000	-	7,976
Liability transfer:					
Accumulated sick leave	24,000	24,000	-	24,000	-
Accumulated compensatory time	1,000	1,000	-	1,000	-
Capital outlay:					
Capital improvements	125,000	223,645	55,684	167,961	232,558
Office equipment	5,000	5,000	1,487	3,513	21,026
Vehicles	35,000	35,000	30,732	4,268	-
Maintenance equipment	2,000	2,000	1,060	940	-
Recreation equipment	-	46,967	46,967	-	-
Total general parks and recreation	<u>6,780,471</u>	<u>6,928,083</u>	<u>6,228,686</u>	<u>699,397</u>	<u>6,632,975</u>

(continued)

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Transportation expenditures:					
Personal services:					
Seasonal employees	\$ 140,000	\$ 140,000	\$ 133,359	\$ 6,641	\$ 124,597
Employee benefits:					
Social security	10,850	10,850	10,202	648	9,532
Employee insurances	2,914	2,914	1,852	1,062	2,534
Supplies:					
Office	1,200	1,200	994	206	733
Operating supplies	900	900	79	821	-
Other services and charges:					
Contractual services	5,600	5,600	4,912	688	4,130
Postage	150	150	-	150	-
Building maintenance	2,200	2,200	325	1,875	1,348
Telephone and radio	500	500	-	500	800
Auto expense	45,000	45,000	45,505	(505)	45,815
Printing and publishing	250	250	-	250	-
Public utilities	15,000	15,000	15,644	(644)	10,798
Conference and workshops	300	300	-	300	-
Insurance and bonds	11,500	11,500	11,500	-	11,200
Bus rental	10,000	10,000	790	9,210	1,341
Total transportation	<u>246,364</u>	<u>246,364</u>	<u>225,162</u>	<u>21,202</u>	<u>212,828</u>
Total expenditures - recreation and culture	<u>7,026,835</u>	<u>7,174,447</u>	<u>6,453,848</u>	<u>720,599</u>	<u>6,845,803</u>
Excess (deficiency) of revenues over expenditures	(191,802)	(337,414)	749,492	1,086,906	414,291
Other financing sources (uses):					
Transfer to Building Authority Bond Debt Fund:					
Series 2001 Warren Community Center bonds	(274,000)	(274,000)	(273,242)	758	(268,295)
Series 2005 W.C.C. refunding bonds	(324,000)	(324,000)	(323,273)	727	(324,983)
Series 2002 Multiple Purpose bonds	(25,000)	(25,000)	(24,682)	318	(24,221)
Series 2005 Multiple Purpose bonds	(31,000)	(31,000)	(30,788)	212	(29,913)
Total other financing uses	<u>(654,000)</u>	<u>(654,000)</u>	<u>(651,985)</u>	<u>2,015</u>	<u>(647,412)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(845,802)	(991,414)	97,507	1,088,921	(233,121)
Fund balance - beginning of year	<u>3,521,802</u>	<u>3,521,802</u>	<u>3,521,802</u>	<u>-</u>	<u>3,754,923</u>
Fund balance - end of year	<u>\$ 2,676,000</u>	<u>\$ 2,530,388</u>	<u>\$ 3,619,309</u>	<u>\$ 1,088,921</u>	<u>\$ 3,521,802</u>

## EXHIBIT C-8

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

## LIBRARY

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 2,178,231	\$ 2,178,231	\$ 2,178,409	\$ 178	\$ 2,209,279
Industrial facilities	65,799	65,799	67,921	2,122	58,088
	<u>2,244,030</u>	<u>2,244,030</u>	<u>2,246,330</u>	<u>2,300</u>	<u>2,267,367</u>
Intergovernmental:					
State:					
State aid	80,000	80,000	86,843	6,843	90,255
Penal fines	145,000	145,000	128,424	(16,576)	142,332
Renaissance Zone reimbursement	55,829	55,829	54,129	(1,700)	55,591
Personal property business inventory tax	74,795	74,795	74,795	-	74,795
	<u>355,624</u>	<u>355,624</u>	<u>344,191</u>	<u>(11,433)</u>	<u>362,973</u>
Fines and fees:					
Over the counter fines	34,000	34,000	48,348	14,348	40,780
Copy machine fees	8,500	8,500	14,592	6,092	12,758
Lost book fees	5,000	5,000	12,713	7,713	7,029
Video cassette user fees	7,000	7,000	8,204	1,204	7,617
CD ROM rentals	500	500	323	(177)	501
	<u>55,000</u>	<u>55,000</u>	<u>84,180</u>	<u>29,180</u>	<u>68,685</u>
Other:					
Sale of equipment	500,000	500,000	-	(500,000)	-
Donations	-	-	569	569	1,561
Miscellaneous	-	-	-	-	191
	<u>500,000</u>	<u>500,000</u>	<u>569</u>	<u>(499,431)</u>	<u>1,752</u>
Interest on investments	25,000	25,000	1,479	(23,521)	16,771
	<u>25,000</u>	<u>25,000</u>	<u>1,479</u>	<u>(23,521)</u>	<u>16,771</u>
Total revenues	<u>3,179,654</u>	<u>3,179,654</u>	<u>2,676,749</u>	<u>(502,905)</u>	<u>2,717,548</u>
Expenditures - recreation and culture:					
Personal services:					
Appointed official	\$ 92,197	\$ 92,197	\$ 92,181	\$ 16	\$ 89,860
Permanent employees	886,077	886,077	895,213	(9,136)	871,615
Permanent employees - pages	300,000	300,000	293,258	6,742	296,945
Overtime	16,000	16,000	2,416	13,584	7,702
Shift premium	8,500	8,500	7,397	1,103	7,662
Employee benefits:					
Social security	105,024	105,024	102,578	2,446	101,059
Employee insurances	199,526	199,526	186,090	13,436	178,667
Retiree health insurance	353,455	353,455	351,954	1,501	280,933
Longevity	33,254	33,254	33,264	(10)	30,734
Retirement fund	409,417	409,417	403,781	5,636	377,867
Cost of living	3,454	3,454	1,679	1,775	2,727
Uniforms	190	190	190	-	190
Education allowance	12,000	12,000	12,000	-	12,000
Employee legal services	2,480	2,480	2,458	22	2,458
Auto allowance	3,600	3,600	3,600	-	3,600

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Expenditures - recreation and culture:					
Office supplies	\$ 30,000	\$ 30,000	\$ 26,756	\$ 3,244	\$ 31,931
Other services and charges:					
Copy machine expense	12,000	12,000	10,396	1,604	8,257
Contractual services	10,000	10,000	2,478	7,522	4,269
Cooperative services	164,000	164,000	142,872	21,128	146,104
Library cooperative indirect aid	40,000	40,000	43,421	(3,421)	45,128
Postage	3,750	3,750	1,715	2,035	3,022
Video cassettes and tapes	14,000	14,000	14,027	(27)	15,934
Library circulation material	21,000	21,000	20,930	70	21,194
Periodicals	17,000	17,000	16,584	416	17,241
Telephone and radio	13,000	13,000	11,182	1,818	10,009
Mileage	1,500	1,500	997	503	757
Auto expense	2,000	2,000	1,331	669	1,584
Conferences and workshops	500	500	199	301	85
Book binding	200	200	-	200	-
Insurance and bonds	26,900	26,900	26,900	-	26,200
Public utilities	235,000	235,000	148,872	86,128	231,228
Building maintenance	18,000	18,000	20,591	(2,591)	10,025
Administrative expense	47,200	47,200	47,200	-	45,900
Library commission dues and expense	500	500	125	375	185
Refund taxes paid under protest	4,000	4,000	18,422	(14,422)	22,962
Estimated uncollectible taxes	7,000	7,000	7,000	-	3,988
Liability transfer:					
Accumulated sick leave	5,000	5,000	-	5,000	-
Accumulated compensatory time	2,000	2,000	-	2,000	-
Capital outlay:					
Office equipment	-	-	300	(300)	7,437
Library books	100,000	100,000	100,798	(798)	102,290
Total expenditures - recreation and culture	<u>3,199,724</u>	<u>3,199,724</u>	<u>3,051,155</u>	<u>148,569</u>	<u>3,019,749</u>
Excess (deficiency) of revenues over expenditures	(20,070)	(20,070)	(374,406)	(354,336)	(302,201)
Other financing sources (uses):					
Transfer from Downtown Development Authority					
Administration Fund	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	59,930	59,930	(294,406)	(354,336)	(302,201)
Fund balance - beginning of year	<u>442,340</u>	<u>442,340</u>	<u>442,340</u>	<u>-</u>	<u>744,541</u>
Fund balance - end of year	<u>\$ 502,270</u>	<u>\$ 502,270</u>	<u>\$ 147,934</u>	<u>\$ (354,336)</u>	<u>\$ 442,340</u>

EXHIBIT C-9

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2009  
 With Comparative Accumulative Actual Totals for the Year Ended June 30, 2008

	Accumulative Totals for			Accumulative Totals Through June 2008
	Program Years 1982-83 thru 1997-99 and Program Years 2000-01 thru 2002-03		Variance	
	Budget	Actual		
<b>Revenues:</b>				
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>
<b>Expenditures - community development</b>				
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	-	-	-	-
Homebuyer preparator	-	-	-	-
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:	\$ -	\$ -	\$ -	\$ -

Accumulative Totals for Program Year 1999-2000			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2003-2004			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 1,049,326	\$ 1,049,326	\$ -	\$ 1,045,251	\$ 1,142,271	\$ 1,142,271	\$ -	\$ 1,141,275
400,000	530,887	130,887	530,887	400,000	581,527	181,527	581,527
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,449,326</u>	<u>1,580,213</u>	<u>130,887</u>	<u>1,576,138</u>	<u>1,542,271</u>	<u>1,723,798</u>	<u>181,527</u>	<u>1,722,802</u>
400,000	530,887	(130,887)	530,887	845,000	1,026,527	(181,527)	1,026,527
-	-	-	-	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	39,500	-	38,504
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
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	50,000	-	45,925	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	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>1,580,213</u>	<u>(130,887)</u>	<u>1,576,138</u>	<u>1,542,271</u>	<u>1,723,798</u>	<u>(181,527)</u>	<u>1,722,802</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, 2009  
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2008

	Accumulative Totals for Program Year 2004-2005			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 979,839	\$ 966,195	\$ (13,644)	\$ 964,839
Miscellaneous:				
Program income	600,000	414,599	(185,401)	414,599
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>1,579,839</u>	<u>1,380,794</u>	<u>(199,045)</u>	<u>1,379,438</u>
Expenditures - community development				
Residential rehabilitation costs	601,000	415,599	185,401	415,599
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	-	-	-	-
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	196,956	13,644	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	-	-	-	-
Homebuyer preparator	-	-	-	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>1,579,839</u>	<u>1,380,794</u>	<u>199,045</u>	<u>1,379,438</u>
Excess (deficiency) of revenues over expenditure:	\$ -	\$ -	\$ -	\$ -

Accumulative Totals for Program Year 2005-2006			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2006-2007			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 1,182,789	\$ 1,123,053	\$ (59,736)	\$ 1,105,395	\$ 1,050,623	\$ 920,549	\$ (130,074)	\$ 913,205
400,000	468,017	68,017	468,017	500,000	335,214	(164,786)	335,214
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,582,789</u>	<u>1,591,070</u>	<u>8,281</u>	<u>1,573,412</u>	<u>1,550,623</u>	<u>1,255,763</u>	<u>(294,860)</u>	<u>1,248,419</u>
463,468	459,289	4,179	441,631	544,349	270,453	273,896	270,453
150,000	150,000	-	150,000	175,000	175,000	-	175,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,377	25,377	-	25,377	26,517	26,517	-	26,517
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
285,691	285,691	-	285,691	-	-	-	-
-	-	-	-	-	-	-	-
200,539	200,250	289	200,250	316,438	331,438	(15,000)	331,438
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,515	81,515	-	81,515	106,997	106,997	-	100,553
-	-	-	-	-	-	-	-
22,500	22,500	-	22,500	30,000	30,000	-	30,000
277,867	290,616	(12,749)	290,616	277,347	242,108	35,239	242,108
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	40,000	40,000	-	40,000
14,000	14,000	-	14,000	13,975	13,250	725	12,350
-	-	-	-	-	-	-	-
16,832	16,832	-	16,832	15,000	15,000	-	15,000
-	-	-	-	-	-	-	-
5,000	5,000	-	5,000	5,000	5,000	-	5,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,582,789</u>	<u>1,591,070</u>	<u>(8,281)</u>	<u>1,573,412</u>	<u>1,550,623</u>	<u>1,255,763</u>	<u>294,860</u>	<u>1,248,419</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, 2009  
 With Comparative Accumulative Actual Totals for the Year Ended June 30, 2008

	Accumulative Totals for Program Year 2007-2008			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 804,261	\$ 657,814	\$ (146,447)	\$ 432,869
Miscellaneous:				
Program income	300,000	104,317	(195,683)	104,317
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>1,104,261</u>	<u>762,131</u>	<u>(342,130)</u>	<u>537,186</u>
Expenditures - community development				
Residential rehabilitation costs	381,651	83,454	298,197	59,638
Residential rehabilitation development cost:	175,000	175,000	-	97,655
Commercial rehabilitation costs	-	-	-	-
Capital improvements - recreation	-	-	-	-
Capital projects - senior activity center	-	-	-	-
Contractual services - feasibility study	-	-	-	-
Contractual services - W.O.R.D.	-	-	-	-
Contractual services - chores service	27,148	27,148	-	14,074
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	-	-	-	-
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	86,868	86,868	-	46,096
Rodent control	-	-	-	-
Abandoned buildings	20,000	18,554	1,446	-
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	90,419	90,419	-	52,584
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	-	-	-	-
Shelter for the homeless	24,000	24,000	-	16,819
Administrative costs	215,500	176,363	39,137	153,098
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	9,675	9,575	100	-
Fire department rescue squad	-	-	-	-
Homeless prevention	25,000	25,000	-	19,514
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	4,000	4,000	-	4,000
Homebuyer preparator	5,000	1,750	3,250	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>1,104,261</u>	<u>762,131</u>	<u>342,130</u>	<u>503,478</u>
Excess (deficiency) of revenues over expenditures:	\$ -	\$ -	\$ -	\$ 33,708

EXHIBIT C-9 (continued)

Accumulative Totals for Program Year 2008-2009			Accumulative Totals Through June 2008	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 1,017,708	\$ 344,962	\$ (672,746)	\$ -	\$ 31,517,453	\$ 30,494,806	\$ (1,022,647)	\$ 29,893,470
120,000	88,812	(31,188)	-	5,886,588	7,410,566	1,523,978	7,321,754
-	-	-	-	-	45,218	45,218	45,218
-	-	-	-	-	15,309	15,309	15,309
<u>1,137,708</u>	<u>433,774</u>	<u>(703,934)</u>	<u>-</u>	<u>37,404,041</u>	<u>37,965,899</u>	<u>561,858</u>	<u>37,275,751</u>
379,565	22,463	357,102	-	13,553,305	14,340,251	(786,946)	14,276,314
140,000	90,566	49,434	-	1,720,000	1,843,082	(123,082)	1,675,171
-	-	-	-	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
35,000	9,126	25,874	-	595,807	569,933	25,874	547,733
-	-	-	-	12,500	12,500	-	12,500
-	-	-	-	663,999	663,999	-	663,999
-	-	-	-	583,271	583,271	-	583,271
110,569	-	110,569	-	4,142,435	4,031,866	110,569	4,031,866
-	-	-	-	84,093	84,093	-	84,093
-	-	-	-	10,257	10,257	-	10,257
-	-	-	-	773,528	788,239	(14,711)	747,467
-	-	-	-	30,159	30,159	-	30,159
22,574	-	22,574	-	556,373	532,353	24,020	512,803
-	-	-	-	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
150,000	35,426	114,574	-	1,389,200	1,274,626	114,574	1,194,921
-	-	-	-	2,424,350	2,424,350	-	2,424,350
-	-	-	-	157,000	157,000	-	152,925
-	-	-	-	699,666	699,666	-	699,666
24,000	24,000	-	-	203,314	203,314	-	172,133
192,500	140,588	51,912	-	5,351,402	5,242,314	109,088	5,077,105
-	-	-	-	-	-	-	-
-	-	-	-	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
40,000	40,000	-	-	605,000	605,000	-	565,000
11,500	-	11,500	-	160,130	147,805	12,325	137,330
-	-	-	-	223,363	223,363	-	223,363
20,000	9,258	10,742	-	146,368	135,626	10,742	120,882
-	-	-	-	2,872	2,872	-	2,872
-	-	-	-	44,000	44,000	-	44,000
4,000	4,000	-	-	18,000	18,000	-	14,000
8,000	-	8,000	-	13,000	1,750	11,250	-
-	-	-	-	-	(18,095)	18,095	(18,095)
<u>1,137,708</u>	<u>375,427</u>	<u>762,281</u>	<u>-</u>	<u>37,404,041</u>	<u>37,907,552</u>	<u>(503,511)</u>	<u>37,242,043</u>
\$ -	\$ 58,347	\$ 58,347	\$ -	\$ -	\$ 58,347	\$ 58,347	\$ 33,708

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, 2009

With Comparative Accumulative Actual Totals for the Year Ended June 30, 2008

	Eliminations Reported as of June 30, 2008			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 30,673,639	\$ 29,893,470	\$ (780,169)	\$ 28,927,271
Miscellaneous:				
Program income	5,766,588	7,321,754	1,555,166	7,217,437
Reimbursement from HOME	-	45,218	45,218	45,218
Transfer from CDBG Rental Rehabilitation Program	-	15,309	15,309	15,309
Total revenues	<u>36,440,227</u>	<u>37,275,751</u>	<u>835,524</u>	<u>36,205,235</u>
Expenditures - community development				
Residential rehabilitation costs	13,173,740	14,276,314	(1,102,574)	14,047,681
Residential rehabilitation development cost:	1,580,000	1,675,171	(95,171)	1,528,417
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	572,142	547,733	24,409	512,569
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	889,104	747,467	141,637	496,439
Rodent control	30,159	30,159	-	30,159
Abandoned buildings	533,799	512,803	20,996	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	1,261,784	1,194,921	66,863	1,092,898
Community police unit	2,424,350	2,424,350	-	2,424,350
Planning studies	157,000	152,925	4,075	152,925
Handicapped project	699,666	699,666	-	699,666
Shelter for the homeless	179,314	172,133	7,181	154,214
Administrative costs	5,158,902	5,077,105	81,797	4,909,449
Contingency and local options	24,399	-	24,399	-
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	565,000	565,000	-	525,000
Housing support services	148,630	137,330	11,300	124,455
Fire department rescue squac	223,363	223,363	-	223,363
Homeless preventior	126,368	120,882	5,486	92,278
Beautification	2,872	2,872	-	2,872
Arsenal Acres clearance	44,000	44,000	-	44,000
Child advocacy	14,000	14,000	-	10,000
Homebuyer preparator	5,000	-	5,000	-
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community developmen	<u>36,440,227</u>	<u>37,242,043</u>	<u>(801,816)</u>	<u>36,193,723</u>
Excess (deficiency) of revenues over expenditures:	\$ -	\$ 33,708	\$ 33,708	\$ 11,512

EXHIBIT C-9 (continued)

	Current Year Activity			Prior
	Budget	Actual	Variance	Fiscal Year Activity
Revenues:				
Intergovernmental:				
Federal grant	\$ 843,814	\$ 601,336	\$ (242,478)	\$ 966,199
Miscellaneous:				
Program income	120,000	88,812	(31,188)	104,317
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>963,814</u>	<u>690,148</u>	<u>(273,666)</u>	<u>1,070,516</u>
Expenditures - community development				
Residential rehabilitation costs	379,565	63,937	315,628	228,633
Residential rehabilitation development cost	140,000	167,911	(27,911)	146,754
Commercial rehabilitation costs	-	-	-	-
Capital improvements - recreation	-	-	-	-
Capital projects - senior activity center	-	-	-	-
Contractual services - feasibility study	-	-	-	-
Contractual services - W.O.R.D.	-	-	-	-
Contractual services - chores service	23,665	22,200	1,465	35,164
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	110,569	-	110,569	-
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	(115,576)	40,772	(156,348)	251,028
Rodent control	-	-	-	-
Abandoned buildings	22,574	19,550	3,024	13,664
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	127,416	79,705	47,711	102,023
Community police unit	-	-	-	-
Planning studies	-	4,075	(4,075)	-
Handicapped project	-	-	-	-
Shelter for the homeless	24,000	31,181	(7,181)	17,919
Administrative costs	192,500	165,209	27,291	167,656
Contingency and local options	(24,399)	-	(24,399)	-
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	11,500	10,475	1,025	12,875
Fire department rescue squad	-	-	-	-
Homeless prevention	20,000	14,744	5,256	28,604
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	4,000	4,000	-	4,000
Homebuyer preparator	8,000	1,750	6,250	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>963,814</u>	<u>665,509</u>	<u>298,305</u>	<u>1,048,320</u>
Excess (deficiency) of revenues over expenditures:	-	24,639	24,639	22,196
	<u>33,708</u>	<u>33,708</u>	<u>-</u>	<u>11,512</u>
	<u>\$ 33,708</u>	<u>\$ 58,347</u>	<u>\$ 24,639</u>	<u>\$ 33,708</u>

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CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

Community Development Block Grant - Recovery

For Period of July 1, 2008 through June 30, 2009  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Years 2008-2009			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 229,180	\$ -	\$ (229,180)	\$ -
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 229,180</u>	<u>\$ -</u>	<u>(229,180)</u>	<u>-</u>
Expenditures - community development:				
Street Improvements - Waltham Road	206,262	-	206,262	-
Administration	<u>22,918</u>	<u>-</u>	<u>22,918</u>	<u>-</u>
Total expenditures - community development	<u>229,180</u>	<u>-</u>	<u>229,180</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT C-11

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2009

With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Year 1994-95 thru 2000-01			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal grant	\$ 2,831,796	\$ 2,831,796	\$ -	\$ 2,831,796
<b>Miscellaneous:</b>				
Program income	1,160,000	1,003,074	(156,926)	1,003,074
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>697,625</u>	<u>603,197</u>	<u>(94,428)</u>	<u>603,197</u>
Total revenues	<u>4,745,816</u>	<u>4,535,402</u>	<u>(210,414)</u>	<u>4,535,402</u>
<b>Expenditures - community development:</b>				
Acquisition / new construction	2,894,023	2,919,677	(25,654)	2,919,677
Rental rehabilitation	257,171	296,290	(39,119)	296,290
Single family acquisition rehabilitation	1,017,160	808,756	208,404	808,756
Community Housing Development Organizations Operating	66,312	69,698	(3,386)	69,698
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	87,950	79,703	8,247	79,703
Program administration	378,200	352,562	25,638	352,562
Contingencies	45,000	-	45,000	-
Eligible activities applied towards match	-	8,716	(8,716)	8,716
Total expenditures - community development	<u>4,745,816</u>	<u>4,535,402</u>	<u>210,414</u>	<u>4,535,402</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

EXHIBIT C-11 (continued)

Accumulative Totals for Program Year 2001-02			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2002-03			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 386,400	\$ 386,400	\$ -	\$ 386,400	\$ 702,361	\$ 511,752	\$ (190,609)	\$ 395,756
580,000	153,353	(426,647)	153,353	720,000	829,461	109,461	829,461
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>110,000</u>	<u>111,186</u>	<u>1,186</u>	<u>111,186</u>	<u>109,125</u>	<u>146,015</u>	<u>36,890</u>	<u>146,015</u>
<u>1,076,400</u>	<u>650,939</u>	<u>(425,461)</u>	<u>650,939</u>	<u>1,531,486</u>	<u>1,487,228</u>	<u>(44,258)</u>	<u>1,371,232</u>
690,000	427,803	262,197	408,549	1,042,430	919,152	123,278	799,929
-	-	-	-	-	-	-	-
226,200	131,864	94,336	131,864	173,306	169,539	3,767	169,539
70,000	34,632	35,368	34,632	72,250	20,000	52,250	20,000
-	-	-	-	-	-	-	-
-	125	(125)	125	135,000	135,925	(925)	135,925
90,200	56,515	33,685	56,515	108,500	136,714	(28,214)	136,714
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,076,400</u>	<u>650,939</u>	<u>425,461</u>	<u>631,685</u>	<u>1,531,486</u>	<u>1,381,330</u>	<u>150,156</u>	<u>1,262,107</u>
\$ -	\$ -	\$ -	\$ 19,254	\$ -	\$ 105,898	\$ 105,898	\$ 109,125

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2009

With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Year 2003-04			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 425,642	\$ 261,016	\$ (164,626)	\$ 261,016
Miscellaneous:				
Program income	600,000	646,889	46,889	646,889
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	90,000	123,210	33,210	123,210
Total revenues	<u>1,115,642</u>	<u>1,031,115</u>	<u>(84,527)</u>	<u>1,031,115</u>
Expenditures - community development:				
Acquisition / new construction	744,231	562,022	182,209	562,022
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	153,847	226,529	(72,682)	226,529
Community Housing Development Organizations Operating	15,000	10,000	5,000	10,000
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	100,000	100,000	-	100,000
Program administration	102,564	42,564	60,000	42,564
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>1,115,642</u>	<u>941,115</u>	<u>174,527</u>	<u>941,115</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>

EXHIBIT C-11 (continued)

Accumulative Totals for Program Year 2004-05			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2005-06			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 289,050	\$ 207,837	\$ (81,213)	\$ 107,322	\$ 191,152	\$ 181,635	\$ (9,517)	\$ 181,635
700,000	74,311	(625,689)	74,311	600,000	390,992	(209,008)	390,992
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>60,000</u>	<u>134,594</u>	<u>74,594</u>	<u>134,594</u>	<u>45,000</u>	<u>79,000</u>	<u>34,000</u>	<u>79,000</u>
<u>1,049,050</u>	<u>416,742</u>	<u>(632,308)</u>	<u>316,227</u>	<u>836,152</u>	<u>651,627</u>	<u>(184,525)</u>	<u>651,627</u>
745,433	39,000	706,433	39,000	580,105	478,878	101,227	358,468
-	-	-	-	-	-	-	-
90,000	76,985	13,015	6,471	135,000	69,495	65,505	1,447
21,200	20,000	1,200	20,000	20,349	10,000	10,349	10,000
-	-	-	-	-	-	-	-
80,000	80,000	-	80,000	-	-	-	-
112,417	103,163	9,254	103,163	100,698	48,254	52,444	48,254
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,049,050</u>	<u>319,148</u>	<u>729,902</u>	<u>248,634</u>	<u>836,152</u>	<u>606,627</u>	<u>229,525</u>	<u>418,169</u>
\$ -	\$ 97,594	\$ 97,594	\$ 67,593	\$ -	\$ 45,000	\$ 45,000	\$ 233,458

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2009  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Year 2006-07			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 371,553	\$ 267,875	\$ (103,678)	\$ 86,502
Miscellaneous:				
Program income	-	216,197	216,197	216,197
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	53,000	176,575	123,575	176,575
Total revenues	<u>424,553</u>	<u>660,647</u>	<u>236,094</u>	<u>479,274</u>
Expenditures - community development:				
Acquisition / new construction	80,145	154,830	(74,685)	31,291
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	59,000	12,136	46,864	75
Community Housing Development Organizations Operating	19,096	-	19,096	-
Housing Rehabilitation Owner Occupied	230,120	390,976	(160,856)	213,202
Direct home buyer assistance	4,000	-	4,000	-
Program administration	32,192	49,705	(17,513)	45,945
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>424,553</u>	<u>607,647</u>	<u>(183,094)</u>	<u>290,513</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ 53,000	\$ 53,000	\$ 188,761

Accumulative Totals for Program Year 2007-08			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2008-09			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 741,499	\$ 120,836	\$ (620,663)	\$ 72,454	\$ 366,658	\$ 48,933	\$ (317,725)	\$ -
330,000	59,266	(270,734)	59,266	410,000	66,642	(343,358)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
85,000	-	(85,000)	-	15,000	132,250	117,250	-
<u>1,156,499</u>	<u>180,102</u>	<u>(976,397)</u>	<u>131,720</u>	<u>791,658</u>	<u>247,825</u>	<u>(543,833)</u>	<u>-</u>
463,616	24,874	438,742	35	-	62,749	(62,749)	-
-	-	-	-	-	-	-	-
369,575	18,602	350,973	-	375,661	-	375,661	-
18,936	-	18,936	-	18,332	-	18,332	-
100,000	34,392	65,608	-	217,000	133,643	83,357	-
127,500	-	127,500	-	103,000	2,500	100,500	-
76,872	102,234	(25,362)	101,391	77,665	48,933	28,732	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,156,499</u>	<u>180,102</u>	<u>976,397</u>	<u>101,426</u>	<u>791,658</u>	<u>247,825</u>	<u>543,833</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ 30,294	\$ -	\$ -	\$ -	\$ -

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2009  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 6,306,111	\$ 4,818,080	\$ (1,488,031)	\$ 4,322,881
Miscellaneous:				
Program income	5,100,000	3,440,185	(1,659,815)	3,373,543
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	1,264,750	1,506,027	241,277	1,373,777
Total revenues	<u>12,727,256</u>	<u>9,861,627</u>	<u>(2,865,629)</u>	<u>9,167,536</u>
Expenditures - community development:				
Acquisition / new construction	7,239,983	5,588,985	1,650,998	5,118,971
Rental rehabilitation	257,171	296,290	(39,119)	296,290
Single family acquisition rehabilitation	2,599,749	1,513,906	1,085,843	1,344,681
Community Housing Development Organizations Operating	321,475	164,330	157,145	164,330
Housing Rehabilitation Owner Occupied	547,120	559,011	(11,891)	213,202
Direct home buyer assistance	637,450	398,253	239,197	395,753
Program administration	1,079,308	940,644	138,664	887,108
Contingencies	45,000	-	45,000	-
Eligible activities applied towards match	-	8,716	(8,716)	8,716
Total expenditures - community development	<u>12,727,256</u>	<u>9,470,135</u>	<u>3,257,121</u>	<u>8,429,051</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ 391,492	\$ 391,492	\$ 738,485

EXHIBIT C-11 (continued)

Eliminations Reported as of June 30, 2008			Accumulative Totals Through June 2007	Current Fiscal Year Activity			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 5,939,453	\$ 4,322,881	\$ (1,616,572)	\$ 3,801,044	\$ 366,658	\$ 495,199	\$ 128,541	\$ 521,837
4,690,000	3,373,543	(1,316,457)	3,314,277	410,000	66,642	(343,358)	59,266
54,595	93,714	39,119	93,714	-	-	-	-
1,800	3,481	1,681	3,481	-	-	-	-
-	140	140	140	-	-	-	-
<u>1,249,750</u>	<u>1,373,777</u>	<u>124,027</u>	<u>1,250,202</u>	<u>15,000</u>	<u>132,250</u>	<u>117,250</u>	<u>123,575</u>
<u>11,935,598</u>	<u>9,167,536</u>	<u>(2,768,062)</u>	<u>8,462,858</u>	<u>791,658</u>	<u>694,091</u>	<u>(97,567)</u>	<u>704,678</u>
7,239,983	5,118,971	2,121,012	4,564,471	-	470,014	(470,014)	554,500
257,171	296,290	(39,119)	296,290	-	-	-	-
2,224,088	1,344,681	879,407	1,333,824	375,661	169,225	206,436	10,857
303,143	164,330	138,813	134,330	18,332	-	18,332	30,000
330,120	213,202	116,918	-	217,000	345,809	(128,809)	213,202
534,450	395,753	138,697	391,753	103,000	2,500	100,500	4,000
1,001,643	887,108	114,535	781,379	77,665	53,536	24,129	105,729
45,000	-	45,000	-	-	-	-	-
-	8,716	(8,716)	8,716	-	-	-	-
<u>11,935,598</u>	<u>8,429,051</u>	<u>3,506,547</u>	<u>7,510,763</u>	<u>791,658</u>	<u>1,041,084</u>	<u>(249,426)</u>	<u>918,288</u>
\$ -	\$ 738,485	\$ 738,485	\$ 952,095	-	(346,993)	(346,993)	(213,610)
				<u>738,485</u>	<u>738,485</u>	<u>-</u>	<u>952,095</u>
				<u>\$ 738,485</u>	<u>\$ 391,492</u>	<u>\$ (346,993)</u>	<u>\$ 738,485</u>

EXHIBIT C-12

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2009  
With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Years 2004-05 thru 2005-06			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 789,416	\$ 789,416	\$ -	\$ 789,416
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 789,416</u>	<u>\$ 789,416</u>	<u>-</u>	<u>789,416</u>
Expenditures - community development:				
Emergency housing assistance	120,236	120,236	-	120,236
Housing advocacy assistance	205,598	205,598	-	205,598
Tenant based rental assistance	366,261	366,261	-	366,261
In-home non-medical care for medically fragile	73,411	73,411	-	73,411
Short-term rent, mortgage & utilities	-	-	-	-
Move in assistance	-	-	-	-
Program administration	23,910	23,910	-	23,910
Contingencies	-	-	-	-
Total expenditures - community development	<u>789,416</u>	<u>789,416</u>	<u>-</u>	<u>789,416</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 Year 2006-2007			Accumulative Totals Through June 2008	Accumulative Totals for Program Year 2007-2008			Accumulative Totals Through June 2008
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 359,490	\$ 359,490	\$ -	\$ 301,155	\$ 436,000	\$ 265,825	\$ (170,175)	\$ 116,070
-	-	-	-	-	834	834	834
<u>\$ 359,490</u>	<u>\$ 359,490</u>	<u>\$ -</u>	<u>\$ 301,155</u>	<u>\$ 436,000</u>	<u>\$ 266,659</u>	<u>(169,341)</u>	<u>116,904</u>
-	-	-	-	-	-	-	-
94,948	94,948	-	94,948	105,000	100,466	4,534	55,128
185,995	185,995	-	127,660	180,000	29,296	150,704	-
40,000	40,000	-	40,000	40,000	40,000	-	22,826
18,536	18,536	-	18,536	48,730	48,671	59	11,820
8,101	8,101	-	8,101	50,000	35,956	14,044	19,382
11,910	11,910	-	11,910	12,270	12,270	-	7,648
-	-	-	-	-	-	-	-
<u>359,490</u>	<u>359,490</u>	<u>-</u>	<u>301,155</u>	<u>436,000</u>	<u>266,659</u>	<u>169,341</u>	<u>116,804</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

EXHIBIT C-12 (continued)

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2009  
With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Year 2008-2009			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 455,094	\$ 120,820	\$ (334,274)	\$ -
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 455,094</u>	<u>\$ 120,820</u>	<u>(334,274)</u>	<u>\$ -</u>
Expenditures - community development:				
Emergency housing assistance	-	-	-	-
Housing advocacy assistance	107,842	57,339	50,503	-
Tenant based rental assistance	188,412	-	188,412	-
In-home non-medical care for medically fragile	50,000	11,471	38,529	-
Short-term rent, mortgage & utilities	45,730	30,630	15,100	-
Move in assistance	50,000	16,322	33,678	-
Program administration	13,110	4,958	8,152	-
Contingencies	-	-	-	-
Total expenditures - community development	<u>455,094</u>	<u>120,720</u>	<u>334,374</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2008	Eliminations Reported as of June 30, 2008			Accumulative Totals Through June 2007
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 2,040,000	\$ 1,535,551	\$ (504,449)	\$ 1,206,641	\$ 1,603,000	\$ 1,206,641	\$ (396,359)	\$ 908,629
-	834	834	834	-	834	834	-
<u>\$ 2,040,000</u>	<u>\$ 1,536,385</u>	<u>(503,615)</u>	<u>\$ 1,207,475</u>	<u>\$ 1,603,000</u>	<u>\$ 1,207,475</u>	<u>(395,525)</u>	<u>\$ 908,629</u>
120,236	120,236	-	120,236	120,236	120,236	-	120,236
513,388	458,351	55,037	355,674	410,598	355,674	54,924	255,505
920,668	581,552	339,116	493,921	732,256	493,921	238,335	395,620
203,411	164,882	38,529	136,237	153,411	136,237	17,174	92,843
112,996	97,837	15,159	30,356	68,730	30,356	38,374	9,568
108,101	60,379	47,722	27,483	69,679	27,483	42,196	1,600
61,200	53,048	8,152	43,468	48,090	43,468	4,622	33,157
-	-	-	-	-	-	-	-
<u>2,040,000</u>	<u>1,536,285</u>	<u>503,715</u>	<u>1,207,375</u>	<u>1,603,000</u>	<u>1,207,375</u>	<u>395,625</u>	<u>908,529</u>
<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

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CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2009  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Current Fiscal Year			Prior
	Budget	Actual	Variance	Fiscal Year Activity
Revenues:				
Intergovernmental:				
Federal grant	\$ 437,000	\$ 328,910	\$ (108,090)	\$ 298,012
Miscellaneous:				
Program income	-	-	-	834
Total revenues	<u>\$ 437,000</u>	<u>\$ 328,910</u>	<u>(108,090)</u>	<u>\$ 298,846</u>
Expenditures - community development:				
Emergency housing assistance	-	-	-	-
Housing advocacy assistance	102,790	102,677	113	100,169
Tenant based rental assistance	188,412	87,631	100,781	98,301
In-home non-medical care for medically fragile	50,000	28,645	21,355	43,394
Short-term rent, mortgage & utilities	44,266	67,481	(23,215)	20,788
Move in assistance	38,422	32,896	5,526	25,883
Program administration	13,110	9,580	3,530	10,311
Contingencies	-	-	-	-
Total expenditures - community development	<u>437,000</u>	<u>328,910</u>	<u>108,090</u>	<u>298,846</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - beginning of year	<u>100</u>	<u>100</u>	-	<u>100</u>
Fund balance - end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

EXHIBIT C-13

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

Neighborhood Stabilization Program

For Period of July 1, 2008 through June 30, 2009  
With Comparative Accumulative Actual Totals for Year Ended June 30, 2008

	Accumulative Totals for Program Years 2008-2009			Accumulative Totals Through June 2008
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 5,829,447	\$ 44,448	\$ (5,784,999)	\$ -
Miscellaneous:				
Program Income	<u>2,525,000</u>	<u>-</u>	<u>(2,525,000)</u>	<u>-</u>
Total revenues	<u>\$ 8,354,447</u>	<u>\$ 44,448</u>	<u>(8,309,999)</u>	<u>-</u>
Expenditures - community development:				
Downpayment and rehab direct assistance	300,000	-	300,000	-
New construction	725,000	-	725,000	-
Rehab resale	5,494,500	730	5,493,770	-
Demolition	1,000,000	4,199	995,801	-
Administration	<u>834,947</u>	<u>39,419</u>	<u>795,528</u>	<u>-</u>
Total expenditures - community development	<u>8,354,447</u>	<u>44,348</u>	<u>8,310,099</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	100	100	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE  
COMMUNICATIONS

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Franchise fees	\$ 1,250,000	\$ 1,250,000	\$ 1,582,133	\$ 332,133	\$ 1,471,277
Lease proceeds	-	-	19,200	19,200	-
Interest on investments	70,000	70,000	14,778	(55,222)	59,581
Miscellaneous	-	-	1,991	1,991	549
Total revenues	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,618,102</u>	<u>298,102</u>	<u>1,531,407</u>
Expenditures - recreation and culture:					
Personal services:					
Permanent employees	347,431	347,431	299,071	48,360	288,943
Temporary employees	250,000	250,000	335,628	(85,628)	264,306
Overtime	10,000	10,000	8,977	1,023	9,328
Meeting allowance	2,100	2,100	-	2,100	-
Employee benefits:					
Social security	48,230	48,230	49,775	(1,545)	43,503
Employee insurances	85,950	85,950	42,998	42,952	42,788
Retiree health insurance	92,372	92,372	90,485	1,887	82,441
Longevity	7,755	7,755	7,191	564	7,548
Retirement fund	45,301	45,301	39,071	6,230	37,628
Cost of living	1,304	1,304	503	801	755
Auto allowance	3,600	3,600	-	3,600	1,300
Education allowance	2,250	2,250	2,250	-	1,100
Employee legal services	930	930	717	213	666
Office supplies	3,000	3,000	2,791	209	3,077
Operating supplies	15,000	15,000	11,049	3,951	11,932
Tapes	8,000	8,000	4,886	3,114	3,904
Other services and charges:					
Contractual services	85,000	85,000	34,058	50,942	38,082
Software and contractual services:	15,000	15,000	2,990	12,010	1,712
Postage	47,000	47,000	41,566	5,434	43,314
Unemployment costs	6,500	6,500	6,147	353	558
Telephone and radio	8,000	8,000	8,801	(801)	7,547
Mileage	250	250	31	219	78
Vehicle maintenance	8,000	8,000	2,144	5,856	2,327
Conferences and workshops	2,500	2,500	-	2,500	-
Community promotion	4,000	4,000	4,475	(475)	1,822
Sets and design	2,500	2,500	1,047	1,453	2,839
Web site	30,000	30,000	930	29,070	3,693
City calendar	37,500	37,500	23,864	13,636	25,652
Music library	4,000	4,000	2,080	1,920	3,305
Auditorium expense	8,000	8,000	981	7,019	946
City newsletter	50,000	50,000	51,224	(1,224)	43,520
Public utilities	137,000	137,000	131,831	5,169	130,690
Administrative costs	109,800	109,800	109,800	-	106,800
Memberships and dues	3,000	3,000	825	2,175	2,678
Accumulated sick leave	5,000	5,000	-	5,000	-
Capital outlay:					
Office equipment	3,800	3,800	1,522	2,278	6,945
Cable TV equipment	47,188	47,188	16,533	30,655	38,887
Total expenditures - recreation and culture	<u>1,537,261</u>	<u>1,537,261</u>	<u>1,336,241</u>	<u>201,020</u>	<u>1,260,614</u>
Excess (deficiency) of revenues over expenditure:	<u>(217,261)</u>	<u>(217,261)</u>	<u>281,861</u>	<u>499,122</u>	<u>270,793</u>
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds					
Warren Community Center Bonds, Series 2001	(84,500)	(84,500)	(84,074)	426	(82,067)
W.C.C. Refunding Bonds, Series 2005	(99,500)	(99,500)	(99,469)	31	(99,406)
Multiple Purpose Bonds, Series 2005	(37,000)	(37,000)	(36,747)	253	(36,086)
Total other financing sources (uses)	<u>(221,000)</u>	<u>(221,000)</u>	<u>(220,290)</u>	<u>710</u>	<u>(217,559)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses:	<u>(438,261)</u>	<u>(438,261)</u>	<u>61,571</u>	<u>499,832</u>	<u>53,234</u>
Fund balance - beginning of year	<u>1,938,447</u>	<u>1,938,447</u>	<u>1,938,447</u>	<u>-</u>	<u>1,885,213</u>
Fund balance - end of year	<u>\$ 1,500,186</u>	<u>\$ 1,500,186</u>	<u>\$ 2,000,018</u>	<u>\$ 499,832</u>	<u>\$ 1,938,447</u>

See accompanying notes to financial statements.

EXHIBIT C-15

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

RENTAL ORDINANCE FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 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:					
Residential inspection fees	236,250	236,250	263,120	26,870	204,815
Apartment inspection fees	150,750	150,750	1,175	(149,575)	-
Interest on investments	2,000	2,000	846	(1,154)	2,324
Total revenues	<u>429,000</u>	<u>429,000</u>	<u>305,141</u>	<u>(123,859)</u>	<u>247,139</u>
Expenditures - city development:					
Personal services:					
Permanent employees	141,292	141,292	125,930	15,362	108,729
Part-time employee	-	-	18,420	(18,420)	-
Overtime	1,500	1,500	1,354	146	-
Employee benefits:					
Social security	11,525	11,525	11,662	(137)	8,661
Employee insurances	50,566	50,566	26,402	24,164	26,304
Retiree health insurance	49,820	49,820	44,889	4,931	30,902
Longevity	5,276	5,276	6,546	(1,270)	4,139
Retirement fund	40,307	40,307	42,435	(2,128)	33,335
Cost of living	645	645	165	480	339
Employee legal services	465	465	294	171	307
Office supplies	6,700	6,700	5,584	1,116	3,596
Other services and charges:					
Contractual services	100,000	100,000	27,088	72,912	-
Postage	8,000	8,000	3,684	4,316	3,066
Vehicle maintenance	800	800	899	(99)	1,338
Accumulated sick leave	1,000	1,000	-	1,000	-
Capital outlay:					
Office equipment	1,000	1,000	-	1,000	-
Total expenditures - city development	<u>418,896</u>	<u>418,896</u>	<u>315,352</u>	<u>103,544</u>	<u>220,716</u>
Excess (deficiency) of revenues over expenditures	10,104	10,104	(10,211)	(20,315)	26,423
Fund balance - beginning of year	<u>77,946</u>	<u>77,946</u>	<u>77,946</u>	<u>-</u>	<u>51,523</u>
Fund balance - end of year	\$ <u>88,050</u>	\$ <u>88,050</u>	\$ <u>67,735</u>	\$ <u>(20,315)</u>	\$ <u>77,946</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

VICE CRIME CONFISCATION FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Vice crime confiscations	\$ 15,000	\$ 15,000	\$ 76,184	\$ 61,184	\$ 17,580
Interest on investments	<u>8,000</u>	<u>8,000</u>	<u>1,968</u>	<u>(6,032)</u>	<u>7,545</u>
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>78,152</u>	<u>55,152</u>	<u>25,125</u>
Expenditures - public safety:					
Other services and charges:					
Vice crime expenditures	100,000	100,000	84,175	15,825	-
Community promotion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,237</u>
Total expenditures - public safety	<u>100,000</u>	<u>100,000</u>	<u>84,175</u>	<u>15,825</u>	<u>8,237</u>
Excess (deficiency) of revenues over expenditures	(77,000)	(77,000)	(6,023)	70,977	16,888
Fund balance - beginning of year	<u>209,887</u>	<u>209,887</u>	<u>209,887</u>	<u>-</u>	<u>192,999</u>
Fund balance - end of year	<u>\$ 132,887</u>	<u>\$ 132,887</u>	<u>\$ 203,864</u>	<u>\$ 70,977</u>	<u>\$ 209,887</u>

See accompanying notes to financial statements.

EXHIBIT C-17

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

DRUG FORFEITURE FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Drug forfeitures	\$ 250,000	\$ 250,000	\$ 565,132	\$ 315,132	\$ 459,030
Interest on investments	27,000	27,000	7,199	(19,801)	23,974
Other revenue:					
Sale of equipment	-	-	-	-	167
Total revenues	<u>277,000</u>	<u>277,000</u>	<u>572,331</u>	<u>295,331</u>	<u>483,171</u>
Expenditures - public safety:					
Operating supplies	-	-	-	-	13,924
Other services and charges:					
Federal drug forfeiture expenditures	150,000	320,000	241,230	78,770	-
Local drug forfeiture expenditures	113,000	113,000	115,934	(2,934)	-
Contractual services	-	-	-	-	3,804
Special investigations	-	-	-	-	46,137
Telephone and radio	-	-	-	-	5,271
Vehicle maintenance	-	-	-	-	1,851
Canine unit expense	-	-	-	-	3,915
Capital outlay:					
Office equipment	-	-	-	-	5,941
Vehicles	-	-	-	-	102,201
Total expenditures - public safety	<u>263,000</u>	<u>433,000</u>	<u>357,164</u>	<u>75,836</u>	<u>183,044</u>
Excess (deficiency) of revenues over expenditures	<u>14,000</u>	<u>(156,000)</u>	<u>215,167</u>	<u>371,167</u>	<u>300,127</u>
Other financing sources (uses):					
Transfer to general fund	-	-	-	-	(120,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	14,000	(156,000)	215,167	371,167	180,127
Fund balance - beginning of year	<u>740,558</u>	<u>740,558</u>	<u>740,558</u>	<u>-</u>	<u>560,431</u>
Fund balance - end of year	<u>\$ 754,558</u>	<u>\$ 584,558</u>	<u>\$ 955,725</u>	<u>\$ 371,167</u>	<u>\$ 740,558</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

POLICE TRAINING FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
State:					
Police training	\$ 53,000	\$ 53,000	\$ 47,940	\$ (5,060)	\$ 52,598
Interest on investments	5,000	5,000	1,196	(3,804)	5,117
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>49,136</u>	<u>(8,864)</u>	<u>57,715</u>
Expenditures - public safety:					
Other services and charges:					
Conferences and workshops	<u>52,000</u>	<u>52,000</u>	<u>51,465</u>	<u>535</u>	<u>54,658</u>
Total expenditures - public safety	<u>52,000</u>	<u>52,000</u>	<u>51,465</u>	<u>535</u>	<u>54,658</u>
Excess (deficiency) of revenues over expenditures	6,000	6,000	(2,329)	(8,329)	3,057
Fund balance - beginning of year	<u>139,561</u>	<u>139,561</u>	<u>139,561</u>	<u>-</u>	<u>136,504</u>
Fund balance - end of year	<u>\$ 145,561</u>	<u>\$ 145,561</u>	<u>\$ 137,232</u>	<u>\$ (8,329)</u>	<u>\$ 139,561</u>

See accompanying notes to financial statements.

EXHIBIT C-19

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 DOWNTOWN DEVELOPMENT AUTHORITY ADMINISTRATION FUND  
 Year Ended June 30, 2009  
 With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
<b>Revenues:</b>					
Property taxes	6,200,000	6,200,000	6,371,533	171,533	6,217,231
Interest on investments	75,000	75,000	58,433	(16,567)	71,560
Rental revenues	350,000	350,000	364,896	14,896	427,438
Miscellaneous	-	-	91,919	91,919	-
<b>Total revenues</b>	<b>6,625,000</b>	<b>6,625,000</b>	<b>6,886,781</b>	<b>261,781</b>	<b>6,716,229</b>
<b>Expenditures - economic development:</b>					
<b>Personal services:</b>					
Permanent employee	81,844	81,844	71,943	9,901	63,959
Temporary employee	79,560	79,560	35,256	44,304	27,333
<b>Employee benefits:</b>					
Social security	13,024	13,024	9,557	3,467	8,525
Employee insurances	21,435	21,435	17,517	3,918	17,260
Retiree health insurance	29,644	29,644	30,864	(1,220)	23,038
Longevity	1,630	1,630	1,628	2	1,652
Retirement fund	8,849	8,849	9,213	(364)	8,439
Cost of living	215	215	107	108	168
Auto allowance	3,600	3,600	3,600	-	3,300
Education allowance	1,200	1,200	1,200	-	3,200
Employee legal services	155	155	154	1	127
Office supplies	6,000	6,000	2,729	3,271	3,094
<b>Other services and charges:</b>					
Contractual services	315,000	315,000	41,332	273,668	42,554
Management fees & expenses	200,000	200,000	172,052	27,948	206,117
Court reporter	9,000	9,000	3,276	5,724	3,381
Postage	10,000	10,000	748	9,252	8,984
Telephone	1,000	1,000	694	306	554
Mileage	1,000	1,000	119	881	11
Conferences and workshops	3,000	3,000	545	2,455	180
Community promotion	75,000	75,000	127,117	(52,117)	72,697
Printing and publishing	20,000	20,000	9,054	10,946	18,744
Administrative costs	634,800	634,800	634,800	-	617,500
City entrance sign	10,000	10,000	-	10,000	-
City flower plantings	10,000	10,000	14,438	(4,438)	12,193
Memberships and dues	5,000	5,000	1,155	3,845	920
<b>Total expenditures - economic development</b>	<b>1,540,956</b>	<b>1,540,956</b>	<b>1,189,098</b>	<b>351,858</b>	<b>1,143,930</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,084,044</b>	<b>5,084,044</b>	<b>5,697,683</b>	<b>613,639</b>	<b>5,572,299</b>
<b>Other financing sources (uses):</b>					
Transfer to Library Special Revenue Fund	(80,000)	(80,000)	(80,000)	-	-
<b>Transfer to Building Authority Debt Service Funds:</b>					
Warren Community Center Bonds, Series 2001	(63,000)	(63,000)	(63,056)	(56)	(61,776)
W.C.C. Refunding Bonds, Series 2005	(75,000)	(75,000)	(74,601)	399	(74,828)
<b>Transfer to D.D.A. Debt Service Funds:</b>					
Series 2002	(1,412,863)	(1,412,863)	(1,412,838)	25	(1,431,900)
Series 2003	(1,249,050)	(1,249,050)	(1,249,000)	50	(1,264,000)
Series 2004	(1,370,550)	(1,370,550)	(1,370,475)	75	(878,600)
Series 2005	(662,550)	(662,550)	(662,475)	75	(662,475)
<b>Total other financing sources (uses)</b>	<b>(4,913,013)</b>	<b>(4,913,013)</b>	<b>(4,912,445)</b>	<b>568</b>	<b>(4,373,579)</b>
<b>Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses</b>	<b>171,031</b>	<b>171,031</b>	<b>785,238</b>	<b>614,207</b>	<b>1,198,720</b>
<b>Fund balance - beginning of year</b>	<b>9,447,484</b>	<b>9,447,484</b>	<b>9,447,484</b>	<b>-</b>	<b>8,248,764</b>
<b>Fund balance - end of year</b>	<b>\$ 9,618,515</b>	<b>\$ 9,618,515</b>	<b>\$ 10,232,722</b>	<b>\$ 614,207</b>	<b>\$ 9,447,484</b>

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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ -	\$ -	\$ 512	\$ 512	\$ 35
Interest on investments	2,500	2,500	716	(1,784)	2,799
Miscellaneous	-	-	-	-	13
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>1,228</u>	<u>(1,272)</u>	<u>2,847</u>
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Estimated uncollectible taxes	2,000	2,000	-	2,000	2,000
Refund of taxes paid under protest	2,000	2,000	3,092	(1,092)	9,080
Maintenance fees	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total expenditures - debt service	<u>14,000</u>	<u>14,000</u>	<u>3,092</u>	<u>10,908</u>	<u>11,080</u>
Excess (deficiency) of revenues over expenditures	(11,500)	(11,500)	(1,864)	9,636	(8,233)
Fund balance - beginning of year	<u>88,604</u>	<u>88,604</u>	<u>88,604</u>	<u>-</u>	<u>96,837</u>
Fund balance - end of year	<u>\$ 77,104</u>	<u>\$ 77,104</u>	<u>\$ 86,740</u>	<u>\$ 9,636</u>	<u>\$ 88,604</u>

See accompanying notes to financial statements.

EXHIBIT C-21

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

2002 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	500,000
Interest payments	912,563	912,563	912,563	-	931,625
Fiscal charges	300	300	275	25	275
Total expenditures - debt service	1,412,863	1,412,863	1,412,838	25	1,431,900
Excess (deficiency) of revenues over expenditures	(1,412,863)	(1,412,863)	(1,412,838)	25	(1,431,900)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,412,863	1,412,863	1,412,838	(25)	1,431,900
Total other financing sources (uses)	1,412,863	1,412,863	1,412,838	(25)	1,431,900
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 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 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	500,000	500,000	500,000	-	500,000
Interest payments	748,750	748,750	748,750	-	763,750
Fiscal charges	300	300	250	50	250
Total expenditures - debt service	<u>1,249,050</u>	<u>1,249,050</u>	<u>1,249,000</u>	<u>50</u>	<u>1,264,000</u>
Excess (deficiency) of revenues over expenditures	<u>(1,249,050)</u>	<u>(1,249,050)</u>	<u>(1,249,000)</u>	<u>50</u>	<u>(1,264,000)</u>
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	<u>1,249,050</u>	<u>1,249,050</u>	<u>1,249,000</u>	<u>(50)</u>	<u>1,264,000</u>
Total other financing sources (uses)	<u>1,249,050</u>	<u>1,249,050</u>	<u>1,249,000</u>	<u>(50)</u>	<u>1,264,000</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>

See accompanying notes to financial statements.

EXHIBIT C-23

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

2004 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	-
Interest payments	870,250	870,250	870,250	-	878,375
Fiscal charges	300	300	225	75	225
Total expenditures - debt service	1,370,550	1,370,550	1,370,475	75	878,600
Excess (deficiency) of revenues over expenditures	(1,370,550)	(1,370,550)	(1,370,475)	75	(878,600)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,370,550	1,370,550	1,370,475	(75)	878,600
Total other financing sources (uses)	1,370,550	1,370,550	1,370,475	(75)	878,600
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

2005 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	662,250	662,250	662,250	-	662,250
Fiscal charges	300	300	225	75	225
Total expenditures - debt service	662,550	662,550	662,475	75	662,475
Excess (deficiency) of revenues over expenditures	(662,550)	(662,550)	(662,475)	75	(662,475)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	662,550	662,550	662,475	(75)	662,475
Total other financing sources (uses)	662,550	662,550	662,475	(75)	662,475
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-25

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

1997 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	360,000	360,000	360,000	-	340,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	78,820	78,820	78,820	-	95,310
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	350	350	350	-	350
Local streets	-	-	-	-	-
Total expenditures - debt service	439,170	439,170	439,170	-	435,660
Excess (deficiency) of revenues over expenditures	(439,170)	(439,170)	(439,170)	-	(435,660)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	439,170	439,170	439,170	-	435,660
Local streets	-	-	-	-	-
Total other financing sources (uses)	439,170	439,170	439,170	-	435,660
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, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 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	-	400,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	188,755	188,755	188,755	-	207,155
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	275	275	250	25	275
Local streets	-	-	-	-	-
Total expenditures - debt service	<u>589,030</u>	<u>589,030</u>	<u>589,005</u>	<u>25</u>	<u>607,430</u>
Excess (deficiency) of revenues over expenditures	<u>(589,030)</u>	<u>(589,030)</u>	<u>(589,005)</u>	<u>25</u>	<u>(607,430)</u>
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	589,030	589,030	589,005	(25)	607,430
Local streets	-	-	-	-	-
Total other financing sources (uses)	<u>589,030</u>	<u>589,030</u>	<u>589,005</u>	<u>(25)</u>	<u>607,430</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>

See accompanying notes to financial statements.

EXHIBIT C-27

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	500,000	500,000	500,000	-	100,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	174,750	174,750	174,750	-	177,100
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	500	500	250	250	225
Local streets	-	-	-	-	-
Total expenditures - debt service	675,250	675,250	675,000	250	277,325
Excess (deficiency) of revenues over expenditures	(675,250)	(675,250)	(675,000)	250	(277,325)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	675,250	675,250	675,000	(250)	277,325
Local streets	-	-	-	-	-
Total other financing sources (uses)	675,250	675,250	675,000	(250)	277,325
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

2006 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 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	35,919	35,919	35,918	1	35,918
Local streets	-	-	-	-	-
Interest payments:					
Major streets	206,082	206,082	206,082	-	207,429
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	750	750	161	589	242
Local streets	-	-	-	-	-
Total expenditures - debt service	<u>242,751</u>	<u>242,751</u>	<u>242,161</u>	<u>590</u>	<u>243,589</u>
Excess (deficiency) of revenues over expenditures	<u>(242,751)</u>	<u>(242,751)</u>	<u>(242,161)</u>	<u>590</u>	<u>(243,589)</u>
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	242,751	242,751	242,161	(590)	240,121
Local streets	-	-	-	-	-
Total other financing sources (uses)	<u>242,751</u>	<u>242,751</u>	<u>242,161</u>	<u>(590)</u>	<u>240,121</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	(3,468)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,468</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT C-29

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

2008 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Accrued interest on sale of bonds	\$ -	\$ -	\$ 8,640	\$ 8,640	\$ -
Total revenues	-	-	8,640	8,640	-
Expenditures - debt service:					
Principal payments:					
Major streets	-	-	-	-	-
Local streets	-	-	-	-	-
Interest payments:					
Major streets	-	52,689	45,743	6,946	-
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	-	500	99	401	-
Local streets	-	-	-	-	-
Total expenditures - debt service	-	53,189	45,842	7,347	-
Excess (deficiency) of revenues over expenditures	-	(53,189)	(37,202)	15,987	-
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	-	53,189	45,842	(7,347)	-
Local streets	-	-	-	-	-
Total other financing sources (uses)	-	53,189	45,842	(7,347)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	8,640	8,640	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 8,640	\$ 8,640	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

37TH DISTRICT COURT BUILDING RENOVATION FUND

Year Ended June 30, 2009

With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Court building renovation fee	\$ 620,000	\$ 620,000	\$ 491,171	\$ (128,829)	\$ 667,849
Interest on investments	85,000	85,000	23,785	(61,215)	80,875
Total revenues	<u>705,000</u>	<u>705,000</u>	<u>514,956</u>	<u>(190,044)</u>	<u>748,724</u>
Expenditures - capital projects:					
Capital improvements	<u>3,241,968</u>	<u>3,241,968</u>	-	<u>3,241,968</u>	-
Total expenditures - debt service	<u>3,241,968</u>	<u>3,241,968</u>	-	<u>3,241,968</u>	-
Excess (deficiency) of budgeted revenues over budgeted expenditures	(2,536,968)	(2,536,968)	514,956	3,051,924	748,724
Fund balance - beginning of year	<u>2,650,692</u>	<u>2,650,692</u>	<u>2,650,692</u>	-	<u>1,901,968</u>
Fund balance - end of year	<u>\$ 113,724</u>	<u>\$ 113,724</u>	<u>\$ 3,165,648</u>	<u>\$ 3,051,924</u>	<u>\$ 2,650,692</u>

See accompanying notes to financial statements.

EXHIBIT C-31

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 SEWAGE DISPOSAL PLANT EXPANSION FUND  
 Year Ended June 30, 2009  
 With Comparative Actual Totals for Year Ended June 30, 2008

	2009				2008 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	-	-	-	-	-
Total expenditures - capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses) :					
Transfer to Water and Sewer System	(96,828)	(96,828)	(96,828)	-	-
Total other financing sources (uses)	<u>(96,828)</u>	<u>(96,828)</u>	<u>(96,828)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(96,828)	(96,828)	(96,828)	-	-
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,828</u>

See accompanying notes to financial statements.

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EXHIBIT C-32

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

June 30, 2009

	Pension and Other Employee Benefit Trust Funds (1)			
	Police & Fire Retirement System	City Employees' Retirement System	Police & Fire VEBA Trust	City Employees' VEBA Trust
<b>Assets</b>				
Cash and cash equivalents	\$ 1,053,222	\$ 15,628	\$ -	\$ -
Receivables:				
Investment sales	-	-	-	-
Accrued interest and dividends	984,812	699,017	68,248	115,035
Other	-	5,260	-	-
Prepaid expenses	-	1,833	67,415	66,708
Due from other funds:				
City Employees' Retirement System	-	-	-	-
Investments, at fair value:				
Securities lending short-term collateral investment pool	32,003,681	4,361,799	-	-
Short-term cash management funds	9,210,580	9,927,892	2,106,982	3,869,050
Certificates of deposit	-	-	3,643,354	-
U.S. government obligations	20,840,519	4,637,713	-	-
U.S. government agencies' notes and debentures	26,021,277	6,895,600	-	987,493
Corporate and other bonds and securities	34,688,930	37,729,412	-	5,429,227
Fixed income mutual funds	2,464,949	-	2,593,547	-
Equities	117,750,073	24,291,152	-	-
Equity mutual funds	4,663,135	17,854,411	8,400,683	9,271,439
Real estate investment trusts	4,189,726	116,341	-	-
Private equity	2,489,608	-	-	-
Hedge funds	3,081,687	-	-	-
Distressed debt recovery fund	1,217,839	-	-	-
Mezzanine debt financing	1,143,971	-	-	-
Total investments	<u>259,765,975</u>	<u>105,814,320</u>	<u>16,744,566</u>	<u>19,557,209</u>
Total assets	<u>261,804,009</u>	<u>106,536,058</u>	<u>16,880,229</u>	<u>19,738,952</u>
<b>Liabilities</b>				
Accounts payable	2,617,047	292,685	3,256	6,822
Investment purchases	-	388,709	-	-
Due broker under securities lending agreement	32,688,794	4,361,799	-	-
Due to other funds:				
General fund	132,963	124,457	3,597,343	2,767,029
Water and Sewer System	-	4,487	-	-
Downtown Development Authority	-	-	-	-
Police and Fire Retirement System	-	-	-	-
City Employees' VEBA Trust	-	-	-	-
Police and Fire VEBA Trust	-	-	-	-
Accrued medical claims	-	-	473,975	442,943
Deposits and escrows	-	-	-	-
Due to other governmental units	-	-	-	-
Total liabilities	<u>35,438,804</u>	<u>5,172,137</u>	<u>4,074,574</u>	<u>3,216,794</u>
<b>Net assets</b>				
Held in trust for pension and other employee benefits	<u>\$ 226,365,205</u>	<u>\$ 101,363,921</u>	<u>\$ 12,805,655</u>	<u>\$ 16,522,158</u>

Note:

(1) Fiscal year ended December 31, 2008.

See accompanying notes to financial statements.

		Agency Funds					
City	Total	Payroll	Cash	Tax	Fire		
Employees'	Pension and Other	Revolving	Bond	Collection	Insurance	Totals	
Retirement	Employee Benefit	Fund	Fund	Fund	Withholding		
QEBA Trust	Trust Funds (1)				Fund		
\$ -	\$ 1,068,850	\$ -	\$ 1,237,988	\$ 902,239	\$ 145,792	\$ 2,286,019	
-	-	-	-	-	-	-	
38	1,867,150	-	-	-	6	6	
-	5,260	149,664	-	-	-	149,664	
-	135,956	-	-	-	-	-	
-	-	12,581	-	-	-	12,581	
-	36,365,480	-	-	-	-	-	
9,630	25,124,134	-	-	-	-	-	
-	3,643,354	-	-	-	-	-	
-	25,478,232	-	-	-	-	-	
-	33,904,370	-	-	-	-	-	
-	77,847,569	-	-	-	-	-	
-	5,058,496	-	-	-	-	-	
-	142,041,225	-	-	-	-	-	
-	40,189,668	-	-	-	-	-	
-	4,306,067	-	-	-	-	-	
-	2,489,608	-	-	-	-	-	
-	3,081,687	-	-	-	-	-	
-	1,217,839	-	-	-	-	-	
-	1,143,971	-	-	-	-	-	
<u>9,630</u>	<u>401,891,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>9,668</u>	<u>404,968,916</u>	<u>162,245</u>	<u>1,237,988</u>	<u>902,239</u>	<u>145,798</u>	<u>2,448,270</u>	
145	2,919,955	6,262	-	11,009	-	17,271	
-	388,709	-	-	-	-	-	
-	37,050,593	-	-	-	-	-	
-	6,621,792	152,687	-	-	8	152,695	
-	4,487	-	-	-	-	-	
-	-	-	-	2,945	-	2,945	
-	-	2,077	-	-	-	2,077	
-	-	873	-	-	-	873	
-	-	346	-	-	-	346	
-	916,918	-	-	-	-	-	
-	-	-	1,237,988	-	145,790	1,383,778	
-	-	-	-	888,285	-	888,285	
<u>145</u>	<u>47,902,454</u>	<u>162,245</u>	<u>1,237,988</u>	<u>902,239</u>	<u>145,798</u>	<u>2,448,270</u>	
<u>\$ 9,523</u>	<u>\$ 357,066,462</u>						

EXHIBIT C-33

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

For the Year Ended June 30, 2009

	Police & Fire Retirement System	City Employees' Retirement System	Police & Fire VEBA Trust	City Employees' VEBA Trust
<b>Additions:</b>				
Contributions:				
Employee contributions	\$ 612,043	\$ -	\$ -	\$ -
Employer contributions	7,043,293	7,016,960	7,854,920	8,461,778
Employer contributions made on behalf of employees	1,094,806	-	-	-
Total contributions	<u>8,750,142</u>	<u>7,016,960</u>	<u>7,854,920</u>	<u>8,461,778</u>
Investment activity:				
Net appreciation/(depreciation) in fair value of investments	(93,504,592)	(31,522,992)	(5,376,123)	(5,988,469)
Interest and dividend income	8,176,534	3,965,961	793,875	923,102
	(85,328,058)	(27,557,031)	(4,582,248)	(5,065,367)
Less investment expenses	(1,551,748)	(516,754)	(15,184)	(29,615)
Net investment gain/(loss)	<u>(86,879,806)</u>	<u>(28,073,785)</u>	<u>(4,597,432)</u>	<u>(5,094,982)</u>
Securities lending income:				
Interest and fees	1,222,425	491,713	-	-
Less borrower rebates and bank fees	(809,532)	(374,987)	-	-
Recognition of impaired asset	(685,109)	(179,912)	-	-
Net securities lending income	<u>(272,216)</u>	<u>(63,186)</u>	<u>-</u>	<u>-</u>
Miscellaneous income	-	24,829	-	-
Total additions	<u>(78,401,880)</u>	<u>(21,095,182)</u>	<u>3,257,488</u>	<u>3,366,796</u>
<b>Deductions:</b>				
Retirees' pension benefits	20,365,006	12,560,143	-	-
Retirees' health insurance	-	-	7,093,327	7,052,372
Refunds and withdrawals of contributions	1,646,569	47,943	-	-
Incentive bonuses	10,000	-	-	-
Administrative expense	357,420	293,156	13,323	55,267
Total deductions	<u>22,378,995</u>	<u>12,901,242</u>	<u>7,106,650</u>	<u>7,107,639</u>
Net increase (decrease)	(100,780,875)	(33,996,424)	(3,849,162)	(3,740,843)
Net assets held in trust for pension and other employee benefits:				
Beginning of year	327,146,080	135,360,345	16,654,817	20,263,001
End of year	<u>\$ 226,365,205</u>	<u>\$ 101,363,921</u>	<u>\$ 12,805,655</u>	<u>\$ 16,522,158</u>

Note:

(1) Fiscal year ended December 31, 2008.

See accompanying notes to financial statements.

City Employees' Retirement QEBA Trust	Total Pension and Other Employee Benefit Trust Funds (1)
\$ -	\$ 612,043
70,000	30,446,951
-	<u>1,094,806</u>
<u>70,000</u>	<u>32,153,800</u>
-	(136,392,176)
<u>302</u>	<u>13,859,774</u>
302	(122,532,402)
<u>(522)</u>	<u>(2,113,823)</u>
<u>(220)</u>	<u>(124,646,225)</u>
-	1,714,138
-	(1,184,519)
-	<u>(865,021)</u>
-	<u>(335,402)</u>
-	24,829
<u>69,780</u>	<u>(92,802,998)</u>
53,655	32,978,804
-	14,145,699
-	1,694,512
-	10,000
<u>8,209</u>	<u>727,375</u>
<u>61,864</u>	<u>49,556,390</u>
7,916	(142,359,388)
<u>1,607</u>	<u>499,425,850</u>
<u>\$ 9,523</u>	<u>\$ 357,066,462</u>

**EXHIBIT C-34**

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

**Schedule of Funding Progress**  
**Entry Age Cost Method**  
*(thousands of dollars)*

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)
12/31/02	\$ 135,317	\$ 167,595	\$ 32,278	80.7%	\$ 16,760	192.6%
12/31/03	128,847	167,037	38,190	77.1	16,908	225.9
12/31/04	126,080	170,412	44,332	74.0	16,720	265.1
12/31/05	126,604	171,289	44,685	73.9	15,770	283.4
12/31/06	132,076	176,356	44,280	74.9	14,879	297.6
12/31/07	136,044	180,381	44,337	75.4	14,734	300.9

**Schedule of Employer Contributions**  
**Aggregate Cost Method**

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
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
12/31/07	12/31/05	6,603,342	100.00
12/31/08	12/31/06	7,016,960	100.00

**EXHIBIT C-35**

POLICE AND FIRE RETIREMENT SYSTEM

**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)
12/31/02	\$ 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
12/31/06	300,703,399	322,711,074	22,007,675	93.20	29,425,088	74.80
12/31/07	316,619,175	336,477,451	19,858,276	94.10	29,995,123	66.20

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
12/31/03	\$ 1,297,595	100.00
12/31/04	1,895,672	100.00
12/31/05	4,280,739	100.00
12/31/06	6,949,145	100.00
12/31/07	7,743,960	100.00
12/31/08	8,138,100	100.00

CITY OF WARREN, MICHIGAN  
REQUIRED SUPPLEMENTARY INFORMATION

CITY EMPLOYEES' RETIREMENT HEALTH, LIFE AND DISABILITY BENEFITS PLAN AND TRUST

**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
12/31/06	16,229,489	161,270,365	145,040,876	10.06	27,490,701	527.60

**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
12/31/07 (1)	12/31/04	3,842,163	100.00
12/31/08	12/31/06	8,461,778	100.00

(1) On October 24, 2007, the Board approved changing the Plan and Trust's fiscal year to January 1 – December 31. Accordingly, the data presented is for the six month period ended December 31, 2007.

POLICE AND FIRE RETIREMENT BENEFITS PLAN AND TRUST

**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)	\$ 116,492,273	\$ 116,492,273	0.00%	\$ 29,400,497	396.23%
12/31/06	16,278,706	173,368,137	158,089,431	9.39	29,425,088	533.86

(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	Annual Required Contribution	Percentage Contributed
12/31/05	\$ 4,237,700	100.00%
12/31/06	6,168,503	100.00
12/31/07	7,579,855	100.00
12/31/08	7,854,920	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, 2009

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	\$ 570,476
Electrical permits	248,014
Mechanical permits	148,919
Plumbing permits	186,728
Plan review fees	87,193
Sidewalk permits	12,236
Zoning permits	123,761
Other licenses and permits	350,601
Block Grant administration	15,984
Board of appeals	28,835
Site plan fees	17,060
Planning commission fees	<u>4,632</u>
Total revenues	<u>1,794,439</u>
Expenditures (1):	
Building department	2,523,726
Planning department	<u>841,561</u>
Total expenditures	<u>3,365,287</u>
Excess (deficiency) of revenues over expenditures	( 1,570,848)
Cumulative shortfall as of June 30, 2008	<u>( 5,214,757)</u>
Cumulative shortfall as of June 30, 2009	<u>\$( 6,785,605)</u>

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

# 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
Miscellaneous Demographics	D-16
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#### **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
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Full-Time Equivalent City Government Employees by Function	D-20

**CITY OF WARREN, MICHIGAN**  
**NET ASSETS BY COMPONENT**  
**LAST EIGHT 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	2008	2009
\$ 61,211,667	\$ 62,875,434	\$ 59,140,668	\$ 56,796,215	\$ 48,445,832
33,684,984	32,961,557	33,087,848	35,970,344	42,844,224
<u>25,044,605</u>	<u>30,107,642</u>	<u>33,618,180</u>	<u>36,433,515</u>	<u>32,199,699</u>
<u>\$ 119,941,256</u>	<u>\$ 125,944,633</u>	<u>\$ 125,846,696</u>	<u>\$ 129,200,074</u>	<u>\$ 123,489,755</u>
\$ 58,641,924	\$ 57,819,780	\$ 56,924,642	\$ 56,511,038	\$ 57,656,542
17,557,693	18,181,409	16,915,115	14,045,192	11,779,391
<u>7,604,682</u>	<u>6,788,707</u>	<u>7,173,338</u>	<u>9,125,661</u>	<u>7,821,612</u>
<u>\$ 83,804,299</u>	<u>\$ 82,789,896</u>	<u>\$ 81,013,095</u>	<u>\$ 79,681,891</u>	<u>\$ 77,257,545</u>
\$ 119,853,591	\$ 120,695,214	\$ 116,065,310	\$ 113,307,253	\$ 106,102,374
51,242,677	51,142,966	50,002,963	50,015,536	54,623,615
<u>32,649,287</u>	<u>36,896,349</u>	<u>40,791,518</u>	<u>45,559,176</u>	<u>40,021,311</u>
<u>\$ 203,745,555</u>	<u>\$ 208,734,529</u>	<u>\$ 206,859,791</u>	<u>\$ 208,881,965</u>	<u>\$ 200,747,300</u>

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

	Fiscal Year		
	2002	2003	2004
<b>Expenses</b>			
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>
<b>Program Revenues</b>			
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>
<b>General Revenues and Other Changes in Net Assets</b>			
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	-
Settlement agreements	-	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>
<b>Changes in Net Assets</b>			
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	2008	2009			
\$	17,504,006	\$	20,176,196	\$	24,554,397	\$	22,183,390	\$	21,806,236
	50,525,480		55,968,750		61,848,485		62,509,563		63,420,416
	5,106,065		4,938,429		5,492,850		5,278,793		6,016,830
	10,930,533		10,735,706		12,731,865		11,053,445		10,856,256
	11,066,379		11,001,914		12,351,491		12,737,364		12,386,834
	8,044,439		8,174,592		8,317,174		8,601,862		8,292,078
	862,902		9,269,389		559,156		3,532,040		4,202,199
	3,335,621		2,336,495		1,983,978		2,264,803		2,085,824
	1,624,148		1,498,553		1,525,833		1,589,528		1,415,169
	4,163,954		6,254,880		5,082,442		4,983,460		4,911,254
	<u>113,163,527</u>		<u>130,354,904</u>		<u>134,447,671</u>		<u>134,734,248</u>		<u>135,393,096</u>
	31,225,489		32,188,319		32,499,489		34,199,663		33,432,269
	<u>1,800,146</u>		<u>1,872,601</u>		<u>1,937,454</u>		<u>2,047,491</u>		<u>1,965,932</u>
	<u>33,025,635</u>		<u>34,060,920</u>		<u>34,436,943</u>		<u>36,247,154</u>		<u>35,398,201</u>
\$	<u>146,189,162</u>	\$	<u>164,415,824</u>	\$	<u>168,884,614</u>	\$	<u>170,981,402</u>	\$	<u>170,791,297</u>
\$	12,714,891	\$	14,584,784	\$	13,702,181	\$	13,541,050	\$	13,419,382
	12,935,941		12,463,692		12,684,642		12,228,029		11,542,918
	4,789,306		5,171,647		3,243,612		4,169,546		1,648,845
	<u>30,440,138</u>		<u>32,220,123</u>		<u>29,630,435</u>		<u>29,938,625</u>		<u>26,611,145</u>
	26,928,099		30,329,100		29,674,597		31,957,062		30,465,234
	<u>2,034,821</u>		<u>2,081,469</u>		<u>2,143,419</u>		<u>2,187,278</u>		<u>2,184,011</u>
	<u>28,962,920</u>		<u>32,410,569</u>		<u>31,818,016</u>		<u>34,144,340</u>		<u>32,649,245</u>
\$	<u>59,403,058</u>	\$	<u>64,630,692</u>	\$	<u>61,448,451</u>	\$	<u>64,082,965</u>	\$	<u>59,260,390</u>
\$	(82,723,389)	\$	(98,134,781)	\$	(104,817,236)	\$	(104,795,623)	\$	(108,781,951)
	<u>(4,062,715)</u>		<u>(1,650,351)</u>		<u>(2,618,927)</u>		<u>(2,102,814)</u>		<u>(2,748,956)</u>
\$	<u>(86,786,104)</u>	\$	<u>(99,785,132)</u>	\$	<u>(107,436,163)</u>	\$	<u>(106,898,437)</u>	\$	<u>(111,530,907)</u>
\$	74,911,034	\$	83,352,957	\$	85,079,549	\$	88,383,524	\$	87,572,093
	14,705,085		14,540,634		14,105,387		14,105,387		13,559,035
	1,151,761		1,206,596		1,344,444		1,471,277		1,582,133
	1,602,968		3,075,634		4,289,636		3,378,435		703,476
	84,927		2,099,337		40,283		(41,222)		(115,498)
	-		-		-		-		-
	-		-		-		1,000,000		23,485
	<u>(17,199,543)</u>		<u>(137,000)</u>		<u>(140,000)</u>		<u>(148,400)</u>		<u>(253,092)</u>
	<u>75,256,232</u>		<u>104,138,158</u>		<u>104,719,299</u>		<u>108,149,001</u>		<u>103,071,632</u>
	299,516		635,948		842,126		771,610		324,610
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>299,516</u>		<u>635,948</u>		<u>842,126</u>		<u>771,610</u>		<u>324,610</u>
\$	<u>75,555,748</u>	\$	<u>104,774,106</u>	\$	<u>105,561,425</u>	\$	<u>108,920,611</u>	\$	<u>103,396,242</u>
\$	(7,467,157)	\$	6,003,377	\$	(97,937)	\$	3,353,378	\$	(5,710,319)
	<u>(3,763,199)</u>		<u>(1,014,403)</u>		<u>(1,776,801)</u>		<u>(1,331,204)</u>		<u>(2,424,346)</u>
\$	<u>(11,230,356)</u>	\$	<u>4,988,974</u>	\$	<u>(1,874,738)</u>	\$	<u>2,022,174</u>	\$	<u>(8,134,665)</u>

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

	Fiscal Year			
	2000 (1)	2001	2002 (2)	2003
General Fund:				
Reserved	\$ 1,273,879	\$ 1,608,054	\$ 1,912,343	\$ 2,250,381
Unreserved	<u>26,501,015</u>	<u>28,019,105</u>	<u>49,390,183</u>	<u>55,051,386</u>
Total general fund	<u>\$ 27,774,894</u>	<u>\$ 29,627,159</u>	<u>\$ 51,302,526</u>	<u>\$ 57,301,767</u>
All Other Governmental Funds:				
Reserved	\$ 4,492,276	\$ 22,271,772	\$ 12,143,950	\$ 4,350,252
Unreserved, reported in:				
Special revenue funds	47,606,490	30,561,656	31,099,498	29,538,059
Capital projects funds	8,972,959	12,998,658	10,134,377	16,841,480
Debt service funds	<u>1,092,076</u>	<u>1,433,845</u>	<u>1,790,644</u>	<u>2,991,789</u>
Total all other governmental funds	<u>\$ 62,163,801</u>	<u>\$ 67,265,931</u>	<u>\$ 55,168,469</u>	<u>\$ 53,721,580</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					
2004	2005	2006	2007	2008	2009
\$ 2,326,703	\$ 2,507,872	\$ 4,389,944	\$ 2,057,662	\$ 2,333,663	\$ 1,377,804
<u>55,173,474</u>	<u>44,720,163</u>	<u>48,532,509</u>	<u>53,397,963</u>	<u>55,224,126</u>	<u>52,819,604</u>
<u>\$ 57,500,177</u>	<u>\$ 47,228,035</u>	<u>\$ 52,922,453</u>	<u>\$ 55,455,625</u>	<u>\$ 57,557,789</u>	<u>\$ 54,197,408</u>
\$ 9,931,404	\$ 45,883,472	\$ 27,970,850	\$ 8,129,748	\$ 6,291,526	\$ 6,431,502
23,917,188	22,677,100	20,653,148	28,587,139	27,592,994	26,577,183
35,011,030	8,990,773	6,586,018	9,396,449	9,795,442	12,565,096
<u>4,003,520</u>	<u>3,934,800</u>	<u>2,972,181</u>	<u>2,116,366</u>	<u>1,401,328</u>	<u>1,462,997</u>
<u>\$ 72,863,142</u>	<u>\$ 81,486,145</u>	<u>\$ 58,182,197</u>	<u>\$ 48,229,702</u>	<u>\$ 45,081,290</u>	<u>\$ 47,036,778</u>

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

	Fiscal Year			
	2000	2001	2002	2003
<b>Revenues:</b>				
Property taxes	\$ 63,288,839	\$ 64,206,353	\$ 64,815,974	\$ 70,514,428
Special assessments	95,614	108,795	225,149	1,158,599
Licenses and permits	2,299,396	2,400,352	1,886,189	1,669,227
Intergovernmental:				
Federal revenue	2,472,371	2,138,084	2,604,890	2,093,760
State revenue	29,999,066	29,790,997	27,430,409	27,179,229
Local revenue	228,809	264,505	341,125	444,803
Charges for services	2,185,417	1,867,839	2,069,475	2,372,927
Fines and fees	5,765,687	5,703,761	5,686,199	5,767,711
Interest	4,883,438	6,825,098	3,094,011	1,858,340
Other	3,838,813	3,855,755	4,202,329	6,442,251
<b>Total revenues</b>	<b>115,057,450</b>	<b>117,161,539</b>	<b>112,355,750</b>	<b>119,501,275</b>
<b>Expenditures:</b>				
General government	27,685,739	28,185,166	21,854,246	21,658,378
Public safety	44,224,911	49,669,931	52,530,308	47,697,824
City development	5,179,591	5,513,970	5,511,262	5,766,893
Highway and streets	8,967,483	9,836,390	9,288,019	12,307,374
Recreation and culture	8,215,644	9,314,814	20,717,736	23,338,068
Sanitation	6,676,854	7,270,063	7,003,913	6,887,669
Economic development	4,838,582	4,661,727	1,831,462	7,189,029
Community development	2,607,216	1,791,358	3,010,281	2,926,258
Capital projects	462,881	1,691,125	833,806	2,958,848
Debt service:				
Principal retirement	4,101,167	2,958,333	3,489,706	6,131,084
Interest	1,061,560	1,134,537	2,366,436	2,460,689
Other	5,539	3,711	2,442	10,695
<b>Total expenditures</b>	<b>114,027,167</b>	<b>122,031,125</b>	<b>128,439,617</b>	<b>139,332,809</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,030,283</b>	<b>(4,869,586)</b>	<b>(16,083,867)</b>	<b>(19,831,534)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers to fiduciary funds	-	(10,000,000)	-	-
Transfers to Water and Sewer System	-	-	-	-
Proceeds from sale of property (1)	25,500,000	3,834,381	-	3,433,442
Proceeds from issuance of debt	-	17,989,600	2,853,012	21,145,000
Payment to refunded bond escrow agent	-	-	-	-
Bond premium (discounts)	-	-	-	(194,556)
Other	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>25,500,000</b>	<b>11,823,981</b>	<b>2,853,012</b>	<b>24,383,886</b>
<b>Net changes in fund balances</b>	<b>\$ 26,530,283</b>	<b>\$ 6,954,395</b>	<b>\$ (13,230,855)</b>	<b>\$ 4,552,352</b>
<b>Debt service as a percentage of non-capital expenditures (2)</b>	-	-	5.27%	7.49%

(1) Amounts reported in fiscal years 2000 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						
	2004	2005	2006 (3)	2007	2008	2009
\$	71,740,065	\$ 74,787,704	\$ 84,328,809	\$ 84,953,504	\$ 88,029,125	\$ 87,229,169
	1,610,111	994,766	982,318	944,084	1,072,824	1,055,385
	1,655,809	2,167,451	2,420,993	2,329,132	1,691,127	1,759,663
	2,559,108	4,612,382	3,305,681	1,981,507	2,187,623	2,161,955
	25,638,979	25,856,586	25,703,221	25,271,564	25,994,012	23,254,107
	761,802	589,986	656,026	691,774	823,897	751,756
	2,730,910	2,894,923	4,101,728	3,039,087	3,117,357	3,476,265
	6,208,873	6,810,020	7,295,418	7,596,165	8,089,029	7,579,592
	1,445,693	2,599,643	5,404,617	5,760,013	4,277,702	995,060
	7,151,246	6,173,358	6,358,491	7,025,380	6,916,324	7,087,489
	<u>121,502,596</u>	<u>127,486,819</u>	<u>140,557,302</u>	<u>139,592,210</u>	<u>142,199,020</u>	<u>135,350,441</u>
	22,167,103	22,496,853	25,992,081	24,850,290	25,814,644	25,841,058
	56,633,024	52,271,304	59,597,955	62,100,913	62,885,562	62,529,660
	5,951,477	5,159,713	5,106,033	5,443,884	5,316,442	6,193,666
	11,106,835	13,003,033	12,658,806	13,459,407	14,836,995	10,772,638
	10,877,663	10,060,656	9,816,038	10,655,537	11,217,234	11,009,604
	7,836,537	8,234,143	8,338,889	8,099,142	8,572,887	10,475,172
	2,176,103	13,951,104	39,215,525	14,771,221	2,036,290	2,094,912
	2,395,477	3,333,119	2,339,535	1,976,092	2,265,454	2,079,851
	2,912,390	1,624,148	1,498,553	1,525,833	1,589,528	1,415,169
	4,550,765	4,535,349	4,693,582	4,578,029	4,853,071	4,586,417
	2,914,632	3,743,818	5,646,793	4,783,676	4,774,182	4,668,984
	365,860	403,167	442,173	95,653	15,646	84,021
	<u>129,887,866</u>	<u>138,816,407</u>	<u>175,345,963</u>	<u>152,339,677</u>	<u>144,177,935</u>	<u>141,751,152</u>
	(8,385,270)	(11,329,588)	(34,788,661)	(12,747,467)	(1,978,915)	(6,400,711)
	-	(17,068,543)	-	-	-	-
	-	(131,000)	(137,000)	(140,000)	(148,400)	(253,092)
	-	-	2,240,087	115,741	81,067	-
	32,114,457	27,015,000	25,835,000	5,409,304	-	5,305,000
	(4,224,218)	-	(10,474,047)	-	-	-
	(164,997)	(135,008)	(284,909)	(56,901)	-	(79,575)
	-	-	-	-	1,000,000	23,485
	<u>27,725,242</u>	<u>9,680,449</u>	<u>17,179,131</u>	<u>5,328,144</u>	<u>932,667</u>	<u>4,995,818</u>
\$	<u>19,339,972</u>	<u>\$ (1,649,139)</u>	<u>\$ (17,609,530)</u>	<u>\$ (7,419,323)</u>	<u>\$ (1,046,248)</u>	<u>\$ (1,404,893)</u>
	5.97%	6.98%	7.88%	7.05%	7.00%	6.78%

**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
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
2006	2008	687,088,570	555,494,750	780,445,550	701,442,190	3,358,841,710	2,749,158,390
2007	2009	656,979,070	561,896,960	747,428,540	687,147,970	3,169,863,186	2,755,732,096

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	
\$ 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
741,128,712	741,007,436	497,414,497	495,601,977	6,064,919,039	5,242,704,743	16.9424
704,021,523	703,900,807	530,965,422	530,052,132	5,809,257,741	5,238,729,965	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	Fire	
	Operating (1)	Library	Medical Service	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Protection
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
2008	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746
2009	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	11.3500	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
<b>2000 Total Direct &amp; Overlapping Rate</b>	<b>36.0189</b>	<b>54.0189</b>	<b>37.8549</b>	<b>55.8549</b>	<b>35.1689</b>	<b>53.1689</b>
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
<b>2001 Total Direct &amp; Overlapping Rate</b>	<b>38.6963</b>	<b>56.6963</b>	<b>37.8123</b>	<b>55.8123</b>	<b>35.0963</b>	<b>53.0963</b>
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
<b>2002 Total Direct &amp; Overlapping Rate</b>	<b>38.7821</b>	<b>56.7821</b>	<b>37.9021</b>	<b>55.9021</b>	<b>35.1821</b>	<b>53.1821</b>
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
<b>2003 Total Direct &amp; Overlapping Rate</b>	<b>40.0540</b>	<b>58.0540</b>	<b>39.1707</b>	<b>58.1707</b>	<b>36.0540</b>	<b>54.0270</b>
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
<b>2004 Total Direct &amp; Overlapping Rate</b>	<b>38.8704</b>	<b>56.8704</b>	<b>38.5304</b>	<b>56.5304</b>	<b>34.1704</b>	<b>52.1434</b>
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
<b>2005 Total Direct &amp; Overlapping Rate</b>	<b>39.7702</b>	<b>57.7702</b>	<b>39.4302</b>	<b>57.4302</b>	<b>35.2702</b>	<b>53.2432</b>
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
<b>2006 Total Direct &amp; Overlapping Rate</b>	<b>40.4182</b>	<b>58.4182</b>	<b>40.0782</b>	<b>58.0782</b>	<b>35.9182</b>	<b>53.8912</b>
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
<b>2007 Total Direct &amp; Overlapping Rate</b>	<b>40.4167</b>	<b>58.4167</b>	<b>38.3073</b>	<b>56.3073</b>	<b>35.9167</b>	<b>53.8357</b>
School District Rate	14.1000	32.1000	11.9906	29.9906	9.4900	27.3821
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
<b>2008 Total Direct &amp; Overlapping Rate</b>	<b>40.4167</b>	<b>58.4167</b>	<b>38.3073</b>	<b>56.3073</b>	<b>35.8067</b>	<b>53.6988</b>
School District Rate	14.1000	32.1000	14.3906	32.3906	9.6000	27.5190
Combined City & County Rate	26.4567	26.4567	26.4567	26.4567	26.4567	26.4567
<b>2009 Total Direct &amp; Overlapping Rate</b>	<b>40.5567</b>	<b>58.5567</b>	<b>40.8473</b>	<b>58.8473</b>	<b>36.0567</b>	<b>53.9757</b>

Chapter 20 Drain Debt	Total City-wide Direct Tax Rate	County-wide Overlapping Tax Rate						Total County-wide Overlapping Tax Rate
	Maccomb I.S.D.	Maccomb Community College	H.C.M.A., Zoo Authority, & Veterans	S.M.A.R.T.	Maccomb County		Drain Debt	
0.2600	<b>16.3068</b>	2.0210	1.5840	0.2218	0.3273	4.2000	0.0080	<b>8.3621</b>
0.2600	<b>16.3068</b>	2.0210	1.5140	0.2202	0.3273	4.2000	0.0070	<b>8.2895</b>
0.2600	<b>16.2600</b>	2.0033	1.6707	0.2186	0.3235	4.2000	0.0060	<b>8.4221</b>
0.2600	<b>16.2524</b>	2.9863	1.6925	0.2170	0.6000	4.2000	0.0058	<b>9.7016</b>
-	<b>16.1924</b>	2.9729	1.5859	0.2161	0.5973	4.2000	0.0058	<b>9.5780</b>
-	<b>16.1924</b>	2.9615	1.5002	0.2154	0.5949	4.2000	0.0058	<b>9.4778</b>
-	<b>16.9424</b>	2.9430	1.4212	0.2146	0.5912	4.2000	0.0058	<b>9.3758</b>
-	<b>16.9424</b>	2.9430	1.4212	0.2146	0.5900	4.2000	0.0055	<b>9.3743</b>
-	<b>16.9424</b>	2.9430	1.4212	0.2146	0.5900	4.2000	0.0055	<b>9.3743</b>
-	<b>16.9424</b>	2.9430	1.4212	0.3546	0.5900	4.2000	0.0055	<b>9.5143</b>

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	24.3640	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
<b>2000 Total Direct &amp; Overlapping Rate</b>	<b>49.0329</b>	<b>49.0329</b>	<b>37.2689</b>	<b>55.2689</b>	<b>40.0148</b>	<b>49.6689</b>
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
<b>2001 Total Direct &amp; Overlapping Rate</b>	<b>48.9603</b>	<b>49.5963</b>	<b>37.1963</b>	<b>55.1963</b>	<b>39.4126</b>	<b>49.5963</b>
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
<b>2002 Total Direct &amp; Overlapping Rate</b>	<b>49.0461</b>	<b>49.6821</b>	<b>37.2821</b>	<b>55.2821</b>	<b>40.8292</b>	<b>50.9321</b>
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
<b>2003 Total Direct &amp; Overlapping Rate</b>	<b>51.1651</b>	<b>51.9540</b>	<b>38.5540</b>	<b>56.5540</b>	<b>42.9166</b>	<b>53.4504</b>
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
<b>2004 Total Direct &amp; Overlapping Rate</b>	<b>49.6350</b>	<b>50.7704</b>	<b>37.3704</b>	<b>55.3704</b>	<b>41.4510</b>	<b>52.1168</b>
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
<b>2005 Total Direct &amp; Overlapping Rate</b>	<b>50.2056</b>	<b>51.6702</b>	<b>38.2702</b>	<b>56.2702</b>	<b>41.7128</b>	<b>52.9466</b>
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
<b>2006 Total Direct &amp; Overlapping Rate</b>	<b>49.8960</b>	<b>52.3182</b>	<b>38.9182</b>	<b>56.9182</b>	<b>42.3112</b>	<b>53.5946</b>
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
<b>2007 Total Direct &amp; Overlapping Rate</b>	<b>48.4189</b>	<b>52.3167</b>	<b>38.9167</b>	<b>56.9167</b>	<b>42.1461</b>	<b>53.5931</b>
School District Rate	21.8022	25.7000	11.1000	29.1000	15.2358	27.2764
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
<b>2008 Total Direct &amp; Overlapping Rate</b>	<b>48.1189</b>	<b>52.0167</b>	<b>37.4167</b>	<b>55.4167</b>	<b>41.5525</b>	<b>53.5931</b>
School District Rate	16.6028	25.6000	11.1000	29.1000	14.4152	27.1464
Combined City & County Rate	26.4567	26.4567	26.4567	26.4567	26.4567	26.4567
<b>2009 Total Direct &amp; Overlapping Rate</b>	<b>43.0595</b>	<b>52.0567</b>	<b>37.5567</b>	<b>55.5567</b>	<b>40.8719</b>	<b>53.6031</b>

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

	Fiscal Year Ended June 30, 2009			Fiscal Year Ended June 30, 2000		
	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	\$ 642,812,937	1	12.27%	\$ 462,331,258	1	12.07%
Chrysler	315,491,369	2	6.02%	285,508,310	2	7.46%
Detroit Edison	32,060,579	3	0.61%	54,355,723	3	1.42%
Art Van Furniture	27,410,986	4	0.52%	22,147,212	5	0.58%
International Transmission	26,718,833	5	0.51%			
Iroquois Industries	16,191,291	6	0.31%			
Wico Metal Products	14,651,080	7	0.28%			
VJL Real Estate / Lipari Foods	11,009,480	8	0.21%			
Meijer Inc.	10,518,066	9	0.20%			
Consumers Energy	10,089,585	10	0.19%	14,174,441	7	0.37%
E.D.S. Corporation				47,874,324	4	1.25%
Universal City Center				16,284,234	6	0.43%
Carboloy				13,203,307	8	0.34%
Cold Heading Co. / Ajax Metal				12,857,528	9	0.34%
Becker Properties / Mega Tech				10,088,028	10	0.26%
Ten largest taxpayers	1,106,954,206		21.13%	938,824,365		24.52%
Other taxpayers	4,131,775,759		78.87%	2,890,263,315		75.48%
Total taxable value	<u>\$ 5,238,729,965</u>		<u>100.00%</u>	<u>\$ 3,829,087,680</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			
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
2007	2008	83,566,413	(4,000,947)	(374,173)	79,191,293	94.76%	4,000,947
2008	2009	82,920,849	(4,162,750)	(494,316)	78,263,783	94.38%	4,162,750

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 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, 2009.

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, 2009	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To-Date
			STC, MTT and BOR Adjustments	Personal Property Tax Write Off				
52,838	60,819,604	99.58%	57,317	(38,501)	-	61,094,673	99.94%	
36,161	61,560,669	99.15%	(223,263)	(29,304)	-	61,836,836	99.95%	
-	64,137,023	98.87%	21,763	(306,385)	-	64,583,374	99.53%	
41,387	67,205,307	98.74%	9,085	(147,253)	179,509	67,745,925	99.52%	
72,446	68,367,634	98.94%	169,295	(105,993)	218,958	68,947,541	99.53%	
149,937	70,675,588	98.88%	6,455	(138,271)	258,210	71,089,488	99.45%	
133,554	76,394,519	99.57%	284,438	-	112,384	76,900,104	99.85%	
220,410	80,340,204	99.67%	101,286	-	142,864	80,565,503	99.82%	
11,525	83,203,765	99.57%	66,321	-	156,878	83,475,856	99.81%	
25,928	82,452,461	99.44%	8,319	-	476,707	82,452,461	99.43%	

**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
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
2008	-	430,248	-	-	16,451,921	640,000	73,500,000
2009	-	344,275	-	-	15,082,395	480,000	72,000,000

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	
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	(808,965)	52,012,214	-	8,955,000	2,069,613
2004	16,305,000	2,773,969	(2,437,207)	74,463,936	-	8,850,000	1,158,863
2005	14,760,000	3,924,409	(2,941,068)	97,042,841	-	8,825,000	195,982
2006	13,230,000	3,076,239	(2,672,923)	109,309,427	-	8,260,000	159,768
2007	17,239,304	2,214,460	(2,033,414)	111,000,211	-	7,715,000	121,424
2008	15,798,385	1,360,000	(1,304,363)	106,876,191	-	7,175,000	83,079
2009	17,743,666	3,248,801	(1,352,960)	107,546,177	-	6,555,000	42,605

**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 1999; 2000 U.S. Census Bureau - FY 2000;  
Southeast Michigan Council of Governments - Estimated Population - FY 2001 - 2009
- (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
\$ 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
-	-	91,022,169	5,242,704,743	1.74%	135,102	673.73
-	-	87,906,670	5,238,729,965	1.68%	134,402	654.06

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
\$ 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
54,924,245	62,182,324	169,058,515	21,407	5.85%	1,251.34
52,394,624	58,992,229	166,538,406	21,407	5.79%	1,239.11

EXHIBIT D-10

**CITY OF WARREN, MICHIGAN**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2009**

**Net Direct debt:**

Land Contract:			
DPW Garage	Building acquisition		\$ 344,275
Building Authority Bonds:			
Series 2001	Warren Community Center	\$ 775,000	
Series 2002	Capital equipment	457,395	
Series 2005	Capital equipment	3,355,000	
Refunding Series 2005	Warren Community Center	<u>10,495,000</u>	15,082,395
Tax Increment Finance Authority:			
Series 1999	TIFA District development	<u>480,000</u>	480,000
Downtown Development Authority:			
Series 2002	City Center development	18,500,000	
Series 2003	City Center development	19,000,000	
Series 2004	City Center development	19,500,000	
Series 2005	City Center development	<u>15,000,000</u>	72,000,000
Road Construction Bonds:			
Series 1997 Michigan Transportation Bonds	Road improvements	1,200,000	
Series 2000 Michigan Transportation Bonds	Road improvements	3,465,000	
Series 2003 Michigan Transportation Bonds	Road improvements	4,500,000	
Series 2006 Capital Improvement Bonds		5,337,467	
Series 2006 Capital Improvement Bonds	Road improvements	<u>3,241,199</u>	17,743,666
Special Assessment Bonds:			
Series 2005	Sidewalk replacement program	1,185,000	
Series 2008	Sidewalk replacement program	2,063,801	
Less amounts available in debt service funds		<u>(1,352,960)</u>	<u>1,895,841</u>
			107,546,177
Less:			
Road Construction Bonds		(17,743,666)	
Special Assessment Bonds		<u>(1,895,841)</u>	<u>(19,639,507)</u>
<b>Net direct debt to be repaid with property taxes</b>			<b>87,906,670</b>

**Overlapping Debt:**

Macomb County:			
County at large	14.44%	61,434,001	8,871,070
Macomb Intermediate School District	14.14%	1,000,000	141,400
Local School Districts:			
Center Line	63.11%	13,140,000	8,292,654
East Detroit	20.49%	20,345,000	4,168,691
Fitzgerald	100.00%	38,973,000	38,973,000
Van Dyke	97.85%	40,200,000	39,335,700
Warren Consolidated	48.11%	128,860,000	61,994,546
Warren Woods	100.00%	48,395,000	<u>48,395,000</u>

**Net direct debt outstanding and overlapping debt** **\$ 298,078,730**

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

	Fiscal Year				
	2000	2001	2002	2003	2004
Assessed value	\$ 4,188,206,240	\$ 4,356,985,019	\$ 4,667,996,729	\$ 5,244,712,663	\$ 5,456,278,690
Debt limit (10% of assessed value)	\$ 418,820,624	\$ 435,698,502	\$ 466,799,673	\$ 524,471,266	\$ 545,627,869
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 418,820,624	\$ 435,698,502	\$ 466,799,673	\$ 524,471,266	\$ 545,627,869
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				
	2005	2006	2007	2008	2009
Assessed value	\$ 5,594,012,321	\$ 5,730,657,941	\$ 5,951,085,588	\$ 6,064,919,039	\$ 5,809,257,741
Debt limit (10% of assessed value)	\$ 559,401,232	\$ 573,065,794	\$ 595,108,559	\$ 606,491,904	\$ 580,925,774
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 559,401,232	\$ 573,065,794	\$ 595,108,559	\$ 606,491,904	\$ 580,925,774
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	
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
2008	1,386,944	584,845	802,099	540,000	305,738	845,738	0.95
2009	1,365,997	579,903	786,094	620,000	288,238	908,238	0.87

(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 been sufficient to meet 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		
2000	\$ 7,663,789.00	\$ 3,831,895	\$ 1,490,000.00	\$ 651,225.00	\$ 2,141,225.00	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
2008	8,375,886	4,187,943	1,440,918	702,531	2,143,449	1.95	243,346
2009	8,240,310	4,120,155	1,260,000	442,325	1,702,325	2.42	287,743

(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 and Series 2008 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. \$287,743 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2009 and is reflected in the schedule above.

Special Assessment Bonds (3)							
Fiscal Year	S/A		Transferred to Debt Funds	Debt Service			Coverage
	Collections (4)	Interest (5)		Principal	Interest	Total	
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
2008	199,286	-	199,286	854,460	68,838	923,298	0.22
2009	294,984	-	294,984	175,000	75,971	250,971	1.18

(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, Series 2005 and Series 2008 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	
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
2007	31,957,062	27,531,113	4,425,949	2,475,647	1,928,034	4,403,681	1.01
2008	30,465,234	27,094,950	3,370,284	2,570,095	1,890,960	4,461,055	0.76

(6) Fiscal year end of December 31.

EXHIBIT D-13

**CITY OF WARREN, MICHIGAN**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - LAND CONTRACT**  
**June 30, 2009**

DPW Garage	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 1991	2010	\$ 91,208.16	6.000%	\$ 19,308.62	\$ 110,516.78
Payment dates:	2011	96,762.73	6.000%	13,754.05	110,516.78
Principal: July 1 and January 1	2012	102,655.59	6.000%	7,861.19	110,516.78
Interest: July 1 and January 1	2013	<u>53,648.79</u>	6.000%	<u>1,609.60</u>	<u>55,258.39</u>
Total Land Contract Requirements		<u>\$ 344,275.27</u>		<u>\$ 42,533.46</u>	<u>\$ 386,808.73</u>

**DEBT SERVICE REQUIREMENTS TO MATURITY - SPECIAL ASSESSMENT BONDS**

Capital Improvement Bonds - Series 2005

Issued: June 1, 2005	2010	\$ 175,000.00	3.500%	\$ 44,025.00	\$ 219,025.00
Payment dates:	2011	200,000.00	3.500%	37,900.00	237,900.00
Principal: June 1	2012	200,000.00	3.500%	30,900.00	230,900.00
Interest: December 1 and June 1	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>\$ 1,185,000.00</u>		<u>\$ 161,525.00</u>	<u>\$ 1,346,525.00</u>

Capital Improvement Bonds - Series 2008

Issued: December 1, 2008	2010	\$ 343,966.80	5.000%	\$ 96,431.10	\$ 440,397.90
Payment dates:	2011	343,966.80	5.000%	79,232.75	423,199.55
Principal: September 1	2012	343,966.80	5.000%	62,034.42	406,001.22
Interest: September 1 and March 1	2013	343,966.80	5.000%	44,836.08	388,802.88
	2014	343,966.80	5.000%	27,637.73	371,604.53
	2015	34,396.68	5.000%	18,178.64	52,575.32
	2016	34,396.68	5.150%	16,433.01	50,829.69
	2017	34,396.68	5.300%	14,635.79	49,032.47
	2018	34,396.68	5.400%	12,795.57	47,192.25
	2019	34,396.68	5.500%	10,920.95	45,317.63
	2020	34,396.68	5.600%	9,011.93	43,408.61
	2021	34,396.68	5.700%	7,068.52	41,465.20
	2022	34,396.68	5.800%	5,090.71	39,487.39
	2023	34,396.68	5.900%	3,078.50	37,475.18
	2024	<u>34,396.68</u>	6.000%	<u>1,031.90</u>	<u>35,428.58</u>
		<u>\$ 2,063,800.80</u>		<u>\$ 408,417.60</u>	<u>\$ 2,472,218.40</u>

Total Special Assessment Bonds  
Debt Service Requirements

\$ 3,248,800.80                      \$ 569,942.60                      \$ 3,818,743.40

**DEBT SERVICE REQUIREMENTS TO MATURITY - ROAD CONSTRUCTION BONDS**

Michigan Transportation - Series 1997

Issued: August 1, 1997	2010	\$ 380,000.00	5.000%	\$ 60,820.00	\$ 440,820.00
Payment dates:	2011	400,000.00	5.100%	41,820.00	441,820.00
Principal: June 1	2012	<u>420,000.00</u>	5.100%	<u>21,420.00</u>	<u>441,420.00</u>
Interest: December 1 and June 1					
Major Street Portion 100%		<u>\$ 1,200,000.00</u>		<u>\$ 124,060.00</u>	<u>\$ 1,324,060.00</u>

Michigan Transportation Fund  
Series 2000

Issued: September 1, 2000	2010	\$ 465,000.00	4.700%	\$ 170,355.00	\$ 635,355.00
Payment dates:	2011	500,000.00	4.800%	148,500.00	648,500.00
Principal: June 1	2012	500,000.00	4.900%	124,500.00	624,500.00
Interest: December 1 and June 1	2013	500,000.00	5.000%	100,000.00	600,000.00
Major Street Portion 100%	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	<u>500,000.00</u>	5.000%	<u>25,000.00</u>	<u>525,000.00</u>
		<u>\$ 3,465,000.00</u>		<u>\$ 693,355.00</u>	<u>\$ 4,158,355.00</u>

## CITY OF WARREN, MICHIGAN

## DEBT SERVICE REQUIREMENTS TO MATURITY - ROAD CONSTRUCTION BONDS (continued)

June 30, 2009

Michigan Transportation Fund Series 2003	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: December 1, 2003	2010	\$ 500,000.00	2.900%	\$ 161,750.00	\$ 661,750.00
Payment dates:	2011	500,000.00	3.150%	147,250.00	647,250.00
Principal: June 1	2012	500,000.00	3.400%	131,500.00	631,500.00
Interest: December 1 and June 1	2013	500,000.00	3.500%	114,500.00	614,500.00
Major Street Portion 100%	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>\$ 4,500,000.00</u>		<u>\$ 851,750.00</u>	<u>\$ 5,351,750.00</u>
Capital Improvement Bonds Series 2006	2010	\$ 35,918.35	3.750%	\$ 204,734.60	\$ 240,652.95
Issued: December 1, 2006	2011	35,918.35	3.750%	203,387.66	239,306.01
Payment dates:	2012	107,755.05	3.750%	200,693.78	308,448.83
Principal: September 1	2013	107,755.05	3.750%	196,652.97	304,408.02
Interest: September 1 and March 1	2014	222,693.77	3.750%	190,457.05	413,150.82
Major Street Portion 100%	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>\$ 5,337,466.81</u>		<u>\$ 2,177,572.42</u>	<u>\$ 7,515,039.23</u>
Capital Improvement Bonds Series 2008	2010	\$ 161,033.20	5.000%	\$ 178,946.41	\$ 339,979.61
Issued: December 1, 2008	2011	161,033.20	5.000%	170,894.75	331,927.95
Payment dates:	2012	161,033.20	5.000%	162,843.09	323,876.29
Principal: September 1	2013	161,033.20	5.000%	154,791.43	315,824.63
Interest: September 1 and March 1	2014	166,033.20	5.000%	146,614.77	312,647.97
Major Street Portion 100%	2015	160,603.32	5.000%	138,448.86	299,052.18
	2016	160,603.32	5.150%	130,298.24	290,901.56
	2017	160,603.32	5.300%	121,906.71	282,510.03
	2018	160,603.32	5.400%	113,314.43	273,917.75
	2019	160,603.32	5.500%	104,561.55	265,164.87
	2020	160,603.32	5.600%	95,648.07	256,251.39
	2021	160,603.32	5.700%	86,573.98	247,177.30
	2022	160,603.32	5.800%	77,339.29	237,942.61
	2023	165,603.32	5.900%	67,796.50	233,399.82
	2024	165,603.32	6.000%	57,943.10	223,546.42
	2025	160,000.00	6.500%	47,775.00	207,775.00
	2026	160,000.00	6.500%	37,375.00	197,375.00
	2027	165,000.00	6.500%	26,812.50	191,812.50
	2028	165,000.00	6.500%	16,087.50	181,087.50
	2029	165,000.00	6.500%	5,362.50	170,362.50
		<u>\$ 3,241,199.20</u>		<u>\$ 1,941,333.68</u>	<u>\$ 5,182,532.88</u>
Total Road Construction Bonds Debt Service Requirements		<u>\$ 17,743,666.01</u>		<u>\$ 5,788,071.10</u>	<u>\$ 23,531,737.11</u>

## CITY OF WARREN, MICHIGAN

## DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2009

Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: June 1, 2002	2010	\$ 500,000.00	4.125%	\$ 892,562.50	\$ 1,392,562.50
Payment dates:	2011	500,000.00	4.250%	871,625.00	1,371,625.00
Principal: October 1	2012	500,000.00	4.300%	850,250.00	1,350,250.00
Interest: October 1 and April 1	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>\$ 18,500,000.00</u>		<u>\$ 9,435,437.50</u>	<u>\$ 27,935,437.50</u>
 Series 2003					
Issued: July 1, 2003	2010	\$ 500,000.00	3.000%	\$ 733,750.00	\$ 1,233,750.00
Payment dates:	2011	500,000.00	3.000%	718,750.00	1,218,750.00
Principal: October 1	2012	500,000.00	3.000%	703,750.00	1,203,750.00
Interest: October 1 and April 1	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>\$ 19,000,000.00</u>		<u>\$ 8,451,250.00</u>	<u>\$ 27,451,250.00</u>

## CITY OF WARREN, MICHIGAN

## DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2009

Series 2004	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: April 1, 2004	2010	\$ 500,000.00	3.250%	\$ 854,000.00	\$ 1,354,000.00
Payment dates:	2011	500,000.00	3.250%	837,750.00	1,337,750.00
Principal: October 1	2012	500,000.00	3.500%	820,875.00	1,320,875.00
Interest: October 1 and April 1	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>\$ 19,500,000.00</u>		<u>\$ 10,420,187.50</u>	<u>\$ 29,920,187.50</u>
Series 2005					
Issued: December 1, 2005	2010	\$ 250,000.00	4.125%	\$ 657,093.75	\$ 907,093.75
Payment dates:	2011	250,000.00	4.125%	646,781.25	896,781.25
Principal: October 1	2012	250,000.00	4.125%	636,468.75	886,468.75
Interest: October 1 and April 1	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>\$ 8,746,687.50</u>	<u>\$ 23,746,687.50</u>
Total Downtown Development Authority Debt Service Requirements		<u>\$ 72,000,000.00</u>		<u>\$ 37,053,562.50</u>	<u>\$ 109,053,562.50</u>

EXHIBIT D-13 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - TAX INCREMENT FINANCE AUTHORITY BONDS

June 30, 2009

Series 1991	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: May 1, 1991	2010	\$ 230,000.00	5.000%	\$ 18,250.00	\$ 248,250.00
Payment dates:	2011	<u>250,000.00</u>	5.000%	<u>6,250.00</u>	<u>256,250.00</u>
Principal: October 1					
Interest: October 1 and April 1					
Total Tax Increment Finance Authority					
Debt Service Requirements		<u>\$ 480,000.00</u>		<u>\$ 24,500.00</u>	<u>\$ 504,500.00</u>

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

Warren Community Center Series 2001	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 2001	2010	\$ 375,000.00	4.700%	\$ 27,612.50	\$ 402,612.50
Payment dates:	2011	<u>400,000.00</u>	4.700%	<u>9,400.00</u>	<u>409,400.00</u>
Principal: November 1					
Interest: November 1 and May 1		<u>\$ 775,000.00</u>		<u>\$ 37,012.50</u>	<u>\$ 812,012.50</u>
Multi-Purpose Bonds Series 2002					
Issued: March 1, 2002	2010	\$ 457,395.17	3.700%	\$ 8,461.81	\$ 465,856.98
Payment dates:					
Principal: November 1					
Interest: November 1 and May 1		<u>\$ 457,395.17</u>		<u>\$ 8,461.81</u>	<u>\$ 465,856.98</u>
Multi-Purpose Bonds Series 2005					
Issued: June 1, 2005	2010	\$ 500,000.00	3.750%	\$ 128,825.00	\$ 628,825.00
Payment dates:	2011	525,000.00	3.750%	110,075.00	635,075.00
Principal: June 1	2012	550,000.00	3.750%	90,387.50	640,387.50
Interest: December 1 and June 1	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>\$ 3,355,000.00</u>		<u>\$ 471,450.00</u>	<u>\$ 3,826,450.00</u>

**CITY OF WARREN, MICHIGAN**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - BUILDING AUTHORITY BONDS**  
**(Governmental Activities)**  
**June 30, 2009**

Warren Community Center Refunding Series 2005	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 2005	2010	\$ 65,000.00	3.500%	\$ 435,005.00	\$ 500,005.00
Payment dates:	2011	65,000.00	3.500%	432,730.00	497,730.00
Principal: November 1	2012	490,000.00	3.750%	422,405.00	912,405.00
Interest: November 1 and May 1	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	585,000.00	4.375%	12,796.88	597,796.88
		<u>\$ 10,495,000.00</u>		<u>\$ 4,679,567.51</u>	<u>\$ 15,174,567.51</u>
Total Governmental Activities Debt Service Requirements		<u>\$ 15,082,395.17</u>		<u>\$ 5,196,491.82</u>	<u>\$ 20,278,886.99</u>

**(Business-type Activities - fiscal year ended June 30, 2009)**

Senior Housing Refunding Series 2004	2010	\$ 625,000.00	3.375%	\$ 267,615.63	\$ 892,615.63
Issued: August 1, 2004	2011	620,000.00	3.500%	246,218.76	866,218.76
Payment dates:	2012	610,000.00	3.750%	223,931.26	833,931.26
Principal: November 1	2013	705,000.00	3.875%	198,834.38	903,834.38
Interest: November 1 and May 1	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	1,075,000.00	5.250%	28,218.75	1,103,218.75
		<u>\$ 6,555,000.00</u>		<u>\$ 1,345,187.53</u>	<u>\$ 7,900,187.53</u>

**(Business-type Activities - fiscal year ended December 31, 2008)**

Water and Sewer System Multi-Purpose Bonds Series 2002					
Issued: August 1, 2004	2009	\$ 42,604.83	3.700%	\$ 1,576.38	\$ 44,181.21
Payment dates:					
Principal: November 1					
Interest: November 1 and May 1		<u>\$ 42,604.83</u>		<u>\$ 1,576.38</u>	<u>\$ 44,181.21</u>
Total Building Authority Debt Service Requirements		<u>\$ 21,680,000.00</u>		<u>\$ 6,543,255.73</u>	<u>\$ 28,223,255.73</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, 2008)**

Water and Sewer System Refunding Series 1999	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: February 1, 1999	2009	\$ 930,000.00	4.300%	\$ 339,877.50	\$ 1,269,877.50
Payment dates:	2010	975,000.00	4.300%	298,920.00	1,273,920.00
Principal: May 1	2011	1,035,000.00	4.350%	255,446.25	1,290,446.25
Interest: May 1 and November 1	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>\$ 8,005,000.00</u>		<u>\$ 1,447,956.25</u>	<u>\$ 9,452,956.25</u>
 Water and Sewer System Series 1999					
Issued: March 1, 1999	2009	\$ 50,000.00	4.300%	\$ 6,600.00	\$ 56,600.00
Payment dates:	2010	50,000.00	4.400%	4,450.00	54,450.00
Principal: November 1	2011	50,000.00	4.500%	2,250.00	52,250.00
Interest: May 1 and November 1		<u>\$ 150,000.00</u>		<u>\$ 13,300.00</u>	<u>\$ 163,300.00</u>
 Water and Sewer System Series 2000					
Issued: September 1, 2000	2009	\$ 575,000.00	5.125%	\$ 92,250.00	\$ 667,250.00
Payment dates:	2010	600,000.00	5.125%	62,781.00	662,781.00
Principal: November 1	2011	625,000.00	5.125%	32,031.00	657,031.00
Interest: May 1 and November 1		<u>\$ 1,800,000.00</u>		<u>\$ 187,062.00</u>	<u>\$ 1,987,062.00</u>
 Water and Sewer System Refunding Series 2005					
Issued: September 1, 2005	2009	\$ 125,000.00	3.625%	\$ 880,362.00	\$ 1,005,362.00
Payment dates:	2010	130,000.00	3.625%	875,831.00	1,005,831.00
Principal: November 1	2011	135,000.00	3.750%	871,119.00	1,006,119.00
Interest: May 1 and November 1	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>\$ 20,950,000.00</u>		<u>\$ 9,612,049.00</u>	<u>\$ 30,562,049.00</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, 2008)

Capital Improvement Bonds Series 2003	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 2003	2009	\$ 55,000.00	2.250%	\$ 35,447.51	\$ 90,447.51
Payment dates:	2010	55,000.00	2.550%	34,127.51	89,127.51
Principal: June 1	2011	55,000.00	2.750%	32,670.01	87,670.01
Interest: June 1 and December 1	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	<u>90,000.00</u>	4.125%	<u>1,856.25</u>	<u>91,856.25</u>
		<u>\$ 1,045,000.00</u>		<u>\$ 319,896.93</u>	<u>\$ 1,364,896.93</u>
Capital Improvement Bonds Series 5134-01					
Approved: September 25, 2003	2009	\$ 205,000.00	2.500%	\$ 99,500.00	\$ 304,500.00
Payment Dates:	2010	210,000.00	2.500%	94,375.00	304,375.00
Principal: October 1	2011	215,000.00	2.500%	89,305.00	304,305.00
Interest: April 1 and October 1	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	<u>300,000.00</u>	2.500%	<u>7,500.00</u>	<u>307,500.00</u>
		<u>\$ 3,980,000.00</u>		<u>\$ 899,305.00</u>	<u>\$ 4,879,305.00</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, 2008)**

Capital Improvement Bonds Series 5134-02	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: September 23, 2004	2009	\$ 275,000.00	2.125%	\$ 123,196.88	\$ 398,196.88
Payment Dates:	2010	280,000.00	2.125%	117,300.00	397,300.00
Principal: April 1	2011	285,000.00	2.125%	111,296.88	396,296.88
Interest: April 1 and October 1	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>\$ 5,935,000.00</u>		<u>\$ 1,206,521.94</u>	<u>\$ 7,141,521.94</u>
 Capital Improvement Bonds Series 5134-03 (1)					
Approved: March 25, 2004	2009	\$ 55,000.00	2.125%	\$ 20,019.44	\$ 75,019.44
Payment Dates:	2010	55,000.00	2.125%	18,850.68	73,850.68
Principal: October 1	2011	55,000.00	2.125%	17,681.94	72,681.94
Interest: April 1 and October 1	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>\$ 942,091.00</u>		<u>\$ 168,161.00</u>	<u>\$ 1,110,252.00</u>

(1) 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, 2008.

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, 2008)

Capital Improvement Bonds Series 5134-04	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: March 31, 2005	2009	\$ 360,000.00	1.625%	\$ 118,868.76	\$ 478,868.76
Payment Dates:	2010	370,000.00	1.625%	112,937.51	482,937.51
Principal: April 1	2011	375,000.00	1.625%	106,884.38	481,884.38
Interest: April 1 and October 1	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>\$ 7,495,000.00</u>		<u>\$ 1,148,915.74</u>	<u>\$ 8,643,915.74</u>
Capital Improvement Bonds Series 2006					
Issued: December 1, 2006	2009	\$ 14,081.65	3.750%	\$ 80,529.44	\$ 94,611.09
Payment dates:	2010	14,081.65	3.750%	80,001.38	94,083.03
Principal: September 1	2011	42,244.95	3.750%	79,473.32	121,718.27
Interest: September 1 and March 1	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>\$ 2,092,533.19</u>		<u>\$ 893,973.55</u>	<u>\$ 2,986,506.74</u>
Total Water and Sewer System Debt Service Requirements		<u>\$ 52,394,624.19</u>		<u>\$ 15,897,141.41</u>	<u>\$ 68,291,765.60</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
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%
2008	135,102	57,134	21,407	2,892,128,514	11.30%	9.70%	8.70%
2009	134,402	56,433	21,407	2,877,143,614	21.10%	18.40%	15.40%

**Sources:**

- (1) 2000 U.S. Census Bureau FY 2000  
Southeast Michigan Council of Governments FY 2001 - 2009
- (2) 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
<b><u>By Occupation:</u></b>				
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	<u>20,439</u>	31.84%	<u>22,434</u>	32.43%
	<u>64,188</u>		<u>69,172</u>	
<b><u>By Industry:</u></b>				
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	<u>1,840</u>	2.87%	<u>2,358</u>	3.41%
	<u>64,188</u>		<u>69,172</u>	

EXHIBIT D-17

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

		Year Ended June 30, 2009		Year Ended June 30, 1998	
		Employees	Rank	Employees	Rank
General Motors Corporation	Automotive	17,000	1	23,000	1
TACOM	Government	6,500	2	3,652	3
Chrysler Corporation LLC	Automotive	4,200	3	5,900	2
St. John Macomb Hospital	Health care	1,320	4	1,925	4
Warren Consolidated Schools	Education	1,221	5		
Henry Ford Macomb Hospital	Health care	1,200	6	1,023	6
Art Van Furniture	Retail furniture	1,190	7	742	8
Campbell-Ewald Company	Advertising	900	8	726	9
Asset Acceptance Financial	Financial services	802	9		
Noble Metal Processing	Fabricator	700	10	1,800	5
Macomb Community College	Education			1,008	7
Becker Group	Consulting			500	10

Source:  
City of Warren Mayor's Office

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (1)
<b>General government:</b>										
<u>37th District Court</u>										
Small claims	1,054	1,112	1,072	1,141	1,328	1,226	1,047	970	725	800
Landlord & tenant	2,677	3,386	3,234	3,568	3,873	3,998	4,144	4,327	4,890	5,000
Parking tickets	1,523	1,298	1,345	1,630	2,189	1,622	1,448	1,521	1,518	1,300
Traffic misdemeanor & civil	46,081	37,367	46,205	64,352	59,961	58,565	55,744	57,163	55,606	54,000
Non-traffic felony	1,708	1,826	2,399	1,874	2,184	2,097	2,261	2,070	2,717	2,800
Non-traffic misdemeanor	2,424	2,110	2,834	2,294	2,330	2,149	2,194	2,393	2,449	2,000
Traffic OUIL/OWI	N/A	N/A	N/A	414	734	691	794	571	656	600
General civil	2,602	3,249	4,325	4,916	4,502	4,524	4,888	5,500	6,098	6,000
Probation - active cases	1,795	1,500	1,686	1,143	1,441	1,168	1,220	1,212	1,118	1,200
Pre-sentence investigations	N/A	N/A	N/A	414	523	460	386	395	368	400
Alcohol evaluations	N/A	N/A	N/A	470	562	543	513	516	459	500
<u>City Clerk</u>										
Business licenses	2,350	986	1,017	1,100	1,207	989	920	941	894	2,000
Public hearings	44	61	53	80	76	53	62	69	101	250
Changes in voter registrations	23,000	22,000	20,000	23,000	29,499	23,391	38,399	42,844	54,004	74,000
Dog licenses issued	4,065	3,800	4,500	4,000	6,833	4,794	5,233	4,967	5,427	7,000
Garage sale permits	1,413	1,424	1,053	1,500	2,177	2,167	2,365	2,541	1,952	3,500
Death certificates	1,857	1,809	1,900	1,900	1,870	1,951	1,889	1,902	1,800	3,000
Birth certificates	1,748	1,659	1,700	1,900	1,368	1,162	1,273	1,388	1,350	3,000
Lawsuits issued	42	55	61	70	34	36	33	34	31	200
Contracts signed, catalogued	28	59	70	60	63	52	79	45	68	200
Dog park passes	N/A	N/A	600	600	410	200	270	253	200	300
Passports issued	N/A	N/A	N/A	N/A	334	278	214	349	152	300
Internet requests processed	N/A	N/A	N/A	N/A	1,252	1,366	1,547	1,900	5,200	6,200
<u>Treasurer</u>										
Tax bills processed -										
manually	137,000	135,000	135,000	135,000	135,000	135,000	136,000	148,721	148,720	148,000
CD ROM	78,000	80,000	80,000	83,000	83,000	83,000	82,000	76,000	76,000	76,000
Checks processed	43,050	42,800	42,800	32,400	29,900	41,400	41,400	46,680	49,005	46,400
Water bills processed	215,000	215,000	215,000	540,000	518,000	518,000	518,000	528,000	528,000	529,000
Status changes	11,000	13,000	13,000	15,000	15,000	14,000	12,000	1,813	950	2,100
Personal property										
tax collections	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,101	4,101	3,950
Delinquent tax accounts	75	60	60	72	125	125	210	1,426	1,426	1,400
<u>Assessing</u>										
Personal property audits	180	210	210	125	116	316	320	140	152	155
Small claim MTT appeals	17	20	8	47	19	25	42	65	141	175
Full tax tribunal appeals	47	34	14	21	21	25	33	53	44	75
Board of Review appeals	850	750	862	807	801	834	864	999	1,400	1,700
Processing of										
homestead affidavits	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,000	5,000
Process deeds and										
transfer affidavits	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	5,600	5,500
Reviews transfers to										
uncap taxable value	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,500	4,000
Prepare special										
assessment rolls	9	7	30	50	30	30	30	30	30	28
Review / appraise										
taxable properties	N/A	N/A	54,000	54,000	54,000	54,000	54,000	54,000	59,470	59,470
Review / appraise										
exempt properties	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,919	1,919
Verify sales & transfers,										
inspect sold property	3,600	3,600	3,600	3,600	3,600	3,600	3,500	2,450	7,238	6,000
Inspect and appraise										
building permit activity	2,859	2,850	2,850	2,646	2,646	2,220	2,450	2,450	2,800	2,400
Identify / photograph										
real property parcels	23,000	23,000	23,000	2,400	2,400	2,400	2,400	2,400	1,200	1,500
Digitally sketch										
real property parcels	N/A	N/A	30,269	12,000	12,000	12,000	12,000	12,000	2,500	2,500

EXHIBIT D-18 (continued)

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (1)
<b>Public Safety:</b>										
<u>Fire Department</u>										
Incident responses	10,643	10,537	10,594	10,629	10,605	11,385	11,779	12,416	12,971	14,171
Equipment responses	23,294	22,957	23,215	23,254	18,767	16,594	17,182	18,111	18,306	18,706
Fire training (hours)	9,910	14,821	8,573	671	5,177	6,144	4,173	4,316	48,976	48,976
Medical training (hours)	5,064	3,804	2,290	2,303	1,912	1,725	1,171	1,210	1,931	1,931
<u>Police Department</u>										
Calls for police service	73,000	76,000	76,000	76,324	90,200	90,900	88,000	89,600	81,132	89,000
Part I crimes	4,917	4,795	6,570	5,214	4,785	5,223	5,853	5,982	4,575	4,800
Burglary incidents	850	686	772	672	669	829	704	737	851	800
Auto theft incidents	752	781	930	1,172	1,092	1,302	1,363	906	1,211	1,170
Part II Crimes	6,118	6,085	4,524	6,526	4,773	7,470	6,632	6,438	12,207	11,500
Narcotic and drug incidents	1,064	1,067	1,141	950	1,229	1,242	1,430	2,009	2,947	2,500
Traffic citations	44,855	35,522	40,865	44,977	49,429	48,280	45,154	46,506	30,154	35,000
OUIL charges	435	583	462	496	478	475	402	432	578	495
Traffic accidents	5,198	4,954	5,200	4,800	4,153	1,192	3,713	5,500	3,354	3,800
Juveniles charged	800	421	421	395	437	431	250	509	579	550
Total arrests	7,443	6,507	6,265	6,591	7,057	6,948	7,018	7,638	10,153	9,080
Abandoned autos processed	4,399	4,034	4,892	5,200	1,650	1,683	1,560	1,380	2,016	1,850
Guns registered	3,512	1,575	2,406	1,573	2,058	3,250	2,090	3,300	1,500	1,700
D.A.R.E. graduates	2,500	2,472	2,382	1,800	1,895	1,800	1,651	2,000	1,700	1,850
<u>Animal Control</u>										
Calls for service	6,864	7,215	2,000	4,500	2,587	2,332	2,610	2,832	2,916	3,010
Stray animals picked up	N/A	N/A	1,408	1,700	1,449	1,063	1,335	1,450	1,386	1,400
Wild animals secured	N/A	N/A	401	400	448	308	430	486	472	450
Dead animals handled	N/A	N/A	234	250	115	303	332	310	346	380
Animals given up by owners	N/A	N/A	768	500	781	992	850	832	798	830
<u>Civil Defense</u>										
Responses to disaster or emergency incidents	35	35	10	10	20	13	9	9	10	9
Functional / full-scale exercise	1	1	1	1	1	2	3	1	-	1
<b>City Development:</b>										
<u>Engineering</u>										
Service requests processed	900	1,247	900	900	618	422	674	448	516	510
Planning reviews	112	121	112	100	114	141	141	100	94	60
Site plan reviews	300	300	300	300	206	226	245	356	222	170
Projects inspected	116	100	116	100	106	97	128	125	97	70
Sidewalk inspections / repairs	N/A	N/A	N/A	N/A	5,141	2,542	2,739	3,100	2,709	2,950
<u>Property Maintenance Inspection</u>										
Weed enforcement -										
Vacant parcels	925	1,000	1,000	1,000	1,075	1,000	850	2,200	2,323	3,000
Occupied properties	333	425	425	471	530	600	680	830	800	1,000
Complaints investigated	11,292	11,100	11,100	12,298	13,279	14,000	13,500	7,244	4,862	5,000
<u>Building Inspections</u>										
Service requests	6,355	6,482	6,482	2,787	3,889	1,984	N/A	N/A	N/A	N/A
Certificates of Occupancy	229	341	171	256	364	326	339	584	279	350
Building permits	2,532	5,199	2,499	2,829	2,666	2,976	3,528	2,403	2,854	2,890
Plumbing permits	1,265	1,047	1,047	1,063	1,038	961	1,066	940	978	1,030
Electrical permits	1,888	1,596	1,596	1,640	1,431	1,573	1,844	1,909	2,277	2,300
Mechanical permits	1,651	1,381	1,381	1,424	1,159	1,218	1,929	1,463	1,343	1,495
Miscellaneous permits	1,576	709	709	651	1,124	1,504	1,884	1,584	407	350
Building inspections	8,110	9,970	9,970	9,037	8,472	7,404	10,103	8,895	13,216	12,000
Plumbing inspections	3,698	3,379	3,379	2,494	2,809	2,764	2,981	3,243	5,440	4,900
Electrical inspections	5,277	5,126	5,126	5,689	5,261	4,523	4,584	4,595	7,353	7,000
Mechanical inspections	3,799	3,751	3,751	4,937	4,471	4,422	5,644	5,263	6,784	5,800
Zoning inspections	6,355	10,482	6,430	4,204	5,889	5,681	4,940	4,813	15,657	12,000
Plan reviews	N/A	N/A	N/A	2,829	2,586	2,976	3,528	2,987	2,352	2,890

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (1)
<b>Recreation and Culture:</b>										
<u>Library</u>										
Annual attendance	416,730	441,200	489,962	501,123	402,380	371,361	389,200	284,398	336,414	350,000
Circulation -										
annual total	684,904	647,610	600,661	606,019	567,201	544,590	539,164	603,725	599,451	650,000
children's materials	156,006	153,568	144,159	121,085	121,491	117,958	121,788	182,579	237,568	238,000
Reference requests	53,129	53,928	61,123	71,865	67,868	71,121	73,025	62,726	72,761	74,000
Reserves placed	31,079	35,013	24,923	30,427	36,185	40,595	48,184	53,752	68,521	69,000
Registered borrowers	55,196	60,000	37,871	42,585	46,072	37,386	41,997	48,265	54,834	55,000
Materials -										
loaned to other libraries	38,528	37,630	35,487	45,203	69,905	57,635	62,714	53,476	72,662	73,500
received from other libraries	30,079	33,473	33,601	42,031	56,119	41,340	45,426	39,239	57,642	58,000
added to collection	38,654	34,964	18,769	20,539	26,951	24,520	16,292	26,397	25,327	26,000
deleted from collection	48,923	77,617	21,053	19,650	19,600	19,331	27,215	38,081	21,004	20,000
Home Page hits	87,934	151,749	202,665	194,268	192,889	201,309	222,454	231,573	287,079	290,000
<u>Recreation</u>										
Pavilion rentals	558	503	489	472	475	475	438	460	418	500
Bus transportation	28,089	35,600	25,500	48,650	52,000	28,300	28,500	28,550	28,972	30,000
Adult & youth sports -										
registrants	5,438	6,080	6,896	6,550	6,510	5,800	6,500	6,400	7,000	7,500
participants	106,820	106,200	107,244	106,552	106,200	102,575	101,204	105,500	106,000	106,500
Senior programs	32,068	36,600	34,104	36,200	36,500	51,204	52,000	52,450	90,247	90,400
Senior sports programs	17,026	18,200	27,870	26,200	25,000	22,000	23,000	22,400	23,000	24,500
Trees removed	398	820	492	452	950	1,076	800	1,000	1,131	500
Trees trimmed	3,981	4,311	4,351	4,100	4,000	4,000	4,000	3,000	7,788	4,000
Pool attendance	92,781	86,938	77,900	109,331	239,704	301,505	300,000	301,000	325,000	350,000
Yearly pass registrations	300	400	300	1,000	3,700	3,923	4,200	4,800	5,200	5,500
<b>Sanitation</b>										
Collections points (per week)	49,500	49,500	50,000	55,000	56,000	56,000	56,000	56,000	56,000	56,000
Curbside collection (tons) -										
Refuse land filled	50,999	50,944	49,385	51,866	51,537	47,626	51,780	48,695	48,695	46,643
Curbside recycling	7,053	6,244	6,081	6,069	5,726	4,977	3,633	4,236	4,236	4,626
Curbside compost	17,557	15,654	14,991	16,283	16,613	14,891	16,123	14,559	14,559	15,348
Drop-off center -										
Car batteries (each)	1,097	1,151	1,252	1,566	1,219	935	935	583	583	313
Non-ferrous metal (tons)	10	9	7	12	7	133	128	1	1	2
Concrete (tons)	428	499	513	591	559	398	385	242	242	133
Motor oil (gallons)	14,050	13,550	12,600	18,450	13,325	11,075	11,950	9,250	9,250	8,275
Collected / dropped off (tons) -										
Cardboard	96	100	118	175	138	124	147	129	129	147
White goods / scrap metal	736	922	1,149	896	542	370	284	232	232	182
<b>Senior Citizen Housing:</b>										
<u>Stilwell Manor</u>										
Carpet replacements	14	7	8	4	7	9	6	9	15	25
Linoleum replacements	10	12	13	12	7	14	9	7	10	10
Refrigerator replacements	5	4	6	30	36	N/A	N/A	N/A	N/A	N/A
Stove replacements	N/A	N/A	N/A	N/A	N/A	4	25	9	9	20
Apartments painted	23	20	19	17	18	28	9	18	12	26
Air conditioner replacements	N/A	N/A	N/A	16	18	18	10	6	8	15
Maintenance work orders	613	1,021	625	666	789	532	682	545	520	575
<u>Jos. Coach Manor</u>										
Carpet replacements	11	13	3	4	6	15	12	13	42	41
Linoleum replacements	7	16	10	8	8	18	13	17	32	15
Hot water tank replacements	28	45	114	N/A	N/A	2	-	-	2	12
Apartments painted	28	37	25	24	36	48	27	32	28	39
Countertop replacements	6	5	6	1	1	8	8	9	7	10
Maintenance work orders	871	1,099	1,067	1,054	1,271	1,223	1,203	1,247	1,182	1,250

EXHIBIT D-18 (continued)

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Water and Sewer System (2)</b>										
<u>Water Department:</u>										
Water utility accounts	49,272	49,280	49,339	49,359	49,546	49,768	49,948	50,122	50,248	50,205
Sewer utility accounts	49,007	49,010	49,064	49,079	49,198	49,269	49,319	49,370	49,614	49,110
Second meter accounts	N/A	N/A	N/A	N/A	63	173	256	384	457	506
Water sold (thousand cu. ft.)	1,076,870	956,085	969,120	1,025,088	950,539	844,666	930,433	839,755	883,463	759,993
Water purchased	1,190,223	1,061,407	1,066,307	1,144,504	1,081,053	941,846	1,035,761	932,468	1,014,748	851,937
Broken water main repairs	482	318	288	399	393	267	311	238	344	186
Sewer jetting (in footage)	236,679	396,567	417,432	289,125	148,660	276,869	197,240	257,313	129,050	14,167
<u>Waste Water Treatment Plant:</u>										
Sewage treated (billions of gallons)	8.5	8.7	7.9	7.2	7.9	8.4	8.0	9.0	7.6	8.4
Sludge solids removed (thousands of tons)	28.9	23.5	23.3	26.4	30.8	31.2	32.1	31.4	33.3	29.8
Power consumption (millions of kilowatt hours)	17.6	18.5	15.1	14.2	13.4	14.6	16.5	23.4	23.9	26.8
Natural gas for incinerator (millions of cu. ft.)	90	74	73	77	80	31	78	82	89	82
Laboratory samples taken	6,914	6,956	6,914	6,760	6,773	6,788	6,743	6,556	6,634	6,308
Analytical lab tests run	46,400	46,448	47,637	47,624	45,685	45,751	44,608	45,863	45,847	45,680
Dye tests performed to locate illicit connections	20	50	50	50	50	50	20	200	50	50
Storm water samples collected	246	457	582	202	804	386	457	275	20	50
Illicit discharges identified	N/A	6	11	13	10	7	17	24	15	46
Illicit discharges removed	N/A	4	7	10	14	9	50	14	20	7

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

- (1) Fiscal year 2009 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)
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
2007	6,670,204	6,950,103	12,992,814	500,000	27,113,121
2008	2,864,523	1,608,000	3,685,000	-	8,157,523
2009	812,000	75,400	13,260,000	3,000,000	17,147,400

(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**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>General government:</u>										
Council	14	14	14	14	14	13	13	13	13	13
37th District Court	46	49	50	49	50	50	50	50	49	49
Mayor	7	7	7	7	7	7	7	7	7	7
Clerk	11	11	11	11	11	10	8	9	9	9
Treasurer	15	15	15	15	15	13	12	12	12	12
Controller	20	20	20	20	20	19	19	19	19	19
Information Systems	4	4	4	4	4	4	3	3	3	3
Legal	11	11	11	11	11	11	11	11	11	11
Assessing	13	13	13	13	13	12	12	12	12	12
Labor Relations	3	3	3	3	3	1	1	1	1	2
Personnel	6	6	6	6	6	6	6	6	6	6
D.P.W. Garage	10	10	10	10	10	8	8	8	8	8
Building Maintenance	18	18	18	18	18	16	15	15	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>181</u>	<u>185</u>	<u>186</u>	<u>185</u>	<u>186</u>	<u>173</u>	<u>168</u>	<u>169</u>	<u>168</u>	<u>169</u>
<u>Public safety:</u>										
Fire Department	179	179	179	179	179	139	148	148	148	147
Police Department	286	286	290	290	290	281	278	274	276	275
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>468</u>	<u>468</u>	<u>472</u>	<u>472</u>	<u>472</u>	<u>423</u>	<u>429</u>	<u>425</u>	<u>427</u>	<u>425</u>
<u>City Development:</u>										
Public Service Director	4	4	4	4	4	4	4	4	4	3
Engineering	17	17	17	17	17	9	8	8	8	8
Property Maintenance	6	6	6	6	6	3	3	3	3	4
Building Inspections	20	20	20	20	20	18	17	17	17	17
Planning	7	7	7	7	7	5	4	5	5	5
Rental Ordinance	2	2	2	2	2	2	2	2	2	3
	<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>39</u>	<u>40</u>
<u>Highways and Streets</u>	<u>41</u>	<u>35</u>	<u>35</u>	<u>35</u>						
<u>Recreation and Culture:</u>										
Library	23	23	22	22	22	16	16	16	16	16
Recreation	22	21	20	20	20	20	20	20	20	20
Communications	4	4	6	6	7	6	6	6	6	6
	<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>42</u>	<u>42</u>
<u>Sanitation</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>42</u>	<u>42</u>
<u>Economic Development:</u>										
D.D.A.	-	-	1	1	1	1	1	1	1	1
<u>Community Development:</u>										
C.D.B.G.	3	3	4	4	4	4	4	4	4	3
<u>Senior Housing</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>5</u>	<u>5</u>
<u>Water and Sewer System</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>	<u>95</u>	<u>85</u>
Total full-time city employees	<u>967</u>	<u>966</u>	<u>964</u>	<u>963</u>	<u>966</u>	<u>879</u>	<u>876</u>	<u>859</u>	<u>858</u>	<u>847</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  
B-07-MC-26-0016  
B-08-MC-26-0016

#### **HOME Investment Partnership**

Account Numbers - 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  
M-07-MC-26-0216  
M-08-MC-26-0216

#### **Housing Opportunities for Persons with AIDS**

Account Number – MIH06F002  
MIH07F002  
MIH08F002

#### **Neighborhood Stabilization Program**

Account Number – B-08-MN-26-0014

#### **Edward Byrne Memorial Formula Grant Program**

Account Numbers - SCAO 2008-038  
- SCAO 2009-054

#### **Public Safety Partnership and Community Policing Grants**

COPS Interoperable Communications Technology Program Grant  
Account Number – 2004-INWX-011

#### **2006 Edward Byrne Memorial Justice Assistance Grant Program**

#### **2008 Edward Byrne Memorial Justice Assistance Grant Program**

#### **Emergency Management Performance Grant**

#### **Metropolitan Medical Response System**

2004, 2005, 2006 and 2007

EXHIBIT E-1

CITY OF WARREN, MICHIGAN  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

June 30, 2009

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Cash / Deferred Grant Revenue July 1, 2008</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	\$ 4,075	\$ 1,049,326
2003-04		B-03-MC-26-0016	996	1,142,271
2004-05		B-04-MC-26-0016	15,000	966,195
2005-06		B-05-MC-26-0016	77,394	1,123,053
2006-07		B-06-MC-26-0016	198,765	920,549
2007-08		B-07-MC-26-0016	517,647	657,814
2008-09		B-08-MC-26-0016	-	344,962
(2) HOME Investment Partnership:				
	14.239			
2001-02		M-01-MC-26-0216	\$ 19,254	\$ 386,400
2002-03		M-02-MC-26-0216	415,730	511,752
2003-04		M-03-MC-26-0216	254,626	261,016
2004-05		M-04-MC-26-0216	249,321	207,837
2005-06		M-05-MC-26-0216	242,975	181,635
2006-07		M-06 MC-26-0216	473,812	267,875
2007-08		M-07-MC-26-0216	699,339	120,836
2008-09		M-08-MC-26-0216	-	48,933
(3) Housing Opportunities for Persons with AIDS				
	14.241			
2006-07		MIH06F002	\$ 76,429	\$ 359,490
2007-08		MIH07F002	320,030	265,825
2008-09		MIH08F002	-	120,820
(4) Neighborhood Stabilization Program				
	14.218			
2008-09		B-08-MN-26-0014	\$ -	\$ 44,448
Byrne Memorial Formula Grant Program				
	16.579			
2007-08 Grant		SCAO 2008-038	\$ -	\$ 182,831
2008-09 Grant		SCAO 2009-054	-	131,328
Public Safety Partnership and Community Policing Grants:				
	16.710			
COPS Interoperable Communications Technology Program Grant		2004-INWX-0011	\$ 231,196	\$ 3,649,647
Byrne Memorial Justice Assistance Grant:				
	16.738			
2006 Grant			\$ -	\$ 57,973
2008 Grant			-	30,155
Emergency Management Performance Grant:				
	97.042			
2008-09			\$ -	\$ 49,052
Metropolitan Medical Response System:				
2004	97.071	233-02-0032	\$ 108,898	\$ 611,103
2005	97.067	GET50014	105,533	116,705
2006	97.067		-	144,500
2007	97.067		-	219,190

<u>Grantee Matching Contributions &amp; Miscellaneous Revenue</u>	<u>Expenditures</u>	<u>Advances (Repayments) or Adjustments</u>	<u>Cash / Deferred Grant Revenue June 30, 2009</u>
\$ 530,887	\$ (1,580,213)	\$ ( 4,075)	\$ -
581,527	(1,723,798)	( 996)	-
414,599	(1,380,794)	( 1,356)	13,644
468,017	(1,591,070)	( 17,658)	59,736
335,214	(1,255,763)	( 68,691)	130,074
104,317	( 762,131)	( 371,200)	146,447
88,812	( 375,427)	614,399	672,746
\$ 264,539	\$ ( 650,939)	\$ ( 19,254)	\$ -
975,476	( 1,381,330)	( 225,121)	296,507
770,099	( 941,115)	( 90,000)	254,626
208,905	( 319,148)	( 168,108)	178,807
469,992	( 606,627)	( 233,458)	54,517
392,772	( 607,647)	( 370,134)	156,678
59,266	( 180,102)	( 78,676)	620,663
198,892	( 247,825)	317,725	317,725
\$ -	\$ ( 359,490)	\$ ( 76,429)	\$ -
834	( 266,659)	( 149,855)	170,175
-	( 120,720)	334,274	334,374
\$ -	\$ ( 44,348)	\$ 5,784,999	\$ 5,785,099
\$ 220,645	\$ ( 403,476)	\$ -	\$ -
166,105	( 297,433)	-	-
\$ -	\$ ( 3,649,647)	\$ ( 180,936)	\$ 50,260
\$ -	\$ ( 57,973)	\$ -	\$ -
-	( 30,155)	-	-
\$ 176,447	\$ ( 225,499)	\$ -	\$ -
\$ -	\$ ( 611,103)	\$ ( 100,000)	\$ 8,898
-	( 116,705)	( 1,474)	104,059
-	( 144,500)	-	-
-	( 219,190)	-	-

CITY OF WARREN, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2009

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, 2009

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, and Housing Opportunities for Persons with AIDS 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, and Housing Opportunities for Persons with AIDS - CFDA #14.241.
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, 2009

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	<u>( 369,458)</u>
Total 1999/00 program year adjusted resources	1,049,326
Less: 1999/00 program year funds drawn by recipient	<u>( 1,049,326)</u>
1999/00 program year funds available from HUD	<u>\$ -</u>
Total 1999/00 program year funds drawn down by recipient	\$ 1,049,326
Add: Program income allocated to 1999/00 program year	<u>530,887</u>
Total 1999/00 program year funds received	1,580,213
Less: Funds applied to 1999/00 program year costs	<u>( 1,580,213)</u>
1999/00 program year funds held by recipient	<u>\$ -</u>
Total 1990/00 program year funds available for disposition	<u>\$ -</u>

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, 2009

	Expenditures 7-1-08 to <u>6-30-09</u>	Authorized <u>Costs</u>	Cumulative Expenditures 7-1-99 thru <u>6-30-09</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	4,075	50,000	50,000	-
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>\$ 4,075</u>	<u>\$ 1,580,213</u>	<u>\$ 1,580,213</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, 2009

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	( 1,142,271)
2003/04 program year funds available from HUD	\$ -
Total 2003/04 program year funds drawn down by recipient	\$ 1,141,275
Add: Program income allocated to 2003/04 program year	<u>581,527</u>
Total 2003/04 program year funds received	1,723,798
Less: Funds applied to 2003/04 program year costs	( 1,723,798)
2003/04 program year funds held by recipient	<u>-</u>
Total 2003/04 program year funds available for disposition	\$ -

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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-03 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ -	\$ 1,026,527 (1)	\$ 1,026,527	\$ -
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	996	39,500	39,500	-
Contingency and Local Option	-	- (3)	-	-
	<u>\$ 996</u>	<u>\$ 1,723,798</u>	<u>\$ 1,723,798</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, 2009

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	( 78,373)
2007/08 program year	( 20,000)
Total 2004/05 program year adjusted resources	\$ 979,839
Less: 2004/05 program year funds drawn by recipient	( 966,195)
2004/05 program year funds available from HUD	<u>\$ 13,644</u>
Total 2004/05 program year funds drawn down by recipient	\$ 966,195
Add: Program income allocated to 2004/05 program year	<u>414,599</u>
Total 2004/05 program year funds received	1,380,794
Less: Funds applied to 2004/05 program year costs	( 1,380,794)
2004/05 program year funds held by recipient	<u>\$ -</u>
Total 2004/05 program year funds available for disposition	<u>\$ 13,644</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ -	\$ 415,599 (1)	\$ 415,599	\$ -
Rehabilitation Delivery	-	100,000	100,000	-
Administrative Costs	-	195,600	195,600	-
Planning Study	1,356	15,000	1,356	-
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	-	- (9)	-	-
Contingency and Local Option	-	- (4)	-	-
	<u>\$ 1,356</u>	<u>\$ 1,394,438</u>	<u>\$ 1,380,794</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.
- (9) "Abandoned Building Removal" was decreased by reprogramming \$20,000 to "Abandoned Building Removal" in the 2007/08 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, 2009

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>( 1,123,053)</u>
2005/06 program year funds available from HUD	<u>\$ 59,736</u>
Total 2005/06 program year funds drawn down by recipient	\$ 1,123,053
Add: Program income allocated to 2005/06 program year	<u>468,017</u>
Total 2005/06 program year funds received	1,591,070
Less: Funds applied to 2005/06 program year costs	<u>( 1,591,070)</u>
2005/06 program year funds held by recipient	<u>\$ -</u>
Total 2005/06 program year funds available for disposition	<u>\$ 59,736</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 17,658	\$ 518,736 (1)	\$ 459,289	\$ -
Rehabilitation Delivery	-	150,000	150,000	-
Administrative Costs	-	290,616 (2)	290,616	-
Public Improvements:				
Sidewalk Replacement	-	200,539 (7)	200,250	-
Street Paving	-	285,691 (3)	285,691	-
Contractual Services:				
CHORE Service	-	25,377 (6)	25,377	-
Code Enforcement – Housing Ordinance	-	81,515 (4)	81,515	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	14,000	14,000	-
Homeless Shelter	-	22,500	22,500	-
Homeless Prevention	-	16,832 (8)	16,832	-
Child Advocacy	-	5,000	5,000	-
Contingency and Local Option	-	- (5)	-	-
	<u>\$ 17,658</u>	<u>\$1,650,806</u>	<u>\$ 1,591,070</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, 2009

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	143,349
Less: Unobligated funds reprogrammed to:	
2007/08 program year	( 17,000)
2008/09 program year	<u>( 61,347)</u>
Total 2006/07 program year adjusted resources	\$ 1,050,623
Less: 2006/07 program year funds drawn by recipient	<u>( 920,549)</u>
2006/07 program year funds available from HUD	<u>\$ 130,074</u>
Total 2006/07 program year funds drawn down by recipient	\$ 920,549
Add: Program income allocated to 2006/07 program year	<u>335,214</u>
Total 2006/07 program year funds received	1,255,763
Less: Funds applied to 2006/07 program year costs	<u>( 1,255,763)</u>
2006/07 program year funds held by recipient	<u>\$ -</u>
Total 2006/07 program year funds available for disposition	<u>\$ 130,074</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ -	\$ 414,803 (1)	\$ 270,453	\$ -
Rehabilitation Delivery	-	175,000	175,000	-
Administrative Costs	-	242,107 (2)	242,108	-
Public Improvements:				
Sidewalk Replacement	-	316,438 (3)	331,438	-
Contractual Services:				
CHORE Service	-	26,517 (4)	26,517	-
Code Enforcement – Housing Ordinance	6,444	106,997 (5)	106,997	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	900	13,975	13,250	-
Homeless Shelter	-	30,000	30,000	-
Homeless Prevention	-	15,000	15,000	-
Child Advocacy	-	5,000	5,000	-
Contingency and Local Option	-	- (6)	-	-
	<u>\$ 7,344</u>	<u>\$1,385,837</u>	<u>\$ 1,255,763</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.
- "Sidewalk Replacement" was decreased by reprogramming \$15,000 to "Homeless Prevention" in the 2007/08 program year and by reprogramming \$32,444 to "Housing Rehabilitation" in the 2008/09 program year.
- (4) "Chore Service" was decreased by reprogramming \$2,000 to "Chore Service" in the 2007/08 program year and by reprogramming \$6,483 to "Housing Rehabilitation" in the 2008/09 program year.
- (5) "Code Enforcement – Housing Ordinance" was decreased by reprogramming \$3,003 to "Street Improvements" in the 2008/09 program year.
- (6) "Contingency and Local Option" was decreased by reprogramming \$19,417 to "Housing Rehabilitation" in the 2008/09 program year.

See accompanying notes to financial statements.

EXHIBIT E-12

CITY OF WARREN, MICHIGAN  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
PROGRAM YEAR 2007/08 – C.D.B.G. No. B-07-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2009

Total 2007/08 program year funds allocated to recipient	\$ 879,808
Add: Unobligated funds reprogrammed from:	
2004/05 program year	20,000
2006/07 program year	17,000
Less: Unobligated funds reprogrammed to:	
2008/09 program year	( 112,547)
Total 2007/08 program year adjusted resources	\$ 804,261
Less: 2007/08 program year funds drawn by recipient	( 657,814)
2007/08 program year funds available from HUD	<u>\$ 146,447</u>
Total 2007/08 program year funds drawn down by recipient	\$ 657,814
Add: Program income allocated to 2007/08 program year	<u>104,317</u>
Total 2007/08 program year funds received	762,131
Less: Funds applied to 2007/08 program year costs	( 762,131)
2007/08 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ 146,447</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
PROGRAM YEAR 2007/08 – C.D.B.G. No. B-07-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2007 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-07 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 23,816	\$ 225,105 (1)	\$ 83,454	\$ -
Rehabilitation Delivery	77,345	175,000	175,000	-
Administrative Costs	23,265	176,363 (2)	176,363	-
Public Improvements:				
Sidewalk Replacement	40,772	86,868 (9)	86,868	-
Contractual Services:				
Abandoned buildings	18,554	20,000 (3)	18,554	-
CHORE Service	13,074	27,148 (4)	27,148	-
Code Enforcement – Housing Ordinance	37,835	90,419 (8)	90,419	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	9,575	9,675	9,575	-
Homeless Shelter	7,181	24,000	24,000	-
Homeless Prevention	5,486	25,000 (5)	25,000	-
Child Advocacy	-	4,000	4,000	-
Homebuyer preparation	1,750	5,000 (6)	1,750	-
Contingency and Local Option	-	- (7)	-	-
	<u>\$ 258,653</u>	<u>\$ 908,578</u>	<u>\$ 762,131</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$381,651 was decreased by \$156,546 from less program income earned than budgeted (original budgeted estimate for program income was \$240,000).
- (2) Original "Administrative Costs" allocation of \$215,500 was decreased by \$39,137 from less program income earned than budgeted (original budgeted estimate for program income was \$60,000).
- (3) "Abandoned Buildings" was increased by reprogramming \$20,000 from "Abandoned Buildings" from the 2004/05 program year.
- (4) "Chore Service" was increased by reprogramming \$2,000 to "Chore Service" in the 2006/08 program year and decreased by reprogramming \$4,852 to "Street Improvements" in the 2008/09 program year..
- (5) "Homeless Prevention" was increased by reprogramming \$15,000 from "Sidewalk Replacement" in the 2006/07 program year.
- (6) "Homebuyer Preparation" was increased by reprogramming \$5,000 from "Contingency and Local Option" in the 2007/08 program year.
- (7) "Contingency and Local Option" was decreased by reprogramming \$5,000 to "Homebuyer Preparation" in the 2007/08 program year and by reprogramming \$4,982 to "Abandoned Building Removal" in the 2008/09 program year.
- (8) "Code Enforcement – Housing Ordinance" was decreased by reprogramming \$19,581 to "Street Improvements" in the 2008/09 program year.
- (9) "Sidewalk Replacement" was decreased by reprogramming \$83,132 to "Street Improvements" in the 2008/09 program year.

See accompanying notes to financial statements.

EXHIBIT E-14

CITY OF WARREN, MICHIGAN  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
PROGRAM YEAR 2008/09 – C.D.B.G. No. B-08-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2008 through June 30, 2009

Total 2008/09 program year funds allocated to recipient	\$ 843,814
Add: Unobligated funds reprogrammed from:	
2006/07 program year	61,347
2007/08 program year	<u>112,547</u>
Total 2008/09 program year adjusted resources	\$ 1,017,708
Less: 2008/09 program year funds drawn by recipient	<u>( 344,962)</u>
2008/09 program year funds available from HUD	<u>\$ 672,746</u>
Total 2008/09 program year funds drawn down by recipient	\$ 344,962
Add: Program income allocated to 2008/09 program year	<u>88,812</u>
Total 2008/09 program year funds received	433,774
Less: Funds applied to 2008/09 program year costs	<u>( 375,427)</u>
2008/09 program year funds held by recipient	<u>\$ 58,347</u>
Total 2008/09 program year funds available for disposition	<u>\$ 731,093</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
PROGRAM YEAR 2008/09 – C.D.B.G. No. B-08-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2008 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-09</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 22,463	\$ 354,614 (1)	\$ 22,463	\$ -
Rehabilitation Delivery	90,566	140,000	90,566	-
Administrative Costs	140,588	186,263 (2)	140,588	-
Public Improvements:				
Street Improvements	-	110,569 (3)	-	-
Contractual Services:				
Abandoned buildings	-	22,574 (4)	-	-
CHORE Service	9,126	35,000	9,126	-
Code Enforcement – Housing Ordinance	35,426	150,000	35,426	-
Code Enforcement – Rental Ordinance	40,000	40,000	40,000	-
Housing Support Services	-	11,500 (5)	-	-
Homeless Shelter	24,000	24,000	24,000	-
Homeless Prevention	9,258	20,000	9,258	-
Child Advocacy	4,000	4,000	4,000	-
Homebuyer preparation	-	8,000	-	-
Contingency and Local Option	-	- (6)	-	-
	<u>\$ 375,427</u>	<u>\$ 1,106,520</u>	<u>\$ 375,427</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$321,221 was decreased by \$24,951 from less program income earned than budgeted (original budgeted estimate for program income was \$120,000). It was increased by \$58,344 from reprogramming the following:  
  \$ 6,483 from "Chore Service" in the 2006/07 program year.  
  \$ 19,417 from "Contingency and Local Option" in the 2006/07 program year.  
  \$ 32,444 from "Sidewalk Replacement" in the 2006/07 program year.
- (2) Original "Administrative Costs" allocation of \$192,500 was decreased by \$6,237 from less program income earned than budgeted (original budgeted estimate for program income was \$24,000).
- (3) "Street Improvements" was increased by reprogramming \$110,568 from reprogramming the following:  
  \$ 3,003 from "Code Enforcement-Housing Ordinance" in the 2006/07 program year.  
  \$ 19,581 from "Code Enforcement-Housing Ordinance" in the 2007/08 program year.  
  \$ 4,852 from "Chore Service" in the 2007/08 program year.  
  \$ 83,132 from "Sidewalk Replacement" in the 2007/08 program year.
- (4) "Abandoned Building Removal" was increased by \$22,574 from reprogramming the following:  
  \$ 4,982 from "Contingency and Local Option" in the 2007/08 program year.  
  \$ 17,592 from "Contingency and Local Option" in the 2008/09 program year.
- (5) "Housing Support Services" was increased by reprogramming \$1,500 from "Contingency and Local Option" in the 2008/09 program year.
- (6) "Contingency and Local Option" was decreased by \$19,092 from reprogramming the following:  
  \$ 1,500 to "Housing Support Services" in the 2008/09 program year.  
  \$ 17,592 to "Abandoned Building Removal" in the 2008/09 program year.

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, 2009

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>386,400</u> )
2001/02 program year funds available from HUD	\$ <u>          -</u>
Total 2001/02 program year funds drawn down by recipient	\$ 386,400
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	650,939
Less: Funds applied to 2001/02 program year costs	( <u>650,939</u> )
2001/02 program year funds held by recipient	\$ <u>          -</u>
Total 2001/02 program year funds available for disposition	\$ <u>          -</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-01 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 19,254	\$ 425,868 (1)	\$ 427,803	\$ -
Single Family Acquisition Rehabilitation	-	126,179 (2)	131,864	-
CHDO Operating	-	34,632 (5)	34,632	-
Direct Homebuyer Assistance	-	125 (3)	125	-
Program Administration	-	64,135 (4)	56,515	-
	<u>\$ 19,254</u>	<u>\$ 650,939</u>	<u>\$ 650,939</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, 2009

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	( 511,752)
2002/03 program year funds available from HUD	<u>\$ 190,609</u>
Total 2002/03 program year funds drawn down by recipient	\$ 511,752
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	1,487,228
Less: Funds applied to 2002/03 program year costs	( 1,381,330)
2002/03 program year funds held by recipient	<u>\$ 105,898</u>
Total 2002/03 program year funds available for disposition	<u>\$ 296,507</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-02 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 119,223	\$ 1,213,684 (1)	\$ 919,152	\$ -
Single Family Acquisition Rehabilitation	-	195,478 (2)	169,539	-
CHDO Operating	-	24,250 (4)	20,000	-
Direct Homebuyer Assistance	-	135,925 (3)	135,925	-
Program Administration	-	108,500	136,714	-
	<u>\$ 119,223</u>	<u>\$ 1,677,837</u>	<u>\$ 1,381,330</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, 2009

Total 2003/04 program year funds allocated to recipient	\$ 425,642
Less: 2003/04 program year funds drawn by recipient	( 261,016)
2003/04 program year funds available from HUD	<u>\$ 164,626</u>
Total 2003/04 program year funds drawn down by recipient	\$ 261,016
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	1,031,115
Less: Funds applied to 2003/04 program year costs	( 941,115)
2003/04 program year funds held by recipient	<u>\$ 90,000</u>
Total 2003/04 program year funds available for disposition	<u>\$ 254,626</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-03 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 804,709 (1)	\$ 562,022	\$ -
Single Family Acquisition Rehabilitation	-	173,468 (2)	226,529	-
CHDO Operating	-	15,000 (3)	10,000	-
Direct Homebuyer Assistance	-	100,000	100,000	-
Program Administration	-	102,564	42,564	-
	<u>\$ -</u>	<u>\$ 1,195,741</u>	<u>\$ 941,115</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, 2009

Total 2004/05 program year funds allocated to recipient	\$ 424,177
Less: Unobligated funds reprogrammed to:	
2006/07 program year	( 63,627)
2007/08 program year	( 71,500)
Less: 2004/05 program year funds drawn by recipient	( 207,837)
2004/05 program year funds available from HUD	<u>\$ 81,213</u>
Total 2004/05 program year funds drawn down by recipient	\$ 207,837
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	416,742
Less: Funds applied to 2004/05 program year costs	( 319,148)
2004/05 program year funds held by recipient	<u>\$ 97,594</u>
Total 2004/05 program year funds available for disposition	<u>\$ 178,807</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 212,027 (1)	\$ 39,000	\$ -
Single Family Acquisition Rehabilitation	70,514	72,311 (2)	76,985	-
CHDO Operating	-	21,200 (3)	20,000	-
Direct Homebuyer Assistance	-	80,000 (4)	80,000	-
Program Administration	-	112,417	103,163	-
	<u>\$ 70,514</u>	<u>\$ 497,955</u>	<u>\$ 319,148</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". It was also decreased by reprogramming \$51,500 to "Direct Homebuyer Assistance" in the 2007/08 program year.
- (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".
- (4) "Direct Homebuyer Assistance" was decreased by reprogramming \$20,000 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

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, 2009

Total 2005/06 program year funds allocated to recipient	\$ 406,985
Less: Unobligated funds reprogrammed to:	
2006/07 program year	( 71,049)
2007/08 program year	( 144,784)
Less: 2005/06 program year funds drawn by recipient	( 181,635)
2005/06 program year funds available from HUD	<u>\$ 9,517</u>
Total 2005/06 program year funds drawn down by recipient	\$ 181,635
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	651,627
Less: Funds applied to 2005/06 program year costs	( 606,627)
2005/06 program year funds held by recipient	<u>\$ 45,000</u>
Total 2005/06 program year funds available for disposition	<u>\$ 54,517</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 120,410	\$ 575,313 (1)	\$ 478,878	\$ -
Single Family Acquisition Rehabilitation	68,048	21,320 (2)	69,495	-
CHDO Operating	-	20,349 (4)	10,000	-
Direct Homebuyer Assistance	-	- (5)	-	-
Program Administration	-	44,162 (3)	48,254	-
	<u>\$ 188,458</u>	<u>\$ 661,144</u>	<u>\$ 606,627</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". It was also decreased by reprogramming \$84,784 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.
- (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".
- (5) "Direct Homebuyer Assistance" was decreased by reprogramming \$60,000 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

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, 2009

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: Unobligated funds reprogrammed to:	
2007/08 program year	( 146,488)
Less: 2006/07 program year funds drawn by recipient	( 267,875)
2006/07 program year funds available from HUD	<u>\$ 103,678</u>
Total 2006/07 program year funds drawn down by recipient	\$ 267,875
Add: Program Income	216,197
Local matching contributions received and allocated to 2006/07 program year	<u>176,575</u>
Total 2006/07 program year funds received	660,647
Less: Funds applied to 2006/07 program year costs	( 607,647)
2006/07 program year funds held by recipient	<u>\$ 53,000</u>
Total 2006/07 program year funds available for disposition	<u>\$ 156,678</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, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 123,540	\$ 349,342 (1)	\$ 154,831	\$ -
Single Family Acquisition Rehabilitation	12,061	6,075 (2)	12,136	-
CHDO Operating	-	19,096	-	-
Direct Homebuyer Assistance	-	4,000 (4)	-	-
Program Administration	3,759	32,192	49,704	-
Owner Occupied Residential Rehabilitation	<u>177,774</u>	<u>353,620 (3)</u>	<u>390,976</u>	<u>-</u>
	<u>\$ 317,134</u>	<u>\$ 764,325</u>	<u>\$ 607,647</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by \$216,197 from more program income received than budgeted. It was decreased by reprogramming \$52,488 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.
- (2) "Single Family Acquisition Rehabilitation" was decreased by reprogramming \$94,000 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year. It was increased by \$75 from more local match contributions received than budgeted.
- (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.
 It was increased by \$123,500 from more local match contributions received than budgeted.
- (4) "Direct Homebuyer Assistance" was decreased by reprogramming \$12,000 to "Single Family Acquisition Rehabilitation" and \$76,000 to "Direct Homebuyer Assistance" and \$6,000 to "Program Administration" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-28

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2007/08 - H.O.M.E. No. M-07-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2009

Total 2007/08 program year funds allocated to recipient	\$ 378,727
Add: Unobligated funds reprogrammed from:	
2004/05 program year	71,500
2005/06 program year	144,784
2006/07 program year	146,488
Less: 2007/08 program year funds drawn by recipient	( 120,836)
2007/08 program year funds available from HUD	<u>\$ 620,663</u>
Total 2007/08 program year funds drawn down by recipient	\$ 120,836
Add: Program Income	59,266
Local matching contributions received and allocated to 2007/08 program year	<u>-</u>
Total 2007/08 program year funds received	180,102
Less: Funds applied to 2007/08 program year costs	( 180,102)
2007/08 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ 620,663</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2007/08 - H.O.M.E. No. M-07-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2007 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-07 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 24,839	\$ 81,616 (1)	\$ 24,874	\$ -
Single Family Acquisition Rehabilitation	18,602	428,841 (2)	18,602	-
CHDO Operating	-	18,936	-	-
Direct Homebuyer Assistance	-	127,500 (3)	-	-
Program Administration	843	43,872	102,234	-
Owner Occupied Residential Rehabilitation	<u>34,392</u>	<u>100,000 (4)</u>	<u>34,392</u>	<u>-</u>
	<u>\$ 78,676</u>	<u>\$ 800,765</u>	<u>\$ 180,102</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by \$297,000 from less program income received than budgeted and by \$85,000 from less match received than budgeted. "Acquisition / New Construction" was decreased by reprogramming \$140,303 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.
- (2) "Single Family Acquisition Rehabilitation" was increased by \$59,266 from more program income received than budgeted and it was increased by reprogramming \$369,575 from the following:
- \$ 84,784 from "Acquisition / New Construction" in the 2005/06 program year.
  - \$ 52,488 from "Acquisition / New Construction" in the 2006/07 program year.
  - \$140,303 from "Acquisition / New Construction" in the 2007/08 program year.
  - \$ 20,000 from "Direct Homebuyer Assistance" in the 2004/05 program year.
  - \$ 60,000 from "Direct Homebuyer Assistance" in the 2005/06 program year.
  - \$ 12,000 from "Direct Homebuyer Assistance" in the 2006/07 program year.
- (3) "Direct Homebuyer Assistance" was added by reprogramming \$76,000 from "Direct Homebuyer Assistance" in the 2006/07 program year and \$51,500 from "Acquisition / New Construction" in the 2004/05 program year.
- (4) "Program Administration" was decreased by \$33,000 from less program income received than budgeted and increased by reprogramming \$6,000 from "Direct Homebuyer Assistance" from the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-30

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2008/09 - H.O.M.E. No. M-08-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2008 through June 30, 2009

Total 2008/09 program year funds allocated to recipient	\$ 366,658
Less: 2008/09 program year funds drawn by recipient	( 48,933)
2008/09 program year funds available from HUD	<u>\$ 317,725</u>
Total 2008/09 program year funds drawn down by recipient	\$ 48,933
Add: Program Income	66,642
Local matching contributions received and allocated to 2008/09 program year	<u>132,250</u>
Total 2008/09 program year funds received	247,825
Less: Funds applied to 2008/09 program year costs	( 247,825)
2008/09 program year funds held by recipient	<u>\$ -</u>
Total 2008/09 program year funds available for disposition	<u>\$ 317,725</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2008/09 - H.O.M.E. No. M-08-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2008 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-09</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 62,749	\$ 62,749 (1)	\$ 62,749	\$ -
Single Family Acquisition Rehabilitation	-	144,393 (2)	-	-
CHDO Operating	-	18,332	-	-
Direct Homebuyer Assistance	2,500	57,500 (3)	2,500	-
Program Administration	48,933	48,933 (4)	48,933	-
Owner Occupied Residential Rehabilitation	<u>133,643</u>	<u>233,643 (5)</u>	<u>133,643</u>	<u>-</u>
	<u>\$ 247,825</u>	<u>\$ 565,550</u>	<u>\$ 247,825</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was increased by \$62,749 from more program income received than budgeted.
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$231,268 from less program income received than budgeted.
- (3) "Direct Homebuyer Assistance" was decreased by \$48,000 from less program income received than budgeted and increased by \$2,500 from more match received than budgeted.
- (4) "Administrative Costs" was decreased by \$28,732 from less program income received than budgeted.
- (5) "Owner Occupied Residential Rehabilitation" was decreased by \$98,107 from less program income received than budgeted and increased by \$114,750 from more match received than budgeted.

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, 2009

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	5,995
Less: Unobligated funds reprogrammed to:	
2007/08 program year	( 27,000)
2008/09 program year	<u>( 18,094)</u>
Total 2006/07 program year adjusted resources	359,490
Less: 2006/07 program year funds drawn by recipient	<u>( 359,490)</u>
2006/07 program year funds available from HUD	<u>\$ -</u>
Total 2006/07 program year funds drawn down by recipient	\$ 359,490
Less: Funds applied to 2006/07 program year costs	<u>( 359,490)</u>
2006/07 program year funds held by recipient	<u>\$ -</u>
Total 2006/07 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 2006/07 – ACCOUNT NO. MIH06F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2006 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-09</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ - (1)	\$ -	\$ -
Housing Advocacy Assistance	-	94,948 (6)	94,948	-
Tenant Based Rental Assistance	58,335	185,995 (2)	185,995	-
In Home Non-medical Care for Medically Fragile	-	40,000 (3)	40,000	-
Administrative Costs	-	11,910	11,910	-
Short-term Rent, Mortgage and Utility Assistance	-	18,536 (4)	18,536	-
Move In Assistance	-	8,101 (5)	8,101	-
	<u>\$ 58,335</u>	<u>\$ 359,490</u>	<u>\$ 359,490</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 and decreased by reprogramming \$12,000 to "Short-term Rent, Mortgage  
 and Utility Assistance" in the 2007/08 program year. It was also decreased by reprogramming \$1,464 to "Tenant Based Rental  
 Assistance" in the 2008/09 program year.
- (5) "Move In Assistance" was increased by reprogramming \$34,679 from "Emergency Housing Assistance" in the 2006/07 program year and  
 decreased by reprogramming \$10,000 to "Move In Assistance" and \$5,000 to "Housing Advocacy Assistance" in the 2007/08 program  
 year. It was also decreased by reprogramming \$11,578 to "Tenant Based Rental Assistance" in the 2008/09 program year.
- (6) "Housing Advocacy Assistance" was decreased by reprogramming \$5,052 to "Tenant Based Rental Assistance" in the 2008/09  
 program year.

See accompanying notes to financial statements.

EXHIBIT E-34

CITY OF WARREN, MICHIGAN  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PROGRAM YEAR 2007/08 – ACCOUNT NO. MIH07F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2009

Total 2007/08 program year funds allocated to recipient	\$ 409,000
Add: Unobligated funds reprogrammed from: 2006/07 program year	<u>27,000</u>
Total 2007/08 program year adjusted resources	436,000
Less: 2007/08 program year funds drawn by recipient	<u>( 265,825)</u>
2007/08 program year funds available from HUD	<u>\$ 170,175</u>
Total 2007/08 program year funds drawn down by recipient	\$ 265,825
Add: Program income	834
Less: Funds applied to 2007/08 program year costs	<u>( 266,659)</u>
2007/08 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ 170,175</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
 PROGRAM YEAR 2007/08 – ACCOUNT NO. MIH07F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2007 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-07 thru 6-30-09</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	45,338	105,000 (1)	100,466	-
Tenant Based Rental Assistance	29,296	180,000	29,296	-
In Home Non-medical Care for Medically Fragile	17,174	40,000	40,000	-
Administrative Costs	4,622	12,270	12,270	-
Short-term Rent, Mortgage and Utility Assistance	36,851	48,730 (2)	48,671	-
Move In Assistance	<u>16,574</u>	<u>50,000 (3)</u>	<u>35,956</u>	<u>-</u>
	<u>\$ 149,855</u>	<u>\$ 436,000</u>	<u>\$ 266,659</u>	<u>\$ -</u>

- (1) "Housing Advocacy Assistance" was increased by reprogramming \$5,000 from "Move In Assistance" in the 2006/07 program year.
- (2) "Short-term Rent, Mortgage, and Utility Assistance" was increased by reprogramming \$12,000 from "Short-term Rent, Mortgage, and Utility Assistance" in the 2006/07 program year.
- (3) "Move In Assistance" was increased by reprogramming \$10,000 from "Move In Assistance" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-36

CITY OF WARREN, MICHIGAN  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PROGRAM YEAR 2008/09 – ACCOUNT NO. MIH08F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2008 through June 30, 2009

Total 2008/09 program year funds allocated to recipient	\$ 437,000
Add: Unobligated funds reprogrammed from: 2006/07 program year	<u>18,094</u>
Total 2008/09 program year adjusted resources	455,094
Less: 2008/09 program year funds drawn by recipient	<u>( 120,820)</u>
2008/09 program year funds available from HUD	<u>\$ 334,274</u>
Total 2008/09 program year funds drawn down by recipient	\$ 120,820
Add: Program income	-
Less: Funds applied to 2008/09 program year costs	<u>( 120,720)</u>
2008/09 program year funds held by recipient	<u>\$ 100</u>
Total 2007/08 program year funds available for disposition	<u>\$ 334,374</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PROGRAM YEAR 2008/09 – ACCOUNT NO. MIH08F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2008 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-08 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-09</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	57,339	107,842 (1)	57,339	-
Tenant Based Rental Assistance	-	188,412 (2)	-	-
In Home Non-medical Care for Medically Fragile	11,471	50,000 (3)	11,471	-
Administrative Costs	4,958	13,110	4,958	-
Short-term Rent, Mortgage and Utility Assistance	30,630	45,730	30,630	-
Move In Assistance	<u>16,322</u>	<u>50,000</u>	<u>16,322</u>	<u>-</u>
	<u>\$ 120,720</u>	<u>\$ 455,094</u>	<u>\$ 120,720</u>	<u>\$ -</u>

- (1) "Housing Advocacy Assistance" was increased by reprogramming \$5,000 from "In Home Non-medical Care for Medically Fragile" in the 2008/09 program year and \$7,112 from "Tenant Based Rental Assistance" in the 2008/09 program year.
- (2) "Tenant Based Rental Assistance" was decreased by reprogramming \$7,112 to "Housing Advocacy Assistance" in the 2008/09 program year and increased by \$18,094 by reprogramming the following:  
\$ 5,052 from "Housing Advocacy Assistance" in the 2006/07 program year.  
\$ 1,464 from "Short Term Rent Mortgage & Utility Assistance" in the 2006/07 program year.  
\$ 11,578 from "Move In Assistance" in the 2006/07 program year.
- (3) "In Home Non-medical Care for Medically Fragile" was decreased by reprogramming \$5,000 to "Housing Advocacy Assistance" in the 2008/09 program year.

See accompanying notes to financial statements.

**EXHIBIT E-38**

CITY OF WARREN, MICHIGAN  
NEIGHBORHOOD STABILIZATION PROGRAM  
PROGRAM YEAR 2008/09 – ACCOUNT NO. B-08-MN-26-0014

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period October 1, 2008 through June 30, 2009

Total 2008/09 program year funds allocated to recipient	\$ 5,829,447
Less: 2008/09 program year funds drawn by recipient	<u>( 44,448)</u>
2008/09 program year funds available from HUD	<u>\$ 5,784,999</u>
Total 2008/09 program year funds drawn down by recipient	\$ 44,448
Add: Program income	-
Less: Funds applied to 2008/09 program year costs	<u>( 44,348)</u>
2008/09 program year funds held by recipient	<u>\$ 100</u>
Total 2007/08 program year funds available for disposition	<u>\$ 5,785,099</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
 NEIGHBORHOOD STABILIZATION PROGRAM  
 PROGRAM YEAR 2008/09 – ACCOUNT NO. B-08-MN-26-0014

STATEMENT OF PROGRAM COSTS

For the Period October 1, 2008 through June 30, 2009

<u>Program Activity and Related Costs</u>	<u>Expenditures 10-1-8 to 6-30-09</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-09</u>	<u>Questioned Costs</u>
Downpayment and Rehab Direct Assistance	\$ -	\$ 300,000	\$ -	\$ -
New Construction	-	725,000	-	-
Rehabilitation Resale	730	3,222,000 (1)	730	-
Demolition	4,199	1,000,000	4,199	-
Administrative Costs	<u>39,419</u>	<u>582,447 (2)</u>	<u>39,419</u>	<u>-</u>
	<u>\$ 44,348</u>	<u>\$ 5,829,447</u>	<u>\$ 44,348</u>	<u>\$ -</u>

(1) "Rehabilitation Resale" was decreased by \$2,272,500 from less program income received than budgeted.

(2) "Administrative Costs" was decreased by \$252,500 from less program income received than budgeted.

See accompanying notes to financial statements.