

*City of Warren  
Michigan*

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2010**

# City of Warren

MICHIGAN

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2010



PREPARED BY:  
CONTROLLER'S OFFICE  
DENNIS G. CLARK, ACTING CITY 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)*

DENNIS G. CLARK, *Acting City Controller*

MARCIA D. SMITH, *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*

**CITY OF WARREN, MICHIGAN**

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**CITY CONTROLLER'S OFFICE**

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December 15, 2010

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, 2010.

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, 2010 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. 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 Chrysler Corporation represents approximately 18.45% of the City's taxable value. In the past year, 2 new commercial development and 16 single-family residential permits were issued representing \$5.2 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 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 separate 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 37<sup>th</sup> District Court Building Renovation and Energy Efficiency Conservation Block Grant 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<br/>of Total</u> | <u>Increase<br/>(Decrease)<br/>from 2009</u> |
|-------------------------|----------------------|--------------------------------|--|
| Property taxes          | \$ 63,838,959        | 69.2%                          | \$( 728,588)                                 |
| Licenses and permits    | 1,567,892            | 1.7                            | ( 191,771)                                   |
| Intergovernmental:      |                      |                                |  |
| Federal revenue         | 978,370              | 1.1                            | 386,308                                      |
| State revenue           | 12,946,649           | 14.0                           | ( 1,281,969)                                 |
| Local revenue           | 671,416              | 0.7                            | ( 56,538)                                    |
| Charges for services    | 1,268,886            | 1.4                            | 172,091                                      |
| Fines and fees          | 4,553,240            | 4.9                            | ( 47,437)                                    |
| Interest on investments | 15,804               | 0.1                            | ( 552,384)                                   |
| Miscellaneous           | <u>6,376,559</u>     | <u>6.9</u>                     | <u>431,382</u>                               |
| Total                   | <u>\$ 92,217,775</u> | <u>100.0</u>                   | <u>\$( 1,868,906)</u>                        |

Taxable property values decreased by \$129.3 million or 2.5% compared to the prior year resulting in a decrease in general fund property tax revenues of \$0.7 million. There was no change in the overall property tax rate levied for fiscal year 2010. However, the general fund levy increased by 0.25 mills as the sanitation portion of the levy decreased by a similar amount. Unfortunately, due to the current and sustained housing crisis taxable property values are projected to decline further over the next couple years. License and permit revenues were somewhat lower than the prior year but still 32.7% below where they were in 2007 due to reductions in construction spending. State shared sales tax revenues declined *once again*, being \$1.5 million below 2009 levels. Comparatively, fiscal year 2010 state shared sales tax revenues of \$12.05 million are now \$7.23 million less than the \$19.28 million received in fiscal year 2000 when levels started to decline. General Fund cash and inter-fund receivables decreased by \$10.6 million or 19.6% from the prior year. This, along with interest rates being near historic lows combined to produce only nominal interest income in fiscal year 2010. Comparatively, interest income for fiscal year 2007 was \$3.7 million when interest rates hovered in the area of 4.9%. All of these revenue reductions continue to negatively impact City operations going forward.

### General Fund Expenditures and Other Financing Uses

|                          | <u>Amount</u>         | <u>Percentage<br/>of Total</u> | <u>Increase<br/>(Decrease)<br/>from 2009</u> |
|--------------------------|-----------------------|--------------------------------|--|
| General government       | \$ 24,921,141         | 24.2%                          | \$( 835,352)                                 |
| Public safety            | 62,711,147            | 60.9                           | 674,291                                      |
| City development         | 4,995,160             | 4.8                            | ( 880,127)                                   |
| Highways and streets     | 2,745,958             | 2.7                            | 358,019                                      |
| Recreation and culture   | 42,669                | 0.1                            | 1,102  |
| Debt service             | <u>110,517</u>        | <u>0.1</u>                     | <u>-</u>                                     |
| Sub-total                | 95,526,592            | 92.8                           | ( 682,067)                                   |
| Settlement agreement     | 5,975,000             | 5.8                            | 5,975,000                                    |
| Transfers to other funds | <u>1,411,263</u>      | <u>1.4</u>                     | <u>172,860</u>                               |
| Total                    | <u>\$ 102,912,855</u> | <u>100.0</u>                   | <u>\$ 5,465,793</u>                          |

General Fund expenditures before special items and transfers decreased \$0.7 million or 0.7% from the prior year. General government and city development expenditures decreased primarily in the areas of personnel services and employee benefits. Public safety expenditures on the other hand increased in these same areas primarily due to settlement of a collective bargaining agreement in October of 2010 with the Warren Professional Firefighters, Local 1383. Retroactive wage and benefit provisions from July 1, 2007 through June 30, 2009 were estimated to be \$1.6 million. In July of 2009 the City Council approved a settlement agreement in the amount of \$5.975 million with the City's former trash hauling contractor. 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.

### 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 and also provides funds for snow removal and to control traffic flows.

**Special Revenue Funds (continued)**

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 **CDBG-RECOVERY** funds were established under the American Recovery and Reinvestment Act of 2009 (ARRA) to be used for investing in economic development, housing, infrastructure and other public facility activities that will spur economic investment, increased energy efficiency, and job creation or retention.

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<br>2010<br>Fund<br><u>Balance</u> | Fiscal<br>2009<br>Fund<br><u>Balance</u> | Increase<br>(Decrease)<br>Over<br><u>Prior Year</u> |
|---------------------------------------|--|--|---|
| Michigan Transportation – Major Roads | \$ 2,508,450                             | \$ 2,817,902                             | \$( 309,452)  |
| Michigan Transportation – Local Roads | 3,197,852                                | 3,722,231                                | ( 524,379)  |
| Sanitation                            | 4,310,428                                | 4,531,917                                | ( 221,489)  |
| Recreation                            | 3,213,536                                | 3,619,309                                | ( 405,773)  |
| Library                               | 38,470                                   | 147,934                                  | ( 109,464)  |
| Community Development Block Grant     | 2,773                                    | 58,347                                   | ( 55,574)   |
| CDBG – Recovery                       | -  | -  | -   |
| HOME Investment Partnership           | 401,341                                  | 391,492                                  | 9,849   |
| H.O.P.W.A.                            | 838                                      | 100                                      | 738   |
| Neighborhood Stabilization Program    | -  | 100                                      | ( 100)  |
| Brownfield Redevelopment Authority    | 339,413                                  | 6,131                                    | 333,282   |
| Communications                        | 2,153,061                                | 2,000,018                                | 153,043   |
| Rental Ordinance Fund                 | 245,283                                  | 67,735                                   | 177,548   |
| Vice Crime Confiscations Fund         | 169,582                                  | 203,864                                  | ( 34,282)   |
| Drug Forfeiture Fund                  | 944,594                                  | 955,725                                  | ( 11,131)   |
| Police Training Fund                  | 134,746                                  | 137,232                                  | ( 2,486)  |
| D.D.A. Administrative Fund            | <u>10,354,994</u>                        | <u>10,232,722</u>                        | <u>122,272</u>                                      |
| Total                                 | <u>\$ 28,015,361</u>                     | <u>\$ 28,892,759</u>                     | <u>\$( 877,398)</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, 2010 as compared to the prior year is as follows:

|                                 | <u>2010</u>          | <u>2009</u>         | <u>Increase<br/>(Decrease)</u> |
|---------------------------------|----------------------|---------------------|--------------------------------|
| Road Construction Bonds         | \$ 2,318,557         | \$ 1,990,068        | \$ 328,489                     |
| Sidewalk Replacement Bonds      | 659,423              | 250,971             | 408,452                        |
| Tax Increment Finance Authority | 248,250              | 187,440             | 60,810                         |
| Building Authority Bonds        | 1,997,299            | 2,022,592           | ( 25,293)                      |
| Downtown Development Authority  | <u>4,887,406</u>     | <u>4,693,813</u>    | <u>193,593</u>                 |
| Total                           | <u>\$ 10,110,935</u> | <u>\$ 9,144,884</u> | <u>\$ 966,051</u>              |

The City's most current bond ratings as of October 2010 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 **Energy Efficiency & Conservation Block Grant Projects Fund** accounts for the receipt of federal funds to conduct energy efficiency studies and also provides funding for energy efficient improvements to City facilities.

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 **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<br>2010<br>Fund<br><u>Balance</u> | Fiscal<br>2009<br>Fund<br><u>Balance</u> | Increase<br>(Decrease)<br>Over<br><u>Prior Year</u> |
|--|--|--|---|
| Court Building Renovation Fund                           | \$ 3,876,825                             | \$ 3,165,648                             | \$ 711,177  |
| Energy Efficiency & Conservation<br>Block Grant Projects | -  | -  | -   |
| Special Assessment Funds                                 | 2,289,437                                | 1,937,336                                | 352,101   |
| Road Construction Funds                                  | 4,238,856                                | 7,155,233                                | ( 2,916,377)  |
| Downtown Development Authority                           | 2,271,411                                | 2,497,621                                | ( 226,210)  |
| Tax Increment Finance Authority                          | 1,383,313                                | 1,381,123                                | 2,190   |
| Building Authority                                       | <u>327,617</u>                           | <u>544,061</u>                           | <u>( 216,444)</u>                                   |
| <b>Total</b>   | <b><u>\$ 14,387,459</u></b>              | <b><u>\$ 16,681,022</u></b>              | <b><u>\$ ( 2,293,563)</u></b>                       |

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, 2009, resulted in operating income of \$4,505,105 before depreciation on operating revenues of \$32,062,895. Non-operating items, consisting of interest income and interest expense on long-term debt, accounted for \$1,915,869 of additional expense for a System net gain of \$2,589,236 before depreciation. With the inclusion of non-cash depreciation expense in the amount of \$4,222,106, the net System loss for the fiscal year was \$1,632,870.

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 \$252,346, was \$581,226 for the fiscal year ended June 30, 2010, on operating revenues of \$2,141,694. Operating income net of non-operating revenues and expenses resulted in net income of \$272,849. Net income for fiscal year 2010 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, 2010, the City contributed 24.26% and 49.17% 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 2010, 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. Due to the dramatic drop in interest rates as previously described and lower levels of available cash on hand, interest income for the governmental funds and proprietary funds for the current fiscal year was approximately \$155,000. This represents a decrease of \$1.17 million from fiscal year 2009, a \$4.9 million decrease from fiscal year 2008, and a \$6.4 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. The economic recession has been particularly devastating to the auto industry but they have remained a solid supporter of the community through property tax revenues and water and sewer system user fees. Its role in the City's financial future is increasingly optimistic. Reorganization and federal assistance have provided a foundation from which the auto industry has started to rebuild from.

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 have been funded either through Tank Plant Redevelopment Fund resources and/or the issuance of Special Assessment Bonds.

Future plans include a major water meter replacement program 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 users. In October of 2010 the City sold \$9.29 million of taxable bonds towards financing this project.

## 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,



Dennis G. Clark, CPA  
Acting City Controller



**CITY OF WARREN, MICHIGAN**

**FINANCIAL SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**REP** RAMIE E. PHILLIPS, JR., PC, CPA

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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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Police and Fire Retirement System and the Police and Fire Retirement Health Benefits Plan and Trust, which collectively represents 68 percent and 63 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 15, 2010, on my consideration of the City of Warren's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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.

The management's discussion and analysis on pages 1 through 12 and the budgetary comparison information on pages 84 through 143 and pages 147 through 158 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.

  
December 15, 2010



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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, 2010, which collectively comprise the City of Warren's basic financial statements and have issued my report thereon dated December 15, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, 2010



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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, 2010. 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 I 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, 2010.

Internal Control 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City of Warren's internal control over compliance.

City of Warren, Michigan

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

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

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 "Ramon E. Williams".

December 15, 2010

**CITY OF WARREN, MICHIGAN**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

This section of the City of Warren's annual financial report presents financial performance for the fiscal year ended June 30, 2010. 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 \$129.3 million from the prior year. Property tax revenues as reported in the governmental funds were \$2.4 million less than the previous year. Further reductions in taxable values are anticipated going forward.
- State shared sales tax distributions totaled \$12.05 million in 2010, \$1.5 million less than reported in fiscal year 2009. Comparatively, current levels are \$7.23 million or 37.5% less than amounts received in fiscal year 2000.
- Interest income reported in the governmental funds totaled \$126,000 in fiscal year 2010. Comparatively, interest rates at the end of fiscal year 2010 are 96.3% lower than at the end of fiscal year 2007, a year when the City reported interest income of \$5.76 million.
- 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 appropriation with a further designation that funds were to be drawn from the Reserve for Accrued Insurance Claims within the General Fund. City Council subsequently approved a request to commence litigation in an effort to recoup any portion of the settlement agreement that may be covered by the City's insurance carrier.
- The City was the recipient of various grants during the fiscal year: 1.) Neighborhood Stabilization Program - \$5.8 million to provide emergency assistance in the redevelopment of abandoned and foreclosed homes and residential properties, 2.) Energy Efficiency & Conservation Block Grant - \$1.4 million primarily for funding energy efficient improvements to City facilities, and 3.) \$894,000 in public safety grants to be used primarily for capital equipment. Even though grants are awarded, in many cases revenue is recorded in subsequent years as funds are expended.
- Since changing its self-insured health carrier in October 2008, the City's overall health insurance expense has decreased for the second consecutive year. Even though retiree health insurance increased by \$165,000, this was more than offset by a \$588,000 reduction in active employee health insurance. The significance is that prior to instituting this change the City's health insurance expense was increasing annually at near double-digit rates.

**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, 2010

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<br/>Major Features of the Government-wide and Fund Financial Statements</b> |  |  |  |   |
|---|--|--|--|---|
|   | <u>Government-wide<br/>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.

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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 – 83 of this report.

**Required supplemental and Other financial and supplemental information.** In addition to the basic financial statements and accompanying notes, this report also presents budget-to-actual comparisons, information concerning the City's progress in funding its pension and other post-employment benefit plans, as well as combining statements for its fiduciary funds. Required supplemental and Other financial and supplemental information can be found on pages 84 – 165 of this report.

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

**Financial Analysis of the City as a Whole**

In many instances, the following analysis of the City's net assets, the changes in its net assets and its individual funds reports current year balances and operations along with comparable information and percentage of change from the prior fiscal year. Though helpful, the information in itself is insufficient to make financial assumptions due to the narrow time frame being examined. Readers are encouraged to read this analysis in conjunction with the Statistical Section of this report where multi-year trend information is also displayed.

**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 \$187.0 million at the close of the most recent fiscal year, a decrease of \$13.8 million or 6.9% as compared to the prior year.

A component of the City's net assets is its investment in capital assets (55.0 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 (28.6 percent) represents resources subject to restrictions on their use as imposed by external parties or enabling legislation. The remaining balance, being unrestricted net assets (16.4 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 2010 by \$12.4 million or 10.0 percent to \$111.1 million. Investment in capital assets net of related debt decreased by \$4.1 million. During the fiscal year, the City invested \$3.3 million in new capital assets and \$8.3 million of depreciation was charged against governmental activities. Asset disposals and reductions in debt related to capital acquisitions also factor into this variance. Restricted net assets increased \$2.3 million in the current year. The balances of the individual components within restricted net assets were comparable to the prior year with the exception of Economic Development increasing by \$2.4 million attributable to its investment in capital assets and related debt. Unrestricted net assets decreased \$10.6 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 for the business-type activities decreased by \$1.4 million or 1.8 percent to \$75.9 million. The Water and Sewer System had a net loss for the year of \$1.63 million while the Senior Citizen Housing funds generated net income of \$273,000. Water and Sewer restricted assets decreased \$3.5 million; representing \$3.0 million transferred in from unrestricted for debt service less fiscal year debt service requirements less fixed asset capitalizations. Unrestricted net assets increased \$1.5 million from operating income before depreciation in the amount of \$4.5 million less the transfer of \$3.0 million to restricted for debt service.

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

|  | Governmental |              | Business-type |              | Total        |              | Percentage<br>Change<br>2009-2010 |
|--|--------------|--------------|---------------|--------------|--------------|--------------|-----------------------------------|
|  | Activities   | Activities   | Activities    | Activities   | 2010         | 2009         |                                   |
|  | <u>2010</u>  | <u>2009</u>  | <u>2010</u>   | <u>2009</u>  | <u>2010</u>  | <u>2009</u>  |                                   |
| Current and other assets                           | \$ 114.4     | \$ 129.8     | \$ 35.6       | \$ 33.0      | \$ 150.0     | \$ 162.8     | ( 7.9)%                           |
| Capital assets                                     | <u>143.5</u> | <u>148.8</u> | <u>111.5</u>  | <u>113.3</u> | <u>255.0</u> | <u>262.1</u> | ( 2.7)%                           |
| Total assets                                       | <u>257.9</u> | <u>278.6</u> | <u>147.1</u>  | <u>146.3</u> | <u>405.0</u> | <u>424.9</u> | ( 4.7)%                           |
| Long-term liabilities                              | 123.1        | 129.1        | 52.0          | 55.1         | 175.1        | 184.2        | ( 4.9)%                           |
| Other liabilities                                  | <u>23.7</u>  | <u>26.0</u>  | <u>19.2</u>   | <u>13.9</u>  | <u>42.9</u>  | <u>39.9</u>  | 7.5 %                             |
| Total liabilities                                  | <u>146.8</u> | <u>155.1</u> | <u>71.2</u>   | <u>69.0</u>  | <u>218.0</u> | <u>224.1</u> | ( 2.7)%                           |
| Net assets:  |              |              |               |              |              |              |                                   |
| Invested in capital assets,<br>net of related debt | 44.3         | 48.4         | 58.6          | 57.7         | 102.9        | 106.1        | ( 3.0)%                           |
| Restricted   | 45.2         | 42.9         | 8.3           | 11.8         | 53.5         | 54.7         | ( 2.2)%                           |
| Unrestricted                                       | <u>21.6</u>  | <u>32.2</u>  | <u>9.0</u>    | <u>7.8</u>   | <u>30.6</u>  | <u>40.0</u>  | ( 23.5)%                          |
| Total net assets                                   | <u>111.1</u> | <u>123.5</u> | <u>75.9</u>   | <u>77.3</u>  | <u>187.0</u> | <u>200.8</u> | ( 6.9)%                           |

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

|   | Governmental<br>Activities |                 | Business-type<br>Activities |                | Total           |                 | Percentage<br>Change<br>2009-2010 |
|---|----------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------|-----------------------------------|
|   | <u>2010</u>                | <u>2009</u>     | <u>2010</u>                 | <u>2009</u>    | <u>2010</u>     | <u>2009</u>     |                                   |
| <b>Revenues:</b>  |                            |                 |                             |                |                 |                 |                                   |
| Program revenues:                                       |                            |                 |                             |                |                 |                 |                                   |
| Charges for services                                    | \$ 15.5                    | \$ 13.4         | \$ 34.2                     | \$ 32.7        | \$ 49.7         | \$ 46.1         | 7.8 %                             |
| Operating grants<br>and contributions                   | 13.3                       | 11.5            | -                           | -              | 13.3            | 11.5            | 15.7 %                            |
| Capital grants<br>and contributions                     | 0.9                        | 1.7             | -                           | -              | 0.9             | 1.7             | ( 47.1)%                          |
| General revenues:                                       |                            |                 |                             |                |                 |                 |                                   |
| Property taxes  | 85.2                       | 87.6            | -                           | -              | 85.2            | 87.6            | ( 2.7)%                           |
| Other taxes   | 13.7                       | 15.1            | -                           | -              | 13.7            | 15.1            | ( 9.3)%                           |
| Interest  | <u>0.0</u>                 | <u>0.7</u>      | <u>0.0</u>                  | <u>0.3</u>     | <u>0.0</u>      | <u>1.0</u>      | ( 93.7)%                          |
| Total revenues  | <u>128.6</u>               | <u>130.0</u>    | <u>34.2</u>                 | <u>33.0</u>    | <u>162.8</u>    | <u>163.0</u>    | ( 0.1)%                           |
| <b>Expenses:</b>  |                            |                 |                             |                |                 |                 |                                   |
| General government                                      | 20.6                       | 21.8            | -                           | -              | 20.6            | 21.8            | ( 5.5)%                           |
| Public safety   | 62.9                       | 63.4            | -                           | -              | 62.9            | 63.4            | ( 0.7)%                           |
| City development  | 5.2                        | 6.0             | -                           | -              | 5.2             | 6.0             | ( 13.3)%                          |
| Highways and streets                                    | 10.7                       | 10.9            | -                           | -              | 10.7            | 10.9            | ( 1.8)%                           |
| Recreation and culture                                  | 13.3                       | 12.4            | -                           | -              | 13.3            | 12.4            | 7.3 %                             |
| Sanitation  | 8.0                        | 8.3             | -                           | -              | 8.0             | 8.3             | ( 3.6)%                           |
| Economic development                                    | 3.9                        | 4.2             | -                           | -              | 3.9             | 4.2             | ( 7.1)%                           |
| Community development                                   | 3.4                        | 2.1             | -                           | -              | 3.4             | 2.1             | 61.9 %                            |
| Capital projects  | 1.7                        | 1.4             | -                           | -              | 1.7             | 1.4             | 21.4 %                            |
| Interest on long-term debt                              | 4.8                        | 4.9             | 2.2                         | 2.4            | 7.0             | 7.3             | ( 4.1)%                           |
| Water and Sewer System                                  | -                          | -               | 31.8                        | 31.4           | 31.8            | 31.4            | 1.3 %                             |
| Senior Citizen Housing                                  | -                          | -               | 1.6                         | 1.6            | 1.6             | 1.6             | 0.0 %                             |
| Total expenses  | <u>134.5</u>               | <u>135.4</u>    | <u>35.6</u>                 | <u>35.4</u>    | <u>170.1</u>    | <u>170.8</u>    | ( 0.4)%                           |
| Increase (decrease) in net<br>assets before other items | ( 5.9)                     | ( 5.4)          | ( 1.4)                      | ( 2.4)         | ( 7.3)          | ( 7.8)          | 6.4 %                             |
| Settlement agreement                                    | ( 6.0)                     | -               | -                           | -              | ( 6.0)          | -               | (100.0)%                          |
| Gain/(loss) on asset disposals                          | ( 0.3)                     | ( 0.1)          | -                           | -              | ( 0.3)          | ( 0.1)          | (200.0)%                          |
| Transfers   | <u>( 0.2)</u>              | <u>( 0.2)</u>   | <u>-</u>                    | <u>-</u>       | <u>( 0.2)</u>   | <u>( 0.2)</u>   | 0.0 %                             |
| Increase (decrease) in<br>net assets                    | ( 12.4)                    | ( 5.7)          | ( 1.4)                      | ( 2.4)         | ( 13.8)         | ( 8.1)          | ( 70.4)%                          |
| Net assets – beginning 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>    | ( 8.1)%                           |
| Net assets – end of year                                | <u>\$ 111.1</u>            | <u>\$ 123.5</u> | <u>\$ 75.9</u>              | <u>\$ 77.3</u> | <u>\$ 187.0</u> | <u>\$ 200.8</u> | ( 7.4)%                           |

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

The change in net assets for governmental activities before transfers and special items reports a decrease of \$5.9 million for fiscal year 2010 as compared to a \$5.4 million decrease for fiscal year 2009. Even though expenditures decreased by \$0.9 million, revenues decreased \$1.4 million compared to the prior year.

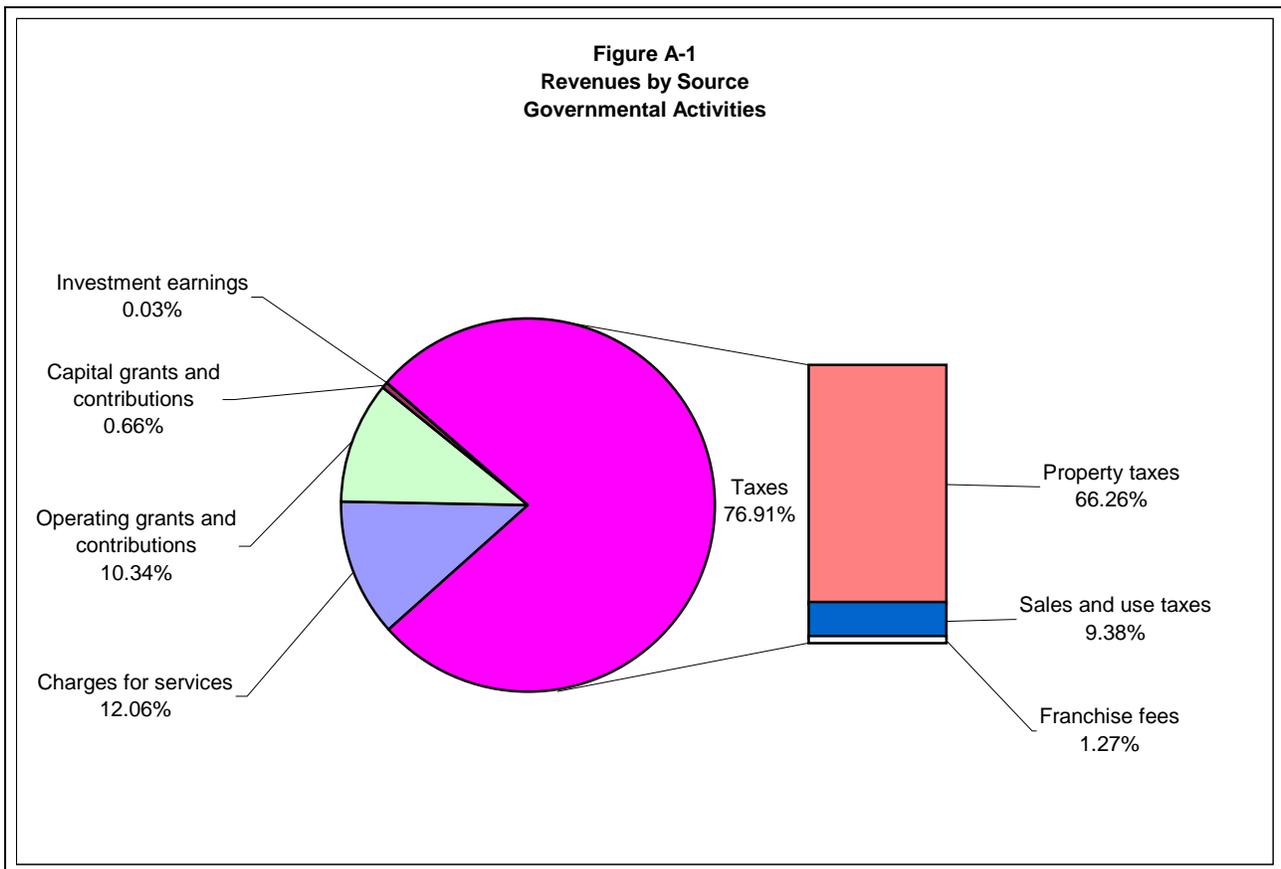
As previously explained, reductions in property tax, state shared and interest revenues totaled \$4.5 million for the year. These are lost revenues that would otherwise have been available to finance general city operations. Even though the other components of total revenue increased \$3.1 million for the year, much of this was directly related to grants and special assessments whose proceeds are not available to finance general operations.

Expenses were generally lower for each of the City's functions of government with savings primarily in the area of personnel and employee benefits. As referenced in the previous paragraph, as grant revenues increase, grant related expenditures will generally increase as well within the same function of government that revenue was recorded in. Community Development is a good example of this with both expenditures and revenues increasing approximately \$1.3 million from the prior year.

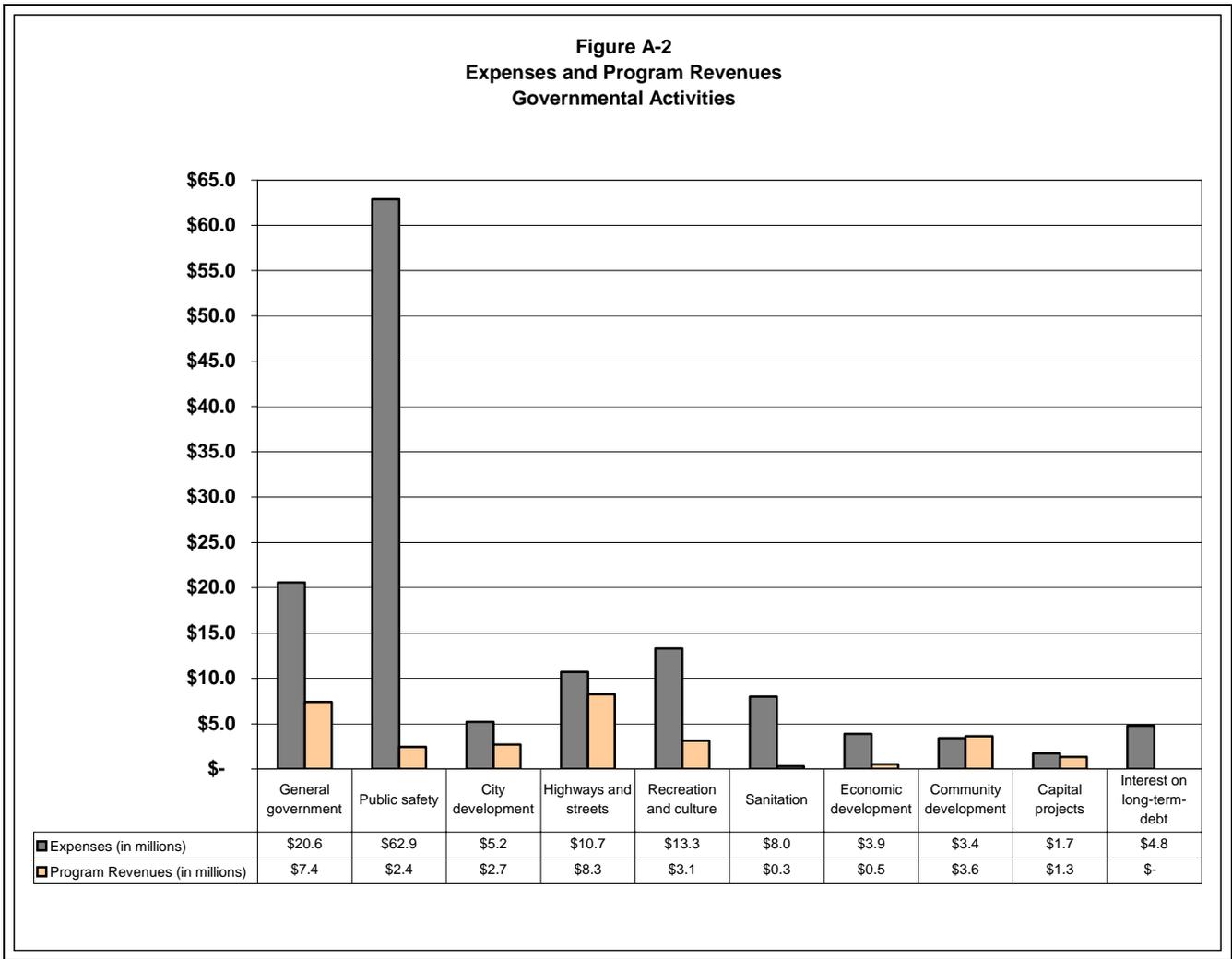
The balance of the \$12.4 million reduction in net assets is primarily attributable to the before mentioned settlement agreement with the City's prior trash hauling contractor in the amount of \$5.975 million.

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



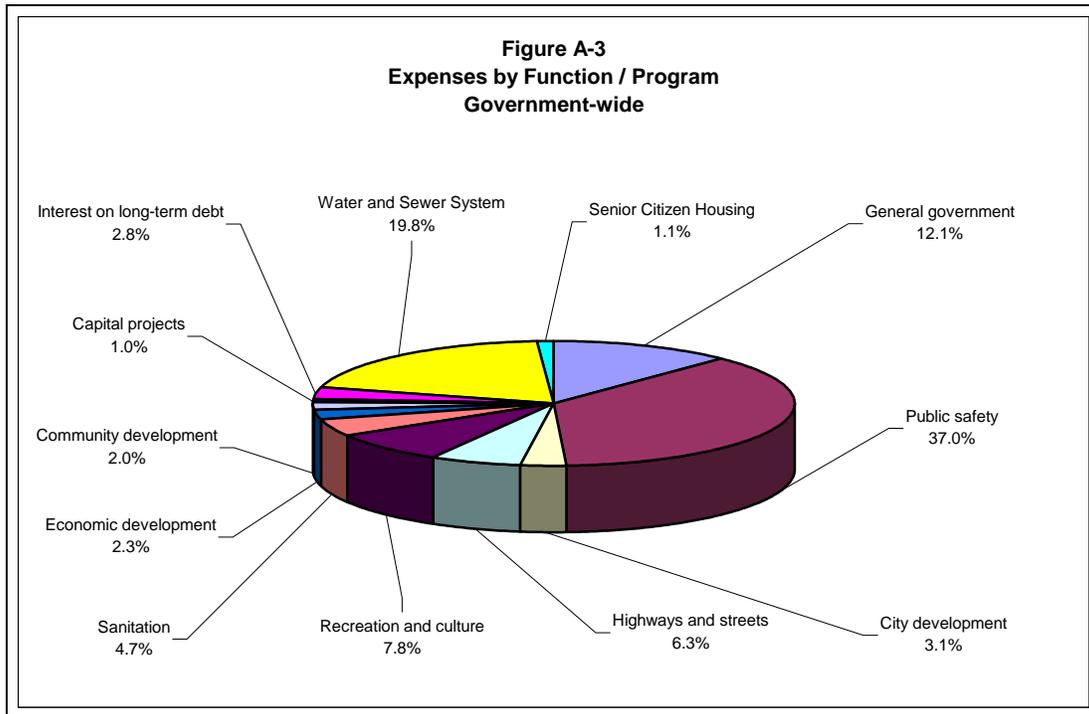
CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010



The change in net assets for business-type activities reports a decrease of \$1.4 million in the current year as compared to a \$2.4 million decrease in the prior year. Senior Citizen Housing operating profits before depreciation were \$833,600 in 2010 as compared to \$818,300 in fiscal year 2009 with net income being virtually the same at \$272,900. The Water and Sewer System realized a net loss of \$1.6 million for the year as compared to a net loss of \$2.7 million in the previous year. The System generated operating income of \$283,000 in fiscal year 2009 as compared to an operating loss of \$910,000 in the prior fiscal year. Before depreciation, the System generated operating income of \$4.5 million as compared to \$3.4 million in fiscal year 2008. Operating revenues for fiscal year 2009 were \$32.1 million on a sales volume of 713,369 MCF (thousand cubic feet) as compared to operating revenues of \$30.5 million on a sales volume of 759,993 MCF in the previous year. Sales volumes were 6.0% less than the prior year and 14.0% below budgeted estimates. The increase in operating revenues on reduced sales volumes was attributable to rate increases instituted during the year. Water loss, the difference between the volume of water purchased and the volume of water sold to system users was 10.2% for the year. As the utility system ages, loss volumes tend to increase due to undetected leaks, water lost during repairs and the diminishing accuracy of the meter registration system.

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010



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

As of June 30, 2010, the governmental funds reported a combined fund balance of \$87.1 million, a decrease of \$14.1 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 \$10.7 million to \$43.5 million, with Unreserved-Undesignated Fund Balance, the amount available to the City to meet its future obligations, decreasing by \$9.1 million to \$20.6 million. Total revenues decreased \$1.9 million or 2.0% 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 \$729,000 attributable to the before mentioned decrease in taxable property values, 2.) State shared sales tax revenues decreased by another \$1.5 million, 3.) license and permits fees decreased another \$192,000 due to the persistent downturn in construction spending, and 4.) interest income was \$552,000 less than the previous year due once again to historically low interest rates. General fund expenditures before special items decreased \$682,000 or 0.7% compared to the prior year. As stated in the letter of transmittal, savings were realized in the areas of personnel costs and employee benefits. However, some of these savings were offset by retroactive wage and benefit payments upon settling a collective bargaining agreement with the firefighter's union. In addition, it goes without saying that the \$5.975 million settlement agreement with the City's former trash hauler negatively impacted the general fund's bottom line. It should be noted that a component of Unreserved Fund Balance, that being Designated – Subsequent Year Expenditures increased to \$9.7 million. \$8.5 million of this designation represents the appropriation required to balance the 2011 fiscal year general fund budget, with the remaining amount representing re-appropriations for items not received in the current year.
- Collectively, the Michigan Transportation Operating – Major Street and Local Street fund balance decreased \$834,000 in the current year. Contributing factors were: 1.) reductions in State gas and weight tax revenues totaling \$139,000, 2.) increased debt service requirements totaling \$320,000, and 3.) a reduction in interest revenue of \$73,000.
- Collectively, the Sanitation, Parks and Recreation and Library Special Revenue Funds reported losses totaling \$737,000 for the fiscal year. All were negatively affected by some of the same factors contributing to the General Fund's loss, those being reductions in both property tax revenues and interest income.
- 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 potentially occurring multiple fiscal years thereafter. The Capital Improvement Bonds, Series 2008 fund balance decreased \$2.5 million as the City expended bond proceeds received in the prior year for various road construction projects. Fund balance in the Court Building Renovation Fund increased \$711,000 as fines continued to be collected designated for renovation of the 37<sup>th</sup> District Court building.

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

**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 \$484,000 from the prior fiscal year for capital equipment and grant related expenditures.
- Increase in budgeted expenditures in the amount of \$5.975 million regarding the settlement agreement with the City's prior trash hauling contractor.
- Increase in budgeted expenditures in the amount of \$400,000 in regards to settling a union grievance over pension funding issues.
- Increase in budgeted expenditures of \$2.6 million upon settlement of a collective bargaining agreement with the firefighters union.
- Increase in budgeted expenditures of \$1.5 million regarding firefighter sick bank payouts.

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.) state shared sales tax revenues were \$2.05 million lower than expected due reductions in State distributions, 2.) interest income was \$1.28 million less than expected due to historically low interest rates, 3.) actual general fund claims for self-insured health expenditures were \$1.7 million lower than budgeted. This contributed to the favorable budget-to-actual variance for employee insurances within the police and fire departments of \$1.14 million and \$664,000, respectively. 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, 2010, the City's capital assets, net of accumulated depreciation, represents an investment of \$255.0 million, a decrease of \$7.1 million, or 2.7 percent from the prior year. More detailed information about the City's capital assets is presented on page 65 within the Notes to the Financial Statements.

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

|                          | Governmental       |                 | Business-type      |                 | Total           |                 | Percentage<br>Change<br>2009-2010 |
|--------------------------|--------------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------------------------|
|                          | Activities<br>2010 | 2009            | Activities<br>2010 | 2009            | 2010            | 2009            |                                   |
| Land                     | \$ 25.1            | \$ 25.1         | \$ 0.8             | \$ 0.8          | \$ 25.9         | \$ 25.9         | 0.0 %                             |
| Land improvements        | 3.6                | 3.6             | -                  | -               | 3.6             | 3.6             | 0.0 %                             |
| Buildings                | 61.2               | 64.4            | 49.1               | 50.1            | 110.3           | 114.5           | ( 3.7)%                           |
| Utility system           | -                  | -               | 60.7               | 61.4            | 60.7            | 61.4            | ( 1.1)%                           |
| Machinery and equipment  | 17.8               | 19.3            | 0.9                | 1.0             | 18.7            | 20.3            | ( 7.9)%                           |
| Infrastructure           | 32.6               | 34.3            | -                  | -               | 32.6            | 34.3            | ( 5.0)%                           |
| Construction in progress | <u>3.2</u>         | <u>2.1</u>      | <u>-</u>           | <u>-</u>        | <u>3.2</u>      | <u>2.1</u>      | 52.4 %                            |
| Total                    | <u>\$ 143.5</u>    | <u>\$ 148.8</u> | <u>\$ 111.5</u>    | <u>\$ 113.3</u> | <u>\$ 255.0</u> | <u>\$ 262.1</u> | ( 2.7)%                           |

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Major capital acquisitions during the year included:

|  |  |
|--|--|
| <p>Police Department:</p> <ul style="list-style-type: none"> <li>Communication equipment - \$160,000</li> <li>Vehicles (15) - \$325,000</li> <li>In-car camera system - \$448,000</li> <li>Capital improvements - \$230,000</li> </ul> <p>Parks and Recreation:</p> <ul style="list-style-type: none"> <li>Exercise equipment - \$40,000</li> </ul> <p>Downtown Development Authority:</p> <ul style="list-style-type: none"> <li>City Hall / City Center - \$160,000</li> </ul> <p>Water and Sewer System:</p> <ul style="list-style-type: none"> <li>Water mains - \$1.4 million</li> <li>Sewer lines - \$338,000</li> <li>Autos and trucks - \$108,000</li> </ul> | <p>Fire Department:</p> <ul style="list-style-type: none"> <li>Video conferencing training equipment - \$189,000</li> <li>Rescue trucks / equipment (3) - \$347,000</li> </ul> <p>Sanitation:</p> <ul style="list-style-type: none"> <li>Capital improvements - \$172,000</li> </ul> <p>Michigan Transportation Funds:</p> <ul style="list-style-type: none"> <li>Road construction projects - \$1.1 million</li> </ul> <p>Tax Increment Finance Authority:</p> <ul style="list-style-type: none"> <li>Parking lot improvements - \$295,000</li> </ul> <p>Waste Water Treatment Plant:</p> <ul style="list-style-type: none"> <li>Plant-wide improvements – \$609,000</li> </ul> |
|--|--|

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, 2010, the City had long-term debt outstanding of \$159.5 million, a decrease of \$8.4 million, or 5.0 percent from the prior year. \$3.04 million of Michigan Transportation Fund refunding bonds were issued to advance refund \$3.0 million of existing Michigan Transportation Fund bonds. In addition, the Water and Sewer System drew down \$0.4 million for capital improvements under the State Revolving Fund program. 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 E-13 and Exhibit E-14 of the Statistical Section.

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

|                             | Governmental    |                 | Business-type  |                | Total           |                 | Percentage<br>Change<br>2009-2010 |
|-----------------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------------------------|
|                             | Activities      |                 | Activities     |                |                 |                 |                                   |
|                             | <u>2010</u>     | <u>2009</u>     | <u>2010</u>    | <u>2009</u>    | <u>2010</u>     | <u>2009</u>     |                                   |
| Land contract               | \$ 0.3          | \$ 0.3          | \$ -           | \$ -           | \$ 0.3          | \$ 0.3          | 0.0 %                             |
| Road Construction Bonds     | 16.2            | 17.7            | -              | -              | 16.2            | 17.7            | ( 8.4)%                           |
| Water & Sewer Revenue Bonds | -               | -               | 50.2           | 52.4           | 50.2            | 52.4            | ( 4.1)%                           |
| Tax Increment Finance       |                 |                 |                |                |                 |                 |                                   |
| Authority Bonds             | 0.3             | 0.5             | -              | -              | 0.3             | 0.5             | ( 40.0)%                          |
| Sidewalk Replacement Bonds  | 2.7             | 3.3             | -              | -              | 2.7             | 3.3             | ( 18.1)%                          |
| Downtown Development        |                 |                 |                |                |                 |                 |                                   |
| Authority Bonds             | 70.2            | 72.0            | -              | -              | 70.2            | 72.0            | ( 2.5)%                           |
| Building Authority Bonds    | <u>13.7</u>     | <u>15.1</u>     | <u>5.9</u>     | <u>6.6</u>     | <u>19.6</u>     | <u>21.7</u>     | ( 9.6)%                           |
| Total                       | <u>\$ 103.4</u> | <u>\$ 108.9</u> | <u>\$ 56.1</u> | <u>\$ 59.0</u> | <u>\$ 159.5</u> | <u>\$ 167.9</u> | ( 5.0)%                           |

CITY OF WARREN, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

**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 37.5% less than it was just 10 years ago, a loss of over \$7.2 million annually. At its reduced levels, state shared revenues account for 13.1% 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 in 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 49.17% 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 determined to be 33.50% and 27.46% of payroll for members of the City Employees' VEBA Trust and the Police and Fire VEBA Trust, respectively.

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, 2010

Waste Water Treatment Plant employees have been at the forefront of change. With a workforce 30% 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 2009, water rates from the City of Detroit have risen over 87% in the previous decade. We have to pass those costs on to consumers but we also have an obligation to assure that we are 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.

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.

**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, 2010

|  | Primary Government         |                             |                           |
|--|----------------------------|-----------------------------|---------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                     |
| <b>Assets</b>                                    |                            |                             |                           |
| Current assets - unrestricted:                   |                            |                             |                           |
| Cash and cash equivalents                        | \$ 73,960,648              | \$ 7,704,535                | \$ 81,665,183             |
| Investments                                      | -                          | 1,501,018                   | 1,501,018                 |
| Deposits   | 706,551                    | -                           | 706,551                   |
| Receivables (net of allowances where applicable) |                            |                             |                           |
| Accrued interest                                 | 3,690                      | 1,089                       | 4,779                     |
| Accounts   | 9,373,682                  | 12,191,875                  | 21,565,557                |
| Land contract interest                           | -                          | -                           | -                         |
| Internal balances (1)                            | 4,045,006                  | 7,540                       | 4,052,546                 |
| Due from other governments                       | 5,611,529                  | 8,980                       | 5,620,509                 |
| Inventory at cost                                | 1,678,396                  | 329,366                     | 2,007,762                 |
| Prepaid expenses / expenditures                  | 36,854                     | 82,745                      | 119,599                   |
| Total current assets - unrestricted              | <u>95,416,356</u>          | <u>21,827,148</u>           | <u>117,243,504</u>        |
| Current assets - restricted:                     |                            |                             |                           |
| Cash and cash equivalents                        | -                          | 3,202,027                   | 3,202,027                 |
| Due from unrestricted                            | -                          | 3,949,359                   | 3,949,359                 |
| Internal balances (1)                            | -                          | 1,079,195                   | 1,079,195                 |
| Due from other governments                       | -                          | 421,987                     | 421,987                   |
| Designated for future projects                   | -                          | 4,689,955                   | 4,689,955                 |
| Total current assets - restricted                | <u>-</u>                   | <u>13,342,523</u>           | <u>13,342,523</u>         |
| <br>Total current assets                         | <br><u>95,416,356</u>      | <br><u>35,169,671</u>       | <br><u>130,586,027</u>    |
| Noncurrent assets:                               |                            |                             |                           |
| Receivables (net of allowances where applicable) |                            |                             |                           |
| Notes  | 6,679,220                  | -                           | 6,679,220                 |
| Due from other governments                       | 7,890,510                  | -                           | 7,890,510                 |
| Delinquent taxes                                 | 706,667                    | -                           | 706,667                   |
| Other  | -                          | -                           | -                         |
| Special assessments                              | 2,788,130                  | -                           | 2,788,130                 |
| Land contract                                    | -                          | 299,345                     | 299,345                   |
| Total noncurrent receivables                     | <u>18,064,527</u>          | <u>299,345</u>              | <u>18,363,872</u>         |
| Deferred charges:                                |                            |                             |                           |
| Bond issuance costs                              | 895,047                    | 113,115                     | 1,008,162                 |
| Total deferred charges                           | <u>895,047</u>             | <u>113,115</u>              | <u>1,008,162</u>          |
| Capital assets (net of accumulated depreciation) |                            |                             |                           |
| Land   | 25,140,449                 | 826,863                     | 25,967,312                |
| Land improvements                                | 3,565,470                  | -                           | 3,565,470                 |
| Buildings  | 61,178,118                 | 49,101,351                  | 110,279,469               |
| Utility system                                   | -                          | 60,661,399                  | 60,661,399                |
| Machinery and equipment                          | 17,765,561                 | 940,519                     | 18,706,080                |
| Infrastructure                                   | 32,632,930                 | -                           | 32,632,930                |
| Construction in progress                         | 3,206,510                  | -                           | 3,206,510                 |
| Total capital assets                             | <u>143,489,038</u>         | <u>111,530,132</u>          | <u>255,019,170</u>        |
| <br>Total noncurrent assets                      | <br><u>162,448,612</u>     | <br><u>111,942,592</u>      | <br><u>274,391,204</u>    |
| <br>Total assets                                 | <br><u>\$ 257,864,968</u>  | <br><u>\$ 147,112,263</u>   | <br><u>\$ 404,977,231</u> |

(1) Internal receivables and payables are not equal due to timing differences in reporting Water and Sewer Sytem balances as of December 31, 2009.

See accompanying notes to financial statements

|  | Primary Government         |                             |                       |
|--|----------------------------|-----------------------------|-----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>Liabilities</b>                                       |                            |                             |                       |
| Current liabilities - unrestricted:                      |                            |                             |                       |
| Accounts payable   | \$ 4,395,601               | \$ 1,947,412                | \$ 6,343,013          |
| Payable to restricted                                    | -                          | 3,949,359                   | 3,949,359             |
| Retainages payable                                       | 57,289                     | -                           | 57,289                |
| Accrued salaries and wages                               | 3,206,177                  | 102,616                     | 3,308,793             |
| Payroll taxes and deductions                             | -                          | 83,882                      | 83,882                |
| Internal balances (1)                                    | 1,078,128                  | 4,014,122                   | 5,092,250             |
| Deposits   | 460,213                    | 143,626                     | 603,839               |
| Accrued interest payable                                 | 1,052,612                  | 42,845                      | 1,095,457             |
| Deferred revenue   | 8,139,631                  | 2,223                       | 8,141,854             |
| Current portion of long-term liabilities:                |                            |                             |                       |
| Land contract  | 96,763                     | -                           | 96,763                |
| Bonds payable  | 5,165,918                  | 3,359,082                   | 8,525,000             |
| Total current liabilities - unrestricted                 | <u>23,652,332</u>          | <u>13,645,167</u>           | <u>37,297,499</u>     |
| Current liabilities - restricted assets:                 |                            |                             |                       |
| Accounts payable   | -                          | 370,212                     | 370,212               |
| Accrued interest payable                                 | -                          | 327,421                     | 327,421               |
| Deposits   | -                          | 187,830                     | 187,830               |
| Construction contracts to be performed in future periods | -                          | 4,689,955                   | 4,689,955             |
| Current portion of long-term liabilities:                |                            |                             |                       |
| Bonds payable  | -                          | -                           | -                     |
| Total current liabilities - restricted                   | <u>-</u>                   | <u>5,575,418</u>            | <u>5,575,418</u>      |
| Total current liabilities                                | <u>23,652,332</u>          | <u>19,220,585</u>           | <u>42,872,917</u>     |
| Noncurrent liabilities - unrestricted:                   |                            |                             |                       |
| Accumulated compensatory time                            | 2,044,569                  | 145,636                     | 2,190,205             |
| Compensated absences payable                             | 13,257,749                 | 1,153,312                   | 14,411,061            |
| Accrued insurance claims                                 | 10,923,103                 | -                           | 10,923,103            |
| Noncurrent portion of long-term liabilities:             |                            |                             |                       |
| Land contract  | 156,304                    | -                           | 156,304               |
| Bonds payable  | 97,990,630                 | 52,743,447                  | 150,734,077           |
| Unamortized bond premium / (discount)                    | (695,468)                  | (38,583)                    | (734,051)             |
| Deferred refunding charge                                | (595,146)                  | (2,009,658)                 | (2,604,804)           |
| Total noncurrent liabilities - unrestricted              | <u>123,081,741</u>         | <u>51,994,154</u>           | <u>175,075,895</u>    |
| Noncurrent liabilities - restricted:                     |                            |                             |                       |
| Noncurrent portion of long-term liabilities:             |                            |                             |                       |
| Bonds payable  | -                          | -                           | -                     |
| Unamortized bond premium / (discount)                    | -                          | -                           | -                     |
| Total noncurrent liabilities - restricted                | <u>-</u>                   | <u>-</u>                    | <u>-</u>              |
| Total noncurrent liabilities                             | <u>123,081,741</u>         | <u>51,994,154</u>           | <u>175,075,895</u>    |
| Total liabilities  | <u>146,734,073</u>         | <u>71,214,739</u>           | <u>217,948,812</u>    |
| <b>Net Assets</b>  |                            |                             |                       |
| Invested in capital assets, net of related debt          | 44,342,389                 | 58,586,273                  | 102,928,662           |
| Restricted for:  |                            |                             |                       |
| Public safety  | 1,248,922                  | -                           | 1,248,922             |
| Sanitation   | 4,124,461                  | -                           | 4,124,461             |
| Recreation and culture                                   | 5,438,077                  | -                           | 5,438,077             |
| City development   | 241,253                    | -                           | 241,253               |
| Community development                                    | 7,047,514                  | -                           | 7,047,514             |
| Economic development                                     | 13,762,038                 | -                           | 13,762,038            |
| Highways and streets                                     | 9,014,739                  | -                           | 9,014,739             |
| Capital projects   | 4,207,258                  | 2,578,618                   | 6,785,876             |
| Debt service   | 91,006                     | 5,188,487                   | 5,279,493             |
| Insurance claims   | -                          | 500,000                     | 500,000               |
| Unrestricted   | 21,613,238                 | 9,044,146                   | 30,657,384            |
| Total net assets   | <u>111,130,895</u>         | <u>75,897,524</u>           | <u>187,028,419</u>    |
| Total liabilities and net assets                         | <u>\$ 257,864,968</u>      | <u>\$ 147,112,263</u>       | <u>\$ 404,977,231</u> |

EXHIBIT A-2

CITY OF WARREN, MICHIGAN  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

| Functions/ Programs            | Expenses              | Program Revenues     |                                    |                                  |
|--------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
|                                |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government             |                       |                      |                                    |                                  |
| Governmental activities:       |                       |                      |                                    |                                  |
| General government             | \$ 20,605,904         | \$ 6,074,195         | \$ 1,238,632                       | \$ 98,458                        |
| Public safety                  | 62,875,335            | 1,200,057            | 521,404                            | 716,427                          |
| City development               | 5,192,742             | 2,445,482            | 230,000                            | -                                |
| Highways and streets           | 10,738,193            | 443,162              | 7,806,769                          | 8,481                            |
| Recreation and culture         | 13,255,263            | 2,503,652            | 599,121                            | 10,471                           |
| Sanitation                     | 8,028,773             | 302,883              | -                                  | -                                |
| Economic development           | 3,876,241             | 430,931              | 66,805                             | 11,179                           |
| Community development          | 3,369,127             | 784,231              | 2,828,401                          | -                                |
| Special assessments            | 1,736,231             | 1,322,865            | -                                  | -                                |
| Interest on long-term debt     | 4,814,715             | -                    | -                                  | -                                |
| Total governmental activities  | <u>134,492,524</u>    | <u>15,507,458</u>    | <u>13,291,132</u>                  | <u>845,016</u>                   |
| Business-type activities:      |                       |                      |                                    |                                  |
| Water and Sewer System         | 33,717,269            | 32,068,323           | -                                  | -                                |
| Senior Citizen Housing         | 1,881,330             | 2,141,694            | -                                  | -                                |
| Total business-type activities | <u>35,598,599</u>     | <u>34,210,017</u>    | <u>-</u>                           | <u>-</u>                         |
| Total primary government       | <u>\$ 170,091,123</u> | <u>\$ 49,717,475</u> | <u>\$ 13,291,132</u>               | <u>\$ 845,016</u>                |

General revenues:

Taxes:

Property taxes

Sales and use taxes

Franchise fees

Investment earnings

Gain (loss) on disposal 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 items

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, 2009.

See accompanying notes to financial statements

| Net (Expense) Revenue and Changes in Net Assets |                             |                         |
|---|-----------------------------|-------------------------|
| Primary Government                              |                             |                         |
| Governmental<br>Activities                      | Business-type<br>Activities | Total                   |
| \$ (13,194,619)                                 | \$ -                        | \$ (13,194,619)         |
| (60,437,447)                                    | -                           | (60,437,447)            |
| (2,517,260)                                     | -                           | (2,517,260)             |
| (2,479,781)                                     | -                           | (2,479,781)             |
| (10,142,019)                                    | -                           | (10,142,019)            |
| (7,725,890)                                     | -                           | (7,725,890)             |
| (3,367,326)                                     | -                           | (3,367,326)             |
| 243,505   | -                           | 243,505                 |
| (413,366)                                       | -                           | (413,366)               |
| <u>(4,814,715)</u>                              | <u>-</u>                    | <u>(4,814,715)</u>      |
| <u>(104,848,918)</u>                            | <u>-</u>                    | <u>(104,848,918)</u>    |
| -   | (1,648,946)                 | (1,648,946)             |
| -   | 260,364                     | 260,364                 |
| <u>-</u>  | <u>(1,388,582)</u>          | <u>(1,388,582)</u>      |
| <u>\$ (104,848,918)</u>                         | <u>\$ (1,388,582)</u>       | <u>\$ (106,237,500)</u> |
| 85,171,772                                      | -                           | 85,171,772              |
| 12,051,133                                      | -                           | 12,051,133              |
| 1,630,260                                       | -                           | 1,630,260               |
| 35,936  | 28,561                      | 64,497                  |
| <u>(263,175)</u>                                | <u>-</u>                    | <u>(263,175)</u>        |
| <u>98,625,926</u>                               | <u>28,561</u>               | <u>98,654,487</u>       |
| <u>(6,222,992)</u>                              | <u>(1,360,021)</u>          | <u>(7,583,013)</u>      |
| (5,975,000)                                     | -                           | (5,975,000)             |
| <u>(160,868)</u>                                | <u>-</u>                    | <u>(160,868)</u>        |
| <u>(6,135,868)</u>                              | <u>-</u>                    | <u>(6,135,868)</u>      |
| (12,358,860)                                    | (1,360,021)                 | (13,718,881)            |
| <u>123,489,755</u>                              | <u>77,257,545</u>           | <u>200,747,300</u>      |
| <u>\$ 111,130,895</u>                           | <u>\$ 75,897,524</u>        | <u>\$ 187,028,419</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, 2010

|                                      | Special Revenue Funds |                                   |                     |
|--------------------------------------|-----------------------|-----------------------------------|---------------------|
|                                      | General<br>Fund       | Michigan Transportation Operating |                     |
|                                      |                       | Major<br>Streets                  | Local<br>Streets    |
| <b>Assets</b>                        |                       |                                   |                     |
| Cash and cash equivalents            | \$ 29,602,293         | \$ 1,795,275                      | \$ 3,139,995        |
| Investments                          | -                     | -                                 | -                   |
| Deposits                             | 541,899               | -                                 | -                   |
| Receivables, net                     |                       |                                   |                     |
| Accrued interest                     | 1,894                 | 155                               | 270                 |
| Accounts                             | 424,520               | -                                 | -                   |
| Due from other funds                 | 13,811,616            | -                                 | -                   |
| Due from other governments           | 3,657,328             | 998,678                           | 320,154             |
| Prepaid expenditures                 | 32,909                | -                                 | -                   |
| Inventory at cost                    | 294,359               | -                                 | -                   |
| Assets held for resale               | -                     | -                                 | -                   |
| Receivables, non-current:            |                       |                                   |                     |
| Notes                                | -                     | -                                 | -                   |
| Due from other governments           | -                     | -                                 | -                   |
| Delinquent taxes                     | 884,110               | -                                 | -                   |
| Special assessments                  | -                     | -                                 | -                   |
| Total assets                         | <u>\$ 49,250,928</u>  | <u>\$ 2,794,108</u>               | <u>\$ 3,460,419</u> |
| <b>Liabilities and Fund Balances</b> |                       |                                   |                     |
| Liabilities:                         |                       |                                   |                     |
| Accounts payable                     | 2,716,152             | 153,589                           | 172,912             |
| Retainage payable                    | -                     | 13,576                            | 20,761              |
| Accrued salaries and wages           | 2,474,920             | 115,915                           | 51,274              |
| Deposits                             | 327,150               | -                                 | -                   |
| Due to other funds                   | 19,933                | 2,578                             | 17,620              |
| Deferred revenue                     | 210,445               | -                                 | -                   |
| Total liabilities                    | <u>5,748,600</u>      | <u>285,658</u>                    | <u>262,567</u>      |
| Fund balances:                       |                       |                                   |                     |
| Reserved:                            |                       |                                   |                     |
| Prepaid expenditures                 | 32,909                | -                                 | -                   |
| Inventories                          | 294,359               | -                                 | -                   |
| Receivables                          | 884,110               | -                                 | -                   |
| Grants and capital projects          | 84,773                | 136,995                           | 116,526             |
| Unreserved:                          |                       |                                   |                     |
| Designated:                          |                       |                                   |                     |
| Subsequent years' expenditures       | 9,729,344             | 731,195                           | 862,373             |
| Compensated absences                 | 5,703,368             | 169,888                           | 136,492             |
| Compensatory time                    | 1,196,971             | 27,269                            | 18,179              |
| Insurance claims                     | 4,948,103             | -                                 | -                   |
| Undesignated                         | 20,628,391            | 1,443,103                         | 2,064,282           |
| Total fund balances                  | <u>43,502,328</u>     | <u>2,508,450</u>                  | <u>3,197,852</u>    |
| Total liabilities and fund balances  | <u>\$ 49,250,928</u>  | <u>\$ 2,794,108</u>               | <u>\$ 3,460,419</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 |
|---------------------|---------------------|-------------------|-----------------------------------|---------------------|-----------------------------|
| \$ 4,870,983        | \$ 3,615,182        | \$ 20,879         | \$ 294,734                        | \$ 31,800           | \$ 401,441                  |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| 38,754              | 330                 | -                 | -                                 | -                   | -                           |
| -                   | -                   | -                 | 14,968                            | -                   | 19,534                      |
| -                   | 66,779              | 228,089           | 28,084                            | 127                 | 47,887                      |
| 1,262               | 1,384               | 790               | 150                               | -                   | -                           |
| 14,817              | 8,730               | -                 | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| -                   | -                   | -                 | 6,120,359                         | -                   | 558,861                     |
| -                   | -                   | -                 | 890,829                           | 81,612              | 1,040,559                   |
| 157,860             | 74,440              | 40,221            | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| <u>\$ 5,083,676</u> | <u>\$ 3,766,845</u> | <u>\$ 289,979</u> | <u>\$ 7,349,124</u>               | <u>\$ 113,539</u>   | <u>\$ 2,068,282</u>         |
| 579,605             | 296,966             | 57,886            | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| 193,643             | 230,389             | 92,623            | -                                 | -                   | -                           |
| -                   | 25,954              | 101,000           | 1,009                             | -                   | 100                         |
| -                   | -                   | -                 | 334,154                           | 31,927              | 67,421                      |
| -                   | -                   | -                 | <u>7,011,188</u>                  | <u>81,612</u>       | <u>1,599,420</u>            |
| <u>773,248</u>      | <u>553,309</u>      | <u>251,509</u>    | <u>7,346,351</u>                  | <u>113,539</u>      | <u>1,666,941</u>            |
| 1,262               | 1,384               | 790               | -                                 | -                   | -                           |
| 14,817              | 8,730               | -                 | -                                 | -                   | -                           |
| 157,860             | 74,440              | 40,221            | -                                 | -                   | -                           |
| -                   | 109,000             | -                 | -                                 | -                   | -                           |
| 1,628,550           | 847,264             | -                 | -                                 | -                   | -                           |
| 91,906              | 128,330             | 29,000            | -                                 | -                   | -                           |
| 36,349              | 26,804              | 12,000            | -                                 | -                   | -                           |
| -                   | -                   | -                 | -                                 | -                   | -                           |
| <u>2,379,684</u>    | <u>2,017,584</u>    | <u>(43,541)</u>   | <u>2,773</u>                      | <u>-</u>            | <u>401,341</u>              |
| <u>4,310,428</u>    | <u>3,213,536</u>    | <u>38,470</u>     | <u>2,773</u>                      | <u>-</u>            | <u>401,341</u>              |
| <u>\$ 5,083,676</u> | <u>\$ 3,766,845</u> | <u>\$ 289,979</u> | <u>\$ 7,349,124</u>               | <u>\$ 113,539</u>   | <u>\$ 2,068,282</u>         |

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010

Special Revenue Funds

|                                      | H.O.P.W.A.        | Neighborhood<br>Stabilization<br>Program | Brownfield<br>Redevelopment<br>Fund | Communications      |
|--------------------------------------|-------------------|--|-------------------------------------|---------------------|
| <b>Assets</b>                        |                   |  |                                     |                     |
| Cash and cash equivalents            | \$ 42,966         | \$ 314,665                               | \$ 339,413                          | \$ 1,819,093        |
| Investments                          | -                 | -  | -                                   | -                   |
| Deposits                             | -                 | -  | -                                   | -                   |
| Receivables, net                     |                   |  |                                     |                     |
| Accrued interest                     | -                 | -  | -                                   | -                   |
| Accounts                             | -                 | -  | -                                   | 420,875             |
| Due from other funds                 | -                 | -  | -                                   | -                   |
| Due from other governments           | 258               | 17,566                                   | -                                   | -                   |
| Prepaid expenditures                 | -                 | -  | -                                   | 205                 |
| Inventory at cost                    | -                 | -  | -                                   | -                   |
| Assets held for resale               | -                 | -  | -                                   | -                   |
| Receivables, non-current:            |                   |  |                                     |                     |
| Notes                                | -                 | -  | -                                   | -                   |
| Due from other governments           | 576,709           | 5,300,801                                | -                                   | -                   |
| Delinquent taxes                     | -                 | -  | -                                   | -                   |
| Special assessments                  | -                 | -  | -                                   | -                   |
| Total assets                         | <u>\$ 619,933</u> | <u>\$ 5,633,032</u>                      | <u>\$ 339,413</u>                   | <u>\$ 2,240,173</u> |
| <b>Liabilities and Fund Balances</b> |                   |  |                                     |                     |
| Liabilities:                         |                   |  |                                     |                     |
| Accounts payable                     | -                 | 870                                      | -                                   | 19,095              |
| Retainage payable                    | -                 | -  | -                                   | -                   |
| Accrued salaries and wages           | -                 | -  | -                                   | 29,341              |
| Deposits                             | -                 | -  | -                                   | -                   |
| Due to other funds                   | 42,386            | 331,361                                  | -                                   | -                   |
| Deferred revenue                     | <u>576,709</u>    | <u>5,300,801</u>                         | <u>-</u>                            | <u>38,676</u>       |
| Total liabilities                    | <u>619,095</u>    | <u>5,633,032</u>                         | <u>-</u>                            | <u>87,112</u>       |
| Fund balances:                       |                   |  |                                     |                     |
| Reserved:                            |                   |  |                                     |                     |
| Prepaid expenditures                 | -                 | -  | -                                   | 205                 |
| Inventories                          | -                 | -  | -                                   | -                   |
| Receivables                          | -                 | -  | -                                   | -                   |
| Grants and capital projects          | -                 | -  | 334,687                             | -                   |
| Unreserved:                          |                   |  |                                     |                     |
| Designated:                          |                   |  |                                     |                     |
| Subsequent years' expenditures       | -                 | -  | -                                   | 327,226             |
| Compensated absences                 | -                 | -  | -                                   | 24,607              |
| Compensatory time                    | -                 | -  | -                                   | -                   |
| Insurance claims                     | -                 | -  | -                                   | -                   |
| Undesignated                         | <u>838</u>        | <u>-</u>                                 | <u>4,726</u>                        | <u>1,801,023</u>    |
| Total fund balances                  | <u>838</u>        | <u>-</u>                                 | <u>339,413</u>                      | <u>2,153,061</u>    |
| Total liabilities and fund balances  | <u>\$ 619,933</u> | <u>\$ 5,633,032</u>                      | <u>\$ 339,413</u>                   | <u>\$ 2,240,173</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 |   |
| \$ 256,501            | \$ 169,664               | \$ 962,059        | \$ 136,946        | \$ 9,709,058                                  | \$ 86,939                     |   |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | 380   | -                             | - |
| -                     | -                        | -                 | -                 | 9,219   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| 79                    | -                        | -                 | -                 | 75  | -                             | - |
| -                     | -                        | -                 | -                 | 1,360,490                                     | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | 9,036   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| <u>\$ 256,580</u>     | <u>\$ 169,664</u>        | <u>\$ 962,059</u> | <u>\$ 136,946</u> | <u>\$ 11,088,258</u>                          | <u>\$ 86,939</u>              |   |
| 793                   | 82                       | 17,465            | 2,200             | 39,296  | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| 10,504                | -                        | -                 | -                 | 7,568   | -                             | - |
| -                     | -                        | -                 | -                 | 5,000   | -                             | - |
| -                     | -                        | -                 | -                 | 681,400                                       | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| <u>11,297</u>         | <u>82</u>                | <u>17,465</u>     | <u>2,200</u>      | <u>733,264</u>                                | <u>-</u>                      |   |
| 79                    | -                        | -                 | -                 | 75  | -                             | - |
| -                     | -                        | -                 | -                 | 1,360,490                                     | -                             | - |
| -                     | -                        | -                 | -                 | 9,036   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| 40,095                | 60,050                   | 270,736           | 12,750            | 1,956,976                                     | 14,850                        |   |
| 4,030                 | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| -                     | -                        | -                 | -                 | -   | -                             | - |
| <u>201,079</u>        | <u>109,532</u>           | <u>673,858</u>    | <u>121,996</u>    | <u>7,028,417</u>                              | <u>72,089</u>                 |   |
| <u>245,283</u>        | <u>169,582</u>           | <u>944,594</u>    | <u>134,746</u>    | <u>10,354,994</u>                             | <u>86,939</u>                 |   |
| <u>\$ 256,580</u>     | <u>\$ 169,664</u>        | <u>\$ 962,059</u> | <u>\$ 136,946</u> | <u>\$ 11,088,258</u>                          | <u>\$ 86,939</u>              |   |

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010

|                                      | Debt Service Funds              |                          |                          |                     |
|--------------------------------------|---------------------------------|--------------------------|--------------------------|---------------------|
|                                      | Tax Increment Finance Authority |                          | Special Assessment Bonds |                     |
|                                      | Series 1991                     | Refunding<br>Series 1999 | Series 2003              | Series 2005         |
| <b>Assets</b>                        |                                 |                          |                          |                     |
| Cash and cash equivalents            | \$ -                            | \$ -                     | \$ -                     | \$ 1,128,863        |
| 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>\$ 1,128,863</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                         | -                               | -                        | -                        | 1,128,750           |
| Total fund balances                  | <u>-</u>                        | <u>-</u>                 | <u>-</u>                 | <u>1,128,750</u>    |
| Total liabilities and fund balances  | <u>\$ -</u>                     | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ 1,128,863</u> |

See accompanying notes to financial statements.



EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2010

|                                      | Debt Service Funds                                 |  |  |
|--------------------------------------|--|--|--|
|                                      | Michigan<br>Transportation<br>Bonds<br>Series 2000 | Michigan<br>Transportation<br>Bonds<br>Series 2003 | Capital<br>Improvement<br>Bonds<br>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<br>Improvement<br>Bonds - Roads<br>Series 2008 | Building Authority Bonds |             |                  |                          | Special<br>Assessment<br>Revolving |
|  | Series 2001              | Series 2002 | Series 2005      | Refunding<br>Series 2005 |                                    |
| \$ -   | \$ -                     | \$ -        | \$ -             | \$ -                     | \$ 472,308                         |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | 137                      | -           | 14,770           | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | 260,233                            |
| <u>\$ -</u>  | <u>\$ 137</u>            | <u>\$ -</u> | <u>\$ 14,770</u> | <u>\$ -</u>              | <u>\$ 732,541</u>                  |
| -  | 137                      | -           | 113              | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | 260,233                            |
| <u>-</u>   | <u>137</u>               | <u>-</u>    | <u>113</u>       | <u>-</u>                 | <u>260,233</u>                     |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | -                | -                        | -                                  |
| -  | -                        | -           | 14,657           | -                        | 472,308                            |
| -  | -                        | -           | 14,657           | -                        | 472,308                            |
| <u>\$ -</u>  | <u>\$ 137</u>            | <u>\$ -</u> | <u>\$ 14,770</u> | <u>\$ -</u>              | <u>\$ 732,541</u>                  |

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2010

|                                      | Capital Projects Funds            |                                      |                          |
|--------------------------------------|-----------------------------------|--------------------------------------|--------------------------|
|                                      | Sidewalk<br>and Tree<br>Revolving | Michigan Transportation Construction |                          |
|                                      |                                   | 2000<br>Major<br>Streets             | 2003<br>Major<br>Streets |
| <b>Assets</b>                        |                                   |                                      |                          |
| Cash and cash equivalents            | \$ 1,896,657                      | \$ 622,019                           | \$ 47,320                |
| Investments                          | -                                 | -                                    | -                        |
| Deposits                             | -                                 | -                                    | -                        |
| Receivables, net                     |                                   |                                      |                          |
| Accrued interest                     | -                                 | 87                                   | 6                        |
| Accounts                             | -                                 | -                                    | -                        |
| Due from other funds                 | -                                 | -                                    | 213,255                  |
| Due from other governments           | -                                 | -                                    | 28,172                   |
| Prepaid expenditures                 | -                                 | -                                    | -                        |
| Inventory at cost                    | -                                 | -                                    | -                        |
| Assets held for resale               | -                                 | -                                    | -                        |
| Receivables, non-current:            |                                   |                                      |                          |
| Notes                                | -                                 | -                                    | -                        |
| Due from other governments           | -                                 | -                                    | -                        |
| Delinquent taxes                     | -                                 | -                                    | -                        |
| Special assessments                  | 2,527,897                         | -                                    | -                        |
| Total assets                         | <u>\$ 4,424,554</u>               | <u>\$ 622,106</u>                    | <u>\$ 288,753</u>        |
| <b>Liabilities and Fund Balances</b> |                                   |                                      |                          |
| Liabilities:                         |                                   |                                      |                          |
| Accounts payable                     | 60,272                            | -                                    | -                        |
| Retainage payable                    | 19,256                            | -                                    | -                        |
| Accrued salaries and wages           | -                                 | -                                    | -                        |
| Deposits                             | -                                 | -                                    | -                        |
| Due to other funds                   | -                                 | -                                    | -                        |
| Deferred revenue                     | 2,527,897                         | -                                    | -                        |
| Total liabilities                    | <u>2,607,425</u>                  | <u>-</u>                             | <u>-</u>                 |
| Fund balances:                       |                                   |                                      |                          |
| Reserved:                            |                                   |                                      |                          |
| Prepaid expenditures                 | -                                 | -                                    | -                        |
| Inventories                          | -                                 | -                                    | -                        |
| Receivables                          | -                                 | -                                    | 28,172                   |
| Grants and capital projects          | 838,943                           | 527,133                              | 949                      |
| Unreserved:                          |                                   |                                      |                          |
| Designated:                          |                                   |                                      |                          |
| Subsequent years' expenditures       | -                                 | -                                    | -                        |
| Compensated absences                 | -                                 | -                                    | -                        |
| Compensatory time                    | -                                 | -                                    | -                        |
| Insurance claims                     | -                                 | -                                    | -                        |
| Undesignated                         | 978,186                           | 94,973                               | 259,632                  |
| Total fund balances                  | <u>1,817,129</u>                  | <u>622,106</u>                       | <u>288,753</u>           |
| Total liabilities and fund balances  | <u>\$ 4,424,554</u>               | <u>\$ 622,106</u>                    | <u>\$ 288,753</u>        |

See accompanying notes to financial statements.



EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010

|                                      | Capital Projects Funds                                   |                                       |  |                                |
|--------------------------------------|--|---------------------------------------|--|--------------------------------|
|                                      | Energy Eff. &<br>Conservation<br>Block Grant<br>Projects | Tax Increment<br>Finance<br>Authority | Downtown<br>Development<br>Authority<br>Construction | Total<br>Governmental<br>Funds |
| <b>Assets</b>                        |  |                                       |  |                                |
| Cash and cash equivalents            | \$ -   | \$ 1,419,198                          | \$ 2,276,503   | \$ 73,960,648                  |
| Investments                          | -  | -                                     | -  | -                              |
| Deposits                             | -  | -                                     | -  | 706,551                        |
| Receivables, net                     |  |                                       |  |                                |
| Accrued interest                     | -  | 198                                   | 89   | 3,690                          |
| Accounts                             | -  | -                                     | -  | 893,698                        |
| Due from other funds                 | -  | -                                     | -  | 14,074,529                     |
| Due from other governments           | 27,502   | -                                     | -  | 5,611,529                      |
| Prepaid expenditures                 | -  | -                                     | -  | 36,854                         |
| Inventory at cost                    | -  | -                                     | -  | 1,678,396                      |
| Assets held for resale               | -  | -                                     | -  | -                              |
| Receivables, non-current:            |  |                                       |  |                                |
| Notes                                | -  | -                                     | -  | 6,679,220                      |
| Due from other governments           | -  | -                                     | -  | 7,890,510                      |
| Delinquent taxes                     | -  | -                                     | -  | 1,165,667                      |
| Special assessments                  | -  | -                                     | -  | 2,788,130                      |
| Total assets                         | <u>\$ 27,502</u>   | <u>\$ 1,419,396</u>                   | <u>\$ 2,276,592</u>                                  | <u>\$ 115,489,422</u>          |
| <b>Liabilities and Fund Balances</b> |  |                                       |  |                                |
| Liabilities:                         |  |                                       |  |                                |
| Accounts payable                     | 27,502   | 29,981                                | 1,485  | 4,395,601                      |
| Retainage payable                    | -  | -                                     | 3,696  | 57,289                         |
| Accrued salaries and wages           | -  | -                                     | -  | 3,206,177                      |
| Deposits                             | -  | -                                     | -  | 460,213                        |
| Due to other funds                   | -  | 6,102                                 | -  | 2,627,667                      |
| Deferred revenue                     | -  | -                                     | -  | 17,606,981                     |
| Total liabilities                    | <u>27,502</u>  | <u>36,083</u>                         | <u>5,181</u>   | <u>28,353,928</u>              |
| Fund balances:                       |  |                                       |  |                                |
| Reserved:                            |  |                                       |  |                                |
| Prepaid expenditures                 | -  | -                                     | -  | 36,704                         |
| Inventories                          | -  | -                                     | -  | 1,678,396                      |
| Receivables                          | -  | -                                     | -  | 1,313,508                      |
| Grants and capital projects          | -  | 30,000                                | 7,080  | 2,781,803                      |
| Unreserved:                          |  |                                       |  |                                |
| Designated:                          |  |                                       |  |                                |
| Subsequent years' expenditures       | -  | -                                     | -  | 16,481,409                     |
| Compensated absences                 | -  | -                                     | -  | 6,287,621                      |
| Compensatory time                    | -  | -                                     | -  | 1,317,572                      |
| Insurance claims                     | -  | -                                     | -  | 4,948,103                      |
| Undesignated                         | -  | 1,353,313                             | 2,264,331  | 52,290,378                     |
| Total fund balances                  | <u>-</u>   | <u>1,383,313</u>                      | <u>2,271,411</u>                                     | <u>87,135,494</u>              |
| Total liabilities and fund balances  | <u>\$ 27,502</u>   | <u>\$ 1,419,396</u>                   | <u>\$ 2,276,592</u>                                  | <u>\$ 115,489,422</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, 2010

**Fund balances - governmental funds (Exhibit B-1)** \$ 87,135,494

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          | \$ 303,497,306 |             |
| Accumulated depreciation | (160,008,268)  | 143,489,038 |

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                | \$ (103,156,548) |               |
| Land contract                | (253,067)        |               |
| Compensated absences payable | (13,257,749)     |               |
| Compensatory time payable    | (2,044,569)      |               |
| Accrued insurance claims     | (10,923,103)     |               |
| Accrued interest payable     | (1,052,612)      | (130,687,648) |

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       | \$ 895,047 |           |
| Bond premiums / discounts | 695,468    |           |
| Deferred refunding charge | 595,146    | 2,185,661 |

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 | \$ 6,679,220 |           |
| Special assessments                     | 2,788,130    | 9,467,350 |

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.

(459,000)

**Total net assets - governmental activities (Exhibit A-1)** **\$ 111,130,895**

EXHIBIT B-3

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

For the Year Ended June 30, 2010

|   | Special Revenue Funds |                     |                     |
|---|-----------------------|---------------------|---------------------|
|   | General<br>Fund       | Major<br>Streets    | Local<br>Streets    |
| Revenues:   |                       |                     |                     |
| Property taxes  | \$ 63,838,959         | \$ -                | \$ -                |
| Special assessments   | -                     | -                   | -                   |
| Licenses and permits  | 1,567,892             | -                   | -                   |
| Intergovernmental:  |                       |                     |                     |
| Federal revenue   | 978,370               | -                   | -                   |
| State revenue   | 12,946,649            | 5,861,698           | 2,356,320           |
| Local revenue   | 671,416               | 23,802              | -                   |
| Charges for services  | 1,268,886             | -                   | -                   |
| Fines and fees  | 4,553,240             | -                   | -                   |
| Interest  | 15,804                | 3,889               | 4,222               |
| Sale of property  | 49,283                | -                   | -                   |
| Miscellaneous   | 6,327,276             | -                   | -                   |
| Total revenue   | <u>92,217,775</u>     | <u>5,889,389</u>    | <u>2,360,542</u>    |
| Expenditures:   |                       |                     |                     |
| General government  | 24,921,141            | -                   | -                   |
| Public safety   | 62,711,147            | -                   | -                   |
| City development  | 4,995,160             | -                   | -                   |
| Highways and streets  | 2,745,958             | 3,940,280           | 2,984,520           |
| Recreation and culture  | 42,669                | -                   | -                   |
| Sanitation  | -                     | -                   | -                   |
| Economic development  | -                     | -                   | -                   |
| Community development   | -                     | -                   | -                   |
| Special assessments   | -                     | -                   | -                   |
| Debt service:   |                       |                     |                     |
| Principal retirement  | 91,208                | -                   | -                   |
| Interest  | 19,309                | -                   | -                   |
| Other   | -                     | -                   | -                   |
| Total expenditures  | <u>95,526,592</u>     | <u>3,940,280</u>    | <u>2,984,520</u>    |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>(3,308,817)</u>    | <u>1,949,109</u>    | <u>(623,978)</u>    |
| Other financing sources (uses):   |                       |                     |                     |
| Settlement agreement  | (5,975,000)           | -                   | -                   |
| Transfers in  | -                     | 92,738              | 139,816             |
| Transfers out   | (1,411,263)           | (2,351,299)         | (40,217)            |
| Proceeds from sale of bonds   | -                     | -                   | -                   |
| Payment to refunded bond escrow agent   | -                     | -                   | -                   |
| Bond premiums/(discounts)   | -                     | -                   | -                   |
| Total other financing sources (uses)  | <u>(7,386,263)</u>    | <u>(2,258,561)</u>  | <u>99,599</u>       |
| Excess (deficiency) of revenues and financing<br>sources over expenditures and other uses | (10,695,080)          | (309,452)           | (524,379)           |
| Fund balance - beginning of year  | <u>54,197,408</u>     | <u>2,817,902</u>    | <u>3,722,231</u>    |
| Fund balance - end of year  | <u>\$ 43,502,328</u>  | <u>\$ 2,508,450</u> | <u>\$ 3,197,852</u> |

See accompanying notes to financial statements

Special Revenue Funds

| <u>Sanitation</u>   | <u>Recreation</u>   | <u>Library</u>   | <u>Community<br/>Development<br/>Block Grant</u> | <u>C.D.B.G. -<br/>Recovery</u> | <u>HOME<br/>Investment<br/>Partnership</u> |
|---------------------|---------------------|------------------|--|--------------------------------|--|
| \$ 7,344,789        | \$ 4,358,450        | \$ 2,179,226     | \$ -   | \$ -                           | \$ -                                       |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | 119,000          | 982,304  | 147,568                        | 830,199                                    |
| -                   | 267,361             | 330,036          | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | 2,231,903           | -                | -  | -                              | -  |
| -                   | -                   | 98,930           | -  | -                              | -  |
| 6,091               | 4,715               | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| <u>302,883</u>      | <u>147,676</u>      | <u>1,075</u>     | <u>83,442</u>                                    | <u>-</u>                       | <u>368,889</u>                             |
| <u>7,653,763</u>    | <u>7,010,105</u>    | <u>2,728,267</u> | <u>1,065,746</u>                                 | <u>147,568</u>                 | <u>1,199,088</u>                           |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | 6,774,533           | 3,119,731        | -  | -                              | -  |
| 7,818,974           | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | 1,121,320  | 147,568                        | 1,189,239                                  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| <u>7,818,974</u>    | <u>6,774,533</u>    | <u>3,119,731</u> | <u>1,121,320</u>                                 | <u>147,568</u>                 | <u>1,189,239</u>                           |
| <u>(165,211)</u>    | <u>235,572</u>      | <u>(391,464)</u> | <u>(55,574)</u>                                  | <u>-</u>                       | <u>9,849</u>                               |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | 282,000          | -  | -                              | -  |
| (56,278)            | (641,345)           | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| -                   | -                   | -                | -  | -                              | -  |
| <u>(56,278)</u>     | <u>(641,345)</u>    | <u>282,000</u>   | <u>-</u>   | <u>-</u>                       | <u>-</u>                                   |
| (221,489)           | (405,773)           | (109,464)        | (55,574)   | -                              | 9,849                                      |
| <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>4,310,428</u> | \$ <u>3,213,536</u> | \$ <u>38,470</u> | \$ <u>2,773</u>                                  | \$ <u>-</u>                    | \$ <u>401,341</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, 2010

|   | Special Revenue Funds |  |  |                     |
|---|-----------------------|--|--|---------------------|
|   | H.O.P.W.A.            | Neighborhood<br>Stabilization<br>Program | Brownfield<br>Redevelopment<br>Authority | Communications      |
| Revenues:   |                       |  |  |                     |
| Property taxes  | \$ -                  | \$ -                                     | \$ 332,957                               | \$ -                |
| Special assessments   | -                     | -  | -  | -                   |
| Licenses and permits  | -                     | -  | -  | -                   |
| Intergovernmental:  |                       |  |  |                     |
| Federal revenue   | 384,132               | 484,198                                  | -  | -                   |
| State revenue   | -                     | -  | -  | -                   |
| Local revenue   | -                     | -  | -  | -                   |
| Charges for services  | -                     | -  | -  | -                   |
| Fines and fees  | -                     | -  | -  | 1,630,260           |
| Interest  | -                     | -  | 325                                      | 2,353               |
| Sale of property  | -                     | -  | -  | -                   |
| Miscellaneous   | -                     | -  | -  | 40,472              |
| Total revenue   | <u>384,132</u>        | <u>484,198</u>                           | <u>333,282</u>                           | <u>1,673,085</u>    |
| Expenditures:   |                       |  |  |                     |
| General government  | -                     | -  | -  | -                   |
| Public safety   | -                     | -  | -  | -                   |
| City development  | -                     | -  | -  | -                   |
| Highways and streets  | -                     | -  | -  | -                   |
| Recreation and culture  | -                     | -  | -  | 1,303,507           |
| Sanitation  | -                     | -  | -  | -                   |
| Economic development  | -                     | -  | -  | -                   |
| Community development   | 383,394               | 484,298                                  | -  | -                   |
| Special assessments   | -                     | -  | -  | -                   |
| Debt service:   |                       |  |  |                     |
| Principal retirement  | -                     | -  | -  | -                   |
| Interest  | -                     | -  | -  | -                   |
| Other   | -                     | -  | -  | -                   |
| Total expenditures  | <u>383,394</u>        | <u>484,298</u>                           | <u>-</u>                                 | <u>1,303,507</u>    |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>738</u>            | <u>(100)</u>                             | <u>333,282</u>                           | <u>369,578</u>      |
| Other financing sources (uses):   |                       |  |  |                     |
| Settlement agreement  | -                     | -  | -  | -                   |
| Transfers in  | -                     | -  | -  | -                   |
| Transfers out   | -                     | -  | -  | (216,535)           |
| 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>(216,535)</u>    |
| Excess (deficiency) of revenues and financing<br>sources over expenditures and other uses | 738                   | (100)                                    | 333,282                                  | 153,043             |
| Fund balance - beginning of year  | <u>100</u>            | <u>100</u>                               | <u>6,131</u>                             | <u>2,000,018</u>    |
| Fund balance - end of year  | <u>\$ 838</u>         | <u>\$ -</u>                              | <u>\$ 339,413</u>                        | <u>\$ 2,153,061</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> |  |
| \$ -                    | \$ -                            | \$ -                   | \$ -                   | \$ 6,218,060   | \$ 64                                |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | 45,754                 | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| 40,000                  | -                               | -                      | -                      | -  | -                                    |  |
| 398,866                 | 61,100                          | 510,941                | -                      | -  | -                                    |  |
| 201                     | 295                             | 1,383                  | 185                    | 26,194   | 122                                  |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | 471,542  | 3,238                                |  |
| <u>439,067</u>          | <u>61,395</u>                   | <u>512,324</u>         | <u>45,939</u>          | <u>6,715,796</u>                                     | <u>3,424</u>                         |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | 95,677                          | 523,455                | 48,425                 | -  | -                                    |  |
| 261,519                 | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | 1,437,426  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | 3,225                                |  |
| <u>261,519</u>          | <u>95,677</u>                   | <u>523,455</u>         | <u>48,425</u>          | <u>1,437,426</u>                                     | <u>3,225</u>                         |  |
| <u>177,548</u>          | <u>(34,282)</u>                 | <u>(11,131)</u>        | <u>(2,486)</u>         | <u>5,278,370</u>                                     | <u>199</u>                           |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | (5,156,098)  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | -  | -                                    |  |
| -                       | -                               | -                      | -                      | (5,156,098)  | -                                    |  |
| 177,548                 | (34,282)                        | (11,131)               | (2,486)                | 122,272  | 199                                  |  |
| <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>\$ 245,283</u>       | <u>\$ 169,582</u>               | <u>\$ 944,594</u>      | <u>\$ 134,746</u>      | <u>\$ 10,354,994</u>                                 | <u>\$ 86,939</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, 2010

|   | Debt Service Funds              |                          |                          |                     |
|---|---------------------------------|--------------------------|--------------------------|---------------------|
|   | Tax Increment Finance Authority |                          | Special Assessment Bonds |                     |
|   | Series 1991                     | Refunding<br>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   | -                               | -                        | -                        | -                   |
| Special assessments   | -                               | -                        | -                        | -                   |
| Debt service:   |                                 |                          |                          |                     |
| Principal retirement  | 230,000                         | -                        | -                        | 175,000             |
| Interest  | 18,250                          | -                        | -                        | 44,025              |
| Other   | 700                             | -                        | -                        | 225                 |
| Total expenditures  | <u>248,950</u>                  | <u>-</u>                 | <u>-</u>                 | <u>219,250</u>      |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>(248,950)</u>                | <u>-</u>                 | <u>-</u>                 | <u>(219,250)</u>    |
| Other financing sources (uses):   |                                 |                          |                          |                     |
| Settlement agreement  | -                               | -                        | -                        | -                   |
| Transfers in  | 248,950                         | -                        | -                        | -                   |
| Transfers out   | -                               | -                        | -                        | -                   |
| Proceeds from sale of bonds   | -                               | -                        | -                        | -                   |
| Payment to refunded bond escrow agent   | -                               | -                        | -                        | -                   |
| Bond premiums/(discounts)   | -                               | -                        | -                        | -                   |
| Total other financing sources (uses)  | <u>248,950</u>                  | <u>-</u>                 | <u>-</u>                 | <u>-</u>            |
| Excess (deficiency) of revenues and financing<br>sources over expenditures and other uses | -                               | -                        | -                        | (219,250)           |
| Fund balance - beginning of year  | <u>-</u>                        | <u>-</u>                 | <u>-</u>                 | <u>1,348,000</u>    |
| Fund balance - end of year  | <u>\$ -</u>                     | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ 1,128,750</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, 2010

|   | Debt Service Funds                                 |  |  |
|---|--|--|--|
|   | Michigan<br>Transportation<br>Bonds<br>Series 2000 | Michigan<br>Transportation<br>Bonds<br>Series 2003 | Capital<br>Improvement<br>Bonds<br>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   | -  | -  | -  |
| Special assessments   | -  | -  | -  |
| Debt service:   |  |  |  |
| Principal retirement  | 465,000  | 500,000  | 35,918   |
| Interest  | 170,355  | 161,750  | 204,735  |
| Other   | <u>275</u>   | <u>225</u>   | <u>162</u>                                     |
| Total expenditures  | <u>635,630</u>                                     | <u>661,975</u>                                     | <u>240,815</u>                                 |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>(635,630)</u>                                   | <u>(661,975)</u>                                   | <u>(240,815)</u>                               |
| Other financing sources (uses):   |  |  |  |
| Settlement agreement  | -  | -  | -  |
| Transfers in  | 635,630  | 661,975  | 240,815  |
| Transfers out   | -  | -  | -  |
| Proceeds from sale of bonds   | -  | -  | -  |
| Payment to refunded bond escrow agent   | -  | -  | -  |
| Bond premiums/(discounts)   | -  | -  | -  |
| Total other financing sources (uses)  | <u>635,630</u>                                     | <u>661,975</u>                                     | <u>240,815</u>                                 |
| Excess (deficiency) of revenues and financing<br>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 |                              |
| \$ -  | \$ -                     | \$ -             | \$ -             | \$ -                  | \$ -                         |
| -   | -                        | -                | -                | -                     | 9,371                        |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | 3,242                        |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | 5,012                        |
| <u>-</u>                                      | <u>-</u>                 | <u>-</u>         | <u>-</u>         | <u>-</u>              | <u>17,625</u>                |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | 37,293                       |
| 161,033                                       | 375,000                  | 457,395          | 500,000          | 65,000                | -                            |
| 178,946                                       | 27,612                   | 8,462            | 128,825          | 435,005               | -                            |
| 153   | 275                      | 126              | 225              | 225                   | -                            |
| <u>340,132</u>                                | <u>402,887</u>           | <u>465,983</u>   | <u>629,050</u>   | <u>500,230</u>        | <u>37,293</u>                |
| <u>(340,132)</u>                              | <u>(402,887)</u>         | <u>(465,983)</u> | <u>(629,050)</u> | <u>(500,230)</u>      | <u>(19,668)</u>              |
| -   | -                        | -                | -                | -                     | -                            |
| 331,492                                       | 402,887                  | 465,983          | 629,050          | 500,230               | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| -   | -                        | -                | -                | -                     | -                            |
| <u>331,492</u>                                | <u>402,887</u>           | <u>465,983</u>   | <u>629,050</u>   | <u>500,230</u>        | <u>-</u>                     |
| (8,640)                                       | -                        | -                | -                | -                     | (19,668)                     |
| <u>8,640</u>                                  | <u>-</u>                 | <u>-</u>         | <u>14,657</u>    | <u>-</u>              | <u>491,976</u>               |
| <u>\$ -</u>                                   | <u>\$ -</u>              | <u>\$ -</u>      | <u>\$ 14,657</u> | <u>\$ -</u>           | <u>\$ 472,308</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, 2010

|   | Capital Projects Funds            |                                      |                          |
|---|-----------------------------------|--------------------------------------|--------------------------|
|   | Sidewalk<br>and Tree<br>Revolving | Michigan Transportation Construction |                          |
|   |                                   | 2000<br>Major<br>Streets             | 2003<br>Major<br>Streets |
| Revenues:   |                                   |                                      |                          |
| Property taxes  | \$ -                              | \$ -                                 | \$ -                     |
| Special assessments   | 1,052,301                         | -                                    | -                        |
| Licenses and permits  | -                                 | -                                    | -                        |
| Intergovernmental:  |                                   |                                      |                          |
| Federal revenue   | -                                 | -                                    | -                        |
| State revenue   | -                                 | -                                    | -                        |
| Local revenue   | -                                 | -                                    | -                        |
| Charges for services  | 5,360                             | -                                    | -                        |
| Fines and fees  | -                                 | -                                    | -                        |
| Interest  | 30,988                            | 812                                  | 180                      |
| Sale of property  | -                                 | -                                    | -                        |
| Miscellaneous   | -                                 | -                                    | -                        |
| Total revenue   | <u>1,088,649</u>                  | <u>812</u>                           | <u>180</u>               |
| Expenditures:   |                                   |                                      |                          |
| General government  | -                                 | -                                    | -                        |
| Public safety   | -                                 | -                                    | -                        |
| City development  | -                                 | -                                    | -                        |
| Highways and streets  | -                                 | -                                    | 6,727                    |
| Recreation and culture  | -                                 | -                                    | -                        |
| Sanitation  | -                                 | -                                    | -                        |
| Economic development  | -                                 | -                                    | -                        |
| Community development   | -                                 | -                                    | -                        |
| Special assessments   | 281,345                           | -                                    | -                        |
| Debt service:   |                                   |                                      |                          |
| Principal retirement  | -                                 | -                                    | -                        |
| Interest  | -                                 | -                                    | -                        |
| Other   | -                                 | 58,984                               | -                        |
| Total expenditures  | <u>281,345</u>                    | <u>58,984</u>                        | <u>6,727</u>             |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>807,304</u>                    | <u>(58,172)</u>                      | <u>(6,547)</u>           |
| Other financing sources (uses):   |                                   |                                      |                          |
| Settlement agreement  | -                                 | -                                    | -                        |
| Transfers in  | -                                 | -                                    | -                        |
| Transfers out   | (435,535)                         | -                                    | -                        |
| Proceeds from sale of bonds   | -                                 | 3,040,000                            | -                        |
| Payment to refunded bond escrow agent   | -                                 | (3,000,000)                          | -                        |
| Bond premiums/(discounts)   | -                                 | 18,984                               | -                        |
| Total other financing sources (uses)  | <u>(435,535)</u>                  | <u>58,984</u>                        | <u>-</u>                 |
| Excess (deficiency) of revenues and financing<br>sources over expenditures and other uses | 371,769                           | 812                                  | (6,547)                  |
| Fund balance - beginning of year  | <u>1,445,360</u>                  | <u>621,294</u>                       | <u>295,300</u>           |
| Fund balance - end of year  | <u>\$ 1,817,129</u>               | <u>\$ 622,106</u>                    | <u>\$ 288,753</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       |   |
| \$ -                                  | \$ -                                  | \$ -                                  | \$ -           | \$ -              | \$ -                                    |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | 729,390                                 |
| 3,889                                 | 3,600                                 | 1                                     | 38             | 1,814             | 4,787                                   |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | 877            | -                 | -                                       |
| <u>3,889</u>                          | <u>3,600</u>                          | <u>1</u>                              | <u>915</u>     | <u>1,814</u>      | <u>734,177</u>                          |
| -                                     | -                                     | 102                                   | 3,085          | 50,987            | 23,000                                  |
| -                                     | -                                     | -                                     | -              | 165,000           | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| 422,231                               | 1,078,307                             | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | 1,417,593                             | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| <u>422,231</u>                        | <u>2,495,900</u>                      | <u>102</u>                            | <u>3,085</u>   | <u>215,987</u>    | <u>23,000</u>                           |
| <u>(418,342)</u>                      | <u>(2,492,300)</u>                    | <u>(101)</u>                          | <u>(2,170)</u> | <u>(214,173)</u>  | <u>711,177</u>                          |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | 3,909             | -                                       |
| -                                     | -                                     | (865)                                 | (3,044)        | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| -                                     | -                                     | -                                     | -              | -                 | -                                       |
| <u>-</u>                              | <u>-</u>                              | <u>(865)</u>                          | <u>(3,044)</u> | <u>3,909</u>      | <u>-</u>                                |
| (418,342)                             | (2,492,300)                           | (966)                                 | (5,214)        | (210,264)         | 711,177                                 |
| <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>1,946,215</u>                   | \$ <u>1,381,782</u>                   | \$ <u>-</u>                           | \$ <u>-</u>    | \$ <u>327,617</u> | \$ <u>3,876,825</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, 2010

|   | Capital Projects Funds                                   |                                       |  | Total<br>Governmental<br>Funds |
|---|--|---------------------------------------|--|--------------------------------|
|   | Energy Eff. &<br>Conservation<br>Block Grant<br>Projects | Tax Increment<br>Finance<br>Authority | Downtown<br>Development<br>Authority<br>Construction |                                |
| Revenues:   |  |                                       |  |                                |
| Property taxes  | \$ -   | \$ 568,905                            | \$ -   | \$ 84,841,410                  |
| Special assessments   | -  | -                                     | -  | 1,061,672                      |
| Licenses and permits  | -  | -                                     | -  | 1,567,892                      |
| Intergovernmental:  |  |                                       |  |                                |
| Federal revenue   | 96,643   | -                                     | -  | 4,022,414                      |
| State revenue   | -  | -                                     | -  | 21,807,818                     |
| Local revenue   | -  | -                                     | -  | 695,218                        |
| Charges for services  | -  | -                                     | -  | 3,546,149                      |
| Fines and fees  | -  | -                                     | -  | 7,982,727                      |
| Interest  | -  | 1,531                                 | 9,323  | 125,984                        |
| Sale of property  | -  | -                                     | -  | 49,283                         |
| Miscellaneous   | -  | -                                     | -  | 7,752,382                      |
| Total revenue   | <u>96,643</u>  | <u>570,436</u>                        | <u>9,323</u>   | <u>133,452,949</u>             |
| Expenditures:   |  |                                       |  |                                |
| General government  | 96,643   | -                                     | -  | 25,094,958                     |
| Public safety   | -  | -                                     | -  | 63,543,704                     |
| City development  | -  | -                                     | -  | 5,256,679                      |
| Highways and streets  | -  | -                                     | -  | 11,178,023                     |
| Recreation and culture  | -  | -                                     | -  | 11,240,440                     |
| Sanitation  | -  | -                                     | -  | 7,818,974                      |
| Economic development  | -  | 319,296                               | 235,533  | 1,992,255                      |
| Community development   | -  | -                                     | -  | 3,325,819                      |
| Special assessments   | -  | -                                     | -  | 1,736,231                      |
| Debt service:   |  |                                       |  |                                |
| Principal retirement  | -  | -                                     | -  | 5,529,521                      |
| Interest  | -  | -                                     | -  | 4,691,931                      |
| Other   | -  | -                                     | -  | 66,222                         |
| Total expenditures  | <u>96,643</u>  | <u>319,296</u>                        | <u>235,533</u>                                       | <u>141,474,757</u>             |
| Excess (deficiency) of revenues<br>over expenditures                                      | <u>-</u>   | <u>251,140</u>                        | <u>(226,210)</u>                                     | <u>(8,021,808)</u>             |
| Other financing sources (uses):   |  |                                       |  |                                |
| Settlement agreement  | -  | -                                     | -  | (5,975,000)                    |
| Transfers in  | -  | -                                     | -  | 10,400,561                     |
| Transfers out   | -  | (248,950)                             | -  | (10,561,429)                   |
| Proceeds from sale of bonds   | -  | -                                     | -  | 3,040,000                      |
| Payment to refunded bond escrow agent   | -  | -                                     | -  | (3,000,000)                    |
| Bond premiums/(discounts)   | -  | -                                     | -  | 18,984                         |
| Total other financing sources (uses)  | <u>-</u>   | <u>(248,950)</u>                      | <u>-</u>   | <u>(6,076,884)</u>             |
| Excess (deficiency) of revenues and financing<br>sources over expenditures and other uses | <u>-</u>   | <u>2,190</u>                          | <u>(226,210)</u>                                     | <u>(14,098,692)</u>            |
| Fund balance - beginning of year  | <u>-</u>   | <u>1,381,123</u>                      | <u>2,497,621</u>                                     | <u>101,234,186</u>             |
| Fund balance - end of year  | <u>\$ -</u>  | <u>\$ 1,383,313</u>                   | <u>\$ 2,271,411</u>                                  | <u>\$ 87,135,494</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, 2010

**Net change in fund balances - governmental funds (Exhibit B-3)** **\$ (14,098,692)**

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 | \$ 3,278,824       |             |
| Depreciation       | <u>(8,308,643)</u> | (5,029,819) |

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.

(312,458)

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

|                                     |                  |           |
|-------------------------------------|------------------|-----------|
| Issuance on long-term debt          | \$ -             |           |
| Principal payment on long-term debt | <u>5,529,522</u> | 5,529,522 |

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        | \$ (77,486)     |           |
| Bond discounts, net of amortization             | (53,122)        |           |
| Deferred refunding charges, net of amortization | <u>(33,980)</u> | (164,588) |

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.

49,041

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 | \$ 826,345       |         |
| Compensatory time    | 241,337          |         |
| Insurance claims     | <u>(206,549)</u> | 861,133 |

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

|   |                |         |
|---|----------------|---------|
| Community Development Block Grant loans | \$ 387,410     |         |
| Special assessments                     | <u>216,591</u> | 604,001 |

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 .

203,000

**Change in net assets - governmental activities (Exhibit A-2)** **\$ (12,358,860)**

See accompanying notes to financial statements

EXHIBIT B-5

CITY OF WARREN, MICHIGAN  
STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2010

|  | Business-type Activities - Enterprise Funds |                              |                      | Totals                |
|--|---|------------------------------|----------------------|-----------------------|
|  | Water and<br>Sewer<br>System (1)            | Senior Citizen Housing Funds |                      |                       |
|  |   | Stilwell<br>Manor            | Jos. Coach<br>Manor  |                       |
| <b>Assets</b>                              |   |                              |                      |                       |
| Current assets - unrestricted              |   |                              |                      |                       |
| Cash and cash equivalents                  | \$ 4,636,242                                | \$ 1,749,435                 | \$ 1,318,858         | \$ 7,704,535          |
| Investments                                | -   | -                            | 1,501,018            | 1,501,018             |
| Accounts receivable                        | 12,186,942                                  | 1,473                        | 3,460                | 12,191,875            |
| Accrued interest on investments            | 89  | 249                          | 751                  | 1,089                 |
| Due from other funds                       | 7,540                                       | 300,157                      | -                    | 307,697               |
| Land contract interest receivable          | 8,980                                       | -                            | -                    | 8,980                 |
| Materials and supplies inventory - at cost | 329,366                                     | -                            | -                    | 329,366               |
| Prepaid expenses                           | 82,580                                      | 165                          | -                    | 82,745                |
| Total current assets - unrestricted        | <u>17,251,739</u>                           | <u>2,051,479</u>             | <u>2,824,087</u>     | <u>22,127,305</u>     |
| Current assets - restricted                |   |                              |                      |                       |
| Cash and cash equivalents                  | 3,014,197                                   | 46,972                       | 140,858              | 3,202,027             |
| Due from unrestricted                      | 3,949,359                                   | -                            | -                    | 3,949,359             |
| Due from other funds                       | 1,079,195                                   | -                            | -                    | 1,079,195             |
| Due from other governments                 | 421,987                                     | -                            | -                    | 421,987               |
| Designated for future projects             | 4,689,955                                   | -                            | -                    | 4,689,955             |
| Total current assets - restricted          | <u>13,154,693</u>                           | <u>46,972</u>                | <u>140,858</u>       | <u>13,342,523</u>     |
| Total current assets                       | <u>30,406,432</u>                           | <u>2,098,451</u>             | <u>2,964,945</u>     | <u>35,469,828</u>     |
| Noncurrent assets:                         |   |                              |                      |                       |
| Bond issuance costs                        | -   | -                            | 113,115              | 113,115               |
| Land contract receivable                   | 299,345                                     | -                            | -                    | 299,345               |
| Property, plant and equipment at cost:     |   |                              |                      |                       |
| Land                                       | 605,219                                     | 221,644                      | -                    | 826,863               |
| Building and improvements                  | 63,742,396                                  | 2,994,301                    | 10,098,936           | 76,835,633            |
| Utility system                             | 116,134,531                                 | -                            | -                    | 116,134,531           |
| Machinery, equipment and furniture         | 12,732,428                                  | 289,408                      | 1,101,169            | 14,123,005            |
| Total property, plant and equipment        | 193,214,574                                 | 3,505,353                    | 11,200,105           | 207,920,032           |
| Less: accumulated depreciation             | (89,746,416)                                | (2,618,132)                  | (4,025,352)          | (96,389,900)          |
| Net property, plant and equipment          | <u>103,468,158</u>                          | <u>887,221</u>               | <u>7,174,753</u>     | <u>111,530,132</u>    |
| Total noncurrent assets                    | <u>103,767,503</u>                          | <u>887,221</u>               | <u>7,287,868</u>     | <u>111,942,592</u>    |
| Total assets                               | <u>\$ 134,173,935</u>                       | <u>\$ 2,985,672</u>          | <u>\$ 10,252,813</u> | <u>\$ 147,412,420</u> |

(Continued)

Note:

(1) For fiscal year ended December 31, 2009.

See accompanying notes to financial statements.

|  | Business-type Activities - Enterprise Funds |                              |                      | Totals                |
|--|---|------------------------------|----------------------|-----------------------|
|  | Water and<br>Sewer<br>System (1)            | Senior Citizen Housing Funds |                      |                       |
|  |   | Stilwell<br>Manor            | Jos. Coach<br>Manor  |                       |
| <b>Liabilities</b>                                       |   |                              |                      |                       |
| Current liabilities - unrestricted:                      |   |                              |                      |                       |
| Accounts payable   | \$ 1,793,542                                | \$ 17,256                    | \$ 136,614           | \$ 1,947,412          |
| Payable to restricted                                    | 3,949,359                                   | -                            | -                    | 3,949,359             |
| Accrued wages payable                                    | 88,821                                      | 10,716                       | 3,079                | 102,616               |
| Payroll taxes and deductions                             | 83,882                                      | -                            | -                    | 83,882                |
| Due to other funds                                       | 3,387,911                                   | 22,409                       | 903,959              | 4,314,279             |
| Building Authority bonds - current                       | -   | -                            | 620,000              | 620,000               |
| Revenue bonds payable - current                          | 2,739,082                                   | -                            | -                    | 2,739,082             |
| Accrued interest payable                                 | -   | -                            | 42,845               | 42,845                |
| Deferred revenue   | -   | -                            | 2,223                | 2,223                 |
| Customer deposits  | 143,626                                     | -                            | -                    | 143,626               |
| Total current liabilities - unrestricted                 | <u>12,186,223</u>                           | <u>50,381</u>                | <u>1,708,720</u>     | <u>13,945,324</u>     |
| Current liabilities - restricted:                        |   |                              |                      |                       |
| Accounts payable   | 370,212                                     | -                            | -                    | 370,212               |
| Accrued interest payable                                 | 327,421                                     | -                            | -                    | 327,421               |
| Construction contracts to be performed in future periods | 4,689,955                                   | -                            | -                    | 4,689,955             |
| Tenant security deposits                                 | -   | 46,972                       | 140,858              | 187,830               |
| Total current liabilities - restricted                   | <u>5,387,588</u>                            | <u>46,972</u>                | <u>140,858</u>       | <u>5,575,418</u>      |
| Total current liabilities                                | <u>17,573,811</u>                           | <u>97,353</u>                | <u>1,849,578</u>     | <u>19,520,742</u>     |
| Noncurrent liabilities - unrestricted:                   |   |                              |                      |                       |
| Accumulative sick leave                                  | 1,135,915                                   | 17,397                       | -                    | 1,153,312             |
| Accumulative compensatory time                           | 137,818                                     | 7,818                        | -                    | 145,636               |
| Revenue bonds payable                                    | 47,433,447                                  | -                            | -                    | 47,433,447            |
| Building Authority bonds payable                         | -   | -                            | 5,310,000            | 5,310,000             |
| Unamortized bond premium / (discount)                    | (170,030)                                   | -                            | 131,447              | (38,583)              |
| Deferred refunding charge                                | (1,633,356)                                 | -                            | (376,302)            | (2,009,658)           |
| Total noncurrent liabilities - unrestricted              | <u>46,903,794</u>                           | <u>25,215</u>                | <u>5,065,145</u>     | <u>51,994,154</u>     |
| Total liabilities  | <u>64,477,605</u>                           | <u>122,568</u>               | <u>6,914,723</u>     | <u>71,514,896</u>     |
| <b>Net assets</b>  |   |                              |                      |                       |
| Invested in capital assets, net of related debt          | 56,454,299                                  | 887,221                      | 1,244,753            | 58,586,273            |
| Restricted for:  | -   | -                            | -                    | -                     |
| Debt service   | 5,188,487                                   | -                            | -                    | 5,188,487             |
| Construction   | 2,578,618                                   | -                            | -                    | 2,578,618             |
| Insurance claims   | 500,000                                     | -                            | -                    | 500,000               |
| Unrestricted net assets                                  | <u>4,974,926</u>                            | <u>1,975,883</u>             | <u>2,093,337</u>     | <u>9,044,146</u>      |
| Total net assets   | <u>69,696,330</u>                           | <u>2,863,104</u>             | <u>3,338,090</u>     | <u>75,897,524</u>     |
| Total liabilities and net assets                         | <u>\$ 134,173,935</u>                       | <u>\$ 2,985,672</u>          | <u>\$ 10,252,813</u> | <u>\$ 147,412,420</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, 2010

|  | Business-type Activities - Enterprise Funds |                              |                     | Totals               |
|--|---|------------------------------|---------------------|----------------------|
|  | Water and<br>Sewer<br>System (1)            | Senior Citizen Housing Funds |                     |                      |
|  |   | Stilwell<br>Manor            | Jos. Coach<br>Manor |                      |
| Operating revenues:                    |   |                              |                     |                      |
| Charges for services                   | \$ 32,062,895                               | \$ -                         | \$ -                | \$ 32,062,895        |
| Rental revenues                        | -   | 471,319                      | 976,120             | 1,447,439            |
| Maintenance revenues                   | -   | -                            | 363,275             | 363,275              |
| Other operating revenues               | -   | 317,715                      | 13,265              | 330,980              |
| Total operating revenues               | <u>32,062,895</u>                           | <u>789,034</u>               | <u>1,352,660</u>    | <u>34,204,589</u>    |
| Operating expenses:                    |   |                              |                     |                      |
| Water purchases                        | 7,198,830                                   | -                            | -                   | 7,198,830            |
| Personal services                      | 12,841,310                                  | 406,455                      | 48,223              | 13,295,988           |
| Contractual services                   | -   | 16,375                       | 26,242              | 42,617               |
| Materials and supplies                 | 816,552                                     | 29,834                       | 35,771              | 882,157              |
| Utilities                              | -   | 120,870                      | 83,189              | 204,059              |
| Other services and charges             | 6,701,098                                   | 191,569                      | 349,594             | 7,242,261            |
| Depreciation                           | 4,222,106                                   | 85,015                       | 167,331             | 4,474,452            |
| Total operating expenses               | <u>31,779,896</u>                           | <u>850,118</u>               | <u>710,350</u>      | <u>33,340,364</u>    |
| Operating income (loss)                | <u>282,999</u>                              | <u>(61,084)</u>              | <u>642,310</u>      | <u>864,225</u>       |
| Nonoperating revenues (expenses):      |   |                              |                     |                      |
| Interest income                        | 16,076                                      | 2,634                        | 9,851               | 28,561               |
| Interest expense                       | (1,937,373)                                 | -                            | (302,761)           | (2,240,134)          |
| Bond issuance costs                    | -   | -                            | (17,860)            | (17,860)             |
| Fiscal charges                         | -   | -                            | (241)               | (241)                |
| Gain / (loss) on disposal of assets    | -   | -                            | -                   | -                    |
| Other revenue / (expense)              | 5,428                                       | -                            | -                   | 5,428                |
| Total nonoperating revenues (expenses) | <u>(1,915,869)</u>                          | <u>2,634</u>                 | <u>(311,011)</u>    | <u>(2,224,246)</u>   |
| Net income (loss)                      | (1,632,870)                                 | (58,450)                     | 331,299             | (1,360,021)          |
| Net assets - beginning of year         | <u>71,329,200</u>                           | <u>2,921,554</u>             | <u>3,006,791</u>    | <u>77,257,545</u>    |
| Net assets - end of year               | <u>\$ 69,696,330</u>                        | <u>\$ 2,863,104</u>          | <u>\$ 3,338,090</u> | <u>\$ 75,897,524</u> |

## Note:

(1) For fiscal year ended December 31, 2009.

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, 2010

|  | Business-type Activities - Enterprise Funds |                              |                     | Totals        |
|--|---|------------------------------|---------------------|---------------|
|  | Water and<br>Sewer<br>System (1)            | Senior Citizen Housing Funds |                     |               |
|  |   | Stilwell<br>Manor            | Jos. Coach<br>Manor |               |
| Cash flows from operating activities:                                    |   |                              |                     |               |
| Cash received from customers   | \$ 28,304,835                               | \$ 482,593                   | \$ 1,355,533        | \$ 30,142,961 |
| Cash payments to suppliers for goods and services                        | (12,895,445)                                | (358,753)                    | -                   | (13,254,198)  |
| Cash payments to employees for services                                  | (13,266,897)                                | (408,737)                    | -                   | (13,675,634)  |
| Other operating revenues / expenses                                      | 2,459,866                                   | 5,263                        | -                   | 2,465,129     |
| Net cash provided by (used for) operating activities                     | 4,602,359                                   | (279,634)                    | 1,355,533           | 5,678,258     |
| Cash flows from capital and related financing activities:                |   |                              |                     |               |
| Other income   | -   | -                            | -                   | -             |
| Acquisition and construction of capital assets                           | (3,077,023)                                 | -                            | -                   | (3,077,023)   |
| Debt issuance less debt principal payments                               | (2,282,429)                                 | -                            | (625,000)           | (2,907,429)   |
| Debt interest, issuance costs and fiscal charges                         | (1,781,940)                                 | -                            | (267,855)           | (2,049,795)   |
| Net cash provided by (used for) capital and related financing activities | (7,141,392)                                 | -                            | (892,855)           | (8,034,247)   |
| Cash flows from investing activities:                                    |   |                              |                     |               |
| Interest on investments  | 16,279                                      | 2,547                        | 10,586              | 29,412        |
| Net cash provided by (used for) investing activities                     | 16,279                                      | 2,547                        | 10,586              | 29,412        |
| Net increase (decrease) in cash and cash equivalents                     | (2,522,754)                                 | (277,087)                    | 473,264             | (2,326,577)   |
| Cash and cash equivalents - beginning of year                            | 10,173,193                                  | 2,073,494                    | 2,487,470           | 14,734,157    |
| Cash and cash equivalents - end of year                                  | \$ 7,650,439                                | \$ 1,796,407                 | \$ 2,960,734        | \$ 12,407,580 |

(Continued)

Notes:

(1) For fiscal year ended December 31, 2009

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

For the Year Ended June 30, 2010

|  | Business-type Activities - Enterprise Funds |                              |                     | Totals       |
|--|---|------------------------------|---------------------|--------------|
|  | Water and                                   | Senior Citizen Housing Funds |                     |              |
|  | Sewer<br>System (1)                         | Stilwell<br>Manor            | Jos. Coach<br>Manor |              |
| Reconciliation of operating income to net cash provided by operating activities:         |   |                              |                     |              |
| Operating income (loss)  | \$ 282,999                                  | \$ (61,084)                  | \$ 642,310          | \$ 864,225   |
| Adjustments to reconcile income to net cash provided by (used for) operating activities: |   |                              |                     |              |
| Depreciation   | 4,222,106                                   | 85,015                       | 167,331             | 4,474,452    |
| Other income   | 1,283                                       | -                            | -                   | 1,283        |
| Change in assets and liabilities:  |   |                              |                     |              |
| (Increase) decrease in accounts receivable   | (1,309,876)                                 | (769)                        | (190)               | (1,310,835)  |
| (Increase) decrease in grants receivable   | -   | -                            | -                   | -            |
| (Increase) decrease in interest receivable   | 2,657                                       | -                            | -                   | 2,657        |
| (Increase) decrease in interfund receivables   | 2,084,615                                   | (299,932)                    | -                   | 1,784,683    |
| (Increase) decrease in inventory   | (89,571)                                    | -                            | -                   | (89,571)     |
| Increase (decrease) in accounts payable  | (174,009)                                   | (1,170)                      | 108,315             | (66,864)     |
| Capital acquisitions reflected in acc. payable   | -   | -                            | (193,115)           | (193,115)    |
| Increase (decrease) in wages and benefits payable  | (372,407)                                   | (2,282)                      | 1,574               | (373,115)    |
| (Increase) decrease in prepaid expenses  | (53,180)                                    | 2,138                        | -                   | (51,042)     |
| Increase (decrease) in customer deposits   | 7,742                                       | (477)                        | 587                 | 7,852        |
| Increase (decrease) in interfund payables  | -   | (1,073)                      | 626,498             | 625,425      |
| Increase (decrease) in deferred revenue  | -   | -                            | 2,223               | 2,223        |
| Total adjustments  | 4,319,360                                   | (218,550)                    | 713,223             | 4,814,033    |
| Net cash provided by operating activities  | \$ 4,602,359                                | \$ (279,634)                 | \$ 1,355,533        | \$ 5,678,258 |

## Note:

(1) For fiscal year ended December 31, 2009.

**EXHIBIT B-8**

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

June 30, 2010

|  | Trust Funds -<br>Pension and Other<br><u>Retirement Benefits (1)</u> | <u>Agency<br/>Funds</u> |
|--|--|-------------------------|
| <b>Assets</b>  |  |                         |
| Cash and cash equivalents                                | \$ 1,400,386   | \$ 2,175,510            |
| Receivables:   |  |                         |
| Investment sales   | 73,334   | -                       |
| Accrued interest and dividends                           | 1,740,781  | 13                      |
| Other  | 829  | -                       |
| Advances   | -  | 448,677                 |
| Prepaid expenses   | 151,388  | -                       |
| Due from other funds                                     | 400,373  | 34,360                  |
| Investments, at fair value:                              |  |                         |
| Securities lending short-term collateral investment pool | 31,906,830   | -                       |
| Short-term cash management funds                         | 25,575,019   | -                       |
| Certificates of deposit                                  | 3,335,823  | -                       |
| U.S. government obligations                              | 20,846,134   | -                       |
| U.S. government agencies' notes and debentures           | 29,755,230   | -                       |
| Corporate and other bonds and securities                 | 87,146,675   | -                       |
| Fixed income mutual funds                                | 2,749,261  | -                       |
| Equities   | 193,346,410  | -                       |
| Equity mutual funds                                      | 40,526,903   | -                       |
| Real estate investment trusts                            | 5,913,971  | -                       |
| Private equity   | 1,740,698  | -                       |
| Hedge funds  | 2,983,178  | -                       |
| Distressed debt recovery fund                            | 508,230  | -                       |
| Mezzanine debt financing                                 | 961,534  | -                       |
| Total investments  | <u>447,295,896</u>   | <u>-</u>                |
| Total assets   | <u>451,062,987</u>   | <u>2,658,560</u>        |
| <b>Liabilities</b>                                       |  |                         |
| Accounts payable   | 3,680,991  | 13,206                  |
| Investment purchases                                     | 33,163   | -                       |
| Due broker under securities lending agreement            | 32,494,195   | -                       |
| Due to other funds                                       | 7,805,876  | 483,058                 |
| Accrued medical claims                                   | 370,014  | -                       |
| Deposits and escrows                                     | -  | 1,373,807               |
| Due to other governmental units                          | -  | 788,489                 |
| Total liabilities  | <u>44,384,239</u>  | <u>\$ 2,658,560</u>     |
| <b>Net assets</b>  |  |                         |
| Held in trust for pension and other employee benefits    | <u>\$ 406,678,748</u>  |                         |

Note:

(1) Fiscal year ended December 31, 2009.

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, 2010

|   | Trust Funds -<br>Pension and Other<br>Retirement Benefits (1) |
|---|---|
| <b>Additions:</b>   |   |
| Contributions:  |   |
| Employee contributions  | \$ 747,927  |
| Employer contributions  | 30,995,718  |
| Employer contributions made on behalf of employees                | <u>1,072,023</u>  |
| Total contributions   | <u>32,815,668</u>   |
| Investment activity:  |   |
| Net appreciation/(depreciation) in fair value of investments      | 59,154,666  |
| Interest and dividend income                                      | <u>11,114,769</u>   |
|   | 70,269,435  |
| Less investment expense   | <u>(1,744,963)</u>  |
| Net investment gain/(loss)  | <u>68,524,472</u>   |
| Securities lending income:  |   |
| Interest and fees   | 242,158   |
| Less borrower rebates and bank fees                               | (42,963)  |
| Recognition of impaired asset                                     | <u>(587,365)</u>  |
| Net securities lending income                                     | <u>(388,170)</u>  |
| Miscellaneous income  | <u>75,068</u>   |
| Total additions   | <u>101,027,038</u>  |
| <b>Deductions:</b>  |   |
| Retirees' pension benefits  | 34,496,392  |
| Retirees' health insurance  | 14,720,641  |
| Refunds and withdrawals of contributions                          | 1,689,624   |
| Incentive bonuses   | 25,000  |
| Administrative expense  | <u>483,095</u>  |
| Total deductions  | <u>51,414,752</u>   |
| Net increase (decrease)   | 49,612,286  |
| Net assets held in trust for pension and other employee benefits: |   |
| Beginning of year   | <u>357,066,462</u>  |
| End of year   | <u>\$ 406,678,748</u>   |

Note:

(1) Fiscal year ended December 31, 2009.

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, 2010

**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, 2010

**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;<br/>Tax Increment Finance Authority</u> | <u>Brownfield Redevelopment Authority</u>                                  |
|--|---|--|
| Council Office<br>5460 Arden<br>Warren, MI 48092 | Mayor's Office<br>One City Square, Suite 215<br>Warren, MI 48093-6726           | Planning Department<br>One City Square, Suite 315<br>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, 2010

**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.

The City has elected to report all governmental funds as major funds. A description of the activities associated with each fund is reported within the letter of transmittal.

**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.

The operations of the Water and Sewer System and Senior Citizen Housing are reported as Enterprise Funds.

**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. Accordingly, fiduciary activities are not reported within the government-wide financial statements. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds. The City's fiduciary funds include its Pension and Voluntary Employee Benefit Association (VEBA) trust funds and the Payroll Revolving, Cash Bond, Tax Collection and Fire Insurance Withholding agency 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, 2010

**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. Delinquent personal property taxes are reported as a non-current receivable on the governmental fund balance sheet with a corresponding reservation of fund balance, representing that these amounts 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, 2010

**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, 2010

**B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**State Construction Code Act** - 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                                  | \$ 361,063                    |
| Electrical permits                                | 288,109                       |
| Mechanical permits                                | 164,380                       |
| Plumbing permits                                  | 126,681                       |
| Plan review fees                                  | 77,526                        |
| Sidewalk permits                                  | 8,026                         |
| Zoning permits                                    | 125,892                       |
| Other licenses and permits                        | 386,079                       |
| Board of appeals                                  | 26,865                        |
| Site plan fees                                    | 31,240                        |
| Planning commission fees                          | <u>4,720</u>                  |
| Total revenues                                    | <u>1,600,581</u>              |
| Expenditures (1):                                 |                               |
| Building department                               | 2,331,240                     |
| Planning department                               | <u>630,133</u>                |
| Total expenditures                                | <u>2,961,373</u>              |
| Excess (deficiency) of revenues over expenditures | ( 1,360,792)                  |
| Cumulative shortfall as of June 30, 2009          | <u>( 6,785,605)</u>           |
| Cumulative shortfall as of June 30, 2010          | <u><u>\$ ( 8,146,397)</u></u> |

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

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**C. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes what investment vehicles and institutions are suitable for the investment of funds of public corporations within the State of Michigan. In accordance with the provisions of the Act, the City by separate ordinance has adopted the following policies relative to its investments:

- (1) The city treasurer is authorized to invest surplus funds as follows:
  - (a) bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
  - (b) certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution but only if the financial institution complies with subsection (2), below.
  - (c) commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
  - (d) repurchase agreements consisting of instruments listed in subdivision (a), above.
  - (e) bankers acceptances of United States banks.
  - (f) obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
  - (g) mutual funds registered under the Investment Company Act of 1940 with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
  - (h) obligations described in the above subdivisions (a) through (g) if purchased through an inter-local agreement under the Urban Cooperation Act of 1967.
  - (i) investment pools organized under the Surplus Funds Investment Pool Act of 1982.
  - (j) investment pools organized under the Local Government Investment Pool Act of 1985.
- (2) The city treasurer shall not deposit or invest funds in a financial institution that is not eligible to be a depository of funds belonging to the State of Michigan under a law or rule of the State of Michigan or the United States.
- (3) Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investments under subsection (1), above.
- (4) The securities, which serve as collateral, shall be held by the issuing financial institution provided that a written trust agreement has been executed. Institutions without safekeeping departments or abilities must deliver said securities to a third party custodian with which the City has executed an agreement. Said agreement must be approved by city council pursuant to resolution.
- (5) The city treasurer shall only invest the surplus funds of the City in institutions eligible under subsection (2) above, and with concurrence by resolution of city council.
- (6) The city treasurer shall not deposit or invest in excess of fifty million dollars at or within any one financial institution.
- (7) The city treasurer shall not exceed sixty percent of the investable funds of the City in any one form of investment.
- (8) The city treasurer shall not have in excess of fifty percent of the City's total amount of surplus funds in any one financial institution.

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).

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**C. DETAILED NOTES ON ALL FUNDS**

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

*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>Interest<br/>Bearing<br/>Accounts</u> | <u>Non-Interest<br/>Bearing<br/>Accounts</u> | <u>Total</u>         |
|---|--|--|----------------------|
| <b>General City (excluding Water and Sewer System)</b>  | \$ 12,878,270                            | \$ 2,196,754                                 | \$ 15,075,024        |
| Plus outstanding checks                                 | -  | 805,204                                      | 805,204              |
| Less deposits in transit                                | <u>-</u>                                 | <u>( 38,258)</u>                             | <u>( 38,258)</u>     |
|   | <u>\$ 12,878,270</u>                     | <u>\$ 2,963,700</u>                          | <u>\$ 15,841,970</u> |
| FDIC insured  | 549,163                                  | 563,936                                      | 1,113,099            |
| Uninsured and uncollateralized                          | 12,329,107                               | 2,399,764                                    | 14,728,871           |
| <b>Water and Sewer System (as of December 31, 2009)</b> | \$ 132,140                               | \$ 186,847                                   | \$ 318,987           |
| Plus outstanding checks                                 | <u>38,855</u>                            | <u>101,812</u>                               | <u>140,667</u>       |
|   | <u>\$ 170,995</u>                        | <u>\$ 288,659</u>                            | <u>\$ 459,654</u>    |
| FDIC insured (1)  | -  | -  | -                    |
| Uninsured and uncollateralized                          | 170,995                                  | 288,659                                      | 459,654              |
| <b>Building Authority</b>                               | \$ 3,302,560                             | \$ -   | \$ 3,302,560         |
| Plus outstanding checks                                 | 2,403                                    | -  | 2,403                |
| Less deposits in transit                                | <u>( 480)</u>                            | <u>-</u>                                     | <u>( 480)</u>        |
|   | <u>\$ 3,304,483</u>                      | <u>\$ -</u>                                  | <u>\$ 3,304,483</u>  |
| FDIC insured  | 250,000                                  | -  | 250,000              |
| Uninsured and uncollateralized                          | 3,054,483                                | -  | 3,054,483            |
| <b>Tax Increment Finance Authority</b>                  | \$ -                                     | \$ 3,948                                     | \$ 3,948             |
|   | <u>\$ -</u>                              | <u>\$ 3,948</u>                              | <u>\$ 3,948</u>      |
| FDIC insured  | -  | 3,948  | 3,948                |
| Uninsured and uncollateralized                          | -  | -  | -                    |
| <b>Downtown Development Authority</b>                   | \$ 10,122,823                            | \$ 486,852                                   | \$ 10,609,675        |
| Plus outstanding checks                                 | 786                                      | 1,318  | 2,104                |
| Less deposits in transit                                | <u>-</u>                                 | <u>( 2,179)</u>                              | <u>( 2,179)</u>      |
|   | <u>\$ 10,123,609</u>                     | <u>\$ 485,991</u>                            | <u>\$ 10,609,600</u> |
| FDIC insured  | 750,000                                  | 250,000                                      | 1,000,000            |
| Uninsured and uncollateralized                          | 9,373,609                                | 235,991                                      | 9,609,600            |

(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.

The City's investment ordinance does not address a policy for deposit custodial risk. 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 City evaluates each financial institution used as a depository and assesses the level of risk of each institution.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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. The City's investment ordinance does not address a policy for investment custodial risk. 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. The City's investment ordinance only addresses a policy for credit and interest rate risk relative to investment in commercial paper.

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

|  | <u>Amount<br/>Invested</u> | <u>Rating</u> | <u>2a-7<br/>Like</u> | <u>Weighted<br/>Ave. Maturity</u> |
|--|----------------------------|---------------|----------------------|-----------------------------------|
| <b>General City (excluding Water and Sewer System):</b>  |                            |               |                      |                                   |
| JPMorgan Chase – Michigan Governmental MMF               | \$ 12,094,252              | Moody's Aaa   | Yes                  | Not Applicable                    |
| Banc of America–Fidelity Treasury Only – Class I         | 100,839                    | Not Rated     | Yes                  | Not Applicable                    |
| PNC Bank – Municipal Investment Fund                     | 673,381                    | Not Rated     | No                   | 39 days                           |
| Huntington Bank – Automated Funds Investment             | 5,664,867                  | Not Rated     | No                   | Not Available                     |
| MBIA – Michigan Class                                    | 187,251                    | S&P AAA       | Yes                  | Not Applicable                    |
| Comerica – Government Cash Investment Fund               | <u>20,364,459</u>          | Not Rated     | Yes                  | Not Applicable                    |
|  | <u>\$ 39,085,049</u>       |               |                      |                                   |
| <b>Water and Sewer System (as of December 31, 2009):</b> |                            |               |                      |                                   |
| Comerica – Government Cash Investment Fund               | \$ 7,268,802               | Not rated     | Yes                  | Not Applicable                    |
| PNC Bank – Municipal Investment Fund                     | <u>62,000</u>              | Not rated     | No                   | 39 days                           |
|  | <u>\$ 7,330,802</u>        |               |                      |                                   |
| <b>Tax Increment Finance Authority:</b>                  |                            |               |                      |                                   |
| Comerica – Government Cash Investment Fund               | \$ 1,415,249               | Not Rated     | Yes                  | Not Applicable                    |
| <b>Downtown Development Authority:</b>                   |                            |               |                      |                                   |
| JPMorgan Chase – Michigan Governmental MMF               | \$ 31,078                  | Moody's Aaa   | Yes                  | Not Applicable                    |
| Fifth Third Institutional Money Market Trust             | <u>1,344,708</u>           | Moody's Aaa   | Yes                  | Not Applicable                    |
|  | <u>\$ 1,375,786</u>        |               |                      |                                   |

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

| <b>General City:</b>         | <u>Fair value</u> | <u>Credit Rating</u> | <u>Maturity</u> |
|------------------------------|-------------------|----------------------|-----------------|
| United States Treasury Bills | \$ 9,999,850      | US Government        | 27days          |

*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, 2010

**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, 2009 was 6 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, 2009 was \$6,200,712 and \$5,981,512 respectively.

*Custodial credit risk for deposits.* Cash balances, without recognizing checks issued but not cashed, at December 31, 2009, excluding impress funds, were \$25,001. All deposits were covered by the Federal Deposit Insurance Corporation.

*Custodial credit risk for investments.* At December 31, 2009, 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        | \$ 5,654,958        | Not Rated     | Yes              | Not applicable                |
| Government Agency Repurchase Agreement   | <u>878,548</u>      | Not Rated     | No               | Overnight                     |
|  | <u>\$ 6,533,506</u> |               |                  |                               |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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  | \$ 4,547,953         | 8.93%             |
| U.S. government agencies                               | 4,199,241            | 8.25%             |
| Other debt securities as<br>rated by Standard & Poors: |                      |                   |
| AAA  | 10,721,890           | 21.06%            |
| AA+  | 1,212,096            | 2.38%             |
| AA-  | 1,758,352            | 3.45%             |
| A+   | 7,229,285            | 14.20%            |
| A  | 13,280,691           | 26.09%            |
| A-   | 3,450,552            | 6.78%             |
| BBB+   | 1,454,432            | 2.86%             |
| BBB  | 1,064,380            | 2.09%             |
| BBB-   | 886,370              | 1.74%             |
| B+   | 165,191              | 0.32%             |
| B-   | 412,393              | 0.81%             |
| CCC  | 105,337              | 0.21%             |
| CCC-   | 227,500              | 0.45%             |
| Not rated  | <u>189,764</u>       | <u>0.38%</u>      |
|  | <u>\$ 50,905,427</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            | \$ 936,673            | \$ 2,896,530         | \$ 714,750           |
| U.S. government agencies   | 2,131,260             | 1,880,707            | -                    |
| Other debt securities      | <u>17,971,818</u>     | <u>18,100,429</u>    | <u>6,273,260</u>     |
|                            | <u>\$ 21,039,751</u>  | <u>\$ 22,877,666</u> | <u>\$ 6,988,010</u>  |
|                            | 41.33%                | 44.94%               | 13.73%               |

Weighted Average Maturity = 8.44 years

*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, 2009, only United States currency was received as collateral.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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 \$532,000 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, 2009 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, 2009, 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, 2009 was \$26,293,482 and \$25,333,784, respectively.

*Custodial credit risk for deposits.* The System does not have a deposit policy for custodial credit risk. At December 31, 2009, the Police and Fire Retirement System had deposits of \$1,369,280, 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, 2009, the credit quality ratings of debt securities are as follows:

| <u>Credit Ratings:</u><br>(as rated by S&P): | <u>Fair Value</u> |
|--|-------------------|
| AAA  | \$ 23,379,414     |
| AA   | 3,477,199         |
| A  | 17,825,322        |
| BBB  | 16,284,645        |
| BB   | 109,029           |
| B  | 99,607            |
| CCC  | 104,338           |
| Not rated                                    | 27,964,876        |

*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, 2009, 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                 | \$ 1,402,018      | \$ 64,996          | \$ 517,066       | \$ 8,963          | \$ 810,993          |
| Corporate - Bonds            | 31,295,220        | 429,025            | 12,664,855       | 13,458,203        | 4,743,137           |
| Corporate – CMO              | 829,649           | -                  | -                | -                 | 829,649             |
| Corp.– Private placement     | 2,056,305         | 24,895             | 864,968          | 241,915           | 924,527             |
| Foreign – Bonds              | 3,339,257         | 5,011              | 1,804,686        | 1,261,524         | 268,036             |
| Foreign – Gov't              | 5,359             | -                  | 5,359            | -                 | -                   |
| Municipal – Bonds            | 10,072            | 10,072             | -                | -                 | -                   |
| U.S. Gov't – Agency          | 8,324,739         | 773,377            | 5,930,886        | 1,620,476         | -                   |
| U.S. Gov't – CMO             | 187,599           | -                  | -                | -                 | 187,599             |
| U.S. Gov't – Mortgage backed | 14,850,545        | -                  | -                | 72,211            | 14,778,334          |
| U.S Gov't – Other            | 2,021,689         | -                  | -                | -                 | 2,021,689           |
| U.S. Gov't – TIPS            | 249,680           | -                  | -                | 249,680           | -                   |
| U.S. Gov't – Notes and bonds | 14,299,817        | -                  | 5,059,454        | 5,848,286         | 3,392,077           |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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                    | \$ 2,585,402      |
|                 | Swiss franc             | 2,009,560         |
|                 | Yen                     | 290,015           |
|                 | UK pound                | 3,814,135         |
|                 | Hong Kong dollar        | 3,107,594         |
|                 | Canadian dollar         | 510,297           |
|                 | Danish krone            | 168,089           |
|                 | Singapore dollar        | 752,252           |

**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, 2009, the Plan and Trust had certificates of deposit of \$3,335,823, of which \$250,000 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, 2009, 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 | \$ 2,749,261      | Moody's                    |
| Short-term cash management | AAA             | 2,468,046         | 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 \$2,749,261, was 6.84 years.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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, 2009.

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  | \$ 6,200,986      | 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                                      | \$ 917,377          | 13.36%            | 0 - 5 years                            | \$ 4,254,886      | 61.96%            |
| U.S. government agency                               | 399,141             | 5.81%             | 5-15 years                             | 2,590,795         | 37.73%            |
| Other debt securities as rated by Standard & Poores: |                     |                   | > 15 years                             | <u>21,157</u>     | <u>0.31%</u>      |
| AAA  | 1,412,332           | 20.57%            |  | <u>6,866,838</u>  | <u>100.00%</u>    |
| AA+  | 189,389             | 2.76%             | Weighted Average Maturity = 5.10 years |                   |                   |
| AA-  | 381,969             | 5.56%             |  |                   |                   |
| A+   | 703,886             | 10.25%            |  |                   |                   |
| A  | 1,761,537           | 25.65%            |  |                   |                   |
| A-   | 444,264             | 6.47%             |  |                   |                   |
| BBB+   | 592,415             | 8.63%             |  |                   |                   |
| BBB-   | <u>64,528</u>       | <u>0.94%</u>      |  |                   |                   |
|  | <u>\$ 6,866,838</u> | <u>100.00%</u>    |  |                   |                   |

**City Employees' QEBA Trust:**

There were no outstanding deposits at December 31, 2009.

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  | \$ 10,235         | 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, 2010

**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> |
|--|---------------------|---------------------|------------------------------|
| 2003                                       | \$ 218,532          | \$ 173,279          | \$ 45,253                    |
| 2004                                       | 254,413             | 201,908             | 52,505                       |
| 2006                                       | 141,474             | 109,804             | 31,670                       |
| 2007                                       | 151,424             | 119,360             | 32,064                       |
| 2008                                       | 223,899             | 180,228             | 43,671                       |
| 2009                                       | <u>606,108</u>      | <u>496,441</u>      | <u>109,667</u>               |
|  | 1,595,850           | 1,281,020           | 314,830                      |
| Less: Allowance for<br>Uncollectible Taxes | <u>( 430,183)</u>   | <u>( 396,910)</u>   | <u>( 33,273)</u>             |
|  | <u>\$ 1,165,667</u> | <u>\$ 884,110</u>   | <u>\$ 281,557</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 \$459,000 of delinquent taxes remains to be stricken as of June 30, 2010. 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 \$6,679,220 notes outstanding at June 30, 2010 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, 2010

**C. DETAILED NOTES ON ALL FUNDS**

**2. RECEIVABLES (continued)**

|  | <u>Amount<br/>Receivable</u> |   | <u>Amount<br/>Payable</u> |
|--|------------------------------|---|---------------------------|
| <b><u>Governmental Funds:</u></b>                    |                              | <b><u>Governmental Funds:</u></b>                   |                           |
| General Fund:  |                              | General Fund:                                       |                           |
| Due from other Governmental Funds:                   |                              | Due to other Governmental Funds:                    |                           |
| Michigan Transportation - Major Roads                | \$ 2,578                     | H.O.M.E.  | \$ 19,534                 |
| Michigan Transportation - Local Roads                | 17,620                       | Building Authority Series 2001 Debt Retirement      | 137                       |
| Community Development Block Grant                    | 334,154                      | Building Authority Series 2005 Debt Retirement      | 113                       |
| Community Development Block Grant - Recovery         | 31,927                       | Building Authority Series 2005 Construction         | <u>149</u>                |
| H.O.M.E.   | 64,300                       |   | <u>19,933</u>             |
| H.O.P.W.A.   | 42,259                       | Michigan Transportation Operating – Major Streets:  |                           |
| Neighborhood Stabilization Program                   | 319,642                      | Due to other Governmental Funds:                    |                           |
| D.D.A. Administration Fund                           | 681,300                      | General Fund  | 2,578                     |
| Tax Increment Finance Authority                      | 6,102                        | Michigan Transportation Operating – Local Streets:  |                           |
| Due from Proprietary Funds:                          |                              | Due to other Governmental Funds:                    |                           |
| Senior Housing – Stilwell Manor                      | 22,409                       | General Fund  | 17,620                    |
| Senior Housing – Jos. Coach Manor                    | 603,802                      | Community Development Block Grant:                  |                           |
| Water and Sewer System (1)                           | 3,205,540                    | Due to other Governmental Funds:                    |                           |
| Due from Fiduciary and Agency Funds:                 |                              | General Fund  | 334,154                   |
| Fire Insurance Withholding                           | 21                           | Community Development Block Grant - Recovery:       |                           |
| Payroll Revolving Fund                               | 483,037                      | Due to other Governmental Funds:                    |                           |
| City Employees' Retirement System (1)                | 127,203                      | General Fund  | 31,927                    |
| Police and Fire Retirement System (1)                | 140,176                      | H.O.M.E.:   |                           |
| City Employees' VEBA Trust (1)                       | 4,140,193                    | Due to other Governmental Funds:                    |                           |
| Police and Fire VEBA Trust (1)                       | <u>3,589,354</u>             | General Fund  | 64,300                    |
|  | <u>13,811,616</u>            | Community Development Block Grant                   | <u>3,121</u>              |
| Community Development Block Grant:                   |                              |   | <u>67,421</u>             |
| Due from other Governmental Funds:                   |                              | H.O.P.W.A.:   |                           |
| H.O.M.E.   | 3,121                        | Due to other Governmental Funds:                    |                           |
| H.O.P.W.A.   | 127                          | General Fund  | 42,259                    |
| Neighborhood Stabilization Program                   | <u>11,719</u>                | Community Development Block Grant                   | <u>127</u>                |
|  | <u>14,968</u>                |   | <u>42,386</u>             |
| H.O.M.E.:  |                              | Neighborhood Stabilization Program:                 |                           |
| Due from other Governmental Funds:                   |                              | Due to other Governmental Funds:                    |                           |
| General Fund   | 19,534                       | General Fund  | 319,642                   |
| D.D.A. Series 2002 Debt Retirement:                  |                              | Community Development Block Grant                   | <u>11,719</u>             |
| Due from other Governmental Funds:                   |                              |   | <u>331,361</u>            |
| D.D.A. Administration Fund                           | 100                          | D.D.A. Administration Fund:                         |                           |
| Building Authority Series 2001 Debt Retirement Fund: |                              | Due to other Governmental Funds:                    |                           |
| Due from other Governmental Funds:                   |                              | General Fund  | 681,300                   |
| General Fund   | 137                          | D.D.A. Series 2002 Debt Retirement                  | <u>100</u>                |
| Building Authority Series 2005 Debt Retirement:      |                              |   | <u>681,400</u>            |
| Due from other Governmental Funds:                   |                              | Capital Improvement Bonds Series 2006 Construction: |                           |
| General Fund   | 113                          | Due to Proprietary Funds:                           |                           |
| Building Authority Series 2005 Construction          | <u>14,657</u>                | Water and Sewer System (1)                          | 1,078,128                 |
|  | <u>14,770</u>                | Building Authority Series 2005 Construction:        |                           |
| Michigan Transportation Series 2003 Construction:    |                              | Due to other Governmental Funds:                    |                           |
| Due from Proprietary Funds:                          |                              | Building Authority Series 2005 Debt Retirement      | 14,657                    |
| Water and Sewer System (1)                           | 213,255                      | Tax Increment Finance Authority:                    |                           |
| Building Authority Series 2005 Construction:         |                              | Due to other Governmental Funds:                    |                           |
| Due from other Governmental Funds:                   |                              | General Fund  | 6,102                     |
| General Fund   | 149                          |   |                           |
| Total Governmental Funds                             | <u>14,074,529</u>            | Total Governmental Funds                            | <u>2,627,667</u>          |
| <b><u>Proprietary Funds:</u></b>                     |                              | <b><u>Proprietary Funds:</u></b>                    |                           |
| Water and Sewer System (1)                           |                              | Water and Sewer System (1)                          |                           |
| Due from Governmental Funds:                         |                              | Due to Governmental Funds:                          |                           |
| General Fund   | 7,540                        | General Fund  | 3,387,911                 |
| Capital Imp. Bonds Series 2006 Cstr.                 | <u>1,079,195</u>             | Senior Citizen Housing – Stilwell Manor:            |                           |
|  | <u>1,086,735</u>             | Due to Governmental Funds:                          |                           |
|  |                              | General Fund  | 22,409                    |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**C. DETAILED NOTES ON ALL FUNDS**

**2. RECEIVABLES (continued)**

|  | <u>Amount<br/>Receivable</u> |  | <u>Amount<br/>Payable</u> |
|--|------------------------------|--|---------------------------|
| <b><u>Proprietary Funds (continued):</u></b> |                              | <b><u>Proprietary Funds (continued):</u></b> |                           |
| Senior Housing – Stilwell Manor:             |                              | Senior Citizen Housing – Jos. Coach Manor:   |                           |
| Due from other Proprietary Funds:            |                              | Due to Governmental Funds:                   |                           |
| Senior Housing – Jos. Coach Manor            | \$ 300,157                   | General Fund                                 | \$ 603,802                |
|  |                              | Due to other Proprietary Funds:              |                           |
|  |                              | Senior Housing – Stilwell Manor              | <u>300,157</u>            |
|  |                              |  | <u>903,959</u>            |
| Total Proprietary Funds                      | <u>1,386,892</u>             | Total Proprietary Funds                      | <u>4,314,279</u>          |
| <b><u>Fiduciary and Agency Funds:</u></b>    |                              | <b><u>Fiduciary and Agency Funds:</u></b>    |                           |
| City Employees' Retirement System (1):       |                              | Police and Fire Retirement System (1):       |                           |
| Due from Governmental Funds:                 |                              | Due to Governmental Funds:                   |                           |
| General Fund                                 | 400,000                      | General Fund                                 | 136,452                   |
| Due from Proprietary Funds:                  |                              | City Employees' Retirement System (1):       |                           |
| Water and Sewer System (1)                   | <u>373</u>                   | Due to Governmental Funds:                   |                           |
|  | <u>400,373</u>               | General Fund                                 | 133,803                   |
| Payroll Revolving Fund:                      |                              | Due to Proprietary Funds:                    |                           |
| Due from other Fiduciary and Agency Funds:   |                              | Water and Sewer System (1)                   | <u>9,623</u>              |
| City Employees' Retirement System (1)        | 10,119                       |  | <u>143,426</u>            |
| Police and Fire Retirement System (1)        | 24,163                       | Police and Fire VEBA Trust (1):              |                           |
| City Employees' VEBA Trust (1)               | <u>78</u>                    | Due to Governmental Funds:                   |                           |
|  | <u>34,360</u>                | General Fund                                 | 3,753,612                 |
|  |                              | City Employees' VEBA Trust (1):              |                           |
|  |                              | Due to Governmental Funds:                   |                           |
|  |                              | General Fund                                 | 3,772,013                 |
|  |                              | Due to Proprietary Funds:                    |                           |
|  |                              | Water and Sewer System (1)                   | <u>373</u>                |
|  |                              |  | <u>3,772,386</u>          |
|  |                              | Payroll Revolving Fund:                      |                           |
|  |                              | Due to Governmental Funds:                   |                           |
|  |                              | General Fund                                 | 483,037                   |
|  |                              | Fire Insurance Withholding Fund:             |                           |
|  |                              | Due to Governmental Funds:                   |                           |
|  |                              | General Fund                                 | 21                        |
| Total Fiduciary and Agency Funds             | <u>434,733</u>               | Total Fiduciary and Agency Funds             | <u>8,288,934</u>          |
| Total – due from other funds                 | 15,896,154                   | Total – due to other funds                   | 15,230,880                |
| (1) Denotes fiscal year ending               |                              | (1) Denotes fiscal year ending               |                           |
| December 31, 2009                            | <u>(12,937,189)</u>          | December 31, 2009                            | <u>(12,271,915)</u>       |
|  | <u>\$ 2,958,965</u>          |  | <u>\$ 2,958,965</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<br/>Fund</u>   | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Proprietary<br/>Funds (1)</u> |                      |
| General Fund           | \$ -                      | \$ 382,554                 | \$ 948,275              | \$ -                        | \$ 80,434                        | \$ 1,411,263         |
| Special Revenue        | -                         | 132,000                    | 8,249,338               | -                           | 80,434                           | 8,461,772            |
| Capital Projects       | -                         | -                          | <u>684,485</u>          | <u>3,909</u>                | -                                | <u>688,394</u>       |
|                        | <u>\$ -</u>               | <u>\$ 514,554</u>          | <u>\$ 9,882,098</u>     | <u>\$ 3,909</u>             | <u>\$ 160,868</u>                | <u>\$ 10,561,429</u> |

(1) Fiscal year ended December 31, 2009.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**C. DETAILED NOTES ON ALL FUNDS**

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>      | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|--|------------------------------|-----------------------|---------------------|---------------------------|
| <b><u>Governmental activities:</u></b>       |                              |                       |                     |                           |
| Capital assets not being depreciated:        |                              |                       |                     |                           |
| Land   | \$ 25,082,543                | \$ 57,906             | \$ -                | \$ 25,140,449             |
| Construction in progress                     | <u>2,068,600</u>             | <u>2,056,829</u>      | <u>918,919</u>      | <u>3,206,510</u>          |
| Total capital assets not being depreciated   | <u>27,151,143</u>            | <u>2,114,735</u>      | <u>918,919</u>      | <u>28,346,959</u>         |
| Capital assets being depreciated:            |                              |                       |                     |                           |
| Infrastructure                               | 133,584,674                  | 208,848               | -                   | 133,793,522               |
| Land Improvements                            | 9,318,801                    | 413,208               | 239,774             | 9,492,235                 |
| Buildings                                    | 88,759,059                   | -                     | 754,650             | 88,004,409                |
| Machinery and equipment                      | <u>42,764,171</u>            | <u>1,460,952</u>      | <u>364,942</u>      | <u>43,860,181</u>         |
| Total capital assets being depreciated       | 274,426,705                  | 2,083,008             | 1,359,366           | 275,150,347               |
| Less accumulated depreciation for:           |                              |                       |                     |                           |
| Infrastructure                               | ( 99,245,659)                | ( 1,914,933)          | ( -)                | (101,160,592)             |
| Land improvements                            | ( 5,712,393)                 | ( 452,148)            | ( 237,776)          | ( 5,926,765)              |
| Buildings                                    | ( 24,309,803)                | ( 2,977,691)          | ( 461,203)          | ( 26,826,291)             |
| Machinery and equipment                      | <u>( 23,478,678)</u>         | <u>( 2,963,871)</u>   | <u>( 347,929)</u>   | <u>( 26,094,620)</u>      |
| Total accumulated depreciation               | <u>( 152,746,533)</u>        | <u>( 8,308,643)</u>   | <u>( 1,046,908)</u> | <u>(160,008,268)</u>      |
| Total capital assets, being depreciated, net | <u>121,680,172</u>           | <u>( 6,225,635)</u>   | <u>312,458</u>      | <u>115,142,079</u>        |
| Governmental activities capital assets, net  | <u>\$ 148,831,315</u>        | <u>\$( 4,110,900)</u> | <u>\$ 1,231,377</u> | <u>\$ 143,489,038</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                                    | 76,033,972                   | 801,661               | -                   | 76,835,633                |
| Utility system                               | 114,483,271                  | 1,711,226             | 59,966              | 116,134,531               |
| Machinery and equipment                      | <u>13,924,759</u>            | <u>199,529</u>        | <u>1,283</u>        | <u>14,123,005</u>         |
| Total capital assets being depreciated       | 204,442,002                  | 2,712,416             | 61,249              | 207,093,169               |
| Less accumulated depreciation for:           |                              |                       |                     |                           |
| Buildings                                    | ( 25,908,668)                | ( 1,825,614)          | -                   | ( 27,734,282)             |
| Utility system                               | ( 53,172,360)                | ( 2,360,738)          | ( 59,966)           | ( 55,473,132)             |
| Machinery and equipment                      | <u>( 12,895,669)</u>         | <u>( 288,100)</u>     | <u>( 1,283)</u>     | <u>( 13,182,486)</u>      |
| Total accumulated depreciation               | <u>( 91,976,697)</u>         | <u>( 4,474,452)</u>   | <u>( 61,249)</u>    | <u>( 96,389,900)</u>      |
| Total capital assets, being depreciated, net | <u>112,465,305</u>           | <u>( 1,762,036)</u>   | <u>-</u>            | <u>110,703,269</u>        |
| Business-type activities capital assets, net | <u>\$ 113,292,168</u>        | <u>\$( 1,762,036)</u> | <u>\$ -</u>         | <u>\$ 111,530,132</u>     |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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                                    | \$ 178,440          |
| Public safety   | 1,703,786           |
| City development                                      | 25,125              |
| Highways and streets                                  | 1,787,922           |
| Recreation and culture                                | 1,846,107           |
| Sanitation  | 424,126             |
| Economic development                                  | <u>2,343,137</u>    |
| Total depreciation expense – governmental activities  | <u>\$ 8,308,643</u> |
| Business-type activities:                             |                     |
| Water and sewer system                                | \$ 4,222,106        |
| Senior citizen housing                                | <u>252,346</u>      |
| Total depreciation expense – business-type activities | <u>\$ 4,474,452</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, 2010.

**Operating Leases**

The City has entered into two 3-year operating lease agreements. One for exercise equipment at the Warren Community Center with annual payments of \$12,104 per year. The other is for the lease of 8 motorcycles for the police department with annual payments of \$15,120 per year. Both leases expire in fiscal year 2011. The future minimum lease payments are as follows:

|         |                  |
|---------|------------------|
| FY 2011 | <u>\$ 27,224</u> |
| Total   | <u>\$ 27,224</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>Maturity<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|--------------------------|------------------------------|-------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u> |                          |                              |                   |                           |                                |
| DPW Garage                      | 07/01/12                 | <u>\$ 1,206,976</u>          | <u>\$ 953,909</u> | <u>\$ 253,067</u>         | <u>\$ 96,763</u>               |
|                                 |                          | <u>\$ 1,206,976</u>          | <u>\$ 953,909</u> | <u>\$ 253,067</u>         | <u>\$ 96,763</u>               |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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 \$1,718,788 a year, and are due serially through fiscal year 2029 with annual interest rates ranging from 2.00% to 6.500%.

|                                  | <u>Maturity<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>    | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|----------------------------------|--------------------------|------------------------------|----------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u>  |                          |                              |                      |                           |                                |
| MTF, Series 1997                 | 06/01/12                 | \$ 4,500,000                 | \$ 3,680,000         | \$ 820,000                | \$ 400,000                     |
| MTF, Series 2000                 | 06/01/16                 | 5,165,000                    | 5,165,000            | -                         | -                              |
| MTF, Series 2003                 | 06/01/18                 | 5,500,000                    | 1,500,000            | 4,000,000                 | 500,000                        |
| Capital Improvement, Series 2006 | 09/01/26                 | 5,409,304                    | 107,756              | 5,301,548                 | 35,918                         |
| Capital Improvement, Series 2008 | 09/01/28                 | 3,241,199                    | 161,033              | 3,080,166                 | 161,033                        |
| MTF, Refunding Series 2010       | 06/01/16                 | <u>3,040,000</u>             | <u>-</u>             | <u>3,040,000</u>          | <u>535,000</u>                 |
|                                  |                          | <u>\$ 26,855,503</u>         | <u>\$ 10,613,789</u> | <u>\$ 16,241,714</u>      | <u>\$ 1,631,951</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 \$26,631 to \$3,876,293 a year and are due serially through fiscal year 2030 with annual interest rates ranging from 1.625% to 5.125%.

|                                      | <u>Maturity<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>    | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--------------------------------------|--------------------------|------------------------------|----------------------|---------------------------|--------------------------------|
| <u>Business-type activities (1):</u> |                          |                              |                      |                           |                                |
| Revenue Bonds:                       |                          |                              |                      |                           |                                |
| Refunding Series 1999                | 05/01/16                 | \$ 12,000,000                | \$ 4,925,000         | \$ 7,075,000              | \$ 975,000                     |
| Series 1999                          | 11/01/11                 | 11,400,000                   | 11,300,000           | 100,000                   | 50,000                         |
| Series 2000                          | 11/01/11                 | 13,750,000                   | 12,525,000           | 1,225,000                 | 600,000                        |
| Refunding Series 2005                | 11/01/26                 | 21,675,000                   | 850,000              | 20,825,000                | 130,000                        |
| Capital Improvement Bonds:           |                          |                              |                      |                           |                                |
| Series 2003                          | 06/01/23                 | 1,280,543                    | 290,543              | 990,000                   | 55,000                         |
| SRF, Series 5134-01                  | 10/01/24                 | 4,750,000                    | 975,000              | 3,775,000                 | 210,000                        |
| SRF, Series 5134-02                  | 04/01/26                 | 6,465,000                    | 805,000              | 5,660,000                 | 280,000                        |
| SRF, Series 5134-03                  | 10/01/24                 | 1,147,091                    | 260,000              | 887,091                   | 55,000                         |
| SRF, Series 5134-04                  | 04/01/26                 | 8,200,000                    | 1,065,000            | 7,135,000                 | 370,000                        |
| Series 2006                          | 09/01/26                 | 2,120,696                    | 42,245               | 2,078,451                 | 14,082                         |
| SRF, Series 5404-01                  | 10/01/30                 | <u>421,987</u>               | <u>-</u>             | <u>421,987</u>            | <u>-</u>                       |
|                                      |                          | <u>\$ 83,210,317</u>         | <u>\$ 33,037,788</u> | <u>\$ 50,172,529</u>      | <u>\$ 2,739,082</u>            |

(1) For fiscal year ended December 31, 2009

**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 a remaining principal maturity of \$250,000 due in fiscal year 2011, with an annual interest rate of 5.00%.

|                                 | <u>Maturity<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|--------------------------|------------------------------|---------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u> |                          |                              |                     |                           |                                |
| Series 1991                     | 10/01/10                 | <u>\$ 2,200,000</u>          | <u>\$ 1,950,000</u> | <u>\$ 250,000</u>         | <u>\$ 250,000</u>              |
|                                 |                          | <u>\$ 2,200,000</u>          | <u>\$ 1,950,000</u> | <u>\$ 250,000</u>         | <u>\$ 250,000</u>              |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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 \$1,140,000 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 3.500% to 5.250%.

|   | <u>Maturity<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>    | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|--------------------------|------------------------------|----------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u>                           |                          |                              |                      |                           |                                |
| Series 2001, Community Center                             | 11/01/10                 | \$ 13,000,000                | \$ 12,600,000        | \$ 400,000                | \$ 400,000                     |
| Series 2002, Multi-purpose                                | 11/01/09                 | 2,858,720                    | 2,858,720            | -                         | -                              |
| Series 2005, Multi-purpose                                | 06/01/15                 | 5,180,000                    | 2,325,000            | 2,855,000                 | 525,000                        |
| Series 2005, WCC refunding                                | 11/01/26                 | 10,835,000                   | 405,000              | 10,430,000                | 65,000                         |
| <u>Business-type activities:</u>                          |                          |                              |                      |                           |                                |
| Senior Housing -<br>Refunding Series 2004                 | 11/01/16                 | 8,930,000                    | 3,000,000            | 5,930,000                 | 620,000                        |
| Water and Sewer System (1)-<br>Series 2002, Multi-purpose | 11/01/09                 | <u>266,280</u>               | <u>266,280</u>       | <u>-</u>                  | <u>-</u>                       |
|   |                          | <u>\$ 41,070,000</u>         | <u>\$ 21,455,000</u> | <u>\$ 19,615,000</u>      | <u>\$ 1,610,000</u>            |

(1) For fiscal year ended December 31, 2009.

**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<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|--------------------------|------------------------------|---------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u>            |                          |                              |                     |                           |                                |
| Capital Improvement Bonds -<br>Series 2005 | 06/01/15                 | \$ 1,835,000                 | \$ 825,000          | \$ 1,010,000              | \$ 200,000                     |
| Series 2008                                | 09/01/23                 | <u>2,063,801</u>             | <u>343,967</u>      | <u>1,719,834</u>          | <u>343,967</u>                 |
|  |                          | <u>\$ 3,898,801</u>          | <u>\$ 1,168,967</u> | <u>\$ 2,729,834</u>       | <u>\$ 543,967</u>              |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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<br/>Date</u> | <u>Beginning<br/>Balance</u> | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|--------------------------|------------------------------|---------------------|---------------------------|--------------------------------|
| <u>Governmental activities:</u> |                          |                              |                     |                           |                                |
| Downtown Development Bonds -    |                          |                              |                     |                           |                                |
| Series 2002                     | 10/01/25                 | \$ 20,000,000                | \$ 2,000,000        | \$ 18,000,000             | \$ 500,000                     |
| Series 2003                     | 10/01/26                 | 20,000,000                   | 1,500,000           | 18,500,000                | 500,000                        |
| Series 2004                     | 10/01/27                 | 20,000,000                   | 1,000,000           | 19,000,000                | 500,000                        |
| Series 2005                     | 10/01/28                 | <u>15,000,000</u>            | <u>250,000</u>      | <u>14,750,000</u>         | <u>250,000</u>                 |
|                                 |                          | <u>\$ 75,000,000</u>         | <u>\$ 4,750,000</u> | <u>\$ 70,250,000</u>      | <u>\$ 1,750,000</u>            |

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

| Year Ended<br><u>June 30</u> | <u>Governmental activities</u> |                      | <u>Business-type activities<br/>(Senior Citizen Housing)</u> |                     |
|------------------------------|--------------------------------|----------------------|--|---------------------|
|                              | <u>Principal</u>               | <u>Interest</u>      | <u>Principal</u>   | <u>Interest</u>     |
| 2011                         | \$ 5,262,681                   | \$ 4,401,763         | \$ 620,000   | \$ 246,219          |
| 2012                         | 5,155,411                      | 4,204,851            | 610,000  | 223,931             |
| 2013                         | 4,721,404                      | 4,007,364            | 705,000  | 198,834             |
| 2014                         | 5,042,694                      | 3,821,721            | 895,000  | 167,275             |
| 2015                         | 5,121,224                      | 3,624,560            | 950,000  | 129,781             |
| 2016 - 2020                  | 27,038,468                     | 14,775,878           | 2,150,000  | 111,532             |
| 2021 - 2025                  | 34,348,530                     | 7,796,793            | -  | -                   |
| 2026 - 2029                  | <u>16,719,203</u>              | <u>1,103,215</u>     | <u>-</u>   | <u>-</u>            |
|                              | <u>\$ 103,409,615</u>          | <u>\$ 43,736,145</u> | <u>\$ 5,930,000</u>  | <u>\$ 1,077,572</u> |

| Year Ended<br><u>December 31</u> |                       |                      | <u>Business-type activities<br/>(Water and Sewer System)</u> |                      |
|----------------------------------|-----------------------|----------------------|--|----------------------|
|                                  |                       |                      | <u>Principal</u>   | <u>Interest</u>      |
| 2010                             |                       |                      | \$ 2,739,082   | \$ 1,702,210         |
| 2011                             |                       |                      | 2,888,633  | 1,607,390            |
| 2012                             |                       |                      | 3,009,316  | 1,499,973            |
| 2013                             |                       |                      | 3,154,377  | 1,394,796            |
| 2014                             |                       |                      | 3,191,529  | 1,286,439            |
| 2015 - 2019                      |                       |                      | 17,242,127   | 4,717,718            |
| 2020 - 2024                      |                       |                      | 14,272,130   | 1,852,414            |
| 2025 - 2030                      |                       |                      | <u>3,675,335</u>   | <u>160,479</u>       |
|                                  |                       |                      | <u>\$ 50,172,529</u>   | <u>\$ 14,221,419</u> |
|                                  | <u>\$ 103,409,615</u> | <u>\$ 43,736,145</u> | <u>\$ 56,102,529</u>   | <u>\$ 15,298,991</u> |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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 are 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, 2009.

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:<br>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:<br>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, 2009.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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               | \$ 1,514,108         | \$( 164,522)           | \$ 1,349,586         | \$ 244,029          | \$( 40,711)            | \$ 203,318          |
| Public safety                    | 11,101,285           | ( 555,562)             | 10,545,723           | 1,739,301           | ( 167,728)             | 1,571,573           |
| City development                 | 334,255              | ( 37,808)              | 296,447              | 87,123              | ( 11,254)              | 75,869              |
| Highways and streets             | 350,993              | ( 44,613)              | 306,380              | 54,358              | ( 8,910)               | 45,448              |
| Recreation and culture           | 640,750              | ( 44,613)              | 596,137              | 110,168             | ( 23,483)              | 86,685              |
| Sanitation                       | 101,382              | ( 9,476)               | 91,906               | 42,756              | 2,748                  | 45,504              |
| Economic development             | 10,247               | ( 3,927)               | 6,320                | 5,113               | ( 1,131)               | 3,982               |
| Community development            | 31,074               | 34,176                 | 65,250               | 3,058               | 9,132                  | 12,190              |
|                                  | <u>14,084,094</u>    | <u>( 826,345)</u>      | <u>13,257,749</u>    | <u>2,285,906</u>    | <u>( 241,337)</u>      | <u>2,044,569</u>    |
| <b>Business-type activities:</b> |                      |                        |                      |                     |                        |                     |
| Water and Sewer System           | 1,487,430            | ( 351,515)             | 1,135,915            | 139,118             | ( 1,300)               | 137,818             |
| Senior Citizen Housing           | 17,808               | ( 411)                 | 17,397               | 8,884               | ( 1,066)               | 7,818               |
|                                  | <u>1,505,238</u>     | <u>( 351,926)</u>      | <u>1,153,312</u>     | <u>148,002</u>      | <u>( 2,366)</u>        | <u>145,636</u>      |
|                                  | <u>\$ 15,589,332</u> | <u>\$( 1,178,271)</u>  | <u>\$ 14,411,061</u> | <u>\$ 2,433,908</u> | <u>\$( 243,703)</u>    | <u>\$ 2,190,205</u> |

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

Long-term liability activity for the year ended June 30, 2010 was as follows:

|  | Beginning Balance     | Additions           | Reductions           | Ending Balance        | Due Within One Year |
|--|-----------------------|---------------------|----------------------|-----------------------|---------------------|
| <b>Governmental activities:</b>              |                       |                     |                      |                       |                     |
| Road Construction Bonds                      | \$ 17,743,666         | \$ 3,040,000        | \$ 4,541,952         | \$ 16,241,714         | \$ 1,631,951        |
| Building Authority Bonds                     | 15,082,395            | -                   | 1,397,395            | 13,685,000            | 990,000             |
| T.I.F.A. Bonds                               | 480,000               | -                   | 230,000              | 250,000               | 250,000             |
| Sidewalk Replacement Bonds                   | 3,248,801             | -                   | 518,967              | 2,729,834             | 543,967             |
| D.D.A. Bonds                                 | 72,000,000            | -                   | 1,750,000            | 70,250,000            | 1,750,000           |
| Land Contract Payable                        | 344,275               | -                   | 91,208               | 253,067               | 96,763              |
| Accrued insurance claims                     | 10,716,554            | 3,918,370           | 3,711,821            | 10,923,103            | - (2)               |
| Compensated absences (1)                     | 14,084,094            | -                   | 826,345              | 13,257,749            | - (2)               |
| Compensatory time (1)                        | 2,285,906             | -                   | 241,337              | 2,044,569             | - (2)               |
| Governmental activity long-term liabilities  | <u>\$ 135,985,691</u> | <u>\$ 6,958,370</u> | <u>\$ 13,309,025</u> | <u>\$ 129,635,036</u> | <u>\$ 5,262,681</u> |
| <b>Business-type activities:</b>             |                       |                     |                      |                       |                     |
| Water and Sewer Bonds                        | \$ 52,394,625         | \$ 421,987          | \$ 2,644,083         | \$ 50,172,529         | \$ 2,739,082        |
| Building Authority Bonds                     | 6,597,605             | -                   | 667,605              | 5,930,000             | 620,000             |
| Compensated absences (1)                     | 1,505,238             | -                   | 351,926              | 1,153,312             | - (2)               |
| Compensatory time (1)                        | 148,002               | -                   | 2,366                | 145,636               | - (2)               |
| Business-type activity long-term liabilities | <u>\$ 60,645,470</u>  | <u>\$ 421,987</u>   | <u>\$ 3,665,980</u>  | <u>\$ 57,401,477</u>  | <u>\$ 3,359,082</u> |

For the governmental activities, accrued insurance claims are liquidated from the general fund. In addition, 94.48% of the compensated absences and 93.19% of compensatory time are attributable to the general fund.

- (1) Represents net fiscal year activity. Current year additions and reductions are not determinable from available data.  
(2) Amount "due within one year" is not determinable due to the nature of when the potential liability may be liquidated.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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<br/>on October 17, 2002</u> | <u>Outstanding Principal<br/>at June 30, 2010</u> |
|---|---|---|
| South Macomb Disposal Authority -<br>Solid Waste Bonds, Series 2000 | \$ 7,644,000                                      | \$ 6,770,673                                      |

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<br/>on August 1, 2005</u> | <u>Outstanding Principal<br/>at June 30, 2010</u> |
|---|---|---|
| City of Warren Building<br>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<br/>on September 1, 2005</u> | <u>Outstanding Principal<br/>at December 31, 2009</u> |
|---------------------------------------|--|---|
| Water and Sewer System Revenue Bonds: |  |   |
| Series 1999                           | \$ 11,100,000                                      | \$ 11,100,000   |
| Series 2000                           | 8,800,000  | 8,800,000   |

On June 1, 2010, the City sold \$3.04 million of refunding bonds to defease and redeem \$3.0 million of Michigan Transportation Bonds, Series 2000. The City realized a net present value savings on this advance refunding of \$193,347.

**9. DEFERRED REVENUE**

Deferred revenues reported in the Community Development Block Grant Fund, CDBG-R, HOME, HOPWA, Neighborhood Stabilization Program 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 | \$ 210,445           |
| Special Revenue Funds:                |                      |                      |
| Community Development Block Grant     | Grant / Loans        | 7,011,188            |
| C.D.B.G. – Recovery                   | Grant                | 81,612               |
| HOME Investment Partnership           | Grant / Loans        | 1,599,420            |
| H.O.P.W.A.                            | Grant                | 576,709              |
| Neighborhood Stabilization Program    | Grant                | 5,300,801            |
| Communications                        | Grant                | 38,676               |
| Capital Projects Funds:               |                      |                      |
| Special Assessment Construction Funds | Special assessments  | <u>2,788,130</u>     |
|                                       |                      | <u>\$ 17,606,981</u> |

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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, 2010, the legal debt limit exceeded net bonded indebtedness by \$534,288,911.

**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. Recent collective bargaining agreements have included Retirement Health Savings account provisions for new hires. 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.

**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, 2008, the date of the most recent valuation, the plan consisted of 374 active participants, 567 retired participants and 41 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 33.50% of covered payroll for the period of January 1, 2009 through December 31, 2009 in accordance with actuarial valuation of December 31, 2006. 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, 2010

**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<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a / b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br>(b - a) / c |
|--------------------------------|--|---|------------------------------------|----------------------------|---------------------------|---|
| 12/31/08                       | \$16,522,158                           | \$158,665,734                                     | \$142,143,576                      | 10.41%                     | \$25,743,285              | 552.16%   |

For the fiscal year ended December 31, 2009 contributions to the plan totaled \$8,581,965 and post-employment health benefits totaled \$7,417,933. 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<br>Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net<br>OPEB<br>Obligation |
|-------------------------|---------------------|--|---------------------------|
| 12/31/2009              | \$8,581,965         | 100.00%  | \$ -                      |
| 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   | -                         |

(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-22. 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, 2009, membership consisted of 341 current active employees and 503 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 a percentage of annual covered payroll, are designed to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Contributions represent 27.46% of covered payroll for the period of January, 2009 through December 31, 2009. Administrative costs of the Plan are financed through investment earnings.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a / b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered<br>Payroll<br>(b - a / c) |
|--------------------------------|--|---|------------------------------------|----------------------------|---------------------------|---|
| 12/31/08                       | \$12,805,655                           | \$166,135,717                                     | \$153,330,062                      | 7.71%                      | \$30,524,963              | 502.31%   |

For the fiscal year ended December 31, 2009, contributions to the plan totaled \$8,290,905 and post-employment health benefits totaled \$7,302,708. 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<br>Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net<br>OPEB<br>Obligation |
|-------------------------|---------------------|--|---------------------------|
| 12/31/2009              | \$8,290,905         | 100.00%  | \$ -                      |
| 12/31/2008              | 7,854,920           | 100.00   | -                         |
| 12/31/2007              | 7,579,855           | 100.00   | -                         |

Additional information from the most recent actuarial valuation is as follows: 1.) the 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-23.

**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, the date of the most recent actuarial valuation, 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, 2010

**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, 2009 is as follows:

Reserve for Employees' Contribution: \$ 367,802

Composed of accumulated contributions by active employees plus interest thereon.

Reserve for Employer's Contribution: \$ ( 14,548,069)

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: \$ 127,733,072

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 47.94% of covered payroll for the period of January 1, 2009 through June 30, 2009 in accordance with the actuarial valuation dated December 31, 2006 and 49.17% of covered payroll for the period of July 1, 2009 through December 31, 2009 in accordance with the actuarial valuation dated December 31, 2007. 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, 2008 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, 2010

**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<br>Actuarial<br>Valuation<br><u>Date</u> | Actuarial<br>Value of<br>Assets<br><u>(a)</u> | Actuarial Accrued<br>Liability (AAL)<br>- Entry Age<br><u>(b)</u> | Unfunded<br>AAL<br>(UAAL)<br><u>(b-a)</u> | Funded<br>Ratio<br><u>(a/b)</u> | Covered<br>Payroll<br><u>(c)</u> | UAAL as a<br>Percentage of<br>Covered Payroll<br><u>((b-a)/c)</u> |
|--|---|---|---|---------------------------------|----------------------------------|---|
| 12/31/08   | \$ 129,942                                    | \$ 180,298  | \$ 50,356                                 | 72.1%                           | \$ 14,577                        | 345.4 %   |

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<br/>Year<br/>Ended</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost Contributed</u> | <u>Net<br/>OPEB<br/>Obligation</u> |
|----------------------------------|-----------------------------|---|------------------------------------|
| 12/31/09                         | \$ 7,209,187                | 100.00%   | \$ -                               |
| 12/31/08                         | 7,016,960                   | 100.00  | -                                  |
| 12/31/07                         | 6,603,342                   | 100.00  | -                                  |

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-20. 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, 2008, the date of the most recent actuarial evaluation, membership consisted of 503 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 341 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, 2010

**D. OTHER INFORMATION**

**2. PENSION PLANS (continued)**

*Reserves.* As of December 31, 2009, the System's legally required reserves have been fully funded as follows:

|                                      |               |
|--------------------------------------|---------------|
| Reserve for employees' contributions | \$ 20,011,531 |
| Reserve for retired benefit payments | 209,284,325   |

*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 25.49% of covered payroll for the period of January 1, 2009 through June 30, 2009 in accordance with the actuarial valuation dated December 31, 2006 and 24.26% of covered payroll for the period of July 1, 2009 through December 31, 2009 in accordance with the actuarial valuation dated December 31, 2007.

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, 2008 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<br>Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>- Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|---|--|--|------------------------------------|--------------------------|---------------------------|--|
| 12/31/08                                      | \$303,410,859                          | \$350,288,031  | \$46,877,172                       | 86.6%                    | \$ 30,524,963             | 153.6%   |

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<br>Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net<br>OPEB<br>Obligation |
|-------------------------|---------------------|--|---------------------------|
| 12/31/2009              | \$7,960,684         | 100.00%  | \$ -                      |
| 12/31/2008              | 8,138,100           | 100.00   | -                         |
| 12/31/2007              | 7,473,960           | 100.00   | -                         |

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-21.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**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 228 active participants in the plan as of June 30, 2010.

*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, 2010

**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, 2009. During the fiscal year, values may be amended through judgments of the State Tax Commission, Michigan Tax Tribunal or Board of Review.

|                                  | <u>Taxable Value</u>    |                | <u>State Equalized Value</u> |                |
|----------------------------------|-------------------------|----------------|------------------------------|----------------|
| Real Property                    | \$ 3,874,350,509        | 75.83%         | \$ 4,107,416,489             | 76.88%         |
| Personal Property                | 708,996,934             | 13.88          | 709,116,520                  | 13.27          |
| Industrial Facilities Exemption  | 520,316,106             | 10.18          | 520,618,896                  | 9.74           |
| Obsolete Property Rehabilitation | <u>5,737,200</u>        | <u>0.11</u>    | <u>5,737,200</u>             | <u>0.11</u>    |
|                                  | <u>\$ 5,109,400,749</u> | <u>100.00%</u> | <u>\$ 5,342,889,105</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 2009 State Equalized Value or the 2009 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 2008 Taxable Value minus losses times the lower of 1.05 or the 2008 Consumer Price Index for the twelve months ended September 30 plus any additions.

Property tax payment dates for the 2010 fiscal year are as follows:

|                           |  |
|---------------------------|--|
| Full or First Installment | July 1, 2009 thru August 31, 2009      |
| Second Installment        | December 1, 2009 thru January 31, 2010 |

Property taxes are due and payable in full or in two installments, provided that the first installment is paid by August 31. If electing to pay the first installment by August 31, the second installment must be paid by January 31 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 August 31 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 1 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.

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**D. OTHER INFORMATION**

**4. PROPERTY TAXES (continued)**

The tax levy for July 1, 2009 was based on the following rates: (per \$1,000 of Taxable Valuation)

|   | <u>Millage Rate<br/>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;<br>indefinite)                    | .2923   |
| Recreation                              | .9746                          | 1.000 (extra voted;<br>indefinite)                   | .9746   |
| Police and Fire Pension<br>Requirements | 2.8248                         | -  | Not to exceed author-<br>ized contribution -<br>Act 345, P.A. of<br>Michigan 1937 as<br>amended.      |
| Refuse Collection and<br>Disposal       | 1.6418                         | -  | 3.000 Act 298, P.A.<br>of Michigan 1917, as<br>amended, subject to<br>Headlee limitation<br>of 2.9240 |
| Police Protection                       | .9746                          | .9798 (extra voted;<br>thru levy of<br>July 1, 2018) | .9746   |
| Fire and Emergency<br>Medical Service   | .9746                          | .9798 (extra voted;<br>thru levy of<br>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 \$150,000 per member contract. The City has purchased an insurance policy to cover any cost over the \$150,000 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, 2010

**D. OTHER INFORMATION**

**5. RISK MANAGEMENT (continued)**

The government-wide statement of net assets reports “accrued insurance claims” in the amount of \$10,923,103 for the governmental activity funds. This is a representation of amounts that have been accrued in conjunction with the budget process to settle potential claims and judgments outstanding as of June 30, 2010 as provided by the City’s insurance carrier. The general fund balance sheet reports “unreserved fund balance - designated for insurance claims” in the amount of \$4,948,103. On July 2, 2009, City Council approved a settlement agreement with the City’s former trash hauling contractor in the amount of \$5.975 million with further designation that funds were available in “unreserved fund balance - designated for 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. It would be management’s recommendation that any proceeds resulting from this litigation be credited back to “unreserved fund balance – designated for insurance claims”. The circumstance of this settlement was not a component of the City’s annual evaluation of this reserve. Accordingly, should the other potential claims and judgments that the City has attempted to reserve for materialize before the reserve can be restored to its former level; funds will need to be expended from general fund “unreserved-undesignated fund balance”.

Amounts reported as accrued insurance claims in the government-wide statement of net assets for the past two fiscal years are as follows:

|  | <u>2009</u>          | <u>Est. Claims<br/>Incurred /<br/>Reserved</u> | <u>Payments<br/>and<br/>Adjustments</u> | <u>2010</u>          |
|--|----------------------|--|---|----------------------|
| Worker’s compensation, automobile<br>and public entity liability | \$ 2,917,231         | \$ 3,756,542                                   | \$ (3,019,637)                          | \$ 3,654,136         |
| Other insurance related items                                    | <u>7,799,323</u>     | <u>161,828</u>                                 | <u>( 692,184)</u>                       | <u>7,268,967</u>     |
| Estimated liability - end of year                                | <u>\$ 10,716,554</u> | <u>\$ 3,918,370</u>                            | <u>\$ (3,711,821)</u>                   | <u>\$ 10,923,103</u> |
|  | <u>2008</u>          | <u>Est. Claims<br/>Incurred /<br/>Reserved</u> | <u>Payments<br/>and<br/>Adjustments</u> | <u>2009</u>          |
| Worker’s compensation, automobile<br>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.

**General Motors Tax Appeal**

In May of 2009, General Motors Corporation filed an appeal on all of their personal and real property located within the City. General Motors represents 12.38% of the taxable value of property within the City and accordingly, any adverse judgment has the potential to significantly impact property tax revenues. The 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.

(Continued)

CITY OF WARREN, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

**D. OTHER INFORMATION**

**7. UNAVAILABLE ASSETS HELD BY OTHER GOVERNMENTAL UNIT**

The Macomb County Department of Public Works is holding \$5,292,982 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.

**9. SUBSEQUENT EVENTS**

On August 3, 2010, voters approved a 20-year 0.85-mill increase dedicated for Library operations. Passage of the millage reversed closure of three branch libraries, employee layoffs and reductions in programs and services that went into effect with adoption of the fiscal year 2011 budget. On September 14, 2010, City Council amended the budget to reflect \$3.1 million of additional revenues and \$2.6 million of additional appropriations resulting from the approved millage increase.

On September 14, 2010, City Council approved a 3-year collective bargaining agreement through June 30, 2012 with AFSCME Local 1250. General terms and conditions of the agreement include: 1.) no wage increases through the life of the contract, and 2.) upon ratification of the contract, the loss of two floating holidays, the loss of cost of living benefits and an increase in employee health insurance co-pays, deductibles and co-insurance. In addition, the contract provides for retirement incentives for those employees eligible to retire by March 1, 2011. On November 23, 2010, City Council approved collective bargaining agreements with AFSCME Local 1250 – 37<sup>th</sup> District Court Employees, UAW Local 412 – Unit 35 and UAW Local 412 – Unit 59. The terms, conditions and duration of these contracts were virtually the same as what was previously approved with AFSCME Local 1250.

On September 28, 2010, City Council authorized issuance of Capital Improvement Bonds, Series 2010 (Federally Taxable Recovery Zone Economic Development Bonds) in an amount not to exceed \$9.29 million. Concurrently, Council also awarded a contract estimated at \$9.1 million for water meters and an automatic reading system inclusive of billing software with National Field Services Corporation. Because the City has elected to treat the bonds as Recovery Zone Economic Development Bonds, the City will receive cash payment by the United States Treasury in an amount equal to 45% of the interest payable on each interest payment date, provided that certain requirements are continuously satisfied by the City.

On November 2, 2010, the Warren electorate approved the following:

- 1) A ballot proposal to amend the city charter to reduce the City Council to seven members.
- 2) A companion proposal that called for five council members to be elected by districts and two council members to be elected at-large.

Existing charter language stipulates that City Council will consist of nine members all elected at-large.

The new census numbers will become available in early 2011 and those numbers will be used to define the districts. The process for establishing the districts will need to be completed by May 2011, the candidate filing deadline for next year's City Council elections.

**CITY OF WARREN, MICHIGAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

GENERAL FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010                 |                      |                      |                     | 2009<br>Actual       |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|
|   | Original<br>Budget   | Amended<br>Budget    | Actual               | Variance            |                      |
| Revenues:   |                      |                      |                      |                     |                      |
| Taxes   | \$ 63,432,422        | \$ 63,432,422        | \$ 63,838,959        | \$ 406,537          | \$ 64,567,547        |
| Licenses and permits  | 1,782,000            | 1,782,000            | 1,567,892            | (214,108)           | 1,759,663            |
| Intergovernmental:  |                      |                      |                      |                     |                      |
| Federal revenue   | 50,000               | 1,243,597            | 978,370              | (265,227)           | 592,062              |
| State revenue   | 14,575,446           | 15,167,341           | 12,946,649           | (2,220,692)         | 14,228,618           |
| Local revenue   | 935,000              | 935,000              | 671,416              | (263,584)           | 727,954              |
| Charges for services  | 941,800              | 1,291,885            | 1,268,886            | (22,999)            | 1,096,795            |
| Fines and fees  | 4,840,000            | 4,840,000            | 4,553,240            | (286,760)           | 4,600,677            |
| Interest on investments   | 1,300,000            | 1,300,000            | 15,804               | (1,284,196)         | 568,188              |
| Miscellaneous   | 6,178,150            | 6,195,525            | 6,376,559            | 181,034             | 5,945,177            |
| Total revenues  | <u>94,034,818</u>    | <u>96,187,770</u>    | <u>92,217,775</u>    | <u>(3,969,995)</u>  | <u>94,086,681</u>    |
| Expenditures:   |                      |                      |                      |                     |                      |
| General government  | 27,080,467           | 28,238,185           | 24,921,141           | 3,317,044           | 25,756,493           |
| Public safety   | 60,284,892           | 66,003,188           | 62,711,147           | 3,292,041           | 62,036,856           |
| City development  | 6,060,971            | 6,253,687            | 4,995,160            | 1,258,527           | 5,875,287            |
| Highways and streets  | 2,400,000            | 2,961,895            | 2,745,958            | 215,937             | 2,387,939            |
| Recreation and culture  | 47,362               | 48,718               | 42,669               | 6,049               | 41,567               |
| Debt service  | 110,517              | 110,517              | 110,517              | -                   | 110,517              |
| Total expenditures  | <u>95,984,209</u>    | <u>103,616,190</u>   | <u>95,526,592</u>    | <u>8,089,598</u>    | <u>96,208,659</u>    |
| Excess (deficiency) of<br>revenues over expenditures  | <u>(1,949,391)</u>   | <u>(7,428,420)</u>   | <u>(3,308,817)</u>   | <u>4,119,603</u>    | <u>(2,121,978)</u>   |
| Other financing sources (uses):   |                      |                      |                      |                     |                      |
| Settlement agreement  | -                    | (5,975,000)          | (5,975,000)          | -                   | -                    |
| Transfer to:  |                      |                      |                      |                     |                      |
| Library Special Revenue Fund  | -                    | (150,000)            | (150,000)            | -                   | -                    |
| Michigan transportation<br>operating funds  | (270,476)            | (315,476)            | (232,554)            | 82,922              | (203,416)            |
| Water and Sewer System  | (80,434)             | (80,434)             | (80,434)             | -                   | (78,132)             |
| Building Authority debt funds   | (1,200,000)          | (1,200,000)          | (948,275)            | 251,725             | (956,855)            |
| Total other financing sources (uses)  | <u>(1,550,910)</u>   | <u>(7,720,910)</u>   | <u>(7,386,263)</u>   | <u>334,647</u>      | <u>(1,238,403)</u>   |
| Excess (deficiency) of budgeted<br>revenues and other financing sources<br>over budgeted expenditures and other<br>financing uses | <u>(3,500,301)</u>   | <u>(15,149,330)</u>  | <u>(10,695,080)</u>  | <u>4,454,250</u>    | <u>(3,360,381)</u>   |
| Fund balance - beginning of year  | <u>54,197,408</u>    | <u>54,197,408</u>    | <u>54,197,408</u>    | <u>-</u>            | <u>57,557,789</u>    |
| Fund balance - end of year  | <u>\$ 50,697,107</u> | <u>\$ 39,048,078</u> | <u>\$ 43,502,328</u> | <u>\$ 4,454,250</u> | <u>\$ 54,197,408</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                   |                    | 2009<br>Actual    |
|---|--------------------|-------------------|-------------------|--------------------|-------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual            | Variance           |                   |
| Revenues:   |                    |                   |                   |                    |                   |
| Property taxes:   |                    |                   |                   |                    |                   |
| Real and personal property  | \$ 59,783,184      | \$ 59,783,184     | \$ 60,085,758     | \$ 302,574         | \$ 60,758,447     |
| Industrial facilities   | 1,868,238          | 1,868,238         | 1,812,709         | (55,529)           | 1,894,025         |
| Interest and penalties  | 450,000            | 450,000           | 524,501           | 74,501             | 510,285           |
| Payment in lieu of taxes-<br>trailer parks and senior citizen housing | 31,000             | 31,000            | 30,382            | (618)              | 30,281            |
| Administration fee  | 1,300,000          | 1,300,000         | 1,385,609         | 85,609             | 1,374,509         |
|   | <u>63,432,422</u>  | <u>63,432,422</u> | <u>63,838,959</u> | <u>406,537</u>     | <u>64,567,547</u> |
| Licenses and permits:   |                    |                   |                   |                    |                   |
| Building permits  | 650,000            | 650,000           | 361,063           | (288,937)          | 570,476           |
| Electrical permits  | 200,000            | 200,000           | 288,109           | 88,109             | 248,014           |
| Mechanical permits  | 180,000            | 180,000           | 164,380           | (15,620)           | 148,919           |
| Plumbing permits  | 200,000            | 200,000           | 126,681           | (73,319)           | 186,728           |
| Plan review fees  | 130,000            | 130,000           | 77,526            | (52,474)           | 87,193            |
| Sidewalk permits  | 20,000             | 20,000            | 8,026             | (11,974)           | 12,236            |
| Zoning permits and fees   | 150,000            | 150,000           | 125,892           | (24,108)           | 123,761           |
| Animal licenses   | 24,000             | 24,000            | 30,136            | 6,136              | 31,735            |
| Other licenses and permits  | 228,000            | 228,000           | 386,079           | 158,079            | 350,601           |
|   | <u>1,782,000</u>   | <u>1,782,000</u>  | <u>1,567,892</u>  | <u>(214,108)</u>   | <u>1,759,663</u>  |
| Intergovernmental:  |                    |                   |                   |                    |                   |
| Federal revenue:  |                    |                   |                   |                    |                   |
| Civil defense grant   | 50,000             | 50,000            | 78,825            | 28,825             | 49,053            |
| Metro Medical Response Grants   | -                  | -                 | 30,013            | 30,013             | 365,164           |
| Assistance to Firefighters Grant                                      | -                  | 182,183           | 146,995           | (35,188)           | -                 |
| Assistance to Firefighters Grant 2009                                 | -                  | 198,720           | -                 | (198,720)          | -                 |
| I.C.T.P. Grant  | -                  | -                 | -                 | -                  | 98,556            |
| Bullet Proof Vest Grant   | -                  | -                 | -                 | -                  | 3,128             |
| U.S. Department of Justice Grant - 2006                               | -                  | -                 | -                 | -                  | 32,468            |
| U.S. Department of Justice Grant - 2007                               | -                  | -                 | 91,695            | 91,695             | -                 |
| U.S. Department of Justice Grant - 2008                               | -                  | -                 | -                 | -                  | 30,155            |
| U.S. Department of Justice Grant - 2009A                              | -                  | 414,783           | 414,783           | -                  | -                 |
| U.S. Department of Justice Grant - 2009B                              | -                  | 97,911            | 32,941            | (64,970)           | -                 |
| Regional Response Team Training Grant                                 | -                  | -                 | -                 | -                  | 13,538            |
| Substance Abuse Grant   | -                  | 300,000           | 183,118           | (116,882)          | -                 |
|   | <u>50,000</u>      | <u>1,243,597</u>  | <u>978,370</u>    | <u>(265,227)</u>   | <u>592,062</u>    |
| State revenue:  |                    |                   |                   |                    |                   |
| State shared:   |                    |                   |                   |                    |                   |
| Sales and use tax   | 14,100,000         | 14,100,000        | 12,051,133        | (2,048,867)        | 13,559,035        |
| Liquor licenses   | 76,000             | 76,000            | 81,393            | 5,393              | 78,375            |
| Grants:   |                    |                   |                   |                    |                   |
| MATS Grant  | 62,000             | 62,000            | 66,463            | 4,463              | 50,557            |
| Drug Court Grant - 2006   | -                  | -                 | -                 | -                  | 356               |
| Justice Assistance Grant - 2007                                       | -                  | -                 | -                 | -                  | 60,500            |
| Justice Assistance Grant - 2008                                       | -                  | -                 | 48,672            | 48,672             | 131,328           |
| Justice Assistance Grant - 2010                                       | -                  | 190,000           | 37,123            | (152,877)          | -                 |
| Homeland Security grant   | -                  | -                 | 39,416            | 39,416             | -                 |
| LED Demonstration grant   | -                  | 171,895           | -                 | (171,895)          | -                 |
| 911 Dispatch Training Grant   | 155,000            | 155,000           | 209,553           | 54,553             | 173,885           |
| Foreclosure Grant   | -                  | 230,000           | 230,000           | -                  | -                 |
| Judge's salary standardizator   | 182,446            | 182,446           | 182,896           | 450                | 174,582           |
|   | <u>14,575,446</u>  | <u>15,167,341</u> | <u>12,946,649</u> | <u>(2,220,692)</u> | <u>14,228,618</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                 |                      |                      |                       | 2009<br>Actual       |
|--|----------------------|----------------------|----------------------|-----------------------|----------------------|
|  | Original<br>Budget   | Amended<br>Budget    | Actual               | Variance              |                      |
| Revenues, continued:                   |                      |                      |                      |                       |                      |
| Local revenue:                         |                      |                      |                      |                       |                      |
| School Liaison Officer reimbursement   | 275,000              | 275,000              | 273,144              | (1,856)               | 275,000              |
| Election expense reimbursement         | 300,000              | 300,000              | 83,693               | (216,307)             | 56,895               |
| City of Center Line court reimbursemen | <u>360,000</u>       | <u>360,000</u>       | <u>314,579</u>       | <u>(45,421)</u>       | <u>396,059</u>       |
|  | <u>935,000</u>       | <u>935,000</u>       | <u>671,416</u>       | <u>(263,584)</u>      | <u>727,954</u>       |
| Charges for services:                  |                      |                      |                      |                       |                      |
| Police services and auctions           | \$ 190,000           | \$ 190,000           | \$ 164,558           | \$ (25,442)           | \$ 200,442           |
| Towing administrative fees             | 100,000              | 100,000              | 98,225               | (1,775)               | 116,050              |
| Fire services                          | 12,000               | 12,000               | 17,002               | 5,002                 | 21,716               |
| EMS revenue                            | -                    | 350,000              | 75,087               | (274,913)             | -                    |
| Clerk's services                       | 190,000              | 190,000              | 181,910              | (8,090)               | 192,458              |
| I.F.T. exemption processing fees       | 5,000                | 5,000                | 6,500                | 1,500                 | 9,000                |
| Planning commission                    | 15,300               | 15,300               | 4,720                | (10,580)              | 4,632                |
| Site plan fees                         | 15,500               | 15,500               | 31,240               | 15,740                | 17,060               |
| Engineering and inspection fees        | 84,000               | 84,000               | 51,287               | (32,713)              | 78,776               |
| Foreclosure fee                        | -                    | -                    | 95,125               | 95,125                | -                    |
| Weed cutting                           | 150,000              | 150,000              | 299,623              | 149,623               | 269,060              |
| Board of appeals - fees                | 25,000               | 25,000               | 26,865               | 1,865                 | 28,835               |
| Block Grant administration             | -                    | -                    | 31,485               | 31,485                | 15,984               |
| NSP Grant administration               | 100,000              | 100,000              | 10,512               | (89,488)              | -                    |
| Miscellaneous                          | <u>55,000</u>        | <u>55,085</u>        | <u>174,747</u>       | <u>119,662</u>        | <u>142,782</u>       |
|  | <u>941,800</u>       | <u>1,291,885</u>     | <u>1,268,886</u>     | <u>(22,999)</u>       | <u>1,096,795</u>     |
| Fines and fees:                        |                      |                      |                      |                       |                      |
| 37th District Court:                   |                      |                      |                      |                       |                      |
| Property maintenance                   | 60,000               | 60,000               | 39,288               | (20,712)              | 51,641               |
| Fines and fees                         | 4,500,000            | 4,500,000            | 4,185,783            | (314,217)             | 4,219,962            |
| Probation fees                         | 230,000              | 230,000              | 277,489              | 47,489                | 281,639              |
| Civil fees / drug treatment            | -                    | -                    | 27,520               | 27,520                | 31,105               |
| Drug Court revenue                     | <u>50,000</u>        | <u>50,000</u>        | <u>23,160</u>        | <u>(26,840)</u>       | <u>16,330</u>        |
|  | <u>4,840,000</u>     | <u>4,840,000</u>     | <u>4,553,240</u>     | <u>(286,760)</u>      | <u>4,600,677</u>     |
| Interest on investments                | <u>1,300,000</u>     | <u>1,300,000</u>     | <u>15,804</u>        | <u>(1,284,196)</u>    | <u>568,188</u>       |
| Miscellaneous:                         |                      |                      |                      |                       |                      |
| Equipment rentals:                     |                      |                      |                      |                       |                      |
| Major Street Fund                      | 617,000              | 617,000              | 591,515              | (25,485)              | 509,348              |
| Local Street Fund                      | 493,000              | 493,000              | 467,051              | (25,949)              | 452,988              |
| Salt dome rental                       | 5,000                | 5,000                | 5,000                | -                     | 5,000                |
| Administrative fees:                   |                      |                      |                      |                       |                      |
| Major Street Fund                      | 506,600              | 506,600              | 503,101              | (3,499)               | 487,100              |
| Local Street Fund                      | 217,000              | 217,000              | 114,236              | (102,764)             | 108,140              |
| Water and Sewer System                 | 1,698,800            | 1,698,800            | 1,698,800            | -                     | 1,633,500            |
| Senior Citizen Housing                 | 120,750              | 120,750              | 120,750              | -                     | 118,025              |
| Library                                | 49,100               | 49,100               | 49,100               | -                     | 47,200               |
| Recreation                             | 98,400               | 98,400               | 98,400               | -                     | 94,600               |
| Sanitation                             | 868,100              | 868,100              | 868,100              | -                     | 834,700              |
| Communications                         | 114,200              | 114,200              | 114,200              | -                     | 109,800              |
| Downtown Development Authority         | 660,200              | 660,200              | 660,200              | -                     | 634,800              |
| Court building rental                  | 250,000              | 250,000              | 250,000              | -                     | 250,000              |
| Medicare prescription drug subsidy     | 430,000              | 430,000              | 784,258              | 354,258               | 634,796              |
| Sale of property and equipmen          | 50,000               | 50,000               | 34,458               | (15,542)              | 25,180               |
| Insurance proceeds                     | -                    | 14,825               | 14,825               | -                     | -                    |
| Donations                              | -                    | 2,550                | 2,565                | 15                    | -                    |
|  | <u>6,178,150</u>     | <u>6,195,525</u>     | <u>6,376,559</u>     | <u>181,034</u>        | <u>5,945,177</u>     |
| Total revenues                         | <u>\$ 94,034,818</u> | <u>\$ 96,187,770</u> | <u>\$ 92,217,775</u> | <u>\$ (3,969,995)</u> | <u>\$ 94,086,681</u> |

EXHIBIT C-3

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|                             | 2010               |                   |                |                | 2009<br>Actual |
|-----------------------------|--------------------|-------------------|----------------|----------------|----------------|
|                             | Original<br>Budget | Amended<br>Budget | Actual         | Variance       |                |
| General government:         |                    |                   |                |                |                |
| <b>Council:</b>             |                    |                   |                |                |                |
| Personal services:          |                    |                   |                |                |                |
| Elected officials           | \$ 247,986         | \$ 247,986        | \$ 247,986     | \$ -           | \$ 247,651     |
| Permanent employees         | 237,702            | 237,702           | 151,286        | 86,416         | 193,982        |
| Clerical co-op              | 1,000              | 1,000             | 6,195          | (5,195)        | 2,850          |
| Overtime                    | 2,100              | 2,100             | 3,639          | (1,539)        | 7,209          |
| Employee benefits:          |                    |                   |                |                |                |
| Social security             | 38,739             | 38,739            | 32,338         | 6,401          | 36,321         |
| Employee insurances         | 195,633            | 195,633           | 118,351        | 77,282         | 142,560        |
| Retiree health insurance    | 122,326            | 122,326           | 91,438         | 30,888         | 110,380        |
| Longevity                   | 10,148             | 10,148            | 5,231          | 4,917          | 13,551         |
| Retirement fund             | 127,773            | 127,773           | 103,628        | 24,145         | 101,866        |
| Cost of living              | 860                | 860               | 289            | 571            | 278            |
| Employee legal services     | 2,015              | 2,015             | 1,779          | 236            | 1,830          |
| Office supplies             | 6,000              | 6,000             | 3,442          | 2,558          | 6,040          |
| Other services and charges: |                    |                   |                |                |                |
| Contractual services        | 81,000             | 81,000            | 78,423         | 2,577          | 2,290          |
| Court reporter              | 25,000             | 25,000            | 23,415         | 1,585          | 21,020         |
| Postage                     | 2,500              | 2,500             | 988            | 1,512          | 961            |
| Telephone                   | 2,000              | 2,000             | 1,244          | 756            | 1,743          |
| Mileage                     | 500                | 500               | 661            | (161)          | -              |
| Printing and publishing     | 3,000              | 3,000             | 595            | 2,405          | 6,940          |
| Capital outlay:             |                    |                   |                |                |                |
| Office equipment            | -                  | -                 | 9,328          | (9,328)        | 5,475          |
| <b>Total Council</b>        | <b>1,106,282</b>   | <b>1,106,282</b>  | <b>880,256</b> | <b>226,026</b> | <b>902,947</b> |
| <b>Mayor:</b>               |                    |                   |                |                |                |
| Personal services:          |                    |                   |                |                |                |
| Elected official            | 110,636            | 110,636           | 110,636        | -              | 108,548        |
| Permanent employees         | 346,215            | 346,215           | 204,854        | 141,361        | 241,433        |
| Temporary employees         | 47,000             | 47,000            | 28,577         | 18,423         | 49,307         |
| Employee benefits:          |                    |                   |                |                |                |
| Social security             | 38,907             | 38,907            | 25,961         | 12,946         | 30,492         |
| Employee insurances         | 83,557             | 83,557            | 36,586         | 46,971         | 41,950         |
| Retiree health insurance    | 66,450             | 66,450            | 42,459         | 23,991         | 67,079         |
| Retirement fund             | 45,815             | 45,815            | 29,334         | 16,481         | 35,662         |
| Cost of living              | 1,290              | 1,290             | 385            | 905            | 391            |
| Auto allowance              | -                  | -                 | -              | -              | 3,600          |
| Employee legal services     | 1,085              | 1,085             | 728            | 357            | 781            |
| Office supplies             | 11,000             | 11,000            | 10,061         | 939            | 10,903         |
| Other services and charges: |                    |                   |                |                |                |
| Contractual services        | 2,850              | 2,850             | 1,297          | 1,553          | 1,283          |
| Postage                     | 4,500              | 4,500             | 2,068          | 2,432          | 1,972          |
| Auto expense                | 500                | 500               | -              | 500            | 197            |
| <b>Total Mayor</b>          | <b>759,805</b>     | <b>759,805</b>    | <b>492,946</b> | <b>266,859</b> | <b>593,598</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|----------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| General government, continued:                     |                    |                   |                  |                |                  |
| <b>37th District Court:</b>                        |                    |                   |                  |                |                  |
| Personal services:                                 |                    |                   |                  |                |                  |
| Elected officials                                  | \$ 183,600         | \$ 183,600        | \$ 183,599       | \$ 1           | \$ 172,007       |
| Permanent employees                                | 2,412,389          | 2,412,389         | 2,365,461        | 46,928         | 2,422,511        |
| Temporary employees                                | 145,000            | 145,000           | 135,007          | 9,993          | 150,434          |
| Temporary employees - drug court                   | -                  | 185,012           | 105,295          | 79,717         | 93,644           |
| Overtime   | 1,500              | 1,500             | 196              | 1,304          | 876              |
| Employee benefits:                                 |                    |                   |                  |                |                  |
| Social security                                    | 206,059            | 220,574           | 206,981          | 13,593         | 208,827          |
| Employee insurances                                | 718,403            | 718,403           | 541,315          | 177,088        | 579,927          |
| Retiree health insurance                           | 746,506            | 746,506           | 634,721          | 111,785        | 833,391          |
| Longevity  | 90,233             | 90,233            | 83,689           | 6,544          | 93,867           |
| Retirement fund                                    | 686,505            | 686,505           | 628,677          | 57,828         | 685,956          |
| Cost of living                                     | 9,675              | 9,675             | 4,718            | 4,957          | 4,418            |
| Employee legal services                            | 7,595              | 7,595             | 6,822            | 773            | 7,168            |
| Office supplies                                    | 47,500             | 47,500            | 48,871           | (1,371)        | 45,646           |
| Other services and charges:                        |                    |                   |                  |                |                  |
| Contractual services                               | 41,800             | 41,800            | 26,865           | 14,935         | 30,730           |
| Contractual services - data processing             | 200,000            | 200,000           | 210,671          | (10,671)       | 187,790          |
| Contractual services - magistrate / visiting judge | 25,000             | 25,000            | 28,780           | (3,780)        | -                |
| Independent audit                                  | 16,000             | 16,000            | 15,700           | 300            | 15,700           |
| Postage  | 16,000             | 16,000            | 17,618           | (1,618)        | 16,605           |
| Bank service charges                               | 22,000             | 22,000            | 22,487           | (487)          | 17,450           |
| Transcripts  | 250                | 250               | 21               | 229            | 117              |
| Drug Court expense                                 | 50,000             | 50,000            | 14,647           | 35,353         | 22,201           |
| W.R.A.P. Drug Court expense                        | -                  | 6,999             | -                | 6,999          | -                |
| Michigan Drug Court grant expense - 2005           | -                  | -                 | -                | -              | 12,173           |
| Michigan Drug Court grant expense - 2006           | -                  | -                 | -                | -              | 7,705            |
| Justice Assistance Grant expense - 2006            | -                  | -                 | -                | -              | 1,140            |
| Justice Assistance Grant expense - 2007            | -                  | -                 | -                | -              | 33,035           |
| Justice Assistance Grant expense - 2008            | -                  | 30,843            | 28,784           | 2,059          | 59,685           |
| Justice Assistance Grant expense - 2009            | -                  | 190,000           | 40,585           | 149,415        | -                |
| Substance Abuse Grant expense                      | -                  | 160,473           | 121,502          | 38,971         | -                |
| Counsel for indigent defendants                    | 550,000            | 550,000           | 615,172          | (65,172)       | 609,677          |
| Witness and jury fees                              | 26,000             | 26,000            | 15,279           | 10,721         | 14,772           |
| Telephone  | 32,000             | 32,000            | 15,754           | 16,246         | 16,299           |
| Mileage  | 1,500              | 1,500             | 2,250            | (750)          | 2,364            |
| Public utilities                                   | 110,000            | 110,000           | 96,751           | 13,249         | 93,571           |
| Building rental                                    | 250,000            | 250,000           | 250,000          | -              | 250,000          |
| Dues and subscriptions                             | 6,000              | 6,000             | 4,280            | 1,720          | 4,886            |
| Books  | 13,000             | 13,000            | 8,515            | 4,485          | 12,121           |
| Capital outlay:                                    |                    |                   |                  |                |                  |
| Office equipment                                   | -                  | -                 | 877              | (877)          | 14,857           |
| <b>Total 37th District Court</b>                   | <b>6,614,515</b>   | <b>7,202,357</b>  | <b>6,481,890</b> | <b>720,467</b> | <b>6,721,550</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

| General government, continued:             | 2010               |                   |                  |                | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|----------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| <b>Clerk:</b>                              |                    |                   |                  |                |                  |
| Personal services                          |                    |                   |                  |                |                  |
| Elected official                           | \$ 81,825          | \$ 81,825         | \$ 81,825        | \$ -           | \$ 80,280        |
| Permanent employees                        | 449,614            | 449,614           | 460,244          | (10,630)       | 458,086          |
| Seasonal employees                         | 43,950             | 43,950            | 29,561           | 14,389         | 35,270           |
| Overtime                                   | 30,000             | 30,000            | 17,039           | 12,961         | 25,502           |
| Employee benefits:                         |                    |                   |                  |                |                  |
| Social security                            | 48,536             | 48,536            | 46,845           | 1,691          | 47,778           |
| Employee insurances                        | 99,995             | 99,995            | 105,741          | (5,746)        | 96,546           |
| Retiree health insurance                   | 171,465            | 171,465           | 176,593          | (5,128)        | 172,941          |
| Longevity                                  | 19,148             | 19,148            | 18,854           | 294            | 18,925           |
| Retirement fund                            | 133,849            | 133,849           | 132,685          | 1,164          | 125,744          |
| Cost of living                             | 1,720              | 1,720             | 816              | 904            | 910              |
| Uniforms                                   | 190                | 190               | 570              | (380)          | 190              |
| Employee legal services                    | 1,395              | 1,395             | 1,370            | 25             | 1,382            |
| Office supplies                            | 26,000             | 26,000            | 11,599           | 14,401         | 18,288           |
| Other services & charges                   |                    |                   |                  |                |                  |
| Contractual services                       | 26,350             | 26,350            | 6,490            | 19,860         | 6,259            |
| Postage                                    | 40,800             | 40,800            | 28,728           | 12,072         | 9,531            |
| Election wages                             | 225,020            | 225,020           | 44,490           | 180,530        | 167,460          |
| Election expense                           | 101,697            | 101,697           | 32,127           | 69,570         | 59,398           |
| Auto expense                               | 1,500              | 1,500             | 400              | 1,100          | 1,077            |
| Printing and publishing                    | 52,000             | 52,000            | 26,317           | 25,683         | 38,062           |
| Capital outlay:                            |                    |                   |                  |                |                  |
| Office equipment                           | -                  | -                 | 6,892            | (6,892)        | -                |
| <b>Total Clerk</b>                         | <b>1,555,054</b>   | <b>1,555,054</b>  | <b>1,229,186</b> | <b>325,868</b> | <b>1,363,629</b> |
| <b>Treasurer:</b>                          |                    |                   |                  |                |                  |
| Personal services:                         |                    |                   |                  |                |                  |
| Elected official                           | 81,825             | 81,825            | 81,825           | -              | 80,280           |
| Permanent employees                        | 572,725            | 572,725           | 572,370          | 355            | 550,464          |
| Seasonal employees                         | 30,000             | 30,000            | 14,073           | 15,927         | 27,854           |
| Overtime                                   | 10,000             | 10,000            | 14,927           | (4,927)        | 10,820           |
| Employee benefits:                         |                    |                   |                  |                |                  |
| Social security                            | 55,367             | 55,367            | 53,929           | 1,438          | 52,689           |
| Employee insurances                        | 186,824            | 186,824           | 141,831          | 44,993         | 144,226          |
| Retiree health insurance                   | 199,920            | 199,920           | 196,996          | 2,924          | 194,214          |
| Longevity                                  | 17,681             | 17,681            | 17,492           | 189            | 15,263           |
| Retirement fund                            | 160,792            | 160,792           | 164,013          | (3,221)        | 154,353          |
| Cost of living                             | 2,150              | 2,150             | 1,056            | 1,094          | 989              |
| Employee legal services                    | 1,705              | 1,705             | 1,651            | 54             | 1,536            |
| Office supplies                            | 11,000             | 11,000            | 9,138            | 1,862          | 9,719            |
| Other services and charges:                |                    |                   |                  |                |                  |
| Contractual services                       | 16,000             | 16,000            | 15,364           | 636            | 18,500           |
| Postage                                    | 50,000             | 50,000            | 36,495           | 13,505         | 58,941           |
| Tax statement preparation                  | 41,000             | 60,736            | 24,430           | 36,306         | 19,847           |
| Mileage                                    | 1,000              | 1,000             | 394              | 606            | 739              |
| Delinquent personal property tax write off | 205,000            | 205,000           | -                | 205,000        | 200,000          |
| Capital outlay:                            |                    |                   |                  |                |                  |
| Office equipment                           | -                  | -                 | -                | -              | 2,766            |
| <b>Total Treasurer</b>                     | <b>1,642,989</b>   | <b>1,662,725</b>  | <b>1,345,984</b> | <b>316,741</b> | <b>1,543,200</b> |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|----------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| General government, continued:         |                    |                   |                  |                |                  |
| <b>Controller:</b>                     |                    |                   |                  |                |                  |
| Personal services:                     |                    |                   |                  |                |                  |
| Appointed official                     | \$ 110,448         | \$ 110,448        | \$ 121,593       | \$ (11,145)    | \$ 117,601       |
| Permanent employees                    | 1,143,010          | 1,143,010         | 1,175,987        | (32,977)       | 1,160,528        |
| Temporary employees                    | 115,000            | 115,000           | 10,115           | 104,885        | 24,163           |
| Overtime                               | 30,000             | 30,000            | 39,901           | (9,901)        | 31,640           |
| Employee benefits:                     |                    |                   |                  |                |                  |
| Social security                        | 112,049            | 112,049           | 106,452          | 5,597          | 104,155          |
| Employee insurances                    | 286,613            | 286,613           | 203,216          | 83,397         | 241,475          |
| Retiree health insurance               | 447,788            | 447,788           | 453,975          | (6,187)        | 463,270          |
| Longevity                              | 49,344             | 49,344            | 50,020           | (676)          | 49,588           |
| Retirement fund                        | 413,576            | 413,576           | 391,408          | 22,168         | 409,668          |
| Cost of living                         | 3,870              | 3,870             | 1,984            | 1,886          | 1,893            |
| Auto allowance                         | -                  | -                 | -                | -              | 3,600            |
| Employee legal services                | 2,790              | 2,790             | 2,752            | 38             | 2,726            |
| Office supplies                        | 22,000             | 22,000            | 17,523           | 4,477          | 23,029           |
| Other services & charges:              |                    |                   |                  |                |                  |
| Contractual services                   | 2,500              | 2,500             | 2,194            | 306            | 1,148            |
| Postage                                | 3,000              | 3,000             | 2,687            | 313            | 2,233            |
| Mileage                                | 1,000              | 1,000             | 689              | 311            | 615              |
| Auto expense                           | -                  | -                 | -                | -              | 906              |
| Total controller                       | 2,742,988          | 2,742,988         | 2,580,496        | 162,492        | 2,638,238        |
| Charges reimbursable via Public Act 55 | (286,143)          | (286,143)         | (286,143)        | -              | (273,179)        |
| <b>Net Controller</b>                  | <b>2,456,845</b>   | <b>2,456,845</b>  | <b>2,294,353</b> | <b>162,492</b> | <b>2,365,059</b> |
| <b>Information Systems:</b>            |                    |                   |                  |                |                  |
| Personal services:                     |                    |                   |                  |                |                  |
| Permanent employees                    | 236,043            | 236,043           | 246,008          | (9,965)        | 245,742          |
| Overtime                               | 9,552              | 9,552             | -                | 9,552          | 973              |
| Employee benefits:                     |                    |                   |                  |                |                  |
| Social security                        | 19,692             | 19,692            | 19,392           | 300            | 19,102           |
| Employee insurances                    | 55,987             | 55,987            | 41,892           | 14,095         | 46,706           |
| Retiree health insurance               | 85,115             | 85,115            | 85,877           | (762)          | 85,368           |
| Longevity                              | 7,837              | 7,837             | 7,819            | 18             | 6,243            |
| Retirement fund                        | 34,809             | 34,809            | 34,904           | (95)           | 34,763           |
| Cost of living                         | 645                | 645               | 329              | 316            | 322              |
| Employee legal services                | 465                | 465               | 461              | 4              | 461              |
| Operating supplies                     | 5,600              | 5,600             | 1,453            | 4,147          | 3,700            |
| Other services and charges:            |                    |                   |                  |                |                  |
| Contractual services                   | 243,289            | 243,289           | 199,332          | 43,957         | 197,127          |
| Software services                      | 14,000             | 14,000            | 7,430            | 6,570          | 8,268            |
| Capital outlay:                        |                    |                   |                  |                |                  |
| Computer equipment                     | 5,000              | 5,000             | 2,340            | 2,660          | 1,144            |
| <b>Total Information Systems</b>       | <b>718,034</b>     | <b>718,034</b>    | <b>647,237</b>   | <b>70,797</b>  | <b>649,919</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|                                | 2010               |                   |                  |                | 2009<br>Actual   |
|--------------------------------|--------------------|-------------------|------------------|----------------|------------------|
|                                | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| General government, continued: |                    |                   |                  |                |                  |
| <b>Legal:</b>                  |                    |                   |                  |                |                  |
| Personal services:             |                    |                   |                  |                |                  |
| Appointed official             | \$ 112,899         | \$ 112,899        | \$ 117,786       | \$ (4,887)     | \$ 117,703       |
| Assistant attorneys            | 613,206            | 613,206           | 499,843          | 113,363        | 626,463          |
| Clerical staff                 | 207,120            | 207,120           | 167,491          | 39,629         | 195,640          |
| Overtime                       | -                  | -                 | 14,058           | (14,058)       | -                |
| Part-time employees:           |                    |                   |                  |                |                  |
| Law clerks                     | 35,000             | 35,000            | 32,334           | 2,666          | 35,294           |
| Clerical co-op                 | -                  | -                 | 13,446           | (13,446)       | 6,668            |
| Employee benefits:             |                    |                   |                  |                |                  |
| Social security                | 76,757             | 76,757            | 64,415           | 12,342         | 74,385           |
| Employee insurances            | 151,376            | 151,376           | 97,119           | 54,257         | 129,414          |
| Retiree health insurance       | 274,731            | 274,731           | 224,918          | 49,813         | 296,454          |
| Longevity                      | 25,332             | 25,332            | 21,708           | 3,624          | 25,146           |
| Retirement fund                | 225,850            | 225,850           | 199,226          | 26,624         | 223,716          |
| Cost of living                 | 2,365              | 2,365             | 987              | 1,378          | 1,177            |
| Employee legal services        | 620                | 620               | 525              | 95             | 602              |
| Office supplies                | 5,000              | 5,000             | 4,572            | 428            | 5,591            |
| Other services and charges:    |                    |                   |                  |                |                  |
| Contractual services           | 5,300              | 5,300             | 4,660            | 640            | 2,283            |
| Postage                        | 3,500              | 3,500             | 1,029            | 2,471          | 1,698            |
| Legal fees                     | 3,000              | 3,000             | 288              | 2,712          | 3,100            |
| Mileage                        | 1,500              | 1,500             | 1,188            | 312            | 2,012            |
| Books, dues and subscription   | 17,500             | 17,500            | 13,513           | 3,987          | 15,946           |
| Capital outlay:                |                    |                   |                  |                |                  |
| Office equipment               | -                  | -                 | -                | -              | 728              |
| <b>Total Legal</b>             | <b>1,761,056</b>   | <b>1,761,056</b>  | <b>1,479,106</b> | <b>281,950</b> | <b>1,764,020</b> |
| <b>Assessing:</b>              |                    |                   |                  |                |                  |
| Personal services:             |                    |                   |                  |                |                  |
| Appointed official             | 103,656            | 103,656           | 112,067          | (8,411)        | 112,781          |
| Permanent employees            | 684,612            | 684,612           | 640,868          | 43,744         | 681,978          |
| Seasonal employees             | 5,000              | 5,000             | 20,206           | (15,206)       | 6,387            |
| Overtime                       | 6,421              | 6,421             | 20,864           | (14,443)       | 2,912            |
| Employee benefits:             |                    |                   |                  |                |                  |
| Social security                | 64,671             | 64,671            | 63,789           | 882            | 63,816           |
| Employee insurances            | 141,412            | 141,412           | 98,575           | 42,837         | 119,119          |
| Retiree health insurance       | 249,069            | 249,069           | 227,842          | 21,227         | 255,078          |
| Longevity                      | 32,512             | 32,512            | 29,504           | 3,008          | 30,654           |
| Retirement fund                | 312,242            | 312,242           | 298,694          | 13,548         | 307,264          |
| Cost of living                 | 2,580              | 2,580             | 1,152            | 1,428          | 1,289            |
| Auto allowance                 | -                  | -                 | -                | -              | 3,600            |
| Employee legal services        | 1,860              | 1,860             | 1,587            | 273            | 1,843            |
| Office supplies                | 5,000              | 5,000             | 3,483            | 1,517          | 3,327            |
| Other services and charges:    |                    |                   |                  |                |                  |
| Contractual services:          |                    |                   |                  |                |                  |
| Data conversion                | 9,200              | 9,200             | 9,280            | (80)           | 9,010            |
| Software services              | 9,100              | 15,100            | 14,940           | 160            | 8,766            |
| Postage                        | 22,000             | 22,000            | 23,777           | (1,777)        | 23,483           |
| Board of review                | 8,200              | 8,200             | 5,400            | 2,800          | 7,776            |
| Tax roll preparation           | 16,500             | 16,500            | 14,454           | 2,046          | 15,415           |
| Auto expense                   | 2,500              | 2,500             | 1,857            | 643            | 1,955            |
| <b>Total Assessing</b>         | <b>1,676,535</b>   | <b>1,682,535</b>  | <b>1,588,339</b> | <b>94,196</b>  | <b>1,656,453</b> |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|                                   | 2010               |                   |                  |                | 2009<br>Actual   |
|-----------------------------------|--------------------|-------------------|------------------|----------------|------------------|
|                                   | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| General government, continued:    |                    |                   |                  |                |                  |
| <b>D.P.W. Garage:</b>             |                    |                   |                  |                |                  |
| Personal services:                |                    |                   |                  |                |                  |
| Clerical salaries                 | \$ 53,769          | \$ 53,769         | \$ 55,010        | \$ (1,241)     | \$ 44,453        |
| Mechanics wages                   | 389,460            | 389,460           | 398,867          | (9,407)        | 396,807          |
| Clerical co-op                    | -                  | -                 | -                | -              | 375              |
| Overtime - clerical               | 1,500              | 1,500             | -                | 1,500          | -                |
| Overtime - mechanics              | 40,000             | 40,000            | 6,474            | 33,526         | 32,589           |
| Employee benefits:                |                    |                   |                  |                |                  |
| Social security                   | 39,076             | 39,076            | 36,540           | 2,536          | 37,617           |
| Employee insurances               | 135,695            | 135,695           | 105,783          | 29,912         | 113,107          |
| Retiree health insurance          | 168,902            | 168,902           | 160,838          | 8,064          | 164,893          |
| Longevity                         | 17,848             | 17,848            | 17,813           | 35             | 17,553           |
| Retirement fund                   | 107,255            | 107,255           | 90,072           | 17,183         | 91,627           |
| Cost of living                    | 1,603              | 1,603             | 820              | 783            | 814              |
| Uniforms                          | 1,330              | 1,330             | 1,176            | 154            | 1,288            |
| Employee legal services           | 1,085              | 1,085             | 1,075            | 10             | 1,075            |
| Supplies:                         |                    |                   |                  |                |                  |
| Operating supplies                | 100,000            | 100,000           | 72,498           | 27,502         | 107,810          |
| Gasoline and diesel oil           | 140,000            | 140,000           | 89,321           | 50,679         | 125,372          |
| Other services and charges:       |                    |                   |                  |                |                  |
| Contractual service               | 8,000              | 8,000             | 13,968           | (5,968)        | 8,531            |
| Telephone and radio               | 12,000             | 12,000            | 7,243            | 4,757          | 9,530            |
| Vehicle maintenance               | 265,000            | 265,000           | 240,551          | 24,449         | 249,843          |
| Public utilities                  | 114,000            | 114,000           | 98,345           | 15,655         | 117,787          |
| Building maintenance              | 15,000             | 15,000            | 12,172           | 2,828          | 16,869           |
| Foreclosure expense               | -                  | 40,000            | 29,890           | 10,110         | -                |
| Capital outlay:                   |                    |                   |                  |                |                  |
| Capital improvements              | -                  | -                 | -                | -              | 20,521           |
| Office equipment                  | -                  | -                 | 1,173            | (1,173)        | 2,030            |
| Equipment and machinery           | -                  | -                 | 37,540           | (37,540)       | 81,682           |
| Total expenditures                | <u>1,611,523</u>   | <u>1,651,523</u>  | <u>1,477,169</u> | <u>174,354</u> | <u>1,642,173</u> |
| Other uses:                       |                    |                   |                  |                |                  |
| Reimbursement to Major Streets    | 92,738             | 92,738            | 92,738           | -              | 63,818           |
| Reimbursement to Local Streets    | <u>177,738</u>     | <u>222,738</u>    | <u>139,816</u>   | <u>82,922</u>  | <u>139,598</u>   |
| Total other uses                  | <u>270,476</u>     | <u>315,476</u>    | <u>232,554</u>   | <u>82,922</u>  | <u>203,416</u>   |
| <b>Total D.P.W. Garage</b>        | <u>1,881,999</u>   | <u>1,966,999</u>  | <u>1,709,723</u> | <u>257,276</u> | <u>1,845,589</u> |
| <b>Building Maintenance:</b>      |                    |                   |                  |                |                  |
| Personal services:                |                    |                   |                  |                |                  |
| Superintendent                    | 77,987             | 77,987            | 81,276           | (3,289)        | 70,265           |
| Permanent employees               | 449,139            | 449,139           | 439,891          | 9,248          | 447,094          |
| Seasonal employees                | 215,000            | 215,000           | 199,667          | 15,333         | 227,904          |
| Overtime                          | 30,000             | 30,000            | 3,429            | 26,571         | 17,625           |
| Employee benefits:                |                    |                   |                  |                |                  |
| Social security                   | 61,768             | 61,768            | 57,010           | 4,758          | 59,854           |
| Employee insurances               | 165,931            | 165,931           | 133,236          | 32,695         | 133,603          |
| Retiree health insurance          | 169,559            | 169,559           | 157,556          | 12,003         | 163,406          |
| Longevity                         | 22,847             | 22,847            | 22,776           | 71             | 21,379           |
| Retirement fund                   | 217,024            | 217,024           | 200,567          | 16,457         | 202,392          |
| Cost of living                    | 2,047              | 2,047             | 1,050            | 997            | 1,036            |
| Uniforms                          | 1,520              | 1,520             | 1,520            | -              | 1,299            |
| Employee legal services           | 1,395              | 1,395             | 1,382            | 13             | 1,382            |
| Supplies:                         |                    |                   |                  |                |                  |
| Operating                         | 65,000             | 65,000            | 32,793           | 32,207         | 40,570           |
| Maintenance                       | 90,000             | 90,000            | 50,077           | 39,923         | 57,686           |
| Other services and charges:       |                    |                   |                  |                |                  |
| Contractual services              | 215,000            | 310,550           | 224,228          | 86,322         | 133,108          |
| Vehicle maintenance               | 6,500              | 6,500             | 6,286            | 214            | 7,761            |
| Capital outlay:                   |                    |                   |                  |                |                  |
| Office equipment                  | -                  | -                 | -                | -              | 3,623            |
| Maintenance equipment             | -                  | -                 | 1,470            | (1,470)        | 986              |
| <b>Total Building Maintenance</b> | <u>1,790,717</u>   | <u>1,886,267</u>  | <u>1,614,214</u> | <u>272,053</u> | <u>1,590,973</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                |               | 2009<br>Actual |
|--|--------------------|-------------------|----------------|---------------|----------------|
|  | Original<br>Budget | Amended<br>Budget | Actual         | Variance      |                |
| General government, continued:               |                    |                   |                |               |                |
| <b>Civil Service - Police and Fire:</b>      |                    |                   |                |               |                |
| Personal services:                           |                    |                   |                |               |                |
| Permanent employees                          | \$ 53,908          | \$ 53,908         | \$ 57,124      | \$ (3,216)    | \$ 56,623      |
| Overtime                                     | 1,500              | 1,500             | 1,699          | (199)         | -              |
| Fees and per diem                            | 1,500              | 1,500             | 2,550          | (1,050)       | 2,400          |
| Employee benefits:                           |                    |                   |                |               |                |
| Social security                              | 4,562              | 4,562             | 4,737          | (175)         | 4,587          |
| Employee insurances                          | 7,285              | 7,285             | 7,041          | 244           | 6,720          |
| Retiree health insurance                     | 19,715             | 19,715            | 20,869         | (1,154)       | 20,078         |
| Longevity                                    | 3,227              | 3,227             | 3,206          | 21            | 3,206          |
| Retirement fund                              | 28,937             | 28,937            | 30,017         | (1,080)       | 28,754         |
| Cost of living                               | 215                | 215               | 111            | 104           | 107            |
| Employee legal services                      | 155                | 155               | 154            | 1             | 154            |
| Supplies:                                    |                    |                   |                |               |                |
| Office supplies                              | 900                | 900               | 511            | 389           | 1,132          |
| Exams and operating supplies                 | 20,000             | 20,000            | 4,306          | 15,694        | 13,910         |
| Other services and charges:                  |                    |                   |                |               |                |
| Postage                                      | 1,000              | 1,000             | 117            | 883           | 146            |
| <b>Total Civil Service - Police and Fire</b> | <b>142,904</b>     | <b>142,904</b>    | <b>132,442</b> | <b>10,462</b> | <b>137,817</b> |
| <b>Personnel:</b>                            |                    |                   |                |               |                |
| Personal services:                           |                    |                   |                |               |                |
| Permanent employees                          | 393,583            | 393,583           | 409,473        | (15,890)      | 398,784        |
| Temporary / Co-op                            | 3,000              | 3,000             | -              | 3,000         | 2,901          |
| Overtime                                     | 1,251              | 1,251             | 1,344          | (93)          | 2,172          |
| Fees and per diem                            | 3,000              | 3,000             | 3,000          | -             | 2,550          |
| Employee benefits:                           |                    |                   |                |               |                |
| Social security                              | 31,882             | 31,882            | 32,416         | (534)         | 32,189         |
| Employee insurances                          | 84,289             | 84,289            | 71,027         | 13,262        | 72,174         |
| Retiree health insurance                     | 95,521             | 95,521            | 102,547        | (7,026)       | 99,753         |
| Longevity                                    | 12,255             | 12,255            | 12,244         | 11            | 12,237         |
| Retirement fund                              | 100,282            | 100,282           | 106,241        | (5,959)       | 102,759        |
| Cost of living                               | 1,290              | 1,290             | 660            | 630           | 628            |
| Auto allowance                               | -                  | -                 | -              | -             | 3,600          |
| Employee legal services                      | 930                | 930               | 922            | 8             | 909            |
| Office supplies                              | 4,500              | 4,500             | 2,872          | 1,628         | 5,262          |
| Other services and charges:                  |                    |                   |                |               |                |
| Contractual services                         | 16,500             | 16,500            | 9,485          | 7,015         | 13,543         |
| Contractual services -                       |                    |                   |                |               |                |
| Employee Assistance Center                   | 15,000             | 15,000            | 15,142         | (142)         | 15,325         |
| Postage                                      | 4,000              | 4,000             | 2,774          | 1,226         | 8,040          |
| Medical services                             | 45,000             | 45,000            | 34,420         | 10,580        | 35,641         |
| Mileage                                      | 250                | 250               | 114            | 136           | 103            |
| Printing and publishing                      | 12,500             | 12,500            | 10,000         | 2,500         | 16,482         |
| Membership and dues                          | 800                | 800               | 665            | 135           | 560            |
| <b>Total Personnel</b>                       | <b>825,833</b>     | <b>825,833</b>    | <b>815,346</b> | <b>10,487</b> | <b>825,612</b> |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                |             | 2009<br>Actual |
|--|--------------------|-------------------|----------------|-------------|----------------|
|  | Original<br>Budget | Amended<br>Budget | Actual         | Variance    |                |
| General government, continued:         |                    |                   |                |             |                |
| <b>Labor Relations:</b>                |                    |                   |                |             |                |
| Personal services:                     |                    |                   |                |             |                |
| Permanent employees                    | \$ 197,173         | \$ 197,173        | \$ 231,755     | \$ (34,582) | \$ 200,285     |
| Overtime                               | -                  | -                 | 2,360          | (2,360)     | -              |
| Employee benefits:                     |                    |                   |                |             |                |
| Social security                        | 15,229             | 15,229            | 17,627         | (2,398)     | 14,552         |
| Employee insurances                    | 46,134             | 46,134            | 31,520         | 14,614      | 39,148         |
| Retiree health insurance               | 68,475             | 68,475            | 81,736         | (13,261)    | 71,305         |
| Longevity                              | 6,800              | 6,800             | 6,517          | 283         | 6,800          |
| Retirement fund                        | 70,473             | 70,473            | 85,805         | (15,332)    | 71,773         |
| Cost of living                         | 430                | 430               | 176            | 254         | 215            |
| Auto allowance                         | -                  | -                 | -              | -           | 3,600          |
| Employee legal services                | 310                | 310               | 154            | 156         | 154            |
| Office supplies                        | 2,000              | 2,000             | 354            | 1,646       | 768            |
| Other services and charges:            |                    |                   |                |             |                |
| Arbitration expense                    | 87,000             | 87,000            | 37,384         | 49,616      | 73,608         |
| Printing and publishing                | 2,000              | 2,000             | -              | 2,000       | -              |
| Membership and dues                    | 8,000              | 8,000             | 7,752          | 248         | 7,948          |
| <b>Total Labor Relations</b>           | <b>504,024</b>     | <b>504,024</b>    | <b>503,140</b> | <b>884</b>  | <b>490,156</b> |
| <b>City Retirement:</b>                |                    |                   |                |             |                |
| Retiree benefits:                      |                    |                   |                |             |                |
| Insurance                              | 7,500,000          | 7,500,000         | 6,852,138      | 647,862     | 6,545,336      |
| Medicare reimbursement                 | 685,000            | 685,000           | 593,577        | 91,423      | 593,128        |
| Personal services:                     |                    |                   |                |             |                |
| Accounting services                    | 175,945            | 175,945           | -              | 175,945     | -              |
| Clerical services                      | 110,198            | 110,198           | -              | 110,198     | -              |
| Temporary employees                    | 22,750             | 22,750            | 5,320          | 17,430      | 5,775          |
| Fees and per diem                      | 600                | 600               | -              | 600         | -              |
| Employee benefits:                     |                    |                   |                |             |                |
| Social security                        | 1,763              | 1,763             | 407            | 1,356       | 442            |
| Employee insurances                    | 26                 | 26                | 3              | 23          | 4              |
| Office supplies                        | 2,500              | 2,500             | -              | 2,500       | 53             |
| Other services and charges:            |                    |                   |                |             |                |
| Contractual services                   | 493,188            | 493,188           | -              | 493,188     | -              |
| Service contracts                      | 1,000              | 1,000             | -              | 1,000       | 792            |
| Disability physicals                   | 3,000              | 3,000             | -              | 3,000       | -              |
| Bank custodial fees                    | 37,483             | 37,483            | -              | 37,483      | -              |
| Conferences and workshops              | 10,000             | 10,000            | -              | 10,000      | -              |
| Legal fees                             | 12,000             | 12,000            | -              | 12,000      | -              |
| Postage                                | 6,000              | 6,000             | 3,737          | 2,263       | 3,638          |
| Printing and publishing                | 2,000              | 2,000             | -              | 2,000       | -              |
| Telephone                              | 900                | 900               | 943            | (43)        | 785            |
| Insurance and bonds                    | 15,000             | 15,000            | -              | 15,000      | -              |
| Memberships and dues                   | 200                | 200               | -              | 200         | -              |
| Capital outlay:                        |                    |                   |                |             |                |
| Office equipment                       | -                  | -                 | -              | -           | 2,621          |
| Total city retirement                  | 9,079,553          | 9,079,553         | 7,456,125      | 1,623,428   | 7,152,574      |
| Charges reimbursable via Public Act 55 | (847,951)          | (847,951)         | (10,410)       | (837,541)   | (13,176)       |
| Charges reimbursable via VEBA Trust    | (8,231,602)        | (8,231,602)       | (7,445,715)    | (785,887)   | (7,139,398)    |
| <b>Net City Retirement</b>             | <b>-</b>           | <b>-</b>          | <b>-</b>       | <b>-</b>    | <b>-</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |               |              | 2009<br>Actual |
|---|--------------------|-------------------|---------------|--------------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual        | Variance     |                |
| General government, continued:                      |                    |                   |               |              |                |
| <b>Police and Fire Retirement:</b>                  |                    |                   |               |              |                |
| Retiree benefits:                                   |                    |                   |               |              |                |
| Insurance   | \$ 8,000,000       | \$ 8,000,000      | \$ 6,461,832  | \$ 1,538,168 | \$ 6,609,342   |
| Medicare reimbursement                              | 470,000            | 470,000           | 440,084       | 29,916       | 414,038        |
| Personal services:                                  |                    |                   |               |              |                |
| Permanent employees                                 | 124,796            | 124,796           | 125,337       | (541)        | 126,269        |
| Temporary employees                                 | 22,750             | 22,750            | 1,736         | 21,014       | 2,187          |
| Overtime  | 6,000              | 6,000             | 8,894         | (2,894)      | 4,378          |
| Social security                                     | 12,420             | 12,420            | 10,893        | 1,527        | 10,584         |
| Employee insurances                                 | 21,951             | 21,951            | 19,105        | 2,846        | 20,201         |
| Retiree health insurance                            | 46,064             | 46,064            | 47,507        | (1,443)      | 45,869         |
| Longevity   | 6,278              | 6,278             | 6,257         | 21           | 5,304          |
| Retirement fund                                     | 50,016             | 50,016            | 52,024        | (2,008)      | 48,569         |
| Cost of living                                      | 430                | 430               | 231           | 199          | 222            |
| Employee legal services                             | 310                | 310               | 307           | 3            | 307            |
| Office supplies                                     | 5,418              | 5,418             | -             | 5,418        | -              |
| Other services and charges:                         |                    |                   |               |              |                |
| Contractual services                                | 1,900,000          | 1,900,000         | -             | 1,900,000    | 792            |
| Independent audit                                   | 28,000             | 28,000            | -             | 28,000       | -              |
| Service contracts                                   | 530                | 530               | -             | 530          | -              |
| Postage   | 5,016              | 5,016             | 3,270         | 1,746        | 2,854          |
| Telephone   | 1,000              | 1,000             | 1,067         | (67)         | 949            |
| Disability physicals                                | 2,000              | 2,000             | -             | 2,000        | -              |
| Conferences and workshops                           | 18,400             | 18,400            | -             | 18,400       | -              |
| Printing and publishing                             | 3,565              | 3,565             | -             | 3,565        | -              |
| Insurance and bonds                                 | 35,000             | 35,000            | -             | 35,000       | -              |
| Capital outlay:                                     |                    |                   |               |              |                |
| Office equipment                                    | -                  | -                 | -             | -            | 2,622          |
| Total police and fire retirement                    | 10,759,944         | 10,759,944        | 7,178,544     | 3,581,400    | 7,294,487      |
| Charges reimbursable via Public Act 55              | (2,289,944)        | (2,289,944)       | (276,628)     | (2,013,316)  | (271,107)      |
| Charges reimbursable via VEBA Trust                 | (8,470,000)        | (8,470,000)       | (6,901,916)   | (1,568,084)  | (7,023,380)    |
| <b>Net Police and Fire Retirement</b>               | -                  | -                 | -             | -            | -              |
| <b>Beautification Commission:</b>                   |                    |                   |               |              |                |
| Personal services:                                  |                    |                   |               |              |                |
| Temporary employee                                  | 7,000              | 7,000             | 3,415         | 3,585        | 4,397          |
| Employee benefits:                                  |                    |                   |               |              |                |
| Social security                                     | 543                | 543               | 261           | 282          | 336            |
| Employee insurances                                 | 8                  | 8                 | -             | 8            | -              |
| Office supplies                                     | 800                | 800               | 467           | 333          | 324            |
| Other services and charges:                         |                    |                   |               |              |                |
| Contractual services                                | 4,000              | 12,590            | 12,291        | 299          | 11,639         |
| Postage   | 1,400              | 1,400             | 1,301         | 99           | 1,443          |
| Telephone expense                                   | 400                | 400               | 194           | 206          | 249            |
| Mileage   | 1,000              | 1,000             | 574           | 426          | 632            |
| Public utilities                                    | 500                | 500               | 685           | (185)        | 313            |
| School program                                      | 1,000              | 1,000             | 405           | 595          | 457            |
| Awards committee                                    | 9,500              | 9,500             | 7,779         | 1,721        | 8,421          |
| Clean up campaign                                   | 2,000              | 2,000             | 870           | 1,130        | 1,241          |
| Installation and informational dinner meetings      | 1,200              | 1,200             | 478           | 722          | 707            |
| Dial-a-helper                                       | 300                | 300               | -             | 300          | -              |
| City flower plantings                               | 1,200              | 1,200             | 916           | 284          | 787            |
| <b>Total Beautification Commission</b>              | <b>30,851</b>      | <b>39,441</b>     | <b>29,636</b> | <b>9,805</b> | <b>30,946</b>  |
| <b>Senior Health Care Services Commission:</b>      |                    |                   |               |              |                |
| Other services and charges:                         |                    |                   |               |              |                |
| Community promotion and public relations            | 3,000              | 3,000             | 3,000         | -            | 2,500          |
| <b>Total Senior Health Care Services Commission</b> | <b>3,000</b>       | <b>3,000</b>      | <b>3,000</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                   |                  | 2009<br>Actual    |
|--|--------------------|-------------------|-------------------|------------------|-------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual            | Variance         |                   |
| General government, continued:                     |                    |                   |                   |                  |                   |
| <b>Council of Commissions</b>                      |                    |                   |                   |                  |                   |
| Office supplies                                    | \$ 100             | \$ 100            | \$ 74             | \$ 26            | \$ 18             |
| Other services and charges:                        |                    |                   |                   |                  |                   |
| Appreciation reception                             | 3,400              | 3,400             | 2,779             | 621              | 3,507             |
| <b>Total Council of Commissions</b>                | <u>3,500</u>       | <u>3,500</u>      | <u>2,853</u>      | <u>647</u>       | <u>3,525</u>      |
| <b>Animal Welfare Commission</b>                   |                    |                   |                   |                  |                   |
| Office supplies                                    | 400                | 400               | -                 | 400              | 542               |
| Other services and charges:                        |                    |                   |                   |                  |                   |
| Operating expense                                  | 1,600              | 1,600             | 3,093             | (1,493)          | 809               |
| Education  | 2,000              | 2,000             | 2,645             | (645)            | 3,598             |
| Postage  | 100                | 100               | -                 | 100              | -                 |
| Telephone  | 600                | 600               | 362               | 238              | 324               |
| Vaccination fair                                   | 900                | 900               | 1,695             | (795)            | 898               |
| Dog park   | 3,600              | 3,600             | -                 | 3,600            | 4,575             |
| Chipping clinic                                    | 800                | 800               | 140               | 660              | 200               |
| <b>Total Animal Welfare Commission</b>             | <u>10,000</u>      | <u>10,000</u>     | <u>7,935</u>      | <u>2,065</u>     | <u>10,946</u>     |
| <b>Administrative Unallocated Expense:</b>         |                    |                   |                   |                  |                   |
| Other services and charges:                        |                    |                   |                   |                  |                   |
| Education allowance                                | 68,000             | 68,000            | 62,535            | 5,465            | 60,316            |
| Independent audit                                  | 57,000             | 57,000            | 54,900            | 2,100            | 54,900            |
| Tax reverted property acquisition                  | 25,000             | 25,000            | -                 | 25,000           | 54,574            |
| Unemployment costs                                 | 53,000             | 53,000            | 52,452            | 548              | 17,968            |
| Professional services                              | 150,000            | 150,000           | 122,041           | 27,959           | 174,133           |
| Telephone and radio                                | 50,000             | 50,000            | 59,937            | (9,937)          | 50,635            |
| Conferences and workshops                          | 10,000             | 10,000            | 7,995             | 2,005            | 9,213             |
| Community promotion                                | 10,000             | 10,000            | 5,388             | 4,612            | 3,629             |
| Insurance and bonds                                | 2,400,000          | 2,400,000         | 2,528,098         | (128,098)        | 2,136,714         |
| Lawsuit settlements                                | -                  | 5,975,000         | 5,975,000         | -                | 571               |
| Grievance settlements                              | -                  | 400,000           | 400,000           | -                | -                 |
| Investment Policy Commission bank rating           | 1,000              | 1,000             | 396               | 604              | 739               |
| 401(a) Board operating expense                     | 1,500              | 1,500             | 1,644             | (144)            | 1,300             |
| Disability Commission operating expense            | 1,000              | 1,000             | 16                | 984              | 1                 |
| Public utilities - court building                  | 10,000             | 10,000            | 9,566             | 434              | 9,111             |
| Public utilities - civic center                    | 290,000            | 290,000           | 225,791           | 64,209           | 320,252           |
| Mayor's & Municipalities Automotive                | 10,000             | 10,000            | -                 | 10,000           | -                 |
| Eight Mile Road Vision Action Plan                 | 7,500              | 7,500             | 7,370             | 130              | 7,370             |
| HOME Program                                       | 45,000             | 45,000            | 1,824             | 43,176           | -                 |
| Michigan Suburbs Alliance                          | 7,000              | 7,000             | 6,912             | 88               | 6,912             |
| Auction sale                                       | 1,000              | 1,000             | -                 | 1,000            | -                 |
| Refund of taxes paid under protest                 | 600,000            | 600,000           | 349,244           | 250,756          | 524,440           |
| Liability transfer:                                |                    |                   |                   |                  |                   |
| Accumulated sick leave                             | 50,000             | 50,000            | -                 | 50,000           | -                 |
| Compensatory time                                  | 20,000             | 20,000            | -                 | 20,000           | 28,692            |
| <b>Total expenditures</b>                          | <u>3,867,000</u>   | <u>10,242,000</u> | <u>9,871,109</u>  | <u>370,891</u>   | <u>3,461,470</u>  |
| Other uses:  |                    |                   |                   |                  |                   |
| Transfer to Library Special Revenue Fund           | -                  | 150,000           | 150,000           | -                | -                 |
| Transfer to Building Authority Debt Service Funds: |                    |                   |                   |                  |                   |
| Series 2009 multiple purpose bonds                 | 250,000            | 250,000           | -                 | 250,000          | -                 |
| Series 2005 multiple purpose bonds                 | 533,000            | 533,000           | 531,690           | 1,310            | 546,240           |
| Series 2002 multiple purpose bonds                 | 417,000            | 417,000           | 416,585           | 415              | 410,615           |
| <b>Total other uses</b>                            | <u>1,200,000</u>   | <u>1,350,000</u>  | <u>1,098,275</u>  | <u>251,725</u>   | <u>956,855</u>    |
| <b>Total Administrative Unallocated Expense</b>    | <u>5,067,000</u>   | <u>11,592,000</u> | <u>10,969,384</u> | <u>622,616</u>   | <u>4,418,325</u>  |
| Total expenditures                                 | 27,080,467         | 34,213,185        | 30,896,141        | 3,317,044        | 25,756,493        |
| Total other uses                                   | 1,470,476          | 1,665,476         | 1,330,829         | 334,647          | 1,160,271         |
| <b>Total general government</b>                    | <u>28,550,943</u>  | <u>35,878,661</u> | <u>32,226,970</u> | <u>3,651,691</u> | <u>26,916,764</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                   |                  | 2009<br>Actual    |
|---|--------------------|-------------------|-------------------|------------------|-------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual            | Variance         |                   |
| Public safety:                              |                    |                   |                   |                  |                   |
| <b>Fire Department:</b>                     |                    |                   |                   |                  |                   |
| Personal services:                          |                    |                   |                   |                  |                   |
| Appointed official                          | \$ 112,020         | \$ 112,020        | \$ 111,729        | \$ 291           | \$ 103,098        |
| Firemen                                     | 8,198,321          | 10,497,821        | 10,233,576        | 264,245          | 9,093,210         |
| Mechanics                                   | 81,901             | 92,657            | 95,077            | (2,420)          | 81,116            |
| Civilians and clerical                      | 109,834            | 109,834           | 82,393            | 27,441           | 136,370           |
| Clerical co-op                              | 10,000             | 10,000            | 23,985            | (13,985)         | 21,374            |
| Overtime:                                   |                    |                   |                   |                  |                   |
| Firemen                                     | 700,000            | 976,012           | 1,224,803         | (248,791)        | 916,954           |
| Mechanics                                   | 10,000             | 10,821            | 10,174            | 647              | 1,832             |
| Clerical                                    | 3,000              | 3,000             | -                 | 3,000            | 149               |
| Shift premium                               | 260,000            | 296,997           | 265,724           | 31,273           | 231,694           |
| Employee benefits:                          |                    |                   |                   |                  |                   |
| Education allowance                         | 22,150             | 22,150            | 25,775            | (3,625)          | 24,108            |
| Cleaning allowance                          | 5,500              | 11,900            | 10,196            | 1,704            | 6,471             |
| Food allowance                              | 88,000             | 144,800           | 149,416           | (4,616)          | 88,707            |
| AEMT license allowance                      | -                  | -                 | 6,250             | (6,250)          | -                 |
| Auto allowance                              | -                  | -                 | -                 | -                | 2,400             |
| Social security                             | 115,795            | 131,033           | 141,408           | (10,375)         | 118,879           |
| Holiday pay                                 | 507,486            | 587,745           | 560,377           | 27,368           | 511,500           |
| Employee insurances                         | 2,579,293          | 2,605,781         | 1,941,386         | 664,395          | 2,241,262         |
| Retiree health insurance                    | 2,820,719          | 3,554,380         | 3,511,863         | 42,517           | 3,133,106         |
| Longevity                                   | 235,568            | 295,968           | 289,063           | 6,905            | 248,715           |
| Retirement fund                             | 2,505,157          | 3,153,329         | 3,068,233         | 85,096           | 2,846,034         |
| Cost of living                              | 20,351             | 20,351            | 11,709            | 8,642            | 11,259            |
| Uniforms                                    | 42,400             | 103,900           | 105,113           | (1,213)          | 41,801            |
| Employee legal services                     | 18,755             | 18,755            | 17,894            | 861              | 18,931            |
| Supplies:                                   |                    |                   |                   |                  |                   |
| EMS medical supplies                        | 60,000             | 70,000            | 63,974            | 6,026            | 26,454            |
| Operating supplies                          | 73,000             | 73,000            | 58,859            | 14,141           | 57,927            |
| Gasoline and oil                            | 78,000             | 83,000            | 74,912            | 8,088            | 73,586            |
| Other services and charges:                 |                    |                   |                   |                  |                   |
| Contractual services                        | 118,262            | 118,262           | 87,909            | 30,353           | 40,374            |
| Fire Prevention Week                        | 3,000              | 3,000             | 992               | 2,008            | 3,033             |
| S.M.I.R.T. fund                             | 7,500              | 7,500             | -                 | 7,500            | 7,500             |
| Laundry                                     | 23,000             | 23,000            | 16,563            | 6,437            | 19,228            |
| Instruction                                 | 50,000             | 50,000            | 24,845            | 25,155           | 29,684            |
| Medical services                            | 30,000             | 30,000            | 12,681            | 17,319           | 5,856             |
| Telephone and radio                         | 55,000             | 55,000            | 58,596            | (3,596)          | 48,089            |
| Vehicle maintenance                         | 225,000            | 235,000           | 295,149           | (60,149)         | 232,563           |
| Community promotion                         | -                  | 2,550             | 1,000             | 1,550            | -                 |
| Public utilities                            | 140,000            | 140,000           | 123,292           | 16,708           | 137,114           |
| Building maintenance                        | 100,000            | 100,000           | 54,410            | 45,590           | 108,061           |
| 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                         | 5,000              | 5,000             | 2,775             | 2,225            | 4,271             |
| Capital outlay:                             |                    |                   |                   |                  |                   |
| Capital improvements                        | -                  | -                 | -                 | -                | 14,647            |
| Fire equipment                              | 99,950             | 100,644           | 97,510            | 3,134            | 137,221           |
| EMS equipment                               | -                  | 168,741           | 167,896           | 845              | -                 |
| Metro Medical Response Grant expense        | -                  | 47,853            | 30,318            | 17,535           | 365,164           |
| Assistance to Firefighters Grant expense    | -                  | 227,183           | 221,877           | 5,306            | -                 |
| Assistance to Firefighters Grant 09 expense | -                  | 273,720           | -                 | 273,720          | -                 |
| <b>Total Fire Department</b>                | <b>19,603,962</b>  | <b>24,662,707</b> | <b>23,369,702</b> | <b>1,293,005</b> | <b>21,279,742</b> |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                   |                  | 2009<br>Actual    |
|--|--------------------|-------------------|-------------------|------------------|-------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual            | Variance         |                   |
| Public safety, continued:                        |                    |                   |                   |                  |                   |
| <b>Police Department:</b>                        |                    |                   |                   |                  |                   |
| Personal services:                               |                    |                   |                   |                  |                   |
| Appointed official                               | \$ 116,167         | \$ 116,167        | \$ 115,875        | \$ 292           | \$ 115,792        |
| Policemen  | 16,267,078         | 16,267,078        | 15,980,792        | 286,286          | 16,316,714        |
| Civilians and clerical                           | 2,061,765          | 2,061,765         | 1,938,918         | 122,847          | 1,934,247         |
| Crossing guards                                  | 120,000            | 120,000           | 125,918           | (5,918)          | 124,065           |
| Temporary employees                              | 40,000             | 40,000            | 45,182            | (5,182)          | 44,743            |
| Overtime - policemen                             | 1,300,000          | 1,300,000         | 1,617,781         | (317,781)        | 1,771,033         |
| Overtime - civilians                             | 45,130             | 45,130            | 25,507            | 19,623           | 59,079            |
| Employee benefits:                               |                    |                   |                   |                  |                   |
| Shift premium                                    | 355,000            | 355,000           | 324,383           | 30,617           | 328,945           |
| Gun allowance                                    | 215,750            | 215,750           | 210,947           | 4,803            | 216,154           |
| Education allowance                              | 54,200             | 54,200            | 55,817            | (1,617)          | 55,917            |
| Cleaning allowance                               | 138,000            | 138,000           | 135,465           | 2,535            | 133,724           |
| Social security                                  | 427,029            | 427,029           | 411,394           | 15,635           | 414,015           |
| Holiday pay                                      | 935,867            | 935,867           | 884,071           | 51,796           | 907,320           |
| Employee insurances                              | 4,986,072          | 4,986,072         | 3,846,625         | 1,139,447        | 4,157,426         |
| Retiree health insurance                         | 5,444,374          | 5,444,374         | 5,390,724         | 53,650           | 5,611,115         |
| Longevity  | 453,842            | 453,842           | 443,935           | 9,907            | 426,759           |
| Retirement fund                                  | 5,467,376          | 5,467,376         | 5,396,272         | 71,104           | 5,749,353         |
| Cost of living                                   | 45,906             | 45,906            | 24,791            | 21,115           | 24,025            |
| Uniforms   | 108,540            | 108,540           | 109,072           | (532)            | 118,765           |
| Employee legal services                          | 2,635              | 2,635             | 2,611             | 24               | 2,534             |
| Office supplies                                  | 60,000             | 60,000            | 57,888            | 2,112            | 51,169            |
| Other services and charges:                      |                    |                   |                   |                  |                   |
| Operating expense                                | 61,500             | 61,500            | 27,096            | 34,404           | 49,226            |
| Ammunition                                       | -                  | -                 | -                 | -                | 30,116            |
| Contractual services                             | 380,000            | 380,000           | 270,927           | 109,073          | 251,623           |
| Postage  | 7,000              | 7,000             | 5,698             | 1,302            | 6,189             |
| Special investigations                           | 4,000              | 4,000             | 4,000             | -                | 10,000            |
| Prisoners' food                                  | 40,000             | 40,000            | 13,638            | 26,362           | 27,656            |
| Crime prevention                                 | 6,000              | 6,000             | 6,152             | (152)            | 5,751             |
| Instruction                                      | 51,000             | 51,000            | 15,482            | 35,518           | 43,515            |
| 911 Dispatch training expense                    | 10,000             | 10,000            | 5,772             | 4,228            | 4,379             |
| Telephone and radio                              | 150,000            | 150,000           | 133,123           | 16,877           | 142,078           |
| Vehicle maintenance                              | 376,200            | 376,200           | 318,944           | 57,256           | 332,949           |
| Explorers  | 2,000              | 2,000             | 892               | 1,108            | -                 |
| Community promotion                              | -                  | -                 | -                 | -                | 2,032             |
| Youth Athletic League                            | 6,000              | 6,000             | 5,114             | 886              | 5,632             |
| DARE operating expense                           | 20,000             | 20,000            | 11,951            | 8,049            | 17,839            |
| Public utilities                                 | 200,000            | 200,000           | 189,237           | 10,763           | 182,479           |
| Building maintenance                             | 70,000             | 70,000            | 38,573            | 31,427           | 46,885            |
| Capital outlay:                                  |                    |                   |                   |                  |                   |
| Office equipment                                 | 15,201             | 15,201            | 9,698             | 5,503            | 54,551            |
| Fleet turnover                                   | 66,000             | 101,306           | 96,705            | 4,601            | 331,721           |
| Police equipment                                 | 55,041             | 55,041            | 28,943            | 26,098           | 5,366             |
| U.S. Department of Justice Grant expense - 2006  | -                  | -                 | -                 | -                | 31,964            |
| U.S. Department of Justice Grant expense - 2007  | -                  | 91,695            | 91,695            | -                | -                 |
| U.S. Department of Justice Grant expense - 2008  | -                  | -                 | -                 | -                | 30,155            |
| U.S. Department of Justice Grant expense - 2009A | -                  | 414,783           | 414,783           | -                | -                 |
| U.S. Department of Justice Grant expense - 2009B | -                  | 97,911            | 32,941            | 64,970           | -                 |
| Interoperable Communications Grant expense       | -                  | -                 | -                 | -                | 98,556            |
| <b>Total Police Department</b>                   | <b>40,164,673</b>  | <b>40,804,368</b> | <b>38,865,332</b> | <b>1,939,036</b> | <b>40,273,556</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                   |                  | 2009<br>Actual    |
|--|--------------------|-------------------|-------------------|------------------|-------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual            | Variance         |                   |
| Public safety, continued:                |                    |                   |                   |                  |                   |
| <b>Animal Control:</b>                   |                    |                   |                   |                  |                   |
| Personal services:                       |                    |                   |                   |                  |                   |
| Permanent employees                      | \$ 107,634         | \$ 107,634        | \$ 95,113         | \$ 12,521        | \$ 109,375        |
| Temporary employees                      | 9,000              | 9,000             | 7,616             | 1,384            | 3,690             |
| Overtime                                 | 3,501              | 3,501             | 5,087             | (1,586)          | 4,235             |
| Employee benefits:                       |                    |                   |                   |                  |                   |
| Social security                          | 9,595              | 9,595             | 8,436             | 1,159            | 9,170             |
| Employee insurances                      | 33,331             | 33,331            | 24,601            | 8,730            | 27,705            |
| Retiree health insurance                 | 38,452             | 38,452            | 34,797            | 3,655            | 39,205            |
| Longevity                                | 3,216              | 3,216             | 3,200             | 16               | 3,193             |
| Retirement fund                          | 34,853             | 34,853            | 32,101            | 2,752            | 31,929            |
| Cost of living                           | 430                | 430               | 231               | 199              | 228               |
| Uniforms                                 | 760                | 760               | 760               | -                | 760               |
| Employee legal services                  | 310                | 310               | 307               | 3                | 307               |
| Operating supplies                       | 1,500              | 1,500             | 1,042             | 458              | 1,052             |
| Other services and charges:              |                    |                   |                   |                  |                   |
| Animal collections                       | 60,000             | 60,000            | 46,706            | 13,294           | 44,039            |
| Vehicle maintenance                      | 7,000              | 7,000             | 3,038             | 3,962            | 6,395             |
| Capital outlay:                          |                    |                   |                   |                  |                   |
| Vehicles                                 | -                  | 19,856            | 19,856            | -                | -                 |
| <b>Total Animal Control</b>              | <b>309,582</b>     | <b>329,438</b>    | <b>282,891</b>    | <b>46,547</b>    | <b>281,283</b>    |
| <b>Civil Defense:</b>                    |                    |                   |                   |                  |                   |
| Personal services:                       |                    |                   |                   |                  |                   |
| Policemen                                | 90,920             | 90,920            | 92,689            | (1,769)          | 94,713            |
| Overtime                                 | 2,786              | 2,786             | 4,670             | (1,884)          | 521               |
| Shift premium                            | 100                | 100               | 46                | 54               | 5                 |
| Employee benefits:                       |                    |                   |                   |                  |                   |
| Gun allowance                            | 850                | 850               | 950               | (100)            | 1,050             |
| Education allowance                      | 600                | 600               | 600               | -                | 600               |
| Cleaning allowance                       | 600                | 600               | 600               | -                | 600               |
| Holiday pay                              | 4,876              | 4,876             | 4,860             | 16               | 4,858             |
| Employee insurances                      | 11,944             | 11,944            | 8,925             | 3,019            | 9,152             |
| Retiree health insurance                 | 28,475             | 28,475            | 29,439            | (964)            | 28,896            |
| Longevity                                | 3,400              | 3,400             | 3,400             | -                | 3,400             |
| Retirement fund                          | 25,157             | 25,157            | 26,124            | (967)            | 26,256            |
| Cost of Living                           | 167                | 167               | 91                | 76               | 83                |
| Uniforms                                 | 600                | 600               | 600               | -                | 600               |
| Operating supplies                       | 300                | 300               | 1,700             | (1,400)          | -                 |
| Other services and charges:              |                    |                   |                   |                  |                   |
| Contractual services                     | 20,500             | 20,500            | 4,924             | 15,576           | 16,215            |
| Public utilities                         | 1,000              | 1,000             | 942               | 58               | 874               |
| <b>Total Civil Defense</b>               | <b>192,275</b>     | <b>192,275</b>    | <b>180,560</b>    | <b>11,715</b>    | <b>187,823</b>    |
| <b>Crime Commission:</b>                 |                    |                   |                   |                  |                   |
| Office supplies                          | 1,000              | 1,000             | 974               | 26               | 948               |
| Other services and charges:              |                    |                   |                   |                  |                   |
| Contractual services                     | 2,500              | 2,500             | 2,200             | 300              | 1,850             |
| Telephone                                | 400                | 400               | 299               | 101              | 287               |
| Community promotion and public relations | 7,300              | 7,300             | 7,224             | 76               | 6,823             |
| Public utilities                         | 3,200              | 3,200             | 1,965             | 1,235            | 2,902             |
| Fallen Hero memorial                     | -                  | -                 | -                 | -                | 1,642             |
| <b>Total Crime Commission</b>            | <b>14,400</b>      | <b>14,400</b>     | <b>12,662</b>     | <b>1,738</b>     | <b>14,452</b>     |
| <b>Total public safety</b>               | <b>60,284,892</b>  | <b>66,003,188</b> | <b>62,711,147</b> | <b>3,292,041</b> | <b>62,036,856</b> |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                  |                | 2009<br>Actual   |
|---|--------------------|-------------------|------------------|----------------|------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| City development:                                     |                    |                   |                  |                |                  |
| <b>Engineering and Inspections:</b>                   |                    |                   |                  |                |                  |
| Personal services:                                    |                    |                   |                  |                |                  |
| Engineers and inspectors                              | \$ 336,470         | \$ 336,470        | \$ 334,112       | \$ 2,358       | \$ 332,298       |
| Clerical  | 86,257             | 86,257            | 38,631           | 47,626         | 89,955           |
| Clerical co-op  | -                  | -                 | 13,596           | (13,596)       | 4,729            |
| Temporary employees - inspection                      | 50,000             | 50,000            | 22,272           | 27,728         | 35,679           |
| Overtime - engineers and inspectors                   | 128,850            | 128,850           | 115,018          | 13,832         | 116,716          |
| Overtime - clerical                                   | 3,500              | 3,500             | 148              | 3,352          | 5,856            |
| Employee benefits:                                    |                    |                   |                  |                |                  |
| Social security                                       | 48,499             | 48,499            | 41,541           | 6,958          | 46,975           |
| Employee insurances                                   | 111,381            | 111,381           | 57,479           | 53,902         | 84,907           |
| Retiree health insurance                              | 192,887            | 192,887           | 158,119          | 34,768         | 190,760          |
| Longevity   | 19,146             | 19,146            | 16,074           | 3,072          | 24,672           |
| Retirement fund                                       | 223,611            | 223,611           | 170,451          | 53,160         | 209,597          |
| Cost of living  | 1,561              | 1,561             | 896              | 665            | 1,001            |
| Uniforms  | 760                | 760               | 790              | (30)           | 760              |
| Employee legal services                               | 1,085              | 1,085             | 906              | 179            | 1,011            |
| Office supplies                                       | 15,000             | 15,000            | 8,279            | 6,721          | 9,570            |
| Other services and charges:                           |                    |                   |                  |                |                  |
| Software services                                     | 8,000              | 8,000             | 2,569            | 5,431          | 3,601            |
| Contractual services -<br>engineering and inspections | 50,000             | 130,000           | 51,153           | 78,847         | 44,738           |
| Postage   | 1,900              | 1,900             | 998              | 902            | 1,075            |
| Auto expense  | 18,000             | 18,000            | 11,467           | 6,533          | 15,363           |
| Memberships and dues                                  | 10,000             | 10,000            | 8,005            | 1,995          | 8,955            |
| Capital outlay:                                       |                    |                   |                  |                |                  |
| Office equipment                                      | -                  | -                 | 1,375            | (1,375)        | 3,648            |
| <b>Total expenditures</b>                             | <u>1,306,907</u>   | <u>1,386,907</u>  | <u>1,053,879</u> | <u>333,028</u> | <u>1,231,866</u> |
| Other uses:   |                    |                   |                  |                |                  |
| Transfer to Water and Sewer System                    | 80,434             | 80,434            | 80,434           | -              | 78,132           |
| <b>Total other uses</b>                               | <u>80,434</u>      | <u>80,434</u>     | <u>80,434</u>    | <u>-</u>       | <u>78,132</u>    |
| <b>Total Engineering and Inspections</b>              | <u>1,387,341</u>   | <u>1,467,341</u>  | <u>1,134,313</u> | <u>333,028</u> | <u>1,309,998</u> |
| <b>Property Maintenance:</b>                          |                    |                   |                  |                |                  |
| Personal services:                                    |                    |                   |                  |                |                  |
| Permanent employees                                   | 29,013             | 29,013            | -                | 29,013         | 223,873          |
| Part-time employees                                   | 12,500             | 12,500            | 42,237           | (29,737)       | 61,803           |
| Temporary employees - inspection                      | 275,000            | 275,000           | 243,357          | 31,643         | -                |
| Overtime  | -                  | -                 | 33               | (33)           | 567              |
| Employee benefits:                                    |                    |                   |                  |                |                  |
| Social security                                       | 24,547             | 24,547            | 21,392           | 3,155          | 22,340           |
| Employee insurances                                   | 8,690              | 8,690             | 931              | 7,759          | 37,356           |
| Retiree health insurance                              | 292                | 292               | 88               | 204            | 42,509           |
| Longevity   | -                  | -                 | -                | -              | 5,763            |
| Retirement fund                                       | 2,923              | 2,923             | 85               | 2,838          | 50,233           |
| Cost of living  | 215                | 215               | -                | 215            | 373              |
| Auto allowance  | -                  | -                 | -                | -              | 1,330            |
| Employee legal services                               | 155                | 155               | 13               | 142            | 589              |
| Office supplies                                       | 11,000             | 11,000            | 9,641            | 1,359          | 10,375           |
| Other services and charges:                           |                    |                   |                  |                |                  |
| Contractual services                                  | -                  | -                 | -                | -              | 165,263          |
| Weed mowing program                                   | 160,000            | 220,000           | 177,094          | 42,906         | 139,550          |
| Rodent control program                                | 6,000              | 6,000             | 3,260            | 2,740          | 5,120            |
| Housing code enforcement program                      | 105,000            | 105,000           | 80,347           | 24,653         | 103,029          |
| Postage   | 10,000             | 10,000            | 3,961            | 6,039          | 4,902            |
| West Nile Virus expense                               | 2,000              | 2,000             | -                | 2,000          | -                |
| Auto expense  | 1,500              | 1,500             | -                | 1,500          | 3,782            |
| Printing and publishing                               | 8,000              | 8,000             | 6,176            | 1,824          | 6,384            |
| Capital outlay:                                       |                    |                   |                  |                |                  |
| Office equipment                                      | -                  | 716               | 595              | 121            | 1,265            |
| <b>Total Property Maintenance</b>                     | <u>656,835</u>     | <u>717,551</u>    | <u>589,210</u>   | <u>128,341</u> | <u>886,406</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|                                      | 2010               |                   |                  |                | 2009<br>Actual   |
|--------------------------------------|--------------------|-------------------|------------------|----------------|------------------|
|                                      | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| City development, continued:         |                    |                   |                  |                |                  |
| <b>Building Inspections:</b>         |                    |                   |                  |                |                  |
| Personal services:                   |                    |                   |                  |                |                  |
| Supervisory                          | \$ 182,421         | \$ 182,421        | \$ 137,054       | \$ 45,367      | \$ 107,675       |
| Inspectors                           | 821,436            | 821,436           | 700,196          | 121,240        | 755,928          |
| Clerical                             | 187,407            | 187,407           | 185,531          | 1,876          | 189,977          |
| Clerical co-op / temporary           | 15,000             | 15,000            | 22,776           | (7,776)        | 48,383           |
| Temporary employees - inspection     | 350,000            | 350,000           | 313,199          | 36,801         | -                |
| Overtime - inspectors                | 11,000             | 11,000            | 3,787            | 7,213          | 13,724           |
| Overtime - clerical                  | 3,000              | 3,000             | 1,590            | 1,410          | 299              |
| Fees and per diem                    | 6,000              | 6,000             | 8,275            | (2,275)        | 6,743            |
| Employee benefits:                   |                    |                   |                  |                |                  |
| Social security                      | 125,092            | 125,092           | 107,166          | 17,926         | 88,230           |
| Employee insurances                  | 263,578            | 263,578           | 152,667          | 110,911        | 165,570          |
| Retiree health insurance             | 408,006            | 408,006           | 303,010          | 104,996        | 361,654          |
| Longevity                            | 39,899             | 39,899            | 32,743           | 7,156          | 41,112           |
| Retirement fund                      | 424,423            | 424,423           | 276,982          | 147,441        | 365,017          |
| Cost of living                       | 3,870              | 3,870             | 1,664            | 2,206          | 1,437            |
| Employee legal services              | 2,790              | 2,790             | 2,368            | 422            | 2,202            |
| Office supplies                      | 23,000             | 23,000            | 22,027           | 973            | 17,898           |
| Other services and charges:          |                    |                   |                  |                |                  |
| Software services                    | 14,000             | 14,000            | 13,435           | 565            | 11,150           |
| Contractual services - inspectors    | -                  | -                 | -                | -              | 319,355          |
| Nuisance abatements:                 |                    |                   |                  |                |                  |
| Title search                         | 10,000             | 10,000            | 6,077            | 3,923          | 8,730            |
| Demolition expense                   | 6,000              | 58,000            | 15,402           | 42,598         | -                |
| Postage                              | 10,000             | 10,000            | 8,271            | 1,729          | 8,917            |
| Auto expense                         | 11,000             | 11,000            | 11,031           | (31)           | 9,725            |
| Capital outlay:                      |                    |                   |                  |                |                  |
| Office equipment                     | -                  | -                 | 5,989            | (5,989)        | -                |
| <b>Total Building Inspections</b>    | <b>2,917,922</b>   | <b>2,969,922</b>  | <b>2,331,240</b> | <b>638,682</b> | <b>2,523,726</b> |
| <b>Public Service Director:</b>      |                    |                   |                  |                |                  |
| Personal services:                   |                    |                   |                  |                |                  |
| Appointed official                   | 108,868            | 108,868           | 113,570          | (4,702)        | 113,487          |
| Permanent employees                  | 123,397            | 123,397           | 122,839          | 558            | 121,134          |
| Clerical Co-op                       | 28,000             | 28,000            | 27,891           | 109            | 25,858           |
| Employee benefits:                   |                    |                   |                  |                |                  |
| Social security                      | 20,249             | 20,249            | 19,937           | 312            | 19,467           |
| Employee insurances                  | 37,509             | 37,509            | 31,170           | 6,339          | 37,366           |
| Retiree health insurance             | 21,323             | 21,323            | 21,283           | 40             | 20,832           |
| Longevity                            | 2,232              | 2,232             | 2,217            | 15             | 1,109            |
| Retirement fund                      | 23,514             | 23,514            | 23,896           | (382)          | 23,774           |
| Cost of living                       | 645                | 645               | 329              | 316            | 322              |
| Employee legal services              | 465                | 465               | 461              | 4              | 448              |
| Office supplies                      | 7,500              | 7,500             | 5,765            | 1,735          | 5,113            |
| Other services and charges:          |                    |                   |                  |                |                  |
| Postage                              | 2,000              | 2,000             | 1,758            | 242            | 2,340            |
| Auto expense                         | -                  | -                 | -                | -              | 926              |
| <b>Total Public Service Director</b> | <b>375,702</b>     | <b>375,702</b>    | <b>371,116</b>   | <b>4,586</b>   | <b>372,176</b>   |
| <b>Zoning Board of Appeals:</b>      |                    |                   |                  |                |                  |
| Meeting allowance                    | 7,560              | 7,560             | 5,565            | 1,995          | 6,055            |
| Office supplies                      | 1,500              | 1,500             | 1,430            | 70             | 1,095            |
| Other services and charges:          |                    |                   |                  |                |                  |
| Outside court reporter               | 6,000              | 6,000             | 6,375            | (375)          | 6,345            |
| Postage                              | 6,000              | 6,000             | 4,518            | 1,482          | 6,057            |
| Printing and publishing              | 3,000              | 3,000             | 1,694            | 1,306          | -                |
| <b>Total Zoning Board of Appeals</b> | <b>24,060</b>      | <b>24,060</b>     | <b>19,582</b>    | <b>4,478</b>   | <b>19,552</b>    |

(continued)

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

GENERAL FUND

Year ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|                                   | 2010               |                   |                  |                  | 2009<br>Actual   |
|-----------------------------------|--------------------|-------------------|------------------|------------------|------------------|
|                                   | Original<br>Budget | Amended<br>Budget | Actual           | Variance         |                  |
| City development, continued:      |                    |                   |                  |                  |                  |
| <b>Planning:</b>                  |                    |                   |                  |                  |                  |
| Personal services:                |                    |                   |                  |                  |                  |
| Appointed official                | \$ 8,146           | \$ 8,146          | \$ 5,998         | \$ 2,148         | \$ 99,614        |
| Permanent employees               | 272,394            | 272,394           | 274,387          | (1,993)          | 261,381          |
| Co-op employees - planning aides  | 15,000             | 15,000            | 11,084           | 3,916            | 12,045           |
| Overtime                          | 6,000              | 6,000             | 10,452           | (4,452)          | 9,674            |
| Meeting allowance                 | 6,000              | 6,000             | 5,355            | 645              | 7,175            |
| Employee benefits:                |                    |                   |                  |                  |                  |
| Social security                   | 24,302             | 24,302            | 24,350           | (48)             | 30,720           |
| Employee insurances               | 64,454             | 64,454            | 54,342           | 10,112           | 62,601           |
| Retiree health insurance          | 97,372             | 97,372            | 101,117          | (3,745)          | 115,727          |
| Longevity                         | 11,169             | 11,169            | 11,161           | 8                | 12,011           |
| Retirement fund                   | 94,215             | 94,215            | 98,753           | (4,538)          | 104,147          |
| Cost of living                    | 860                | 860               | 430              | 430              | 532              |
| Auto allowance                    | -                  | -                 | -                | -                | 3,395            |
| Employee legal services           | 633                | 633               | 602              | 31               | 730              |
| Office supplies                   | 6,500              | 6,500             | 4,367            | 2,133            | 5,246            |
| Other services and charges:       |                    |                   |                  |                  |                  |
| Contractual services              | 110,000            | 110,000           | 8,103            | 101,897          | 19,767           |
| Tax reverted property expense     | 33,000             | 33,000            | -                | 33,000           | 71,720           |
| Postage                           | 3,000              | 3,000             | 1,706            | 1,294            | 1,565            |
| Mileage                           | 1,500              | 1,500             | 805              | 695              | 1,044            |
| Publications - advertising        | 4,000              | 4,000             | -                | 4,000            | 2,139            |
| Membership and dues               | 21,000             | 21,000            | 17,121           | 3,879            | 20,328           |
| <b>Total Planning</b>             | <u>779,545</u>     | <u>779,545</u>    | <u>630,133</u>   | <u>149,412</u>   | <u>841,561</u>   |
| <br>                              |                    |                   |                  |                  |                  |
| Total expenditures                | 6,060,971          | 6,253,687         | 4,995,160        | 1,258,527        | 5,875,287        |
| Total other uses                  | 80,434             | 80,434            | 80,434           | -                | 78,132           |
| <b>Total city development</b>     | <u>6,141,405</u>   | <u>6,334,121</u>  | <u>5,075,594</u> | <u>1,258,527</u> | <u>5,953,419</u> |
| <br>                              |                    |                   |                  |                  |                  |
| Highways and streets:             |                    |                   |                  |                  |                  |
| <b>Highway Street Lighting:</b>   |                    |                   |                  |                  |                  |
| Street lighting                   | 2,400,000          | 2,790,000         | 2,745,958        | 44,042           | 2,387,939        |
| LED Demo grant expense            | -                  | 171,895           | -                | 171,895          | -                |
| <b>Total highways and streets</b> | <u>2,400,000</u>   | <u>2,961,895</u>  | <u>2,745,958</u> | <u>215,937</u>   | <u>2,387,939</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                 |                       |                       |                     | 2009<br>Actual       |
|--|----------------------|-----------------------|-----------------------|---------------------|----------------------|
|  | Original<br>Budget   | Amended<br>Budget     | Actual                | Variance            |                      |
| Recreation and culture:                    |                      |                       |                       |                     |                      |
| <b>Cultural Commission:</b>                |                      |                       |                       |                     |                      |
| Office supplies                            | \$ 100               | \$ 185                | \$ 116                | \$ 69               | \$ -                 |
| Other services and charges:                |                      |                       |                       |                     |                      |
| Contractual services - sound system        | 4,500                | 4,500                 | 3,800                 | 700                 | 3,100                |
| Concert band                               | 500                  | 500                   | 500                   | -                   | 500                  |
| Summer program                             | 16,700               | 16,700                | 17,481                | (781)               | 16,700               |
| Art festival                               | 500                  | 500                   | 500                   | -                   | 500                  |
| Artist in residence program                | 1,000                | 1,000                 | 390                   | 610                 | 300                  |
| Winter program                             | 4,000                | 4,000                 | 3,975                 | 25                  | 3,931                |
| 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>28,885</b>         | <b>28,262</b>         | <b>623</b>          | <b>26,531</b>        |
| <b>Historical Commission:</b>              |                      |                       |                       |                     |                      |
| Office supplies                            | 1,400                | 1,400                 | 789                   | 611                 | 1,242                |
| Other services and charges:                |                      |                       |                       |                     |                      |
| Telephone and radio                        | 250                  | 250                   | 194                   | 56                  | 249                  |
| Community promotion and public relations   | 1,200                | 1,200                 | 1,486                 | (286)               | 1,574                |
| Memberships and dues                       | 185                  | 185                   | 255                   | (70)                | 333                  |
| Historical site plaques                    | 2,827                | 2,827                 | 1,271                 | 1,556               | 2,684                |
| Museum expense                             | 2,900                | 2,900                 | 3,106                 | (206)               | 3,476                |
| Hall of fame                               | 1,500                | 1,500                 | 934                   | 566                 | 1,465                |
| Capital outlay:                            |                      |                       |                       |                     |                      |
| Office equipment                           | -                    | -                     | -                     | -                   | 125                  |
| <b>Total Historical Commission</b>         | <b>10,262</b>        | <b>10,262</b>         | <b>8,035</b>          | <b>2,227</b>        | <b>11,148</b>        |
| <b>Village Historical Commission:</b>      |                      |                       |                       |                     |                      |
| Other services and charges:                |                      |                       |                       |                     |                      |
| Community promotion and public relations   | 5,100                | 6,371                 | 4,073                 | 2,298               | 855                  |
| Public utilities                           | 3,200                | 3,200                 | 2,299                 | 901                 | 3,033                |
| <b>Total Village Historical Commission</b> | <b>8,300</b>         | <b>9,571</b>          | <b>6,372</b>          | <b>3,199</b>        | <b>3,888</b>         |
| <b>Total recreation and culture</b>        | <b>47,362</b>        | <b>48,718</b>         | <b>42,669</b>         | <b>6,049</b>        | <b>41,567</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                         | 95,984,209           | 109,591,190           | 101,501,592           | 8,089,598           | 96,208,659           |
| Total other uses                           | 1,550,910            | 1,745,910             | 1,411,263             | 334,647             | 1,238,403            |
| <b>Total General Fund</b>                  | <b>\$ 97,535,119</b> | <b>\$ 111,337,100</b> | <b>\$ 102,912,855</b> | <b>\$ 8,424,245</b> | <b>\$ 97,447,062</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010             |                  |                  |                  | 2009<br>Actual   |
|--|------------------|------------------|------------------|------------------|------------------|
|  | Original         | Amended          | Actual           | Variance         |                  |
|  | Budget           | Budget           |                  |                  |                  |
| <b>Revenues:</b>                               |                  |                  |                  |                  |                  |
| <b>Intergovernmental:</b>                      |                  |                  |                  |                  |                  |
| <b>State:</b>                                  |                  |                  |                  |                  |                  |
| Gas and weight tax                             | \$ 6,000,000     | \$ 6,000,000     | \$ 5,843,931     | \$ (156,069)     | \$ 5,948,637     |
| Median maintenance                             | -                | -                | 17,767           | 17,767           | -                |
| <b>County:</b>                                 |                  |                  |                  |                  |                  |
| 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                        | 80,000           | 80,000           | 3,889            | (76,111)         | 47,950           |
| <b>Total revenues</b>                          | <u>6,103,000</u> | <u>6,103,000</u> | <u>5,889,389</u> | <u>(213,611)</u> | <u>6,020,389</u> |
| <b>Expenditures - highways and streets</b>     |                  |                  |                  |                  |                  |
| <b>Administration and engineering</b>          |                  |                  |                  |                  |                  |
| <b>Personal services</b>                       |                  |                  |                  |                  |                  |
| Supervision                                    | 121,162          | 121,162          | 128,506          | (7,344)          | 117,804          |
| Clerical                                       | 69,865           | 69,865           | 54,242           | 15,623           | 52,789           |
| Overtime                                       | 500              | 500              | 1,461            | (961)            | 3,851            |
| <b>Employees benefits:</b>                     |                  |                  |                  |                  |                  |
| Social security                                | 15,321           | 15,321           | 14,141           | 1,180            | 13,763           |
| Employee insurances                            | 64,735           | 64,735           | 40,291           | 24,444           | 46,271           |
| Retiree health insurance                       | 53,520           | 53,520           | 50,412           | 3,108            | 47,897           |
| Longevity                                      | 5,521            | 5,521            | 4,943            | 578              | 6,836            |
| Retirement fund                                | 65,670           | 65,670           | 64,270           | 1,400            | 59,893           |
| Cost of living                                 | 645              | 645              | 252              | 393              | 275              |
| Education allowance                            | -                | -                | -                | -                | 200              |
| Employee legal services                        | 465              | 465              | 346              | 119              | 378              |
| <b>Other services and charges</b>              |                  |                  |                  |                  |                  |
| Administrative costs                           | 506,600          | 506,600          | 503,101          | 3,499            | 487,100          |
|  | 904,004          | 904,004          | 861,965          | 42,039           | 837,057          |
| <b>Supervisory wage and benefit allocation</b> | -                | -                | (225,051)        | 225,051          | (234,319)        |
| <b>Total administration and engineering</b>    | <u>904,004</u>   | <u>904,004</u>   | <u>636,914</u>   | <u>267,090</u>   | <u>602,738</u>   |
| <b>Routine maintenance:</b>                    |                  |                  |                  |                  |                  |
| <b>Personal services</b>                       |                  |                  |                  |                  |                  |
| Permanent employees                            | 721,713          | 721,713          | 644,631          | 77,082           | 654,574          |
| Temporary employees                            | 24,750           | 24,750           | 19,307           | 5,443            | 20,384           |
| Overtime                                       | 30,520           | 30,520           | 9,072            | 21,448           | 9,397            |
| <b>Employee benefits:</b>                      |                  |                  |                  |                  |                  |
| Social security                                | 63,424           | 63,424           | 53,021           | 10,403           | 51,183           |
| Employee insurances                            | 244,257          | 244,257          | 166,929          | 77,328           | 183,523          |
| Retiree health insurance                       | 265,866          | 265,866          | 226,036          | 39,830           | 217,649          |
| Longevity                                      | 37,725           | 37,725           | 40,475           | (2,750)          | 34,860           |
| Retirement fund                                | 350,101          | 350,101          | 287,071          | 63,030           | 277,583          |
| Cost of living                                 | 2,742            | 2,742            | 1,198            | 1,544            | 1,271            |
| Education allowance                            | 933              | 933              | 423              | 510              | 933              |
| Employee legal services                        | 1,856            | 1,856            | 1,739            | 117              | 1,710            |
| Uniforms                                       | 2,276            | 2,276            | 1,706            | 570              | 2,333            |
| <b>Repairs and maintenance supplies</b>        | 40,000           | 40,000           | 64,807           | (24,807)         | 67,059           |
| <b>Other services and charges</b>              |                  |                  |                  |                  |                  |
| Contractual services                           | 65,000           | 65,000           | 49,480           | 15,520           | 48,660           |
| Joint sealing                                  | 50,000           | 50,000           | 7,932            | 42,068           | 63,094           |
| Concrete and pavement repairs                  | 120,000          | 263,600          | 241,247          | 22,353           | 212,141          |
| Equipment rentals                              | 500,000          | 500,000          | 465,254          | 34,746           | 378,830          |
|  | 2,521,163        | 2,664,763        | 2,280,328        | 384,435          | 2,225,184        |
| <b>Supervisory wage and benefit allocation</b> | -                | -                | 202,536          | (202,536)        | 209,355          |
| <b>Total routine maintenance</b>               | <u>2,521,163</u> | <u>2,664,763</u> | <u>2,482,864</u> | <u>181,899</u>   | <u>2,434,539</u> |
| <b>Construction</b>                            | -                | 73,380           | -                | 73,380           | 3,681            |

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS  
MAJOR STREETS

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010                |                     |                     |                   | 2009<br>Actual      |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
|   | Original            | Amended             | Actual              | Variance          |                     |
|   | Budget              | Budget              |                     |                   |                     |
| Snow and ice control:   |                     |                     |                     |                   |                     |
| Personal services   |                     |                     |                     |                   |                     |
| Permanent employees   | \$ 38,191           | \$ 38,191           | \$ 53,687           | \$ (15,496)       | \$ 45,841           |
| Overtime  | 78,683              | 78,683              | 28,794              | 49,889            | 63,353              |
| Employee benefits:  |                     |                     |                     |                   |                     |
| Social security   | 9,224               | 9,224               | 7,190               | 2,034             | 9,433               |
| Employee insurances   | 12,925              | 12,925              | 16,872              | (3,947)           | 20,298              |
| Retiree health insurance  | 39,870              | 39,870              | 31,562              | 8,308             | 41,391              |
| Longevity   | 1,996               | 1,996               | 2,562               | (566)             | 1,752               |
| Retirement fund   | 52,502              | 52,502              | 39,761              | 12,741            | 49,955              |
| Cost of living  | 145                 | 145                 | 7                   | 138               | 2                   |
| Employee legal services   | 98                  | 98                  | 95                  | 3                 | 104                 |
| Uniforms  | 120                 | 120                 | 126                 | (6)               | 165                 |
| Repairs and maintenance supplies  | 200,000             | 200,000             | 126,011             | 73,989            | 264,726             |
| Other services and charges  |                     |                     |                     |                   |                     |
| Contractual services  | 25,000              | 25,000              | -                   | 25,000            | -                   |
| Equipment rentals   | 105,000             | 105,000             | 110,917             | (5,917)           | 122,059             |
| Salt dome rental  | 2,500               | 2,500               | 2,500               | -                 | 2,500               |
|   | <u>566,254</u>      | <u>566,254</u>      | <u>420,084</u>      | <u>146,170</u>    | <u>621,579</u>      |
| Supervisory wage and benefit allocation   | -                   | -                   | 20,955              | (20,955)          | 25,826              |
| Total snow and ice control  | <u>566,254</u>      | <u>566,254</u>      | <u>441,039</u>      | <u>125,215</u>    | <u>647,405</u>      |
| Traffic services:   |                     |                     |                     |                   |                     |
| Personal services   |                     |                     |                     |                   |                     |
| Permanent employees   | 36,165              | 36,165              | 36,893              | (728)             | 19,924              |
| Overtime  | 452                 | 452                 | 108                 | 344               | 107                 |
| Employee benefits:  |                     |                     |                     |                   |                     |
| Social security   | 2,997               | 2,997               | 3,033               | (36)              | 1,722               |
| Employee insurances   | 12,240              | 12,240              | 9,429               | 2,811             | 5,386               |
| Retiree health insurance  | 12,953              | 12,953              | 13,332              | (379)             | 7,546               |
| Longevity   | 1,890               | 1,890               | 2,315               | (425)             | 1,131               |
| Retirement fund   | 17,057              | 17,057              | 17,078              | (21)              | 9,463               |
| Cost of living  | 137                 | 137                 | 58                  | 79                | 40                  |
| Education allowance   | 22                  | 22                  | 27                  | (5)               | 22                  |
| Employee legal services   | 93                  | 93                  | 103                 | (10)              | 56                  |
| Uniforms  | 114                 | 114                 | 160                 | (46)              | 71                  |
| Other services and charges  |                     |                     |                     |                   |                     |
| Traffic signs   | 10,000              | 10,000              | 5,245               | 4,755             | 8,518               |
| Traffic signals   | 50,000              | 62,670              | -                   | 62,670            | 7,832               |
| Traffic signal maintenance  | 240,000             | 240,000             | 213,213             | 26,787            | 212,834             |
| Pavement marking  | 80,000              | 131,876             | 51,876              | 80,000            | 46,007              |
| Equipment rentals   | 12,000              | 12,000              | 15,344              | (3,344)           | 8,459               |
|   | <u>476,120</u>      | <u>540,666</u>      | <u>368,214</u>      | <u>172,452</u>    | <u>329,118</u>      |
| Supervisory wage and benefit allocation   | -                   | -                   | 11,249              | (11,249)          | 6,241               |
| Total traffic services  | <u>476,120</u>      | <u>540,666</u>      | <u>379,463</u>      | <u>161,203</u>    | <u>335,359</u>      |
| Total expenditures - highways and street:   | <u>4,467,541</u>    | <u>4,749,067</u>    | <u>3,940,280</u>    | <u>808,787</u>    | <u>4,023,722</u>    |
| Excess (deficiency) of revenues over expenditure  | <u>1,635,459</u>    | <u>1,353,933</u>    | <u>1,949,109</u>    | <u>595,176</u>    | <u>1,996,667</u>    |
| Other financing sources (uses)  |                     |                     |                     |                   |                     |
| Transfer from general fund  | 92,738              | 92,738              | 92,738              | -                 | 63,818              |
| Transfers to:   |                     |                     |                     |                   |                     |
| Water and Sewer System  | (40,217)            | (40,217)            | (40,217)            | -                 | (39,066)            |
| Michigan transportation local street operating fund   | -                   | -                   | -                   | -                 | (1,570,000)         |
| 1997 Act 175 - debt fund  | (441,170)           | (441,170)           | (441,170)           | -                 | (439,170)           |
| 2000 Act 175 - debt fund  | (635,630)           | (635,630)           | (635,630)           | -                 | (589,005)           |
| 2003 Act 175 - debt fund  | (662,250)           | (662,250)           | (661,975)           | 275               | (675,000)           |
| 2006 Capital Improvement Bonds - debt fund  | (241,404)           | (241,404)           | (240,815)           | 589               | (242,161)           |
| 2008 Capital Improvement Bonds - debt fund  | (396,550)           | (396,550)           | (331,492)           | 65,058            | (45,842)            |
| Total other uses  | <u>(2,324,483)</u>  | <u>(2,324,483)</u>  | <u>(2,258,561)</u>  | <u>65,922</u>     | <u>(3,536,426)</u>  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing use | (689,024)           | (970,550)           | (309,452)           | 661,098           | (1,539,759)         |
| Fund balance - beginning of year  | <u>2,817,902</u>    | <u>2,817,902</u>    | <u>2,817,902</u>    | <u>-</u>          | <u>4,357,661</u>    |
| Fund balance - end of year  | <u>\$ 2,128,878</u> | <u>\$ 1,847,352</u> | <u>\$ 2,508,450</u> | <u>\$ 661,098</u> | <u>\$ 2,817,902</u> |

EXHIBIT C-5

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS  
LOCAL STREETS

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010             |                  |                  |                 | 2009<br>Actual   |
|--|------------------|------------------|------------------|-----------------|------------------|
|  | Original         | Amended          | Actual           | Variance        |                  |
|  | Budget           | Budget           |                  |                 |                  |
| <b>Revenues:</b>                           |                  |                  |                  |                 |                  |
| Intergovernmental:                         |                  |                  |                  |                 |                  |
| State:                                     |                  |                  |                  |                 |                  |
| Gas and weight tax                         | \$ 2,000,000     | \$ 2,000,000     | \$ 1,954,727     | \$ (45,273)     | \$ 1,989,140     |
| P.A. 48 - METRO Act proceeds               | 375,000          | 375,000          | 401,593          | 26,593          | 392,136          |
| Interest on investments                    | 60,000           | 60,000           | 4,222            | (55,778)        | 33,362           |
| Total revenues                             | <u>2,435,000</u> | <u>2,435,000</u> | <u>2,360,542</u> | <u>(74,458)</u> | <u>2,414,638</u> |
| <b>Expenditures - highways and streets</b> |                  |                  |                  |                 |                  |
| Administration and engineering             |                  |                  |                  |                 |                  |
| Personal services                          |                  |                  |                  |                 |                  |
| Supervision                                | 121,162          | 121,162          | 128,506          | (7,344)         | 117,804          |
| Clerical                                   | 69,865           | 69,865           | 54,242           | 15,623          | 52,789           |
| Overtime                                   | 500              | 500              | 1,461            | (961)           | 3,642            |
| Employees benefits:                        |                  |                  |                  |                 |                  |
| Social security                            | 15,321           | 15,321           | 14,141           | 1,180           | 13,744           |
| Employee insurances                        | 64,735           | 64,735           | 40,291           | 24,444          | 46,271           |
| Retiree health insurance                   | 53,520           | 53,520           | 50,357           | 3,163           | 47,817           |
| Longevity                                  | 5,521            | 5,521            | 4,943            | 578             | 6,836            |
| Retirement fund                            | 65,670           | 65,670           | 64,270           | 1,400           | 59,779           |
| Cost of living                             | 645              | 645              | 252              | 393             | 275              |
| Education allowance                        | -                | -                | -                | -               | 200              |
| Employee legal services                    | 465              | 465              | 346              | 119             | 378              |
| Other services and charges                 |                  |                  |                  |                 |                  |
| Administrative costs                       | 217,000          | 217,000          | 114,236          | 102,764         | 108,140          |
|  | 614,404          | 614,404          | 473,045          | 141,359         | 457,675          |
| Supervisory wage and benefit allocation    | -                | -                | (225,051)        | 225,051         | (234,011)        |
| Total administration and engineering       | <u>614,404</u>   | <u>614,404</u>   | <u>247,994</u>   | <u>366,410</u>  | <u>223,664</u>   |
| Routine maintenance:                       |                  |                  |                  |                 |                  |
| Personal services                          |                  |                  |                  |                 |                  |
| Permanent employees                        | 560,995          | 560,995          | 552,646          | 8,349           | 614,131          |
| Temporary employees                        | 30,250           | 30,250           | 21,825           | 8,425           | 28,481           |
| Overtime                                   | 38,019           | 38,019           | 13,726           | 24,293          | 22,023           |
| Employee benefits:                         |                  |                  |                  |                 |                  |
| Social security                            | 51,223           | 51,223           | 47,862           | 3,361           | 56,025           |
| Employee insurances                        | 189,863          | 189,863          | 164,277          | 25,586          | 186,077          |
| Retiree health insurance                   | 211,282          | 211,282          | 203,677          | 7,605           | 236,567          |
| Longevity                                  | 29,324           | 29,324           | 27,684           | 1,640           | 36,906           |
| Retirement fund                            | 278,224          | 278,224          | 259,355          | 18,869          | 289,111          |
| Cost of living                             | 2,131            | 2,131            | 1,361            | 770             | 1,268            |
| Education allowance                        | 226              | 226              | 718              | (492)           | 226              |
| Employee legal services                    | 1,443            | 1,443            | 1,498            | (55)            | 1,607            |
| Uniforms                                   | 1,768            | 1,768            | 2,797            | (1,029)         | 2,170            |
| Repairs and maintenance supplies           | 50,000           | 50,000           | 20,719           | 29,281          | 65,295           |
| Other services and charges                 |                  |                  |                  |                 |                  |
| Contractual services                       | 185,000          | 185,000          | 142,244          | 42,756          | 347,592          |
| Joint sealing                              | 100,000          | 100,000          | 15,866           | 84,134          | 130,387          |
| Concrete and pavement repairs              | 180,000          | 395,400          | 361,870          | 33,530          | 317,896          |
| Equipment rentals                          | 400,000          | 400,000          | 426,050          | (26,050)        | 384,623          |
|  | 2,309,748        | 2,525,148        | 2,264,175        | 260,973         | 2,720,385        |
| Supervisory wage and benefit allocation    | -                | -                | 196,499          | (196,499)       | 206,109          |
| Total routine maintenance                  | <u>2,309,748</u> | <u>2,525,148</u> | <u>2,460,674</u> | <u>64,474</u>   | <u>2,926,494</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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010                |                     |                     |                   | 2009<br>Actual      |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
|   | Original            | Amended             | Actual              | Variance          |                     |
|   | Budget              | Budget              |                     |                   |                     |
| Snow and ice control:   |                     |                     |                     |                   |                     |
| Personal services:  |                     |                     |                     |                   |                     |
| Permanent employees   | \$ 45,424           | \$ 45,424           | \$ 21,656           | \$ 23,768         | \$ 24,114           |
| Overtime  | 25,613              | 25,613              | 13,038              | 12,575            | 33,597              |
| Employee benefits:  |                     |                     |                     |                   |                     |
| Social security   | 5,703               | 5,703               | 3,131               | 2,572             | 4,869               |
| Employee insurances   | 15,373              | 15,373              | 7,632               | 7,741             | 10,099              |
| Retiree health insurance  | 24,651              | 24,651              | 13,754              | 10,897            | 21,341              |
| Longevity   | 2,374               | 2,374               | 1,039               | 1,335             | 922                 |
| Retirement fund   | 32,461              | 32,461              | 16,032              | 16,429            | 25,234              |
| Cost of living  | 173                 | 173                 | -                   | 173               | 5                   |
| Employee legal services   | 117                 | 117                 | 54                  | 63                | 75                  |
| Uniforms  | 143                 | 143                 | 19                  | 124               | 86                  |
| Repairs and maintenance supplies  | 100,000             | 100,000             | 13,961              | 86,039            | 28,985              |
| Other services and charges:   |                     |                     |                     |                   |                     |
| Contractual services  | 20,000              | 20,000              | -                   | 20,000            | 14,245              |
| Equipment rentals   | 80,000              | 80,000              | 27,610              | 52,390            | 54,438              |
| Salt dome rental  | 2,500               | 2,500               | 2,500               | -                 | 2,500               |
|   | <u>354,532</u>      | <u>354,532</u>      | <u>120,426</u>      | <u>234,106</u>    | <u>220,510</u>      |
| Supervisory wage and benefit allocation   | -                   | -                   | 9,007               | (9,007)           | 13,644              |
| Total snow and ice control  | <u>354,532</u>      | <u>354,532</u>      | <u>129,433</u>      | <u>225,099</u>    | <u>234,154</u>      |
| Traffic services:   |                     |                     |                     |                   |                     |
| Personal services:  |                     |                     |                     |                   |                     |
| Permanent employees   | 44,122              | 44,122              | 31,733              | 12,389            | 23,164              |
| Overtime  | 713                 | 713                 | 236                 | 477               | 129                 |
| Employee benefits:  |                     |                     |                     |                   |                     |
| Social security   | 3,668               | 3,668               | 2,565               | 1,103             | 1,995               |
| Employee insurances   | 14,932              | 14,932              | 8,344               | 6,588             | 6,300               |
| Retiree health insurance  | 15,855              | 15,855              | 11,271              | 4,584             | 8,740               |
| Longevity   | 2,306               | 2,306               | 1,344               | 962               | 1,390               |
| Retirement fund   | 20,878              | 20,878              | 13,680              | 7,198             | 10,956              |
| Cost of living  | 168                 | 168                 | 83                  | 85                | 47                  |
| Education allowance   | 19                  | 19                  | 32                  | (13)              | 19                  |
| Employee legal services   | 113                 | 113                 | 82                  | 31                | 59                  |
| Uniforms  | 139                 | 139                 | 116                 | 23                | 83                  |
| Other services and charges:   |                     |                     |                     |                   |                     |
| Traffic signs   | 10,000              | 10,000              | 4,579               | 5,421             | 9,027               |
| Traffic signal maintenance  | 50,000              | 50,000              | 41,323              | 8,677             | 42,656              |
| Pavement marking  | 10,000              | 17,784              | 7,784               | 10,000            | 6,899               |
| Equipment rentals   | 13,000              | 13,000              | 13,391              | (391)             | 13,927              |
|   | <u>185,913</u>      | <u>193,697</u>      | <u>136,563</u>      | <u>57,134</u>     | <u>125,391</u>      |
| Supervisory wage and benefit allocation   | -                   | -                   | 9,856               | (9,856)           | 7,153               |
| Total traffic services  | <u>185,913</u>      | <u>193,697</u>      | <u>146,419</u>      | <u>47,278</u>     | <u>132,544</u>      |
| Total expenditures - highways and street:   | <u>3,464,597</u>    | <u>3,687,781</u>    | <u>2,984,520</u>    | <u>703,261</u>    | <u>3,516,856</u>    |
| Excess (deficiency) of revenues over expenditure  | <u>(1,029,597)</u>  | <u>(1,252,781)</u>  | <u>(623,978)</u>    | <u>628,803</u>    | <u>(1,102,218)</u>  |
| Other financing sources (uses)  |                     |                     |                     |                   |                     |
| Transfer from:  |                     |                     |                     |                   |                     |
| General fund  | 177,738             | 177,738             | 139,816             | (37,922)          | 139,598             |
| Michigan transportation major street operating fund   | -                   | -                   | -                   | -                 | 1,570,000           |
| Transfers to:   |                     |                     |                     |                   |                     |
| Water and Sewer System  | (40,217)            | (40,217)            | (40,217)            | -                 | (39,066)            |
| Total other uses  | <u>137,521</u>      | <u>137,521</u>      | <u>99,599</u>       | <u>(37,922)</u>   | <u>1,670,532</u>    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing use | (892,076)           | (1,115,260)         | (524,379)           | 590,881           | 568,314             |
| Fund balance - beginning of year  | <u>3,722,231</u>    | <u>3,722,231</u>    | <u>3,722,231</u>    | <u>-</u>          | <u>3,153,917</u>    |
| Fund balance - end of year  | <u>\$ 2,830,155</u> | <u>\$ 2,606,971</u> | <u>\$ 3,197,852</u> | <u>\$ 590,881</u> | <u>\$ 3,722,231</u> |

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

SANITATION

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                |                     |                     |                   | 2009<br>Actual      |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|
|  | Original<br>Budget  | Amended<br>Budget   | Actual              | Variance          |                     |
| <b>Revenues:</b>   |                     |                     |                     |                   |                     |
| <b>Property taxes:</b>   |                     |                     |                     |                   |                     |
| Real and personal property   | \$ 7,092,576        | \$ 7,092,576        | \$ 7,129,732        | \$ 37,156         | \$ 8,456,643        |
| Industrial facilities  | 221,643             | 221,643             | 215,057             | (6,586)           | 263,684             |
|  | <u>7,314,219</u>    | <u>7,314,219</u>    | <u>7,344,789</u>    | <u>30,570</u>     | <u>8,720,327</u>    |
| <b>Miscellaneous:</b>  |                     |                     |                     |                   |                     |
| Transfer station royalties   | 50,000              | 50,000              | 49,791              | (209)             | 17,048              |
| Lease proceeds   | -                   | -                   | 39,600              | 39,600            | 18,150              |
| Recycling revenue  | 100,000             | 100,000             | 175,875             | 75,875            | 91,948              |
| Sale of equipment  | -                   | -                   | -                   | -                 | 102,553             |
| Miscellaneous  | -                   | -                   | 37,617              | 37,617            | 8,951               |
|  | <u>150,000</u>      | <u>150,000</u>      | <u>302,883</u>      | <u>152,883</u>    | <u>238,650</u>      |
| Interest on investments  | <u>80,000</u>       | <u>80,000</u>       | <u>6,091</u>        | <u>(73,909)</u>   | <u>52,503</u>       |
| Total revenues   | <u>7,544,219</u>    | <u>7,544,219</u>    | <u>7,653,763</u>    | <u>109,544</u>    | <u>9,011,480</u>    |
| <b>Expenditures - Sanitation:</b>  |                     |                     |                     |                   |                     |
| <b>Personal services:</b>  |                     |                     |                     |                   |                     |
| Supervisory  | 164,337             | 164,337             | 171,299             | (6,962)           | 194,338             |
| Wages-rubbish collection   | 1,226,147           | 1,226,147           | 1,128,299           | 97,848            | 1,170,264           |
| Mechanics wages  | 178,015             | 178,015             | 177,822             | 193               | 182,546             |
| Clerical   | 82,754              | 82,754              | 74,198              | 8,556             | 79,637              |
| Seasonal employees - summer rubbish collection   | 715,000             | 715,000             | 840,030             | (125,030)         | 718,889             |
| Clerical co-op   | -                   | -                   | 3,264               | (3,264)           | -                   |
| Overtime - rubbish collection  | 280,000             | 280,000             | 166,363             | 113,637           | 227,185             |
| Overtime - mechanics   | 37,000              | 37,000              | 10,138              | 26,862            | 18,925              |
| Overtime - clerical  | 4,000               | 4,000               | 2,795               | 1,205             | -                   |
| <b>Employee benefits:</b>  |                     |                     |                     |                   |                     |
| Social security  | 213,476             | 213,476             | 201,747             | 11,729            | 201,900             |
| Employee insurances  | 626,388             | 626,388             | 454,366             | 172,022           | 512,412             |
| Retiree health insurance   | 653,564             | 653,564             | 561,525             | 92,039            | 606,502             |
| Longevity  | 59,068              | 59,068              | 56,504              | 2,564             | 57,806              |
| Retirement fund  | 653,841             | 653,841             | 490,445             | 163,396           | 549,550             |
| Cost of living   | 6,585               | 6,585               | 3,308               | 3,277             | 3,598               |
| Uniforms   | 4,750               | 4,750               | 5,336               | (586)             | 4,023               |
| Education allowance  | 1,600               | 1,600               | 1,600               | -                 | 1,600               |
| Employee legal services  | 4,495               | 4,495               | 4,173               | 322               | 4,493               |
| Office supplies  | 18,000              | 18,000              | 16,302              | 1,698             | 14,228              |
| <b>Other services and charges:</b>   |                     |                     |                     |                   |                     |
| Contractual services   | 29,100              | 29,100              | 394                 | 28,706            | 2,087               |
| Hazardous waste collection   | 30,000              | 30,000              | 21,252              | 8,748             | 7,537               |
| Rubbish hauling  | 750,000             | 750,000             | 689,125             | 60,875            | 1,119,133           |
| Recycling and compost disposal   | 288,000             | 288,000             | 251,686             | 36,314            | 375,395             |
| S M D A closure costs  | 25,000              | 25,000              | 6,884               | 18,116            | 6,945               |
| S M D A legal and engineering costs  | 100,000             | 100,000             | 145,706             | (45,706)          | 121,711             |
| Unemployment   | 60,000              | 60,000              | 57,532              | 2,468             | 25,800              |
| Telephone  | 5,000               | 5,000               | 3,326               | 1,674             | 3,087               |
| Truck expense  | 250,000             | 250,000             | 295,672             | (45,672)          | 323,630             |
| Gasoline & diesel fuel   | 340,000             | 340,000             | 346,974             | (6,974)           | 325,460             |
| Community recycling & composting education   | 1,000               | 1,000               | -                   | 1,000             | 2,050               |
| Printing and publishing  | 6,000               | 6,000               | 3,548               | 2,452             | 4,431               |
| Insurance and bonds  | 142,500             | 142,500             | 142,500             | -                 | 137,000             |
| Public utilities   | 46,000              | 46,000              | 29,073              | 16,927            | 36,670              |
| Building maintenance   | 20,000              | 20,000              | 16,234              | 3,766             | 24,795              |
| Administrative costs   | 868,100             | 868,100             | 868,100             | -                 | 834,700             |
| Refund of taxes paid under protest   | 80,000              | 80,000              | 44,485              | 35,515            | 68,789              |
| Estimated uncollectible taxes  | 15,000              | 15,000              | 15,000              | -                 | 18,569              |
| Accumulated sick leave liability   | 2,000               | 2,000               | -                   | 2,000             | -                   |
| Accumulated compensatory time liability  | 2,000               | 2,000               | -                   | 2,000             | -                   |
| <b>Capital outlay:</b>   |                     |                     |                     |                   |                     |
| Capital improvements   | 210,000             | 210,000             | 171,888             | 38,112            | -                   |
| Office and garage equipment  | 9,500               | 9,500               | 10,199              | (699)             | 3,019               |
| Vehicles   | 330,000             | 330,000             | 329,882             | 118               | 2,486,468           |
| Total expenditures - Sanitation  | <u>8,538,220</u>    | <u>8,538,220</u>    | <u>7,818,974</u>    | <u>719,246</u>    | <u>10,475,172</u>   |
| Excess (deficiency) of revenues over expenditure:  | (994,001)           | (994,001)           | (165,211)           | 828,790           | (1,463,692)         |
| <b>Other financing uses:</b>   |                     |                     |                     |                   |                     |
| Settlement agreement   | -                   | -                   | -                   | -                 | (226,515)           |
| <b>Transfer to Building Authority Bond Debt Fund:</b>  |                     |                     |                     |                   |                     |
| Series 2005 multiple purpose bonds   | (32,000)            | (32,000)            | (31,921)            | 79                | (32,774)            |
| Series 2002 multiple purpose bonds   | (25,000)            | (25,000)            | (24,357)            | 643               | (24,008)            |
| Total other financing uses   | <u>(57,000)</u>     | <u>(57,000)</u>     | <u>(56,278)</u>     | <u>722</u>        | <u>(283,297)</u>    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (1,051,001)         | (1,051,001)         | (221,489)           | 829,512           | (1,746,989)         |
| Fund balance - beginning of year   | 4,531,917           | 4,531,917           | 4,531,917           | -                 | 6,278,906           |
| Fund balance - end of year   | <u>\$ 3,480,916</u> | <u>\$ 3,480,916</u> | <u>\$ 4,310,428</u> | <u>\$ 829,512</u> | <u>\$ 4,531,917</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                 | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|-----------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance        |                  |
| Revenues:                                  |                    |                   |                  |                 |                  |
| Property Taxes:                            |                    |                   |                  |                 |                  |
| Real and personal property                 | \$ 4,210,272       | \$ 4,210,272      | \$ 4,230,789     | \$ 20,517       | \$ 4,356,817     |
| Industrial facilities                      | 131,571            | 131,571           | 127,661          | (3,910)         | 135,842          |
|  | <u>4,341,843</u>   | <u>4,341,843</u>  | <u>4,358,450</u> | <u>16,607</u>   | <u>4,492,659</u> |
| Intergovernmental:                         |                    |                   |                  |                 |                  |
| State grants:                              |                    |                   |                  |                 |                  |
| S.M.A.R.T. Community Credit Grant          | 152,000            | 152,000           | 200,173          | 48,173          | 220,668          |
| Michigan Department of Transportation      | 58,000             | 58,000            | 67,188           | 9,188           | 82,777           |
|  | <u>210,000</u>     | <u>210,000</u>    | <u>267,361</u>   | <u>57,361</u>   | <u>303,445</u>   |
| Charges for services:                      |                    |                   |                  |                 |                  |
| Recreation fees                            | 460,000            | 460,000           | 595,367          | 135,367         | 569,334          |
| Warren Community Center fees               | 1,400,000          | 1,400,000         | 1,500,957        | 100,957         | 1,566,272        |
| Skating rink fees                          | 60,000             | 60,000            | 70,441           | 10,441          | 42,343           |
| Bingo fees                                 | 1,000              | 1,000             | 638              | (362)           | 763              |
| Senior transportation                      | 25,000             | 25,000            | 24,358           | (642)           | 26,329           |
| Special events                             | 45,000             | 45,000            | 38,542           | (6,458)         | 40,534           |
| Forestry - tree planting                   | 1,000              | 1,000             | 1,600            | 600             | 40               |
|  | <u>1,992,000</u>   | <u>1,992,000</u>  | <u>2,231,903</u> | <u>239,903</u>  | <u>2,245,615</u> |
| Miscellaneous:                             |                    |                   |                  |                 |                  |
| Lease proceeds                             | 77,000             | 77,000            | 94,450           | 17,450          | 75,200           |
| DTE Energy tree grant                      | -                  | -                 | -                | -               | 2,000            |
| Miscellaneous                              | 52,000             | 52,000            | 53,226           | 1,226           | 53,603           |
|  | <u>129,000</u>     | <u>129,000</u>    | <u>147,676</u>   | <u>18,676</u>   | <u>130,803</u>   |
| Interest on investments                    |                    |                   |                  |                 |                  |
|  | 45,000             | 45,000            | 4,715            | (40,285)        | 30,818           |
|  | <u>45,000</u>      | <u>45,000</u>     | <u>4,715</u>     | <u>(40,285)</u> | <u>30,818</u>    |
| Total revenues                             | <u>6,717,843</u>   | <u>6,717,843</u>  | <u>7,010,105</u> | <u>292,262</u>  | <u>7,203,340</u> |
| Expenditures - Recreation and culture:     |                    |                   |                  |                 |                  |
| General parks and recreation expenditures: |                    |                   |                  |                 |                  |
| Personal services:                         |                    |                   |                  |                 |                  |
| Appointed official                         | 99,104             | 99,104            | 103,360          | (4,256)         | 103,277          |
| Supervision                                | 517,126            | 517,126           | 535,877          | (18,751)        | 536,907          |
| Maintenance wages                          | 623,617            | 623,617           | 527,855          | 95,762          | 521,818          |
| Seasonal employees - maintenance           | 90,000             | 90,000            | 86,478           | 3,522           | 87,449           |
| Seasonal employees - recreation            | 1,400,000          | 1,400,000         | 1,528,227        | (128,227)       | 1,551,024        |
| Overtime - maintenance                     | 41,743             | 41,743            | 36,098           | 5,645           | 50,632           |
| Overtime - supervision and clerical        | 2,324              | 2,324             | 6,068            | (3,744)         | 8,578            |
| Employee benefits:                         |                    |                   |                  |                 |                  |
| Social security                            | 220,137            | 220,137           | 203,575          | 16,562          | 205,609          |
| Employee insurances                        | 451,873            | 451,873           | 304,134          | 147,739         | 329,577          |
| Retiree health insurance                   | 452,405            | 452,405           | 428,008          | 24,397          | 430,904          |
| Longevity                                  | 57,157             | 57,157            | 56,710           | 447             | 54,608           |

(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, 2010  
With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|----------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance       |                  |
| General parks and recreation expenditures: |                    |                   |                  |                |                  |
| Employee benefits (continued):             |                    |                   |                  |                |                  |
| Retirement fund                            | \$ 439,799         | \$ 439,799        | \$ 394,031       | \$ 45,768      | \$ 387,538       |
| Cost of living                             | 4,440              | 4,440             | 2,132            | 2,308          | 2,116            |
| Uniforms                                   | 2,280              | 2,280             | 1,900            | 380            | 1,818            |
| Education allowance                        | 4,950              | 4,950             | 5,700            | (750)          | 4,950            |
| Auto allowance                             | -                  | -                 | -                | -              | 3,600            |
| Employee legal services                    | 3,100              | 3,100             | 2,765            | 335            | 2,765            |
| Supplies:                                  |                    |                   |                  |                |                  |
| Office                                     | 12,000             | 12,000            | 9,819            | 2,181          | 11,745           |
| Bingo supplies                             | 1,000              | 1,000             | 150              | 850            | 587              |
| Operating supplies                         | 12,000             | 12,000            | 9,324            | 2,676          | 11,848           |
| Playground and athletic                    | 83,000             | 83,000            | 65,373           | 17,627         | 67,079           |
| Repair and maintenance                     | 165,000            | 165,000           | 153,847          | 11,153         | 166,998          |
| Other services and charges:                |                    |                   |                  |                |                  |
| Contractual services                       | 435,000            | 435,000           | 388,521          | 46,479         | 388,724          |
| Postage                                    | 8,000              | 8,000             | 6,867            | 1,133          | 6,950            |
| Unemployment                               | 4,000              | 4,000             | 3,377            | 623            | 3,236            |
| Tree maintenance                           | 240,000            | 505,869           | 498,488          | 7,381          | 6,670            |
| Telephone and radio                        | 32,000             | 32,000            | 29,593           | 2,407          | 31,431           |
| Auto expense                               | 55,000             | 55,000            | 46,804           | 8,196          | 47,289           |
| Conference and workshops                   | 4,000              | 4,000             | 2,525            | 1,475          | 2,962            |
| Printing and publishing                    | 40,000             | 40,000            | 49,322           | (9,322)        | 42,248           |
| Insurance and bonds                        | 96,700             | 96,700            | 96,700           | -              | 93,000           |
| Public utilities                           | 580,000            | 580,000           | 537,252          | 42,748         | 597,647          |
| Building maintenance                       | 50,000             | 50,000            | 51,906           | (1,906)        | 64,984           |
| Rentals and janitorial services            | 12,000             | 12,000            | 2,450            | 9,550          | -                |
| Administrative costs                       | 98,400             | 98,400            | 98,400           | -              | 94,600           |
| Special events                             | 100,000            | 100,000           | 106,863          | (6,863)        | 109,973          |
| Ice rink expenditures                      | 8,500              | 8,500             | 6,000            | 2,500          | 9,283            |
| Ice rink concession expenditures           | 1,000              | 1,000             | -                | 1,000          | 524              |
| Refund taxes paid under protest            | 42,000             | 42,000            | 24,490           | 17,510         | 36,808           |
| Estimated uncollectible taxes              | 15,000             | 15,000            | 15,000           | -              | 15,000           |
| Liability transfer:                        |                    |                   |                  |                |                  |
| Accumulated sick leave                     | 24,000             | 24,000            | -                | 24,000         | -                |
| Accumulated compensatory time              | 1,000              | 1,000             | -                | 1,000          | -                |
| Capital outlay:                            |                    |                   |                  |                |                  |
| Capital improvements                       | -                  | 144,265           | 140,051          | 4,214          | 55,684           |
| Office equipment                           | 7,000              | 7,000             | -                | 7,000          | 1,487            |
| Vehicles                                   | -                  | -                 | -                | -              | 30,732           |
| Maintenance equipment                      | 2,000              | 2,000             | -                | 2,000          | 1,060            |
| Recreation equipment                       | -                  | -                 | -                | -              | 46,967           |
| Total general parks and recreation         | <u>6,538,655</u>   | <u>6,948,789</u>  | <u>6,566,040</u> | <u>382,749</u> | <u>6,228,686</u> |

(continued)

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                |                     |                     |                   | 2009<br>Actual      |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|
|  | Original<br>Budget  | Amended<br>Budget   | Actual              | Variance          |                     |
| Transportation expenditures:   |                     |                     |                     |                   |                     |
| Personal services:   |                     |                     |                     |                   |                     |
| Seasonal employees   | \$ 140,000          | \$ 140,000          | \$ 127,473          | \$ 12,527         | \$ 133,359          |
| Employee benefits:   |                     |                     |                     |                   |                     |
| Social security  | 10,850              | 10,850              | 9,752               | 1,098             | 10,202              |
| Employee insurances  | 2,914               | 2,914               | 1,529               | 1,385             | 1,852               |
| Supplies:  |                     |                     |                     |                   |                     |
| Office   | 1,200               | 1,200               | 491                 | 709               | 994                 |
| Operating supplies   | 900                 | 900                 | 145                 | 755               | 79                  |
| Other services and charges:  |                     |                     |                     |                   |                     |
| Contractual services   | 5,000               | 5,000               | 5,976               | (976)             | 4,912               |
| Postage  | 150                 | 150                 | -                   | 150               | -                   |
| Building maintenance   | 2,000               | 2,000               | 908                 | 1,092             | 325                 |
| Telephone and radio  | 1,000               | 1,000               | 76                  | 924               | -                   |
| Auto expense   | 46,000              | 46,000              | 37,287              | 8,713             | 45,505              |
| Printing and publishing  | 250                 | 250                 | -                   | 250               | -                   |
| Public utilities   | 15,000              | 15,000              | 12,856              | 2,144             | 15,644              |
| Conference and workshops   | 300                 | 300                 | -                   | 300               | -                   |
| Insurance and bonds  | 12,000              | 12,000              | 12,000              | -                 | 11,500              |
| Bus rental   | 10,000              | 10,000              | -                   | 10,000            | 790                 |
| Total transportation   | <u>247,564</u>      | <u>247,564</u>      | <u>208,493</u>      | <u>39,071</u>     | <u>225,162</u>      |
| <br>   |                     |                     |                     |                   |                     |
| Total expenditures - recreation and culture  | <u>6,786,219</u>    | <u>7,196,353</u>    | <u>6,774,533</u>    | <u>421,820</u>    | <u>6,453,848</u>    |
| <br>   |                     |                     |                     |                   |                     |
| Excess (deficiency) of revenues over expenditures  | (68,376)            | (478,510)           | 235,572             | 714,082           | 749,492             |
| <br>   |                     |                     |                     |                   |                     |
| Other financing sources (uses):  |                     |                     |                     |                   |                     |
| Transfer to Building Authority Bond Debt Fund:   |                     |                     |                     |                   |                     |
| Series 2001 Warren Community Center bonds  | (262,277)           | (262,277)           | (261,766)           | 511               | (273,242)           |
| Series 2005 W.C.C. refunding bonds   | (325,723)           | (325,723)           | (325,011)           | 712               | (323,273)           |
| Series 2002 Multiple Purpose bonds   | (25,500)            | (25,500)            | (25,041)            | 459               | (24,682)            |
| Series 2005 Multiple Purpose bonds   | (29,600)            | (29,600)            | (29,527)            | 73                | (30,788)            |
| Total other financing uses   | <u>(643,100)</u>    | <u>(643,100)</u>    | <u>(641,345)</u>    | <u>1,755</u>      | <u>(651,985)</u>    |
| <br>   |                     |                     |                     |                   |                     |
| Excess (deficiency) of budgeted revenues<br>and other financing sources over budgeted<br>expenditures and other financing uses | (711,476)           | (1,121,610)         | (405,773)           | 715,837           | 97,507              |
| <br>   |                     |                     |                     |                   |                     |
| Fund balance - beginning of year   | <u>3,619,309</u>    | <u>3,619,309</u>    | <u>3,619,309</u>    | <u>-</u>          | <u>3,521,802</u>    |
| <br>   |                     |                     |                     |                   |                     |
| Fund balance - end of year   | <u>\$ 2,907,833</u> | <u>\$ 2,497,699</u> | <u>\$ 3,213,536</u> | <u>\$ 715,837</u> | <u>\$ 3,619,309</u> |

## EXHIBIT C-8

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

## LIBRARY

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                  | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|------------------|------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance         |                  |
| Revenues:                                    |                    |                   |                  |                  |                  |
| Property Taxes:                              |                    |                   |                  |                  |                  |
| Real and personal property                   | \$ 2,105,136       | \$ 2,105,136      | \$ 2,115,395     | \$ 10,259        | \$ 2,178,409     |
| Industrial facilities                        | 65,799             | 65,799            | 63,831           | (1,968)          | 67,921           |
|  | <u>2,170,935</u>   | <u>2,170,935</u>  | <u>2,179,226</u> | <u>8,291</u>     | <u>2,246,330</u> |
| Intergovernmental:                           |                    |                   |                  |                  |                  |
| Federal:                                     |                    |                   |                  |                  |                  |
| Institute of Museum & Library Services grant | -                  | 119,000           | 119,000          | -                | -                |
|  | <u>-</u>           | <u>119,000</u>    | <u>119,000</u>   | <u>-</u>         | <u>-</u>         |
| State:                                       |                    |                   |                  |                  |                  |
| State aid                                    | 90,000             | 90,000            | 54,538           | (35,462)         | 86,843           |
| Penal fines                                  | 145,000            | 145,000           | 151,374          | 6,374            | 128,424          |
| Renaissance Zone reimbursement               | 55,458             | 55,458            | 49,329           | (6,129)          | 54,129           |
| Personal property business inventory tax     | 74,795             | 74,795            | 74,795           | -                | 74,795           |
|  | <u>365,253</u>     | <u>365,253</u>    | <u>330,036</u>   | <u>(35,217)</u>  | <u>344,191</u>   |
| Fines and fees:                              |                    |                   |                  |                  |                  |
| Over the counter fines                       | 42,000             | 42,000            | 54,830           | 12,830           | 48,348           |
| Copy machine fees                            | 13,500             | 13,500            | 17,267           | 3,767            | 14,592           |
| Lost book fees                               | 7,500              | 7,500             | 20,288           | 12,788           | 12,713           |
| Video cassette user fees                     | 7,900              | 7,900             | 6,394            | (1,506)          | 8,204            |
| CD ROM rentals                               | 500                | 500               | 151              | (349)            | 323              |
|  | <u>71,400</u>      | <u>71,400</u>     | <u>98,930</u>    | <u>27,530</u>    | <u>84,180</u>    |
| Other:                                       |                    |                   |                  |                  |                  |
| Sale of equipment                            | 200,000            | 200,000           | -                | (200,000)        | -                |
| Donations                                    | -                  | -                 | 80               | 80               | 569              |
| Miscellaneous                                | -                  | -                 | 995              | 995              | -                |
|  | <u>200,000</u>     | <u>200,000</u>    | <u>1,075</u>     | <u>(198,925)</u> | <u>569</u>       |
| Interest on investments                      | 3,000              | 3,000             | -                | (3,000)          | 1,479            |
|  | <u>3,000</u>       | <u>3,000</u>      | <u>-</u>         | <u>(3,000)</u>   | <u>1,479</u>     |
| Total revenues                               | <u>2,810,588</u>   | <u>2,929,588</u>  | <u>2,728,267</u> | <u>(201,321)</u> | <u>2,676,749</u> |
| Expenditures - recreation and culture:       |                    |                   |                  |                  |                  |
| Personal services:                           |                    |                   |                  |                  |                  |
| Appointed official                           | \$ 92,551          | \$ 92,551         | \$ 96,507        | \$ (3,956)       | \$ 92,181        |
| Permanent employees                          | 891,403            | 891,403           | 882,788          | 8,615            | 895,213          |
| Permanent employees - pages                  | 290,000            | 317,775           | 307,056          | 10,719           | 293,258          |
| Overtime                                     | 8,000              | 8,000             | 6,129            | 1,871            | 2,416            |
| Shift premium                                | 8,000              | 8,000             | 7,639            | 361              | 7,397            |
| Employee benefits:                           |                    |                   |                  |                  |                  |
| Social security                              | 104,059            | 106,184           | 103,476          | 2,708            | 102,578          |
| Employee insurances                          | 218,174            | 218,174           | 169,970          | 48,204           | 186,090          |
| Retiree health insurance                     | 352,638            | 352,638           | 352,417          | 221              | 351,954          |
| Longevity                                    | 37,251             | 37,251            | 40,325           | (3,074)          | 33,264           |
| Retirement fund                              | 416,729            | 416,729           | 419,856          | (3,127)          | 403,781          |
| Cost of living                               | 3,454              | 3,454             | 1,639            | 1,815            | 1,679            |
| Uniforms                                     | 190                | 190               | 189              | 1                | 190              |

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                |                   |                  |                   | 2009<br>Actual    |
|--|---------------------|-------------------|------------------|-------------------|-------------------|
|  | Original<br>Budget  | Amended<br>Budget | Actual           | Variance          |                   |
| Expenditures - recreation and culture:   |                     |                   |                  |                   |                   |
| Employee benefits (continued):   |                     |                   |                  |                   |                   |
| Education allowance  | \$ 12,000           | \$ 12,000         | \$ 13,000        | \$ (1,000)        | \$ 12,000         |
| Employee legal services  | 2,480               | 2,480             | 2,432            | 48                | 2,458             |
| Auto allowance   | -                   | -                 | -                | -                 | 3,600             |
| Office supplies  | 30,000              | 40,100            | 24,435           | 15,665            | 26,756            |
| Other services and charges:  |                     |                   |                  |                   |                   |
| Copy machine expense   | 12,000              | 12,000            | 10,145           | 1,855             | 10,396            |
| Contractual services   | 8,500               | 9,900             | 2,803            | 7,097             | 2,478             |
| Cooperative services   | 150,000             | 150,000           | 147,390          | 2,610             | 142,872           |
| Library cooperative indirect aid   | 45,000              | 45,000            | 27,269           | 17,731            | 43,421            |
| Postage  | 3,750               | 3,750             | 1,333            | 2,417             | 1,715             |
| Video cassettes and tapes  | 14,000              | 14,000            | 13,926           | 74                | 14,027            |
| Library circulation material   | 21,000              | 47,000            | 38,065           | 8,935             | 20,930            |
| Periodicals  | 17,000              | 17,000            | 16,124           | 876               | 16,584            |
| Telephone and radio  | 13,000              | 13,000            | 11,540           | 1,460             | 11,182            |
| Mileage  | 1,500               | 1,500             | 727              | 773               | 997               |
| Auto expense   | 2,000               | 2,000             | 869              | 1,131             | 1,331             |
| Conferences and workshops  | 500                 | 500               | 150              | 350               | 199               |
| Book binding   | 200                 | 200               | -                | 200               | -                 |
| Insurance and bonds  | 28,000              | 28,000            | 28,000           | -                 | 26,900            |
| Public utilities   | 242,000             | 242,000           | 202,864          | 39,136            | 148,872           |
| Building maintenance   | 18,000              | 18,000            | 8,585            | 9,415             | 20,591            |
| Administrative expense   | 49,100              | 49,100            | 49,100           | -                 | 47,200            |
| Library commission dues and expense  | 500                 | 500               | 200              | 300               | 125               |
| Refund taxes paid under protest  | 20,000              | 20,000            | 12,245           | 7,755             | 18,422            |
| Estimated uncollectible taxes  | 5,000               | 5,000             | 5,000            | -                 | 7,000             |
| Capital outlay:  |                     |                   |                  |                   |                   |
| Office equipment   | -                   | -                 | -                | -                 | 300               |
| Library books  | 80,000              | 131,600           | 115,538          | 16,062            | 100,798           |
| Total expenditures - recreation and culture  | <u>3,197,979</u>    | <u>3,316,979</u>  | <u>3,119,731</u> | <u>197,248</u>    | <u>3,051,155</u>  |
| Excess (deficiency) of revenues over expenditures  | (387,391)           | (387,391)         | (391,464)        | (4,073)           | (374,406)         |
| Other financing sources (uses):  |                     |                   |                  |                   |                   |
| Transfer from:   |                     |                   |                  |                   |                   |
| Downtown Development Authority Admin Fund  | 132,000             | 132,000           | 132,000          | -                 | 80,000            |
| General Fund   | -                   | 150,000           | 150,000          | -                 | -                 |
| Total other financing uses   | <u>132,000</u>      | <u>282,000</u>    | <u>282,000</u>   | <u>-</u>          | <u>80,000</u>     |
| Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses | (255,391)           | (105,391)         | (109,464)        | (4,073)           | (294,406)         |
| Fund balance - beginning of year   | <u>147,934</u>      | <u>147,934</u>    | <u>147,934</u>   | <u>-</u>          | <u>442,340</u>    |
| Fund balance - end of year   | <u>\$ (107,457)</u> | <u>\$ 42,543</u>  | <u>\$ 38,470</u> | <u>\$ (4,073)</u> | <u>\$ 147,934</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, 2010  
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2009

|   | Accumulative Totals for            |                   |                    | Accumulative<br>Totals Through<br>June 2009 |
|---|------------------------------------|-------------------|--------------------|---|
|   | Program Years 1982-83 thru 2003-04 |                   |                    |   |
|   | Budget                             | Actual            | Variance           |   |
| <b>Revenues:</b>                                  |                                    |                   |                    |   |
| Intergovernmental:                                |                                    |                   |                    |   |
| Federal grant                                     | \$ 26,482,233                      | \$ 26,482,233     | \$ -               | \$ 26,482,233                               |
| Miscellaneous:                                    |                                    |                   |                    |   |
| Program income                                    | 3,966,588                          | 5,999,607         | 2,033,019          | 5,999,607                                   |
| Reimbursement from HOME                           | -                                  | 45,218            | 45,218             | 45,218                                      |
| Transfer from CDBG Rental Rehabilitation Program  | -                                  | 15,309            | 15,309             | 15,309                                      |
| Total revenues                                    | <u>30,448,821</u>                  | <u>32,542,367</u> | <u>2,093,546</u>   | <u>32,542,367</u>                           |
| <b>Expenditures - community development</b>       |                                    |                   |                    |   |
| Residential rehabilitation costs                  | 11,183,272                         | 13,088,993        | (1,905,721)        | 13,088,993                                  |
| Residential rehabilitation development cost:      | 980,000                            | 1,152,516         | (172,516)          | 1,152,516                                   |
| 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             | 451,495                            | 451,495           | -                  | 451,495                                     |
| 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                                    | 3,387,236                          | 3,387,236         | -                  | 3,387,236                                   |
| 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                               | 513,799                            | 513,799           | -                  | 513,799                                     |
| 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                                  | 894,763                            | 894,763           | -                  | 894,763                                     |
| Community police unit                             | 2,424,350                          | 2,424,350         | -                  | 2,424,350                                   |
| Planning studies                                  | 157,000                            | 157,000           | -                  | 157,000                                     |
| Handicapped project                               | 578,603                            | 578,603           | -                  | 578,603                                     |
| Shelter for the homeless                          | 80,314                             | 80,314            | -                  | 80,314                                      |
| Administrative costs                              | 4,177,588                          | 4,195,683         | (18,095)           | 4,195,683                                   |
| 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                      | 405,000                            | 405,000           | -                  | 405,000                                     |
| Housing support services                          | 97,980                             | 97,980            | -                  | 97,980                                      |
| Fire department rescue squad                      | 223,363                            | 223,363           | -                  | 223,363                                     |
| Homeless preventior                               | 52,575                             | 52,575            | -                  | 52,575                                      |
| Beautification                                    | 2,872                              | 2,872             | -                  | 2,872                                       |
| Arsenal Acres clearance                           | 44,000                             | 44,000            | -                  | 44,000                                      |
| Child advocacy                                    | -                                  | -                 | -                  | -   |
| Homebuyer preparator                              | -                                  | -                 | -                  | -   |
| Reimbursement from MSHDA                          | -                                  | (18,095)          | 18,095             | (18,095)                                    |
| Total expenditures - community developmen         | <u>30,448,821</u>                  | <u>32,542,367</u> | <u>(2,093,546)</u> | <u>32,542,367</u>                           |
| Excess (deficiency) of revenues over expenditure: | \$ -                               | \$ -              | \$ -               | \$ -  |

| Accumulative Totals for<br>Program Year 2004-2005 |                  |                  | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2005-2006 |                  |                 | Accumulative<br>Totals Through<br>June 2009 |
|---|------------------|------------------|---|---|------------------|-----------------|---|
| Budget  | Actual           | Variance         |   | Budget  | Actual           | Variance        |   |
| \$ 979,839  | \$ 973,253       | \$ (6,586)       | \$ 966,195                                  | \$ 1,182,789                                      | \$ 1,182,500     | \$ (289)        | \$ 1,123,053                                |
| 600,000   | 414,599          | (185,401)        | 414,599                                     | 400,000   | 468,017          | 68,017          | 468,017                                     |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| <u>1,579,839</u>                                  | <u>1,387,852</u> | <u>(191,987)</u> | <u>1,380,794</u>                            | <u>1,582,789</u>                                  | <u>1,650,517</u> | <u>67,728</u>   | <u>1,591,070</u>                            |
| 601,000   | 415,599          | 185,401          | 415,599                                     | 463,468   | 518,736          | (55,268)        | 459,289                                     |
| 100,000   | 100,000          | -                | 100,000                                     | 150,000   | 150,000          | -               | 150,000                                     |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 30,270  | 30,270           | -                | 30,270                                      | 25,377  | 25,377           | -               | 25,377                                      |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 358,939   | 358,939          | -                | 358,939                                     | 285,691   | 285,691          | -               | 285,691                                     |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | 200,539   | 200,250          | 289             | 200,250                                     |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 65,506  | 65,506           | -                | 65,506                                      | 81,515  | 81,515           | -               | 81,515                                      |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 121,063   | 121,063          | -                | 121,063                                     | -   | -                | -               | -   |
| 22,500  | 22,500           | -                | 22,500                                      | 22,500  | 22,500           | -               | 22,500                                      |
| 210,600   | 204,014          | 6,586            | 196,956                                     | 277,867   | 290,616          | (12,749)        | 290,616                                     |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 40,000  | 40,000           | -                | 40,000                                      | 40,000  | 40,000           | -               | 40,000                                      |
| 13,000  | 13,000           | -                | 13,000                                      | 14,000  | 14,000           | -               | 14,000                                      |
| -   | -                | -                | -   | -   | -                | -               | -   |
| 16,961  | 16,961           | -                | 16,961                                      | 16,832  | 16,832           | -               | 16,832                                      |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | 5,000   | 5,000            | -               | 5,000                                       |
| -   | -                | -                | -   | -   | -                | -               | -   |
| -   | -                | -                | -   | -   | -                | -               | -   |
| <u>1,579,839</u>                                  | <u>1,387,852</u> | <u>191,987</u>   | <u>1,380,794</u>                            | <u>1,582,789</u>                                  | <u>1,650,517</u> | <u>(67,728)</u> | <u>1,591,070</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, 2010

With Comparative Accumulative Actual Totals for the Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Year 2006-2007 |                  |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|---|------------------|------------------|---|
|   | Budget  | Actual           | Variance         |   |
| Revenues:   |   |                  |                  |   |
| Intergovernmental:                                |   |                  |                  |   |
| Federal grant                                     | \$ 1,065,623                                      | \$ 1,021,155     | \$ (44,468)      | \$ 920,549                                  |
| Miscellaneous:                                    |   |                  |                  |   |
| Program income                                    | 500,000   | 335,214          | (164,786)        | 335,214                                     |
| Reimbursement from HOME                           | -   | -                | -                | -   |
| Transfer from CDBG Rental Rehabilitation Program  | -   | -                | -                | -   |
| Total revenues                                    | <u>1,565,623</u>                                  | <u>1,356,369</u> | <u>(209,254)</u> | <u>1,255,763</u>                            |
| Expenditures - community development              |   |                  |                  |   |
| Residential rehabilitation costs                  | 544,349   | 370,559          | 173,790          | 270,453                                     |
| Residential rehabilitation development cost:      | 175,000   | 175,000          | -                | 175,000                                     |
| 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             | 26,517  | 26,517           | -                | 26,517                                      |
| Contractual services - day care center            | -   | -                | -                | -   |
| Public improvements - fire stations               | -   | -                | -                | -   |
| Public works projects                             | -   | -                | -                | -   |
| Street program                                    | -   | -                | -                | -   |
| Bunert school                                     | -   | -                | -                | -   |
| Relocation reimbursements                         | -   | -                | -                | -   |
| Sidewalk replacement                              | 331,438   | 331,438          | -                | 331,438                                     |
| 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                                  | 106,997   | 106,997          | -                | 106,997                                     |
| Community police unit                             | -   | -                | -                | -   |
| Planning studies                                  | -   | -                | -                | -   |
| Handicapped project                               | -   | -                | -                | -   |
| Shelter for the homeless                          | 30,000  | 30,000           | -                | 30,000                                      |
| Administrative costs                              | 277,347   | 242,108          | 35,239           | 242,108                                     |
| 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                          | 13,975  | 13,750           | 225              | 13,250                                      |
| Fire department rescue squad                      | -   | -                | -                | -   |
| Homeless prevention                               | 15,000  | 15,000           | -                | 15,000                                      |
| Beautification                                    | -   | -                | -                | -   |
| Arsenal Acres clearance                           | -   | -                | -                | -   |
| Child advocacy                                    | 5,000   | 5,000            | -                | 5,000                                       |
| Homebuyer preparator                              | -   | -                | -                | -   |
| Reimbursement from MSHDA                          | -   | -                | -                | -   |
| Total expenditures - community development        | <u>1,565,623</u>                                  | <u>1,356,369</u> | <u>209,254</u>   | <u>1,255,763</u>                            |
| Excess (deficiency) of revenues over expenditure: | \$ -  | \$ -             | \$ -             | \$ -  |

| Accumulative Totals for<br>Program Year 2007-2008 |                |                  | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2008-2009 |                |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|----------------|------------------|---|---|----------------|------------------|---|
| Budget  | Actual         | Variance         |   | Budget  | Actual         | Variance         |   |
| \$ 804,261  | \$ 660,010     | \$ (144,251)     | \$ 657,814                                  | \$ 947,514  | \$ 560,450     | \$ (387,064)     | \$ 344,962                                  |
| 300,000   | 104,317        | (195,683)        | 104,317                                     | 120,000   | 88,812         | (31,188)         | 88,812                                      |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>1,104,261</u>                                  | <u>764,327</u> | <u>(339,934)</u> | <u>762,131</u>                              | <u>1,067,514</u>                                  | <u>649,262</u> | <u>(418,252)</u> | <u>433,774</u>                              |
| 381,651   | 83,454         | 298,197          | 83,454                                      | 364,565   | 71,049         | 293,516          | 22,463                                      |
| 175,000   | 175,000        | -                | 175,000                                     | 140,000   | 140,000        | -                | 90,566                                      |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 27,148  | 27,148         | -                | 27,148                                      | 35,000  | 29,029         | 5,971            | 9,126                                       |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 86,868  | 86,868         | -                | 86,868                                      | -   | -              | -                | -   |
| 20,000  | 20,000         | -                | 18,554                                      | 22,574  | 554            | 22,020           | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 90,419  | 90,419         | -                | 90,419                                      | 150,000   | 91,177         | 58,823           | 35,426                                      |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 24,000  | 24,000         | -                | 24,000                                      | 24,000  | 24,000         | -                | 24,000                                      |
| 215,500   | 176,363        | 39,137           | 176,363                                     | 192,500   | 186,262        | 6,238            | 140,588                                     |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 40,000  | 40,000         | -                | 40,000                                      | 40,000  | 40,000         | -                | 40,000                                      |
| 9,675   | 9,575          | 100              | 9,575                                       | 11,500  | 10,000         | 1,500            | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 25,000  | 25,000         | -                | 25,000                                      | 20,000  | 20,000         | -                | 9,258                                       |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 4,000   | 4,000          | -                | 4,000                                       | 4,000   | 4,000          | -                | 4,000                                       |
| 5,000   | 2,500          | 2,500            | 1,750                                       | 8,000   | -              | 8,000            | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>1,104,261</u>                                  | <u>764,327</u> | <u>339,934</u>   | <u>762,131</u>                              | <u>1,067,514</u>                                  | <u>649,262</u> | <u>418,252</u>   | <u>375,427</u>                              |
| \$ -  | \$ -           | \$ -             | \$ -  | \$ -  | \$ -           | \$ -             | \$ 58,347                                   |

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, 2010  
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2009

|  | Accumulative Totals for<br>Program Year 2009-2010 |                |                  | Accumulative<br>Totals Through<br>June 2009 |
|--|---|----------------|------------------|---|
|  | Budget  | Actual         | Variance         |   |
| Revenues:  |   |                |                  |   |
| Intergovernmental:                                 |   |                |                  |   |
| Federal grant                                      | \$ 905,679  | \$ 597,509     | \$ (308,170)     | \$ -  |
| Miscellaneous:                                     |   |                |                  |   |
| Program income                                     | 120,000   | 83,442         | (36,558)         | -   |
| Reimbursement from HOME                            | -   | -              | -                | -   |
| Transfer from CDBG Rental Rehabilitation Program   | -   | -              | -                | -   |
| Total revenues                                     | <u>1,025,679</u>                                  | <u>680,951</u> | <u>(344,728)</u> | <u>-</u>                                    |
| Expenditures - community development               |   |                |                  |   |
| Residential rehabilitation costs                   | 112,000   | 73,088         | 38,912           | -   |
| Residential rehabilitation development cost:       | 185,000   | 124,407        | 60,593           | -   |
| 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              | 51,000  | 4,759          | 46,241           | -   |
| Contractual services - day care center             | -   | -              | -                | -   |
| Public improvements - fire stations                | -   | -              | -                | -   |
| Public works projects                              | -   | -              | -                | -   |
| Street program                                     | 176,508   | 162,568        | 13,940           | -   |
| 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                                   | 105,000   | 53,215         | 51,785           | -   |
| Community police unit                              | -   | -              | -                | -   |
| Planning studies                                   | -   | -              | -                | -   |
| Handicapped project                                | -   | -              | -                | -   |
| Shelter for the homeless                           | 40,000  | 31,430         | 8,570            | -   |
| Administrative costs                               | 194,100   | 159,556        | 34,544           | -   |
| Contingency and local options                      | 20,571  | -              | 20,571           | -   |
| Public alley improvements                          | -   | -              | -                | -   |
| Parking lot improvements                           | -   | -              | -                | -   |
| Rental rehabilitation                              | -   | -              | -                | -   |
| Home ownership assistance                          | -   | -              | -                | -   |
| Barrier removal                                    | -   | -              | -                | -   |
| Sewer replacement                                  | -   | -              | -                | -   |
| Property disposition                               | -   | -              | -                | -   |
| Rental ordinance enforcement                       | 100,000   | 40,000         | 60,000           | -   |
| Housing support services                           | 11,500  | 5,000          | 6,500            | -   |
| Fire department rescue squad                       | -   | -              | -                | -   |
| Homeless preventior                                | 30,000  | 24,155         | 5,845            | -   |
| Beautification                                     | -   | -              | -                | -   |
| Arsenal Acres clearance                            | -   | -              | -                | -   |
| Child advocacy                                     | -   | -              | -                | -   |
| Homebuyer preparator                               | -   | -              | -                | -   |
| Reimbursement from MSHDA                           | -   | -              | -                | -   |
| Total expenditures - community development         | <u>1,025,679</u>                                  | <u>678,178</u> | <u>347,501</u>   | <u>-</u>                                    |
| Excess (deficiency) of revenues over expenditures: | \$ -  | \$ 2,773       | \$ 2,773         | \$ -  |

EXHIBIT C-9 (continued)

| Accumulative Totals for<br>Combined Program Years |                   |                  | Accumulative<br>Totals Through<br>June 2009 | Eliminations Reported<br>as of June 30, 2009 |                   |                  | Accumulative<br>Totals Through<br>June 2008 |
|---|-------------------|------------------|---|--|-------------------|------------------|---|
| Budget  | Actual            | Variance         |   | Budget                                       | Actual            | Variance         |   |
| \$ 32,367,938                                     | \$ 31,477,110     | \$ (890,828)     | \$ 30,494,806                               | \$ 31,517,453                                | \$ 30,494,806     | \$ (1,022,647)   | \$ 29,893,470                               |
| 6,006,588   | 7,494,008         | 1,487,420        | 7,410,566                                   | 5,886,588                                    | 7,410,566         | 1,523,978        | 7,321,754                                   |
| -   | 45,218            | 45,218           | 45,218                                      | -  | 45,218            | 45,218           | 45,218                                      |
| -   | 15,309            | 15,309           | 15,309                                      | -  | 15,309            | 15,309           | 15,309                                      |
| <u>38,374,526</u>                                 | <u>39,031,645</u> | <u>657,119</u>   | <u>37,965,899</u>                           | <u>37,404,041</u>                            | <u>37,965,899</u> | <u>561,858</u>   | <u>37,275,751</u>                           |
| 13,650,305  | 14,621,478        | (971,173)        | 14,340,251                                  | 13,553,305                                   | 14,340,251        | (786,946)        | 14,276,314                                  |
| 1,905,000   | 2,016,923         | (111,923)        | 1,843,082                                   | 1,720,000                                    | 1,843,082         | (123,082)        | 1,675,171                                   |
| 54,135  | 54,135            | -                | 54,135                                      | 54,135                                       | 54,135            | -                | 54,135                                      |
| 1,735,912   | 1,735,912         | -                | 1,735,912                                   | 1,735,912                                    | 1,735,912         | -                | 1,735,912                                   |
| 272,827   | 272,827           | -                | 272,827                                     | 272,827                                      | 272,827           | -                | 272,827                                     |
| 6,291   | 6,291             | -                | 6,291                                       | 6,291  | 6,291             | -                | 6,291                                       |
| 14,840  | 14,840            | -                | 14,840                                      | 14,840                                       | 14,840            | -                | 14,840                                      |
| 646,807   | 594,595           | 52,212           | 569,933                                     | 595,807                                      | 569,933           | 25,874           | 547,733                                     |
| 12,500  | 12,500            | -                | 12,500                                      | 12,500                                       | 12,500            | -                | 12,500                                      |
| 663,999   | 663,999           | -                | 663,999                                     | 663,999                                      | 663,999           | -                | 663,999                                     |
| 583,271   | 583,271           | -                | 583,271                                     | 583,271                                      | 583,271           | -                | 583,271                                     |
| 4,263,749   | 4,227,625         | 36,124           | 4,031,866                                   | 4,142,435                                    | 4,031,866         | 110,569          | 4,031,866                                   |
| 84,093  | 84,093            | -                | 84,093                                      | 84,093                                       | 84,093            | -                | 84,093                                      |
| 10,257  | 10,257            | -                | 10,257                                      | 10,257                                       | 10,257            | -                | 10,257                                      |
| 788,528   | 788,239           | 289              | 788,239                                     | 773,528                                      | 788,239           | (14,711)         | 747,467                                     |
| 30,159  | 30,159            | -                | 30,159                                      | 30,159                                       | 30,159            | -                | 30,159                                      |
| 556,373   | 534,353           | 22,020           | 532,353                                     | 556,373                                      | 532,353           | 24,020           | 512,803                                     |
| 60,000  | 60,000            | -                | 60,000                                      | 60,000                                       | 60,000            | -                | 60,000                                      |
| 6,880   | 6,880             | -                | 6,880                                       | 6,880  | 6,880             | -                | 6,880                                       |
| 119   | 119               | -                | 119   | 119  | 119               | -                | 119   |
| 24,484  | 24,484            | -                | 24,484                                      | 24,484                                       | 24,484            | -                | 24,484                                      |
| 328,378   | 328,378           | -                | 328,378                                     | 328,378                                      | 328,378           | -                | 328,378                                     |
| 1,494,200   | 1,383,592         | 110,608          | 1,274,626                                   | 1,389,200                                    | 1,274,626         | 114,574          | 1,194,921                                   |
| 2,424,350   | 2,424,350         | -                | 2,424,350                                   | 2,424,350                                    | 2,424,350         | -                | 2,424,350                                   |
| 157,000   | 157,000           | -                | 157,000                                     | 157,000                                      | 157,000           | -                | 152,925                                     |
| 699,666   | 699,666           | -                | 699,666                                     | 699,666                                      | 699,666           | -                | 699,666                                     |
| 243,314   | 234,744           | 8,570            | 203,314                                     | 203,314                                      | 203,314           | -                | 172,133                                     |
| 5,545,502   | 5,454,602         | 90,900           | 5,242,314                                   | 5,351,402                                    | 5,242,314         | 109,088          | 5,077,105                                   |
| 20,571  | -                 | 20,571           | -   | -  | -                 | -                | -   |
| 144,979   | 144,979           | -                | 144,979                                     | 144,979                                      | 144,979           | -                | 144,979                                     |
| 176,285   | 176,285           | -                | 176,285                                     | 176,285                                      | 176,285           | -                | 176,285                                     |
| 55,682  | 70,991            | (15,309)         | 70,991                                      | 55,682                                       | 70,991            | (15,309)         | 70,991                                      |
| 51,925  | 51,925            | -                | 51,925                                      | 51,925                                       | 51,925            | -                | 51,925                                      |
| 73,793  | 73,793            | -                | 73,793                                      | 73,793                                       | 73,793            | -                | 73,793                                      |
| 231,527   | 231,527           | -                | 231,527                                     | 231,527                                      | 231,527           | -                | 231,527                                     |
| 2,592   | 2,592             | -                | 2,592                                       | 2,592  | 2,592             | -                | 2,592                                       |
| 705,000   | 645,000           | 60,000           | 605,000                                     | 605,000                                      | 605,000           | -                | 565,000                                     |
| 171,630   | 163,305           | 8,325            | 147,805                                     | 160,130                                      | 147,805           | 12,325           | 137,330                                     |
| 223,363   | 223,363           | -                | 223,363                                     | 223,363                                      | 223,363           | -                | 223,363                                     |
| 176,368   | 170,523           | 5,845            | 135,626                                     | 146,368                                      | 135,626           | 10,742           | 120,882                                     |
| 2,872   | 2,872             | -                | 2,872                                       | 2,872  | 2,872             | -                | 2,872                                       |
| 44,000  | 44,000            | -                | 44,000                                      | 44,000                                       | 44,000            | -                | 44,000                                      |
| 18,000  | 18,000            | -                | 18,000                                      | 18,000                                       | 18,000            | -                | 14,000                                      |
| 13,000  | 2,500             | 10,500           | 1,750                                       | 13,000                                       | 1,750             | 11,250           | -   |
| -   | (18,095)          | 18,095           | (18,095)                                    | -  | (18,095)          | 18,095           | (18,095)                                    |
| <u>38,374,526</u>                                 | <u>39,028,872</u> | <u>(654,346)</u> | <u>37,907,552</u>                           | <u>37,404,041</u>                            | <u>37,907,552</u> | <u>(503,511)</u> | <u>37,242,043</u>                           |
| \$ -  | \$ 2,773          | \$ 2,773         | \$ 58,347                                   | \$ -   | \$ 58,347         | \$ 58,347        | \$ 33,708                                   |

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CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2010  
 With Comparative Accumulative Actual Totals for the Year Ended June 30, 2009

|  | Current Year Activity |                  |                    | Prior                   |
|--|-----------------------|------------------|--------------------|-------------------------|
|  | Budget                | Actual           | Variance           | Fiscal Year<br>Activity |
| Revenues:  |                       |                  |                    |                         |
| Intergovernmental:                                 |                       |                  |                    |                         |
| Federal grant                                      | \$ 850,485            | \$ 982,304       | \$ 131,819         | \$ 601,336              |
| Miscellaneous:                                     |                       |                  |                    |                         |
| Program income                                     | 120,000               | 83,442           | (36,558)           | 88,812                  |
| Reimbursement from HOME                            | -                     | -                | -                  | -                       |
| Transfer from CDBG Rental Rehabilitation Program   | -                     | -                | -                  | -                       |
| Total revenues                                     | <u>970,485</u>        | <u>1,065,746</u> | <u>95,261</u>      | <u>690,148</u>          |
| Expenditures - community development               |                       |                  |                    |                         |
| Residential rehabilitation costs                   | 97,000                | 281,227          | (184,227)          | 63,937                  |
| Residential rehabilitation development cost:       | 185,000               | 173,841          | 11,159             | 167,911                 |
| 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              | 51,000                | 24,662           | 26,338             | 22,200                  |
| Contractual services - day care center             | -                     | -                | -                  | -                       |
| Public improvements - fire stations                | -                     | -                | -                  | -                       |
| Public works projects                              | -                     | -                | -                  | -                       |
| Street program                                     | 121,314               | 195,759          | (74,445)           | -                       |
| Bunert school                                      | -                     | -                | -                  | -                       |
| Relocation reimbursements                          | -                     | -                | -                  | -                       |
| Sidewalk replacement                               | 15,000                | -                | 15,000             | 40,772                  |
| Rodent control                                     | -                     | -                | -                  | -                       |
| Abandoned buildings                                | -                     | 2,000            | (2,000)            | 19,550                  |
| U. F. F. I. testing                                | -                     | -                | -                  | -                       |
| Youth interim program                              | -                     | -                | -                  | -                       |
| I-696 equity line item                             | -                     | -                | -                  | -                       |
| Smoke detector program                             | -                     | -                | -                  | -                       |
| Tree planting program                              | -                     | -                | -                  | -                       |
| Code enforcement                                   | 105,000               | 108,966          | (3,966)            | 79,705                  |
| Community police unit                              | -                     | -                | -                  | -                       |
| Planning studies                                   | -                     | -                | -                  | 4,075                   |
| Handicapped project                                | -                     | -                | -                  | -                       |
| Shelter for the homeless                           | 40,000                | 31,430           | 8,570              | 31,181                  |
| Administrative costs                               | 194,100               | 212,288          | (18,188)           | 165,209                 |
| Contingency and local options                      | 20,571                | -                | 20,571             | -                       |
| Public alley improvements                          | -                     | -                | -                  | -                       |
| Parking lot improvements                           | -                     | -                | -                  | -                       |
| Rental rehabilitation                              | -                     | -                | -                  | -                       |
| Home ownership assistance                          | -                     | -                | -                  | -                       |
| Barrier removal                                    | -                     | -                | -                  | -                       |
| Sewer replacement                                  | -                     | -                | -                  | -                       |
| Property disposition                               | -                     | -                | -                  | -                       |
| Rental ordinance enforcement                       | 100,000               | 40,000           | 60,000             | 40,000                  |
| Housing support services                           | 11,500                | 15,500           | (4,000)            | 10,475                  |
| Fire department rescue squad                       | -                     | -                | -                  | -                       |
| Homeless prevention                                | 30,000                | 34,897           | (4,897)            | 14,744                  |
| Beautification                                     | -                     | -                | -                  | -                       |
| Arsenal Acres clearance                            | -                     | -                | -                  | -                       |
| Child advocacy                                     | -                     | -                | -                  | 4,000                   |
| Homebuyer preparator                               | -                     | 750              | (750)              | 1,750                   |
| Reimbursement from MSHDA                           | -                     | -                | -                  | -                       |
| Total expenditures - community development         | <u>970,485</u>        | <u>1,121,320</u> | <u>(150,835)</u>   | <u>665,509</u>          |
| Excess (deficiency) of revenues over expenditures: | -                     | (55,574)         | (55,574)           | 24,639                  |
| Fund balance - beginning of year                   | <u>58,347</u>         | <u>58,347</u>    | -                  | <u>33,708</u>           |
| Fund balance - end of year                         | <u>\$ 58,347</u>      | <u>\$ 2,773</u>  | <u>\$ (55,574)</u> | <u>\$ 58,347</u>        |

EXHIBIT C-10

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT - RECOVERY

For Period of July 1, 2008 through June 30, 2010  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Years 2008-2009 |                |                 | Accumulative<br>Totals Through<br>June 2009 |
|---|--|----------------|-----------------|---|
|   | Budget   | Actual         | Variance        |   |
| Revenues:   |  |                |                 |   |
| Intergovernmental:                                |  |                |                 |   |
| Federal grant                                     | \$ 229,180   | \$ 147,568     | \$ (81,612)     | \$ -  |
| Miscellaneous:                                    |  |                |                 |   |
| Program income                                    | -  | -              | -               | -   |
| Total revenues                                    | <u>229,180</u>                                     | <u>147,568</u> | <u>(81,612)</u> | <u>-</u>                                    |
| Expenditures - community development:             |  |                |                 |   |
| Street Improvements - Waltham Road                | 206,262  | 147,043        | 59,219          | -   |
| Administration                                    | <u>22,918</u>                                      | <u>525</u>     | <u>22,393</u>   | <u>-</u>                                    |
| Total expenditures - community development        | <u>229,180</u>                                     | <u>147,568</u> | <u>81,612</u>   | <u>-</u>                                    |
| Excess (deficiency) of revenues over expenditures | <u>\$ -</u>  | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ -</u>                                 |
| Fund balance - beginning of year                  |  |                |                 |   |
| Fund balance - end of year                        |  |                |                 |   |

See accompanying notes to financial statements.

| Eliminations Reported<br>as of June 30, 2009 |             |                  | Accumulative<br>Totals Through<br>June 2008 | Current Year Activity |                |                  | Prior<br>Fiscal Year<br>Activity |
|--|-------------|------------------|---|-----------------------|----------------|------------------|----------------------------------|
| Budget                                       | Actual      | Variance         |   | Budget                | Actual         | Variance         |                                  |
| \$ 229,180                                   | \$ -        | \$ (229,180)     | \$ -  | \$ -                  | \$ 147,568     | \$ 147,568       | \$ -                             |
| <u>-</u>                                     | <u>-</u>    | <u>-</u>         | <u>-</u>                                    | <u>-</u>              | <u>-</u>       | <u>-</u>         | <u>-</u>                         |
| <u>229,180</u>                               | <u>-</u>    | <u>(229,180)</u> | <u>-</u>                                    | <u>-</u>              | <u>147,568</u> | <u>147,568</u>   | <u>-</u>                         |
| 206,262                                      | -           | 206,262          | -   | -                     | 147,043        | (147,043)        | -                                |
| <u>22,918</u>                                | <u>-</u>    | <u>22,918</u>    | <u>-</u>                                    | <u>-</u>              | <u>525</u>     | <u>(525)</u>     | <u>-</u>                         |
| <u>229,180</u>                               | <u>-</u>    | <u>229,180</u>   | <u>-</u>                                    | <u>-</u>              | <u>147,568</u> | <u>(147,568)</u> | <u>-</u>                         |
| <u>\$ -</u>                                  | <u>\$ -</u> | <u>\$ -</u>      | <u>\$ -</u>                                 | <u>-</u>              | <u>-</u>       | <u>-</u>         | <u>-</u>                         |
|  |             |                  |   | <u>-</u>              | <u>-</u>       | <u>-</u>         | <u>-</u>                         |
|  |             |                  |   | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ -</u>      | <u>\$ -</u>                      |

EXHIBIT C-11

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2010

With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Year 1994-95 thru 2001-02 |                  |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|--|------------------|------------------|---|
|   | Budget   | Actual           | Variance         |   |
| <b>Revenues:</b>                                      |  |                  |                  |   |
| <b>Intergovernmental:</b>                             |  |                  |                  |   |
| Federal grant   | \$ 3,218,196   | \$ 3,218,196     | \$ -             | \$ 3,218,196                                |
| <b>Miscellaneous:</b>                                 |  |                  |                  |   |
| Program income  | 1,740,000  | 1,156,427        | (583,573)        | 1,156,427                                   |
| 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>807,625</u>   | <u>714,383</u>   | <u>(93,242)</u>  | <u>714,383</u>                              |
| Total revenues  | <u>5,822,216</u>   | <u>5,186,341</u> | <u>(635,875)</u> | <u>5,186,341</u>                            |
| <b>Expenditures - community development:</b>          |  |                  |                  |   |
| Acquisition / new construction                        | 3,584,023  | 3,347,480        | 236,543          | 3,347,480                                   |
| Rental rehabilitation                                 | 257,171  | 296,290          | (39,119)         | 296,290                                     |
| Single family acquisition rehabilitation              | 1,243,360  | 940,620          | 302,740          | 940,620                                     |
| Community Housing Development Organizations Operating | 136,312  | 104,330          | 31,982           | 104,330                                     |
| Housing Rehabilitation Owner Occupied                 | -  | -                | -                | -   |
| Direct home buyer assistance                          | 87,950   | 79,828           | 8,122            | 79,828                                      |
| Program administration                                | 468,400  | 409,077          | 59,323           | 409,077                                     |
| Contingencies   | 45,000   | -                | 45,000           | -   |
| Eligible activities applied towards match             | -  | 8,716            | (8,716)          | 8,716                                       |
| Total expenditures - community development            | <u>5,822,216</u>   | <u>5,186,341</u> | <u>635,875</u>   | <u>5,186,341</u>                            |
| Excess (deficiency) of revenues over expenditures     | \$ -   | \$ -             | \$ -             | \$ -  |

See accompanying notes to financial statements.

| Accumulative Totals for<br>Program Year 2002-03 |            |           | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2003-04 |            |           | Accumulative<br>Totals Through<br>June 2009 |
|---|------------|-----------|---|---|------------|-----------|---|
| Budget  | Actual     | Variance  |   | Budget  | Actual     | Variance  |   |
| \$ 702,361                                      | \$ 702,361 | \$ -      | \$ 511,752                                  | \$ 425,642                                      | \$ 425,642 | \$ -      | \$ 261,016                                  |
| 720,000   | 829,461    | 109,461   | 829,461                                     | 600,000   | 646,889    | 46,889    | 646,889                                     |
| -   | -          | -         | -   | -   | -          | -         | -   |
| -   | -          | -         | -   | -   | -          | -         | -   |
| -   | -          | -         | -   | -   | -          | -         | -   |
| 109,125   | 146,015    | 36,890    | 146,015                                     | 90,000  | 123,210    | 33,210    | 123,210                                     |
| 1,531,486                                       | 1,677,837  | 146,351   | 1,487,228                                   | 1,115,642                                       | 1,195,741  | 80,099    | 1,031,115                                   |
| 1,042,430                                       | 1,152,591  | (110,161) | 919,152                                     | 744,231   | 726,648    | 17,583    | 562,022                                     |
| -   | -          | -         | -   | -   | -          | -         | -   |
| 173,306   | 180,708    | (7,402)   | 169,539                                     | 153,847   | 226,529    | (72,682)  | 226,529                                     |
| 72,250  | 20,000     | 52,250    | 20,000                                      | 15,000  | 10,000     | 5,000     | 10,000                                      |
| -   | -          | -         | -   | -   | -          | -         | -   |
| 135,000   | 135,925    | (925)     | 135,925                                     | 100,000   | 100,000    | -         | 100,000                                     |
| 108,500   | 136,714    | (28,214)  | 136,714                                     | 102,564   | 42,564     | 60,000    | 42,564                                      |
| -   | -          | -         | -   | -   | -          | -         | -   |
| -   | -          | -         | -   | -   | -          | -         | -   |
| 1,531,486                                       | 1,625,938  | (94,452)  | 1,381,330                                   | 1,115,642                                       | 1,105,741  | 9,901     | 941,115                                     |
| \$ -  | \$ 51,899  | \$ 51,899 | \$ 105,898                                  | \$ -  | \$ 90,000  | \$ 90,000 | \$ 90,000                                   |

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2010

With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Year 2004-05 |                |                  | Accumulative<br>Totals Through |
|---|---|----------------|------------------|--------------------------------|
|   | Budget  | Actual         | Variance         | June 2009                      |
| Revenues:   |   |                |                  |                                |
| Intergovernmental:                                    |   |                |                  |                                |
| Federal grant   | \$ 289,050                                      | \$ 214,287     | \$ (74,763)      | \$ 207,837                     |
| Miscellaneous:  |   |                |                  |                                |
| Program income  | 700,000   | 74,311         | (625,689)        | 74,311                         |
| Rental match  | -   | -              | -                | -                              |
| Community processing fee                              | -   | -              | -                | -                              |
| Miscellaneous   | -   | -              | -                | -                              |
| Local match   | 60,000  | 134,594        | 74,594           | 134,594                        |
| Total revenues  | <u>1,049,050</u>                                | <u>423,192</u> | <u>(625,858)</u> | <u>416,742</u>                 |
| Expenditures - community development:                 |   |                |                  |                                |
| Acquisition / new construction                        | 745,433   | 44,996         | 700,437          | 39,000                         |
| Rental rehabilitation                                 | -   | -              | -                | -                              |
| Single family acquisition rehabilitation              | 90,000  | 77,439         | 12,561           | 76,985                         |
| Community Housing Development Organizations Operating | 21,200  | 20,000         | 1,200            | 20,000                         |
| Housing Rehabilitation Owner Occupied                 | -   | -              | -                | -                              |
| Direct home buyer assistance                          | 80,000  | 80,000         | -                | 80,000                         |
| Program administration                                | 112,417   | 103,163        | 9,254            | 103,163                        |
| Contingencies   | -   | -              | -                | -                              |
| Eligible activities applied towards match             | -   | -              | -                | -                              |
| Total expenditures - community development            | <u>1,049,050</u>                                | <u>325,598</u> | <u>723,452</u>   | <u>319,148</u>                 |
| Excess (deficiency) of revenues over expenditures     | \$ -  | \$ 97,594      | \$ 97,594        | \$ 97,594                      |

EXHIBIT C-11 (continued)

| Accumulative Totals for<br>Program Year 2005-06 |                |                  | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2006-07 |                |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|----------------|------------------|---|---|----------------|------------------|---|
| Budget  | Actual         | Variance         |   | Budget  | Actual         | Variance         |   |
| \$ 191,152                                      | \$ 181,635     | \$ (9,517)       | \$ 181,635                                  | \$ 371,553                                      | \$ 294,824     | \$ (76,729)      | \$ 267,875                                  |
| 600,000   | 390,992        | (209,008)        | 390,992                                     | -   | 216,197        | 216,197          | 216,197                                     |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>45,000</u>                                   | <u>79,000</u>  | <u>34,000</u>    | <u>79,000</u>                               | <u>53,000</u>                                   | <u>176,575</u> | <u>123,575</u>   | <u>176,575</u>                              |
| <u>836,152</u>                                  | <u>651,627</u> | <u>(184,525)</u> | <u>651,627</u>                              | <u>424,553</u>                                  | <u>687,596</u> | <u>263,043</u>   | <u>660,647</u>                              |
| 580,105   | 478,878        | 101,227          | 478,878                                     | 80,145  | 154,830        | (74,685)         | 154,830                                     |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 135,000   | 69,495         | 65,505           | 69,495                                      | 59,000  | 12,136         | 46,864           | 12,136                                      |
| 20,349  | 10,000         | 10,349           | 10,000                                      | 19,096  | 15,000         | 4,096            | -   |
| -   | -              | -                | -   | 230,120   | 402,925        | (172,805)        | 390,976                                     |
| -   | -              | -                | -   | 4,000   | -              | 4,000            | -   |
| 100,698   | 48,254         | 52,444           | 48,254                                      | 32,192  | 49,705         | (17,513)         | 49,705                                      |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>836,152</u>                                  | <u>606,627</u> | <u>229,525</u>   | <u>606,627</u>                              | <u>424,553</u>                                  | <u>634,596</u> | <u>(210,043)</u> | <u>607,647</u>                              |
| \$ -  | \$ 45,000      | \$ 45,000        | \$ 45,000                                   | \$ -  | \$ 53,000      | \$ 53,000        | \$ 53,000                                   |

**EXHIBIT C-11 (continued)**

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2010  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Year 2007-08 |                |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|---|----------------|------------------|---|
|   | Budget  | Actual         | Variance         |   |
| Revenues:   |   |                |                  |   |
| Intergovernmental:                                    |   |                |                  |   |
| Federal grant   | \$ 741,499                                      | \$ 353,376     | \$ (388,123)     | \$ 120,836                                  |
| Miscellaneous:  |   |                |                  |   |
| Program income  | 330,000   | 59,266         | (270,734)        | 59,266                                      |
| Rental match  | -   | -              | -                | -   |
| Community processing fee                              | -   | -              | -                | -   |
| Miscellaneous   | -   | -              | -                | -   |
| Local match   | <u>85,000</u>                                   | <u>-</u>       | <u>(85,000)</u>  | <u>-</u>                                    |
| Total revenues  | <u>1,156,499</u>                                | <u>412,642</u> | <u>(743,857)</u> | <u>180,102</u>                              |
| <br>  |   |                |                  |   |
| Expenditures - community development:                 |   |                |                  |   |
| Acquisition / new construction                        | 463,616   | 24,874         | 438,742          | 24,874                                      |
| Rental rehabilitation                                 | -   | -              | -                | -   |
| Single family acquisition rehabilitation              | 369,575   | 151,142        | 218,433          | 18,602                                      |
| Community Housing Development Organizations Operating | 18,936  | -              | 18,936           | -   |
| Housing Rehabilitation Owner Occupied                 | 100,000   | 134,392        | (34,392)         | 34,392                                      |
| Direct home buyer assistance                          | 127,500   | -              | 127,500          | -   |
| Program administration                                | 76,872  | 102,234        | (25,362)         | 102,234                                     |
| Contingencies   | -   | -              | -                | -   |
| Eligible activities applied towards match             | <u>-</u>  | <u>-</u>       | <u>-</u>         | <u>-</u>                                    |
| Total expenditures - community development            | <u>1,156,499</u>                                | <u>412,642</u> | <u>743,857</u>   | <u>180,102</u>                              |
| <br>  |   |                |                  |   |
| Excess (deficiency) of revenues over expenditures     | <u>\$ -</u>                                     | <u>\$ -</u>    | <u>\$ -</u>      | <u>\$ -</u>                                 |
| <br>  |   |                |                  |   |
| Fund balance - beginning of year                      |   |                |                  |   |
| <br>  |   |                |                  |   |
| Fund balance - end of year                            |   |                |                  |   |

| Accumulative Totals for<br>Program Year 2008-09 |                |                  | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2009-10 |                |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|----------------|------------------|---|---|----------------|------------------|---|
| Budget  | Actual         | Variance         |   | Budget  | Actual         | Variance         |   |
| \$ 341,897                                      | \$ 148,933     | \$ (192,964)     | \$ 48,933                                   | \$ 407,488                                      | \$ 109,025     | \$ (298,463)     | \$ -  |
| 410,000   | 66,642         | (343,358)        | 66,642                                      | 395,000   | 313,379        | (81,621)         | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>15,000</u>                                   | <u>132,250</u> | <u>117,250</u>   | <u>132,250</u>                              | <u>95,000</u>                                   | <u>55,510</u>  | <u>(39,490)</u>  | <u>-</u>                                    |
| <u>766,897</u>                                  | <u>347,825</u> | <u>(419,072)</u> | <u>247,825</u>                              | <u>897,488</u>                                  | <u>477,914</u> | <u>(419,574)</u> | <u>-</u>                                    |
| -   | 62,749         | (62,749)         | 62,749                                      | -   | 280,804        | (280,804)        | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| 350,900   | -              | 350,900          | -   | 73,761  | 42,692         | 31,069           | -   |
| 18,332  | -              | 18,332           | -   | 15,000  | -              | 15,000           | -   |
| 217,000   | 233,643        | (16,643)         | 133,643                                     | 581,979   | 45,654         | 536,325          | -   |
| 103,000   | 2,500          | 100,500          | 2,500                                       | 147,000   | -              | 147,000          | -   |
| 77,665  | 48,933         | 28,732           | 48,933                                      | 79,748  | 44,916         | 34,832           | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| -   | -              | -                | -   | -   | -              | -                | -   |
| <u>766,897</u>                                  | <u>347,825</u> | <u>419,072</u>   | <u>247,825</u>                              | <u>897,488</u>                                  | <u>414,066</u> | <u>483,422</u>   | <u>-</u>                                    |
| \$ -  | \$ -           | \$ -             | \$ -  | \$ -  | \$ 63,848      | \$ 63,848        | \$ -  |

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE  
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2010  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Combined Program Years |                   |                    | Accumulative<br>Totals Through<br>June 2009 |
|---|---|-------------------|--------------------|---|
|   | Budget  | Actual            | Variance           |   |
| Revenues:   |   |                   |                    |   |
| Intergovernmental:                                    |   |                   |                    |   |
| Federal grant   | \$ 6,688,838                                      | \$ 5,648,279      | \$ (1,040,559)     | \$ 4,818,080                                |
| Miscellaneous:  |   |                   |                    |   |
| Program income  | 5,495,000   | 3,753,564         | (1,741,436)        | 3,440,185                                   |
| 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   | 1,359,750   | 1,561,537         | 201,787            | 1,506,027                                   |
| Total revenues  | <u>13,599,983</u>                                 | <u>11,060,715</u> | <u>(2,539,268)</u> | <u>9,861,627</u>                            |
| Expenditures - community development:                 |   |                   |                    |   |
| Acquisition / new construction                        | 7,239,983   | 6,273,850         | 966,133            | 5,588,985                                   |
| Rental rehabilitation                                 | 257,171   | 296,290           | (39,119)           | 296,290                                     |
| Single family acquisition rehabilitation              | 2,648,749   | 1,700,761         | 947,988            | 1,513,906                                   |
| Community Housing Development Organizations Operating | 336,475   | 179,330           | 157,145            | 164,330                                     |
| Housing Rehabilitation Owner Occupied                 | 1,129,099   | 816,614           | 312,485            | 559,011                                     |
| Direct home buyer assistance                          | 784,450   | 398,253           | 386,197            | 398,253                                     |
| Program administration                                | 1,159,056   | 985,560           | 173,496            | 940,644                                     |
| Contingencies   | 45,000  | -                 | 45,000             | -   |
| Eligible activities applied towards match             | -   | 8,716             | (8,716)            | 8,716                                       |
| Total expenditures - community development            | <u>13,599,983</u>                                 | <u>10,659,374</u> | <u>2,940,609</u>   | <u>9,470,135</u>                            |
| Excess (deficiency) of revenues over expenditures     | \$ -  | \$ 401,341        | \$ 401,341         | \$ 391,492                                  |

| Eliminations Reported<br>as of June 30, 2009 |                  |                    | Accumulative<br>Totals Through<br>June 2008 | Current Fiscal Year Activity |                   |                  | Prior<br>Fiscal Year<br>Activity |
|--|------------------|--------------------|---|------------------------------|-------------------|------------------|----------------------------------|
| Budget                                       | Actual           | Variance           |   | Budget                       | Actual            | Variance         |                                  |
| \$ 6,306,111                                 | \$ 4,818,080     | \$ (1,488,031)     | \$ 4,322,881                                | \$ 382,727                   | \$ 830,199        | \$ 447,472       | \$ 495,199                       |
| 5,100,000                                    | 3,440,185        | (1,659,815)        | 3,373,543                                   | 395,000                      | 313,379           | (81,621)         | 66,642                           |
| 54,595                                       | 93,714           | 39,119             | 93,714                                      | -                            | -                 | -                | -                                |
| 1,800  | 3,481            | 1,681              | 3,481                                       | -                            | -                 | -                | -                                |
| -  | 140              | 140                | 140   | -                            | -                 | -                | -                                |
| <u>1,264,750</u>                             | <u>1,506,027</u> | <u>241,277</u>     | <u>1,373,777</u>                            | <u>95,000</u>                | <u>55,510</u>     | <u>(39,490)</u>  | <u>132,250</u>                   |
| <u>12,727,256</u>                            | <u>9,861,627</u> | <u>(2,865,629)</u> | <u>9,167,536</u>                            | <u>872,727</u>               | <u>1,199,088</u>  | <u>326,361</u>   | <u>694,091</u>                   |
| 7,239,983                                    | 5,588,985        | 1,650,998          | 5,118,971                                   | -                            | 684,865           | (684,865)        | 470,014                          |
| 257,171                                      | 296,290          | (39,119)           | 296,290                                     | -                            | -                 | -                | -                                |
| 2,599,749                                    | 1,513,906        | 1,085,843          | 1,344,681                                   | 49,000                       | 186,855           | (137,855)        | 169,225                          |
| 321,475                                      | 164,330          | 157,145            | 164,330                                     | 15,000                       | 15,000            | -                | -                                |
| 547,120                                      | 559,011          | (11,891)           | 213,202                                     | 581,979                      | 257,603           | 324,376          | 345,809                          |
| 637,450                                      | 398,253          | 239,197            | 395,753                                     | 147,000                      | -                 | 147,000          | 2,500                            |
| 1,079,308                                    | 940,644          | 138,664            | 887,108                                     | 79,748                       | 44,916            | 34,832           | 53,536                           |
| 45,000                                       | -                | 45,000             | -   | -                            | -                 | -                | -                                |
| -  | 8,716            | (8,716)            | 8,716                                       | -                            | -                 | -                | -                                |
| <u>12,727,256</u>                            | <u>9,470,135</u> | <u>3,257,121</u>   | <u>8,429,051</u>                            | <u>872,727</u>               | <u>1,189,239</u>  | <u>(316,512)</u> | <u>1,041,084</u>                 |
| \$ -   | \$ 391,492       | \$ 391,492         | \$ 738,485                                  | -                            | 9,849             | 9,849            | (346,993)                        |
|  |                  |                    |   | <u>391,492</u>               | <u>391,492</u>    | <u>-</u>         | <u>738,485</u>                   |
|  |                  |                    |   | <u>\$ 391,492</u>            | <u>\$ 401,341</u> | <u>\$ 9,849</u>  | <u>\$ 391,492</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, 2010  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Years 2004-05 thru 2006-07 |                     |             | Accumulative<br>Totals Through<br>June 2009 |
|---|---|---------------------|-------------|---|
|   | Budget  | Actual              | Variance    |   |
| Revenues:   |   |                     |             |   |
| Intergovernmental:                                |   |                     |             |   |
| Federal grant                                     | \$ 1,148,906  | \$ 1,148,906        | \$ -        | \$ 1,148,906                                |
| Miscellaneous:                                    |   |                     |             |   |
| Program income                                    | -   | -                   | -           | -   |
| Total revenues                                    | <u>\$ 1,148,906</u>   | <u>\$ 1,148,906</u> | <u>-</u>    | <u>1,148,906</u>                            |
| Expenditures - community development:             |   |                     |             |   |
| Emergency housing assistance                      | 120,236   | 120,236             | -           | 120,236                                     |
| Housing advocacy assistance                       | 300,546   | 300,546             | -           | 300,546                                     |
| Tenant based rental assistance                    | 552,256   | 552,256             | -           | 552,256                                     |
| In-home non-medical care for medically fragile    | 113,411   | 113,411             | -           | 113,411                                     |
| Short-term rent, mortgage & utilities             | 18,536  | 18,536              | -           | 18,536                                      |
| Move in assistance                                | 8,101   | 8,101               | -           | 8,101                                       |
| Program administration                            | 35,820  | 35,820              | -           | 35,820                                      |
| Contingencies                                     | -   | -                   | -           | -   |
| Total expenditures - community development        | <u>1,148,906</u>  | <u>1,148,906</u>    | <u>-</u>    | <u>1,148,906</u>                            |
| Excess (deficiency) of revenues over expenditures | <u>\$ -</u>   | <u>\$ -</u>         | <u>\$ -</u> | <u>\$ -</u>                                 |

See accompanying notes to financial statements.

| Accumulative Totals for<br>Program Year 2007-2008 |                   |                 | Accumulative<br>Totals Through<br>June 2009 | Accumulative Totals for<br>Program Year 2008-2009 |                   |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|-------------------|-----------------|---|---|-------------------|------------------|---|
| Budget  | Actual            | Variance        |   | Budget  | Actual            | Variance         |   |
| \$ 436,000  | \$ 371,016        | \$ (64,984)     | \$ 265,825                                  | \$ 433,057  | \$ 226,925        | \$ (206,132)     | \$ 120,820                                  |
| -   | 834               | 834             | 834   | -   | -                 | -                | -   |
| <u>\$ 436,000</u>                                 | <u>\$ 371,850</u> | <u>(64,150)</u> | <u>266,659</u>                              | <u>\$ 433,057</u>                                 | <u>\$ 226,925</u> | <u>(206,132)</u> | <u>\$ 120,820</u>                           |
| -   | -                 | -               | -   | -   | -                 | -                | -   |
| 105,000   | 100,466           | 4,534           | 100,466                                     | 107,842   | 104,188           | 3,654            | 57,339                                      |
| 180,000   | 133,749           | 46,251          | 29,296                                      | 188,412   | -                 | 188,412          | -   |
| 40,000  | 40,000            | -               | 40,000                                      | 27,963  | 27,963            | -                | 11,471                                      |
| 48,730  | 48,671            | 59              | 48,671                                      | 67,715  | 53,649            | 14,066           | 30,630                                      |
| 50,000  | 35,956            | 14,044          | 35,956                                      | 28,015  | 28,015            | -                | 16,322                                      |
| 12,270  | 12,270            | -               | 12,270                                      | 13,110  | 13,110            | -                | 4,958                                       |
| -   | -                 | -               | -   | -   | -                 | -                | -   |
| <u>436,000</u>                                    | <u>371,112</u>    | <u>64,888</u>   | <u>266,659</u>                              | <u>433,057</u>                                    | <u>226,925</u>    | <u>206,132</u>   | <u>120,720</u>                              |
| <u>\$ -</u>                                       | <u>\$ 738</u>     | <u>\$ 738</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, 2010  
With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Year 2009-10 |                   |                  | Accumulative<br>Totals Through<br>June 2009 |
|---|---|-------------------|------------------|---|
|   | Budget  | Actual            | Variance         |   |
| Revenues:   |   |                   |                  |   |
| Intergovernmental:                                |   |                   |                  |   |
| Federal grant                                     | \$ 478,428                                      | \$ 172,836        | \$ (305,592)     | \$ -  |
| Miscellaneous:                                    |   |                   |                  |   |
| Program income                                    | -   | -                 | -                | -   |
| Total revenues                                    | <u>\$ 478,428</u>                               | <u>\$ 172,836</u> | <u>(305,592)</u> | <u>\$ -</u>                                 |
| Expenditures - community development:             |   |                   |                  |   |
| Emergency housing assistance                      | -   | -                 | -                | -   |
| Housing advocacy assistance                       | 129,113   | 64,822            | 64,291           | -   |
| Tenant based rental assistance                    | 160,000   | -                 | 160,000          | -   |
| In-home non-medical care for medically fragile    | 73,452  | 49,871            | 23,581           | -   |
| Short-term rent, mortgage & utilities             | 57,172  | 31,077            | 26,095           | -   |
| Move in assistance                                | 45,000  | 25,234            | 19,766           | -   |
| Program administration                            | 13,691  | 1,732             | 11,959           | -   |
| Contingencies                                     | -   | -                 | -                | -   |
| Total expenditures - community development        | <u>478,428</u>                                  | <u>172,736</u>    | <u>305,692</u>   | <u>-</u>                                    |
| Excess (deficiency) of revenues over expenditures | <u>\$ -</u>                                     | <u>\$ 100</u>     | <u>\$ 100</u>    | <u>\$ -</u>                                 |

| Accumulative Totals for<br>Combined Program Years |                     |                  | Accumulative<br>Totals Through<br>June 2009 | Eliminations Reported<br>as of June 30, 2009 |                     |                  | Accumulative<br>Totals Through<br>June 2008 |
|---|---------------------|------------------|---|--|---------------------|------------------|---|
| Budget  | Actual              | Variance         |   | Budget                                       | Actual              | Variance         |   |
| \$ 2,496,391                                      | \$ 1,919,683        | \$ (576,708)     | \$ 1,535,551                                | \$ 2,040,000                                 | \$ 1,535,551        | \$ (504,449)     | \$ 1,206,641                                |
| -   | 834                 | 834              | 834   | -  | 834                 | 834              | 834   |
| <u>\$ 2,496,391</u>                               | <u>\$ 1,920,517</u> | <u>(575,874)</u> | <u>\$ 1,536,385</u>                         | <u>\$ 2,040,000</u>                          | <u>\$ 1,536,385</u> | <u>(503,615)</u> | <u>\$ 1,207,475</u>                         |
| 120,236   | 120,236             | -                | 120,236                                     | 120,236                                      | 120,236             | -                | 120,236                                     |
| 642,501   | 570,022             | 72,479           | 458,351                                     | 513,388                                      | 458,351             | 55,037           | 355,674                                     |
| 1,080,668   | 686,005             | 394,663          | 581,552                                     | 920,668                                      | 581,552             | 339,116          | 493,921                                     |
| 254,826   | 231,245             | 23,581           | 164,882                                     | 203,411                                      | 164,882             | 38,529           | 136,237                                     |
| 192,153   | 151,933             | 40,220           | 97,837                                      | 112,996                                      | 97,837              | 15,159           | 30,356                                      |
| 131,116   | 97,306              | 33,810           | 60,379                                      | 108,101                                      | 60,379              | 47,722           | 27,483                                      |
| 74,891  | 62,932              | 11,959           | 53,048                                      | 61,200                                       | 53,048              | 8,152            | 43,468                                      |
| -   | -                   | -                | -   | -  | -                   | -                | -   |
| <u>2,496,391</u>                                  | <u>1,919,679</u>    | <u>576,712</u>   | <u>1,536,285</u>                            | <u>2,040,000</u>                             | <u>1,536,285</u>    | <u>503,715</u>   | <u>1,207,375</u>                            |
| <u>\$ -</u>                                       | <u>\$ 838</u>       | <u>\$ 838</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, 2010  
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Current Fiscal Year |                   |                 | Prior                   |
|---|---------------------|-------------------|-----------------|-------------------------|
|   | Budget              | Actual            | Variance        | Fiscal Year<br>Activity |
| Revenues:   |                     |                   |                 |                         |
| Intergovernmental:                                |                     |                   |                 |                         |
| Federal grant                                     | \$ 456,391          | \$ 384,132        | \$ (72,259)     | \$ 328,910              |
| Miscellaneous:                                    |                     |                   |                 |                         |
| Program income                                    | -                   | -                 | -               | -                       |
| Total revenues                                    | <u>\$ 456,391</u>   | <u>\$ 384,132</u> | <u>(72,259)</u> | <u>\$ 328,910</u>       |
| Expenditures - community development:             |                     |                   |                 |                         |
| Emergency housing assistance                      | -                   | -                 | -               | -                       |
| Housing advocacy assistance                       | 129,113             | 111,671           | 17,442          | 102,677                 |
| Tenant based rental assistance                    | 160,000             | 104,453           | 55,547          | 87,631                  |
| In-home non-medical care for medically fragile    | 51,415              | 66,363            | (14,948)        | 28,645                  |
| Short-term rent, mortgage & utilities             | 79,157              | 54,096            | 25,061          | 67,481                  |
| Move in assistance                                | 23,015              | 36,927            | (13,912)        | 32,896                  |
| Program administration                            | 13,691              | 9,884             | 3,807           | 9,580                   |
| Contingencies                                     | -                   | -                 | -               | -                       |
| Total expenditures - community development        | <u>456,391</u>      | <u>383,394</u>    | <u>72,997</u>   | <u>328,910</u>          |
| Excess (deficiency) of revenues over expenditures | -                   | 738               | 738             | -                       |
| Fund balance - beginning of year                  | <u>100</u>          | <u>100</u>        | -               | <u>100</u>              |
| Fund balance - end of year                        | <u>\$ 100</u>       | <u>\$ 838</u>     | <u>\$ 738</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, 2010  
With Comparative Accumulative Actual Totals for Year Ended June 30, 2009

|   | Accumulative Totals for<br>Program Years 2008-2009 |                   |                    | Accumulative<br>Totals Through<br>June 2009 |
|---|--|-------------------|--------------------|---|
|   | Budget   | Actual            | Variance           |   |
| Revenues:   |  |                   |                    |   |
| Intergovernmental:                                |  |                   |                    |   |
| Federal grant                                     | \$ 5,829,447                                       | \$ 528,646        | \$ (5,300,801)     | \$ 44,448                                   |
| Miscellaneous:                                    |  |                   |                    |   |
| Program Income                                    | 907,000  | -                 | (907,000)          | -   |
| Total revenues                                    | <u>\$ 6,736,447</u>                                | <u>\$ 528,646</u> | <u>(6,207,801)</u> | <u>44,448</u>                               |
| Expenditures - community development:             |  |                   |                    |   |
| Downpayment and rehab direct assistance           | 300,000  | 639               | 299,361            | -   |
| New construction                                  | 1,230,000  | 12,185            | 1,217,815          | -   |
| Rehab resale                                      | 2,886,500  | 268,647           | 2,617,853          | 730   |
| Demolition  | 298,750  | 137,888           | 160,862            | 4,199                                       |
| Homebuyer education                               | 17,250   | -                 | 17,250             | -   |
| Acquisition / demolition - North Bay Machinery    | 534,000  | 82                | 533,918            | -   |
| Owen Jax park construction                        | 820,500  | -                 | 820,500            | -   |
| Administration                                    | 649,447  | 109,205           | 540,242            | 39,419                                      |
| Total expenditures - community development        | <u>6,736,447</u>                                   | <u>528,646</u>    | <u>6,207,801</u>   | <u>44,348</u>                               |
| Excess (deficiency) of revenues over expenditures | <u>\$ -</u>  | <u>\$ -</u>       | <u>\$ -</u>        | <u>\$ 100</u>                               |
| Fund balance - beginning of year                  |  |                   |                    |   |
| Fund balance - end of year                        |  |                   |                    |   |

See accompanying notes to financial statements.

| Eliminations Reported<br>as of June 30, 2009 |                  |                    | Accumulative<br>Totals Through<br>June 2008 | Current Year Activity |                   |                    | Prior<br>Fiscal Year<br>Activity |
|--|------------------|--------------------|---|-----------------------|-------------------|--------------------|----------------------------------|
| Budget                                       | Actual           | Variance           |   | Budget                | Actual            | Variance           |                                  |
| \$ 5,829,447                                 | \$ 44,448        | \$ (5,784,999)     | \$ -  | \$ -                  | \$ 484,198        | \$ 484,198         | \$ 44,448                        |
| <u>2,525,000</u>                             | <u>-</u>         | <u>(2,525,000)</u> | <u>-</u>                                    | <u>(1,618,000)</u>    | <u>-</u>          | <u>1,618,000</u>   | <u>-</u>                         |
| <u>\$ 8,354,447</u>                          | <u>\$ 44,448</u> | <u>(8,309,999)</u> | <u>-</u>                                    | <u>\$ (1,618,000)</u> | <u>\$ 484,198</u> | <u>2,102,198</u>   | <u>44,448</u>                    |
| 300,000                                      | -                | 300,000            | -   | -                     | 639               | (639)              | -                                |
| 725,000                                      | -                | 725,000            | -   | 505,000               | 12,185            | 492,815            | -                                |
| 5,494,500                                    | 730              | 5,493,770          | -   | (2,608,000)           | 267,917           | (2,875,917)        | 730                              |
| 1,000,000                                    | 4,199            | 995,801            | -   | (701,250)             | 133,689           | (834,939)          | 4,199                            |
| -  | -                | -                  | -   | 17,250                | -                 | 17,250             | -                                |
| -  | -                | -                  | -   | 534,000               | 82                | 533,918            | -                                |
| -  | -                | -                  | -   | 820,500               | -                 | 820,500            | -                                |
| <u>834,947</u>                               | <u>39,419</u>    | <u>795,528</u>     | <u>-</u>                                    | <u>(185,500)</u>      | <u>69,786</u>     | <u>(255,286)</u>   | <u>39,419</u>                    |
| <u>8,354,447</u>                             | <u>44,348</u>    | <u>8,310,099</u>   | <u>-</u>                                    | <u>(1,618,000)</u>    | <u>484,298</u>    | <u>(2,102,298)</u> | <u>44,348</u>                    |
| \$ -   | \$ 100           | \$ 100             | \$ -  | -                     | (100)             | (100)              | 100                              |
|  |                  |                    |   | 100                   | 100               | -                  | -                                |
|  |                  |                    |   | <u>\$ 100</u>         | <u>\$ -</u>       | <u>\$ (100)</u>    | <u>\$ 100</u>                    |

EXHIBIT C-14

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

COMMUNICATIONS

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010                |                     |                     |                   | 2009<br>Actual      |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
|   | Original<br>Budget  | Amended<br>Budget   | Actual              | Variance          |                     |
| Revenues:   |                     |                     |                     |                   |                     |
| Fines and fees:   |                     |                     |                     |                   |                     |
| Franchise fees  | \$ 1,400,000        | \$ 1,400,000        | \$ 1,630,260        | \$ 230,260        | \$ 1,582,133        |
| Lease proceeds  | 23,000              | 23,000              | 21,540              | (1,460)           | 19,200              |
| Foreclosure grant proceeds  | -                   | 20,000              | 6,768               | (13,232)          | -                   |
| Comcast PEG grant   | -                   | 35,000              | 9,556               | (25,444)          | -                   |
| Interest on investments   | 20,000              | 20,000              | 2,353               | (17,647)          | 14,778              |
| Miscellaneous   | -                   | -                   | 2,608               | 2,608             | 1,991               |
| Total revenues  | <u>1,443,000</u>    | <u>1,498,000</u>    | <u>1,673,085</u>    | <u>175,085</u>    | <u>1,618,102</u>    |
| Expenditures - recreation and culture:  |                     |                     |                     |                   |                     |
| Personal services:  |                     |                     |                     |                   |                     |
| Permanent employees   | 313,396             | 318,396             | 303,363             | 15,033            | 299,071             |
| Temporary employees   | 350,000             | 350,000             | 318,771             | 31,229            | 335,628             |
| Overtime  | 10,000              | 10,000              | 7,942               | 2,058             | 8,977               |
| Employee benefits:  |                     |                     |                     |                   |                     |
| Social security   | 53,006              | 53,006              | 48,807              | 4,199             | 49,775              |
| Employee insurances   | 54,195              | 54,195              | 39,455              | 14,740            | 42,998              |
| Retiree health insurance  | 86,457              | 86,457              | 83,089              | 3,368             | 90,485              |
| Longevity   | 7,227               | 7,227               | 6,984               | 243               | 7,191               |
| Retirement fund   | 40,576              | 40,576              | 38,561              | 2,015             | 39,071              |
| Cost of living  | 1,075               | 1,075               | 506                 | 569               | 503                 |
| Education allowance   | 2,250               | 2,250               | 2,250               | -                 | 2,250               |
| Employee legal services   | 775                 | 775                 | 717                 | 58                | 717                 |
| Office supplies   | 3,000               | 3,000               | 2,022               | 978               | 2,791               |
| Operating supplies  | 12,000              | 12,000              | 8,495               | 3,505             | 11,049              |
| Tapes   | 6,000               | 6,000               | 4,772               | 1,228             | 4,886               |
| Other services and charges:   |                     |                     |                     |                   |                     |
| Contractual services  | 58,000              | 58,000              | 23,105              | 34,895            | 34,058              |
| Software and contractual services   | 7,000               | 7,000               | 3,015               | 3,985             | 2,990               |
| Postage   | 51,000              | 51,000              | 45,794              | 5,206             | 41,566              |
| Unemployment costs  | -                   | -                   | -                   | -                 | 6,147               |
| Telephone and radio   | 9,000               | 9,000               | 7,214               | 1,786             | 8,801               |
| Mileage   | 500                 | 500                 | 23                  | 477               | 31                  |
| Vehicle maintenance   | 5,000               | 5,000               | 3,885               | 1,115             | 2,144               |
| Conferences and workshops   | 2,500               | 2,500               | 447                 | 2,053             | -                   |
| Community promotion   | 4,000               | 4,000               | 13,555              | (9,555)           | 4,475               |
| Foreclosure grant expense   | -                   | 15,000              | 1,768               | 13,232            | -                   |
| Sets and design   | 5,000               | 5,000               | 997                 | 4,003             | 1,047               |
| Web site  | 5,000               | 5,000               | 6,420               | (1,420)           | 930                 |
| City calendar   | 26,000              | 26,000              | 32,904              | (6,904)           | 23,864              |
| Music library   | 4,000               | 4,000               | 2,000               | 2,000             | 2,080               |
| Auditorium expense  | 10,000              | 10,000              | 4,204               | 5,796             | 981                 |
| City newsletter   | 55,000              | 55,000              | 52,519              | 2,481             | 51,224              |
| Public utilities  | 138,000             | 138,000             | 111,065             | 26,935            | 131,831             |
| Administrative costs  | 114,200             | 114,200             | 114,200             | -                 | 109,800             |
| Memberships and dues  | 2,000               | 2,000               | 92                  | 1,908             | 825                 |
| Accumulated sick leave  | 5,000               | 5,000               | -                   | 5,000             | -                   |
| Capital outlay:   |                     |                     |                     |                   |                     |
| Office equipment  | -                   | -                   | 560                 | (560)             | 1,522               |
| PEG Grant expense   | -                   | 35,000              | 9,556               | 25,444            | -                   |
| Cable TV equipment  | 17,000              | 17,000              | 4,450               | 12,550            | 16,533              |
| Total expenditures - recreation and culture   | <u>1,458,157</u>    | <u>1,513,157</u>    | <u>1,303,507</u>    | <u>209,650</u>    | <u>1,336,241</u>    |
| Excess (deficiency) of revenues over expenditure:                                   | <u>(15,157)</u>     | <u>(15,157)</u>     | <u>369,578</u>      | <u>384,735</u>    | <u>281,861</u>      |
| Other financing sources (uses):   |                     |                     |                     |                   |                     |
| Transfer to Building Authority Debt Service Funds                                   |                     |                     |                     |                   |                     |
| Warren Community Center Bonds, Series 2001  | (80,735)            | (80,735)            | (80,577)            | 158               | (84,074)            |
| W.C.C. Refunding Bonds, Series 2005   | (100,265)           | (100,265)           | (100,046)           | 219               | (99,469)            |
| Multiple Purpose Bonds, Series 2005   | (36,000)            | (36,000)            | (35,912)            | 88                | (36,747)            |
| Total other financing sources (uses)  | <u>(217,000)</u>    | <u>(217,000)</u>    | <u>(216,535)</u>    | <u>465</u>        | <u>(220,290)</u>    |
| Excess (deficiency) of revenues and other sources over expenditures and other uses: | <u>(232,157)</u>    | <u>(232,157)</u>    | <u>153,043</u>      | <u>385,200</u>    | <u>61,571</u>       |
| Fund balance - beginning of year  | <u>2,000,018</u>    | <u>2,000,018</u>    | <u>2,000,018</u>    | <u>-</u>          | <u>1,938,447</u>    |
| Fund balance - end of year  | <u>\$ 1,767,861</u> | <u>\$ 1,767,861</u> | <u>\$ 2,153,061</u> | <u>\$ 385,200</u> | <u>\$ 2,000,018</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

RENTAL ORDINANCE FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                |                | 2009<br>Actual |
|---|--------------------|-------------------|----------------|----------------|----------------|
|   | Original<br>Budget | Amended<br>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                       | 240,000            | 240,000           | 323,166        | 83,166         | 263,120        |
| Apartment inspection fees                         | 100,000            | 100,000           | 75,700         | (24,300)       | 1,175          |
| Interest on investments                           | 1,100              | 1,100             | 201            | (899)          | 846            |
| Total revenues                                    | <u>381,100</u>     | <u>381,100</u>    | <u>439,067</u> | <u>57,967</u>  | <u>305,141</u> |
| Expenditures - city development:                  |                    |                   |                |                |                |
| Personal services:                                |                    |                   |                |                |                |
| Permanent employees                               | 142,352            | 142,352           | 77,197         | 65,155         | 125,930        |
| Part-time employee                                | -                  | -                 | 42,746         | (42,746)       | 18,420         |
| Temporary employees - inspection                  | 100,000            | 100,000           | 70,256         | 29,744         | -              |
| Overtime  | 1,500              | 1,500             | -              | 1,500          | 1,354          |
| Employee benefits:                                |                    |                   |                |                |                |
| Social security                                   | 19,362             | 19,362            | 14,723         | 4,639          | 11,662         |
| Employee insurances                               | 54,752             | 54,752            | 10,994         | 43,758         | 26,402         |
| Retiree health insurance                          | 50,188             | 50,188            | 20,681         | 29,507         | 44,889         |
| Longevity   | 5,317              | 5,317             | 2,237          | 3,080          | 6,546          |
| Retirement fund                                   | 41,292             | 41,292            | 10,893         | 30,399         | 42,435         |
| Cost of living                                    | 645                | 645               | 159            | 486            | 165            |
| Employee legal services                           | 465                | 465               | 230            | 235            | 294            |
| Office supplies                                   | 8,000              | 8,000             | 5,087          | 2,913          | 5,584          |
| Other services and charges:                       |                    |                   |                |                |                |
| Contractual services                              | -                  | -                 | -              | -              | 27,088         |
| Postage   | 8,500              | 8,500             | 4,978          | 3,522          | 3,684          |
| Vehicle maintenance                               | 3,000              | 3,000             | 1,338          | 1,662          | 899            |
| Accumulated sick leave                            | 1,000              | 1,000             | -              | 1,000          | -              |
| Total expenditures - city development             | <u>436,373</u>     | <u>436,373</u>    | <u>261,519</u> | <u>174,854</u> | <u>315,352</u> |
| Excess (deficiency) of revenues over expenditures | (55,273)           | (55,273)          | 177,548        | 232,821        | (10,211)       |
| Fund balance - beginning of year                  | <u>67,735</u>      | <u>67,735</u>     | <u>67,735</u>  | <u>-</u>       | <u>77,946</u>  |
| Fund balance - end of year                        | \$ 12,462          | \$ 12,462         | \$ 245,283     | \$ 232,821     | \$ 67,735      |

See accompanying notes to financial statements.

EXHIBIT C-16

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

VICE CRIME CONFISCATION FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                   |                  | 2009<br>Actual    |
|---|--------------------|-------------------|-------------------|------------------|-------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual            | Variance         |                   |
| Revenues:   |                    |                   |                   |                  |                   |
| Fines and fees:                                   |                    |                   |                   |                  |                   |
| Vice crime confiscations                          | \$ 25,000          | \$ 25,000         | \$ 61,100         | \$ 36,100        | \$ 76,184         |
| Interest on investments                           | <u>2,800</u>       | <u>2,800</u>      | <u>295</u>        | <u>(2,505)</u>   | <u>1,968</u>      |
| Total revenues                                    | <u>27,800</u>      | <u>27,800</u>     | <u>61,395</u>     | <u>33,595</u>    | <u>78,152</u>     |
| Expenditures - public safety:                     |                    |                   |                   |                  |                   |
| Other services and charges:                       |                    |                   |                   |                  |                   |
| Vice crime expenditures                           | <u>100,000</u>     | <u>100,000</u>    | <u>95,677</u>     | <u>4,323</u>     | <u>84,175</u>     |
| Total expenditures - public safety                | <u>100,000</u>     | <u>100,000</u>    | <u>95,677</u>     | <u>4,323</u>     | <u>84,175</u>     |
| Excess (deficiency) of revenues over expenditures | (72,200)           | (72,200)          | (34,282)          | 37,918           | (6,023)           |
| Fund balance - beginning of year                  | <u>203,864</u>     | <u>203,864</u>    | <u>203,864</u>    | -                | <u>209,887</u>    |
| Fund balance - end of year                        | <u>\$ 131,664</u>  | <u>\$ 131,664</u> | <u>\$ 169,582</u> | <u>\$ 37,918</u> | <u>\$ 203,864</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

DRUG FORFEITURE FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                   |                   | 2009<br>Actual    |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual            | Variance          |                   |
| Revenues:   |                    |                   |                   |                   |                   |
| Fines and fees:                                   |                    |                   |                   |                   |                   |
| Drug forfeitures                                  | \$ 300,000         | \$ 300,000        | \$ 510,941        | \$ 210,941        | \$ 565,132        |
| Interest on investments                           | 9,500              | 9,500             | 1,383             | (8,117)           | 7,199             |
| Total revenues                                    | <u>309,500</u>     | <u>309,500</u>    | <u>512,324</u>    | <u>202,824</u>    | <u>572,331</u>    |
| Expenditures - public safety:                     |                    |                   |                   |                   |                   |
| Other services and charges:                       |                    |                   |                   |                   |                   |
| Federal drug forfeiture expenditures              | 150,000            | 191,270           | 130,623           | 60,647            | 241,230           |
| Local drug forfeiture expenditures                | <u>437,642</u>     | <u>437,642</u>    | <u>392,832</u>    | <u>44,810</u>     | <u>115,934</u>    |
| Total expenditures - public safety                | <u>587,642</u>     | <u>628,912</u>    | <u>523,455</u>    | <u>105,457</u>    | <u>357,164</u>    |
| Excess (deficiency) of revenues over expenditures | (278,142)          | (319,412)         | (11,131)          | 308,281           | 215,167           |
| Fund balance - beginning of year                  | <u>955,725</u>     | <u>955,725</u>    | <u>955,725</u>    | -                 | <u>740,558</u>    |
| Fund balance - end of year                        | <u>\$ 677,583</u>  | <u>\$ 636,313</u> | <u>\$ 944,594</u> | <u>\$ 308,281</u> | <u>\$ 955,725</u> |

See accompanying notes to financial statements.

EXHIBIT C-18

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

POLICE TRAINING FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                   |                 | 2009<br>Actual    |
|---|--------------------|-------------------|-------------------|-----------------|-------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual            | Variance        |                   |
| Revenues:   |                    |                   |                   |                 |                   |
| Intergovernmental:                                |                    |                   |                   |                 |                   |
| State:  |                    |                   |                   |                 |                   |
| Police training                                   | \$ 53,000          | \$ 53,000         | \$ 45,754         | \$ (7,246)      | \$ 47,940         |
| Interest on investments                           | 1,600              | 1,600             | 185               | (1,415)         | 1,196             |
| Total revenues                                    | <u>54,600</u>      | <u>54,600</u>     | <u>45,939</u>     | <u>(8,661)</u>  | <u>49,136</u>     |
| Expenditures - public safety:                     |                    |                   |                   |                 |                   |
| Other services and charges:                       |                    |                   |                   |                 |                   |
| Conferences and workshops                         | <u>60,000</u>      | <u>60,000</u>     | <u>48,425</u>     | <u>11,575</u>   | <u>51,465</u>     |
| Total expenditures - public safety                | <u>60,000</u>      | <u>60,000</u>     | <u>48,425</u>     | <u>11,575</u>   | <u>51,465</u>     |
| Excess (deficiency) of revenues over expenditures | (5,400)            | (5,400)           | (2,486)           | 2,914           | (2,329)           |
| Fund balance - beginning of year                  | <u>137,232</u>     | <u>137,232</u>    | <u>137,232</u>    | -               | <u>139,561</u>    |
| Fund balance - end of year                        | <u>\$ 131,832</u>  | <u>\$ 131,832</u> | <u>\$ 134,746</u> | <u>\$ 2,914</u> | <u>\$ 137,232</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE  
DOWNTOWN DEVELOPMENT AUTHORITY ADMINISTRATION FUND

Year Ended June 30, 2010  
With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010                 |                      |                      |                   | 2009<br>Actual       |
|--|----------------------|----------------------|----------------------|-------------------|----------------------|
|  | Original<br>Budget   | Amended<br>Budget    | Actual               | Variance          |                      |
| Revenues:  |                      |                      |                      |                   |                      |
| Property taxes   | \$ 6,200,000         | \$ 6,200,000         | \$ 6,218,060         | \$ 18,060         | \$ 6,371,533         |
| Interest on investments  | 75,000               | 75,000               | 26,194               | (48,806)          | 58,433               |
| Rental revenues  | 350,000              | 350,000              | 393,915              | 43,915            | 364,896              |
| Corporate donations  | 55,000               | 55,000               | 40,611               | (14,389)          | -                    |
| Miscellaneous  | 25,000               | 25,000               | 37,016               | 12,016            | 91,919               |
| <b>Total revenues</b>  | <b>6,705,000</b>     | <b>6,705,000</b>     | <b>6,715,796</b>     | <b>10,796</b>     | <b>6,886,781</b>     |
| Expenditures - economic development:   |                      |                      |                      |                   |                      |
| Personal services:   |                      |                      |                      |                   |                      |
| Permanent employee   | 82,198               | 82,198               | 72,299               | 9,899             | 71,943               |
| Temporary employee   | 79,560               | 79,560               | 43,215               | 36,345            | 35,256               |
| Employee benefits:   |                      |                      |                      |                   |                      |
| Social security  | 12,900               | 12,900               | 9,874                | 3,026             | 9,557                |
| Employee insurances  | 22,906               | 22,906               | 15,790               | 7,116             | 17,517               |
| Retiree health insurance   | 29,107               | 29,107               | 30,360               | (1,253)           | 30,864               |
| Longevity  | 3,275                | 3,275                | 3,264                | 11                | 1,628                |
| Retirement fund  | 8,689                | 8,689                | 9,041                | (352)             | 9,213                |
| Cost of living   | 215                  | 215                  | 103                  | 112               | 107                  |
| Auto allowance   | -                    | -                    | -                    | -                 | 3,600                |
| Education allowance  | 1,200                | 1,200                | 1,200                | -                 | 1,200                |
| Employee legal services  | 155                  | 155                  | 142                  | 13                | 154                  |
| Office supplies  | 6,000                | 6,000                | 4,549                | 1,451             | 2,729                |
| Other services and charges:  |                      |                      |                      |                   |                      |
| Contractual services   | 315,000              | 315,000              | 23,017               | 291,983           | 41,332               |
| Management fees & expenses   | 225,000              | 225,000              | 198,073              | 26,927            | 172,052              |
| Court reporter   | 9,000                | 9,000                | 2,910                | 6,090             | 3,276                |
| Postage  | 20,000               | 20,000               | 756                  | 19,244            | 748                  |
| Telephone  | 1,000                | 1,000                | 774                  | 226               | 694                  |
| Mileage  | 1,000                | 1,000                | 32                   | 968               | 119                  |
| Conferences and workshops  | 3,000                | 3,000                | 285                  | 2,715             | 545                  |
| Community promotion  | 100,000              | 100,000              | 99,885               | 115               | 127,117              |
| Printing and publishing  | 20,000               | 20,000               | 4,163                | 15,837            | 9,054                |
| Administrative costs   | 660,200              | 660,200              | 660,200              | -                 | 634,800              |
| City flower plantings  | 15,000               | 15,000               | 9,431                | 5,569             | 14,438               |
| Memberships and dues   | 5,000                | 5,000                | 1,710                | 3,290             | 1,155                |
| Refund of taxes paid under protest   | -                    | -                    | 244,308              | (244,308)         | -                    |
| Estimated uncollectible taxes  | -                    | -                    | 2,045                | (2,045)           | -                    |
| <b>Total expenditures - economic development</b>   | <b>1,620,405</b>     | <b>1,620,405</b>     | <b>1,437,426</b>     | <b>182,979</b>    | <b>1,189,098</b>     |
| Excess (deficiency) of revenues over expenditures  | 5,084,595            | 5,084,595            | 5,278,370            | 193,775           | 5,697,683            |
| Other financing sources (uses):  |                      |                      |                      |                   |                      |
| Transfer to Library Special Revenue Fund   | (132,000)            | (132,000)            | (132,000)            | -                 | (80,000)             |
| Transfer to Building Authority Debt Service Funds:   |                      |                      |                      |                   |                      |
| Warren Community Center Bonds, Series 2001   | (60,663)             | (60,663)             | (60,544)             | 119               | (63,056)             |
| W.C.C. Refunding Bonds, Series 2005  | (75,337)             | (75,337)             | (75,173)             | 164               | (74,601)             |
| Transfer to D.D.A. Debt Service Funds:   |                      |                      |                      |                   |                      |
| Series 2002  | (1,392,863)          | (1,392,863)          | (1,392,837)          | 26                | (1,412,838)          |
| Series 2003  | (1,234,050)          | (1,234,050)          | (1,234,000)          | 50                | (1,249,000)          |
| Series 2004  | (1,354,300)          | (1,354,300)          | (1,354,225)          | 75                | (1,370,475)          |
| Series 2005  | (907,394)            | (907,394)            | (907,319)            | 75                | (662,475)            |
| <b>Total other financing sources (uses)</b>  | <b>(5,156,607)</b>   | <b>(5,156,607)</b>   | <b>(5,156,098)</b>   | <b>509</b>        | <b>(4,912,445)</b>   |
| Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses | (72,012)             | (72,012)             | 122,272              | 194,284           | 785,238              |
| Fund balance - beginning of year   | 10,232,722           | 10,232,722           | 10,232,722           | -                 | 9,447,484            |
| Fund balance - end of year   | <u>\$ 10,160,710</u> | <u>\$ 10,160,710</u> | <u>\$ 10,354,994</u> | <u>\$ 194,284</u> | <u>\$ 10,232,722</u> |

See accompanying notes to financial statements.

**EXHIBIT C-20**

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

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

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>- Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 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  |
| 12/31/08                       | 129,942                                | 180,298  | 50,356                             | 72.1                     | 14,577                    | 345.4  |

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

| Fiscal Year<br>Ended | Actuarial<br>Valuation Date | Annual Required<br>Contribution | Percentage<br>Contributed |
|----------------------|-----------------------------|---------------------------------|---------------------------|
| 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                    |
| 12/31/09             | 12/31/07                    | 7,209,187                       | 100.00                    |

**EXHIBIT C-21**

POLICE AND FIRE RETIREMENT SYSTEM

**Schedule of Funding Progress**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>- Entry Age<br>(b) | Unfunded<br>(Overfunded)<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|--|--|--|--------------------------|---------------------------|--|
| 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  |
| 12/31/08                       | 303,410,859                            | 350,288,031  | 46,877,172   | 86.60                    | 30,524,963                | 153.60   |

**Schedule of Employer Contributions**

| Fiscal Year<br>Ended | Annual Required<br>Contribution | Percentage<br>Contributed |
|----------------------|---------------------------------|---------------------------|
| 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                    |
| 12/31/09             | 7,960,684                       | 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  |
| 12/31/08                 | 16,522,158                    | 158,665,734                                       | 142,143,576               | 10.41              | 25,743,285          | 552.16  |

**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                 |
| 12/31/09          | 12/31/06                 | 8,581,965                    | 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                                       | 157,089,431               | 9.39               | 29,425,088          | 533.86  |
| 12/31/08                 | 12,805,655                    | 166,135,717                                       | 153,330,062               | 7.71               | 30,524,963          | 502.31  |

(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                 |
| 12/31/09          | 8,290,905                    | 100.00                 |

CITY OF WARREN, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

JUNE 30, 2010

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. BUDGETARY INFORMATION**

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 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 37<sup>th</sup> District Court Building Renovation and Energy Efficiency and Conservation Block Grant 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 (GAAP).

**2. 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.

**3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETED FUNDS**

The City Council, by resolution, adopted the fiscal year 2010 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, 2010, there were no budgetary centers in excess of the approved budget.

The budgetary comparison schedule for the Library Special Revenue Fund reports an original budget fund balance deficit of \$107,457. The 2010 adopted budget document reported an estimated beginning fund balance of \$284,220 at June 30, 2009. Actual fund balance was \$147,934; a difference of \$136,286. During the year, the General Fund transferred \$150,000 to the Library, effectively eliminating any budgetary or actual deficits for the fiscal year ended June 30, 2010.

The budgetary comparison schedule for the 2008 Capital Improvement Bond Debt Retirement Fund reports an original and amended budget fund balance deficit of \$1,313. The 2010 adopted budget document reported an estimated beginning fund balance of \$9,953 at June 30, 2009. Actual fund balance was \$8,640; a difference of \$1,313. During fiscal year 2009, an adjustment was made to "accrued interest on sale of bonds" that was not subsequently reflected in the budget document.

**CITY OF WARREN, MICHIGAN**

**OTHER FINANCIAL AND SUPPLEMENTAL INFORMATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

CHAPTER 20 and 21 DRAIN BOND DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                  |                  | 2009<br>Actual   |
|---|--------------------|-------------------|------------------|------------------|------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual           | Variance         |                  |
| Revenues:   |                    |                   |                  |                  |                  |
| Property taxes:                                   |                    |                   |                  |                  |                  |
| Real and personal property                        | \$ -               | \$ -              | \$ 64            | \$ 64            | \$ 512           |
| Interest on investments                           | 800                | 800               | 122              | (678)            | 716              |
| Miscellaneous                                     | -                  | -                 | 3,238            | 3,238            | -                |
| Total revenues                                    | <u>800</u>         | <u>800</u>        | <u>3,424</u>     | <u>2,624</u>     | <u>1,228</u>     |
| Expenditures - debt service:                      |                    |                   |                  |                  |                  |
| Principal payments                                | -                  | -                 | -                | -                | -                |
| Interest payments                                 | -                  | -                 | -                | -                | -                |
| Estimated uncollectible taxes                     | 1,000              | 1,000             | -                | 1,000            | -                |
| Refund of taxes paid under protest                | 4,000              | 4,000             | 3,225            | 775              | 3,092            |
| Maintenance fees                                  | <u>10,000</u>      | <u>10,000</u>     | <u>-</u>         | <u>10,000</u>    | <u>-</u>         |
| Total expenditures - debt service                 | <u>15,000</u>      | <u>15,000</u>     | <u>3,225</u>     | <u>11,775</u>    | <u>3,092</u>     |
| Excess (deficiency) of revenues over expenditures | (14,200)           | (14,200)          | 199              | 14,399           | (1,864)          |
| Fund balance - beginning of year                  | <u>86,740</u>      | <u>86,740</u>     | <u>86,740</u>    | <u>-</u>         | <u>88,604</u>    |
| Fund balance - end of year                        | <u>\$ 72,540</u>   | <u>\$ 72,540</u>  | <u>\$ 86,939</u> | <u>\$ 14,399</u> | <u>\$ 86,740</u> |

See accompanying notes to financial statements.

EXHIBIT D-2

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

2002 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |             |          | 2009<br>Actual |
|---|--------------------|-------------------|-------------|----------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual      | Variance |                |
| Revenues:   |                    |                   |             |          |                |
| Interest on investments   | \$ -               | \$ -              | \$ -        | \$ -     | \$ -           |
| Total revenues  | -                  | -                 | -           | -        | -              |
| Expenditures - debt service:  |                    |                   |             |          |                |
| Principal payments  | 500,000            | 500,000           | 500,000     | -        | 500,000        |
| Interest payments   | 892,563            | 892,563           | 892,562     | 1        | 912,563        |
| Fiscal charges  | 300                | 300               | 275         | 25       | 275            |
| Total expenditures - debt service   | 1,392,863          | 1,392,863         | 1,392,837   | 26       | 1,412,838      |
| Excess (deficiency) of revenues over expenditures                                     | (1,392,863)        | (1,392,863)       | (1,392,837) | 26       | (1,412,838)    |
| Other financing sources :   |                    |                   |             |          |                |
| Transfer from Downtown Development<br>Authority Administration Fund                   | 1,392,863          | 1,392,863         | 1,392,837   | (26)     | 1,412,838      |
| Total other financing sources (uses)  | 1,392,863          | 1,392,863         | 1,392,837   | (26)     | 1,412,838      |
| Excess (deficiency) of revenues and other<br>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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                    |                    |             | 2009<br>Actual     |
|---|--------------------|--------------------|--------------------|-------------|--------------------|
|   | Original<br>Budget | Amended<br>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   | 733,750            | 733,750            | 733,750            | -           | 748,750            |
| Fiscal charges  | 300                | 300                | 250                | 50          | 250                |
| Total expenditures - debt service   | <u>1,234,050</u>   | <u>1,234,050</u>   | <u>1,234,000</u>   | <u>50</u>   | <u>1,249,000</u>   |
| Excess (deficiency) of revenues over expenditures                                     | <u>(1,234,050)</u> | <u>(1,234,050)</u> | <u>(1,234,000)</u> | <u>50</u>   | <u>(1,249,000)</u> |
| Other financing sources :   |                    |                    |                    |             |                    |
| Transfer from Downtown Development<br>Authority Administration Fund                   | <u>1,234,050</u>   | <u>1,234,050</u>   | <u>1,234,000</u>   | <u>(50)</u> | <u>1,249,000</u>   |
| Total other financing sources (uses)  | <u>1,234,050</u>   | <u>1,234,050</u>   | <u>1,234,000</u>   | <u>(50)</u> | <u>1,249,000</u>   |
| Excess (deficiency) of revenues and other<br>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 D-4

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

2004 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |             |          | 2009<br>Actual |
|---|--------------------|-------------------|-------------|----------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual      | Variance |                |
| Revenues:   |                    |                   |             |          |                |
| Interest on investments   | \$ -               | \$ -              | \$ -        | \$ -     | \$ -           |
| Total revenues  | -                  | -                 | -           | -        | -              |
| Expenditures - debt service:  |                    |                   |             |          |                |
| Principal payments  | 500,000            | 500,000           | 500,000     | -        | 500,000        |
| Interest payments   | 854,000            | 854,000           | 854,000     | -        | 870,250        |
| Fiscal charges  | 300                | 300               | 225         | 75       | 225            |
| Total expenditures - debt service   | 1,354,300          | 1,354,300         | 1,354,225   | 75       | 1,370,475      |
| Excess (deficiency) of revenues over expenditures                                     | (1,354,300)        | (1,354,300)       | (1,354,225) | 75       | (1,370,475)    |
| Other financing sources :   |                    |                   |             |          |                |
| Transfer from Downtown Development<br>Authority Administration Fund                   | 1,354,300          | 1,354,300         | 1,354,225   | (75)     | 1,370,475      |
| Total other financing sources (uses)  | 1,354,300          | 1,354,300         | 1,354,225   | (75)     | 1,370,475      |
| Excess (deficiency) of revenues and other<br>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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |                  |             | 2009<br>Actual   |
|---|--------------------|-------------------|------------------|-------------|------------------|
|   | Original<br>Budget | Amended<br>Budget | Actual           | Variance    |                  |
| Revenues:   |                    |                   |                  |             |                  |
| Interest on investments   | \$ -               | \$ -              | \$ -             | \$ -        | \$ -             |
| Total revenues  | <u>-</u>           | <u>-</u>          | <u>-</u>         | <u>-</u>    | <u>-</u>         |
| Expenditures - debt service:  |                    |                   |                  |             |                  |
| Principal payments  | 250,000            | 250,000           | 250,000          | -           | -                |
| Interest payments   | 657,094            | 657,094           | 657,094          | -           | 662,250          |
| Fiscal charges  | 300                | 300               | 225              | 75          | 225              |
| Total expenditures - debt service   | <u>907,394</u>     | <u>907,394</u>    | <u>907,319</u>   | <u>75</u>   | <u>662,475</u>   |
| Excess (deficiency) of revenues over expenditures                                     | <u>(907,394)</u>   | <u>(907,394)</u>  | <u>(907,319)</u> | <u>75</u>   | <u>(662,475)</u> |
| Other financing sources :   |                    |                   |                  |             |                  |
| Transfer from Downtown Development<br>Authority Administration Fund                   | <u>907,394</u>     | <u>907,394</u>    | <u>907,319</u>   | <u>(75)</u> | <u>662,475</u>   |
| Total other financing sources (uses)  | <u>907,394</u>     | <u>907,394</u>    | <u>907,319</u>   | <u>(75)</u> | <u>662,475</u>   |
| Excess (deficiency) of revenues and other<br>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 D-6

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

1997 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |           |          | 2009<br>Actual |
|---|--------------------|-------------------|-----------|----------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual    | Variance |                |
| Revenues:   |                    |                   |           |          |                |
| Interest on investments   | \$ -               | \$ -              | \$ -      | \$ -     | \$ -           |
| Total revenues  | -                  | -                 | -         | -        | -              |
| Expenditures - debt service:  |                    |                   |           |          |                |
| Principal payments:   |                    |                   |           |          |                |
| Major streets   | 380,000            | 380,000           | 380,000   | -        | 360,000        |
| Local streets   | -                  | -                 | -         | -        | -              |
| Interest payments:  |                    |                   |           |          |                |
| Major streets   | 60,820             | 60,820            | 60,820    | -        | 78,820         |
| Local streets   | -                  | -                 | -         | -        | -              |
| Fiscal charges:   |                    |                   |           |          |                |
| Major streets   | 350                | 350               | 350       | -        | 350            |
| Local streets   | -                  | -                 | -         | -        | -              |
| Total expenditures - debt service   | 441,170            | 441,170           | 441,170   | -        | 439,170        |
| Excess (deficiency) of revenues over expenditures                                     | (441,170)          | (441,170)         | (441,170) | -        | (439,170)      |
| Other financing sources :   |                    |                   |           |          |                |
| Transfer from Michigan transportation operating:                                      |                    |                   |           |          |                |
| Major streets   | 441,170            | 441,170           | 441,170   | -        | 439,170        |
| Local streets   | -                  | -                 | -         | -        | -              |
| Total other financing sources (uses)  | 441,170            | 441,170           | 441,170   | -        | 439,170        |
| Excess (deficiency) of revenues and other<br>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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |             | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|-------------|------------------|
|  | Original<br>Budget | Amended<br>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  | 465,000            | 465,000           | 465,000          | -           | 400,000          |
| Local streets  | -                  | -                 | -                | -           | -                |
| Interest payments:   |                    |                   |                  |             |                  |
| Major streets  | 170,355            | 170,355           | 170,355          | -           | 188,755          |
| Local streets  | -                  | -                 | -                | -           | -                |
| Fiscal charges:  |                    |                   |                  |             |                  |
| Major streets  | 275                | 275               | 275              | -           | 250              |
| Local streets  | -                  | -                 | -                | -           | -                |
| Total expenditures - debt service  | <u>635,630</u>     | <u>635,630</u>    | <u>635,630</u>   | <u>-</u>    | <u>589,005</u>   |
| Excess (deficiency) of revenues over expenditures                                  | <u>(635,630)</u>   | <u>(635,630)</u>  | <u>(635,630)</u> | <u>-</u>    | <u>(589,005)</u> |
| Other financing sources :  |                    |                   |                  |             |                  |
| Transfer from Michigan transportation operating:                                   |                    |                   |                  |             |                  |
| Major streets  | 635,630            | 635,630           | 635,630          | -           | 589,005          |
| Local streets  | -                  | -                 | -                | -           | -                |
| Total other financing sources (uses)   | <u>635,630</u>     | <u>635,630</u>    | <u>635,630</u>   | <u>-</u>    | <u>589,005</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 D-8

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |           |          | 2009<br>Actual |
|---|--------------------|-------------------|-----------|----------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual    | Variance |                |
| Revenues:   |                    |                   |           |          |                |
| Interest on investments   | \$ -               | \$ -              | \$ -      | \$ -     | \$ -           |
| Total revenues  | -                  | -                 | -         | -        | -              |
| Expenditures - debt service:  |                    |                   |           |          |                |
| Principal payments:   |                    |                   |           |          |                |
| Major streets   | 500,000            | 500,000           | 500,000   | -        | 500,000        |
| Local streets   | -                  | -                 | -         | -        | -              |
| Interest payments:  |                    |                   |           |          |                |
| Major streets   | 161,750            | 161,750           | 161,750   | -        | 174,750        |
| Local streets   | -                  | -                 | -         | -        | -              |
| Fiscal charges:   |                    |                   |           |          |                |
| Major streets   | 500                | 500               | 225       | 275      | 250            |
| Local streets   | -                  | -                 | -         | -        | -              |
| Total expenditures - debt service   | 662,250            | 662,250           | 661,975   | 275      | 675,000        |
| Excess (deficiency) of revenues over expenditures                                     | (662,250)          | (662,250)         | (661,975) | 275      | (675,000)      |
| Other financing sources :   |                    |                   |           |          |                |
| Transfer from Michigan transportation operating:                                      |                    |                   |           |          |                |
| Major streets   | 662,250            | 662,250           | 661,975   | (275)    | 675,000        |
| Local streets   | -                  | -                 | -         | -        | -              |
| Total other financing sources (uses)  | 662,250            | 662,250           | 661,975   | (275)    | 675,000        |
| Excess (deficiency) of revenues and other<br>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, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |              | 2009<br>Actual   |
|--|--------------------|-------------------|------------------|--------------|------------------|
|  | Original<br>Budget | Amended<br>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  | 204,735            | 204,735           | 204,735          | -            | 206,082          |
| Local streets  | -                  | -                 | -                | -            | -                |
| Fiscal charges:  |                    |                   |                  |              |                  |
| Major streets  | 750                | 750               | 162              | 588          | 161              |
| Local streets  | -                  | -                 | -                | -            | -                |
| Total expenditures - debt service  | <u>241,404</u>     | <u>241,404</u>    | <u>240,815</u>   | <u>589</u>   | <u>242,161</u>   |
| Excess (deficiency) of revenues over expenditures                                  | <u>(241,404)</u>   | <u>(241,404)</u>  | <u>(240,815)</u> | <u>589</u>   | <u>(242,161)</u> |
| Other financing sources :  |                    |                   |                  |              |                  |
| Transfer from Michigan transportation operating:                                   |                    |                   |                  |              |                  |
| Major streets  | 241,404            | 241,404           | 240,815          | (589)        | 242,161          |
| Local streets  | -                  | -                 | -                | -            | -                |
| Total other financing sources (uses)   | <u>241,404</u>     | <u>241,404</u>    | <u>240,815</u>   | <u>(589)</u> | <u>242,161</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 D-10

CITY OF WARREN, MICHIGAN  
 BUDGETARY COMPARISON SCHEDULE

2008 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                  |                 | 2009<br>Actual  |
|--|--------------------|-------------------|------------------|-----------------|-----------------|
|  | Original<br>Budget | Amended<br>Budget | Actual           | Variance        |                 |
| Revenues:  |                    |                   |                  |                 |                 |
| Accrued interest on sale of bonds  | \$ -               | \$ -              | \$ -             | \$ -            | \$ 8,640        |
| Total revenues   | <u>-</u>           | <u>-</u>          | <u>-</u>         | <u>-</u>        | <u>8,640</u>    |
| Expenditures - debt service:   |                    |                   |                  |                 |                 |
| Principal payments:  |                    |                   |                  |                 |                 |
| Major streets  | 200,000            | 200,000           | 161,033          | 38,967          | -               |
| Local streets  | -                  | -                 | -                | -               | -               |
| Interest payments:   |                    |                   |                  |                 |                 |
| Major streets  | 205,753            | 205,753           | 178,946          | 26,807          | 45,743          |
| Local streets  | -                  | -                 | -                | -               | -               |
| Fiscal charges:  |                    |                   |                  |                 |                 |
| Major streets  | 750                | 750               | 153              | 597             | 99              |
| Local streets  | -                  | -                 | -                | -               | -               |
| Total expenditures - debt service  | <u>406,503</u>     | <u>406,503</u>    | <u>340,132</u>   | <u>66,371</u>   | <u>45,842</u>   |
| Excess (deficiency) of revenues over expenditures                                  | <u>(406,503)</u>   | <u>(406,503)</u>  | <u>(340,132)</u> | <u>66,371</u>   | <u>(37,202)</u> |
| Other financing sources :  |                    |                   |                  |                 |                 |
| Transfer from Michigan transportation operating:                                   |                    |                   |                  |                 |                 |
| Major streets  | 396,550            | 396,550           | 331,492          | (65,058)        | 45,842          |
| Local streets  | -                  | -                 | -                | -               | -               |
| Total other financing sources (uses)   | <u>396,550</u>     | <u>396,550</u>    | <u>331,492</u>   | <u>(65,058)</u> | <u>45,842</u>   |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(9,953)</u>     | <u>(9,953)</u>    | <u>(8,640)</u>   | <u>1,313</u>    | <u>8,640</u>    |
| Fund balance - beginning of year   | <u>8,640</u>       | <u>8,640</u>      | <u>8,640</u>     | <u>-</u>        | <u>-</u>        |
| Fund balance - end of year   | <u>\$ (1,313)</u>  | <u>\$ (1,313)</u> | <u>\$ -</u>      | <u>\$ 1,313</u> | <u>\$ 8,640</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

37TH DISTRICT COURT BUILDING RENOVATION FUND

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|  | 2010               |                   |                     |                     | 2009<br>Actual      |
|--|--------------------|-------------------|---------------------|---------------------|---------------------|
|  | Original<br>Budget | Amended<br>Budget | Actual              | Variance            |                     |
| Revenues:  |                    |                   |                     |                     |                     |
| Court building renovation fee  | \$ 450,000         | \$ 450,000        | \$ 729,390          | \$ 279,390          | \$ 491,171          |
| Interest on investments  | 30,000             | 30,000            | 4,787               | (25,213)            | 23,785              |
| Total revenues   | <u>480,000</u>     | <u>480,000</u>    | <u>734,177</u>      | <u>254,177</u>      | <u>514,956</u>      |
| Expenditures - general government:                                     |                    |                   |                     |                     |                     |
| Capital improvements   | <u>3,560,692</u>   | <u>3,080,692</u>  | <u>23,000</u>       | <u>3,057,692</u>    | <u>-</u>            |
| Total expenditures - debt service                                      | <u>3,560,692</u>   | <u>3,080,692</u>  | <u>23,000</u>       | <u>3,057,692</u>    | <u>-</u>            |
| Excess (deficiency) of budgeted revenues<br>over budgeted expenditures | (3,080,692)        | (2,600,692)       | 711,177             | 3,311,869           | 514,956             |
| Fund balance - beginning of year                                       | <u>3,165,648</u>   | <u>3,165,648</u>  | <u>3,165,648</u>    | <u>-</u>            | <u>2,650,692</u>    |
| Fund balance - end of year   | <u>\$ 84,956</u>   | <u>\$ 564,956</u> | <u>\$ 3,876,825</u> | <u>\$ 3,311,869</u> | <u>\$ 3,165,648</u> |

See accompanying notes to financial statements.

EXHIBIT D-12

CITY OF WARREN, MICHIGAN  
BUDGETARY COMPARISON SCHEDULE

ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT PROJECTS

Year Ended June 30, 2010

With Comparative Actual Totals for Year Ended June 30, 2009

|   | 2010               |                   |           |                | 2009<br>Actual |
|---|--------------------|-------------------|-----------|----------------|----------------|
|   | Original<br>Budget | Amended<br>Budget | Actual    | Variance       |                |
| Revenues:   |                    |                   |           |                |                |
| Intergovernmental:                                |                    |                   |           |                |                |
| Federal:  |                    |                   |           |                |                |
| Grant proceeds                                    | \$ -               | \$ 1,358,600      | \$ 96,643 | \$ (1,261,957) | \$ -           |
| Total revenues                                    | -                  | 1,358,600         | 96,643    | (1,261,957)    | -              |
| Expenditures - general government:                |                    |                   |           |                |                |
| Energy efficiency & conservation strategy audit   | -                  | 120,005           | 68,838    | 51,167         | -              |
| Library / police mini-station                     | -                  | 459,238           | -         | 459,238        | -              |
| Peacock Building roof retrofit                    | -                  | 126,882           | -         | 126,882        | -              |
| Sanitation building roof retrofit                 | -                  | 135,786           | 3,843     | 131,943        | -              |
| WTPP biomas to energy feaibility study            | -                  | 57,600            | 14,066    | 43,534         | -              |
| WCC geothermal feasibility study                  | -                  | 12,000            | -         | 12,000         | -              |
| Police headquarters building roof retrofit        | -                  | 349,642           | 9,896     | 339,746        | -              |
| LED streetlighting feasibility study              | -                  | 97,447            | -         | 97,447         | -              |
| Total expenditures - capital projects             | -                  | 1,358,600         | 96,643    | 1,261,957      | -              |
| Excess (deficiency) of revenues over expenditures | -                  | -                 | -         | -              | -              |
| Fund balance - beginning of year                  | -                  | -                 | -         | -              | -              |
| Fund balance - end of year                        | -                  | -                 | -         | -              | -              |

See accompanying notes to financial statements.

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EXHIBIT D-13

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

June 30, 2010

|  | Pension and Other Employee Benefits (1) |                                   |                          |                            |
|--|---|-----------------------------------|--------------------------|----------------------------|
|  | Police & Fire Retirement System         | City Employees' Retirement System | Police & Fire VEBA Trust | City Employees' VEBA Trust |
| <b>Assets</b>  |   |                                   |                          |                            |
| Cash and cash equivalents                                | \$ 1,369,280                            | \$ 20,871                         | \$ -                     | \$ -                       |
| Receivables:   |   |                                   |                          |                            |
| Investment sales   | -                                       | 73,334                            | -                        | -                          |
| Accrued interest and dividends                           | 956,074                                 | 647,698                           | 35,100                   | 101,908                    |
| Other  | -                                       | 829                               | -                        | -                          |
| Prepaid expenses   | -                                       | 2,135                             | 76,417                   | 72,836                     |
| Due from other funds:                                    |   |                                   |                          |                            |
| General fund   | -                                       | 400,000                           | -                        | -                          |
| Water and sewer system                                   | -                                       | 373                               | -                        | -                          |
| Investments, at fair value:                              |   |                                   |                          |                            |
| Securities lending short-term collateral investment pool | 25,706,118                              | 6,200,712                         | -                        | -                          |
| Short-term cash management funds                         | 10,372,481                              | 6,533,506                         | 2,468,046                | 6,200,986                  |
| Certificates of deposit                                  | -                                       | -                                 | 3,335,823                | -                          |
| U.S. government obligations                              | 14,299,817                              | 4,547,953                         | 1,080,987                | 917,377                    |
| U.S. government agencies' notes and debentures           | 25,446,653                              | 4,011,967                         | -                        | 296,610                    |
| Corporate and other bonds and securities                 | 39,148,317                              | 42,345,507                        | -                        | 5,652,851                  |
| Fixed income mutual funds                                | -                                       | -                                 | 2,749,261                | -                          |
| Equities   | 156,040,327                             | 37,306,083                        | -                        | -                          |
| Equity mutual funds                                      | -                                       | 17,962,523                        | 10,720,846               | 11,843,534                 |
| Real estate investment trusts                            | 5,705,171                               | 208,800                           | -                        | -                          |
| Private equity   | 1,740,698                               | -                                 | -                        | -                          |
| Hedge funds  | 2,983,178                               | -                                 | -                        | -                          |
| Distressed debt recovery fund                            | 508,230                                 | -                                 | -                        | -                          |
| Mezzanine debt financing                                 | 961,534                                 | -                                 | -                        | -                          |
| Total investments  | <u>282,912,524</u>                      | <u>119,117,051</u>                | <u>20,354,963</u>        | <u>24,911,358</u>          |
| Total assets   | <u>285,237,878</u>                      | <u>120,262,291</u>                | <u>20,466,480</u>        | <u>25,086,102</u>          |
| <b>Liabilities</b>                                       |   |                                   |                          |                            |
| Accounts payable   | 2,947,112                               | 332,185                           | 393,690                  | 7,879                      |
| Investment purchases                                     | -                                       | 33,163                            | -                        | -                          |
| Due broker under securities lending agreement            | 26,293,483                              | 6,200,712                         | -                        | -                          |
| Due to other funds:                                      |   |                                   |                          |                            |
| General fund   | 136,452                                 | 133,803                           | 3,753,612                | 3,772,013                  |
| Water and Sewer System                                   | -                                       | 9,623                             | -                        | 373                        |
| Accrued medical claims                                   | -                                       | -                                 | -                        | 370,014                    |
| Total liabilities  | <u>29,377,047</u>                       | <u>6,709,486</u>                  | <u>4,147,302</u>         | <u>4,150,279</u>           |
| <b>Net assets</b>  |   |                                   |                          |                            |
| Held in trust for pension and other employee benefits    | <u>\$ 255,860,831</u>                   | <u>\$ 113,552,805</u>             | <u>\$ 16,319,178</u>     | <u>\$ 20,935,823</u>       |

Note:

(1) Fiscal year ended December 31, 2009.

See accompanying notes to financial statements.

| <u>City<br/>Employees'<br/>Retirement<br/>QEBA Trust</u> | <u>Total</u>          |
|--|-----------------------|
| \$ 10,235  | \$ 1,400,386          |
| -  | 73,334                |
| 1  | 1,740,781             |
| -  | 829                   |
| -  | 151,388               |
| -  | 400,000               |
| -  | 373                   |
| -  | 31,906,830            |
| -  | 25,575,019            |
| -  | 3,335,823             |
| -  | 20,846,134            |
| -  | 29,755,230            |
| -  | 87,146,675            |
| -  | 2,749,261             |
| -  | 193,346,410           |
| -  | 40,526,903            |
| -  | 5,913,971             |
| -  | 1,740,698             |
| -  | 2,983,178             |
| -  | 508,230               |
| -  | <u>961,534</u>        |
| -  | <u>447,295,896</u>    |
| <u>10,236</u>  | <u>451,062,987</u>    |
| 125  | 3,680,991             |
| -  | 33,163                |
| -  | 32,494,195            |
| -  | 7,795,880             |
| -  | 9,996                 |
| -  | <u>370,014</u>        |
| <u>125</u>   | <u>44,384,239</u>     |
| <u>\$ 10,111</u>   | <u>\$ 406,678,748</u> |

EXHIBIT D-14

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

Year Ended June 30, 2010

|   | Pension and Other Employee Benefits (1) |                                   |                          |                            |
|---|---|-----------------------------------|--------------------------|----------------------------|
|   | Police & Fire Retirement System         | City Employees' Retirement System | Police & Fire VEBA Trust | City Employees' VEBA Trust |
| <b>Additions:</b>   |   |                                   |                          |                            |
| Contributions:  |   |                                   |                          |                            |
| Employee contributions  | \$ 747,927                              | \$ -                              | \$ -                     | \$ -                       |
| Employer contributions  | 6,888,661                               | 7,209,187                         | 8,290,905                | 8,581,965                  |
| Employer contributions made on behalf of employees                | 1,072,023                               | -                                 | -                        | -                          |
| Total contributions   | <u>8,708,611</u>                        | <u>7,209,187</u>                  | <u>8,290,905</u>         | <u>8,581,965</u>           |
| Investment activity:  |   |                                   |                          |                            |
| Net appreciation/(depreciation) in fair value of investments      | 39,004,579                              | 15,268,059                        | 2,135,528                | 2,746,500                  |
| Interest and dividend income                                      | 6,603,372                               | 3,504,699                         | 417,095                  | 589,578                    |
|   | 45,607,951                              | 18,772,758                        | 2,552,623                | 3,336,078                  |
| Less investment expenses  | (1,218,625)                             | (482,697)                         | (13,502)                 | (29,637)                   |
| Net investment gain/(loss)  | <u>44,389,326</u>                       | <u>18,290,061</u>                 | <u>2,539,121</u>         | <u>3,306,441</u>           |
| Securities lending income:  |   |                                   |                          |                            |
| Interest and fees   | 187,226                                 | 54,932                            | -                        | -                          |
| Less borrower rebates and bank fees                               | (22,228)                                | (20,735)                          | -                        | -                          |
| Recognition of impaired asset                                     | (587,365)                               | -                                 | -                        | -                          |
| Net securities lending income                                     | <u>(422,367)</u>                        | <u>34,197</u>                     | <u>-</u>                 | <u>-</u>                   |
| Miscellaneous income  | -                                       | 74,985                            | -                        | 83                         |
| Total additions   | <u>52,675,570</u>                       | <u>25,608,430</u>                 | <u>10,830,026</u>        | <u>11,888,489</u>          |
| <b>Deductions:</b>  |   |                                   |                          |                            |
| Retirees' pension benefits  | 21,364,901                              | 13,110,732                        | -                        | -                          |
| Retirees' health insurance  | -                                       | -                                 | 7,302,708                | 7,417,933                  |
| Refunds and withdrawals of contributions                          | 1,681,585                               | 8,039                             | -                        | -                          |
| Incentive bonuses   | 25,000                                  | -                                 | -                        | -                          |
| Administrative expense  | 108,458                                 | 300,775                           | 13,795                   | 56,891                     |
| Total deductions  | <u>23,179,944</u>                       | <u>13,419,546</u>                 | <u>7,316,503</u>         | <u>7,474,824</u>           |
| Net increase (decrease)   | 29,495,626                              | 12,188,884                        | 3,513,523                | 4,413,665                  |
| Net assets held in trust for pension and other employee benefits: |   |                                   |                          |                            |
| Beginning of year   | <u>226,365,205</u>                      | <u>101,363,921</u>                | <u>12,805,655</u>        | <u>16,522,158</u>          |
| End of year   | <u>\$ 255,860,831</u>                   | <u>\$ 113,552,805</u>             | <u>\$ 16,319,178</u>     | <u>\$ 20,935,823</u>       |

Note:

(1) Fiscal year ended December 31, 2009.

See accompanying notes to financial statements.

| City                                   |                       |
|--|-----------------------|
| Employees'<br>Retirement<br>QEBA Trust | Total                 |
| \$ -                                   | \$ 747,927            |
| 25,000                                 | 30,995,718            |
| <u>-</u>                               | <u>1,072,023</u>      |
| <u>25,000</u>                          | <u>32,815,668</u>     |
| -                                      | 59,154,666            |
| <u>25</u>                              | <u>11,114,769</u>     |
| 25                                     | 70,269,435            |
| <u>(502)</u>                           | <u>(1,744,963)</u>    |
| <u>(477)</u>                           | <u>68,524,472</u>     |
| -                                      | 242,158               |
| -                                      | (42,963)              |
| <u>-</u>                               | <u>(587,365)</u>      |
| <u>-</u>                               | <u>(388,170)</u>      |
| -                                      | 75,068                |
| <u>24,523</u>                          | <u>101,027,038</u>    |
| 20,759                                 | 34,496,392            |
| -                                      | 14,720,641            |
| -                                      | 1,689,624             |
| -                                      | 25,000                |
| <u>3,176</u>                           | <u>483,095</u>        |
| <u>23,935</u>                          | <u>51,414,752</u>     |
| 588                                    | 49,612,286            |
| <u>9,523</u>                           | <u>357,066,462</u>    |
| <u>\$ 10,111</u>                       | <u>\$ 406,678,748</u> |

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

June 30, 2010

|                                   | Agency Funds                 |                      |                           |  | Total               |
|-----------------------------------|------------------------------|----------------------|---------------------------|--|---------------------|
|                                   | Payroll<br>Revolving<br>Fund | Cash<br>Bond<br>Fund | Tax<br>Collection<br>Fund | Fire<br>Insurance<br>Withholding<br>Fund |                     |
| <b>Assets</b>                     |                              |                      |                           |  |                     |
| Cash and cash equivalents         | \$ -                         | \$ 1,213,488         | \$ 801,695                | \$ 160,327                               | \$ 2,175,510        |
| Receivables:                      |                              |                      |                           |  |                     |
| Accrued interest                  | -                            | -                    | -                         | 13                                       | 13                  |
| Advances                          | 448,677                      | -                    | -                         | -  | 448,677             |
| Due from other funds:             |                              |                      |                           |  |                     |
| City Employees' Retirement System | 10,119                       | -                    | -                         | -  | 10,119              |
| Police & Fire Retirement System   | 24,163                       | -                    | -                         | -  | 24,163              |
| City Employees' VEBA Trust        | 78                           | -                    | -                         | -  | 78                  |
| Total assets                      | <u>\$ 483,037</u>            | <u>\$ 1,213,488</u>  | <u>\$ 801,695</u>         | <u>\$ 160,340</u>                        | <u>\$ 2,658,560</u> |
| <b>Liabilities</b>                |                              |                      |                           |  |                     |
| Accounts payable                  | \$ -                         | \$ -                 | \$ 13,206                 | \$ -                                     | \$ 13,206           |
| Due to other funds:               |                              |                      |                           |  |                     |
| General fund                      | 483,037                      | -                    | -                         | 21                                       | 483,058             |
| Deposits and escrows              | -                            | 1,213,488            | -                         | 160,319                                  | 1,373,807           |
| Due to other governmental units   | -                            | -                    | 788,489                   | -  | 788,489             |
| Total liabilities                 | <u>\$ 483,037</u>            | <u>\$ 1,213,488</u>  | <u>\$ 801,695</u>         | <u>\$ 160,340</u>                        | <u>\$ 2,658,560</u> |

See accompanying notes to financial statements.

EXHIBIT D-16

CITY OF WARREN, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS

Year Ended June 30, 2010

|                                      | Balance<br>June 30, 2009 | Additions             | Deductions            | Balance<br>June 30, 2010 |
|--------------------------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| <b><u>Payroll Revolving Fund</u></b> |                          |                       |                       |                          |
| Assets                               |                          |                       |                       |                          |
| Cash and cash equivalents            | \$ -                     | \$ 90,378,285         | \$ 90,378,285         | \$ -                     |
| Advances                             | 149,664                  | 448,677               | 149,664               | 448,677                  |
| Due from other funds:                |                          |                       |                       | -                        |
| City Employees' Retirement System    | 12,581                   | 10,119                | 12,581                | 10,119                   |
| Police and Fire Retirement System    | -                        | 24,163                | -                     | 24,163                   |
| City Employees' VEBA Trust           | -                        | 78                    | -                     | 78                       |
| Total assets                         | <u>\$ 162,245</u>        | <u>\$ 90,861,322</u>  | <u>\$ 90,540,530</u>  | <u>\$ 483,037</u>        |
| Liabilities                          |                          |                       |                       |                          |
| Accounts payable                     | \$ 6,262                 | \$ -                  | \$ 6,262              | \$ -                     |
| Due to other funds:                  |                          |                       |                       |                          |
| General fund                         | 152,687                  | 483,037               | 152,687               | 483,037                  |
| Police and Fire Retirement System    | 2,077                    | -                     | 2,077                 | -                        |
| City Employees' VEBA Trust           | 873                      | -                     | 873                   | -                        |
| Police and Fire VEBA Trust           | 346                      | -                     | 346                   | -                        |
| Total liabilities                    | <u>\$ 162,245</u>        | <u>\$ 483,037</u>     | <u>\$ 162,245</u>     | <u>\$ 483,037</u>        |
| <b><u>Cash Bond Fund</u></b>         |                          |                       |                       |                          |
| Assets - Cash and cash equivalents   | <u>\$ 1,237,988</u>      | <u>\$ 50,600</u>      | <u>\$ 75,100</u>      | <u>\$ 1,213,488</u>      |
| Liabilities - Deposits and escrows   | <u>\$ 1,237,988</u>      | <u>\$ 50,600</u>      | <u>\$ 75,100</u>      | <u>\$ 1,213,488</u>      |
| <b><u>Tax Collection Fund</u></b>    |                          |                       |                       |                          |
| Assets - Cash and cash equivalents   | <u>\$ 902,239</u>        | <u>\$ 216,592,621</u> | <u>\$ 216,693,165</u> | <u>\$ 801,695</u>        |
| Liabilities                          |                          |                       |                       |                          |
| Accounts payable                     | \$ 11,009                | \$ 826,571            | \$ 824,374            | \$ 13,206                |
| Due to other funds:                  |                          |                       |                       |                          |
| Downtown Development Authority       | 2,945                    | -                     | 2,945                 | -                        |
| Due to other governmental units      | 888,285                  | 215,766,050           | 215,865,846           | 788,489                  |
| Total liabilities                    | <u>\$ 902,239</u>        | <u>\$ 216,592,621</u> | <u>\$ 216,693,165</u> | <u>\$ 801,695</u>        |

(continued)

See accompanying notes to financial statements.

|   | Balance<br>June 30, 2009 | Additions             | Deductions            | Balance<br>June 30, 2010 |
|---|--------------------------|-----------------------|-----------------------|--------------------------|
| <b><u>Fire Insurance Withholding Fund</u></b> |                          |                       |                       |                          |
| Assets  |                          |                       |                       |                          |
| Cash and cash equivalents                     | \$ 145,792               | \$ 178,279            | \$ 163,744            | \$ 160,327               |
| Receivables:                                  |                          |                       |                       |                          |
| Accrued Interest                              | 6                        | 13                    | 6                     | 13                       |
| Total assets                                  | <u>\$ 145,798</u>        | <u>\$ 178,292</u>     | <u>\$ 163,750</u>     | <u>\$ 160,340</u>        |
| Liabilities                                   |                          |                       |                       |                          |
| Due to other funds:                           |                          |                       |                       |                          |
| General fund                                  | \$ 8                     | \$ 135                | \$ 122                | \$ 21                    |
| Deposits and escrows                          | 145,790                  | 178,157               | 163,628               | 160,319                  |
| Total liabilities                             | <u>\$ 145,798</u>        | <u>\$ 178,292</u>     | <u>\$ 163,750</u>     | <u>\$ 160,340</u>        |
| <br><b><u>Totals - All Agency Funds</u></b>   |                          |                       |                       |                          |
| Assets  |                          |                       |                       |                          |
| Cash and cash equivalents                     | \$ 2,286,019             | \$ 307,199,785        | \$ 307,310,294        | \$ 2,175,510             |
| Receivables:                                  |                          |                       |                       |                          |
| Accrued interest                              | 6                        | 13                    | 6                     | 13                       |
| Advances                                      | 149,664                  | 448,677               | 149,664               | 448,677                  |
| Due from other funds:                         |                          |                       |                       |                          |
| City Employees' Retirement System             | 12,581                   | 10,119                | 12,581                | 10,119                   |
| Police and Fire Retirement System             | -                        | 24,163                | -                     | 24,163                   |
| City Employees' VEBA Trust                    | -                        | 78                    | -                     | 78                       |
| Total assets                                  | <u>\$ 2,448,270</u>      | <u>\$ 307,682,835</u> | <u>\$ 307,472,545</u> | <u>\$ 2,658,560</u>      |
| Liabilities                                   |                          |                       |                       |                          |
| Accounts payable                              | \$ 17,271                | \$ 826,571            | \$ 830,636            | \$ 13,206                |
| Due to other funds:                           |                          |                       |                       |                          |
| General fund                                  | 152,695                  | 483,172               | 152,809               | 483,058                  |
| Downtown Development Authority                | 2,945                    | -                     | 2,945                 | -                        |
| Police and Fire Retirement System             | 2,077                    | -                     | 2,077                 | -                        |
| City Employees' VEBA Trust                    | 873                      | -                     | 873                   | -                        |
| Police and Fire VEBA Trust                    | 346                      | -                     | 346                   | -                        |
| Deposits and escrows                          | 1,383,778                | 228,757               | 238,728               | 1,373,807                |
| Due to other governmental units               | 888,285                  | 215,766,050           | 215,865,846           | 788,489                  |
| Total liabilities                             | <u>\$ 2,448,270</u>      | <u>\$ 217,304,550</u> | <u>\$ 217,094,260</u> | <u>\$ 2,658,560</u>      |

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# CITY OF WARREN, MICHIGAN

## STATISTICAL SECTION

### Statistical Information

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

### Contents

### Exhibit

#### **Financial Trends**

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

|  |     |
|--|-----|
| Net Assets by Component                        | E-1 |
| Changes in Net Assets                          | E-2 |
| Fund Balances of Governmental Funds            | E-3 |
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#### **Revenue Capacity**

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

|   |     |
|---|-----|
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| Direct and Overlapping Property Tax Rates                     | E-6 |
| Principal Property Taxpayers                                  | E-7 |
| Property Tax Levies and Collections                           | E-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 | E-9  |
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#### **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.

|                                     |      |
|-------------------------------------|------|
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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                           | E-18 |
| Value of New Construction                                  | E-19 |
| Full-Time Equivalent City Government Employees by Function | E-20 |

**CITY OF WARREN, MICHIGAN**  
**NET ASSETS BY COMPONENT**  
**LAST NINE 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                  | 2010                  |
| \$ 61,211,667         | \$ 62,875,434         | \$ 59,140,668         | \$ 56,796,215         | \$ 48,445,832         | \$ 44,342,389         |
| 33,684,984            | 32,961,557            | 33,087,848            | 35,970,344            | 42,844,224            | 45,175,268            |
| <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>21,613,238</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> | <u>\$ 111,130,895</u> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 58,641,924         | \$ 57,819,780         | \$ 56,924,642         | \$ 56,511,038         | \$ 57,656,542         | \$ 58,586,273         |
| 17,557,693            | 18,181,409            | 16,915,115            | 14,045,192            | 11,779,391            | 8,267,105             |
| <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>9,044,146</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>  | <u>\$ 75,897,524</u>  |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 119,853,591        | \$ 120,695,214        | \$ 116,065,310        | \$ 113,307,253        | \$ 106,102,374        | \$ 102,928,662        |
| 51,242,677            | 51,142,966            | 50,002,963            | 50,015,536            | 54,623,615            | 53,442,373            |
| <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>30,657,384</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> | <u>\$ 187,028,419</u> |

**CITY OF WARREN, MICHIGAN**  
**CHANGES IN NET ASSETS**  
**LAST NINE 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                 | 2010                 |
| \$ 17,504,006       | \$ 20,176,196       | \$ 24,554,397        | \$ 22,183,390        | \$ 21,806,236        | \$ 20,605,904        |
| 50,525,480          | 55,968,750          | 61,848,485           | 62,509,563           | 63,420,416           | 62,875,335           |
| 5,106,065           | 4,938,429           | 5,492,850            | 5,278,793            | 6,016,830            | 5,192,742            |
| 10,930,533          | 10,735,706          | 12,731,865           | 11,053,445           | 10,856,256           | 10,738,193           |
| 11,066,379          | 11,001,914          | 12,351,491           | 12,737,364           | 12,386,834           | 13,255,263           |
| 8,044,439           | 8,174,592           | 8,317,174            | 8,601,862            | 8,292,078            | 8,028,773            |
| 862,902             | 9,269,389           | 559,156              | 3,532,040            | 4,202,199            | 3,876,241            |
| 3,335,621           | 2,336,495           | 1,983,978            | 2,264,803            | 2,085,824            | 3,369,127            |
| 1,624,148           | 1,498,553           | 1,525,833            | 1,589,528            | 1,415,169            | 1,736,231            |
| 4,163,954           | 6,254,880           | 5,082,442            | 4,983,460            | 4,911,254            | 4,814,715            |
| <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>   | <u>134,492,524</u>   |
| 31,225,489          | 32,188,319          | 32,499,489           | 34,199,663           | 33,432,269           | 33,717,269           |
| 1,800,146           | 1,872,601           | 1,937,454            | 2,047,491            | 1,965,932            | 1,881,330            |
| <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>35,598,599</u>    |
| \$ 146,189,162      | \$ 164,415,824      | \$ 168,884,614       | \$ 170,981,402       | \$ 170,791,297       | \$ 170,091,123       |
| \$ 12,714,891       | \$ 14,584,784       | \$ 13,702,181        | \$ 13,541,050        | \$ 13,419,382        | \$ 15,507,458        |
| 12,935,941          | 12,463,692          | 12,684,642           | 12,228,029           | 11,542,918           | 13,291,132           |
| 4,789,306           | 5,171,647           | 3,243,612            | 4,169,546            | 1,648,845            | 845,016              |
| <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>    | <u>29,643,606</u>    |
| 26,928,099          | 30,329,100          | 29,674,597           | 31,957,062           | 30,465,234           | 32,068,323           |
| 2,034,821           | 2,081,469           | 2,143,419            | 2,187,278            | 2,184,011            | 2,141,694            |
| <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>34,210,017</u>    |
| \$ 59,403,058       | \$ 64,630,692       | \$ 61,448,451        | \$ 64,082,965        | \$ 59,260,390        | \$ 63,853,623        |
| \$ (82,723,389)     | \$ (98,134,781)     | \$ (104,817,236)     | \$ (104,795,623)     | \$ (108,781,951)     | \$ (104,848,918)     |
| (4,062,715)         | (1,650,351)         | (2,618,927)          | (2,102,814)          | (2,748,956)          | (1,388,582)          |
| <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> | <u>(106,237,500)</u> |
| \$ 74,911,034       | \$ 83,352,957       | \$ 85,079,549        | \$ 88,383,524        | \$ 87,572,093        | \$ 85,171,772        |
| 14,705,085          | 14,540,634          | 14,105,387           | 14,105,387           | 13,559,035           | 12,051,133           |
| 1,151,761           | 1,206,596           | 1,344,444            | 1,471,277            | 1,582,133            | 1,630,260            |
| 1,602,968           | 3,075,634           | 4,289,636            | 3,378,435            | 703,476              | 35,936               |
| 84,927              | 2,099,337           | 40,283               | (41,222)             | (115,498)            | (263,175)            |
| -                   | -                   | -                    | -                    | -                    | -                    |
| -                   | -                   | -                    | 1,000,000            | 23,485               | (5,975,000)          |
| (17,199,543)        | (137,000)           | (140,000)            | (148,400)            | (253,092)            | (160,868)            |
| <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>   | <u>92,490,058</u>    |
| 299,516             | 635,948             | 842,126              | 771,610              | 324,610              | 28,561               |
| -                   | -                   | -                    | -                    | -                    | -                    |
| <u>299,516</u>      | <u>635,948</u>      | <u>842,126</u>       | <u>771,610</u>       | <u>324,610</u>       | <u>28,561</u>        |
| \$ 75,555,748       | \$ 104,774,106      | \$ 105,561,425       | \$ 108,920,611       | \$ 103,396,242       | \$ 92,518,619        |
| \$ (7,467,157)      | \$ 6,003,377        | \$ (97,937)          | \$ 3,353,378         | \$ (5,710,319)       | \$ (12,358,860)      |
| (3,763,199)         | (1,014,403)         | (1,776,801)          | (1,331,204)          | (2,424,346)          | (1,360,021)          |
| <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>   | <u>(13,718,881)</u>  |

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

|                                    | Fiscal Year          |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2001                 | 2002 (1)             | 2003                 | 2004                 |
| General Fund:                      |                      |                      |                      |                      |
| Reserved                           | \$ 1,608,054         | \$ 1,912,343         | \$ 2,250,381         | \$ 2,326,703         |
| Unreserved                         | <u>28,019,105</u>    | <u>49,390,183</u>    | <u>55,051,386</u>    | <u>55,173,474</u>    |
| Total general fund                 | <u>\$ 29,627,159</u> | <u>\$ 51,302,526</u> | <u>\$ 57,301,767</u> | <u>\$ 57,500,177</u> |
| All Other Governmental Funds:      |                      |                      |                      |                      |
| Reserved                           | \$ 22,271,772        | \$ 12,143,950        | \$ 4,350,252         | \$ 9,931,404         |
| Unreserved, reported in:           |                      |                      |                      |                      |
| Special revenue funds              | 30,561,656           | 31,099,498           | 29,538,059           | 23,917,188           |
| Capital projects funds             | 12,998,658           | 10,134,377           | 16,841,480           | 35,011,030           |
| Debt service funds                 | <u>1,433,845</u>     | <u>1,790,644</u>     | <u>2,991,789</u>     | <u>4,003,520</u>     |
| Total all other governmental funds | <u>\$ 67,265,931</u> | <u>\$ 55,168,469</u> | <u>\$ 53,721,580</u> | <u>\$ 72,863,142</u> |

(1) Reflects implementation of GASB Statement No. 34 and GASB Interpretation No. 6

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 |
| \$ 2,507,872         | \$ 4,389,944         | \$ 2,057,662         | \$ 2,333,663         | \$ 1,377,804         | \$ 1,296,151         |
| <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>42,206,177</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> | <u>\$ 43,502,328</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 45,883,472        | \$ 27,970,850        | \$ 8,129,748         | \$ 6,291,526         | \$ 6,431,502         | \$ 4,514,260         |
| 22,677,100           | 20,653,148           | 28,587,139           | 27,592,994           | 26,577,183           | 25,648,764           |
| 8,990,773            | 6,586,018            | 9,396,449            | 9,795,442            | 12,565,096           | 12,239,796           |
| <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>1,230,346</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> | <u>\$ 43,633,166</u> |

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

|   | Fiscal Year         |                        |                     |                      |
|---|---------------------|------------------------|---------------------|----------------------|
|   | 2001                | 2002                   | 2003                | 2004                 |
| <b>Revenues:</b>  |                     |                        |                     |                      |
| Property taxes  | \$ 64,206,353       | \$ 64,815,974          | \$ 70,514,428       | \$ 71,740,065        |
| Special assessments   | 108,795             | 225,149                | 1,158,599           | 1,610,111            |
| Licenses and permits  | 2,400,352           | 1,886,189              | 1,669,227           | 1,655,809            |
| Intergovernmental:  |                     |                        |                     |                      |
| Federal revenue   | 2,138,084           | 2,604,890              | 2,093,760           | 2,559,108            |
| State revenue   | 29,790,997          | 27,430,409             | 27,179,229          | 25,638,979           |
| Local revenue   | 264,505             | 341,125                | 444,803             | 761,802              |
| Charges for services  | 1,867,839           | 2,069,475              | 2,372,927           | 2,730,910            |
| Fines and fees  | 5,703,761           | 5,686,199              | 5,767,711           | 6,208,873            |
| Interest  | 6,825,098           | 3,094,011              | 1,858,340           | 1,445,693            |
| Other   | 3,855,755           | 4,202,329              | 6,442,251           | 7,151,246            |
| <b>Total revenues</b>   | <b>117,161,539</b>  | <b>112,355,750</b>     | <b>119,501,275</b>  | <b>121,502,596</b>   |
| <b>Expenditures:</b>  |                     |                        |                     |                      |
| General government  | 28,185,166          | 21,854,246             | 21,658,378          | 22,167,103           |
| Public safety   | 49,669,931          | 52,530,308             | 47,697,824          | 56,633,024           |
| City development  | 5,513,970           | 5,511,262              | 5,766,893           | 5,951,477            |
| Highway and streets   | 9,836,390           | 9,288,019              | 12,307,374          | 11,106,835           |
| Recreation and culture  | 9,314,814           | 20,717,736             | 23,338,068          | 10,877,663           |
| Sanitation  | 7,270,063           | 7,003,913              | 6,887,669           | 7,836,537            |
| Economic development  | 4,661,727           | 1,831,462              | 7,189,029           | 2,176,103            |
| Community development   | 1,791,358           | 3,010,281              | 2,926,258           | 2,395,477            |
| Capital projects  | 1,691,125           | 833,806                | 2,958,848           | 2,912,390            |
| Debt service:   |                     |                        |                     |                      |
| Principal retirement  | 2,958,333           | 3,489,706              | 6,131,084           | 4,550,765            |
| Interest  | 1,134,537           | 2,366,436              | 2,460,689           | 2,914,632            |
| Other   | 3,711               | 2,442                  | 10,695              | 365,860              |
| <b>Total expenditures</b>   | <b>122,031,125</b>  | <b>128,439,617</b>     | <b>139,332,809</b>  | <b>129,887,866</b>   |
| <b>Excess of revenues over (under) expenditures</b>                 | <b>(4,869,586)</b>  | <b>(16,083,867)</b>    | <b>(19,831,534)</b> | <b>(8,385,270)</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                                      | 3,834,381           | -                      | 3,433,442           | -                    |
| Proceeds from issuance of debt                                      | 17,989,600          | 2,853,012              | 21,145,000          | 32,114,457           |
| Payment to refunded bond escrow agent                               | -                   | -                      | -                   | (4,224,218)          |
| Bond premium (discounts)  | -                   | -                      | (194,556)           | (164,997)            |
| Settlement agreement  | -                   | -                      | -                   | -                    |
| <b>Total other financing sources (uses)</b>                         | <b>11,823,981</b>   | <b>2,853,012</b>       | <b>24,383,886</b>   | <b>27,725,242</b>    |
| <b>Net changes in fund balances</b>                                 | <b>\$ 6,954,395</b> | <b>\$ (13,230,855)</b> | <b>\$ 4,552,352</b> | <b>\$ 19,339,972</b> |
| <b>Debt service as a percentage of non-capital expenditures (1)</b> | -                   | 5.27%                  | 7.49%               | 5.97%                |

(1) 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 this year would be misleading.

(2) 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        |                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2005               | 2006 (2)           | 2007               | 2008               | 2009               | 2010               |
| \$ 74,787,704      | \$ 84,328,809      | \$ 84,953,504      | \$ 88,029,125      | \$ 87,229,169      | \$ 84,841,410      |
| 994,766            | 982,318            | 944,084            | 1,072,824          | 1,055,385          | 1,061,672          |
| 2,167,451          | 2,420,993          | 2,329,132          | 1,691,127          | 1,759,663          | 1,567,892          |
| 4,612,382          | 3,305,681          | 1,981,507          | 2,187,623          | 2,161,955          | 4,022,414          |
| 25,856,586         | 25,703,221         | 25,271,564         | 25,994,012         | 23,254,107         | 21,807,818         |
| 589,986            | 656,026            | 691,774            | 823,897            | 751,756            | 695,218            |
| 2,894,923          | 4,101,728          | 3,039,087          | 3,117,357          | 3,476,265          | 3,546,149          |
| 6,810,020          | 7,295,418          | 7,596,165          | 8,089,029          | 7,579,592          | 7,982,727          |
| 2,599,643          | 5,404,617          | 5,760,013          | 4,277,702          | 995,060            | 125,984            |
| 6,173,358          | 6,358,491          | 7,025,380          | 6,916,324          | 6,959,756          | 7,752,382          |
| <u>127,486,819</u> | <u>140,557,302</u> | <u>139,592,210</u> | <u>142,199,020</u> | <u>135,222,708</u> | <u>133,403,666</u> |
| 22,496,853         | 25,992,081         | 24,850,290         | 25,814,644         | 25,841,058         | 25,094,958         |
| 52,271,304         | 59,597,955         | 62,100,913         | 62,885,562         | 62,529,660         | 63,543,704         |
| 5,159,713          | 5,106,033          | 5,443,884          | 5,316,442          | 6,193,666          | 5,256,679          |
| 13,003,033         | 12,658,806         | 13,459,407         | 14,836,995         | 10,772,638         | 11,178,023         |
| 10,060,656         | 9,816,038          | 10,655,537         | 11,217,234         | 11,009,604         | 11,240,440         |
| 8,234,143          | 8,338,889          | 8,099,142          | 8,572,887          | 10,475,172         | 7,818,974          |
| 13,951,104         | 39,215,525         | 14,771,221         | 2,036,290          | 2,094,912          | 1,992,255          |
| 3,333,119          | 2,339,535          | 1,976,092          | 2,265,454          | 2,079,851          | 3,325,819          |
| 1,624,148          | 1,498,553          | 1,525,833          | 1,589,528          | 1,415,169          | 1,736,231          |
| 4,535,349          | 4,693,582          | 4,578,029          | 4,853,071          | 4,586,417          | 5,529,521          |
| 3,743,818          | 5,646,793          | 4,783,676          | 4,774,182          | 4,668,984          | 4,691,931          |
| 403,167            | 442,173            | 95,653             | 15,646             | 84,021             | 66,222             |
| <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> | <u>141,474,757</u> |
| (11,329,588)       | (34,788,661)       | (12,747,467)       | (1,978,915)        | (6,528,444)        | (8,071,091)        |
| (17,068,543)       | -                  | -                  | -                  | -                  | -                  |
| (131,000)          | (137,000)          | (140,000)          | (148,400)          | (253,092)          | (160,868)          |
| -                  | 2,240,087          | 115,741            | 81,067             | 127,733            | 49,283             |
| 27,015,000         | 25,835,000         | 5,409,304          | -                  | 5,305,000          | 3,040,000          |
| -                  | (10,474,047)       | -                  | -                  | -                  | (3,000,000)        |
| (135,008)          | (284,909)          | (56,901)           | -                  | (79,575)           | 18,984             |
| <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>1,000,000</u>   | <u>23,485</u>      | <u>(5,975,000)</u> |
| <u>9,680,449</u>   | <u>17,179,131</u>  | <u>5,328,144</u>   | <u>932,667</u>     | <u>5,123,551</u>   | <u>(6,027,601)</u> |
| \$ (1,649,139)     | \$ (17,609,530)    | \$ (7,419,323)     | \$ (1,046,248)     | \$ (1,404,893)     | \$ (14,098,692)    |
| 6.98%              | 7.88%              | 7.05%              | 7.00%              | 6.78%              | 7.40%              |

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

| Valuation<br>Date<br>Dec. 31 | Fiscal Year<br>Ended<br>June 30 | Real Property            |                  |                          |                  |                          |                  |
|------------------------------|---------------------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|
|                              |                                 | Commercial               |                  | Industrial               |                  | Residential              |                  |
|                              |                                 | State Equalized<br>Value | Taxable<br>Value | State Equalized<br>Value | Taxable<br>Value | State Equalized<br>Value | Taxable<br>Value |
| 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    |
| 2008                         | 2010                            | 665,388,680              | 579,884,140      | 717,066,830              | 672,174,510      | 2,724,960,979            | 2,622,291,859    |

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<br>Tax Rate |
|--------------------------|------------------|---------------------------------|------------------|--------------------------|------------------|--------------------------|
| State Equalized<br>Value | Taxable<br>Value | State Equalized<br>Value        | Taxable<br>Value | State Equalized<br>Value | Taxable<br>Value |                          |
| \$ 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                  |
| 709,116,520              | 708,996,934      | 526,356,096                     | 526,053,306      | 5,342,889,105            | 5,109,400,749    | 16.9424                  |

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

| Fiscal Year<br>Ended<br>June 30 | City-wide Direct Tax Rate |           |                    |                       |                    |            |            |            |
|---------------------------------|---------------------------|-----------|--------------------|-----------------------|--------------------|------------|------------|------------|
|                                 | General                   | Emergency | Police             | Police                | Police             | Police     | Fire       | Fire       |
|                                 | Operating (1)             | Library   | Medical<br>Service | Parks &<br>Recreation | & Fire<br>Pensions | Sanitation | Protection | Protection |
| 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     |
| 2010                            | 8.7724                    | 0.4873    | 0.2923             | 0.9746                | 2.8248             | 1.6418     | 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<br>Property                | Non -<br>Homestead | Homestead<br>Property | Non -<br>Homestead | Homestead<br>Property | Non -<br>Homestead |
| 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>     |
| School District Rate                            | 14.1000                              | 32.1000            | 14.8406               | 32.8406            | 11.5000               | 29.5000            |
| Combined City & County Rate                     | 26.8247                              | 26.8247            | 26.8247               | 26.8247            | 26.8247               | 26.8247            |
| <b>2010 Total Direct &amp; Overlapping Rate</b> | <b>40.9247</b>                       | <b>58.9247</b>     | <b>41.6653</b>        | <b>59.6653</b>     | <b>38.3247</b>        | <b>56.3247</b>     |

| Chapter 20<br>Drain<br>Debt | Total<br>City-wide<br>Direct Tax<br>Rate | County-wide Overlapping Tax Rate |   |            |                |        |               | Total<br>County-wide<br>Overlapping<br>Tax Rate |
|-----------------------------|--|----------------------------------|---|------------|----------------|--------|---------------|---|
|                             | Maccomb<br>I.S.D.                        | Maccomb<br>Community<br>College  | H.C.M.A.,<br>Zoo Authority,<br>& Veterans | S.M.A.R.T. | Maccomb County |        | Drain<br>Debt |   |
| 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>                                   |
| -                           | <b>16.9424</b>                           | 2.9430                           | 1.4212                                    | 0.3546     | 0.5900         | 4.5685 | 0.0050        | <b>9.8823</b>                                   |

School District Overlapping Tax Rate

|   | Center Line           |                    | Warren Woods          |                    | Warren Consolidated   |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
|   | Homestead<br>Property | Non -<br>Homestead | Homestead<br>Property | Non -<br>Homestead | Homestead<br>Property | Non -<br>Homestead |
| 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>     |
| School District Rate                            | 17.9406               | 25.6000            | 11.5000               | 29.5000            | 14.9278               | 27.1464            |
| Combined City & County Rate                     | 26.8247               | 26.8247            | 26.8247               | 26.8247            | 26.8247               | 26.8247            |
| <b>2010 Total Direct &amp; Overlapping Rate</b> | <b>44.7653</b>        | <b>52.4247</b>     | <b>38.3247</b>        | <b>56.3247</b>     | <b>41.7525</b>        | <b>53.9711</b>     |

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

|                                | Fiscal Year Ended June 30, 2010                     |      |                                      | Fiscal Year Ended June 30, 2000      |      |                                      |
|--------------------------------|---|------|--------------------------------------|--------------------------------------|------|--------------------------------------|
|                                | Taxable Value<br>(including. I.F.T.<br>and O.P.R.A) | Rank | Percent of<br>Total Taxable<br>Value | Taxable Value<br>(including. I.F.T.) | Rank | Percent of<br>Total Taxable<br>Value |
| General Motors                 | \$ 632,798,696                                      | 1    | 12.38%                               | \$ 462,231,218                       | 1    | 12.07%                               |
| Chrysler                       | 310,164,038   | 2    | 6.07%                                | 284,268,340                          | 2    | 7.42%                                |
| Detroit Edison                 | 39,097,934  | 3    | 0.77%                                | 54,355,723                           | 3    | 1.42%                                |
| International Transmission     | 27,535,996  | 4    | 0.54%                                |                                      |      |                                      |
| Art Van Furniture              | 27,268,722  | 5    | 0.53%                                | 22,147,212                           | 5    | 0.58%                                |
| Iroquois Industries            | 15,894,314  | 6    | 0.31%                                |                                      |      |                                      |
| Wico Metal Products            | 14,774,381  | 7    | 0.29%                                |                                      |      |                                      |
| VJL Real Estate / Lipari Foods | 11,039,765  | 8    | 0.22%                                |                                      |      |                                      |
| Meijer Inc.                    | 10,526,870  | 9    | 0.21%                                |                                      |      |                                      |
| Consumers Energy               | 10,060,077  | 10   | 0.20%                                | 14,174,441                           | 7    | 0.37%                                |
| E.D.S. Corporation             |   |      |                                      | 47,874,324                           | 4    | 1.25%                                |
| Universal City Center          |   |      |                                      | 16,227,434                           | 6    | 0.42%                                |
| Carboloy                       |   |      |                                      | 13,191,867                           | 8    | 0.34%                                |
| Cold Heading Co. / Ajax Metal  |   |      |                                      | 12,843,318                           | 9    | 0.34%                                |
| Becker Properties / Mega Tech  |   |      |                                      | 10,087,618                           | 10   | 0.26%                                |
| Ten largest taxpayers          | 1,099,160,793                                       |      | 21.51%                               | 937,401,495                          |      | 24.48%                               |
| Other taxpayers                | 4,010,239,956                                       |      | 78.49%                               | 2,891,686,185                        |      | 75.52%                               |
| Total taxable value            | <u>\$ 5,109,400,749</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 |                      |                              |   |
| 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   |
| 2009     | 2010        | 80,341,909     | (4,344,441)         | (632,798)         | 75,364,670           | 93.80%                       | 4,344,441   |

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, 2010.

| Personal Property<br>Taxes Collected<br>March 1 - June 30 | Collected<br>Within Fiscal<br>Year of Levy | Percent<br>Collected in<br>Fiscal Year | Subsequent to Tax Year             |                                       |         | Receivable<br>as of<br>June 30, 2010 | Total<br>Collections<br>To Date | Percentage of<br>Adjusted Tax<br>Levy Collected<br>To-Date |
|---|--|--|------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------|--|
|   |  |  | STC, MTT<br>and BOR<br>Adjustments | Personal<br>Property Tax<br>Write Off |         |                                      |                                 |  |
| 36,161  | 61,560,669                                 | 99.15%                                 | 37,889                             | (290,456)                             | -       | 61,836,836                           | 99.53%                          |  |
| -   | 64,137,023                                 | 98.87%                                 | 21,763                             | (306,385)                             | -       | 64,583,374                           | 99.53%                          |  |
| 41,387  | 67,205,307                                 | 98.74%                                 | 9,085                              | (355,991)                             | -       | 67,716,696                           | 99.48%                          |  |
| 72,446  | 68,367,634                                 | 98.94%                                 | 169,295                            | (105,993)                             | 218,492 | 68,948,007                           | 99.53%                          |  |
| 149,937   | 70,675,588                                 | 98.88%                                 | 6,455                              | (138,271)                             | 253,507 | 71,094,191                           | 99.45%                          |  |
| 133,554   | 76,394,519                                 | 99.57%                                 | 284,438                            | (72,959)                              | -       | 76,939,529                           | 99.91%                          |  |
| 220,410   | 80,340,204                                 | 99.67%                                 | 131,852                            | -                                     | 138,340 | 80,600,593                           | 99.83%                          |  |
| 11,525  | 83,203,765                                 | 99.57%                                 | 93,352                             | -                                     | 148,033 | 83,511,732                           | 99.82%                          |  |
| 25,928  | 82,452,461                                 | 99.44%                                 | 72,903                             | -                                     | 220,620 | 82,773,132                           | 99.73%                          |  |
| 37,409  | 79,746,520                                 | 99.26%                                 | 3,262                              | -                                     | 598,650 | 79,746,521                           | 99.25%                          |  |

**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 |
| 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                           |
| 2010  | -                               | 253,067       | -                            | -                               | 13,685,000               | 250,000                               | 70,250,000                           |

|      | 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 |
| 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                | (1,361,600)                     | 107,537,537                            | -   | 6,555,000              | 42,605                 |
| 2010 | 16,241,714                         | 2,729,834                | (1,128,750)                     | 102,280,865                            | -   | 5,930,000              | -                      |

**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) Southeast Michigan Council of Governments - Estimated Population - FY 2001 - 2010
- (2) 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 |
|--------------------|---|-------------------------------|---------------------------|---|--------------------------|------------|
| \$ 3,150,000       | \$ (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     |
| -                  | -                                       | 84,438,067                    | 5,109,400,749             | 1.65%                                   | 132,079                  | 639.30     |

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 |
|-------------------------------|-------------------------------------|-----------------------------------|-----------------------|---------------------------------------|------------|
| \$ 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                          | 166,529,766                       | 21,407                | 5.79%                                 | 1,239.04   |
| 50,172,529                    | 56,102,529                          | 158,383,394                       | 21,407                | 5.60%                                 | 1,199.16   |

EXHIBIT E-10

**CITY OF WARREN, MICHIGAN**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2010**

**Net Direct debt:**

|   |                              |                    |                     |
|---|------------------------------|--------------------|---------------------|
| Land Contract:  |                              |                    |                     |
| DPW Garage  | Building acquisition         |                    | \$ 253,067          |
| Building Authority Bonds:                               |                              |                    |                     |
| Series 2001   | Warren Community Center      | \$ 400,000         |                     |
| Series 2005   | Capital equipment            | 2,855,000          |                     |
| Refunding Series 2005                                   | Warren Community Center      | <u>10,430,000</u>  | 13,685,000          |
| Tax Increment Finance Authority:                        |                              |                    |                     |
| Series 1999   | TIFA District development    | <u>250,000</u>     | 250,000             |
| Downtown Development Authority:                         |                              |                    |                     |
| Series 2002   | City Center development      | 18,000,000         |                     |
| Series 2003   | City Center development      | 18,500,000         |                     |
| Series 2004   | City Center development      | 19,000,000         |                     |
| Series 2005   | City Center development      | <u>14,750,000</u>  | 70,250,000          |
| Road Construction Bonds:                                |                              |                    |                     |
| Series 1997 Michigan Transportation Bonds               | Road improvements            | 820,000            |                     |
| Series 2003 Michigan Transportation Bonds               | Road improvements            | 4,000,000          |                     |
| Series 2006 Capital Improvement Bonds                   | Road improvements            | 5,301,548          |                     |
| Series 2006 Capital Improvement Bonds                   | Road improvements            | 3,080,166          |                     |
| Series 2010 MTF Refunding Bonds                         | Road improvements            | <u>3,040,000</u>   | 16,241,714          |
| Special Assessment Bonds:                               |                              |                    |                     |
| Series 2005   | Sidewalk replacement program | 1,010,000          |                     |
| Series 2008   | Sidewalk replacement program | 1,719,834          |                     |
| Less amounts available in debt service funds            |                              | <u>(1,128,750)</u> | <u>1,601,084</u>    |
|   |                              |                    | 102,280,865         |
| Less:   |                              |                    |                     |
| Road Construction Bonds                                 |                              | (16,241,714)       |                     |
| Special Assessment Bonds                                |                              | <u>(1,601,084)</u> | <u>(17,842,798)</u> |
| <b>Net direct debt to be repaid with property taxes</b> |                              |                    | <b>84,438,067</b>   |

**Overlapping Debt:**

|                                     |         |             |                   |
|-------------------------------------|---------|-------------|-------------------|
| Macomb County:                      |         |             |                   |
| County at large                     | 14.48%  | 56,715,437  | 8,212,395         |
| Macomb Intermediate School District | 14.18%  | 500,000     | 70,900            |
| Local School Districts:             |         |             |                   |
| Center Line                         | 63.26%  | 12,450,000  | 7,875,870         |
| East Detroit                        | 20.98%  | 32,215,000  | 6,758,707         |
| Fitzgerald                          | 100.00% | 37,884,000  | 37,884,000        |
| Van Dyke                            | 97.78%  | 64,805,000  | 63,366,329        |
| Warren Consolidated                 | 48.06%  | 168,605,000 | 81,031,563        |
| Warren Woods                        | 100.00% | 46,355,000  | <u>46,355,000</u> |

**Net direct debt outstanding and overlapping debt** **\$ 335,992,831**

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

|   | Fiscal Year      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2001             | 2002             | 2003             | 2004             | 2005             |
| Assessed value  | \$ 4,356,985,019 | \$ 4,667,996,729 | \$ 5,244,712,663 | \$ 5,456,278,690 | \$ 5,594,012,321 |
| Debt limit (10% of assessed value)                                    | \$ 435,698,502   | \$ 466,799,673   | \$ 524,471,266   | \$ 545,627,869   | \$ 559,401,232   |
| Total debt applicable to debt limit                                   | -                | -                | -                | -                | -                |
| Legal debt margin   | \$ 435,698,502   | \$ 466,799,673   | \$ 524,471,266   | \$ 545,627,869   | \$ 559,401,232   |
| 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      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2006             | 2007             | 2008             | 2009             | 2010             |
| Assessed value  | \$ 5,730,657,941 | \$ 5,951,085,588 | \$ 6,064,919,039 | \$ 5,809,257,741 | \$ 5,342,889,105 |
| Debt limit (10% of assessed value)                                    | \$ 573,065,794   | \$ 595,108,559   | \$ 606,491,904   | \$ 580,925,774   | \$ 534,288,911   |
| Total debt applicable to debt limit                                   | -                | -                | -                | -                | -                |
| Legal debt margin   | \$ 573,065,794   | \$ 595,108,559   | \$ 606,491,904   | \$ 580,925,774   | \$ 534,288,911   |
| 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      |          |
| 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     |
| 2010        | 1,352,660         | 543,019                  | 809,641                                | 625,000      | 267,616    | 892,616    | 0.91     |

(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        |          |                               |
| 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                       |
| 2010        | 7,937,777                            | 3,968,889                        | 1,345,000    | 392,925    | 1,737,925    | 2.28     | 580,632                       |

(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. \$580,632 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2010 and is reflected in the schedule above.

| Special Assessment Bonds (3) |                 |              |                              |              |          |         |          |
|------------------------------|-----------------|--------------|------------------------------|--------------|----------|---------|----------|
| Fiscal<br>Year               | S/A             |              | Transferred to<br>Debt Funds | Debt Service |          |         | Coverage |
|                              | Collections (4) | Interest (5) |                              | Principal    | Interest | Total   |          |
| 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     |
| 2010                         | 435,535         | -            | 435,535                      | 518,967      | 140,456  | 659,423 | 0.66     |

(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<br>Year             | Operating<br>Revenue | Direct<br>Operating<br>Expense | Net Revenue<br>Available for<br>Debt Service | Debt Service |           |           | Coverage |
|                            |                      |                                |  | Principal    | Interest  | Total     |          |
| 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     |
| 2009                       | 32,062,895           | 27,557,790                     | 4,505,105                                    | 2,686,687    | 1,798,228 | 4,484,915 | 1.00     |

(6) Fiscal year end of December 31.

EXHIBIT E-13

**CITY OF WARREN, MICHIGAN**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - LAND CONTRACT**  
**June 30, 2010**

| DPW Garage                       | Fiscal<br>Year | Principal            | Interest<br>Rate | Interest            | Total<br>Requirements |
|----------------------------------|----------------|----------------------|------------------|---------------------|-----------------------|
| Issued: July 1, 1991             |                |                      |                  |                     |                       |
| Payment dates:                   |                |                      |                  |                     |                       |
| Principal: July 1 and January 1  | 2011           | \$ 96,762.73         | 6.000%           | \$ 13,754.05        | \$ 110,516.78         |
| Interest: July 1 and January 1   | 2012           | 102,655.59           | 6.000%           | 7,861.19            | 110,516.78            |
|                                  | 2013           | <u>53,648.79</u>     | 6.000%           | <u>1,609.60</u>     | <u>55,258.39</u>      |
| Total Land Contract Requirements |                | <u>\$ 253,067.11</u> |                  | <u>\$ 23,224.84</u> | <u>\$ 276,291.95</u>  |

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

Capital Improvement Bonds - Series 2005

|                                 |      |                        |        |                      |                        |
|---------------------------------|------|------------------------|--------|----------------------|------------------------|
| Issued: June 1, 2005            | 2011 | \$ 200,000.00          | 3.500% | \$ 37,900.00         | \$ 237,900.00          |
| Payment dates:                  |      |                        |        |                      |                        |
| 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>\$ 1,010,000.00</u> |        | <u>\$ 117,500.00</u> | <u>\$ 1,127,500.00</u> |

Capital Improvement Bonds - Series 2008

|                                   |      |                        |        |                      |                        |
|-----------------------------------|------|------------------------|--------|----------------------|------------------------|
| Issued: December 1, 2008          | 2011 | \$ 343,966.80          | 5.000% | \$ 79,232.75         | \$ 423,199.55          |
| Payment dates:                    |      |                        |        |                      |                        |
| 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>\$ 1,719,834.00</u> |        | <u>\$ 311,986.50</u> | <u>\$ 2,031,820.50</u> |

Total Special Assessment Bonds

|                           |  |                        |  |                      |                        |
|---------------------------|--|------------------------|--|----------------------|------------------------|
| Debt Service Requirements |  | <u>\$ 2,729,834.00</u> |  | <u>\$ 429,486.50</u> | <u>\$ 3,159,320.50</u> |
|---------------------------|--|------------------------|--|----------------------|------------------------|

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

Michigan Transportation - Series 1997

|                                 |      |                      |        |                     |                      |
|---------------------------------|------|----------------------|--------|---------------------|----------------------|
| Issued: August 1, 1997          |      |                      |        |                     |                      |
| Payment dates:                  |      |                      |        |                     |                      |
| Principal: June 1               | 2011 | \$ 400,000.00        | 5.100% | \$ 41,820.00        | \$ 441,820.00        |
| Interest: December 1 and June 1 | 2012 | <u>420,000.00</u>    | 5.100% | <u>21,420.00</u>    | <u>441,420.00</u>    |
| Major Street Portion 100%       |      | <u>\$ 820,000.00</u> |        | <u>\$ 63,240.00</u> | <u>\$ 883,240.00</u> |

Michigan Transportation Fund  
Series 2003

|                                 |      |                        |        |                      |                        |
|---------------------------------|------|------------------------|--------|----------------------|------------------------|
| Issued: September 1, 2000       |      |                        |        |                      |                        |
| Payment dates:                  |      |                        |        |                      |                        |
| Principal: June 1               | 2011 | \$ 500,000.00          | 3.150% | \$ 147,250.00        | \$ 647,250.00          |
| Interest: December 1 and June 1 | 2012 | 500,000.00             | 3.400% | 131,500.00           | 631,500.00             |
| Major Street Portion 100%       | 2013 | 500,000.00             | 3.500% | 114,500.00           | 614,500.00             |
|                                 | 2014 | 500,000.00             | 3.650% | 97,000.00            | 597,000.00             |
|                                 | 2015 | 500,000.00             | 3.750% | 78,750.00            | 578,750.00             |
|                                 | 2016 | 500,000.00             | 3.900% | 60,000.00            | 560,000.00             |
|                                 | 2017 | 500,000.00             | 4.000% | 40,500.00            | 540,500.00             |
|                                 | 2018 | <u>500,000.00</u>      | 4.100% | <u>20,500.00</u>     | <u>520,500.00</u>      |
|                                 |      | <u>\$ 4,000,000.00</u> |        | <u>\$ 690,000.00</u> | <u>\$ 4,690,000.00</u> |

## CITY OF WARREN, MICHIGAN

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

June 30, 2010

| Capital Improvement Bonds<br>Series 2006                   | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest               | Total<br>Requirements   |
|--|----------------|-------------------------|------------------|------------------------|-------------------------|
| 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>\$ 5,301,548.46</u>  |                  | <u>\$ 1,972,837.82</u> | <u>\$ 7,274,386.28</u>  |
| Capital Improvement Bonds<br>Series 2008                   | 2011           | \$ 161,033.20           | 5.000%           | \$ 170,894.75          | \$ 331,927.95           |
| Issued: December 1, 2008                                   | 2012           | 161,033.20              | 5.000%           | 162,843.09             | 323,876.29              |
| Payment dates:   | 2013           | 161,033.20              | 5.000%           | 154,791.43             | 315,824.63              |
| Principal: September 1                                     | 2014           | 166,033.20              | 5.000%           | 146,614.77             | 312,647.97              |
| Interest: September 1 and March 1                          | 2015           | 160,603.32              | 5.000%           | 138,448.86             | 299,052.18              |
| Major Street Portion 100%                                  | 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>\$ 3,080,166.00</u>  |                  | <u>\$ 1,762,387.27</u> | <u>\$ 4,842,553.27</u>  |
| Michigan Transportation Fund<br>Refunding Series 2010      | 2011           | \$ 535,000.00           | 2.000%           | \$ 74,162.50           | \$ 609,162.50           |
| Issued: June 1, 2010                                       | 2012           | 530,000.00              | 2.000%           | 63,462.50              | 593,462.50              |
| Payment dates:   | 2013           | 515,000.00              | 2.250%           | 52,862.50              | 567,862.50              |
| Principal: June 1  | 2014           | 500,000.00              | 2.500%           | 41,275.00              | 541,275.00              |
| Interest: December 1 and June 1                            | 2015           | 485,000.00              | 2.750%           | 28,775.00              | 513,775.00              |
| Major Street Portion 100%                                  | 2016           | 475,000.00              | 3.250%           | 15,437.50              | 490,437.50              |
|  |                | <u>\$ 3,040,000.00</u>  |                  | <u>\$ 275,975.00</u>   | <u>\$ 3,315,975.00</u>  |
| Total Road Construction Bonds<br>Debt Service Requirements |                | <u>\$ 16,241,714.46</u> |                  | <u>\$ 4,764,440.09</u> | <u>\$ 21,006,154.55</u> |

## CITY OF WARREN, MICHIGAN

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

June 30, 2010

| Series 2002                     | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest               | Total<br>Requirements   |
|---------------------------------|----------------|-------------------------|------------------|------------------------|-------------------------|
| Issued: June 1, 2002            | 2011           | \$ 500,000.00           | 4.250%           | \$ 871,625.00          | \$ 1,371,625.00         |
| Payment dates:                  | 2012           | 500,000.00              | 4.300%           | 850,250.00             | 1,350,250.00            |
| Principal: October 1            | 2013           | 500,000.00              | 4.400%           | 828,500.00             | 1,328,500.00            |
| Interest: October 1 and April 1 | 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>\$ 18,000,000.00</u> |                  | <u>\$ 8,542,875.00</u> | <u>\$ 26,542,875.00</u> |
| <br>Series 2003                 |                |                         |                  |                        |                         |
| Issued: July 1, 2003            | 2011           | \$ 500,000.00           | 3.000%           | \$ 718,750.00          | \$ 1,218,750.00         |
| Payment dates:                  | 2012           | 500,000.00              | 3.000%           | 703,750.00             | 1,203,750.00            |
| Principal: October 1            | 2013           | 500,000.00              | 3.250%           | 688,125.00             | 1,188,125.00            |
| Interest: October 1 and April 1 | 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>\$ 18,500,000.00</u> |                  | <u>\$ 7,717,500.00</u> | <u>\$ 26,217,500.00</u> |

## CITY OF WARREN, MICHIGAN

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

June 30, 2010

| Series 2004   | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest                | Total<br>Requirements    |
|---|----------------|-------------------------|------------------|-------------------------|--------------------------|
| Issued: April 1, 2004   | 2011           | 500,000.00              | 3.250%           | 837,750.00              | 1,337,750.00             |
| Payment dates:  | 2012           | 500,000.00              | 3.500%           | 820,875.00              | 1,320,875.00             |
| Principal: October 1  | 2013           | 500,000.00              | 3.750%           | 802,750.00              | 1,302,750.00             |
| Interest: October 1 and April 1                                   | 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>\$ 19,000,000.00</u> |                  | <u>\$ 9,566,187.50</u>  | <u>\$ 28,566,187.50</u>  |
| <br>  |                |                         |                  |                         |                          |
| Series 2005   |                |                         |                  |                         |                          |
| Issued: December 1, 2005  | 2011           | \$ 250,000.00           | 4.125%           | \$ 646,781.25           | \$ 896,781.25            |
| Payment dates:  | 2012           | 250,000.00              | 4.125%           | 636,468.75              | 886,468.75               |
| Principal: October 1  | 2013           | 250,000.00              | 4.125%           | 626,156.25              | 876,156.25               |
| Interest: October 1 and April 1                                   | 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>\$ 14,750,000.00</u> |                  | <u>\$ 8,089,593.75</u>  | <u>\$ 22,839,593.75</u>  |
| <br>  |                |                         |                  |                         |                          |
| Total Downtown Development Authority<br>Debt Service Requirements |                | <u>\$ 70,250,000.00</u> |                  | <u>\$ 33,916,156.25</u> | <u>\$ 104,166,156.25</u> |

EXHIBIT E-13 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - TAX INCREMENT FINANCE AUTHORITY BONDS

June 30, 2010

|                                       | Fiscal<br>Year | Principal     | Interest<br>Rate | Interest    | Total<br>Requirements |
|---------------------------------------|----------------|---------------|------------------|-------------|-----------------------|
| Series 1991                           |                |               |                  |             |                       |
| Issued: May 1, 1991                   |                |               |                  |             |                       |
| Payment dates:                        |                |               |                  |             |                       |
| Principal: October 1                  | 2011           | \$ 250,000.00 | 5.000%           | \$ 6,250.00 | \$ 256,250.00         |
| Interest: October 1 and April 1       |                |               |                  |             |                       |
| Total Tax Increment Finance Authority |                |               |                  |             |                       |
| Debt Service Requirements             |                | \$ 250,000.00 |                  | \$ 6,250.00 | \$ 256,250.00         |

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

|  | Fiscal<br>Year | Principal       | Interest<br>Rate | Interest      | Total<br>Requirements |
|--|----------------|-----------------|------------------|---------------|-----------------------|
| Warren Community Center<br>Series 2001 |                |                 |                  |               |                       |
| Issued: July 1, 2001                   |                |                 |                  |               |                       |
| Payment dates:                         | 2011           | \$ 400,000.00   | 4.700%           | \$ 9,400.00   | \$ 409,400.00         |
| Principal: November 1                  |                |                 |                  |               |                       |
| Interest: November 1 and May 1         |                | \$ 400,000.00   |                  | \$ 9,400.00   | \$ 409,400.00         |
| Multi-Purpose Bonds<br>Series 2005     |                |                 |                  |               |                       |
| Issued: June 1, 2005                   | 2011           | \$ 525,000.00   | 3.750%           | \$ 110,075.00 | \$ 635,075.00         |
| Payment dates:                         | 2012           | 550,000.00      | 3.750%           | 90,387.50     | 640,387.50            |
| Principal: June 1                      | 2013           | 575,000.00      | 3.750%           | 69,762.50     | 644,762.50            |
| Interest: December 1 and June 1        | 2014           | 600,000.00      | 4.000%           | 48,200.00     | 648,200.00            |
|  | 2015           | 605,000.00      | 4.000%           | 24,200.00     | 629,200.00            |
|  |                | \$ 2,855,000.00 |                  | \$ 342,625.00 | \$ 3,197,625.00       |

**CITY OF WARREN, MICHIGAN**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - BUILDING AUTHORITY BONDS**  
**(Governmental Activities)**  
**June 30, 2010**

| Warren Community Center<br>Refunding Series 2005           | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest               | Total<br>Requirements   |
|--|----------------|-------------------------|------------------|------------------------|-------------------------|
| Issued: August 1, 2005                                     | 2011           | \$ 65,000.00            | 3.500%           | \$ 432,730.00          | \$ 497,730.00           |
| Payment dates:   | 2012           | 490,000.00              | 3.750%           | 422,405.00             | 912,405.00              |
| Principal: November 1                                      | 2013           | 515,000.00              | 4.000%           | 402,917.50             | 917,917.50              |
| Interest: November 1 and May 1                             | 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>\$ 10,430,000.00</u> |                  | <u>\$ 4,244,562.51</u> | <u>\$ 14,674,562.51</u> |
| Total Governmental Activities<br>Debt Service Requirements |                | <u>\$ 13,685,000.00</u> |                  | <u>\$ 4,596,587.51</u> | <u>\$ 18,281,587.51</u> |

**(Business-type Activities)**

|   |      |                         |        |                        |                         |
|---|------|-------------------------|--------|------------------------|-------------------------|
| Senior Housing<br>Refunding Series 2004               |      |                         |        |                        |                         |
| 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>\$ 5,930,000.00</u>  |        | <u>\$ 1,077,571.90</u> | <u>\$ 7,007,571.90</u>  |
| Total Building Authority<br>Debt Service Requirements |      | <u>\$ 19,615,000.00</u> |        | <u>\$ 5,674,159.41</u> | <u>\$ 25,289,159.41</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, 2009)

| Water and Sewer System<br>Refunding Series 1999 | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest               | Total<br>Requirements   |
|---|----------------|-------------------------|------------------|------------------------|-------------------------|
| Issued: February 1, 1999                        | 2010           | \$ 975,000.00           | 4.300%           | \$ 298,920.00          | \$ 1,273,920.00         |
| Payment dates:                                  | 2011           | 1,035,000.00            | 4.350%           | 255,446.25             | 1,290,446.25            |
| Principal: May 1                                | 2012           | 1,080,000.00            | 4.500%           | 208,635.00             | 1,288,635.00            |
| Interest: May 1 and November 1                  | 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>\$ 7,075,000.00</u>  |                  | <u>\$ 1,108,078.75</u> | <u>\$ 8,183,078.75</u>  |
|   |                |                         |                  |                        |                         |
| Water and Sewer System<br>Series 1999           |                |                         |                  |                        |                         |
| Issued: March 1, 1999                           |                |                         |                  |                        |                         |
| 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>\$ 100,000.00</u>    |                  | <u>\$ 6,700.00</u>     | <u>\$ 106,700.00</u>    |
|   |                |                         |                  |                        |                         |
| Water and Sewer System<br>Series 2000           |                |                         |                  |                        |                         |
| Issued: September 1, 2000                       |                |                         |                  |                        |                         |
| 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>\$ 1,225,000.00</u>  |                  | <u>\$ 94,812.00</u>    | <u>\$ 1,319,812.00</u>  |
|   |                |                         |                  |                        |                         |
| Water and Sewer System<br>Refunding Series 2005 |                |                         |                  |                        |                         |
| Issued: September 1, 2005                       | 2010           | \$ 130,000.00           | 3.625%           | \$ 875,831.00          | \$ 1,005,831.00         |
| Payment dates:                                  | 2011           | 135,000.00              | 3.750%           | 871,119.00             | 1,006,119.00            |
| Principal: November 1                           | 2012           | 865,000.00              | 3.750%           | 866,056.00             | 1,731,056.00            |
| Interest: May 1 and November 1                  | 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>\$ 20,825,000.00</u> |                  | <u>\$ 8,731,687.00</u> | <u>\$ 29,556,687.00</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, 2009)**

| Capital Improvement Bonds<br>Series 2003        | Fiscal<br>Year | Principal              | Interest<br>Rate | Interest             | Total<br>Requirements  |
|---|----------------|------------------------|------------------|----------------------|------------------------|
| Issued: July 1, 2003                            | 2010           | \$ 55,000.00           | 2.550%           | \$ 34,127.51         | \$ 89,127.51           |
| Payment dates:                                  | 2011           | 55,000.00              | 2.750%           | 32,670.01            | 87,670.01              |
| Principal: June 1                               | 2012           | 60,000.00              | 2.850%           | 31,058.76            | 91,058.76              |
| Interest: June 1 and December 1                 | 2013           | 60,000.00              | 3.000%           | 29,303.76            | 89,303.76              |
|   | 2014           | 65,000.00              | 3.125%           | 27,388.13            | 92,388.13              |
|   | 2015           | 65,000.00              | 3.300%           | 25,300.00            | 90,300.00              |
|   | 2016           | 70,000.00              | 3.500%           | 23,002.50            | 93,002.50              |
|   | 2017           | 70,000.00              | 3.600%           | 20,517.50            | 90,517.50              |
|   | 2018           | 75,000.00              | 3.750%           | 17,870.00            | 92,870.00              |
|   | 2019           | 75,000.00              | 3.800%           | 15,057.50            | 90,057.50              |
|   | 2020           | 80,000.00              | 3.900%           | 12,072.50            | 92,072.50              |
|   | 2021           | 85,000.00              | 4.000%           | 8,812.50             | 93,812.50              |
|   | 2022           | 85,000.00              | 4.000%           | 5,412.50             | 90,412.50              |
|   | 2023           | 90,000.00              | 4.125%           | 1,856.25             | 91,856.25              |
|   |                | <u>\$ 990,000.00</u>   |                  | <u>\$ 284,449.42</u> | <u>\$ 1,274,449.42</u> |
| <br>Capital Improvement Bonds<br>Series 5134-01 |                |                        |                  |                      |                        |
| Approved: September 25, 2003                    | 2010           | \$ 210,000.00          | 2.500%           | \$ 94,375.00         | \$ 304,375.00          |
| Payment Dates:                                  | 2011           | 215,000.00             | 2.500%           | 89,305.00            | 304,305.00             |
| Principal: October 1                            | 2012           | 220,000.00             | 2.500%           | 83,750.00            | 303,750.00             |
| Interest: April 1 and October 1                 | 2013           | 225,000.00             | 2.500%           | 78,250.00            | 303,250.00             |
|   | 2014           | 230,000.00             | 2.500%           | 72,625.00            | 302,625.00             |
|   | 2015           | 240,000.00             | 2.500%           | 66,875.00            | 306,875.00             |
|   | 2016           | 245,000.00             | 2.500%           | 60,875.00            | 305,875.00             |
|   | 2017           | 250,000.00             | 2.500%           | 54,750.00            | 304,750.00             |
|   | 2018           | 255,000.00             | 2.500%           | 48,500.00            | 303,500.00             |
|   | 2019           | 265,000.00             | 2.500%           | 42,125.00            | 307,125.00             |
|   | 2020           | 270,000.00             | 2.500%           | 35,500.00            | 305,500.00             |
|   | 2021           | 275,000.00             | 2.500%           | 28,750.00            | 303,750.00             |
|   | 2022           | 285,000.00             | 2.500%           | 21,875.00            | 306,875.00             |
|   | 2023           | 290,000.00             | 2.500%           | 14,750.00            | 304,750.00             |
|   | 2024           | 300,000.00             | 2.500%           | 7,500.00             | 307,500.00             |
|   |                | <u>\$ 3,775,000.00</u> |                  | <u>\$ 799,805.00</u> | <u>\$ 4,574,805.00</u> |

EXHIBIT E-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, 2009)

| Capital Improvement Bonds<br>Series 5134-02     | Fiscal<br>Year | Principal              | Interest<br>Rate | Interest               | Total<br>Requirements  |
|---|----------------|------------------------|------------------|------------------------|------------------------|
| Approved: September 23, 2004                    | 2010           | \$ 280,000.00          | 2.125%           | \$ 117,300.00          | \$ 397,300.00          |
| Payment Dates:                                  | 2011           | 285,000.00             | 2.125%           | 111,296.88             | 396,296.88             |
| Principal: April 1                              | 2012           | 290,000.00             | 2.125%           | 105,187.51             | 395,187.51             |
| Interest: April 1 and October 1                 | 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>\$ 5,660,000.00</u> |                  | <u>\$ 1,083,325.06</u> | <u>\$ 6,743,325.06</u> |
| <br>Capital Improvement Bonds<br>Series 5134-03 |                |                        |                  |                        |                        |
| Approved: March 25, 2004                        | 2010           | \$ 55,000.00           | 2.125%           | \$ 18,850.68           | \$ 73,850.68           |
| Payment Dates:                                  | 2011           | 55,000.00              | 2.125%           | 17,681.94              | 72,681.94              |
| Principal: October 1                            | 2012           | 55,000.00              | 2.125%           | 16,513.18              | 71,513.18              |
| Interest: April 1 and October 1                 | 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>\$ 887,091.00</u>   |                  | <u>\$ 148,141.56</u>   | <u>\$ 1,035,232.56</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, 2009)**

| Capital Improvement Bonds<br>Series 5134-04  | Fiscal<br>Year | Principal              | Interest<br>Rate | Interest               | Total<br>Requirements  |
|--|----------------|------------------------|------------------|------------------------|------------------------|
| Approved: March 31, 2005                     | 2010           | \$ 370,000.00          | 1.625%           | \$ 112,937.51          | \$ 482,937.51          |
| Payment Dates:                               | 2011           | 375,000.00             | 1.625%           | 106,884.38             | 481,884.38             |
| Principal: April 1                           | 2012           | 380,000.00             | 1.625%           | 100,750.00             | 480,750.00             |
| Interest: April 1 and October 1              | 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>\$ 7,135,000.00</u> |                  | <u>\$ 1,030,046.98</u> | <u>\$ 8,165,046.98</u> |
| <br>Capital Improvement Bonds<br>Series 2006 |                |                        |                  |                        |                        |
| Issued: December 1, 2006                     | 2010           | \$ 14,081.65           | 3.750%           | \$ 80,001.38           | \$ 94,083.03           |
| Payment dates:                               | 2011           | 42,244.95              | 3.750%           | 79,473.32              | 121,718.27             |
| Principal: September 1                       | 2012           | 42,244.95              | 3.750%           | 77,889.12              | 120,134.07             |
| Interest: September 1 and March 1            | 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>\$ 2,078,451.54</u> |                  | <u>\$ 813,444.11</u>   | <u>\$ 2,891,895.65</u> |

EXHIBIT E-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, 2009)

| Capital Improvement Bonds<br>Series 5404-01 (1)           | Fiscal<br>Year | Principal               | Interest<br>Rate | Interest                | Total<br>Requirements   |
|---|----------------|-------------------------|------------------|-------------------------|-------------------------|
| Approved: November 24, 2009                               | 2010           | \$ -                    | 2.500%           | \$ 2,636.00             | \$ 2,636.00             |
| Payment Dates:  | 2011           | 16,388.00               | 2.500%           | 9,232.00                | 25,620.00               |
| Principal: April 1  | 2012           | 17,071.00               | 2.500%           | 10,133.00               | 27,204.00               |
| Interest: April 1 and October 1                           | 2013           | 17,071.00               | 2.500%           | 9,723.00                | 26,794.00               |
|   | 2014           | 17,753.00               | 2.500%           | 9,286.00                | 27,039.00               |
|   | 2015           | 18,436.00               | 2.500%           | 8,849.00                | 27,285.00               |
|   | 2016           | 18,436.00               | 2.500%           | 8,385.00                | 26,821.00               |
|   | 2017           | 19,119.00               | 2.500%           | 7,921.00                | 27,040.00               |
|   | 2018           | 19,802.00               | 2.500%           | 7,456.00                | 27,258.00               |
|   | 2019           | 19,802.00               | 2.500%           | 6,938.00                | 26,740.00               |
|   | 2020           | 20,485.00               | 2.500%           | 6,446.00                | 26,931.00               |
|   | 2021           | 21,168.00               | 2.500%           | 5,954.00                | 27,122.00               |
|   | 2022           | 21,850.00               | 2.500%           | 5,408.00                | 27,258.00               |
|   | 2023           | 22,533.00               | 2.500%           | 4,862.00                | 27,395.00               |
|   | 2024           | 22,533.00               | 2.500%           | 4,315.00                | 26,848.00               |
|   | 2025           | 23,216.00               | 2.500%           | 3,742.00                | 26,958.00               |
|   | 2026           | 23,899.00               | 2.500%           | 3,168.00                | 27,067.00               |
|   | 2027           | 24,582.00               | 2.500%           | 2,567.00                | 27,149.00               |
|   | 2028           | 25,265.00               | 2.500%           | 1,939.00                | 27,204.00               |
|   | 2029           | 25,947.00               | 2.500%           | 1,311.00                | 27,258.00               |
|   | 2030           | <u>26,631.00</u>        | 2.500%           | <u>658.00</u>           | <u>27,289.00</u>        |
|   |                | <u>\$ 421,987.00</u>    |                  | <u>\$ 120,929.00</u>    | <u>\$ 542,916.00</u>    |
| Total Water and Sewer System<br>Debt Service Requirements |                | <u>\$ 50,172,529.54</u> |                  | <u>\$ 14,221,418.88</u> | <u>\$ 64,393,948.42</u> |

(1) The City of Warren Water and Sewer System is authorized to draw down an amount not to exceed \$3.09 million of Capital Improvement Bonds sold to the Michigan Municipal Bond Authority through the State Revolving Fund Loan Program for CWRF Project #5401-01. The schedule that appears above represents the estimated amortization of principal and interest of those funds eligible for draw down as of December 31, 2009.

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

| Fiscal<br>Year | Population (1) | Number of<br>Households (1) | Income         |                  | Unemployment Rate (3) |                  |                      |
|----------------|----------------|-----------------------------|----------------|------------------|-----------------------|------------------|----------------------|
|                |                |                             | Per Capita (2) | Total            | City of<br>Warren     | Macomb<br>County | State of<br>Michigan |
| 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%               |
| 2010           | 132,079        | 52,460                      | 21,407         | 2,827,415,153    | 16.60%                | 14.40%           | 13.10%               |

**Sources:**

- (1) Southeast Michigan Council of Governments FY 2001 - 2010
- (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<br>(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<br>(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>  | <u>31.84%</u> | <u>22,434</u> | <u>32.43%</u> |
|   | <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,<br>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,<br>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>   | <u>2.87%</u>  | <u>2,358</u>  | <u>3.41%</u>  |
|   | <u>64,188</u>  |               | <u>69,172</u> |               |

EXHIBIT E-17

**CITY OF WARREN, MICHIGAN  
PRINCIPAL EMPLOYERS  
PRIOR YEAR AND TWELVE YEARS AGO**

|                             |                    | Year Ended        |      | Year Ended    |      |
|-----------------------------|--------------------|-------------------|------|---------------|------|
|                             |                    | June 30, 2009 (1) |      | 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   |

(1) Most current data available.

Source:  
City of Warren Mayor's Office

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

Fiscal Year

|   | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010 (1) |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| <b>General government:</b>                      |         |         |         |         |         |         |         |         |         |          |
| <u>37th District Court</u>                      |         |         |         |         |         |         |         |         |         |          |
| Small claims                                    | 1,112   | 1,072   | 1,141   | 1,328   | 1,226   | 1,047   | 970     | 725     | 995     | 1,000    |
| Landlord & tenant                               | 3,386   | 3,234   | 3,568   | 3,873   | 3,998   | 4,144   | 4,327   | 4,890   | 4,596   | 5,000    |
| Parking tickets                                 | 1,298   | 1,345   | 1,630   | 2,189   | 1,622   | 1,448   | 1,521   | 1,518   | 1,083   | 1,100    |
| Traffic misdemeanor & civil                     | 37,367  | 46,205  | 64,352  | 59,961  | 58,565  | 55,744  | 57,163  | 55,606  | 46,623  | 36,000   |
| Non-traffic felony                              | 1,826   | 2,399   | 1,874   | 2,184   | 2,097   | 2,261   | 2,070   | 2,717   | 2,544   | 2,800    |
| Non-traffic misdemeanor                         | 2,110   | 2,834   | 2,294   | 2,330   | 2,149   | 2,194   | 2,393   | 2,449   | 2,355   | 2,000    |
| Traffic OUIL/OWI                                | N/A     | N/A     | 414     | 734     | 691     | 794     | 571     | 656     | 656     | 600      |
| General civil                                   | 3,249   | 4,325   | 4,916   | 4,502   | 4,524   | 4,888   | 5,500   | 6,098   | 6,098   | 6,000    |
| Probation - active cases                        | 1,500   | 1,686   | 1,143   | 1,441   | 1,168   | 1,220   | 1,212   | 1,118   | 1,078   | 1,200    |
| Pre-sentence investigations                     | N/A     | N/A     | 414     | 523     | 460     | 386     | 395     | 368     | 803     | 900      |
| <u>City Clerk</u>                               |         |         |         |         |         |         |         |         |         |          |
| Business licenses                               | 986     | 1,017   | 1,100   | 1,207   | 989     | 920     | 941     | 894     | 853     | 2,000    |
| Public hearings                                 | 61      | 53      | 80      | 76      | 53      | 62      | 69      | 101     | 99      | 250      |
| Changes in voter registrations                  | 22,000  | 20,000  | 23,000  | 29,499  | 23,391  | 38,399  | 42,844  | 54,004  | 62,213  | 74,000   |
| Dog licenses issued                             | 3,800   | 4,500   | 4,000   | 6,833   | 4,794   | 5,233   | 4,967   | 5,427   | 5,502   | 7,000    |
| Garage sale permits                             | 1,424   | 1,053   | 1,500   | 2,177   | 2,167   | 2,365   | 2,541   | 1,952   | 2,707   | 3,500    |
| Death certificates                              | 1,809   | 1,900   | 1,900   | 1,870   | 1,951   | 1,889   | 1,902   | 1,800   | 1,880   | 2,000    |
| Birth certificates                              | 1,659   | 1,700   | 1,900   | 1,368   | 1,162   | 1,273   | 1,388   | 1,350   | 1,344   | 2,000    |
| Lawsuits issued                                 | 55      | 61      | 70      | 34      | 36      | 33      | 34      | 31      | 19      | 200      |
| Contracts signed, catalogued                    | 59      | 70      | 60      | 63      | 52      | 79      | 45      | 68      | 61      | 75       |
| Dog park passes                                 | N/A     | 600     | 600     | 410     | 200     | 270     | 253     | 200     | 537     | 550      |
| Passports issued                                | N/A     | N/A     | N/A     | 334     | 278     | 214     | 349     | 152     | 108     | -        |
| Internet requests processed                     | N/A     | N/A     | N/A     | 1,252   | 1,366   | 1,547   | 1,900   | 5,200   | 2,670   | 5,000    |
| <u>Treasurer</u>                                |         |         |         |         |         |         |         |         |         |          |
| Tax bills processed -                           |         |         |         |         |         |         |         |         |         |          |
| manually  | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 | 136,000 | 148,721 | 148,720 | 146,916 | 147,000  |
| CD ROM  | 80,000  | 80,000  | 83,000  | 83,000  | 83,000  | 82,000  | 76,000  | 76,000  | 59,118  | 65,000   |
| Checks processed                                | 42,800  | 42,800  | 32,400  | 29,900  | 41,400  | 41,400  | 46,680  | 49,005  | 51,669  | 51,000   |
| Water bills processed                           | 215,000 | 215,000 | 540,000 | 518,000 | 518,000 | 518,000 | 528,000 | 528,000 | 522,862 | 523,000  |
| Status changes                                  | 13,000  | 13,000  | 15,000  | 15,000  | 14,000  | 12,000  | 1,813   | 950     | 744     | 750      |
| Personal property                               |         |         |         |         |         |         |         |         |         |          |
| tax collections                                 | 4,000   | 4,000   | 4,000   | 4,000   | 4,000   | 4,000   | 4,101   | 4,101   | 4,140   | 4,100    |
| Delinquent tax accounts                         | 60      | 60      | 72      | 125     | 125     | 210     | 1,426   | 1,426   | 1,533   | 1,550    |
| <u>Assessing</u>                                |         |         |         |         |         |         |         |         |         |          |
| Personal property audits                        | 210     | 210     | 125     | 116     | 316     | 320     | 140     | 152     | 70      | 70       |
| Small claim MTT appeals                         | 20      | 8       | 47      | 19      | 25      | 42      | 65      | 141     | 150     | 150      |
| Full tax tribunal appeals                       | 34      | 14      | 21      | 21      | 25      | 33      | 53      | 44      | 120     | 140      |
| Board of Review appeals                         | 750     | 862     | 807     | 801     | 834     | 864     | 999     | 1,400   | 2,000   | 2,000    |
| Processing of                                   |         |         |         |         |         |         |         |         |         |          |
| homestead affidavits                            | 5,500   | 5,500   | 5,500   | 5,500   | 5,500   | 5,500   | 5,500   | 5,000   | 5,500   | 4,500    |
| Process deeds and transfer affidavits           | 6,700   | 6,700   | 6,700   | 6,700   | 6,700   | 6,700   | 6,700   | 5,600   | 6,700   | 6,500    |
| Reviews transfers to uncap taxable value        | 4,700   | 4,700   | 4,700   | 4,700   | 4,700   | 4,700   | 4,700   | 4,500   | 6,700   | 6,500    |
| Prepare special assessment rolls                | 7       | 30      | 50      | 30      | 30      | 30      | 30      | 30      | 30      | 35       |
| Review / appraise taxable properties            | N/A     | 54,000  | 54,000  | 54,000  | 54,000  | 54,000  | 54,000  | 59,470  | 59,500  | 59,500   |
| Review / appraise exempt properties             | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 1,919   | 2,000   | 2,000    |
| Verify sales & transfers, inspect sold property | 3,600   | 3,600   | 3,600   | 3,600   | 3,600   | 3,500   | 2,450   | 7,238   | 5,800   | 3,000    |
| Inspect and appraise building permit activity   | 2,850   | 2,850   | 2,646   | 2,646   | 2,220   | 2,450   | 2,450   | 2,800   | 2,450   | 2,000    |
| Identify / photograph real property parcels     | 23,000  | 23,000  | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 1,200   | 2,400   | 1,000    |
| Digitally sketch real property parcels          | N/A     | 30,269  | 12,000  | 12,000  | 12,000  | 12,000  | 12,000  | 2,500   | 2,500   | 1,500    |

EXHIBIT E-18 (continued)

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

|  | Fiscal Year |        |        |        |        |        |        |        |        |          |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
|  | 2001        | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010 (1) |
| <b>Public Safety:</b>                        |             |        |        |        |        |        |        |        |        |          |
| <u>Fire Department</u>                       |             |        |        |        |        |        |        |        |        |          |
| Incident responses                           | 10,537      | 10,594 | 10,629 | 10,605 | 11,385 | 11,779 | 12,416 | 12,971 | 12,894 | 13,000   |
| Equipment responses                          | 22,957      | 23,215 | 23,254 | 18,767 | 16,594 | 17,182 | 18,111 | 18,306 | 17,531 | 18,000   |
| Fire training (hours)                        | 14,821      | 8,573  | 671    | 5,177  | 6,144  | 4,173  | 4,316  | 48,976 | 56,403 | 50,000   |
| Medical training (hours)                     | 3,804       | 2,290  | 2,303  | 1,912  | 1,725  | 1,171  | 1,210  | 1,931  | 2,291  | 12,200   |
| <u>Police Department</u>                     |             |        |        |        |        |        |        |        |        |          |
| Calls for police service                     | 76,000      | 76,000 | 76,324 | 90,200 | 90,900 | 88,000 | 89,600 | 81,132 | 78,255 | 89,000   |
| Part I crimes                                | 4,795       | 6,570  | 5,214  | 4,785  | 5,223  | 5,853  | 5,982  | 4,575  | 4,397  | 4,800    |
| Burglary incidents                           | 686         | 772    | 672    | 669    | 829    | 704    | 737    | 851    | 881    | 800      |
| Auto theft incidents                         | 781         | 930    | 1,172  | 1,092  | 1,302  | 1,363  | 906    | 1,211  | 958    | 1,170    |
| Part II Crimes                               | 6,085       | 4,524  | 6,526  | 4,773  | 7,470  | 6,632  | 6,438  | 12,207 | 11,600 | 11,500   |
| Narcotic and drug incidents                  | 1,067       | 1,141  | 950    | 1,229  | 1,242  | 1,430  | 2,009  | 2,947  | 2,478  | 2,500    |
| Traffic citations                            | 35,522      | 40,865 | 44,977 | 49,429 | 48,280 | 45,154 | 46,506 | 30,154 | 25,146 | 35,000   |
| OUIL charges                                 | 583         | 462    | 496    | 478    | 475    | 402    | 432    | 578    | 490    | 495      |
| Traffic accidents                            | 4,954       | 5,200  | 4,800  | 4,153  | 1,192  | 3,713  | 5,500  | 3,354  | 3,389  | 3,800    |
| Juveniles charged                            | 421         | 421    | 395    | 437    | 431    | 250    | 509    | 579    | 169    | 550      |
| Total arrests                                | 6,507       | 6,265  | 6,591  | 7,057  | 6,948  | 7,018  | 7,638  | 10,153 | 6,496  | 9,080    |
| Abandoned autos processed                    | 4,034       | 4,892  | 5,200  | 1,650  | 1,683  | 1,560  | 1,380  | 2,016  | 5,200  | 1,850    |
| Guns registered                              | 1,575       | 2,406  | 1,573  | 2,058  | 3,250  | 2,090  | 3,300  | 1,500  | 2,373  | 1,700    |
| D.A.R.E. graduates                           | 2,472       | 2,382  | 1,800  | 1,895  | 1,800  | 1,651  | 2,000  | 1,700  | 1,800  | 1,850    |
| <u>Animal Control</u>                        |             |        |        |        |        |        |        |        |        |          |
| Calls for service                            | 7,215       | 2,000  | 4,500  | 2,587  | 2,332  | 2,610  | 2,832  | 2,916  | 2,916  | 3,010    |
| Stray animals picked up                      | N/A         | 1,408  | 1,700  | 1,449  | 1,063  | 1,335  | 1,450  | 1,386  | 1,386  | 1,400    |
| Wild animals secured                         | N/A         | 401    | 400    | 448    | 308    | 430    | 486    | 472    | 472    | 450      |
| Dead animals handled                         | N/A         | 234    | 250    | 115    | 303    | 332    | 310    | 346    | 346    | 380      |
| Animals given up by owners                   | N/A         | 768    | 500    | 781    | 992    | 850    | 832    | 798    | 798    | 830      |
| <u>Civil Defense</u>                         |             |        |        |        |        |        |        |        |        |          |
| Responses to disaster or emergency incidents | 35          | 10     | 10     | 20     | 13     | 9      | 9      | 10     | 10     | 9        |
| Functional / full-scale exercise             | 1           | 1      | 1      | 1      | 2      | 3      | 1      | -      | -      | 1        |
| <b>City Development:</b>                     |             |        |        |        |        |        |        |        |        |          |
| <u>Engineering</u>                           |             |        |        |        |        |        |        |        |        |          |
| Service requests processed                   | 1,247       | 900    | 900    | 618    | 422    | 674    | 448    | 516    | 768    | 572      |
| Planning reviews                             | 121         | 112    | 100    | 114    | 141    | 141    | 100    | 94     | 55     | 68       |
| Site plan reviews                            | 300         | 300    | 300    | 206    | 226    | 245    | 356    | 222    | 113    | 102      |
| Projects inspected                           | 100         | 116    | 100    | 106    | 97     | 128    | 125    | 97     | 71     | 60       |
| Sidewalk inspections / repairs               | N/A         | N/A    | N/A    | 5,141  | 2,542  | 2,739  | 3,100  | 2,709  | 3,185  | 1,500    |
| <u>Property Maintenance Inspection</u>       |             |        |        |        |        |        |        |        |        |          |
| Weed enforcement - Vacant parcels            | 1,000       | 1,000  | 1,000  | 1,075  | 1,000  | 850    | 2,200  | 2,323  | 2,485  | 2,500    |
| Complaints investigated                      | 11,100      | 11,100 | 12,298 | 13,279 | 14,000 | 13,500 | 7,244  | 4,862  | 6,422  | 7,000    |
| Complaints entered into tracking system      | N/A         | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | 21,220 | 23,000   |
| Vacant and foreclosed property clean-ups     | N/A         | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | N/A    | 650    | 750      |
| <u>Building Inspections</u>                  |             |        |        |        |        |        |        |        |        |          |
| Service requests                             | 6,482       | 6,482  | 2,787  | 3,889  | 1,984  | N/A    | N/A    | N/A    | N/A    | N/A      |
| Certificates of Occupancy                    | 341         | 171    | 256    | 364    | 326    | 339    | 584    | 279    | 283    | 315      |
| Building permits                             | 5,199       | 2,499  | 2,829  | 2,666  | 2,976  | 3,528  | 2,403  | 2,854  | 2,162  | 2,725    |
| Plumbing permits                             | 1,047       | 1,047  | 1,063  | 1,038  | 961    | 1,066  | 940    | 978    | 1,103  | 1,100    |
| Electrical permits                           | 1,596       | 1,596  | 1,640  | 1,431  | 1,573  | 1,844  | 1,909  | 2,277  | 2,862  | 2,900    |
| Mechanical permits                           | 1,381       | 1,381  | 1,424  | 1,159  | 1,218  | 1,929  | 1,463  | 1,343  | 1,447  | 1,450    |
| Miscellaneous permits                        | 709         | 709    | 651    | 1,124  | 1,504  | 1,884  | 1,584  | 407    | 701    | 725      |
| Building inspections                         | 9,970       | 9,970  | 9,037  | 8,472  | 7,404  | 10,103 | 8,895  | 13,216 | 12,511 | 12,000   |
| Plumbing inspections                         | 3,379       | 3,379  | 2,494  | 2,809  | 2,764  | 2,981  | 3,243  | 5,440  | 7,262  | 7,000    |
| Electrical inspections                       | 5,126       | 5,126  | 5,689  | 5,261  | 4,523  | 4,584  | 4,595  | 7,353  | 12,636 | 12,000   |
| Mechanical inspections                       | 3,751       | 3,751  | 4,937  | 4,471  | 4,422  | 5,644  | 5,263  | 6,784  | 7,774  | 7,400    |
| Zoning inspections                           | 10,482      | 6,430  | 4,204  | 5,889  | 5,681  | 4,940  | 4,813  | 15,657 | 8,679  | 9,200    |
| Plan reviews                                 | N/A         | N/A    | 2,829  | 2,586  | 2,976  | 3,528  | 2,987  | 2,352  | 2,160  | 2,600    |

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

|                                  | Fiscal Year |         |         |         |         |         |         |         |         |          |
|----------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|                                  | 2001        | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010 (1) |
| <b>Recreation and Culture:</b>   |             |         |         |         |         |         |         |         |         |          |
| <u>Library</u>                   |             |         |         |         |         |         |         |         |         |          |
| Annual attendance                | 441,200     | 489,962 | 501,123 | 402,380 | 371,361 | 389,200 | 284,398 | 336,414 | 371,751 | 370,000  |
| Circulation -                    |             |         |         |         |         |         |         |         |         |          |
| annual total                     | 647,610     | 600,661 | 606,019 | 567,201 | 544,590 | 539,164 | 603,725 | 599,451 | 594,626 | 600,000  |
| children's materials             | 153,568     | 144,159 | 121,085 | 121,491 | 117,958 | 121,788 | 182,579 | 237,568 | 264,351 | 240,000  |
| Reference requests               | 53,928      | 61,123  | 71,865  | 67,868  | 71,121  | 73,025  | 62,726  | 72,761  | 78,049  | 77,000   |
| Reserves placed                  | 35,013      | 24,923  | 30,427  | 36,185  | 40,595  | 48,184  | 53,752  | 68,521  | 76,805  | 70,000   |
| Registered borrowers             | 60,000      | 37,871  | 42,585  | 46,072  | 37,386  | 41,997  | 48,265  | 54,834  | 61,284  | 58,000   |
| Materials -                      |             |         |         |         |         |         |         |         |         |          |
| loaned to other libraries        | 37,630      | 35,487  | 45,203  | 69,905  | 57,635  | 62,714  | 53,476  | 72,662  | 74,957  | 74,000   |
| received from other libraries    | 33,473      | 33,601  | 42,031  | 56,119  | 41,340  | 45,426  | 39,239  | 57,642  | 59,173  | 59,000   |
| added to collection              | 34,964      | 18,769  | 20,539  | 26,951  | 24,520  | 16,292  | 26,397  | 25,327  | 25,741  | 26,500   |
| deleted from collection          | 77,617      | 21,053  | 19,650  | 19,600  | 19,331  | 27,215  | 38,081  | 21,004  | 16,389  | 18,000   |
| Home Page hits                   | 151,749     | 202,665 | 194,268 | 192,889 | 201,309 | 222,454 | 231,573 | 287,079 | 302,691 | 300,000  |
| <u>Recreation</u>                |             |         |         |         |         |         |         |         |         |          |
| Pavilion rentals                 | 503         | 489     | 472     | 475     | 475     | 438     | 460     | 418     | 418     | 480      |
| Bus transportation               | 35,600      | 25,500  | 48,650  | 52,000  | 28,300  | 28,500  | 28,550  | 28,972  | 25,390  | 27,000   |
| Adult & youth sports -           |             |         |         |         |         |         |         |         |         |          |
| registrants                      | 6,080       | 6,896   | 6,550   | 6,510   | 5,800   | 6,500   | 6,400   | 7,000   | 6,700   | 6,800    |
| participants                     | 106,200     | 107,244 | 106,552 | 106,200 | 102,575 | 101,204 | 105,500 | 106,000 | 106,000 | 105,500  |
| Senior programs                  | 36,600      | 34,104  | 36,200  | 36,500  | 51,204  | 52,000  | 52,450  | 90,247  | 85,000  | 86,500   |
| Senior sports programs           | 18,200      | 27,870  | 26,200  | 25,000  | 22,000  | 23,000  | 22,400  | 23,000  | 22,400  | 23,000   |
| Trees removed                    | 820         | 492     | 452     | 950     | 1,076   | 800     | 1,000   | 1,131   | 500     | 500      |
| Trees trimmed                    | 4,311       | 4,351   | 4,100   | 4,000   | 4,000   | 4,000   | 3,000   | 7,788   | 1,000   | 626      |
| Pool attendance                  | 86,938      | 77,900  | 109,331 | 239,704 | 301,505 | 300,000 | 301,000 | 325,000 | 302,000 | 304,000  |
| Yearly pass registrations        | 400         | 300     | 1,000   | 3,700   | 3,923   | 4,200   | 4,800   | 5,200   | 4,500   | 4,700    |
| <b>Sanitation</b>                |             |         |         |         |         |         |         |         |         |          |
| Collections points (per week)    | 49,500      | 50,000  | 55,000  | 56,000  | 56,000  | 56,000  | 56,000  | 56,000  | 56,000  | 56,000   |
| Curbside collection (tons) -     |             |         |         |         |         |         |         |         |         |          |
| Refuse land filled               | 50,944      | 49,385  | 51,866  | 51,537  | 47,626  | 51,780  | 48,695  | 48,695  | 45,082  | 50,000   |
| Curbside recycling               | 6,244       | 6,081   | 6,069   | 5,726   | 4,977   | 3,633   | 4,236   | 4,236   | 4,646   | 5,000    |
| Curbside compost                 | 15,654      | 14,991  | 16,283  | 16,613  | 14,891  | 16,123  | 14,559  | 14,559  | 15,228  | 16,000   |
| Drop-off center -                |             |         |         |         |         |         |         |         |         |          |
| Car batteries (each)             | 1,151       | 1,252   | 1,566   | 1,219   | 935     | 935     | 583     | 583     | 459     | 500      |
| Non-ferrous metal (tons)         | 9           | 7       | 12      | 7       | 133     | 128     | 1       | 1       | 2       | 3        |
| Concrete (tons)                  | 499         | 513     | 591     | 559     | 398     | 385     | 242     | 242     | 245     | 250      |
| Motor oil (gallons)              | 13,550      | 12,600  | 18,450  | 13,325  | 11,075  | 11,950  | 9,250   | 9,250   | 10,000  | 11,000   |
| Collected / dropped off (tons) - |             |         |         |         |         |         |         |         |         |          |
| Cardboard                        | 100         | 118     | 175     | 138     | 124     | 147     | 129     | 129     | 98      | 100      |
| White goods / scrap metal        | 922         | 1,149   | 896     | 542     | 370     | 284     | 232     | 232     | 177     | 200      |
| <b>Senior Citizen Housing:</b>   |             |         |         |         |         |         |         |         |         |          |
| <u>Stilwell Manor</u>            |             |         |         |         |         |         |         |         |         |          |
| Carpet replacements              | 7           | 8       | 4       | 7       | 9       | 6       | 9       | 15      | 19      | 20       |
| Linoleum replacements            | 12          | 13      | 12      | 7       | 14      | 9       | 7       | 10      | 10      | 10       |
| Stove replacements               | N/A         | N/A     | N/A     | N/A     | 4       | 25      | 9       | 9       | 15      | 25       |
| Apartments painted               | 20          | 19      | 17      | 18      | 28      | 9       | 18      | 12      | 25      | 26       |
| Air conditioner replacements     | N/A         | N/A     | 16      | 18      | 18      | 10      | 6       | 8       | 10      | 15       |
| Maintenance work orders          | 1,021       | 625     | 666     | 789     | 532     | 682     | 545     | 520     | 530     | 650      |
| <u>Jos. Coach Manor</u>          |             |         |         |         |         |         |         |         |         |          |
| Carpet replacements              | 13          | 3       | 4       | 6       | 15      | 12      | 13      | 42      | 36      | 48       |
| Linoleum replacements            | 16          | 10      | 8       | 8       | 18      | 13      | 17      | 32      | 13      | 15       |
| Hot water tank replacements      | 45          | 114     | N/A     | N/A     | 2       | -       | -       | 2       | 6       | 10       |
| Apartments painted               | 37          | 25      | 24      | 36      | 48      | 27      | 32      | 28      | 42      | 48       |
| Countertop replacements          | 5           | 6       | 1       | 1       | 8       | 8       | 9       | 7       | 18      | 12       |
| Maintenance work orders          | 1,099       | 1,067   | 1,054   | 1,271   | 1,223   | 1,203   | 1,247   | 1,182   | 1,300   | 1,200    |

EXHIBIT E-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    |
| <b>Water and Sewer System (2)</b>                    |             |           |           |           |         |           |         |           |         |         |
| <u>Water Department:</u>                             |             |           |           |           |         |           |         |           |         |         |
| Water utility accounts                               | 49,280      | 49,339    | 49,359    | 49,546    | 49,768  | 49,948    | 50,122  | 50,248    | 50,205  | 50,226  |
| Sewer utility accounts                               | 49,010      | 49,064    | 49,079    | 49,198    | 49,269  | 49,319    | 49,370  | 49,614    | 49,110  | 49,089  |
| Second meter accounts                                | N/A         | N/A       | N/A       | 63        | 173     | 256       | 384     | 457       | 506     | 555     |
| Water sold (thousand cu. ft.)                        | 956,085     | 969,120   | 1,025,088 | 950,539   | 844,666 | 930,433   | 839,755 | 883,463   | 759,993 | 713,369 |
| Water purchased                                      | 1,061,407   | 1,066,307 | 1,144,504 | 1,081,053 | 941,846 | 1,035,761 | 932,468 | 1,014,748 | 851,937 | 794,608 |
| Broken water main repairs                            | 318         | 288       | 399       | 393       | 267     | 311       | 238     | 344       | 186     | 214     |
| Sewer jetting (in footage)                           | 396,567     | 417,432   | 289,125   | 148,660   | 276,869 | 197,240   | 257,313 | 129,050   | 14,167  | 232,072 |
| <u>Waste Water Treatment Plant:</u>                  |             |           |           |           |         |           |         |           |         |         |
| Sewage treated<br>(billions of gallons)              | 8.7         | 7.9       | 7.2       | 7.9       | 8.4     | 8.0       | 9.0     | 7.6       | 8.4     | 8.3     |
| Sludge solids removed<br>(thousands of tons)         | 23.5        | 23.3      | 26.4      | 30.8      | 31.2    | 32.1      | 31.4    | 33.3      | 29.8    | 29.7    |
| Power consumption<br>(millions of kilowatt hours)    | 18.5        | 15.1      | 14.2      | 13.4      | 14.6    | 16.5      | 23.4    | 23.9      | 26.8    | 14.9    |
| Natural gas for incinerator<br>(millions of cu. ft.) | 74          | 73        | 77        | 80        | 31      | 78        | 82      | 89        | 82      | 88      |
| Laboratory samples taken                             | 6,956       | 6,914     | 6,760     | 6,773     | 6,788   | 6,743     | 6,556   | 6,634     | 6,308   | 6,499   |
| Analytical lab tests run                             | 46,448      | 47,637    | 47,624    | 45,685    | 45,751  | 44,608    | 45,863  | 45,847    | 45,680  | 38,140  |
| Dye tests performed to locate<br>illicit connections | 50          | 50        | 50        | 50        | 50      | 20        | 200     | 50        | 50      | 20      |
| Storm water samples collected                        | 457         | 582       | 202       | 804       | 386     | 457       | 275     | 20        | 50      | 315     |
| Illicit discharges identified                        | 6           | 11        | 13        | 10        | 7       | 17        | 24      | 15        | 46      | 152     |
| Illicit discharges removed                           | 4           | 7         | 10        | 14        | 9       | 50        | 14      | 20        | 7       | 139     |

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

- (1) Fiscal year 2010 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<br>Year | Residential<br>One-Family | Residential<br>Multiple Family | Commercial<br>Development | Industrial<br>Development | Total (1)      |
|----------------|---------------------------|--------------------------------|---------------------------|---------------------------|----------------|
| 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     |
| 2010           | 1,245,000                 | -                              | 4,015,000                 | -                         | 5,260,000      |

(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**

|                                | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <u>General government:</u>     |            |            |            |            |            |            |            |            |            |            |
| Council                        | 14         | 14         | 14         | 14         | 13         | 13         | 13         | 13         | 13         | 13         |
| 37th District Court            | 49         | 50         | 49         | 50         | 50         | 50         | 50         | 49         | 49         | 49         |
| Mayor                          | 7          | 7          | 7          | 7          | 7          | 7          | 7          | 7          | 7          | 7          |
| Clerk                          | 11         | 11         | 11         | 11         | 10         | 8          | 9          | 9          | 9          | 9          |
| Treasurer                      | 15         | 15         | 15         | 15         | 13         | 12         | 12         | 12         | 12         | 11         |
| Controller                     | 20         | 20         | 20         | 20         | 19         | 19         | 19         | 19         | 19         | 18         |
| Information Systems            | 4          | 4          | 4          | 4          | 4          | 3          | 3          | 3          | 3          | 3          |
| Legal                          | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         | 11         |
| Assessing                      | 13         | 13         | 13         | 13         | 12         | 12         | 12         | 12         | 12         | 12         |
| Labor Relations                | 3          | 3          | 3          | 3          | 1          | 1          | 1          | 1          | 2          | 2          |
| Personnel                      | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 6          |
| D.P.W. Garage                  | 10         | 10         | 10         | 10         | 8          | 8          | 8          | 8          | 8          | 7          |
| Building Maintenance           | 18         | 18         | 18         | 18         | 16         | 15         | 15         | 15         | 15         | 9          |
| 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>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>160</u> |
| <u>Public safety:</u>          |            |            |            |            |            |            |            |            |            |            |
| Fire Department                | 179        | 179        | 179        | 179        | 139        | 148        | 148        | 148        | 147        | 121        |
| Police Department              | 286        | 290        | 290        | 290        | 281        | 278        | 274        | 276        | 275        | 270        |
| 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>472</u> | <u>472</u> | <u>472</u> | <u>423</u> | <u>429</u> | <u>425</u> | <u>427</u> | <u>425</u> | <u>394</u> |
| <u>City Development:</u>       |            |            |            |            |            |            |            |            |            |            |
| Public Service Director        | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 3          | 3          |
| Engineering                    | 17         | 17         | 17         | 17         | 9          | 8          | 8          | 8          | 8          | 7          |
| Property Maintenance           | 6          | 6          | 6          | 6          | 3          | 3          | 3          | 3          | 4          | 1          |
| Building Inspections           | 20         | 20         | 20         | 20         | 18         | 17         | 17         | 17         | 17         | 18         |
| Planning                       | 7          | 7          | 7          | 7          | 5          | 4          | 5          | 5          | 5          | 5          |
| Rental Ordinance               | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 3          | 3          |
|                                | <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>37</u>  |
| <u>Highways and Streets</u>    | <u>41</u>  | <u>41</u>  | <u>41</u>  | <u>41</u>  | <u>41</u>  | <u>41</u>  | <u>35</u>  | <u>35</u>  | <u>35</u>  | <u>30</u>  |
| <u>Recreation and Culture:</u> |            |            |            |            |            |            |            |            |            |            |
| Library                        | 23         | 22         | 22         | 22         | 16         | 16         | 16         | 16         | 16         | 16         |
| Recreation                     | 21         | 20         | 20         | 20         | 20         | 20         | 20         | 20         | 20         | 20         |
| Communications                 | 4          | 6          | 6          | 7          | 6          | 6          | 6          | 6          | 6          | 5          |
|                                | <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>41</u>  |
| <u>Sanitation</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>29</u>  |
| <u>Economic Development:</u>   |            |            |            |            |            |            |            |            |            |            |
| D.D.A.                         | -          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| <u>Community Development:</u>  |            |            |            |            |            |            |            |            |            |            |
| C.D.B.G.                       | 3          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 3          | 3          |
| <u>Senior Housing</u>          | <u>5</u>   | <u>6</u>   | <u>6</u>   | <u>5</u>   |
| <u>Water and Sewer System</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>95</u>  | <u>87</u>  |
| Total full-time city employees | <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>857</u> | <u>787</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-04-MC-26-0016  
B-05-MC-26-0016  
B-06-MC-26-0016  
B-07-MC-26-0016  
B-08-MC-26-0016  
B-09-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  
M-09-MC-26-0216

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

Account Number – MIH06F002  
MIH07F002  
MIH08F002  
MIH09F002

#### **Neighborhood Stabilization Program**

Account Number – B-08-MN-26-0014

#### **Community Development Block Grant – Recovery**

Account Number – B-09-MY-26-0016

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

Account Numbers - SCAO 2008-038  
- SCAO 2009-054  
- 2007-DJ-BX-0569  
- 2009-DJ-BX-0167  
- 2009-SB-B90563

#### **Institute of Library & Museum Services**

#### **Energy Efficiency and Conservation Block Grant**

#### **Substance Abuse Grant**

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

#### **Assistance to Firefighters Grant**

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

## EXHIBIT F-1

## CITY OF WARREN, MICHIGAN

## SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

| Federal Agency/Program                               | CFDA<br>Number | Award<br>Number | Award<br>Amount | Funds<br>Received/<br>Invoiced | Expenditures     |
|--|----------------|-----------------|-----------------|--------------------------------|------------------|
| Department of Housing and<br>Urban Development:      |                |                 |                 |                                |                  |
| Community Development<br>Block Grant:                |                |                 |                 |                                |                  |
|  | 14.218         |                 |                 |                                |                  |
| 2004-2005  |                | B-04-MC-26-0016 | \$ 979,839      | \$ 7,058                       | \$ 7,058         |
| 2005-2006  |                | B-05-MC-26-0016 | 1,182,789       | 59,447                         | 59,447           |
| 2006-2007  |                | B-06-MC-26-0016 | 1,065,623       | 100,606                        | 100,606          |
| 2007-2008  |                | B-07-MC-26-0016 | 804,261         | 2,196                          | 2,196            |
| 2008-2009  |                | B-08-MC-26-0016 | 947,514         | 215,488                        | 215,488          |
| 2009-2010  |                | B-09-MC-26-0016 | 905,679         | 597,509                        | <u>597,509</u>   |
| Total Program  |                |                 |                 |                                | <u>982,304</u>   |
| HOME Investment<br>Partnership Program:              |                |                 |                 |                                |                  |
|  | 14.239         |                 |                 |                                |                  |
| 2002-2003  |                | M-02-MC-26-0216 | 702,361         | 190,609                        | 190,609          |
| 2003-2004  |                | M-03-MC-26-0216 | 425,642         | 164,626                        | 164,626          |
| 2004-2005  |                | M-04-MC-26-0216 | 289,050         | 6,450                          | 6,450            |
| 2005-2006  |                | M-05-MC-26-0216 | 191,152         | -                              | -                |
| 2006-2007  |                | M-06-MC-26-0216 | 371,553         | 26,949                         | 26,949           |
| 2007-2008  |                | M-07-MC-26-0216 | 741,499         | 232,540                        | 232,540          |
| 2008-2009  |                | M-08-MC-26-0216 | 341,897         | 100,000                        | 100,000          |
| 2009-2010  |                | M-09-MC-26-0216 | 407,488         | 109,025                        | <u>109,025</u>   |
| Total Program  |                |                 |                 |                                | <u>830,199</u>   |
| Housing Opportunities<br>for Persons with AIDS:      |                |                 |                 |                                |                  |
|  | 14.241         |                 |                 |                                |                  |
| 2007-2008  |                | MIH07F002       | 436,000         | 105,191                        | 105,191          |
| 2008-2009  |                | MIH08F002       | 433,057         | 106,105                        | 106,105          |
| 2009-2010  |                | MIH09F002       | 478,428         | 172,836                        | <u>172,836</u>   |
| Total Program  |                |                 |                 |                                | <u>384,132</u>   |
| Neighborhood Stabilization<br>Program:               |                |                 |                 |                                |                  |
|  | 14.218         |                 |                 |                                |                  |
| 2008-2009  |                | B-08-MN-26-0014 | 5,829,477       | 484,198                        | <u>484,298</u>   |
| ARRA - Community<br>Development Block Grant:         |                |                 |                 |                                |                  |
|  | 14.253         |                 |                 |                                |                  |
| 2009-2010  |                | B-09-MY-26-0016 | 229,180         | 147,568                        | <u>147,568</u>   |
| Total Department of Housing<br>and Urban Development |                |                 |                 |                                | <u>2,828,501</u> |

| <u>Federal Agency/Program</u>   | <u>CFDA<br/>Number</u> | <u>Award<br/>Number</u> | <u>Award<br/>Amount</u> | <u>Funds<br/>Received/<br/>Invoiced</u> | <u>Expenditures</u> |
|---|------------------------|-------------------------|-------------------------|---|---------------------|
| Department of Justice:  |                        |                         |                         |   |                     |
| Edward Byrne Memorial<br>Justice Assistance Program<br>Pass through State of Michigan | 16.738                 |                         |                         |   |                     |
| 2008-2009   |                        | SCAO-2009-054           | \$ 200,000              | \$ 48,672                               | \$ 48,672           |
| 2009-2010   |                        | SCAO-2010-085           | 190,000                 | 37,123                                  | 37,123              |
| Pass through Macomb County  |                        |                         |                         |   |                     |
| 2007  |                        | 2007-DJ-BX-0569         | 91,695                  | 91,695                                  | 91,695              |
| 2009  |                        | 2009-DJ-BX-0167         | 97,911                  | 32,941                                  | 32,941              |
| ARRA - 2009   |                        | 2009-SB-B90563          | 414,783                 | 414,783                                 | <u>414,783</u>      |
| Total U.S. Department<br>of Justice   |                        |                         |                         |   | <u>625,214</u>      |
| National Endowment for<br>the Humanities:   |                        |                         |                         |   |                     |
| Institute of Library and<br>Museum Services   | 45.312                 | CI-00090019-09          | 119,000                 | 119,000                                 | <u>119,000</u>      |
| Department of Energy:   |                        |                         |                         |   |                     |
| ARRA - Energy Efficiency and<br>Conservation Block Grant                              | 81.128                 | DE-SC0002393            | 1,358,600               | 96,643                                  | <u>96,643</u>       |
| Department of Health and<br>Human Services:   |                        |                         |                         |   |                     |
| Substance Abuse Grant   | 93.243                 | 1H79T1021542-01         | 300,000                 | 183,118                                 | <u>183,118</u>      |
| Department of Homeland Security:  |                        |                         |                         |   |                     |
| Emergency Management<br>Performance   | 97.042                 | 2010                    | 62,786                  | 62,786                                  | 62,786              |
| Assistance to Firefighters  | 97.044                 | EMW-2008-FR-00159       | 146,995                 | 146,995                                 | 146,995             |
| Metropolitan Medical<br>Response System   | 97.067                 | GET50014                | 220,764                 | 30,013                                  | <u>30,013</u>       |
| Total Department of<br>Homeland Security  |                        |                         |                         |   | <u>239,794</u>      |
| Total Federal Awards  |                        |                         |                         |   | <u>\$ 4,092,270</u> |

CITY OF WARREN, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2010

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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

CITY OF WARREN, MICHIGAN  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2010

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

**Federal Awards**

Internal control over major program(s):

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes        X   No

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster           |
|-------------|--|
|             | CDBG Entitlement Grants Cluster:             |
| 14.218      | Community Development Block Grant            |
| 14.218      | Neighborhood Stabilization Program           |
| 14.239      | Home Investment Partnership Program          |
| 14.241      | Housing Opportunities for Persons with AIDS  |
| 16.738      | ARRA – Edward Byrne Justice Assistance Grant |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes      \_\_\_\_\_ No

EXHIBIT F-2

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, 2010

|  |                 |
|--|-----------------|
| 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        | ( 973,253)      |
| 2004/05 program year funds available from HUD              | <u>\$ 6,586</u> |
| Total 2004/05 program year funds drawn down by recipient   | \$ 973,253      |
| Add: Program income allocated to 2004/05 program year      | <u>414,599</u>  |
| Total 2004/05 program year funds received                  | 1,387,852       |
| Less: Funds applied to 2004/05 program year costs          | ( 1,387,852)    |
| 2004/05 program year funds held by recipient               | <u>\$ -</u>     |
| Total 2004/05 program year funds available for disposition | <u>\$ 6,586</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, 2010

| <u>Program Activity and Related Costs</u> | Expenditures<br>7-1-09 to<br>6-30-10 | Authorized<br>Costs | Cumulative<br>Expenditures<br>7-1-04 thru<br>6-30-10 | Questioned<br>Costs |
|---|--------------------------------------|---------------------|--|---------------------|
| Housing Rehabilitation                    | \$ -                                 | \$ 415,599 (1)      | \$ 415,599   | \$ -                |
| Rehabilitation Delivery                   | -                                    | 100,000             | 100,000  | -                   |
| Administrative Costs                      | -                                    | 195,600             | 195,600  | -                   |
| Planning Study                            | 7,058                                | 15,000              | 8,414  | -                   |
| 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>\$ 7,058</u>                      | <u>\$ 1,394,438</u> | <u>\$ 1,387,852</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 F-4

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, 2010

|  |              |
|--|--------------|
| 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                                       | ( 143,349)   |
| Total 2005/06 program year adjusted resources              | \$ 1,182,789 |
| Less: 2005/06 program year funds drawn by recipient        | ( 1,182,500) |
| 2005/06 program year funds available from HUD              | \$ 289       |
| <br>   |              |
| Total 2005/06 program year funds drawn down by recipient   | \$ 1,182,500 |
| Add: Program income allocated to 2005/06 program year      | 468,017      |
| Total 2005/06 program year funds received                  | 1,650,517    |
| Less: Funds applied to 2005/06 program year costs          | ( 1,650,517) |
| 2005/06 program year funds held by recipient               | \$ -         |
| <br>   |              |
| Total 2005/06 program year funds available for disposition | \$ 289       |

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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-05 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Housing Rehabilitation                    | \$ 59,447                                     | \$ 518,736 (1)              | \$ 518,736   | \$ -                        |
| 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>\$ 59,447</u>                              | <u>\$1,650,806</u>          | <u>\$ 1,650,517</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 F-6**

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, 2010

|  |                     |
|--|---------------------|
| 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             |
| 2008/09 program year                                       | 15,000              |
| 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              | \$ 1,065,623        |
| Less: 2006/07 program year funds drawn by recipient        | <u>( 1,021,155)</u> |
| 2006/07 program year funds available from HUD              | <u>\$ 44,468</u>    |
| <br>   |                     |
| Total 2006/07 program year funds drawn down by recipient   | \$ 1,021,155        |
| Add: Program income allocated to 2006/07 program year      | <u>335,214</u>      |
| Total 2006/07 program year funds received                  | 1,356,369           |
| Less: Funds applied to 2006/07 program year costs          | <u>( 1,356,369)</u> |
| 2006/07 program year funds held by recipient               | <u>\$ -</u>         |
| <br>   |                     |
| Total 2006/07 program year funds available for disposition | <u>\$ 44,468</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-06 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Housing Rehabilitation                    | \$ 100,106                                    | \$ 414,803 (1)              | \$ 370,559   | \$ -                        |
| Rehabilitation Delivery                   | -   | 175,000                     | 175,000  | -                           |
| Administrative Costs                      | -   | 242,108 (2)                 | 242,108  | -                           |
| Public Improvements:                      |   |                             |  |                             |
| Sidewalk Replacement                      | -   | 331,438 (3)                 | 331,438  | -                           |
| Contractual Services:                     |   |                             |  |                             |
| CHORE Service                             | -   | 26,517 (4)                  | 26,517   | -                           |
| Code Enforcement – Housing Ordinance      | -   | 106,997 (5)                 | 106,997  | -                           |
| Code Enforcement – Rental Ordinance       | -   | 40,000                      | 40,000   | -                           |
| Housing Support Services                  | 500   | 13,975                      | 13,750   | -                           |
| Homeless Shelter                          | -   | 30,000                      | 30,000   | -                           |
| Homeless Prevention                       | -   | 15,000                      | 15,000   | -                           |
| Child Advocacy                            | -   | 5,000                       | 5,000  | -                           |
| Contingency and Local Option              | -   | - (6)                       | -  | -                           |
|   | <u>\$ 100,606</u>                             | <u>\$ 1,400,837</u>         | <u>\$ 1,356,369</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 \$35,239 from less program income earned than budgeted (original budgeted estimate for program income was \$100,000).
- (3) "Sidewalk Replacement" was increased by reprogramming \$113,882 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.
  - \$ 15,000 from "Housing Rehabilitation" in the 2008/09 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.
- (2) "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.
- (3) "Code Enforcement – Housing Ordinance" was decreased by reprogramming \$3,003 to "Street Improvements" in the 2008/09 program year.
- (4) "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 F-8

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, 2010

|  |                   |
|--|-------------------|
| 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        | ( 660,010)        |
| 2007/08 program year funds available from HUD              | <u>\$ 144,251</u> |
| <br>   |                   |
| Total 2007/08 program year funds drawn down by recipient   | \$ 660,010        |
| Add: Program income allocated to 2007/08 program year      | <u>104,317</u>    |
| Total 2007/08 program year funds received                  | 764,327           |
| Less: Funds applied to 2007/08 program year costs          | ( 764,327)        |
| 2007/08 program year funds held by recipient               | <u>\$ -</u>       |
| <br>   |                   |
| Total 2007/08 program year funds available for disposition | <u>\$ 144,251</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-07 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Housing Rehabilitation                    | \$ -  | \$ 225,105 (1)              | \$ 83,454  | \$ -                        |
| Rehabilitation Delivery                   | -   | 175,000                     | 175,000  | -                           |
| Administrative Costs                      | -   | 176,363 (2)                 | 176,363  | -                           |
| Public Improvements:                      |   |                             |  |                             |
| Sidewalk Replacement                      | -   | 86,868 (9)                  | 86,868   | -                           |
| Contractual Services:                     |   |                             |  |                             |
| Abandoned buildings                       | 1,446   | 20,000 (3)                  | 20,000   | -                           |
| CHORE Service                             | -   | 27,148 (4)                  | 27,148   | -                           |
| Code Enforcement – Housing Ordinance      | -   | 90,419 (8)                  | 90,419   | -                           |
| Code Enforcement – Rental Ordinance       | -   | 40,000                      | 40,000   | -                           |
| Housing Support Services                  | -   | 9,675                       | 9,575  | -                           |
| Homeless Shelter                          | -   | 24,000                      | 24,000   | -                           |
| Homeless Prevention                       | -   | 25,000 (5)                  | 25,000   | -                           |
| Child Advocacy                            | -   | 4,000                       | 4,000  | -                           |
| Homebuyer preparation                     | 750   | 5,000 (6)                   | 2,500  | -                           |
| Contingency and Local Option              | -   | - (7)                       | -  | -                           |
|   | <u>\$ 2,196</u>                               | <u>\$ 908,578</u>           | <u>\$ 764,327</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.
- (5) "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.
- (6) "Code Enforcement – Housing Ordinance" was decreased by reprogramming \$19,581 to "Street Improvements" in the 2008/09 program year.
- (7) "Sidewalk Replacement" was decreased by reprogramming \$83,132 to "Street Improvements" in the 2008/09 program year.

See accompanying notes to financial statements.

**EXHIBIT F-10**

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, 2010

|  |                   |
|--|-------------------|
| 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                                       | 112,547           |
| Less: Unobligated funds reprogrammed to:                   |                   |
| 2006/07 program year                                       | ( 15,000)         |
| 2009/10 program year                                       | <u>( 55,194)</u>  |
| Total 2008/09 program year adjusted resources              | \$ 947,514        |
| Less: 2008/09 program year funds drawn by recipient        | <u>( 560,450)</u> |
| 2008/09 program year funds available from HUD              | <u>\$ 387,064</u> |
| <br>   |                   |
| Total 2008/09 program year funds drawn down by recipient   | \$ 560,450        |
| Add: Program income allocated to 2008/09 program year      | <u>88,812</u>     |
| Total 2008/09 program year funds received                  | 649,262           |
| Less: Funds applied to 2008/09 program year costs          | <u>( 649,262)</u> |
| 2008/09 program year funds held by recipient               | <u>\$ -</u>       |
| <br>   |                   |
| Total 2008/09 program year funds available for disposition | <u>\$ 387,064</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-08 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Housing Rehabilitation                    | \$ 48,586                                     | \$ 339,614 (1)              | \$ 71,049  | \$ -                        |
| Rehabilitation Delivery                   | 49,434  | 140,000                     | 140,000  | -                           |
| Administrative Costs                      | 45,674  | 186,263 (2)                 | 186,262  | -                           |
| Public Improvements:                      |   |                             |  |                             |
| Street Improvements                       | 33,191  | 55,375 (3)                  | 33,191   | -                           |
| Contractual Services:                     |   |                             |  |                             |
| Abandoned buildings                       | 554   | 22,574 (4)                  | 554  | -                           |
| CHORE Service                             | 19,903  | 35,000                      | 29,029   | -                           |
| Code Enforcement – Housing Ordinance      | 55,751  | 150,000                     | 91,177   | -                           |
| Code Enforcement – Rental Ordinance       | -   | 40,000                      | 40,000   | -                           |
| Housing Support Services                  | 10,000  | 11,500 (5)                  | 10,000   | -                           |
| Homeless Shelter                          | -   | 24,000                      | 24,000   | -                           |
| Homeless Prevention                       | 10,742  | 20,000                      | 20,000   | -                           |
| Child Advocacy                            | -   | 4,000                       | 4,000  | -                           |
| Homebuyer preparation                     | -   | 8,000                       | -  | -                           |
| Contingency and Local Option              | -   | - (6)                       | -  | -                           |
|   | <u>\$ 273,835</u>                             | <u>\$ 1,036,326</u>         | <u>\$ 649,262</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 \$96,000). 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.  
  "Housing Rehabilitation" was decreased by reprogramming \$15,000 to "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.  
  "Street Improvements" was decreased by reprogramming \$55,194 to "Street Improvements" in the 2009/10 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.
- (4) "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 F-12

CITY OF WARREN, MICHIGAN  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
PROGRAM YEAR 2009/10 – C.D.B.G. No. B-09-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2009 through June 30, 2010

|   |                   |
|---|-------------------|
| Total 2009/10 program year funds allocated to recipient           | \$ 850,485        |
| Add: Unobligated funds reprogrammed from:<br>2008/09 program year | 70,194            |
| Less: Unobligated funds reprogrammed to:<br>2006/07 program year  | <u>( 15,000)</u>  |
| Total 2009/10 program year adjusted resources                     | \$ 905,679        |
| Less: 2009/10 program year funds drawn by recipient               | <u>( 597,509)</u> |
| 2009/10 program year funds available from HUD                     | <u>\$ 308,170</u> |
| <br>  |                   |
| Total 2009/10 program year funds drawn down by recipient          | \$ 597,509        |
| Add: Program income allocated to 2009/10 program year             | <u>83,442</u>     |
| Total 2009/10 program year funds received                         | 680,951           |
| Less: Funds applied to 2009/10 program year costs                 | <u>( 678,178)</u> |
| 2009/10 program year funds held by recipient                      | <u>\$ 2,773</u>   |
| <br>  |                   |
| Total 2009/10 program year funds available for disposition        | <u>\$ 310,943</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
 PROGRAM YEAR 2009/10 – C.D.B.G. No. B-09-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2009 through June 30, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-09 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Housing Rehabilitation                    | \$ 73,088                                     | \$ 82,754 (1)               | \$ 73,088  | \$ -                        |
| Rehabilitation Delivery                   | 124,407                                       | 185,000                     | 124,407  | -                           |
| Administrative Costs                      | 159,556                                       | 186,788 (2)                 | 159,556  | -                           |
| Public Improvements:                      |   |                             |  |                             |
| Street Improvements                       | 162,568                                       | 176,508 (3)                 | 162,568  | -                           |
| Contractual Services:                     |   |                             |  |                             |
| CHORE Service                             | 4,759   | 51,000                      | 4,759  | -                           |
| Code Enforcement – Housing Ordinance      | 53,215  | 105,000                     | 53,215   | -                           |
| Code Enforcement – Rental Ordinance       | 40,000  | 100,000                     | 40,000   | -                           |
| Housing Support Services                  | 5,000   | 11,500                      | 5,000  | -                           |
| Homeless Shelter                          | 31,430  | 40,000                      | 31,430   | -                           |
| Homeless Prevention                       | 24,155  | 30,000                      | 24,155   | -                           |
| Contingency and Local Option              | <u>-</u>                                      | <u>20,571 (4)</u>           | <u>-</u>   | <u>-</u>                    |
|   | <u>\$ 678,178</u>                             | <u>\$ 989,121</u>           | <u>\$ 678,178</u>  | <u>\$ -</u>                 |

- (1) Original "Housing Rehabilitation" allocation of \$97,000 was decreased by \$29,246 from less program income earned than budgeted (original budgeted estimate for program income was \$96,000) and was increased by \$15,000 from an action plan correction from the previous year.
- (2) Original "Administrative Costs" allocation of \$194,100 was decreased by \$7,312 from less program income earned than budgeted (original budgeted estimate for program income was \$24,000).
- (3) "Street Improvements" was increased by reprogramming \$55,194 from "Street Improvements" in the 2008/09 program year.
- (4) "Contingency and Local Option" was decreased by \$51 from an action plan correction from the previous year.

See accompanying notes to financial statements.

**EXHIBIT F-14**

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2008 through June 30, 2010

|  |                   |
|--|-------------------|
| Total 2008/09 program year funds allocated to recipient    | \$ 229,180        |
| Less: 2008/09 program year funds drawn by recipient        | <u>( 147,568)</u> |
| 2008/09 program year funds available from HUD              | <u>\$ 81,612</u>  |
| <br>   |                   |
| Total 2008/09 program year funds drawn down by recipient   | \$ 147,568        |
| Add: Program income  | -                 |
| Less: Funds applied to 2008/09 program year costs          | <u>( 147,568)</u> |
| 2008/09 program year funds held by recipient               | <u>\$ -</u>       |
| <br>   |                   |
| Total 2007/08 program year funds available for disposition | <u>\$ 81,612</u>  |

See accompanying notes to financial statements.

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

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2008 through June 30, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-08 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Street Improvements                       | \$ 147,043                                    | \$ 206,262                  | \$ 147,043   | \$ -                        |
| Administrative Costs                      | <u>525</u>                                    | <u>22,918</u>               | <u>525</u>   | <u>-</u>                    |
|   | <u>\$ 147,568</u>                             | <u>\$ 229,180</u>           | <u>\$ 147,568</u>  | <u>\$ -</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 SOURCE AND STATUS OF FUNDS

For the Period July 1, 2002 through June 30, 2010

|  |                     |
|--|---------------------|
| 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                            | <u>( 702,361)</u>   |
| 2002/03 program year funds available from HUD                                  | <u>\$ -</u>         |
| <br>   |                     |
| Total 2002/03 program year funds drawn down by recipient                       | \$ 702,361          |
| Add: Program Income  | 829,461             |
| Local matching contributions received and<br>allocated to 2002/03 program year | <u>146,015</u>      |
| Total 2002/03 program year funds received                                      | 1,677,837           |
| Less: Funds applied to 2002/03 program year costs                              | <u>( 1,625,938)</u> |
| 2002/03 program year funds held by recipient                                   | <u>\$ 51,899</u>    |
| <br>   |                     |
| Total 2002/03 program year funds available for disposition                     | <u>\$ 51,899</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-02 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ 233,439                                    | \$ 1,213,684 (1)            | \$ 1,152,591   | \$ -                        |
| Single Family Acquisition Rehabilitation  | 11,169  | 195,478 (2)                 | 180,708  | -                           |
| CHDO Operating                            | -   | 24,250 (4)                  | 20,000   | -                           |
| Direct Homebuyer Assistance               | -   | 135,925 (3)                 | 135,925  | -                           |
| Program Administration                    | -   | 108,500                     | 136,714  | -                           |
|   | <u>\$ 244,608</u>                             | <u>\$ 1,677,837</u>         | <u>\$ 1,625,938</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 F-18

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, 2010

|  |                  |
|--|------------------|
| Total 2003/04 program year funds allocated to recipient                        | \$ 425,642       |
| Less: 2003/04 program year funds drawn by recipient                            | ( 425,642)       |
| 2003/04 program year funds available from HUD                                  | <u>\$ -</u>      |
| <br>   |                  |
| Total 2003/04 program year funds drawn down by recipient                       | \$ 425,642       |
| Add: Program Income  | 646,889          |
| Local matching contributions received and<br>allocated to 2003/04 program year | <u>123,210</u>   |
| Total 2003/04 program year funds received                                      | 1,195,741        |
| Less: Funds applied to 2003/04 program year costs                              | ( 1,105,741)     |
| 2003/04 program year funds held by recipient                                   | <u>\$ 90,000</u> |
| <br>   |                  |
| Total 2003/04 program year funds available for disposition                     | <u>\$ 90,000</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-03 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ 164,626                                    | \$ 804,709 (1)              | \$ 726,648   | \$ -                        |
| 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                    | -   | <u>102,564</u>              | <u>42,564</u>  | <u>-</u>                    |
|   | <u>\$ 164,626</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 F-20

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, 2010

|  |                   |
|--|-------------------|
| 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                            | ( 214,287)        |
| 2004/05 program year funds available from HUD                                  | <u>\$ 74,763</u>  |
| <br>   |                   |
| Total 2004/05 program year funds drawn down by recipient                       | \$ 214,287        |
| Add: Program Income  | 74,311            |
| Local matching contributions received and<br>allocated to 2004/05 program year | <u>134,594</u>    |
| Total 2004/05 program year funds received                                      | 423,192           |
| Less: Funds applied to 2004/05 program year costs                              | ( 325,598)        |
| 2004/05 program year funds held by recipient                                   | <u>\$ 97,594</u>  |
| <br>   |                   |
| Total 2004/05 program year funds available for disposition                     | <u>\$ 172,357</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-04 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ 5,996                                      | \$ 212,027 (1)              | \$ 44,996  | \$ -                        |
| Single Family Acquisition Rehabilitation  | 454   | 72,311 (2)                  | 77,439   | -                           |
| CHDO Operating                            | -   | 21,200 (3)                  | 20,000   | -                           |
| Direct Homebuyer Assistance               | -   | 80,000 (4)                  | 80,000   | -                           |
| Program Administration                    | -   | 112,417                     | 103,163  | -                           |
|   | <u>\$ 6,450</u>                               | <u>\$ 497,955</u>           | <u>\$ 325,598</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 F-22

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, 2010

|  |                  |
|--|------------------|
| 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>  |
| <br>   |                  |
| Total 2005/06 program year funds drawn down by recipient                       | \$ 181,635       |
| Add: Program Income  | 390,992          |
| Local matching contributions received and<br>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> |
| <br>   |                  |
| 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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-05 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ -  | \$ 575,313 (1)              | \$ 478,878   | \$ -                        |
| Single Family Acquisition Rehabilitation  | -   | 21,320 (2)                  | 69,495   | -                           |
| CHDO Operating                            | -   | 20,349 (4)                  | 10,000   | -                           |
| Direct Homebuyer Assistance               | -   | - (5)                       | -  | -                           |
| Program Administration                    | -   | 44,162 (3)                  | 48,254   | -                           |
|   | <u>\$ -</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 F-24

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, 2010

|  |                   |
|--|-------------------|
| 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                            | ( 294,824)        |
| 2006/07 program year funds available from HUD                                  | <u>\$ 76,729</u>  |
| <br>   |                   |
| Total 2006/07 program year funds drawn down by recipient                       | \$ 294,824        |
| Add: Program Income  | 216,197           |
| Local matching contributions received and<br>allocated to 2006/07 program year | <u>176,575</u>    |
| Total 2006/07 program year funds received                                      | 687,596           |
| Less: Funds applied to 2006/07 program year costs                              | ( 634,596)        |
| 2006/07 program year funds held by recipient                                   | <u>\$ 53,000</u>  |
| <br>   |                   |
| Total 2006/07 program year funds available for disposition                     | <u>\$ 129,729</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures</u><br>7-1-09 to<br>6-30-10 | <u>Authorized</u><br><u>Costs</u> | <u>Cumulative</u><br><u>Expenditures</u><br>7-1-06 thru<br>6-30-10 | <u>Questioned</u><br><u>Costs</u> |
|---|---|-----------------------------------|--|-----------------------------------|
| Acquisition / New Construction            | \$ -  | \$ 349,342 (1)                    | \$ 154,831   | \$ -                              |
| Single Family Acquisition Rehabilitation  | -   | 6,075 (2)                         | 12,136   | -                                 |
| CHDO Operating                            | 15,000                                      | 19,096                            | 15,000   | -                                 |
| Direct Homebuyer Assistance               | -   | 4,000 (4)                         | -  | -                                 |
| Program Administration                    | -   | 32,192                            | 49,704   | -                                 |
| Owner Occupied Residential Rehabilitation | <u>11,949</u>                               | <u>353,620 (3)</u>                | <u>402,925</u>   | <u>-</u>                          |
|   | <u>\$ 26,949</u>                            | <u>\$ 764,325</u>                 | <u>\$ 634,596</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 F-26

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, 2010

|  |                   |
|--|-------------------|
| 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                            | ( 353,376)        |
| 2007/08 program year funds available from HUD                                  | <u>\$ 388,123</u> |
| <br>   |                   |
| Total 2007/08 program year funds drawn down by recipient                       | \$ 353,376        |
| Add: Program Income  | 59,266            |
| Local matching contributions received and<br>allocated to 2007/08 program year | <u>-</u>          |
| Total 2007/08 program year funds received                                      | 412,642           |
| Less: Funds applied to 2007/08 program year costs                              | ( 412,642)        |
| 2007/08 program year funds held by recipient                                   | <u>\$ -</u>       |
| <br>   |                   |
| Total 2007/08 program year funds available for disposition                     | <u>\$ 388,123</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures</u><br>7-1-09 to<br>6-30-10 | <u>Authorized</u><br><u>Costs</u> | <u>Cumulative</u><br><u>Expenditures</u><br>7-1-07 thru<br>6-30-10 | <u>Questioned</u><br><u>Costs</u> |
|---|---|-----------------------------------|--|-----------------------------------|
| Acquisition / New Construction            | \$ -  | \$ 81,616 (1)                     | \$ 24,874  | \$ -                              |
| Single Family Acquisition Rehabilitation  | 132,540                                     | 428,841 (2)                       | 151,142  | -                                 |
| CHDO Operating                            | -   | 18,936                            | -  | -                                 |
| Direct Homebuyer Assistance               | -   | 127,500 (3)                       | -  | -                                 |
| Program Administration                    | -   | 43,872                            | 102,234  | -                                 |
| Owner Occupied Residential Rehabilitation | <u>100,000</u>                              | <u>100,000 (4)</u>                | <u>134,392</u>   | <u>-</u>                          |
|   | <u>\$ 232,540</u>                           | <u>\$ 800,765</u>                 | <u>\$ 412,642</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 F-28

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, 2010

|  |                   |
|--|-------------------|
| Total 2008/09 program year funds allocated to recipient                        | \$ 366,658        |
| Less: Unobligated funds reprogrammed to:<br>2009/10 program year               | ( 24,761)         |
| Less: 2008/09 program year funds drawn by recipient                            | ( 148,933)        |
| 2008/09 program year funds available from HUD                                  | <u>\$ 192,964</u> |
| <br>   |                   |
| Total 2008/09 program year funds drawn down by recipient                       | \$ 148,933        |
| Add: Program Income  | 66,642            |
| Local matching contributions received and<br>allocated to 2008/09 program year | <u>132,250</u>    |
| Total 2008/09 program year funds received                                      | 347,825           |
| Less: Funds applied to 2008/09 program year costs                              | ( 347,825)        |
| 2008/09 program year funds held by recipient                                   | <u>\$ -</u>       |
| <br>   |                   |
| Total 2008/09 program year funds available for disposition                     | <u>\$ 192,964</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, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-08 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ -  | \$ 62,749 (1)               | \$ 62,749  | \$ -                        |
| Single Family Acquisition Rehabilitation  | -   | 119,632 (2)                 | -  | -                           |
| CHDO Operating                            | -   | 18,332                      | -  | -                           |
| Direct Homebuyer Assistance               | -   | 57,500 (3)                  | 2,500  | -                           |
| Program Administration                    | -   | 48,933 (4)                  | 48,933   | -                           |
| Owner Occupied Residential Rehabilitation | <u>100,000</u>                                | <u>233,643 (5)</u>          | <u>233,643</u>   | <u>-</u>                    |
|   | <u>\$ 100,000</u>                             | <u>\$ 540,789</u>           | <u>\$ 347,825</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 and by reprogramming \$24,761 to "Single Family Acquisition Rehabilitation" in the 2009/10 program year.
- (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 F-30

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2009/10 - H.O.M.E. No. M-09-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2009 through June 30, 2010

|  |                   |
|--|-------------------|
| Total 2009/10 program year funds allocated to recipient                        | \$ 382,727        |
| Add: Unobligated funds reprogrammed from:<br>2008/09 program year              | 24,761            |
| Less: 2009/10 program year funds drawn by recipient                            | ( 109,025)        |
| 2009/10 program year funds available from HUD                                  | <u>\$ 298,463</u> |
| <br>   |                   |
| Total 2009/10 program year funds drawn down by recipient                       | \$ 109,025        |
| Add: Program Income  | 313,379           |
| Local matching contributions received and<br>allocated to 2009/10 program year | <u>55,510</u>     |
| Total 2009/10 program year funds received                                      | 477,914           |
| Less: Funds applied to 2009/10 program year costs                              | ( 414,065)        |
| 2009/10 program year funds held by recipient                                   | <u>\$ 63,849</u>  |
| <br>   |                   |
| Total 2009/10 program year funds available for disposition                     | <u>\$ 362,312</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
HOME INVESTMENT PARTNERSHIP FUND  
PROGRAM YEAR 2009/10 - H.O.M.E. No. M-09-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2009 through June 30, 2010

| <u>Program Activity and Related Costs</u> | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-09 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|---|---|-----------------------------|--|-----------------------------|
| Acquisition / New Construction            | \$ 280,804                                    | \$ 280,804 (1)              | \$ 280,804   | \$ -                        |
| Single Family Acquisition Rehabilitation  | 42,692  | 68,453 (2)                  | 42,692   | -                           |
| CHDO Operating                            | -   | 15,000                      | -  | -                           |
| Direct Homebuyer Assistance               | -   | 75,000 (3)                  | -  | -                           |
| Program Administration                    | 44,915  | 40,748 (4)                  | 44,915   | -                           |
| Owner Occupied Residential Rehabilitation | <u>45,654</u>                                 | <u>296,372 (5)</u>          | <u>45,654</u>  | <u>-</u>                    |
|   | <u>\$ 414,065</u>                             | <u>\$ 776,377</u>           | <u>\$ 414,065</u>  | <u>\$ -</u>                 |

- (1) "Acquisition / New Construction" was increased by \$280,804 from more program income received than budgeted and by \$40,510 from more match received than budgeted.
- (2) "Single Family Acquisition Rehabilitation" was decreased by \$5,308 from less program income received than budgeted and increased by reprogramming \$24,761 from "Single Family Acquisition Rehabilitation" in the 2008/09 program year.
- (3) "Direct Homebuyer Assistance" was decreased by \$47,000 from less program income received than budgeted and decreased by \$25,000 from less match received than budgeted.
- (4) "Administrative Costs" was decreased by \$39,000 from less program income received than budgeted.
- (5) "Owner Occupied Residential Rehabilitation" was decreased by \$230,607 from less program income received than budgeted and decreased by \$55,000 from more match received than budgeted.

See accompanying notes to financial statements.

EXHIBIT F-32

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, 2010

|   |                   |
|---|-------------------|
| Total 2007/08 program year funds allocated to recipient           | \$ 409,000        |
| Add: Unobligated funds reprogrammed from:<br>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>( 371,016)</u> |
| 2007/08 program year funds available from HUD                     | <u>\$ 64,984</u>  |
| <br>  |                   |
| Total 2007/08 program year funds drawn down by recipient          | \$ 371,016        |
| Add: Program income   | 834               |
| Less: Funds applied to 2007/08 program year costs                 | <u>( 371,112)</u> |
| 2007/08 program year funds held by recipient                      | <u>\$ 738</u>     |
| <br>  |                   |
| Total 2007/08 program year funds available for disposition        | <u>\$ 65,722</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, 2010

| <u>Program Activity and Related Costs</u>        | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-07 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|--|---|-----------------------------|--|-----------------------------|
| Emergency Housing Assistance                     | \$ -  | \$ -                        | \$ -   | \$ -                        |
| Housing Advocacy Assistance                      | -   | 105,000 (1)                 | 100,466  | -                           |
| Tenant Based Rental Assistance                   | 104,453                                       | 180,000                     | 133,749  | -                           |
| In Home Non-medical Care for Medically Fragile   | -   | 40,000                      | 40,000   | -                           |
| Administrative Costs                             | -   | 12,270                      | 12,270   | -                           |
| Short-term Rent, Mortgage and Utility Assistance | -   | 48,730 (2)                  | 48,671   | -                           |
| Move In Assistance                               | -   | 50,000 (3)                  | 35,956   | -                           |
|  | <u>\$ 104,453</u>                             | <u>\$ 436,000</u>           | <u>\$ 371,112</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 F-34

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, 2010

|   |                   |
|---|-------------------|
| Total 2008/09 program year funds allocated to recipient           | \$ 437,000        |
| Add: Unobligated funds reprogrammed from:<br>2006/07 program year | 18,094            |
| Less: Unobligated funds reprogrammed to:<br>2009/10 program year  | <u>( 22,037)</u>  |
| Total 2008/09 program year adjusted resources                     | 433,057           |
| Less: 2008/09 program year funds drawn by recipient               | <u>( 226,925)</u> |
| 2008/09 program year funds available from HUD                     | <u>\$ 206,132</u> |
| <br>  |                   |
| Total 2008/09 program year funds drawn down by recipient          | \$ 226,925        |
| Add: Program income   | -                 |
| Less: Funds applied to 2008/09 program year costs                 | <u>( 226,925)</u> |
| 2008/09 program year funds held by recipient                      | <u>\$ -</u>       |
| <br>  |                   |
| Total 2008/09 program year funds available for disposition        | <u>\$ 206,132</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, 2010

| <u>Program Activity and Related Costs</u>        | <u>Expenditures</u><br>7-1-09 to<br>6-30-10 | <u>Authorized</u><br><u>Costs</u> | <u>Cumulative</u><br><u>Expenditures</u><br>7-1-08 thru<br>6-30-10 | <u>Questioned</u><br><u>Costs</u> |
|--|---|-----------------------------------|--|-----------------------------------|
| Emergency Housing Assistance                     | \$ -  | \$ -                              | \$ -   | \$ -                              |
| Housing Advocacy Assistance                      | 46,849                                      | 107,842 (1)                       | 104,188  | -                                 |
| Tenant Based Rental Assistance                   | -   | 188,412 (2)                       | -  | -                                 |
| In Home Non-medical Care for Medically Fragile   | 16,492                                      | 27,963 (3)                        | 27,963   | -                                 |
| Administrative Costs                             | 8,152                                       | 13,110                            | 13,110   | -                                 |
| Short-term Rent, Mortgage and Utility Assistance | 23,019                                      | 67,715 (4)                        | 53,649   | -                                 |
| Move In Assistance                               | <u>11,693</u>                               | <u>28,015 (5)</u>                 | <u>28,015</u>  | <u>-</u>                          |
|  | <u>\$ 106,205</u>                           | <u>\$ 433,057</u>                 | <u>\$ 226,925</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 and by reprogramming \$22,037 to "In Home Non-medical Care for Medically Fragile" in the 2009/10 program year.
- (4) "Short-term Rent, Mortgage and Utility Assistance" was decreased by reprogramming \$1,346 to "Move In Assistance" in the 2008/09 program year. It was increased by reprogramming \$23,331 from "Move In Assistance" in the 2008/09 program year.
- (5) "Move In Assistance" was decreased by reprogramming \$23,331 to "Short-term Rent, Mortgage and Utility Assistance" and it was increased by reprogramming \$1,346 from "Short-term Rent, Mortgage and Utility Assistance" in the 2008/09 program year.

See accompanying notes to financial statements.

EXHIBIT F-36

CITY OF WARREN, MICHIGAN  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PROGRAM YEAR 2009/10 – ACCOUNT NO. MIH09F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2009 through June 30, 2010

|   |                   |
|---|-------------------|
| Total 2009/10 program year funds allocated to recipient           | \$ 456,391        |
| Add: Unobligated funds reprogrammed from:<br>2008/09 program year | <u>22,037</u>     |
| Total 2009/10 program year adjusted resources                     | 478,428           |
| Less: 2009/10 program year funds drawn by recipient               | <u>( 172,836)</u> |
| 2009/10 program year funds available from HUD                     | <u>\$ 305,592</u> |
| <br>  |                   |
| Total 2009/10 program year funds drawn down by recipient          | \$ 172,836        |
| Add: Program income   | -                 |
| Less: Funds applied to 2009/10 program year costs                 | <u>( 172,736)</u> |
| 2009/10 program year funds held by recipient                      | <u>\$ 100</u>     |
| <br>  |                   |
| Total 2009/10 program year funds available for disposition        | <u>\$ 305,692</u> |

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PROGRAM YEAR 2009/10 – ACCOUNT NO. MIH09F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2009 through June 30, 2010

|  | Expenditures<br>7-1-09 to<br><u>6-30-10</u> | Authorized<br><u>Costs</u> | Cumulative<br>Expenditures<br>7-1-09 thru<br><u>6-30-10</u> | Questioned<br><u>Costs</u> |
|--|---|----------------------------|---|----------------------------|
| <u>Program Activity and Related Costs</u>        |   |                            |   |                            |
| Emergency Housing Assistance                     | \$ -  | \$ -                       | \$ -  | \$ -                       |
| Housing Advocacy Assistance                      | 64,822                                      | 129,113 (1)                | 64,822  | -                          |
| Tenant Based Rental Assistance                   | -   | 160,000                    | -   | -                          |
| In Home Non-medical Care for Medically Fragile   | 49,871                                      | 73,452 (2)                 | 49,871  | -                          |
| Administrative Costs                             | 1,732                                       | 13,691                     | 1,732   | -                          |
| Short-term Rent, Mortgage and Utility Assistance | 31,077                                      | 57,172 (3)                 | 31,077  | -                          |
| Move In Assistance                               | 25,234                                      | 45,000                     | 25,234  | -                          |
| Contingencies                                    | <u>-</u>                                    | <u>-(4)</u>                | <u>-</u>  | <u>-</u>                   |
|  | <u>\$ 172,736</u>                           | <u>\$ 478,428</u>          | <u>\$ 172,736</u>   | <u>\$ -</u>                |

- (1) "Housing Advocacy Assistance" was increased by reprogramming \$12,056 from "Contingencies" in the 2009/10 program year.
- (2) "In Home Non-medical Care for the Medically Fragile" was increased by reprogramming \$22,037 from "In Home Non-medical Care for the Medically Fragile" in the 2008/09 program year.
- (3) "Short-term Rent, Mortgage and Utility Assistance" was increased by reprogramming \$11,442 from "Contingencies" in the 2009/10 program year.
- (4) "Contingencies" was decreased by reprogramming \$12,056 to "Housing Advocacy Assistance" and \$11,442 to "Short-term Rent, Mortgage and Utility Assistance" in the 2009/10 program year.

See accompanying notes to financial statements.

EXHIBIT F-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, 2010

|  |                     |
|--|---------------------|
| Total 2008/09 program year funds allocated to recipient    | \$ 5,829,447        |
| Less: 2008/09 program year funds drawn by recipient        | ( <u>528,646</u> )  |
| 2008/09 program year funds available from HUD              | <u>\$ 5,300,801</u> |
| <br>   |                     |
| Total 2008/09 program year funds drawn down by recipient   | \$ 528,646          |
| Add: Program income  | -                   |
| Less: Funds applied to 2008/09 program year costs          | ( <u>528,646</u> )  |
| 2008/09 program year funds held by recipient               | <u>\$ -</u>         |
| <br>   |                     |
| Total 2007/08 program year funds available for disposition | <u>\$ 5,300,801</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, 2010

| <u>Program Activity and Related Costs</u>    | <u>Expenditures<br/>7-1-09 to<br/>6-30-10</u> | <u>Authorized<br/>Costs</u> | <u>Cumulative<br/>Expenditures<br/>7-1-08 thru<br/>6-30-10</u> | <u>Questioned<br/>Costs</u> |
|--|---|-----------------------------|--|-----------------------------|
| Downpayment and Rehab Direct Assistance      | \$ 639  | \$ 300,000 (1)              | \$ 639   | \$ -                        |
| New Construction                             | 12,185  | 1,230,000 (2)               | 12,185   | -                           |
| Rehabilitation Resale                        | 268,647                                       | 2,046,500 (3)               | 268,647  | -                           |
| Demolition                                   | 137,888                                       | 298,750 (4)                 | 137,888  | -                           |
| Homebuyer Education                          | -   | 17,250 (5)                  | -  | -                           |
| Acquisition / Demolition North Bay Machinery | 82  | 534,000 (6)                 | 82   | -                           |
| Owen Jax Park Construction                   | -   | 820,500 (7)                 | -  | -                           |
| Administrative Costs                         | <u>109,205</u>                                | <u>582,447 (8)</u>          | <u>109,205</u>   | <u>-</u>                    |
|  | <u>\$ 528,646</u>                             | <u>\$ 5,829,447</u>         | <u>\$ 528,646</u>  | <u>\$ -</u>                 |

- (1) "Downpayment and Rehab Direct Assistance" was decreased by reprogramming \$300,000 to "Rehabilitation Resale" and increased by reprogramming \$300,000 from "Rehabilitation Resale".
- (2) "New Construction" was increased by reprogramming \$355,000 from "Rehabilitation Resale" and \$150,000 from "Demolition".
- (3) "Rehabilitation Resale" was decreased by \$2,272,500 from less program income received than budgeted. It was also decreased by reprogramming \$1,475,500 to the following:  
    \$ 300,000 to "Downpayment and Rehab Direct Assistance"  
    \$ 355,000 to "New Construction"  
    \$ 820,500 to "Owen Jax Park Construction"  
It was also increased by reprogramming \$300,000 from "Downpayment and Rehab Direct Assistance".
- (4) "Demolition" was decreased by reprogramming \$701,250 to the following:  
    \$ 17,250 to "Homebuyer Education"  
    \$ 534,000 to "Acquisition / Demolition North Bay Machinery"  
    \$ 150,000 to "New Construction"
- (5) "Homebuyer Education" was increased by reprogramming \$17,250 from "Demolition".
- (6) "Acquisition / Demolition North Bay Machinery" was increased by reprogramming \$534,000 from "Demolition".
- (7) "Owen Jax Park Construction" was increased by reprogramming \$820,500 from "Rehabilitation Resale".
- (8) "Administrative Costs" was decreased by \$252,500 from less program income received than budgeted.

See accompanying notes to financial statements.