

Comprehensive Annual Financial Report



City of Warren, MI



Fiscal Year Ended June 30, 2011

City of Warren

MICHIGAN

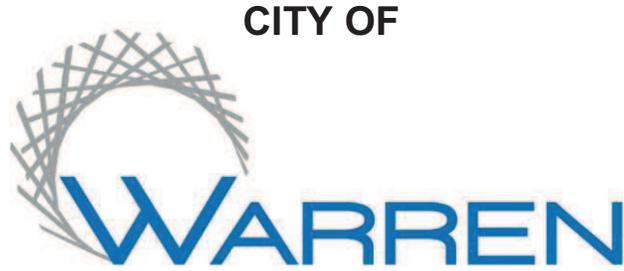
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011



PREPARED BY:
CONTROLLER'S OFFICE
ROBERT C. MALESZYK, CITY CONTROLLER

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



CITY OF

**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 2010 population per Federal Census, 134,056.

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 10, 2011)

MAYOR

JAMES R. FOUTS

TREASURER

CAROLYN KURKOWSKI-MOCERI

CLERK

PAUL J. WOJNO

COUNCIL

MARY M. KAMP, *President*

DONNA KACZOR CAUMARTIN, *Vice President*

KEITH J. SADOWSKI, *Secretary*

SCOTT C. STEVENS, *Asst. Secretary*

ROBERT BOCCOMINO

PATRICK GREEN

MARK LISS

KATHY J. VOGT

STEVEN G. WARNER

DEPARTMENT HEADS

(Appointed Officials)

ROBERT C. MALESZYK, *City Controller*

MARCIA D. SMITH, *City Assessor*

JERE GREEN, *Police Commissioner*

WILBURT McADAMS, *Fire Commissioner*

JAMES M. BIERNAT, *City Attorney*

RICHARD SABAUGH, *Public Service Director*

HENRY D. BOWMAN, *Parks and Recreation Director*

DENISE L. WILLIAMS, *Director of Human Resources*

AMY L. HENDERSTEIN, *Library Director*

RONALD F. WUERTH, *Planning Director*

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CITY CONTROLLER'S OFFICE
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December 16, 2011

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, 2011.

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, 2011 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 the 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 134,056 (2010 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. 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 18.60% of the City's taxable value. In the past year, 3 new commercial developments and 12 single-family residential permits were issued representing \$2.4 million of additional investment in the City.

The South Campus of Macomb Community 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 48,000 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-collegiate 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 operates a Civic Center Library 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. Services such as after hours book pick-up and a drive-up book drop are also available. This centrally located library benefits 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 27 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 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, certificate of achievement, 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 are included in this section.

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 37th 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 of Total</u>	<u>Increase (Decrease) from 2010</u>
Property taxes	\$ 56,292,750	64.1%	\$(7,546,209)
Licenses and permits	1,765,853	2.0	197,961
Intergovernmental:			
Federal revenue	741,950	0.8	(236,420)
State revenue	13,031,182	14.9	84,533
Local revenue	858,944	1.0	187,528
Charges for services	4,309,488	4.9	3,040,602
Fines and fees	4,468,678	5.1	(84,562)
Interest on investments	79,971	0.1	64,167
Miscellaneous	<u>6,218,526</u>	<u>7.1</u>	<u>(158,033)</u>
Total	<u>\$ 87,767,342</u>	<u>100.0</u>	<u>\$(4,450,433)</u>

Taxable property values decreased by \$658 million or 12.9% compared to the prior year resulting in a decrease in general fund property tax revenues of \$7.5 million. There was no change in the general fund property tax rate levied for fiscal year 2011. 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 higher than the prior year due to a slight increase in construction spending. State shared sales tax revenues were flat compared to the prior year, but much less than in the past decade. Comparatively, fiscal year 2011 state shared sales tax revenues of \$12.1 million are now \$7.18 million less than the \$19.28 million received in fiscal year 2000 when levels started to decline. Charges for services increased by \$3.0 million from the prior year. This was primarily due to the increase in EMS revenue of \$2.8 million.

General Fund Expenditures and Other Financing Uses

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2010</u>
General government	\$ 24,851,017	26.7%	\$(70,124)
Public safety	59,542,902	64.1	(3,168,245)
City development	4,847,278	5.2	(147,882)
Highways and streets	3,010,940	3.2	264,982
Recreation and culture	31,273	0.1	(11,396)
Debt service	<u>110,517</u>	<u>0.1</u>	<u>-</u>
Sub-total	92,393,927	99.4	(3,132,665)
Settlement agreement	-	-	(5,975,000)
Transfers to other funds	<u>582,573</u>	<u>0.6</u>	<u>(828,690)</u>
Total	<u>\$ 92,976,500</u>	<u>100.0</u>	<u>\$(9,936,355)</u>

General Fund expenditures before special items and transfers decreased \$3.1 million or 3.3% from the prior year. General government, public safety, and city development expenditures decreased primarily in the areas of personnel services and employee benefits. 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. There were no such settlements in fiscal 2011.

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 Public 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 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 2011 Fund <u>Balance</u>	Fiscal 2010 Fund <u>Balance</u>	Increase (Decrease) Over <u>Prior Year</u>
Michigan Transportation – Major Roads	\$ 2,811,359	\$ 2,508,450	\$ 302,909
Michigan Transportation – Local Roads	2,592,342	3,197,852	(605,510)
Sanitation	3,289,602	4,310,428	(1,020,826)
Recreation	2,668,001	3,213,536	(545,535)
Library	2,227,336	38,470	2,188,866
Community Development Block Grant	22,100	2,773	19,327
HOME Investment Partnership	382,765	401,341	(18,576)
H.O.P.W.A.	100	838	(738)
Neighborhood Stabilization Program	121,724	-	121,724
Brownfield Redevelopment Authority	633,488	339,413	294,075
Communications	2,495,784	2,153,061	342,723
Rental Ordinance Fund	381,806	245,283	136,523
Vice Crime Confiscations Fund	197,886	169,582	28,304
Drug Forfeiture Fund	1,025,946	944,594	81,352
Police Training Fund	144,586	134,746	9,840
D.D.A. Administrative Fund	<u>9,167,593</u>	<u>10,354,994</u>	<u>(1,187,401)</u>
Total	<u>\$ 28,162,418</u>	<u>\$ 28,015,361</u>	<u>\$ 147,057</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, 2011 as compared to the prior year is as follows:

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Road Construction Bonds	\$ 2,269,467	\$ 2,318,557	\$(49,090)
Sidewalk Replacement Bonds	661,100	659,423	1,677
Tax Increment Finance Authority	256,250	248,250	8,000
Building Authority Bonds	1,542,205	1,997,299	(455,094)
Downtown Development Authority	<u>4,824,906</u>	<u>4,887,406</u>	<u>(62,500)</u>
Total	<u>\$ 9,553,928</u>	<u>\$ 10,110,935</u>	<u>\$(557,007)</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 37th 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 2011 Fund <u>Balance</u>	Fiscal 2010 Fund <u>Balance</u>	Increase (Decrease) Over <u>Prior Year</u>
Court Building Renovation Fund	\$ 4,540,753	\$ 3,876,825	\$ 663,928
Energy Efficiency & Conservation Block Grant Projects	-	-	-
Special Assessment Funds	1,744,431	2,289,437	(545,006)
Road Construction Funds	3,066,258	4,238,856	(1,172,598)
Downtown Development Authority	2,090,795	2,271,411	(180,616)
Tax Increment Finance Authority	1,327,453	1,383,313	(55,860)
Building Authority	<u>310,573</u>	<u>327,617</u>	<u>(17,044)</u>
Total	<u>\$ 13,080,263</u>	<u>\$ 14,387,459</u>	<u>\$ (1,307,196)</u>

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

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

Proprietary Fund Types

Water and Sewer System

Water and Sewer operations for the fiscal year ending December 31, 2010, resulted in operating income of \$10,964,827 before depreciation on operating revenues of \$37,288,056. Non-operating items, consisting of interest income and interest expense on long-term debt and other expenses accounted for \$2,341,797 of additional expense for a System net gain of \$8,623,030 before depreciation. With the inclusion of non-cash depreciation expense in the amount of \$4,084,029, the net System income for the fiscal year was \$4,539,001.

Prudent management practices have been employed to assure that future operational and debt service costs are met. This has been accomplished by aggressive cost cutting and realistic budgeting for revenues. 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 \$257,845, was \$506,857 for the fiscal year ended June 30, 2011, on operating revenues of \$2,187,293. Operating income net of non-operating revenues and expenses resulted in net income of \$216,904. Net income for fiscal year 2011 was comparable to the previous fiscal year’s operations.

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, 2011, the City contributed 27.13% and 55.99% 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%).

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. Previous bargaining agreements have 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 2011, contribution rates for the City Employees VEBA Trust and Police and Fire VEBA Trust were 36.11% and 26.62%, respectively.

CASH MANAGEMENT

Idle cash in all funds, excluding the Pension and VEBA Trust funds, is invested in certificates of deposit, treasury bills and governmental investment pools. Interest income for the governmental funds and proprietary funds for the current fiscal year was approximately \$227,000. This represents a slight increase of approximately \$70,000 from fiscal year 2010. 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 as both GM and Chrysler have rebounded from their bankruptcies.

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

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, through cooperative efforts with the Michigan Department of Transportation or Macomb County Road Commission, or through road millages. Road widening and resurfacing projects, as well as water main and sewer line replacements, are currently underway at various locations. In November 2011, the citizens of Warren passed a road millage that will be dedicated for the use of local streets.

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.

The water meter replacement program to improve registration accuracy and automate customer usage data collection has continued in 2011. 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.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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. A significant investment in time and resources has been expended to submit this report in compliance with all financial requirements. 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,



Robert C. Maleszyk, CPA
City Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warren
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



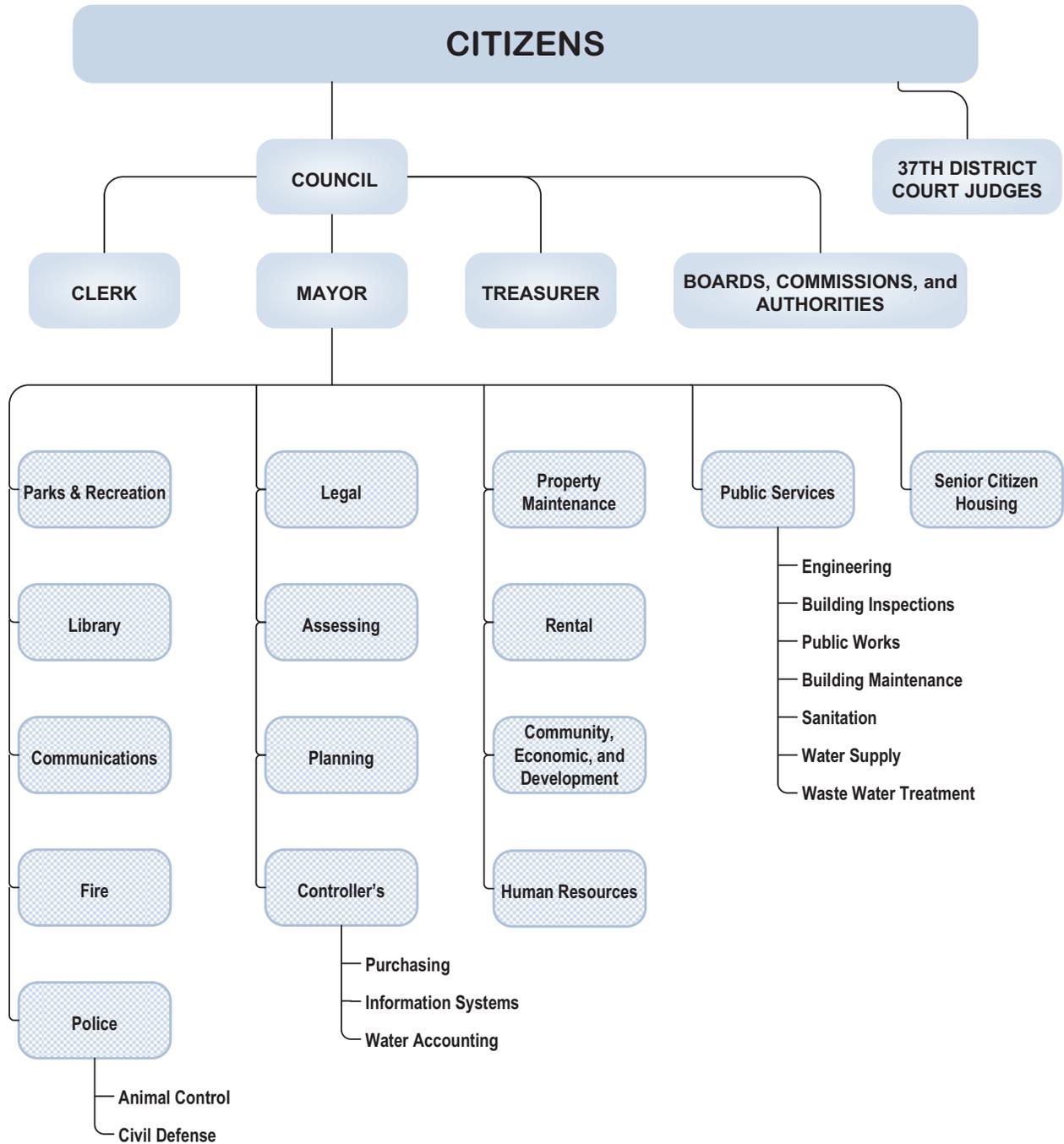
Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

City of Warren, Michigan Organization Chart





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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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Police and Fire Retirement System and the Police and Fire Retirement Health Benefits Plan and Trust, which collectively represents 69 percent and 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, 2011, 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 16, 2011, 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 149 and pages 153 through 164 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 16, 2011



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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, 2011, which collectively comprise the City of Warren's basic financial statements and have issued my report thereon dated December 16, 2011. 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 16, 2011



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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, 2011. 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, 2011.

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.

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 black ink, appearing to read "Randy [unclear]", is written over the page.

December 16, 2011

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

This section of the City of Warren's annual financial report presents financial performance for the fiscal year ended June 30, 2011. 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 \$658 million from the prior year. Property tax revenues as reported in the governmental funds were \$7.3 million less than the previous year. Further reductions in taxable values are anticipated going forward.
- State shared sales tax distributions totaled \$12.1 million in 2011, approximately \$74,000 more than reported in fiscal year 2010. Comparatively, current levels are \$7.18 million or 37% less than amounts received in fiscal year 2000.
- Interest income reported in the governmental funds totaled \$192,000 in fiscal year 2011. Comparatively, interest rates at the end of fiscal year 2011 are significantly lower than at the end of fiscal year 2007, a year when the City reported interest income of \$5.76 million.
- The City was the recipient of various grants during the past several fiscal years: 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.) \$457,000 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.
- Charges for services totaled \$6.5 million for governmental funds in 2011, approximately \$3.0 million more than reported in fiscal year 2010. This increase was due primarily to the return of EMS transport for the City that increased revenues in fiscal 2011 by \$2.8 million.

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, 2011

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

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

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

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

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.

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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 City's 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 – 171 of this report.

CITY OF WARREN, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 \$187.5 million at the close of the most recent fiscal year, an increase of \$0.5 million or 0.3% as compared to the prior year.

A component of the City's net assets is its investment in capital assets (48.7 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 (35.0 percent) represents resources subject to restrictions on their use as imposed by external parties or enabling legislation. The remaining balance, being unrestricted net assets (16.3 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 2011 by \$4.2 million or 3.9 percent to \$106.9 million. Investment in capital assets net of related debt decreased by \$1.3 million. During the fiscal year, the City invested \$3.5 million in new capital assets and \$8.0 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 \$1.2 million in the current year. The increase in restricted net assets was primarily due to the increase in Recreation and culture of \$2.0 million offset by a decrease in Sanitation of \$1.0 million. Unrestricted net assets decreased \$4.1 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 increased by \$4.7 million or 6.2 percent to \$80.6 million. The Water and Sewer System had a net gain for the year of \$4.5 million while the Senior Citizen Housing funds generated net income of \$217,000. Unrestricted net assets increased \$4.1 million primarily from net income from operations.

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

	Governmental Activities		Business-type Activities		Total		Percentage Change 2010-2011
	2011	2010	2011	2010	2011	2010	
Current and other assets	\$ 102.4	\$ 114.4	\$ 51.3	\$ 35.6	\$ 153.7	\$ 150.0	2.5 %
Capital assets	<u>139.0</u>	<u>143.5</u>	<u>112.3</u>	<u>111.5</u>	<u>251.3</u>	<u>255.0</u>	(1.5)%
Total assets	<u>241.4</u>	<u>257.9</u>	<u>163.6</u>	<u>147.1</u>	<u>405.0</u>	<u>405.0</u>	0.0 %
Long-term liabilities	116.5	123.1	62.4	52.0	178.9	175.1	2.2 %
Other liabilities	<u>18.0</u>	<u>23.7</u>	<u>20.6</u>	<u>19.2</u>	<u>38.6</u>	<u>42.9</u>	(10.0)%
Total liabilities	<u>134.5</u>	<u>146.8</u>	<u>83.0</u>	<u>71.2</u>	<u>217.5</u>	<u>218.0</u>	(0.2)%
Net assets:							
Invested in capital assets, net of related debt	43.0	44.3	48.3	58.6	91.3	102.9	(11.3)%
Restricted	46.4	45.2	19.2	8.3	65.6	53.5	22.6 %
Unrestricted	<u>17.5</u>	<u>21.6</u>	<u>13.1</u>	<u>9.0</u>	<u>30.6</u>	<u>30.6</u>	0.0 %
Total net assets	<u>106.9</u>	<u>111.1</u>	<u>80.6</u>	<u>75.9</u>	<u>187.5</u>	<u>187.0</u>	0.3 %

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

	Governmental Activities		Business-type Activities		Total		Percentage Change 2010-2011
	2011	2010	2011	2010	2011	2010	
Revenues:							
Program revenues:							
Charges for services	\$ 17.9	\$ 15.5	\$ 39.5	\$ 34.2	\$ 57.4	\$ 49.7	15.5 %
Operating grants and contributions	15.0	13.3	-	-	15.0	13.3	12.8 %
Capital grants and contributions	1.1	0.9	-	-	1.1	0.9	22.2 %
General revenues:							
Property taxes	77.7	85.2	-	-	77.7	85.2	(8.8)%
Other taxes	13.9	13.7	-	-	13.9	13.7	1.5 %
Interest	0.1	0.0	0.0	0.0	0.1	0.0	100.0 %
Total revenues	<u>125.7</u>	<u>128.6</u>	<u>39.5</u>	<u>34.2</u>	<u>165.2</u>	<u>162.8</u>	1.5 %
Expenses:							
General government	20.6	20.6	-	-	20.6	20.6	0.0 %
Public safety	58.5	62.9	-	-	58.5	62.9	(7.0)%
City development	5.2	5.2	-	-	5.2	5.2	0.0 %
Highways and streets	10.0	10.7	-	-	10.0	10.7	(6.5)%
Recreation and culture	12.7	13.3	-	-	12.7	13.3	(4.5)%
Sanitation	7.9	8.0	-	-	7.9	8.0	(1.3)%
Economic development	4.3	3.9	-	-	4.3	3.9	10.3 %
Community development	5.2	3.4	-	-	5.2	3.4	52.9 %
Capital projects	1.1	1.7	-	-	1.1	1.7	(35.3)%
Interest on long-term debt	4.5	4.8	2.1	2.2	6.6	7.0	(5.7)%
Water and Sewer System	-	-	31.0	31.8	31.0	31.8	(2.5)%
Senior Citizen Housing	-	-	1.7	1.6	1.7	1.6	6.3 %
Total expenses	<u>130.0</u>	<u>134.5</u>	<u>34.8</u>	<u>35.6</u>	<u>164.8</u>	<u>170.1</u>	(3.1)%
Increase (decrease) in net assets before other items	(4.3)	(5.9)	4.7	(1.4)	0.4	(7.3)	105.5 %
Settlement agreement	-	(6.0)	-	-	-	(6.0)	100.0 %
Gain/(loss) on asset disposals	0.3	(0.3)	-	-	0.3	(0.3)	200.0%
Transfers	(0.2)	(0.2)	-	-	(0.2)	(0.2)	0.0 %
Increase (decrease) in net assets	(4.2)	(12.4)	4.7	(1.4)	0.5	(13.8)	103.6 %
Net assets – beginning 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>	(6.9)%
Net assets – end of year	<u>\$ 106.9</u>	<u>\$ 111.1</u>	<u>\$ 80.6</u>	<u>\$ 75.9</u>	<u>\$ 187.5</u>	<u>\$ 187.0</u>	0.3 %

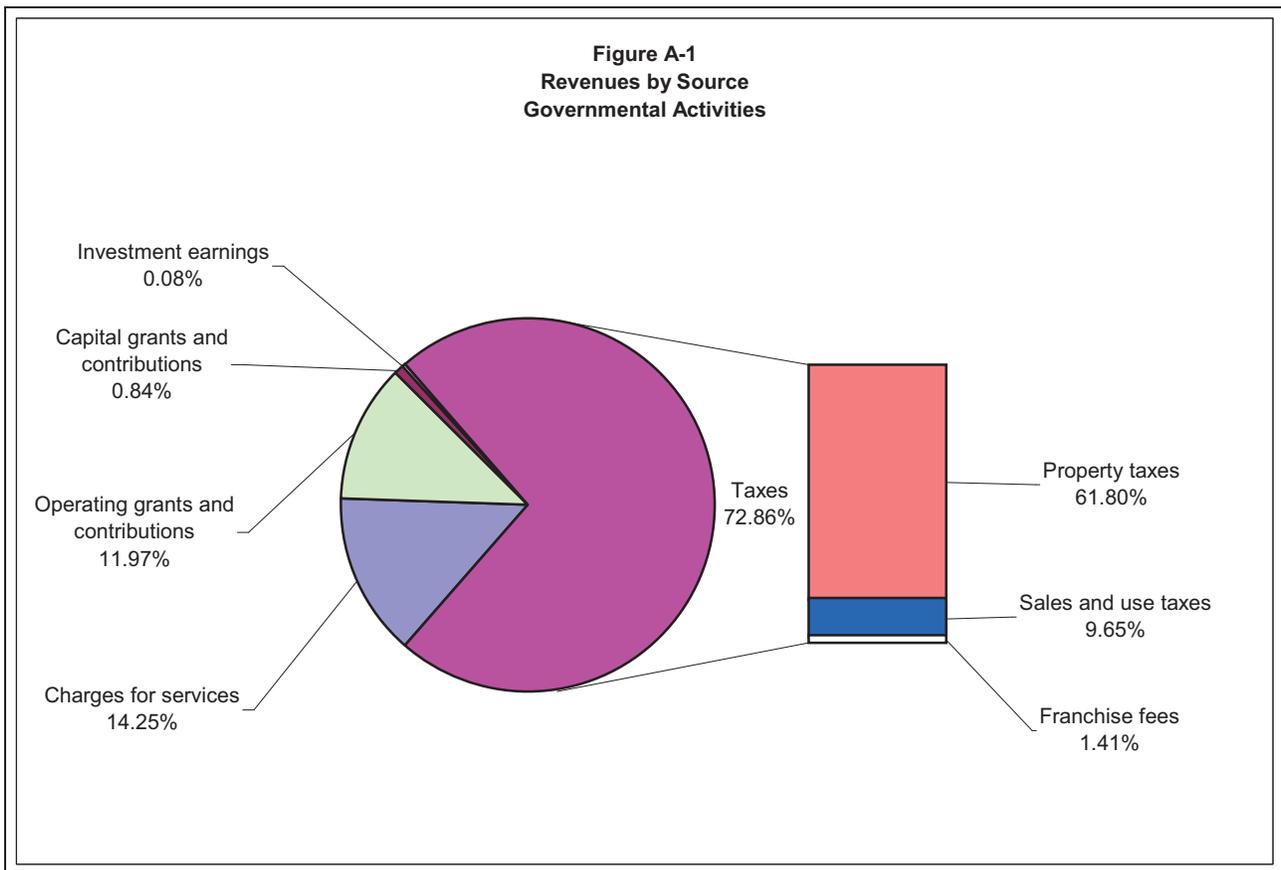
CITY OF WARREN, MICHIGAN
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The change in net assets for governmental activities before transfers and special items reports a decrease of \$4.3 million for fiscal year 2011 as compared to a \$5.9 million decrease for fiscal year 2010. Expenditures decreased by \$4.5 million while revenues decreased \$2.9 million compared to the prior year.

Expenses were generally lower for most of the City's functions of government with savings primarily in the area of personnel and employee benefits. Public Safety had the most savings as the City continued to stream line services and reduce the amount of command staff.

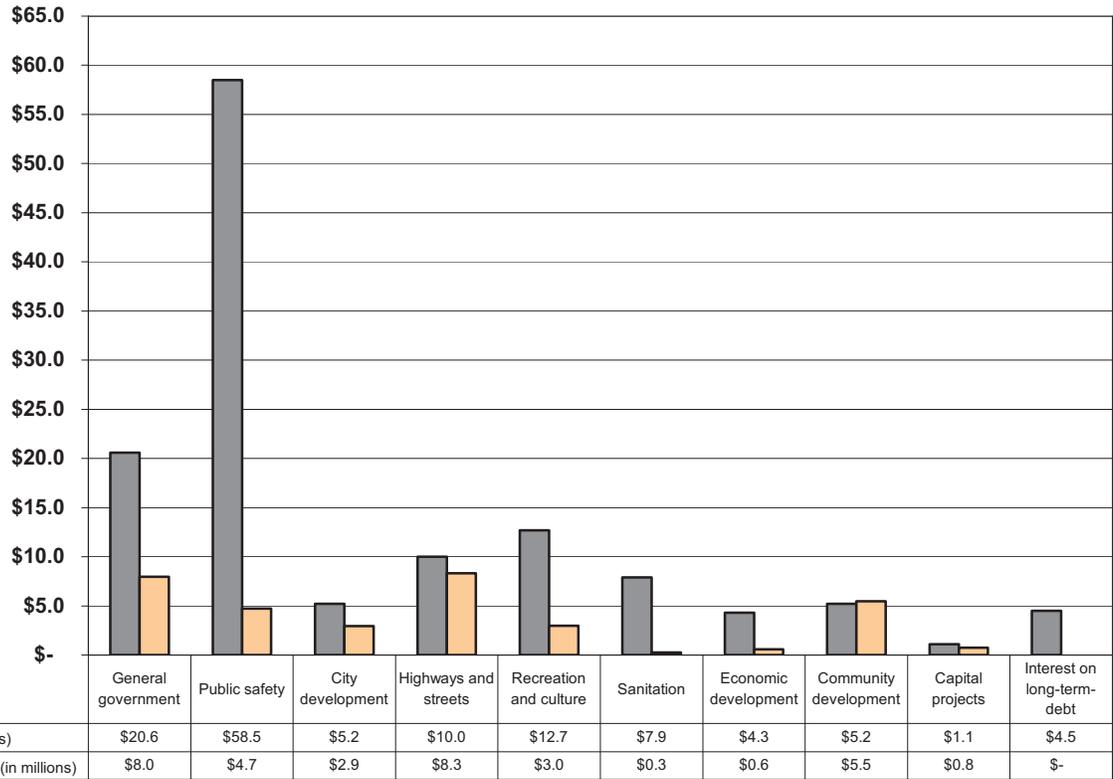
There are a number of both positive and negative transactions that are ultimately reflected in the change in net assets. Some of the more significant of these were previously highlighted in the Letter of Transmittal and additional items are reported in the "Financial Analysis of the City's Funds" which 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 27.1 percent of the resources necessary to operate the governmental functions of the City.



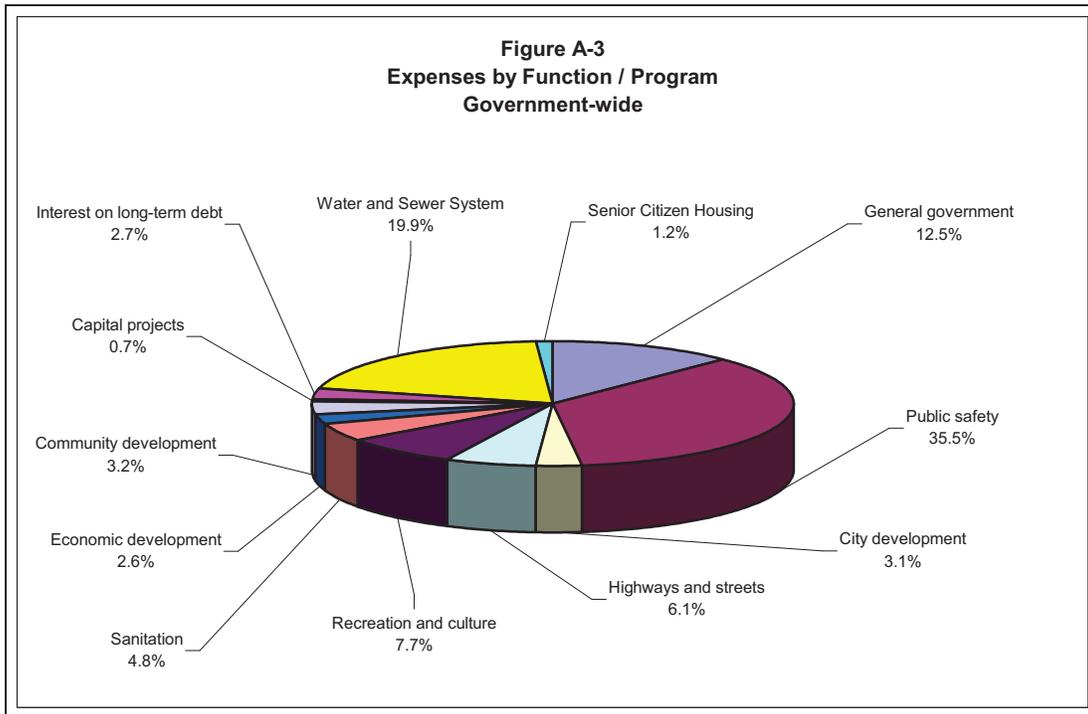
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**Figure A-2
 Expenses and Program Revenues
 Governmental Activities**



The change in net assets for business-type activities reports an increase of \$4.7 million in the current year as compared to a \$1.4 million decrease in the prior year. Senior Citizen Housing operating profits before depreciation were \$764,700 in 2011 as compared to \$833,600 in fiscal year 2010 with net income decreasing \$56,000 to \$216,900. The Water and Sewer System realized net income of \$4.5 million for the year as compared to a net loss of \$1.6 million in the previous year. The System generated operating income of \$6.9 million in fiscal year 2010 as compared to operating income of \$283,000 in the prior fiscal year. This variance was due primarily to increased revenues from higher water usage and less operating expenses. Operating revenues for fiscal year 2010 were \$37.2 million on a sales volume of 734 million cubic feet as compared to operating revenues of \$32.0 million on a sales volume of 713 million cubic feet in the previous year. Sales volumes were 3% greater than the prior year and 5% above budgeted estimates. Water loss, the difference between the volume of water purchased and the volume of water sold to system users was 8.8% 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
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Financial Analysis of the City's Funds

As of June 30, 2011, the governmental funds reported a combined fund balance of \$80.5 million, a decrease of \$6.6 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 \$5.2 million to \$38.3 million, with Unassigned Fund Balance, the amount available to the City to meet its future obligations, decreasing by \$5.8 million to \$15.7 million. Total revenues decreased \$4.4 million or 4.8% from the previous year. Significant fluctuations from prior year revenues occurred in the following areas: 1.) general fund property tax revenues, including industrial facilities taxes and tax collection fees, decreased \$7.5 attributable to the before mentioned decrease in taxable property values, 2.) charges for services increased by \$2.8 million in EMS revenue due to the return of EMS transport to the City. General fund expenditures before special items decreased \$3.1million or 3.3% compared to the prior year. As stated in the letter of transmittal, savings were realized in the areas of personnel costs and employee benefits. It should be noted that a component of Fund Balance, that being Assigned – Subsequent Year Expenditures increased to \$10.4 million. \$9.3 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 \$302,600 in the current year. These funds continue to be impacted by the reduction in State and weight tax revenues and in the current year the Snow and Ice departments were over their original budgets by \$218,000 due to the severe winter.
- Collectively, the Sanitation, Parks and Recreation and Library Special Revenue Funds reported gains totaling \$622,500 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 property tax revenues. However, the Library fund increased due to the .85 millage increase that the voter's approved in 2010.
- The Downtown Development Authority Administration Fund reported a loss of \$1.2 million in the current year. This was primarily due to the same property tax revenue scenario as in the General Fund. Compared to the prior year, property tax revenue declined by \$1.5 million in the current year.
- 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. Road Construction funds and Special Assessment funds decreased \$1.2 million and \$0.5 million respectively. Fund balance in the Court Building Renovation Fund increased \$664,000 as fines continued to be collected designated for renovation of the 37th District Court building.

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General Fund Budgetary Highlights

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

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

Significant budget amendments approved during the current fiscal year included:

- Re-appropriations of \$1.2 million from the prior fiscal year for capital equipment and grant related expenditures.

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.) Charges for services – EMS revenue was \$0.9 million higher than the original budget. 2.) Miscellaneous revenue was \$0.9 million lower than the original budget due to payments from the Downtown Development Authority being \$1.0 million less than original budget. 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, 2011, the City's capital assets, net of accumulated depreciation, represents an investment of \$251.3 million, a decrease of \$3.7 million, or 1.5 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 Activities		Business-type Activities		Total		Percentage Change 2010-2011
	2011	2010	2011	2010	2011	2010	
Land	\$ 25.1	\$ 25.1	\$ 0.8	\$ 0.8	\$ 25.9	\$ 25.9	0.0 %
Land improvements	3.1	3.6	-	-	3.1	3.6	(13.9)%
Buildings	59.1	61.2	51.9	49.1	111.0	110.3	0.6 %
Utility system	-	-	58.7	60.7	58.7	60.7	(3.3)%
Machinery and equipment	16.7	17.8	0.9	0.9	17.6	18.7	(5.9)%
Infrastructure	31.4	32.6	-	-	31.4	32.6	(3.7)%
Construction in progress	3.6	3.2	-	-	3.6	3.2	12.5 %
Total	<u>\$ 139.0</u>	<u>\$ 143.5</u>	<u>\$ 112.3</u>	<u>\$ 111.5</u>	<u>\$ 251.3</u>	<u>\$ 255.0</u>	(1.5)%

CITY OF WARREN, MICHIGAN
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Major capital acquisitions during the year included:

Michigan Transportation Funds: Road construction projects - \$1,200,000	Sanitation: Recycling center concrete - \$182,000
Police Department: Green roof - \$384,000	Green roof - \$163,000
Plaza stairs and handicap ramp - \$257,000	Recycling truck - \$148,000
Vehicles (10) - \$205,000	Water and Sewer System: Water mains - \$350,000
Fire Department: Traumahawk rescue vehicles (4) - \$463,000	Sewer lines - \$47,000
Defibrillators (10) - \$272,000	Tools and equipment - \$59,000
Rescue equipment - \$230,000	Waste Water Treatment Plant: Plant-wide improvements – \$4,700,000
Video conferencing system - \$205,000	Neighborhood Stabilization Program: Park acquisition and improvements -
Downtown Development Authority: Office Equipment - \$119,000	\$1,037,000

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, 2011, the City had long-term debt outstanding of \$163.0 million, an increase of \$3.5 million, or 2.2 percent from the prior year. The Water and Sewer System issued \$9.3 million in bonds for water meter replacements and an automatic meter reading system. 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 Change 2010-2011
	2011	2010	2011	2010	2011	2010	
Land contract	\$ 0.2	\$ 0.3	\$ -	\$ -	\$ 0.2	\$ 0.3	(33.3)%
Road Construction Bonds	14.6	16.2	-	-	14.6	16.2	(9.9)%
Water & Sewer Bonds	-	-	59.5	50.2	59.5	50.2	18.5 %
Tax Increment Finance							
Authority Bonds	-	0.3	-	-	-	0.3	(100.0)%
Sidewalk Replacement Bonds	2.2	2.7	-	-	2.2	2.7	(18.5)%
Downtown Development							
Authority Bonds	68.5	70.2	-	-	68.5	70.2	(2.4)%
Building Authority Bonds	<u>12.7</u>	<u>13.7</u>	<u>5.3</u>	<u>5.9</u>	<u>18.0</u>	<u>19.6</u>	(8.2)%
Total	<u>\$ 98.2</u>	<u>\$ 103.4</u>	<u>\$ 64.8</u>	<u>\$ 56.1</u>	<u>\$ 163.0</u>	<u>\$ 159.5</u>	2.2 %

CITY OF WARREN, MICHIGAN
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Economic Factors and Next Year's Budget

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

The tax effects of a struggling housing market continue 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% less than it was just 11 years ago, a loss of over \$7.18 million annually. At its reduced levels, state shared revenues account for 13.8% 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 55.99% 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 36.11% and 26.62% 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.

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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 2010, water rates from the City of Detroit have risen over 105% 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.

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.

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, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets - unrestricted:			
Cash and cash equivalents	\$ 67,605,420	\$ 7,203,814	\$ 74,809,234
Investments	-	-	-
Deposits	936,801	-	936,801
Receivables (net of allowances where applicable)			
Accrued interest	3,842	223	4,065
Accounts	8,886,695	14,014,975	22,901,670
Land contract interest	-	-	-
Internal balances (1)	1,508,387	7,540	1,515,927
Due from other governments	5,893,463	6,162	5,899,625
Inventory at cost	1,570,886	327,886	1,898,772
Prepaid expenses / expenditures	42,272	84,677	126,949
Total current assets - unrestricted	<u>86,447,766</u>	<u>21,645,277</u>	<u>108,093,043</u>
Current assets - restricted:			
Cash and cash equivalents	-	13,194,513	13,194,513
Due from unrestricted	-	2,244,659	2,244,659
Internal balances (1)	-	1,078,128	1,078,128
Due from other governments	-	3,045,436	3,045,436
Designated for future projects	-	9,711,195	9,711,195
Total current assets - restricted	<u>-</u>	<u>29,273,931</u>	<u>29,273,931</u>
Total current assets	<u>86,447,766</u>	<u>50,919,208</u>	<u>137,366,974</u>
Noncurrent assets:			
Receivables (net of allowances where applicable)			
Notes	6,952,706	-	6,952,706
Due from other governments	5,047,620	-	5,047,620
Delinquent taxes	642,328	-	642,328
Other	-	-	-
Special assessments	2,550,435	-	2,550,435
Land contract	-	205,400	205,400
Total noncurrent receivables	<u>15,193,089</u>	<u>205,400</u>	<u>15,398,489</u>
Deferred charges:			
Bond issuance costs	819,329	95,255	914,584
Total deferred charges	<u>819,329</u>	<u>95,255</u>	<u>914,584</u>
Capital assets (net of accumulated depreciation)			
Land	25,095,767	826,863	25,922,630
Land improvements	3,136,073	-	3,136,073
Buildings	59,139,232	51,939,635	111,078,867
Utility system	-	58,710,603	58,710,603
Machinery and equipment	16,662,804	856,365	17,519,169
Infrastructure	31,367,683	-	31,367,683
Construction in progress	3,550,797	-	3,550,797
Total capital assets	<u>138,952,356</u>	<u>112,333,466</u>	<u>251,285,822</u>
Total noncurrent assets	<u>154,964,774</u>	<u>112,634,121</u>	<u>267,598,895</u>
Total assets	<u>\$ 241,412,540</u>	<u>\$ 163,553,329</u>	<u>\$ 404,965,869</u>

(1) Internal receivables and payables are not equal due to timing differences in reporting Water and Sewer Sytem balances as of December 31, 2010.

See accompanying notes to financial statements

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities			
Current liabilities - unrestricted:			
Accounts payable	\$ 4,166,734	\$ 2,004,382	\$ 6,171,116
Payable to restricted	-	2,244,659	2,244,659
Retainages payable	57,133	-	57,133
Accrued salaries and wages	550,607	88,671	639,278
Payroll taxes and deductions	-	82,453	82,453
Internal balances (1)	1,078,128	1,540,835	2,618,963
Deposits	840,812	156,552	997,364
Accrued interest payable	997,922	39,228	1,037,150
Deferred revenue	5,179,854	-	5,179,854
Current portion of long-term liabilities:			
Land contract	102,655	-	102,655
Capital equipment lease purchase	-	119,547	119,547
Bonds payable	5,052,755	3,712,245	8,765,000
Total current liabilities - unrestricted	18,026,600	9,988,572	28,015,172
Current liabilities - restricted assets:			
Accounts payable	-	273,669	273,669
Accrued interest payable	-	378,399	378,399
Deposits	-	191,505	191,505
Construction contracts to be performed in future periods	-	9,711,195	9,711,195
Current portion of long-term liabilities:			
Bonds payable	-	-	-
Total current liabilities - restricted	-	10,554,768	10,554,768
Total current liabilities	18,026,600	20,543,340	38,569,940
Noncurrent liabilities - unrestricted:			
Accumulated compensatory time	1,825,788	115,937	1,941,725
Compensated absences payable	12,076,493	908,003	12,984,496
Accrued insurance claims	10,835,758	-	10,835,758
Noncurrent portion of long-term liabilities:			
Land contract	53,649	-	53,649
Capital equipment lease purchase	-	752,039	752,039
Bonds payable	92,937,875	62,185,694	155,123,569
Unamortized bond premium / (discount)	(653,589)	13,212	(640,377)
Deferred refunding charge	(553,090)	(1,618,325)	(2,171,415)
Total noncurrent liabilities - unrestricted	116,522,884	62,356,560	178,879,444
Noncurrent liabilities - restricted:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	-	-
Unamortized bond premium / (discount)	-	-	-
Total noncurrent liabilities - restricted	-	-	-
Total noncurrent liabilities	116,522,884	62,356,560	178,879,444
Total liabilities	134,549,484	82,899,900	217,449,384
Net Assets			
Invested in capital assets, net of related debt	42,991,289	48,318,148	91,309,437
Restricted for:			
Public safety	1,368,418	-	1,368,418
Sanitation	3,098,444	-	3,098,444
Recreation and culture	7,433,310	-	7,433,310
City development	374,234	-	374,234
Community development	7,466,669	-	7,466,669
Economic development	13,328,513	-	13,328,513
Highways and streets	8,398,683	-	8,398,683
Capital projects	4,853,346	11,563,068	16,416,414
Debt service	87,070	7,156,512	7,243,582
Insurance claims	-	500,000	500,000
Unrestricted	17,463,080	13,115,701	30,578,781
Total net assets	106,863,056	80,653,429	187,516,485
Total liabilities and net assets	\$ 241,412,540	\$ 163,553,329	\$ 404,965,869

EXHIBIT A-2

CITY OF WARREN, MICHIGAN
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 20,627,690	\$ 6,109,085	\$ 1,223,211	\$ 632,289
Public safety	58,543,063	3,828,890	496,157	407,706
City development	5,164,168	2,776,814	171,895	-
Highways and streets	10,009,377	400,368	7,920,851	6,137
Recreation and culture	12,730,891	2,424,309	540,202	4,626
Sanitation	7,846,593	254,396	-	-
Economic development	4,298,118	519,016	41,624	10,002
Community development	5,199,693	836,146	4,644,560	-
Special assessments	1,114,508	755,104	-	-
Interest on long-term debt	4,510,594	-	-	-
Total governmental activities	130,044,695	17,904,128	15,038,500	1,060,760
Business-type activities:				
Water and Sewer System	32,775,106	37,288,056	-	-
Senior Citizen Housing	1,979,559	2,187,293	-	-
Total business-type activities	34,754,665	39,475,349	-	-
Total primary government	\$ 164,799,360	\$ 57,379,477	\$ 15,038,500	\$ 1,060,760

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:

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, 2010.

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,663,105)	\$ -	\$ (12,663,105)
(53,810,310)	-	(53,810,310)
(2,215,459)	-	(2,215,459)
(1,682,021)	-	(1,682,021)
(9,761,754)	-	(9,761,754)
(7,592,197)	-	(7,592,197)
(3,727,476)	-	(3,727,476)
281,013	-	281,013
(359,404)	-	(359,404)
<u>(4,510,594)</u>	<u>-</u>	<u>(4,510,594)</u>
<u>(96,041,307)</u>	<u>-</u>	<u>(96,041,307)</u>
-	4,512,950	4,512,950
-	207,734	207,734
<u>-</u>	<u>4,720,684</u>	<u>4,720,684</u>
\$ <u>(96,041,307)</u>	\$ <u>4,720,684</u>	\$ <u>(91,320,623)</u>
77,673,556	-	77,673,556
12,125,928	-	12,125,928
1,778,030	-	1,778,030
101,054	35,221	136,275
<u>258,050</u>	<u>-</u>	<u>258,050</u>
<u>91,936,618</u>	<u>35,221</u>	<u>91,971,839</u>
<u>(4,104,689)</u>	<u>4,755,905</u>	<u>651,216</u>
<u>(163,150)</u>	<u>-</u>	<u>(163,150)</u>
<u>(163,150)</u>	<u>-</u>	<u>(163,150)</u>
(4,267,839)	4,755,905	488,066
<u>111,130,895</u>	<u>75,897,524</u>	<u>187,028,419</u>
\$ <u>106,863,056</u>	\$ <u>80,653,429</u>	\$ <u>187,516,485</u>

CITY OF WARREN, MICHIGAN

FUND FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT B-1

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Special Revenue Funds	
		Michigan Transportation Major Streets	Operating Local Streets
Assets			
Cash and cash equivalents	\$ 24,591,053	\$ 2,301,430	\$ 2,595,567
Investments	-	-	-
Deposits	792,010	-	-
Receivables, net			
Accrued interest	650	221	218
Accounts	610,515	-	-
Due from other funds	11,824,657	-	-
Due from other governments	4,019,696	975,862	320,118
Prepaid expenditures	9,516	-	-
Inventory at cost	183,453	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	686,455	-	-
Special assessments	-	-	-
Total assets	<u>\$ 42,718,005</u>	<u>\$ 3,277,513</u>	<u>\$ 2,915,903</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	3,149,607	26,730	16,269
Retainage payable	-	12,782	19,175
Accrued salaries and wages	334,196	18,554	17,678
Deposits	829,467	-	-
Due to other funds	149	408,088	270,439
Deferred revenue	111,416	-	-
Total liabilities	<u>4,424,835</u>	<u>466,154</u>	<u>323,561</u>
Fund balances:			
Nonspendable:			
Prepaid expenditures	9,516	-	-
Inventories	183,453	-	-
Restricted:			
Grants and capital projects	78,199	-	-
Special revenue funds	-	-	-
Road construction and maintainance	-	2,811,359	2,592,342
Debt service	-	-	-
Committed:			
Capital projects	-	-	-
Special revenue funds	-	-	-
Assigned:			
Subsequent year's expenditures	10,435,171	-	-
Insurance claims	4,948,103	-	-
Employee benefits	6,900,339	-	-
Infrastructure improvements	-	-	-
Unassigned:	15,738,389	-	-
Total fund balances	<u>38,293,170</u>	<u>2,811,359</u>	<u>2,592,342</u>
Total liabilities and fund balances	<u>\$ 42,718,005</u>	<u>\$ 3,277,513</u>	<u>\$ 2,915,903</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
\$ 3,428,170	\$ 3,031,343	\$ 2,171,693	\$ 244,084	\$ 754	\$ 374,162
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,637	-	1,171	-	-	-
7,582	4,431	3,996	-	-	-
-	-	148,287	39,220	20,559	50,820
-	1,335	-	-	-	-
14,012	12,931	-	-	-	-
-	-	-	-	-	-
-	-	-	6,189,446	-	763,260
-	-	-	1,068,863	31,057	1,196,633
112,729	44,456	47,788	-	-	-
-	-	-	-	-	-
<u>\$ 3,589,130</u>	<u>\$ 3,094,496</u>	<u>\$ 2,372,935</u>	<u>\$ 7,541,613</u>	<u>\$ 52,370</u>	<u>\$ 2,384,875</u>
241,669	324,115	131,426	56	-	55
-	-	-	-	-	-
57,859	96,040	14,173	-	-	-
-	6,340	-	-	-	5
-	-	-	261,148	21,313	42,157
-	-	-	<u>7,258,309</u>	<u>31,057</u>	<u>1,959,893</u>
<u>299,528</u>	<u>426,495</u>	<u>145,599</u>	<u>7,519,513</u>	<u>52,370</u>	<u>2,002,110</u>
-	1,335	-	-	-	-
14,012	12,931	-	-	-	-
-	-	-	22,100	-	382,765
3,275,590	2,653,735	2,227,336	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,289,602</u>	<u>2,668,001</u>	<u>2,227,336</u>	<u>22,100</u>	<u>-</u>	<u>382,765</u>
<u>\$ 3,589,130</u>	<u>\$ 3,094,496</u>	<u>\$ 2,372,935</u>	<u>\$ 7,541,613</u>	<u>\$ 52,370</u>	<u>\$ 2,384,875</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

Special Revenue Funds

	H.O.P.W.A.	Neighborhood Stabilization Program	Brownfield Redevelopment Fund	Communications
Assets				
Cash and cash equivalents	\$ 7,191	\$ 196,645	\$ 633,488	\$ 2,100,160
Investments	-	-	-	-
Deposits	-	-	-	-
Receivables, net				
Accrued interest	-	-	-	-
Accounts	-	-	-	456,581
Due from other funds	-	-	-	-
Due from other governments	38,793	90,302	-	-
Prepaid expenditures	-	-	-	-
Inventory at cost	-	-	-	-
Assets held for resale	-	-	-	-
Receivables, non-current:				
Notes	-	-	-	-
Due from other governments	596,161	2,154,906	-	-
Delinquent taxes	-	-	-	-
Special assessments	-	-	-	-
Total assets	<u>\$ 642,145</u>	<u>\$ 2,441,853</u>	<u>\$ 633,488</u>	<u>\$ 2,556,741</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	33	-	32,196
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	7,943
Deposits	-	-	-	-
Due to other funds	45,884	165,190	-	-
Deferred revenue	<u>596,161</u>	<u>2,154,906</u>	<u>-</u>	<u>20,818</u>
Total liabilities	<u>642,045</u>	<u>2,320,129</u>	<u>-</u>	<u>60,957</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Restricted:				
Grants and capital projects	100	121,724	633,488	-
Special revenue funds	-	-	-	-
Road construction and maintainance	-	-	-	-
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Special revenue funds	-	-	-	2,495,784
Assigned:				
Subsequent year's expenditures	-	-	-	-
Insurance claims	-	-	-	-
Employee benefits	-	-	-	-
Infrastructure improvements	-	-	-	-
Unassigned:				
Total fund balances	<u>100</u>	<u>121,724</u>	<u>633,488</u>	<u>2,495,784</u>
Total liabilities and fund balances	<u>\$ 642,145</u>	<u>\$ 2,441,853</u>	<u>\$ 633,488</u>	<u>\$ 2,556,741</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	
\$ 384,614	\$ 197,886	\$ 1,046,818	\$ 144,586	\$ 9,150,412	\$ 87,070	
-	-	-	-	-	-	-
-	-	-	-	139	-	-
-	-	-	-	2,311	-	-
-	-	-	-	13,791	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,360,490	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 384,614</u>	<u>\$ 197,886</u>	<u>\$ 1,046,818</u>	<u>\$ 144,586</u>	<u>\$ 10,527,143</u>	<u>\$ 87,070</u>	
358	-	20,872	-	20,656	-	-
-	-	-	-	-	-	-
2,450	-	-	-	1,714	-	-
-	-	-	-	5,000	-	-
-	-	-	-	1,332,180	-	-
-	-	-	-	-	-	-
<u>2,808</u>	<u>-</u>	<u>20,872</u>	<u>-</u>	<u>1,359,550</u>	<u>-</u>	
-	-	-	-	-	-	-
-	-	-	-	1,360,490	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	87,070	-
-	-	-	-	-	-	-
381,806	197,886	1,025,946	144,586	7,807,103	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>381,806</u>	<u>197,886</u>	<u>1,025,946</u>	<u>144,586</u>	<u>9,167,593</u>	<u>87,070</u>	
<u>\$ 384,614</u>	<u>\$ 197,886</u>	<u>\$ 1,046,818</u>	<u>\$ 144,586</u>	<u>\$ 10,527,143</u>	<u>\$ 87,070</u>	

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	Debt Service Funds			
	Tax Increment Finance Authority		Special Assessment Bonds	
	Series 1991	Refunding Series 1999	Series 2003	Series 2005
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 890,738
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>\$ 890,738</u>
Liabilities and Fund Balances				
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:				
Nonspendable:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Restricted:				
Grants and capital projects	-	-	-	-
Special revenue funds	-	-	-	-
Road construction and maintainance	-	-	-	-
Debt service	-	-	-	890,625
Committed:				
Capital projects	-	-	-	-
Special revenue funds	-	-	-	-
Assigned:				
Subsequent year's expenditures	-	-	-	-
Insurance claims	-	-	-	-
Employee benefits	-	-	-	-
Infrastructure improvements	-	-	-	-
Unassigned:				
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>890,625</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 890,738</u>

See accompanying notes to financial statements.

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	Debt Service Funds			
	Michigan Transportation Bonds Series 2000	Michigan Transportation Bonds Series 2003	Michigan Transportation Bonds Series 2010	Capital Improvement Bonds Series 2006
Assets				
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>	<u>\$ -</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Restricted:				
Grants and capital projects	-	-	-	-
Special revenue funds	-	-	-	-
Road construction and maintainance	-	-	-	-
Debt service	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Special revenue funds	-	-	-	-
Assigned:				
Subsequent year's expenditures	-	-	-	-
Insurance claims	-	-	-	-
Employee benefits	-	-	-	-
Infrastructure improvements	-	-	-	-
Unassigned:				
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	Capital Projects Funds		
	Sidewalk and Tree Revolving	Michigan Transportation Construction	
		2000 Major Streets	2003 Major Streets
Assets			
Cash and cash equivalents	\$ 1,410,462	\$ 172,866	\$ 260,851
Investments	-	-	-
Deposits	-	-	-
Receivables, net			
Accrued interest	-	16	24
Accounts	-	-	-
Due from other funds	-	-	-
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	2,280,893	-	-
Total assets	<u>\$ 3,691,355</u>	<u>\$ 172,882</u>	<u>\$ 289,047</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	66,570	6,754	-
Retainage payable	25,176	-	-
Accrued salaries and wages	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	2,280,893	-	-
Total liabilities	<u>2,372,639</u>	<u>6,754</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Restricted:			
Grants and capital projects	-	-	-
Special revenue funds	-	-	-
Road construction and maintainance	-	166,128	289,047
Debt service	-	-	-
Committed:			
Capital projects	788,248	-	-
Special revenue funds	-	-	-
Assigned:			
Subsequent year's expenditures	-	-	-
Insurance claims	-	-	-
Employee benefits	-	-	-
Infrastructure improvements	530,468	-	-
Unassigned:	-	-	-
Total fund balances	<u>1,318,716</u>	<u>166,128</u>	<u>289,047</u>
Total liabilities and fund balances	<u>\$ 3,691,355</u>	<u>\$ 172,882</u>	<u>\$ 289,047</u>

See accompanying notes to financial statements.

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Capital Improvement Bonds Series 2008	Building Authority Construction Funds			37th District Court Building Renovation
		Series 2001	Series 2002	Series 2005	
\$ 2,689,769	\$ 850,847	\$ -	\$ -	\$ 310,424	\$ 4,500,286
-	-	-	-	-	-
144,652	-	-	-	-	-
248	82	-	-	-	-
-	-	-	-	-	-
-	-	-	-	149	-
119,669	-	-	-	-	40,467
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,954,338</u>	<u>\$ 850,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,573</u>	<u>\$ 4,540,753</u>
90,397	25,659	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,078,128	-	-	-	-	-
-	-	-	-	-	-
<u>1,168,525</u>	<u>25,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,785,813	825,270	-	-	310,573	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,540,753
-	-	-	-	-	-
<u>1,785,813</u>	<u>825,270</u>	<u>-</u>	<u>-</u>	<u>310,573</u>	<u>4,540,753</u>
<u>\$ 2,954,338</u>	<u>\$ 850,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,573</u>	<u>\$ 4,540,753</u>

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2011

	Capital Projects Funds			
	Energy Eff. & Conservation Block Grant Projects	Tax Increment Finance Authority	Downtown Development Authority Construction	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ 1,335,261	\$ 2,061,315	\$ 67,605,420
Investments	-	-	-	-
Deposits	-	-	-	936,801
Receivables, net				
Accrued interest	-	72	-	3,842
Accounts	-	-	-	1,108,695
Due from other funds	-	-	-	11,840,815
Due from other governments	1,498	-	-	5,893,463
Prepaid expenditures	-	-	31,421	42,272
Inventory at cost	-	-	-	1,570,886
Assets held for resale	-	-	-	-
Receivables, non-current:				
Notes	-	-	-	6,952,706
Due from other governments	-	-	-	5,047,620
Delinquent taxes	-	-	-	891,428
Special assessments	-	-	-	2,550,435
Total assets	<u>\$ 1,498</u>	<u>\$ 1,335,333</u>	<u>\$ 2,092,736</u>	<u>\$ 104,444,383</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	1,498	-	1,941	4,166,734
Retainage payable	-	-	-	57,133
Accrued salaries and wages	-	-	-	550,607
Deposits	-	-	-	840,812
Due to other funds	-	7,880	-	3,632,556
Deferred revenue	-	-	-	14,682,995
Total liabilities	<u>1,498</u>	<u>7,880</u>	<u>1,941</u>	<u>23,930,837</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	-	-	-	10,851
Inventories	-	-	-	1,570,886
Restricted:				
Grants and capital projects	-	-	-	4,160,032
Special revenue funds	-	-	-	8,156,661
Road construction and maintainance	-	-	-	5,858,876
Debt service	-	-	-	977,695
Committed:				
Capital projects	-	1,327,453	2,090,795	4,206,496
Special revenue funds	-	-	-	12,053,111
Assigned:				
Subsequent year's expenditures	-	-	-	10,435,171
Insurance claims	-	-	-	4,948,103
Employee benefits	-	-	-	6,900,339
Infrastructure improvements	-	-	-	5,496,936
Unassigned:	-	-	-	15,738,389
Total fund balances	<u>-</u>	<u>1,327,453</u>	<u>2,090,795</u>	<u>80,513,546</u>
Total liabilities and fund balances	<u>\$ 1,498</u>	<u>\$ 1,335,333</u>	<u>\$ 2,092,736</u>	<u>\$ 104,444,383</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, 2011

Fund balances - governmental funds (Exhibit B-1) \$ 80,513,546

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	\$ 305,163,057	
Accumulated depreciation	(166,210,701)	138,952,356

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	\$ (97,990,630)	
Land contract	(156,304)	
Compensated absences payable	(12,076,493)	
Compensatory time payable	(1,825,788)	
Accrued insurance claims	(10,835,758)	
Accrued interest payable	(997,922)	(123,882,895)

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	\$ 819,329	
Bond premiums / discounts	653,589	
Deferred refunding charge	553,090	2,026,008

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	\$ 6,952,706	
Special assessments	2,550,435	9,503,141

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.

(249,100)

Total net assets - governmental activities (Exhibit A-1) **\$ 106,863,056**

EXHIBIT B-3

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

For the Year Ended June 30, 2011

	Special Revenue Funds		
	General Fund	Michigan Transportation Operating	
		Major Streets	Local Streets
Revenues:			
Property taxes	\$ 56,292,750	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	1,765,853	-	-
Intergovernmental:			
Federal revenue	741,950	-	-
State revenue	13,031,182	5,931,460	2,353,475
Local revenue	858,944	28,531	-
Charges for services	4,309,488	-	-
Fines and fees	4,468,678	-	-
Interest	79,971	3,762	3,991
Sale of property	64,273	-	-
Miscellaneous	6,154,253	-	-
Total revenue	<u>87,767,342</u>	<u>5,963,753</u>	<u>2,357,466</u>
Expenditures:			
General government	24,851,017	-	-
Public safety	59,542,902	-	-
City development	4,847,278	-	-
Highways and streets	3,010,940	3,403,079	3,004,790
Recreation and culture	31,273	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Special assessments	-	-	-
Debt service:			
Principal retirement	96,763	-	-
Interest	13,754	-	-
Other	-	-	-
Total expenditures	<u>92,393,927</u>	<u>3,403,079</u>	<u>3,004,790</u>
Excess (deficiency) of revenues over expenditures	<u>(4,626,585)</u>	<u>2,560,674</u>	<u>(647,324)</u>
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	159,789	53,851	82,574
Transfers out	(742,362)	(2,311,616)	(40,760)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>(582,573)</u>	<u>(2,257,765)</u>	<u>41,814</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(5,209,158)	302,909	(605,510)
Fund balance - beginning of year	<u>43,502,328</u>	<u>2,508,450</u>	<u>3,197,852</u>
Fund balance - end of year	<u>\$ 38,293,170</u>	<u>\$ 2,811,359</u>	<u>\$ 2,592,342</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
\$ 6,474,370	\$ 3,840,283	\$ 5,260,360	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	738,610	50,555	248,018
-	272,676	188,056	-	-	-
-	-	-	-	-	-
-	2,166,358	-	-	-	-
-	-	96,723	-	-	-
5,330	4,156	686	-	-	-
-	-	247,852	-	-	-
<u>281,033</u>	<u>198,115</u>	<u>6,981</u>	<u>89,762</u>	<u>-</u>	<u>490,807</u>
<u>6,760,733</u>	<u>6,481,588</u>	<u>5,800,658</u>	<u>828,372</u>	<u>50,555</u>	<u>738,825</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,408,589	3,325,443	-	-	-
7,749,938	-	-	-	-	-
-	-	-	-	-	-
-	-	-	809,045	50,555	757,401
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,749,938</u>	<u>6,408,589</u>	<u>3,325,443</u>	<u>809,045</u>	<u>50,555</u>	<u>757,401</u>
<u>(989,205)</u>	<u>72,999</u>	<u>2,475,215</u>	<u>19,327</u>	<u>-</u>	<u>(18,576)</u>
-	-	-	-	-	-
-	-	-	-	-	-
(31,621)	(618,534)	(286,349)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(31,621)</u>	<u>(618,534)</u>	<u>(286,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,020,826)	(545,535)	2,188,866	19,327	-	(18,576)
<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>3,289,602</u>	\$ <u>2,668,001</u>	\$ <u>2,227,336</u>	\$ <u>22,100</u>	\$ <u>-</u>	\$ <u>382,765</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, 2011

	Special Revenue Funds			
	H.O.P.W.A.	Neighborhood Stabilization Program	Brownfield Redevelopment Authority	Communications
Revenues:				
Property taxes	\$ -	\$ -	\$ 381,543	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal revenue	479,048	3,128,329	-	-
State revenue	-	-	-	-
Local revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	1,778,030
Interest	-	-	761	2,714
Sale of property	-	-	-	-
Miscellaneous	-	121,724	-	40,228
Total revenue	<u>479,048</u>	<u>3,250,053</u>	<u>382,304</u>	<u>1,820,972</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
City development	-	-	-	-
Highways and streets	-	-	-	-
Recreation and culture	-	-	-	1,261,036
Sanitation	-	-	-	-
Economic development	-	-	88,229	-
Community development	479,786	3,128,329	-	-
Special assessments	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>479,786</u>	<u>3,128,329</u>	<u>88,229</u>	<u>1,261,036</u>
Excess (deficiency) of revenues over expenditures	<u>(738)</u>	<u>121,724</u>	<u>294,075</u>	<u>559,936</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(217,213)
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>(217,213)</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(738)</u>	<u>121,724</u>	<u>294,075</u>	<u>342,723</u>
Fund balance - beginning of year	<u>838</u>	<u>-</u>	<u>339,413</u>	<u>2,153,061</u>
Fund balance - end of year	<u>\$ 100</u>	<u>\$ 121,724</u>	<u>\$ 633,488</u>	<u>\$ 2,495,784</u>

Special Revenue Funds					Debt Service
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Downtown Development Authority Administration	Chapter 20 and 21 Drain Bonds
\$ -	\$ -	\$ -	\$ -	\$ 4,649,621	\$ 16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	42,804	-	-
-	-	-	-	-	-
50,523	-	-	-	-	-
419,620	42,083	304,999	-	-	-
451	262	1,442	176	28,124	120
-	-	-	-	-	-
-	-	-	-	532,516	-
<u>470,594</u>	<u>42,345</u>	<u>306,441</u>	<u>42,980</u>	<u>5,210,261</u>	<u>136</u>
-	-	-	-	-	-
-	14,041	225,089	33,140	-	-
334,071	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,561,992	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5
<u>334,071</u>	<u>14,041</u>	<u>225,089</u>	<u>33,140</u>	<u>1,561,992</u>	<u>5</u>
<u>136,523</u>	<u>28,304</u>	<u>81,352</u>	<u>9,840</u>	<u>3,648,269</u>	<u>131</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(4,835,670)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,835,670)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,835,670)</u>	<u>-</u>
136,523	28,304	81,352	9,840	(1,187,401)	131
<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>
\$ 381,806	\$ 197,886	\$ 1,025,946	\$ 144,586	\$ 9,167,593	\$ 87,070

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, 2011

	Debt Service Funds			
	Tax Increment Finance Authority		Special Assessment Bonds	
	Series 1991	Refunding Series 1999	Series 2003	Series 2005
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal revenue	-	-	-	-
State revenue	-	-	-	-
Local revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Interest	-	-	-	-
Sale of property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
City development	-	-	-	-
Highways and streets	-	-	-	-
Recreation and culture	-	-	-	-
Sanitation	-	-	-	-
Economic development	-	-	-	-
Community development	-	-	-	-
Special assessments	-	-	-	-
Debt service:				
Principal retirement	250,000	-	-	200,000
Interest	6,250	-	-	37,900
Other	700	-	-	225
Total expenditures	<u>256,950</u>	<u>-</u>	<u>-</u>	<u>238,125</u>
Excess (deficiency) of revenues over expenditures	<u>(256,950)</u>	<u>-</u>	<u>-</u>	<u>(238,125)</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	256,950	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	<u>256,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	-	(238,125)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128,750</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 890,625</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, 2011

	Debt Service Funds			
	Michigan Transportation Bonds Series 2000	Michigan Transportation Bonds Series 2003	Michigan Transportation Bonds Series 2010	Capital Improvement Bonds Series 2006
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	-	500,000	535,000	35,918
Interest	-	147,250	74,163	203,388
Other	-	225	500	162
Total expenditures	<u>-</u>	<u>647,475</u>	<u>609,663</u>	<u>239,468</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(647,475)</u>	<u>(609,663)</u>	<u>(239,468)</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	-	647,475	609,663	239,468
Transfers out	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>647,475</u>	<u>609,663</u>	<u>239,468</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,525
-	-	-	-	-	-
-	-	-	-	-	5,525
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	52,118
161,033	400,000	-	525,000	65,000	-
170,895	9,400	-	110,075	432,730	-
153	138	-	112	225	-
332,081	409,538	-	635,187	497,955	52,118
(332,081)	(409,538)	-	(635,187)	(497,955)	(46,593)
-	-	-	-	-	-
332,081	409,538	-	620,530	497,955	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
332,081	409,538	-	620,530	497,955	-
-	-	-	(14,657)	-	(46,593)
-	-	-	14,657	-	472,308
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,715

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, 2011

	Capital Projects Funds		
	Sidewalk and Tree Revolving	Michigan Transportation Construction	
		2000 Major Streets	2003 Major Streets
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Special assessments	953,777	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	967	-	-
Fines and fees	-	-	-
Interest	32,530	428	294
Sale of property	-	-	-
Miscellaneous	-	-	-
Total revenue	<u>987,274</u>	<u>428</u>	<u>294</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	456,406	-
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Special assessments	1,062,390	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	<u>1,062,390</u>	<u>456,406</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(75,116)</u>	<u>(455,978)</u>	<u>294</u>
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	-	-	-
Transfers out	(423,297)	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	<u>(423,297)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>(498,413)</u>	<u>(455,978)</u>	<u>294</u>
Fund balance - beginning of year	<u>1,817,129</u>	<u>622,106</u>	<u>288,753</u>
Fund balance - end of year	<u>\$ 1,318,716</u>	<u>\$ 166,128</u>	<u>\$ 289,047</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, 2011

	Capital Projects Funds			Total Governmental Funds
	Energy Eff. & Conservation Block Grant Projects	Tax Increment Finance Authority	Downtown Development Authority Construction	
Revenues:				
Property taxes	\$ -	\$ 564,713	\$ -	\$ 77,463,656
Special assessments	-	-	-	953,777
Licenses and permits	-	-	-	1,765,853
Intergovernmental:				
Federal revenue	631,498	-	-	6,018,008
State revenue	-	-	-	21,819,653
Local revenue	-	-	-	887,475
Charges for services	-	-	-	6,527,336
Fines and fees	-	-	-	7,792,994
Interest	-	1,415	7,826	191,916
Sale of property	-	-	-	312,125
Miscellaneous	-	-	-	7,915,419
Total revenue	<u>631,498</u>	<u>566,128</u>	<u>7,826</u>	<u>131,648,212</u>
Expenditures:				
General government	631,498	-	-	25,525,029
Public safety	-	-	-	59,815,172
City development	-	-	-	5,181,349
Highways and streets	-	-	-	10,597,544
Recreation and culture	-	-	-	11,026,341
Sanitation	-	-	-	7,749,938
Economic development	-	365,038	188,442	2,203,701
Community development	-	-	-	5,225,116
Special assessments	-	-	-	1,114,508
Debt service:				
Principal retirement	-	-	-	5,262,681
Interest	-	-	-	4,401,764
Other	-	-	-	3,867
Total expenditures	<u>631,498</u>	<u>365,038</u>	<u>188,442</u>	<u>138,107,010</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>201,090</u>	<u>(180,616)</u>	<u>(6,458,798)</u>
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	-	-	-	9,601,222
Transfers out	-	(256,950)	-	(9,764,372)
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(256,950)</u>	<u>-</u>	<u>(163,150)</u>
Excess (deficiency) of revenues and financing sources over expenditures and other uses	<u>-</u>	<u>(55,860)</u>	<u>(180,616)</u>	<u>(6,621,948)</u>
Fund balance - beginning of year	<u>-</u>	<u>1,383,313</u>	<u>2,271,411</u>	<u>87,135,494</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 1,327,453</u>	<u>\$ 2,090,795</u>	<u>\$ 80,513,546</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, 2011

Net change in fund balances - governmental funds (Exhibit B-3) \$ (6,621,948)

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	\$ 3,573,132	
Depreciation	<u>(8,006,225)</u>	(4,433,093)

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.

(103,589)

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>5,262,681</u>	5,262,681

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	\$ (75,718)	
Bond discounts, net of amortization	(41,879)	
Deferred refunding charges, net of amortization	<u>(42,056)</u>	(159,653)

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.

54,690

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	\$ 1,181,256	
Compensatory time	218,781	
Insurance claims	<u>87,345</u>	1,487,382

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

Community Development Block Grant loans	\$ 273,486	
Special assessments	<u>(237,695)</u>	35,791

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 .

209,900

Change in net assets - governmental activities (Exhibit A-2) \$ (4,267,839)

See accompanying notes to financial statements

EXHIBIT B-5

CITY OF WARREN, MICHIGAN
STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2011

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Assets				
Current assets - unrestricted				
Cash and cash equivalents	\$ 3,216,133	\$ 2,140,983	\$ 1,846,698	\$ 7,203,814
Investments	-	-	-	-
Accounts receivable	13,993,742	1,296	19,937	14,014,975
Accrued interest on investments	22	201	-	223
Due from other funds	7,540	1,275	-	8,815
Land contract interest receivable	6,162	-	-	6,162
Materials and supplies inventory - at cost	327,886	-	-	327,886
Prepaid expenses	84,677	-	-	84,677
Total current assets - unrestricted	<u>17,636,162</u>	<u>2,143,755</u>	<u>1,866,635</u>	<u>21,646,552</u>
Current assets - restricted				
Cash and cash equivalents	13,003,008	49,509	141,996	13,194,513
Due from unrestricted	2,244,659	-	-	2,244,659
Due from other funds	1,078,128	-	-	1,078,128
Due from other governments	3,045,436	-	-	3,045,436
Designated for future projects	9,711,195	-	-	9,711,195
Total current assets - restricted	<u>29,082,426</u>	<u>49,509</u>	<u>141,996</u>	<u>29,273,931</u>
Total current assets	<u>46,718,588</u>	<u>2,193,264</u>	<u>2,008,631</u>	<u>50,920,483</u>
Noncurrent assets:				
Bond issuance costs	-	-	95,255	95,255
Land contract receivable	205,400	-	-	205,400
Property, plant and equipment at cost:				
Land	605,219	221,644	-	826,863
Building and improvements	68,431,165	2,994,301	10,098,936	81,524,402
Utility system	116,518,462	-	-	116,518,462
Machinery, equipment and furniture	12,791,476	289,408	1,101,169	14,182,053
Total property, plant and equipment	198,346,322	3,505,353	11,200,105	213,051,780
Less: accumulated depreciation	<u>(93,816,986)</u>	<u>(2,700,681)</u>	<u>(4,200,647)</u>	<u>(100,718,314)</u>
Net property, plant and equipment	<u>104,529,336</u>	<u>804,672</u>	<u>6,999,458</u>	<u>112,333,466</u>
Total noncurrent assets	<u>104,734,736</u>	<u>804,672</u>	<u>7,094,713</u>	<u>112,634,121</u>
Total assets	<u>\$ 151,453,324</u>	<u>\$ 2,997,936</u>	<u>\$ 9,103,344</u>	<u>\$ 163,554,604</u>

(Continued)

Note:

(1) For fiscal year ended December 31, 2010.

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Liabilities				
Current liabilities - unrestricted:				
Accounts payable	\$ 1,966,362	\$ 22,376	\$ 15,644	\$ 2,004,382
Payable to restricted	2,244,659	-	-	2,244,659
Accrued wages payable	87,336	573	762	88,671
Payroll taxes and deductions	82,453	-	-	82,453
Due to other funds	1,261,714	108,257	172,139	1,542,110
Building Authority bonds - current	-	-	610,000	610,000
Revenue bonds payable - current	3,102,245	-	-	3,102,245
Capital equipment lease purchase - current	119,547	-	-	119,547
Accrued interest payable	-	-	39,228	39,228
Deferred revenue	-	-	-	-
Customer deposits	156,552	-	-	156,552
Total current liabilities - unrestricted	<u>9,020,868</u>	<u>131,206</u>	<u>837,773</u>	<u>9,989,847</u>
Current liabilities - restricted:				
Accounts payable	273,669	-	-	273,669
Accrued interest payable	378,399	-	-	378,399
Construction contracts to be performed in future periods	9,711,195	-	-	9,711,195
Tenant security deposits	-	49,509	141,996	191,505
Total current liabilities - restricted	<u>10,363,263</u>	<u>49,509</u>	<u>141,996</u>	<u>10,554,768</u>
Total current liabilities	<u>19,384,131</u>	<u>180,715</u>	<u>979,769</u>	<u>20,544,615</u>
Noncurrent liabilities - unrestricted:				
Accumulative sick leave	886,930	21,073	-	908,003
Accumulative compensatory time	108,119	7,818	-	115,937
Revenue bonds payable	57,485,694	-	-	57,485,694
Capital Equipment Lease Purchase	752,039	-	-	752,039
Building Authority bonds payable	-	-	4,700,000	4,700,000
Unamortized bond premium / (discount)	(97,480)	-	110,692	13,212
Deferred refunding charge	(1,301,440)	-	(316,885)	(1,618,325)
Total noncurrent liabilities - unrestricted	<u>57,833,862</u>	<u>28,891</u>	<u>4,493,807</u>	<u>62,356,560</u>
Total liabilities	<u>77,217,993</u>	<u>209,606</u>	<u>5,473,576</u>	<u>82,901,175</u>
Net assets				
Invested in capital assets, net of related debt	45,824,018	804,672	1,689,458	48,318,148
Restricted for:	-	-	-	-
Debt service	7,156,512	-	-	7,156,512
Construction	11,563,068	-	-	11,563,068
Insurance claims	500,000	-	-	500,000
Unrestricted net assets	<u>9,191,733</u>	<u>1,983,658</u>	<u>1,940,310</u>	<u>13,115,701</u>
Total net assets	<u>74,235,331</u>	<u>2,788,330</u>	<u>3,629,768</u>	<u>80,653,429</u>
Total liabilities and net assets	<u>\$ 151,453,324</u>	<u>\$ 2,997,936</u>	<u>\$ 9,103,344</u>	<u>\$ 163,554,604</u>

CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			Totals
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	
Operating revenues:				
Charges for services	\$ 37,288,056	\$ -	\$ -	\$ 37,288,056
Rental revenues	-	488,672	965,360	1,454,032
Maintenance revenues	-	-	386,304	386,304
Other operating revenues	-	330,894	16,063	346,957
Total operating revenues	<u>37,288,056</u>	<u>819,566</u>	<u>1,367,727</u>	<u>39,475,349</u>
Operating expenses:				
Water purchases	8,264,977	-	-	8,264,977
Personal services	11,154,520	408,331	44,285	11,607,136
Contractual services	-	21,540	34,515	56,055
Materials and supplies	648,633	13,999	15,702	678,334
Utilities	-	127,077	83,234	210,311
Other services and charges	6,255,099	243,689	430,219	6,929,007
Depreciation	4,084,029	82,549	175,296	4,341,874
Total operating expenses	<u>30,407,258</u>	<u>897,185</u>	<u>783,251</u>	<u>32,087,694</u>
Operating income (loss)	<u>6,880,798</u>	<u>(77,619)</u>	<u>584,476</u>	<u>7,387,655</u>
Nonoperating revenues (expenses):				
Interest income	26,051	2,845	6,325	35,221
Interest expense	(1,750,605)	-	(281,263)	(2,031,868)
Bond issuance costs	-	-	(17,860)	(17,860)
Fiscal charges	-	-	-	-
Gain / (loss) on disposal of assets	-	-	-	-
Other revenue / (expense)	(617,243)	-	-	(617,243)
Total nonoperating revenues (expenses)	<u>(2,341,797)</u>	<u>2,845</u>	<u>(292,798)</u>	<u>(2,631,750)</u>
Net income (loss)	4,539,001	(74,774)	291,678	4,755,905
Net assets - beginning of year	<u>69,696,330</u>	<u>2,863,104</u>	<u>3,338,090</u>	<u>75,897,524</u>
Net assets - end of year	<u>\$ 74,235,331</u>	<u>\$ 2,788,330</u>	<u>\$ 3,629,768</u>	<u>\$ 80,653,429</u>

Note:

(1) For fiscal year ended December 31, 2010.

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, 2011

	Business-type Activities - Enterprise Funds			Totals
	Water and	Senior Citizen Housing Funds		
	Sewer System (1)	Stilwell Manor	Jos. Coach Manor	
Cash flows from operating activities:				
Cash received from customers	\$ 31,956,624	\$ 514,337	\$ 1,350,164	\$ 33,821,125
Cash payments to suppliers for goods and services	(17,120,606)	(315,172)	(811,159)	(18,246,937)
Cash payments to employees for services	(11,437,798)	(414,798)	(46,602)	(11,899,198)
Other operating revenues / expenses	3,540,376	606,825	(605,301)	3,541,900
Net cash provided by (used for) operating activities	6,938,596	391,192	(112,898)	7,216,890
Cash flows from capital and related financing activities:				
Other income	-	-	-	-
Acquisition and construction of capital assets	(7,010,855)	-	-	(7,010,855)
Debt issuance less debt principal payments	10,262,069	-	(620,000)	9,642,069
Debt interest, issuance costs and fiscal charges	(1,647,226)	-	(246,218)	(1,893,444)
Net cash provided by (used for) capital and related financing activities	1,603,988	-	(866,218)	737,770
Cash flows from investing activities:				
Interest on investments	26,118	2,893	7,076	36,087
Net cash provided by (used for) investing activities	26,118	2,893	7,076	36,087
Net increase (decrease) in cash and cash equivalents	8,568,702	394,085	(972,040)	7,990,747
Cash and cash equivalents - beginning of year	7,650,439	1,796,407	2,960,734	12,407,580
Cash and cash equivalents - end of year	\$ 16,219,141	\$ 2,190,492	\$ 1,988,694	\$ 20,398,327

(Continued)

Notes:

(1) For fiscal year ended December 31, 2010

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			Totals
	Water and	Senior Citizen Housing Funds		
	Sewer System (1)	Stilwell Manor	Jos. Coach Manor	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 6,880,798	\$ (77,619)	\$ 584,476	\$ 7,387,655
Adjustments to reconcile income to net cash provided by (used for) operating activities:				
Depreciation	4,084,029	82,549	175,296	4,341,874
Other income	-	-	-	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,806,800)	177	(16,478)	(1,823,101)
(Increase) decrease in interest receivable	2,818	-	-	2,818
(Increase) decrease in interfund receivables	(2,126,197)	298,882	-	(1,827,315)
(Increase) decrease in inventory	1,480	-	-	1,480
Increase (decrease) in accounts payable	172,820	5,120	(120,970)	56,970
Capital acquisitions reflected in acc. payable	-	-	-	-
Increase (decrease) in wages and benefits payable	(281,598)	(6,467)	(2,317)	(290,382)
(Increase) decrease in prepaid expenses	(1,680)	165	-	(1,515)
Increase (decrease) in customer deposits	12,926	2,537	1,138	16,601
Increase (decrease) in interfund payables	-	85,848	(731,819)	(645,971)
Increase (decrease) in deferred revenue	-	-	(2,223)	(2,223)
Total adjustments	57,798	468,811	(697,374)	(170,765)
Net cash provided by operating activities	\$ 6,938,596	\$ 391,192	\$ (112,898)	\$ 7,216,890

Note:

(1) For fiscal year ended December 31, 2010.

EXHIBIT B-8

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

June 30, 2011

	Trust Funds - Pension and Other <u>Retirement Benefits (1)</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 1,706,010	\$ 2,918,064
Receivables:		
Investment sales	34,043	-
Accrued interest and dividends	1,771,718	7
Other	987	-
Advances	-	9,239
Prepaid expenses	155,965	-
Due from other funds	1,276	-
Investments, at fair value:		
Securities lending short-term collateral investment pool	53,603,128	-
Short-term cash management funds	22,377,285	-
Certificates of deposit	196,632	-
U.S. government obligations	25,137,837	-
U.S. government agencies' notes and debentures	26,516,432	-
Corporate and other bonds and securities	83,011,631	-
Fixed income mutual funds	2,928,324	-
Equities	222,338,466	-
Equity mutual funds	44,313,358	-
Real estate investment trusts	9,550,651	-
Private equity	2,974,975	-
Hedge funds	3,037,883	-
Distressed debt recovery fund	707,900	-
Mezzanine debt financing	791,763	-
Total investments	<u>497,486,265</u>	<u>-</u>
Total assets	<u>501,156,264</u>	<u>2,927,310</u>
Liabilities		
Accounts payable	2,968,327	248,644
Investment purchases	32,112	-
Due broker under securities lending agreement	54,185,228	-
Due to other funds	8,356,792	795,439
Accrued medical claims	343,676	-
Deposits and escrows	-	1,367,445
Due to other governmental units	-	515,782
Total liabilities	<u>65,886,135</u>	<u>\$ 2,927,310</u>
Net assets		
Held in trust for pension and other employee benefits	<u>\$ 435,270,129</u>	

Note:

(1) Fiscal year ended December 31, 2010.

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, 2011

	Trust Funds - Pension and Other <u>Retirement Benefits (1)</u>
Additions:	
Contributions:	
Employee contributions	\$ 608,886
Employer contributions	28,574,191
Employer contributions made on behalf of employees	<u>979,845</u>
Total contributions	<u>30,162,922</u>
Investment activity:	
Net appreciation/(depreciation) in fair value of investments	43,601,659
Interest and dividend income	<u>11,871,836</u>
	55,473,495
Less investment expense	<u>(2,019,999)</u>
Net investment gain/(loss)	<u>53,453,496</u>
Securities lending income:	
Interest and fees	158,754
Less borrower rebates and bank fees	(44,913)
Recognition of impaired asset	<u>9,174</u>
Net securities lending income	<u>123,015</u>
Miscellaneous income	<u>44,720</u>
Total additions	<u>83,784,153</u>
Deductions:	
Retirees' pension benefits	36,917,420
Retirees' health insurance	15,077,970
Refunds and withdrawals of contributions	2,541,622
Incentive bonuses	25,000
Administrative expense	<u>630,760</u>
Total deductions	<u>55,192,772</u>
Net increase (decrease)	28,591,381
Net assets held in trust for pension and other employee benefits:	
Beginning of year	<u>406,678,748</u>
End of year	<u>\$ 435,270,129</u>

Note:

(1) Fiscal year ended December 31, 2010.

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, 2011

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, 2011

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

2. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011

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, 2011

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 March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications being; nonspendable, restricted, committed, assigned, and unassigned. The City implemented Statement No. 54 during this year. In the fund financial statements, governmental funds report the following components:

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- Committed: Amounts that have been formally set aside by the City's highest level of decision making for use for specific purposes, and remains binding unless rescinded by the same highest level action
- Assigned: Intent to spend resources on specific purposes expressed by a city official or body delegated to assign amounts
- Unassigned: For the general fund, this is the residual classification for amounts that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes

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	\$ 395,249
Electrical permits	314,396
Mechanical permits	195,148
Plumbing permits	159,412
Plan review fees	108,096
Sidewalk permits	8,225
Zoning permits	121,970
Other licenses and permits	433,654
Board of appeals	33,820
Site plan fees	29,712
Planning commission fees	<u>6,870</u>
Total revenues	<u>1,806,552</u>
Expenditures (1):	
Building department	2,308,263
Planning department	<u>421,275</u>
Total expenditures	<u>2,729,538</u>
Excess (deficiency) of revenues over expenditures	(922,986)
Cumulative shortfall as of June 30, 2010	<u>(8,146,397)</u>
Cumulative shortfall as of June 30, 2011	<u>\$(9,069,383)</u>

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

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 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, 2011

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:

	Interest Bearing Accounts	Non-Interest Bearing Accounts	Total
General City (excluding Water and Sewer System)	\$ 35,780,010	\$ 2,961,677	\$ 38,741,687
Plus outstanding checks	-	2,983,928	2,983,928
Less deposits in transit	-	(180,225)	(180,225)
	<u>\$ 35,780,010</u>	<u>\$ 5,765,380</u>	<u>\$ 41,545,390</u>
FDIC insured	1,500,000	5,765,380	7,265,380
Uninsured and uncollateralized	34,280,010	-	34,280,010
Water and Sewer System (as of December 31, 2010)	\$ 9,366,633	\$ 217,156	\$ 9,583,789
Plus outstanding checks	8,755	126,674	135,429
	<u>\$ 9,375,388</u>	<u>\$ 343,830</u>	<u>\$ 9,719,218</u>
FDIC insured (1)	-	-	-
Uninsured and uncollateralized	9,375,388	343,830	9,719,218
Building Authority	\$ 2,298,818	\$ -	\$ 2,298,818
Plus outstanding checks	3,129	-	3,129
	<u>\$ 2,301,947</u>	<u>\$ -</u>	<u>\$ 2,301,947</u>
FDIC insured	250,000	-	250,000
Uninsured and uncollateralized	2,051,947	-	2,051,947
Tax Increment Finance Authority	\$ -	\$ 553,793	\$ 553,793
Plus outstanding checks	-	720	720
	<u>\$ -</u>	<u>\$ 554,513</u>	<u>\$ 554,513</u>
FDIC insured	-	554,513	554,513
Uninsured and uncollateralized	-	-	-
Downtown Development Authority	\$ 9,113,873	\$ 721,378	\$ 9,835,251
Plus outstanding checks	6,209	-	6,209
	<u>\$ 9,120,082</u>	<u>\$ 721,378</u>	<u>\$ 9,841,460</u>
FDIC insured	750,000	721,378	1,471,378
Uninsured and uncollateralized	8,370,082	-	8,370,082

(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, 2011

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 Invested</u>	<u>Rating</u>	<u>2a-7 Like</u>	<u>Weighted Ave. Maturity</u>
General City (excluding Water and Sewer System):				
Banc of America–Fidelity Treasury Only – Class I	\$ 100,852	Not Rated	Yes	Not Applicable
PNC Bank – Municipal Investment Fund	1,249,532	Not Rated	No	39 days
Huntington Bank – Automated Funds Investment	412,365	Not Rated	No	Not Available
Comerica – Government Cash Investment Fund	<u>19,331,006</u>	Not Rated	Yes	Not Applicable
	<u>\$ 21,093,755</u>			
Water and Sewer System (as of December 31, 2010):				
Comerica – Government Cash Investment Fund	\$ 6,557,253	Not rated	Yes	Not Applicable
PNC Bank – Municipal Investment Fund	77,229	Not rated	No	39 days
	<u>\$ 6,634,482</u>			
Tax Increment Finance Authority:				
Comerica – Government Cash Investment Fund	\$ 781,468	Not Rated	Yes	Not Applicable
Downtown Development Authority:				
JPMorgan Chase – Michigan Governmental MMF	\$ 31,095	Moody's Aaa	Yes	Not Applicable
Fifth Third Institutional Money Market Trust	<u>1,345,281</u>	Moody's Aaa	Yes	Not Applicable
	<u>\$ 1,376,376</u>			

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

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

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 pool has shortened its duration to investment in overnight securities. 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 based on cost and the fair value of the underlying securities on loan for the System as of December 31, 2010 was \$8,849,463 and \$8,605,180 respectively.

Custodial credit risk for deposits. Cash balances, without recognizing checks issued but not cashed, at December 31, 2010, excluding impress funds, were \$25,918. Of the amount, \$25,001 was covered by the Federal Deposit Insurance Corporation and \$917 was uninsured and uncollateralized.

Custodial credit risk for investments. At December 31, 2010, 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	\$ 4,983,814	Not Rated	Yes	Not applicable
Government Agency Repurchase Agreement	<u>1,081,657</u>	Not Rated	No	Overnight
	<u>\$ 6,065,471</u>			

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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	\$ 4,715,094	9.18%
U.S. government agencies	712,483	1.39%
Other debt securities as rated by Standard & Poors:		
AAA	12,902,159	25.11%
AA+	1,883,800	3.67%
AA-	1,780,819	3.47%
A+	8,216,961	15.99%
A	12,483,570	24.30%
A-	5,695,790	11.09%
BBB+	2,007,139	3.91%
BBB	440,737	0.86%
B+	83,492	0.16%
B	129,294	0.25%
CCC-	136,800	0.27%
Not rated	<u>190,022</u>	<u>0.35%</u>
	<u>\$ 51,378,160</u>	<u>100.00%</u>

<u>Interest Rate Risk:</u>	<u>Maturity Range</u>		
	<u>0 – 5 Years</u>	<u>5 – 15 Years</u>	<u>> 15 Years</u>
U.S. government	\$ 936,489	\$ 3,024,855	\$ 753,750
U.S. government agencies	4,100,292	-	-
Other debt securities	<u>19,924,314</u>	<u>17,159,084</u>	<u>5,479,376</u>
	<u>\$ 24,961,095</u>	<u>\$ 20,183,939</u>	<u>\$ 6,233,126</u>
	48.58%	39.29%	12.13%

Weighted Average Maturity = 7.58 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, 2010, only United States currency was received as collateral.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

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

All securities loans can be terminated on demand by either the System or the borrower. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of the investments held by the investment pool as of December 31, 2010 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, 2010, 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, 2010 was \$45,335,711 and \$43,928,464, respectively.

Custodial credit risk for deposits. The System does not have a deposit policy for custodial credit risk. At December 31, 2010, the Police and Fire Retirement System had deposits of \$1,682,054, 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, 2010, the credit quality ratings of debt securities are as follows:

<u>Credit Ratings:</u> (as rated by S&P):	<u>Fair Value</u>
AAA	\$ 20,371,488
AA	2,548,957
A	18,022,119
BBB	13,273,540
BB	45,956
CCC and below	166,137
Not rated	16,901,004

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, 2010, 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	\$ 402,394	\$ -	\$ -	\$ -	\$ 402,394
Corporate - Bonds	28,805,466	886,665	10,858,428	12,986,900	4,073,473
Corporate – CMO	1,106,464	-	-	-	1,106,464
Corp.– Private placement	2,394,685	322,970	989,838	805,445	276,433
Foreign – Bonds	1,971,353	-	673,117	1,234,275	63,960
U.S. Gov't – Agency	6,558,973	964,070	4,099,540	1,495,363	-
U.S. Gov't – CMO	582,127	-	-	241,621	340,506
U.S. Gov't – Mortgage backed	13,331,648	-	-	218,612	13,113,036
U.S Gov't – Other	1,585,803	-	-	-	1,585,803
U.S. Gov't – TIPS	244,951	-	244,951	-	-
U.S. Gov't – Notes and bonds	14,345,338	-	3,860,967	6,624,185	3,860,186

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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	\$ 1,641,479
	Swiss franc	3,393,261
	UK pound	3,604,002
	Hong Kong dollar	3,526,942
	Canadian dollar	637,479
	Danish krone	95,106
	Singapore dollar	819,640

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, 2010, the Plan and Trust did not hold any bank deposits. 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, 2010, 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	\$ 2,928,324	Moody's
Short-term cash management	AAA	2,828,051	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, 2010, the average maturity of the bond index funds, valued at \$2,928,324, was 7.08 years.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2010.

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	\$ 4,879,535	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	\$ 1,640,879	21.81%	0 - 5 years	\$ 4,208,524	55.95%
U.S. government agency	444,016	5.90%	5-15 years	2,947,782	39.19%
Other debt securities as rated by Standard & Poors:			> 15 years	<u>365,705</u>	<u>4.86%</u>
AAA	1,536,796	20.43%		<u>\$ 7,522,011</u>	<u>100.00%</u>
AA+	144,390	1.92%	Weighted Average Maturity = 5.11 years		
AA-	257,816	3.43%			
A+	483,810	6.43%			
A	1,613,627	21.45%			
A-	752,496	10.00%			
BBB+	530,150	7.05%			
BBB	52,509	0.70%			
BB+	<u>65,522</u>	<u>0.88%</u>			
	<u>\$ 7,522,011</u>	<u>100.00%</u>			

City Employees' QEBA Trust:

There were no outstanding deposits at December 31, 2010.

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	\$ 7,183	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, 2011

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>
2004	\$ 254,190	\$ 201,730	\$ 52,460
2007	121,843	98,367	23,476
2008	171,192	137,784	33,408
2009	273,594	224,205	49,389
2010	<u>426,387</u>	<u>332,943</u>	<u>93,444</u>
	1,247,206	995,029	252,177
Less: Allowance for Uncollectible Taxes	<u>(355,778)</u>	<u>(308,574)</u>	<u>(47,204)</u>
	<u>\$ 891,428</u>	<u>\$ 686,455</u>	<u>\$ 204,973</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 \$249,100 of delinquent taxes remains to be stricken as of June 30, 2011. 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 \$6,952,706 notes outstanding at June 30, 2011 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, construction 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, 2011

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES (continued)

	<u>Amount</u>		<u>Amount</u>
	<u>Receivable</u>		<u>Payable</u>
<u>Governmental Funds:</u>			
General Fund:			
Due from other Governmental Funds:		Due to other Governmental Funds:	
Michigan Transportation - Major Roads	\$ 408,088	Building Authority Series 2005 Construction	149
Michigan Transportation - Local Roads	270,439		
Community Development Block Grant	261,148	Michigan Transportation Operating – Major Streets:	
Community Development Block Grant - Recovery	21,313	Due to other Governmental Funds:	
H.O.M.E.	42,157	General Fund	408,088
H.O.P.W.A.	45,884		
Neighborhood Stabilization Program	165,190	Michigan Transportation Operating – Local Streets:	
D.D.A. Administration Fund	1,316,251	Due to other Governmental Funds:	
Tax Increment Finance Authority	7,800	General Fund	270,439
Due from Proprietary Funds:			
Senior Housing – Stilwell Manor	108,257		
Senior Housing – Jos. Coach Manor	170,864	Community Development Block Grant:	
Water and Sewer System (1)	1,229,266	Due to other Governmental Funds:	
Due from Fiduciary and Agency Funds:		General Fund	261,148
Fire Insurance Withholding	15	Community Development Block Grant - Recovery:	
Payroll Revolving Fund	-	Due to other Governmental Funds:	
City Employees' Retirement System (1)	119,495	General Fund	21,313
Police and Fire Retirement System (1)	142,355	H.O.M.E.:	
City Employees' VEBA Trust (1)	3,538,806	Due to other Governmental Funds:	
Police and Fire VEBA Trust (1)	3,977,329	General Fund	42,157
	<u>11,824,657</u>		
Sanitation Fund:		H.O.P.W.A.:	
Due from other Governmental Funds:		Due to other Governmental Funds:	
D.D.A. Administration Fund	7,545	General Fund	45,884
Tax Increment Finance Authority	37		
Neighborhood Stabilization Program	<u>7,582</u>		
Recreation Fund:		Neighborhood Stabilization Program:	
Due from other Governmental Funds:		Due to other Governmental Funds:	
D.D.A. Administration Fund	4,409	General Fund	165,190
Tax Increment Finance Authority	22		
Due from other Governmental Funds:	<u>4,431</u>		
Library Fund:		D.D.A. Administration Fund:	
Due from other Governmental Funds:		Due to other Governmental Funds:	
D.D.A. Administration Fund	3,975	General Fund	1,316,251
Tax Increment Finance Authority	21	Sanitation Fund	7,545
	<u>3,996</u>	Recreation Fund	4,409
		Library Fund	3,975
			<u>1,332,180</u>
		Capital Improvement Bonds Series 2006 Construction:	
		Due to Proprietary Funds:	
		Water and Sewer System (1)	1,078,128
		Tax Increment Finance Authority:	
		Due to other Governmental Funds:	
		General Fund	7,800
		Sanitation Fund	37
		Recreation Fund	22
		Library Fund	21
			<u>7,880</u>
Total Governmental Funds	<u>11,840,815</u>	Total Governmental Funds	<u>3,632,556</u>
<u>Proprietary Funds:</u>			
Water and Sewer System (1)			
Due from Governmental Funds:		Due to Governmental Funds:	
General Fund	7,540	General Fund	1,261,714
Capital Imp. Bonds Series 2006 Cstr.	1,078,128	Senior Citizen Housing – Stilwell Manor:	
	<u>1,085,668</u>	Due to Governmental Funds:	
		General Fund	108,257

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES (continued)

	<u>Amount Receivable</u>		<u>Amount Payable</u>
<u>Proprietary Funds (continued):</u>		<u>Proprietary Funds (continued):</u>	
Senior Housing – Stilwell Manor:		Senior Citizen Housing – Jos. Coach Manor:	
Due from other Proprietary Funds:		Due to Governmental Funds:	
Senior Housing – Jos. Coach Manor	\$ 1,275	General Fund	\$ 170,864
		Due to other Proprietary Funds:	
		Senior Housing – Stilwell Manor	<u>1,275</u>
			<u>172,139</u>
Total Proprietary Funds	<u>1,086,943</u>	Total Proprietary Funds	<u>1,542,110</u>
<u>Fiduciary and Agency Funds:</u>		<u>Fiduciary and Agency Funds:</u>	
City Employees' VEBA Trust (1):		Police and Fire Retirement System (1):	
Due from Governmental Funds:		Due to Governmental Funds:	
General Fund	1,276	General Fund	136,303
		City Employees' Retirement System (1):	
		Due to Governmental Funds:	
		General Fund	129,520
		Due to Proprietary Funds:	
		Water and Sewer System (1)	<u>5,130</u>
			<u>134,650</u>
		Police and Fire VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	4,203,034
		City Employees' VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	3,882,805
		Fire Insurance Withholding Fund:	
		Due to Governmental Funds:	
		General Fund	15
		Tax Collection Fund:	
		Due to Proprietary Funds:	
		Water and Sewer System (1)	795,424
Total Fiduciary and Agency Funds	<u>1,276</u>	Total Fiduciary and Agency Funds	<u>9,152,231</u>
Total – due from other funds	12,929,034	Total – due to other funds	14,326,897
(1) Denotes fiscal year ending		(1) Denotes fiscal year ending	
December 31, 2010	<u>(10,094,195)</u>	December 31, 2010	<u>(11,492,058)</u>
	<u>\$ 2,834,839</u>		<u>\$ 2,834,839</u>

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

<u>TRANSFERS FROM:</u>	<u>TRANSFERS TO</u>					<u>Total</u>
	<u>Governmental Funds</u>					
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Proprietary Funds (1)</u>	
General Fund	\$ -	\$ 136,425	\$ 524,418	\$ -	\$ 81,519	\$ 742,362
Special Revenue	159,789	-	8,100,454	-	81,520	8,341,763
Capital Projects	-	-	680,247	-	-	680,247
	<u>\$ 159,789</u>	<u>\$ 136,425</u>	<u>\$ 9,305,119</u>	<u>\$ -</u>	<u>\$ 163,039</u>	<u>\$ 9,764,372</u>

(1) Fiscal year ended December 31, 2010.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

C. DETAILED NOTES ON ALL FUNDS

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 25,140,449	\$ -	\$ 44,682	\$ 25,095,767
Construction in progress	<u>3,206,510</u>	<u>814,069</u>	<u>469,782</u>	<u>3,550,797</u>
Total capital assets not being depreciated	<u>28,346,959</u>	<u>814,069</u>	<u>514,464</u>	<u>28,646,564</u>
Capital assets being depreciated:				
Infrastructure	133,793,522	488,573	-	134,282,095
Land Improvements	9,492,235	-	16,520	9,475,715
Buildings	88,004,409	986,718	245,839	88,745,288
Machinery and equipment	<u>43,860,181</u>	<u>1,753,554</u>	<u>1,600,340</u>	<u>44,013,395</u>
Total capital assets being depreciated	275,150,347	3,228,845	1,862,699	276,516,493
Less accumulated depreciation for:				
Infrastructure	(101,160,592)	(1,753,820)	-	(102,914,412)
Land improvements	(5,926,765)	(429,397)	(16,520)	(6,339,642)
Buildings	(26,826,291)	(3,013,010)	(233,245)	(29,606,056)
Machinery and equipment	<u>(26,094,620)</u>	<u>(2,809,998)</u>	<u>(1,554,027)</u>	<u>(27,350,591)</u>
Total accumulated depreciation	<u>(160,008,268)</u>	<u>(8,006,225)</u>	<u>(1,803,792)</u>	<u>(166,210,701)</u>
Total capital assets, being depreciated, net	<u>115,142,079</u>	<u>(4,777,380)</u>	<u>58,907</u>	<u>110,305,792</u>
Governmental activities capital assets, net	<u>\$ 143,489,038</u>	<u>\$ (3,963,311)</u>	<u>\$ 573,371</u>	<u>\$ 138,952,356</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 826,863	\$ -	\$ -	\$ 826,863
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>826,863</u>	<u>-</u>	<u>-</u>	<u>826,863</u>
Capital assets being depreciated:				
Buildings	76,835,633	4,688,769	-	81,524,402
Utility system	116,134,531	397,391	13,460	116,518,462
Machinery and equipment	<u>14,123,005</u>	<u>59,048</u>	<u>-</u>	<u>14,182,053</u>
Total capital assets being depreciated	207,093,169	5,145,208	13,460	212,224,917
Less accumulated depreciation for:				
Buildings	(27,734,282)	(1,850,485)	-	(29,584,767)
Utility system	(55,473,132)	(2,348,187)	(13,460)	(57,807,859)
Machinery and equipment	<u>(13,182,486)</u>	<u>(143,202)</u>	<u>-</u>	<u>(13,325,688)</u>
Total accumulated depreciation	<u>(96,389,900)</u>	<u>(4,341,874)</u>	<u>(13,460)</u>	<u>(100,718,314)</u>
Total capital assets, being depreciated, net	<u>110,703,269</u>	<u>803,334</u>	<u>-</u>	<u>111,506,603</u>
Business-type activities capital assets, net	<u>\$ 111,530,132</u>	<u>\$ 803,334</u>	<u>\$ -</u>	<u>\$ 112,333,466</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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	\$ 170,260
Public safety	1,642,556
City development	18,290
Highways and streets	1,607,035
Recreation and culture	1,789,929
Sanitation	421,205
Economic development	<u>2,356,950</u>
Total depreciation expense – governmental activities	<u>\$ 8,006,225</u>
Business-type activities:	
Water and sewer system	\$ 4,084,029
Senior citizen housing	<u>257,845</u>
Total depreciation expense – business-type activities	<u>\$ 4,341,874</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. On November 23, 2010, the Water & Sewer System entered into a five-year capital equipment lease to provide for the Waste Heat to Energy Project at the Waste Water Treatment Plant. The future lease payments are as follows:

FY2011	\$ 153,228
FY2012	204,304
FY2013	204,304
FY2014	204,304
FY2015	<u>204,304</u>
	<u>\$ 970,444</u>

Operating Leases

The City entered into two three-year operating lease agreements. One for exercise equipment at the Warren Community Center with annual payments of \$12,104 per year, and the other was for the lease of 8 motorcycles for the police department with annual payments of \$15,120 per year. Both leases expired during fiscal year 2011.

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 \$53,648 to \$102,656 a year, and is due through fiscal year 2013 at an annual interest rate of 6.00%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
DPW Garage	07/01/12	<u>\$ 1,206,976</u>	<u>\$ 1,050,672</u>	<u>\$ 156,304</u>	<u>\$ 102,655</u>
		<u>\$ 1,206,976</u>	<u>\$ 1,050,672</u>	<u>\$ 156,304</u>	<u>\$ 102,655</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
MTF, Series 1997	06/01/12	\$ 4,500,000	\$ 4,080,000	\$ 420,000	\$ 420,000
MTF, Series 2000	06/01/16	5,165,000	5,165,000	-	-
MTF, Series 2003	06/01/18	5,500,000	2,000,000	3,500,000	500,000
Capital Improvement, Series 2006	09/01/26	5,409,304	143,674	5,265,630	107,755
Capital Improvement, Series 2008	09/01/28	3,241,199	322,066	2,919,133	161,033
MTF, Refunding Series 2010	06/01/16	3,040,000	535,000	2,505,000	530,000
		<u>\$ 26,855,503</u>	<u>\$ 12,245,740</u>	<u>\$ 14,609,763</u>	<u>\$ 1,718,788</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 2031 with annual interest rates ranging from 1.45% to 5.125%. The total liability for SRF, Series 5401-01 at December 31, 2010 is \$4,151,478; however, this issue is subject to 40% principal forgiveness at close out of construction and is reflected in the balances stated below.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities (1):</u>					
<u>Revenue Bonds:</u>					
Refunding Series 1999	05/01/16	\$ 12,000,000	\$ 12,000,000	\$ -	\$ -
Series 1999	11/01/11	11,400,000	11,350,000	50,000	50,000
Series 2000	11/01/11	13,750,000	13,125,000	625,000	625,000
Refunding Series 2005	11/01/26	21,675,000	980,000	20,695,000	135,000
Refunding Series 2010	05/01/16	6,230,000	-	6,230,000	1,150,000
<u>Capital Improvement Bonds:</u>					
Series 2003	06/01/23	1,280,543	345,543	935,000	55,000
SRF, Series 5134-01	10/01/24	4,750,000	1,185,000	3,565,000	215,000
SRF, Series 5134-02	04/01/26	6,465,000	1,085,000	5,380,000	285,000
SRF, Series 5134-03	10/01/24	1,147,091	310,000	837,091	50,000
SRF, Series 5134-04	04/01/26	8,200,000	1,435,000	6,765,000	375,000
Series 2006	09/01/26	2,120,696	56,327	2,064,369	42,245
Series 2010	04/01/31	9,290,000	-	9,290,000	-
SRF, Series 5401-01	10/01/30	3,090,000	-	3,090,000	120,000
		<u>\$ 101,398,330</u>	<u>\$ 41,871,870</u>	<u>\$ 59,526,460</u>	<u>\$ 3,102,245</u>

(1) For fiscal year ended December 31, 2010

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 were paid in full in fiscal year 2011, with an annual interest rate of 5.00%.

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

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 2005 and the Warren Community Center Refunding Bonds, Series 2005, the City has 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 2005 and Warren Community Center Refunding Bonds, Series 2005 have aggregate principal maturities ranging from \$585,000 to \$1,140,000 a year, and are due serially through fiscal year ended June 30, 2027 with annual interest rates ranging from 3.75% to 4.375%. 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 3.75% to 5.25%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Series 2001, Community Center	11/01/10	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -
Series 2005, Multi-purpose	06/01/15	5,180,000	2,850,000	2,330,000	550,000
Series 2005, WCC refunding	11/01/26	10,835,000	470,000	10,365,000	490,000
<u>Business-type activities:</u>					
Senior Housing - Refunding Series 2004	11/01/16	<u>8,930,000</u>	<u>3,620,000</u>	<u>5,310,000</u>	<u>610,000</u>
		<u>\$ 37,945,000</u>	<u>\$ 19,940,000</u>	<u>\$ 18,005,000</u>	<u>\$ 1,650,000</u>

Sidewalk Replacement Bonds are comprised of bonds issued to finance various sidewalk and drive approach improvements and paving projects in designated special assessment districts throughout the City. The payment of principal and interest on the bonds shall be payable primarily from the collection of special assessments levied against those properties improved within each district. Assessments can be paid in full or in installments due July 1 of each year. In addition, the full faith and credit of the City are pledged to the payment of the principal and interest on the bonds when due. The bonds have aggregate maturities ranging from \$34,397 to \$543,967 a year, and are due serially through fiscal year 2024 with annual interest rates ranging from 3.50% to 6.00%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Capital Improvement Bonds - Series 2005	06/01/15	\$ 1,835,000	\$ 1,025,000	\$ 810,000	\$ 200,000
Series 2008	09/01/23	<u>2,063,801</u>	<u>687,934</u>	<u>1,375,867</u>	<u>343,967</u>
		<u>\$ 3,898,801</u>	<u>\$ 1,712,934</u>	<u>\$ 2,185,867</u>	<u>\$ 543,967</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

Downtown Development Authority Bonds are comprised of bonds issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended, in anticipation of the collection of certain tax increment revenue payments for the purpose of paying costs of development and redevelopment of all or a portion of the downtown district as specified in the Authority's development and tax increment financing plan. In addition, the City has pledged its full faith and credit as additional security for payment of the principal and interest when due. In order to achieve the desired development and redevelopment objectives as described in the plan, the City has authorized the issuance of Downtown Development Bonds in four series not to exceed \$75,000,000 in total. The bonds have aggregate maturities ranging from \$1,250,000 to \$5,750,000 a year, and are due serially through fiscal year 2029 with annual interest rates ranging from 3.00% to 5.00%.

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Downtown Development Bonds -					
Series 2002	10/01/25	\$ 20,000,000	\$ 2,500,000	\$ 17,500,000	\$ 500,000
Series 2003	10/01/26	20,000,000	2,000,000	18,000,000	500,000
Series 2004	10/01/27	20,000,000	1,500,000	18,500,000	500,000
Series 2005	10/01/28	<u>15,000,000</u>	<u>500,000</u>	<u>14,500,000</u>	<u>250,000</u>
		<u>\$ 75,000,000</u>	<u>\$ 6,500,000</u>	<u>\$ 68,500,000</u>	<u>\$ 1,750,000</u>

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

Year Ended <u>June 30</u>	<u>Governmental activities</u>		<u>Business-type activities (Senior Citizen Housing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 5,155,410	\$ 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	4,839,184	3,412,600	1,075,000	83,313
2017 - 2021	28,806,223	13,536,618	1,075,000	28,219
2022 - 2026	34,821,897	6,231,932	-	-
2027 - 2029	<u>9,638,898</u>	<u>494,736</u>	<u>-</u>	<u>-</u>
	<u>\$ 98,146,934</u>	<u>\$ 39,334,382</u>	<u>\$ 5,310,000</u>	<u>\$ 831,353</u>

Year Ended <u>December 31</u>	<u>Business-type activities (Water and Sewer System)</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 3,102,245	\$ 1,673,810
2012	3,467,245	1,712,715
2013	3,587,306	1,629,263
2014	3,628,776	1,541,232
2015	3,670,817	1,448,126
2016 - 2020	19,883,777	5,447,115
2021 - 2025	15,905,194	2,333,102
2026 - 2031	<u>6,281,101</u>	<u>505,795</u>
	<u>\$ 59,526,461</u>	<u>\$ 16,291,158</u>
	<u>\$ 98,146,934</u>	<u>\$ 39,334,382</u>
	<u>\$ 64,836,461</u>	<u>\$ 17,122,511</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011.

Maximum Sick-Leave Banks

<u>Bargaining Unit</u>	<u>Pay-Out Base</u>	<u>Hire Date</u>
AFSCME Local 1250	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After November 23, 1999
AFSCME Local 1250: 37th District Court	225 days	Prior to May 10, 1988
	65 days	After May 10, 1988
	27 days	After November 23, 1999
AFSCME Local 1917	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After January 11, 2000
UAW Local 412 - Unit 35	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to September 1, 1988
	65 days	After September 1, 1988
	27 days	After April 13, 1999
UAW Local 412 - Unit 59	225 days	Prior to March 7, 1984
	140 days	From March 7, 1984 to February 9, 1988
	65 days	After February 9, 1988
	27 days	After November 10, 1998
Fire Fighters Local 1383:	56 hour employees	120 days
	56 hour employees	65 days
	40 hour employees	225 days
	40 hour employees	140 days
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, 2011.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

C. DETAILED NOTES ON ALL FUNDS

6. COMPENSATED ABSENCES AND COMPENSATORY TIME (continued)

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

	Compensated Absences			Compensatory Time		
	Beginning Balance	Additions (Reductions)	Ending Balance	Beginning Balance	Additions (Reductions)	Ending Balance
Governmental activities:						
General government	\$ 1,349,586	\$(143,472)	\$ 1,206,114	\$ 203,318	\$(19,829)	\$ 183,489
Public safety	10,545,723	(949,809)	9,595,914	1,571,573	(153,745)	1,417,828
City development	296,447	34,200	330,647	75,869	(11,292)	64,577
Highways and streets	306,380	(59,806)	246,574	45,448	(9,194)	36,254
Recreation and culture	596,137	(50,468)	545,669	86,685	(6,088)	80,597
Sanitation	91,906	12,268	104,174	45,504	(7,077)	38,427
Economic development	6,320	(6,320)	0	3,982	(3,982)	0
Community development	65,250	(17,849)	47,401	12,190	(7,574)	4,616
	<u>13,257,749</u>	<u>(1,181,256)</u>	<u>12,076,493</u>	<u>2,044,569</u>	<u>(218,781)</u>	<u>1,825,788</u>
Business-type activities:						
Water and Sewer System	1,135,915	(248,985)	886,930	137,818	(29,699)	108,119
Senior Citizen Housing	17,397	3,676	21,073	7,818	0	7,818
	<u>1,153,312</u>	<u>(245,309)</u>	<u>908,003</u>	<u>145,636</u>	<u>(29,699)</u>	<u>115,937</u>
	<u>\$ 14,411,061</u>	<u>\$(1,426,565)</u>	<u>\$ 12,984,496</u>	<u>\$ 2,190,205</u>	<u>\$(248,480)</u>	<u>\$ 1,941,725</u>

7. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Road Construction Bonds	\$ 16,241,714	\$ -	\$ 1,631,951	\$ 14,609,763	\$ 1,718,788
Building Authority Bonds	13,685,000	-	990,000	12,695,000	1,040,000
T.I.F.A. Bonds	250,000	-	250,000	-	-
Sidewalk Replacement Bonds	2,729,834	-	543,967	2,185,867	543,967
D.D.A. Bonds	70,250,000	-	1,750,000	68,500,000	1,750,000
Land Contract Payable	253,067	-	96,763	156,304	102,655
Accrued insurance claims	10,923,103	3,200,281	3,287,626	10,835,758	- (2)
Compensated absences (1)	13,257,749	-	1,181,256	12,076,493	- (2)
Compensatory time (1)	2,044,569	-	218,781	1,825,788	- (2)
Governmental activity long-term liabilities	<u>\$ 129,635,036</u>	<u>\$ 3,200,281</u>	<u>\$ 9,925,344</u>	<u>\$ 122,884,973</u>	<u>\$ 5,155,410</u>
Business-type activities:					
Water and Sewer bonds	\$ 50,172,529	\$ 13,149,492	\$ 2,734,082	\$ 60,587,939	\$ 3,102,245
Water and Sewer capital lease	-	871,586	-	871,586	119,547
Building Authority bonds	5,930,000	-	620,000	5,310,000	610,000
Compensated absences (1)	1,153,312	-	245,309	908,003	- (2)
Compensatory time (1)	145,636	-	29,699	115,937	- (2)
Business-type activity long-term liabilities	<u>\$ 57,401,477</u>	<u>\$ 14,021,078</u>	<u>\$ 3,629,090</u>	<u>\$ 67,793,465</u>	<u>\$ 3,831,792</u>

For the governmental activities, accrued insurance claims are liquidated from the general fund. In addition, 94.62% of the compensated absences and 93.48% 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, 2011

C. DETAILED NOTES ON ALL FUNDS

8. DEBT EXTINGUISHMENTS

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

	<u>Principal Defeased on October 17, 2002</u>	<u>Outstanding Principal at June 30, 2011</u>
South Macomb Disposal Authority - Solid Waste Bonds, Series 2000	\$ 7,644,000	\$ 6,300,567

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. The City realized an approximate net present value saving of \$236,863 on the advance refunding.

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 November 1, 2011. The Water and Sewer System realized an approximate net present value savings of \$518,901 on the advanced refunding.

	<u>Principal Defeased on September 1, 2005</u>	<u>Outstanding Principal at December 31, 2010</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.

On August 1, 2010, the City of Warren sold \$6.23 million of capital improvement refunding bonds to defease \$6.1 million of City of Warren 1999 Water and Sewer System Revenue Refunding Bonds. The Water and Sewer System realized a net present value savings of \$359,156 on the advance refunding.

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	\$ 111,416
Special Revenue Funds:		
Community Development Block Grant	Grant / Loans	7,258,309
C.D.B.G. – Recovery	Grant	31,057
HOME Investment Partnership	Grant / Loans	1,959,893
H.O.P.W.A.	Grant	596,161
Neighborhood Stabilization Program	Grant	2,154,906
Communications	Grant	20,818
Capital Projects Funds:		
Special Assessment Construction Funds	Special assessments	<u>2,550,435</u>
		<u>\$ 14,682,995</u>

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011, the legal debt limit exceeded net bonded indebtedness by \$456,168,562.

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, 2010 through June 30, 2010 in accordance with the actuarial valuation of December 31, 2006 and 36.11% of covered payroll for the period of July 1, 2010 through December 31, 2010 in accordance with the actuarial valuation of December 31, 2008. 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, 2011

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

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

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

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

For the fiscal year ended December 31, 2010 contributions to the plan totaled \$7,941,093 and post-employment health benefits totaled \$7,635,167. For the current year and the preceding two years, the plan's Other Post-Employment Benefits (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$7,941,093	100.00%	\$ -
12/31/2009	8,581,965	100.00	-
12/31/2008	8,461,778	100.00	-

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, 2010, membership consisted of 334 current active employees and 527 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 26.62% of covered payroll for the period of January 1, 2010 through December 31, 2010. Administrative costs of the Plan are financed through investment earnings.

(Continued)

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

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

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

For the fiscal year ended December 31, 2010, contributions to the plan totaled \$7,362,420 and post-employment health benefits totaled \$7,442,803. For the current year and the preceding two years, the plan's Other Post-Employment Benefits (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$7,362,420	100.00%	\$ -
12/31/2009	8,290,905	100.00	-
12/31/2008	7,854,920	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, 2009, 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 189 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, 2011

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, 2010 is as follows:

Reserve for Employees' Contribution: \$ 278,403

Composed of accumulated contributions by active employees plus interest thereon.

Reserve for Employer's Contribution: \$ (18,115,785)

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: \$ 137,885,208

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 49.17% of covered payroll for the period of January 1, 2010 through June 30, 2010 in accordance with the actuarial valuation dated December 31, 2007 and 55.99% of covered payroll for the period of July 1, 2010 through December 31, 2010 in accordance with the actuarial valuation dated December 31, 2008. 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, 2009 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, 2011

D. OTHER INFORMATION

2. PENSION PLANS (continued)

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

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

Most Recent Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/09	\$ 126,091	\$ 181,207	\$ 55,116	69.6%	\$ 13,046	422.5 %

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2010	\$6,573,761	100.00%	\$ -
12/31/2009	7,209,187	100.00	-
12/31/2008	7,016,960	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, 2009, the date of the most recent actuarial evaluation, membership consisted of 479 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 37 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, 2011

D. OTHER INFORMATION

2. PENSION PLANS (continued)

Reserves. As of December 31, 2010, the System's legally required reserves have been fully funded as follows:

Reserve for employees' contributions	\$ 19,491,568
Reserve for retired benefit payments	223,754,919

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 24.26% of covered payroll for the period of January 1, 2010 through June 30, 2010 in accordance with the actuarial valuation dated December 31, 2007 and 27.13% of covered payroll for the period of July 1, 2010 through December 31, 2010 in accordance with the actuarial valuation dated December 31, 2008.

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, 2009 are as follows:

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

Schedule of Funding Progress
Entry Age Cost Method

Most Recent Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$293,593,047	\$357,552,076	\$63,959,029	82.1%	\$ 30,183,617	211.9%

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$7,636,762	100.00%	\$ -
12/31/2009	7,960,684	100.00	-
12/31/2008	8,138,100	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, 2011

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 209 active participants in the plan as of June 30, 2011.

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, 2011

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, 2010. 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	\$ 3,450,118,797	77.51%	\$ 3,560,321,347	78.05%
Personal Property	621,000,359	13.95	621,120,055	13.62
Industrial Facilities Exemption	374,757,860	8.42	374,972,510	8.22
Obsolete Property Rehabilitation	5,271,710	0.12	5,271,710	0.11
	<u>\$ 4,451,148,726</u>	<u>100.00%</u>	<u>\$ 4,561,685,622</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 2009 Taxable Value minus losses times the lower of 1.05 or the 2009 Consumer Price Index for the twelve months ended September 30 plus any additions.

Property tax payment dates for the 2011 fiscal year are as follows:

Full or First Installment	July 1, 2010 thru August 31, 2010
Second Installment	December 1, 2010 thru January 31, 2011

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, 2011

D. OTHER INFORMATION

4. PROPERTY TAXES (continued)

The tax levy for July 1, 2010 was based on the following rates: (per \$1,000 of Taxable Valuation)

	<u>Millage Rate Levied</u>	<u>Maximum Authorized Millage Rate</u>	
		<u>By City Charter</u>	<u>By State Law</u>
General Operating	8.7724	9.000	8.7724
Library	.4873	.500	.4873
Emergency Medical Service	.2923	.300 (extra voted; indefinite)	.2923
Recreation	.9746	1.000 (extra voted; indefinite)	.9746
Police and Fire Pension Requirements	2.8248	-	Not to exceed author- ized contribution - Act 345, P.A. of Michigan 1937 as amended.
Refuse Collection and Disposal	1.6418	-	3.000 Act 298, P.A. of Michigan 1917, as amended, subject to Headlee limitation of 2.9240
Police Protection	.9746	.9798 (extra voted; thru levy of July 1, 2018)	.9746
Fire and Emergency Medical Service	.9746	.9798 (extra voted; thru levy of July 1, 2018)	.9746

On August 3, 2010, voters passed an additional .85 of one mill a year for twenty years to provide funding for Library services. This additional tax levy was included on the 2010 winter tax statement.

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 \$175,000 per member contract. The City has purchased an insurance policy to cover any cost over the \$175,000 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, 2011

D. OTHER INFORMATION

5. RISK MANAGEMENT (continued)

The government-wide statement of net assets reports “accrued insurance claims” in the amount of \$10,835,758 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, 2011 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>2010</u>	<u>Est. Claims Incurred / Reserved</u>	<u>Payments and Adjustments</u>	<u>2011</u>
Worker’s compensation, automobile and public entity liability	\$ 3,654,136	\$ 3,180,727	\$ (2,906,744)	\$ 3,928,119
Other insurance related items	<u>7,268,967</u>	<u>19,554</u>	<u>(380,882)</u>	<u>6,907,639</u>
Estimated liability - end of year	<u>\$ 10,923,103</u>	<u>\$ 3,200,281</u>	<u>\$ (3,287,626)</u>	<u>\$ 10,835,758</u>
	<u>2009</u>	<u>Est. Claims Incurred / Reserved</u>	<u>Payments and Adjustments</u>	<u>2010</u>
Worker’s compensation, automobile 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>

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.

CITY OF WARREN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

D. OTHER INFORMATION

7. UNAVAILABLE ASSETS HELD BY OTHER GOVERNMENTAL UNIT

The Macomb County Department of Public Works is holding \$4,747,797 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 20001 Pleasant Avenue, Box 286, St. Clair Shores, Michigan 48080.

9. SUBSEQUENT EVENTS

On June 28, 2011, City Council approved a four-year collective bargaining agreement with the Warren Police Command Officers Association. The approved agreement covers the period of July 1, 2009 through June 30, 2013. Major terms and conditions include: 1) no wage increases through the life of the contract and 2) upon ratification, the elimination of three (3) floating holidays and cost of living benefits, and changes in employee health and life insurances.

On September 13, 2011, City Council approved a four-year collective bargaining agreement with the Warren Professional Fire Fighters Association, Local 1383. The approved agreement covers the period July 1, 2009 through June 30, 2013. Major terms and conditions include: 1) no wage increases through the life of the contract and 2) upon ratification, the elimination of one (1) floating holiday and birthday, the elimination of cost of living and My Lawyer benefits, the reduction of annual sick days from twelve (12) to nine (9), and changes in employee health and life insurances.

On November 8, 2011, voters approved a five-year 2.1-mill increase dedicated for repairing and replacing local roads and streets. Passage of the additional millage would result in the collection of an estimated \$7,629,214 of revenues in the first year.

In addition, on November 8, 2011, voters elected seven members of City Council, consisting of five council members by districts and two council members at-large, thereby reducing the number of members from nine as required by the charter amendment approved by voters on November 2, 2010.

CITY OF WARREN, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

GENERAL FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$ 56,645,003	\$ 56,645,003	\$ 56,292,750	\$ (352,253)	\$ 63,838,959
Licenses and permits	1,692,000	1,692,000	1,765,853	73,853	1,567,892
Intergovernmental:					
Federal revenue	50,000	996,806	741,950	(254,856)	978,370
State revenue	12,244,446	12,424,446	13,031,182	606,736	12,946,649
Local revenue	650,000	650,000	858,944	208,944	671,416
Charges for services	3,155,500	3,521,752	4,309,488	787,736	1,268,886
Fines and fees	4,642,000	4,642,000	4,468,678	(173,322)	4,553,240
Interest on investments	50,000	50,000	79,971	29,971	15,804
Miscellaneous	7,122,150	7,134,102	6,218,526	(915,576)	6,376,559
Total revenues	<u>86,251,099</u>	<u>87,756,109</u>	<u>87,767,342</u>	<u>11,233</u>	<u>92,217,775</u>
Expenditures:					
General government	25,764,156	26,586,039	24,851,017	1,735,022	24,921,141
Public safety	59,902,964	61,491,585	59,542,902	1,948,683	62,711,147
City development	5,243,655	5,401,161	4,847,278	553,883	4,995,160
Highways and streets	2,875,000	3,046,895	3,010,940	35,955	2,745,958
Recreation and culture	42,235	42,235	31,273	10,962	42,669
Debt service	110,517	110,517	110,517	-	110,517
Total expenditures	<u>93,938,527</u>	<u>96,678,432</u>	<u>92,393,927</u>	<u>4,284,505</u>	<u>95,526,592</u>
Excess (deficiency) of revenues over expenditures	<u>(7,687,428)</u>	<u>(8,922,323)</u>	<u>(4,626,585)</u>	<u>4,295,738</u>	<u>(3,308,817)</u>
Other financing sources (uses):					
Settlement agreement	-	-	-	-	(5,975,000)
Transfer from (to):					
Library Special Revenue Fund	-	-	150,000	150,000	(150,000)
DDA Admin Fund	9,789	9,789	9,789	-	-
Michigan transportation operating funds	(182,702)	(210,478)	(136,425)	74,053	(232,554)
Water and Sewer System	(81,519)	(81,519)	(81,519)	-	(80,434)
Building Authority debt funds	(539,000)	(539,000)	(524,418)	14,582	(948,275)
Total other financing sources (uses)	<u>(793,432)</u>	<u>(821,208)</u>	<u>(582,573)</u>	<u>238,635</u>	<u>(7,386,263)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	<u>(8,480,860)</u>	<u>(9,743,531)</u>	<u>(5,209,158)</u>	<u>4,534,373</u>	<u>(10,695,080)</u>
Fund balance - beginning of year	<u>43,502,328</u>	<u>43,502,328</u>	<u>43,502,328</u>	<u>-</u>	<u>54,197,408</u>
Fund balance - end of year	<u>\$ 35,021,468</u>	<u>\$ 33,758,797</u>	<u>\$ 38,293,170</u>	<u>\$ 4,534,373</u>	<u>\$ 43,502,328</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ 53,624,962	\$ 53,624,962	\$ 53,502,587	\$ (122,375)	\$ 60,085,758
Industrial facilities	1,370,041	1,370,041	1,042,583	(327,458)	1,812,709
Interest and penalties	450,000	450,000	463,847	13,847	524,501
Payment in lieu of taxes- trailer parks and senior citizen housing	30,000	30,000	31,133	1,133	30,382
Administration fee	1,170,000	1,170,000	1,252,600	82,600	1,385,609
	<u>56,645,003</u>	<u>56,645,003</u>	<u>56,292,750</u>	<u>(352,253)</u>	<u>63,838,959</u>
Licenses and permits:					
Building permits	500,000	500,000	395,249	(104,751)	361,063
Electrical permits	250,000	250,000	314,396	64,396	288,109
Mechanical permits	160,000	160,000	195,148	35,148	164,380
Plumbing permits	200,000	200,000	159,412	(40,588)	126,681
Plan review fees	100,000	100,000	108,096	8,096	77,526
Sidewalk permits	15,000	15,000	8,225	(6,775)	8,026
Zoning permits and fees	130,000	130,000	121,970	(8,030)	125,892
Animal licenses	25,000	25,000	29,703	4,703	30,136
Other licenses and permits	312,000	312,000	433,654	121,654	386,079
	<u>1,692,000</u>	<u>1,692,000</u>	<u>1,765,853</u>	<u>73,853</u>	<u>1,567,892</u>
Intergovernmental:					
Federal revenue:					
Civil defense grant	50,000	50,000	45,575	(4,425)	78,825
Metro Medical Response Grants	-	632,806	196,662	(436,144)	30,013
Assistance to Firefighters Grant	-	-	198,720	198,720	146,995
Bullet Proof Vest Grant	-	-	5,424	5,424	-
Mental Health Service Grant	-	14,000	-	(14,000)	-
U.S. Department of Justice Grant - 2007	-	-	-	-	91,695
U.S. Department of Justice Grant - 2009A	-	-	-	-	414,783
U.S. Department of Justice Grant - 2009B	-	-	6,900	6,900	32,941
Substance Abuse Grant	-	300,000	288,669	(11,331)	183,118
	<u>50,000</u>	<u>996,806</u>	<u>741,950</u>	<u>(254,856)</u>	<u>978,370</u>
State revenue:					
State shared:					
Sales and use tax	11,825,000	11,825,000	12,125,928	300,928	12,051,133
Liquor licenses	77,000	77,000	78,126	1,126	81,393
Grants:					
MATS Grant	-	-	60,373	60,373	66,463
Drug Court Prog GT05	-	-	13,313	13,313	-
Justice Assistance Grant - 2011	-	180,000	48,695	(131,305)	-
Justice Assistance Grant - 2008	-	-	30,847	30,847	48,672
Justice Assistance Grant - 2010	-	-	49,830	49,830	37,123
Homeland Security grant	-	-	69,307	69,307	39,416
LED Demonstration grant	-	-	171,895	171,895	-
911 Dispatch Training Grant	160,000	160,000	199,972	39,972	209,553
Foreclosure Grant	-	-	-	-	230,000
Judge's salary standardization	182,446	182,446	182,896	450	182,896
	<u>12,244,446</u>	<u>12,424,446</u>	<u>13,031,182</u>	<u>606,736</u>	<u>12,946,649</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues, continued:					
Local revenue:					
School Liaison Officer reimbursement	275,000	275,000	339,339	64,339	273,144
Election expense reimbursement	50,000	50,000	43,074	(6,926)	83,693
City of Center Line court reimbursement	325,000	325,000	476,531	151,531	314,579
	<u>650,000</u>	<u>650,000</u>	<u>858,944</u>	<u>208,944</u>	<u>671,416</u>
Charges for services:					
Police services and auctions	\$ 190,000	\$ 190,000	\$ 126,550	\$ (63,450)	\$ 164,558
Towing administrative fees	80,000	80,000	81,525	1,525	98,225
Fire services	12,000	12,000	17,668	5,668	17,002
EMS revenue	2,000,000	2,366,252	2,916,726	550,474	75,087
Clerk's services	250,000	250,000	182,610	(67,390)	181,910
I.F.T. exemption processing fees	5,000	5,000	10,500	5,500	6,500
Planning commission	6,000	6,000	6,870	870	4,720
Site plan fees	20,000	20,000	29,712	9,712	31,240
Engineering and inspection fees	50,000	50,000	66,205	16,205	51,287
Foreclosure fee	112,500	112,500	234,620	122,120	95,125
Weed cutting	300,000	300,000	249,817	(50,183)	299,623
Board of appeals - fees	25,000	25,000	33,820	8,820	26,865
Block Grant administration	-	-	-	-	31,485
NSP Grant administration	50,000	50,000	137,737	87,737	10,512
Miscellaneous	55,000	55,000	215,128	160,128	174,747
	<u>3,155,500</u>	<u>3,521,752</u>	<u>4,309,488</u>	<u>787,736</u>	<u>1,268,886</u>
Fines and fees:					
37th District Court:					
Property maintenance	40,000	40,000	41,564	1,564	39,288
Fines and fees	4,300,000	4,300,000	4,083,781	(216,219)	4,185,783
Probation fees	254,000	254,000	292,463	38,463	277,489
Civil fees / drug treatment	-	-	25,730	25,730	27,520
Drug Court revenue	48,000	48,000	25,140	(22,860)	23,160
	<u>4,642,000</u>	<u>4,642,000</u>	<u>4,468,678</u>	<u>(173,322)</u>	<u>4,553,240</u>
Interest on investments	50,000	50,000	79,971	29,971	15,804
Miscellaneous:					
Equipment rentals:					
Major Street Fund	600,000	600,000	414,186	(185,814)	591,515
Local Street Fund	474,000	474,000	585,125	111,125	467,051
Salt dome rental	5,000	5,000	5,000	-	5,000
Administrative fees:					
Major Street Fund	506,600	506,600	475,477	(31,123)	503,101
Local Street Fund	217,000	217,000	82,177	(134,823)	114,236
Water and Sewer System	1,698,800	1,698,800	1,698,800	-	1,698,800
Senior Citizen Housing	120,750	120,750	120,750	-	120,750
Library	49,100	49,100	150,000	100,900	49,100
Recreation	98,400	98,400	98,400	-	98,400
Sanitation	868,100	868,100	868,100	-	868,100
Communications	114,200	114,200	114,200	-	114,200
Downtown Development Authority	1,660,200	1,660,200	660,200	(1,000,000)	660,200
Court building rental	250,000	250,000	250,000	-	250,000
Medicare prescription drug subsidy	430,000	430,000	605,886	175,886	784,258
Sale of property and equipment	30,000	30,000	64,273	34,273	34,458
Settlement Agreement	-	-	5,000	5,000	-
Insurance proceeds	-	9,877	17,877	8,000	14,825
Donations	-	2,075	3,075	1,000	2,565
	<u>7,122,150</u>	<u>7,134,102</u>	<u>6,218,526</u>	<u>(915,576)</u>	<u>6,376,559</u>
Total revenues	<u>\$ 86,251,099</u>	<u>\$ 87,756,109</u>	<u>\$ 87,767,342</u>	<u>\$ 11,233</u>	<u>\$ 92,217,775</u>

EXHIBIT C-3

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

GENERAL FUND

Year ended June 30, 2011
 With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government:					
Council:					
Personnel services:					
Elected officials	\$ 247,986	\$ 247,986	\$ 247,986	\$ -	\$ 247,986
Permanent employees	181,776	181,776	177,571	4,205	151,286
Clerical co-op	6,000	6,000	557	5,443	6,195
Overtime	1,000	1,000	2,508	(1,508)	3,639
Employee benefits:					
Social security	34,686	34,686	34,180	506	32,338
Employee insurances	170,444	170,444	134,690	35,754	118,351
Retiree health insurance	113,757	113,757	110,166	3,591	91,438
Longevity	10,084	10,084	9,583	501	5,231
Retirement fund	133,139	133,139	132,811	328	103,628
Cost of living	645	645	312	333	289
Employee legal services	1,860	1,860	1,843	17	1,779
Office supplies	7,000	7,000	5,952	1,048	3,442
Other services and charges:					
Contractual services	84,000	84,000	75,798	8,202	78,423
Court reporter	27,000	27,000	21,616	5,384	23,415
Postage	1,700	1,700	736	964	988
Telephone	2,000	2,000	434	1,566	1,244
Mileage	600	600	855	(255)	661
Printing and publishing	4,000	4,000	1,516	2,484	595
Capital outlay:					
Office equipment	5,000	5,000	2,576	2,424	9,328
Total Council	<u>1,032,677</u>	<u>1,032,677</u>	<u>961,690</u>	<u>70,987</u>	<u>880,256</u>
Mayor:					
Personnel services:					
Elected official	110,636	110,636	110,636	-	110,636
Permanent employees	268,182	268,182	216,187	51,995	204,854
Temporary employees	42,000	42,000	19,974	22,026	28,577
Employee benefits:					
Social security	32,456	32,456	26,219	6,237	25,961
Employee insurances	79,111	79,111	34,826	44,285	36,586
Retiree health insurance	43,628	43,628	41,365	2,263	42,459
Retirement fund	37,990	37,990	24,608	13,382	29,334
Cost of living	1,075	1,075	399	676	385
Employee legal services	-	-	614	(614)	728
Office supplies	11,000	11,000	8,907	2,093	10,061
Other services and charges:					
Contractual services	2,850	2,850	1,300	1,550	1,297
Postage	2,500	2,500	2,079	421	2,068
Auto expense	500	500	-	500	-
Total Mayor	<u>631,928</u>	<u>631,928</u>	<u>487,114</u>	<u>144,814</u>	<u>492,946</u>

(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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
37th District Court:					
Personnel services:					
Elected officials	\$ 183,600	\$ 183,600	\$ 183,600	\$ -	\$ 183,599
Permanent employees	2,404,556	2,404,556	2,434,201	(29,645)	2,365,461
Temporary employees	30,000	30,000	116,440	(86,440)	135,007
Temporary employees - drug court	-	217,581	115,481	102,100	105,295
Overtime	-	-	129	(129)	196
Employee benefits:					
Social security	196,273	212,999	211,987	1,012	206,981
Employee insurances	681,967	681,967	583,499	98,468	541,315
Retiree health insurance	718,286	718,286	684,815	33,471	634,721
Longevity	88,361	88,361	86,350	2,011	83,689
Retirement fund	728,043	728,043	667,305	60,738	628,677
Cost of living	9,675	9,675	4,188	5,487	4,718
Employee legal services	7,595	7,595	6,336	1,259	6,822
Office supplies	50,000	50,000	44,015	5,985	48,871
Other services and charges:					
Contractual services	31,800	31,800	34,774	(2,974)	26,865
Contractual services - data processing	200,000	200,000	199,498	502	210,671
Contractual services - magistrate / visiting judge	25,000	25,000	40,341	(15,341)	28,780
Independent audit	16,000	16,000	15,800	200	15,700
Postage	16,000	16,000	17,504	(1,504)	17,618
Bank service charges	22,000	22,000	22,387	(387)	22,487
Transcripts	250	250	-	250	21
Drug Court expense	25,000	25,000	8,872	16,128	14,647
W.R.A.P. Drug Court expense	-	6,999	985	6,014	-
Mental Health Serv Grt Ex	-	14,000	-	14,000	-
Justice Assistance Grant expense - 2010	-	149,416	50,302	99,114	-
Justice Assistance Grant expense - 2011	-	180,000	76,410	103,590	-
Justice Assistance Grant expense - 2008	-	-	-	-	28,784
Justice Assistance Grant expense - 2009	-	-	-	-	40,585
Substance Abuse Grant expense	-	190,755	144,710	46,045	121,502
Counsel for indigent defendants	361,000	361,000	463,134	(102,134)	615,172
Witness and jury fees	16,000	16,000	19,569	(3,569)	15,279
Telephone	17,000	17,000	14,043	2,957	15,754
Mileage	1,500	1,500	2,143	(643)	2,250
Public utilities	95,000	95,000	101,248	(6,248)	96,751
Building rental	250,000	250,000	250,000	-	250,000
Dues and subscriptions	-	-	5,372	(5,372)	4,280
Books	10,000	10,000	9,366	634	8,515
Capital outlay:					
Office equipment	-	-	-	-	877
Total 37th District Court	6,184,906	6,960,383	6,614,804	345,579	6,481,890

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Clerk:					
Personnel services:					
Elected official	\$ 81,825	\$ 81,825	\$ 81,825	\$ -	\$ 81,825
Permanent employees	449,614	449,614	451,225	(1,611)	460,244
Seasonal employees	22,500	22,500	39,550	(17,050)	29,561
Overtime	30,000	30,000	23,303	6,697	17,039
Employee benefits:					
Social security	46,929	46,929	47,180	(251)	46,845
Employee insurances	121,034	121,034	94,049	26,985	105,741
Retiree health insurance	189,311	189,311	167,684	21,627	176,593
Longevity	19,868	19,868	17,313	2,555	18,854
Retirement fund	144,745	144,745	127,140	17,605	132,685
Cost of living	1,720	1,720	671	1,049	816
Uniforms	190	190	190	-	570
Employee legal services	1,395	1,395	1,216	179	1,370
Office supplies	26,000	26,000	13,478	12,522	11,599
Other services & charges:					
Contractual services	9,036	9,036	5,341	3,695	6,490
Postage	39,400	39,400	21,228	18,172	28,728
Election wages	159,150	159,150	130,950	28,200	44,490
Election expense	125,446	125,446	50,951	74,495	32,127
Auto expense	1,500	1,500	607	893	400
Printing and publishing	52,000	52,000	24,452	27,548	26,317
Capital outlay:					
Office equipment	-	-	-	-	6,892
Total Clerk	1,521,663	1,521,663	1,298,353	223,310	1,229,186
Treasurer:					
Personnel services:					
Elected official	81,825	81,825	81,825	-	81,825
Permanent employees	546,713	546,713	536,107	10,606	572,370
Seasonal employees	8,000	8,000	16,085	(8,085)	14,073
Overtime	10,000	10,000	14,199	(4,199)	14,927
Employee benefits:					
Social security	51,745	51,745	51,445	300	53,929
Employee insurances	148,447	148,447	130,741	17,706	141,831
Retiree health insurance	210,612	210,612	211,916	(1,304)	196,996
Longevity	19,220	19,220	19,009	211	17,492
Retirement fund	173,204	173,204	174,258	(1,054)	164,013
Cost of living	1,935	1,935	890	1,045	1,056
Employee legal services	1,550	1,550	1,536	14	1,651
Office supplies	11,000	11,000	8,691	2,309	9,138
Other services and charges:					
Contractual services	16,000	16,000	20,232	(4,232)	15,364
Postage	50,000	50,000	73,065	(23,065)	36,495
Tax statement preparation	41,000	60,072	25,890	34,182	24,430
Mileage	1,000	1,000	286	714	394
Delinquent personal property tax write off	197,000	197,000	-	197,000	-
Capital outlay:					
Office equipment	-	-	2,780	(2,780)	-
Total Treasurer	1,569,251	1,588,323	1,368,955	219,368	1,345,984

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Controller:					
Personnel services:					
Appointed official	\$ 110,000	\$ 110,000	\$ 63,472	\$ 46,528	\$ 121,593
Permanent employees	894,435	894,435	975,559	(81,124)	1,175,987
Temporary employees	35,000	35,000	8,536	26,464	10,115
Overtime	35,000	35,000	24,698	10,302	39,901
Employee benefits:		-			
Social security	86,238	86,238	84,088	2,150	106,452
Employee insurances	208,816	208,816	144,016	64,800	203,216
Retiree health insurance	376,772	376,772	337,565	39,207	453,975
Longevity	40,815	40,815	37,672	3,143	50,020
Retirement fund	343,156	343,156	343,070	86	391,408
Cost of living	3,010	3,010	1,201	1,809	1,984
Employee legal services	2,170	2,170	1,869	301	2,752
Office supplies	18,000	18,000	12,842	5,158	17,523
Other services & charges:					
Contractual services	2,500	2,500	2,194	306	2,194
Postage	3,000	3,000	1,880	1,120	2,687
Mileage	1,000	1,000	408	592	689
Office Equipment	-	-	5,989	(5,989)	-
Total controller	2,159,912	2,159,912	2,045,059	114,853	2,580,496
Charges reimbursable via Public Act 55	(270,577)	(270,577)	(270,577)	-	(286,143)
Net Controller	<u>1,889,335</u>	<u>1,889,335</u>	<u>1,774,482</u>	<u>114,853</u>	<u>2,294,353</u>
Information Systems:					
Personnel services:					
Permanent employees	236,043	236,043	246,008	(9,965)	246,008
Overtime	5,000	5,000	-	5,000	-
Employee benefits:					
Social security	19,339	19,339	19,284	55	19,392
Employee insurances	55,644	55,644	45,563	10,081	41,892
Retiree health insurance	92,324	92,324	92,327	(3)	85,877
Longevity	7,837	7,837	7,819	18	7,819
Retirement fund	34,126	34,126	34,901	(775)	34,904
Cost of living	645	645	306	339	329
Employee legal services	465	465	461	4	461
Operating supplies	5,600	5,600	2,511	3,089	1,453
Other services and charges:					
Contractual services	220,000	220,000	173,545	46,455	199,332
Software services	14,000	14,000	5,640	8,360	7,430
Capital outlay:					
Computer equipment	4,000	4,000	2,502	1,498	2,340
Total Information Systems	<u>695,023</u>	<u>695,023</u>	<u>630,867</u>	<u>64,156</u>	<u>647,237</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Legal:					
Personnel services:					
Appointed official	\$ 112,899	\$ 112,899	\$ 82,443	\$ 30,456	\$ 117,786
Assistant attorneys	473,812	473,812	402,561	71,251	499,843
Clerical staff	235,468	235,468	173,598	61,870	167,491
Overtime	-	-	12,292	(12,292)	14,058
Part-time employees:					
Law clerks	30,000	30,000	26,858	3,142	32,334
Clerical co-op	-	-	5,220	(5,220)	13,446
Attorneys	-	-	67,185	(67,185)	-
Employee benefits:					
Social security	67,181	67,181	59,203	7,978	64,415
Employee insurances	182,492	182,492	112,611	69,881	97,119
Retiree health insurance	225,867	225,867	201,431	24,436	224,918
Longevity	17,840	17,840	17,601	239	21,708
Retirement fund	227,609	227,609	197,327	30,282	199,226
Cost of living	2,365	2,365	840	1,525	987
Employee legal services	775	775	576	199	525
Office supplies	5,000	5,000	4,279	721	4,572
Other services and charges:					
Contractual services	5,300	5,300	1,968	3,332	4,660
Postage	2,500	2,500	1,327	1,173	1,029
Legal fees	2,500	2,500	491	2,009	288
Mileage	1,500	1,500	868	632	1,188
Books, dues and subscription	10,000	10,000	14,910	(4,910)	13,513
Capital outlay:					
Office equipment	-	-	5,989	(5,989)	-
Total Legal	1,603,108	1,603,108	1,389,578	213,530	1,479,106
Assessing:					
Personnel services:					
Appointed official	103,656	103,656	102,845	811	112,067
Permanent employees	607,906	607,906	600,435	7,471	640,868
Seasonal employees	27,200	27,200	22,605	4,595	20,206
Overtime	15,000	15,000	14,901	99	20,864
Employee benefits:					
Social security	60,448	60,448	58,859	1,589	63,789
Employee insurances	153,710	153,710	111,385	42,325	98,575
Retiree health insurance	209,092	209,092	190,772	18,320	227,842
Longevity	23,800	23,800	23,800	-	29,504
Retirement fund	287,614	287,614	280,884	6,730	298,694
Cost of living	2,365	2,365	1,120	1,245	1,152
Employee legal services	1,705	1,705	1,664	41	1,587
Office supplies	5,000	5,000	4,564	436	3,483
Other services and charges:					
Contractual services:					
Data conversion	10,000	10,000	9,280	720	9,280
Software services	12,000	12,000	6,130	5,870	14,940
Postage	25,000	25,000	27,514	(2,514)	23,777
Board of review	8,200	8,200	4,400	3,800	5,400
Tax roll preparation	16,000	16,000	17,486	(1,486)	14,454
Auto expense	2,500	2,500	1,236	1,264	1,857
Office Equipment	-	-	599	(599)	-
Total Assessing	1,571,196	1,571,196	1,480,479	90,717	1,588,339

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
D.P.W. Garage:					
Personnel services:					
Clerical salaries	\$ 53,769	\$ 53,769	\$ 53,026	\$ 743	\$ 55,010
Mechanics wages	389,598	389,598	403,331	(13,733)	398,867
Temporary Employees	-	-	6,720	(6,720)	-
Overtime - clerical	1,500	1,500	3,659	(2,159)	-
Overtime - mechanics	26,000	26,000	20,581	5,419	6,474
Employee benefits:					
Social security	38,262	38,262	38,839	(577)	36,540
Employee insurances	131,798	131,798	102,129	29,669	105,783
Retiree health insurance	182,674	182,674	162,087	20,587	160,838
Longevity	21,247	21,247	21,213	34	17,813
Retirement fund	107,843	107,843	95,066	12,777	90,072
Cost of living	1,603	1,603	673	930	820
Uniforms	1,330	1,330	1,132	198	1,176
Employee legal services	1,085	1,085	986	99	1,075
Supplies:					
Operating supplies	90,000	90,000	49,510	40,490	72,498
Gasoline and diesel oil	125,000	125,000	128,859	(3,859)	89,321
Other services and charges:					
Contractual service	9,000	9,000	11,324	(2,324)	13,968
Telephone and radio	10,000	10,000	8,087	1,913	7,243
Vehicle maintenance	260,000	260,000	209,106	50,894	240,551
Public utilities	114,000	114,000	94,119	19,881	98,345
Building maintenance	18,000	18,000	13,841	4,159	12,172
Foreclosure expense	-	27,334	45,712	(18,378)	29,890
Capital outlay:					
Office equipment	-	-	-	-	1,173
Equipment and machinery	-	-	-	-	37,540
Total expenditures	<u>1,582,709</u>	<u>1,610,043</u>	<u>1,470,000</u>	<u>140,043</u>	<u>1,477,169</u>
Other uses:					
Reimbursement to Major Streets	53,851	53,851	53,851	-	92,738
Reimbursement to Local Streets	128,851	156,627	82,574	74,053	139,816
Total other uses	<u>182,702</u>	<u>210,478</u>	<u>136,425</u>	<u>74,053</u>	<u>232,554</u>
Total D.P.W. Garage	<u>1,765,411</u>	<u>1,820,521</u>	<u>1,606,425</u>	<u>214,096</u>	<u>1,709,723</u>
Building Maintenance:					
Personnel services:					
Superintendent	77,987	77,987	81,276	(3,289)	81,276
Permanent employees	452,515	452,515	407,127	45,388	439,891
Seasonal employees	152,000	152,000	177,642	(25,642)	199,667
Overtime	22,000	22,000	7,688	14,312	3,429
Employee benefits:					
Social security	56,632	56,632	52,890	3,742	57,010
Employee insurances	162,424	162,424	129,618	32,806	133,236
Retiree health insurance	185,983	185,983	158,132	27,851	157,556
Longevity	24,194	24,194	21,074	3,120	22,776
Retirement fund	241,440	241,440	225,832	15,608	200,567
Cost of living	2,047	2,047	875	1,172	1,050
Uniforms	1,520	1,520	1,330	190	1,520
Employee legal services	1,395	1,395	1,254	141	1,382
Supplies:					
Operating	57,000	57,000	40,673	16,327	32,793
Maintenance	64,000	64,000	60,724	3,276	50,077
Other services and charges:					
Contractual services	193,000	193,000	155,572	37,428	224,228
Vehicle maintenance	6,500	6,500	7,505	(1,005)	6,286
Capital outlay:					
Maintenance equipment	-	-	873	(873)	1,470
Total Building Maintenance	<u>1,700,637</u>	<u>1,700,637</u>	<u>1,530,085</u>	<u>170,552</u>	<u>1,614,214</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Community & Economic Development:					
Personnel services:					
Permanent employees	\$ 162,532	\$ 162,532	\$ 165,812	\$ (3,280)	\$ -
Overtime	3,000	3,000	-	3,000	-
Employee benefits:					
Social security	13,126	13,126	13,144	(18)	-
Employee insurances	16,514	16,514	10,215	6,299	-
Retiree health insurance	34,304	34,304	34,110	194	-
Longevity	3,400	3,400	3,400	-	-
Retirement fund	58,596	58,596	56,096	2,500	-
Cost of living	430	430	207	223	-
Employee legal services	310	310	307	3	-
Office supplies	1,000	1,000	358	642	-
Other services and charges:					
Contractual services	5,000	5,000	-	5,000	-
Postage	10,000	10,000	190	9,810	-
Membership and dues	3,000	3,000	675	2,325	-
Community Promotion	15,000	15,000	8,610	6,390	-
Mileage	500	500	-	500	-
Printing and publishing	8,000	8,000	2,579	5,421	-
Transfer to DDA/ DDA Director	17,185	17,185	14,541	2,644	-
Total Community & Economic Devel.	<u>351,897</u>	<u>351,897</u>	<u>310,244</u>	<u>41,653</u>	<u>-</u>

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Human Resources:					
Personnel services:					
Permanent employees	\$ 619,852	\$ 619,852	\$ 646,945	\$ (27,093)	\$ -
Temporary employees	3,000	3,000	15,096	(12,096)	-
Overtime	3,000	3,000	3,224	(224)	-
Fees and per diem	3,000	3,000	3,000	-	-
Employee benefits:					
Social security	50,395	50,395	52,918	(2,523)	-
Employee insurances	115,510	115,510	105,557	9,953	-
Retiree health insurance	193,749	193,749	185,751	7,998	-
Longevity	22,455	22,455	21,725	730	-
Retirement fund	169,463	169,463	173,225	(3,762)	-
Cost of living	1,935	1,935	797	1,138	-
Employee legal services	1,395	1,395	1,280	115	-
Office supplies	10,000	10,000	7,298	2,702	-
Other services and charges:					
Contractual services	13,000	13,000	4,918	8,082	-
Postage	4,000	4,000	5,652	(1,652)	-
Contractual services - E.A.C.	15,500	15,500	14,937	563	-
Medical services	45,000	45,000	35,547	9,453	-
Mileage	200	200	47	153	-
Printing and publishing	14,500	14,500	11,034	3,466	-
Arbitration expense	87,000	87,000	67,187	19,813	-
Membership and dues	9,000	9,000	1,004	7,996	-
Total Human Resources	<u>1,381,954</u>	<u>1,381,954</u>	<u>1,357,142</u>	<u>24,812</u>	<u>-</u>

Note: In fiscal 2011, Personnel and Labor Relations were combined into a new department named Human Resources.

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

General government, continued:	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Civil Service - Police and Fire:					
Personnel services:					
Permanent employees	\$ -	\$ -	\$ 206	\$ (206)	\$ 57,124
Overtime	-	-	-	-	1,699
Fees and per diem	3,000	3,000	1,600	1,400	2,550
Employee benefits:					
Social security	-	-	14	(14)	4,737
Employee insurances	-	-	590	(590)	7,041
Retiree health insurance	-	-	74	(74)	20,869
Longevity	-	-	-	-	3,206
Retirement fund	-	-	115	(115)	30,017
Cost of living	-	-	-	-	111
Employee legal services	-	-	-	-	154
Supplies:					
Office supplies	1,400	1,400	390	1,010	511
Exams and operating supplies	25,000	25,000	11,575	13,425	4,306
Other services and charges:					
Postage	800	800	65	735	117
Total Civil Service - Police and Fire	30,200	30,200	14,629	15,571	132,442
Personnel:					
Personnel services:					
Permanent employees	-	-	-	-	409,473
Temporary / Co-op	-	-	-	-	-
Overtime	-	-	-	-	1,344
Fees and per diem	-	-	-	-	3,000
Employee benefits:					
Social security	-	-	-	-	32,416
Employee insurances	-	-	-	-	71,027
Retiree health insurance	-	-	-	-	102,547
Longevity	-	-	-	-	12,244
Retirement fund	-	-	-	-	106,241
Cost of living	-	-	-	-	660
Auto allowance	-	-	-	-	-
Employee legal services	-	-	-	-	922
Office supplies	-	-	-	-	2,872
Other services and charges:					
Contractual services	-	-	-	-	9,485
Contractual services - Employee Assistance Center	-	-	-	-	15,142
Postage	-	-	-	-	2,774
Medical services	-	-	-	-	34,420
Mileage	-	-	-	-	114
Printing and publishing	-	-	-	-	10,000
Membership and dues	-	-	-	-	665
Total Personnel	-	-	-	-	815,346

Note: In fiscal 2011, Personnel and Labor Relations were combined into a new department named Human Resources.

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Labor Relations:					
Personnel services:					
Permanent employees	\$ -	\$ -	\$ -	\$ -	\$ 231,755
Overtime	-	-	-	-	2,360
Employee benefits:					
Social security	-	-	-	-	17,627
Employee insurances	-	-	-	-	31,520
Retiree health insurance	-	-	-	-	81,736
Longevity	-	-	-	-	6,517
Retirement fund	-	-	-	-	85,805
Cost of living	-	-	-	-	176
Auto allowance	-	-	-	-	-
Employee legal services	-	-	-	-	154
Office supplies	-	-	-	-	354
Other services and charges:					
Arbitration expense	-	-	-	-	37,384
Printing and publishing	-	-	-	-	-
Membership and dues	-	-	-	-	7,752
Total Labor Relations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,140</u>
City Retirement:					
Retiree benefits:					
Insurance	7,800,000	7,800,000	6,421,616	1,378,384	6,852,138
Medicare reimbursement	685,000	685,000	595,908	89,092	593,577
Personnel services:					
Accounting services	155,644	155,644	-	155,644	-
Clerical services	114,933	114,933	-	114,933	-
Temporary employees	17,500	17,500	4,900	12,600	5,320
Fees and per diem	600	600	-	600	-
Employee benefits:					
Social security	1,357	1,357	375	982	407
Employee insurances	20	20	7	13	3
Office supplies	2,500	2,500	286	2,214	-
Other services and charges:					
Contractual services	607,097	607,097	-	607,097	-
Service contracts	1,000	1,000	-	1,000	-
Disability physicals	3,000	3,000	-	3,000	-
Bank custodial fees	39,350	39,350	-	39,350	-
Conferences and workshops	10,000	10,000	-	10,000	-
Legal fees	12,000	12,000	-	12,000	-
Postage	6,000	6,000	3,240	2,760	3,737
Printing and publishing	2,000	2,000	-	2,000	-
Telephone	1,000	1,000	671	329	943
Insurance and bonds	15,000	15,000	-	15,000	-
Memberships and dues	200	200	-	200	-
Total city retirement	9,474,201	9,474,201	7,027,003	2,447,198	7,456,125
Charges reimbursable via Public Act 55	(945,783)	(945,783)	(8,687)	(937,096)	(10,410)
Charges reimbursable via VEBA Trust	(8,528,418)	(8,528,418)	(7,018,316)	(1,510,102)	(7,445,715)
Net City Retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: In fiscal 2011, Personnel and Labor Relations were combined into a new department named Human Resources.

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Police and Fire Retirement:					
Retiree benefits:					
Insurance	\$ 8,000,000	\$ 8,000,000	\$ 7,363,597	\$ 636,403	\$ 6,461,832
Medicare reimbursement	470,000	470,000	460,664	9,336	440,084
Personnel services:					
Permanent employees	124,796	124,796	124,238	558	125,337
Temporary employees	22,750	22,750	1,038	21,712	1,736
Overtime	6,000	6,000	6,458	(458)	8,894
Social security	12,420	12,420	10,541	1,879	10,893
Employee insurances	21,681	21,681	19,199	2,482	19,105
Retiree health insurance	50,877	50,877	49,804	1,073	47,507
Longevity	6,278	6,278	6,257	21	6,257
Retirement fund	56,016	56,016	56,426	(410)	52,024
Cost of living	430	430	220	210	231
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	-
Independent audit	28,000	28,000	-	28,000	-
Service contracts	530	530	-	530	-
Postage	5,016	5,016	3,721	1,295	3,270
Telephone	1,000	1,000	503	497	1,067
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	-	-	-	-	-
Total police and fire retirement	10,770,487	10,770,487	8,102,973	2,667,514	7,178,544
Charges reimbursable via Public Act 55	(2,300,487)	(2,300,487)	(278,711)	(2,021,776)	(276,628)
Charges reimbursable via VEBA Trust	(8,470,000)	(8,470,000)	(7,824,262)	(645,738)	(6,901,916)
Net Police and Fire Retirement	-	-	-	-	-
Beautification Commission:					
Personnel services:					
Temporary employee	6,000	6,000	4,583	1,417	3,415
Employee benefits:					
Social security	465	465	350	115	261
Employee insurances	7	7	-	7	-
Office supplies	600	600	424	176	467
Other services and charges:					
Contractual services	2,500	2,500	2,860	(360)	12,291
Postage	1,400	1,400	1,400	-	1,301
Telephone expense	400	400	61	339	194
Mileage	1,000	1,000	833	167	574
Public utilities	500	500	333	167	685
School program	1,000	1,000	697	303	405
Awards committee	9,000	9,000	5,557	3,443	7,779
Clean up campaign	2,000	2,000	729	1,271	870
Installation and informational dinner meetings	1,000	1,000	1,108	(108)	478
City flower plantings	1,000	1,000	795	205	916
Total Beautification Commission	26,872	26,872	19,730	7,142	29,636
Senior Health Care Services Commission:					
Other services and charges:					
Community promotion and public relations	2,800	2,800	2,800	-	3,000
Total Senior Health Care Services Commission	2,800	2,800	2,800	-	3,000

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General government, continued:					
Council of Commissions					
Office supplies	\$ 100	\$ 100	\$ 53	\$ 47	\$ 74
Other services and charges:					
Appreciation reception	3,400	3,400	3,057	343	2,779
Total Council of Commissions	<u>3,500</u>	<u>3,500</u>	<u>3,110</u>	<u>390</u>	<u>2,853</u>
Animal Welfare Commission					
Office supplies	400	400	92	308	-
Other services and charges:					
Operating expense	1,000	1,000	-	1,000	3,093
Education	2,000	2,000	995	1,005	2,645
Postage	100	100	-	100	-
Telephone	600	600	393	207	362
Vaccination fair	900	900	2,562	(1,662)	1,695
Dog park	2,500	2,500	500	2,000	-
Chipping clinic	-	-	160	(160)	140
Total Animal Welfare Commission	<u>7,500</u>	<u>7,500</u>	<u>4,702</u>	<u>2,798</u>	<u>7,935</u>
Administrative Unallocated Expense:					
Other services and charges:					
Education allowance	65,000	65,000	50,999	14,001	62,535
Independent audit	57,000	57,000	54,900	2,100	54,900
Tax reverted property acquisition	200,000	200,000	135,501	64,499	-
Unemployment costs	43,000	43,000	43,306	(306)	52,452
Professional services	100,000	100,000	108,847	(8,847)	122,041
Telephone and radio	65,000	65,000	39,352	25,648	59,937
Conferences and workshops	10,000	10,000	4,340	5,660	7,995
Community promotion	8,000	8,000	2,492	5,508	5,388
Insurance and bonds	2,400,000	2,400,000	2,685,217	(285,217)	2,528,098
Lawsuit settlements	-	-	-	-	5,975,000
Grievance settlements	250,000	250,000	250,000	-	400,000
Investment Policy Commission bank rating	1,000	1,000	414	586	396
401(a) Board operating expense	1,500	1,500	1,300	200	1,644
Disability Commission operating expense	500	500	23	477	16
Public utilities - court building	10,000	10,000	9,822	178	9,566
Public utilities - civic center	265,000	265,000	224,810	40,190	225,791
Eight Mile Road Vision Action Plan	-	-	-	-	7,370
HOME Program	-	-	-	-	1,824
Michigan Suburbs Alliance	-	-	-	-	6,912
Auction sale	1,000	1,000	-	1,000	-
Refund of taxes paid under protest	400,000	400,000	507,366	(107,366)	349,244
Liability transfer:					
Accumulated sick leave	50,000	50,000	-	50,000	-
Compensatory time	20,000	20,000	-	20,000	-
Accrued liabilities and commitments	30,000	30,000	13,564	16,436	-
Total expenditures	<u>3,977,000</u>	<u>3,977,000</u>	<u>4,132,253</u>	<u>(155,253)</u>	<u>9,871,109</u>
Other uses:					
Transfer to Library Special Revenue Fund	-	-	-	-	150,000
Transfer to Building Authority Debt Service Funds:					
Series 2005 multiple purpose bonds	539,000	539,000	524,418	14,582	531,690
Series 2002 multiple purpose bonds	-	-	-	-	416,585
Total other uses	<u>539,000</u>	<u>539,000</u>	<u>524,418</u>	<u>14,582</u>	<u>1,098,275</u>
Total Administrative Unallocated Expense	<u>4,516,000</u>	<u>4,516,000</u>	<u>4,656,671</u>	<u>(140,671)</u>	<u>10,969,384</u>
Total expenditures	25,764,156	26,586,039	24,851,017	1,735,022	30,896,141
Total other uses	<u>721,702</u>	<u>749,478</u>	<u>660,843</u>	<u>88,635</u>	<u>1,330,829</u>
Total general government	<u>26,485,858</u>	<u>27,335,517</u>	<u>25,511,860</u>	<u>1,823,657</u>	<u>32,226,970</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety:					
Fire Department:					
Personnel services:					
Appointed official	\$ 112,020	\$ 112,020	\$ 116,224	\$ (4,204)	\$ 111,729
Firemen	8,477,786	8,477,786	8,770,153	(292,367)	10,233,576
Mechanics	86,844	86,844	86,531	313	95,077
Civilians and clerical	86,362	86,362	89,210	(2,848)	82,393
Clerical co-op	25,000	25,000	46,485	(21,485)	23,985
Overtime:					
Firemen	500,000	500,000	645,422	(145,422)	1,224,803
Mechanics	10,000	10,000	17,506	(7,506)	10,174
Clerical	3,000	3,000	467	2,533	-
Shift premium	260,000	260,000	197,094	62,906	265,724
A.E.M.T. Premium	6,000	6,000	12,083	(6,083)	6,250
Employee benefits:					
Education allowance	21,750	21,750	25,042	(3,292)	25,775
Cleaning allowance	5,600	5,600	5,688	(88)	10,196
Food allowance	115,000	115,000	111,846	3,154	149,416
Social security	129,261	129,261	134,113	(4,852)	141,408
Holiday pay	524,914	524,914	490,031	34,883	560,377
Employee insurances	2,672,045	2,672,045	2,315,796	356,249	1,941,386
Retiree health insurance	2,568,184	2,568,184	2,639,629	(71,445)	3,511,863
Longevity	233,920	233,920	227,120	6,800	289,063
Retirement fund	2,806,939	2,806,939	2,836,069	(29,130)	3,068,233
Cost of living	21,186	21,186	11,780	9,406	11,709
Uniforms	68,450	68,450	64,638	3,812	105,113
Employee legal services	19,530	19,530	18,278	1,252	17,894
Supplies:					
EMS medical supplies	70,000	70,000	61,850	8,150	63,974
Operating supplies	83,550	83,550	59,057	24,493	58,859
Gasoline and oil	83,000	83,000	121,939	(38,939)	74,912
Other services and charges:					
Contractual services	240,000	275,000	298,166	(23,166)	87,909
Fire Prevention Week	3,000	3,000	2,961	39	992
S.M.I.R.T. fund	7,500	7,500	-	7,500	-
Laundry	23,000	23,000	14,706	8,294	16,563
Instruction	45,000	45,000	24,965	20,035	24,845
Medical services	25,000	25,000	-	25,000	12,681
Telephone and radio	60,000	60,000	48,791	11,209	58,596
Vehicle maintenance	325,000	325,000	292,011	32,989	295,149
Community promotion	-	2,075	1,150	925	1,000
Public utilities	140,000	140,000	117,731	22,269	123,292
Building maintenance	100,000	100,000	46,760	53,240	54,410
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	3,205	1,795	2,775
Capital outlay:					
Capital improvements	9,000	9,000	-	9,000	-
Fire equipment	205,450	436,702	377,388	59,314	97,510
EMS equipment	-	100,000	71,591	28,409	167,896
Metro Medical Response Grant expense	-	842,550	209,249	633,301	30,318
Assistance to Firefighters Grant expense	-	5,307	1,999	3,308	221,877
Assistance to Firefighters Grant 09 expense	-	273,720	264,549	9,171	-
Total Fire Department	20,268,291	21,758,195	20,969,273	788,922	23,369,702

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
Police Department:					
Personnel services:					
Appointed official	\$ 116,167	\$ 116,167	\$ 121,353	\$ (5,186)	\$ 115,875
Policemen	15,558,443	15,558,443	15,711,042	(152,599)	15,980,792
Civilians and clerical	1,985,710	1,914,176	1,841,540	72,636	1,938,918
Crossing guards	120,000	120,000	113,513	6,487	125,918
Temporary employees	40,000	40,000	36,189	3,811	45,182
Overtime - policemen	1,319,007	1,319,007	1,367,727	(48,720)	1,617,781
Overtime - civilians	45,087	45,087	42,239	2,848	25,507
Employee benefits:					
Shift premium	381,972	334,285	296,100	38,185	324,383
Gun allowance	203,600	203,600	188,949	14,651	210,947
Education allowance	55,800	55,800	56,583	(783)	55,817
Cleaning allowance	130,200	130,200	130,954	(754)	135,465
Social security	420,315	420,315	391,114	29,201	411,394
Holiday pay	897,700	897,700	841,079	56,621	884,071
Employee insurances	4,723,074	4,723,074	4,249,940	473,134	3,846,625
Retiree health insurance	5,140,353	5,140,353	5,069,142	71,211	5,390,724
Longevity	435,384	435,384	443,473	(8,089)	443,935
Retirement fund	5,855,597	5,855,597	5,802,947	52,650	5,396,272
Cost of living	43,520	43,520	22,374	21,146	24,791
Uniforms	102,760	102,760	89,743	13,017	109,072
Employee legal services	2,480	2,480	2,138	342	2,611
Office supplies	60,000	60,000	41,486	18,514	57,888
Other services and charges:					
Operating expense	61,500	61,500	38,715	22,785	27,096
Gasoline & diesel oil	270,000	270,000	297,819	(27,819)	-
Contractual services	380,000	380,000	235,120	144,880	270,927
Postage	7,000	7,000	5,434	1,566	5,698
Special investigations	10,000	10,000	4,000	6,000	4,000
Prisoners' food	40,000	40,000	11,794	28,206	13,638
Crime prevention	3,000	3,000	1,928	1,072	6,152
Instruction	51,000	51,000	12,369	38,631	15,482
911 Dispatch training expense	10,000	10,000	2,392	7,608	5,772
Telephone and radio	150,000	150,000	102,259	47,741	133,123
Vehicle maintenance	90,000	90,000	38,634	51,366	318,944
Explorers	-	-	-	-	892
Community promotion	3,000	3,000	1,950	1,050	-
Youth Athletic League	-	-	-	-	5,114
DARE operating expense	-	-	-	-	11,951
Public utilities	195,000	195,000	186,609	8,391	189,237
Building maintenance	65,000	65,000	47,480	17,520	38,573
Capital outlay:					
Office equipment	6,195	6,195	1,183	5,012	9,698
Fleet turnover	115,000	124,877	102,415	22,462	96,705
Police equipment	23,995	27,739	4,620	23,119	28,943
Capital improvements	5,000	5,000	-	5,000	-
U.S. Department of Justice Grant expense - 2007	-	-	-	-	91,695
U.S. Department of Justice Grant expense - 2009A	-	5,938	-	5,938	414,783
U.S. Department of Justice Grant expense - 2009B	-	64,971	6,900	58,071	32,941
Total Police Department	<u>39,122,859</u>	<u>39,088,168</u>	<u>37,961,246</u>	<u>1,126,922</u>	<u>38,865,332</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, 2011
 With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Public safety, continued:					
Animal Control:					
Personnel services:					
Permanent employees	\$ 107,634	\$ 107,634	\$ 106,427	\$ 1,207	\$ 95,113
Temporary employees	9,000	9,000	9,450	(450)	7,616
Overtime	3,501	3,501	-	3,501	5,087
Employee benefits:					
Social security	9,678	9,678	9,050	628	8,436
Employee insurances	32,914	32,914	23,570	9,344	24,601
Retiree health insurance	42,865	42,865	40,045	2,820	34,797
Longevity	4,288	4,288	4,267	21	3,200
Retirement fund	39,523	39,523	38,180	1,343	32,101
Cost of living	430	430	204	226	231
Uniforms	760	760	760	-	760
Employee legal services	310	310	307	3	307
Operating supplies	1,500	1,500	1,111	389	1,042
Other services and charges:					
Animal collections	55,000	55,000	56,706	(1,706)	46,706
Vehicle maintenance	7,000	7,000	6,269	731	3,038
Capital outlay:					
Vehicles	-	-	-	-	19,856
Total Animal Control	314,403	314,403	296,346	18,057	282,891
Civil Defense:					
Personnel services:					
Policemen	90,920	161,878	157,398	4,480	92,689
Overtime	2,000	12,000	8,689	3,311	4,670
Shift premium	100	100	24	76	46
Employee benefits:					
Gun allowance	850	850	882	(32)	950
Education allowance	600	1,050	1,050	-	600
Cleaning allowance	600	600	559	41	600
Holiday pay	4,876	4,876	4,860	16	4,860
Employee insurances	11,234	11,234	11,276	(42)	8,925
Retiree health insurance	27,395	49,368	47,259	2,109	29,439
Longevity	3,400	4,534	4,533	1	3,400
Retirement fund	27,921	50,314	48,166	2,148	26,124
Cost of Living	167	167	96	71	91
Uniforms	600	600	415	185	600
Operating supplies	300	300	275	25	1,700
Other services and charges:					
Contractual services	11,648	18,148	17,728	420	4,924
Public utilities	1,000	1,000	911	89	942
Total Civil Defense	183,611	317,019	304,121	12,898	180,560
Crime Commission:					
Office supplies	1,000	1,000	987	13	974
Other services and charges:					
Contractual services	2,200	2,200	2,022	178	2,200
Telephone	400	400	234	166	299
Community promotion and public relations	7,000	7,000	6,932	68	7,224
Public utilities	3,200	3,200	1,741	1,459	1,965
Total Crime Commission	13,800	13,800	11,916	1,884	12,662
Total public safety	59,902,964	61,491,585	59,542,902	1,948,683	62,711,147

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development:					
Engineering and Inspections:					
Personnel services:					
Engineers and inspectors	\$ 336,471	\$ 336,471	\$ 314,926	\$ 21,545	\$ 334,112
Clerical	65,120	65,120	42,019	23,101	38,631
Clerical co-op	-	-	6,450	(6,450)	13,596
Temporary employees - inspection	10,595	10,595	40,127	(29,532)	22,272
Overtime - engineers and inspectors	120,421	120,421	97,049	23,372	115,018
Overtime - clerical	1,885	1,885	428	1,457	148
Employee benefits:					
Social security	42,862	42,862	39,688	3,174	41,541
Employee insurances	96,004	96,004	69,741	26,263	57,479
Retiree health insurance	189,677	189,677	149,111	40,566	158,119
Longevity	17,000	17,000	17,283	(283)	16,074
Retirement fund	216,502	216,502	157,745	58,757	170,451
Cost of living	1,561	1,561	697	864	896
Uniforms	760	760	707	53	790
Employee legal services	1,085	1,085	858	227	906
Office supplies	12,300	12,300	9,122	3,178	8,279
Other services and charges:					
Software services	12,000	12,000	9,450	2,550	2,569
Contractual services - engineering and inspections	56,500	134,500	101,781	32,719	51,153
Postage	1,300	1,300	843	457	998
Auto expense	15,000	15,000	13,612	1,388	11,467
Memberships and dues	10,000	10,000	9,489	511	8,005
Capital outlay:					
Office equipment	-	-	1,743	(1,743)	1,375
Total expenditures	<u>1,207,043</u>	<u>1,285,043</u>	<u>1,082,869</u>	<u>202,174</u>	<u>1,053,879</u>
Other uses:					
Transfer to Water and Sewer System	81,519	81,519	81,519	-	80,434
Total other uses	<u>81,519</u>	<u>81,519</u>	<u>81,519</u>	<u>-</u>	<u>80,434</u>
Total Engineering and Inspections	<u>1,288,562</u>	<u>1,366,562</u>	<u>1,164,388</u>	<u>202,174</u>	<u>1,134,313</u>
Property Maintenance:					
Personnel services:					
Permanent employees	34,684	34,684	19,370	15,314	-
Part-time employees	25,000	25,000	50,078	(25,078)	42,237
Temporary employees - inspection	250,000	250,000	233,353	16,647	243,357
Overtime	1,000	1,000	38	962	33
Employee benefits:					
Social security	24,096	24,096	23,254	842	21,392
Employee insurances	24,326	24,326	9,034	15,292	931
Retiree health insurance	13,283	13,283	3,927	9,356	88
Longevity	-	-	457	(457)	-
Retirement fund	3,590	3,590	1,088	2,502	85
Cost of living	215	215	9	206	-
Employee legal services	155	155	26	129	13
Office supplies	11,000	11,000	8,293	2,707	9,641
Other services and charges:					
Weed mowing program	120,000	162,907	181,866	(18,959)	177,094
Rodent control program	7,000	7,000	1,694	5,306	3,260
Housing code enforcement program	105,000	105,000	102,264	2,736	80,347
Postage	8,000	8,000	4,922	3,078	3,961
West Nile Virus expense	2,000	2,000	-	2,000	-
Printing and publishing	8,000	8,000	4,574	3,426	6,176
Capital outlay:					
Office equipment	-	-	-	-	595
Total Property Maintenance	<u>637,349</u>	<u>680,256</u>	<u>644,247</u>	<u>36,009</u>	<u>589,210</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
Building Inspections:					
Personnel services:					
Supervisory	\$ 169,098	\$ 169,098	\$ 167,898	\$ 1,200	\$ 137,054
Inspectors	684,507	684,507	633,152	51,355	700,196
Clerical	188,830	188,830	195,176	(6,346)	185,531
Clerical co-op / temporary	9,500	9,500	24,338	(14,838)	22,776
Temporary employees - inspection	350,000	350,000	328,106	21,894	313,199
Overtime - inspectors	11,000	11,000	5,422	5,578	3,787
Overtime - clerical	3,000	3,000	1,347	1,653	1,590
Fees and per diem	6,700	6,700	6,082	618	8,275
Employee benefits:					
Social security	112,523	112,523	105,896	6,627	107,166
Employee insurances	200,049	200,049	160,729	39,320	152,667
Retiree health insurance	337,665	337,665	308,765	28,900	303,010
Longevity	32,518	32,518	32,588	(70)	32,743
Retirement fund	314,041	314,041	274,406	39,635	276,982
Cost of living	3,440	3,440	1,539	1,901	1,664
Employee legal services	2,480	2,480	2,304	176	2,368
Office supplies	23,000	23,000	20,334	2,666	22,027
Other services and charges:					
Software services	14,000	14,000	11,485	2,515	13,435
Nuisance abatements:					
Title search	10,000	10,000	6,825	3,175	6,077
Demolition expense	-	36,599	1,130	35,469	15,402
Postage	11,000	11,000	7,446	3,554	8,271
Auto expense	12,100	12,100	13,295	(1,195)	11,031
Capital outlay:					
Office equipment	-	-	-	-	5,989
Total Building Inspections	2,495,451	2,532,050	2,308,263	223,787	2,331,240
Public Service Director:					
Personnel services:					
Appointed official	108,868	108,868	113,570	(4,702)	113,570
Permanent employees	123,397	123,397	125,928	(2,531)	122,839
Clerical Co-op	28,000	28,000	28,152	(152)	27,891
Employee benefits:					
Social security	20,249	20,249	20,199	50	19,937
Employee insurances	35,769	35,769	31,388	4,381	31,170
Retiree health insurance	23,366	23,366	22,793	573	21,283
Longevity	2,232	2,232	2,217	15	2,217
Retirement fund	23,514	23,514	24,203	(689)	23,896
Cost of living	645	645	306	339	329
Employee legal services	465	465	461	4	461
Office supplies	7,500	7,500	4,157	3,343	5,765
Other services and charges:					
Postage	2,000	2,000	1,730	270	1,758
Total Public Service Director	376,005	376,005	375,104	901	371,116
Zoning Board of Appeals:					
Meeting allowance	5,670	5,670	4,970	700	5,565
Office supplies	1,500	1,500	1,082	418	1,430
Other services and charges:					
Outside court reporter	5,625	5,625	5,153	472	6,375
Postage	7,000	7,000	3,970	3,030	4,518
Printing and publishing	2,250	2,250	345	1,905	1,694
Total Zoning Board of Appeals	22,045	22,045	15,520	6,525	19,582

(continued)

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

GENERAL FUND

Year ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
City development, continued:					
Planning:					
Personnel services:					
Appointed official	\$ 92,551	\$ 92,551	\$ 96,046	\$ (3,495)	\$ 5,998
Permanent employees	104,458	104,458	86,492	17,966	274,387
Co-op employees - planning aides	15,000	15,000	10,691	4,309	11,084
Overtime	5,000	5,000	2,548	2,452	10,452
Meeting allowance	5,200	5,200	4,445	755	5,355
Employee benefits:					
Social security	17,545	17,545	15,697	1,848	24,350
Employee insurances	48,720	48,720	40,929	7,791	54,342
Retiree health insurance	78,213	78,213	63,052	15,161	101,117
Longevity	8,735	8,735	6,800	1,935	11,161
Retirement fund	55,630	55,630	51,757	3,873	98,753
Cost of living	645	645	280	365	430
Employee legal services	465	465	410	55	602
Office supplies	6,000	6,000	4,160	1,840	4,367
Other services and charges:					
Contractual services	15,000	15,000	10,189	4,811	8,103
Tax reverted property expense	25,000	25,000	522	24,478	-
Postage	2,500	2,500	1,592	908	1,706
Mileage	1,300	1,300	527	773	805
Publications - advertising	3,800	3,800	510	3,290	-
Membership and dues	20,000	20,000	16,771	3,229	17,121
Office Equipment	-	-	7,857	(7,857)	-
Total Planning	<u>505,762</u>	<u>505,762</u>	<u>421,275</u>	<u>84,487</u>	<u>630,133</u>
Total expenditures	5,243,655	5,401,161	4,847,278	553,883	4,995,160
Total other uses	81,519	81,519	81,519	-	80,434
Total city development	<u>5,325,174</u>	<u>5,482,680</u>	<u>4,928,797</u>	<u>553,883</u>	<u>5,075,594</u>
Highways and streets:					
Highway Street Lighting:					
Street lighting	2,875,000	2,875,000	2,839,045	35,955	2,745,958
LED Demo grant expense	-	171,895	171,895	-	-
Total highways and streets	<u>2,875,000</u>	<u>3,046,895</u>	<u>3,010,940</u>	<u>35,955</u>	<u>2,745,958</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Recreation and culture:					
Cultural Commission:					
Office supplies	\$ 100	\$ 100	\$ 12	\$ 88	\$ 116
Other services and charges:					
Contractual services - sound system	4,500	4,500	3,250	1,250	3,800
Concert band	500	500	500	-	500
Summer program	16,700	16,700	12,780	3,920	17,481
Art festival	500	500	435	65	500
Artist in residence program	800	800	1,800	(1,000)	390
Winter program	-	-	-	-	3,975
Warren Community Chorus	500	500	500	-	500
Warren Symphony Orchestra	500	500	500	-	500
Warren Tri-County Fine Arts	500	500	500	-	500
Total Cultural Commission	24,600	24,600	20,277	4,323	28,262
Historical Commission:					
Office supplies	1,300	1,300	739	561	789
Other services and charges:					
Telephone and radio	300	300	61	239	194
Community promotion and public relations	1,200	1,200	448	752	1,486
Memberships and dues	335	335	132	203	255
Historical site plaques	1,500	1,500	999	501	1,271
Museum expense	3,000	3,000	2,044	956	3,106
Hall of fame	1,500	1,500	1,024	476	934
Capital outlay:					
Office equipment	800	800	777	23	-
Total Historical Commission	9,935	9,935	6,224	3,711	8,035
Village Historical Commission:					
Other services and charges:					
Office supplies	250	250	-	250	-
Historical site plaques	1,400	1,400	885	515	-
Old village hall improvements	250	250	564	(314)	-
Community promotion and public relations	2,500	2,500	1,380	1,120	4,073
Public utilities	3,300	3,300	1,943	1,357	2,299
Total Village Historical Commission	7,700	7,700	4,772	2,928	6,372
Total recreation and culture	42,235	42,235	31,273	10,962	42,669
Debt service:					
D.P.W. garage lease	110,517	110,517	110,517	-	110,517
Total debt service	110,517	110,517	110,517	-	110,517
Total expenditures	93,938,527	96,678,432	92,393,927	4,284,505	101,501,592
Total other uses	803,221	830,997	742,362	88,635	1,411,263
Total General Fund	\$ 94,741,748	\$ 97,509,429	\$ 93,136,289	\$ 4,373,140	\$ 102,912,855

EXHIBIT C-4

BUDGETARY COMPARISON SCHEDULE
CITY OF WARREN, MICHIGAN

MICHIGAN TRANSPORTATION OPERATING FUNDS
MAJOR STREETS

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	\$ 5,900,000	\$ 5,900,000	\$ 5,929,061	\$ 29,061	\$ 5,843,931
Median maintenance	-	-	2,399	2,399	17,767
County:					
Weed mowing	14,000	14,000	14,511	511	14,511
Winter maintenance	9,000	9,000	14,020	5,020	9,291
Interest on investments	5,000	5,000	3,762	(1,238)	3,889
Total revenues	<u>5,928,000</u>	<u>5,928,000</u>	<u>5,963,753</u>	<u>35,753</u>	<u>5,889,389</u>
Expenditures - highways and streets:					
Administration and engineering:					
Personnel services:					
Supervision	84,540	84,540	88,128	(3,588)	128,506
Clerical	70,418	70,418	58,485	11,933	54,242
Temporary Employees			11,095	(11,095)	-
Overtime	500	500	1,249	(749)	1,461
Employees benefits:					
Social security	12,428	12,428	12,445	(17)	14,141
Employee insurances	54,723	54,723	36,147	18,576	40,291
Retiree health insurance	45,253	45,253	37,789	7,464	50,412
Longevity	4,352	4,352	4,194	158	4,943
Retirement fund	51,228	51,228	46,756	4,472	64,270
Cost of living	538	538	183	355	252
Employee legal services	388	388	269	119	346
Other services and charges:					
Administrative costs	506,600	506,600	475,477	31,123	503,101
	830,968	830,968	772,217	58,751	861,965
Supervisory wage and benefit allocation	(163,349)	(163,349)	(166,220)	2,871	(225,051)
Total administration and engineering	<u>667,619</u>	<u>667,619</u>	<u>605,997</u>	<u>61,622</u>	<u>636,914</u>
Routine maintenance:					
Personnel services:					
Permanent employees	688,093	688,093	539,446	148,647	644,631
Temporary employees	24,750	24,750	17,386	7,364	19,307
Overtime	15,000	15,000	8,867	6,133	9,072
Employee benefits:					
Social security	59,592	59,592	42,878	16,714	53,021
Employee insurances	228,952	228,952	150,404	78,548	166,929
Retiree health insurance	275,359	275,359	193,434	81,925	226,036
Longevity	38,081	38,081	30,256	7,825	40,475
Retirement fund	369,294	369,294	259,377	109,917	287,071
Cost of living	2,614	2,614	933	1,681	1,198
Education allowance	423	423	802	(379)	423
Employee legal services	1,769	1,769	1,472	297	1,739
Uniforms	2,170	2,170	2,523	(353)	1,706
Repairs and maintenance supplies	50,000	50,000	55,414	(5,414)	64,807
Other services and charges:					
Contractual services	48,000	48,000	38,022	9,978	49,480
Joint sealing	50,000	92,068	11,513	80,555	7,932
Concrete and pavement repairs	120,000	134,928	15,607	119,321	241,247
Equipment rentals	480,000	480,000	272,191	207,809	465,254
	2,454,097	2,511,093	1,640,525	870,568	2,280,328
Supervisory wage and benefit allocation	146,067	146,067	132,287	13,780	202,536
Total routine maintenance	<u>2,600,164</u>	<u>2,657,160</u>	<u>1,772,812</u>	<u>884,348</u>	<u>2,482,864</u>

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
MAJOR STREETS

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personnel services:					
Permanent employees	\$ 37,565	\$ 37,565	\$ 52,997	\$ (15,432)	\$ 53,687
Overtime	82,180	82,180	47,631	34,549	28,794
Employee benefits:					
Social security	9,451	9,451	8,796	655	7,190
Employee insurances	12,499	12,499	19,619	(7,120)	16,872
Retiree health insurance	45,128	45,128	41,362	3,766	31,562
Longevity	2,079	2,079	2,654	(575)	2,562
Retirement fund	60,758	60,758	55,816	4,942	39,761
Cost of living	143	143	94	49	7
Employee legal services	97	97	115	(18)	95
Uniforms	118	118	99	19	126
Repairs and maintenance supplies	200,000	200,000	324,180	(124,180)	126,011
Other services and charges:					
Contractual services	25,000	25,000	-	25,000	-
Equipment rentals	105,000	105,000	131,299	(26,299)	110,917
Salt dome rental	2,500	2,500	2,500	-	2,500
	<u>582,518</u>	<u>582,518</u>	<u>687,162</u>	<u>(104,644)</u>	<u>420,084</u>
Supervisory wage and benefit allocation	<u>18,001</u>	<u>18,001</u>	<u>19,320</u>	<u>(1,319)</u>	<u>20,955</u>
Total snow and ice control	<u>600,519</u>	<u>600,519</u>	<u>706,482</u>	<u>(105,963)</u>	<u>441,039</u>
Traffic services:					
Personnel services:					
Permanent employees	33,129	33,129	24,856	8,273	36,893
Overtime	313	313	-	313	108
Employee benefits:					
Social security	2,745	2,745	2,047	698	3,033
Employee insurances	11,023	11,023	7,147	3,876	9,429
Retiree health insurance	13,108	13,108	9,663	3,445	13,332
Longevity	1,833	1,833	1,448	385	2,315
Retirement fund	17,575	17,575	14,829	2,746	17,078
Cost of living	126	126	43	83	58
Education allowance	27	27	38	(11)	27
Employee legal services	85	85	73	12	103
Uniforms	104	104	64	40	160
Other services and charges:					
Traffic signs	10,000	10,000	1,237	8,763	5,245
Traffic signals	50,000	62,670	-	62,670	-
Traffic signal maintenance	240,000	240,000	159,645	80,355	213,213
Pavement marking	80,000	160,000	79,804	80,196	51,876
Equipment rentals	15,000	15,000	10,696	4,304	15,344
	<u>475,068</u>	<u>567,738</u>	<u>311,590</u>	<u>256,148</u>	<u>368,214</u>
Supervisory wage and benefit allocation	<u>4,345</u>	<u>4,345</u>	<u>6,198</u>	<u>(1,853)</u>	<u>11,249</u>
Total traffic services	<u>479,413</u>	<u>572,083</u>	<u>317,788</u>	<u>254,295</u>	<u>379,463</u>
Total expenditures - highways and streets	<u>4,347,715</u>	<u>4,497,381</u>	<u>3,403,079</u>	<u>1,094,302</u>	<u>3,940,280</u>
Excess (deficiency) of revenues over expenditures	<u>1,580,285</u>	<u>1,430,619</u>	<u>2,560,674</u>	<u>1,130,055</u>	<u>1,949,109</u>
Other financing sources (uses):					
Transfer from general fund	53,380	53,380	53,851	471	92,738
Transfers to:					
Water and Sewer System	(40,760)	(40,760)	(40,760)	-	(40,217)
1997 Act 175 - debt fund	(442,170)	(442,170)	(442,170)	-	(441,170)
2010 Act 175 - debt fund	(648,775)	(648,775)	(609,662)	39,113	(635,630)
2003 Act 175 - debt fund	(647,750)	(647,750)	(647,475)	275	(661,975)
2006 Capital Improvement Bonds - debt fund	(240,057)	(240,057)	(239,468)	589	(240,815)
2008 Capital Improvement Bonds - debt fund	(332,678)	(332,678)	(332,081)	597	(331,492)
Total other uses	<u>(2,298,810)</u>	<u>(2,298,810)</u>	<u>(2,257,765)</u>	<u>41,045</u>	<u>(2,258,561)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(718,525)</u>	<u>(868,191)</u>	<u>302,909</u>	<u>1,171,100</u>	<u>(309,452)</u>
Fund balance - beginning of year	<u>2,508,450</u>	<u>2,508,450</u>	<u>2,508,450</u>	<u>-</u>	<u>2,817,902</u>
Fund balance - end of year	<u>\$ 1,789,925</u>	<u>\$ 1,640,259</u>	<u>\$ 2,811,359</u>	<u>\$ 1,171,100</u>	<u>\$ 2,508,450</u>

EXHIBIT C-5

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
LOCAL STREETS

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	\$ 1,960,000	\$ 1,960,000	\$ 1,984,037	\$ 24,037	\$ 1,954,727
P.A. 48 - METRO Act proceeds	380,000	380,000	369,438	(10,562)	401,593
Interest on investments	4,400	4,400	3,991	(409)	4,222
Total revenues	<u>2,344,400</u>	<u>2,344,400</u>	<u>2,357,466</u>	<u>13,066</u>	<u>2,360,542</u>
Expenditures - highways and streets:					
Administration and engineering:					
Personnel services:					
Supervision	84,540	84,540	88,129	(3,589)	128,506
Clerical	70,418	70,418	58,485	11,933	54,242
Temporary Employees			9,217	(9,217)	-
Overtime	500	500	1,053	(553)	1,461
Employees benefits:					
Social security	12,428	12,428	12,447	(19)	14,141
Employee insurances	54,723	54,723	36,147	18,576	40,291
Retiree health insurance	45,253	45,253	38,551	6,702	50,357
Longevity	4,352	4,352	4,194	158	4,943
Retirement fund	51,228	51,228	46,862	4,366	64,270
Cost of living	538	538	183	355	252
Employee legal services	388	388	269	119	346
Other services and charges:					
Administrative costs	217,000	217,000	82,177	134,823	114,236
	541,368	541,368	377,714	163,654	473,045
Supervisory wage and benefit allocation	(163,349)	(163,349)	(166,219)	2,870	(225,051)
Total administration and engineering	<u>378,019</u>	<u>378,019</u>	<u>211,495</u>	<u>166,524</u>	<u>247,994</u>
Routine maintenance:					
Personnel services:					
Permanent employees	545,458	545,458	569,553	(24,095)	552,646
Temporary employees	30,250	30,250	19,312	10,938	21,825
Overtime	25,000	25,000	18,273	6,727	13,726
Employee benefits:					
Social security	49,110	49,110	50,477	(1,367)	47,862
Employee insurances	181,491	181,491	165,526	15,965	164,277
Retiree health insurance	223,272	223,272	228,126	(4,854)	203,677
Longevity	30,186	30,186	37,331	(7,145)	27,684
Retirement fund	299,474	299,474	307,564	(8,090)	259,355
Cost of living	2,072	2,072	1,079	993	1,361
Education allowance	718	718	329	389	718
Employee legal services	1,402	1,402	1,515	(113)	1,498
Uniforms	1,720	1,720	1,385	335	2,797
Repairs and maintenance supplies	50,000	50,000	57,367	(7,367)	20,719
Other services and charges:					
Contractual services	115,000	115,000	94,782	20,218	142,244
Joint sealing	100,000	184,134	23,028	161,106	15,866
Concrete and pavement repairs	180,000	202,393	23,410	178,983	361,870
Equipment rentals	400,000	400,000	453,395	(53,395)	426,050
	2,235,153	2,341,680	2,052,452	289,228	2,264,175
Supervisory wage and benefit allocation	143,779	143,779	148,049	(4,270)	196,499
Total routine maintenance	<u>2,378,932</u>	<u>2,485,459</u>	<u>2,200,501</u>	<u>284,958</u>	<u>2,460,674</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original	Amended	Actual	Variance	
	Budget	Budget			
Snow and ice control:					
Personnel services:					
Permanent employees	\$ 41,585	\$ 59,947	\$ 59,947	\$ -	\$ 21,656
Overtime	35,513	36,787	38,414	(1,627)	13,038
Employee benefits:					
Social security	6,165	8,215	8,339	(124)	3,131
Employee insurances	13,837	20,674	19,839	835	7,632
Retiree health insurance	29,436	38,789	39,376	(587)	13,754
Longevity	2,301	2,866	2,866	-	1,039
Retirement fund	39,577	53,067	53,978	(911)	16,032
Cost of living	158	158	117	41	-
Employee legal services	107	107	135	(28)	54
Uniforms	131	131	90	41	19
Repairs and maintenance supplies	90,000	90,000	95,737	(5,737)	13,961
Other services and charges:					
Contractual services	20,000	20,000	-	20,000	-
Equipment rentals	60,000	121,337	121,336	1	27,610
Salt dome rental	2,500	2,500	2,500	-	2,500
	<u>341,310</u>	<u>454,578</u>	<u>442,674</u>	<u>11,904</u>	<u>120,426</u>
Supervisory wage and benefit allocation	9,507	9,507	19,561	(10,054)	9,007
Total snow and ice control	<u>350,817</u>	<u>464,085</u>	<u>462,235</u>	<u>1,850</u>	<u>129,433</u>
Traffic services:					
Personnel services:					
Permanent employees	40,337	40,337	29,015	11,322	31,733
Overtime	452	452	193	259	236
Employee benefits:					
Social security	3,347	3,347	2,387	960	2,565
Employee insurances	13,422	13,422	8,044	5,378	8,344
Retiree health insurance	15,986	15,986	11,267	4,719	11,271
Longevity	2,232	2,232	1,654	578	1,344
Retirement fund	21,435	21,435	17,342	4,093	13,680
Cost of living	153	153	52	101	83
Education allowance	32	32	30	2	32
Employee legal services	104	104	83	21	82
Uniforms	127	127	72	55	116
Other services and charges:					
Traffic signs	10,000	10,000	694	9,306	4,579
Traffic signal maintenance	50,000	50,000	32,334	17,666	41,323
Pavement marking	10,000	20,000	9,974	10,026	7,784
Equipment rentals	14,000	14,000	10,394	3,606	13,391
	<u>181,627</u>	<u>191,627</u>	<u>123,535</u>	<u>68,092</u>	<u>136,563</u>
Supervisory wage and benefit allocation	4,998	4,998	7,024	(2,026)	9,856
Total traffic services	<u>186,625</u>	<u>196,625</u>	<u>130,559</u>	<u>66,066</u>	<u>146,419</u>
Total expenditures - highways and streets	<u>3,294,393</u>	<u>3,524,188</u>	<u>3,004,790</u>	<u>519,398</u>	<u>2,984,520</u>
Excess (deficiency) of revenues over expenditures	<u>(949,993)</u>	<u>(1,179,788)</u>	<u>(647,324)</u>	<u>532,464</u>	<u>(623,978)</u>
Other financing sources (uses):					
Transfer from:					
General fund	128,380	128,380	82,574	(45,806)	139,816
Transfers to:					
Water and Sewer System	(40,760)	(40,760)	(40,760)	-	(40,217)
Total other uses	<u>87,620</u>	<u>87,620</u>	<u>41,814</u>	<u>(45,806)</u>	<u>99,599</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(862,373)	(1,092,168)	(605,510)	486,658	(524,379)
Fund balance - beginning of year	<u>3,197,852</u>	<u>3,197,852</u>	<u>3,197,852</u>	<u>-</u>	<u>3,722,231</u>
Fund balance - end of year	<u>\$ 2,335,479</u>	<u>\$ 2,105,684</u>	<u>\$ 2,592,342</u>	<u>\$ 486,658</u>	<u>\$ 3,197,852</u>

EXHIBIT C-6

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

SANITATION

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ 6,361,975	\$ 6,361,975	\$ 6,350,680	\$ (11,295)	\$ 7,129,732
Industrial facilities	162,538	162,538	123,690	(38,848)	215,057
	<u>6,524,513</u>	<u>6,524,513</u>	<u>6,474,370</u>	<u>(50,143)</u>	<u>7,344,789</u>
Miscellaneous:					
Transfer station royalties	55,000	55,000	27,358	(27,642)	49,791
Lease proceeds	39,600	39,600	39,600	-	39,600
Recycling revenue	130,000	130,000	163,833	33,833	175,875
Sale of equipment	-	-	26,637	26,637	-
Miscellaneous	27,000	27,000	23,605	(3,395)	37,617
	<u>251,600</u>	<u>251,600</u>	<u>281,033</u>	<u>29,433</u>	<u>302,883</u>
Interest on investments	8,000	8,000	5,330	(2,670)	6,091
Total revenues	<u>6,784,113</u>	<u>6,784,113</u>	<u>6,760,733</u>	<u>(23,380)</u>	<u>7,653,763</u>
Expenditures - Sanitation:					
Personnel services:					
Supervisory	164,337	164,337	171,019	(6,682)	171,299
Wages-rubbish collection	1,185,249	1,185,249	1,119,260	65,989	1,128,299
Mechanics wages	186,870	186,870	187,413	(543)	177,822
Clerical	85,998	85,998	51,503	34,495	74,198
Seasonal employees - summer rubbish collection	800,000	800,000	771,433	28,567	840,030
Clerical co-op	-	-	14,733	(14,733)	3,264
Overtime - rubbish collection	170,000	170,000	169,657	343	166,363
Overtime - mechanics	25,000	25,000	13,813	11,187	10,138
Overtime - clerical	8,000	8,000	8,461	(461)	2,795
Employee benefits:					
Social security	208,785	208,785	196,567	12,218	201,747
Employee insurances	620,286	620,286	531,844	88,442	454,366
Retiree health insurance	667,888	667,888	598,426	69,462	561,525
Longevity	60,524	60,524	61,441	(917)	56,504
Retirement fund	630,970	630,970	534,875	96,095	490,445
Cost of living	6,356	6,356	3,043	3,313	3,308
Uniforms	4,560	4,560	5,051	(491)	5,336
Education allowance	1,600	1,600	1,600	-	1,600
Employee legal services	4,340	4,340	4,045	295	4,173
Office supplies	23,000	23,000	22,914	86	16,302
Other services and charges:					
Contractual services	29,100	29,100	327	28,773	394
Hazardous waste collection	30,000	30,000	24,306	5,694	21,252
Rubbish hauling	750,000	750,000	790,385	(40,385)	689,125
Recycling and compost disposal	300,000	300,000	226,144	73,856	251,686
S M D A closure costs	25,000	25,000	5,471	19,529	6,884
S M D A legal and engineering costs	120,000	120,000	225,679	(105,679)	145,706
Unemployment	93,000	93,000	92,368	632	57,532
Telephone	5,000	5,000	2,952	2,048	3,326
Truck expense	250,000	250,000	197,637	52,363	295,672
Gasoline & diesel fuel	360,000	360,000	408,070	(48,070)	346,974
Community recycling & composting education	1,000	1,000	-	1,000	-
Printing and publishing	6,000	6,000	4,509	1,491	3,548
Insurance and bonds	148,200	148,200	148,200	-	142,500
Public utilities	46,000	46,000	32,955	13,045	29,073
Building maintenance	20,000	20,000	13,205	6,795	16,234
Administrative costs	868,100	868,100	868,100	-	868,100
Refund of taxes paid under protest	75,000	75,000	65,065	9,935	44,485
Estimated uncollectible taxes	15,000	15,000	15,000	-	15,000
Accumulated sick leave liability	-	-	-	-	-
Accumulated compensatory time liability	16,000	16,000	-	16,000	-
Capital outlay:					
Capital improvements	45,000	45,000	1,999	43,001	171,888
Office and garage equipment	9,000	9,000	9,279	(279)	10,199
Vehicles	315,000	315,000	151,189	163,811	329,882
Total expenditures - Sanitation	<u>8,380,163</u>	<u>8,380,163</u>	<u>7,749,938</u>	<u>630,225</u>	<u>7,818,974</u>
Excess (deficiency) of revenues over expenditures	(1,596,050)	(1,596,050)	(989,205)	606,845	(165,211)
Other financing uses:					
Transfer to Building Authority Bond Debt Fund:					
Series 2005 multiple purpose bonds	(32,500)	(32,500)	(31,621)	879	(31,921)
Series 2002 multiple purpose bonds	-	-	-	-	(24,357)
Total other financing uses	<u>(32,500)</u>	<u>(32,500)</u>	<u>(31,621)</u>	<u>879</u>	<u>(56,278)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,628,550)	(1,628,550)	(1,020,826)	607,724	(221,489)
Fund balance - beginning of year	4,310,428	4,310,428	4,310,428	-	4,531,917
Fund balance - end of year	<u>\$ 2,681,878</u>	<u>\$ 2,681,878</u>	<u>\$ 3,289,602</u>	<u>\$ 607,724</u>	<u>\$ 4,310,428</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 3,776,575	\$ 3,776,575	\$ 3,766,859	\$ (9,716)	\$ 4,230,789
Industrial facilities	96,485	96,485	73,424	(23,061)	127,661
	<u>3,873,060</u>	<u>3,873,060</u>	<u>3,840,283</u>	<u>(32,777)</u>	<u>4,358,450</u>
Intergovernmental:					
State grants:					
S.M.A.R.T. Community Credit Grant	152,000	152,000	158,579	6,579	200,173
Michigan Department of Transportation	58,000	58,000	114,097	56,097	67,188
	<u>210,000</u>	<u>210,000</u>	<u>272,676</u>	<u>62,676</u>	<u>267,361</u>
Charges for services:					
Recreation fees	460,000	460,000	604,682	144,682	595,367
Warren Community Center fees	1,440,000	1,440,000	1,448,681	8,681	1,500,957
Skating rink fees	65,000	65,000	54,864	(10,136)	70,441
Bingo fees	1,000	1,000	696	(304)	638
Senior transportation	25,000	25,000	22,616	(2,384)	24,358
Special events	45,000	45,000	32,219	(12,781)	38,542
Forestry - tree planting	1,000	1,000	2,600	1,600	1,600
	<u>2,037,000</u>	<u>2,037,000</u>	<u>2,166,358</u>	<u>129,358</u>	<u>2,231,903</u>
Miscellaneous:					
Lease proceeds	73,400	73,400	77,940	4,540	94,450
Sponsored events	60,000	60,000	63,339	3,339	-
Miscellaneous	52,000	52,000	56,836	4,836	53,226
	<u>185,400</u>	<u>185,400</u>	<u>198,115</u>	<u>12,715</u>	<u>147,676</u>
Interest on investments					
	6,000	6,000	4,156	(1,844)	4,715
	<u>6,000</u>	<u>6,000</u>	<u>4,156</u>	<u>(1,844)</u>	<u>4,715</u>
Total revenues	<u>6,311,460</u>	<u>6,311,460</u>	<u>6,481,588</u>	<u>170,128</u>	<u>7,010,105</u>
Expenditures - Recreation and culture:					
General parks and recreation expenditures:					
Personnel services:					
Appointed official	99,104	99,104	103,360	(4,256)	103,360
Supervision	517,126	517,126	559,457	(42,331)	535,877
Maintenance wages	510,357	510,357	481,065	29,292	527,855
Seasonal employees - maintenance	81,000	81,000	43,060	37,940	86,478
Seasonal employees - recreation	1,300,000	1,300,000	1,527,333	(227,333)	1,528,227
Overtime - maintenance	37,568	37,568	48,726	(11,158)	36,098
Overtime - supervision and clerical	3,486	3,486	10,419	(6,933)	6,068
Employee benefits:					
Social security	202,789	202,789	196,498	6,291	203,575
Employee insurances	399,114	399,114	327,256	71,858	304,134
Retiree health insurance	457,163	457,163	442,278	14,885	428,008
Longevity	58,248	58,248	53,825	4,423	56,710

(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, 2011
With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
General parks and recreation expenditures:					
Employee benefits (continued):					
Retirement fund	\$ 423,483	\$ 423,483	\$ 421,401	\$ 2,082	\$ 394,031
Cost of living	3,982	3,982	1,790	2,192	2,132
Uniforms	1,900	1,900	1,861	39	1,900
Education allowance	5,700	5,700	5,833	(133)	5,700
Employee legal services	2,790	2,790	2,522	268	2,765
Supplies:					
Office	10,750	10,750	9,194	1,556	9,819
Bingo supplies	900	900	150	750	150
Operating supplies	10,800	10,800	8,567	2,233	9,324
Playground and athletic	74,500	74,500	53,039	21,461	65,373
Repair and maintenance	148,500	148,500	127,402	21,098	153,847
Other services and charges:					
Contractual services	400,000	400,000	371,905	28,095	388,521
Postage	7,200	7,200	4,941	2,259	6,867
Unemployment	16,000	16,000	15,558	442	3,377
Tree maintenance	275,000	275,000	282,558	(7,558)	498,488
Telephone and radio	32,000	32,000	21,588	10,412	29,593
Sponsored Events	60,000	60,000	26,805	33,195	-
Marketing and Promotions	80,000	80,000	79,787	213	-
Auto expense	55,000	55,000	50,863	4,137	46,804
Conference and workshops	3,600	3,600	1,645	1,955	2,525
Printing and publishing	-	-	(41)	41	49,322
Insurance and bonds	101,500	101,500	101,500	-	96,700
Public utilities	580,000	580,000	515,877	64,123	537,252
Building maintenance	50,000	50,000	36,700	13,300	51,906
Rentals and janitorial services	10,800	10,800	11,327	(527)	2,450
Administrative costs	98,400	98,400	98,400	-	98,400
Special events	75,000	75,000	80,062	(5,062)	106,863
Ice rink expenditures	8,500	8,500	5,326	3,174	6,000
Refund taxes paid under protest	42,000	42,000	35,887	6,113	24,490
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	-	-	-	-	140,051
Office equipment	4,500	4,500	-	4,500	-
Maintenance equipment	1,800	1,800	-	1,800	-
Total general parks and recreation	<u>6,290,560</u>	<u>6,290,560</u>	<u>6,180,724</u>	<u>109,836</u>	<u>6,566,040</u>

(continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Transportation expenditures:					
Personnel services:					
Seasonal employees	\$ 140,000	\$ 140,000	\$ 132,609	\$ 7,391	\$ 127,473
Employee benefits:					
Social security	10,850	10,850	10,145	705	9,752
Employee insurances	2,914	2,914	3,436	(522)	1,529
Supplies:					
Office	1,200	1,200	297	903	491
Operating supplies	900	900	-	900	145
Other services and charges:					
Contractual services	5,000	5,000	5,322	(322)	5,976
Postage	150	150	-	150	-
Building maintenance	2,000	2,000	-	2,000	908
Telephone and radio	1,000	1,000	497	503	76
Auto expense	46,000	46,000	43,211	2,789	37,287
Printing and publishing	250	250	-	250	-
Public utilities	15,000	15,000	12,842	2,158	12,856
Conference and workshops	300	300	-	300	-
Insurance and bonds	12,600	12,600	12,600	-	12,000
Bus rental	10,000	10,000	-	10,000	-
Capital Outlay:					
Office Equipment	-	-	6,906	(6,906)	-
Total transportation	<u>248,164</u>	<u>248,164</u>	<u>227,865</u>	<u>20,299</u>	<u>208,493</u>
Total expenditures - recreation and culture	<u>6,538,724</u>	<u>6,538,724</u>	<u>6,408,589</u>	<u>130,135</u>	<u>6,774,533</u>
Excess (deficiency) of revenues over expenditures	(227,264)	(227,264)	72,999	300,263	235,572
Other financing sources (uses):					
Transfer to Building Authority Bond Debt Fund:					
Series 2001 Warren Community Center bonds	(262,277)	(262,277)	(266,019)	(3,742)	(261,766)
Series 2005 W.C.C. refunding bonds	(327,723)	(327,723)	(323,327)	4,396	(325,011)
Series 2002 Multiple Purpose bonds	-	-	-	-	(25,041)
Series 2005 Multiple Purpose bonds	(30,000)	(30,000)	(29,188)	812	(29,527)
Total other financing uses	<u>(620,000)</u>	<u>(620,000)</u>	<u>(618,534)</u>	<u>1,466</u>	<u>(641,345)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(847,264)	(847,264)	(545,535)	301,729	(405,773)
Fund balance - beginning of year	<u>3,213,536</u>	<u>3,213,536</u>	<u>3,213,536</u>	<u>-</u>	<u>3,619,309</u>
Fund balance - end of year	<u>\$ 2,366,272</u>	<u>\$ 2,366,272</u>	<u>\$ 2,668,001</u>	<u>\$ 301,729</u>	<u>\$ 3,213,536</u>

EXHIBIT C-8

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property Taxes:					
Real and personal property	\$ 1,888,288	\$ 5,157,681	\$ 5,159,611	\$ 1,930	\$ 2,115,395
Industrial facilities	48,253	111,332	100,749	(10,583)	63,831
	<u>1,936,541</u>	<u>5,269,013</u>	<u>5,260,360</u>	<u>(8,653)</u>	<u>2,179,226</u>
Intergovernmental:					
Federal:					
Institute of Museum & Library Services grant	-	-	-	-	119,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,000</u>
State:					
State aid	60,000	60,000	65,848	5,848	54,538
Penal fines	145,000	145,000	122,208	(22,792)	151,374
Renaissance Zone reimbursement	55,458	55,458	-	(55,458)	49,329
Personal property business inventory tax	74,795	-	-	-	74,795
	<u>335,253</u>	<u>260,458</u>	<u>188,056</u>	<u>(72,402)</u>	<u>330,036</u>
Fines and fees:					
Over the counter fines	48,000	48,000	56,627	8,627	54,830
Copy machine fees	13,500	13,500	15,412	1,912	17,267
Lost book fees	13,000	13,000	18,130	5,130	20,288
Video cassette user fees	7,900	7,900	6,422	(1,478)	6,394
CD ROM rentals	500	500	132	(368)	151
	<u>82,900</u>	<u>82,900</u>	<u>96,723</u>	<u>13,823</u>	<u>98,930</u>
Other:					
Sale of equipment/property	-	-	247,852	247,852	-
Donations	-	2,404	2,899	495	80
Miscellaneous	-	-	4,082	4,082	995
	<u>-</u>	<u>2,404</u>	<u>254,833</u>	<u>252,429</u>	<u>1,075</u>
Interest on investments					
	<u>500</u>	<u>500</u>	<u>686</u>	<u>186</u>	<u>-</u>
	<u>500</u>	<u>500</u>	<u>686</u>	<u>186</u>	<u>-</u>
Total revenues	<u>2,355,194</u>	<u>5,615,275</u>	<u>5,800,658</u>	<u>185,383</u>	<u>2,728,267</u>
Expenditures - recreation and culture:					
Personnel services:					
Appointed official	\$ 92,551	\$ 92,551	\$ 96,507	\$ (3,956)	\$ 96,507
Permanent employees	635,508	1,101,827	749,696	352,131	882,788
Permanent employees - pages	150,000	350,000	337,754	12,246	307,056
Overtime	3,957	15,195	2,933	12,262	6,129
Shift premium	6,800	9,513	6,031	3,482	7,639
Employee benefits:					
Social security	72,539	125,679	94,509	31,170	103,476
Employee insurances	158,893	360,423	134,115	226,308	169,970
Retiree health insurance	290,807	418,891	312,255	106,636	352,417
Longevity	33,773	37,011	32,926	4,085	40,325
Retirement fund	395,419	464,292	379,770	84,522	419,856
Cost of living	2,580	4,730	1,388	3,342	1,639
Uniforms	-	-	-	-	189

(continued)

See accompanying notes to financial statements

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Expenditures - recreation and culture:					
Employee benefits (continued):					
Education allowance	\$ 10,800	\$ 10,800	\$ 10,933	\$ (133)	\$ 13,000
Employee legal services	1,860	3,410	2,010	1,400	2,432
Office supplies	23,000	61,250	41,195	20,055	24,435
Other services and charges:					
Copy machine expense	8,000	14,000	10,622	3,378	10,145
Contractual services	2,000	202,300	18,424	183,876	2,803
Cooperative services	100,000	200,000	153,395	46,605	147,390
Library cooperative indirect aid	30,000	30,000	13,067	16,933	27,269
Postage	2,500	5,000	1,221	3,779	1,333
Unemployment	3,500	3,500	3,178	322	-
Video cassettes and tapes	13,000	20,000	17,975	2,025	13,926
Library circulation material	21,000	38,500	35,485	3,015	38,065
Periodicals	11,000	17,000	16,198	802	16,124
Telephone and radio	10,000	12,500	7,789	4,711	11,540
Mileage	1,000	1,400	596	804	727
Auto expense	1,500	2,000	1,582	418	869
Conferences and workshops	300	1,000	-	1,000	150
Book binding	100	200	-	200	-
Insurance and bonds	29,400	29,400	29,400	-	28,000
Public utilities	175,000	250,000	188,864	61,136	202,864
Building maintenance	10,000	336,000	149,207	186,793	8,585
Administrative expense	49,100	150,000	152,776	(2,776)	49,100
Library commission dues and expense	300	500	375	125	200
Refund taxes paid under protest	20,000	20,000	17,959	2,041	12,245
Estimated uncollectible taxes	5,000	5,000	5,000	-	5,000
Accum Sick Leave Liab Transfer		97,000	-	97,000	-
Accum Comp Time Liab Transfer		7,000	-	7,000	-
Capital outlay:					
Office equipment	-	3,200	2,973	227	-
Library books	80,000	302,404	297,335	5,069	115,538
Total expenditures - recreation and culture	<u>2,451,187</u>	<u>4,803,476</u>	<u>3,325,443</u>	<u>1,478,033</u>	<u>3,119,731</u>
Excess (deficiency) of revenues over expenditures	(95,993)	811,799	2,475,215	1,663,416	(391,464)
Other financing sources (uses):					
Transfer from (to):					
Downtown Development Authority Admin Fund	125,000	-	-	-	132,000
Transfer to Building Authority	-	(136,500)	(136,349)	151	-
General Fund	-	(150,000)	(150,000)	-	150,000
Total other financing uses	<u>125,000</u>	<u>(286,500)</u>	<u>(286,349)</u>	<u>151</u>	<u>282,000</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	29,007	525,299	2,188,866	1,663,567	(109,464)
Fund balance - beginning of year	<u>38,470</u>	<u>38,470</u>	<u>38,470</u>	<u>-</u>	<u>147,934</u>
Fund balance - end of year	<u>\$ 67,477</u>	<u>\$ 563,769</u>	<u>\$ 2,227,336</u>	<u>\$ 1,663,567</u>	<u>\$ 38,470</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, 2011

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

	Accumulative Totals for			Accumulative Totals Through June 2010
	Program Years 1982-83 thru 2003-04			
	Budget	Actual	Variance	
Revenues:				
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	30,448,821	32,542,367	2,093,546	32,542,367
Expenditures - community development:				
Residential rehabilitation costs	11,183,272	13,088,993	(1,905,721)	13,088,993
Residential rehabilitation development costs	980,000	1,152,516	(172,516)	1,152,516
Commercial rehabilitation costs	54,135	54,135	-	54,135
Capital improvements - recreation	1,735,912	1,735,912	-	1,735,912
Capital projects - senior activity center	272,827	272,827	-	272,827
Contractual services - feasibility study	6,291	6,291	-	6,291
Contractual services - W.O.R.D.	14,840	14,840	-	14,840
Contractual services - chores service	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 prevention	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 preparation	-	-	-	-
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community development	30,448,821	32,542,367	(2,093,546)	32,542,367
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

Accumulative Totals for Program Year 2004-2005			Accumulative Totals Through June 2010	Accumulative Totals for Program Year 2005-2006			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 979,839	\$ 973,253	\$ (6,586)	\$ 973,253	\$ 1,182,789	\$ 1,182,500	\$ (289)	\$ 1,182,500
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>1,387,852</u>	<u>1,582,789</u>	<u>1,650,517</u>	<u>67,728</u>	<u>1,650,517</u>
601,000	415,599	185,401	415,599	463,468	518,736	(55,268)	518,736
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	204,014	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>1,387,852</u>	<u>1,582,789</u>	<u>1,650,517</u>	<u>(67,728)</u>	<u>1,650,517</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, 2011
 With Comparative Accumulative Actual Totals for the Year Ended June 30, 2010

	Accumulative Totals for Program Year 2006-2007			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 1,065,623	\$ 1,065,623	\$ -	\$ 1,021,155
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>1,400,837</u>	<u>(164,786)</u>	<u>1,356,369</u>
Expenditures - community development:				
Residential rehabilitation costs	544,349	414,802	129,547	370,559
Residential rehabilitation development costs	175,000	175,000	-	175,000
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	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	13,975	-	13,750
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 preparation	-	-	-	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>1,565,623</u>	<u>1,400,837</u>	<u>164,786</u>	<u>1,356,369</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

Accumulative Totals for Program Year 2007-2008			Accumulative Totals Through June 2010	Accumulative Totals for Program Year 2008-2009			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 804,261	\$ 738,091	\$ (66,170)	\$ 660,010	\$ 932,139	\$ 567,354	\$ (364,785)	\$ 560,450
300,000	104,317	(195,683)	104,317	120,000	88,812	(31,188)	88,812
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,104,261</u>	<u>842,408</u>	<u>(261,853)</u>	<u>764,327</u>	<u>1,052,139</u>	<u>656,166</u>	<u>(395,973)</u>	<u>649,262</u>
381,651	161,535	220,116	83,454	364,565	71,049	293,516	71,049
175,000	175,000	-	175,000	140,000	140,000	-	140,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,148	27,148	-	27,148	35,000	29,029	5,971	29,029
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	40,000	39,878	122	33,191
-	-	-	-	-	-	-	-
86,868	86,868	-	86,868	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	-	20,000	22,574	771	21,803	554
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
90,419	90,419	-	90,419	150,000	91,177	58,823	91,177
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
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	186,262
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
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	10,000
-	-	-	-	-	-	-	-
25,000	25,000	-	25,000	20,000	20,000	-	20,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,000	4,000	-	4,000	4,000	4,000	-	4,000
5,000	2,500	2,500	2,500	8,000	-	8,000	-
-	-	-	-	-	-	-	-
<u>1,104,261</u>	<u>842,408</u>	<u>261,853</u>	<u>764,327</u>	<u>1,052,139</u>	<u>656,166</u>	<u>395,973</u>	<u>649,262</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, 2011
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2010

	Accumulative Totals for Program Year 2009-2010			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 921,053	\$ 828,500	\$ (92,553)	\$ 597,509
Miscellaneous:				
Program income	120,000	83,442	(36,558)	83,442
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>1,041,053</u>	<u>911,942</u>	<u>(129,111)</u>	<u>680,951</u>
Expenditures - community development:				
Residential rehabilitation costs	112,000	75,760	36,240	73,088
Residential rehabilitation development costs	185,000	185,000	-	124,407
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	29,366	21,634	4,759
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	212,453	171,372	41,081	162,568
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	92,858	12,142	53,215
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	-	-	-	-
Shelter for the homeless	40,000	40,000	-	31,430
Administrative costs	194,100	186,788	7,312	159,556
Contingency and local options	-	-	-	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	100,000	90,523	9,477	40,000
Housing support services	11,500	10,275	1,225	5,000
Fire department rescue squad	-	-	-	-
Homeless prevention	30,000	30,000	-	24,155
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Homebuyer preparation	-	-	-	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>1,041,053</u>	<u>911,942</u>	<u>129,111</u>	<u>678,178</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ 2,773

EXHIBIT C-9 (continued)

Accumulative Totals for Program Year 2010-2011			Accumulative Totals Through June 2010	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 916,645	\$ 378,166	\$ (538,479)	\$ -	\$ 33,284,582	\$ 32,215,720	\$ (1,068,862)	\$ 31,477,110
80,000	89,762	9,762	-	6,086,588	7,583,770	1,497,182	7,494,008
-	-	-	-	-	45,218	45,218	45,218
-	-	-	-	-	15,309	15,309	15,309
<u>996,645</u>	<u>467,928</u>	<u>(528,717)</u>	<u>-</u>	<u>39,371,170</u>	<u>39,860,017</u>	<u>488,847</u>	<u>39,031,645</u>
114,000	50,316	63,684	-	13,764,305	14,796,790	(1,032,485)	14,621,478
190,000	102,643	87,357	-	2,095,000	2,180,159	(85,159)	2,016,923
-	-	-	-	54,135	54,135	-	54,135
204,000	205	203,795	-	1,939,912	1,736,117	203,795	1,735,912
-	-	-	-	272,827	272,827	-	272,827
-	-	-	-	6,291	6,291	-	6,291
-	-	-	-	14,840	14,840	-	14,840
35,000	10,503	24,497	-	681,807	629,705	52,102	594,595
-	-	-	-	12,500	12,500	-	12,500
-	-	-	-	663,999	663,999	-	663,999
-	-	-	-	583,271	583,271	-	583,271
-	-	-	-	4,284,319	4,243,116	41,203	4,227,625
-	-	-	-	84,093	84,093	-	84,093
-	-	-	-	10,257	10,257	-	10,257
-	-	-	-	788,528	788,239	289	788,239
-	-	-	-	30,159	30,159	-	30,159
-	-	-	-	556,373	534,570	21,803	534,353
-	-	-	-	60,000	60,000	-	60,000
-	-	-	-	6,880	6,880	-	6,880
-	-	-	-	119	119	-	119
-	-	-	-	24,484	24,484	-	24,484
-	-	-	-	328,378	328,378	-	328,378
110,000	52,722	57,278	-	1,604,200	1,475,957	128,243	1,383,592
-	-	-	-	2,424,350	2,424,350	-	2,424,350
-	-	-	-	157,000	157,000	-	157,000
-	-	-	-	699,666	699,666	-	699,666
44,000	35,945	8,055	-	287,314	279,259	8,055	234,744
199,329	165,089	34,240	-	5,744,831	5,646,923	97,908	5,454,602
19,316	-	19,316	-	19,316	-	19,316	-
-	-	-	-	144,979	144,979	-	144,979
-	-	-	-	176,285	176,285	-	176,285
-	-	-	-	55,682	70,991	(15,309)	70,991
-	-	-	-	51,925	51,925	-	51,925
-	-	-	-	73,793	73,793	-	73,793
-	-	-	-	231,527	231,527	-	231,527
-	-	-	-	2,592	2,592	-	2,592
40,000	-	40,000	-	745,000	695,523	49,477	645,000
10,000	2,500	7,500	-	181,630	171,305	10,325	163,305
-	-	-	-	223,363	223,363	-	223,363
31,000	25,905	5,095	-	207,368	202,273	5,095	170,523
-	-	-	-	2,872	2,872	-	2,872
-	-	-	-	44,000	44,000	-	44,000
-	-	-	-	18,000	18,000	-	18,000
-	-	-	-	13,000	2,500	10,500	2,500
-	-	-	-	-	(18,095)	18,095	(18,095)
<u>996,645</u>	<u>445,828</u>	<u>550,817</u>	<u>-</u>	<u>39,371,170</u>	<u>39,837,917</u>	<u>(466,747)</u>	<u>39,028,872</u>
\$ -	\$ 22,100	\$ 22,100	\$ -	\$ -	\$ 22,100	\$ 22,100	\$ 2,773

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, 2011

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

	Eliminations Reported as of June 30, 2010			Accumulative Totals Through June 2009
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 32,367,938	\$ 31,477,110	\$ (890,828)	\$ 30,494,806
Miscellaneous:				
Program income	6,006,588	7,494,008	1,487,420	7,410,566
Reimbursement from HOME	-	45,218	45,218	45,218
Transfer from CDBG Rental Rehabilitation Program	-	15,309	15,309	15,309
Total revenues	<u>38,374,526</u>	<u>39,031,645</u>	<u>657,119</u>	<u>37,965,899</u>
Expenditures - community development:				
Residential rehabilitation costs	13,650,305	14,621,478	(971,173)	14,340,251
Residential rehabilitation development costs	1,905,000	2,016,923	(111,923)	1,843,082
Commercial rehabilitation costs	54,135	54,135	-	54,135
Capital improvements - recreation	1,735,912	1,735,912	-	1,735,912
Capital projects - senior activity center	272,827	272,827	-	272,827
Contractual services - feasibility study	6,291	6,291	-	6,291
Contractual services - W.O.R.D.	14,840	14,840	-	14,840
Contractual services - chores service	646,807	594,595	52,212	569,933
Contractual services - day care center	12,500	12,500	-	12,500
Public improvements - fire stations	663,999	663,999	-	663,999
Public works projects	583,271	583,271	-	583,271
Street program	4,263,749	4,227,625	36,124	4,031,866
Bunert school	84,093	84,093	-	84,093
Relocation reimbursements	10,257	10,257	-	10,257
Sidewalk replacement	788,528	788,239	289	788,239
Rodent control	30,159	30,159	-	30,159
Abandoned buildings	556,373	534,353	22,020	532,353
U. F. F. I. testing	60,000	60,000	-	60,000
Youth interim program	6,880	6,880	-	6,880
I-696 equity line item	119	119	-	119
Smoke detector program	24,484	24,484	-	24,484
Tree planting program	328,378	328,378	-	328,378
Code enforcement	1,494,200	1,383,592	110,608	1,274,626
Community police unit	2,424,350	2,424,350	-	2,424,350
Planning studies	157,000	157,000	-	157,000
Handicapped project	699,666	699,666	-	699,666
Shelter for the homeless	243,314	234,744	8,570	203,314
Administrative costs	5,545,502	5,454,602	90,900	5,242,314
Contingency and local options	20,571	-	20,571	-
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	705,000	645,000	60,000	605,000
Housing support services	171,630	163,305	8,325	147,805
Fire department rescue squad	223,363	223,363	-	223,363
Homeless prevention	176,368	170,523	5,845	135,626
Beautification	2,872	2,872	-	2,872
Arsenal Acres clearance	44,000	44,000	-	44,000
Child advocacy	18,000	18,000	-	18,000
Homebuyer preparation	13,000	2,500	10,500	1,750
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community development	<u>38,374,526</u>	<u>39,028,872</u>	<u>(654,346)</u>	<u>37,907,552</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ 2,773	\$ 2,773	\$ 58,347

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2011

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

	Current Year Activity			Prior
	Budget	Actual	Variance	Fiscal Year Activity
Revenues:				
Intergovernmental:				
Federal grant	\$ 916,644	\$ 738,610	\$ (178,034)	\$ 982,304
Miscellaneous:				
Program income	80,000	89,762	9,762	83,442
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	<u>996,644</u>	<u>828,372</u>	<u>(168,272)</u>	<u>1,065,746</u>
Expenditures - community development:				
Residential rehabilitation costs	114,000	175,312	(61,312)	281,227
Residential rehabilitation development costs	190,000	163,236	26,764	173,841
Commercial rehabilitation costs	-	-	-	-
Capital improvements - recreation	204,000	205	203,795	-
Capital projects - senior activity center	-	-	-	-
Contractual services - feasibility study	-	-	-	-
Contractual services - W.O.R.D.	-	-	-	-
Contractual services - chores service	35,000	35,110	(110)	24,662
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	20,570	15,491	5,079	195,759
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	-	-	-	-
Rodent control	-	-	-	-
Abandoned buildings	-	217	(217)	2,000
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	110,000	92,365	17,635	108,966
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	-	-	-	-
Shelter for the homeless	44,000	44,515	(515)	31,430
Administrative costs	199,329	192,321	7,008	212,288
Contingency and local options	(1,255)	-	(1,255)	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	40,000	50,523	(10,523)	40,000
Housing support services	10,000	8,000	2,000	15,500
Fire department rescue squad	-	-	-	-
Homeless prevention	31,000	31,750	(750)	34,897
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Homebuyer preparation	-	-	-	750
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	<u>996,644</u>	<u>809,045</u>	<u>187,599</u>	<u>1,121,320</u>
Excess (deficiency) of revenues over expenditures	-	19,327	19,327	(55,574)
Fund balance - beginning of year	<u>2,773</u>	<u>2,773</u>	<u>-</u>	<u>58,347</u>
Fund balance - end of year	<u>\$ 2,773</u>	<u>\$ 22,100</u>	<u>\$ 19,327</u>	<u>\$ 2,773</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, 2011
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Years 2008-2009			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 229,180	\$ 198,123	\$ (31,057)	\$ 147,568
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>229,180</u>	<u>198,123</u>	<u>(31,057)</u>	<u>147,568</u>
Expenditures - community development:				
Street Improvements - Waltham Road	206,262	175,205	31,057	147,043
Administration	<u>22,918</u>	<u>22,918</u>	-	<u>525</u>
Total expenditures - community development	<u>229,180</u>	<u>198,123</u>	<u>31,057</u>	<u>147,568</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 as of June 30, 2010			Accumulative Totals Through June 2009	Current Year Activity			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 229,180	\$ 147,568	\$ (81,612)	\$ -	\$ -	\$ 50,555	\$ 50,555	\$ 147,568
-	-	-	-	-	-	-	-
<u>229,180</u>	<u>147,568</u>	<u>(81,612)</u>	<u>-</u>	<u>-</u>	<u>50,555</u>	<u>50,555</u>	<u>147,568</u>
206,262	147,043	59,219	-	-	28,162	(28,162)	147,043
<u>22,918</u>	<u>525</u>	<u>22,393</u>	<u>-</u>	<u>-</u>	<u>22,393</u>	<u>(22,393)</u>	<u>525</u>
<u>229,180</u>	<u>147,568</u>	<u>81,612</u>	<u>-</u>	<u>-</u>	<u>50,555</u>	<u>(50,555)</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>

EXHIBIT C-11

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2011

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

	Accumulative Totals for Program Year 1994-95 thru 2001-02			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 3,218,196	\$ 3,218,196	\$ -	\$ 3,218,196
Miscellaneous:				
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>
Expenditures - community development:				
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	<u>-</u>	<u>8,716</u>	<u>(8,716)</u>	<u>8,716</u>
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 Program Year 2002-03			Accumulative Totals Through June 2010	Accumulative Totals for Program Year 2003-04			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 702,361	\$ 702,361	\$ -	\$ 702,361	\$ 425,642	\$ 425,642	\$ -	\$ 425,642
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	1,677,837	1,115,642	1,195,741	80,099	1,195,741
1,042,430	1,169,674	(127,244)	1,152,591	744,231	726,648	17,583	726,648
-	-	-	-	-	-	-	-
173,306	209,223	(35,917)	180,708	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	136,749	(28,249)	136,714	102,564	42,564	60,000	42,564
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,531,486	1,671,571	(140,085)	1,625,938	1,115,642	1,105,741	9,901	1,105,741
\$ -	\$ 6,266	\$ 6,266	\$ 51,899	\$ -	\$ 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, 2011

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

	Accumulative Totals for Program Year 2004-05			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 289,050	\$ 252,450	\$ (36,600)	\$ 214,287
Miscellaneous:				
Program income	700,000	74,311	(625,689)	74,311
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	<u>60,000</u>	<u>134,594</u>	<u>74,594</u>	<u>134,594</u>
Total revenues	<u>1,049,050</u>	<u>461,355</u>	<u>(587,695)</u>	<u>423,192</u>
Expenditures - community development:				
Acquisition / new construction	745,433	83,159	662,274	44,996
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	90,000	77,439	12,561	77,439
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>363,761</u>	<u>685,289</u>	<u>325,598</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 97,594</u>	<u>\$ 97,594</u>	<u>\$ 97,594</u>

Accumulative Totals for Program Year 2005-06			Accumulative Totals Through June 2010	Accumulative Totals for Program Year 2006-07			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 191,152	\$ 181,635	\$ (9,517)	\$ 181,635	\$ 371,553	\$ 296,824	\$ (74,729)	\$ 294,824
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>689,596</u>	<u>265,043</u>	<u>687,596</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	15,000
-	-	-	-	230,120	402,925	(172,805)	402,925
-	-	-	-	4,000	2,000	2,000	-
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>636,596</u>	<u>(212,043)</u>	<u>634,596</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, 2011
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Year 2007-08			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 741,499	\$ 387,257	\$ (354,242)	\$ 353,376
Miscellaneous:				
Program income	330,000	59,266	(270,734)	59,266
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	85,000	-	(85,000)	-
Total revenues	<u>1,156,499</u>	<u>446,523</u>	<u>(709,976)</u>	<u>412,642</u>
Expenditures - community development:				
Acquisition / new construction	463,616	24,874	438,742	24,874
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	369,575	185,023	184,552	151,142
Community Housing Development Organizations Operating	18,936	-	18,936	-
Housing Rehabilitation Owner Occupied	100,000	134,392	(34,392)	134,392
Direct home buyer assistance	127,500	-	127,500	-
Program administration	76,872	102,234	(25,362)	102,234
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>1,156,499</u>	<u>446,523</u>	<u>709,976</u>	<u>412,642</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -

EXHIBIT C-11 (continued)

Accumulative Totals for Program Year 2008-09			Accumulative Totals Through June 2010
Budget	Actual	Variance	
\$ 341,897	\$ 163,933	\$ (177,964)	\$ 148,933
410,000	66,642	(343,358)	66,642
-	-	-	-
-	-	-	-
-	-	-	-
<u>15,000</u>	<u>132,250</u>	<u>117,250</u>	<u>132,250</u>
<u>766,897</u>	<u>362,825</u>	<u>(404,072)</u>	<u>347,825</u>
-	62,749	(62,749)	62,749
-	-	-	-
350,900	-	350,900	-
18,332	15,000	3,332	-
217,000	233,643	(16,643)	233,643
103,000	2,500	100,500	2,500
77,665	48,933	28,732	48,933
-	-	-	-
-	-	-	-
<u>766,897</u>	<u>362,825</u>	<u>404,072</u>	<u>347,825</u>
\$ -	\$ -	\$ -	\$ -

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2011
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Year 2009-10			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 407,488	\$ 176,528	\$ (230,960)	\$ 109,025
Miscellaneous:				
Program income	395,000	313,379	(81,621)	313,379
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	95,000	55,510	(39,490)	55,510
Total revenues	<u>897,488</u>	<u>545,417</u>	<u>(352,071)</u>	<u>477,914</u>
Expenditures - community development:				
Acquisition / new construction	-	280,804	(280,804)	280,804
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	73,761	42,692	31,069	42,692
Community Housing Development Organizations Operating	15,000	-	15,000	-
Housing Rehabilitation Owner Occupied	581,979	149,834	432,145	45,654
Direct home buyer assistance	147,000	-	147,000	-
Program administration	79,748	72,087	7,661	44,916
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>897,488</u>	<u>545,417</u>	<u>352,071</u>	<u>414,066</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ 63,848

EXHIBIT C-11 (continued)

Accumulative Totals for Program Year 2010-11			Accumulative Totals Through June 2010	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 404,092	\$ 91,471	\$ (312,621)	\$ -	\$ 7,092,930	\$ 5,896,297	\$ (1,196,633)	\$ 5,648,279
385,000	351,174	(33,826)	-	5,880,000	4,104,738	(1,775,262)	3,753,564
-	-	-	-	54,595	93,714	39,119	93,714
-	-	-	-	1,800	3,481	1,681	3,481
-	-	-	-	-	140	140	140
<u>100,000</u>	<u>139,633</u>	<u>39,633</u>	-	<u>1,459,750</u>	<u>1,701,170</u>	<u>241,420</u>	<u>1,561,537</u>
<u>889,092</u>	<u>582,278</u>	<u>(306,814)</u>	-	<u>14,489,075</u>	<u>11,799,540</u>	<u>(2,689,535)</u>	<u>11,060,715</u>
197,000	221,776	(24,776)	-	7,436,983	6,550,872	886,111	6,273,850
-	-	-	-	257,171	296,290	(39,119)	296,290
75,000	60,498	14,502	-	2,723,749	1,823,655	900,094	1,700,761
15,000	-	15,000	-	351,475	194,330	157,145	179,330
523,683	179,211	344,472	-	1,652,782	1,100,005	552,777	816,614
-	-	-	-	784,450	400,253	384,197	398,253
78,409	29,888	48,521	-	1,237,465	1,042,654	194,811	985,560
-	-	-	-	45,000	-	45,000	-
-	-	-	-	-	8,716	(8,716)	8,716
<u>889,092</u>	<u>491,373</u>	<u>397,719</u>	-	<u>14,489,075</u>	<u>11,416,775</u>	<u>3,072,300</u>	<u>10,659,374</u>
\$ -	\$ 90,905	\$ 90,905	\$ -	\$ -	\$ 382,765	\$ 382,765	\$ 401,341

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2011
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Eliminations Reported as of June 30, 2010			Accumulative Totals Through 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

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2011

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

	Current Fiscal Year Activity			Prior
	Budget	Actual	Variance	Fiscal Year Activity
Revenues:				
Intergovernmental:				
Federal grant	\$ 404,092	\$ 248,018	\$ (156,074)	\$ 830,199
Miscellaneous:				
Program income	385,000	351,174	(33,826)	313,379
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	<u>100,000</u>	<u>139,633</u>	<u>39,633</u>	<u>55,510</u>
Total revenues	<u>889,092</u>	<u>738,825</u>	<u>(150,267)</u>	<u>1,199,088</u>
Expenditures - community development:				
Acquisition / new construction	197,000	277,022	(80,022)	684,865
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	75,000	122,894	(47,894)	186,855
Community Housing Development Organizations Operating	15,000	15,000	-	15,000
Housing Rehabilitation Owner Occupied	523,683	283,391	240,292	257,603
Direct home buyer assistance	-	2,000	(2,000)	-
Program administration	78,409	57,094	21,315	44,916
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	<u>889,092</u>	<u>757,401</u>	<u>131,691</u>	<u>1,189,239</u>
Excess (deficiency) of revenues over expenditures	-	(18,576)	(18,576)	9,849
	<u>401,341</u>	<u>401,341</u>	<u>-</u>	<u>391,492</u>
	<u>\$ 401,341</u>	<u>\$ 382,765</u>	<u>\$ (18,576)</u>	<u>\$ 401,341</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, 2011
 With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Years 2004-05 thru 2006-07			Accumulative Totals Through June 2010
	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 Program Year 2007-2008			Accumulative Totals Through June 2010	Accumulative Totals for Program Year 2008-2009			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 416,529	\$ 416,529	\$ -	\$ 371,016	\$ 415,337	\$ 318,726	\$ (96,611)	\$ 226,925
-	834	834	834	-	-	-	-
<u>\$ 416,529</u>	<u>\$ 417,363</u>	<u>834</u>	<u>371,850</u>	<u>\$ 415,337</u>	<u>\$ 318,726</u>	<u>(96,611)</u>	<u>\$ 226,925</u>
-	-	-	-	-	-	-	-
100,466	100,466	-	100,466	104,188	104,188	-	104,188
180,000	180,000	-	133,749	188,412	91,801	96,611	-
40,000	40,000	-	40,000	27,963	27,963	-	27,963
48,671	48,671	-	48,671	53,649	53,649	-	53,649
35,122	35,956	(834)	35,956	28,015	28,015	-	28,015
12,270	12,270	-	12,270	13,110	13,110	-	13,110
-	-	-	-	-	-	-	-
<u>416,529</u>	<u>417,363</u>	<u>(834)</u>	<u>371,112</u>	<u>415,337</u>	<u>318,726</u>	<u>96,611</u>	<u>226,925</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2011
With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Year 2009-10			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 492,553	\$ 324,232	\$ (168,321)	\$ 172,836
Miscellaneous:				
Program income	-	-	-	-
Total revenues	<u>\$ 492,553</u>	<u>\$ 324,232</u>	<u>(168,321)</u>	<u>\$ 172,836</u>
Expenditures - community development:				
Emergency housing assistance	-	-	-	-
Housing advocacy assistance	129,113	120,885	8,228	64,822
Tenant based rental assistance	160,000	-	160,000	-
In-home non-medical care for medically fragile	87,577	87,577	-	49,871
Short-term rent, mortgage & utilities	57,172	57,150	22	31,077
Move in assistance	45,000	44,929	71	25,234
Program administration	13,691	13,691	-	1,732
Contingencies	-	-	-	-
Total expenditures - community development	<u>492,553</u>	<u>324,232</u>	<u>168,321</u>	<u>172,736</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

EXHIBIT C-12 (continued)

Accumulative Totals for Program Year 2010-11			Accumulative Totals Through June 2010	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2010
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 521,567	\$ 190,338	\$ (331,229)	\$ -	\$ 2,994,892	\$ 2,398,731	\$ (596,161)	\$ 1,919,683
-	-	-	-	-	834	834	834
<u>\$ 521,567</u>	<u>\$ 190,338</u>	<u>(331,229)</u>	<u>\$ -</u>	<u>\$ 2,994,892</u>	<u>\$ 2,399,565</u>	<u>(595,327)</u>	<u>\$ 1,920,517</u>
-	-	-	-	120,236	120,236	-	120,236
128,179	66,678	61,501	-	762,492	692,763	69,729	570,022
182,543	-	182,543	-	1,263,211	824,057	439,154	686,005
93,066	64,320	28,746	-	362,017	333,271	28,746	231,245
60,000	31,575	28,425	-	238,028	209,581	28,447	151,933
42,824	16,887	25,937	-	159,062	133,888	25,174	97,306
14,955	10,778	4,177	-	89,846	85,669	4,177	62,932
-	-	-	-	-	-	-	-
<u>521,567</u>	<u>190,238</u>	<u>331,329</u>	<u>-</u>	<u>2,994,892</u>	<u>2,399,465</u>	<u>595,427</u>	<u>1,919,679</u>
<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 838</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, 2011
With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Eliminations Reported as of June 30, 2010			Accumulative Totals Through June 2009
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 2,496,391	\$ 1,919,683	\$ (576,708)	\$ 1,535,551
Miscellaneous:				
Program income	-	834	834	834
Total revenues	<u>\$ 2,496,391</u>	<u>\$ 1,920,517</u>	<u>(575,874)</u>	<u>\$ 1,536,385</u>
Expenditures - community development:				
Emergency housing assistance	120,236	120,236	-	120,236
Housing advocacy assistance	642,501	570,022	72,479	458,351
Tenant based rental assistance	1,080,668	686,005	394,663	581,552
In-home non-medical care for medically fragile	254,826	231,245	23,581	164,882
Short-term rent, mortgage & utilities	192,153	151,933	40,220	97,837
Move in assistance	131,116	97,306	33,810	60,379
Program administration	74,891	62,932	11,959	53,048
Contingencies	-	-	-	-
Total expenditures - community development	<u>2,496,391</u>	<u>1,919,679</u>	<u>576,712</u>	<u>1,536,285</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 838</u>	<u>\$ 838</u>	<u>\$ 100</u>
Fund Balance - beginning of year				
Fund Balance - end of year				

EXHIBIT C-12 (continued)

Current Fiscal Year			Prior
Budget	Actual	Variance	Fiscal Year Activity
\$ 498,501	\$ 479,048	\$ (19,453)	\$ 384,132
-	-	-	-
<u>\$ 498,501</u>	<u>\$ 479,048</u>	<u>(19,453)</u>	<u>\$ 384,132</u>
-	-	-	-
119,991	122,741	(2,750)	111,671
182,543	138,052	44,491	104,453
107,191	102,026	5,165	66,363
45,875	57,648	(11,773)	54,096
27,946	36,582	(8,636)	36,927
14,955	22,737	(7,782)	9,884
-	-	-	-
<u>498,501</u>	<u>479,786</u>	<u>18,715</u>	<u>383,394</u>
-	(738)	(738)	738
<u>838</u>	<u>838</u>	<u>-</u>	<u>100</u>
<u>\$ 838</u>	<u>\$ 100</u>	<u>\$ (738)</u>	<u>\$ 838</u>

EXHIBIT C-13

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

Neighborhood Stabilization Program

For Period of July 1, 2008 through June 30, 2011
With Comparative Accumulative Actual Totals for Year Ended June 30, 2010

	Accumulative Totals for Program Years 2008-2009			Accumulative Totals Through June 2010
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	\$ 5,829,447	\$ 3,656,975	\$ (2,172,472)	\$ 528,646
Miscellaneous:				
Program Income	<u>829,000</u>	<u>121,724</u>	<u>(707,276)</u>	<u>-</u>
Total revenues	<u>\$ 6,658,447</u>	<u>\$ 3,778,699</u>	<u>(2,879,748)</u>	<u>528,646</u>
Expenditures - community development:				
Downpayment and rehab direct assistance	30,000	29,856	144	639
New construction	1,230,000	366,079	863,921	12,185
Rehab resale	3,145,250	1,732,601	1,412,649	268,647
Demolition	250,000	243,189	6,811	137,888
Homebuyer Education	17,250	3,475	13,775	-
Acquisition/Demolition of North Bay Machinery	474,000	458,250	15,750	82
Owen Jax Park Construction	880,500	579,191	301,309	-
Administration	<u>631,447</u>	<u>244,334</u>	<u>387,113</u>	<u>109,205</u>
Total expenditures - community development	<u>6,658,447</u>	<u>3,656,975</u>	<u>3,001,472</u>	<u>528,646</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 121,724</u>	<u>\$ 121,724</u>	<u>\$ -</u>
Fund balance - beginning of year				
Fund balance - end of year				

See accompanying notes to financial statements.

Eliminations Reported as of June 30, 2010			Accumulative Totals Through June 2009	Current Year Activity			Prior Fiscal Year Activity
Budget	Actual	Variance		Budget	Actual	Variance	
\$ 5,829,447	\$ 528,646	\$ (5,300,801)	\$ 44,448	\$ -	\$ 3,128,329	\$ 3,128,329	\$ 484,198
<u>2,525,000</u>	<u>-</u>	<u>(2,525,000)</u>	<u>-</u>	<u>(1,696,000)</u>	<u>121,724</u>	<u>1,817,724</u>	<u>-</u>
<u>\$ 8,354,447</u>	<u>\$ 528,646</u>	<u>(7,825,801)</u>	<u>44,448</u>	<u>\$ (1,696,000)</u>	<u>\$ 3,250,053</u>	<u>4,946,053</u>	<u>484,198</u>
300,000	639	299,361	-	(270,000)	29,217	(299,217)	639
725,000	12,185	712,815	-	505,000	353,894	151,106	12,185
5,494,500	268,647	5,225,853	730	(2,349,250)	1,463,954	(3,813,204)	267,917
1,000,000	137,888	862,112	4,199	(750,000)	105,301	(855,301)	133,689
-	-	-	-	17,250	3,475	13,775	-
-	82	(82)	-	474,000	458,168	15,832	82
-	-	-	-	880,500	579,191	301,309	-
<u>834,947</u>	<u>109,205</u>	<u>725,742</u>	<u>39,419</u>	<u>(203,500)</u>	<u>135,129</u>	<u>(338,629)</u>	<u>69,786</u>
<u>8,354,447</u>	<u>528,646</u>	<u>7,825,801</u>	<u>44,348</u>	<u>(1,696,000)</u>	<u>3,128,329</u>	<u>(4,824,329)</u>	<u>484,298</u>
\$ -	\$ -	\$ -	\$ 100	-	121,724	121,724	(100)
				-	-	-	100
				\$ -	\$ 121,724	\$ 121,724	\$ -

EXHIBIT C-14

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNICATIONS

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Franchise fees	\$ 1,450,000	\$ 1,450,000	\$ 1,778,030	\$ 328,030	\$ 1,630,260
Lease proceeds	19,440	19,440	19,440	-	21,540
Foreclosure grant proceeds	-	-	13,232	13,232	6,768
Comcast PEG grant	-	-	4,626	4,626	9,556
Interest on investments	3,000	3,000	2,714	(286)	2,353
Miscellaneous	500	500	2,930	2,430	2,608
Total revenues	<u>1,472,940</u>	<u>1,472,940</u>	<u>1,820,972</u>	<u>348,032</u>	<u>1,673,085</u>
Expenditures - recreation and culture:					
Personnel services:					
Permanent employees	313,396	313,396	257,753	55,643	303,363
Temporary employees	350,000	350,000	367,536	(17,536)	318,771
Overtime	10,000	10,000	-	10,000	7,942
Employee benefits:					
Social security	53,084	53,084	48,392	4,692	48,807
Employee insurances	51,376	51,376	26,557	24,819	39,455
Retiree health insurance	95,782	95,782	68,844	26,938	83,089
Longevity	8,237	8,237	8,237	2,565	6,984
Retirement fund	40,677	40,677	30,263	10,414	38,561
Cost of living	1,075	1,075	408	667	506
Education allowance	2,250	2,250	2,250	-	2,250
Employee legal services	775	775	615	160	717
Office supplies	4,000	4,000	2,355	1,645	2,022
Operating supplies	10,000	10,000	3,617	6,383	8,495
Tapes	5,400	5,400	5,228	172	4,772
Other services and charges:					
Contractual services	50,000	50,000	17,532	32,468	23,105
Software and contractual services	5,000	5,000	359	4,641	3,015
Postage	51,000	51,000	38,907	12,093	45,794
Unemployment costs	4,500	4,500	4,115	385	-
Telephone and radio	9,000	9,000	1,923	7,077	7,214
Mileage	250	250	-	250	23
Vehicle maintenance	3,500	3,500	2,054	1,446	3,885
Conferences and workshops	1,500	1,500	959	541	447
Community promotion	70,000	70,000	28,930	41,070	13,555
Foreclosure grant expense	-	13,232	-	13,232	1,768
Sets and design	2,000	2,000	787	1,213	997
Web site	4,500	4,500	944	3,556	6,420
City calendar	33,240	33,240	24,995	8,245	32,904
Music library	2,000	2,000	2,000	-	2,000
Auditorium expense	8,000	8,000	6,036	1,964	4,204
City newsletter	55,000	55,000	52,143	2,857	52,519
Public utilities	138,000	138,000	108,103	29,897	111,065
Administrative costs	114,200	114,200	114,200	-	114,200
Memberships and dues	2,000	2,000	388	1,612	92
Accumulated comp time	2,000	2,000	-	2,000	-
Capital outlay:					
Office equipment	-	-	5,676	(5,676)	560
PEG Grant expense	-	25,445	4,627	20,818	9,556
Cable TV equipment	33,750	41,347	26,868	14,479	4,450
Total expenditures - recreation and culture	<u>1,535,492</u>	<u>1,581,766</u>	<u>1,261,036</u>	<u>320,730</u>	<u>1,303,507</u>
Excess (deficiency) of revenues over expenditures	<u>(62,552)</u>	<u>(108,826)</u>	<u>559,936</u>	<u>668,762</u>	<u>369,578</u>
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds:					
Warren Community Center Bonds, Series 2001	(81,735)	(81,735)	(82,060)	(325)	(80,577)
W.C.C. Refunding Bonds, Series 2005	(100,265)	(100,265)	(99,738)	527	(100,046)
Multiple Purpose Bonds, Series 2005	(36,400)	(36,400)	(35,415)	985	(35,912)
Total other financing sources (uses)	<u>(218,400)</u>	<u>(218,400)</u>	<u>(217,213)</u>	<u>1,187</u>	<u>(216,535)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(280,952)</u>	<u>(327,226)</u>	<u>342,723</u>	<u>669,949</u>	<u>153,043</u>
Fund balance - beginning of year	<u>2,153,061</u>	<u>2,153,061</u>	<u>2,153,061</u>	<u>-</u>	<u>2,000,018</u>
Fund balance - end of year	<u>\$ 1,872,109</u>	<u>\$ 1,825,835</u>	<u>\$ 2,495,784</u>	<u>\$ 669,949</u>	<u>\$ 2,153,061</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

RENTAL ORDINANCE FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Charges for services:					
Community Development					
Block Grant reimbursement	\$ 40,000	\$ 40,000	\$ 50,523	\$ 10,523	\$ 40,000
Fines and fees:					
Residential inspection fees	260,000	260,000	369,995	109,995	323,166
Apartment inspection fees	75,000	75,000	49,625	(25,375)	75,700
Interest on investments	500	500	451	(49)	201
Total revenues	<u>375,500</u>	<u>375,500</u>	<u>470,594</u>	<u>95,094</u>	<u>439,067</u>
Expenditures - city development:					
Personnel services:					
Permanent employees	133,242	133,242	124,547	8,695	77,197
Temporary employees - inspection	100,000	100,000	74,444	25,556	70,256
Temporary/ co-op	40,000	40,000	43,388	(3,388)	42,746
Overtime	2,000	2,000	-	2,000	-
Employee benefits:					
Social security	21,643	21,643	18,688	2,955	14,723
Employee insurances	40,427	40,427	19,157	21,270	10,994
Retiree health insurance	36,276	36,276	22,707	13,569	20,681
Longevity	3,371	3,371	2,236	1,135	2,237
Retirement fund	17,026	17,026	15,762	1,264	10,893
Cost of living	645	645	306	339	159
Employee legal services	465	465	422	43	230
Office supplies	8,000	8,000	5,343	2,657	5,087
Other services and charges:					
Postage	8,500	8,500	5,462	3,038	4,978
Vehicle maintenance	3,000	3,000	1,609	1,391	1,338
Accumulated sick leave	1,000	1,000	-	1,000	-
Total expenditures - city development	<u>415,595</u>	<u>415,595</u>	<u>334,071</u>	<u>81,524</u>	<u>261,519</u>
Excess (deficiency) of revenues over expenditures	(40,095)	(40,095)	136,523	176,618	177,548
Fund balance - beginning of year	<u>245,283</u>	<u>245,283</u>	<u>245,283</u>	<u>-</u>	<u>67,735</u>
Fund balance - end of year	<u>\$ 205,188</u>	<u>\$ 205,188</u>	<u>\$ 381,806</u>	<u>\$ 176,618</u>	<u>\$ 245,283</u>

See accompanying notes to financial statements.

EXHIBIT C-16

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

VICE CRIME CONFISCATION FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Vice crime confiscations	\$ 40,000	\$ 40,000	\$ 42,083	\$ 2,083	\$ 61,100
Interest on investments	400	400	262	(138)	295
Total revenues	<u>40,400</u>	<u>40,400</u>	<u>42,345</u>	<u>1,945</u>	<u>61,395</u>
Expenditures - public safety:					
Other services and charges:					
Vice crime expenditures	<u>100,000</u>	<u>100,450</u>	<u>14,041</u>	<u>86,409</u>	<u>95,677</u>
Total expenditures - public safety	<u>100,000</u>	<u>100,450</u>	<u>14,041</u>	<u>86,409</u>	<u>95,677</u>
Excess (deficiency) of revenues over expenditures	(59,600)	(60,050)	28,304	88,354	(34,282)
Fund balance - beginning of year	<u>169,582</u>	<u>169,582</u>	<u>169,582</u>	-	<u>203,864</u>
Fund balance - end of year	<u>\$ 109,982</u>	<u>\$ 109,532</u>	<u>\$ 197,886</u>	<u>\$ 88,354</u>	<u>\$ 169,582</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

DRUG FORFEITURE FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Fines and fees:					
Drug forfeitures	\$ 325,000	\$ 325,000	\$ 304,999	\$ (20,001)	\$ 510,941
Interest on investments	1,800	1,800	1,442	(358)	1,383
Total revenues	<u>326,800</u>	<u>326,800</u>	<u>306,441</u>	<u>(20,359)</u>	<u>512,324</u>
Expenditures - public safety:					
Other services and charges:					
Federal drug forfeiture expenditures	310,000	324,536	152,220	172,316	130,623
Local drug forfeiture expenditures	<u>273,000</u>	<u>273,000</u>	<u>72,869</u>	<u>200,131</u>	<u>392,832</u>
Total expenditures - public safety	<u>583,000</u>	<u>597,536</u>	<u>225,089</u>	<u>372,447</u>	<u>523,455</u>
Excess (deficiency) of revenues over expenditures	(256,200)	(270,736)	81,352	352,088	(11,131)
Fund balance - beginning of year	<u>944,594</u>	<u>944,594</u>	<u>944,594</u>	-	<u>955,725</u>
Fund balance - end of year	<u>\$ 688,394</u>	<u>\$ 673,858</u>	<u>\$ 1,025,946</u>	<u>\$ 352,088</u>	<u>\$ 944,594</u>

See accompanying notes to financial statements.

EXHIBIT C-18

CITY OF WARREN, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE

POLICE TRAINING FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
State:					
Police training	\$ 47,000	\$ 47,000	\$ 42,804	\$ (4,196)	\$ 45,754
Interest on investments	250	250	176	(74)	185
Total revenues	<u>47,250</u>	<u>47,250</u>	<u>42,980</u>	<u>(4,270)</u>	<u>45,939</u>
Expenditures - public safety:					
Other services and charges:					
Conferences and workshops	<u>60,000</u>	<u>60,000</u>	<u>33,140</u>	<u>26,860</u>	<u>48,425</u>
Total expenditures - public safety	<u>60,000</u>	<u>60,000</u>	<u>33,140</u>	<u>26,860</u>	<u>48,425</u>
Excess (deficiency) of revenues over expenditures	(12,750)	(12,750)	9,840	22,590	(2,486)
Fund balance - beginning of year	<u>134,746</u>	<u>134,746</u>	<u>134,746</u>	-	<u>137,232</u>
Fund balance - end of year	<u>\$ 121,996</u>	<u>\$ 121,996</u>	<u>\$ 144,586</u>	<u>\$ 22,590</u>	<u>\$ 134,746</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

DOWNTOWN DEVELOPMENT AUTHORITY ADMINISTRATION FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes	\$ 5,390,000	\$ 5,390,000	\$ 4,649,621	\$ (740,379)	\$ 6,218,060
Interest on investments	20,000	20,000	28,124	8,124	26,194
Rental revenues	400,000	400,000	419,112	19,112	393,915
Corporate donations	55,000	55,000	13,500	(41,500)	40,611
Contribution from general fund/ dda director	17,185	17,185	14,541	(2,644)	
Miscellaneous	-	-	85,363	85,363	37,016
Total revenues	<u>5,882,185</u>	<u>5,882,185</u>	<u>5,210,261</u>	<u>(671,924)</u>	<u>6,715,796</u>
Expenditures - economic development:					
Personnel services:					
Permanent employee	91,234	91,234	71,975	19,259	72,299
Temporary employee	60,000	60,000	41,831	18,169	43,215
Employee benefits:					
Social security	12,094	12,094	10,008	2,086	9,874
Employee insurances	23,125	23,125	16,030	7,095	15,790
Retiree health insurance	35,538	35,538	33,717	1,821	30,360
Longevity	3,400	3,400	3,400	-	3,264
Retirement fund	9,605	9,605	9,337	268	9,041
Cost of living	215	215	44	171	103
Education allowance	1,200	1,200	2,068	(868)	1,200
Employee legal services	155	155	128	27	142
Office supplies	6,000	6,000	2,564	3,436	4,549
Other services and charges:					
Contractual services	200,000	200,000	85,814	114,186	23,017
Management fees & expenses	225,000	225,000	184,141	40,859	198,073
Court reporter	9,000	9,000	3,945	5,055	2,910
Postage	15,000	15,000	531	14,469	756
Telephone	1,000	1,000	303	697	774
Mileage	1,000	1,000	26	974	32
Conferences and workshops	3,000	3,000	2,238	762	285
Community promotion	100,000	100,000	83,005	16,995	99,885
Printing and publishing	15,000	15,000	14,254	746	4,163
Administrative costs	1,660,200	1,660,200	660,200	1,000,000	660,200
City flower plantings	15,000	15,000	-	15,000	9,431
Memberships and dues	5,000	5,000	1,634	3,366	1,710
Refund of taxes paid under protest	50,000	50,000	89,425	(39,425)	244,308
Capital Improvements	200,000	200,000	236,338	(36,338)	-
Estimated uncollectible taxes	-	-	9,036	(9,036)	2,045
Total expenditures - economic development	<u>2,741,766</u>	<u>2,741,766</u>	<u>1,561,992</u>	<u>1,179,774</u>	<u>1,437,426</u>
Excess (deficiency) of revenues over expenditures	3,140,419	3,140,419	3,648,269	507,850	5,278,370
Other financing sources (uses):					
Transfer to Library Special Revenue Fund	(125,000)	(125,000)	-	125,000	(132,000)
Transfer to General Fund	(9,789)	(9,789)	(9,789)	-	-
Transfer to Building Authority Debt Service Funds:					
Warren Community Center Bonds, Series 2001	(61,163)	(61,163)	-	61,163	(60,544)
W.C.C. Refunding Bonds, Series 2005	(75,337)	(75,337)	-	75,337	(75,173)
Transfer to D.D.A. Debt Service Funds:					
Series 2002	(1,371,925)	(1,371,925)	(1,371,900)	25	(1,392,837)
Series 2003	(1,219,050)	(1,219,050)	(1,219,000)	50	(1,234,000)
Series 2004	(1,338,050)	(1,338,050)	(1,337,975)	75	(1,354,225)
Series 2005	(897,081)	(897,081)	(897,006)	75	(907,319)
Total other financing sources (uses)	<u>(5,097,395)</u>	<u>(5,097,395)</u>	<u>(4,835,670)</u>	<u>261,725</u>	<u>(5,156,098)</u>
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(1,956,976)	(1,956,976)	(1,187,401)	769,575	122,272
Fund balance - beginning of year	<u>10,354,994</u>	<u>10,354,994</u>	<u>10,354,994</u>	<u>-</u>	<u>10,232,722</u>
Fund balance - end of year	<u>\$ 8,398,018</u>	<u>\$ 8,398,018</u>	<u>\$ 9,167,593</u>	<u>\$ 769,575</u>	<u>\$ 10,354,994</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 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	\$ 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
12/31/09	126,091	181,207	55,116	69.6	13,046	422.5

Schedule of Employer Contributions
Aggregate Cost Method

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage 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
12/31/10	12/31/08	6,573,761	100.00

EXHIBIT C-21

POLICE AND FIRE RETIREMENT SYSTEM

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/03	\$ 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
12/31/09	293,593,047	357,552,076	63,959,029	82.10	30,183,617	211.90

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage 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
12/31/10	7,636,762	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
12/31/10	12/31/08	7,941,093	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
12/31/10	7,362,420	100.00

CITY OF WARREN, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

JUNE 30, 2011

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 37th 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 2011 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, 2011, there were two budgetary centers in excess of the approved budget. The first was the Administrative Unallocated expenses in the General Fund. This went over primarily because of insurance payments being \$285,000 greater than the \$2.4 million budget. Secondly, the Snow and Ice budget for Major Streets was also over budget. This went over primarily because payments for repairs and maintenance supplies being \$124,000 greater than the \$200,000 budget due to the severe winter.

CITY OF WARREN, MICHIGAN

OTHER FINANCIAL AND SUPPLEMENTAL INFORMATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

CHAPTER 20 and 21 DRAIN BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Property taxes:					
Real and personal property	\$ -	\$ -	\$ 16	\$ 16	\$ 64
Interest on investments	150	150	120	(30)	122
Miscellaneous	-	-	-	-	3,238
Total revenues	<u>150</u>	<u>150</u>	<u>136</u>	<u>(14)</u>	<u>3,424</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	5	3,995	3,225
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>5</u>	<u>14,995</u>	<u>3,225</u>
Excess (deficiency) of revenues over expenditures	(14,850)	(14,850)	131	14,981	199
Fund balance - beginning of year	<u>86,939</u>	<u>86,939</u>	<u>86,939</u>	<u>-</u>	<u>86,740</u>
Fund balance - end of year	<u>\$ 72,089</u>	<u>\$ 72,089</u>	<u>\$ 87,070</u>	<u>\$ 14,981</u>	<u>\$ 86,939</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	500,000
Interest payments	871,625	871,625	871,625	-	892,562
Fiscal charges	300	300	275	25	275
Total expenditures - debt service	1,371,925	1,371,925	1,371,900	25	1,392,837
Excess (deficiency) of revenues over expenditures	(1,371,925)	(1,371,925)	(1,371,900)	25	(1,392,837)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,371,925	1,371,925	1,371,900	(25)	1,392,837
Total other financing sources (uses)	1,371,925	1,371,925	1,371,900	(25)	1,392,837
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	500,000
Interest payments	718,750	718,750	718,750	-	733,750
Fiscal charges	300	300	250	50	250
Total expenditures - debt service	<u>1,219,050</u>	<u>1,219,050</u>	<u>1,219,000</u>	<u>50</u>	<u>1,234,000</u>
Excess (deficiency) of revenues over expenditures	<u>(1,219,050)</u>	<u>(1,219,050)</u>	<u>(1,219,000)</u>	<u>50</u>	<u>(1,234,000)</u>
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	<u>1,219,050</u>	<u>1,219,050</u>	<u>1,219,000</u>	<u>(50)</u>	<u>1,234,000</u>
Total other financing sources (uses)	<u>1,219,050</u>	<u>1,219,050</u>	<u>1,219,000</u>	<u>(50)</u>	<u>1,234,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT D-4

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2004 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	500,000
Interest payments	837,750	837,750	837,750	-	854,000
Fiscal charges	300	300	225	75	225
Total expenditures - debt service	1,338,050	1,338,050	1,337,975	75	1,354,225
Excess (deficiency) of revenues over expenditures	(1,338,050)	(1,338,050)	(1,337,975)	75	(1,354,225)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,338,050	1,338,050	1,337,975	(75)	1,354,225
Total other financing sources (uses)	1,338,050	1,338,050	1,337,975	(75)	1,354,225
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2005 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - debt service:					
Principal payments	250,000	250,000	250,000	-	250,000
Interest payments	646,781	646,781	646,781	-	657,094
Fiscal charges	300	300	225	75	225
Total expenditures - debt service	<u>897,081</u>	<u>897,081</u>	<u>897,006</u>	<u>75</u>	<u>907,319</u>
Excess (deficiency) of revenues over expenditures	<u>(897,081)</u>	<u>(897,081)</u>	<u>(897,006)</u>	<u>75</u>	<u>(907,319)</u>
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	<u>897,081</u>	<u>897,081</u>	<u>897,006</u>	<u>(75)</u>	<u>907,319</u>
Total other financing sources (uses)	<u>897,081</u>	<u>897,081</u>	<u>897,006</u>	<u>(75)</u>	<u>907,319</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-6

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

1997 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	400,000	400,000	400,000	-	380,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	41,820	41,820	41,820	-	60,820
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	350	350	350	-	350
Local streets	-	-	-	-	-
Total expenditures - debt service	442,170	442,170	442,170	-	441,170
Excess (deficiency) of revenues over expenditures	(442,170)	(442,170)	(442,170)	-	(441,170)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	442,170	442,170	442,170	-	441,170
Local streets	-	-	-	-	-
Total other financing sources (uses)	442,170	442,170	442,170	-	441,170
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - debt service:					
Principal payments:					
Major streets	500,000	500,000	500,000	-	500,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	147,250	147,250	147,250	-	161,750
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	500	500	225	275	225
Local streets	-	-	-	-	-
Total expenditures - debt service	<u>647,750</u>	<u>647,750</u>	<u>647,475</u>	<u>275</u>	<u>661,975</u>
Excess (deficiency) of revenues over expenditures	<u>(647,750)</u>	<u>(647,750)</u>	<u>(647,475)</u>	<u>275</u>	<u>(661,975)</u>
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	647,750	647,750	647,475	(275)	661,975
Local streets	-	-	-	-	-
Total other financing sources (uses)	<u>647,750</u>	<u>647,750</u>	<u>647,475</u>	<u>(275)</u>	<u>661,975</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

2010 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Accrued interest on sale of bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	500,000	535,000	535,000	-	-
Local streets	-	-	-	-	-
Interest payments:					
Major streets	148,500	74,163	74,163	-	-
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	275	1,000	500	500	-
Local streets	-	-	-	-	-
Total expenditures - debt service	648,775	610,163	609,663	500	-
Excess (deficiency) of revenues over expenditures	(648,775)	(610,163)	(609,663)	500	-
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	648,775	610,163	609,663	(500)	-
Local streets	-	-	-	-	-
Total other financing sources (uses)	648,775	610,163	609,663	(500)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

Note: The City refunded the 2000 Michigan Transportation Bonds with this issue. The original budget reflects the 2000 Issue. The amended budget reflects the 2010 Michigan Transportation Bond issue.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2006 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - debt service:					
Principal payments:					
Major streets	35,919	35,919	35,918	1	35,918
Local streets	-	-	-	-	-
Interest payments:					
Major streets	203,388	203,388	203,388	-	204,735
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	750	750	162	588	162
Local streets	-	-	-	-	-
Total expenditures - debt service	<u>240,057</u>	<u>240,057</u>	<u>239,468</u>	<u>589</u>	<u>240,815</u>
Excess (deficiency) of revenues over expenditures	<u>(240,057)</u>	<u>(240,057)</u>	<u>(239,468)</u>	<u>589</u>	<u>(240,815)</u>
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	240,057	240,057	239,468	(589)	240,815
Local streets	-	-	-	-	-
Total other financing sources (uses)	<u>240,057</u>	<u>240,057</u>	<u>239,468</u>	<u>(589)</u>	<u>240,815</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Accrued interest on sale of bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	161,033	161,033	161,033	-	161,033
Local streets	-	-	-	-	-
Interest payments:					
Major streets	170,895	170,895	170,895	-	178,946
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	750	750	153	597	153
Local streets	-	-	-	-	-
Total expenditures - debt service	332,678	332,678	332,081	597	340,132
Excess (deficiency) of revenues over expenditures	(332,678)	(332,678)	(332,081)	597	(340,132)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	332,678	332,678	332,081	(597)	331,492
Local streets	-	-	-	-	-
Total other financing sources (uses)	332,678	332,678	332,081	(597)	331,492
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	(8,640)
Fund balance - beginning of year	-	-	-	-	8,640
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

37TH DISTRICT COURT BUILDING RENOVATION FUND

Year Ended June 30, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Court building renovation fee	\$ 600,000	\$ 600,000	\$ 682,861	\$ 82,861	\$ 729,390
Interest on investments	6,000	6,000	5,746	(254)	4,787
Total revenues	<u>606,000</u>	<u>606,000</u>	<u>688,607</u>	<u>82,607</u>	<u>734,177</u>
Expenditures - general government:					
Capital improvements	-	30,000	24,679	5,321	23,000
Total expenditures - debt service	<u>-</u>	<u>30,000</u>	<u>24,679</u>	<u>5,321</u>	<u>23,000</u>
Excess (deficiency) of budgeted revenues over budgeted expenditures	606,000	576,000	663,928	87,928	711,177
Fund balance - beginning of year	<u>3,876,825</u>	<u>3,876,825</u>	<u>3,876,825</u>	-	<u>3,165,648</u>
Fund balance - end of year	<u>\$ 4,482,825</u>	<u>\$ 4,452,825</u>	<u>\$ 4,540,753</u>	<u>\$ 87,928</u>	<u>\$ 3,876,825</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, 2011

With Comparative Actual Totals for Year Ended June 30, 2010

	2011				2010 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental:					
Federal:					
Grant proceeds	\$ -	\$ -	\$ 631,498	\$ 631,498	\$ 96,643
Total revenues	-	-	631,498	631,498	96,643
Expenditures - general government:					
Energy efficiency & conservation strategy audit	-	-	70,205	(70,205)	68,838
Library / police mini-station	-	-	-	-	-
Peacock Building roof retrofit	-	-	-	-	-
Sanitation building roof retrofit	-	-	144,836	(144,836)	3,843
WTTP biomas to energy feability study	-	-	27,406	(27,406)	14,066
WCC geothermal feasibility study	-	-	-	-	-
Police headquarters building roof retrofit	-	-	382,142	(382,142)	9,896
Capital Improvements	-	-	6,909	(6,909)	-
Total expenditures - capital projects	-	-	631,498	(631,498)	96,643
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	-	-	-	-	-

See accompanying notes to financial statements.

EXHIBIT D-13

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

June 30, 2011

	Pension and Other Employee Benefits (1)			
	Police & Fire Retirement System	City Employees' Retirement System	Police & Fire VEBA Trust	City Employees' VEBA Trust
Assets				
Cash and cash equivalents	\$ 1,682,054	\$ 16,773	\$ -	\$ -
Receivables:				
Investment sales	-	34,043	-	-
Accrued interest and dividends	917,390	632,208	71,916	150,204
Other	-	987	-	-
Prepaid expenses	-	1,990	85,368	68,607
Due from other funds:				
General fund	-	-	-	1,276
Water and sewer system	-	-	-	-
Investments, at fair value:				
Securities lending short-term collateral investment pool	44,753,665	8,849,463	-	-
Short-term cash management funds	8,604,228	6,065,471	2,828,051	4,879,535
Partnerships- Publicly traded	196,632	-	-	-
U.S. government obligations	14,345,338	4,715,094	4,436,526	1,640,879
U.S. government agencies' notes and debentures	22,112,422	4,100,292	-	303,718
Corporate and other bonds and securities	34,871,443	42,562,774	-	5,577,414
Fixed income mutual funds	-	-	2,928,324	-
Equities	176,946,558	43,328,020	-	2,063,888
Equity mutual funds	-	18,660,100	12,431,776	13,221,482
Real estate investment trusts	9,105,126	445,525	-	-
Private equity	2,974,975	-	-	-
Hedge funds	3,037,883	-	-	-
Distressed debt recovery fund	707,900	-	-	-
Mezzanine debt financing	791,763	-	-	-
Total investments	<u>318,447,933</u>	<u>128,726,739</u>	<u>22,624,677</u>	<u>27,686,916</u>
Total assets	<u>321,047,377</u>	<u>129,412,740</u>	<u>22,781,961</u>	<u>27,907,003</u>
Liabilities				
Accounts payable	2,201,167	348,689	408,785	9,686
Investment purchases	-	32,112	-	-
Due broker under securities lending agreement	45,335,765	8,849,463	-	-
Due to other funds:				
General fund	136,303	129,520	4,203,034	3,882,805
Water and Sewer System	-	5,130	-	-
Accrued medical claims	-	-	-	343,676
Total liabilities	<u>47,673,235</u>	<u>9,364,914</u>	<u>4,611,819</u>	<u>4,236,167</u>
Net assets				
Held in trust for pension and other employee benefits	<u>\$ 273,374,142</u>	<u>\$ 120,047,826</u>	<u>\$ 18,170,142</u>	<u>\$ 23,670,836</u>

Note:

(1) Fiscal year ended December 31, 2010.

See accompanying notes to financial statements.

<u>City Employees' Retirement QEBA Trust</u>	<u>Total</u>
\$ 7,183	\$ 1,706,010
-	34,043
-	1,771,718
-	987
-	155,965
-	1,276
-	-
-	53,603,128
-	22,377,285
-	196,632
-	25,137,837
-	26,516,432
-	83,011,631
-	2,928,324
-	222,338,466
-	44,313,358
-	9,550,651
-	2,974,975
-	3,037,883
-	707,900
-	<u>791,763</u>
-	<u>497,486,265</u>
<u>7,183</u>	<u>501,156,264</u>
-	2,968,327
-	32,112
-	54,185,228
-	8,351,662
-	5,130
-	<u>343,676</u>
-	<u>65,886,135</u>
<u>\$ 7,183</u>	<u>\$ 435,270,129</u>

EXHIBIT D-14

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

Year Ended June 30, 2011

	Pension and Other Employee Benefits (1)			
	City		City	
	Police & Fire Retirement System	Employees' Retirement System	Police & Fire VEBA Trust	Employees' VEBA Trust
Additions:				
Contributions:				
Employee contributions	\$ 608,886	\$ -	\$ -	\$ -
Employer contributions	6,656,917	6,573,761	7,362,420	7,941,093
Employer contributions made on behalf of employees	979,845	-	-	-
Total contributions	<u>8,245,648</u>	<u>6,573,761</u>	<u>7,362,420</u>	<u>7,941,093</u>
Investment activity:				
Net appreciation/(depreciation) in fair value of investments	29,912,225	11,399,025	1,007,459	1,282,950
Interest and dividend income	6,391,543	3,294,417	952,634	1,233,238
	36,303,768	14,693,442	1,960,093	2,516,188
Less investment expenses	(1,396,206)	(573,351)	(15,621)	(34,305)
Net investment gain/(loss)	<u>34,907,562</u>	<u>14,120,091</u>	<u>1,944,472</u>	<u>2,481,883</u>
Securities lending income:				
Interest and fees	142,448	16,306	-	-
Less borrower rebates and bank fees	(38,444)	(6,469)	-	-
Recognition of impaired asset	-	9,174	-	-
Net securities lending income	<u>104,004</u>	<u>19,011</u>	<u>-</u>	<u>-</u>
Miscellaneous income	-	43,714	-	1,006
Total additions	<u>43,257,214</u>	<u>20,756,577</u>	<u>9,306,892</u>	<u>10,423,982</u>
Deductions:				
Retirees' pension benefits	22,961,922	13,918,603	-	-
Retirees' health insurance	-	-	7,442,803	7,635,167
Refunds and withdrawals of contributions	2,493,960	47,662	-	-
Incentive bonuses	25,000	-	-	-
Administrative expense	263,021	295,291	13,125	53,802
Total deductions	<u>25,743,903</u>	<u>14,261,556</u>	<u>7,455,928</u>	<u>7,688,969</u>
Net increase (decrease)	17,513,311	6,495,021	1,850,964	2,735,013
Net assets held in trust for pension and other employee benefits:				
Beginning of year	<u>255,860,831</u>	<u>113,552,805</u>	<u>16,319,178</u>	<u>20,935,823</u>
End of year	<u>\$ 273,374,142</u>	<u>\$ 120,047,826</u>	<u>\$ 18,170,142</u>	<u>\$ 23,670,836</u>

Note:

(1) Fiscal year ended December 31, 2010.

See accompanying notes to financial statements.

City	
Employees' Retirement QEBA Trust	Total
\$ -	\$ 608,886
40,000	28,574,191
<u>-</u>	<u>979,845</u>
<u>40,000</u>	<u>30,162,922</u>
-	43,601,659
<u>4</u>	<u>11,871,836</u>
4	55,473,495
<u>(516)</u>	<u>(2,019,999)</u>
<u>(512)</u>	<u>53,453,496</u>
-	158,754
-	(44,913)
<u>-</u>	<u>9,174</u>
<u>-</u>	<u>123,015</u>
<u>-</u>	<u>44,720</u>
<u>39,488</u>	<u>83,784,153</u>
36,895	36,917,420
-	15,077,970
-	2,541,622
-	25,000
<u>5,521</u>	<u>630,760</u>
<u>42,416</u>	<u>55,192,772</u>
(2,928)	28,591,381
<u>10,111</u>	<u>406,678,748</u>
<u>\$ 7,183</u>	<u>\$ 435,270,129</u>

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

June 30, 2011

	Agency Funds				Total
	Payroll Revolving Fund	Cash Bond Fund	Tax Collection Fund	Fire Insurance Withholding Fund	
Assets					
Cash and cash equivalents	\$ 4,110	\$ 1,214,798	\$ 1,546,501	\$ 152,655	\$ 2,918,064
Receivables:					
Accrued interest	-	-	-	7	7
Advances	9,239	-	-	-	9,239
Due from other funds:					
City Employees' Retirement System	-	-	-	-	-
Police & Fire Retirement System	-	-	-	-	-
City Employees' VEBA Trust	-	-	-	-	-
Total assets	<u>\$ 13,349</u>	<u>\$ 1,214,798</u>	<u>\$ 1,546,501</u>	<u>\$ 152,662</u>	<u>\$ 2,927,310</u>
Liabilities					
Accounts payable	\$ 13,349	\$ -	\$ 235,295	\$ -	\$ 248,644
Due to other funds:					
General fund	-	-	-	15	15
Water and Sewer System	-	-	795,424	-	795,424
Deposits and escrows	-	1,214,798	-	152,647	1,367,445
Due to other governmental units	-	-	515,782	-	515,782
Total liabilities	<u>\$ 13,349</u>	<u>\$ 1,214,798</u>	<u>\$ 1,546,501</u>	<u>\$ 152,662</u>	<u>\$ 2,927,310</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, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Payroll Revolving Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 87,787,538	\$ 87,783,428	\$ 4,110
Advances	448,677	9,239	448,677	9,239
Due from other funds:	-			-
City Employees' Retirement System	10,119	-	10,119	-
Police and Fire Retirement System	24,163	-	24,163	-
City Employees' VEBA Trust	78	-	78	-
Total assets	<u>\$ 483,037</u>	<u>\$ 87,796,777</u>	<u>\$ 88,266,465</u>	<u>\$ 13,349</u>
Liabilities				
Accounts payable	\$ -	\$ 13,349	\$ -	\$ 13,349
Due to other funds:				
General fund	483,037	-	483,037	-
Police and Fire Retirement System	-	-	-	-
City Employees' VEBA Trust	-	-	-	-
Police and Fire VEBA Trust	-	-	-	-
Total liabilities	<u>\$ 483,037</u>	<u>\$ 13,349</u>	<u>\$ 483,037</u>	<u>\$ 13,349</u>
<u>Cash Bond Fund</u>				
Assets - Cash and cash equivalents	<u>\$ 1,213,488</u>	<u>\$ 127,135</u>	<u>\$ 125,825</u>	<u>\$ 1,214,798</u>
Liabilities - Deposits and escrows	<u>\$ 1,213,488</u>	<u>\$ 127,135</u>	<u>\$ 125,825</u>	<u>\$ 1,214,798</u>
<u>Tax Collection Fund</u>				
Assets - Cash and cash equivalents	<u>\$ 801,695</u>	<u>\$ 200,049,741</u>	<u>\$ 199,304,935</u>	<u>\$ 1,546,501</u>
Liabilities				
Accounts payable	\$ 13,206	\$ 1,499,093	\$ 1,277,004	\$ 235,295
Due to other funds:				
Water and Sewer System	-	2,816,071	2,020,647	795,424
Due to other governmental units	788,489	195,734,577	196,007,284	515,782
Total liabilities	<u>\$ 801,695</u>	<u>\$ 200,049,741</u>	<u>\$ 199,304,935</u>	<u>\$ 1,546,501</u>

(continued)

See accompanying notes to financial statements.

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Fire Insurance Withholding Fund</u>				
Assets				
Cash and cash equivalents	\$ 160,327	\$ 101,849	\$ 109,521	\$ 152,655
Receivables:				
Accrued Interest	13	7	13	7
Total assets	<u>\$ 160,340</u>	<u>\$ 101,856</u>	<u>\$ 109,534</u>	<u>\$ 152,662</u>
Liabilities				
Due to other funds:				
General fund	\$ 21	\$ 135	\$ 141	\$ 15
Deposits and escrows	160,319	101,721	109,393	152,647
Total liabilities	<u>\$ 160,340</u>	<u>\$ 101,856</u>	<u>\$ 109,534</u>	<u>\$ 152,662</u>
 <u>Totals - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 2,175,510	\$ 288,066,263	\$ 287,323,709	\$ 2,918,064
Receivables:				
Accrued interest	13	7	13	7
Advances	448,677	9,239	448,677	9,239
Due from other funds:				
City Employees' Retirement System	10,119	-	10,119	-
Police and Fire Retirement System	24,163	-	24,163	-
City Employees' VEBA Trust	78	-	78	-
Total assets	<u>\$ 2,658,560</u>	<u>\$ 288,075,509</u>	<u>\$ 287,806,759</u>	<u>\$ 2,927,310</u>
Liabilities				
Accounts payable	\$ 13,206	\$ 1,512,442	\$ 1,277,004	\$ 248,644
Due to other funds:				
General fund	483,058	135	483,178	15
Downtown Development Authority	-	2,816,071	2,020,647	795,424
Police and Fire Retirement System	-	-	-	-
City Employees' VEBA Trust	-	-	-	-
Police and Fire VEBA Trust	-	-	-	-
Deposits and escrows	1,373,807	228,856	235,218	1,367,445
Due to other governmental units	788,489	195,734,577	196,007,284	515,782
Total liabilities	<u>\$ 2,658,560</u>	<u>\$ 200,292,081</u>	<u>\$ 200,023,331</u>	<u>\$ 2,927,310</u>

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.

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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.

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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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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

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Demographic and Economic Information

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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.

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CITY OF WARREN, MICHIGAN
NET ASSETS BY COMPONENT
LAST TEN 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	2011
\$ 61,211,667	\$ 62,875,434	\$ 59,140,668	\$ 56,796,215	\$ 48,445,832	\$ 44,342,389	\$ 42,991,289
33,684,984	32,961,557	33,087,848	35,970,344	42,844,224	45,175,268	46,408,687
<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>17,463,080</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>	<u>\$ 106,863,056</u>
\$ 58,641,924	\$ 57,819,780	\$ 56,924,642	\$ 56,511,038	\$ 57,656,542	\$ 58,586,273	\$ 48,318,148
17,557,693	18,181,409	16,915,115	14,045,192	11,779,391	8,267,105	19,219,580
<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>13,115,701</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>	<u>\$ 80,653,429</u>
\$ 119,853,591	\$ 120,695,214	\$ 116,065,310	\$ 113,307,253	\$ 106,102,374	\$ 102,928,662	\$ 91,309,437
51,242,677	51,142,966	50,002,963	50,015,536	54,623,615	53,442,373	65,628,267
<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>30,578,781</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>	<u>\$ 187,516,485</u>

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

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
General government	\$ 20,082,664	\$ 19,473,919	\$ 16,615,611
Public safety	51,582,496	48,394,428	57,884,081
City development	5,422,940	5,810,991	6,005,387
Highways and streets	8,605,050	11,283,073	11,502,440
Recreation and culture	8,166,273	8,678,166	11,220,933
Sanitation	7,041,930	7,107,239	7,879,934
Economic development	1,383,706	557,046	1,113,253
Community development	3,017,165	2,931,591	2,395,311
Capital projects	833,806	2,922,550	2,912,390
Interest on long-term debt	2,480,239	2,528,384	3,165,735
Total governmental activities expenses	<u>108,616,269</u>	<u>109,687,387</u>	<u>120,695,075</u>
Business-type activities:			
Water and Sewer System	27,280,070	29,180,277	30,575,456
Senior citizen housing	1,966,902	2,140,531	2,075,410
Total business-type activities expenses	<u>29,246,972</u>	<u>31,320,808</u>	<u>32,650,866</u>
Total primary government expenses	<u>\$ 137,863,241</u>	<u>\$ 141,008,195</u>	<u>\$ 153,345,941</u>
Program Revenues			
Governmental activities:			
Charges for services	\$ 9,183,044	\$ 10,609,157	\$ 11,620,300
Operating grants and contributions	11,626,648	11,164,027	12,058,948
Capital grants and contributions	4,138,308	3,692,522	2,829,698
Total governmental activities program revenues	<u>24,948,000</u>	<u>25,465,706</u>	<u>26,508,946</u>
Business-type activities:			
Water and Sewer System	27,085,680	28,156,665	26,992,448
Senior citizen housing	1,885,404	1,966,201	1,964,734
Total business-type activities program revenues	<u>28,971,084</u>	<u>30,122,866</u>	<u>28,957,182</u>
Total primary government program revenues	<u>\$ 53,919,084</u>	<u>\$ 55,588,572</u>	<u>\$ 55,466,128</u>
Net (expense) revenue			
Governmental activities	\$ (83,668,269)	\$ (84,221,681)	\$ (94,186,129)
Business-type activities	<u>(275,888)</u>	<u>(1,197,942)</u>	<u>(3,693,684)</u>
Total primary government net (expense) revenue	<u>\$ (83,944,157)</u>	<u>\$ (85,419,623)</u>	<u>\$ (97,879,813)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 64,901,453	\$ 70,605,876	\$ 71,837,273
Sales and use taxes	17,587,680	16,551,307	14,867,961
Franchise fees	1,289,771	1,162,911	1,129,307
Investment earnings	2,137,399	1,199,309	890,520
Gain (loss) on sale of capital assets	278,840	3,438,149	380,049
Reduction in long-term debt obligation	-	400,000	-
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	<u>(2,383)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>1,475,545</u>	<u>386,800</u>	<u>317,790</u>
Total primary government	<u>\$ 87,670,688</u>	<u>\$ 101,388,352</u>	<u>\$ 89,422,900</u>
Changes in Net Assets			
Governmental activities	\$ 2,526,874	\$ 16,779,871	\$ (5,081,019)
Business-type activities	<u>1,199,657</u>	<u>(811,142)</u>	<u>(3,375,894)</u>
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	2011					
\$	17,504,006	\$	20,176,196	\$	24,554,397	\$	22,183,390	\$	21,806,236	\$	20,605,904	\$	20,627,690
	50,525,480		55,968,750		61,848,485		62,509,563		63,420,416		62,875,335		58,543,063
	5,106,065		4,938,429		5,492,850		5,278,793		6,016,830		5,192,742		5,164,168
	10,930,533		10,735,706		12,731,865		11,053,445		10,856,256		10,738,193		10,009,377
	11,066,379		11,001,914		12,351,491		12,737,364		12,386,834		13,255,263		12,730,891
	8,044,439		8,174,592		8,317,174		8,601,862		8,292,078		8,028,773		7,846,593
	862,902		9,269,389		559,156		3,532,040		4,202,199		3,876,241		4,298,118
	3,335,621		2,336,495		1,983,978		2,264,803		2,085,824		3,369,127		5,199,693
	1,624,148		1,498,553		1,525,833		1,589,528		1,415,169		1,736,231		1,114,508
	4,163,954		6,254,880		5,082,442		4,983,460		4,911,254		4,814,715		4,510,594
	<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>		<u>130,044,695</u>
	31,225,489		32,188,319		32,499,489		34,199,663		33,432,269		33,717,269		32,775,106
	1,800,146		1,872,601		1,937,454		2,047,491		1,965,932		1,881,330		1,979,559
	<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>		<u>34,754,665</u>
\$	<u>146,189,162</u>	\$	<u>164,415,824</u>	\$	<u>168,884,614</u>	\$	<u>170,981,402</u>	\$	<u>170,791,297</u>	\$	<u>170,091,123</u>	\$	<u>164,799,360</u>
\$	12,714,891	\$	14,584,784	\$	13,702,181	\$	13,541,050	\$	13,419,382	\$	15,507,458	\$	17,904,128
	12,935,941		12,463,692		12,684,642		12,228,029		11,542,918		13,291,132		15,038,500
	4,789,306		5,171,647		3,243,612		4,169,546		1,648,845		845,016		1,060,760
	<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>		<u>34,003,388</u>
	26,928,099		30,329,100		29,674,597		31,957,062		30,465,234		32,068,323		37,288,056
	2,034,821		2,081,469		2,143,419		2,187,278		2,184,011		2,141,694		2,187,293
	<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>		<u>39,475,349</u>
\$	<u>59,403,058</u>	\$	<u>64,630,692</u>	\$	<u>61,448,451</u>	\$	<u>64,082,965</u>	\$	<u>59,260,390</u>	\$	<u>63,853,623</u>	\$	<u>73,478,737</u>
\$	(82,723,389)	\$	(98,134,781)	\$	(104,817,236)	\$	(104,795,623)	\$	(108,781,951)	\$	(104,848,918)	\$	(96,041,307)
	<u>(4,062,715)</u>		<u>(1,650,351)</u>		<u>(2,618,927)</u>		<u>(2,102,814)</u>		<u>(2,748,956)</u>		<u>(1,388,582)</u>		<u>4,720,684</u>
\$	<u>(86,786,104)</u>	\$	<u>(99,785,132)</u>	\$	<u>(107,436,163)</u>	\$	<u>(106,898,437)</u>	\$	<u>(111,530,907)</u>	\$	<u>(106,237,500)</u>	\$	<u>(91,320,623)</u>
\$	74,911,034	\$	83,352,957	\$	85,079,549	\$	88,383,524	\$	87,572,093	\$	85,171,772	\$	77,673,556
	14,705,085		14,540,634		14,105,387		14,105,387		13,559,035		12,051,133		12,125,928
	1,151,761		1,206,596		1,344,444		1,471,277		1,582,133		1,630,260		1,778,030
	1,602,968		3,075,634		4,289,636		3,378,435		703,476		35,936		101,054
	84,927		2,099,337		40,283		(41,222)		(115,498)		(263,175)		258,050
	-		-		-		-		-		-		-
	-		-		-		1,000,000		23,485		(5,975,000)		-
	<u>(17,199,543)</u>		<u>(137,000)</u>		<u>(140,000)</u>		<u>(148,400)</u>		<u>(253,092)</u>		<u>(160,868)</u>		<u>(163,150)</u>
	<u>75,256,232</u>		<u>104,138,158</u>		<u>104,719,299</u>		<u>108,149,001</u>		<u>103,071,632</u>		<u>92,490,058</u>		<u>91,773,468</u>
	299,516		635,948		842,126		771,610		324,610		28,561		35,221
	-		-		-		-		-		-		-
	<u>299,516</u>		<u>635,948</u>		<u>842,126</u>		<u>771,610</u>		<u>324,610</u>		<u>28,561</u>		<u>35,221</u>
\$	<u>75,555,748</u>	\$	<u>104,774,106</u>	\$	<u>105,561,425</u>	\$	<u>108,920,611</u>	\$	<u>103,396,242</u>	\$	<u>92,518,619</u>	\$	<u>91,808,689</u>
\$	(7,467,157)	\$	6,003,377	\$	(97,937)	\$	3,353,378	\$	(5,710,319)	\$	(12,358,860)	\$	(4,267,839)
	<u>(3,763,199)</u>		<u>(1,014,403)</u>		<u>(1,776,801)</u>		<u>(1,331,204)</u>		<u>(2,424,346)</u>		<u>(1,360,021)</u>		<u>4,755,905</u>
\$	<u>(11,230,356)</u>	\$	<u>4,988,974</u>	\$	<u>(1,874,738)</u>	\$	<u>2,022,174</u>	\$	<u>(8,134,665)</u>	\$	<u>(13,718,881)</u>	\$	<u>488,066</u>

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

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Reserved	\$ 1,912,343	\$ 2,250,381	\$ 2,326,703	\$ 2,507,872
Nonspendable				
Restricted				
Assigned				
Unassigned				
Unreserved	<u>49,390,183</u>	<u>55,051,386</u>	<u>55,173,474</u>	<u>44,720,163</u>
Total general fund	<u>\$ 51,302,526</u>	<u>\$ 57,301,767</u>	<u>\$ 57,500,177</u>	<u>\$ 47,228,035</u>
All Other Governmental Funds:				
Reserved	\$ 12,143,950	\$ 4,350,252	\$ 9,931,404	\$ 45,883,472
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Unreserved, reported in:				
Special revenue funds	31,099,498	29,538,059	23,917,188	22,677,100
Capital projects funds	10,134,377	16,841,480	35,011,030	8,990,773
Debt service funds	<u>1,790,644</u>	<u>2,991,789</u>	<u>4,003,520</u>	<u>3,934,800</u>
Total all other governmental funds	<u>\$ 55,168,469</u>	<u>\$ 53,721,580</u>	<u>\$ 72,863,142</u>	<u>\$ 81,486,145</u>

(a) In fiscal 2011, the City adopted GASB 54 which changed fund balance classifications.

Fiscal Year					
2006	2007	2008	2009	2010	2011 (a)
\$ 4,389,944	\$ 2,057,662	\$ 2,333,663	\$ 1,377,804	\$ 1,296,151	\$ -
					192,969
					78,199
					22,283,613
					15,738,389
<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>-</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>	<u>\$ 38,293,170</u>
\$ 27,970,850	\$ 8,129,748	\$ 6,291,526	\$ 6,431,502	\$ 4,514,260	\$ -
					1,388,768
					19,075,065
					16,259,607
					5,496,936
					-
20,653,148	28,587,139	27,592,994	26,577,183	25,648,764	-
6,586,018	9,396,449	9,795,442	12,565,096	12,239,796	-
<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>-</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>	<u>\$ 42,220,376</u>

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

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Property taxes	\$ 64,815,974	\$ 70,514,428	\$ 71,740,065	\$ 74,787,704
Special assessments	225,149	1,158,599	1,610,111	994,766
Licenses and permits	1,886,189	1,669,227	1,655,809	2,167,451
Intergovernmental:				
Federal revenue	2,604,890	2,093,760	2,559,108	4,612,382
State revenue	27,430,409	27,179,229	25,638,979	25,856,586
Local revenue	341,125	444,803	761,802	589,986
Charges for services	2,069,475	2,372,927	2,730,910	2,894,923
Fines and fees	5,686,199	5,767,711	6,208,873	6,810,020
Interest	3,094,011	1,858,340	1,445,693	2,599,643
Other	4,202,329	6,442,251	7,151,246	6,173,358
Total revenues	112,355,750	119,501,275	121,502,596	127,486,819
Expenditures:				
General government	21,854,246	21,658,378	22,167,103	22,496,853
Public safety	52,530,308	47,697,824	56,633,024	52,271,304
City development	5,511,262	5,766,893	5,951,477	5,159,713
Highway and streets	9,288,019	12,307,374	11,106,835	13,003,033
Recreation and culture	20,717,736	23,338,068	10,877,663	10,060,656
Sanitation	7,003,913	6,887,669	7,836,537	8,234,143
Economic development	1,831,462	7,189,029	2,176,103	13,951,104
Community development	3,010,281	2,926,258	2,395,477	3,333,119
Capital projects	833,806	2,958,848	2,912,390	1,624,148
Debt service:				
Principal retirement	3,489,706	6,131,084	4,550,765	4,535,349
Interest	2,366,436	2,460,689	2,914,632	3,743,818
Other	2,442	10,695	365,860	403,167
Total expenditures	128,439,617	139,332,809	129,887,866	138,816,407
Excess of revenues over (under) expenditures	(16,083,867)	(19,831,534)	(8,385,270)	(11,329,588)
Other Financing Sources (Uses):				
Transfers to fiduciary funds	-	-	-	(17,068,543)
Transfers to Water and Sewer System	-	-	-	(131,000)
Proceeds from sale of property	-	3,433,442	-	-
Proceeds from issuance of debt	2,853,012	21,145,000	32,114,457	27,015,000
Payment to refunded bond escrow agent	-	-	(4,224,218)	-
Bond premium (discounts)	-	(194,556)	(164,997)	(135,008)
Settlement agreement	-	-	-	-
Total other financing sources (uses)	2,853,012	24,383,886	27,725,242	9,680,449
Net changes in fund balances	\$ (13,230,855)	\$ 4,552,352	\$ 19,339,972	\$ (1,649,139)
Debt service as a percentage of non-capital expenditures (1)	5.27%	7.49%	5.97%	6.98%

(1) 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					
		2006 (1)	2007	2008	2009	2010	2011
\$	84,328,809	\$ 84,953,504	\$ 88,029,125	\$ 87,229,169	\$ 84,841,410	\$ 77,463,656	
	982,318	944,084	1,072,824	1,055,385	1,061,672	953,777	
	2,420,993	2,329,132	1,691,127	1,759,663	1,567,892	1,765,853	
	3,305,681	1,981,507	2,187,623	2,161,955	4,022,414	6,018,008	
	25,703,221	25,271,564	25,994,012	23,254,107	21,807,818	21,819,653	
	656,026	691,774	823,897	751,756	695,218	887,475	
	4,101,728	3,039,087	3,117,357	3,476,265	3,546,149	6,527,336	
	7,295,418	7,596,165	8,089,029	7,579,592	7,982,727	7,792,994	
	5,404,617	5,760,013	4,277,702	995,060	125,984	191,916	
	6,358,491	7,025,380	6,916,324	6,959,756	7,752,382	7,915,419	
	<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>	<u>131,336,087</u>	
	25,992,081	24,850,290	25,814,644	25,841,058	25,094,958	25,525,029	
	59,597,955	62,100,913	62,885,562	62,529,660	63,543,704	59,815,172	
	5,106,033	5,443,884	5,316,442	6,193,666	5,256,679	5,181,349	
	12,658,806	13,459,407	14,836,995	10,772,638	11,178,023	10,597,544	
	9,816,038	10,655,537	11,217,234	11,009,604	11,240,440	11,026,341	
	8,338,889	8,099,142	8,572,887	10,475,172	7,818,974	7,749,938	
	39,215,525	14,771,221	2,036,290	2,094,912	1,992,255	2,203,701	
	2,339,535	1,976,092	2,265,454	2,079,851	3,325,819	5,225,116	
	1,498,553	1,525,833	1,589,528	1,415,169	1,736,231	1,114,508	
	4,693,582	4,578,029	4,853,071	4,586,417	5,529,521	5,262,681	
	5,646,793	4,783,676	4,774,182	4,668,984	4,691,931	4,401,764	
	442,173	95,653	15,646	84,021	66,222	3,867	
	<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>	<u>138,107,010</u>	
	(34,788,661)	(12,747,467)	(1,978,915)	(6,528,444)	(8,071,091)	(6,770,923)	
	-	-	-	-	-	-	
	(137,000)	(140,000)	(148,400)	(253,092)	(160,868)	(163,150)	
	2,240,087	115,741	81,067	127,733	49,283	312,125	
	25,835,000	5,409,304	-	5,305,000	3,040,000	-	
	(10,474,047)	-	-	-	(3,000,000)	-	
	(284,909)	(56,901)	-	(79,575)	18,984	-	
	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>23,485</u>	<u>(5,975,000)</u>	<u>-</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>	<u>148,975</u>	
\$	<u>(17,609,530)</u>	<u>(7,419,323)</u>	<u>(1,046,248)</u>	<u>(1,404,893)</u>	<u>(14,098,692)</u>	<u>(6,621,948)</u>	
	7.88%	7.05%	7.00%	6.78%	7.40%	7.18%	

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

Valuation Date Dec. 31	Fiscal Year Ended June 30	Real Property					
		Commercial		Industrial		Residential	
		State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
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
2009	2011	629,218,480	564,081,510	677,613,220	644,345,220	2,253,489,647	2,241,692,067

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

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

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

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

Personal Property		I.F.T. & O.P.R.A. Tax Rolls (1)		Totals		Total Direct Tax Rate
State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	
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
621,120,055	621,000,359	380,244,220	380,029,570	4,561,685,622	4,451,148,726	17.7924

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

Fiscal Year Ended June 30	City-wide Direct Tax Rate							
	General	Emergency	Police			Police	Fire	
	Operating (1)	Library	Medical Service	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Protection
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
2011	8.7724	1.3373	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 Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	14.1000	32.1000	13.2200	31.2200	10.5000	28.5000
Combined City & County Rate	24.6821	24.6821	24.6821	24.6821	24.6821	24.6821
2002 Total Direct & Overlapping Rate	38.7821	56.7821	37.9021	55.9021	35.1821	53.1821
School District Rate	14.1000	32.1000	13.2167	32.2167	10.1000	28.0730
Combined City & County Rate	25.9540	25.9540	25.9540	25.9540	25.9540	25.9540
2003 Total Direct & Overlapping Rate	40.0540	58.0540	39.1707	58.1707	36.0540	54.0270
School District Rate	13.1000	31.1000	12.7600	30.7600	8.4000	26.3730
Combined City & County Rate	25.7704	25.7704	25.7704	25.7704	25.7704	25.7704
2004 Total Direct & Overlapping Rate	38.8704	56.8704	38.5304	56.5304	34.1704	52.1434
School District Rate	14.1000	32.1000	13.7600	31.7600	9.6000	27.5730
Combined City & County Rate	25.6702	25.6702	25.6702	25.6702	25.6702	25.6702
2005 Total Direct & Overlapping Rate	39.7702	57.7702	39.4302	57.4302	35.2702	53.2432
School District Rate	14.1000	32.1000	13.7600	31.7600	9.6000	27.5730
Combined City & County Rate	26.3182	26.3182	26.3182	26.3182	26.3182	26.3182
2006 Total Direct & Overlapping Rate	40.4182	58.4182	40.0782	58.0782	35.9182	53.8912
School District Rate	14.1000	32.1000	11.9906	29.9906	9.6000	27.5190
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
2007 Total Direct & Overlapping Rate	40.4167	58.4167	38.3073	56.3073	35.9167	53.8357
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
2008 Total Direct & Overlapping Rate	40.4167	58.4167	38.3073	56.3073	35.8067	53.6988
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
2009 Total Direct & Overlapping Rate	40.5567	58.5567	40.8473	58.8473	36.0567	53.9757
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
2010 Total Direct & Overlapping Rate	40.9247	58.9247	41.6653	59.6653	38.3247	56.3247
School District Rate	14.1000	32.1000	14.9906	32.9906	12.0000	30.0000
Combined City & County Rate	27.6747	27.6747	27.6747	27.6747	27.6747	27.6747
2011 Total Direct & Overlapping Rate	41.7747	59.7747	42.6653	60.6653	39.6747	57.6747

Chapter 20 Drain Debt	Total City-wide Direct Tax Rate	County-wide Overlapping Tax Rate						Total County-wide Overlapping Tax Rate
		Macomb I.S.D.	Macomb Community College	H.C.M.A., Zoo Authority, & Veterans	S.M.A.R.T.	Macomb County		
						Operating	Drain Debt	
0.2600	16.2600	2.0033	1.6707	0.2186	0.3235	4.2000	0.0060	8.4221
0.2600	16.2524	2.9863	1.6925	0.2170	0.6000	4.2000	0.0058	9.7016
-	16.1924	2.9729	1.5859	0.2161	0.5973	4.2000	0.0058	9.5780
-	16.1924	2.9615	1.5002	0.2154	0.5949	4.2000	0.0058	9.4778
-	16.9424	2.9430	1.4212	0.2146	0.5912	4.2000	0.0058	9.3758
-	16.9424	2.9430	1.4212	0.2146	0.5900	4.2000	0.0055	9.3743
-	16.9424	2.9430	1.4212	0.2146	0.5900	4.2000	0.0055	9.3743
-	16.9424	2.9430	1.4212	0.3546	0.5900	4.2000	0.0055	9.5143
-	16.9424	2.9430	1.4212	0.3546	0.5900	4.5685	0.0050	9.8823
-	17.7924	2.9430	1.4212	0.3546	0.5900	4.5685	0.0050	9.8823

School District Overlapping Tax Rate

	Center Line		Warren Woods		Warren Consolidated	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	24.3640	25.0000	12.6000	30.6000	16.1471	26.2500
Combined City & County Rate	24.6821	24.6821	24.6821	24.6821	24.6821	24.6821
2002 Total Direct & Overlapping Rate	49.0461	49.6821	37.2821	55.2821	40.8292	50.9321
School District Rate	25.2111	26.0000	12.6000	30.6000	16.9626	27.4964
Combined City & County Rate	25.9540	25.9540	25.9540	25.9540	25.9540	25.9540
2003 Total Direct & Overlapping Rate	51.1651	51.9540	38.5540	56.5540	42.9166	53.4504
School District Rate	23.8646	25.0000	11.6000	29.6000	15.6806	26.3464
Combined City & County Rate	25.7704	25.7704	25.7704	25.7704	25.7704	25.7704
2004 Total Direct & Overlapping Rate	49.6350	50.7704	37.3704	55.3704	41.4510	52.1168
School District Rate	24.5354	26.0000	12.6000	30.6000	16.0426	27.2764
Combined City & County Rate	25.6702	25.6702	25.6702	25.6702	25.6702	25.6702
2005 Total Direct & Overlapping Rate	50.2056	51.6702	38.2702	56.2702	41.7128	52.9466
School District Rate	23.5778	26.0000	12.6000	30.6000	15.9930	27.2764
Combined City & County Rate	26.3182	26.3182	26.3182	26.3182	26.3182	26.3182
2006 Total Direct & Overlapping Rate	49.8960	52.3182	38.9182	56.9182	42.3112	53.5946
School District Rate	22.1022	26.0000	12.6000	30.6000	15.8294	27.2764
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
2007 Total Direct & Overlapping Rate	48.4189	52.3167	38.9167	56.9167	42.1461	53.5931
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
2008 Total Direct & Overlapping Rate	48.1189	52.0167	37.4167	55.4167	41.5525	53.5931
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
2009 Total Direct & Overlapping Rate	43.0595	52.0567	37.5567	55.5567	40.8719	53.6031
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
2010 Total Direct & Overlapping Rate	44.7653	52.4247	38.3247	56.3247	41.7525	53.9711
School District Rate	20.4645	25.8000	12.4600	30.4600	16.2590	27.4364
Combined City & County Rate	27.6747	27.6747	27.6747	27.6747	27.6747	27.6747
2011 Total Direct & Overlapping Rate	48.1392	53.4747	40.1347	58.1347	43.9337	55.1111

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

	Fiscal Year Ended June 30, 2011			Fiscal Year Ended June 30, 2001		
	Taxable Value (including. I.F.T. and O.P.R.A)	Rank	Percent of Total Taxable Value	Taxable Value (including. I.F.T.)	Rank	Percent of Total Taxable Value
General Motors	\$ 551,983,813	1	13.71%	\$ 452,416,224	1	11.61%
Chrysler	197,046,967	2	4.89%	320,327,565	2	8.22%
Detroit Edison	34,920,070	3	0.87%	55,253,742	3	1.42%
International Transmission	19,848,228	4	0.49%			
Art Van Furniture	19,426,652	5	0.48%	25,292,470	4	0.65%
Wico Metal Products	12,531,797	6	0.31%			
Consumers Energy	10,947,564	7	0.27%	14,217,828	5	0.37%
VJL Real Estate / Lipari Foods	8,795,740	8	0.22%			
Parkview Village	8,333,850	9	0.21%			
Meijer Inc.	8,233,260	10	0.20%			
E.D.S. Corporation				10,188,181	7	0.26%
Universal City Center				7,173,170	10	0.18%
Carboloy				11,108,796	6	0.29%
Cold Heading Co. / Ajax Metal				12,843,318	9	0.33%
G E Capital Corporation				8,946,011	8	0.23%
Ten largest taxpayers	872,067,941		21.66%	917,767,305		23.56%
Other taxpayers	3,154,709,276		78.34%	2,977,455,399		76.44%
Total taxable value	<u>\$ 4,026,777,217</u>		<u>100.00%</u>	<u>\$ 3,895,222,704</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			
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
2010	2011	74,503,574	(4,172,945)	(436,652)	69,893,977	93.81%	4,172,945

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, 2011.

Personal Property Taxes Collected March 1 - June 30	Collected Within Fiscal Year of Levy	Percent Collected in Fiscal Year	Subsequent to Tax Year			Receivable as of June 30, 2011	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To-Date
			STC, MTT and BOR Adjustments	Personal Property Tax Write Off				
-	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	(315,044)	-	68,957,448	99.55%	
149,937	70,675,588	98.88%	6,455	(138,271)	253,289	71,094,409	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	(99,821)	-	80,639,112	99.88%	
11,525	83,203,765	99.57%	93,352	-	119,040	83,540,725	99.86%	
25,928	82,452,461	99.44%	75,620	-	168,774	82,827,695	99.80%	
37,409	79,746,520	99.26%	6,374	-	269,602	80,078,681	99.66%	
14,508	74,081,430	99.43%	3,099	-	420,604	74,086,069	99.44%	

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
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
2011	-	156,304	-	-	13,095,000	-	68,500,000

	Other Governmental Activities Debt			Total Net Governmental Activities Debt	Business-type Activities Building Authority Bonds		
	Michigan Transportation Bonds	Special Assessment Bonds	Available in Debt Service Funds		Installment Purchase Agreements	Senior Citizen Housing	Water and Sewer System
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	-
2011	14,609,763	2,185,867	(890,625)	97,656,309	-	5,310,000	-

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 2002 - 2011
- (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
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
-	-	81,751,304	4,026,777,217	2.03%	134,056	609.83

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
37,230,000	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
56,858,448	62,168,448	159,824,757	21,407	5.57%	1,192.22

EXHIBIT E-10

CITY OF WARREN, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2011

Net Direct debt:

Land Contract:			
DPW Garage	Building acquisition		\$ 156,304
Building Authority Bonds:			
Series 2005	Capital equipment	2,330,000	
Refunding Series 2005	Warren Community Center	<u>10,365,000</u>	12,695,000
Downtown Development Authority:			
Series 2002	City Center development	17,500,000	
Series 2003	City Center development	18,000,000	
Series 2004	City Center development	18,500,000	
Series 2005	City Center development	<u>14,500,000</u>	68,500,000
Road Construction Bonds:			
Series 1997 Michigan Transportation Bonds	Road improvements	420,000	
Series 2003 Michigan Transportation Bonds	Road improvements	3,500,000	
Series 2006 Capital Improvement Bonds	Road improvements	5,265,630	
Series 2008 Capital Improvement Bonds	Road improvements	2,919,133	
Series 2010 MTF Refunding Bonds	Road improvements	<u>2,505,000</u>	14,609,763
Special Assessment Bonds:			
Series 2005	Sidewalk replacement program	810,000	
Series 2008	Sidewalk replacement program	1,375,867	
Less amounts available in debt service funds		<u>(890,625)</u>	<u>1,295,242</u>
			97,256,309
Less:			
Road Construction Bonds		(14,609,763)	
Special Assessment Bonds		<u>(1,295,242)</u>	<u>(15,905,005)</u>
Net direct debt to be repaid with property taxes			81,351,304

Overlapping Debt:

Macomb County:			
County at large	14.03%	53,050,241	7,442,949
Macomb Community College	14.03%	14,320,000	2,009,096
Local School Districts:			
Center Line	65.31%	11,735,000	7,664,129
East Detroit	22.36%	37,240,000	8,326,864
Fitzgerald	100.00%	35,365,000	35,365,000
Van Dyke	97.93%	63,945,356	62,621,687
Warren Consolidated	47.46%	195,415,000	92,743,959
Warren Woods	100.00%	44,215,000	<u>44,215,000</u>

Net direct debt outstanding and overlapping debt **\$ 341,739,987**

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Assessed value	\$ 4,667,996,729	\$ 5,244,712,663	\$ 5,456,278,690	\$ 5,594,012,321	\$ 5,730,657,941
Debt limit (10% of assessed value)	\$ 466,799,673	\$ 524,471,266	\$ 545,627,869	\$ 559,401,232	\$ 573,065,794
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 466,799,673	\$ 524,471,266	\$ 545,627,869	\$ 559,401,232	\$ 573,065,794
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				
	2007	2008	2009	2010	2011
Assessed value	\$ 5,951,085,588	\$ 6,064,919,039	\$ 5,809,257,741	\$ 5,342,889,105	\$ 4,561,685,622
Debt limit (10% of assessed value)	\$ 595,108,559	\$ 606,491,904	\$ 580,925,774	\$ 534,288,911	\$ 456,168,562
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 595,108,559	\$ 606,491,904	\$ 580,925,774	\$ 534,288,911	\$ 456,168,562
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	
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
2011	1,367,727	607,955	759,772	620,000	246,219	866,219	0.88

(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		
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
2011	7,798,658	3,899,329	1,435,000	263,232	1,698,232	2.30	571,233

(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. \$571,233 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2011 and is reflected in the schedule above.

Special Assessment Bonds (3)							
Fiscal Year	S/A	Interest (5)	Transferred to	Debt Service			Coverage
	Collections (4)		Debt Funds	Principal	Interest	Total	
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
2011	423,297	-	423,297	543,967	117,133	661,100	0.64

(3) The Special Assessment Bonds Series 2002 were issued in anticipation of the collection of certain outstanding special assessments for sidewalk replacements which became due on or after July 1, 2003. The Capital Improvement Bonds Series 2003, Series 2005 and Series 2008 were likewise issued to finance citywide sidewalk improvements. Even though the City has pledged the levy of taxes for the repayment of principal and interest on the Capital Improvement Bonds, the City has designated the collections from certain special assessment districts to meet the debt service requirements.

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

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

Water and Sewer System (6)							
Fiscal Year	Operating Revenue	Direct	Net Revenue	Debt Service			Coverage
		Operating Expense	Available for Debt Service	Principal	Interest	Total	
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
2010	37,288,056	26,323,229	10,964,827	2,739,082	1,702,109	4,441,191	2.47

(6) Fiscal year end of December 31.

EXHIBIT E-13

CITY OF WARREN, MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - LAND CONTRACT
June 30, 2011

DPW Garage	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 1991					
Payment dates:					
Principal: July 1 and January 1	2012	102,655.59	6.000%	7,861.19	110,516.78
Interest: July 1 and January 1	2013	<u>53,648.79</u>	6.000%	<u>1,609.60</u>	<u>55,258.39</u>
Total Land Contract Requirements		<u>\$ 156,304.38</u>		<u>\$ 9,470.79</u>	<u>\$ 165,775.17</u>

DEBT SERVICE REQUIREMENTS TO MATURITY - SPECIAL ASSESSMENT BONDS

Capital Improvement Bonds - Series 2005

Issued: June 1, 2005					
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>\$ 810,000.00</u>		<u>\$ 79,600.00</u>	<u>\$ 889,600.00</u>

Capital Improvement Bonds - Series 2008

Issued: December 1, 2008					
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>\$ 1,375,867.20</u>		<u>\$ 232,753.75</u>	<u>\$ 1,608,620.95</u>
Total Special Assessment Bonds					
Debt Service Requirements		<u>\$ 2,185,867.20</u>		<u>\$ 312,353.75</u>	<u>\$ 2,498,220.95</u>

DEBT SERVICE REQUIREMENTS TO MATURITY - ROAD CONSTRUCTION BONDS

Michigan Transportation - Series 1997

Issued: August 1, 1997					
Payment dates:					
Principal: June 1	2012	<u>420,000.00</u>	5.100%	<u>21,420.00</u>	<u>441,420.00</u>
Interest: December 1 and June 1					
Major Street Portion 100%		<u>\$ 420,000.00</u>		<u>\$ 21,420.00</u>	<u>\$ 441,420.00</u>

Michigan Transportation Fund
Series 2003

Issued: September 1, 2000					
Payment dates:					
Principal: June 1	2012	500,000.00	3.400%	131,500.00	631,500.00
Interest: December 1 and June 1	2013	500,000.00	3.500%	114,500.00	614,500.00
Major Street Portion 100%	2014	500,000.00	3.650%	97,000.00	597,000.00
	2015	500,000.00	3.750%	78,750.00	578,750.00
	2016	500,000.00	3.900%	60,000.00	560,000.00
	2017	500,000.00	4.000%	40,500.00	540,500.00
	2018	<u>500,000.00</u>	4.100%	<u>20,500.00</u>	<u>520,500.00</u>
		<u>\$ 3,500,000.00</u>		<u>\$ 542,750.00</u>	<u>\$ 4,042,750.00</u>

CITY OF WARREN, MICHIGAN

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

June 30, 2011

Capital Improvement Bonds Series 2006	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: December 1, 2006					
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>\$ 5,265,630.11</u>		<u>\$ 1,769,450.16</u>	<u>\$ 7,035,080.27</u>
 Capital Improvement Bonds Series 2008					
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>\$ 2,919,132.80</u>		<u>\$ 1,591,492.52</u>	<u>\$ 4,510,625.32</u>
 Michigan Transportation Fund Refunding Series 2010					
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>\$ 2,505,000.00</u>		<u>\$ 201,812.50</u>	<u>\$ 2,706,812.50</u>
 Total Road Construction Bonds Debt Service Requirements		<u>\$ 14,609,762.91</u>		<u>\$ 4,126,925.18</u>	<u>\$ 18,736,688.09</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2011

Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Series 2002</u>					
Issued: June 1, 2002					
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>\$ 17,500,000.00</u>		<u>\$ 7,671,250.00</u>	<u>\$ 25,171,250.00</u>
<u>Series 2003</u>					
Issued: July 1, 2003					
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>\$ 18,000,000.00</u>		<u>\$ 6,998,750.00</u>	<u>\$ 24,998,750.00</u>

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2011

Series 2004	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Series 2004</u>					
Issued: April 1, 2004					
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>\$ 18,500,000.00</u>		<u>\$ 8,728,437.50</u>	<u>\$ 27,228,437.50</u>
<u>Series 2005</u>					
Issued: December 1, 2005					
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>\$ 14,500,000.00</u>		<u>\$ 7,442,812.50</u>	<u>\$ 21,942,812.50</u>
Total Downtown Development Authority Debt Service Requirements		<u>\$ 68,500,000.00</u>		<u>\$ 30,841,250.00</u>	<u>\$ 99,341,250.00</u>

EXHIBIT E-13 (continued)

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

Multi-Purpose Bonds
Series 2005

Issued: June 1, 2005

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	<u>605,000.00</u>	4.000%	<u>24,200.00</u>	<u>629,200.00</u>
		<u>\$ 2,330,000.00</u>		<u>\$ 232,550.00</u>	<u>\$ 2,562,550.00</u>

Warren Community Center
Refunding Series 2005

Issued: August 1, 2005

	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
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	<u>585,000.00</u>	4.375%	<u>12,796.88</u>	<u>597,796.88</u>
		<u>\$ 10,365,000.00</u>		<u>\$ 3,811,832.51</u>	<u>\$ 14,176,832.51</u>
Total Governmental Activities Debt Service Requirements		<u>\$ 12,695,000.00</u>		<u>\$ 4,044,382.51</u>	<u>\$ 16,739,382.51</u>

CITY OF WARREN, MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - BUILDING AUTHORITY BONDS
(Business-type Activities)
June 30, 2011

Senior Housing					
Refunding Series 2004					
<u>Issued: August 1, 2004</u>					
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	<u>1,075,000.00</u>	5.250%	<u>28,218.75</u>	<u>1,103,218.75</u>
		<u>\$ 5,310,000.00</u>		<u>\$ 831,353.14</u>	<u>\$ 6,141,353.14</u>
Total Building Authority					
Debt Service Requirements		<u>\$ 18,005,000.00</u>		<u>\$ 4,875,735.65</u>	<u>\$ 22,880,735.65</u>

EXHIBIT E-14

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2010)

Water and Sewer System
Series 1999

Issued: March 1, 1999

Payment dates:

Principal: November 1	2011	<u>50,000.00</u>	4.500%	<u>2,250.00</u>	<u>52,250.00</u>
Interest: May 1 and November 1		<u>\$ 50,000.00</u>		<u>\$ 2,250.00</u>	<u>\$ 52,250.00</u>

Water and Sewer System
Series 2000

Issued: September 1, 2000

Payment dates:

Principal: November 1	2011	<u>625,000.00</u>	5.125%	<u>32,031.00</u>	<u>657,031.00</u>
Interest: May 1 and November 1		<u>\$ 625,000.00</u>		<u>\$ 32,031.00</u>	<u>\$ 657,031.00</u>

Water and Sewer System
Refunding Series 2005

Issued: September 1, 2005

Payment dates:

Principal: November 1	2011	135,000.00	3.750%	871,119.00	1,006,119.00
Interest: May 1 and November 1	2012	865,000.00	3.750%	866,056.00	1,731,056.00
	2013	885,000.00	3.750%	833,619.00	1,718,619.00
	2014	930,000.00	4.000%	800,431.00	1,730,431.00
	2015	975,000.00	4.000%	763,231.00	1,738,231.00
	2016	1,870,000.00	4.000%	724,231.00	2,594,231.00
	2017	2,005,000.00	4.125%	649,431.00	2,654,431.00
	2018	2,040,000.00	4.125%	566,725.00	2,606,725.00
	2019	2,075,000.00	4.250%	482,575.00	2,557,575.00
	2020	2,110,000.00	4.250%	394,388.00	2,504,388.00
	2021	2,170,000.00	4.250%	304,712.00	2,474,712.00
	2022	1,030,000.00	4.500%	212,488.00	1,242,488.00
	2023	1,025,000.00	4.500%	166,138.00	1,191,138.00
	2024	1,015,000.00	4.500%	120,012.00	1,135,012.00
	2025	1,010,000.00	4.750%	74,338.00	1,084,338.00
	2026	<u>555,000.00</u>	4.750%	<u>26,362.00</u>	<u>581,362.00</u>
		<u>\$ 20,695,000.00</u>		<u>\$ 7,855,856.00</u>	<u>\$ 28,550,856.00</u>

Water and Sewer System
Refunding Series 2010

Issued: August 1, 2010

Payment dates:

	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Principal: May 1	2011	1,150,000.00	2.000%	68,312.50	1,218,312.50
Interest: May 1 and November 1	2012	1,135,000.00	2.000%	113,625.00	1,248,625.00
	2013	1,165,000.00	2.000%	90,925.00	1,255,925.00
	2014	1,065,000.00	2.000%	67,625.00	1,132,625.00
	2015	1,025,000.00	2.500%	46,325.00	1,071,325.00
	2016	<u>690,000.00</u>	3.000%	<u>20,700.00</u>	<u>710,700.00</u>
		<u>\$ 6,230,000.00</u>		<u>\$ 407,512.50</u>	<u>\$ 6,637,512.50</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, 2010)

Capital Improvement Bonds Series 2003	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Issued: July 1, 2003</u>					
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>\$ 935,000.00</u>		<u>\$ 250,321.91</u>	<u>\$ 1,185,321.91</u>
Capital Improvement Bonds Series 5134-01					
<u>Approved: September 25, 2003</u>					
Payment Dates:	2011	215,000.00	2.500%	89,125.00	304,125.00
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>\$ 3,565,000.00</u>		<u>\$ 705,250.00</u>	<u>\$ 4,270,250.00</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, 2010)

Capital Improvement Bonds Series 5134-02	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Approved: September 23, 2004</u>					
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>\$ 5,380,000.00</u>		<u>\$ 966,025.06</u>	<u>\$ 6,346,025.06</u>
Capital Improvement Bonds Series 5134-03					
<u>Approved: March 25, 2004</u>					
Payment Dates:	2011	50,000.00	2.125%	17,788.18	67,788.18
Principal: October 1	2012	50,000.00	2.125%	16,725.68	66,725.68
Interest: April 1 and October 1	2013	55,000.00	2.125%	15,663.18	70,663.18
	2014	55,000.00	2.125%	14,494.44	69,494.44
	2015	55,000.00	2.125%	13,325.68	68,325.68
	2016	60,000.00	2.125%	12,156.94	72,156.94
	2017	60,000.00	2.125%	10,881.94	70,881.94
	2018	60,000.00	2.125%	9,606.94	69,606.94
	2019	60,000.00	2.125%	8,331.94	68,331.94
	2020	65,000.00	2.125%	7,056.94	72,056.94
	2021	65,000.00	2.125%	5,675.68	70,675.68
	2022	65,000.00	2.125%	4,294.44	69,294.44
	2023	65,000.00	2.125%	2,913.18	67,913.18
	2024	72,091.00	2.125%	1,531.94	73,622.94
		<u>\$ 837,091.00</u>		<u>\$ 140,447.10</u>	<u>\$ 977,538.10</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, 2010)

Capital Improvement Bonds Series 5134-04	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
<u>Approved: March 31, 2005</u>					
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>\$ 6,765,000.00</u>		<u>\$ 917,109.47</u>	<u>\$ 7,682,109.47</u>
Capital Improvement Bonds Series 2006					
<u>Issued: December 1, 2006</u>					
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%	4,844.08	125,946.24
		<u>\$ 2,064,369.89</u>		<u>\$ 733,442.70</u>	<u>\$ 2,797,812.59</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, 2010)

Capital Improvement Bonds Series 5404-01 (1)	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: November 24, 2009					
Payment Dates:	2011	120,000	2.500%	38,625	158,625
Principal: April 1	2012	125,000	2.500%	74,250	199,250
Interest: April 1 and October 1	2013	125,000	2.500%	71,126	196,126
	2014	130,000	2.500%	68,000	198,000
	2015	135,000	2.500%	64,750	199,750
	2016	135,000	2.500%	61,376	196,376
	2017	140,000	2.500%	58,000	198,000
	2018	145,000	2.500%	54,500	199,500
	2019	145,000	2.500%	50,876	195,876
	2020	150,000	2.500%	47,250	197,250
	2021	155,000	2.500%	43,500	198,500
	2022	160,000	2.500%	39,626	199,626
	2023	165,000	2.500%	35,626	200,626
	2024	165,000	2.500%	31,500	196,500
	2025	170,000	2.500%	27,376	197,376
	2026	175,000	2.500%	23,126	198,126
	2027	180,000	2.500%	18,750	198,750
	2028	185,000	2.500%	14,250	199,250
	2029	190,000	2.500%	9,626	199,626
	2030	195,000	2.500%	4,876	199,876
		<u>3,090,000</u>		<u>837,009</u>	<u>3,927,009</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 CWRP 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, 2010.

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2010)

Capital Improvement Bonds Series 2010	Fiscal Year	Principal	Interest Rate	Interest	Interest Rebate	Total Requirements
Approved: November 1, 2010						
Payment Dates:	2011	-	1.450%	407,698.96	183,464.53	224,234.43
Principal: April 1	2012	300,000.00	1.450%	442,587.50	199,164.37	543,423.13
Interest: April 1 and October 1	2013	300,000.00	1.950%	437,487.50	196,869.37	540,618.13
	2014	325,000.00	2.350%	430,743.75	193,834.69	561,909.06
	2015	325,000.00	2.550%	422,781.25	190,251.57	557,529.68
	2016	350,000.00	2.900%	413,562.50	186,103.13	577,459.37
	2017	350,000.00	3.300%	402,712.50	181,220.63	571,491.87
	2018	375,000.00	3.550%	390,281.25	175,626.57	589,654.68
	2019	375,000.00	4.250%	375,656.25	169,045.32	581,610.93
	2020	400,000.00	4.450%	358,787.50	161,454.38	597,333.12
	2021	425,000.00	4.950%	339,368.75	152,715.94	611,652.81
	2022	450,000.00	4.950%	317,712.50	142,970.63	624,741.87
	2023	475,000.00	5.300%	293,987.50	132,294.38	636,693.12
	2024	500,000.00	5.300%	268,150.00	120,667.50	647,482.50
	2025	525,000.00	5.600%	240,200.00	108,090.00	657,110.00
	2026	550,000.00	5.600%	210,100.00	94,545.00	665,555.00
	2027	575,000.00	5.900%	177,737.50	79,981.88	672,755.62
	2028	625,000.00	5.900%	142,337.50	64,051.88	703,285.62
	2029	650,000.00	6.000%	104,400.00	46,980.00	707,420.00
	2030	700,000.00	6.000%	63,900.00	28,755.00	735,145.00
	2031	715,000.00	6.000%	21,450.00	9,652.50	726,797.50
		<u>\$ 9,290,000.00</u>		<u>\$ 6,261,642.71</u>	<u>\$ 2,817,739.27</u>	<u>\$ 12,733,903.44</u>
Total Water and Sewer System Debt Service Requirements		<u>\$ 59,526,460.89</u>		<u>\$ 19,108,897.45</u>	<u>\$ 2,817,739.27</u>	<u>\$ 75,817,619.07</u>

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

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
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%
2011	134,056	53,442	19,376	2,597,469,056	13.60%	11.70%	11.30%

Sources:

- (1) Southeast Michigan Council of Governments FY 2002 - 2011
- (2) 2000 and 2010 U.S. Census Bureau
- (3) Michigan Department of Labor and Economic Growth
- *Not Seasonally Adjusted*

CITY OF WARREN, MICHIGAN
MISCELLANEOUS DEMOGRAPHICS
2000 AND 2010 U.S. CENSUS DATA

Population

2010 Census	134,056	1980 Census	161,134
2000 Census	138,247	1970 Census	179,260
1990 Census	144,864	1960 Census	89,246

Age Statistics

	2010	Percent	2000	Percent
Under 5	8,236	6.14%	8,784	6.35%
5 to 19	25,705	19.18%	25,935	18.76%
20 to 24	8,546	6.37%	7,511	5.43%
25 to 34	16,853	12.57%	20,550	14.86%
35 to 44	18,184	13.56%	21,969	15.89%
45 to 54	20,282	15.13%	16,252	11.76%
55 to 64	14,606	10.90%	13,375	9.67%
65 and older	21,644	16.15%	23,871	17.27%
	<u>134,056</u>		<u>138,247</u>	

Occupied Housing Units

	2010	Percent	2000	Percent
Owner occupied	39,723	74.33%	44,659	80.39%
Renter occupied	13,719	25.67%	10,892	19.61%
	<u>53,442</u>		<u>55,551</u>	

Value of Specified Owner Occupied Housing Units

	2010	Percent	2000	Percent
Less than \$100,000	21,967	56.75%	14,422	34.85%
\$100,000 to \$199,999	15,709	40.58%	26,215	63.35%
\$200,000 to \$299,999	621	1.60%	610	1.47%
\$300,000 or more	413	1.07%	137	0.33%
	<u>38,710</u>		<u>41,384</u>	
Median value	\$ 91,600		\$ 117,800	

School Enrollment (3 years of age and over)

	2010	Percent	2000	Percent
Pre-primary school	1,965	5.72%	3,880	11.96%
Elementary or high school	22,367	65.10%	21,825	67.25%
College or graduate school	10,028	29.18%	6,747	20.79%
	<u>34,360</u>		<u>32,452</u>	

Educational Attainment (25 years of age and over)

	2010	Percent	2000	Percent
Less than 9th grade	4,921	5.51%	6,072	6.33%
9th to 12th grade, no diploma	10,192	11.42%	16,099	16.78%
High school graduate	31,442	35.24%	34,369	35.82%
Some college, no degree	20,805	23.31%	20,793	21.67%
Associates degree	7,039	7.89%	6,125	6.38%
Bachelor's degree	10,599	11.88%	8,862	9.24%
Graduate or professional degree	4,238	4.75%	3,629	3.78%
	<u>89,236</u>		<u>95,949</u>	

	Household Income (number of households)			
	2010	Percent	2000	Percent
Less than \$10,000	4,099	7.92%	3,388	6.09%
\$10,000 to \$14,999	3,384	6.53%	2,778	4.99%
\$15,000 to \$24,999	7,897	15.25%	7,415	13.33%
\$25,000 to \$34,999	6,182	11.94%	7,664	13.78%
\$35,000 to \$49,999	9,747	18.82%	9,814	17.65%
\$50,000 to \$74,999	10,002	19.32%	12,756	22.93%
\$75,000 to \$99,999	5,836	11.27%	6,480	11.65%
\$100,000 to \$149,999	3,513	6.78%	4,268	7.67%
\$150,000 or more	1,126	2.17%	1,056	1.90%
	<u>51,786</u>		<u>55,619</u>	
Median household income	\$ 41,587		\$ 44,626	
Per capita income	\$ 19,376		\$ 21,407	

	Employed Civilian Population (16 years of age and over)			
	2010	Percent	2000	Percent
<u>By Occupation:</u>				
Management, professional and related	13,397	25.18%	16,272	25.35%
Service occupations	11,629	21.86%	9,539	14.86%
Sales and office occupations	14,857	27.93%	17,871	27.84%
Natural resources, construction, and maintenance	4,363	8.20%	6,604	10.29%
Production, transportation, and material moving	<u>8,953</u>	16.83%	<u>13,902</u>	21.66%
	<u>53,199</u>		<u>64,188</u>	
<u>By Industry:</u>				
Agriculture, forestry, fishing and mining	-	0.00%	88	0.14%
Construction	2,362	4.44%	3,770	5.87%
Manufacturing	10,608	19.94%	17,201	26.80%
Wholesale trade	1,129	2.12%	2,528	3.94%
Retail trade	7,039	13.23%	7,845	12.22%
Transportation, warehousing and utilities	1,717	3.23%	2,430	3.79%
Information	857	1.61%	1,239	1.93%
Finance, insurance, real estate, rental and leasing	2,278	4.28%	3,213	5.01%
Professional, scientific, management, administrative and waste management services	4,293	8.07%	6,284	9.79%
Educational, health and social services	9,830	18.48%	9,526	14.84%
Arts, entertainment, recreation, accommodation and food services	8,151	15.32%	5,195	8.09%
Other services	2,798	5.26%	3,029	4.72%
Public administration	<u>2,137</u>	4.02%	<u>1,840</u>	2.87%
	<u>53,199</u>		<u>64,188</u>	

EXHIBIT E-17

**CITY OF WARREN, MICHIGAN
PRINCIPAL EMPLOYERS
JUNE 30, 2009 AND THIRTEEN YEARS AGO**

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

(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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General government:										
<u>37th District Court</u>										
Small claims	1,072	1,141	1,328	1,226	1,047	970	725	995	587	1,000
Landlord & tenant	3,234	3,568	3,873	3,998	4,144	4,327	4,890	4,596	4,554	5,000
Parking tickets	1,345	1,630	2,189	1,622	1,448	1,521	1,518	1,083	1,019	1,100
Traffic misdemeanor & civil	46,205	64,352	59,961	58,565	55,744	57,163	55,606	46,623	36,879	36,000
Non-traffic felony	2,399	1,874	2,184	2,097	2,261	2,070	2,717	2,544	2,284	2,800
Non-traffic misdemeanor	2,834	2,294	2,330	2,149	2,194	2,393	2,449	2,355	2,126	2,000
Traffic OUIL/OWI	N/A	414	734	691	794	571	656	656	367	600
General civil	4,325	4,916	4,502	4,524	4,888	5,500	6,098	6,098	5,345	6,000
Probation - active cases	1,686	1,143	1,441	1,168	1,220	1,212	1,118	1,078	1,078	1,200
Pre-sentence investigations	N/A	414	523	460	386	395	368	803	803	900
<u>City Clerk</u>										
Business licenses	1,017	1,100	1,207	989	920	941	894	853	837	2,000
Public hearings	53	80	76	53	62	69	101	99	47	100
Changes in voter registrations	20,000	23,000	29,499	23,391	38,399	42,844	54,004	62,213	60,433	65,000
Dog licenses issued	4,500	4,000	6,833	4,794	5,233	4,967	5,427	5,502	5,409	6,500
Garage sale permits	1,053	1,500	2,177	2,167	2,365	2,541	1,952	2,707	4,756	5,500
Death certificates	1,900	1,900	1,870	1,951	1,889	1,902	1,800	1,880	1,864	2,500
Birth certificates	1,700	1,900	1,368	1,162	1,273	1,388	1,350	1,344	1,254	2,500
Lawsuits issued	61	70	34	36	33	34	31	19	33	100
Contracts signed, catalogued	70	60	63	52	79	45	68	61	54	100
Dog park passes	600	600	410	200	270	253	200	537	275	350
Passports issued	N/A	N/A	334	278	214	349	152	108	-	-
Internet requests processed	N/A	N/A	1,252	1,366	1,547	1,900	5,200	2,670	5,200	5,500
<u>Treasurer</u>										
Tax bills processed -										
manually	135,000	135,000	135,000	135,000	136,000	148,721	148,720	146,916	120,351	122,000
CD ROM	80,000	83,000	83,000	83,000	82,000	76,000	76,000	59,118	55,934	56,000
Checks processed	42,800	32,400	29,900	41,400	41,400	46,680	49,005	51,669	52,009	52,000
Water bills processed	215,000	540,000	518,000	518,000	518,000	528,000	528,000	522,862	501,584	502,000
Status changes	13,000	15,000	15,000	14,000	12,000	1,813	950	744	720	720
Personal property										
tax collections	4,000	4,000	4,000	4,000	4,000	4,101	4,101	4,140	3,929	4,100
Delinquent tax accounts	60	72	125	125	210	1,426	1,426	1,533	1,318	1,600
<u>Assessing</u>										
Personal property audits	210	125	116	316	320	140	152	70	70	125
Small claim MTT appeals	8	47	19	25	42	65	141	150	150	750
Full tax tribunal appeals	14	21	21	25	33	53	44	120	120	600
Board of Review appeals	862	807	801	834	864	999	1,400	2,000	2,000	1,900
Processing of										
homestead affidavits	5,500	5,500	5,500	5,500	5,500	5,500	5,000	5,500	5,500	5,800
Process deeds and										
transfer affidavits	6,700	6,700	6,700	6,700	6,700	6,700	5,600	6,700	6,700	6,500
Reviews transfers to										
uncap taxable value	4,700	4,700	4,700	4,700	4,700	4,700	4,500	6,700	6,700	6,500
Prepare special										
assessment rolls	30	50	30	30	30	30	30	30	30	30
Review / appraise										
taxable properties	54,000	54,000	54,000	54,000	54,000	54,000	59,470	59,500	59,500	60,300
Review / appraise										
exempt properties	2,000	2,000	2,000	2,000	2,000	2,000	1,919	2,000	2,000	2,000
Verify sales & transfers,										
inspect sold property	3,600	3,600	3,600	3,600	3,500	2,450	7,238	5,800	5,800	6,000
Inspect and appraise										
building permit activity	2,850	2,646	2,646	2,220	2,450	2,450	2,800	2,450	11,400	11,500
Identify / photograph										
real property parcels	23,000	2,400	2,400	2,400	2,400	2,400	1,200	2,400	2,400	1,000
Digitally sketch										
real property parcels	30,269	12,000	12,000	12,000	12,000	12,000	2,500	2,500	2,500	1,500

EXHIBIT E-18 (continued)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
Public Safety:										
<u>Fire Department</u>										
Incident responses	10,594	10,629	10,605	11,385	11,779	12,416	12,971	12,894	13,440	14,000
Equipment responses	23,215	23,254	18,767	16,594	17,182	18,111	18,306	17,531	29,545	32,000
Fire training (hours)	8,573	671	5,177	6,144	4,173	4,316	48,976	56,403	16,426	1,700
Medical training (hours)	2,290	2,303	1,912	1,725	1,171	1,210	1,931	2,291	3,100	3,300
<u>Police Department</u>										
Calls for police service	76,000	76,324	90,200	90,900	88,000	89,600	81,132	78,255	75,781	90,000
Part I crimes	6,570	5,214	4,785	5,223	5,853	5,982	4,575	4,397	4,245	4,500
Burglary incidents	772	672	669	829	704	737	851	881	985	950
Auto theft incidents	930	1,172	1,092	1,302	1,363	906	1,211	958	726	750
Part II Crimes	4,524	6,526	4,773	7,470	6,632	6,438	12,207	11,600	6,601	7,000
Narcotic and drug incidents	1,141	950	1,229	1,242	1,430	2,009	2,947	2,478	1,660	1,800
Traffic citations	40,865	44,977	49,429	48,280	45,154	46,506	30,154	25,146	18,283	20,000
OUIL charges	462	496	478	475	402	432	578	490	400	500
Traffic accidents	5,200	4,800	4,153	1,192	3,713	5,500	3,354	3,389	3,551	4,000
Juveniles charged	421	395	437	431	250	509	579	169	161	500
Total arrests	6,265	6,591	7,057	6,948	7,018	7,638	10,153	6,496	6,081	7,000
Abandoned autos processed	4,892	5,200	1,650	1,683	1,560	1,380	2,016	5,200	967	1,200
Guns registered	2,406	1,573	2,058	3,250	2,090	3,300	1,500	2,373	2,296	2,400
D.A.R.E. graduates	2,382	1,800	1,895	1,800	1,651	2,000	1,700	1,800	-	-
<u>Animal Control</u>										
Calls for service	2,000	4,500	2,587	2,332	2,610	2,832	2,916	2,916	3,000	3,300
Stray animals picked up	1,408	1,700	1,449	1,063	1,335	1,450	1,386	1,386	1,270	1,400
Wild animals secured	401	400	448	308	430	486	472	472	400	500
Dead animals handled	234	250	115	303	332	310	346	346	900	900
Animals given up by owners	768	500	781	992	850	832	798	798	325	350
<u>Civil Defense</u>										
Responses to disaster or emergency incidents	10	10	20	13	9	9	10	10	6	9
Functional / full-scale exercise	1	1	1	2	3	1	-	-	1	1
City Development:										
<u>Engineering</u>										
Service requests processed	900	900	618	422	674	448	516	768	538	725
Planning reviews	112	100	114	141	141	100	94	55	77	75
Site plan reviews	300	300	206	226	245	356	222	113	83	80
Projects inspected	116	100	106	97	128	125	97	71	81	80
Sidewalk inspections / repairs	N/A	N/A	5,141	2,542	2,739	3,100	2,709	3,185	1,517	1,850
<u>Property Maintenance Inspection</u>										
Weed enforcement - Vacant parcels	1,000	1,000	1,075	1,000	850	2,200	2,323	2,485	4,436	4,800
Complaints investigated	11,100	12,298	13,279	14,000	13,500	7,244	4,862	6,422	5,928	6,500
Complaints entered into tracking system	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,220	21,200	23,000
Vacant and foreclosed property clean-ups	N/A	N/A	N/A	N/A	N/A	N/A	N/A	650	598	750
<u>Building Inspections</u>										
Service requests	6,482	2,787	3,889	1,984	N/A	N/A	N/A	N/A	N/A	N/A
Certificates of Occupancy	171	256	364	326	339	584	279	283	288	300
Building permits	2,499	2,829	2,666	2,976	3,528	2,403	2,854	2,162	2,412	2,575
Plumbing permits	1,047	1,063	1,038	961	1,066	940	978	1,103	1,248	1,200
Electrical permits	1,596	1,640	1,431	1,573	1,844	1,909	2,277	2,862	3,179	3,000
Mechanical permits	1,381	1,424	1,159	1,218	1,929	1,463	1,343	1,447	1,828	1,600
Miscellaneous permits	709	651	1,124	1,504	1,884	1,584	407	701	701	1,026
Building inspections	9,970	9,037	8,472	7,404	10,103	8,895	13,216	12,511	13,119	13,000
Plumbing inspections	3,379	2,494	2,809	2,764	2,981	3,243	5,440	7,262	8,104	7,000
Electrical inspections	5,126	5,689	5,261	4,523	4,584	4,595	7,353	12,636	12,269	12,000
Mechanical inspections	3,751	4,937	4,471	4,422	5,644	5,263	6,784	7,774	8,126	8,000
Zoning inspections	6,430	4,204	5,889	5,681	4,940	4,813	15,657	8,679	8,453	8,600
Plan reviews	N/A	2,829	2,586	2,976	3,528	2,987	2,352	2,160	2,467	2,500

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
Recreation and Culture:										
<u>Library</u>										
Annual attendance	489,962	501,123	402,380	371,361	389,200	284,398	336,414	371,751	337,207	375,000
Circulation -										
annual total	600,661	606,019	567,201	544,590	539,164	603,725	599,451	594,626	567,845	560,000
children's materials	144,159	121,085	121,491	117,958	121,788	182,579	237,568	264,351	248,118	230,000
Reference requests	61,123	71,865	67,868	71,121	73,025	62,726	72,761	78,049	70,664	56,000
Reserves placed	24,923	30,427	36,185	40,595	48,184	53,752	68,521	76,805	91,407	75,000
Registered borrowers	37,871	42,585	46,072	37,386	41,997	48,265	54,834	61,284	51,507	70,000
Materials -										
loaned to other libraries	35,487	45,203	69,905	57,635	62,714	53,476	72,662	74,957	76,629	73,000
received from other libraries	33,601	42,031	56,119	41,340	45,426	39,239	57,642	59,173	86,258	70,000
added to collection	18,769	20,539	26,951	24,520	16,292	26,397	25,327	25,741	24,616	22,000
deleted from collection	21,053	19,650	19,600	19,331	27,215	38,081	21,004	16,389	14,976	16,000
Home Page hits	202,665	194,268	192,889	201,309	222,454	231,573	287,079	302,691	301,945	225,000
<u>Recreation</u>										
Pavilion rentals	489	472	475	475	438	460	418	418	482	490
Bus transportation	25,500	48,650	52,000	28,300	28,500	28,550	28,972	25,390	27,750	28,000
Adult & youth sports -										
registrants	6,896	6,550	6,510	5,800	6,500	6,400	7,000	6,700	7,200	7,000
participants	107,244	106,552	106,200	102,575	101,204	105,500	106,000	106,000	106,500	107,000
Senior programs	34,104	36,200	36,500	51,204	52,000	52,450	90,247	85,000	90,000	92,000
Senior sports programs	27,870	26,200	25,000	22,000	23,000	22,400	23,000	22,400	22,400	24,000
Trees removed	492	452	950	1,076	800	1,000	1,131	500	325	350
Trees trimmed	4,351	4,100	4,000	4,000	4,000	3,000	7,788	1,000	800	2,000
Pool attendance	77,900	109,331	239,704	301,505	300,000	301,000	325,000	302,000	350,000	375,000
Yearly pass registrations	300	1,000	3,700	3,923	4,200	4,800	5,200	4,500	4,500	5,000
Sanitation										
Collections points (per week)	50,000	55,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Curbside collection (tons) -										
Refuse land filled	49,385	51,866	51,537	47,626	51,780	48,695	48,695	45,082	43,541	52,000
Curbside recycling	6,081	6,069	5,726	4,977	3,633	4,236	4,236	4,646	4,562	5,000
Curbside compost	14,991	16,283	16,613	14,891	16,123	14,559	14,559	15,228	15,252	16,000
Drop-off center -										
Car batteries (each)	1,252	1,566	1,219	935	935	583	583	459	585	600
Non-ferrous metal (tons)	7	12	7	133	128	1	1	2	7	7
Concrete (tons)	513	591	559	398	385	242	242	245	377	380
Motor oil (gallons)	12,600	18,450	13,325	11,075	11,950	9,250	9,250	10,000	10,800	11,000
Collected / dropped off (tons) -										
Cardboard	118	175	138	124	147	129	129	98	85	90
White goods / scrap metal	1,149	896	542	370	284	232	232	177	167	170
Senior Citizen Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	8	4	7	9	6	9	15	19	12	33
Linoleum replacements	13	12	7	14	9	7	10	10	9	16
Stove replacements	N/A	N/A	N/A	4	25	9	9	15	8	15
Apartments painted	19	17	18	28	9	18	12	25	18	29
Air conditioner replacements	N/A	16	18	18	10	6	8	10	8	12
Maintenance work orders	625	666	789	532	682	545	520	530	545	650
<u>Jos. Coach Manor</u>										
Carpet replacements	3	4	6	15	12	13	42	36	25	40
Linoleum replacements	10	8	8	18	13	17	32	13	25	20
Hot water tank replacements	114	N/A	N/A	2	-	-	2	6	6	10
Apartments painted	25	24	36	48	27	32	28	42	31	65
Countertop replacements	6	1	1	8	8	9	7	18	17	20
Maintenance work orders	1,067	1,054	1,271	1,223	1,203	1,247	1,182	1,300	1,295	1,200

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
Water and Sewer System (2)										
<u>Water Department:</u>										
Water utility accounts	49,339	49,359	49,546	49,768	49,948	50,122	50,248	50,205	50,226	50,137
Sewer utility accounts	49,064	49,079	49,198	49,269	49,319	49,370	49,614	49,110	49,089	49,068
Second meter accounts	N/A	N/A	63	173	256	384	457	506	555	585
Water sold (thousand cu. ft.)	969,120	1,025,088	950,539	844,666	930,433	839,755	883,463	759,993	713,369	734,852
Water purchased	1,066,307	1,144,504	1,081,053	941,846	1,035,761	932,468	1,014,748	851,937	794,608	805,598
Broken water main repairs	288	399	393	267	311	238	344	186	214	202
Sewer jetting (in footage)	417,432	289,125	148,660	276,869	197,240	257,313	129,050	14,167	232,072	117,473
<u>Waste Water Treatment Plant:</u>										
Sewage treated (billions of gallons)	7.9	7.2	7.9	8.4	8.0	9.0	7.6	8.4	8.3	6.8
Sludge solids removed (thousands of tons)	23.3	26.4	30.8	31.2	32.1	31.4	33.3	29.8	29.7	26.7
Power consumption (millions of kilowatt hours)	15.1	14.2	13.4	14.6	16.5	23.4	23.9	26.8	14.9	13.4
Natural gas for incinerator (millions of cu. ft.)	73	77	80	31	78	82	89	82	88	81
Laboratory samples taken	6,914	6,760	6,773	6,788	6,743	6,556	6,634	6,308	6,499	5,609
Analytical lab tests run	47,637	47,624	45,685	45,751	44,608	45,863	45,847	45,680	38,140	35,977
Dye tests performed to locate illicit connections	50	50	50	50	20	200	50	50	20	20
Storm water samples collected	582	202	804	386	457	275	20	50	315	350
Illicit discharges identified	11	13	10	7	17	24	15	46	3	4
Illicit discharges removed	7	10	14	9	50	14	20	7	4	5

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

- (1) Fiscal year 2011 estimates
- (2) Fiscal year ended December 31

Source:
 Fiscal year adopted budget

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

Fiscal Year	Residential One-Family	Residential Multiple Family	Commercial Development	Industrial Development	Total (1)
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
2011	1,135,000	-	1,223,000	-	2,358,000

(1) Estimated Cost of Construction

Source:

City of Warren Building Department

EXHIBIT E-20

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>General government:</u>										
Council	14	14	14	13	13	13	13	13	13	12
37th District Court	50	49	50	50	50	50	49	49	49	49
Mayor	7	7	7	7	7	7	7	7	7	6
Clerk	11	11	11	10	8	9	9	9	9	9
Treasurer	15	15	15	13	12	12	12	12	11	10
Controller	20	20	20	19	19	19	19	19	18	14
Information Systems	4	4	4	4	3	3	3	3	3	3
Legal	11	11	11	11	11	11	11	11	11	11
Assessing	13	13	13	12	12	12	12	12	12	11
Labor Relations	3	3	3	1	1	1	1	2	2	-
Personnel	6	6	6	6	6	6	6	6	6	-
Human Resources	-	-	-	-	-	-	-	-	-	9
D.P.W. Garage	10	10	10	8	8	8	8	8	7	7
Building Maintenance	18	18	18	16	15	15	15	15	9	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	-	-	-	-	-	-	-
	<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>153</u>
<u>Public safety:</u>										
Fire Department	179	179	179	139	148	148	148	147	121	126
Police Department	290	290	290	281	278	274	276	275	270	256
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>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>385</u>
<u>City Development:</u>										
Public Service Director	4	4	4	4	4	4	4	3	3	3
Engineering	17	17	17	9	8	8	8	8	7	7
Property Maintenance	6	6	6	3	3	3	3	4	1	1
Building Inspections	20	20	20	18	17	17	17	17	18	16
Planning	7	7	7	5	4	5	5	5	5	3
Rental Ordinance	2	2	2	2	2	2	2	3	3	3
	<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>33</u>
<u>Highways and Streets</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>28</u>
<u>Recreation and Culture:</u>										
Library	22	22	22	16	16	16	16	16	16	12
Recreation	20	20	20	20	20	20	20	20	20	18
Communications	6	6	7	6	6	6	6	6	5	5
	<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>35</u>
<u>Sanitation</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>28</u>
<u>Economic Development:</u>										
Community & Economic	-	-	-	-	-	-	-	-	-	2
D.D.A.	1	1	1	1	1	1	1	1	1	1
	<u>1</u>	<u>3</u>								
<u>Community Development:</u>										
C.D.B.G.	4	4	4	4	4	4	4	3	3	3
<u>Senior Housing</u>	<u>6</u>	<u>6</u>	<u>5</u>							
<u>Water and Sewer System</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>	<u>86</u>
Total full-time city employees	<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>	<u>759</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
B-10-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
M-10-MC-26-0216

Housing Opportunities for Persons with AIDS

Account Number – MIH06F002
MIH07F002
MIH08F002
MIH09F002
MIH10F002

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 2010-085
- SCAO 2011-070
- 2009-DJ-BX-0167

Energy Efficiency and Conservation Block Grant

Substance Abuse Grant

Assistance to Firefighters Grant

Metropolitan Medical Response System

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT F-1

CITY OF WARREN, MICHIGAN

SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

Federal Agency/Program	CFDA Number	Award Number	Award Amount	Funds Received/ Invoiced	Expenditures
Department of Housing and Urban Development:					
Community Development Block Grant:					
	14.218				
2004-2005		B-04-MC-26-0016	\$ 979,839	\$ -	\$ -
2005-2006		B-05-MC-26-0016	1,182,789	-	-
2006-2007		B-06-MC-26-0016	1,065,623	44,468	44,468
2007-2008		B-07-MC-26-0016	804,261	78,081	78,081
2008-2009		B-08-MC-26-0016	932,139	6,904	6,904
2009-2010		B-09-MC-26-0016	921,053	230,991	230,991
2010-2011		B-10-MC-26-0016	916,645	378,166	<u>378,166</u>
Total Program					<u>738,610</u>
HOME Investment Partnership Program:					
	14.239				
2002-2003		M-02-MC-26-0216	702,361	-	-
2003-2004		M-03-MC-26-0216	425,642	-	-
2004-2005		M-04-MC-26-0216	289,050	38,163	38,163
2005-2006		M-05-MC-26-0216	191,152	-	-
2006-2007		M-06-MC-26-0216	371,553	2,000	2,000
2007-2008		M-07-MC-26-0216	741,499	33,881	33,881
2008-2009		M-08-MC-26-0216	341,897	15,000	15,000
2009-2010		M-09-MC-26-0216	407,488	67,503	67,503
2010-2011		M-10-MC-26-0216	404,092	91,471	<u>91,471</u>
Total Program					<u>248,018</u>
Housing Opportunities for Persons with AIDS:					
	14.241				
2007-2008		MIH07F002	436,000	45,513	45,513
2008-2009		MIH08F002	415,337	91,801	91,801
2009-2010		MIH09F002	492,553	151,396	151,396
2010-2011		MIH10F002	521,567	190,338	<u>190,338</u>
Total Program					<u>479,048</u>
Neighborhood Stabilization Program:					
	14.218				
2008-2009		B-08-MN-26-0014	5,829,477	3,128,329	<u>3,128,329</u>
ARRA - Community Development Block Grant:					
	14.253				
2009-2010		B-09-MY-26-0016	229,180	50,555	<u>50,555</u>
Total Department of Housing and Urban Development					<u>4,644,560</u>

<u>Federal Agency/Program</u>	<u>CFDA Number</u>	<u>Award Number</u>	<u>Award Amount</u>	<u>Funds Received/ Invoiced</u>	<u>Expenditures</u>
Department of Justice:					
Edward Byrne Memorial Justice Assistance Program Pass through State of Michigan	16.738				
2009-2010		SCAO-2010-085	190,000	49,830	49,830
2010-2011		SCAO-2011-070	180,000	79,541	79,541
Pass through Macomb County 2009		2009-DJ-BX-0167	97,911	6,900	<u>6,900</u>
Total U.S. Department of Justice					<u>136,271</u>
Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0002393	1,358,600	631,498	<u>631,498</u>
Department of Health and Human Services:					
Substance Abuse Grant	93.243	1H79T1021542-01	600,000	288,669	<u>288,669</u>
Department of Homeland Security:					
Assistance to Firefighters Metropolitan Medical Response System	97.044	EMW-2009-FO-0396	198,720	198,720	198,720
	97.067	GET50014	258,145	196,662	<u>196,662</u>
Total Department of Homeland Security					<u>395,382</u>
Total Federal Awards					<u>\$ 6,096,380</u>

CITY OF WARREN, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2011

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, 2011

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes 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 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
14.241	Housing Opportunities for Persons with AIDS
16.738	ARRA – Edward Byrne Justice Assistance Grant
81.128	ARRA – Energy Efficiency and Conservation Block Grant

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

Auditee qualified as low-risk auditee? 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, 2011

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	<u>(20,000)</u>
Total 2004/05 program year adjusted resources	\$ 979,839
Less: 2004/05 program year funds drawn by recipient	<u>(973,253)</u>
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	<u>(1,387,852)</u>
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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-11</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ -	\$ 415,599 (1)	\$ 415,599	\$ -
Rehabilitation Delivery	-	100,000	100,000	-
Administrative Costs	-	195,600	195,600	-
Planning Study	-	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>\$ -</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, 2011

Total 2005/06 program year funds allocated to recipient	\$ 989,335
Add: Unobligated funds reprogrammed from:	
2002/03 program year	30,655
2003/04 program year	8,197
2004/05 program year	318,937
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(20,986)
2006/07 program year	<u>(143,349)</u>
Total 2005/06 program year adjusted resources	\$ 1,182,789
Less: 2005/06 program year funds drawn by recipient	<u>(1,182,500)</u>
2005/06 program year funds available from HUD	<u>\$ 289</u>
Total 2005/06 program year funds drawn down by recipient	\$ 1,182,500
Add: Program income allocated to 2005/06 program year	<u>468,017</u>
Total 2005/06 program year funds received	1,650,517
Less: Funds applied to 2005/06 program year costs	<u>(1,650,517)</u>
2005/06 program year funds held by recipient	<u>\$ -</u>
Total 2005/06 program year funds available for disposition	<u>\$ 289</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2005/06 – C.D.B.G. No. B-05-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2005 through June 30, 2011

<u>Program Activity and Related Costs</u>	Expenditures 7-1-10 to 6-30-11	Authorized Costs	Cumulative Expenditures 7-1-05 thru 6-30-11	Questioned Costs
Housing Rehabilitation	\$ -	\$ 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>\$ -</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, 2011

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>(1,065,623)</u>
2006/07 program year funds available from HUD	<u>\$ -</u>
Total 2006/07 program year funds drawn down by recipient	\$ 1,065,623
Add: Program income allocated to 2006/07 program year	<u>335,214</u>
Total 2006/07 program year funds received	1,400,837
Less: Funds applied to 2006/07 program year costs	<u>(1,400,837)</u>
2006/07 program year funds held by recipient	<u>\$ -</u>
Total 2006/07 program year funds available for disposition	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
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, 2011

<u>Program Activity and Related Costs</u>	Expenditures 7-1-10 to 6-30-11	Authorized Costs	Cumulative Expenditures 7-1-06 thru 6-30-11	Questioned Costs
Housing Rehabilitation	\$ 44,243	\$ 414,802 (1)	\$ 414,802	\$ -
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	225	13,975	13,975	-
Homeless Shelter	-	30,000	30,000	-
Homeless Prevention	-	15,000	15,000	-
Child Advocacy	-	5,000	5,000	-
Contingency and Local Option	-	- (6)	-	-
	<u>\$ 44,468</u>	<u>\$ 1,400,837</u>	<u>\$ 1,400,837</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$401,000 was decreased by \$129,547 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.
- (4) "Chore Service" was decreased by reprogramming \$2,000 to "Chore Service" in the 2007/08 program year and by reprogramming \$6,483 to "Housing Rehabilitation" in the 2008/09 program year.
- (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, 2011

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	(738,091)
2007/08 program year funds available from HUD	\$ 66,170
	<u> </u>
Total 2007/08 program year funds drawn down by recipient	\$ 738,091
Add: Program income allocated to 2007/08 program year	<u>104,317</u>
Total 2007/08 program year funds received	842,408
Less: Funds applied to 2007/08 program year costs	(842,408)
2007/08 program year funds held by recipient	\$ -
	<u> </u>
Total 2007/08 program year funds available for disposition	\$ 66,170
	<u> </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, 2011

<u>Program Activity and Related Costs</u>	Expenditures 7-1-10 to 6-30-11	Authorized Costs	Cumulative Expenditures 7-1-07 thru 6-30-11	Questioned Costs
Housing Rehabilitation	\$ 78,081	\$ 225,105 (1)	\$ 161,535	\$ -
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	-	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	-	5,000 (6)	2,500	-
Contingency and Local Option	-	- (7)	-	-
	<u>\$ 78,081</u>	<u>\$ 908,578</u>	<u>\$ 842,408</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, 2011

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>(70,569)</u>
Total 2008/09 program year adjusted resources	\$ 932,139
Less: 2008/09 program year funds drawn by recipient	<u>(567,354)</u>
2008/09 program year funds available from HUD	\$ 364,785
Total 2008/09 program year funds drawn down by recipient	\$ 567,354
Add: Program income allocated to 2008/09 program year	<u>88,812</u>
Total 2008/09 program year funds received	656,166
Less: Funds applied to 2008/09 program year costs	<u>(656,166)</u>
2008/09 program year funds held by recipient	<u>\$ -</u>
Total 2008/09 program year funds available for disposition	<u>\$ 364,785</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, 2011

<u>Program Activity and Related Costs</u>	Expenditures 7-1-10 to 6-30-11	Authorized Costs	Cumulative Expenditures 7-1-08 thru 6-30-11	Questioned Costs
Housing Rehabilitation	\$ -	\$ 339,614 (1)	\$ 71,049	\$ -
Rehabilitation Delivery	-	140,000	140,000	-
Administrative Costs	-	186,263 (2)	186,262	-
Public Improvements:				
Street Improvements	6,687	40,000 (3)	39,878	-
Contractual Services:				
Abandoned buildings	217	22,574 (4)	771	-
CHORE Service	-	35,000	29,029	-
Code Enforcement – Housing Ordinance	-	150,000	91,177	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	11,500 (5)	10,000	-
Homeless Shelter	-	24,000	24,000	-
Homeless Prevention	-	20,000	20,000	-
Child Advocacy	-	4,000	4,000	-
Homebuyer preparation	-	8,000	-	-
Contingency and Local Option	-	- (6)	-	-
	<u>\$ 6,904</u>	<u>\$ 1,020,951</u>	<u>\$ 656,166</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 \$70,568 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, 2011

Total 2009/10 program year funds allocated to recipient	\$ 850,485
Add: Unobligated funds reprogrammed from: 2008/09 program year	85,568
Less: Unobligated funds reprogrammed to: 2006/07 program year	<u>(15,000)</u>
Total 2009/10 program year adjusted resources	\$ 921,053
Less: 2009/10 program year funds drawn by recipient	<u>(828,500)</u>
2009/10 program year funds available from HUD	<u>\$ 92,553</u>
Total 2009/10 program year funds drawn down by recipient	\$ 828,500
Add: Program income allocated to 2009/10 program year	<u>83,442</u>
Total 2009/10 program year funds received	911,942
Less: Funds applied to 2009/10 program year costs	<u>(911,942)</u>
2009/10 program year funds held by recipient	<u>\$ -</u>
Total 2009/10 program year funds available for disposition	<u>\$ 92,533</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-10 thru 6-30-11</u>	<u>Questioned Costs</u>
Housing Rehabilitation	\$ 2,672	\$ 82,754 (1)	\$ 75,760	\$ -
Rehabilitation Delivery	60,593	185,000	185,000	-
Administrative Costs	27,232	186,788 (2)	186,788	-
Public Improvements:				
Street Improvements	8,804	212,453 (3)	171,372	-
Contractual Services:				
CHORE Service	24,607	51,000	29,366	-
Code Enforcement – Housing Ordinance	39,643	105,000	92,858	-
Code Enforcement – Rental Ordinance	50,523	100,000	90,523	-
Housing Support Services	5,275	11,500	10,275	-
Homeless Shelter	8,570	40,000	40,000	-
Homeless Prevention	5,845	30,000	30,000	-
Contingency and Local Option	-	- (4)	-	-
	<u>\$ 233,764</u>	<u>\$ 1,004,495</u>	<u>\$ 911,942</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 \$70,568 from "Street Improvements" in the 2008/09 program year and by reprogramming \$20,571 from "Contingency and Local Option" in the 2009/10 program year.
- (4) "Contingency and Local Option" was decreased by \$51 from an action plan correction from the previous year. It was also decreased by reprogramming \$20,571 to "Street improvements" in the 2009/10 program year.

See accompanying notes to financial statements.

EXHIBIT F-14

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2010/11 – C.D.B.G. No. B-10-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2010 through June 30, 2011

Total 2010/11 program year funds allocated to recipient	\$ 916,645
Less: 2010/11 program year funds drawn by recipient	<u>(378,166)</u>
2010/11 program year funds available from HUD	<u>\$ 538,479</u>
Total 2010/11 program year funds drawn down by recipient	\$ 378,166
Add: Program income allocated to 2010/11 program year	<u>89,762</u>
Total 2010/11 program year funds received	467,928
Less: Funds applied to 2010/11 program year costs	<u>(445,828)</u>
2010/11 program year funds held by recipient	<u>\$ 22,100</u>
Total 2010/11 program year funds available for disposition	<u>\$ 560,579</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 PROGRAM YEAR 2010/11 – C.D.B.G. No. B-10-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2010 through June 30, 2011

	Expenditures 7-1-10 to 6-30-11	Authorized Costs	Cumulative Expenditures 7-1-10 thru 6-30-11	Questioned Costs
<u>Program Activity and Related Costs</u>				
Housing Rehabilitation	\$ 50,316	\$ 121,810 (1)	\$ 50,316	\$ -
Rehabilitation Delivery	102,643	190,000	102,643	-
Administrative Costs	165,089	201,281 (2)	165,089	-
Park Improvements	205	204,000 (3)	205	-
Contractual Services:				
CHORE Service	10,503	35,000	10,503	-
Code Enforcement – Housing Ordinance	52,722	110,000	52,722	-
Code Enforcement – Rental Ordinance	-	40,000	-	-
Housing Support Services	2,500	10,000	2,500	-
Homeless Shelter	35,945	44,000	35,945	-
Homeless Prevention	25,905	31,000	25,905	-
Contingency and Local Option	-	19,316 (4)	-	-
	<u>\$ 445,828</u>	<u>\$ 1,006,407</u>	<u>\$ 445,828</u>	<u>\$ -</u>

- (1) Original "Housing Rehabilitation" allocation of \$114,000 was increased by \$7,810 from more program income earned than budgeted (original budgeted estimate for program income was \$80,000).
- (2) Original "Administrative Costs" allocation of \$199,329 was increased by \$1,952 from more program income earned than budgeted (original budgeted estimate for program income was \$16,000).
- (3) "Park Improvements" was increased by reprogramming \$204,000 from "Contingency and Local Option" in the 2010/11 program year.
- (4) "Contingency and Local Option" was decreased by reprogramming \$204,000 to "Park Improvements" in the 2010/11 program year.

See accompanying notes to financial statements.

EXHIBIT F-16

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, 2011

Total 2008/09 program year funds allocated to recipient	\$ 229,180
Less: 2008/09 program year funds drawn by recipient	<u>(198,123)</u>
2008/09 program year funds available from HUD	<u>\$ 31,057</u>
Total 2008/09 program year funds drawn down by recipient	\$ 198,123
Add: Program income	-
Less: Funds applied to 2008/09 program year costs	<u>(198,123)</u>
2008/09 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ 31,057</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-11</u>	<u>Questioned Costs</u>
Street Improvements	\$ 28,162	\$ 206,262	\$ 175,205	\$ -
Administrative Costs	<u>22,393</u>	<u>22,918</u>	<u>22,918</u>	<u>-</u>
	<u>\$ 50,555</u>	<u>\$ 229,180</u>	<u>\$ 198,123</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXHIBIT F-18

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2002/03 - H.O.M.E. No. M-02-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2002 through June 30, 2011

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>
Total 2002/03 program year funds drawn down by recipient	\$ 702,361
Add: Program Income	829,461
Local matching contributions received and allocated to 2002/03 program year	<u>146,015</u>
Total 2002/03 program year funds received	1,677,837
Less: Funds applied to 2002/03 program year costs	<u>(1,671,571)</u>
2002/03 program year funds held by recipient	<u>\$ 6,266</u>
Total 2002/03 program year funds available for disposition	<u>\$ 6,266</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures</u> 7-1-10 to 6-30-11	<u>Authorized</u> <u>Costs</u>	<u>Cumulative</u> <u>Expenditures</u> 7-1-02 thru 6-30-11	<u>Questioned</u> <u>Costs</u>
Acquisition / New Construction	\$ 17,084	\$ 1,213,684 (1)	\$ 1,169,674	\$ -
Single Family Acquisition Rehabilitation	28,515	195,478 (2)	209,223	-
CHDO Operating	-	24,250 (4)	20,000	-
Direct Homebuyer Assistance	-	135,925 (3)	135,925	-
Program Administration	<u>34 -</u>	<u>108,500</u>	<u>136,749</u>	<u>-</u>
	<u>\$ 45,631</u>	<u>\$ 1,677,837</u>	<u>\$ 1,671,571</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-20

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2003/04 - H.O.M.E. No. M-03-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2003 through June 30, 2011

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>
Total 2003/04 program year funds drawn down by recipient	\$ 425,642
Add: Program Income	646,889
Local matching contributions received and allocated to 2003/04 program year	<u>123,210</u>
Total 2003/04 program year funds received	1,195,741
Less: Funds applied to 2003/04 program year costs	(1,105,741)
2003/04 program year funds held by recipient	<u>\$ 90,000</u>
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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-03 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	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>\$ 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-22

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2004/05 - H.O.M.E. No. M-04-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2004 through June 30, 2011

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	(252,450)
2004/05 program year funds available from HUD	<u>\$ 36,600</u>
Total 2004/05 program year funds drawn down by recipient	\$ 252,450
Add: Program Income	74,311
Local matching contributions received and allocated to 2004/05 program year	<u>134,594</u>
Total 2004/05 program year funds received	461,355
Less: Funds applied to 2004/05 program year costs	(363,761)
2004/05 program year funds held by recipient	<u>\$ 97,594</u>
Total 2004/05 program year funds available for disposition	<u>\$ 134,194</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-04 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 38,163	\$ 212,027 (1)	\$ 83,159	\$ -
Single Family Acquisition Rehabilitation	-	72,311 (2)	77,439	-
CHDO Operating	-	21,200 (3)	20,000	-
Direct Homebuyer Assistance	-	80,000 (4)	80,000	-
Program Administration	-	112,417	103,164	-
	<u>\$ 38,163</u>	<u>\$ 497,955</u>	<u>\$ 363,761</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-24

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2005/06 - H.O.M.E. No. M-05-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2005 through June 30, 2011

Total 2005/06 program year funds allocated to recipient	\$ 406,985
Less: Unobligated funds reprogrammed to:	
2006/07 program year	(71,049)
2007/08 program year	(144,784)
Less: 2005/06 program year funds drawn by recipient	(181,635)
2005/06 program year funds available from HUD	<u>\$ 9,517</u>
Total 2005/06 program year funds drawn down by recipient	\$ 181,635
Add: Program Income	390,992
Local matching contributions received and allocated to 2005/06 program year	<u>79,000</u>
Total 2005/06 program year funds received	651,627
Less: Funds applied to 2005/06 program year costs	(606,627)
2005/06 program year funds held by recipient	<u>\$ 45,000</u>
Total 2005/06 program year funds available for disposition	<u>\$ 54,517</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
 HOME INVESTMENT PARTNERSHIP FUND
 PROGRAM YEAR 2005/06 - H.O.M.E. No. M-05-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2005 through June 30, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-05 thru 6-30-11</u>	<u>Questioned 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-26

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2006/07 - H.O.M.E. No. M-06-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2011

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	(296,824)
2006/07 program year funds available from HUD	<u>\$ 74,729</u>
Total 2006/07 program year funds drawn down by recipient	\$ 296,824
Add: Program Income	216,197
Local matching contributions received and allocated to 2006/07 program year	<u>176,575</u>
Total 2006/07 program year funds received	689,596
Less: Funds applied to 2006/07 program year costs	(636,596)
2006/07 program year funds held by recipient	<u>\$ 53,000</u>
Total 2006/07 program year funds available for disposition	<u>\$ 127,729</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-06 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 349,342 (1)	\$ 154,831	\$ -
Single Family Acquisition Rehabilitation	-	6,075 (2)	12,136	-
CHDO Operating	-	19,096	15,000	-
Direct Homebuyer Assistance	2,000	4,000 (4)	2,000	-
Program Administration	-	32,192	49,704	-
Owner Occupied Residential Rehabilitation	-	353,620 (3)	402,925	-
	<u>\$ 2,000</u>	<u>\$ 764,325</u>	<u>\$ 636,596</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-28

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2011

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	(387,257)
2007/08 program year funds available from HUD	<u>\$ 354,242</u>
Total 2007/08 program year funds drawn down by recipient	\$ 387,257
Add: Program Income	59,266
Local matching contributions received and allocated to 2007/08 program year	<u>-</u>
Total 2007/08 program year funds received	446,523
Less: Funds applied to 2007/08 program year costs	(446,523)
2007/08 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ 354,242</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-07 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 81,616 (1)	\$ 24,874	\$ -
Single Family Acquisition Rehabilitation	33,881	428,841 (2)	185,023	-
CHDO Operating	-	18,936	-	-
Direct Homebuyer Assistance	-	127,500 (3)	-	-
Program Administration	-	43,872	102,234	-
Owner Occupied Residential Rehabilitation	-	100,000 (4)	134,392	-
	<u>\$ -</u>	<u>\$ 800,765</u>	<u>\$ 446,523</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-30

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2008 through June 30, 2011

Total 2008/09 program year funds allocated to recipient	\$ 366,658
Less: Unobligated funds reprogrammed to: 2009/10 program year	(24,761)
Less: 2008/09 program year funds drawn by recipient	(163,933)
2008/09 program year funds available from HUD	<u>\$ 177,964</u>
Total 2008/09 program year funds drawn down by recipient	\$ 163,933
Add: Program Income	66,642
Local matching contributions received and allocated to 2008/09 program year	<u>132,250</u>
Total 2008/09 program year funds received	362,825
Less: Funds applied to 2008/09 program year costs	(362,825)
2008/09 program year funds held by recipient	<u>\$ -</u>
Total 2008/09 program year funds available for disposition	<u>\$ 177,964</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 62,749 (1)	\$ 62,749	\$ -
Single Family Acquisition Rehabilitation	-	119,632 (2)	-	-
CHDO Operating	15,000	18,332	15,000	-
Direct Homebuyer Assistance	-	57,500 (3)	2,500	-
Program Administration	-	48,933 (4)	48,933	-
Owner Occupied Residential Rehabilitation	-	233,643 (5)	233,643	-
	<u>\$ 15,000</u>	<u>\$ 540,789</u>	<u>\$ 362,825</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-32

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, 2011

Total 2009/10 program year funds allocated to recipient	\$ 382,727
Add: Unobligated funds reprogrammed from: 2008/09 program year	24,761
Less: 2009/10 program year funds drawn by recipient	(176,528)
2009/10 program year funds available from HUD	<u>\$ 230,960</u>
Total 2009/10 program year funds drawn down by recipient	\$ 176,528
Add: Program Income	313,379
Local matching contributions received and allocated to 2009/10 program year	<u>55,510</u>
Total 2009/10 program year funds received	545,417
Less: Funds applied to 2009/10 program year costs	(545,417)
2009/10 program year funds held by recipient	<u>\$ -</u>
Total 2009/10 program year funds available for disposition	<u>\$ 230,960</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-09 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ -	\$ 280,804 (1)	\$ 280,804	\$ -
Single Family Acquisition Rehabilitation	-	68,453 (2)	42,692	-
CHDO Operating	-	15,000	-	-
Direct Homebuyer Assistance	-	75,000 (3)	-	-
Program Administration	27,172	40,748 (4)	72,087	-
Owner Occupied Residential Rehabilitation	<u>104,180</u>	<u>296,372 (5)</u>	<u>149,834</u>	<u>-</u>
	<u>\$ 131,352</u>	<u>\$ 776,377</u>	<u>\$ 545,417</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-34

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2010/11 - H.O.M.E. No. M-10-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2010 through June 30, 2011

Total 2010/11 program year funds allocated to recipient	\$ 404,092
Less: 2010/11 program year funds drawn by recipient	(91,471)
2010/11 program year funds available from HUD	<u>\$ 312,621</u>
Total 2010/11 program year funds drawn down by recipient	\$ 91,471
Add: Program Income	351,174
Local matching contributions received and allocated to 2010/11 program year	<u>139,633</u>
Total 2010/11 program year funds received	582,278
Less: Funds applied to 2010/11 program year costs	(491,373)
2010/11 program year funds held by recipient	<u>\$90,905</u>
Total 2010/11 program year funds available for disposition	<u>\$ 403,526</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2010/11 - H.O.M.E. No. M-10-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2010 through June 30, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-10 thru 6-30-11</u>	<u>Questioned Costs</u>
Acquisition / New Construction	\$ 221,776	\$ 227,717 (1)	\$ 221,776	\$ -
Single Family Acquisition Rehabilitation	60,498	75,000	60,498	-
CHDO Operating	-	15,000	-	-
Program Administration	29,888	75,026 (2)	29,888	-
Owner Occupied Residential Rehabilitation	<u>179,211</u>	<u>502,156 (3)</u>	<u>179,211</u>	<u>-</u>
	<u>\$ 491,373</u>	<u>\$ 894,899</u>	<u>\$ 491,373</u>	<u>\$ -</u>

- (1) "Acquisition / New Construction" was decreased by \$30,443 from less program income received than budgeted and increased by \$61,160 from more match received than budgeted.
- (2) "Administrative Costs" was decreased by \$3,383 from less program income received than budgeted.
- (3) "Owner Occupied Residential Rehabilitation" was decreased by \$21,527 from less match received than budgeted.

See accompanying notes to financial statements.

EXHIBIT F-36

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, 2011

Total 2007/08 program year funds allocated to recipient	\$ 409,000
Add: Unobligated funds reprogrammed from:	
2006/07 program year	27,000
Less: Unobligated funds reprogrammed to:	
2009/10 program year	(59)
2010/11 program year	<u>(19,412)</u>
Total 2007/08 program year adjusted resources	416,529
Less: 2007/08 program year funds drawn by recipient	<u>(416,529)</u>
2007/08 program year funds available from HUD	<u>\$ -</u>
Total 2007/08 program year funds drawn down by recipient	\$ 416,529
Add: Program income	834
Less: Funds applied to 2007/08 program year costs	<u>(417,363)</u>
2007/08 program year funds held by recipient	<u>\$ -</u>
Total 2007/08 program year funds available for disposition	<u>\$ -</u>

See accompanying notes to financial statements.

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

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2007 through June 30, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-07 thru 6-30-11</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	-	100,466 (1)	100,466	-
Tenant Based Rental Assistance	46,251	180,000	180,000	-
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	-	48,671 (2)	48,671	-
Move In Assistance	-	35,956 (3)	35,956	-
	<u>\$ 46,251</u>	<u>\$ 417,363</u>	<u>\$ 417,363</u>	<u>\$ -</u>

- (1) "Housing Advocacy Assistance" was increased by reprogramming \$5,000 from "Move In Assistance" in the 2006/07 program year. It was decreased by reprogramming \$4,534 to "In Home Non-medical Care for Medically Fragile" in the 2010/11 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. It was decreased by reprogramming \$59 to "In Home Non-medical Care for Medically Fragile" in the 2009/10 program year.
- (3) "Move In Assistance" was increased by \$834 from program income received in 2007/08 (not previously noted) and by reprogramming \$10,000 from "Move In Assistance" in the 2006/07 program year. It was decreased by reprogramming \$14,878 to "In Home Non-medical Care for Medically Fragile" in the 2010/11 program year.

See accompanying notes to financial statements.

EXHIBIT F-38

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, 2011

Total 2008/09 program year funds allocated to recipient	\$ 437,000
Add: Unobligated funds reprogrammed from:	
2006/07 program year	18,094
Less: Unobligated funds reprogrammed to:	
2009/10 program year	(36,103)
2010/11 program year	<u>(3,654)</u>
Total 2008/09 program year adjusted resources	415,337
Less: 2008/09 program year funds drawn by recipient	<u>(318,726)</u>
2008/09 program year funds available from HUD	<u>\$ 96,611</u>
Total 2008/09 program year funds drawn down by recipient	\$ 318,726
Add: Program income	-
Less: Funds applied to 2008/09 program year costs	<u>(318,726)</u>
2008/09 program year funds held by recipient	<u>\$ -</u>
Total 2008/09 program year funds available for disposition	<u>\$ 96,611</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-11</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	-	104,188 (1)	104,188	-
Tenant Based Rental Assistance	91,801	188,412 (2)	91,801	-
In Home Non-medical Care for Medically Fragile	-	27,963 (3)	27,963	-
Administrative Costs	-	13,110	13,110	-
Short-term Rent, Mortgage and Utility Assistance	-	53,649 (4)	53,649	-
Move In Assistance	-	28,015 (5)	28,015	-
	<u>\$ 91,801</u>	<u>\$ 415,337</u>	<u>\$ 318,726</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. It was decreased by reprogramming \$3,654 to "In Home Non-medical Care for Medically Fragile" in the 2010/11 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 and by reprogramming \$14,066 to "In Home Non-medical Care for Medically Fragile" in the 2009/10 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-40

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, 2011

Total 2009/10 program year funds allocated to recipient	\$ 456,391
Add: Unobligated funds reprogrammed from:	
2007/08 program year	59
2008/09 program year	<u>36,103</u>
Total 2009/10 program year adjusted resources	492,553
Less: 2009/10 program year funds drawn by recipient	<u>(324,232)</u>
2009/10 program year funds available from HUD	<u>\$ 168,321</u>
Total 2009/10 program year funds drawn down by recipient	\$ 324,232
Add: Program income	-
Less: Funds applied to 2009/10 program year costs	<u>(324,232)</u>
2009/10 program year funds held by recipient	<u>\$ -</u>
Total 2009/10 program year funds available for disposition	<u>\$ 168,321</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-10 thru 6-30-11</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	56,063	129,113 (1)	120,885	-
Tenant Based Rental Assistance	-	160,000	-	-
In Home Non-medical Care for Medically Fragile	37,706	87,577 (2)	87,577	-
Administrative Costs	11,959	13,691	13,691	-
Short-term Rent, Mortgage and Utility Assistance	26,073	57,172 (3)	57,150	-
Move In Assistance	19,695	45,000	44,929	-
Contingencies	-	- (4)	-	-
	<u>\$ 151,496</u>	<u>\$ 492,553</u>	<u>\$ 324,232</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 and by reprogramming \$59 from "Short-term Rent, Mortgage and Utility Assistance" in the 2007/08 program year and by reprogramming \$14,066 from "Short-term Rent, Mortgage and Utility Assistance" 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-42

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2010/11 – ACCOUNT NO. MIH10F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2010 through June 30, 2011

Total 2010/11 program year funds allocated to recipient	\$ 498,501
Add: Unobligated funds reprogrammed from:	
2007/08 program year	19,412
2008/09 program year	<u>3,654</u>
Total 2010/11 program year adjusted resources	521,567
Less: 2010/11 program year funds drawn by recipient	<u>(190,338)</u>
2010/11 program year funds available from HUD	<u>\$ 331,229</u>
Total 2010/11 program year funds drawn down by recipient	\$ 190,338
Add: Program income	-
Less: Funds applied to 2010/11 program year costs	<u>(190,238)</u>
2010/11 program year funds held by recipient	<u>\$ 100</u>
Total 2010/11 program year funds available for disposition	<u>\$ 331,329</u>

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2010/11 – ACCOUNT NO. MIH10F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2010 through June 30, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-10 thru 6-30-11</u>	<u>Questioned Costs</u>
Emergency Housing Assistance	\$ -	\$ -	\$ -	\$ -
Housing Advocacy Assistance	66,678	128,179	66,678	-
Tenant Based Rental Assistance	-	182,543	-	-
In Home Non-medical Care for Medically Fragile	64,320	93,066 (1)	64,320	-
Administrative Costs	10,778	14,955	10,778	-
Short-term Rent, Mortgage and Utility Assistance	31,575	60,000(2)	31,575	-
Move In Assistance	16,887	42,824(3)	16,887	-
Contingencies	-	-	-	-
	<u>\$ 190,238</u>	<u>\$ 521,567</u>	<u>\$ 190,238</u>	<u>\$ -</u>

- (1) "In Home Non-medical Care for the Medically Fragile" was increased by reprogramming \$4,534 from "Housing Advocacy Assistance" in the 2007/08 program year and by \$3,654 from the 2008/09 program year. It was also increase by reprogramming \$14,878 from the "Move In Assistance" in the 2007/08 program year.
- (2) "Short-term Rent, Mortgage and Utility Assistance" was decreased by reprogramming \$7,824 to "Move In Assistance" in the 2010/11 program year.
- (3) "Move In Assistance" was increased by reprogramming \$7,824 from "Short-term Rent, Mortgage and Utility Assistance" in the 2010/11 program year.

See accompanying notes to financial statements.

EXHIBIT F-44

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, 2011

Total 2008/09 program year funds allocated to recipient	\$ 5,829,447
Less: 2008/09 program year funds drawn by recipient	(<u>3,656,975</u>)
2008/09 program year funds available from HUD	\$ <u>2,172,472</u>
Total 2008/09 program year funds drawn down by recipient	\$ 3,656,975
Add: Program income	121,724
Less: Funds applied to 2008/09 program year costs	(<u>3,656,975</u>)
2008/09 program year funds held by recipient	\$ <u>121,724</u>
Total 2007/08 program year funds available for disposition	\$ <u>2,294,196</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, 2011

<u>Program Activity and Related Costs</u>	<u>Expenditures 7-1-10 to 6-30-11</u>	<u>Authorized Costs</u>	<u>Cumulative Expenditures 7-1-08 thru 6-30-11</u>	<u>Questioned Costs</u>
Downpayment and Rehab Direct Assistance	\$ 29,217	\$ 30,000 (1)	\$ 29,856	\$ -
New Construction	353,894	1,230,000 (2)	366,079	-
Rehabilitation Resale	1,463,954	2,365,250 (3)	1,732,601	-
Demolition	105,301	250,000 (4)	243,189	-
Homebuyer Education	3,475	17,250 (5)	3,475	-
Acquisition / Demolition North Bay Machinery	458,168	474,000 (6)	458,250	-
Owen Jax Park Construction	579,191	880,500 (7)	579,191	-
Administrative Costs	<u>135,129</u>	<u>582,447 (8)</u>	<u>244,334</u>	<u>-</u>
	<u>\$3,128,329</u>	<u>\$ 5,829,447</u>	<u>\$ 3,656,975</u>	<u>\$ -</u>

- (1) "Downpayment and Rehab Direct Assistance" was decreased by reprogramming \$570,000 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 increased by reprogramming \$570,000 from "Downpayment and Rehab Direct Assistance"
- (4) "Demolition" was decreased by reprogramming \$750,000 to the following:
\$ 17,250 to "Homebuyer Education"
\$ 534,000 to "Acquisition / Demolition North Bay Machinery"
\$ 150,000 to "New Construction"
\$ 48,750 to "Rehabilitation Resale"
- (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" and decreased by reprogramming \$60,000 to "Owen Jax Park Construction".
- (7) "Owen Jax Park Construction" was increased by reprogramming \$820,500 from "Rehabilitation Resale" and by reprogramming \$60,000 from "Acquisition / Demolition North Bay Machinery".
- (8) "Administrative Costs" was decreased by \$252,500 from less program income received than budgeted.

See accompanying notes to financial statements.