City of Warren

MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

WARREN

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

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

Michigan Department of Treasury
496 (Rev.06/08)

Auditing Procedures Report

Instructions and MuniCodes | *=Required Fields | Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* City of Warren	County* MACOMB	Type* CITY	MuniCode* 50-2-120
Opinion Date-Use Calendar* Dec 12, 2008	Audit Submitted-Use Calendar* Dec 16, 2008	Fiscal Year End Month* 06	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

- [X] ? 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- [X] ? 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
- [X] ? 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- [X] ? 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
- [X] ? 5. Did the local unit adopt a budget for all required funds?
- [X] ? 6. Was a public hearing on the budget held in accordance with State statute?
- [X] ? 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- [X] ? 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
- [X] ? 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- [X] 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
- [X] ? 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- [X] ? 12. Is the local unit free of repeated reported deficiencies from previous years?
- [X] ? 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- [X] 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
- [X] ? 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- [X] ? 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
- [X] ? 18. Are there reported deficiencies? [ ] 19. If so, was it attached to the audit report?

General Fund Revenue: ?	$ 97,898,808.00	General Fund Balance: ?	$ 57,557,789.00
General Fund Expenditure: ?	$ 95,684,393.00	Governmental Activities Long-Term Debt (see instructions): ?	$ 133,471,126.00
Major Fund Deficit Amount:	$ 0.00		

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* Ramie E.	Last Name* Phillips, Jr.	Ten Digit License Number* 1101007911		
CPA Street Address* 1130 Tienken Ct., Suite 100	City* Rochester Hills	State* MI	Zip Code* 48306	Telephone* +1 (248) 656-1131
CPA Firm Name* Ramie E. Phillips, Jr., PC, CPA	Unit's Street Address* One City Square	Unit's City* Warren	Unit's Zip* 48093	

CITY OF
WARREN

ONE CITY SQUARE
WARREN, MICHIGAN 48093

ADMINISTRATION

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

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

PRESENT ELECTIVE OFFICERS

(Terms expire November 2, 2011)

MAYOR
JAMES R. FOUTS

TREASURER
CAROLYN KURKOWSKI-MOCERI

CLERK
PAUL J. WOJNO

COUNCIL

MARY KAMP, *President*
DONNA KACZOR CAUMARTIN, *Vice President*
KEITH J. SADOWSKI, *Secretary*
SCOTT C. STEVENS, *Asst. Secretary*
ROBERT BOCCOMINO
PATRICK GREEN
MARK LISS
KATHY VOGHT
STEVEN WARNER

DEPARTMENT HEADS

(Appointed Officials)

RICHARD A. FOX, *City Controller*
PHILIP O. MASTIN III, *City Assessor*
ROBERT VOUGHT, *Fire Commissioner*
WILLIAM DWYER, *Police Commissioner*
DAVID RICHARDS, *City Attorney*
RICHARD SABAUGH, *Public Services Director*
HENRY D. BOWMAN, *Parks and Recreation Director*
EDWIN A. BAYER III, *Planning Director*
DENISE L. WILLIAMS, *Director of Personnel Management*
AMY L. HENDERSTEIN, *Library Director*

CITY OF WARREN, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS

	EXHIBIT	PAGE
INTRODUCTORY SECTION		
Title Page		i
City Officials		ii
Table of Contents		iii - vi
Letter of Transmittal		vii – xv
GFOA Certificate of Achievement		xvi
Organization Chart		
FINANCIAL SECTION		
Independent Auditor's Report		xvii
Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards		xviii
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-113		xix - xx
Management's Discussion and Analysis		1 - 12
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	13 - 14
Statement of Activities	A-2	15 - 16
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	17 - 27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	B-2	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	29 - 39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	40
Proprietary Funds:		
Statement of Net Assets	B-5	41 - 42
Statement of Revenues, Expenses, and Changes in Net Assets	B-6	43
Statement of Cash Flows	B-7	44 - 45
Fiduciary Funds:		
Statement of Fiduciary Net Assets	B-8	46
Statement of Changes in Fiduciary Net Assets	B-9	47
Notes to Financial Statements		48 - 82

FINANCIAL SECTION (continued)

	EXHIBIT	PAGE
Required Supplementary Information:		
Budgetary Comparison Schedules:		
General Fund:		
Summary of Revenues, Expenditures and Other Financing Sources and Uses	C-1	83
Detailed Revenues and Other Financing Sources	C-2	84 - 85
Detailed Expenditures and Other Financing Uses	C-3	86 - 102
Michigan Transportation Operating Funds:		
Major Streets	C-4	103 - 104
Local Streets	C-5	105 - 106
Sanitation	C-6	107
Parks and Recreation	C-7	108 - 110
Library	C-8	111 - 112
Community Development Block Grant	C-9	113 - 119
HOME Investment Partnership	C-10	120 - 128
Housing Opportunities for Persons with AIDS	C-11	129 - 132
Communications	C-12	133
Rental Ordinance Fund	C-13	134
Vice Crime Confiscation Fund	C-14	135
Drug Forfeiture Fund	C-15	136
Police Training Fund	C-16	137
Downtown Development Authority Administration Fund	C-17	138
Chapter 20 and 21 Drain Bond Debt Retirement Fund	C-18	139
Downtown Development Authority Debt Retirement Funds:		
Series 2002	C-19	140
Series 2003	C-20	141
Series 2004	C-21	142
Series 2005	C-22	143
Michigan Transportation Bond Debt Retirement Funds:		
Series 1997	C-23	144
Series 2000	C-24	145
Refunding Series 2003	C-25	146
Series 2003	C-26	147
Capital Improvement Bond Series 2006 Debt Retirement Fund	C-27	148
37th District Court Building Renovation Fund	C-28	149
Sewage Disposal Plant Expansion Fund	C-29	150
Combining Statement of Net Assets – Fiduciary and Agency Funds	C-30	151 – 152
Combining Statement of Changes in Net Assets – Fiduciary Funds	C-31	153 - 154

	EXHIBIT	PAGE
FINANCIAL SECTION (continued)		
Required Supplementary Information (continued):		
Schedule of Funding Progress:		
City Employees' Retirement System	C-32	155
Police and Fire Retirement System	C-33	155
City Employees' VEBA Trust	C-34	156
Police and Fire VEBA Trust	C-35	156
State of Michigan Construction Code Act	C-36	157
STATISTICAL SECTION		
Net Assets by Component	D-1	158 - 159
Changes in Net Assets	D-2	160 - 161
Fund Balances in Governmental Funds	D-3	162 - 163
Changes in Fund Balances of Governmental Funds	D-4	164 - 165
Actual, State Equalized and Taxable Value of Taxable Property	D-5	166 - 167
Direct and Overlapping Property Tax Rates	D-6	168 - 169
Principal Property Taxpayers	D-7	170
Property Tax Levies and Collections	D-8	171 - 172
Ratios of Net General Bonded Debt Outstanding and Net Outstanding Debt by Type	D-9	173 - 174
Direct and Overlapping Governmental Activities Debt	D-10	175
Legal Debt Margin Information	D-11	176
Pledged Revenue Coverage	D-12	177 - 178
Debt Service Requirements to Maturity:		
Governmental Activities	D-13	179 - 184
Business-Type Activities	D-14	184 - 188
Demographic and Economic Statistics	D-15	189
Miscellaneous Demographics	D-16	190 - 191
Principal Employers	D-17	192
Operating Indicators by Function	D-18	193 - 196
Value of New Construction	D-19	197
Full-Time Equivalent City Government Employees by Function	D-20	198
FEDERAL FINANCIAL ASSISTANCE PROGRAMS		
Schedule of Federal Financial Assistance	E-1	199 – 200
Notes to Schedule of Expenditures of Federal Awards		201
Schedule of Findings and Questioned Costs		202
Community Development Block Grant Program:		
Program Year 1999/00:		
Statement of Source and Status of Funds	E-2	203
Statement of Program Costs	E-3	204
Program Year 2003/04:		
Statement of Source and Status of Funds	E-4	205
Statement of Program Costs	E-5	206

TABLE OF CONTENTS

	EXHIBIT	PAGE
FEDERAL FINANCIAL ASSISTANCE PROGRAMS (continued)		
Community Development Block Grant Program (continued):		
Program Year 2004/05:		
Statement of Source and Status of Funds	E-6	207
Statement of Program Costs	E-7	208
Program Year 2005/06:		
Statement of Source and Status of Funds	E-8	209
Statement of Program Costs	E-9	210
Program Year 2006/07:		
Statement of Source and Status of Funds	E-10	211
Statement of Program Costs	E-11	212
Program Year 2007/08:		
Statement of Sources and Status of Funds	E-12	213
Statement of Program Costs	E-13	214
HOME Investment Partnership Fund:		
Program Year 1999/00:		
Statement of Source and Status of Funds	E-14	215
Statement of Program Costs	E-15	216
Program Year 2000/01:		
Statement of Source and Status of Funds	E-16	217
Statement of Program Costs	E-17	218
Program Year 2001/02:		
Statement of Source and Status of Funds	E-18	219
Statement of Program Costs	E-19	220
Program Year 2002/03:		
Statement of Source and Status of Funds	E-20	221
Statement of Program Costs	E-21	222
Program Year 2003/04:		
Statement of Source and Status of Funds	E-22	223
Statement of Program Costs	E-23	224
Program Year 2004/05:		
Statement of Source and Status of Funds	E-24	225
Statement of Program Costs	E-25	226
Program Year 2005/06:		
Statement of Source and Status of Funds	E-26	227
Statement of Program Costs	E-27	228
Program Year 2006/07:		
Statement of Source and Status of Funds	E-28	229
Statement of Program Costs	E-29	230
Program Year 2007/08:		
Statement of Source and Status of Funds	E-30	231
Statement of Program Costs	E-31	232
Housing Opportunities for Persons with AIDS:		
Program Year 2006/07:		
Statement of Source and Status of Funds	E-32	233
Statement of Program Costs	E-33	234
Program Year 2007/08:		
Statement of Source and Status of Funds	E-34	235
Statement of Program Costs	E-35	236

WARREN

CITY CONTROLLER'S OFFICE

One City Square, Suite 425
Warren, MI 48093-5289
(586) 574-4600
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December 12, 2008

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, 2008.

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, 2008 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The City's financial statements have received an "unqualified opinion" from the independent auditor. An unqualified opinion is the best opinion an organization can receive. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects. The independent auditor's report is presented as the first component of the financial section of this report.

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

General Information

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

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

General Information (continued)

With over 4,000 businesses, Warren has a diverse business climate and was *ranked 2nd in Michigan for Best Places to do Business* (2006) by Forbes Magazine. Unquestionably contributing to the economic vitality of the City is the presence of General Motors Corporation and Daimler-Chrysler Corporation automotive facilities. Warren is proud to be the home of General Motors Technical Center, a 330-acre complex housing General Motors Corporation staff operations; research laboratories, engineering, and design. General Motors Corporation also operates the Hydramatic Plant on a 117-acre site within the city. Daimler-Chrysler Corporation has three major facilities in Warren. Occupying a 224-acre site, this complex includes an assembly plant, a stamping plant and a paint plant. The presence of General Motors Corporation and Daimler-Chrysler Corporation represents approximately 18.07% of the City's taxable value. In the past five years, General Motors and Chrysler have invested $943 million in the GM Powertrain Facility and the Chrysler Stamping and Truck facilities in Warren. This is in addition to the $1.2 billion dollar investment in the General Motors Technical Center. In the past eighteen months, twenty economic development projects valued at $117 million were approved utilizing available tax abatement incentives resulting in the retention of 1,626 jobs and the creation of 657 new jobs. In the past year, 7 new commercial development permits and 48 single-family and multiple-dwelling residential permits were issued representing $4.5 million of additional investment in the City.

The South Campus of Macomb Community College, the state's third largest college, is a public college located on a 100-acre site on Twelve Mile Road. Macomb Community College is one of the nation's leading community colleges, providing learning experiences to more than 59,000 students annually. Macomb ranks nationally in the top two percent in the number of associate's degrees awarded and as the largest grantor of associate's degrees in Michigan. The college's comprehensive educational programming includes pre-college experiences, university transfer and career preparation programs, bachelor's degree completion and graduate degree programs, workforce training, professional and continuing education and enrichment opportunities. Davenport University also operates a facility in Warren and is one of the few private universities offering baccalaureate and masters degree programs focused exclusively on business and technology and the integration of both into health care professions.

Protecting the lives and property of Warren's citizens is the mission of our public safety departments. The Fire Department strives to ensure that the best fire extinguishment and emergency medical service is available to service the community. The Police Department operates an Emergency 911 system, in-vehicle wireless communications and a high tech mobile command center to afford residents the quickest possible response to any emergency situation. This continual investment in equipment, facilities and personnel has resulted in Warren having one of the lowest crime rates in the nation for a city of over 100,000 people.

The mission of the Warren Public Library is to improve the quality of life for the citizens of Warren by providing services and resources that promote educational, cultural, social and economic well being. The library strives to be a source of information for lifetime learning and enjoyment. One of its primary goals is to stimulate young children's interest in reading and learning and to encourage literacy among all age groups. The Warren Public Library opened a new Civic Center Library in 2006 and occupies 35,000 square feet on the main floor of the new City Hall building. The Library features a computer lab, self check-out units, private study rooms and an inviting reading room with fireplace. New services such as after hours book pick-up and a drive-up book drop are also available. This new centrally located library will benefit all citizens of Warren. Warren also has three branch libraries, each providing internet access and adaptive devices for the visually impaired. As a member of the Suburban Library Cooperative, the Warren Libraries provide access for patrons to all library materials in the State of Michigan.

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

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

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

Reporting Entity

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

Report Organization

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

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

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

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

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

Accounting Systems, Budgetary and Internal Controls

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

Annual balanced budgets are adopted for all the primary government's General, Special Revenue and Debt Service Funds as required by the Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Although not required, budgets were formally adopted for the proprietary funds and the Sewage Disposal Plant Expansion and 37th District Court Building Renovation capital projects funds to assist management in monitoring operations.

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

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

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

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

General Governmental Functions

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

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

General Fund Revenues and Other Financing Sources

	Amount	Percentage of Total	Increase (Decrease) from 2007
Property taxes	$ 65,390,378	66.1%	$ 1,682,684
Licenses and permits	1,691,127	1.7	(638,005)
Intergovernmental:			
Federal revenue	401,575	0.4	(195,114)
State revenue	14,811,050	15.0	(548,775)
Local revenue	800,095	0.8	132,123
Charges for services	819,912	0.8	78,635
Fines and fees	5,079,793	5.1	94,398
Interest on investments	2,842,479	2.9	(825,990)
Miscellaneous	6,062,399	6.1	(104,082)
Sub-total	97,898,808	98.9	(324,126)
Settlement agreement	1,000,000	1.0	1,000,000
Transfers from other funds	120,000	0.1	5,000
Total	$ 99,018,808	100.0	$ 680,874

Taxable property values increased $201 million compared to the prior year resulting in an increase in general fund property tax revenues of $1.7 million. There was no change in the property tax rate levied for fiscal year 2008. License and permit revenues decreased 27.4% from prior year levels as construction spending continued to slow. The reduction in State revenues was the result of recognition of Homeland Security Grant revenues in 2007 that were not evident in 2008. State shared sales tax revenues for fiscal year 2008 were the same as those for 2007. Even though there was no further reduction, these reduced levels continue to negatively impact the City's operations. Sales Tax distributions in 2007 were $435,000 less than the prior fiscal year, following reductions of $164,000 in fiscal year 2006, $163,000 in fiscal year 2005, $1,683,000 in fiscal year 2004, $1,036,000 in fiscal year 2003, $1,204,000 in fiscal year 2002, and $490,000 in fiscal year 2001. Cumulatively, this represents a decrease of $5.2 million in current state shared revenue distributions as compared to distributions received in fiscal year 2000. Earnings on City investments were approximately 22.5% lower than the previous year as interest rates dropped in the second half of the year to as low as 2.12% in June 2008 as compared to 4.93% in July 2007. The City was awarded $1.0 million as part of a settlement agreement with its prior insurance carrier and agent. As part of the settlement, the City was required to pay $410,000 to settle prior claims.

General Fund Expenditures and Other Financing Uses

	Amount	Percentage of Total	Increase (Decrease) from 2007
General government	$ 25,790,619	26.6%	$ 995,563
Public safety	62,274,144	64.2	982,030
City development	5,089,443	5.3	(146,902)
Highways and streets	2,373,401	2.4	340
Recreation and culture	46,269	0.1	5,581
Debt service	110,517	0.1	(99,354)
Sub-total	95,684,393	98.7	1,737,258
Transfers to other funds	1,232,251	1.3	1,672
Total	$ 96,916,644	100.0	$ 1,738,930

For the most part, departmental expenditures within the general government function were consistent with the prior year. Two increases worth noting were "Insurance and Bonds" and "Refund of Taxes Paid Under Protest", both reported within the classification of Administrative Unallocated Expense. "Insurance and Bonds" increased year over year by $234,000, partially attributable to the terms of the settlement agreement with its prior insurance carrier and agent as previously described. "Refund of Taxes Paid Under Protest" increased $545,000 attributable to Michigan Tax Tribunal and State Tax Commission judgments related to personal property taxes on behalf of DTE Energy and Consumers Energy Company as later described in the notes to the financial statements. Public safety expenditures increased approximately $1.0 million in the current year, the net result of Police Department salaries and benefits increasing by $3.5 million while Fire Department salaries and benefits decreased $2.3 million. The Police Department incurred a significant number of retirements in the current fiscal year. The corresponding payment of accrued benefits and associated costs were the primary factor contributing to this increase. Conversely, the Fire Department incurred a number of retirements in fiscal year 2007 accounting for the comparative reduction in salaries and benefits in fiscal year 2008.

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

	Fiscal 2008 Fund Balance	Fiscal 2007 Fund Balance	Increase (Decrease) Over Prior Year
Michigan Transportation Operating -			
Major Roads	$ 4,357,661	$ 6,318,924	$(1,961,263)
Local Roads	3,153,917	2,972,731	181,186
Sanitation	6,278,906	5,682,630	596,276
Recreation	3,521,802	3,754,923	(233,121)
Library	442,340	744,541	(302,201)
Community Development Block Grant	33,708	11,512	22,196
HOME Investment Partnership	738,485	952,095	(213,610)
H.O.P.W.A.	100	100	-
Brownfield Redevelopment Authority	246,963	-	246,963
Communications	1,938,447	1,885,213	53,234
Rental Ordinance Fund	77,946	51,523	26,423
Vice Crime Confiscations Fund	209,887	192,999	16,888
Drug Forfeiture Fund	740,558	560,431	180,127
Police Training Fund	139,561	136,504	3,057
D.D.A. Administrative Fund	9,447,484	8,248,764	1,198,720
Total	$ 31,327,765	$ 31,512,890	$(185,125)

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, 2008 as compared to the prior year is as follows:

	2008	2007	Increase (Decrease)
Chapter 20 and 21 Drain Bonds	$ -	$ 229,809	$(229,809)
Road Construction Bonds	2,143,450	1,997,287	146,163
Sidewalk Replacement Bonds	923,298	951,419	(28,121)
Tax Increment Finance Authority	214,705	212,058	2,647
Building Authority Bonds	1,999,283	2,019,105	(19,822)
Downtown Development Authority	4,236,000	3,761,938	474,062
Total	$ 9,516,736	$ 9,171,616	$ 345,120

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

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

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

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

Capital Projects Funds (continued)

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

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

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

	Fiscal 2008 Fund Balance	Fiscal 2007 Fund Balance	Increase (Decrease) Over Prior Year
Court Building Renovation Fund	$ 2,650,692	$ 1,901,968	$ 748,724
Special Assessment Funds	2,156,176	2,827,315	(671,139)
Road Construction Funds	3,200,490	4,755,410	(1,554,920)
Sewage Disposal Plant Expansion	96,828	96,828	-
Downtown Development Authority	2,707,231	3,033,277	(326,046)
Tax Increment Finance Authority	1,131,516	1,139,664	(8,148)
Building Authority	402,968	817,442	(414,474)
Total	$ 12,345,901	$ 14,571,904	$(2,226,003)

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, 2007, resulted in operating income before depreciation in the amount of $4,425,949 on operating revenues of $31,957,062. Non-operating items, consisting of interest income and interest expense on long-term debt, accounted for an additional $1,483,811 of expense for a System net gain of $2,942,138 before depreciation. With the inclusion of non-cash depreciation expense in the amount of $4,579,288, the net System loss for the fiscal year was $1,637,150.

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

Senior Citizen Housing

The operating income for the Senior Citizen Housing complex, net of depreciation in the amount of $263,058, was $499,812 for the fiscal year ended June 30, 2008, on operating revenues of $2,187,278. Operating income net of non-operating revenues and expenses resulted in net income of $305,946. Net income for fiscal year 2008 was comparable to the previous fiscal year's operations.

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

Fiduciary Funds

Pension and Other Employee Benefit Trust Funds

The City of Warren sponsors two separate defined benefit single-employer pension plans; the first covering policemen and firemen under Act 345 of the State of Michigan, while the second system covers all other elected and general "full-time" employees. For the fiscal year ended June 30, 2008, the City contributed 25.35% and 45.29% respectively of earned payroll as determined by the City's actuary. Please refer to the notes to the financial statements for a detailed discussion of the plans. Related schedules of funding progress and contributions are presented as required supplementary information.

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

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

In an effort to fund the accrued liability for post-employment healthcare benefits, the City has established two Voluntary Employee Benefit Association (VEBA) Trusts - one administered by the City Employees' Retirement System, the other administered by the Police and Fire Retirement System for the benefit of their respective members. The trusts are designed to accumulate sufficient assets to fund the payment of post retirement health benefits as they become due. Contributions to the trust are actuarially determined. For fiscal year 2008, contribution rates for the City Employees VEBA Trust and Police and Fire VEBA Trust were 27.13% and 24.00%, respectively.

CASH MANAGEMENT

Idle cash in all funds, excluding the Pension and VEBA Trust funds, is invested in certificates of deposit and governmental investment pools. Interest income for the governmental funds and proprietary funds for the current fiscal year was $5.0 million; a decrease of $1.6 million from the prior fiscal year due to interest rate returns being fifty percent lower in the second half of the year as compared to levels at the start of the fiscal year. In addition, 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. Even in the face of weak national and local economies auto manufacturers have been solid supporters of the community with property tax revenue, the principal source of income for the City, as well as water and sewer system user fees. Without federal assistance and a comprehensive reorganization plan the role of the auto industry in the City's financial future is uncertain.

As the State of Michigan grapples with its own financial woes, reductions in shared revenues from state sales collections have direct impact on City services. To date, the City has minimized the impact by leaving personnel vacancies unfilled or eliminating them from budgets. While the stopgap measure has proven effective in the short term, the city must perform a comprehensive evaluation of service levels required to meet community needs and a flexible plan to allocate personnel and other assets to core community functions as available financial resources change.

MAJOR INITIATIVES

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

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

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

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

ACKNOWLEDGMENTS

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

Respectfully,

Richard A. Fox, CPA
City Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warren Michigan

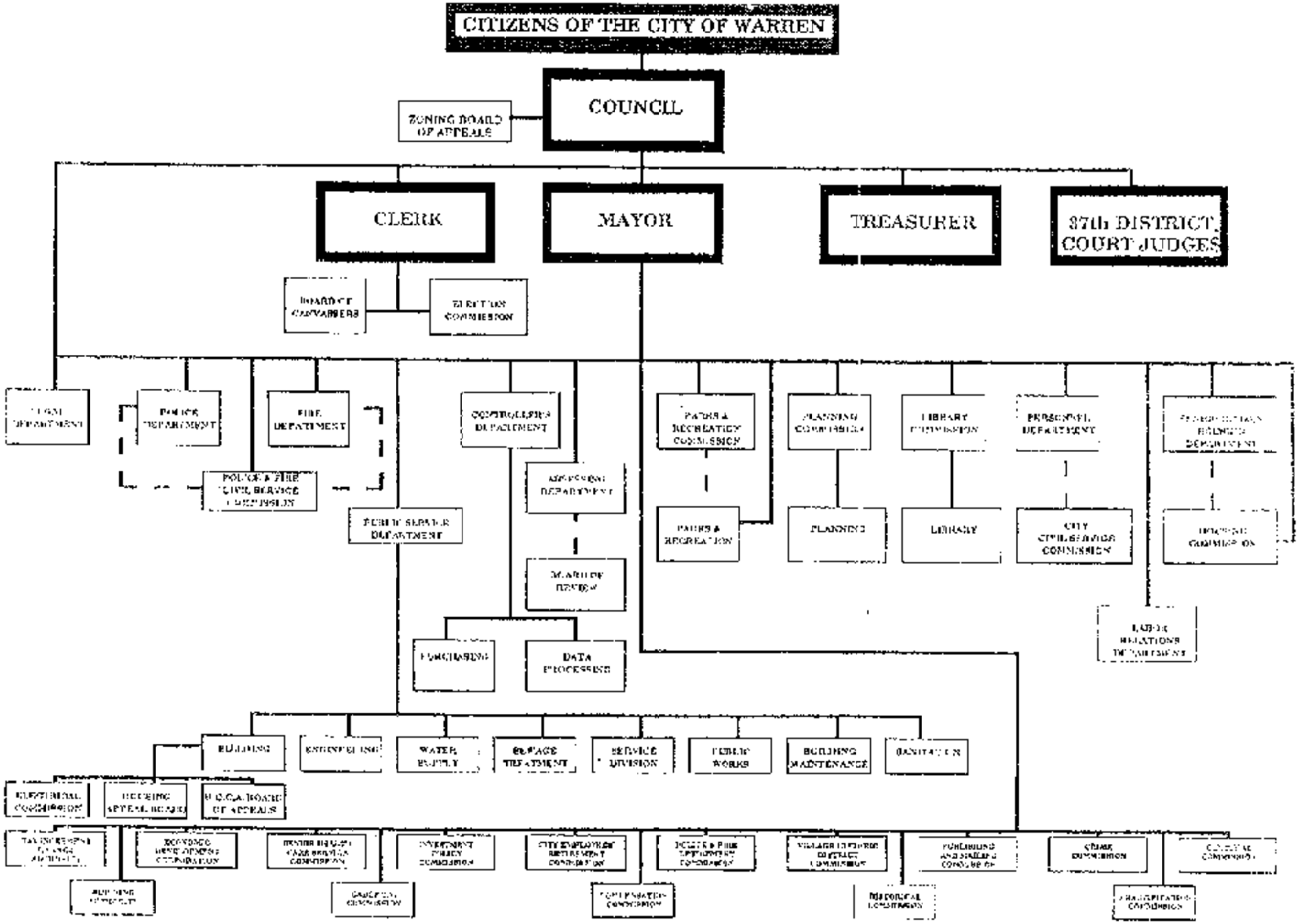
For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007

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.

President

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Warren's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Police and Fire Retirement System and the Police and Fire Retirement Health Benefits Plan and Trust, which collectively represents 68 percent and 69 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 1 through 12 and the budgetary comparison information on pages 83 through 150 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated December 12, 2008, on my consideration of the City of Warren's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Ramie E. Phillips, Jr. PC
December 12, 2008

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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, 2008, which collectively comprise the City of Warren's basic financial statements and have issued my report thereon dated December 12, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United Sates of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

December 12, 2008

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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, 2008. The City of Warren's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Warren's management. My responsibility is to express an opinion on the City of Warren's compliance based on my audit.

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

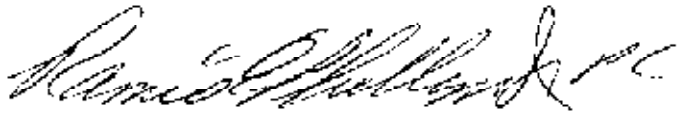
In my opinion, the City of Warren complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Controls Over Compliance

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

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

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



December 12, 2008

CITY OF WARREN, MICHIGAN

MANAGEMENT DISCUSSION AND ANALYSIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WARREN, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

This section of the City of Warren's annual financial report presents financial performance for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

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

Financial Highlights

- The taxable value of real and personal property within the City increased by $201 million from the prior year resulting in an increase in property tax revenues of $2.96 million.
- The City received a $1.0 million settlement agreement from its prior insurance carrier and agent. As part of the agreement the City was required to pay $410,000 to settle outstanding claims.
- The City was awarded $711,000 in Metro Medical Response Grants.
- The City was awarded $200,000 from the Byrne Memorial Justice Assistance Grant Program.
- State shared sales tax distributions were $14.1 million, the same as recorded in fiscal 2007. Even though there was no reduction in fiscal year 2008, this still represents an annual reduction of $5.2 million as compared to the $19.3 million received in fiscal year 2000.
- Concurrent with the annual reductions in State shared sales tax distributions, the cost of providing employee and retiree health insurance benefits has risen dramatically over the same period of time. Self-insured medical claims, a single component of the overall health insurance cost, increased $1.3 million or 7.1% in fiscal year 2008. Annual self-insured medical claims alone are currently $10.5 million or 115.5% higher than was evident just eight years ago, representing an average annual increase of 10.07%. This trend continues to negatively impact departmental budgets as reflected in their line items for current employee insurances and contributions to the VEBA Trusts to fund retiree health insurance.
- Judgments by the Michigan Tax Tribunal and the State Tax Commission required the City to write-off approximately $724,000 of delinquent personal property tax receivables from DTE Energy and Consumers Energy Company.

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.

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

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
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	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows	• 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.

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. For example, the City is the trustee, or fiduciary, for its employees' pension and post-employment health insurance plans. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The accounting method used for fiduciary funds is much like that used for proprietary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48 – 82 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents budget-to-actual comparisons and information concerning the City's progress in funding its pension and other post-employment benefit plans. Required supplementary information can be found on pages 83 – 157 of this report.

Financial Analysis of the City as a Whole

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by $208.9 million at the close of the most recent fiscal year, an increase of $2.0 million as compared to the prior year.

A component of the City's net assets is its investment in capital assets (54.2 percent), which are reported net of accumulated depreciation and reduced by any outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens and consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of net assets (24.0 percent) represents resources subject to restrictions on their use as imposed by external parties or enabling legislation. The remaining balance, being unrestricted net assets (21.8 percent), may be used to meet the City's ongoing obligations to its citizens and creditors.

Total net assets in the governmental activities increased during fiscal year 2008 by $3.4 million or 2.7 percent to $129.2 million. Investment in capital assets net of related debt decreased by $2.3 million as compared to the prior year. Even though the City expended $6.7 million in capital assets, most of the $4.2 million of capitalized road construction projects were funded from available debt proceeds. In addition, $8.1 million of depreciation was charged against the investment in capital assets in the current year. Restricted net assets increased $2.9 million in the current year. Components of restricted net assets reporting significant changes from the prior year include: 1.) Sanitation increased $653,000 from favorable operations in the current fiscal year, 2.) Recreation and Culture decreased $600,000 from expenditures exceeding revenues in both the Parks and Recreation and the Library funds, and 3.) Economic Development increased $2.3 million from operations of the DDA Administrative fund and also from the addition of the Brownfield Redevelopment Authority fund. Unrestricted net assets increased $2.8 million primarily from general fund operations. Further discussion of the general fund appears later in this section under the heading of "Financial Analysis of the City's Funds".

Total net assets of the business-type activities decreased by $1.3 million or 1.6 percent to $79.7 million. The Water and Sewer System had a net loss for the year of $1.6 million while the Senior Citizen Housing funds generated net income of $300,000. Water and Sewer restricted assets decreased $2.8 million; representing the net amount of budgeted appropriations for capital equipment acquisitions less fiscal year debt service requirements and fixed asset capitalizations. Unrestricted net assets increased $1.7 million from unrestricted net income before depreciation in the amount of $4.6 million less the before mentioned budget transfer for capital equipment acquisitions in the amount of $2.9 million.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Current and other assets	$ 125.0	$ 123.6	$ 32.9	$ 36.6	$ 157.9	$ 160.2	(1.4)%
Capital assets	152.2	153.7	115.1	118.2	267.3	271.9	(1.7)%
Total assets	277.2	277.3	148.0	154.8	425.2	432.1	(1.6)%
Long-term liabilities	128.9	134.0	58.2	61.4	187.1	195.4	(4.2)%
Other liabilities	19.1	17.5	10.1	12.4	29.2	29.9	(2.3)%
Total liabilities	148.0	151.5	68.3	73.8	216.3	225.3	(4.0)%
Net assets:							
Invested in capital assets, net of related debt	56.8	59.1	56.5	56.9	113.3	116.0	(2.3)%
Restricted	36.0	33.1	14.1	16.9	50.1	50.0	0.2 %
Unrestricted	36.4	33.6	9.1	7.2	45.5	40.8	11.5 %
Total net assets	129.2	125.8	79.7	81.0	208.9	206.8	1.0 %

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Revenues:							
Program revenues:							
Charges for services	$ 13.5	$ 13.7	$ 34.1	$ 31.8	$ 47.6	$ 45.5	4.6 %
Operating grants and contributions	12.2	12.7	-	-	12.2	12.7	(3.9)%
Capital grants and contributions	4.2	3.2	-	-	4.2	3.2	31.3 %
General revenues:							
Property taxes	88.4	85.1	-	-	88.4	85.1	3.9 %
Other taxes	15.6	15.5	-	-	15.6	15.5	0.6 %
Other	4.3	4.3	0.8	0.9	5.1	5.2	(19.2)%
Total revenues	138.2	134.5	34.9	32.7	173.1	167.2	3.5 %
Expenses:							
General government	22.2	24.6	-	-	22.2	24.6	(9.8)%
Public safety	62.5	61.8	-	-	62.5	61.8	1.1 %
City development	5.3	5.5	-	-	5.3	5.5	(3.6)%
Highways and streets	11.0	12.7	-	-	11.0	12.7	(13.4)%
Recreation and culture	12.7	12.4	-	-	12.7	12.4	2.4 %
Sanitation	8.6	8.3	-	-	8.6	8.3	3.6 %
Economic development	3.5	0.6	-	-	3.5	0.6	483.3 %
Community development	2.3	2.0	-	-	2.3	2.0	15.0 %
Capital projects	1.6	1.5	-	-	1.6	1.5	6.7 %
Interest on long-term debt	5.0	5.1	2.4	2.4	7.4	7.5	(1.3)%
Water and Sewer System	-	-	32.1	30.5	32.1	30.5	5.2 %
Senior Citizen Housing	-	-	1.7	1.6	1.7	1.6	6.3 %
Total expenses	134.7	134.5	36.2	34.5	170.9	169.0	1.1 %
Increase (decrease) in net assets before transfers	3.5	-	(1.3)	(1.8)	2.2	(1.8)	222.2 %
Transfers	(0.1)	(0.1)	-	-	(0.1)	(0.1)	0.0 %
Increase (decrease) in net assets	3.4	(0.1)	(1.3)	(1.8)	2.1	(1.9)	210.5 %
Net assets – beginning of year	125.8	125.9	81.0	82.8	206.8	208.7	(0.9)%
Net assets – end of year	$ 129.2	$ 125.8	$ 79.7	$ 81.0	$ 208.9	$ 206.8	1.0 %

The change in net assets for governmental activities before transfers reports an increase of $3.5 million for fiscal year 2008 as compared to a $42,000 increase for fiscal year 2007.

Total revenues increased $3.7 million in the current year with $3.3 million attributable to additional property taxes revenues as the taxable value of real and personal property increased from the prior year. Capital grants and contributions increased $1.0 million as the City received $1.9 million in assistance from the Michigan Department of Transportation towards a designated road construction project.

General government expenses in fiscal year 2008 were consistent with the prior year; exceeding fiscal year 2007 expenses by only $0.2 million. Even though a disparity is reported under "economic development" expense, this is more a reflection of capitalization adjustments that were necessary in the prior fiscal year rather than an indication of expenses increasing significantly from year-to-year.

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

As represented in Figure A-1 and Figure A-2, property taxes continue to be the major source of governmental revenues. Program revenues, that being charges for services as well as operating and capital grants, generated only 21.6 percent of the resources necessary to operate the governmental functions of the City.

Figure A-1
Revenues by Source
Governmental Activities

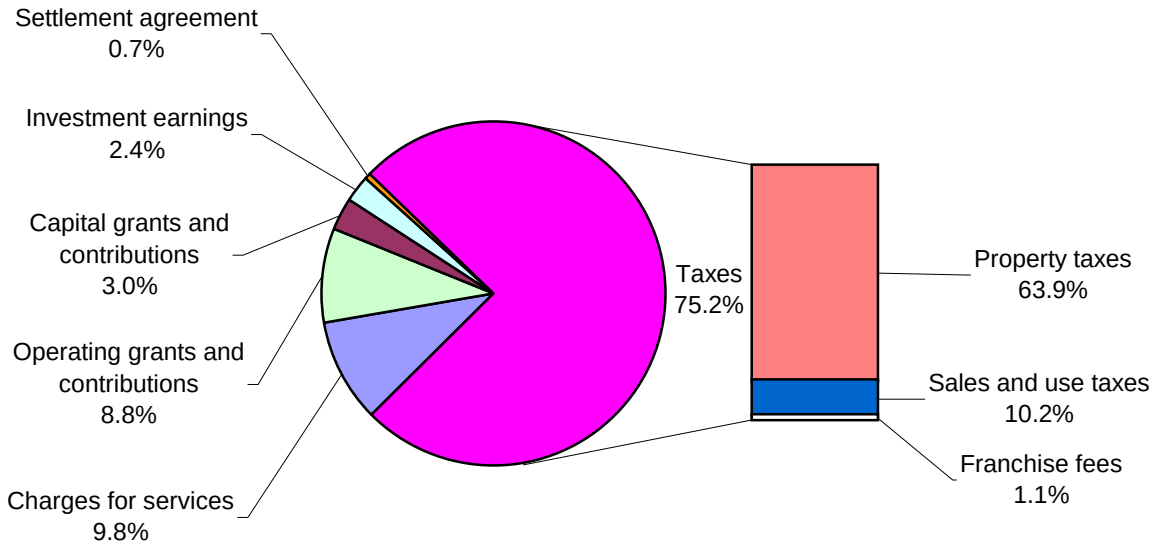
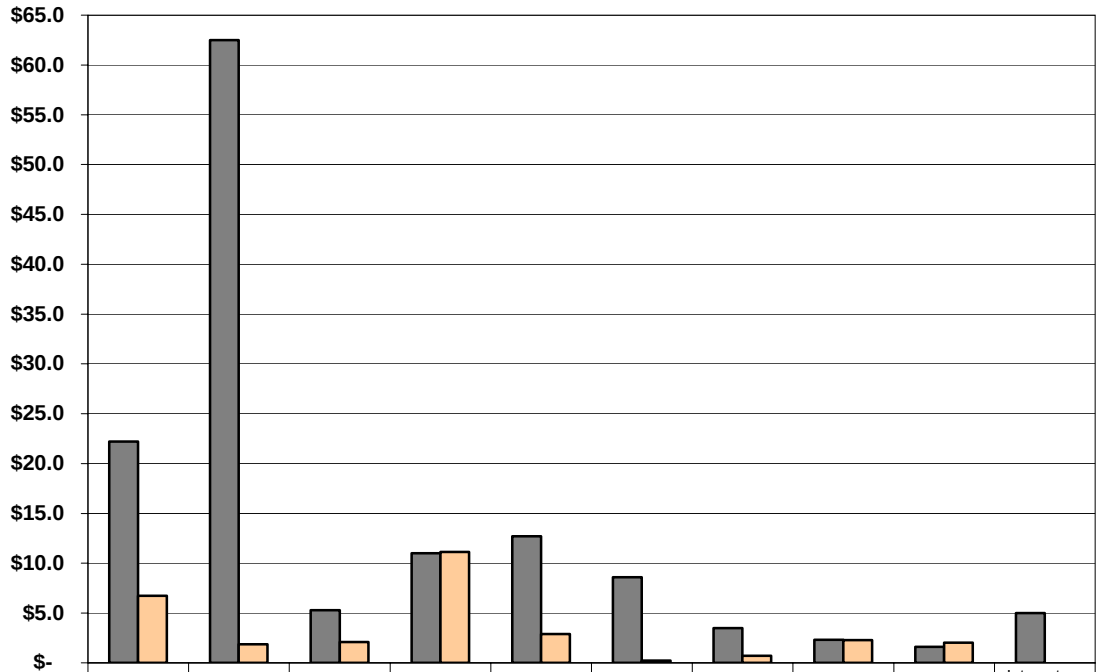


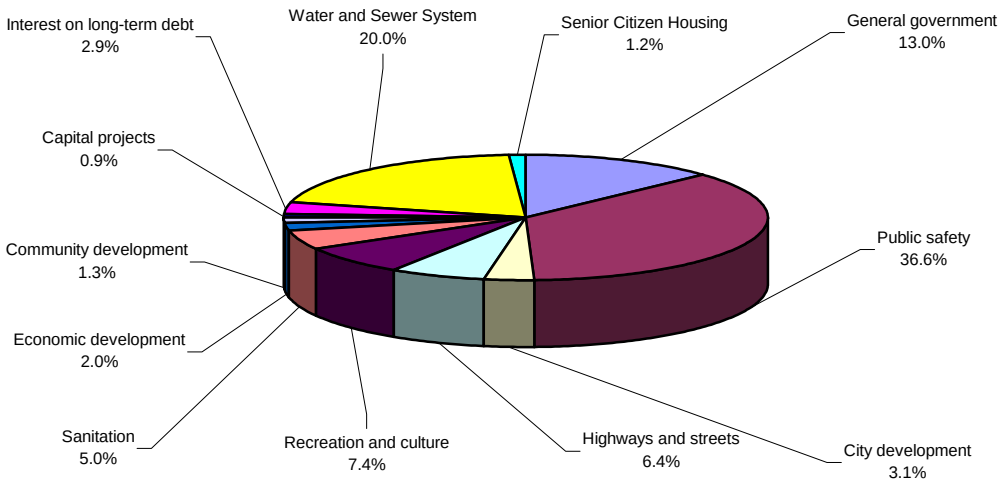
Figure A-2
Expenses and Program Revenues
Governmental Activities



	General government	Public safety	City development	Highways and streets	Recreation and culture	Sanitation	Economic development	Community development	Capital projects	Interest on long-term-debt
Expenses (in millions)	$22.2	$62.5	$5.3	$11.0	$12.7	$8.6	$3.5	$2.3	$1.6	$5.0
Program Revenues (in millions)	$6.7	$1.9	$2.1	$11.1	$2.9	$0.2	$0.7	$2.3	$2.0	$-

The change in net assets for business-type activities reports a decrease of $1.3 million in the current year as compared to a $1.8 million loss in the prior year. Senior Citizen Housing operating profits before depreciation were $763,000 in 2008 as compared to $845,000 in fiscal year 2007 with net income decreasing $108,000 to $306,000. Rental revenues and occupancy levels were consistent with the prior year; however an increase in building maintenance costs contributed to reduction in net income. The Water and Sewer System realized a net loss of $1.6 million for the year as compared to a net loss of $2.2 million in the previous year. Losses from operations were $153,000 and $795,000 respectively, for fiscal years 2007 and 2006. Before depreciation, the System generated operating income of $4.5 million as compared to $3.6 million in fiscal year 2006. Operating revenues for fiscal year 2007 were $32.0 million on a sales volume of 883,463 MCF (thousand cubic feet) as compared to operating revenues of $29.7 million on a sales volume of 846,221 MCF in the previous year. This 5.2% increase in water sales generated approximately $1.1 million of additional revenue, net of wholesale water costs, to fund operations and debt service expenditures. Operating expenditures were consistent with the prior year.

Figure A-3
Expenses by Function / Program
Government-wide



Financial Analysis of the City's Funds

As of June 30, 2008, the governmental funds reported a combined fund balance of $102.6 million, a decrease of $1.0 million from the prior fiscal year. No deficit fund balances were reported in any of the governmental funds. Significant changes in individual fund balances during the current fiscal year are as follows:

- The general fund, whose resources are the City's main source of providing services to its citizenry, reported an increase in fund balance of $2.1 million to $57.6 million, with Unreserved-Undesignated Fund Balance, the amount available to the City to meet its future obligations, decreasing by $2.4 million to $27.0 million. Total revenues decreased $324,000 or 0.3% from the previous year. Though minimal, there were significant positive and negative fluctuations in the following areas: 1.) general fund property tax revenues, including industrial facilities taxes and tax collection fees, increased $1.7 million attributable to the before mentioned increase in taxable property values, 2.) license and permit revenues decreased $638,000 or 27.4% as compared to the prior year; a direct reflection of the slowing economy and its effect on the building activity within the city, 3.) interest income decreased $826,000 as rates dropped dramatically in the second half of the year. In addition, the City received a $1.0 million settlement agreement from its prior insurance carrier and agent. General fund expenditures increased $1.7 million or 1.8% from the prior year. Expenditures were consistent with the prior year with the exception of those previously highlighted in the letter of transmittal. It should be noted that a component of Unreserved Fund Balance, that being Designated – Subsequent Year Expenditures increased to $9.7 million with $8.3 million representing the amount required to balance the 2009 fiscal year budget as revenue projections decrease and expenditure projections increase.
- Following a $1.5 million decrease in the previous year, fund balance in the Michigan Transportation Operating – Major Street Fund decreased another $1.9 million in the current year. Contributing factors have been: 1.) reductions in State gas and weight tax revenues, 2.) electing to directly fund some road improvement projects from available resources rather than issuing additional debt, 3.) increased Winter Maintenance costs in fiscal year 2008, and 4.) transfers of $1.5 million in both fiscal years 2007 and 2008 to support the activities of the Michigan Transportation Operating – Local Street Fund.
- By their very nature, fund balance may fluctuate significantly in capital project funds. Expendable funds are normally received through the issuance of debt or the accumulation of assets; with the subsequent expenditure of available assets in many cases spanning multiple fiscal years thereafter. The Capital Improvement Bonds, Series 2006 fund balance decreased $1.3 million as bond proceeds issued in the prior fiscal year were expended on a number of road improvement projects throughout the city. Fund balance in the Court Building Renovation Fund increased $748,000 as fines continued to be collected designated for renovation of the 37th District Court building.

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 $1.035 million from the prior fiscal year for capital equipment and grant related expenditures.
- Increase in budgeted expenditures of in the amount of $844,000 to cover costs associated with the retirement of 18 police officers.
- Increase in budgeted revenues and expenditures in the amount of $711,000 upon award of various Metro Medical Response Grants.
- Increase in budgeted revenues and expenditures in the amount of $200,000 upon award of a grant from the Byrne Memorial Justice Assistance Grant Program.
- Increase of budgeted expenditures in the amount of $587,000 to cover costs associated in settlement of a grievance with the Warren Professional Fire Fighter Union.

The annual budget is developed from analysis of historical and anticipated trend information and facts known at the time of preparation. Accordingly, actual revenues received and expenditures incurred during the year may vary, sometimes significantly, from earlier estimates. Significant general fund budget-to-actual variances include: 1.) revenues from property tax collections exceeded budgeted estimates by $1.0 million, 2.) revenues from license and permit fees were $850,000 under budget as a result of the slowing economy, 3.) fines and fees generated by the 37th District Court were $449,000 more than anticipated, 4.) budgeted revenues and expenses were not amended to reflect the City's settlement agreement with its prior insurance carrier and agent, 5.) the budget for refunding taxes was negatively impacted by the Michigan Tax Tribunal judgment on behalf of Consumers Energy. 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, 2008, the City's capital assets, net of accumulated depreciation, represents an investment of $267.3 million, a decrease of $4.6 million, or 1.7 percent from the prior year. More detailed information about the City's capital assets is presented in Note 3 to the financial statements.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Land	$ 25.1	$ 24.8	$ 0.8	$ 0.8	$ 25.9	$ 25.6	1.2 %
Land improvements	3.5	3.8	-	-	3.5	3.8	(7.9)%
Buildings	67.2	69.6	51.4	53.1	118.6	122.7	(3.3)%
Utility system	-	-	61.7	62.5	61.7	62.5	(1.3)%
Machinery and equipment	18.9	21.0	1.2	1.8	20.1	22.8	(11.8)%
Infrastructure	35.5	31.4	-	-	35.5	31.4	13.1 %
Construction in progress	2.0	3.1	-	-	2.0	3.1	(35.5)%
Total	$ 152.2	$ 153.7	$ 115.1	$ 118.2	$ 267.3	$ 271.9	(1.7)%

Major capital acquisitions during the year included:

Police Department:
- Jail door lock replacement - $221,000
- Vehicles (23) - $476,000
- Roofing - $77,000

Parks and Recreation:
- Roofing - $78,000
- Parking lot improvements - $103,000
- Tennis court improvements - $167,000

Waste Water Treatment Plant:
- Plant-wide improvements – $143,000

Fire Department:
- Defibrillators (2) - $44,000

Sanitation:
- Recycling truck - $170,000

Michigan Transportation Funds:
- Road construction projects - $4.3 million

Downtown Development Authority:
- City Hall / City Center - $505,000

Water and Sewer System:
- Water main replacements - $1.4 million
- Tools and equipment - $114,000

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, 2008, the City had long-term debt outstanding of $170.4 million, a decrease of $7.8 million, or 4.4 percent from the prior year. No long-term debt was issued in the current fiscal year. More detailed information about the City's long-tem debt is presented in Note 5 and Note 7 to the financial statements. Comprehensive debt service schedules are presented in Exhibit D-13 and Exhibit D-14 of the Statistical Section.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
Land contract	$ 0.4	$ 0.5	$ -	$ -	$ 0.4	$ 0.5	(20.0)%
Road Construction Bonds	15.8	17.2	-	-	15.8	17.2	(8.1)%
Water & Sewer Revenue Bonds	-	-	54.9	57.4	54.9	57.4	(4.4)%
Tax Increment Finance Authority Bonds	0.6	0.8	-	-	0.6	0.8	(25.0)%
Sidewalk Replacement Bonds	1.4	2.2	-	-	1.4	2.2	(36.4)%
Downtown Development Authority Bonds	73.5	74.5	-	-	73.5	74.5	(1.3)%
Building Authority Bonds	16.5	17.8	7.3	7.8	23.8	25.6	(7.0)%
Total	$ 108.2	$ 113.0	$ 62.2	$ 65.2	$ 170.4	$ 178.2	(4.4)%

Economic Factors and Next Year's Budget

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

The tax effects of a struggling housing market are beginning to impact the City of Warren. Homes selling for less than previously established market values ultimately reduce the taxable value for property tax assessment. Due to lower year-to-year taxable valuations, for the first time budgeted property tax revenues are less in next year's budget as compared to the previous year. This is in stark contrast to the expectation of property tax revenues increasing at least by the rate of inflation. The loss of tax revenue will add yet another obstacle that the City must overcome to maintain economic stability.

In an effort to balance its own budget, the State continues to hold revenue sharing dollars well under historical levels. A struggling State economy provides less sales and income tax revenues to share and reduced distribution formulas compound the loss for local units of government. The total distribution of State shared revenues to the City of Warren is 26.8% less than it was just 8 years ago, a loss of over $5.2 million annually. At its reduced levels, state shared revenues account for 14.1% of general fund operating revenues.

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

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

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

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

A 401(a) Defined Contribution (DC) plan helps to mitigate current pension costs and stabilize future financial obligations. It has effectively set a cap on the liability to the DB plan by barring any new additions of personnel to that plan. Participation in the DB plan is limited to existing employees who did not opt to transfer to the DC plan. For those employees who did transfer the City contributes 15% of payroll cost to the DC plan. The contribution rate for new hires is 10% of payroll cost. Both compare very favorably with similar offerings from other communities and the private sector. Both are substantial savings over the 45.29% contributed for members of the DB plan.

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

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

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

The Water Division faces many of the same type of issues as the Waste Water Treatment Plant; an aging infrastructure requiring more and more maintenance activity and escalating operating costs that are outside our direct control. As of July 2008, water rates from the City of Detroit had risen over 90% in the previous decade. We have to pass those costs on to consumers but we also have an obligation to assure that we doing everything we can internally to contain those costs we can control.

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

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

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

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

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

Contacting the City's Financial Management

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

CITY OF WARREN, MICHIGAN

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Exhibit A-1

CITY OF WARREN, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets - unrestricted:			
Cash and cash equivalents	$ 89,084,388	$ 6,312,825	$ 95,397,213
Investments	1,718,074	-	1,718,074
Deposits	298,894	-	298,894
Receivables (net of allowances where applicable)			
Accrued interest	137,146	4,043	141,189
Accounts	9,588,918	9,665,328	19,254,246
Land contract interest	-	14,141	14,141
Internal balances (1)	2,547,755	7,500	2,555,255
Due from other governments	5,941,372	-	5,941,372
Inventory at cost	1,844,390	186,276	2,030,666
Prepaid expenses / expenditures	388,712	58,521	447,233
Total current assets - unrestricted	111,549,649	16,248,634	127,798,283
Current assets - restricted:			
Cash and cash equivalents	-	12,936,172	12,936,172
Internal balances (1)	-	1,320,171	1,320,171
Due from other governments	-	-	-
Designated for future projects	-	1,702,584	1,702,584
Total current assets - restricted	-	15,958,927	15,958,927
Total current assets	111,549,649	32,207,561	143,757,210
Noncurrent assets:			
Receivables (net of allowances where applicable)			
Notes	6,039,325	-	6,039,325
Due from other governments	2,948,452	-	2,948,452
Delinquent taxes	541,160	-	541,160
Other	226,515	-	226,515
Special assessments	2,759,415	-	2,759,415
Land contract	-	471,365	471,365
Total noncurrent receivables	12,514,867	471,365	12,986,232
Deferred charges:			
Bond issuance costs	943,127	148,836	1,091,963
Total deferred charges	943,127	148,836	1,091,963
Capital assets (net of accumulated depreciation)			
Land	25,079,168	826,863	25,906,031
Land improvements	3,549,925	-	3,549,925
Buildings	67,216,554	51,404,099	118,620,653
Utility system	-	61,756,234	61,756,234
Machinery and equipment	18,913,583	1,154,483	20,068,066
Infrastructure	35,470,682	-	35,470,682
Construction in progress	1,971,198	-	1,971,198
Total capital assets	152,201,110	115,141,679	267,342,789
Total noncurrent assets	165,659,104	115,761,880	281,420,984
Total assets	$ 277,208,753	$ 147,969,441	$ 425,178,194

(1) Internal receivables and payables are not equal due to timing differences in reporting Water and Sewer Sytem balances as of December 31, 2007.

See accompanying notes to financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities - unrestricted:			
Accounts payable	$ 5,594,625	$ 2,070,926	$ 7,665,551
Retainages payable	126,869	-	126,869
Accrued salaries and wages	2,813,122	275,557	3,088,679
Payroll taxes and deductions	-	195,636	195,636
Internal balances (1)	1,299,207	1,796,862	3,096,069
Deposits	430,149	138,391	568,540
Accrued interest payable	1,034,856	49,719	1,084,575
Deferred revenue	3,238,725	10,029	3,248,754
Current portion of long-term liabilities:			
Land contract	85,972	-	85,972
Bonds payable	4,500,443	3,149,621	7,650,064
Total current liabilities - unrestricted	19,123,968	7,686,741	26,810,709
Current liabilities - restricted assets:			
Accounts payable	-	105,350	105,350
Accrued interest payable	-	334,885	334,885
Deposits	-	188,049	188,049
Construction contracts to be performed in future periods	-	1,702,584	1,702,584
Current portion of long-term liabilities:			
Bonds payable	-	40,474	40,474
Total current liabilities - restricted	-	2,371,342	2,371,342
Total current liabilities	19,123,968	10,058,083	29,182,051
Noncurrent liabilities - unrestricted:			
Accumulated compensatory time	2,136,527	177,454	2,313,981
Compensated absences payable	14,250,324	1,495,494	15,745,818
Accrued insurance claims	10,282,720	-	10,282,720
Noncurrent portion of long-term liabilities:			
Land contract	344,276	-	344,276
Bonds payable	103,249,863	58,949,624	162,199,487
Unamortized bond premium / (discount)	(769,490)	(59,554)	(829,044)
Deferred refunding charge	(609,509)	(2,375,944)	(2,985,453)
Total noncurrent liabilities - unrestricted	128,884,711	58,187,074	187,071,785
Noncurrent liabilities - restricted:			
Noncurrent portion of long-term liabilities:			
Bonds payable	-	42,605	42,605
Unamortized bond premium / (discount)	-	(212)	(212)
Total noncurrent liabilities - restricted	-	42,393	42,393
Total noncurrent liabilities	128,884,711	58,229,467	187,114,178
Total liabilities	148,008,679	68,287,550	216,296,229
Net Assets			
Invested in capital assets, net of related debt	56,796,215	56,511,038	113,307,253
Restricted for:			
Public safety	1,090,006	-	1,090,006
Sanitation	6,008,547	-	6,008,547
Recreation and culture	5,972,349	-	5,972,349
City development	54,400	-	54,400
Community development	6,783,459	-	6,783,459
Economic development	2,328,146	-	2,328,146
Highways and streets	10,484,565	-	10,484,565
Capital projects	3,159,625	8,043,328	11,202,953
Debt service	89,247	5,501,864	5,591,111
Insurance claims	-	500,000	500,000
Unrestricted	36,433,515	9,125,661	45,559,176
Total net assets	129,200,074	79,681,891	208,881,965
Total liabilities and net assets	$ 277,208,753	$ 147,969,441	$ 425,178,194

EXHIBIT A-2

CITY OF WARREN, MICHIGAN
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

Functions/ Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 22,183,390	$ 5,744,429	$ 968,818	$ 25,192
Public safety	62,509,563	1,053,983	411,371	401,542
City development	5,278,793	2,089,106	-	-
Highways and streets	11,053,445	413,436	8,592,121	2,123,417
Recreation and culture	12,737,364	2,424,774	469,671	920
Sanitation	8,601,862	213,361	-	-
Economic development	3,532,040	427,438	-	275,399
Community development	2,264,803	487,674	1,786,048	-
Capital projects	1,589,528	686,849	-	1,343,076
Interest on long-term debt	4,983,460	-	-	-
Total governmental activities	134,734,248	13,541,050	12,228,029	4,169,546
Business-type activities:				
Water and Sewer System	34,199,663	31,957,062	-	-
Senior Citizen Housing	2,047,491	2,187,278	-	-
Total business-type activities	36,247,154	34,144,340	-	-
Total primary government	$ 170,981,402	$ 47,685,390	$ 12,228,029	$ 4,169,546

General revenues:
Taxes:
Property taxes
Sales and use taxes
Franchise fees
Investment earnings
Gain (loss) on sale of capital assets

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

Excess (deficiency) of revenues over expenses

Other items:
Settlement agreement
Transfer to Water and Sewer System (1)

Total other financing sources (uses)

Change in net assets

Net assets - beginning of year

Net assets - end of year

(1) Internal transfers are not equal due to timing differences in reporting Water and Sewer Sytem activities as of December 31, 2007.

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (15,444,951)	$ -	$ (15,444,951)
(60,642,667)	-	(60,642,667)
(3,189,687)	-	(3,189,687)
75,529	-	75,529
(9,841,999)	-	(9,841,999)
(8,388,501)	-	(8,388,501)
(2,829,203)	-	(2,829,203)
8,919	-	8,919
440,397	-	440,397
(4,983,460)	-	(4,983,460)
(104,795,623)	-	(104,795,623)
-	(2,242,601)	(2,242,601)
-	139,787	139,787
-	(2,102,814)	(2,102,814)
$ (104,795,623)	$ (2,102,814)	$ (106,898,437)
88,383,524	-	88,383,524
14,105,387	-	14,105,387
1,471,277	-	1,471,277
3,378,435	771,610	4,150,045
(41,222)	-	(41,222)
107,297,401	771,610	108,069,011
2,501,778	(1,331,204)	1,170,574
1,000,000	-	1,000,000
(148,400)	-	(148,400)
851,600	-	851,600
3,353,378	(1,331,204)	2,022,174
125,846,696	81,013,095	206,859,791
$ 129,200,074	$ 79,681,891	$ 208,881,965

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CITY OF WARREN, MICHIGAN

FUND FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT B-1

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

		Special Revenue Funds	
		Michigan Transportation Operating	
	General Fund	Major Streets	Local Streets
Assets			
Cash and cash equivalents	$ 45,538,825	$ 3,779,135	$ 2,975,662
Investments	-	-	-
Deposits	298,894	-	-
Receivables (net of allowances where applicable)			
Accrued interest	85,725	13,709	5,876
Accounts	270,178	-	-
Due from other funds	12,401,723	-	-
Due from other governments	3,703,980	1,012,359	337,729
Prepaid expenditures	369,789	-	-
Inventory at cost	242,899	-	-
Assets held for resale	160,725	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	1,056,746	-	-
Other	-	-	-
Special assessments	-	-	-
Total assets	$ 64,129,484	$ 4,805,203	$ 3,319,267
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	3,618,652	107,164	72,037
Retainage payable	-	39,445	2,911
Accrued salaries and wages	2,149,663	124,710	35,508
Deposits	357,754	-	-
Due to other funds	-	176,223	54,894
Deferred revenue	445,626	-	-
Total liabilities	6,571,695	447,542	165,350
Fund balances:			
Reserved:			
Prepaid expenditures	369,789	-	-
Inventories	403,624	-	-
Receivables	1,056,746	-	-
Contingencies	-	-	-
Grants and capital projects	503,504	305,613	317,598
Unreserved:			
Designated:			
Subsequent years' expenditures	9,658,920	2,021,719	183,682
Compensated absences	7,071,390	184,064	150,492
Compensatory time	1,205,662	26,563	18,000
Insurance claims	10,282,720	-	-
Undesignated	27,005,434	1,819,702	2,484,145
Total fund balances	57,557,789	4,357,661	3,153,917
Total liabilities and fund balances	$ 64,129,484	$ 4,805,203	$ 3,319,267

See accompanying notes to financial statements.

Special Revenue Funds					
Sanitation	Recreation	Library	Community Development Block Grant	HOME Investment Partnership	H.O.P.W.A.
$ 6,544,042	$ 3,749,152	$ 261,944	$ 65,340	$ 841,649	$ 100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,585	23	114	-	-	-
-	-	-	6,015	-	-
-	218,786	243,303	-	-	-
8,251	5,033	2,652	2,987	-	-
20,862	12,280	-	-	-	-
-	-	-	-	-	-
-	-	-	5,955,755	83,570	-
-	-	-	913,791	1,616,572	418,089
196,391	105,151	52,576	-	-	-
226,515	-	-	-	-	-
-	-	-	-	-	-
$ 6,998,646	$ 4,090,425	$ 560,589	$ 6,943,888	$ 2,541,791	$ 418,189
491,738	326,901	46,285	439	-	-
-	6,965	-	-	-	-
178,002	218,019	71,964	-	-	-
50,000	16,738	-	657	-	-
-	-	-	173,161	103,164	21,730
-	-	-	6,735,923	1,700,142	396,359
719,740	568,623	118,249	6,910,180	1,803,306	418,089
8,251	5,033	2,652	2,987	-	-
20,862	12,280	-	-	-	-
422,906	105,151	52,576	-	-	-
673,276	-	-	-	-	-
-	164,044	-	-	-	-
957,216	845,802	-	-	-	-
146,822	80,330	119,036	-	-	-
32,349	24,804	22,915	-	-	-
-	-	-	-	-	-
4,017,224	2,284,358	245,161	30,721	738,485	100
6,278,906	3,521,802	442,340	33,708	738,485	100
$ 6,998,646	$ 4,090,425	$ 560,589	$ 6,943,888	$ 2,541,791	$ 418,189

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue Funds		
	Brownfield Redevelopment Fund	Communications	Rental Ordinance
Assets			
Cash and cash equivalents	$ 295,990	$ 1,605,938	$ 83,122
Investments	-	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	-	-	-
Accounts	-	384,043	-
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	-	-	-
Other	-	-	-
Special assessments	-	-	-
Total assets	$ 295,990	$ 1,989,981	$ 83,122
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	49,027	27,521	71
Retainage payable	-	-	-
Accrued salaries and wages	-	24,013	5,105
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	49,027	51,534	5,176
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	-
Contingencies	-	-	-
Grants and capital projects	233,918	-	-
Unreserved:			
Designated:			
Subsequent years' expenditures	-	438,261	-
Compensated absences	-	22,921	5,994
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	13,045	1,477,265	71,952
Total fund balances	246,963	1,938,447	77,946
Total liabilities and fund balances	$ 295,990	$ 1,989,981	$ 83,122

See accompanying notes to financial statements.

Special Revenue Funds				Debt Service Funds	
Vice Crime Confiscations	Drug Forfeiture	Police Training	Downtown Development Authority Administration	Chapter 20 and 21 Drain Bonds	Special Assessment Bonds Series 2002
$ 209,887	$ 752,315	$ 146,951	$ 7,793,115	$ 82,308	$ -
-	-	-	1,718,074	-	-
-	-	-	-	-	-
-	-	-	14,286	-	-
-	-	-	29,100	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,407,624	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,296	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 209,887	$ 752,315	$ 146,951	$ 10,962,199	$ 88,604	$ -
-	11,757	7,390	100,112	-	-
-	-	-	-	-	-
-	-	-	6,138	-	-
-	-	-	5,000	-	-
-	-	-	1,403,465	-	-
-	-	-	-	-	-
-	11,757	7,390	1,514,715	-	-
-	-	-	-	-	-
-	-	-	1,407,624	-	-
-	-	-	-	6,296	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000	-	-	-	11,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
207,887	740,558	139,561	8,039,860	70,808	-
209,887	740,558	139,561	9,447,484	88,604	-
$ 209,887	$ 752,315	$ 146,951	$ 10,962,199	$ 88,604	$ -

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	Debt Service Funds			
	Special Assessment Bonds		Tax Increment Finance Authority	
	Series 2003	Series 2005	Series 1991	Refunding Series 1999
Assets				
Cash and cash equivalents	$ 80	$ 1,304,363	$ -	$ -
Investments	-	-	-	-
Deposits	-	-	-	-
Receivables (net of allowances where applicable)				
Accrued interest	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	150
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory at cost	-	-	-	-
Assets held for resale	-	-	-	-
Receivables, non-current:				
Notes	-	-	-	-
Due from other governments	-	-	-	-
Delinquent taxes	-	-	-	-
Other	-	-	-	-
Special assessments	-	-	-	-
Total assets	$ 80	$ 1,304,363	$ -	$ 150
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	80	-	-	150
Retainage payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	80	-	-	150
Fund balances:				
Reserved:				
Prepaid expenditures	-	-	-	-
Inventories	-	-	-	-
Receivables	-	-	-	-
Contingencies	-	-	-	-
Grants and capital projects	-	-	-	-
Unreserved:				
Designated:				
Subsequent years' expenditures	-	-	-	-
Compensated absences	-	-	-	-
Compensatory time	-	-	-	-
Insurance claims	-	-	-	-
Undesignated	-	1,304,363	-	-
Total fund balances	-	1,304,363	-	-
Total liabilities and fund balances	$ 80	$ 1,304,363	$ -	$ 150

See accompanying notes to financial statements.

Debt Service Funds					
Downtown Development Authority Bonds				Michigan Transportation Bonds	
Series 2002	Series 2003	Series 2004	Series 2005	Series 1997	Series 2000
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

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

See accompanying notes to financial statements.

Debt Service Funds				Capital Projects Funds	
Building Authority Bonds				Special Assessment Funds	
Series 2001	Series 2002	Series 2005	Refunding Series 2005	Special Assessment Revolving	Sidewalk and Tree Revolving
$ -	$ -	$ -	$ -	$ 521,730	$ 1,890,259
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	113	-	-	-
-	-	14,657	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	170,949	2,588,466
$ -	$ -	$ 14,770	$ -	$ 692,679	$ 4,478,725
-	-	113	-	2,849	222,311
-	-	-	-	-	30,653
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	170,949	2,588,466
-	-	113	-	173,798	2,841,430
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,170,104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	14,657	-	518,881	467,191
-	-	14,657	-	518,881	1,637,295
$ -	$ -	$ 14,770	$ -	$ 692,679	$ 4,478,725

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	Capital Projects Funds		
	Special Assessment T.I.F.A. District	Michigan Transportation Construction 2000 Major Streets	Michigan Transportation Construction 2003 Major Streets
Assets			
Cash and cash equivalents	$ -	$ 622,290	$ 25,899
Investments	-	-	-
Deposits	-	-	-
Receivables (net of allowances where applicable)			
Accrued interest	-	1,058	44
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	269,196
Prepaid expenditures	-	-	-
Inventory at cost	-	-	-
Assets held for resale	-	-	-
Receivables, non-current:			
Notes	-	-	-
Due from other governments	-	-	-
Delinquent taxes	-	-	-
Other	-	-	-
Special assessments	-	-	-
Total assets	$ -	$ 623,348	$ 295,139
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	-	-
Retainage payable	-	-	-
Accrued salaries and wages	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
Inventories	-	-	-
Receivables	-	-	269,196
Contingencies	-	-	-
Grants and capital projects	-	529,179	-
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	-
Compensated absences	-	-	-
Compensatory time	-	-	-
Insurance claims	-	-	-
Undesignated	-	94,169	25,943
Total fund balances	-	623,348	295,139
Total liabilities and fund balances	$ -	$ 623,348	$ 295,139

See accompanying notes to financial statements.

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Building Authority Construction Funds			37th District Court Building Renovation	Sewer Plant Expansion
	Series 2001	Series 2002	Series 2005		
$ 3,781,010	$ 955	$ 13,917	$ 407,939	$ 2,615,147	$ 96,828
-	-	-	-	-	-
-	-	-	-	-	-
6,527	-	14	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
119,669	-	-	805	35,545	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 3,907,206	$ 955	$ 13,931	$ 408,744	$ 2,650,692	$ 96,828
321,873	-	-	5,128	-	-
5,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,298,330	-	877	14,657	-	-
-	-	-	-	-	-
1,625,203	-	877	19,785	-	-
-	-	-	-	-	-
-	-	-	-	-	-
119,669	-	-	-	-	-
-	-	-	-	-	-
43,510	-	-	-	-	-
-	-	-	-	2,536,968	96,828
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,118,824	955	13,054	388,959	113,724	-
2,282,003	955	13,054	388,959	2,650,692	96,828
$ 3,907,206	$ 955	$ 13,931	$ 408,744	$ 2,650,692	$ 96,828

EXHIBIT B-1 (continued)

CITY OF WARREN, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	Capital Projects Funds		
	Tax Increment Finance Authority	Downtown Development Authority Construction	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,243,764	$ 1,834,732	$ 89,084,388
Investments	-	-	1,718,074
Deposits	-	-	298,894
Receivables (net of allowances where applicable)			
Accrued interest	2,112	7,795	137,146
Accounts	-	3,642	689,798
Due from other funds	-	978,638	13,401,183
Due from other governments	-	-	5,941,372
Prepaid expenditures	-	-	388,712
Inventory at cost	-	-	276,041
Assets held for resale	-	-	1,568,349
Receivables, non-current:			
Notes	-	-	6,039,325
Due from other governments	-	-	2,948,452
Delinquent taxes	-	-	1,417,160
Other	-	-	226,515
Special assessments	-	-	2,759,415
Total assets	$ 1,245,876	$ 2,824,807	$ 126,894,824
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	107,346	75,681	5,594,625
Retainage payable	-	41,895	126,869
Accrued salaries and wages	-	-	2,813,122
Deposits	-	-	430,149
Due to other funds	7,014	-	3,253,515
Deferred revenue	-	-	12,037,465
Total liabilities	114,360	117,576	24,255,745
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	388,712
Inventories	-	-	1,844,390
Receivables	-	-	2,032,540
Contingencies	-	-	673,276
Grants and capital projects	300,000	118,801	3,686,271
Unreserved:			
Designated:			
Subsequent years' expenditures	-	-	16,752,896
Compensated absences	-	-	7,781,049
Compensatory time	-	-	1,330,293
Insurance claims	-	-	10,282,720
Undesignated	831,516	2,588,430	57,866,932
Total fund balances	1,131,516	2,707,231	102,639,079
Total liabilities and fund balances	$ 1,245,876	$ 2,824,807	$ 126,894,824

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, 2008

Fund balances - governmental funds (Exhibit B-1)		$ 102,639,079
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	$ 298,034,985	
Accumulated depreciation	(145,833,875)	152,201,110
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	$ (107,750,306)	
Land contract	(430,248)	
Compensated absences payable	(14,250,324)	
Compensatory time payable	(2,136,527)	
Accrued insurance claims	(10,282,720)	
Accrued interest payable	(1,034,856)	(135,884,981)
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	$ 943,127	
Bond premiums / discounts	769,490	
Deferred refunding charge	609,509	2,322,126
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	$ 6,039,325	
Special assessments	2,759,415	8,798,740
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.		(876,000)
Total net assets - governmental activities (Exhibit A-1)		$ 129,200,074

See accompanying notes to financial statements

EXHIBIT B-3

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

For the Year Ended June 30, 2008

		Special Revenue Funds	
		Michigan Transportation Operating	
	General Fund	Major Streets	Local Streets
Revenues:			
Property taxes	$ 65,390,378	$ -	$ -
Special assessments	-	-	-
Licenses and permits	1,691,127	-	-
Intergovernmental:			
Federal revenue	401,575	-	-
State revenue	14,811,050	6,179,253	2,450,589
Local revenue	800,095	23,802	-
Charges for services	819,912	-	-
Fines and fees	5,079,793	-	-
Interest	2,842,479	246,294	105,517
Sale of property	74,186	-	-
Miscellaneous	5,988,213	-	102
Total revenue	97,898,808	6,449,349	2,556,208
Expenditures:			
General government	25,790,619	-	-
Public safety	62,274,144	-	-
City development	5,089,443	-	-
Highways and streets	2,373,401	4,774,636	4,010,621
Recreation and culture	46,269	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	81,037	-	-
Interest	29,480	-	-
Other	-	-	-
Total expenditures	95,684,393	4,774,636	4,010,621
Excess (deficiency) of revenues over expenditures	2,214,415	1,674,713	(1,454,413)
Other financing sources (uses):			
Settlement agreement	1,000,000	-	-
Transfers in	120,000	76,792	1,713,354
Transfers out	(1,232,251)	(3,712,768)	(77,755)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	(112,251)	(3,635,976)	1,635,599
Excess (deficiency) of revenues and financing sources over expenditures and other uses	2,102,164	(1,961,263)	181,186
Fund balance - beginning of year	55,455,625	6,318,924	2,972,731
Fund balance - end of year	$ 57,557,789	$ 4,357,661	$ 3,153,917

See accompanying notes to financial statements

Special Revenue Funds					
Sanitation	Recreation	Library	Community Development Block Grant	HOME Investment Partnership	H.O.P.W.A.
$ 8,802,385	$ 4,534,734	$ 2,267,367	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	966,199	521,837	298,012
-	235,523	362,973	-	-	-
-	-	-	-	-	-
-	2,246,157	-	-	-	-
120,000	-	68,685	-	-	-
202,482	134,488	16,771	-	-	-
6,714	-	-	-	-	-
93,361	109,192	1,752	104,317	182,841	834
9,224,942	7,260,094	2,717,548	1,070,516	704,678	298,846
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,845,803	3,019,749	-	-	-
8,572,887	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,048,320	918,288	298,846
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,572,887	6,845,803	3,019,749	1,048,320	918,288	298,846
652,055	414,291	(302,201)	22,196	(213,610)	-
-	-	-	-	-	-
-	-	-	-	-	-
(55,779)	(647,412)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(55,779)	(647,412)	-	-	-	-
596,276	(233,121)	(302,201)	22,196	(213,610)	-
5,682,630	3,754,923	744,541	11,512	952,095	100
$ 6,278,906	$ 3,521,802	$ 442,340	$ 33,708	$ 738,485	$ 100

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, 2008

	Special Revenue Funds		
	Brownfield Redevelopment Authority	Communications	Rental Ordinance
Revenues:			
Property taxes	$ 294,945	$ -	$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	40,000
Fines and fees	-	1,471,277	204,815
Interest	1,045	59,581	2,324
Sale of property	-	-	-
Miscellaneous	-	549	-
Total revenue	295,990	1,531,407	247,139
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	220,716
Highways and streets	-	-	-
Recreation and culture	-	1,260,614	-
Sanitation	-	-	-
Economic development	49,027	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	49,027	1,260,614	220,716
Excess (deficiency) of revenues over expenditures	246,963	270,793	26,423
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	-	-	-
Transfers out	-	(217,559)	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	-	(217,559)	-
Excess (deficiency) of revenues and financing sources over expenditures and other uses	246,963	53,234	26,423
Fund balance - beginning of year	-	1,885,213	51,523
Fund balance - end of year	$ 246,963	$ 1,938,447	$ 77,946

Special Revenue Funds				Debt Service Funds	
Vice Crime Confiscations	Drug Forfeiture	Police Training	D.D.A. Administration	Chapter 20 and 21 Drain Bonds	Special Assessment Bonds Series 2002
$ -	$ -	$ -	$ 6,217,231	$ 35	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	52,598	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,580	459,030	-	-	-	-
7,545	23,974	5,117	71,560	2,799	-
-	167	-	-	-	-
-	-	-	427,438	13	-
25,125	483,171	57,715	6,716,229	2,847	-
-	-	-	-	-	-
8,237	183,044	54,658	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,143,930	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	185,000
-	-	-	-	-	2,313
-	-	-	-	11,080	-
8,237	183,044	54,658	1,143,930	11,080	187,313
16,888	300,127	3,057	5,572,299	(8,233)	(187,313)
-	-	-	-	-	-
-	-	-	-	-	20,531
-	(120,000)	-	(4,373,579)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(120,000)	-	(4,373,579)	-	20,531
16,888	180,127	3,057	1,198,720	(8,233)	(166,782)
192,999	560,431	136,504	8,248,764	96,837	166,782
$ 209,887	$ 740,558	$ 139,561	$ 9,447,484	$ 88,604	$ -

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, 2008

	Debt Service Funds			
	Special Assessment Bonds		Tax Increment Finance Authority	
	Series 2003	Series 2005	Series 1991	Refunding Series 1999
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Federal revenue	-	-	-	-
State revenue	-	-	-	-
Local revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and fees	-	-	-	-
Interest	-	-	-	-
Sale of property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
City development	-	-	-	-
Highways and streets	-	-	-	-
Recreation and culture	-	-	-	-
Sanitation	-	-	-	-
Economic development	-	-	-	-
Community development	-	-	-	-
Capital projects	-	-	-	-
Debt service:				
Principal retirement	494,460	175,000	-	180,000
Interest	11,125	55,400	24,000	10,705
Other	162	112	700	300
Total expenditures	505,747	230,512	24,700	191,005
Excess (deficiency) of revenues over expenditures	(505,747)	(230,512)	(24,700)	(191,005)
Other financing sources (uses):				
Settlement agreement	-	-	-	-
Transfers in	643	176,815	24,700	191,005
Transfers out	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond premiums/(discounts)	-	-	-	-
Total other financing sources (uses)	643	176,815	24,700	191,005
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(505,104)	(53,697)	-	-
Fund balance - beginning of year	505,104	1,358,060	-	-
Fund balance - end of year	$ -	$ 1,304,363	$ -	$ -

Debt Service Funds					
Downtown Development Authority Bonds				Michigan Transportation Bonds	
Series 2002	Series 2003	Series 2004	Series 2005	Series 1997	Series 2000
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500,000	500,000	-	-	340,000	400,000
931,625	763,750	878,375	662,250	95,310	207,155
275	250	225	225	350	275
1,431,900	1,264,000	878,600	662,475	435,660	607,430
(1,431,900)	(1,264,000)	(878,600)	(662,475)	(435,660)	(607,430)
-	-	-	-	-	-
1,431,900	1,264,000	878,600	662,475	435,660	607,430
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,431,900	1,264,000	878,600	662,475	435,660	607,430
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

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, 2008

	Debt Service Funds		
	Michigan Transportation Bonds		Capital Improvement Bonds
	Refunding Series 2003	Series 2003	Series 2006
Revenues:			
Property taxes	$ -	$ -	$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	-
Fines and fees	-	-	-
Interest	-	-	-
Sale of property	-	-	-
Miscellaneous	-	-	-
Total revenue	-	-	-
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	-	-
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	565,000	100,000	35,918
Interest	15,538	177,100	207,429
Other	249	225	242
Total expenditures	580,787	277,325	243,589
Excess (deficiency) of revenues over expenditures	(580,787)	(277,325)	(243,589)
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	580,787	277,325	240,121
Transfers out	-	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	580,787	277,325	240,121
Excess (deficiency) of revenues and financing sources over expenditures and other uses	-	-	(3,468)
Fund balance - beginning of year	-	-	3,468
Fund balance - end of year	$ -	$ -	$ -

Debt Service Funds				Capital Projects Funds	
Building Authority Bonds				Special Assessment Funds	
Series 2001	Series 2002	Series 2005	Refunding Series 2005	Special Assessment Revolving	Sidewalk and Tree Revolving
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	1,781	1,071,043
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	11,288
-	-	-	-	-	-
-	-	-	-	1,608	22,946
-	-	-	-	-	-
-	-	-	-	7,712	-
-	-	-	-	11,101	1,105,277
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	59,966	1,529,562
350,000	411,656	475,000	60,000	-	-
61,863	38,821	162,950	438,993	-	-
275	251	225	225	-	-
412,138	450,728	638,175	499,218	59,966	1,529,562
(412,138)	(450,728)	(638,175)	(499,218)	(48,865)	(424,285)
-	-	-	-	-	-
412,138	450,728	638,175	499,218	-	497,891
-	-	-	-	(350,000)	(197,989)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
412,138	450,728	638,175	499,218	(350,000)	299,902
-	-	-	-	(398,865)	(124,383)
-	-	14,657	-	917,746	1,761,678
$ -	$ -	$ 14,657	$ -	$ 518,881	$ 1,637,295

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, 2008

	Capital Projects Funds		
	Special Assessment T.I.F.A. District	Michigan Transportation Construction 2000 Major Streets	Michigan Transportation Construction 2003 Major Streets
Revenues:			
Property taxes	$ -	$ -	$ -
Special assessments	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal revenue	-	-	-
State revenue	-	-	-
Local revenue	-	-	-
Charges for services	-	-	-
Fines and fees	-	-	-
Interest	-	29,279	-
Sale of property	-	-	-
Miscellaneous	-	-	-
Total revenue	-	29,279	-
Expenditures:			
General government	-	-	-
Public safety	-	-	-
City development	-	-	-
Highways and streets	-	260,647	34,141
Recreation and culture	-	-	-
Sanitation	-	-	-
Economic development	-	-	-
Community development	-	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	-	260,647	34,141
Excess (deficiency) of revenues over expenditures	-	(231,368)	(34,141)
Other financing sources (uses):			
Settlement agreement	-	-	-
Transfers in	-	-	-
Transfers out	(147,891)	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	(147,891)	-	-
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(147,891)	(231,368)	(34,141)
Fund balance - beginning of year	147,891	854,716	329,280
Fund balance - end of year	$ -	$ 623,348	$ 295,139

Capital Projects Funds					
Capital Improvement Bonds Series 2006	Building Authority Construction Funds			37th District Court Building Renovation	Sewer Plant Expansion
	Series 2001	Series 2002	Series 2005		
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,902,026	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	667,849	-
192,112	-	920	25,192	80,875	-
-	-	-	-	-	-
-	-	-	-	-	-
2,094,138	-	920	25,192	748,724	-
-	167	14,004	9,854	-	-
-	-	-	365,479	-	-
-	-	-	6,283	-	-
3,383,549	-	-	-	-	-
-	-	-	44,799	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,383,549	167	14,004	426,415	-	-
(1,289,411)	(167)	(13,084)	(401,223)	748,724	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,289,411)	(167)	(13,084)	(401,223)	748,724	-
3,571,414	1,122	26,138	790,182	1,901,968	96,828
$ 2,282,003	$ 955	$ 13,054	$ 388,959	$ 2,650,692	$ 96,828

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, 2008

	Capital Projects Funds		
	Tax Increment Finance Authority	Downtown Development Authority Construction	Total Governmental Funds
Revenues:			
Property taxes	$ 522,050	$ -	$ 88,029,125
Special assessments	-	-	1,072,824
Licenses and permits	-	-	1,691,127
Intergovernmental:			-
Federal revenue	-	-	2,187,623
State revenue	-	-	25,994,012
Local revenue	-	-	823,897
Charges for services	-	-	3,117,357
Fines and fees	-	-	8,089,029
Interest	38,624	164,170	4,277,702
Sale of property	-	-	81,067
Miscellaneous	-	-	6,916,324
Total revenue	560,674	164,170	142,280,087
Expenditures:			
General government	-	-	25,814,644
Public safety	-	-	62,885,562
City development	-	-	5,316,442
Highways and streets	-	-	14,836,995
Recreation and culture	-	-	11,217,234
Sanitation	-	-	8,572,887
Economic development	353,117	490,216	2,036,290
Community development	-	-	2,265,454
Capital projects	-	-	1,589,528
Debt service:			
Principal retirement	-	-	4,853,071
Interest	-	-	4,774,182
Other	-	-	15,646
Total expenditures	353,117	490,216	144,177,935
Excess (deficiency) of revenues over expenditures	207,557	(326,046)	(1,897,848)
Other financing sources (uses):			
Settlement agreement	-	-	1,000,000
Transfers in	-	-	11,200,288
Transfers out	(215,705)	-	(11,348,688)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond premiums/(discounts)	-	-	-
Total other financing sources (uses)	(215,705)	-	851,600
Excess (deficiency) of revenues and financing sources over expenditures and other uses	(8,148)	(326,046)	(1,046,248)
Fund balance - beginning of year	1,139,664	3,033,277	103,685,327
Fund balance - end of year	$ 1,131,516	$ 2,707,231	$ 102,639,079

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, 2008

Net change in fund balances - governmental funds (Exhibit B-3)		$ (1,046,248)
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	$ 6,704,152	
Depreciation	(8,111,645)	(1,407,493)
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.		(122,289)
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	4,853,071	4,853,071
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	$ (107,707)	
Bond discounts, net of amortization	(47,337)	
Deferred refunding charges, net of amortization	(64,616)	(219,660)
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.		26,028
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	$ 1,207,479	
Compensatory time	122,788	
Insurance claims	(729,678)	600,589
In the governmental funds, revenues from certain long-term receivables are only reported upon receipt of the proceeds.		
Community Development Block Grant loans	$ 199,682	
Special assessments	245,698	445,380
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 .		224,000
Change in net assets - governmental activities (Exhibit A-2)		$ 3,353,378

See accompanying notes to financial statements

EXHIBIT B-5

CITY OF WARREN, MICHIGAN
STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2008

	Business-type Activities - Enterprise Funds			
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	Totals
Assets				
Current assets - unrestricted				
Cash and cash equivalents	$ 1,955,262	$ 2,037,134	$ 2,320,429	$ 6,312,825
Accounts receivable	9,661,265	1,879	2,184	9,665,328
Accrued interest on investments	172	3,094	777	4,043
Due from other funds	7,500	-	-	7,500
Land contract interest receivable	14,141	-	-	14,141
Materials and supplies inventory - at cost	186,276	-	-	186,276
Prepaid expenses	57,717	804	-	58,521
Total current assets - unrestricted	11,882,333	2,042,911	2,323,390	16,248,634
Current assets - restricted				
Cash and cash equivalents	12,748,123	46,329	141,720	12,936,172
Due from other funds	1,320,171	-	-	1,320,171
Designated for future projects	1,702,584	-	-	1,702,584
Total current assets - restricted	15,770,878	46,329	141,720	15,958,927
Total current assets	27,653,211	2,089,240	2,465,110	32,207,561
Noncurrent assets:				
Bond issuance costs	-	-	148,836	148,836
Land contract receivable	471,365	-	-	471,365
Property, plant and equipment at cost:				
Land	605,219	221,644	-	826,863
Building and improvements	62,600,368	2,994,301	9,905,821	75,500,490
Utility system	112,664,297	-	-	112,664,297
Machinery, equipment and furniture	12,262,421	289,408	1,101,169	13,652,998
Total property, plant and equipment	188,132,305	3,505,353	11,006,990	202,644,648
Less: accumulated depreciation	(81,370,404)	(2,444,132)	(3,688,433)	(87,502,969)
Net property, plant and equipment	106,761,901	1,061,221	7,318,557	115,141,679
Total noncurrent assets	107,233,266	1,061,221	7,467,393	115,761,880
Total assets	$ 134,886,477	$ 3,150,461	$ 9,932,503	$ 147,969,441

(Continued)

Note:
(1) For fiscal year ended December 31, 2007.

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	Totals
Liabilities				
Current liabilities - unrestricted:				
Accounts payable	$ 1,980,692	$ 35,523	$ 54,711	$ 2,070,926
Accrued wages payable	263,285	9,744	2,528	275,557
Payroll taxes and deductions	195,636	-	-	195,636
Due to other funds	1,611,732	58,598	126,532	1,796,862
Building Authority bonds - current	-	-	620,000	620,000
Revenue bonds payable - current	2,529,621	-	-	2,529,621
Accrued interest payable	-	-	49,719	49,719
Deferred revenue	-	2,889	7,140	10,029
Customer deposits	138,391	-	-	138,391
Total current liabilities - unrestricted	6,719,357	106,754	860,630	7,686,741
Current liabilities - restricted:				
Accounts payable	105,350	-	-	105,350
Accrued interest payable	334,885	-	-	334,885
Building Authority bonds payable	40,474	-	-	40,474
Construction contracts to be performed in future periods	1,702,584	-	-	1,702,584
Tenant security deposits	-	46,329	141,720	188,049
Total current liabilities - restricted	2,183,293	46,329	141,720	2,371,342
Total current liabilities	8,902,650	153,083	1,002,350	10,058,083
Noncurrent liabilities - unrestricted:				
Accumulative sick leave	1,468,846	26,648	-	1,495,494
Accumulative compensatory time	166,798	10,656	-	177,454
Revenue bonds payable	52,394,624	-	-	52,394,624
Building Authority bonds payable	-	-	6,555,000	6,555,000
Unamortized bond premium / (discount)	(232,510)	-	172,956	(59,554)
Deferred refunding charge	(1,880,810)	-	(495,134)	(2,375,944)
Total noncurrent liabilities - unrestricted	51,916,948	37,304	6,232,822	58,187,074
Noncurrent liabilities - restricted:				
Building Authority bonds payable	42,605	-	-	42,605
Unamortized bond discount	(212)	-	-	(212)
Total noncurrent liabilities - restricted assets	42,393	-	-	42,393
Total noncurrent liabilities	51,959,341	37,304	6,232,822	58,229,467
Total liabilities	60,861,991	190,387	7,235,172	68,287,550
Net assets				
Invested in capital assets, net of related debt	55,306,260	1,061,221	143,557	56,511,038
Restricted for:				
Debt service	5,501,864	-	-	5,501,864
Construction	8,043,328	-	-	8,043,328
Insurance claims	500,000	-	-	500,000
Unrestricted net assets	4,673,034	1,898,853	2,553,774	9,125,661
Total net assets	74,024,486	2,960,074	2,697,331	79,681,891
Total liabilities and net assets	$ 134,886,477	$ 3,150,461	$ 9,932,503	$ 147,969,441

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EXHIBIT B-6

CITY OF WARREN, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND TYPES

For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	Totals
Operating revenues:				
Charges for services	$ 31,957,062	$ -	$ -	$ 31,957,062
Rental revenues	-	476,906	1,014,427	1,491,333
Maintenance revenues	-	-	361,749	361,749
Other operating revenues	-	323,428	10,768	334,196
Total operating revenues	31,957,062	800,334	1,386,944	34,144,340
Operating expenses:				
Water purchases	8,087,453	-	-	8,087,453
Personal services	12,186,217	419,938	52,227	12,658,382
Contractual services	-	23,344	41,954	65,298
Materials and supplies	842,646	21,689	26,880	891,215
Utilities	-	139,244	71,103	210,347
Other services and charges	6,414,797	235,348	392,681	7,042,826
Depreciation	4,579,288	91,130	171,928	4,842,346
Total operating expenses	32,110,401	930,693	756,773	33,797,867
Operating income (loss)	(153,339)	(130,359)	630,171	346,473
Nonoperating revenues (expenses):				
Interest income	605,451	72,212	93,947	771,610
Interest expense	(2,089,262)	-	(341,924)	(2,431,186)
Bond issuance costs	-	-	(17,860)	(17,860)
Fiscal charges	-	-	(241)	(241)
Gain / (loss) on disposal of assets	-	-	-	-
Other revenue / (expense)	-	-	-	-
Total nonoperating revenues (expenses)	(1,483,811)	72,212	(266,078)	(1,677,677)
Net income (loss)	(1,637,150)	(58,147)	364,093	(1,331,204)
Net assets - beginning of year	75,661,636	3,018,221	2,333,238	81,013,095
Net assets - end of year	$ 74,024,486	$ 2,960,074	$ 2,697,331	$ 79,681,891

Note:
(1) For fiscal year ended December 31, 2007.

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, 2008

	Business-type Activities - Enterprise Funds			
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	Totals
Cash flows from operating activities:				
Cash received from customers	$ 29,213,519	$ 488,251	$ 1,377,887	$ 31,079,657
Cash payments to suppliers for goods and services	(14,942,121)	(424,777)	(126,793)	(15,493,691)
Cash payments to employees for services	(12,233,210)	(411,445)	(51,527)	(12,696,182)
Other operating revenues / expenses	1,888,016	315,332	(308,432)	1,894,916
Net cash provided by (used for) operating activities	3,926,204	(32,639)	891,135	4,784,700
Cash flows from capital and related financing activities:				
Other income	-	-	-	-
Acquisition and construction of capital assets	3,087,655	-	-	3,087,655
Debt issuance less debt principal payments	(2,469,668)	-	(540,000)	(3,009,668)
Debt interest, issuance costs and fiscal charges	(1,933,574)	-	(305,979)	(2,239,553)
Net cash provided by (used for) capital and related financing activities	(1,315,587)	-	(845,979)	(2,161,566)
Cash flows from investing activities:				
Interest on investments	605,477	76,487	95,846	777,810
Net cash provided by (used for) investing activities	605,477	76,487	95,846	777,810
Other cash flows:				
Deposit error (2)	-	(1,951,736)	-	(1,951,736)
Net increase (decrease) in cash and cash equivalents	3,216,094	(1,907,888)	141,002	1,449,208
Cash and cash equivalents - beginning of year	11,487,291	3,991,351	2,321,147	17,799,789
Cash and cash equivalents - end of year	$ 14,703,385	$ 2,083,463	$ 2,462,149	$ 19,248,997

(Continued)

Notes:
(1) For fiscal year ended December 31, 2007
(2) General Fund state shared revenues were errantly deposited into the Sr. Housing account on June 30, 2007 and were subsequently remitted to the General Fund in fiscal year 2008.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			
	Water and Sewer System (1)	Senior Citizen Housing Funds		
		Stilwell Manor	Jos. Coach Manor	Totals
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (153,339)	$ (130,359)	$ 630,171	$ 346,473
Adjustments to reconcile income to net cash provided by (used for) operating activities:				
Depreciation	4,579,288	91,130	171,928	4,842,346
Other income	-	-	-	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(852,854)	489	(774)	(853,139)
(Increase) decrease in grants receivable	-	-	-	-
(Increase) decrease in interest receivable	2,360	-	-	2,360
(Increase) decrease in interfund receivables	-	-	-	-
(Increase) decrease in inventory	77,131	-	-	77,131
Increase (decrease) in accounts payable	181,181	12,312	36,259	229,752
Increase (decrease) in wages and benefits payable	(37,115)	8,493	700	(27,922)
(Increase) decrease in prepaid expenses	(9,878)	(804)	-	(10,682)
Increase (decrease) in customer deposits	(5,033)	(129)	(403)	(5,565)
Increase (decrease) in interfund payables	144,463	(16,660)	61,134	188,937
Increase (decrease) in deferred revenue	-	2,889	(7,880)	(4,991)
Total adjustments	4,079,543	97,720	260,964	4,438,227
Net cash provided by operating activities	$ 3,926,204	$ (32,639)	$ 891,135	$ 4,784,700

Note:
(1) For fiscal year ended December 31, 2007.

EXHIBIT B-8

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

June 30, 2008

	Pension and Other Employee Benefit Trust Funds (1)	Agency Funds
Assets		
Cash and cash equivalents	$ 300,619	$ 2,222,735
Receivables:		
Investment sales	2,495,041	-
Accrued interest and dividends	2,173,475	81
Other	13,323	-
Prepaid expenses	7,029	-
Investments, at fair value:		
Securities lending short-term collateral investment pool	70,160,111	-
Short-term cash management funds	21,943,546	-
Certificates of deposit	5,719,817	-
U.S. government obligations	28,533,070	-
U.S. government agencies' notes and debentures	35,998,661	-
Corporate and other bonds and securities	71,897,931	-
Equity mutual funds	35,984,616	-
Fixed income mutual funds	5,793,931	-
Real estate investment trusts	6,278,418	-
Private equity	1,793,595	-
Hedge funds	2,358,746	-
Distressed debt recovery fund	1,434,113	-
Mezzanine debt financing	939,792	-
Equities	287,298,699	-
Total investments	576,135,046	-
Total assets	581,124,533	2,222,816
Liabilities		
Accounts payable	2,222,781	54,692
Investment purchases	333,666	-
Due broker under securities lending agreement	70,160,111	-
Due to other funds:		
General fund	8,479,156	142
Water and sewer system	4,425	-
Accrued medical claims	498,544	-
Deposits and escrows	-	1,480,775
Due to other governmental units	-	687,207
Total liabilities	81,698,683	$ 2,222,816
Net assets		
Held in trust for pension and other employee benefits	$ 499,425,850	

Note:
(1) Fiscal year ended December 31, 2007.

See accompanying notes to financial statements.

EXHIBIT B-9

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

For the Year Ended June 30, 2008

	Pension and Other Employee Benefit Trust Funds (1)
Additions:	
Contributions:	
Employee contributions	$ 755,051
Employer contributions	24,424,700
Employer contributions made on behalf of employees	1,129,620
Total contributions	26,309,371
Investment activity:	
Net appreciation/(depreciation) in fair value of investments	24,116,073
Interest and dividend income	15,036,056
	39,152,129
Less investment expense	(2,531,402)
Net investment gain/(loss)	36,620,727
Securities lending income:	
Interest and fees	4,454,296
Less borrower rebates and bank fees	(4,117,997)
Net securities lending income	336,299
Miscellaneous income	117,097
Total additions	63,383,494
Deductions:	
Retirees' pension benefits	30,827,399
Retirees' health insurance	11,686,405
Refunds and withdrawals of contributions	2,289,319
Incentive bonuses	25,000
Administrative expense	502,516
Total deductions	45,330,639
Net increase (decrease)	18,052,855
Net assets held in trust for pension and other employee benefits:	
Beginning of year	481,372,995
End of year	$ 499,425,850

Note:
(1) Fiscal year ended December 31, 2007.

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1.) A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations

2.) Financial statements prepared using both full accrual and modified accrual, inclusive of a reconciliation between the two accounting methods.

3.) A change in the fund financial statements to focus on the reporting entity's major funds.

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

1. REPORTING ENTITY

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

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

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

(Continued)

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 included 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:

Building Authority	Downtown Development Authority & Tax Increment Finance Authority	Brownfield Redevelopment Authority
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 operation of the Water and Sewer System and the Senior Citizen Housing complex. All other activities of the City, including police and fire protection, recreation, sanitation, library, public works, etc., are considered governmental activities.

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

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

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

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

(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. FUND FINANCIAL STATEMENTS

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

The following fund types are used by the City:

Governmental Funds

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

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

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

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

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

Proprietary Funds

The proprietary funds measurement focus is based upon determining operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The following is a description of proprietary funds of the City:

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

Fiduciary Funds

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

4. BASIS OF ACCOUNTING

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

(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. BASIS OF ACCOUNTING (continued)

Accrual

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

Modified Accrual

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

5. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

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

Investments

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

Receivables

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

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

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

Inventories and prepaid items

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

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

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

(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Capital assets

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

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

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

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

Compensated absences and compensatory time

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

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

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

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

Long-term debt

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

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

Fund equity

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

(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6. ENCUMBRANCES

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

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. BUDGETARY DATA

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

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

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

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

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

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

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

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City Council, by resolution, adopted the fiscal year 2008 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, 2008, the following budgetary centers exceeded the approved budget.

	Total Expenditures	Amount Budgeted	Amount Over Budget
Special Revenue Funds:			
Michigan Transportation – Local Roads:			
Snow and Ice Control	$ 482,265	$ 466,114	$ 16,151
Debt Service Funds:			
DDA, Series 2002 Debt Retirement	1,431,900	1,431,875	25

(Continued)

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS

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

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

	Demand Accounts	Certificates of Deposit	Total
General City *(excluding Water and Sewer System)*	$ 1,680,687	$ 39,400,000	$ 41,080,687
Plus outstanding checks	1,480,539	-	1,480,539
Less deposits in transit	(57,652)	-	(57,652)
	$ 3,103,574	$ 39,400,000	$ 42,503,574
FDIC insured	417,944	600,000	1,017,944
Uninsured and uncollateralized	2,685,630	38,800,000	41,485,630
Water and Sewer *System* *(as of December 31, 2007)*	$ 225,085	$ 80,000	$ 305,085
Plus outstanding checks	83,047	-	83,047
	$ 308,132	$ 80,000	$ 388,132
FDIC insured (1)	-	-	-
Uninsured and uncollateralized	308,132	80,000	388,132
Building Authority	$ 1,177,753	$ 1,698,794	$ 2,876,547
Plus outstanding checks	2,687	-	2,687
	$ 1,180,440	$ 1,698,794	$ 2,879,234
FDIC insured	100,892	100,000	200,892
Uninsured and uncollateralized	1,079,548	1,598,794	2,678,342
Tax Increment Finance Authority	$ 2,292	$ -	$ 2,292
Plus outstanding checks	-	-	-
	$ 2,292	$ -	$ 2,292
FDIC insured	2,292	-	2,292
Uninsured and uncollateralized	-	-	-
Downtown Development Authority	$ 1,775,065	$ 9,457,585	$ 11,232,650
Plus outstanding checks	2,735	-	2,735
	$ 1,777,800	$ 9,457,585	$ 11,235,385
FDIC insured	160,413	300,000	460,413
Uninsured and uncollateralized	1,617,387	9,157,585	10,774,972

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

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

(Continued)

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

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

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

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

	Amount Invested	Rating	2a-7 Like	Weighted Ave. Maturity
General City (*excluding Water and Sewer System*):				
JPMorgan Chase – Michigan Governmental MMF	$ 5,070,825	Moody's Aaa	Yes	Not Applicable
LaSalle Bank – Public Funds Investment Trust	4,444,802	Moody's Aaa	No	30 days
National City – Municipal Investment Fund	297,000	Not Rated	No	38 days
Huntington Bank – Automated Funds Investment	2,381,757	Not Rated	No	Not Available
MBIA – Michigan Class	11,083,240	Fitch AAA/V1	Yes	Not Applicable
Comerica – Government Cash Investment Fund	17,704,815	Not Rated	Yes	Not Applicable
	$ 40,982,439			
Water and Sewer System (*as of December 31, 2007*):				
Comerica – Government Cash Investment Fund	$ 14,356,300	Not rated	Yes	Not Applicable
National City – Municipal Investment Fund	42,000	Not rated	No	38 days
	$ 14,398,300			
Building Authority:				
Comerica – Government Cash Investment Fund	$ 8,113	Not Rated	Yes	Not Applicable
Tax Increment Finance Authority:				
Comerica – Government Cash Investment Fund	$ 1,241,472	Not Rated	Yes	Not Applicable
Downtown Development Authority:				
JPMorgan Chase – Michigan Governmental MMF	$ 30,756	Moody's Aaa	Yes	Not Applicable
Fifth Third Institutional Money Market Trust	82,414	S&P AAA	Yes	Not Applicable
	$ 113,170			

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

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

(Continued)

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

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

City Employees' Retirement System:

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

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

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

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

During the fiscal year, the System and the borrower maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in a pool. The average duration of such investment pool as of December 31, 2007 was 128 days. Because the loans could terminate on demand, their duration did not generally match the duration of the investments made with the cash collateral. The collateral held and the fair value of the underlying securities on loan for the System as of December 31, 2007 was $23,130,337 and $22,522,638 respectively.

Custodial credit risk for deposits. Cash balances, without recognizing checks issued but not cashed, at December 31, 2007, excluding impress funds, were $20,107. All deposits were covered by the Federal Deposit Insurance Corporation.

Custodial credit risk for investments. At December 31, 2007, 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:

Short-term cash management funds:	Fair Value	Rating	2a-7 Like	Ave. Weighted Maturity
Comerica Short-term Fund Series C	$ 7,277,911	Not Rated	Yes	Not applicable
Government Agency Repurchase Agreement	1,046,629	Not Rated	No	Overnight
	$ 8,324,540			

(Continued)

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:

Credit Ratings:	Fair Value	Percentage
U.S. government	$ 10,762,412	22.43%
U.S. government agencies	7,518,908	15.67%
Other debt securities as rated by Standard & Poors:		
AAA	5,906,551	12.31%
AA	4,065,580	8.47%
AA-	2,476,289	5.16%
A+	7,532,924	15.70%
A	5,155,486	10.74%
A-	1,446,855	3.02%
BBB+	1,303,939	2.72%
BBB	994,190	2.07%
BBB-	818,160	1.71%
	$ 47,981,294	100.00%

	Maturity Range		
Interest Rate Risk:	0 – 5 Years	5 – 15 Years	> 15 Years
U.S. government	$ 1,543,245	$ 6,397,332	$ 2,821,835
U.S. government agencies	4,487,544	1,831,337	1,200,027
Other debt securities	12,475,767	13,997,119	3,227,088
	$ 18,506,556	$ 22,225,788	$ 7,248,950
	38.57%	46.32%	15.11%

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, 2007, only United States currency was received as collateral.

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.

(Continued)

C. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS (continued)

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, 2007 was 128 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, 2007, 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, 2007 was $49,140,025 and $47,029,774, respectively.

Custodial credit risk for deposits. The System does not have a deposit policy for custodial credit risk. At December 31, 2007, the Police and Fire Retirement System had deposits of $286,478, of which $200,000 is covered by federal depository insurance. The System believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those with an acceptable estimated risk level are used as depositories.

Credit risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices. As of December 31, 2007, the credit quality ratings of debt securities, other than the U.S. government, are as follows:

Credit Ratings: (as rated by S&P):	Fair Value
AAA	$ 28,508,000
AA	7,012,000
A	14,047,000
BBB	12,945,000
BB	336,000
B	9,000
Not rated	30,835,000

Interest rate risk. The System's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day or less maturity. At December 31, 2007, the average maturities of investments are as follows:

Investment Type	Fair Value	Less than 1	1 – 5 yrs	6 – 10 yrs	More than 10
Asset backed	$ 1,758,598	$ -	$ 388,245	$ 36,121	$ 1,334,232
Corporate - Bonds	27,297,118	1,374,491	7,560,672	11,342,397	7,019,558
Corporate – CMO	1,695,739	-	143,480	-	1,552,258
Corp.–Private placement	2,626,616	396,154	849,226	547,126	834,110
Foreign – Bonds	3,786,389	229,596	995,033	1,793,230	768,531
Foreign – Gov't	66,367	-	5,430	-	60,936
Municipal – Bonds	9,926	-	9,926	-	-
U.S. Gov't – Agency	14,162,895	-	5,168,863	8,486,773	507,259
U.S. Gov't – CMO	1,144,544	-	-	-	1,144,544
U.S. Gov't – Mortgage backed	13,813,604	-	-	10,980	13,802,624
U.S. Gov't – TIPS	474,828	94,665	47,457	285,559	47,148
U.S. Gov't – Notes and bonds	16,656,046	-	9,881,032	3,848,826	2,926,188

(Continued)

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:

Security	Foreign Currency	Fair Value
Foreign bonds	Euro	$ 340,032
Foreign stocks	Euro	12,559,298
	Swiss Frank	2,426,456
	Yen	6,824,718
	UK pound	8,075,531
	Hong Kong Dollar	3,163,484
	Israeli Shekel	514,331
	Norwegian Krone	570,048
	Swedish Krona	304,417

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, 2007, the Plan and Trust had certificates of deposit of $5,719,817, of which $200,000 was covered by federal depository insurance. The Plan and Trust believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Plan and Trust evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those with an acceptable estimated risk level are used as depositories.

Credit risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan and Trust has no investment policy that would further limit its investment choices. As of December 31, 2007, the credit quality ratings of debt securities, other than the U.S. government, are as follows:

Investment Type	Rating	Fair Value	Rating Organization
Index funds	BAA through AAA	$ 2,455,635	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, 2007, the average maturity of the bond index funds $2,455,635, was 7.05 years.

(Continued)

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, 2007.

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

	Fair Value	Rating	2a-7 Like	Weighted Ave. Maturity
Short-term cash management funds:				
Goldman Sachs FS Prime Obligations Fund	$ 3,421,844	Moody's Aaa	Yes	Not Applicable

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

Credit Rating	Fair Value	Percentage
U.S. government	$ 1,282,323	21.78%
U.S. government agencies	370,775	6.30%
Other debt securities as rated by Standard & Poors:		
AAA	1,076,697	18.29%
AA	232,955	3.96%
AA-	297,789	5.06%
A+	1,302,894	22.13%
A	905,154	15.37%
BBB+	418,944	7.11%
	$ 5,887,531	100.00%

Segmented Time Distribution	Fair Value	Percentage
< 5 years	$ 2,421,337	41.13%
5-10 years	2,844,923	48.32%
> 10 years	621,271	10.55%
	$ 5,887,531	100.00%

City Employees' QEBA Trust:

There were no outstanding deposits at December 31, 2007.

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

	Fair Value	Rating	2a-7 Like	Weighted Ave. Maturity
Short-term cash management funds:				
Goldman Sachs FS Prime Obligations Fund	$ 1,678	Moody's Aaa	Yes	Not Applicable

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

(Continued)

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.

Delinquent Taxes by Year	Total (1)	General Fund	Special Revenue Funds	Debt Service Funds
2001	$ 199,249	$ 154,945	$ 38,024	$ 6,280
2002	195,940	154,729	38,265	2,946
2003	275,339	218,597	56,742	-
2004	407,519	323,435	84,084	-
2005	146,219	118,050	28,169	-
2006	195,333	157,661	37,672	-
2007	383,059	309,004	74,055	-
	1,802,658	1,436,421	357,011	9,226
Less: Allowance for Uncollectible Taxes	(385,498)	(379,675)	(2,893)	(2,930)
	$ 1,417,160	$ 1,056,746	$ 354,118	$ 6,296

(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 $876,000 of delinquent taxes remains to be stricken as of June 30, 2008. 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 $6,039,325 notes outstanding at June 30, 2008 represents deferred and installment loans. Deferred loans are payable at the end of a set deferral period or upon change of home ownership, whichever comes first. Installment loans are payable through a series of monthly payments over a prescribed period of time, not to exceed twenty years. All loans are secured by a mortgage or equity interest lien. Annual interest rates range from 0% for deferred loans to 4% for installment basis loans.

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

(Continued)

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES (continued)

	Amount Receivable
Governmental Funds:	
General Fund:	
Due from other Governmental Funds:	
Michigan Transportation - Major Roads	$ 176,223
Michigan Transportation - Local Roads	54,894
Community Development Block Grant	173,161
HOME Investment Partnership	97,149
H.O.P.W.A.	21,730
D.D.A. Administration Fund	424,827
Tax Increment Finance Authority	6,864
Due from Proprietary Funds:	
Senior Housing – Stilwell Manor	58,598
Senior Housing – Jos. Coach Manor	126,532
Water and Sewer System (1)	2,362,625
Due from Fiduciary Funds:	
Fire Insurance Withholding	142
City Employees' Retirement System (1)	121,212
Police and Fire Retirement System (1)	142,005
City Employees' VEBA Trust (1)	4,173,021
Police and Fire VEBA Trust (1)	4,462,740
	12,401,723
Community Development Block Grant:	
Due from other Governmental Funds:	
HOME Investment Partnership	6,015
	6,015
TIFA Refunding Series 1999 Debt Retirement.:	
Due from other Governmental Funds:	
Tax Increment Finance Authority	150
	150
Building Authority Series 2005 Debt:	
Due from other Governmental Funds:	
Building Authority Series 2005 Cstr.	14,657
	14,657
D.D.A. Construction Fund:	
Due from other Governmental Funds:	
D.D.A. Administration Fund	978,638
	978,638
Total Governmental Funds	13,401,183
Proprietary Funds:	
Water and Sewer System (1)	
Due from Governmental Funds:	
General Fund	7,500
Capital Imp. Bonds Series 2006 Cstr.	1,320,171
	1,327,671

	Amount Payable
Governmental Funds:	
Michigan Transportation – Major Roads:	
Due to other Governmental Funds:	
General Fund	$ 176,223
	176,223
Michigan Transportation – Local Roads:	
Due to other Governmental Funds:	
General Fund	54,894
	54,894
Community Development Block Grant:	
Due to other Governmental Funds:	
General Fund	173,161
	173,161
HOME Investment Partnership:	
Due to other Governmental Funds:	
General Fund	97,149
Community Development Block Grant	6,015
	103,164
H.O.P.W.A.:	
Due to other Governmental Funds:	
General Fund	21,730
	21,730
D.D.A. Administration Fund:	
Due to other Governmental Funds:	
General Fund	424,827
D.D.A. Construction Fund	978,638
	1,403,465
Capital Imp. Bonds Series 2006 Construction:	
Due to Proprietary Funds:	
Water and Sewer System (1)	1,298,330
	1,298,330
Building Authority Series 2005 Construction:	
Due to other Governmental Funds:	
Building Authority Series 2005 Debt	14,657
	14,657
Tax Increment Finance Authority:	
Due to other Governmental Funds:	
General Fund	6,864
TIFA Refunding Series 199 Debt	150
	7,014
Building Authority Series 2002 Construction:	
Due to Proprietary Funds:	
Water and Sewer System (1)	877
	877
Total Governmental Funds	3,253,515
Proprietary Funds:	
Water and Sewer System (1)	
Due to Governmental Funds:	
General Fund	1,611,732
	1,611,732
Senior Citizen Housing – Stilwell Manor:	
Due to Governmental Funds:	
General Fund	58,598
	58,598

(Continued)

C. DETAILED NOTES ON ALL FUNDS

2. RECEIVABLES (continued)

	Amount Receivable		Amount Payable
Proprietary Funds (continued):		Proprietary Funds (continued):	
		Senior Citizen Housing – Jos. Coach Manor:	
		Due to Governmental Funds:	
		General Fund	$ 126,532
			126,532
Total Proprietary Funds	1,327,671	Total Proprietary Funds	1,796,862
Fiduciary Funds:		Fiduciary Funds:	
		Police and Fire Retirement System (1):	
		Due to Governmental Funds:	
		General Fund	117,867
			117,867
		City Employees' Retirement System (1):	
		Due to Governmental Funds:	
		General Fund	129,333
		Due to Proprietary Funds:	
		Water and Sewer System (1)	4,425
			133,758
		Police and Fire VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	4,915,158
			4,915,158
		City Employees' VEBA Trust (1):	
		Due to Governmental Funds:	
		General Fund	3,316,798
			3,316,798
		Fire Insurance Withholding Fund:	
		Due to Governmental Funds:	
		General Fund	142
			142
Total Fiduciary Funds	-	Total Fiduciary Funds	8,483,723
Total – due from other funds	14,728,854	Total – due to other funds	13,534,100
(1) Denotes fiscal year ending December 31, 2007	11,394,520	(1) Denotes fiscal year ending December 31, 2007	12,589,274
	$ 26,123,374		$ 26,123,374

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

	TRANSFERS TO					
	Governmental Funds					
TRANSFERS FROM:	General Fund	Special Revenue	Debt Service	Capital Projects	Proprietary Funds (1)	Total
General Fund	$ -	$ 215,146	$ 942,905	$ -	$ 74,200	$ 1,232,251
Special Revenue	120,000	1,575,000	7,435,652	-	74,200	9,204,852
Capital Projects	-	-	413,694	497,891	-	911,585
	$ 120,000	$ 1,790,146	$ 8,792,251	$ 497,891	$ 148,400	$ 11,348,688

(1) Fiscal year ended December 31, 2007.

(Continued)

C. DETAILED NOTES ON ALL FUNDS

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 24,759,940	$ 319,228	$ -	$ 25,079,168
Construction in progress	3,124,235	1,567,445	2,720,482	1,971,198
Total capital assets not being depreciated	27,884,175	1,886,673	2,720,482	27,050,366
Capital assets being depreciated:				
Infrastructure	126,913,902	5,839,202	-	132,753,104
Land Improvements	8,577,385	224,254	-	8,801,639
Buildings	88,001,672	546,575	-	88,548,247
Machinery and equipment	40,605,975	927,930	652,276	40,881,629
Total capital assets being depreciated	264,098,934	7,537,961	652,276	270,984,619
Less accumulated depreciation for:				
Infrastructure	(95,474,203)	(1,808,219)	(-)	(97,282,422)
Land improvements	(4,812,330)	(439,384)	(-)	(5,251,714)
Buildings	(18,357,748)	(2,973,945)	(-)	(21,331,693)
Machinery and equipment	(19,607,936)	(2,890,097)	(529,987)	(21,968,046)
Total accumulated depreciation	(138,252,217)	(8,111,645)	(529,987)	(145,833,875)
Total capital assets, being depreciated, net	125,846,717	(573,684)	122,289	125,150,744
Governmental activities capital assets, net	$ 153,730,892	$ 1,312,989	$ 2,842,771	$ 152,201,110
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 826,863	$ -	$ -	$ 826,863
Construction in progress	-	-	-	-
Total capital assets not being depreciated	826,863	-	-	826 863
Capital assets being depreciated:				
Buildings	75,357,707	142,783	-	75,500,490
Utility system	111,194,113	1,519,860	49,676	112,664,297
Machinery and equipment	13,483,999	168,999	-	13,652,998
Total capital assets being depreciated	200,035,819	1,831,642	49,676	201,817,785
Less accumulated depreciation for:				
Buildings	(22,287,682)	(1,808,709)	-	(24,096,391)
Utility system	(48,672,867)	(2,284,872)	(49,676)	(50,908,063)
Machinery and equipment	(11,749,750)	(748,765)	-	(12,498,515)
Total accumulated depreciation	(82,710,299)	(4,842,346)	(49,676)	(87,502,969)
Total capital assets, being depreciated, net	117,325,520	(3,010,704)	-	114,314,816
Business-type activities capital assets, net	$ 118,152,383	$(3,010,704)	$ -	$ 115,141,679

(Continued)

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	$ 181,990
Public safety	1,673,557
City development	36,894
Highways and streets	1,778,294
Recreation and culture	1,894,623
Sanitation	241,570
Economic development	2,304,717
Total depreciation expense – governmental activities	$ 8,111,645
Business-type activities:	
Water and sewer system	$ 4,579,288
Senior citizen housing	263,058
Total depreciation expense – business-type activities	$ 4,842,346

4. LEASES

Capital Leases

Characteristics of capital leases generally transfer the benefits and risks of ownership to the lessee. As such, equipment under capital lease agreements is capitalized at the present value of future minimum lease payments as of the inception date. No capital lease agreements were outstanding during the fiscal year ending June 30, 2008.

Operating Leases

The City has two 24-month automobile lease agreements outstanding at June 30, 2008. One of the leases will expire in fiscal year 2009, the other in fiscal year 2010. The City exercised a single-payment option on each of these leases. Accordingly, the lease expenditure was recorded in the year of origination and no expenditures will be chargeable to future periods. Equipment under operating lease agreements is not capitalized as the lease does not give rise to any property rights.

5. LONG-TERM DEBT

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

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
DPW Garage	07/01/12	$ 1,206,976	$ 776,728	$ 430,248	$ 85,972
		$ 1,206,976	$ 776,728	$ 430,248	$ 85,972

(Continued)

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

Road Construction Bonds are comprised of various bond issues that pledge state-collected gas and weight tax receipts returned to the City. The full faith and credit of the City is pledged as additional security. These bond issues have aggregate principal maturities ranging from $301,714 to $1,527,755 a year, and are due serially through fiscal year 2027 with annual interest rates ranging from 2.60% to 5.100%.

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
MTF, Series 1997	06/01/12	$ 4,500,000	$ 2,940,000	$ 1,560,000	$ 360,000
MTF, Series 2000	06/01/16	5,165,000	1,300,000	3,865,000	400,000
MTF, Series 2003 refunding	06/01/08	4,310,000	4,310,000	-	-
MTF, Series 2003	06/01/18	5,500,000	500,000	5,000,000	500,000
Capital Improvement, Series 2006	09/01/27	5,409,304	35,919	5,373,385	35,918
		$ 24,884,304	$ 9,085,919	$ 15,798,385	$ 1,295,918

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

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Business-type activities (1):					
Revenue Bonds:					
Refunding Series 1999	05/01/16	$ 12,000,000	$ 3,105,000	$ 8,895,000	$ 890,000
Series 1999	11/01/11	11,400,000	11,200,000	200,000	50,000
Series 2000	11/01/11	13,750,000	11,425,000	2,325,000	525,000
Refunding Series 2005	11/01/26	21,675,000	605,000	21,070,000	120,000
Capital Improvement Bonds:					
Series 2003	06/01/23	1,280,543	185,003	1,095,540	50,540
SRF, Series 5134-01	10/01/24	4,750,000	570,000	4,180,000	200,000
SRF, Series 5134-02	04/01/26	6,465,000	260,000	6,205,000	270,000
SRF, Series 5134-03	10/01/24	1,147,091	150,000	997,091	55,000
SRF, Series 5134-04	04/01/26	8,200,000	350,000	7,850,000	355,000
Series 2006	09/01/26	2,120,696	14,082	2,106,614	14,082
		$ 82,788,330	$ 27,864,085	$ 54,924,245	$ 2,529,622

(1) For fiscal year ended December 31, 2007

Tax Increment Finance Authority Bonds are comprised of bonds issued to finance part of the cost of constructing various improvements in the Development Area No. 1 of the City of Warren Tax Increment Finance Authority, pursuant to the Tax Increment Financing and Development Plan adopted by the Board of the Authority on December 18, 1990 and approved by the City Council on February 12, 1990. The bond principal and interest are payable from Tax Increment revenues payable to the Authority from collections of ad valorem taxes commencing July 1, 1991. As additional security the City has pledged its full faith and credit for the prompt payment of principal and interest on the bonds when due. The Tax Increment Finance Authority bonds have principal maturities ranging from $160,000 to $250,000 a year, and are due serially through fiscal year 2011, with annual interest rates ranging from 4.30% to 5.00%.

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Series 1991	10/01/10	$ 2,200,000	$ 1,720,000	$ 480,000	$ -
Refunding Series 1999	10/01/08	1,390,000	1,230,000	160,000	160,000
		$ 3,590,000	$ 2,950,000	$ 640,000	$ 160,000

(Continued)

C. DETAILED NOTES ON ALL FUNDS

5. LONG-TERM DEBT (continued)

Building Authority Bonds are comprised of bonds issued to finance various construction projects and equipment acquisitions. For the Warren Community Center Bonds, Series 2001, Multiple Purpose Bonds, Series 2002, Multiple Purpose Bonds, Series 2005 and the Warren Community Center Refunding Bonds, Series 2005, the City and Water and Sewer System have entered into lease agreements with the Building Authority and agree to pay as cash rentals amounts that will be sufficient to enable the Building Authority to pay principal and interest on the bonds as they become due. The City has pledged its full faith and credit for the payment of these rentals. For the Senior Housing Refunding Bonds - Refunding Series 2004, principal and interest payments are to be paid from cash flows generated by monthly rental unit receipts. In addition, the City has pledged its full faith and credit for the payment of these principal and interest payments as they become due. The Warren Community Center Bonds, Series 2001, Multiple Purpose Bonds, Series 2002, Multiple Purpose Bonds, Series 2005 and Warren Community Center Refunding Bonds, Series 2005 have aggregate principal maturities ranging from $560,000 to $1,397,395 a year, and are due serially through fiscal year ended June 30, 2027 with annual interest rates ranging from 3.25% to 4.70%. The Senior Housing Refunding Bonds, Series 2004 has principal maturities ranging from $620,000 to $1,075,000 a year, and are due serially through the fiscal year ended June 30, 2017 with annual interest rates ranging from 3.25% to 5.25%.

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Series 2001, Community Center	11/01/10	$ 13,000,000	$ 11,850,000	$ 1,150,000	$ 375,000
Series 2002, Multi-purpose	11/01/09	2,858,720	1,966,799	891,921	434,525
Series 2005, Multi-purpose	06/01/15	5,180,000	1,325,000	3,855,000	500,000
Series 2005, WCC refunding	11/01/26	10,835,000	280,000	10,555,000	60,000
Business-type activities:					
Senior Housing - Refunding Series 2004	11/01/16	8,930,000	1,755,000	7,175,000	620,000
Water and Sewer System (1)- Series 2002, Multi-purpose	11/01/09	266,280	183,201	83,079	40,474
		$ 41,070,000	$ 17,360,000	$ 23,710,000	$ 2,029,999

(1) For fiscal year ended December 31, 2007.

Sidewalk Replacement Bonds are comprised of bonds issued to finance various sidewalk and drive approach improvements in designated special assessment districts throughout the City. The payment of principal and interest on the bonds shall be payable primarily from the collection of special assessments levied against those properties improved within each district. Assessments can be paid in full or in installments due July 1 of each year, together with interest on the unpaid balance of the assessment at an annual rate that is 1% per annum in excess of the average rate of the interest payable on the bonds. In addition, the full faith and credit of the City are pledged to the payment of the principal and interest on the bonds when due. The bonds have aggregate maturities ranging from $175,000 to $210,000 a year, and are due serially through fiscal year 2015 with annual interest rates ranging from 3.25% to 4.00%.

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Special Assessment Bonds -					
Series 2002	12/01/07	$ 1,145,000	$ 1,145,000	$ -	$ -
Series 2003	06/01/08	2,304,457	2.304,457	-	-
Series 2005	06/01/15	1,835,000	475,000	1,360,000	175,000
		$ 5,284,457	$ 3,924,457	$ 1,360,000	$ 175,000

(Continued)

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 $1,500,000 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%.

	Maturity Date	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Downtown Development Bonds -					
Series 2002	10/01/25	$ 20,000,000	$ 1,000,000	$ 19,000,000	$ 500,000
Series 2003	10/01/26	20,000,000	500,000	19,500,000	500,000
Series 2004	10/01/27	20,000,000	-	20,000,000	500,000
Series 2005	10/01/28	15,000,000	-	15,000,000	-
		$ 75,000,000	$ 1,500,000	$ 73,500,000	$ 1,500,000

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

Year Ended June 30	Governmental activities Principal	Governmental activities Interest	Business-type activities (Senior Citizen Housing) Principal	Business-type activities (Senior Citizen Housing) Interest
2009	$ 4,586,416	$ 4,596,983	$ 620,000	$ 288,238
2010	5,024,522	4,416,554	625,000	267,616
2011	4,722,681	4,225,973	620,000	246,219
2012	4,620,411	4,041,011	610,000	223,931
2013	4,201,404	3,854,874	705,000	198,834
2014 - 2018	24,130,346	16,359,824	3,995,000	408,587
2019 - 2023	31,123,550	10,329,583	-	-
2024 - 2028	28,521,224	3,069,406	-	-
2029	1,250,000	28,125	-	-
	$ 108,180,554	$ 50,922,333	$ 7,175,000	$ 1,633,425

Year Ended December 31	Business-type activities (Water and Sewer System) Principal	Business-type activities (Water and Sewer System) Interest
2008	$ 2,570,095	$ 1,890,960
2009	2,686,686	1,798,228
2010	2,739,082	1,699,574
2011	2,872,245	1,598,158
2012	2,992,245	1,489,840
2013 - 2017	16,689,654	5,813,768
2018 - 2022	16,241,450	2,912,208
2023 - 2026	8,215,867	586,941
	$ 55,007,324	$ 17,789,677
	$ 62,182,324	$ 19,423,102

(Continued)

C. DETAILED NOTES ON ALL FUNDS

6. COMPENSATED ABSENCES AND COMPENSATORY TIME

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

Compensated absences is accrued at the employee's current rate of pay and applicable retirement payout percentage, inclusive of related payroll taxes and fringes, on sick bank balances accumulated as of December 31, 2007.

Maximum Sick-Leave Banks

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

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

Compensatory time is accrued at the employee's current rate of pay, inclusive of related payroll taxes and benefits, on accumulated compensatory time balances as of December 31, 2007.

(Continued)

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	$ 1,673,602	$(131,173)	$ 1,542,429	$ 305,261	$(66,297)	$ 238,964
Public safety	12,218,310	(1,154,513)	11,063,797	1,551,637	45,064	1,596,701
City development	476,453	23,110	499,563	148,472	(51,370)	97,102
Highways and streets	402,054	(32,522)	369,532	65,002	(11,673)	53,329
Recreation and culture	511,745	85,189	596,934	109,252	489	109,741
Sanitation	148,179	(1,357)	146,822	64,658	(32,309)	32,349
Economic development	5,131	178	5,309	8,552	(2,432)	6,120
Community development	22,329	3,609	25,938	6,481	(4,260)	2,221
	15,457,803	(1,207,479)	14,250,324	2,259,315	(122,788)	2,136,527
Business-type activities:						
Water and Sewer System	1,608,850	(140,004)	1,468,846	178,744	(11,946)	166,798
Senior Citizen Housing	24,198	2,450	26,648	5,573	5,083	10,656
	1,633,048	(137,554)	1,495,494	184,317	(6,863)	177,454
	$ 17,090,851	$(1,345,033)	$ 15,745,818	$ 2,443,632	$(129,651)	$ 2,313,981

7. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Road Construction Bonds	$ 17,239,304	$ -	$ 1,440,919	$ 15,798,385	$ 1,295,918
Building Authority Bonds	17,748,576	-	1,296,655	16,451,921	1,369,525
T.I.F.A. Bonds	820,000	-	180,000	640,000	160,000
Sidewalk Replacement Bonds	2,214,460	-	854,460	1,360,000	175,000
D.D.A. Bonds	74,500,000	-	1,000,000	73,500,000	1,500,000
Land Contract Payable	511,285	-	81,037	430,248	85,972
Accrued insurance claims	9,553,042	4,705,781	3,976,103	10,282,720	- (1)
Compensated absences	15,457,803	-	1,207,479	14,250,324	- (1)
Compensatory time	2,259,315	-	122,788	2,136,527	- (1)
Governmental activity long-term liabilities	$ 140,303,785	$ 4,705,781	$ 10,159,441	$ 134,850,125	$ 4,586,415
Business-type activities:					
Water and Sewer Bonds	$ 57,361,548	-	2,437,303	54,924,245	2,529,621
Building Authority Bonds	7,836,424	-	578,345	7,258,079	660,474
Compensated absences	1,633,048	-	137,554	1,495,494	- (1)
Compensatory time	184,317	-	6,863	177,454	- (1)
Business-type activity long-term liabilities	$ 67,015,337	$ -	$ 3,160,065	$ 63,855,272	$ 3,190,095

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

(Continued)

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.

	Principal Defeased on October 17, 2002	Outstanding Principal at June 30, 2008
South Macomb Disposal Authority - Solid Waste Bonds, Series 2000	$ 7,644,000	$ 7,644,000

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

	Principal Defeased on August 1, 2005	Outstanding Principal at June 30, 2008
City of Warren Building Authority Bonds, Series 2001	$ 9,925,000	$ 9,925,000

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

	Principal Defeased on September 1, 2005	Outstanding Principal at December 31, 2007
Water and Sewer System Revenue Bonds:		
Series 1999$ 11,100,000	$ 11,100,000	
Series 20008,800,000	8,800,000	

9. DEFERRED REVENUE

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

Governmental Activities:	Revenue	Amount
General Fund	Public safety grants	$ 445,626
Special Revenue Funds:		
Community Development Block Grant	Grant / Loans	6,735,923
HOME Investment Partnership	Grant	1,700,142
H.O.P.W.A.	Grant	396,359
Capital Projects Funds:		
Special Assessment Construction Funds	Special assessments	2,759,415
		$ 12,037,465
Business-type Activities:		
Senior Citizen Housing	Prepaid rents	$ 10,029
		$ 10,029

(Continued)

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, 2008, the legal debt limit exceeded net bonded indebtedness by $606,491,904.

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS

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

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

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

The Trust is created for the exclusive purpose of funding health, life and disability benefits for those retirees and beneficiaries eligible to receive such retirement benefits under the City of Warren General Employees Retirement System and Defined Contribution Plan. At December 31, 2006, the date of the most recent valuation, the plan consisted of 438 active participants, 528 retired participants and 37 inactive vested participants.

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

Summary of Significant Accounting Policies. On October 24, 2007, the Board of Trustees approved changing the Plan and Trust's fiscal year from July 1 – June 30 to January 1 – December 31. Accordingly, the financial statements are presented for the six month period ended December 31, 2007. The financial statements of the Trust are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed. Retiree health, life and disability benefits are recognized in the period incurred.

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

Funding Policy. The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Contributions to the plan represent 27.13% of covered payroll for the period of July 1, 2007 through December 31, 2007 in accordance with the actuarial valuation of December 31, 2004. Administrative costs of the Plan are financed through investment earnings. Actuarial valuations are performed bi-annually.

(Continued)

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b –a] / c)
12/31/06	$16,229,489	$161,270,365	$145,040,876	10.06%	$27,490,701	527.60%

For the six months ended December 31, 2007 contributions to the plan totaled $3,842,163 and post-employment health benefits totaled $3,332,441. 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
12/31/2007 (1)	$3,842,163	100.00%	$ -
06/30/2007	7,140,097	100.00	-
06/30/2006	6,570,757	100.00	-

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

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-35. 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, 2007, membership consisted of 370 current active employees and 421 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.

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

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

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

Funding Policy. The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Contributions to the plan represent 24.24% of covered payroll for the period of January, 2007 through June, 2007 and 24.08% for the period of July 2007 through December 2007. Administrative costs of the Plan are financed through investment earnings.

(Continued)

D. OTHER INFORMATION

1. POST-EMPLOYMENT HEALTH BENEFITS (continued):

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b –a] / c)
12/31/06	$16,278,706	$173,368,137	$157,089,431	9.39%	$29,425,088	533.86%

For the fiscal year ended December 31, 2007, contributions to the plan totaled $7,579,855 and post-employment health benefits totaled $8,353,964. 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
12/31/2007	$7,579,855	100.00%	$ -
12/31/2006	6,168,503	100.00	-
12/31/2005	4,237,700	100.00	-

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

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

2. PENSION PLANS

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

Employees' Retirement System Defined Benefit Plan:

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

The System provides retirement, disability and death benefits to plan members and their beneficiaries. The obligation to contribute to and maintain the System for these employees was established by City ordinance and negotiation with the various collective bargaining units. At December 31, 2007, membership consisted of 539 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 221 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)

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, 2007 is as follows:

Reserve for Employees' Contribution: $ 467,648

Composed of accumulated contributions by active employees plus interest thereon.

Reserve for Employer's Contribution: $ 2,636,414

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: $ 128,248,446

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

Reserve for Undistributed Income: $ 4,007,837

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 42.59% of covered payroll for the period of January 1, 2007 through June 30, 2007 in accordance with the actuarial valuation dated December 31, 2004 and 45.29% of covered payroll for the period of July 1, 2007 through December 31, 2007 in accordance with the actuarial valuation dated December 31, 2005. 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, 2006 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)

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

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)
12/31/06	$132,075,834	$176,356,434	$44,280,600	74.9 %	$14,878,893	297.6 %

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	$6,603,342	100.00%	$ -
12/31/2006	6,168,503	100.00	-
12/31/2005	5,878,849	100.00	-

The *schedule of funding progress* and the *schedule of employer contributions* appear as required supplementary information (RSI) on Exhibit C-33. 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, 2006, the date of the most recent actuarial evaluation, membership consisted of 421 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 370 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)

D. OTHER INFORMATION

2. PENSION PLANS (continued)

Reserves. As of December 31, 2007, the System's legally required reserves have been fully funded as follows:

Reserve for employees' contributions	$ 19,485,345
Reserve for retired benefit payments	187,681,250

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 22.10% of covered payroll for the period of January 1, 2007 through June 30, 2007 in accordance with the actuarial valuation dated December 31, 2004 and 25.35% of covered payroll for the period of July 1, 2007 through December 31, 2007 in accordance with the actuarial valuation dated December 31, 2005.

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, 2006 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*	0.1%-3.0%
*Includes inflation at	4.50%

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)
12/31/06	$300,703,399	$322,711,074	$22,007,675	93.20%	$ $29,425,088	74.80%

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
12/31/2007	$7,473,960	100.00%	$ -
12/31/2006	6,949,145	100.00	-
12/31/2005	4,280,739	100.00	-

(Continued)

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 215 active participants in the plan as of June 30, 2008.

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)

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, 2007. During the fiscal year, values may be amended through judgments of the State Tax Commission, Michigan Tax Tribunal or Board of Review.

	Taxable Value		State Equalized Value	
Real Property	$ 4,006,095,330	76.41%	$ 4,826,375,830	79.58%
Personal Property	741,007,436	14.13	741,128,712	12.22
Industrial Facilities Exemption	488,217,887	9.31	489,038,667	8.06
Obsolete Property Rehabilitation	7,384,090	0.15	8,375,830	0.14
	$ 5,242,704,743	100.00%	$ 6,064,919,039	100.00%

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 2007 State Equalized Value or the 2007 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 2006 Taxable Value minus losses times the lower of 1.05 or the 2006 Consumer Price Index for the twelve months ended September 30 plus any additions.

Property tax payment dates for the 2008 fiscal year are as follows:

Full or First Installment	July 1, 2007 thru September 2, 2007
Second Installment	December 1, 2007 thru February 2, 2008

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

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

(Continued)

D. OTHER INFORMATION

4. PROPERTY TAXES (continued)

The tax levy for July 1, 2007 was based on the following rates: (per $1,000 of Taxable Valuation)

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

5. RISK MANAGEMENT

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

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

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

(Continued)

D. OTHER INFORMATION

5. RISK MANAGEMENT (continued)

A designation of unreserved fund balance in the amount of $10,282,720 is reported in the fund financial statements representing potential developed claims outstanding as of June 30, 2008 as provided by the City's insurance carrier. The Water and Sewer System enterprise fund has reserved $500,000 of net assets as of December 31, 2007, towards payment of potential self-insured medical claims. The City believes these designations are sufficient to pay potential self-insured medical, workers' compensation, automobile or public entity liability claims incurred as of their respective balance sheet dates.

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

	2007	Estimated Claims Incurred	Payments and Adjustments	2008
Worker's compensation, automobile and public entity liability	$ 3,916,398	$ 2,760,787	$ (3,417,191)	$ 3,259,994
Other insurance related items	5,636,644	1,944,994	(558,912)	7,022,726
Estimated liability - end of year	$ 9,553,042	$ 4,705,781	$ (3,976,103)	$ 10,282,720

6. CONTINGENT LIABILITIES

Litigation

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

7. UNAVAILABLE ASSETS HELD BY OTHER GOVERNEMNTAL UNIT

The Macomb County Department of Public Works is holding $5,963,940 of funds for the City of Warren to be used for the maintenance, construction, and debt service of drain construction projects within the City of Warren.

8. JOINT VENTURE

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

(Continued)

D. OTHER INFORMATION

9. SUBSEQUENT EVENTS

Unprecedented turmoil has prevailed in the financial and credit markets since the close of the fiscal year which has negatively impacted the City's operations and financial condition. The effects of some events have been immediate and quantifiable; others measurable only when conditions stabilize.

The City's deposits and investments were exposed to credit risks that were not evident at the close of the fiscal year. Even though the Federal Deposit Insurance Corporation responded by raising FDIC limits from $100,000 to $250,000 on demand and certificates of deposits, this act in itself did not significantly protect the City's liquid assets in the event of financial institution failure. In response to these conditions, on October 14, 2008, the City prematurely redeemed $32 million of certificates of deposits and invested $26 million of these funds in U.S. Treasury Bills. On October 30, 2008 the City purchased another $10 million of U.S. Treasury Bills upon maturity of other certificates of deposit. Investment earnings should be expected to be substantially lower going forward than had been earlier anticipated.

The City's fiduciary funds, those being the General Employees' Retirement System, the Police and Fire Retirement System, the General Employees' VEBA Trust and the Police and Fire VEBA Trust, are primarily invested in longer term debt instruments and equity investments. Credit risks, in combination with market uncertainties and recessionary fears have all contributed to negatively impact the market value of each plan's investments. The effects to the City can only be measured by how soon or if market values return to previous levels. Subsequent actuarial evaluations will determine to what degree contribution rates may increase in order to adequately fund these plans going forward.

On December 3, 2008, the city sold $5,305,000 of Capital Improvement Bonds, Series 2008 to fund various road and sidewalk improvement projects throughout the City.

On December 10, 2008, the U.S. House of Representatives approved the terms of an emergency "bridge loan" to the domestic automobile companies. On December 12, 2008, the U.S. Senate rejected the proposal. The White House and Treasury Department subsequently announced that they are willing to extend relief to the auto companies. The terms and conditions of any potential agreement are not known at this time.

The City of Warren is home to the General Motors Technical Center, a General Motors manufacturing plant, a Chrysler manufacturing plant, as well as numerous automotive suppliers. Accordingly, the health and sustainability of the U.S. auto industry have a significant influence on the City's financial condition and the level of service that it can provide.

(Continued)

CITY OF WARREN, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT C-1

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

GENERAL FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Revenues:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Taxes	$ 64,345,834	$ 64,345,834	$ 65,390,378	$ 1,044,544	$ 63,707,694
Licenses and permits	2,542,000	2,542,000	1,691,127	(850,873)	2,329,132
Intergovernmental:					
Federal revenue	47,000	962,038	401,575	(560,463)	596,689
State revenue	14,729,446	14,929,446	14,811,050	(118,396)	15,359,825
Local revenue	750,000	856,000	800,095	(55,905)	667,972
Charges for services	692,000	697,200	819,912	122,712	741,277
Fines and fees	4,775,000	4,775,000	5,079,793	304,793	4,985,395
Interest on investments	2,200,000	2,200,000	2,842,479	642,479	3,668,469
Miscellaneous	5,921,810	5,958,552	6,062,399	103,847	6,166,481
Total revenues	96,003,090	97,266,070	97,898,808	632,738	98,222,934
Expenditures:					
General government	28,728,287	29,282,442	25,790,619	3,491,823	24,795,056
Public safety	62,276,770	65,518,754	62,274,144	3,244,610	61,292,114
City development	6,159,903	6,257,446	5,089,443	1,168,003	5,236,345
Highways and streets	2,550,000	2,550,000	2,373,401	176,599	2,373,061
Recreation and culture	59,795	59,995	46,269	13,726	40,688
Debt service	110,517	110,517	110,517	-	209,871
Total expenditures	99,885,272	103,779,154	95,684,393	8,094,761	93,947,135
Excess (deficiency) of revenues over expenditures	(3,882,182)	(6,513,084)	2,214,415	8,727,499	4,275,799
Other financing sources (uses):					
Settlement agreement	-	-	1,000,000	1,000,000	-
Transfer from:					
Drug forfeiture fund	120,000	120,000	120,000	-	115,000
Transfer to:					
Michigan transportation operating funds	(193,584)	(193,584)	(215,146)	(21,562)	(215,444)
Water and Sewer System	(74,200)	(74,200)	(74,200)	-	(70,000)
Building Authority debt funds	(955,000)	(955,000)	(942,905)	12,095	(945,135)
Total other financing sources (uses)	(1,102,784)	(1,102,784)	(112,251)	990,533	(1,115,579)
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(4,984,966)	(7,615,868)	2,102,164	9,718,032	3,160,220
Fund balance transfers:					
Recreation Special Revenue Fund	-	-	-	-	(402,631)
Library Special Revenue Fund	-	-	-	-	(17,827)
District Court Building Renovation Fund	-	-	-	-	(206,590)
Fund balance - beginning of year	55,455,625	55,455,625	55,455,625	-	52,922,453
Fund balance - end of year	$ 50,470,659	$ 47,839,757	$ 57,557,789	$ 9,718,032	$ 55,455,625

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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Revenues:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Property taxes:					
Real and personal property	$ 61,285,037	$ 61,285,037	$ 61,621,076	$ 336,039	$ 60,180,239
Industrial facilities	1,460,797	1,460,797	1,619,827	159,030	1,399,059
Interest and penalties	195,000	195,000	598,600	403,600	602,903
Payment in lieu of taxes:					
trailer parks and senior citizen housing	30,000	30,000	31,008	1,008	31,304
Administration fee	1,375,000	1,375,000	1,519,867	144,867	1,494,189
	64,345,834	64,345,834	65,390,378	1,044,544	63,707,694
Licenses and permits:					
Building permits	1,100,000	1,100,000	559,380	(540,620)	751,364
Electrical permits	200,000	200,000	204,164	4,164	261,390
Mechanical permits	220,000	220,000	165,889	(54,111)	247,981
Plumbing permits	400,000	400,000	204,024	(195,976)	502,710
Plan review fees	180,000	180,000	119,110	(60,890)	151,567
Sidewalk permits	30,000	30,000	17,521	(12,479)	30,811
Zoning permits and fees	190,000	190,000	143,505	(46,495)	176,365
Animal licenses	22,000	22,000	28,569	6,569	27,539
Other licenses and permits	200,000	200,000	248,965	48,965	179,405
	2,542,000	2,542,000	1,691,127	(850,873)	2,329,132
Intergovernmental:					
Federal revenue:					
Civil defense grant	47,000	47,000	56,575	9,575	52,686
Local Law Enforcement Grant	-	-	-	-	44,581
Metro Medical Response Gran	-	-	78,894	78,894	212,264
Metro Medical Response Grant - 2005	-	220,765	115,231	(105,534)	-
Metro Medical Response Grant - 2006	-	232,330	-	(232,330)	-
Metro Medical Response Grant - 2007		258,145	-	(258,145)	-
I.C.T.P. Grant	-	54,130	37,381	(16,749)	-
Bullet Proof Vest Grant	-	-	-	-	4,583
Bureau of Justice Assistance Grant	-	-	-	-	50,000
U.S. Department of Justice Grant	-	-	64,971	64,971	180,820
U.S. Department of Justice Grant - 2006	-	57,973	25,505	(32,468)	-
U.S. Department of Justice Grant - 2007	-	91,695	-	(91,695)	-
Cities Readiness Grant	-	-	23,018	23,018	51,755
	47,000	962,038	401,575	(560,463)	596,689
State revenue:					
State shared:					
Sales and use tax	14,275,000	14,275,000	14,105,387	(169,613)	14,105,387
Liquor licenses	75,000	75,000	80,052	5,052	76,120
Grants:					
COMET Grant	27,000	27,000	27,959	959	27,813
MATS Grant	60,000	60,000	78,956	18,956	79,320
Drug Court Grant - 2005	-	-	3,135	3,135	24,945
Drug Court Grant - 2006	-	-	3,371	3,371	13,615
Byrne Formula Grant - 2005	-		-	-	49,012
Justice Assistance Grant - 2006	-	-	35,208	35,208	84,594
Justice Assistance Grant - 2007	-	200,000	122,313	(77,687)	-
911 Dispatch Training Grant	110,000	110,000	171,773	61,773	165,045
Homeland Security Grant - 2004	-	-	-	-	20,896
Homeland Security Grant - 2005	-	-	-	-	350,616
Homeland Security Grant - 2006	-	-	-	-	179,566
Judge's salary standardization	182,446	182,446	182,896	450	182,896
	14,729,446	14,929,446	14,811,050	(118,396)	15,359,825

(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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Revenues, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Local revenue:					
School Liaison Officer reimbursement	275,000	275,000	275,000	-	275,000
Macomb West Nile Virus Assistance	5,000	5,000	-	(5,000)	-
Election expense reimbursement	170,000	276,000	167,309	(108,691)	57,477
City of Center Line court reimbursement	300,000	300,000	357,786	57,786	335,495
	750,000	856,000	800,095	(55,905)	667,972
Charges for services:					
Police services and auctions	$ 185,000	$ 190,000	$ 211,195	$ 21,195	$ 194,719
Towing administrative fees	-	-	73,225	73,225	-
Fire services	20,000	20,000	17,953	(2,047)	12,800
Clerk's services	190,000	190,000	205,871	15,871	210,516
I.F.T. exemption processing fees	2,000	2,000	12,000	10,000	8,500
Planning commission	17,000	17,000	6,565	(10,435)	13,853
Site plan fees	40,000	40,000	31,229	(8,771)	30,099
Engineering and inspection fees	110,000	110,000	48,187	(61,813)	112,298
Weed cutting	50,000	50,000	106,677	56,677	59,240
Board of appeals - fees	23,000	23,000	29,075	6,075	27,355
Block Grant administration	-	-	17,525	17,525	2,662
Miscellaneous	55,000	55,200	60,410	5,210	69,235
	692,000	697,200	819,912	122,712	741,277
Fines and fees:					
37th District Court:					
Property maintenance	250,000	250,000	64,667	(185,333)	93,946
Fines and fees	4,200,000	4,200,000	4,649,205	449,205	4,511,835
Probation fees	275,000	275,000	314,740	39,740	312,495
Civil infractions	-	-	-	-	50
Civil fees / drug treatment	-	-	31,420	31,420	30,145
Drug Court revenue	50,000	50,000	19,761	(30,239)	36,924
	4,775,000	4,775,000	5,079,793	304,793	4,985,395
Interest on investments	2,200,000	2,200,000	2,842,479	642,479	3,668,469
Miscellaneous:					
Equipment rentals:					
Major Street Fund	616,000	616,000	672,623	56,623	548,668
Local Street Fund	516,000	516,000	551,194	35,194	531,435
Salt dome rental	5,000	5,000	5,000	-	5,000
Administrative fees:					
Major Street Fund	473,800	473,800	473,800	-	459,100
Local Street Fund	203,000	203,000	203,000	-	196,700
Water and Sewer System	1,589,000	1,589,000	1,589,000	-	1,531,000
Senior Citizen Housing	114,810	114,810	114,810	-	111,250
Library	45,900	45,900	45,900	-	44,500
Recreation	92,000	92,000	92,000	-	89,100
Sanitation	812,000	812,000	812,000	-	786,800
Communications	106,800	106,800	106,800	-	103,500
Downtown Development Authority	617,500	617,500	617,500	-	598,400
Court building rental	250,000	250,000	250,000	-	250,000
Medicare prescription drug subsidy	430,000	430,000	454,586	24,586	812,078
Insurance proceeds	-	36,742	37,230	488	-
Sale of property and equipment	50,000	50,000	36,956	(13,044)	98,950
	5,921,810	5,958,552	6,062,399	103,847	6,166,481
Total revenues	96,003,090	97,266,070	97,898,808	632,738	98,222,934
Other financing sources:					
Settlement agreement	-	-	1,000,000	1,000,000	-
Transfer from:					
Drug forfeiture fund	120,000	120,000	120,000	-	115,000
Total other financing sources	120,000	120,000	1,120,000	1,000,000	115,000
Total revenues and other financing sources	$ 96,123,090	$ 97,386,070	$ 99,018,808	$ 1,632,738	$ 98,337,934

EXHIBIT C-3

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Council:					
Personal services:					
Elected officials	$ 248,670	$ 248,670	$ 248,321	$ 349	$ 247,986
Permanent employees	258,159	258,159	238,658	19,501	225,598
Clerical co-op	2,000	2,000	-	2,000	7,209
Overtime	4,000	4,000	3,077	923	2,244
Employee benefits:					
Social security	40,632	40,632	38,156	2,476	38,293
Employee insurances	205,161	205,161	173,309	31,852	175,422
Retiree health insurance	142,905	142,905	115,107	27,798	125,303
Longevity	11,452	11,452	12,488	(1,036)	11,778
Retirement fund	106,817	106,817	103,474	3,343	95,497
Cost of living	860	860	621	239	376
Auto allowance	3,600	3,600	2,850	750	3,600
Uniform / cleaning allowance	-	-	-	-	5,000
Employee legal services	2,015	2,015	1,920	95	755
Office supplies	10,000	10,000	5,897	4,103	4,348
Other services and charges:					
Contractual services	17,000	17,000	4,911	12,089	5,056
Court reporter	30,000	30,000	20,343	9,657	26,100
Postage	2,500	2,500	731	1,769	1,198
Telephone	3,000	3,000	1,460	1,540	1,424
Printing and publishing	3,000	3,000	2,664	336	1,371
Total Council	1,091,771	1,091,771	973,987	117,784	978,558
Mayor:					
Personal services					
Elected official	110,636	110,636	108,485	2,151	110,212
Permanent employees	388,170	388,170	386,108	2,062	353,388
Temporary employees	17,000	17,000	35,914	(18,914)	18,668
Employee benefits:					
Social security	40,634	40,634	41,759	(1,125)	38,354
Employee insurances	79,732	79,732	58,718	21,014	61,835
Retiree health insurance	132,203	132,203	95,669	36,534	123,479
Longevity	7,076	7,076	2,842	4,234	7,336
Retirement fund	86,477	86,477	68,402	18,075	81,903
Cost of living	1,290	1,290	874	416	536
Auto allowance	10,800	10,800	6,200	4,600	10,800
Uniform / cleaning allowance	-	-	-	-	9,000
Employee legal services	1,085	1,085	973	112	230
Office supplies	15,000	15,000	12,428	2,572	10,521
Other services and charges					
Contractual services	5,000	5,000	2,823	2,177	2,449
Postage	5,000	5,000	3,135	1,865	859
Auto expense	1,000	1,000	420	580	743
Capital outlay:					
Office equipment	2,000	2,000	-	2,000	400
Total Mayor	903,103	903,103	824,750	78,353	830,713

(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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
37th District Court:					
Personal services:					
Elected officials	$ 183,600	$ 183,600	$ 180,029	$ 3,571	$ 182,896
Permanent employees	2,350,418	2,350,418	2,363,431	(13,013)	2,252,663
Temporary employees	115,000	115,000	136,518	(21,518)	135,064
Temporary employees - drug court	-	134,148	80,051	54,097	80,281
Overtime	2,000	2,000	1,489	511	754
Employee benefits:					
Social security	198,457	208,719	202,992	5,727	199,510
Employee insurances	604,791	604,791	571,784	33,007	535,330
Retiree health insurance	715,305	715,305	710,227	5,078	646,943
Longevity	90,861	90,861	88,852	2,009	86,718
Retirement fund	712,775	712,775	679,799	32,976	637,799
Cost of living	9,675	9,675	7,510	2,165	4,736
Uniform / cleaning allowance	-	-	-	-	61,000
Employee legal services	6,975	6,975	7,053	(78)	4,557
Office supplies	50,000	50,000	47,977	2,023	44,313
Other services and charges:					
Contractual services	45,000	45,000	38,609	6,391	35,110
Independent audit	16,000	16,000	15,300	700	14,900
Contractual services - data processing	170,000	170,000	180,017	(10,017)	158,063
Postage	18,000	18,000	16,257	1,743	15,802
Bank service charges	22,000	22,000	21,847	153	21,973
Transcripts	500	500	450	50	-
Drug Court expense	50,000	50,000	22,622	27,378	39,783
W.R.A.P. Drug Court expense	-	6,999	-	6,999	-
Michigan Drug Court grant expense - 2005	-	17,467	5,190	12,277	30,142
Michigan Drug Court grant expense - 2006	-	16,100	3,441	12,659	13,900
Byrne Formula Grant expense - 2005	-	-	-	-	17,739
Justice Assistance Grant expense - 2006	-	21,514	13,234	8,280	25,105
Justice Assistance Grant expense - 2007	-	99,426	58,700	40,726	-
Counsel for indigent defendants	550,000	550,000	611,188	(61,188)	719,418
Witness and jury fees	28,000	28,000	17,191	10,809	20,339
Telephone	32,000	32,000	28,628	3,372	22,821
Mileage	3,000	3,000	2,169	831	2,087
Public utilities	100,000	100,000	88,456	11,544	98,494
Building rental	250,000	250,000	250,000	-	250,000
Dues and subscriptions	6,000	6,000	5,535	465	5,405
Books	13,000	13,000	10,397	2,603	11,065
Capital outlay:					
Office equipment	10,000	10,000	9,962	38	16,230
Total 37th District Court	6,353,357	6,659,273	6,476,905	182,368	6,390,940
Administrative Hearings:					
Personal services:					
Temporary employees	-	-	-	-	27,450
Employee benefits:					
Social security	-	-	-	-	2,100
Employee insurances	-	-	-	-	32
Fees and per diem	-	-	-	-	17,200
Operating supplies	-	-	-	-	3,211
Other services and charges:					
Contractual services	-	-	-	-	3,130
Postage	-	-	-	-	224
Telephone	-	-	-	-	510
Total Administrative Hearings	-	-	-	-	53,857

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Clerk:					
Personal services					
Elected official	$ 81,825	$ 81,825	$ 80,234	$ 1,591	$ 81,511
Permanent employees	416,835	416,835	436,982	(20,147)	403,048
Seasonal employees	38,000	38,000	44,571	(6,571)	37,107
Overtime	33,000	33,000	36,379	(3,379)	24,150
Employee benefits:					
Social security	45,634	45,634	47,336	(1,702)	43,724
Employee insurances	104,728	104,728	89,122	15,606	90,539
Retiree health insurance	133,778	133,778	138,103	(4,325)	122,007
Longevity	17,446	17,446	17,747	(301)	18,065
Retirement fund	127,153	127,153	121,612	5,541	111,666
Cost of living	1,720	1,720	1,448	272	851
Uniforms	190	190	190	-	190
Uniform / cleaning allowance	-	-	-	-	9,000
Employee legal services	1,395	1,395	1,382	13	986
Office supplies	21,000	21,000	23,425	(2,425)	19,807
Other services & charges					
Contractual services	50,000	50,000	7,362	42,638	11,003
Postage	36,000	36,000	28,736	7,264	10,437
Election wages	279,000	279,000	256,678	22,322	181,123
Election expense	95,000	201,000	144,621	56,379	83,253
Auto expense	1,500	1,500	1,000	500	946
Printing and publishing	60,000	60,000	34,557	25,443	48,058
Capital outlay:					
Office equipment	-	-	-	-	770
Total Clerk	1,544,204	1,650,204	1,511,485	138,719	1,298,241
Treasurer:					
Personal services:					
Elected official	81,825	81,825	80,234	1,591	81,511
Permanent employees	613,840	613,840	524,249	89,591	607,585
Seasonal employees	21,000	21,000	29,551	(8,551)	15,324
Overtime	14,000	14,000	9,536	4,464	14,567
Employee benefits:					
Social security	58,326	58,326	50,844	7,482	58,681
Employee insurances	159,936	159,936	137,418	22,518	131,957
Retiree health insurance	177,820	177,820	152,103	25,717	173,038
Longevity	19,583	19,583	12,223	7,360	22,132
Retirement fund	178,999	178,999	136,970	42,029	172,734
Cost of living	2,365	2,365	1,582	783	1,065
Uniform / cleaning allowance	-	-	-	-	14,000
Employee legal services	1,860	1,860	1,600	260	1,152
Office supplies	10,000	10,000	12,194	(2,194)	7,031
Other services and charges:					
Contractual services	15,000	15,000	17,874	(2,874)	16,743
Postage	63,000	63,000	28,147	34,853	64,205
Legal fees	8,000	8,000	-	8,000	835
Tax statement preparation	46,000	46,000	28,401	17,599	18,189
Mileage	-	-	573	(573)	511
Delinquent personal property tax write off	175,000	175,000	175,000	-	150,000
Capital outlay:					
Office equipment	20,400	20,400	10,692	9,708	-
Total Treasurer	1,666,954	1,666,954	1,409,191	257,763	1,551,260

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Controller:					
Personal services:					
Appointed official	$ 109,623	$ 109,623	$ 114,716	$ (5,093)	$ 110,611
Permanent employees	1,170,435	1,170,435	1,142,207	28,228	1,121,256
Clerical co-op	45,000	45,000	28,577	16,423	14,978
Overtime	44,000	44,000	41,991	2,009	33,649
Employee benefits:					
Social security	109,682	109,682	99,870	9,812	102,691
Employee insurances	279,171	279,171	240,226	38,945	244,112
Retiree health insurance	375,404	375,404	374,010	1,394	346,466
Longevity	48,396	48,396	45,489	2,907	49,984
Retirement fund	421,009	421,009	384,997	36,012	378,833
Cost of living	4,085	4,085	3,107	978	1,981
Auto allowance	7,200	7,200	3,600	3,600	3,600
Uniform / cleaning allowance	-	-	-	-	28,000
Employee legal services	2,945	2,945	2,752	193	1,741
Office supplies	21,000	21,000	19,040	1,960	20,562
Other services & charges:					
Contractual services	3,000	3,000	2,263	737	2,520
Postage	4,000	4,000	2,073	1,927	2,626
Mileage	1,200	1,200	573	627	706
Auto expense	1,200	1,200	1,602	(402)	1,085
Capital outlay:					
Office equipment	2,000	2,000	842	1,158	-
Total controller	2,649,350	2,649,350	2,507,935	141,415	2,465,401
Charges reimbursable via Public Act 55	(253,225)	(253,225)	(253,225)	-	(239,355)
Net Controller	2,396,125	2,396,125	2,254,710	141,415	2,226,046
Information Systems:					
Personal services:					
Permanent employees	228,040	228,040	238,332	(10,292)	228,007
Temporary employees	4,000	4,000	1,095	2,905	2,700
Overtime	10,000	10,000	2,281	7,719	14,437
Employee benefits:					
Social security	19,262	19,262	18,577	685	19,199
Employee insurances	46,178	46,178	46,209	(31)	42,198
Retiree health insurance	66,344	66,344	67,833	(1,489)	64,005
Longevity	5,856	5,856	5,838	18	6,116
Retirement fund	33,423	33,423	33,957	(534)	34,245
Cost of living	645	645	515	130	324
Uniform / cleaning allowance	-	-	-	-	5,000
Employee legal services	465	465	461	4	218
Operating supplies	6,280	6,280	2,881	3,399	4,877
Other services and charges:					
Contractual services	230,000	230,000	209,665	20,335	114,999
Software services	20,000	20,000	19,640	360	10,528
Capital outlay:					
Computer equipment	5,000	5,000	1,614	3,386	1,492
Total Information Systems	675,493	675,493	648,898	26,595	548,345

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Legal:					
Personal services:					
Appointed official	$ 109,717	$ 109,717	$ 115,373	$ (5,656)	$ 105,822
Assistant attorneys	581,244	581,244	599,297	(18,053)	562,952
Clerical staff	217,003	217,003	160,405	56,598	195,539
Part-time employees:					
Law clerks	40,000	40,000	31,548	8,452	40,592
Clerical co-op	10,000	10,000	25,797	(15,797)	12,670
Employee benefits:					
Social security	74,226	74,226	69,832	4,394	73,416
Employee insurances	149,493	149,493	127,846	21,647	130,555
Retiree health insurance	255,879	255,879	234,875	21,004	241,118
Longevity	29,230	29,230	23,210	6,020	29,748
Retirement fund	267,951	267,951	223,760	44,191	247,390
Cost of living	2,365	2,365	1,691	674	1,125
Auto allowance	3,600	3,600	1,500	2,100	3,600
Uniform / cleaning allowance	-	-	-	-	22,000
Employee legal services	775	775	525	250	154
Office supplies	7,500	7,500	4,657	2,843	6,610
Other services and charges:					
Contractual services	6,400	6,400	6,829	(429)	2,343
Postage	2,300	2,300	2,666	(366)	1,717
Legal fees	8,000	8,000	5,850	2,150	2,571
Mileage	1,400	1,400	1,091	309	923
Books, dues and subscription	23,000	23,000	16,881	6,119	17,985
Total Legal	1,790,083	1,790,083	1,653,633	136,450	1,698,830
Assessing:					
Personal services:					
Appointed official	100,678	100,678	105,348	(4,670)	99,311
Permanent employees	664,221	664,221	653,200	11,021	605,995
Seasonal employees	8,500	8,500	455	8,045	10,679
Overtime	12,000	12,000	7,716	4,284	5,772
Employee benefits:					
Social security	62,864	62,864	60,665	2,199	58,070
Employee insurances	137,500	137,500	123,645	13,855	114,801
Retiree health insurance	196,678	196,678	200,436	(3,758)	179,227
Longevity	27,747	27,747	27,464	283	26,989
Retirement fund	282,557	282,557	281,595	962	254,202
Cost of living	2,580	2,580	2,060	520	1,200
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	-	-	-	-	12,000
Employee legal services	1,860	1,860	1,843	17	1,382
Office supplies	6,000	6,000	4,470	1,530	5,201
Other services and charges:					
Contractual services:					
Data conversion	11,000	11,000	8,500	2,500	8,500
Software services	14,000	14,000	10,087	3,913	7,660
Postage	22,960	22,960	23,352	(392)	21,868
Board of review	5,500	5,500	5,176	324	5,076
Tax roll preparation	18,000	18,000	13,438	4,562	14,968
Auto expense	2,500	2,500	2,074	426	1,725
Capital outlay:					
Office equipment	-	-	1,063	(1,063)	-
Total Assessing	1,580,745	1,580,745	1,536,187	44,558	1,438,226

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
D.P.W. Garage:					
Personal services:					
Clerical salaries	$ 51,851	$ 51,851	$ 53,886	$ (2,035)	$ 49,836
Mechanics wages	435,488	435,488	399,828	35,660	410,174
Overtime - clerical	1,500	1,500	751	749	287
Overtime - mechanics	40,000	40,000	43,868	(3,868)	39,857
Employee benefits:					
Social security	42,560	42,560	39,318	3,242	40,228
Employee insurances	134,893	134,893	115,400	19,493	118,997
Retiree health insurance	148,986	148,986	141,019	7,967	132,576
Longevity	18,488	18,488	15,314	3,174	17,953
Retirement fund	128,805	128,805	94,835	33,970	103,204
Cost of living	1,832	1,832	1,368	464	942
Uniforms	1,520	1,520	685	835	2,051
Uniform / cleaning allowance	-	-	-	-	8,000
Employee legal services	1,240	1,240	1,101	139	1,216
Supplies:					
Operating supplies	125,000	125,000	96,002	28,998	92,804
Gasoline and diesel oil	105,000	105,000	148,767	(43,767)	100,165
Other services and charges:					
Contractual service	41,000	41,000	32,647	8,353	32,837
Telephone and radio	13,000	13,000	8,394	4,606	8,328
Vehicle maintenance	270,000	270,000	232,412	37,588	212,630
Public utilities	115,000	115,000	110,822	4,178	111,393
Building maintenance	25,000	25,000	24,237	763	31,641
Capital outlay:					
Capital improvements	30,000	37,000	13,185	23,815	12,288
Office equipment	2,000	2,000	1,855	145	1,118
Equipment and machinery	4,000	10,472	9,697	775	32,083
Total expenditures	1,737,163	1,750,635	1,585,391	165,244	1,560,608
Other uses:					
Reimbursement to Major Streets	76,792	76,792	76,792	-	72,154
Reimbursement to Local Streets	116,792	116,792	138,354	(21,562)	143,290
Total other uses	193,584	193,584	215,146	(21,562)	215,444
Total D.P.W. Garage	1,930,747	1,944,219	1,800,537	143,682	1,776,052
Building Maintenance:					
Personal services:					
Superintendent	75,574	75,574	73,553	2,021	72,784
Permanent employees	763,863	763,863	555,981	207,882	513,136
Seasonal employees	50,000	50,000	165,609	(115,609)	100,910
Overtime	40,000	40,000	44,032	(4,032)	67,914
Employee benefits:					
Social security	74,299	74,299	66,326	7,973	60,902
Employee insurances	275,874	275,874	172,475	103,399	168,684
Retiree health insurance	246,531	246,531	182,798	63,733	175,562
Longevity	25,846	25,846	28,228	(2,382)	28,594
Retirement fund	357,588	357,588	247,685	109,903	245,252
Cost of living	3,421	3,421	1,910	1,511	1,271
Uniforms	2,660	2,660	1,498	1,162	1,633
Uniform / cleaning allowance	-	-	-	-	13,000
Employee legal services	2,325	2,325	1,587	738	1,344
Supplies:					
Operating	50,000	50,000	39,543	10,457	39,160
Maintenance	70,000	70,000	55,096	14,904	47,398
Other services and charges:					
Contractual services	400,000	400,000	158,031	241,969	120,899
Vehicle maintenance	6,500	6,500	7,563	(1,063)	6,071
Capital outlay:					
Equipment - maintenance	-	-	-	-	8,990
Total Building Maintenance	2,444,481	2,444,481	1,801,915	642,566	1,673,504

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Civil Service - Police and Fire:					
Personal services:					
Permanent employees	$ 52,024	$ 52,024	$ 54,440	$ (2,416)	$ 51,915
Overtime	3,000	3,000	-	3,000	237
Fees and per diem	3,000	3,000	1,750	1,250	2,000
Employee benefits:					
Social security	4,521	4,521	4,415	106	4,304
Employee insurances	6,908	6,908	6,385	523	5,931
Retiree health insurance	15,827	15,827	15,751	76	14,158
Longevity	3,100	3,100	3,100	-	3,003
Retirement fund	26,422	26,422	26,176	246	23,569
Cost of living	215	215	170	45	107
Uniform / cleaning allowance	-	-	-	-	1,000
Employee legal services	155	155	154	1	154
Supplies:					
Office supplies	1,400	1,400	592	808	1,130
Exams and operating supplies	28,000	28,000	10,109	17,891	11,339
Other services and charges:					
Postage	1,000	1,000	93	907	149
Total Civil Service - Police and Fire	145,572	145,572	123,135	22,437	118,996
Personnel:					
Personal services:					
Permanent employees	402,283	402,283	377,679	24,604	397,549
Temporary / Co-op	4,000	4,000	2,652	1,348	2,388
Overtime	3,453	3,453	2,596	857	2,177
Fees and per diem	3,000	3,000	2,700	300	3,000
Employee benefits:					
Social security	33,272	33,272	30,875	2,397	33,035
Employee insurances	92,306	92,306	77,223	15,083	83,458
Retiree health insurance	115,385	115,385	92,801	22,584	109,555
Longevity	14,672	14,672	13,647	1,025	13,979
Retirement fund	99,966	99,966	97,306	2,660	96,009
Cost of living	1,290	1,290	994	296	648
Uniform / cleaning allowance	-	-	-	-	10,000
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	930	930	858	72	448
Office supplies	6,000	6,000	5,114	886	5,314
Other services and charges:					
Contractual services	33,000	33,000	15,722	17,278	11,135
Contractual services - Employee Assistance Center	18,000	18,000	15,450	2,550	15,300
Postage	8,000	8,000	4,755	3,245	4,634
Medical services	35,500	35,500	47,091	(11,591)	44,110
Mileage	250	250	65	185	108
Printing and publishing	16,000	16,000	12,054	3,946	10,322
Insurance Line of Credit cost	5,000	5,000	-	5,000	-
Membership and dues	1,100	1,100	520	580	505
Total Personnel	897,007	897,007	803,702	93,305	847,274

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Labor Relations:					
Personal services:					
Permanent employees	$ 81,723	$ 143,974	$ 152,457	$ (8,483)	$ 82,361
Temporary employees	3,000	3,000	-	3,000	4,608
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	7,133	11,702	12,106	(404)	7,279
Employee insurances	18,762	30,010	29,017	993	17,126
Retiree health insurance	24,156	41,929	44,235	(2,306)	22,472
Longevity	3,100	6,200	6,200	-	3,500
Retirement fund	13,356	43,025	46,235	(3,210)	13,060
Cost of living	215	372	281	91	107
Uniform / cleaning allowance	-	-	-	-	2,000
Auto allowance	-	-	2,100	(2,100)	-
Employee legal services	155	155	154	1	39
Office supplies	2,000	2,000	1,120	880	293
Other services and charges:					
Arbitration expense	150,000	150,000	138,213	11,787	146,441
Printing and publishing	4,000	4,000	708	3,292	-
Membership and dues	8,000	8,000	7,432	568	6,725
Total Labor Relations	319,600	448,367	440,258	8,109	306,011
City Retirement:					
Retiree benefits:					
Insurance	7,600,000	7,600,000	6,417,617	1,182,383	6,113,373
Medicare reimbursement	625,000	625,000	569,669	55,331	527,291
Personal services:					
Accounting services	158,743	158,743	-	158,743	-
Clerical services	94,482	94,482	-	94,482	-
Temporary employees	22,750	22,750	8,365	14,385	10,420
Fees and per diem	600	600	-	600	-
Employee benefits:					
Social security	1,763	1,763	640	1,123	791
Employee insurances	26	26	9	17	12
Office supplies	2,500	2,500	36	2,464	332
Other services and charges:					
Contractual services	833,016	833,016	-	833,016	-
Service contracts	1,000	1,000	-	1,000	-
Disability physicals	3,000	3,000	-	3,000	-
Bank custodial fees	40,975	40,975	-	40,975	-
Conferences and workshops	10,000	10,000	-	10,000	-
Legal fees	12,000	12,000	-	12,000	-
Postage	4,500	4,500	3,733	767	3,895
Printing and publishing	2,000	2,000	-	2,000	297
Telephone	750	750	293	457	401
Insurance and bonds	15,000	15,000	-	15,000	-
Memberships and dues	150	150	-	150	-
Total city retirement	9,428,255	9,428,255	7,000,362	2,427,893	6,656,812
Charges reimbursable via Public Act 55	(1,175,479)	(1,175,479)	(13,076)	(1,162,403)	(16,148)
Charges reimbursable via VEBA Trust	(8,252,776)	(8,252,776)	(6,987,286)	(1,265,490)	(6,640,664)
Net City Retirement	-	-	-	-	-

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Police and Fire Retirement:					
Retiree benefits:					
Insurance	$ 7,500,000	$ 7,500,000	$ 7,739,002	$ (239,002)	$ 6,846,833
Medicare reimbursement	395,000	395,000	380,494	14,506	336,555
Personal services:					
Permanent employees	120,656	120,656	122,853	(2,197)	118,119
Temporary employees	22,750	22,750	2,352	20,398	-
Overtime	6,000	6,000	5,972	28	5,124
Social security	11,995	11,995	10,442	1,553	10,134
Employee insurances	26,302	26,302	26,171	131	23,971
Retiree health insurance	35,820	35,820	36,811	(991)	33,614
Longevity	4,946	4,946	4,949	(3)	5,281
Retirement fund	45,144	45,144	45,849	(705)	41,990
Cost of living	430	430	356	74	220
Uniform / cleaning allowance	-	-	-	-	3,000
Employee legal services	310	310	307	3	192
Office supplies	5,100	5,100	360	4,740	360
Other services and charges:					
Contractual services	1,785,000	1,785,000	-	1,785,000	-
Independent audit	25,000	25,000	-	25,000	-
Postage	4,725	4,725	3,086	1,639	2,549
Telephone	-	-	364	(364)	301
Disability physicals	1,000	1,000	-	1,000	-
Conferences and workshops	17,342	17,342	-	17,342	-
Printing and publishing	3,360	3,360	-	3,360	-
Insurance and bonds	35,000	35,000	-	35,000	-
Total police and fire retirement	10,045,880	10,045,880	8,379,368	1,666,512	7,428,243
Charges reimbursable via Public Act 55	(2,150,880)	(2,150,880)	(259,872)	(1,891,008)	(244,856)
Charges reimbursable via VEBA Trust	(7,895,000)	(7,895,000)	(8,119,496)	224,496	(7,183,387)
Net Police and Fire Retirement	-	-	-	-	-
Beautification Commission:					
Personal services:					
Temporary employee	8,000	8,000	4,807	3,193	4,082
Employee benefits:					
Social security	620	620	368	252	312
Employee insurances	9	9	-	9	-
Office supplies	800	800	512	288	376
Other services and charges:					
Contractual services	10,000	10,000	2,025	7,975	2,100
Postage	1,200	1,200	1,046	154	914
Telephone expense	600	600	209	391	203
Mileage	1,000	1,000	595	405	818
Public utilities	700	700	266	434	274
School program	1,000	1,000	1,545	(545)	457
Awards committee	9,000	9,000	4,108	4,892	8,216
Clean up campaign	2,000	2,000	337	1,663	556
Installation and informational dinner meetings	1,200	1,200	765	435	828
Dial-a-helper	300	300	-	300	-
City flower plantings	1,200	1,200	999	201	999
Total Beautification Commission	37,629	37,629	17,582	20,047	20,135
Senior Health Care Services Commission:					
Other services and charges:					
Community promotion and public relations	2,500	2,500	2,500	-	2,500
Total Senior Health Care Services Commission	2,500	2,500	2,500	-	2,500

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
General government, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Council of Commissions					
Office supplies	$ 200	$ 200	$ 68	$ 132	$ 71
Other services and charges:					
Printing and publishing	300	300	-	300	-
Appreciation reception	3,000	3,000	2,113	887	2,732
Total Council of Commissions	3,500	3,500	2,181	1,319	2,803
Animal Welfare Commission					
Office supplies	600	600	-	600	380
Other services and charges:					
Operating expense	3,000	3,000	2,045	955	123
Education	500	500	2,488	(1,988)	-
Postage	100	100	15	85	-
Telephone	600	600	607	(7)	279
Vaccination fair	700	700	718	(18)	829
Dog park	4,000	4,000	-	4,000	1,437
Chipping clinic	500	500	-	500	-
Total Animal Welfare Commission	10,000	10,000	5,873	4,127	3,048
Administrative Unallocated Expense:					
Other services and charges:					
Education allowance	80,000	80,000	61,306	18,694	90,099
Independent audit	55,000	55,000	53,400	1,600	51,900
Tax reverted property acquisition	25,000	25,000	-	25,000	12,536
Unemployment costs	30,000	30,000	24,334	5,666	45,369
Professional services	375,000	375,000	108,273	266,727	228,343
Telephone and radio	80,000	80,000	46,248	33,752	58,635
Conferences and workshops	10,000	10,000	6,796	3,204	8,651
Community promotion	25,000	25,000	8,891	16,109	7,807
Insurance and bonds	2,200,000	2,200,000	2,489,102	(289,102)	2,255,036
Lawsuit settlements	100,000	100,000	4,080	95,920	2,250
Investment Policy Commission bank rating	1,000	1,000	345	655	330
401(a) Board operating expense	1,500	1,500	1,275	225	950
Disability Commission operating expense	1,000	1,000	338	662	228
Public utilities - court building	10,000	10,000	9,320	680	9,355
Public utilities - civic center	375,000	375,000	234,633	140,367	304,784
Eight Mile Road Vision Action Plan	7,500	7,500	7,370	130	7,370
HOME Program	85,000	85,000	17,284	67,716	53,000
Michigan Suburbs Alliance	7,000	7,000	6,912	88	6,912
Auction sale	1,000	1,000	368	632	593
Refund of taxes paid under protest	310,000	310,000	627,531	(317,531)	83,030
Accrued liabilities and commitments	650,000	650,000	-	650,000	-
Liability transfer:					
Accumulated sick leave	600,000	600,000	-	600,000	-
Compensatory time	100,000	100,000	10,530	89,470	17,983
Total expenditures	5,129,000	5,129,000	3,718,336	1,410,664	3,245,161
Other uses:					
Transfer to Building Authority Debt Service Funds:					
Series 2005 multiple purpose bonds	545,000	545,000	539,957	5,043	530,227
Series 2002 multiple purpose bonds	410,000	410,000	402,948	7,052	414,908
Total other uses	955,000	955,000	942,905	12,095	945,135
Total Administrative Unallocated Expense	6,084,000	6,084,000	4,661,241	1,422,759	4,190,296
Total expenditures	28,728,287	29,282,442	25,790,619	3,491,823	24,795,056
Total other uses	1,148,584	1,148,584	1,158,051	(9,467)	1,160,579
Total general government	29,876,871	30,431,026	26,948,670	3,482,356	25,955,635

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Public safety:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Fire Department:					
Personal services:					
Appointed official	$ 108,858	$ 108,858	$ 108,908	$ (50)	$ 104,990
Firemen	9,820,663	9,820,663	9,085,457	735,206	11,230,293
Mechanics	81,233	81,233	80,868	365	179,487
Civilians and clerical	158,046	158,046	158,233	(187)	147,670
Clerical co-op	10,000	10,000	4,956	5,044	6,798
Overtime:					
Firemen	550,000	550,000	709,324	(159,324)	478,250
Mechanics	10,000	10,000	3,321	6,679	7,980
Clerical	3,000	3,000	-	3,000	58
Shift premium	270,000	270,000	235,092	34,908	255,348
Employee benefits:					
Education allowance	26,350	26,350	23,983	2,367	35,346
Cleaning allowance	8,000	8,000	6,834	1,166	5,123
Food allowance	105,600	105,600	91,803	13,797	103,639
Auto allowance	3,600	3,600	-	3,600	-
Uniform / cleaning allowance	-	428,000	428,000	-	3,000
Social security	108,087	141,458	110,465	30,993	98,384
Holiday pay	606,885	606,885	528,927	77,958	585,761
Employee insurances	2,679,856	2,686,636	2,321,927	364,709	2,398,300
Retiree health insurance	2,900,329	3,003,049	2,840,854	162,195	3,224,935
Longevity	285,413	285,413	246,711	38,702	309,537
Retirement fund	3,031,468	3,031,468	2,817,985	213,483	2,977,511
Cost of living	24,908	24,908	18,457	6,451	11,938
Uniforms	52,350	52,350	41,355	10,995	55,257
Employee legal services	620	17,209	16,614	595	499
Supplies:					
EMS medical supplies	45,000	45,000	35,101	9,899	36,863
Operating supplies	73,000	73,000	40,625	32,375	43,070
Other services and charges:					
Contractual services	30,000	30,000	24,455	5,545	28,410
Fire Prevention Week	3,000	3,000	1,948	1,052	1,858
S.M.I.R.T. fund	7,500	7,500	7,500	-	7,500
Laundry	23,000	23,000	16,751	6,249	17,145
Instruction	40,000	40,000	38,941	1,059	36,913
Medical services	30,000	30,000	5,856	24,144	8,135
Telephone and radio	55,000	55,000	40,982	14,018	39,519
Vehicle maintenance	190,000	190,000	361,197	(171,197)	211,083
Public utilities	140,000	140,000	142,948	(2,948)	136,706
Building maintenance	48,000	48,000	64,532	(16,532)	40,412
Hydrant installation and repairs	30,000	30,000	30,000	-	30,000
Public fire protection (water)	60,000	60,000	60,000	-	60,000
Membership and dues	4,000	4,000	1,791	2,209	2,152
Capital outlay:					
Fire equipment	90,000	90,000	51,708	38,292	33,708
Cities Readiness Grant expense	-	24,185	22,206	1,979	51,755
Metro Medical Response Grant equipment	-	132,793	78,894	53,899	92,359
Metro Medical Response Grant equipment - 2005	-	220,765	115,231	105,534	-
Metro Medical Response Grant equipment - 2006	-	232,330	-	232,330	-
Metro Medical Response Grant equipment - 2007	-	258,145	-	258,145	-
Homeland Security Grant 2006 expense	-	94,942	18,656	76,286	224,458
Domestic Preparedness Grant 3 expense		22,591	7,042	15,549	-
Domestic Preparedness Grant 7 expense	-	2,671	-	2,671	-
Total Fire Department	21,713,766	23,289,648	21,046,438	2,243,210	23,322,150

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Public safety, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Police Department:					
Personal services:					
Appointed official	$ 112,089	$ 112,089	$ 76,934	$ 35,155	$ 104,325
Policemen	16,185,208	17,030,027	16,560,242	469,785	15,062,599
Civilians and clerical	2,005,970	2,005,970	2,001,997	3,973	1,825,763
Crossing guards	130,556	130,556	112,567	17,989	111,278
Temporary employees	40,000	40,000	28,399	11,601	30,209
Overtime - policemen	1,613,973	1,618,973	2,052,581	(433,608)	1,680,623
Overtime - civilians	35,000	35,000	11,853	23,147	19,712
Employee benefits:					
Shift premium	345,000	345,000	314,594	30,406	303,931
Gun allowance	201,450	201,450	210,140	(8,690)	164,556
Education allowance	55,800	55,800	61,450	(5,650)	58,500
Cleaning allowance	142,200	142,200	135,409	6,791	130,331
Uniform / cleaning allowance	40,000	40,000	39,000	1,000	462,000
Vest allowance	-	-	-	-	37,000
Social security	390,064	390,064	391,050	(986)	359,879
Holiday pay	935,140	935,140	893,848	41,292	862,135
Employee insurances	4,531,763	4,531,763	4,206,234	325,529	3,845,948
Retiree health insurance	5,153,765	5,153,765	5,283,244	(129,479)	5,005,457
Longevity	455,067	455,067	461,358	(6,291)	393,410
Retirement fund	5,662,833	5,662,833	5,855,388	(192,555)	4,683,004
Cost of living	46,860	46,860	38,787	8,073	23,937
Uniforms	111,140	111,140	134,897	(23,757)	180,021
Employee legal services	2,635	2,635	2,458	177	2,330
Office supplies	80,000	80,000	69,949	10,051	52,259
Other services and charges:					
Operating expense	52,000	52,000	51,450	550	38,120
Ammunition	32,000	32,000	31,044	956	26,426
Contractual services	375,000	375,000	262,649	112,351	268,991
Postage	7,000	7,000	5,659	1,341	5,252
Special investigations	10,000	10,000	5,000	5,000	10,000
Prisoners' food	35,000	35,000	31,990	3,010	30,369
Crime prevention	6,000	6,000	355	5,645	6,285
Instruction	56,000	56,000	55,923	77	35,777
911 Dispatch training expense	10,000	10,000	7,961	2,039	1,647
Telephone and radio	135,000	135,000	139,387	(4,387)	86,928
Vehicle maintenance	263,750	263,750	376,906	(113,156)	284,606
Community promotion	1,500	1,500	147	1,353	248
Youth Athletic League	6,000	6,000	7,376	(1,376)	3,796
DARE operating expense	20,000	20,000	19,573	427	19,503
Public utilities	195,000	195,000	188,111	6,889	188,449
Building maintenance	70,000	70,000	44,487	25,513	36,295
Capital outlay:					
Capital improvements	8,439	8,439	8,248	191	-
Office equipment	52,501	54,620	48,487	6,133	25,436
Fleet turnover	352,000	390,483	374,409	16,074	339,010
Police equipment	29,060	33,343	33,124	219	38,065
911 equipment	80,000	241,241	-	241,241	-
Law Enforcement Grant equipment	-	-	-	-	49,535
Federal Bureau of Justice Assistance Grant expense	-	-	-	-	50,000
U.S. Department of Justice Grant expense	-	64,972	64,971	1	180,820
U.S. Department of Justice Grant expense - 2006	-	57,973	25,505	32,468	-
U.S. Department of Justice Grant expense - 2007	-	91,695	-	91,695	-
Interoperable Communications Grant expense	-	136,770	37,381	99,389	-
Total Police Department	40,072,763	41,480,118	40,762,522	717,596	37,124,765

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Public safety, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Animal Control:					
Personal services:					
Permanent employees	$ 103,872	$ 103,872	$ 106,685	$ (2,813)	$ 97,775
Temporary employees	10,000	10,000	4,913	5,087	5,400
Overtime	3,501	9,501	5,307	4,194	3,359
Employee benefits:					
Social security	9,371	9,830	9,180	650	8,548
Employee insurances	27,554	27,554	27,561	(7)	25,142
Retiree health insurance	30,089	31,717	31,586	131	26,748
Longevity	3,104	3,104	3,129	(25)	2,982
Retirement fund	31,461	33,104	31,373	1,731	27,316
Cost of living	430	430	361	69	219
Uniforms	760	760	760	-	1,141
Uniform / cleaning allowance	-	-	-	-	2,000
Employee legal services	310	310	307	3	307
Operating supplies	1,200	1,200	1,146	54	1,178
Other services and charges:					
Animal collections	60,000	85,000	57,785	27,215	42,576
Vehicle maintenance	6,000	6,000	6,998	(998)	5,715
Capital outlay:					
Vehicles	-	-	-	-	20,044
Total Animal Control	287,652	322,382	287,091	35,291	270,450
Civil Defense:					
Personal services:					
Policemen	87,616	87,616	81,284	6,332	90,761
Overtime	3,500	3,500	2,560	940	2,084
Shift premium	250	250	3	247	8
Employee benefits:					
Social security	-	-	198	(198)	-
Gun allowance	850	850	850	-	750
Cleaning allowance	600	600	600	-	600
Vest allowance	-	-	-	-	1,000
Holiday pay	4,699	4,699	3,022	1,677	4,672
Employee insurances	20,197	20,197	16,721	3,476	18,367
Retiree health insurance	24,332	24,332	21,411	2,921	24,830
Longevity	3,300	3,300	-	3,300	3,100
Retirement fund	25,478	25,478	22,275	3,203	22,046
Cost of Living	167	167	139	28	85
Uniforms	600	600	600	-	-
Uniform / cleaning allowance	1,000	1,000	1,000	-	1,000
Operating supplies	300	300	198	102	-
Other services and charges:					
Contractual services	14,500	14,500	14,386	114	19,874
Public utilities	1,000	1,000	873	127	878
Capital outlay:					
State Homeland Security Grant '04 expense	-	21,386	-	21,386	24,021
State Homeland Security Grant '05 expense	-	202,631	-	202,631	348,746
Total Civil Defense	188,389	412,406	166,120	246,286	562,822
Crime Commission:					
Office supplies	1,000	1,000	694	306	175
Other services and charges:					
Contractual services	2,500	2,500	1,800	700	2,100
Telephone	400	400	291	109	288
Community promotion and public relations	7,300	7,300	6,454	846	6,221
Public utilities	3,000	3,000	2,734	266	3,143
Total Crime Commission	14,200	14,200	11,973	2,227	11,927
Total public safety	62,276,770	65,518,754	62,274,144	3,244,610	61,292,114

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
City development:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Engineering and Inspections:					
Personal services:					
Engineers and inspectors	$ 387,438	$ 387,438	$ 302,930	$ 84,508	$ 379,768
Clerical	98,222	98,222	88,973	9,249	96,738
Temporary employees - inspection	45,000	45,000	23,839	21,161	19,217
Overtime - engineers and inspectors	145,000	145,000	121,816	23,184	98,770
Overtime - clerical	3,000	3,000	2,835	165	2,999
Employee benefits:					
Social security	54,305	54,305	42,987	11,318	45,121
Employee insurances	115,572	115,572	89,388	26,184	94,444
Retiree health insurance	177,894	177,894	148,493	29,401	151,916
Longevity	20,256	20,256	20,255	1	22,790
Retirement fund	255,876	255,876	188,801	67,075	207,219
Cost of living	1,790	1,790	1,423	367	1,057
Uniforms	950	950	760	190	950
Uniform / cleaning allowance	-	-	-	-	8,000
Employee legal services	1,240	1,240	1,024	216	947
Office supplies	15,000	15,000	10,400	4,600	9,576
Other services and charges:					
Software services	3,900	3,900	4,060	(160)	6,616
Contractual services - engineering and inspections	53,000	135,686	25,860	109,826	35,416
Postage	1,300	1,300	1,780	(480)	1,451
Telephone and radio	-	-	-	-	1,653
Auto expense	19,000	19,000	14,867	4,133	13,071
Public utilities	-	-	-	-	4,747
Memberships and dues	10,000	10,000	1,394	8,606	1,100
Total expenditures	1,408,743	1,491,429	1,091,885	399,544	1,203,566
Other uses:					
Transfer to Water and Sewer System	74,200	74,200	74,200	-	70,000
Total other uses	74,200	74,200	74,200	-	70,000
Total Engineering and Inspections	1,482,943	1,565,629	1,166,085	399,544	1,273,566
Property Maintenance:					
Personal services:					
Permanent employees	194,816	194,816	195,088	(272)	187,095
Seasonal employees	46,000	46,000	40,403	5,597	31,246
Overtime	2,646	2,646	-	2,646	-
Employee benefits:					
Social security	19,576	19,576	18,791	785	17,689
Employee insurances	33,613	33,613	33,771	(158)	29,236
Retiree health insurance	56,051	56,051	45,979	10,072	50,318
Longevity	8,494	8,494	9,962	(1,468)	8,216
Retirement fund	50,231	50,231	45,733	4,498	45,659
Cost of living	645	645	490	155	322
Uniform / cleaning allowance	-	-	-	-	4,000
Employee legal services	465	465	461	4	346
Office supplies	10,500	10,500	5,181	5,319	6,613
Other services and charges:					
Contractual services	128,215	128,215	142,510	(14,295)	83,045
Weed mowing program	120,000	120,000	65,478	54,522	38,453
Rodent control program	3,000	3,000	1,052	1,948	260
Housing code enforcement program	120,000	120,000	97,002	22,998	109,583
Postage	9,500	9,500	3,245	6,255	7,627
West Nile Virus expense	5,000	5,000	-	5,000	-
Auto expense	3,500	3,500	2,616	884	2,291
Printing and publishing	7,500	7,500	1,783	5,717	-
Capital outlay:					
Office equipment	1,000	1,000	-	1,000	-
Total Property Maintenance	820,752	820,752	709,545	111,207	621,999

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
City development, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Building Inspections:					
Personal services:					
Supervisory	$ 177,012	$ 177,012	$ 98,266	$ 78,746	$ 91,876
Inspectors	737,056	737,056	647,776	89,280	653,659
Clerical	195,038	195,038	159,993	35,045	142,153
Clerical Co-op / Temporary	12,000	12,000	54,041	(42,041)	127,382
Overtime - inspectors	10,000	10,000	10,455	(455)	18,409
Overtime - clerical	2,000	2,000	310	1,690	3,108
Fees and per diem	5,000	5,000	5,280	(280)	4,831
Employee benefits:					
Social security	90,638	90,638	76,500	14,138	83,038
Employee insurances	224,246	224,246	164,625	59,621	150,873
Retiree health insurance	315,115	315,115	257,927	57,188	243,647
Longevity	33,131	33,131	33,094	37	34,469
Retirement fund	393,361	393,361	292,847	100,514	285,847
Cost of living	3,655	3,655	2,361	1,294	1,569
Auto allowance	3,600	3,600	-	3,600	-
Uniform / cleaning allowance	-	-	-	-	22,000
Employee legal services	2,635	2,635	2,214	421	1,255
Office supplies	20,000	20,000	21,118	(1,118)	15,091
Other services and charges:					
Software services	14,000	20,657	23,058	(2,401)	219,863
Contractual services	-	-	-	-	620
Contractual services - inspectors	250,000	250,000	253,893	(3,893)	193,637
Nuisance abatements:					
Title search	5,000	5,000	7,829	(2,829)	2,944
Demolition expense	6,000	6,000	-	6,000	-
Postage	4,200	4,200	5,212	(1,012)	3,335
Auto expense	8,500	8,500	10,221	(1,721)	7,555
Total Building Inspections	2,512,187	2,518,844	2,127,020	391,824	2,307,161
Public Service Director:					
Personal services:					
Appointed official	105,775	105,775	110,277	(4,502)	106,715
Permanent employees	200,647	200,647	126,453	74,194	119,799
Clerical Co-op	23,000	23,000	23,140	(140)	16,926
Overtime	4,000	4,000	-	4,000	-
Employee benefits:					
Social security	25,603	25,603	19,742	5,861	18,749
Employee insurances	72,968	72,968	41,117	31,851	49,227
Retiree health insurance	85,936	85,936	38,062	47,874	60,417
Longevity	5,477	5,477	5,476	1	5,755
Retirement fund	65,919	65,919	26,755	39,164	29,005
Cost of living	860	860	502	358	322
Uniform / cleaning allowance	-	-	-	-	5,000
Employee legal services	620	620	435	185	230
Office supplies	6,000	6,000	4,526	1,474	3,452
Other services and charges:					
Postage	900	900	1,132	(232)	647
Auto expense	5,000	5,000	2,599	2,401	4,442
Capital outlay:					
Office equipment	-	-	4,392	(4,392)	-
Total Public Service Director	602,705	602,705	404,608	198,097	420,686
Zoning Board of Appeals:					
Meeting allowance	7,560	7,560	6,475	1,085	5,705
Office supplies	1,500	1,500	835	665	591
Other services and charges:					
Outside court reporter	6,000	6,000	5,250	750	5,250
Postage	6,500	6,500	4,088	2,412	4,407
Total Zoning Board of Appeals	21,560	21,560	16,648	4,912	15,953

(continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
City development, continued:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Planning:					
Personal services:					
Appointed official	$ 89,817	$ 89,817	$ 93,992	$ (4,175)	$ 90,561
Permanent employees	263,611	263,611	254,857	8,754	216,025
Co-op employees - planning aides	12,000	12,000	18,931	(6,931)	14,354
Overtime	8,000	8,000	4,303	3,697	3,622
Meeting allowance	8,820	8,820	6,580	2,240	5,495
Employee benefits:					
Social security	30,263	30,263	29,765	498	26,847
Employee insurances	77,151	77,151	66,310	10,841	52,635
Retiree health insurance	102,687	102,687	101,946	741	85,791
Longevity	12,400	12,400	13,333	(933)	13,600
Retirement fund	116,457	116,457	98,880	17,577	88,957
Cost of living	1,075	1,075	799	276	439
Auto allowance	3,600	3,600	3,600	-	3,600
Uniform / cleaning allowance	-	-	-	-	7,000
Employee legal services	775	775	730	45	243
Office supplies	8,000	8,000	3,473	4,527	6,419
Other services and charges:					
Contractual services	22,000	30,200	12,590	17,610	24,256
Tax reverted property expense	5,000	5,000	2,004	2,996	114
Postage	3,800	3,800	2,243	1,557	2,506
Mileage	1,500	1,500	960	540	644
Publications - advertising	6,000	6,000	4,098	1,902	3,998
Membership and dues	21,000	21,000	20,343	657	19,874
Total Planning	793,956	802,156	739,737	62,419	666,980
Total expenditures	6,159,903	6,257,446	5,089,443	1,168,003	5,236,345
Total other uses	74,200	74,200	74,200	-	70,000
Total city development	6,234,103	6,331,646	5,163,643	1,168,003	5,306,345
Highways and streets:					
Highway Street Lighting:					
Street lighting	2,550,000	2,550,000	2,373,401	176,599	2,373,061
Total highways and streets	2,550,000	2,550,000	2,373,401	176,599	2,373,061

(continued)

EXHIBIT C-3 (continued)

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

GENERAL FUND

Year ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
Recreation and culture:	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Cultural Commission:					
Office supplies	$ 100	$ 100	$ 31	$ 69	$ 11
Other services and charges:					
Contractual services - sound system	4,500	4,500	4,500	-	3,000
Concert band	500	500	500	-	500
Summer program	16,700	16,700	15,055	1,645	15,294
Art consultant	1,000	1,000	1,000	-	4,000
Artist in residence program	500	700	700	-	300
Winter program	4,000	4,000	3,979	21	4,000
Warren Community Chorus	500	500	500	-	500
Warren Symphony Orchestra	500	500	500	-	500
Warren Tri-County Fine Arts	500	500	500	-	500
Total Cultural Commission	28,800	29,000	27,265	1,735	28,605
Historical Commission:					
Office supplies	1,200	1,200	770	430	881
Other services and charges:					
Telephone and radio	250	250	209	41	203
Community promotion and public relations	1,300	1,300	903	397	2,102
Memberships and dues	375	375	160	215	240
Historical site plaques	1,300	1,300	1,155	145	2,207
Museum expense	5,250	5,250	4,943	307	3,274
Hall of fame	2,500	2,500	1,164	1,336	-
Capital outlay:					
Office equipment	3,620	3,620	4,017	(397)	-
Total Historical Commission	15,795	15,795	13,321	2,474	8,907
Village Historical Commission:					
Office supplies	500	500	-	500	-
Other services and charges:					
Community promotion and public relations	3,500	3,500	2,844	656	-
Public utilities	3,200	3,200	2,839	361	3,176
Landscaping project	8,000	8,000	-	8,000	-
Total Village Historical Commission	15,200	15,200	5,683	9,517	3,176
Total recreation and culture	59,795	59,995	46,269	13,726	40,688
Debt service:					
D.P.W. garage lease	110,517	110,517	110,517	-	110,517
Energy program - city hall	-	-	-	-	99,354
Total debt service	110,517	110,517	110,517	-	209,871
Total expenditures	99,885,272	103,779,154	95,684,393	8,094,761	93,947,135
Total other uses	1,222,784	1,222,784	1,232,251	(9,467)	1,230,579
Total General Fund	$ 101,108,056	$ 105,001,938	$ 96,916,644	$ 8,085,294	$ 95,177,714

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EXHIBIT C-4

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
MAJOR STREETS

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	$ 6,300,000	$ 6,300,000	$ 6,179,253	$ (120,747)	$ 6,280,975
County:					
Weed mowing	14,000	14,000	14,511	511	14,511
Winter maintenance	9,000	9,000	9,291	291	9,291
Interest on investments	180,000	180,000	246,294	66,294	341,963
Total revenues	6,503,000	6,503,000	6,449,349	(53,651)	6,646,740
Expenditures - highways and streets					
Administration and engineering					
Personal services					
Supervision	117,451	117,451	118,669	(1,218)	115,556
Clerical	72,757	72,757	49,201	23,556	64,700
Overtime	500	500	4,133	(3,633)	-
Employees benefits:					
Social security	15,443	15,443	13,571	1,872	14,905
Employee insurances	56,412	56,412	46,524	9,888	37,239
Retiree health insurance	54,061	54,061	43,257	10,804	49,005
Longevity	6,114	6,114	6,090	24	8,030
Retirement fund	67,272	67,272	50,813	16,459	59,651
Cost of living	645	645	481	164	298
Auto allowance	1,800	1,800	610	1,190	1,800
Education allowance	-	-	-	-	1,600
Uniform / cleaning allowance	-	-	-	-	4,500
Employee legal services	465	465	422	43	237
Other services and charges					
Administrative costs	473,800	473,800	473,800	-	459,100
Accumulated sick leave	49,000	49,000	-	49,000	-
Accumulated compensatory time	21,000	21,000	-	21,000	-
Total administration and engineering	936,720	936,720	807,571	129,149	816,621
Routine maintenance:					
Personal services					
Permanent employees	853,618	853,618	747,693	105,925	758,221
Temporary employees	26,000	26,000	28,247	(2,247)	30,225
Overtime	31,801	31,801	28,719	3,082	42,744
Employee benefits:					
Social security	73,756	73,756	61,192	12,564	64,068
Employee insurances	260,361	260,361	209,537	50,824	206,208
Retiree health insurance	251,134	251,134	213,833	37,301	204,144
Longevity	36,906	36,906	34,210	2,696	35,067
Retirement fund	384,352	384,352	319,006	65,346	314,477
Cost of living	3,351	3,351	2,495	856	1,670
Education allowance	-	-	755	(755)	-
Uniform / cleaning allowance	-	-	-	-	19,389
Employee legal services	2,270	2,270	1,945	325	1,837
Uniforms	2,782	2,782	2,316	466	1,779
Repairs and maintenance supplies	48,000	48,000	38,480	9,520	28,364
Other services and charges					
Contractual services	65,000	65,000	55,047	9,953	72,206
Joint sealing	75,000	150,000	83,494	66,506	-
Concrete and pavement repairs	280,000	316,888	116,934	199,954	76,100
Equipment rentals	510,000	510,000	485,004	24,996	455,422
Total routine maintenance	2,904,331	3,016,219	2,428,907	587,312	2,311,921

(continued)

See accompanying notes to financial statements

EXHIBIT C-4 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS
MAJOR STREETS

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Snow and ice control:					
Personal services					
Permanent employees	$ 45,827	$ 45,827	$ 34,593	$ 11,234	$ 39,136
Overtime	38,577	38,577	74,025	(35,448)	28,580
Employee benefits:					
Social security	6,709	6,709	9,347	(2,638)	5,821
Employee insurances	13,977	13,977	20,791	(6,814)	13,425
Retiree health insurance	23,485	23,485	33,249	(9,764)	20,489
Longevity	1,982	1,982	1,332	650	1,484
Retirement fund	35,896	35,896	48,860	(12,964)	26,901
Cost of living	180	180	127	53	-
Employee legal services	122	122	51	71	83
Uniforms	149	149	81	68	157
Repairs and maintenance supplies	200,000	200,000	154,017	45,983	88,083
Other services and charges					
Contractual services	25,000	25,000	-	25,000	-
Equipment rentals	90,000	90,000	105,323	(15,323)	75,193
Salt dome rental	2,500	2,500	2,500	-	2,500
Total snow and ice control	484,404	484,404	484,296	108	301,852
Traffic services:					
Personal services					
Permanent employees	40,923	40,923	40,236	687	47,498
Overtime	601	601	427	174	227
Employee benefits:					
Social security	3,368	3,368	3,365	3	4,102
Employee insurances	12,483	12,483	11,525	958	12,589
Retiree health insurance	11,789	11,789	12,165	(376)	13,494
Longevity	1,769	1,769	1,773	(4)	2,328
Retirement fund	18,042	18,042	12,265	5,777	15,746
Cost of living	161	161	138	23	78
Education allowance	-	-	57	(57)	-
Uniform / cleaning allowance	-	-	-	-	524
Employee legal services	109	109	109	-	114
Uniforms	133	133	145	(12)	128
Other services and charges					
Traffic signs	10,000	10,000	7,150	2,850	6,753
Traffic signals	200,000	206,235	6,085	200,150	5,392
Traffic signal maintenance	210,000	213,500	242,031	(28,531)	222,347
Pavement marking	100,000	122,217	34,030	88,187	77,783
Equipment rentals	16,000	16,000	15,453	547	18,053
Total traffic services	625,378	657,330	386,954	270,376	427,156
Construction	-	745,703	666,908	78,795	845,331
Total expenditures - highways and streets	4,950,833	5,840,376	4,774,636	1,065,740	4,702,881
Excess (deficiency) of revenues over expenditure	1,552,167	662,624	1,674,713	1,012,089	1,943,859
Other financing sources (uses)					
Transfer from general fund	76,792	76,792	76,792	-	72,154
Transfers to:					
Water and Sewer System	(37,100)	(37,100)	(37,100)	-	(35,000)
Michigan transportation local street operating fund	(1,575,000)	(1,575,000)	(1,575,000)	-	(1,562,500)
1997 Act 175 - debt fund	(435,660)	(435,660)	(435,660)	-	(431,020)
2000 Act 175 - debt fund	(607,430)	(607,430)	(607,430)	-	(625,430)
2003 Act 175 - refunding debt fund	(540,401)	(540,401)	(540,132)	269	(567,567)
2003 Act 175 - debt fund	(277,600)	(277,600)	(277,325)	275	(279,625)
2006 Capital Improvement Bonds - debt service	(240,630)	(240,630)	(240,121)	509	(52,106)
Total other uses	(3,637,029)	(3,637,029)	(3,635,976)	1,053	(3,481,094)
Excess (deficiency) of revenues and other financin sources over expenditures and other financing use	(2,084,862)	(2,974,405)	(1,961,263)	1,013,142	(1,537,235)
Fund balance - beginning of year	6,318,924	6,318,924	6,318,924	-	7,856,159
Fund balance - end of year	$ 4,234,062	$ 3,344,519	$ 4,357,661	$ 1,013,142	$ 6,318,924

EXHIBIT C-5

CITY OF WARREN, MICHIGAN

BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS

LOCAL STREETS

Year Ended June 30, 2008

With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Intergovernmental:					
State:					
Gas and weight tax	$ 2,100,000	$ 2,100,000	$ 2,061,057	$ (38,943)	$ 2,094,911
P.A. 48 - METRO Act proceeds	375,000	375,000	389,532	14,532	381,552
Interest on investments	100,000	100,000	105,517	5,517	146,464
Miscellaneous	-	-	102	102	630
Total revenues	2,575,000	2,575,000	2,556,208	(18,792)	2,623,557
Expenditures - highways and streets					
Administration and engineering					
Personal services					
Supervision	117,451	117,451	118,669	(1,218)	115,556
Clerical	72,757	72,757	49,201	23,556	64,700
Overtime	500	500	2,946	(2,446)	-
Employees benefits:					
Social security	15,443	15,443	13,360	2,083	14,903
Employee insurances	56,412	56,412	46,524	9,888	37,239
Retiree health insurance	54,061	54,061	42,512	11,549	49,004
Longevity	6,114	6,114	6,090	24	8,030
Retirement fund	67,272	67,272	49,933	17,339	59,646
Cost of living	645	645	481	164	298
Auto allowance	1,800	1,800	750	1,050	1,800
Education allowance	-	-	-	-	1,600
Uniform / cleaning allowance	-	-	-	-	4,500
Employee legal services	465	465	422	43	237
Other services and charges					
Administrative costs	203,000	203,000	203,000	-	196,700
Accumulated sick leave	21,000	21,000	-	21,000	-
Accumulated compensatory time	9,000	9,000	-	9,000	-
Total administration and engineering	625,920	625,920	533,888	92,032	554,213
Routine maintenance:					
Personal services					
Permanent employees	647,485	647,485	638,454	9,031	631,526
Temporary employees	26,000	26,000	32,874	(6,874)	39,113
Overtime	64,326	64,326	35,774	28,552	35,193
Employee benefits:					
Social security	59,547	59,547	57,048	2,499	57,335
Employee insurances	197,488	197,488	198,876	(1,388)	192,690
Retiree health insurance	201,399	201,399	195,357	6,042	181,042
Longevity	27,994	27,994	28,049	(55)	30,376
Retirement fund	308,183	308,183	296,692	11,491	281,094
Cost of living	2,543	2,543	2,050	493	1,351
Education allowance	-	-	731	(731)	-
Uniform / cleaning allowance	-	-	-	-	9,563
Employee legal services	1,720	1,720	1,775	(55)	1,494
Uniforms	2,110	2,110	2,471	(361)	3,139
Repairs and maintenance supplies	62,000	62,000	28,293	33,707	22,351
Other services and charges					
Contractual services	440,000	458,373	423,819	34,554	546,656
Joint sealing	155,000	310,000	172,551	137,449	240
Concrete and pavement repairs	415,000	501,070	254,351	246,719	177,568
Equipment rentals	420,000	420,000	463,059	(43,059)	455,157
Total routine maintenance	3,030,795	3,290,238	2,832,224	458,014	2,665,888

(continued)

See accompanying notes to financial statements

EXHIBIT C-5 (continued)

CITY OF WARREN, MICHIGAN

BUDGETARY COMPARISON SCHEDULE

MICHIGAN TRANSPORTATION OPERATING FUNDS

LOCAL STREETS

Year Ended June 30, 2008

With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Snow and ice control:					
Personal services					
Permanent employees	$ 50,561	$ 75,261	$ 75,293	$ (32)	$ 37,257
Overtime	18,064	23,214	24,089	(875)	12,545
Employee benefits:					
Social security	5,504	8,296	8,363	(67)	4,256
Employee insurances	15,422	23,778	23,956	(178)	10,820
Retiree health insurance	19,265	29,520	29,758	(238)	15,076
Longevity	2,186	2,186	2,268	(82)	1,171
Retirement fund	29,460	43,860	44,577	(717)	21,322
Cost of living	199	199	288	(89)	-
Employee legal services	135	135	139	(4)	86
Uniforms	165	165	218	(53)	177
Repairs and maintenance supplies	100,000	100,000	127,441	(27,441)	52,693
Other services and charges					
Contractual services	20,000	20,000	5,481	14,519	-
Equipment rentals	80,000	137,000	137,894	(894)	58,337
Salt dome rental	2,500	2,500	2,500	-	2,500
Total snow and ice control	343,461	466,114	482,265	(16,151)	216,240
Traffic services:					
Personal services					
Permanent employees	52,590	52,590	41,963	10,627	47,188
Overtime	631	631	678	(47)	186
Employee benefits:					
Social security	4,317	4,317	3,505	812	4,063
Employee insurances	16,040	16,040	12,153	3,887	12,639
Retiree health insurance	15,112	15,112	12,545	2,567	13,519
Longevity	2,274	2,274	1,817	457	2,193
Retirement fund	23,124	23,124	13,306	9,818	15,320
Cost of living	207	207	141	66	81
Education allowance	-	-	57	(57)	-
Uniform / cleaning allowance	-	-	-	-	524
Employee legal services	139	139	115	24	111
Uniforms	171	171	153	18	177
Repairs and maintenance supplies	-	-	-	-	-
Other services and charges					
Traffic signs	15,000	15,000	5,434	9,566	6,007
Traffic signal maintenance	45,000	45,000	48,190	(3,190)	45,160
Pavement marking	15,000	18,333	5,104	13,229	11,667
Equipment rentals	16,000	16,000	17,083	(1,083)	17,941
Total traffic services	205,605	208,938	162,244	46,694	176,776
Construction	-	-	-	-	-
Total expenditures - highways and streets	4,205,781	4,591,210	4,010,621	580,589	3,613,117
Excess (deficiency) of revenues over expenditure	(1,630,781)	(2,016,210)	(1,454,413)	561,797	(989,560)
Other financing sources (uses)					
Transfer from:					
General fund	116,792	116,792	138,354	21,562	143,290
Michigan transportation major street operating fund	1,575,000	1,575,000	1,575,000	-	1,562,500
Transfers to:					
Water and Sewer System	(37,100)	(37,100)	(37,100)	-	(35,000)
2003 Act 175 - refunding debt fund	(40,688)	(40,688)	(40,655)	33	(42,720)
Total other uses	1,614,004	1,614,004	1,635,599	21,595	1,628,070
Excess (deficiency) of revenues and other financin sources over expenditures and other financing use	(16,777)	(402,206)	181,186	583,392	638,510
Fund balance - beginning of year	2,972,731	2,972,731	2,972,731	-	2,334,221
Fund balance - end of year	$ 2,955,954	$ 2,570,525	$ 3,153,917	$ 583,392	$ 2,972,731

EXHIBIT C-6

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

SANITATION

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Property taxes:					
Real and personal property	$ 8,532,018	$ 8,532,018	$ 8,576,875	$ 44,857	$ 8,391,395
Industrial facilities	203,368	203,368	225,510	22,142	182,653
	8,735,386	8,735,386	8,802,385	66,999	8,574,048
Miscellaneous:					
Transfer station royalties	120,000	120,000	120,000	-	120,000
Recycling revenue	43,000	43,000	53,025	10,025	40,312
Sale of equipment	-	-	6,714	6,714	8,740
Miscellaneous	60,000	60,000	40,336	(19,664)	63,633
	223,000	223,000	220,075	(2,925)	232,685
Interest on investments	160,000	160,000	202,482	42,482	225,164
Total revenues	9,118,386	9,118,386	9,224,942	106,556	9,031,897
Expenditures - Sanitation:					
Personal services:					
Supervisory	159,326	159,326	170,523	(11,197)	159,774
Wages-rubbish collection	1,643,498	1,643,498	1,275,654	367,844	1,286,737
Mechanics wages	223,127	223,127	201,938	21,189	200,485
Clerical	94,817	94,817	57,997	36,820	40,390
Seasonal employees - summer rubbish collection	438,056	438,056	477,380	(39,324)	462,872
Clerical co-op	-	-	9,525	(9,525)	23,976
Overtime - rubbish collection	400,000	400,000	384,774	15,226	365,628
Overtime - mechanics	35,000	35,000	37,938	(2,938)	33,765
Overtime - clerical	4,000	4,000	2,591	1,409	623
Employee benefits:					
Social security	237,830	237,830	205,373	32,457	204,787
Employee insurances	782,212	782,212	597,766	184,446	591,203
Retiree health insurance	642,863	642,863	566,751	76,112	533,029
Longevity	58,286	58,286	55,416	2,870	53,891
Retirement fund	810,198	810,198	625,200	184,998	600,017
Cost of living	9,562	9,562	6,766	2,796	4,457
Uniforms	7,220	7,220	4,225	2,995	3,725
Uniform / cleaning allowance	-	-	-	-	41,000
Education allowance	3,150	3,150	2,400	750	4,800
Employee legal services	6,510	6,510	5,030	1,480	4,646
Office supplies	14,000	14,000	14,165	(165)	14,060
Other services and charges:					
Contractual services	19,000	19,000	18,226	774	13,752
Hazardous waste collection	30,000	30,000	26,988	3,012	30,544
Rubbish hauling	1,605,000	1,605,000	1,381,976	223,024	1,361,418
Recycling and compost disposal	700,000	700,000	486,096	213,904	496,113
S M D A closure costs	25,000	25,000	8,387	16,613	9,191
S M D A legal and engineering costs	100,000	100,000	48,145	51,855	46,564
Unemployment	48,000	48,000	47,085	915	44,730
Telephone	5,000	5,000	2,937	2,063	4,663
Truck expense	250,000	250,000	252,397	(2,397)	186,368
Gasoline & diesel fuel	255,000	255,000	324,479	(69,479)	256,724
Community recycling & composting education	1,000	1,000	301	699	-
Printing and publishing	6,000	6,000	3,991	2,009	3,859
Insurance and bonds	133,300	133,300	133,300	-	129,200
Public utilities	46,000	46,000	38,004	7,996	36,969
Building maintenance	20,000	20,000	15,660	4,340	17,510
Administrative costs	812,000	812,000	812,000	-	786,800
Refund of taxes paid under protest	15,000	15,000	82,059	(67,059)	10,936
Estimated uncollectible taxes	10,000	10,000	10,000	-	10,000
Accumulated sick leave liability	7,000	7,000	-	7,000	-
Accumulated compensatory time liability	5,000	5,000	-	5,000	-
Capital outlay:					
Office and garage equipment	9,445	9,445	9,425	20	9,266
Vehicles	165,000	335,020	170,019	165,001	-
Total expenditures - Sanitation	9,836,400	10,006,420	8,572,887	1,433,533	8,084,472
Excess (deficiency) of revenues over expenditures	(718,014)	(888,034)	652,055	1,540,089	947,425
Other financing uses:					
Transfer to Building Authority Bond Debt Fund:					
Series 2005 multiple purpose bonds	(33,000)	(33,000)	(32,220)	780	(31,639)
Series 2002 multiple purpose bonds	(24,000)	(24,000)	(23,559)	441	(24,259)
Total other financing uses	(57,000)	(57,000)	(55,779)	1,221	(55,898)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(775,014)	(945,034)	596,276	1,541,310	891,527
Fund balance - beginning of year	5,682,630	5,682,630	5,682,630	-	4,791,103
Fund balance - end of year	$ 4,907,616	$ 4,737,596	$ 6,278,906	$ 1,541,310	$ 5,682,630

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Property Taxes:					
Real and personal property	$ 4,395,446	$ 4,395,446	$ 4,418,558	$ 23,112	$ 4,323,036
Industrial facilities	104,770	104,770	116,176	11,406	94,097
	4,500,216	4,500,216	4,534,734	34,518	4,417,133
Intergovernmental:					
State grants:					
Emerald Ash Borer Grant	-	-	-	-	19,985
S.M.A.R.T. Community Credit Grant	152,000	152,000	183,573	31,573	253,592
Michigan Department of Transportation	58,000	58,000	51,950	(6,050)	64,903
	210,000	210,000	235,523	25,523	338,480
Charges for services:					
Recreation fees	450,000	450,000	587,267	137,267	477,996
Warren Community Center fees	1,200,000	1,375,000	1,532,803	157,803	1,541,325
Skating rink fees	51,000	51,000	52,860	1,860	31,050
Ice rink concessions	17,000	17,000	4,110	(12,890)	12,495
Bingo fees	1,000	1,000	726	(274)	731
Senior transportation	25,000	25,000	24,115	(885)	24,261
Special events	45,000	45,000	42,009	(2,991)	44,599
Forestry - tree planting	2,000	2,000	2,267	267	400
	1,791,000	1,966,000	2,246,157	280,157	2,132,857
Miscellaneous:					
Lease proceeds	54,000	54,000	54,000	-	54,000
Sale of equipment	-	-	-	-	5,405
W.C.C. brick program	-	-	-	-	200
Miscellaneous	45,000	45,000	55,192	10,192	49,123
	99,000	99,000	109,192	10,192	108,728
Interest on investments	125,000	125,000	134,488	9,488	169,164
	125,000	125,000	134,488	9,488	169,164
Total revenues	6,725,216	6,900,216	7,260,094	359,878	7,166,362
Expenditures - Recreation and culture:					
General parks and recreation expenditures:					
Personal services:					
Appointed official	96,227	96,227	100,699	(4,472)	97,050
Supervision	500,166	500,166	523,154	(22,988)	500,567
Maintenance wages	597,029	597,029	469,625	127,404	398,085
Seasonal employees - maintenance	80,000	125,000	124,023	977	125,389
Seasonal employees - recreation	1,300,000	1,340,000	1,588,250	(248,250)	1,389,765
Overtime - maintenance	35,000	35,000	69,190	(34,190)	68,272
Overtime - supervision and clerical	1,000	1,000	14,368	(13,368)	2,064
Shift premium	1,000	1,000	-	1,000	-
Employee benefits:					
Social security	206,362	206,362	211,424	(5,062)	191,525
Employee insurances	387,509	387,509	323,204	64,305	286,119
Retiree health insurance	348,721	348,721	336,708	12,013	288,985
Longevity	40,866	40,866	42,859	(1,993)	42,776

(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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
General parks and recreation expenditures:					
Employee benefits (continued):					
Retirement fund	$ 388,771	$ 388,771	$ 350,179	$ 38,592	$ 297,310
Cost of living	4,440	4,440	3,375	1,065	1,957
Uniforms	2,280	2,280	2,019	261	1,279
Uniform / cleaning allowance	-	-	-	-	25,000
Education allowance	6,050	6,050	4,550	1,500	7,100
Auto allowance	3,600	3,600	3,600	-	3,600
Employee legal services	3,100	3,100	2,637	463	1,498
Supplies:					
Office	11,000	11,000	11,358	(358)	12,985
Bingo supplies	1,000	1,000	172	828	166
Operating supplies	12,000	12,000	13,481	(1,481)	17,677
Playground and athletic	83,000	83,000	78,191	4,809	91,858
Repair and maintenance	165,000	200,000	202,752	(2,752)	150,543
Other services and charges:					
Contractual services	410,000	410,000	375,590	34,410	344,028
Postage	8,000	8,000	9,792	(1,792)	7,089
Unemployment	9,000	9,000	8,129	871	2,352
Tree maintenance	500,000	500,000	358,999	141,001	447,084
Telephone and radio	32,000	32,000	29,615	2,385	31,129
Auto expense	45,000	55,000	56,599	(1,599)	34,780
Conference and workshops	4,000	4,000	2,860	1,140	2,231
Printing and publishing	28,000	38,000	70,110	(32,110)	41,881
Insurance and bonds	90,500	90,500	90,500	-	87,700
Public utilities	550,000	550,000	575,502	(25,502)	535,576
Building maintenance	50,000	60,000	59,486	514	69,132
Rentals and janitorial services	12,000	12,000	7,605	4,395	6,255
Administrative costs	92,000	92,000	92,000	-	89,100
Special events	100,000	125,000	103,353	21,647	96,653
Ice rink expenditures	8,500	8,500	7,668	832	3,361
Ice rink concession expenditures	10,000	10,000	1,866	8,134	3,162
Refund taxes paid under protest	12,000	12,000	45,923	(33,923)	5,634
Estimated uncollectible taxes	4,000	4,000	7,976	(3,976)	6,427
Liability transfer:					
Accumulated sick leave	24,000	24,000	-	24,000	-
Accumulated compensatory time	1,000	1,000	-	1,000	-
Capital outlay:					
Capital improvements	191,000	345,811	232,558	113,253	210,500
Office equipment	20,000	20,000	21,026	(1,026)	1,235
Maintenance equipment	2,000	2,000	-	2,000	10,999
Recreation equipment	110,000	110,000	-	110,000	170,610
Total general parks and recreation	6,587,121	6,916,932	6,632,975	283,957	6,208,488

(continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

PARKS AND RECREATION

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Transportation expenditures:					
Personal services:					
Seasonal employees	$ 140,000	$ 140,000	$ 124,597	$ 15,403	$ 122,633
Employee benefits:					
Social security	10,850	10,850	9,532	1,318	9,382
Employee insurances	2,914	2,914	2,534	380	2,568
Supplies:					
Office	1,200	1,200	733	467	1,052
Operating supplies	900	900	-	900	244
Other services and charges:					
Contractual services	5,600	5,600	4,130	1,470	4,386
Postage	150	150	-	150	-
Building maintenance	2,000	2,000	1,348	652	780
Telephone and radio	1,000	1,000	800	200	-
Auto expense	45,000	45,000	45,815	(815)	33,190
Printing and publishing	250	250	-	250	-
Public utilities	15,000	15,000	10,798	4,202	13,839
Conference and workshops	300	300	-	300	-
Insurance and bonds	11,200	11,200	11,200	-	10,900
Bus rental	10,000	10,000	1,341	8,659	2,373
Total transportation	246,364	246,364	212,828	33,536	201,347
Total expenditures - recreation and culture	6,833,485	7,163,296	6,845,803	317,493	6,409,835
Excess (deficiency) of revenues over expenditures	(108,269)	(263,080)	414,291	677,371	756,527
Other financing sources (uses):					
Transfer to Building Authority Bond Debt Fund:					
Series 2001 Warren Community Center bonds	(269,042)	(269,042)	(268,295)	747	(276,340)
Series 2005 W.C.C. refunding bonds	(325,958)	(325,958)	(324,983)	975	(323,272)
Series 2002 Multiple Purpose bonds	(25,000)	(25,000)	(24,221)	779	(24,940)
Series 2005 Multiple Purpose bonds	(30,000)	(30,000)	(29,913)	87	(29,374)
Total other financing uses	(650,000)	(650,000)	(647,412)	2,588	(653,926)
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and other financing uses	(758,269)	(913,080)	(233,121)	679,959	102,601
Fund balance transfers:					
General Fund	-	-	-	-	402,631
Fund balance - beginning of year	3,754,923	3,754,923	3,754,923	-	3,249,691
Fund balance - end of year	$ 2,996,654	$ 2,841,843	$ 3,521,802	$ 679,959	$ 3,754,923

EXHIBIT C-8

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Property Taxes:					
Real and personal property	$ 2,197,723	$ 2,197,723	$ 2,209,279	$ 11,556	$ 2,161,518
Industrial facilities	52,395	52,395	58,088	5,693	47,049
	2,250,118	2,250,118	2,267,367	17,249	2,208,567
Intergovernmental:					
State:					
State aid	109,713	109,713	90,255	(19,458)	109,277
Penal fines	153,000	153,000	142,332	(10,668)	147,171
Renaissance Zone reimbursement	51,000	51,000	55,591	4,591	51,250
Personal property business inventory tax	74,795	74,795	74,795	-	74,795
	388,508	388,508	362,973	(25,535)	382,493
Fines and fees:					
Over the counter fines	35,000	35,000	40,780	5,780	32,033
Copy machine fees	7,000	7,000	12,758	5,758	7,767
Lost book fees	4,000	4,000	7,029	3,029	5,440
Video cassette user fees	10,000	10,000	7,617	(2,383)	8,757
CD ROM rentals	1,000	1,000	501	(499)	539
	57,000	57,000	68,685	11,685	54,536
Other:					
Sale of equipment	-	-	-	-	2,305
Donations	-	1,100	1,561	461	3,450
Miscellaneous	-	-	191	191	13,760
	-	1,100	1,752	652	19,515
Interest on investments	28,000	28,000	16,771	(11,229)	32,550
	28,000	28,000	16,771	(11,229)	32,550
Total revenues	2,723,626	2,724,726	2,717,548	(7,178)	2,697,661

(continued)

See accompanying notes to financial statements

EXHIBIT C-8 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

LIBRARY

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Expenditures - recreation and culture:					
Personal services:					
Appointed official	$ 89,817	$ 89,817	$ 89,860	$ (43)	$ 86,565
Permanent employees	860,613	860,613	871,615	(11,002)	836,861
Permanent employees - pages	298,480	298,480	296,945	1,535	247,493
Overtime	18,000	18,000	7,702	10,298	15,421
Shift premium	8,500	8,500	7,662	838	6,456
Employee benefits:					
Social security	102,706	102,706	101,059	1,647	96,966
Employee insurances	180,229	180,229	178,667	1,562	162,202
Retiree health insurance	278,547	278,547	280,933	(2,386)	257,611
Longevity	30,726	30,726	30,734	(8)	27,784
Retirement fund	379,006	379,006	377,867	1,139	348,638
Cost of living	3,454	3,454	2,727	727	1,742
Uniforms	190	190	190	-	449
Uniform / cleaning allowance	-	-	-	-	21,000
Education allowance	12,000	12,000	12,000	-	20,400
Employee legal services	2,480	2,480	2,458	22	1,830
Auto allowance	3,600	3,600	3,600	-	3,600
Office supplies	29,000	29,000	31,931	(2,931)	28,154
Other services and charges:					
Copy machine expense	12,000	12,000	8,257	3,743	8,178
Contractual services	25,000	25,000	4,269	20,731	48,223
Cooperative services	159,400	159,400	146,104	13,296	130,451
Library cooperative indirect aid	54,857	54,857	45,128	9,729	54,639
Postage	6,000	6,000	3,022	2,978	1,963
Video cassettes and tapes	16,000	16,000	15,934	66	12,245
Library circulation material	22,100	22,100	21,194	906	20,331
Periodicals	17,000	17,000	17,241	(241)	16,825
Telephone and radio	13,500	13,500	10,009	3,491	10,092
Mileage	2,000	2,000	757	1,243	1,096
Auto expense	1,500	1,500	1,584	(84)	1,844
Conferences and workshops	500	500	85	415	490
Book binding	200	200	-	200	-
Insurance and bonds	26,200	26,200	26,200	-	25,400
Public utilities	225,000	225,000	231,228	(6,228)	176,662
Building maintenance	20,000	20,000	10,025	9,975	16,241
Administrative expense	45,900	45,900	45,900	-	44,500
Library commission dues and expense	500	500	185	315	158
Refund taxes paid under protest	5,000	5,000	22,962	(17,962)	2,817
Estimated uncollectible taxes	2,000	2,000	3,988	(1,988)	3,214
Liability transfer:					
Accumulated sick leave	5,000	5,000	-	5,000	-
Accumulated compensatory time	2,000	2,000	-	2,000	-
Capital outlay:					
Office equipment	10,950	10,950	7,437	3,513	12,351
Library books	100,000	101,100	102,290	(1,190)	101,362
Total expenditures - recreation and culture	3,069,955	3,071,055	3,019,749	51,306	2,852,254
Excess (deficiency) of revenues over expenditures	(346,329)	(346,329)	(302,201)	44,128	(154,593)
Fund balance transfers:					
General Fund	-	-	-	-	17,827
Fund balance - beginning of year	744,541	744,541	744,541	-	881,307
Fund balance - end of year	$ 398,212	$ 398,212	$ 442,340	$ 44,128	$ 744,541

EXHIBIT C-9

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2008
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2007

	Accumulative Totals for Program Years 1982-83 thru 1997-99 and Program Years 2000-01 thru 2002-03			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 24,290,636	$ 24,290,636	$ -	$ 24,290,636
Miscellaneous:				
Program income	3,166,588	4,887,193	1,720,605	4,887,193
Reimbursement from HOME	-	45,218	45,218	45,218
Transfer from CDBG Rental Rehabilitation Progran	-	15,309	15,309	15,309
Total revenues	27,457,224	29,238,356	1,781,132	29,238,356
Expenditures - community development				
Residential rehabilitation costs	9,938,272	11,531,579	(1,593,307)	11,531,579
Residential rehabilitation development cost	810,000	982,516	(172,516)	982,516
Commercial rehabilitation costs	54,135	54,135	-	54,135
Capital improvements - recreatior	1,735,912	1,735,912	-	1,735,912
Capital projects - senior activity cente	272,827	272,827	-	272,827
Contractual services - feasibility study	6,291	6,291	-	6,291
Contractual services - W.O.R.D.	14,840	14,840	-	14,840
Contractual services - chores service	396,392	396,392	-	396,392
Contractual services - day care cente	12,500	12,500	-	12,500
Public improvements - fire stations	663,999	663,999	-	663,999
Public works projects	583,271	583,271	-	583,271
Street program	2,990,368	2,990,368	-	2,990,368
Bunert school	84,093	84,093	-	84,093
Relocation reimbursements	10,257	10,257	-	10,257
Sidewalk replacement	169,683	169,683	-	169,683
Rodent control	30,159	30,159	-	30,159
Abandoned buildings	434,299	434,299	-	434,299
U. F. F. I. testing	60,000	60,000	-	60,000
Youth interim program	6,880	6,880	-	6,880
I-696 equity line item	119	119	-	119
Smoke detector program	24,484	24,484	-	24,484
Tree planting program	283,788	283,788	-	283,788
Code enforcement	752,854	752,854	-	752,854
Community police unit	2,279,800	2,279,800	-	2,279,800
Planning studies	107,000	107,000	-	107,000
Handicapped project	578,603	578,603	-	578,603
Shelter for the homeless	60,000	60,000	-	60,000
Administrative costs	3,782,188	3,800,283	(18,095)	3,800,283
Contingency and local options	-	-	-	-
Public alley improvements	144,979	144,979	-	144,979
Parking lot improvements	176,285	176,285	-	176,285
Rental rehabilitation	55,682	70,991	(15,309)	70,991
Home ownership assistance	51,925	51,925	-	51,925
Barrier removal	73,793	73,793	-	73,793
Sewer replacement	231,527	231,527	-	231,527
Property disposition	2,592	2,592	-	2,592
Rental ordinance enforcemen	325,000	325,000	-	325,000
Housing support services	76,980	76,980	-	76,980
Fire department rescue squac	120,000	120,000	-	120,000
Homeless prevention	52,575	52,575	-	52,575
Beautification	2,872	2,872	-	2,872
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Homebuyer preparatior	-	-	-	-
Reimbursement from MSHDA	-	(18,095)	18,095	(18,095)
Total expenditures - community developmen	27,457,224	29,238,356	(1,781,132)	29,238,356
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -	$ -

Accumulative Totals for Program Year 1999-2000			Accumulative Totals Through	Accumulative Totals for Program Year 2003-2004			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 1,049,326	$ 1,045,251	$ (4,075)	$ 1,045,251	$ 1,142,271	$ 1,141,275	$ (996)	$ 1,008,384
400,000	530,887	130,887	530,887	400,000	581,527	181,527	581,527
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,449,326	1,576,138	126,812	1,576,138	1,542,271	1,722,802	180,531	1,589,911
400,000	530,887	(130,887)	530,887	845,000	1,026,527	(181,527)	907,300
-	-	-	-	170,000	170,000	-	170,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,000	26,000	-	26,000	29,103	29,103	-	29,103
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
396,868	396,868	-	396,868	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	39,500	38,504	996	24,840
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
44,590	44,590	-	44,590	-	-	-	-
75,418	75,418	-	75,418	66,491	66,491	-	66,491
144,550	144,550	-	144,550	-	-	-	-
50,000	45,925	4,075	45,925	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	20,314	20,314	-	20,314
177,400	177,400	-	177,400	218,000	218,000	-	218,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	40,000	40,000	-	40,000
10,500	10,500	-	10,500	10,500	10,500	-	10,500
-	-	-	-	103,363	103,363	-	103,363
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
44,000	44,000	-	44,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,449,326	1,576,138	(126,812)	1,576,138	1,542,271	1,722,802	(180,531)	1,589,911
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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, 2008
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2007

	Accumulative Totals for Program Year 2004-2005			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 979,839	$ 964,839	$ (15,000)	$ 963,839
Miscellaneous:				
Program income	600,000	414,599	(185,401)	414,599
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	1,579,839	1,379,438	(200,401)	1,378,438
Expenditures - community development				
Residential rehabilitation costs	601,000	415,599	185,401	414,599
Residential rehabilitation development costs	100,000	100,000	-	100,000
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	30,270	30,270	-	30,270
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	358,939	358,939	-	358,939
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	-	-	-	-
Rodent control	-	-	-	-
Abandoned buildings	-	-	-	-
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	65,506	65,506	-	65,506
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	121,063	121,063	-	121,063
Shelter for the homeless	22,500	22,500	-	22,500
Administrative costs	210,600	195,600	15,000	195,600
Contingency and local options	-	-	-	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	40,000	40,000	-	40,000
Housing support services	13,000	13,000	-	13,000
Fire department rescue squad	-	-	-	-
Homeless prevention	16,961	16,961	-	16,961
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	-	-	-	-
Homebuyer preparation	-	-	-	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	1,579,839	1,379,438	200,401	1,378,438
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -	$ -

Accumulative Totals for Program Year 2005-2006			Accumulative Totals Through	Accumulative Totals for Program Year 2006-2007			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 1,182,789	$ 1,105,395	$ (77,394)	$ 1,058,507	$ 1,111,970	$ 913,205	$ (198,765)	$ 560,654
400,000	468,017	68,017	468,017	500,000	335,214	(164,786)	335,214
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,582,789	1,573,412	(9,377)	1,526,524	1,611,970	1,248,419	(363,551)	895,868
463,468	441,631	21,837	395,268	544,349	270,453	273,896	268,048
150,000	150,000	-	150,000	175,000	175,000	-	125,901
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,377	25,377	-	25,377	33,000	26,517	6,483	5,427
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
285,691	285,691	-	285,691	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
200,539	200,250	289	200,250	348,882	331,438	17,444	126,506
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,515	81,515	-	81,515	110,000	100,553	9,447	51,114
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22,500	22,500	-	22,500	30,000	30,000	-	28,900
277,867	290,616	(12,749)	290,616	277,347	242,108	35,239	227,550
-	-	-	-	19,417	-	19,417	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	-	40,000	40,000	40,000	-	40,000
14,000	14,000	-	13,475	13,975	12,350	1,625	-
-	-	-	-	-	-	-	-
16,832	16,832	-	16,832	15,000	15,000	-	5,910
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,000	5,000	-	5,000	5,000	5,000	-	5,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,582,789	1,573,412	9,377	1,526,524	1,611,970	1,248,419	363,551	884,356
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,512

EXHIBIT C-9 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

For Period of October 1, 1982 through June 30, 2008
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2007

	Accumulative Totals for Program Year 2007-2008			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 916,808	$ 432,869	$ (483,939)	$ -
Miscellaneous:				
Program income	300,000	104,317	(195,683)	-
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	1,216,808	537,186	(679,622)	-
Expenditures - community development				
Residential rehabilitation costs	381,651	59,638	322,013	-
Residential rehabilitation development costs	175,000	97,655	77,345	-
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	32,000	14,074	17,926	-
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	-	-	-	-
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	170,000	46,096	123,904	-
Rodent control	-	-	-	-
Abandoned buildings	20,000	-	20,000	-
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	110,000	52,584	57,416	-
Community police unit	-	-	-	-
Planning studies	-	-	-	-
Handicapped project	-	-	-	-
Shelter for the homeless	24,000	16,819	7,181	-
Administrative costs	215,500	153,098	62,402	-
Contingency and local options	4,982	-	4,982	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	40,000	40,000	-	-
Housing support services	9,675	-	9,675	-
Fire department rescue squad	-	-	-	-
Homeless prevention	25,000	19,514	5,486	-
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	4,000	4,000	-	-
Homebuyer preparation	5,000	-	5,000	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	1,216,808	503,478	713,330	-
Excess (deficiency) of revenues over expenditures	$ -	$ 33,708	$ 33,708	$ -

Accumulative Totals for Combined Program Years			Accumulative Totals Through	Eliminations Reported as of June 30, 2007			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2006
$ 30,673,639	$ 29,893,470	$ (780,169)	$ 28,927,271	$ 29,793,831	$ 28,927,271	$ (866,560)	$ 27,941,950
	-		-		-		-
5,766,588	7,321,754	1,555,166	7,217,437	5,466,588	7,217,437	1,750,849	6,882,223
-	45,218	45,218	45,218	-	45,218	45,218	45,218
-	15,309	15,309	15,309	-	15,309	15,309	15,309
36,440,227	37,275,751	835,524	36,205,235	35,260,419	36,205,235	944,816	34,884,700
13,173,740	14,276,314	(1,102,574)	14,047,681	12,792,089	14,047,681	(1,255,592)	13,565,771
1,580,000	1,675,171	(95,171)	1,528,417	1,405,000	1,528,417	(123,417)	1,358,149
54,135	54,135	-	54,135	54,135	54,135	-	54,135
1,735,912	1,735,912	-	1,735,912	1,735,912	1,735,912	-	1,735,912
272,827	272,827	-	272,827	272,827	272,827	-	272,827
6,291	6,291	-	6,291	6,291	6,291	-	6,291
14,840	14,840	-	14,840	14,840	14,840	-	14,840
572,142	547,733	24,409	512,569	542,142	512,569	29,573	486,358
12,500	12,500	-	12,500	12,500	12,500	-	12,500
663,999	663,999	-	663,999	663,999	663,999	-	663,999
583,271	583,271	-	583,271	583,271	583,271	-	583,271
4,031,866	4,031,866	-	4,031,866	4,031,866	4,031,866	-	4,031,866
84,093	84,093	-	84,093	84,093	84,093	-	84,093
10,257	10,257	-	10,257	10,257	10,257	-	10,257
889,104	747,467	141,637	496,439	734,104	496,439	237,665	330,901
30,159	30,159	-	30,159	30,159	30,159	-	30,159
533,799	512,803	20,996	499,139	533,799	499,139	34,660	499,139
60,000	60,000	-	60,000	60,000	60,000	-	60,000
6,880	6,880	-	6,880	6,880	6,880	-	6,880
119	119	-	119	119	119	-	119
24,484	24,484	-	24,484	24,484	24,484	-	24,484
328,378	328,378	-	328,378	328,378	328,378	-	328,378
1,261,784	1,194,921	66,863	1,092,898	1,151,784	1,092,898	58,886	1,006,730
2,424,350	2,424,350	-	2,424,350	2,424,350	2,424,350	-	2,424,350
157,000	152,925	4,075	152,925	157,000	152,925	4,075	141,260
699,666	699,666	-	699,666	699,666	699,666	-	699,666
179,314	172,133	7,181	154,214	155,314	154,214	1,100	118,004
5,158,902	5,077,105	81,797	4,909,449	4,943,402	4,909,449	33,953	4,634,625
24,399	-	24,399	-	19,417	-	19,417	-
144,979	144,979	-	144,979	144,979	144,979	-	144,979
176,285	176,285	-	176,285	176,285	176,285	-	176,285
55,682	70,991	(15,309)	70,991	55,682	70,991	(15,309)	70,991
51,925	51,925	-	51,925	51,925	51,925	-	51,925
73,793	73,793	-	73,793	73,793	73,793	-	73,793
231,527	231,527	-	231,527	231,527	231,527	-	231,527
2,592	2,592	-	2,592	2,592	2,592	-	2,592
565,000	565,000	-	525,000	525,000	525,000	-	485,000
148,630	137,330	11,300	124,455	138,955	124,455	14,500	113,880
223,363	223,363	-	223,363	223,363	223,363	-	223,363
126,368	120,882	5,486	92,278	101,368	92,278	9,090	73,786
2,872	2,872	-	2,872	2,872	2,872	-	2,872
44,000	44,000	-	44,000	44,000	44,000	-	44,000
14,000	14,000	-	10,000	10,000	10,000	-	5,000
5,000	-	5,000	-	-	-	-	-
-	(18,095)	18,095	(18,095)	-	(18,095)	18,095	(18,095)
36,440,227	37,242,043	(801,816)	36,193,723	35,260,419	36,193,723	(933,304)	34,866,862
$ -	$ 33,708	$ 33,708	$ 11,512	$ -	$ 11,512	$ 11,512	$ 17,838

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, 2008
With Comparative Accumulative Actual Totals for the Year Ended June 30, 2007

	Current Year Activity			Prior Fiscal Year
	Budget	Actual	Variance	Activity
Revenues:				
Intergovernmental:				
Federal grant	$ 879,808	$ 966,199	$ 86,391	$ 985,321
Miscellaneous:				
Program income	300,000	104,317	(195,683)	335,214
Reimbursement from HOME	-	-	-	-
Transfer from CDBG Rental Rehabilitation Program	-	-	-	-
Total revenues	1,179,808	1,070,516	(109,292)	1,320,535
Expenditures - community development				
Residential rehabilitation costs	381,651	228,633	153,018	481,910
Residential rehabilitation development costs	175,000	146,754	28,246	170,268
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	30,000	35,164	(5,164)	26,211
Contractual services - day care center	-	-	-	-
Public improvements - fire stations	-	-	-	-
Public works projects	-	-	-	-
Street program	-	-	-	-
Bunert school	-	-	-	-
Relocation reimbursements	-	-	-	-
Sidewalk replacement	155,000	251,028	(96,028)	165,538
Rodent control	-	-	-	-
Abandoned buildings	-	13,664	(13,664)	-
U. F. F. I. testing	-	-	-	-
Youth interim program	-	-	-	-
I-696 equity line item	-	-	-	-
Smoke detector program	-	-	-	-
Tree planting program	-	-	-	-
Code enforcement	110,000	102,023	7,977	86,168
Community police unit	-	-	-	-
Planning studies	-	-	-	11,665
Handicapped project	-	-	-	-
Shelter for the homeless	24,000	17,919	6,081	36,210
Administrative costs	215,500	167,656	47,844	274,824
Contingency and local options	4,982	-	4,982	-
Public alley improvements	-	-	-	-
Parking lot improvements	-	-	-	-
Rental rehabilitation	-	-	-	-
Home ownership assistance	-	-	-	-
Barrier removal	-	-	-	-
Sewer replacement	-	-	-	-
Property disposition	-	-	-	-
Rental ordinance enforcement	40,000	40,000	-	40,000
Housing support services	9,675	12,875	(3,200)	10,575
Fire department rescue squad	-	-	-	-
Homeless prevention	25,000	28,604	(3,604)	18,492
Beautification	-	-	-	-
Arsenal Acres clearance	-	-	-	-
Child advocacy	4,000	4,000	-	5,000
Homebuyer preparation	5,000	-	5,000	-
Reimbursement from MSHDA	-	-	-	-
Total expenditures - community development	1,179,808	1,048,320	131,488	1,326,861
Excess (deficiency) of revenues over expenditures	-	22,196	22,196	(6,326)
Fund balance - beginning of the year	11,512	11,512	-	17,838
Fund balance - end of the year	$ 11,512	$ 33,708	$ 11,512	$ 11,512

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EXHIBIT C-10

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP
For Period of July 1, 1994 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Program Year 1994-95 thru 1998-99			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 2,001,248	$ 2,001,248	$ -	$ 2,001,248
Miscellaneous:				
Program income	460,000	407,533	(52,467)	407,533
Rental match	54,595	71,204	16,609	71,204
Community processing fee	1,800	2,881	1,081	2,881
Miscellaneous	-	140	140	140
Local match	500,525	360,061	(140,464)	360,061
Total revenues	3,018,168	2,843,067	(175,101)	2,843,067
Expenditures - community development:				
Acquisition / new construction	1,669,018	1,709,807	(40,789)	1,709,807
Rental rehabilitation	257,171	273,780	(16,609)	273,780
Single family acquisition rehabilitation	675,562	525,897	149,665	559,664
Community Housing Development Organizations Operating	45,767	33,767	12,000	-
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	86,850	79,578	7,272	79,578
Program administration	238,800	211,522	27,278	211,522
Contingencies	45,000	-	45,000	-
Eligible activities applied towards match	-	8,716	(8,716)	8,716
Total expenditures - community development	3,018,168	2,843,067	175,101	2,843,067
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

Accumulative Totals for Program Year 1999-2000			Accumulative Totals Through	Accumulative Totals for Program Year 2000-01			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 427,000	$ 427,000	$ -	$ 427,000	$ 403,548	$ 403,548	$ -	$ 340,959
240,000	199,983	(40,017)	199,983	460,000	395,558	(64,442)	395,558
-	10,645	10,645	10,645	-	11,865	11,865	11,865
-	600	600	600	-	-	-	-
-	-	-	-	-	-	-	-
98,550	145,136	46,586	145,136	98,550	98,000	(550)	98,000
765,550	783,364	17,814	783,364	962,098	908,971	(53,127)	846,382
523,750	534,591	(10,841)	534,591	701,255	675,279	25,976	612,690
-	10,645	(10,645)	10,645	-	11,865	(11,865)	11,865
185,550	158,977	26,573	158,977	156,048	123,882	32,166	123,882
-	15,563	(15,563)	15,563	20,545	20,368	177	20,368
-	-	-	-	-	-	-	-
550	125	425	125	550	-	550	-
55,700	63,463	(7,763)	63,225	83,700	77,577	6,123	77,577
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
765,550	783,364	(17,814)	783,126	962,098	908,971	53,127	846,382
$ -	$ -	$ -	$ 238	$ -	$ -	$ -	$ -

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Program Year 2001-02			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 386,400	$ 386,400	$ -	$ 164,348
Miscellaneous:				
Program income	580,000	153,353	(426,647)	153,353
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	110,000	111,186	1,186	111,186
Total revenues	1,076,400	650,939	(425,461)	428,887
Expenditures - community development:				
Acquisition / new construction	690,000	408,549	281,451	181,052
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	226,200	131,864	94,336	130,017
Community Housing Development Organizations Operating	70,000	34,632	35,368	34,632
Housing Rehabilitation Owner Occupied	-	-	-	-
Direct home buyer assistance	-	125	(125)	125
Program administration	90,200	56,515	33,685	56,515
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	1,076,400	631,685	444,715	402,341
Excess (deficiency) of revenues over expenditures	$ -	$ 19,254	$ 19,254	$ 26,546

Accumulative Totals for Program Year 2002-03			Accumulative Totals Through	Accumulative Totals for Program Year 2003-04			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 702,361	$ 395,756	$ (306,605)	$ 293,020	$ 425,642	$ 261,016	$ (164,626)	$ 247,528
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	1,371,232	(160,254)	1,268,496	1,115,642	1,031,115	(84,527)	1,017,627
1,042,430	799,929	242,501	717,193	744,231	562,022	182,209	562,022
-	-	-	-	-	-	-	-
173,306	169,539	3,767	169,539	153,847	226,529	(72,682)	223,041
72,250	20,000	52,250	-	15,000	10,000	5,000	-
-	-	-	-	-	-	-	-
135,000	135,925	(925)	135,925	100,000	100,000	-	100,000
108,500	136,714	(28,214)	136,714	102,564	42,564	60,000	42,564
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,531,486	1,262,107	269,379	1,159,371	1,115,642	941,115	174,527	927,627
$ -	$ 109,125	$ 109,125	$ 109,125	$ -	$ 90,000	$ 90,000	$ 90,000

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Program Year 2004-05			Accumulative Totals Through
	Budget	Actual	Variance	June 2007
Revenues:				
Intergovernmental:				
Federal grant	$ 289,050	$ 107,322	$ (181,728)	$ 103,322
Miscellaneous:				
Program income	700,000	74,311	(625,689)	74,311
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	60,000	134,594	74,594	134,594
Total revenues	1,049,050	316,227	(732,823)	312,227
Expenditures - community development:				
Acquisition / new construction	745,433	39,000	706,433	39,000
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	90,000	6,471	83,529	2,471
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	-	76,000
Program administration	112,417	103,163	9,254	103,163
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	1,049,050	248,634	800,416	240,634
Excess (deficiency) of revenues over expenditures	$ -	$ 67,593	$ 67,593	$ 71,593

Accumulative Totals for Program Year 2005-06			Accumulative Totals Through	Accumulative Totals for Program Year 2006-07			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 191,152	$ 181,635	$ (9,517)	$ 181,636	$ 371,553	$ 86,502	$ (285,051)	$ 41,983
600,000	390,992	(209,008)	390,992	-	216,197	216,197	216,197
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
45,000	79,000	34,000	79,000	53,000	176,575	123,575	53,000
836,152	651,627	(184,525)	651,628	424,553	479,274	54,721	311,180
580,105	358,468	221,637	208,116	80,145	31,291	48,854	-
-	-	-	-	-	-	-	-
135,000	1,447	133,553	-	59,000	75	58,925	-
20,349	10,000	10,349	10,000	19,096	-	19,096	-
-	-	-	-	230,120	213,202	16,918	-
-	-	-	-	4,000	-	4,000	-
100,698	48,254	52,444	48,254	32,192	45,945	(13,753)	41,845
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
836,152	418,169	417,983	266,370	424,553	290,513	134,040	41,845
$ -	$ 233,458	$ 233,458	$ 385,258	$ -	$ 188,761	$ 188,761	$ 269,335

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Program Year 2007-08			Accumulative Totals Through
	Budget	Actual	Variance	June 2007
Revenues:				
Intergovernmental:				
Federal grant	$ 741,499	$ 72,454	$ (669,045)	$ -
Miscellaneous:				
Program income	330,000	59,266	(270,734)	-
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	85,000	-	(85,000)	-
Total revenues	1,156,499	131,720	(1,024,779)	-
Expenditures - community development:				
Acquisition / new construction	463,616	35	463,581	-
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	369,575	-	369,575	-
Community Housing Development Organizations Operating	18,936	-	18,936	-
Housing Rehabilitation Owner Occupied	100,000	-	100,000	-
Direct home buyer assistance	127,500	-	127,500	-
Program administration	76,872	101,391	(24,519)	-
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	1,156,499	101,426	1,055,073	-
Excess (deficiency) of revenues over expenditures	$ -	$ 30,294	$ 30,294	$ -

Accumulative Totals for Combined Program Years			Accumulative Totals Through	Eliminations Reported as of June 30, 2007			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2006
$ 5,939,453	$ 4,322,881	$ (1,616,572)	$ 3,801,044	$ 5,560,726	$ 3,801,044	$ (1,759,682)	$ 3,700,176
4,690,000	3,373,543	(1,316,457)	3,314,277	4,360,000	3,314,277	(1,045,723)	3,098,080
54,595	93,714	39,119	93,714	54,595	93,714	39,119	93,714
1,800	3,481	1,681	3,481	1,800	3,481	1,681	3,481
-	140	140	140	-	140	140	140
1,249,750	1,373,777	124,027	1,250,202	1,164,750	1,250,202	85,452	1,197,202
11,935,598	9,167,536	(2,768,062)	8,462,858	11,141,871	8,462,858	(2,679,013)	8,092,793
7,239,983	5,118,971	2,121,012	4,564,471	7,063,139	4,564,471	2,498,668	4,392,456
257,171	296,290	(39,119)	296,290	257,171	296,290	(39,119)	296,290
2,224,088	1,344,681	879,407	1,367,591	1,756,513	1,333,824	422,689	1,352,901
303,143	164,330	138,813	100,563	284,207	134,330	149,877	-
330,120	213,202	116,918	-	230,120	-	230,120	-
534,450	395,753	138,697	391,753	580,950	391,753	189,197	383,753
1,001,643	887,108	114,535	781,379	924,771	781,379	143,392	726,045
45,000	-	45,000	-	45,000	-	45,000	-
-	8,716	(8,716)	8,716	-	8,716	(8,716)	8,716
11,935,598	8,429,051	3,506,547	7,510,763	11,141,871	7,510,763	3,631,108	7,160,161
$ -	$ 738,485	$ 738,485	$ 952,095	$ -	$ 952,095	$ 952,095	$ 932,632

EXHIBIT C-10 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOME INVESTMENT PARTNERSHIP

For Period of July 1, 1994 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Current Fiscal Year Activity			Prior Fiscal Year Activity
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 378,727	$ 521,837	$ 143,110	$ 100,868
Miscellaneous:				
Program income	330,000	59,266	(270,734)	216,197
Rental match	-	-	-	-
Community processing fee	-	-	-	-
Miscellaneous	-	-	-	-
Local match	85,000	123,575	38,575	53,000
Total revenues	793,727	704,678	(89,049)	370,065
Expenditures - community development:				
Acquisition / new construction	176,844	554,500	(377,656)	172,015
Rental rehabilitation	-	-	-	-
Single family acquisition rehabilitation	467,575	10,857	456,718	14,690
Community Housing Development Organizations Operating	18,936	30,000	(11,064)	100,563
Housing Rehabilitation Owner Occupied	100,000	213,202	(113,202)	-
Direct home buyer assistance	(46,500)	4,000	(50,500)	8,000
Program administration	76,872	105,729	(28,857)	55,334
Contingencies	-	-	-	-
Eligible activities applied towards match	-	-	-	-
Total expenditures - community development	793,727	918,288	(124,561)	350,602
Excess (deficiency) of revenues over expenditures	-	(213,610)	(213,610)	19,463
Fund balance - beginning of the year	952,095	952,095	-	932,632
Fund balance - end of the year	$ 952,095	$ 738,485	$ (213,610)	$ 952,095

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EXHIBIT C-11

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Program Years 2004-05 thru 2005-06			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 789,416	$ 789,416	$ -	$ 789,416
Miscellaneous:				
Program income	-	-	-	-
Total revenues	$ 789,416	$ 789,416	-	789,416
Expenditures - community development:				
Emergency housing assistance	120,236	120,236	-	120,236
Housing advocacy assistance	205,598	205,598	-	205,598
Tenant based rental assistance	366,261	366,261	-	366,261
In-home non-medical care for medically fragile	73,411	73,411	-	73,411
Short-term rent, mortgage & utilities	-	-	-	-
Move in assistance	-	-	-	-
Program administration	23,910	23,910	-	23,910
Contingencies	-	-	-	-
Total expenditures - community development	789,416	789,416	-	789,416
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

Accumulative Totals for Program Year 2006-2007			Accumulative Totals Through	Accumulative Totals for Program Year 2007-2008			Accumulative Totals Through
Budget	Actual	Variance	June 2007	Budget	Actual	Variance	June 2007
$ 377,584	$ 301,155	$ (76,429)	$ 119,213	$ 436,000	$ 116,070	$ (319,930)	$ -
-	-	-	-	-	834	834	-
$ 377,584	$ 301,155	$ (76,429)	$ 119,213	$ 436,000	$ 116,904	(319,096)	-
-	-	-	-	-	-	-	-
100,000	94,948	5,052	49,907	105,000	55,128	49,872	-
185,995	127,660	58,335	29,359	180,000	-	180,000	-
40,000	40,000	-	19,432	40,000	22,826	17,174	-
20,000	18,536	1,464	9,568	48,730	11,820	36,910	-
19,679	8,101	11,578	1,600	50,000	19,382	30,618	-
11,910	11,910	-	9,247	12,270	7,648	4,622	-
-	-	-	-	-	-	-	-
377,584	301,155	76,429	119,113	436,000	116,804	319,196	-
$ -	$ -	$ -	$ 100	$ -	$ 100	$ 100	$ -

EXHIBIT C-11 (continued)

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For Period of July 1, 2004 through June 30, 2008
With Comparative Accumulative Actual Totals for Year Ended June 30, 2007

	Accumulative Totals for Combined Program Years			Accumulative Totals Through June 2007
	Budget	Actual	Variance	
Revenues:				
Intergovernmental:				
Federal grant	$ 1,603,000	$ 1,206,641	$ (396,359)	$ 908,629
Miscellaneous:				
Program income	-	834	834	-
Total revenues	$ 1,603,000	$ 1,207,475	(395,525)	$ 908,629
Expenditures - community development:				
Emergency housing assistance	120,236	120,236	-	120,236
Housing advocacy assistance	410,598	355,674	54,924	255,505
Tenant based rental assistance	732,256	493,921	238,335	395,620
In-home non-medical care for medically fragile	153,411	136,237	17,174	92,843
Short-term rent, mortgage & utilities	68,730	30,356	38,374	9,568
Move in assistance	69,679	27,483	42,196	1,600
Program administration	48,090	43,468	4,622	33,157
Contingencies	-	-	-	-
Total expenditures - community development	1,603,000	1,207,375	395,625	908,529
Excess (deficiency) of revenues over expenditures	$ -	$ 100	$ 100	$ 100
Fund balance - beginning of year				
Fund balance - end of year				

Eliminations Reported as of June 30, 2007			Accumulative Totals Through	Current Fiscal Year			Prior Fiscal Year
Budget	Actual	Variance	June 2006	Budget	Actual	Variance	Activity
$ 1,194,000	$ 908,629	$ (285,371)	$ 610,000	$ 409,000	$ 298,012	$ (110,988)	$ 298,629
-	-	-	-	-	834	834	-
$ 1,194,000	$ 908,629	(285,371)	$ 610,000	$ 409,000	$ 298,846	(110,154)	$ 298,629
120,236	120,236	-	88,195	-	-	-	32,041
305,598	255,505	50,093	162,423	105,000	100,169	4,831	93,082
552,256	395,620	156,636	284,658	180,000	98,301	81,699	110,962
113,411	92,843	20,568	53,009	40,000	43,394	(3,394)	39,834
32,000	9,568	22,432	-	36,730	20,788	15,942	9,568
34,679	1,600	33,079	-	35,000	25,883	9,117	1,600
35,820	33,157	2,663	21,615	12,270	10,311	1,959	11,542
-	-	-	-	-	-	-	-
1,194,000	908,529	285,471	609,900	409,000	298,846	110,154	298,629
$ -	$ 100	$ 100	$ 100	-	-	-	-
				100	100	-	100
				$ 100	$ 100	$ -	$ 100

EXHIBIT C-12

CITY OF WARREN, MICHIGAN

BUDGETARY COMPARISON SCHEDULE

COMMUNICATIONS

Year Ended June 30, 2008

With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Fines and fees:					
Franchise fees	$ 1,150,000	$ 1,150,000	$ 1,471,277	$ 321,277	$ 1,344,444
Interest on investments	70,000	70,000	59,581	(10,419)	79,562
Miscellaneous	-	-	549	549	630
Total revenues	1,220,000	1,220,000	1,531,407	311,407	1,424,636
Expenditures - recreation and culture:					
Personal services:					
Permanent employees	337,679	337,679	288,943	48,736	305,552
Temporary employees	250,000	250,000	264,306	(14,306)	277,696
Overtime	10,000	10,000	9,328	672	6,696
Meeting allowance	2,100	2,100	-	2,100	-
Employee benefits:					
Social security	47,532	47,532	43,503	4,029	46,914
Employee insurances	65,700	65,700	42,788	22,912	46,005
Retiree health insurance	98,566	98,566	82,441	16,125	86,490
Longevity	8,492	8,492	7,548	944	8,160
Retirement fund	43,294	43,294	37,628	5,666	39,910
Cost of living	1,290	1,290	755	535	563
Auto allowance	3,600	3,600	1,300	2,300	3,600
Uniform / cleaning allowance	-	-	-	-	11,000
Education allowance	2,250	2,250	1,100	1,150	2,650
Employee legal services	930	930	666	264	243
Office supplies	3,000	3,000	3,077	(77)	2,316
Operating supplies	15,000	15,000	11,932	3,068	12,541
Tapes	8,000	8,000	3,904	4,096	6,480
Other services and charges:					
Contractual services	85,000	85,000	38,082	46,918	25,202
Software and contractual services	15,000	15,000	1,712	13,288	6,645
Postage	45,000	45,000	43,314	1,686	43,355
Unemployment costs	1,000	1,000	558	442	334
Telephone and radio	7,500	7,500	7,547	(47)	7,384
Mileage	250	250	78	172	-
Vehicle maintenance	8,000	8,000	2,327	5,673	1,672
Conferences and workshops	2,500	2,500	-	2,500	-
Community promotion	4,000	4,000	1,822	2,178	779
Sets and design	2,500	2,500	2,839	(339)	788
Web site	30,000	30,000	3,693	26,307	6,898
City calendar	37,500	37,500	25,652	11,848	29,098
Music library	5,000	5,000	3,305	1,695	3,305
Auditorium expense	8,000	8,000	946	7,054	-
City newsletter	50,000	50,000	43,520	6,480	44,303
Public utilities	135,000	135,000	130,690	4,310	125,268
Administrative costs	106,800	106,800	106,800	-	103,500
Memberships and dues	3,000	3,000	2,678	322	1,099
Accumulated sick leave	5,000	5,000	-	5,000	-
Capital outlay:					
Office equipment	5,000	5,000	6,945	(1,945)	1,484
Cable TV equipment	50,000	50,000	38,887	11,113	30,057
Total expenditures - recreation and culture	1,503,483	1,503,483	1,260,614	242,869	1,287,987
Excess (deficiency) of revenues over expenditures	(283,483)	(283,483)	270,793	554,276	136,649
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds					
Warren Community Center Bonds, Series 2001	(82,295)	(82,295)	(82,067)	228	(85,381)
W.C.C. Refunding Bonds, Series 2005	(99,705)	(99,705)	(99,406)	299	(99,881)
Multiple Purpose Bonds, Series 2005	(37,000)	(37,000)	(36,086)	914	(35,435)
Total other financing sources (uses)	(219,000)	(219,000)	(217,559)	1,441	(220,697)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(502,483)	(502,483)	53,234	555,717	(84,048)
Fund balance - beginning of year	1,885,213	1,885,213	1,885,213	-	1,969,261
Fund balance - end of year	$ 1,382,730	$ 1,382,730	$ 1,938,447	$ 555,717	$ 1,885,213

See accompanying notes to financial statements.

EXHIBIT C-13

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

RENTAL ORDINANCE FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Charges for services:					
Community Development					
Block Grant reimbursement	$ 40,000	$ 40,000	$ 40,000	$ -	$ 40,000
Fines and fees:					
Residential inspection fees	135,000	135,000	204,815	69,815	169,735
Apartment inspection fees	63,000	63,000	-	(63,000)	-
Apartment license application fee	120,000	120,000	-	(120,000)	-
Interest on investments	2,000	2,000	2,324	324	2,471
Total revenues	360,000	360,000	247,139	(112,861)	212,206
Expenditures - city development:					
Personal services:					
Permanent employees	103,904	103,904	108,729	(4,825)	104,451
Part-time employee	25,000	25,000	-	25,000	-
Overtime	1,200	1,200	-	1,200	-
Employee benefits:					
Social security	10,437	10,437	8,661	1,776	8,466
Employee insurances	26,500	26,500	26,304	196	24,217
Retiree health insurance	29,755	29,755	30,902	(1,147)	27,707
Longevity	4,141	4,141	4,139	2	3,991
Retirement fund	32,325	32,325	33,335	(1,010)	30,590
Cost of living	430	430	339	91	215
Uniform / cleaning allowance	-	-	-	-	2,000
Employee legal services	310	310	307	3	307
Office supplies	7,000	7,000	3,596	3,404	1,910
Other services and charges:					
Contractual services	50,000	50,000	-	50,000	-
Postage	8,500	8,500	3,066	5,434	2,968
Vehicle maintenance	800	800	1,338	(538)	717
Accumulated sick leave	1,000	1,000	-	1,000	-
Total expenditures - city development	301,302	301,302	220,716	80,586	207,539
Excess (deficiency) of revenues over expenditures	58,698	58,698	26,423	(32,275)	4,667
Fund balance - beginning of year	51,523	51,523	51,523	-	46,856
Fund balance - end of year	$ 110,221	$ 110,221	$ 77,946	$ (32,275)	$ 51,523

See accompanying notes to financial statements.

EXHIBIT C-14

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

VICE CRIME CONFISCATION FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Fines and fees:					
Vice crime confiscations	$ 15,000	$ 15,000	$ 17,580	$ 2,580	$ 67,340
Interest on investments	6,000	6,000	7,545	1,545	7,365
Total revenues	21,000	21,000	25,125	4,125	74,705
Expenditures - public safety:					
Other services and charges:					
Community promotion	-	-	8,237	(8,237)	-
Total expenditures - public safety	-	-	8,237	(8,237)	-
Excess (deficiency) of revenues over expenditures	21,000	21,000	16,888	(4,112)	74,705
Other financing sources (uses):					
Transfer to general fund	(25,000)	(25,000)	-	25,000	-
Total other financing sources (uses)	(25,000)	(25,000)	-	25,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,000)	(4,000)	16,888	20,888	74,705
Fund balance - beginning of year	192,999	192,999	192,999	-	118,294
Fund balance - end of year	$ 188,999	$ 188,999	$ 209,887	$ 20,888	$ 192,999

See accompanying notes to financial statements.

EXHIBIT C-15

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

DRUG FORFEITURE FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Fines and fees:					
Drug forfeitures	$ 230,000	$ 230,000	$ 459,030	$ 229,030	$ 352,131
Interest on investments	23,000	23,000	23,974	974	26,439
Other revenue:					
Sale of equipment	-	-	167	167	341
Total revenues	253,000	253,000	483,171	230,171	378,911
Expenditures - public safety:					
Operating supplies	6,000	6,000	13,924	(7,924)	5,510
Other services and charges:					
Contractual services	4,000	4,000	3,804	196	1,589
Special investigations	50,000	50,000	46,137	3,863	24,000
Telephone and radio	10,000	10,000	5,271	4,729	8,936
Vehicle maintenance	5,000	5,000	1,851	3,149	209
Canine unit expense	5,000	5,000	3,915	1,085	3,568
Capital outlay:					
Office equipment	8,500	8,500	5,941	2,559	-
Vehicles	81,000	102,216	102,201	15	20,969
Police equipment	14,000	14,000	-	14,000	166,905
Total expenditures - public safety	183,500	204,716	183,044	21,672	231,686
Excess (deficiency) of revenues over expenditures	69,500	48,284	300,127	251,843	147,225
Other financing sources (uses):					
Transfer to general fund	(120,000)	(120,000)	(120,000)	-	(115,000)
Total other financing sources (uses)	(120,000)	(120,000)	(120,000)	-	(115,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(50,500)	(71,716)	180,127	251,843	32,225
Fund balance - beginning of year	560,431	560,431	560,431	-	528,206
Fund balance - end of year	$ 509,931	$ 488,715	$ 740,558	$ 251,843	$ 560,431

See accompanying notes to financial statements.

EXHIBIT C-16

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

POLICE TRAINING FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Intergovernmental:					
State:					
Police training	$ 53,000	$ 53,000	$ 52,598	$ (402)	$ 53,077
Interest on investments	4,000	4,000	5,117	1,117	5,728
Total revenues	57,000	57,000	57,715	715	58,805
Expenditures - public safety:					
Other services and charges:					
Conferences and workshops	52,000	56,000	54,658	1,342	40,160
Total expenditures - public safety	52,000	56,000	54,658	1,342	40,160
Excess (deficiency) of revenues over expenditures	5,000	1,000	3,057	2,057	18,645
Fund balance - beginning of year	136,504	136,504	136,504	-	117,859
Fund balance - end of year	$ 141,504	$ 137,504	$ 139,561	$ 2,057	$ 136,504

See accompanying notes to financial statements.

EXHIBIT C-17

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

DOWNTOWN DEVELOPMENT AUTHORITY ADMINISTRATION FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Property taxes	$ 5,744,000	$ 5,744,000	$ 6,217,231	$ 473,231	$ 5,556,021
Interest on investments	75,000	75,000	71,560	(3,440)	56,705
Rental revenues	200,000	200,000	427,438	227,438	111,650
Total revenues	6,019,000	6,019,000	6,716,229	697,229	5,724,376
Expenditures - economic development:					
Personal services:					
Permanent employee	79,692	79,692	63,959	15,733	64,722
Temporary employee	79,560	79,560	27,333	52,227	32,927
Employee benefits:					
Social security	12,854	12,854	8,525	4,329	9,085
Employee insurances	18,827	18,827	17,260	1,567	15,955
Retiree health insurance	23,412	23,412	23,038	374	21,569
Longevity	1,588	1,588	1,652	(64)	1,532
Retirement fund	8,630	8,630	8,439	191	8,383
Cost of living	215	215	168	47	157
Auto allowance	3,600	3,600	3,300	300	3,600
Education allowance	1,200	1,200	3,200	(2,000)	-
Uniform / cleaning allowance	-	-	-	-	2,000
Employee legal services	155	155	127	28	38
Office supplies	6,000	6,000	3,094	2,906	2,909
Other services and charges:					
Contractual services	325,000	325,000	42,554	282,446	190
Management fees & expenses	120,000	120,000	206,117	(86,117)	-
Court reporter	9,000	9,000	3,381	5,619	5,350
Postage	10,000	10,000	8,984	1,016	744
Telephone	400	400	554	(154)	152
Mileage	1,000	1,000	11	989	56
Conferences and workshops	3,000	3,000	180	2,820	
Community promotion	75,000	75,000	72,697	2,303	160,429
Printing and publishing	20,000	20,000	18,744	1,256	5,599
Administrative costs	617,500	617,500	617,500	-	598,400
City flower plantings	7,500	7,500	12,193	(4,693)	-
Memberships and dues	5,000	5,000	920	4,080	960
Total expenditures - economic development	1,429,133	1,429,133	1,143,930	285,203	934,757
Excess (deficiency) of revenues over expenditures	4,589,867	4,589,867	5,572,299	982,432	4,789,619
Other financing sources (uses):					
Transfer to Building Authority Debt Service Funds:					
Warren Community Center Bonds, Series 2001	(61,947)	(61,947)	(61,776)	171	(66,560)
W.C.C. Refunding Bonds, Series 2005	(75,053)	(75,053)	(74,828)	225	(77,865)
Transfer to D.D.A. Debt Service Funds:					
Series 2002	(1,431,875)	(1,431,875)	(1,431,900)	(25)	(1,450,338)
Series 2003	(1,264,000)	(1,264,000)	(1,264,000)	-	(771,500)
Series 2004	(878,625)	(878,625)	(878,600)	25	(878,600)
Series 2005	(662,500)	(662,500)	(662,475)	25	(662,475)
Total other financing sources (uses)	(4,374,000)	(4,374,000)	(4,373,579)	421	(3,907,338)
Excess (deficiency) of budgeted revenues and other financing sources over budgeted expenditures and and other financing uses	215,867	215,867	1,198,720	982,853	882,281
Fund balance transfers:					
Transfer from D.D.A. Construction Fund	-	-	-	-	7,366,483
Fund balance - beginning of year	8,248,764	8,248,764	8,248,764	-	-
Fund balance - end of year	$ 8,464,631	$ 8,464,631	$ 9,447,484	$ 982,853	$ 8,248,764

See accompanying notes to financial statements.

EXHIBIT C-18

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

CHAPTER 20 and 21 DRAIN BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Property taxes:					
Real and personal property	$ -	$ -	$ 35	$ 35	$ 95
Interest on investments	3,000	3,000	2,799	(201)	7,821
Miscellaneous	-	-	13	13	-
Total revenues	3,000	3,000	2,847	(153)	7,916
Expenditures - debt service:					
Principal payments	-	-	-	-	220,000
Interest payments	-	-	-	-	9,809
Estimated uncollectible taxes	2,000	2,000	2,000	-	2,000
Refund of taxes paid under protest	3,000	3,000	9,080	(6,080)	-
Maintenance fees	10,000	10,000	-	10,000	-
Total expenditures - debt service	15,000	15,000	11,080	3,920	231,809
Excess (deficiency) of revenues over expenditures	(12,000)	(12,000)	(8,233)	3,767	(223,893)
Fund balance - beginning of year	96,837	96,837	96,837	-	320,730
Fund balance - end of year	$ 84,837	$ 84,837	$ 88,604	$ 3,767	$ 96,837

See accompanying notes to financial statements.

EXHIBIT C-19

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2002 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	500,000
Interest payments	931,625	931,625	931,625	-	950,063
Fiscal charges	250	250	275	(25)	275
Total expenditures - debt service	1,431,875	1,431,875	1,431,900	(25)	1,450,338
Excess (deficiency) of revenues over expenditures	(1,431,875)	(1,431,875)	(1,431,900)	(25)	(1,450,338)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,431,875	1,431,875	1,431,900	25	1,450,338
Total other financing sources (uses)	1,431,875	1,431,875	1,431,900	25	1,450,338
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-20

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	500,000	500,000	500,000	-	-
Interest payments	763,750	763,750	763,750	-	771,250
Fiscal charges	250	250	250	-	250
Total expenditures - debt service	1,264,000	1,264,000	1,264,000	-	771,500
Excess (deficiency) of revenues over expenditures	(1,264,000)	(1,264,000)	(1,264,000)	-	(771,500)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	1,264,000	1,264,000	1,264,000	-	771,500
Total other financing sources (uses)	1,264,000	1,264,000	1,264,000	-	771,500
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-21

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2004 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	878,375	878,375	878,375	-	878,375
Fiscal charges	250	250	225	25	225
Total expenditures - debt service	878,625	878,625	878,600	25	878,600
Excess (deficiency) of revenues over expenditures	(878,625)	(878,625)	(878,600)	25	(878,600)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	878,625	878,625	878,600	(25)	878,600
Total other financing sources (uses)	878,625	878,625	878,600	(25)	878,600
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-22

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2005 DOWNTOWN DEVELOPMENT AUTHORITY BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments	-	-	-	-	-
Interest payments	662,250	662,250	662,250	-	662,250
Fiscal charges	250	250	225	25	225
Total expenditures - debt service	662,500	662,500	662,475	25	662,475
Excess (deficiency) of revenues over expenditures	(662,500)	(662,500)	(662,475)	25	(662,475)
Other financing sources :					
Transfer from Downtown Development Authority Administration Fund	662,500	662,500	662,475	(25)	662,475
Total other financing sources (uses)	662,500	662,500	662,475	(25)	662,475
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-23

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

1997 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	340,000	340,000	340,000	-	320,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	95,310	95,310	95,310	-	110,670
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	350	350	350	-	350
Local streets	-	-	-	-	-
Total expenditures - debt service	435,660	435,660	435,660	-	431,020
Excess (deficiency) of revenues over expenditures	(435,660)	(435,660)	(435,660)	-	(431,020)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	435,660	435,660	435,660	-	431,020
Local streets	-	-	-	-	-
Total other financing sources (uses)	435,660	435,660	435,660	-	431,020
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-24

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2000 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	400,000	400,000	400,000	-	400,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	207,155	207,155	207,155	-	225,155
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	275	275	275	-	275
Local streets	-	-	-	-	-
Total expenditures - debt service	607,430	607,430	607,430	-	625,430
Excess (deficiency) of revenues over expenditures	(607,430)	(607,430)	(607,430)	-	(625,430)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	607,430	607,430	607,430	-	625,430
Local streets	-	-	-	-	-
Total other financing sources (uses)	607,430	607,430	607,430	-	625,430
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-25

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION REFUNDING BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	525,450	525,450	525,450	-	539,400
Local streets	39,550	39,550	39,550	-	40,600
Interest payments:					
Major streets	14,451	14,451	14,450	1	27,935
Local streets	1,088	1,088	1,088	-	2,103
Fiscal charges:					
Major streets	500	500	232	268	233
Local streets	50	50	17	33	17
Total expenditures - debt service	581,089	581,089	580,787	302	610,288
Excess (deficiency) of revenues over expenditures	(581,089)	(581,089)	(580,787)	302	(610,288)
Other financing sources (uses) :					
Transfer from Michigan transportation operating:					
Major streets	540,401	540,401	540,132	(269)	567,568
Local streets	40,688	40,688	40,655	(33)	42,720
Total other financing sources (uses)	581,089	581,089	580,787	(302)	610,288
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-26

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2003 MICHIGAN TRANSPORTATION BOND DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - debt service:					
Principal payments:					
Major streets	100,000	100,000	100,000	-	100,000
Local streets	-	-	-	-	-
Interest payments:					
Major streets	177,100	177,100	177,100	-	179,400
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	500	500	225	275	225
Local streets	-	-	-	-	-
Total expenditures - debt service	277,600	277,600	277,325	275	279,625
Excess (deficiency) of revenues over expenditures	(277,600)	(277,600)	(277,325)	275	(279,625)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	277,600	277,600	277,325	(275)	279,625
Local streets	-	-	-	-	-
Total other financing sources (uses)	277,600	277,600	277,325	(275)	279,625
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

EXHIBIT C-27

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

2006 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Accrued interest on sale of bonds	$ -	$ -	$ -	$ -	$ 3,468
Total revenues	-	-	-	-	3,468
Expenditures - debt service:					
Principal payments:					
Major streets	35,919	35,919	35,918	1	-
Local streets	-	-	-	-	-
Interest payments:					
Major streets	207,429	207,429	207,429	-	52,025
Local streets	-	-	-	-	-
Fiscal charges:					
Major streets	750	750	242	508	81
Local streets	-	-	-	-	-
Total expenditures - debt service	244,098	244,098	243,589	509	52,106
Excess (deficiency) of revenues over expenditures	(244,098)	(244,098)	(243,589)	509	(48,638)
Other financing sources :					
Transfer from Michigan transportation operating:					
Major streets	240,630	240,630	240,121	(509)	52,106
Local streets	-	-	-	-	-
Total other financing sources (uses)	240,630	240,630	240,121	(509)	52,106
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,468)	(3,468)	(3,468)	-	3,468
Fund balance - beginning of year	3,468	3,468	3,468	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -	$ 3,468

See accompanying notes to financial statements.

EXHIBIT C-28

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

37TH DISTRICT COURT BUILDING RENOVATION FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Court building renovation fee	$ 550,000	$ 550,000	$ 667,849	$ 117,849	$ 622,584
Interest on investments	50,000	50,000	80,875	30,875	64,903
Total revenues	600,000	600,000	748,724	148,724	687,487
Expenditures - capital projects:					
Capital improvements	2,207,891	2,207,891	-	2,207,891	-
Total expenditures - debt service	2,207,891	2,207,891	-	2,207,891	-
Excess (deficiency) of budgeted revenues over budgeted expenditures	(1,607,891)	(1,607,891)	748,724	2,356,615	687,487
Fund balance transfer:					
General Fund	-	-	-	-	206,590
Fund balance - beginning of year	1,901,968	1,901,968	1,901,968	-	1,007,891
Fund balance - end of year	$ 294,077	$ 294,077	$ 2,650,692	$ 2,356,615	$ 1,901,968

See accompanying notes to financial statements.

EXHIBIT C-29

CITY OF WARREN, MICHIGAN
BUDGETARY COMPARISON SCHEDULE

SEWAGE DISPOSAL PLANT EXPANSION FUND

Year Ended June 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Amended Budget	Actual	Variance	2007 Actual
Revenues:					
Interest on investments	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-
Expenditures - capital projects:					
Capital improvements	65,630	65,630	-	65,630	-
Total expenditures - capital projects	65,630	65,630	-	65,630	-
Excess (deficiency) of revenues over expenditures	(65,630)	(65,630)	-	65,630	-
Fund balance - beginning of year	96,828	96,828	96,828	-	96,828
Fund balance - end of year	$ 31,198	$ 31,198	$ 96,828	$ 65,630	$ 96,828

See accompanying notes to financial statements.

EXHIBIT C-30

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

June 30, 2008

	Pension and Other Employee Benefit Trust Funds (1)			
	Police & Fire Retirement System	City Employees' Retirement System	Police & Fire VEBA Trust	City Employees' VEBA Trust
Assets				
Cash and cash equivalents	$ 286,478	$ 12,463	$ -	$ -
Receivables:				
Investment sales	-	2,495,041	-	-
Accrued interest and dividends	1,195,597	733,150	113,604	131,064
Other	-	13,323	-	-
Prepaid expenses	-	2,061	-	4,968
Investments, at fair value:				
Securities lending short-term collateral investment pool	47,029,774	23,130,337	-	-
Short-term cash management funds	10,190,758	8,324,540	6,404	3,421,844
Certificates of deposit	-	-	5,719,817	-
U.S. government obligations	16,488,335	10,762,412	-	1,282,323
U.S. government agencies' notes and debentures	28,108,978	7,518,908	-	370,775
Corporate and other bonds and securities	37,963,524	29,699,974	-	4,234,433
Equity mutual funds	7,520,175	544,670	13,278,768	14,641,003
Fixed income mutual funds	3,338,296	-	2,455,635	-
Real estate investment trusts	6,128,807	149,611	-	-
Private equity	1,793,595	-	-	-
Hedge funds	2,358,746	-	-	-
Distressed debt recovery fund	1,434,113	-	-	-
Mezzanine debt financing	939,792	-	-	-
Equities	211,515,562	75,783,137	-	-
Total investments	374,810,455	155,913,589	21,460,624	23,950,378
Total assets	376,292,530	159,169,627	21,574,228	24,086,410
Liabilities				
Accounts payable	1,998,809	211,521	4,253	8,067
Investment purchases	-	333,666	-	-
Due broker under securities lending agreement	47,029,774	23,130,337	-	-
Due to other funds:				
General fund	117,867	129,333	4,915,158	3,316,798
Water and Sewer System	-	4,425	-	-
Accrued medical claims	-	-	-	498,544
Deposits and escrows	-	-	-	-
Due to other governmental units	-	-	-	-
Total liabilities	49,146,450	23,809,282	4,919,411	3,823,409
Net assets				
Held in trust for pension and other employee benefits	$ 327,146,080	$ 135,360,345	$ 16,654,817	$ 20,263,001

Note:
(1) Fiscal year ended December 31, 2007.

See accompanying notes to financial statements.

City Employees' Retirement QEBA Trust	Total Pension and Other Employee Benefit Trust Funds (1)	Agency Funds: Payroll Revolving Fund	Cash Bond Fund	Tax Collection Fund	Fire Insurance Withholding Fund	Totals
$ 1,678	$ 300,619	$ 4,545	$ 1,351,758	$ 737,354	$ 129,078	$ 2,222,735
-	2,495,041	-	-	-	-	-
60	2,173,475	-	-	-	81	81
-	13,323	-	-	-	-	-
-	7,029	-	-	-	-	-
-	70,160,111	-	-	-	-	-
-	21,943,546	-	-	-	-	-
-	5,719,817	-	-	-	-	-
-	28,533,070	-	-	-	-	-
-	35,998,661	-	-	-	-	-
-	71,897,931	-	-	-	-	-
-	35,984,616	-	-	-	-	-
-	5,793,931	-	-	-	-	-
-	6,278,418	-	-	-	-	-
-	1,793,595	-	-	-	-	-
-	2,358,746	-	-	-	-	-
-	1,434,113	-	-	-	-	-
-	939,792	-	-	-	-	-
-	287,298,699	-	-	-	-	-
-	576,135,046	-	-	-	-	-
1,738	581,124,533	4,545	1,351,758	737,354	129,159	2,222,816
131	2,222,781	4,545	-	50,147	-	54,692
-	333,666	-	-	-	-	-
-	70,160,111	-	-	-	-	-
-	8,479,156	-	-	-	142	142
-	4,425	-	-	-	-	-
-	498,544	-	-	-	-	-
-	-	-	1,351,758	-	129,017	1,480,775
-	-	-	-	687,207	-	687,207
131	81,698,683	$ 4,545	$ 1,351,758	$ 737,354	$ 129,159	$ 2,222,816
$ 1,607	$ 499,425,850					

EXHIBIT C-31

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

For the Year Ended June 30, 2008

	Police & Fire Retirement System	City Employees' Retirement System	Police & Fire VEBA Trust	City Employees' VEBA Trust (2)
Additions:				
Contributions:				
Employee contributions	$ 676,554	$ 78,497	$ -	$ -
Employer contributions	6,344,340	6,603,342	7,579,855	3,842,163
Employer contributions made on behalf of employees	1,129,620	-	-	-
Total contributions	8,150,514	6,681,839	7,579,855	3,842,163
Investment activity:				
Net appreciation/(depreciation) in fair value of investments	18,975,749	5,326,093	229,335	(415,104)
Interest and dividend income	9,221,358	4,296,505	943,669	573,351
	28,197,107	9,622,598	1,173,004	158,247
Less investment expenses	(1,735,263)	(762,841)	(16,695)	(16,092)
Net investment gain/(loss)	26,461,844	8,859,757	1,156,309	142,155
Securities lending income:				
Interest and fees	3,044,671	1,409,625	-	-
Less borrower rebates and bank fees	(2,797,987)	(1,320,010)	-	-
Net securities lending income	246,684	89,615	-	-
Miscellaneous income	-	117,097	-	-
Total additions	34,859,042	15,748,308	8,736,164	3,984,318
Deductions:				
Retirees' pension benefits	18,612,863	12,156,982	-	-
Retirees' health insurance	-	-	8,353,964	3,332,441
Refunds and withdrawals of contributions	2,273,106	16,213	-	-
Incentive bonuses	25,000	-	-	-
Administrative expense	186,461	288,214	6,089	12,946
Total deductions	21,097,430	12,461,409	8,360,053	3,345,387
Net increase (decrease)	13,761,612	3,286,899	376,111	638,931
Net assets held in trust for pension and other employee benefits:				
Beginning of year	313,384,468	132,073,446	16,278,706	19,624,070
End of year	$ 327,146,080	$ 135,360,345	$ 16,654,817	$ 20,263,001

Note:
(1) Fiscal year ended December 31, 2007.
(2) Six months ended December 31, 2007.

See accompanying notes to financial statements.

City Employees' Retirement QEBA Trust	Total Pension and Other Employee Benefit Trust Funds (1)
$ -	$ 755,051
55,000	24,424,700
-	1,129,620
55,000	26,309,371
-	24,116,073
1,173	15,036,056
1,173	39,152,129
(511)	(2,531,402)
662	36,620,727
-	4,454,296
-	(4,117,997)
-	336,299
-	117,097
55,662	63,383,494
57,554	30,827,399
-	11,686,405
-	2,289,319
-	25,000
8,806	502,516
66,360	45,330,639
(10,698)	18,052,855
12,305	481,372,995
$ 1,607	$ 499,425,850

EXHIBIT C-32

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)
12/31/01	$ 142,296	$ 163,512	$ 21,216	87.0%	$ 16,761	126.6%
12/31/02	135,317	167,595	32,278	80.7	16,760	192.6
12/31/03	128,847	167,037	38,190	77.1	16,908	225.9
12/31/04	126,080	170,412	44,332	74.0	16,720	265.1
12/31/05	126,604	171,289	44,685	73.9	15,770	283.4
12/31/06	132,076	176,356	44,280	74.9	14,879	297.6

Schedule of Employer Contributions
Aggregate Cost Method

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/02	12/31/00	$ 4,157,994	100.00%
12/31/03	12/31/01	4,510,992	100.00
12/31/04	12/31/02	5,259,667	100.00
12/31/05	12/31/03	5,878,849	100.00
12/31/06	12/31/04	6,168,503	100.00
12/31/07	12/31/05	6,603,342	100.00

EXHIBIT C-33

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)
12/31/01	$ 322,076,923	$ 249,131,827	$ (72,945,096)	129.28%	$ 28,469,158	-
12/31/02	305,839,164	254,162,580	(51,676,584)	120.30	28,352,146	-
12/31/03	288,185,499	263,489,300	(24,696,199)	109.40	29,400,497	-
12/31/04	277,076,691	283,888,444	6,811,753	97.60	30,306,876	22.50
12/31/05	279,654,923	303,319,483	23,664,560	92.20	30,155,774	78.50
12/31/06	300,703,399	322,711,074	22,007,675	93.20	29,425,088	74.80

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
12/31/02	$ 3,704,792	100.00
12/31/03	1,297,595	100.00
12/31/04	1,895,672	100.00
12/31/05	4,280,739	100.00
12/31/06	6,949,145	100.00
12/31/07	7,743,960	100.00

EXHIBIT C-34

CITY OF WARREN, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	$ 10,000,000	$ 74,349,303	$ 64,349,303	13.45%	$ 28,362,379	226.88%
12/31/04	15,033,329	114,898,479	99,865,150	13.08	27,560,084	362.35
12/31/06	16,229,489	161,270,365	145,040,876	10.06	27,490,701	527.60

Schedule of Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
06/30/04	12/31/01	$ 5,363,770	100.00%
06/30/05	12/31/01	6,608,058	100.00
06/30/06	12/31/01	6,570,757	100.00
06/30/07	12/31/04	7,140,097	100.00
12/31/07 (1)	12/31/04	3,842,163	100.00

(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.

EXHIBIT C-35

POLICE AND FIRE RETIREMENT BENEFITS PLAN AND TRUST

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/03	$ - (1)	$ 116,492,273	$ 116,492,273	0.00%	$ 29,400,497	396.23%
12/31/06	16,278,706	173,368,137	158,089,431	9.39	29,425,088	533.86

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

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
12/31/05	$ 4,237,700	100.00%
12/31/06	6,168,503	100.00
12/31/07	7,579,855	100.00

EXHIBIT C-36

CITY OF WARREN, MICHIGAN

STATE of MICHIGAN CONSTRUCTION CODE ACT
(Public Act 245 of 1999)

REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2008

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	$ 559,380
Electrical permits	204,164
Mechanical permits	165,889
Plumbing permits	204,024
Plan review fees	119,110
Sidewalk permits	17,521
Zoning permits	143,505
Other licenses and permits	248,965
Block Grant administration	17,525
Board of appeals	29,075
Site plan fees	31,229
Planning commission fees	6,565
Total revenues	1,746,952
Expenditures (1):	
Building department	2,127,020
Planning department	739,737
Total expenditures	2,866,757
Excess (deficiency) of revenues over expenditures	(1,119,805)
Cumulative shortfall as of June 30, 2007	(4,094,952)
Cumulative shortfall as of June 30, 2008	$(5,214,757)

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

CITY OF WARREN, MICHIGAN

STATISTICAL SECTION

Statistical Information

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

Contents **Exhibit**

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

Demographic and Economic Statistics	D-15
Miscellaneous Demographics	D-16
Principal Employers	D-17

Operating Information

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

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

CITY OF WARREN, MICHIGAN

NET ASSETS BY COMPONENT

LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year		
Governmental Activities:	2002	2003	2004
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	31,006,985	26,078,527	21,492,100
Total governmental activities net assets	$ 115,709,561	$ 132,489,432	$ 127,408,413
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	16,582,226	12,754,091	9,886,743
Total business-type activities net assets	$ 91,754,534	$ 90,943,392	$ 87,567,498
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	47,589,211	38,832,618	31,378,843
Total primary government net assets	$ 207,464,095	$ 223,432,824	$ 214,975,911

Fiscal Year			
2005	2006	2007	2008
$ 61,211,667	$ 62,875,434	$ 59,140,668	$ 56,796,215
33,684,984	32,961,557	33,087,848	35,970,344
25,044,605	30,107,642	33,618,180	36,433,515
$ 119,941,256	$ 125,944,633	$ 125,846,696	$ 129,200,074
$ 58,641,924	$ 57,819,780	$ 56,924,642	$ 56,511,038
17,557,693	18,181,409	16,915,115	14,045,192
7,604,682	6,788,707	7,173,338	9,125,661
$ 83,804,299	$ 82,789,896	$ 81,013,095	$ 79,681,891
$ 119,853,591	$ 120,695,214	$ 116,065,310	$ 113,307,253
51,242,677	51,142,966	50,002,963	50,015,536
32,649,287	36,896,349	40,791,518	45,559,176
$ 203,745,555	$ 208,734,529	$ 206,859,791	$ 208,881,965

CITY OF WARREN, MICHIGAN

CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
General government	$ 20,082,664	$ 19,473,919	$ 16,615,611
Public safety	51,582,496	48,394,428	57,884,081
City development	5,422,940	5,810,991	6,005,387
Highways and streets	8,605,050	11,283,073	11,502,440
Recreation and culture	8,166,273	8,678,166	11,220,933
Sanitation	7,041,930	7,107,239	7,879,934
Economic development	1,383,706	557,046	1,113,253
Community development	3,017,165	2,931,591	2,395,311
Capital projects	833,806	2,922,550	2,912,390
Interest on long-term debt	2,480,239	2,528,384	3,165,735
Total governmental activities expenses	108,616,269	109,687,387	120,695,075
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	29,246,972	31,320,808	32,650,866
Total primary government expenses	$ 137,863,241	$ 141,008,195	$ 153,345,941
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	24,948,000	25,465,706	26,508,946
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	28,971,084	30,122,866	28,957,182
Total primary government program revenues	$ 53,919,084	$ 55,588,572	$ 55,466,128
Net (expense) revenue			
Governmental activities	$ (83,668,269)	$ (84,221,681)	$ (94,186,129)
Business-type activities	(275,888)	(1,197,942)	(3,693,684)
Total primary government net (expense) revenue	$ (83,944,157)	$ (85,419,623)	$ (97,879,813)
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	86,195,143	101,001,552	89,105,110
Business-type activities:			
Investment earnings	1,477,928	386,800	317,790
Gain (loss) on sale of capital assets	(2,383)	-	-
Total business-type activities	1,475,545	386,800	317,790
Total primary government	$ 87,670,688	$ 101,388,352	$ 89,422,900
Changes in Net Assets			
Governmental activities	$ 2,526,874	$ 16,779,871	$ (5,081,019)
Business-type activities	1,199,657	(811,142)	(3,375,894)
Total primary government	$ 3,726,531	$ 15,968,729	$ (8,456,913)

Fiscal Year			
2005	2006	2007	2008
$ 17,504,006	$ 20,176,196	$ 24,554,397	$ 22,183,390
50,525,480	55,968,750	61,848,485	62,509,563
5,106,065	4,938,429	5,492,850	5,278,793
10,930,533	10,735,706	12,731,865	11,053,445
11,066,379	11,001,914	12,351,491	12,737,364
8,044,439	8,174,592	8,317,174	8,601,862
862,902	9,269,389	559,156	3,532,040
3,335,621	2,336,495	1,983,978	2,264,803
1,624,148	1,498,553	1,525,833	1,589,528
4,163,954	6,254,880	5,082,442	4,983,460
113,163,527	130,354,904	134,447,671	134,734,248
31,225,489	32,188,319	32,499,489	34,199,663
1,800,146	1,872,601	1,937,454	2,047,491
33,025,635	34,060,920	34,436,943	36,247,154
$ 146,189,162	$ 164,415,824	$ 168,884,614	$ 170,981,402
$ 12,714,891	$ 14,584,784	$ 13,702,181	$ 13,541,050
12,935,941	12,463,692	12,684,642	12,228,029
4,789,306	5,171,647	3,243,612	4,169,546
30,440,138	32,220,123	29,630,435	29,938,625
26,928,099	30,329,100	29,674,597	31,957,062
2,034,821	2,081,469	2,143,419	2,187,278
28,962,920	32,410,569	31,818,016	34,144,340
$ 59,403,058	$ 64,630,692	$ 61,448,451	$ 64,082,965
$ (82,723,389)	$ (98,134,781)	$ (104,817,236)	$ (104,795,623)
(4,062,715)	(1,650,351)	(2,618,927)	(2,102,814)
$ (86,786,104)	$ (99,785,132)	$ (107,436,163)	$ (106,898,437)
$ 74,911,034	$ 83,352,957	$ 85,079,549	$ 88,383,524
14,705,085	14,540,634	14,105,387	14,105,387
1,151,761	1,206,596	1,344,444	1,471,277
1,602,968	3,075,634	4,289,636	3,378,435
84,927	2,099,337	40,283	(41,222)
-	-	-	-
-	-	-	1,000,000
(17,199,543)	(137,000)	(140,000)	(148,400)
75,256,232	104,138,158	104,719,299	108,149,001
299,516	635,948	842,126	771,610
-	-	-	-
299,516	635,948	842,126	771,610
$ 75,555,748	$ 104,774,106	$ 105,561,425	$ 108,920,611
$ (7,467,157)	$ 6,003,377	$ (97,937)	$ 3,353,378
(3,763,199)	(1,014,403)	(1,776,801)	(1,331,204)
$ (11,230,356)	$ 4,988,974	$ (1,874,738)	$ 2,022,174

CITY OF WARREN, MICHIGAN

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1999	2000 (1)	2001	2002 (2)
General Fund:				
Reserved	$ 2,063,260	$ 1,273,879	$ 1,608,054	$ 1,912,343
Unreserved	24,413,375	26,501,015	28,019,105	49,390,183
Total general fund	$ 26,476,635	$ 27,774,894	$ 29,627,159	$ 51,302,526
All Other Governmental Funds:				
Reserved	$ 3,511,722	$ 4,492,276	$ 22,271,772	$ 12,143,950
Unreserved, reported in:				
Special revenue funds	24,574,221	47,606,490	30,561,656	31,099,498
Capital projects funds	8,098,053	8,972,959	12,998,658	10,134,377
Debt service funds	747,781	1,092,076	1,433,845	1,790,644
Total all other governmental funds	$ 36,931,777	$ 62,163,801	$ 67,265,931	$ 55,168,469

(1) Reflects proceeds from the sale of the Detroit Arsenal Tank Plant of $25.5 million.

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

Fiscal Year					
2003	2004	2005	2006	2007	2008
$ 2,250,381	$ 2,326,703	$ 2,507,872	$ 4,389,944	$ 2,057,662	$ 2,333,663
55,051,386	55,173,474	44,720,163	48,532,509	53,397,963	55,224,126
$ 57,301,767	$ 57,500,177	$ 47,228,035	$ 52,922,453	$ 55,455,625	$ 57,557,789
$ 4,350,252	$ 9,931,404	$ 45,883,472	$ 27,970,850	$ 8,129,748	$ 6,291,526
29,538,059	23,917,188	22,677,100	20,653,148	28,587,139	27,592,994
16,841,480	35,011,030	8,990,773	6,586,018	9,396,449	9,795,442
2,991,789	4,003,520	3,934,800	2,972,181	2,116,366	1,401,328
$ 53,721,580	$ 72,863,142	$ 81,486,145	$ 58,182,197	$ 48,229,702	$ 45,081,290

CITY OF WARREN, MICHIGAN

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	1999	2000	2001	2002
Revenues:				
Property taxes	$ 61,427,133	$ 63,288,839	$ 64,206,353	$ 64,815,974
Special assessments	80,620	95,614	108,795	225,149
Licenses and permits	2,218,341	2,299,396	2,400,352	1,886,189
Intergovernmental:				
Federal revenue	2,992,850	2,472,371	2,138,084	2,604,890
State revenue	29,129,463	29,999,066	29,790,997	27,430,409
Local revenue	200,938	228,809	264,505	341,125
Charges for services	2,757,121	2,185,417	1,867,839	2,069,475
Fines and fees	5,955,125	5,765,687	5,703,761	5,686,199
Interest	3,768,635	4,883,438	6,825,098	3,094,011
Other	3,633,304	3,838,813	3,855,755	4,202,329
Total revenues	112,163,530	115,057,450	117,161,539	112,355,750
Expenditures:				
General government	24,582,365	27,685,739	28,185,166	21,854,246
Public safety	42,776,329	44,224,911	49,669,931	52,530,308
City development	4,284,874	5,179,591	5,513,970	5,511,262
Highway and streets	11,184,691	8,967,483	9,836,390	9,288,019
Recreation and culture	7,610,905	8,215,644	9,314,814	20,717,736
Sanitation	6,359,861	6,676,854	7,270,063	7,003,913
Economic development	4,083,417	4,838,582	4,661,727	1,831,462
Community development	3,344,939	2,607,216	1,791,358	3,010,281
Capital projects	2,001,583	462,881	1,691,125	833,806
Debt service:				
Principal retirement	3,271,590	4,101,167	2,958,333	3,489,706
Interest	1,229,453	1,061,560	1,134,537	2,366,436
Other	114,071	5,539	3,711	2,442
Total expenditures	110,844,078	114,027,167	122,031,125	128,439,617
Excess of revenues over (under) expenditures	1,319,452	1,030,283	(4,869,586)	(16,083,867)
Other Financing Sources (Uses):				
Transfers to fiduciary funds	-	-	(10,000,000)	-
Transfers to Water and Sewer System	-	-	-	-
Proceeds from sale of property (1)	4,500,000	25,500,000	3,834,381	-
Proceeds from issuance of debt	1,335,791	-	17,989,600	2,853,012
Payment to refunded bond escrow agent	(1,335,791)	-	-	-
Bond premium (discounts)	-	-	-	-
Other	-	-	-	-
Total other financing sources (uses)	4,500,000	25,500,000	11,823,981	2,853,012
Net changes in fund balances	$ 5,819,452	$ 26,530,283	$ 6,954,395	$ (13,230,855)
Debt service as a percentage of non-capital expenditures (2)	-	-	-	5.27%

(1) Amounts reported in fiscal years 1999 through 2003 represent proceeds from the sale of property formerly known as the Detroit Arsenal Tank Plant.

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

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

Fiscal Year					
2003	2004	2005	2006 (3)	2007	2008
$ 70,514,428	$ 71,740,065	$ 74,787,704	$ 84,328,809	$ 84,953,504	$ 88,029,125
1,158,599	1,610,111	994,766	982,318	944,084	1,072,824
1,669,227	1,655,809	2,167,451	2,420,993	2,329,132	1,691,127
2,093,760	2,559,108	4,612,382	3,305,681	1,981,507	2,187,623
27,179,229	25,638,979	25,856,586	25,703,221	25,271,564	25,994,012
444,803	761,802	589,986	656,026	691,774	823,897
2,372,927	2,730,910	2,894,923	4,101,728	3,039,087	3,117,357
5,767,711	6,208,873	6,810,020	7,295,418	7,596,165	8,089,029
1,858,340	1,445,693	2,599,643	5,404,617	5,760,013	4,277,702
6,442,251	7,151,246	6,173,358	6,358,491	7,025,380	6,916,324
119,501,275	121,502,596	127,486,819	140,557,302	139,592,210	142,199,020
21,658,378	22,167,103	22,496,853	25,992,081	24,850,290	25,814,644
47,697,824	56,633,024	52,271,304	59,597,955	62,100,913	62,885,562
5,766,893	5,951,477	5,159,713	5,106,033	5,443,884	5,316,442
12,307,374	11,106,835	13,003,033	12,658,806	13,459,407	14,836,995
23,338,068	10,877,663	10,060,656	9,816,038	10,655,537	11,217,234
6,887,669	7,836,537	8,234,143	8,338,889	8,099,142	8,572,887
7,189,029	2,176,103	13,951,104	39,215,525	14,771,221	2,036,290
2,926,258	2,395,477	3,333,119	2,339,535	1,976,092	2,265,454
2,958,848	2,912,390	1,624,148	1,498,553	1,525,833	1,589,528
6,131,084	4,550,765	4,535,349	4,693,582	4,578,029	4,853,071
2,460,689	2,914,632	3,743,818	5,646,793	4,783,676	4,774,182
10,695	365,860	403,167	442,173	95,653	15,646
139,332,809	129,887,866	138,816,407	175,345,963	152,339,677	144,177,935
(19,831,534)	(8,385,270)	(11,329,588)	(34,788,661)	(12,747,467)	(1,978,915)
-	-	(17,068,543)	-	-	-
-	-	(131,000)	(137,000)	(140,000)	(148,400)
3,433,442	-	-	2,240,087	115,741	81,067
21,145,000	32,114,457	27,015,000	25,835,000	5,409,304	-
-	(4,224,218)	-	(10,474,047)	-	-
(194,556)	(164,997)	(135,008)	(284,909)	(56,901)	-
-	-	-	-	-	1,000,000
24,383,886	27,725,242	9,680,449	17,179,131	5,328,144	932,667
$ 4,552,352	$ 19,339,972	$ (1,649,139)	$ (17,609,530)	$ (7,419,323)	$ (1,046,248)
7.49%	5.97%	6.98%	7.88%	7.05%	7.00%

CITY OF WARREN, MICHIGAN

ACTUAL, STATE EQUALIZED AND TAXABLE VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

		Real Property					
Valuation	Fiscal Year	Commercial		Industrial		Residential	
Date Dec. 31	Ended June 30	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
1997	1999	$ 387,603,260	$ 384,514,720	$ 530,289,940	$ 530,146,930	$ 2,059,420,370	$ 1,838,462,500
1998	2000	400,055,970	394,745,298	578,183,020	575,496,839	2,249,073,151	1,897,961,574
1999	2001	412,107,635	407,027,240	596,940,240	591,344,440	2,422,794,590	1,972,198,770
2000	2002	428,511,820	422,540,360	595,333,340	590,524,930	2,624,024,180	2,076,874,770
2001	2003	556,269,070	439,853,430	739,418,720	608,519,340	2,829,961,930	2,185,762,640
2002	2004	572,342,170	456,093,940	751,245,420	627,577,820	3,006,294,040	2,277,219,880
2003	2005	576,504,460	470,293,930	764,593,450	647,805,090	3,120,583,610	2,384,669,010
2004	2006	604,599,380	490,771,640	769,510,100	664,498,290	3,210,976,430	2,486,422,141
2005	2007	644,444,170	524,682,180	768,670,720	677,550,990	3,320,030,270	2,625,123,610
2006	2008	687,088,570	555,494,750	780,445,550	701,442,190	3,358,841,710	2,749,158,390

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		
State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	Total Direct Tax Rate
$ 741,599,450	$ 741,599,450	$ 185,599,878	$ 185,599,878	$ 3,904,512,898	$ 3,680,323,478	16.5832
815,719,604	815,719,604	145,174,495	145,164,365	4,188,206,240	3,829,087,680	16.3068
746,029,641	746,029,641	179,112,913	178,622,613	4,356,985,019	3,895,222,704	16.3068
763,518,885	763,518,885	256,608,504	256,446,284	4,667,996,729	4,109,905,229	16.2600
767,486,522	767,486,522	351,576,421	350,315,051	5,244,712,663	4,351,936,983	16.2524
787,465,492	787,465,492	338,931,568	337,459,259	5,456,278,690	4,485,816,391	16.1924
774,437,678	773,857,285	357,893,123	356,598,373	5,594,012,321	4,633,223,688	16.1924
733,292,078	733,169,122	412,279,953	411,167,403	5,730,657,941	4,786,028,596	16.9424
758,099,739	757,977,563	459,840,689	456,292,779	5,951,085,588	5,041,627,122	16.9424
741,128,712	741,007,436	497,414,497	495,601,977	6,064,919,039	5,242,704,743	16.9424

CITY OF WARREN, MICHIGAN

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	City-wide Direct Tax Rate							
	General Operating (1)	Library	Emergency Medical Service	Parks & Recreation	Police & Fire Pensions	Sanitation	Police Protection	Fire Protection
1999	8.8182	0.4899	0.2939	0.9798	1.9900	1.7918	0.9798	0.9798
2000	8.7997	0.4889	0.2933	0.9777	1.8400	1.6918	0.9777	0.9777
2001	8.7997	0.4889	0.2933	0.9777	1.8400	1.6918	0.9777	0.9777
2002	8.7671	0.4870	0.2921	0.9740	1.8400	1.6918	0.9740	0.9740
2003	8.7724	0.4873	0.2923	0.9746	1.8248	1.6918	0.9746	0.9746
2004	8.7724	0.4873	0.2923	0.9746	1.8248	1.8918	0.9746	0.9746
2005	8.7724	0.4873	0.2923	0.9746	1.8248	1.8918	0.9746	0.9746
2006	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746
2007	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746
2008	8.7724	0.4873	0.2923	0.9746	2.5748	1.8918	0.9746	0.9746

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

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

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

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

EXHIBIT D-7

CITY OF WARREN, MICHIGAN

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year Ended June 30, 2008			Fiscal Year Ended June 30, 1999		
	Taxable Value (including. I.F.T.)	Rank	Percent of Total Taxable Value	Taxable Value (including. I.F.T.)	Rank	Percent of Total Taxable Value
General Motors	$ 648,444,367	1	12.37%	$ 426,544,688	1	11.59%
Daimler-Chrysler/DCX	298,676,738	2	5.70%	285,672,305	2	7.76%
Detroit Edison	46,510,340	3	0.89%	54,369,626	3	1.48%
Art Van Furniture	27,875,331	4	0.53%	21,063,965	5	0.57%
International Transmission	24,087,753	5	0.46%			
Iroquois Industries	16,589,847	6	0.32%			
Wico Metal Products	15,966,188	7	0.30%			
Meijer, Inc.	11,402,061	8	0.22%			
VJL Real Estate / Lipari Foods	11,129,957	9	0.21%			
Flex-N-Gate	10,114,097	10	0.19%			
E.D.S. Corporation				54,301,680	4	1.48%
Universal City Center				16,081,677	6	0.44%
Consumers Energy				14,161,610	7	0.38%
Cold Heading Co. / Ajax Metal				13,107,237	8	0.36%
General Electric - Carboloy				10,995,901	9	0.30%
Becker Properties / Mega Tech				9,406,084	10	0
Ten largest taxpayers	1,110,796,679		21.19%	905,704,773		24.61%
Other taxpayers	4,131,908,064		78.81%	2,774,618,705		75.39%
Total taxable value	$ 5,242,704,743		100.00%	$ 3,680,323,478		100.00%

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CITY OF WARREN, MICHIGAN

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Tax Year	Fiscal Year	Total Tax Levy	Returned Delinquent Real Property	Returned Delinquent Personal Property	Collected by March 1	Percent Collected by March 1	Delq. Real Property Taxes Reimbursed by Macomb County
1998	1999	59,618,060	(1,766,971)	(320,281)	57,530,808	96.50%	1,766,971
1999	2000	61,075,857	(1,674,105)	(309,091)	59,092,661	96.75%	1,674,105
2000	2001	62,089,403	(1,569,707)	(564,895)	59,954,801	96.56%	1,569,707
2001	2002	64,867,996	(1,807,180)	(730,973)	62,329,843	96.09%	1,807,180
2002	2003	68,063,602	(1,921,053)	(899,682)	65,242,867	95.86%	1,921,053
2003	2004	69,103,197	(2,093,752)	(808,009)	66,201,436	95.80%	2,093,752
2004	2005	71,479,514	(2,012,871)	(953,863)	68,512,780	95.85%	2,012,871
2005	2006	76,728,050	(2,710,021)	(467,085)	73,550,944	95.86%	2,710,021
2006	2007	80,607,081	(3,320,658)	(487,287)	76,799,136	95.28%	3,320,658
2007	2008	83,566,413	(4,000,947)	(374,173)	79,191,293	94.76%	4,000,947

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

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

Personal Property Taxes Collected March 1 - June 30	Collected Within Fiscal Year of Levy	Percent Collected in Fiscal Year	Subsequent to Tax Year: STC, MTT and BOR Adjustments	Subsequent to Tax Year: Personal Property Tax Write Off	Receivable as of June 30, 2008	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To-Date
100	59,297,879	99.46%	3,737	(92,512)	-	59,529,285	99.84%
52,838	60,819,604	99.58%	57,317	(38,501)	-	61,094,673	99.94%
36,161	61,560,669	99.15%	(223,263)	(29,304)	-	61,836,836	99.95%
-	64,137,023	98.87%	21,763	(107,778)	199,245	64,582,736	99.53%
41,387	67,205,307	98.74%	9,085	(147,253)	196,989	67,728,445	99.49%
72,446	68,367,634	98.94%	169,295	(58,872)	273,959	68,939,661	99.52%
149,937	70,675,588	98.88%	6,455	-	405,976	71,079,993	99.43%
133,554	76,394,519	99.57%	283,803	-	147,187	76,864,666	99.81%
220,410	80,340,204	99.67%	104,061	-	195,867	80,515,275	99.76%
11,525	83,203,765	99.57%	16,512	-	379,160	83,203,765	99.55%

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
1999	$ 4,729,733	$ 1,012,722	$ 2,453,566	$ -	$ 3,333,333	$ 1,950,000	$ -
2000	2,418,428	962,222	3,000,000	-	2,916,667	1,845,000	-
2001	1,702,679	908,647	3,000,000	7,644,000	15,333,333	1,720,000	-
2002	1,233,144	851,809	3,000,000	7,644,000	17,608,720	1,595,000	-
2003	755,693	791,510	-	-	16,725,386	1,465,000	20,000,000
2004	473,636	727,538	-	-	15,476,137	1,310,000	40,000,000
2005	227,834	659,671	-	-	19,384,018	1,150,000	60,000,000
2006	78,209	587,670	-	-	19,020,232	990,000	75,000,000
2007	-	511,285	-	-	17,748,576	820,000	74,500,000
2008	-	430,248	-	-	16,451,921	640,000	73,500,000

	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
1999	$ 13,365,000	$ -		$ 30,145,314	$ 56,687	$ 9,905,000	$ 3,096,667
2000	11,875,000	-		25,505,594	34,031	9,605,000	2,963,333
2001	15,270,000	-		47,194,035	11,375	9,255,000	2,596,667
2002	13,590,000	-		46,239,353	-	9,085,000	2,210,000
2003	12,180,000	1,145,000	(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

Comments:

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

(a) Debt service requirements for the Tax Increment Finance Authority Bonds and Downtown Development Authority Bonds are derived from the capture of incremental tax revenues on properties within the respective authority's defined geographic boundaries.

(b) Debt service requirements for the Michigan Transportation Bonds are derived from the receipt of state shared gas and weight taxes.

(c) Debt service requirements for the Special Assessment Bonds are derived from the receipt of installment payments from taxpayers whose property directly benefited from either the City's sidewalk replacement or tree removal program.

(d) Debt service requirements for the Building Authority Senior Housing Bonds are derived from the receipt of rental payments from residents of the Joseph Coach Manor senior housing complex.

(e) Debt service requirements for the Water and Sewer Bonds are received from residential as well as commercial and industrial users of the system.

Sources:

(1) 1990 U.S. Census Bureau - FY 1999; 2000 U.S. Census Bureau - FY 2000;
Southeast Michigan Council of Governments - Estimated Population - FY 2001 - 2008

(2) 1990 and 2000 U.S. Census Bureau

Governmental Activities - General Bonded Debt						
County Drain Bonds	Amounts Available in Debt Service Funds	Total Net General Bonded Debt	Taxable Value of Property	Percentage of Taxable Value of Property	Estimated Population (1)	Per Capita
$ 4,110,000	$ (809,040)	$ 16,780,314	$ 3,680,323,478	0.46%	144,864	$ 115.83
3,630,000	(1,141,723)	13,630,594	3,829,087,680	0.36%	138,247	98.60
3,150,000	(1,534,624)	31,924,035	3,895,222,704	0.82%	137,282	232.54
2,575,000	(1,858,320)	32,649,353	4,109,905,229	0.79%	137,323	237.76
2,005,000	(2,246,410)	39,496,179	4,351,936,983	0.91%	137,394	287.47
1,440,000	(1,605,137)	57,822,174	4,485,816,391	1.29%	135,971	425.25
880,000	(1,002,023)	81,299,500	4,633,223,688	1.75%	135,572	599.68
220,000	(220,000)	95,676,111	4,786,028,596	2.00%	135,375	706.75
-	-	93,579,861	5,041,627,122	1.86%	136,824	683.94
-	-	91,022,169	5,242,704,743	1.74%	135,102	673.73

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
$ 11,965,000	$ 25,023,354	$ 55,168,668	$ 15,224	2.50%	$ 380.83
23,920,000	36,522,364	62,027,958	21,407	2.10%	448.67
37,455,000	49,318,042	96,512,077	21,407	3.28%	703.02
37,230,000	48,525,000	94,764,353	21,407	3.22%	690.08
36,620,000	47,644,613	99,656,827	21,407	3.39%	725.34
37,793,016	47,801,879	122,265,815	21,407	4.20%	899.21
44,789,812	53,810,794	150,853,635	21,407	5.20%	1,112.72
52,670,356	61,090,124	170,399,551	21,407	5.88%	1,258.72
57,361,548	65,197,972	176,198,183	21,407	6.02%	1,287.77
54,924,245	62,182,324	169,058,515	21,407	5.85%	1,251.34

EXHIBIT D-10

CITY OF WARREN, MICHIGAN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2008

Net Direct debt:				
Land Contract:				
DPW Garage	Building acquisition			$ 430,248
Building Authority Bonds:				
Series 2001	Warren Community Center		$ 1,150,000	
Series 2002	Capital equipment		891,921	
Series 2005	Capital equipment		3,855,000	
Refunding Series 2005	Warren Community Center		10,555,000	16,451,921
Tax Increment Finance Authority:				
Series 1991	TIFA District development		480,000	
Series 1999	Refunding issue		160,000	640,000
Downtown Development Authority:				
Series 2002	City Center development		19,000,000	
Series 2003	City Center development		19,500,000	
Series 2004	City Center development		20,000,000	
Series 2005	City Center development		15,000,000	73,500,000
Road Construction Bonds:				
Series 1997 Michigan Transportation Bonds	Road improvements		1,560,000	
Series 2000 Michigan Transportation Bonds	Road improvements		3,865,000	
Series 2003 Michigan Transportation Bonds	Road improvements		5,000,000	
Series 2006 Capital Improvement Bonds	Road improvements		5,373,385	15,798,385
Special Assessment Bonds:				
Series 2005	Sidewalk replacement program		1,360,000	
Less amounts available in debt service funds			(1,304,363)	55,637
				106,876,191
Less:				
Road Construction Bonds			(15,798,385)	
Special Assessment Bonds			(55,637)	(15,854,022)
Net direct debt to be repaid with property taxes				91,022,169
Overlapping Debt:				
Macomb County:				
County at large		14.90%	65,232,854	9,719,695
Macomb Intermediate School District		14.60%	1,500,000	219,000
Local School Districts:				
Center Line		65.42%	13,790,000	9,021,418
East Detroit		20.49%	22,460,000	4,602,054
Fitzgerald		100.00%	41,357,000	41,357,000
Van Dyke		97.92%	42,100,000	41,224,320
Warren Consolidated		48.91%	135,318,000	66,184,034
Warren Woods		100.00%	50,250,000	50,250,000
Net direct debt outstanding and overlapping debt				$ 313,599,690

CITY OF WARREN, MICHIGAN

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year				
	1999	2000	2001	2002	2003
Assessed value	$ 3,904,512,898	$ 4,188,206,240	$ 4,356,985,019	$ 4,667,996,729	$ 5,244,712,663
Debt limit (10% of assessed value)	$ 390,451,290	$ 418,820,624	$ 435,698,502	$ 466,799,673	$ 524,471,266
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	$ 390,451,290	$ 418,820,624	$ 435,698,502	$ 466,799,673	$ 524,471,266
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				
	2004	2005	2006	2007	2008
Assessed value	$ 5,456,278,690	$ 5,594,012,321	$ 5,730,657,941	$ 5,951,085,588	$ 6,064,919,039
Debt limit (10% of assessed value)	$ 545,627,869	$ 559,401,232	$ 573,065,794	$ 595,108,559	$ 606,491,904
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	$ 545,627,869	$ 559,401,232	$ 573,065,794	$ 595,108,559	$ 606,491,904
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)						
		Direct	Net Revenue				
Fiscal	Operating	Operating	Available for	Debt Service			
Year	Revenue	Expense	Debt Service	Principal	Interest	Total	Coverage
1999	$ 1,233,185	$ 284,025	$ 949,160	$ 305,000	$ 578,176	$ 883,176	1.07
2000	1,248,416	302,505	945,911	300,000	547,001	847,001	1.12
2001	1,282,010	411,592	870,418	350,000	515,226	865,226	1.01
2002	1,274,805	373,870	900,935	170,000	494,659	664,659	1.36
2003	1,301,852	463,039	838,813	130,000	487,051	617,051	1.36
2004	1,304,157	419,674	884,483	105,000	481,033	586,033	1.51
2005	1,333,913	502,418	831,495	200,000	258,763	458,763	1.81
2006	1,360,742	469,765	890,977	565,000	333,850	898,850	0.99
2007	1,371,914	529,296	842,618	545,000	319,975	864,975	0.97
2008	1,386,944	584,845	802,099	540,000	305,738	845,738	0.95

(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						
	Prior Fiscal	Current					Capital
Fiscal	Year Gas &	Fiscal Year	Debt Service				Improvement
Year	Weight Taxes	Pledge (50%)	Principal	Interest	Total	Coverage	Bonds (2)
1999	$ 7,296,181	$ 3,648,091	$ 1,280,000	$ 712,581	$ 1,992,581	1.83	$ -
2000	7,663,789	3,831,895	1,490,000	651,225	2,141,225	1.79	-
2001	8,241,342	4,120,671	1,770,000	768,920	2,538,920	1.62	-
2002	8,280,939	4,140,470	1,680,000	748,605	2,428,605	1.70	-
2003	8,161,941	4,080,971	1,410,000	668,096	2,078,096	1.96	-
2004	8,227,899	4,113,950	1,560,000	556,380	2,116,380	1.94	-
2005	8,873,331	4,436,666	1,545,000	628,533	2,173,533	2.04	-
2006	8,579,546	4,289,773	1,530,000	587,152	2,117,152	2.03	-
2007	8,472,484	4,236,242	1,400,000	597,288	1,997,288	2.12	52,025
2008	8,375,886	4,187,943	1,440,918	702,531	2,143,449	1.95	243,346

(2) Debt service on the Michigan Transportation Fund Bonds is pledged from the receipt of State gas & weight taxes received in the previous year. Debt service on the road improvement portion of the Capital Improvement Bonds, Series 2006 is likewise paid from gas & weight taxes but is secured by the levy of sufficient City taxes rather than the pledge of gas & weight taxes. $243,346 of principal and interest was paid during the fiscal year ended June 30, 2008 and is reflected in the above debt service schedule.

	Special Assessment Bonds (3)						
Fiscal	S/A		Transferred to	Debt Service			
Year	Collections (4)	Interest (5)	Debt Funds	Principal	Interest	Total	Coverage
1999	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2000	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	N/A
2003	1,433,178	-	1,433,178	-	16,683	16,683	85.91
2004	1,528,997	234,592	1,763,589	675,488	70,154	745,642	2.37
2005	851,422	392,063	1,243,485	684,561	59,876	744,437	1.67
2006	690,910	-	690,910	848,170	110,224	958,394	0.72
2007	309,102	-	309,102	861,779	89,640	951,419	0.32
2008	199,286	-	199,286	854,460	68,838	923,298	0.22

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

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

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

	Water and Sewer System (6)						
		Direct	Net Revenue				
Fiscal	Operating	Operating	Available for	Debt Service			
Year	Revenue	Expense	Debt Service	Principal	Interest	Total	Coverage
1998	$ 22,963,790	$ 19,263,990	$ 3,699,800	$ 500,000	$ 779,828	$ 1,279,828	2.89
1999	24,894,068	21,357,566	3,536,502	195,000	1,189,751	1,384,751	2.55
2000	23,077,520	21,392,682	1,684,838	465,000	1,448,749	1,913,749	0.88
2001	26,035,549	21,764,797	4,270,752	495,000	2,000,609	2,495,609	1.71
2002	28,156,665	23,609,474	4,547,191	520,000	1,906,551	2,426,551	1.87
2003	26,992,448	24,891,280	2,101,168	1,405,000	1,844,467	3,249,467	0.65
2004	26,928,099	25,483,252	1,444,847	1,534,512	1,871,595	3,406,107	0.42
2005	30,329,100	26,442,209	3,886,891	1,745,439	1,710,971	3,456,410	1.12
2006	29,674,597	26,108,818	3,565,779	1,775,174	1,869,651	3,644,825	0.98
2007	31,957,062	27,531,113	4,425,949	2,475,647	1,928,034	4,403,681	1.01

(6) Fiscal year end of December 31.

CITY OF WARREN, MICHIGAN

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

	Building Authority - Senior Housing Bonds (1)						
		Direct	Net Revenue				
Fiscal	Operating	Operating	Available for	Debt Service			
Year	Revenue	Expense	Debt Service	Principal	Interest	Total	Coverage
1999	$ 1,233,185	$ 284,025	$ 949,160	$ 305,000	$ 578,176	$ 883,176	1.07
2000	1,248,416	302,505	945,911	300,000	547,001	847,001	1.12
2001	1,282,010	411,592	870,418	350,000	515,226	865,226	1.01
2002	1,274,805	373,870	900,935	170,000	494,659	664,659	1.36
2003	1,301,852	463,039	838,813	130,000	487,051	617,051	1.36
2004	1,304,157	419,674	884,483	105,000	481,033	586,033	1.51
2005	1,333,913	502,418	831,495	200,000	258,763	458,763	1.81
2006	1,360,742	469,765	890,977	565,000	333,850	898,850	0.99
2007	1,371,914	529,296	842,618	545,000	319,975	864,975	0.97
2008	1,386,944	584,845	802,099	540,000	305,738	845,738	0.95

(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						
	Prior Fiscal	Current					Capital
Fiscal	Year Gas &	Fiscal Year	Debt Service				Improvement
Year	Weight Taxes	Pledge (50%)	Principal	Interest	Total	Coverage	Bonds (2)
1999	$ 7,296,181	$ 3,648,091	$ 1,280,000	$ 712,581	$ 1,992,581	1.83	$ -
2000	7,663,789	3,831,895	1,490,000	651,225	2,141,225	1.79	-
2001	8,241,342	4,120,671	1,770,000	768,920	2,538,920	1.62	-
2002	8,280,939	4,140,470	1,680,000	748,605	2,428,605	1.70	-
2003	8,161,941	4,080,971	1,410,000	668,096	2,078,096	1.96	-
2004	8,227,899	4,113,950	1,560,000	556,380	2,116,380	1.94	-
2005	8,873,331	4,436,666	1,545,000	628,533	2,173,533	2.04	-
2006	8,579,546	4,289,773	1,530,000	587,152	2,117,152	2.03	-
2007	8,472,484	4,236,242	1,400,000	597,288	1,997,288	2.12	52,025
2008	8,375,886	4,187,943	1,440,918	702,531	2,143,449	1.95	243,346

(2) Debt service on the Michigan Transportation Fund Bonds is pledged from the receipt of State gas & weight taxes received in the previous year. Debt service on the road improvement portion of the Capital Improvement Bonds, Series 2006 is likewise paid from gas & weight taxes but is secured by the levy of sufficient City taxes rather than the pledge of gas & weight taxes. $243,346 of principal and interest was paid during the fiscal year ended June 30, 2008 and is reflected in the above debt service schedule.

	Special Assessment Bonds (3)						
Fiscal	S/A		Transferred to	Debt Service			
Year	Collections (4)	Interest (5)	Debt Funds	Principal	Interest	Total	Coverage
1999	$ -	$ -	$ -	$ -	$ -	$ -	N/A
2000	-	-	-	-	-	-	N/A
2001	-	-	-	-	-	-	N/A
2002	-	-	-	-	-	-	N/A
2003	1,433,178	-	1,433,178	-	16,683	16,683	85.91
2004	1,528,997	234,592	1,763,589	675,488	70,154	745,642	2.37
2005	851,422	392,063	1,243,485	684,561	59,876	744,437	1.67
2006	690,910	-	690,910	848,170	110,224	958,394	0.72
2007	309,102	-	309,102	861,779	89,640	951,419	0.32
2008	199,286	-	199,286	854,460	68,838	923,298	0.22

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

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	Water and Sewer System (6)						
		Direct	Net Revenue				
Fiscal	Operating	Operating	Available for	Debt Service			
Year	Revenue	Expense	Debt Service	Principal	Interest	Total	Coverage
1998	$ 22,963,790	$ 19,263,990	$ 3,699,800	$ 500,000	$ 779,828	$ 1,279,828	2.89
1999	24,894,068	21,357,566	3,536,502	195,000	1,189,751	1,384,751	2.55
2000	23,077,520	21,392,682	1,684,838	465,000	1,448,749	1,913,749	0.88
2001	26,035,549	21,764,797	4,270,752	495,000	2,000,609	2,495,609	1.71
2002	28,156,665	23,609,474	4,547,191	520,000	1,906,551	2,426,551	1.87
2003	26,992,448	24,891,280	2,101,168	1,405,000	1,844,467	3,249,467	0.65
2004	26,928,099	25,483,252	1,444,847	1,534,512	1,871,595	3,406,107	0.42
2005	30,329,100	26,442,209	3,886,891	1,745,439	1,710,971	3,456,410	1.12
2006	29,674,597	26,108,818	3,565,779	1,775,174	1,869,651	3,644,825	0.98
2007	31,957,062	27,531,113	4,425,949	2,475,647	1,928,034	4,403,681	1.01

(6) Fiscal year end of December 31.

EXHIBIT D-13

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - LAND CONTRACTS

June 30, 2008

DPW Garage	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 1991	2009	$ 85,972.44	6.000%	$ 24,544.34	$ 110,516.78
Payment dates:	2010	91,208.16	6.000%	19,308.62	110,516.78
Principal: July 1 and January 1	2011	96,762.73	6.000%	13,754.05	110,516.78
Interest: July 1 and January 1	2012	102,655.59	6.000%	7,861.19	110,516.78
	2013	53,648.79	6.000%	1,609.60	55,258.39
Total Land Contract Requirements		$ 430,247.71		$ 67,077.80	$ 497,325.51

DEBT SERVICE REQUIREMENTS TO MATURITY - SIDEWALK REPLACEMENT BONDS

Capital Improvement Bonds Series 2005					
Issued: June 1, 2005	2009	$ 175,000.00	3.250%	$ 49,712.50	$ 224,712.50
Payment dates:	2010	175,000.00	3.500%	44,025.00	219,025.00
Principal: June 1	2011	200,000.00	3.500%	37,900.00	237,900.00
Interest: December 1 and June 1	2012	200,000.00	3.500%	30,900.00	230,900.00
	2013	200,000.00	3.750%	23,900.00	223,900.00
	2014	200,000.00	4.000%	16,400.00	216,400.00
Total Sidewalk Replacement Bonds	2015	210,000.00	4.000%	8,400.00	218,400.00
Debt Service Requirements		$ 1,360,000.00		$ 211,237.50	$ 1,571,237.50

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - ROAD CONSTRUCTION BONDS

June 30, 2008

Michigan Transportation Fund Series 1997	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 1997	2009	$ 360,000.00	5.000%	$ 78,820.00	$ 438,820.00
Payment dates:	2010	380,000.00	5.000%	60,820.00	440,820.00
Principal: June 1	2011	400,000.00	5.100%	41,820.00	441,820.00
Interest: December 1 and June 1	2012	420,000.00	5.100%	21,420.00	441,420.00
Major Street Portion 100%		$ 1,560,000.00		$ 202,880.00	$ 1,762,880.00
Michigan Transportation Fund	2009	$ 400,000.00	4.600%	$ 188,755.00	$ 588,755.00
Series 2000	2010	465,000.00	4.700%	170,355.00	635,355.00
Issued: September 1, 2000	2011	500,000.00	4.800%	148,500.00	648,500.00
Payment dates:	2012	500,000.00	4.900%	124,500.00	624,500.00
Principal: June 1	2013	500,000.00	5.000%	100,000.00	600,000.00
Interest: December 1 and June 1	2014	500,000.00	5.000%	75,000.00	575,000.00
Major Street Portion 100%	2015	500,000.00	5.000%	50,000.00	550,000.00
	2016	500,000.00	5.000%	25,000.00	525,000.00
		$ 3,865,000.00		$ 882,110.00	$ 4,747,110.00
Michigan Transportation Fund	2009	$ 500,000.00	2.600%	$ 174,750.00	$ 674,750.00
Series 2003	2010	500,000.00	2.900%	161,750.00	661,750.00
Issued: December 1, 2003	2011	500,000.00	3.150%	147,250.00	647,250.00
Payment dates:	2012	500,000.00	3.400%	131,500.00	631,500.00
Principal: June 1	2013	500,000.00	3.500%	114,500.00	614,500.00
Interest: December 1 and June 1	2014	500,000.00	3.650%	97,000.00	597,000.00
Major Street Portion 100%	2015	500,000.00	3.750%	78,750.00	578,750.00
	2016	500,000.00	3.900%	60,000.00	560,000.00
	2017	500,000.00	4.000%	40,500.00	540,500.00
	2018	500,000.00	4.100%	20,500.00	520,500.00
		$ 5,000,000.00		$ 1,026,500.00	$ 6,026,500.00
Capital Improvement Bonds	2009	$ 35,918.35	3.750%	$ 206,081.53	$ 241,999.88
Series 2006	2010	35,918.35	3.750%	204,734.60	240,652.95
Issued: December 1, 2006	2011	35,918.35	3.750%	203,387.66	239,306.01
Payment dates:	2012	107,755.05	3.750%	200,693.78	308,448.83
Principal: September 1	2013	107,755.05	3.750%	196,652.97	304,408.02
Interest: September 1 and March 1	2014	222,693.77	3.750%	190,457.05	413,150.82
Major Street Portion 100%	2015	341,224.33	3.750%	179,883.59	521,107.92
	2016	359,183.50	3.750%	166,750.94	525,934.44
	2017	377,142.68	3.750%	152,944.82	530,087.50
	2018	395,101.85	3.750%	138,465.24	533,567.09
	2019	413,061.03	3.750%	123,312.19	536,373.22
	2020	448,979.38	3.800%	107,036.68	556,016.06
	2021	466,938.55	3.850%	89,517.51	556,456.06
	2022	502,856.90	3.900%	70,723.23	573,580.13
	2023	301,714.14	4.000%	54,883.24	356,597.38
	2024	301,714.14	4.000%	42,814.67	344,528.81
	2025	305,305.98	4.000%	30,674.27	335,980.25
	2026	305,305.98	4.000%	18,462.03	323,768.01
	2027	308,897.78	4.000%	6,177.95	315,075.73
		$ 5,373,385.16		$ 2,383,653.95	$ 7,757,039.11
Total Road Construction Bonds Debt Service Requirements		$ 15,798,385.16		$ 4,495,143.95	$ 20,293,529.11

EXHIBIT D-13 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2008

Series 2002	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: June 1, 2002	2009	$ 500,000.00	3.875%	$ 912,562.50	$ 1,412,562.50
Payment dates:	2010	500,000.00	4.125%	892,562.50	1,392,562.50
Principal: October 1	2011	500,000.00	4.250%	871,625.00	1,371,625.00
Interest: October 1 and April 1	2012	500,000.00	4.300%	850,250.00	1,350,250.00
	2013	500,000.00	4.400%	828,500.00	1,328,500.00
	2014	750,000.00	4.500%	800,625.00	1,550,625.00
	2015	750,000.00	4.500%	766,875.00	1,516,875.00
	2016	750,000.00	5.000%	731,250.00	1,481,250.00
	2017	1,250,000.00	5.000%	681,250.00	1,931,250.00
	2018	1,250,000.00	5.000%	618,750.00	1,868,750.00
	2019	1,250,000.00	5.000%	556,250.00	1,806,250.00
	2020	1,500,000.00	5.000%	487,500.00	1,987,500.00
	2021	1,500,000.00	5.000%	412,500.00	1,912,500.00
	2022	1,500,000.00	5.000%	337,500.00	1,837,500.00
	2023	1,500,000.00	5.000%	262,500.00	1,762,500.00
	2024	1,500,000.00	5.000%	187,500.00	1,687,500.00
	2025	1,500,000.00	5.000%	112,500.00	1,612,500.00
	2026	1,500,000.00	5.000%	37,500.00	1,537,500.00
		$ 19,000,000.00		$ 10,348,000.00	$ 29,348,000.00

Series 2003					
Issued: July 1, 2003	2009	$ 500,000.00	3.000%	$ 748,750.00	$ 1,248,750.00
Payment dates:	2010	500,000.00	3.000%	733,750.00	1,233,750.00
Principal: October 1	2011	500,000.00	3.000%	718,750.00	1,218,750.00
Interest: October 1 and April 1	2012	500,000.00	3.000%	703,750.00	1,203,750.00
	2013	500,000.00	3.250%	688,125.00	1,188,125.00
	2014	500,000.00	3.250%	671,875.00	1,171,875.00
	2015	750,000.00	3.500%	650,625.00	1,400,625.00
	2016	750,000.00	3.500%	624,375.00	1,374,375.00
	2017	750,000.00	3.750%	597,187.50	1,347,187.50
	2018	1,250,000.00	4.000%	558,125.00	1,808,125.00
	2019	1,250,000.00	4.000%	508,125.00	1,758,125.00
	2020	1,250,000.00	4.000%	458,125.00	1,708,125.00
	2021	1,500,000.00	4.000%	403,125.00	1,903,125.00
	2022	1,500,000.00	4.000%	343,125.00	1,843,125.00
	2023	1,500,000.00	4.000%	283,125.00	1,783,125.00
	2024	1,500,000.00	4.125%	222,187.50	1,722,187.50
	2025	1,500,000.00	4.250%	159,375.00	1,659,375.00
	2026	1,500,000.00	4.250%	95,625.00	1,595,625.00
	2027	1,500,000.00	4.250%	31,875.00	1,531,875.00
		$ 19,500,000.00		$ 9,200,000.00	$ 28,700,000.00

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - DOWNTOWN DEVELOPMENT AUTHORITY BONDS

June 30, 2008

Series 2004	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: April 1, 2004	2009	$ 500,000.00	3.250%	$ 870,250.00	$ 1,370,250.00
Payment dates:	2010	500,000.00	3.250%	854,000.00	1,354,000.00
Principal: October 1	2011	500,000.00	3.250%	837,750.00	1,337,750.00
Interest: October 1 and April 1	2012	500,000.00	3.500%	820,875.00	1,320,875.00
	2013	500,000.00	3.750%	802,750.00	1,302,750.00
	2014	500,000.00	4.000%	783,375.00	1,283,375.00
	2015	500,000.00	4.000%	763,375.00	1,263,375.00
	2016	750,000.00	4.000%	738,375.00	1,488,375.00
	2017	750,000.00	4.500%	706,500.00	1,456,500.00
	2018	750,000.00	4.500%	672,750.00	1,422,750.00
	2019	1,250,000.00	4.500%	627,750.00	1,877,750.00
	2020	1,250,000.00	4.500%	571,500.00	1,821,500.00
	2021	1,250,000.00	4.500%	515,250.00	1,765,250.00
	2022	1,500,000.00	4.500%	453,375.00	1,953,375.00
	2023	1,500,000.00	4.500%	385,875.00	1,885,875.00
	2024	1,500,000.00	4.600%	317,625.00	1,817,625.00
	2025	1,500,000.00	4.625%	248,437.50	1,748,437.50
	2026	1,500,000.00	4.750%	178,125.00	1,678,125.00
	2027	1,500,000.00	4.750%	106,875.00	1,606,875.00
	2028	1,500,000.00	4.750%	35,625.00	1,535,625.00
		$ 20,000,000.00		$ 11,290,437.50	$ 31,290,437.50
Series 2005					
Issued: December 1, 2005	2009	$ -		$ 662,250.00	$ 662,250.00
Payment dates:	2010	250,000.00	4.125%	657,093.75	907,093.75
Principal: October 1	2011	250,000.00	4.125%	646,781.25	896,781.25
Interest: October 1 and April 1	2012	250,000.00	4.125%	636,468.75	886,468.75
	2013	250,000.00	4.125%	626,156.25	876,156.25
	2014	250,000.00	4.125%	615,843.75	865,843.75
	2015	250,000.00	4.125%	605,531.25	855,531.25
	2016	500,000.00	4.125%	590,062.50	1,090,062.50
	2017	500,000.00	4.125%	569,437.50	1,069,437.50
	2018	500,000.00	4.125%	548,812.50	1,048,812.50
	2019	500,000.00	4.200%	528,000.00	1,028,000.00
	2020	1,000,000.00	4.500%	495,000.00	1,495,000.00
	2021	1,000,000.00	4.500%	450,000.00	1,450,000.00
	2022	1,000,000.00	4.500%	405,000.00	1,405,000.00
	2023	1,000,000.00	4.500%	360,000.00	1,360,000.00
	2024	1,250,000.00	4.500%	309,375.00	1,559,375.00
	2025	1,250,000.00	4.500%	253,125.00	1,503,125.00
	2026	1,250,000.00	4.500%	196,875.00	1,446,875.00
	2027	1,250,000.00	4.500%	140,625.00	1,390,625.00
	2028	1,250,000.00	4.500%	84,375.00	1,334,375.00
	2029	1,250,000.00	4.500%	28,125.00	1,278,125.00
		$ 15,000,000.00		$ 9,408,937.50	$ 24,408,937.50
Total Downtown Development Authority Debt Service Requirements		$ 73,500,000.00		$ 40,247,375.00	$ 113,747,375.00

EXHIBIT D-13 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - TAX INCREMENT FINANCE AUTHORITY BONDS

June 30, 2008

Series 1991	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: May 1, 1991	2009	$ -	5.000%	$ 24,000.00	$ 24,000.00
Payment dates:	2010	230,000.00	5.000%	18,250.00	248,250.00
Principal: October 1	2011	250,000.00	5.000%	6,250.00	256,250.00
Interest: October 1 and April 1		$ 480,000.00		$ 48,500.00	$ 528,500.00
Refunding Series 1999					
Issued: April 1, 1999					
Payment dates:	2009	$ 160,000.00	4.300%	$ 3,440.00	$ 163,440.00
Principal: October 1					
Interest: October 1 and April 1		$ 160,000.00		$ 3,440.00	$ 163,440.00
Total Tax Increment Finance Authority					
Debt Service Requirements		$ 640,000.00		$ 51,940.00	$ 691,940.00

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

Warren Community Center Series 2001	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 2001	2009	$ 375,000.00	4.630%	$ 45,096.88	$ 420,096.88
Payment dates:	2010	375,000.00	4.700%	27,612.50	402,612.50
Principal: November 1	2011	400,000.00	4.700%	9,400.00	409,400.00
Interest: November 1 and May 1		$ 1,150,000.00		$ 82,109.38	$ 1,232,109.38
Multi-Purpose Bonds Series 2002					
Issued: March 1, 2002	2009	434,525.41	3.250%	24,527.82	459,053.23
Payment dates:	2010	457,395.17	3.700%	8,461.81	465,856.98
Principal: November 1					
Interest: November 1 and May 1		$ 891,920.58		$ 32,989.63	$ 924,910.21
Multi-Purpose Bonds Series 2005					
Issued: June 1, 2005	2009	$ 500,000.00	3.500%	$ 146,325.00	$ 646,325.00
Payment dates:	2010	500,000.00	3.750%	128,825.00	628,825.00
Principal: June 1	2011	525,000.00	3.750%	110,075.00	635,075.00
Interest: December 1 and June 1	2012	550,000.00	3.750%	90,387.50	640,387.50
	2013	575,000.00	3.750%	69,762.50	644,762.50
	2014	600,000.00	4.000%	48,200.00	648,200.00
	2015	605,000.00	4.000%	24,200.00	629,200.00
		$ 3,855,000.00		$ 617,775.00	$ 4,472,775.00

CITY OF WARREN, MICHIGAN

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

June 30, 2008

Warren Community Center Refunding Series 2005	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: August 1, 2005	2009	$ 60,000.00	3.250%	$ 437,117.50	$ 497,117.50
Payment dates:	2010	65,000.00	3.500%	435,005.00	500,005.00
Principal: November 1	2011	65,000.00	3.500%	432,730.00	497,730.00
Interest: November 1 and May 1	2012	490,000.00	3.750%	422,405.00	912,405.00
	2013	515,000.00	4.000%	402,917.50	917,917.50
	2014	510,000.00	4.000%	382,417.50	892,417.50
	2015	535,000.00	4.000%	361,517.50	896,517.50
	2016	560,000.00	4.000%	339,617.50	899,617.50
	2017	585,000.00	4.000%	316,717.50	901,717.50
	2018	630,000.00	4.100%	292,102.50	922,102.50
	2019	650,000.00	4.150%	265,700.00	915,700.00
	2020	670,000.00	4.200%	238,142.50	908,142.50
	2021	695,000.00	4.250%	209,303.75	904,303.75
	2022	715,000.00	4.250%	179,341.25	894,341.25
	2023	760,000.00	4.250%	147,997.50	907,997.50
	2024	780,000.00	4.250%	115,272.50	895,272.50
	2025	820,000.00	4.300%	81,067.50	901,067.50
	2026	865,000.00	4.375%	44,515.63	909,515.63
	2027	585,000.00	4.375%	12,796.88	597,796.88
		$ 10,555,000.00		$ 5,116,685.01	$ 15,671,685.01
Total Governmental Activities Debt Service Requirements		$ 16,451,920.58		$ 5,849,559.02	$ 22,301,479.60

(Business-type Activities - fiscal year ended June 30, 2008)

Senior Housing	2009	$ 620,000.00	3.250%	$ 288,237.50	$ 908,237.50
Refunding Series 2004	2010	625,000.00	3.375%	267,615.63	892,615.63
Issued: August 1, 2004	2011	620,000.00	3.500%	246,218.76	866,218.76
Payment dates:	2012	610,000.00	3.750%	223,931.26	833,931.26
Principal: November 1	2013	705,000.00	3.875%	198,834.38	903,834.38
Interest: November 1 and May 1	2014	895,000.00	4.000%	167,275.00	1,062,275.00
	2015	950,000.00	4.125%	129,781.25	1,079,781.25
	2016	1,075,000.00	5.000%	83,312.50	1,158,312.50
	2017	1,075,000.00	5.250%	28,218.75	1,103,218.75
		$ 7,175,000.00		$ 1,633,425.03	$ 8,808,425.03

(Business-type Activities - fiscal year ended December 31, 2007)

Water and Sewer System Multi-Purpose Bonds Series 2002					
Issued: August 1, 2004	2008	$ 40,474.59	3.500%	$ 2,992.98	$ 43,467.57
Payment dates:	2009	42,604.83	3.700%	1,576.38	44,181.21
Principal: November 1					
Interest: November 1 and May 1		$ 83,079.42		$ 4,569.36	$ 87,648.78
Total Building Authority Debt Service Requirements		$ 23,710,000.00		$ 7,487,553.41	$ 31,197,553.41

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CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2007)

Water and Sewer System Refunding Series 1999	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: February 1, 1999	2008	$ 890,000.00	4.300%	$ 379,007.50	$ 1,269,007.50
Payment dates:	2009	930,000.00	4.300%	339,877.50	1,269,877.50
Principal: May 1	2010	975,000.00	4.300%	298,920.00	1,273,920.00
Interest: May 1 and November 1	2011	1,035,000.00	4.350%	255,446.25	1,290,446.25
	2012	1,080,000.00	4.500%	208,635.00	1,288,635.00
	2013	1,135,000.00	4.500%	158,797.50	1,293,797.50
	2014	1,060,000.00	4.600%	108,880.00	1,168,880.00
	2015	1,050,000.00	4.700%	59,825.00	1,109,825.00
	2016	740,000.00	4.750%	17,575.00	757,575.00
		$ 8,895,000.00		$ 1,826,963.75	$ 10,721,963.75
Water and Sewer System Series 1999					
Issued: March 1, 1999	2008	$ 50,000.00	4.200%	$ 8,700.00	$ 58,700.00
Payment dates:	2009	50,000.00	4.300%	6,600.00	56,600.00
Principal: November 1	2010	50,000.00	4.400%	4,450.00	54,450.00
Interest: May 1 and November 1	2011	50,000.00	4.500%	2,250.00	52,250.00
		$ 200,000.00		$ 22,000.00	$ 222,000.00
Water and Sewer System Series 2000					
Issued: September 1, 2000	2008	$ 525,000.00	5.000%	$ 118,500.00	$ 643,500.00
Payment dates:	2009	575,000.00	5.125%	92,250.00	667,250.00
Principal: November 1	2010	600,000.00	5.125%	62,781.00	662,781.00
Interest: May 1 and November 1	2011	625,000.00	5.125%	32,031.00	657,031.00
		$ 2,325,000.00		$ 305,562.00	$ 2,630,562.00
Water and Sewer System Refunding Series 2005					
Issued: September 1, 2005	2008	$ 120,000.00	3.625%	$ 884,713.00	$ 1,004,713.00
Payment dates:	2009	125,000.00	3.625%	880,362.00	1,005,362.00
Principal: November 1	2010	130,000.00	3.625%	875,831.00	1,005,831.00
Interest: May 1 and November 1	2011	135,000.00	3.750%	871,119.00	1,006,119.00
	2012	865,000.00	3.750%	866,056.00	1,731,056.00
	2013	885,000.00	3.750%	833,619.00	1,718,619.00
	2014	930,000.00	4.000%	800,431.00	1,730,431.00
	2015	975,000.00	4.000%	763,231.00	1,738,231.00
	2016	1,870,000.00	4.000%	724,231.00	2,594,231.00
	2017	2,005,000.00	4.125%	649,431.00	2,654,431.00
	2018	2,040,000.00	4.125%	566,725.00	2,606,725.00
	2019	2,075,000.00	4.250%	482,575.00	2,557,575.00
	2020	2,110,000.00	4.250%	394,388.00	2,504,388.00
	2021	2,170,000.00	4.250%	304,712.00	2,474,712.00
	2022	1,030,000.00	4.500%	212,488.00	1,242,488.00
	2023	1,025,000.00	4.500%	166,138.00	1,191,138.00
	2024	1,015,000.00	4.500%	120,012.00	1,135,012.00
	2025	1,010,000.00	4.750%	74,338.00	1,084,338.00
	2026	555,000.00	4.750%	26,362.00	581,362.00
		$ 21,070,000.00		$ 10,496,762.00	$ 31,566,762.00

EXHIBIT D-14 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2007)

Capital Improvement Bonds Series 2003	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Issued: July 1, 2003	2008	$ 50,539.67	2.250%	$ 36,634.83	$ 87,174.50
Payment dates:	2009	55,000.00	2.250%	35,447.51	90,447.51
Principal: June 1	2010	55,000.00	2.550%	34,127.51	89,127.51
Interest: June 1 and December 1	2011	55,000.00	2.750%	32,670.01	87,670.01
	2012	60,000.00	2.850%	31,058.76	91,058.76
	2013	60,000.00	3.000%	29,303.76	89,303.76
	2014	65,000.00	3.125%	27,388.13	92,388.13
	2015	65,000.00	3.300%	25,300.00	90,300.00
	2016	70,000.00	3.500%	23,002.50	93,002.50
	2017	70,000.00	3.600%	20,517.50	90,517.50
	2018	75,000.00	3.750%	17,870.00	92,870.00
	2019	75,000.00	3.800%	15,057.50	90,057.50
	2020	80,000.00	3.900%	12,072.50	92,072.50
	2021	85,000.00	4.000%	8,812.50	93,812.50
	2022	85,000.00	4.000%	5,412.50	90,412.50
	2023	90,000.00	4.125%	1,856.25	91,856.25
		$ 1,095,539.67		$ 356,531.76	$ 1,452,071.43

Capital Improvement Bonds Series 5134-01					
Approved: September 25, 2003	2008	$ 200,000.00	2.500%	$ 104,500.00	$ 304,500.00
Payment Dates:	2009	205,000.00	2.500%	99,500.00	304,500.00
Principal: October 1	2010	210,000.00	2.500%	94,375.00	304,375.00
Interest: April 1 and October 1	2011	215,000.00	2.500%	89,305.00	304,305.00
	2012	220,000.00	2.500%	83,750.00	303,750.00
	2013	225,000.00	2.500%	78,250.00	303,250.00
	2014	230,000.00	2.500%	72,625.00	302,625.00
	2015	240,000.00	2.500%	66,875.00	306,875.00
	2016	245,000.00	2.500%	60,875.00	305,875.00
	2017	250,000.00	2.500%	54,750.00	304,750.00
	2018	255,000.00	2.500%	48,500.00	303,500.00
	2019	265,000.00	2.500%	42,125.00	307,125.00
	2020	270,000.00	2.500%	35,500.00	305,500.00
	2021	275,000.00	2.500%	28,750.00	303,750.00
	2022	285,000.00	2.500%	21,875.00	306,875.00
	2023	290,000.00	2.500%	14,750.00	304,750.00
	2024	300,000.00	2.500%	7,500.00	307,500.00
		$ 4,180,000.00		$ 1,003,805.00	$ 5,183,805.00

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2007)

Capital Improvement Bonds Series 5134-02	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: September 23, 2004	2008	$ 270,000.00	2.125%	$ 128,987.51	$ 398,987.51
Payment Dates:	2009	275,000.00	2.125%	123,196.88	398,196.88
Principal: April 1	2010	280,000.00	2.125%	117,300.00	397,300.00
Interest: April 1 and October 1	2011	285,000.00	2.125%	111,296.88	396,296.88
	2012	290,000.00	2.125%	105,187.51	395,187.51
	2013	300,000.00	2.125%	98,918.76	398,918.76
	2014	305,000.00	2.125%	92,490.63	397,490.63
	2015	310,000.00	2.125%	85,956.25	395,956.25
	2016	315,000.00	2.125%	79,315.63	394,315.63
	2017	325,000.00	2.125%	72,515.63	397,515.63
	2018	330,000.00	2.125%	65,556.25	395,556.25
	2019	340,000.00	2.125%	58,437.50	398,437.50
	2020	345,000.00	2.125%	51,159.38	396,159.38
	2021	355,000.00	2.125%	43,721.88	398,721.88
	2022	360,000.00	2.125%	36,125.00	396,125.00
	2023	370,000.00	2.125%	28,368.75	398,368.75
	2024	375,000.00	2.125%	20,453.13	395,453.13
	2025	385,000.00	2.125%	12,378.13	397,378.13
	2026	390,000.00	2.125%	4,143.75	394,143.75
		$ 6,205,000.00		$ 1,335,509.45	$ 7,540,509.45

Capital Improvement Bonds Series 5134-03 (1)					
Approved: March 25, 2004	2008	$ 55,000.00	2.125%	$ 21,188.18	$ 76,188.18
Payment Dates:	2009	55,000.00	2.125%	20,019.44	75,019.44
Principal: October 1	2010	55,000.00	2.125%	18,850.68	73,850.68
Interest: April 1 and October 1	2011	55,000.00	2.125%	17,681.94	72,681.94
	2012	55,000.00	2.125%	16,513.18	71,513.18
	2013	60,000.00	2.125%	15,344.44	75,344.44
	2014	60,000.00	2.125%	14,069.44	74,069.44
	2015	60,000.00	2.125%	12,794.44	72,794.44
	2016	65,000.00	2.125%	11,519.44	76,519.44
	2017	65,000.00	2.125%	10,138.18	75,138.18
	2018	65,000.00	2.125%	8,756.94	73,756.94
	2019	65,000.00	2.125%	7,375.68	72,375.68
	2020	70,000.00	2.125%	5,994.44	75,994.44
	2021	70,000.00	2.125%	4,506.94	74,506.94
	2022	70,000.00	2.125%	3,019.44	73,019.44
	2023	70,000.00	2.125%	1,531.94	71,531.94
	2024	2,091.00	2.125%	44.44	2,135.44
		$ 997,091.00		$ 189,349.18	$ 1,186,440.18

(1) The City of Warren Water and Sewer System is authorized to draw down an amount not to exceed $1.22 million of Capital Improvement Bonds sold to the Michigan Municipal Bond Authority through the State Revolving Fund Loan Program for CWRF Project #5134-03. The schedule that appears above represents the estimated amortization of principal and interest of those funds eligible for draw down as of December 31, 2007.

EXHIBIT D-14 (continued)

CITY OF WARREN, MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - WATER AND SEWER SYSTEM BONDS
(Business-type Activities for the fiscal year ended December 31, 2007)

Capital Improvement Bonds Series 5134-04	Fiscal Year	Principal	Interest Rate	Interest	Total Requirements
Approved: March 31, 2005	2008	$ 355,000.00	1.625%	$ 124,678.13	$ 479,678.13
Payment Dates:	2009	360,000.00	1.625%	118,868.76	478,868.76
Principal: April 1	2010	370,000.00	1.625%	112,937.51	482,937.51
Interest: April 1 and October 1	2011	375,000.00	1.625%	106,884.38	481,884.38
	2012	380,000.00	1.625%	100,750.00	480,750.00
	2013	385,000.00	1.625%	94,534.38	479,534.38
	2014	390,000.00	1.625%	88,237.51	478,237.51
	2015	400,000.00	1.625%	81,818.76	481,818.76
	2016	405,000.00	1.625%	75,278.13	480,278.13
	2017	410,000.00	1.625%	68,656.25	478,656.25
	2018	420,000.00	1.625%	61,912.50	481,912.50
	2019	425,000.00	1.625%	55,046.88	480,046.88
	2020	430,000.00	1.625%	48,100.01	478,100.01
	2021	440,000.00	1.625%	41,031.26	481,031.26
	2022	445,000.00	1.625%	33,840.63	478,840.63
	2023	455,000.00	1.625%	26,528.13	481,528.13
	2024	460,000.00	1.625%	19,093.76	479,093.76
	2025	470,000.00	1.625%	11,537.51	481,537.51
	2026	475,000.00	1.625%	3,859.38	478,859.38
		$ 7,850,000.00		$ 1,273,593.87	$ 9,123,593.87
Capital Improvement Bonds Series 2006					
Issued: December 1, 2006	2008	$ 14,081.65	3.750%	$ 81,057.50	$ 95,139.15
Payment dates:	2009	14,081.65	3.750%	80,529.44	94,611.09
Principal: September 1	2010	14,081.65	3.750%	80,001.38	94,083.03
Interest: September 1 and March 1	2011	42,244.95	3.750%	79,473.32	121,718.27
	2012	42,244.95	3.750%	77,889.12	120,134.07
	2013	87,306.23	3.750%	76,304.94	163,611.17
	2014	133,775.68	3.750%	73,030.96	206,806.64
	2015	140,816.50	3.750%	68,014.36	208,830.86
	2016	147,857.33	3.750%	62,733.76	210,591.09
	2017	154,898.15	3.750%	57,189.10	212,087.25
	2018	161,938.98	3.750%	51,380.42	213,319.40
	2019	176,020.63	3.800%	45,307.70	221,328.33
	2020	183,061.45	3.850%	38,618.92	221,680.37
	2021	197,143.10	3.900%	31,571.06	228,714.16
	2022	118,285.86	4.000%	23,882.48	142,168.34
	2023	118,285.86	4.000%	19,151.04	137,436.90
	2024	119,694.03	4.000%	14,419.60	134,113.63
	2025	119,694.03	4.000%	9,631.84	129,325.87
	2026	121,102.16	4.000%	4,844.11	125,946.27
		$ 2,106,614.84		$ 975,031.05	$ 3,081,645.89
Total Water and Sewer System Debt Service Requirements		$ 54,924,245.51		$ 17,785,108.06	$ 72,709,353.57

EXHIBIT D-15

CITY OF WARREN, MICHIGAN

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Number of Households (1)	Income Per Capita (2)	Income Total	Unemployment Rate (3) City of Warren	Unemployment Rate (3) Macomb County	Unemployment Rate (3) State of Michigan
1999	144,864	54,602	$ 15,224	$ 2,205,409,536	4.80%	4.00%	4.00%
2000	138,247	55,551	21,407	2,959,453,529	4.40%	3.70%	3.90%
2001	137,282	55,662	21,407	2,938,795,774	6.10%	5.20%	5.10%
2002	137,323	55,707	21,407	2,939,673,461	7.50%	6.40%	6.60%
2003	137,394	55,959	21,407	2,941,193,358	8.80%	7.50%	7.80%
2004	135,971	56,045	21,407	2,910,731,197	8.20%	7.00%	7.30%
2005	135,572	56,188	21,407	2,902,189,804	8.30%	7.10%	6.90%
2006	135,335	56,472	21,407	2,897,116,345	8.40%	7.20%	6.90%
2007	136,824	57,523	21,407	2,928,991,368	9.20%	7.90%	7.40%
2008	135,102	57,134	21,407	2,892,128,514	11.30%	9.70%	8.70%

Sources:

(1) 1990 U.S. Census Bureau FY 1999
2000 U.S. Census Bureau FY 2000
Southeast Michigan Council of Governments FY 2001 - 2008

(2) 1990 and 2000 U.S. Census Bureau

(3) Michigan Department of Labor and Economic Growth
- Not Seasonally Adjusted

CITY OF WARREN, MICHIGAN

MISCELLANEOUS DEMOGRAPHICS

1990 AND 2000 U.S. CENSUS DATA

Population

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

Age Statistics

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

Occupied Housing Units

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

Value of Specified Owner Occupied Housing Units

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

School Enrollment (3 years of age and over)

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

Educational Attainment (25 years of age and over)

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

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

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

EXHIBIT D-17

CITY OF WARREN, MICHIGAN

PRINCIPAL EMPLOYERS

PRIOR YEAR AND TEN YEARS AGO (1)

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

(1) Most current information available.

Sources:
(2) Macomb County Planning and Development
(3) City of Warren Mayor's Office

CITY OF WARREN, MICHIGAN

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (1)
General government:										
37th District Court										
Small claims	1,035	1,054	1,112	1,072	1,141	1,328	1,226	1,047	970	1,100
Landlord & tenant	2,753	2,677	3,386	3,234	3,568	3,873	3,998	4,144	4,327	4,400
Parking tickets	1,255	1,523	1,298	1,345	1,630	2,189	1,622	1,448	1,521	1,500
Traffic misdemeanor & civil	45,374	46,081	37,367	46,205	64,352	59,961	58,565	55,744	57,163	58,000
Non-traffic felony	1,631	1,708	1,826	2,399	1,874	2,184	2,097	2,261	2,070	2,200
Non-traffic misdemeanor	2,147	2,424	2,110	2,834	2,294	2,330	2,149	2,194	2,393	2,400
Traffic OUIL/OWI	N/A	N/A	N/A	N/A	414	734	691	794	571	600
General civil	2,802	2,602	3,249	4,325	4,916	4,502	4,524	4,888	5,500	5,500
Probation - active cases	1,423	1,795	1,500	1,686	1,143	1,441	1,168	1,220	1,212	1,200
Pre-sentence investigations	N/A	N/A	N/A	N/A	414	523	460	386	395	400
Alcohol evaluations	N/A	N/A	N/A	N/A	470	562	543	513	516	500
City Clerk										
Business licenses	10,000	2,350	986	1,017	1,100	1,207	989	920	941	1,500
Public hearings	120	44	61	53	80	76	53	62	69	100
Changes in voter registrations	33,000	23,000	22,000	20,000	23,000	29,499	23,391	38,399	42,844	45,000
Dog licenses issued	11,662	4,065	3,800	4,500	4,000	6,833	4,794	5,233	4,967	6,000
Garage sale permits	N/A	1,413	1,424	1,053	1,500	2,177	2,167	2,365	2,541	3,500
Death certificates	17,500	1,857	1,809	1,900	1,900	1,870	1,951	1,889	1,902	3,000
Birth certificates	5,500	1,748	1,659	1,700	1,900	1,368	1,162	1,273	1,388	3,000
Lawsuits issued	35	42	55	61	70	34	36	33	34	95
Contracts signed, catalogued	44	28	59	70	60	63	52	79	45	95
Dog park passes	N/A	N/A	N/A	600	600	410	200	270	253	500
Passports issued	N/A	N/A	N/A	N/A	N/A	334	278	214	349	600
Internet requests processed	N/A	N/A	N/A	N/A	N/A	1,252	1,366	1,547	1,900	2,200
Treasurer										
Tax bills processed -										
manually	138,000	137,000	135,000	135,000	135,000	135,000	135,000	136,000	148,721	148,000
CD ROM	77,000	78,000	80,000	80,000	83,000	83,000	83,000	82,000	76,000	76,000
Checks processed	45,500	43,050	42,800	42,800	32,400	29,900	41,400	41,400	46,680	44,780
Water bills processed	215,000	215,000	215,000	215,000	540,000	518,000	518,000	518,000	528,000	529,000
Status changes	10,000	11,000	13,000	13,000	15,000	15,000	14,000	12,000	1,813	2,100
Personal property										
tax collections	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,101	3,950
Delinquent tax accounts	100	75	60	60	72	125	125	210	1,426	1,400
Assessing										
Personal property audits	190	180	210	210	125	116	316	320	140	155
Small claim MTT appeals	30	17	20	8	47	19	25	42	65	85
Full tax tribunal appeals	28	47	34	14	21	21	25	33	53	65
Board of Review appeals	890	850	750	862	807	801	834	864	999	1,200
Processing of										
homestead affidavits	3,300	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	4,500
Process deeds and										
transfer affidavits	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	5,500
Reviews transfers to										
uncap taxable value	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,000
Prepare special										
assessment rolls	5	9	7	30	50	30	30	30	30	35
Review / appraise										
taxable properties	N/A	N/A	N/A	54,000	54,000	54,000	54,000	54,000	54,000	59,000
Review / appraise										
exempt properties	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Verify sales & transfers,										
inspect sold property	3,500	3,600	3,600	3,600	3,600	3,600	3,600	3,500	2,450	2,900
Inspect and appraise										
building permit activity	2,600	2,859	2,850	2,850	2,646	2,646	2,220	2,450	2,450	2,900
Identify / photograph										
real property parcels	N/A	23,000	23,000	23,000	2,400	2,400	2,400	2,400	2,400	1,500
Digitally sketch										
real property parcels	N/A	N/A	N/A	30,269	12,000	12,000	12,000	12,000	12,000	4,500

EXHIBIT D-18 (continued)

CITY OF WARREN, MICHIGAN

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (1)
Public Safety:										
Fire Department										
Incident responses	10,517	10,643	10,537	10,594	10,629	10,605	11,385	11,779	12,416	12,800
Equipment responses	22,851	23,294	22,957	23,215	23,254	18,767	16,594	17,182	18,111	18,500
Fire training (hours)	13,012	9,910	14,821	8,573	671	5,177	6,144	4,173	4,316	4,300
Medical training (hours)	2,847	5,064	3,804	2,290	2,303	1,912	1,725	1,171	1,210	1,200
Police Department										
Calls for police service	71,279	73,000	76,000	76,000	76,324	90,200	90,900	88,000	89,600	93,500
Part I crimes	5,996	4,917	4,795	6,570	5,214	4,785	5,223	5,853	5,982	6,250
Burglary incidents	760	850	686	772	672	669	829	704	737	745
Auto theft incidents	1,052	752	781	930	1,172	1,092	1,302	1,363	906	1,150
Part II Crimes	6,196	6,118	6,085	4,524	6,526	4,773	7,470	6,632	6,438	6,612
Narcotic and drug incidents	852	1,064	1,067	1,141	950	1,229	1,242	1,430	2,009	1,850
Trafic citations	N/A	44,855	35,522	40,865	44,977	49,429	48,280	45,154	46,506	48,000
OUIL charges	396	435	583	462	496	478	475	402	432	425
Traffic accidents	4,884	5,198	4,954	5,200	4,800	4,153	1,192	3,713	5,500	5,400
Juveniles charged	940	800	421	421	395	437	431	250	509	490
Total arrests	7,256	7,443	6,507	6,265	6,591	7,057	6,948	7,018	7,638	7,500
Abandoned autos processed	3,557	4,399	4,034	4,892	5,200	1,650	1,683	1,560	1,380	1,450
Guns registered	2,170	3,512	1,575	2,406	1,573	2,058	3,250	2,090	3,300	2,876
D.A.R.E. graduates	2,400	2,500	2,472	2,382	1,800	1,895	1,800	1,651	2,000	1,900
Animal Control										
Calls for service	6,240	6,864	7,215	2,000	4,500	2,587	2,332	2,610	2,832	2,900
Stray animals picked up	N/A	N/A	N/A	1,408	1,700	1,449	1,063	1,335	1,450	1,510
Wild animals secured	N/A	N/A	N/A	401	400	448	308	430	486	495
Dead animals handled	N/A	N/A	N/A	234	250	115	303	332	310	350
Animals given up by owners	N/A	N/A	N/A	768	500	781	992	850	832	850
Civil Defense										
Responses to disaster or emergency incidents	34	35	35	10	10	20	13	9	9	10
Functional / full-scale exercise	1	1	1	1	1	1	2	3	1	1
City Development:										
Engineering										
Service requests processed	900	900	1,247	900	900	618	422	674	448	422
Planning reviews	112	112	121	112	100	114	141	141	100	97
Site plan reviews	300	300	300	300	300	206	226	245	356	244
Projects inspected	116	116	100	116	100	106	97	128	125	115
Sidewalk inspections / repairs	N/A	N/A	N/A	N/A	N/A	5,141	2,542	2,739	3,100	2,800
Property Maintenance Inspection										
Weed enforcement -										
Vacant parcels	830	925	1,000	1,000	1,000	1,075	1,000	850	2,200	2,460
Occupied properties	142	333	425	425	471	530	600	680	830	600
Vacant buildings	327	395	415	415	425	525	625	N/A	N/A	N/A
Complaints investigated	8,270	11,292	11,100	11,100	12,298	13,279	14,000	13,500	7,244	7,500
Building Inspections										
Service requests	5,794	6,355	6,482	6,482	2,787	3,889	1,984	N/A	N/A	N/A
Certificates of Occupancy	255	229	341	171	256	364	326	339	584	340
Building permits	2,927	2,532	5,199	2,499	2,829	2,666	2,976	3,528	2,403	3,000
Plumbing permits	1,264	1,265	1,047	1,047	1,063	1,038	961	1,066	940	1,100
Electrical permits	2,099	1,888	1,596	1,596	1,640	1,431	1,573	1,844	1,909	1,800
Mechanical permits	1,671	1,651	1,381	1,381	1,424	1,159	1,218	1,929	1,463	1,600
Miscellaneous permits	1,612	1,576	709	709	651	1,124	1,504	1,884	1,584	1,700
Building inspections	8,794	8,110	9,970	9,970	9,037	8,472	7,404	10,103	8,895	9,000
Plumbing inspections	2,857	3,698	3,379	3,379	2,494	2,809	2,764	2,981	3,243	3,200
Electrical inspections	4,791	5,277	5,126	5,126	5,689	5,261	4,523	4,584	4,595	4,800
Mechanical inspections	3,660	3,799	3,751	3,751	4,937	4,471	4,422	5,644	5,263	5,400
Zoning inspections	5,794	6,355	10,482	6,430	4,204	5,889	5,681	4,940	4,813	5,200
Plan reviews	N/A	N/A	N/A	N/A	2,829	2,586	2,976	3,528	2,987	3,200

CITY OF WARREN, MICHIGAN

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (1)
Recreation and Culture:										
Library										
Annual attendance	503,205	416,730	441,200	489,962	501,123	402,380	371,361	389,200	284,398	370,000
Circulation -										
annual total	709,854	684,904	647,610	600,661	606,019	567,201	544,590	539,164	603,725	650,000
children's materials	169,744	156,006	153,568	144,159	121,085	121,491	117,958	121,788	182,579	185,000
Reference requests	47,064	53,129	53,928	61,123	71,865	67,868	71,121	73,025	62,726	64,000
Reserves placed	30,812	31,079	35,013	24,923	30,427	36,185	40,595	48,184	53,752	54,000
Registered borrowers	56,037	55,196	60,000	37,871	42,585	46,072	37,386	41,997	48,265	50,000
Materials -										
loaned to other libraries	37,247	38,528	37,630	35,487	45,203	69,905	57,635	62,714	53,476	55,000
received from other libraries	30,117	30,079	33,473	33,601	42,031	56,119	41,340	45,426	39,239	42,000
added to collection	27,000	38,654	34,964	18,769	20,539	26,951	24,520	16,292	26,397	27,000
deleted from collection	42,000	48,923	77,617	21,053	19,650	19,600	19,331	27,215	38,081	20,000
Home Page hits	80,018	87,934	151,749	202,665	194,268	192,889	201,309	222,454	231,573	235,000
Recreation										
Pavilion rentals	558	558	503	489	472	475	475	438	460	500
Bus transportation	28,089	28,089	35,600	25,500	48,650	52,000	28,300	28,500	28,550	35,000
Adult & youth sports -										
registrants	6,500	5,438	6,080	6,896	6,550	6,510	5,800	6,500	6,400	7,500
participants	112,800	106,820	106,200	107,244	106,552	106,200	102,575	101,204	105,500	107,500
Senior programs	32,068	32,068	36,600	34,104	36,200	36,500	51,204	52,000	52,450	54,000
Senior sports programs	25,815	17,026	18,200	27,870	26,200	25,000	22,000	23,000	22,400	24,500
Trees removed	470	398	820	492	452	950	1,076	800	1,000	1,000
Trees trimmed	3,334	3,981	4,311	4,351	4,100	4,000	4,000	4,000	3,000	4,000
Pool attendance	70,964	92,781	86,938	77,900	109,331	239,704	301,505	300,000	301,000	325,000
Yearly pass registrations	214	300	400	300	1,000	3,700	3,923	4,200	4,800	5,400
Sanitation										
Collections points (per week)	49,500	49,500	49,500	50,000	55,000	56,000	56,000	56,000	56,000	56,000
Curbside collection (tons) -										
Refuse land filled	49,783	50,999	50,944	49,385	51,866	51,537	47,626	51,780	48,695	47,000
Curbside recycling	7,184	7,053	6,244	6,081	6,069	5,726	4,977	3,633	4,236	5,000
Curbside compost	15,328	17,557	15,654	14,991	16,283	16,613	14,891	16,123	14,559	15,000
Drop-off center -										
Car batteries (each)	764	1,097	1,151	1,252	1,566	1,219	935	935	583	600
Non-ferrous metal (tons)	12	10	9	7	12	7	133	128	1	2
Concrete (tons)	388	428	499	513	591	559	398	385	242	250
Motor oil (gallons)	15,675	14,050	13,550	12,600	18,450	13,325	11,075	11,950	9,250	11,000
Collected / dropped off (tons) -										
Cardboard	62	96	100	118	175	138	124	147	129	150
White goods / scrap metal	557	736	922	1,149	896	542	370	284	232	240
Senior Citizen Housing:										
Stilwell Manor										
Carpet replacements	25	14	7	8	4	7	9	6	9	15
Linoleum replacements	13	10	12	13	12	7	14	9	7	10
Refrigerator replacements	3	5	4	6	30	36	N/A	N/A	N/A	N/A
Stove replacements	N/A	N/A	N/A	N/A	N/A	N/A	4	25	9	10
Apartments painted	21	23	20	19	17	18	28	9	18	20
Air conditioner replacements	N/A	N/A	N/A	N/A	16	18	18	10	6	15
Maintenance work orders	522	613	1,021	625	666	789	532	682	545	600
Jos. Coach Manor										
Carpet replacements	26	11	13	3	4	6	15	12	13	18
Linoleum replacements	8	7	16	10	8	8	18	13	17	15
Hot water tank replacements	21	28	45	114	N/A	N/A	2	-	-	3
Apartments painted	32	28	37	25	24	36	48	27	32	32
Countertop replacements	6	6	5	6	1	1	8	8	9	12
Maintenance work orders	1,085	871	1,099	1,067	1,054	1,271	1,223	1,203	1,247	1,250

EXHIBIT D-18 (continued)

CITY OF WARREN, MICHIGAN

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Water and Sewer System (2)										
Water Department:										
Water utility accounts	49,272	49,272	49,280	49,339	49,359	49,546	49,768	49,948	50,122	50,248
Sewer utility accounts	49,007	49,007	49,010	49,064	49,079	49,198	49,269	49,319	49,370	49,614
Second meter accounts	N/A	N/A	N/A	N/A	N/A	63	173	256	384	457
Water sold (thousand cu. ft.)	1,139,015	1,076,870	956,085	969,120	1,025,088	950,539	844,666	930,433	839,755	883,463
Water purchased	1,245,811	1,190,223	1,061,407	1,066,307	1,144,504	1,081,053	941,846	1,035,761	932,468	1,014,748
Broken water main repairs	466	482	318	288	399	393	267	311	238	344
Sewer jetting (in footage)	173,223	236,679	396,567	417,432	289,125	148,660	276,869	197,240	257,313	129,050
Waste Water Treatment Plant:										
Sewage treated (billions of gallons)	9.2	8.5	8.7	7.9	7.2	7.9	8.4	8.0	9.0	7.6
Sludge solids removed (thousands of tons)	31.4	28.9	23.5	23.3	26.4	30.8	31.2	32.1	31.4	33.3
Power consumption (millions of kilowatt hours)	19.1	17.6	18.5	15.1	14.2	13.4	14.6	16.5	23.4	23.9
Natural gas for incinerator (millions of cu. ft.)	81	90	74	73	77	80	31	78	82	89
Laboratory samples taken	6,818	6,914	6,956	6,914	6,760	6,773	6,788	6,743	6,556	6,634
Analytical lab tests run	44,876	46,400	46,448	47,637	47,624	45,685	45,751	44,608	45,863	45,847
Dye tests performed to locate illicit connections	N/A	20	50	50	50	50	50	20	200	50
Storm water samples collected	N/A	246	457	582	202	804	386	457	275	20
Illicit discharges identified	N/A	N/A	6	11	13	10	7	17	24	15
Illicit discharges removed	N/A	N/A	4	7	10	14	9	50	14	20

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

(1) Fiscal year 2008 estimates
(2) Fiscal year ended December 31

Source:
Fiscal year adopted budget

EXHIBIT D-19

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)
1999	$ 7,334,500	$ 1,440,000	$ 17,404,675	$ 13,637,000	$ 39,816,175
2000	4,390,800	2,955,000	21,559,000	31,560,958	60,465,758
2001	4,495,000	1,525,000	110,807,914	3,200,550	120,028,464
2002	9,379,693	2,218,000	4,436,000	9,421,307	25,455,000
2003	8,907,716	4,469,000	17,990,000	1,200,000	32,566,716
2004	4,737,401	3,116,008	25,704,900	7,100,000	40,658,309
2005	2,733,500	1,979,995	34,361,001	980,000	40,054,496
2006	8,251,000	21,128,530	28,978,077	19,379,285	77,736,892
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

(1) Estimated Cost of Construction

Source:
City of Warren Building Department

EXHIBIT D-20

CITY OF WARREN, MICHIGAN

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government:										
Council	14	14	14	14	14	14	13	13	13	13
37th District Court	46	46	49	50	49	50	50	50	50	49
Mayor	7	7	7	7	7	7	7	7	7	7
Clerk	11	11	11	11	11	11	10	8	9	9
Treasurer	15	15	15	15	15	15	13	12	12	12
Controller	19	20	20	20	20	20	19	19	19	19
Information Systems	4	4	4	4	4	4	4	3	3	3
Legal	10	11	11	11	11	11	11	11	11	11
Assessing	13	13	13	13	13	13	12	12	12	12
Labor Relations	3	3	3	3	3	3	1	1	1	1
Personnel	6	6	6	6	6	6	6	6	6	6
D.P.W. Garage	10	10	10	10	10	10	8	8	8	8
Building Maintenance	18	18	18	18	18	18	16	15	15	15
Police & Fire Civil Service	1	1	1	1	1	1	1	1	1	1
Police & Fire Retirement	2	2	2	2	2	2	2	2	2	2
Beautification Commission	-	-	1	1	1	1	-	-	-	-
	179	181	185	186	185	186	173	168	169	168
Public safety:										
Fire Department	179	179	179	179	179	179	139	148	148	148
Police Department	284	286	286	290	290	290	281	278	274	276
Animal Control	2	2	2	2	2	2	2	2	2	2
Civil Defense	1	1	1	1	1	1	1	1	1	1
	466	468	468	472	472	472	423	429	425	427
City Development:										
Public Service Director	4	4	4	4	4	4	4	4	4	4
Engineering	17	17	17	17	17	17	9	8	8	8
Property Maintenance	6	6	6	6	6	6	3	3	3	3
Building Inspections	20	20	20	20	20	20	18	17	17	17
Planning	7	7	7	7	7	7	5	4	5	5
Rental Ordinance	-	2	2	2	2	2	2	2	2	2
	54	56	56	56	56	56	41	38	39	39
Highways and Streets	41	41	41	41	41	41	41	41	35	35
Recreation and Culture:										
Library	23	23	23	22	22	22	16	16	16	16
Recreation	22	22	21	20	20	20	20	20	20	20
Communications	4	4	4	6	6	7	6	6	6	6
	49	49	48	48	48	49	42	42	42	42
Sanitation	46	46	46	45	45	45	42	42	42	42
Economic Development:										
D.D.A.	-	-	-	1	1	1	1	1	1	1
Community Development:										
C.D.B.G.	3	3	3	4	4	4	4	4	4	4
Senior Housing	5	5	5	6	6	5	5	5	5	5
Water and Sewer System	121	118	114	105	105	107	107	106	97	95
Total full-time city employees	964	967	966	964	963	966	879	876	859	858

Source:
Adopted fiscal year budget

CITY OF WARREN, MICHIGAN

FEDERAL AND STATE PROJECT FUNDS - COMPLIANCE REPORTS

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

Department of Housing and Urban Development
Community Development Block Grant
Account Numbers - B-99-MC-26-0016
B-03-MC-26-0016
B-04-MC-26-0016
B-05-MC-26-0016
B-06-MC-26-0016
B-07-MC-26-0016

HOME Investment Partnership
Account Numbers - M-99-MC-26-0216
M-00-MC-26-0216
M-01-MC-26-0216
M-02-MC-26-0216
M-03-MC-26-0216
M-04-MC-26-0216
M-05-MC-26-0216
M-06-MC-26-0216
M-07-MC-26-0216

Housing Opportunities for Persons with AIDS
Account Number – MIH06F002
MIH07F002

Edward Byrne Memorial Formula Grant Program
Account Numbers - SCAO 2007-009
- SCAO 2008-038

Public Safety Partnership and Community Policing Grants
Secure Our Schools Grant
Account Number – 2005-CKWX-0554
COPS Interoperable Communications Technology Program Grant
Account Number – 2004-INWX-011

2006 Edward Byrne Memorial Justice Assistance Grant Program

Centers for Disease Control and
Prevention, Investigations and Technical Assistance
Cities Readiness Initiative Grant

Emergency Management Performance Grant

2005 Homeland Security Grant Program
Account Number – GET50014

Metropolitan Medical Response System
Account Number – 233-02-0032

COMPREHENSIVE ANNUAL FINANCIAL REPORT

EXHIBIT E-1

CITY OF WARREN, MICHIGAN

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

June 30, 2008

Grant Title	Federal CFDA Number	Grant Number	Cash / Deferred Grant Revenue July 1, 2007	Grant Revenue Recognized
Department of Housing and Urban Development -				
(1) Community Development Block Grant:	14.218			
1999-00		B-99-MC-26-0016	$ 4,075	$ 1,045,251
2003-04		B-03-MC-26-0016	133,887	1,141,275
2004-05		B-04-MC-26-0016	36,000	964,839
2005-06		B-05-MC-26-0016	124,282	1,105,395
2006-07		B-06-MC-26-0016	579,828	913,205
2007-08		B-07-MC-26-0016	-	432,869
(2) HOME Investment Partnership:	14.239			
1999-00		M-99-MC-26-0216	$ 238	$ 427,000
2000-01		M-00-MC-26-0216	62,589	403,548
2001-02		M-01-MC-26-0216	248,598	386,400
2002-03		M-02-MC-26-0216	518,466	395,756
2003-04		M-03-MC-26-0216	268,114	261,016
2004-05		M-04-MC-26-0216	328,821	107,322
2005-06		M-05-MC-26-0216	539,558	181,635
2006-07		M-06 MC-26-0216	745,393	86,502
2007-08		M-07-MC-26-0216	-	72,454
(3) Housing Opportunities for Persons with AIDS	14.241			
2006-07		MIH06F002	$ 285,471	$ 301,155
2007-08		MIH07F002	-	116,070
Byrne Memorial Formula Grant Program	16.579			
2006-07 Grant		SCAO 2007-009	$ -	$ 119,802
2007-08 Grant		SCAO 2008-038	-	122,331
Public Safety Partnership and Community Policing Grants:	16.710			
Secure Our Schools Grant		2005-CKWX-0554	$ -	$ 245,791
COPS Interoperable Communications Technology Program Grant		2004-INWX-0011	270,403	3,551,091
Byrne Memorial Justice Assistance Grant:	16.738			
2006 Grant			$ -	$ 25,505
Centers for Disease Control and Prevention, Investigations and Technical Assistance:	93.283			
Cities Readiness Initiative Grant			$ -	$ 74,773
Emergency Management Performance Grant:	97.042			
2007-08			$ -	$ 56,575
2005 Homeland Security Grant Program	97.067	GET50014	$ -	$ 220,764
Metropolitan Medical Response System	97.071	233-02-0032	$ 167,792	$ 511,103

Grantee Matching Contributions & Miscellaneous Revenue	Expenditures	Advances (Repayments) or Adjustments	Cash / Deferred Grant Revenue June 30, 2008
$ 530,887	$ (1,576,138)	$ -	$ 4,075
581,527	(1,722,802)	(132,891)	996
414,599	(1,379,438)	(21,000)	15,000
468,017	(1,573,412)	(46,888)	77,394
335,214	(1,248,419)	(381,063)	198,765
104,317	(503,478)	483,939	517,647
$ 356,364	$ (783,364)	$ (238)	$ -
505,423	(908,971)	(62,589)	-
264,539	(631,685)	(248,598)	19,254
975,476	(1,262,107)	(211,861)	415,730
770,099	(941,115)	(103,488)	254,626
208,905	(248,634)	(147,093)	249,321
469,992	(418,169)	(530,041)	242,975
392,772	(290,513)	(460,342)	473,812
59,266	(101,426)	669,045	699,339
$ -	$ (301,155)	$ (209,042)	$ 76,429
834	(116,804)	319,930	320,030
$ 224,794	$ (344,596)	$ -	$ -
162,368	(284,699)	-	-
$ -	$ (245,791)	$ -	$ -
$ -	(3,551,091)	(39,207)	231,196
$ -	$ (25,505)	$ -	$ -
$ -	$ (74,773)	$ -	$ -
$ 168,973	$ (225,548)	$ -	$ -
$ -	$ (115,231)	$ -	$ 105,533
$ -	$ (511,103)	$ (58,894)	$ 108,898

CITY OF WARREN, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2008

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

CITY OF WARREN, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2008

Summary of Audit Results:

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Warren.

2. No reportable conditions relating to the financial statements are reported in the independent Auditor's Report.

3. No instances of noncompliance material to the financial statements of the City of Warren were disclosed during the audit.

4. No reportable conditions relating to the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.

5. The auditor's report on compliance for Community Development Block Grant and Home Investment Partnership expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the City of Warren.

7. The programs tested as major programs include: Community Development Block Grant - CFDA #14.218 and Home Investment Partnership - CFDA #14.239.

8. Type A programs are programs with $300,000 or more of federal expenditures. Type B programs are programs with federal expenditures between $100,000 and $300,000.

9. The City of Warren was determined to be a low-risk auditee.

Findings – Financial Statements Audit:

None

Findings and Questioned Costs – Major Federal Award Program Audit:

None

EXHIBIT E-2

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 1999/00 - C.D.B.G. No. B-99-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 1999 through June 30, 2008

Total 1999/00 program year funds allocated to recipient	$ 1,138,000
Add: Unobligated funds reprogrammed from:	
1998/99 program year	300,000
Less: Unobligated funds reprogrammed to:	
1997/98 program year	(92)
2000/01 program year	(5,992)
2001/02 program year	(13,132)
2002/03 program year	(369,458)
Total 1999/00 program year adjusted resources	1,049,326
Less: 1999/00 program year funds drawn by recipient	(1,045,251)
1999/00 program year funds available from HUD	$ 4,075
Total 1999/00 program year funds drawn down by recipient	$ 1,045,251
Add: Program income allocated to 1999/00 program year	530,887
Total 1999/00 program year funds received	1,576,138
Less: Funds applied to 1999/00 program year costs	(1,576,138)
1999/00 program year funds held by recipient	$ -
Total 1990/00 program year funds available for disposition	$ 4,075

See accompanying notes to financial statements.

EXHIBIT E-3

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 1999/00 - C.D.B.G. No. B-99-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 1999 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-99 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ -	$ 530,887 (1)	$ 530,887	$ -
Public Improvements:				
Street Improvements	-	396,868 (2)	396,868	-
Tree Planting	-	44,590 (5)	44,590	-
Community Police Unit	-	144,550	144,550	-
Administrative Costs	-	177,400	177,400	-
Planning Studies	-	50,000	45,925	-
Contractual Services:				
Chore Services	-	26,000	26,000	-
Code Enforcement - Housing Ordinance	-	75,418 (3)	75,418	-
Code Enforcement - Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	10,500	10,500	-
Abandoned Building Removal	-	40,000	40,000	-
Arsenal Acres Clearance	-	44,000 (6)	44,000	-
Contingency and Local Options	-	- (4)	-	-
	$ -	$ 1,580,213	$ 1,576,138	$ -

(1) Original “Housing Rehabilitation” allocation of $300,000 was increased by $530,887 from program income earned (original budgeted estimate for program income was $400,000). It was decreased by reprogramming $300,000 to “Street Improvements” in the 2002/03 program year.

(2) “Street Improvements” was increased by reprogramming $300,000 from “Street Improvements” in the 1998-99 program year and decreased by reprogramming $100,000 to “Arsenal Acres Clearance” in the 1999-00 program year and by reprogramming $13,132 to “Park Roof Replacements” in the 2001-02 program year.

(3) “Code Enforcement” was increased by reprogramming $11,000 from “Contingency and Local Option” in the 1999-00 program year. “Code Enforcement” was decreased by reprogramming $582 to “Handicap Ramp Curb Cuts” in the 2000-01 program year.

(4) “Contingencies and Local Option” was decreased by reprogramming $11,000 to “Code Enforcement” in the 1999-00 program year. It was decreased by reprogramming $3,449 to “Street Improvements” and $10,009 to “Contingencies” in the 2002/03 program year.

(5) “Tree Planting” was decreased by reprogramming $5,410 to “Handicap Ramp Curb Cuts” in the 2000-01 program year.

(6) “Arsenal Acres Clearance” was decreased by reprogramming $56,000 to “Street Improvements” in the 2002/03 program year.

See accompanying notes to financial statements.

EXHIBIT E-4

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2003/04 – C.D.B.G. No. B-03-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2003 through June 30, 2008

Total 2003/04 program year funds allocated to recipient	$ 1,090,000
Add: Unobligated funds reprogrammed from:	
2002/03 program year	110,000
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(22,386)
2004/05 program year	(6,637)
2005/06 program year	(8,197)
2006/07 program year	(20,509)
Total 2003/04 program year adjusted resources	$ 1,142,271
Less: 2003/04 program year funds drawn by recipient	(1,141,275)
2003/04 program year funds available from HUD	$ 996
Total 2003/04 program year funds drawn down by recipient	$ 1,141,275
Add: Program income allocated to 2003/04 program year	581,527
Total 2003/04 program year funds received	1,722,802
Less: Funds applied to 2003/04 program year costs	(1,722,802)
2003/04 program year funds held by recipient	-
Total 2003/04 program year funds available for disposition	$ 996

See accompanying notes to financial statements.

EXHIBIT E-5

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2003/04 – C.D.B.G. No. B-03-MC-26-0016

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2003 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-03 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ 119,227	$ 1,026,527 (1)	$ 1,026,527	$ -
Rehabilitation Delivery	-	170,000	170,000	-
Fire Safety Equipment	-	103,363 (2)	103,363	-
Administrative Costs	-	218,000	218,000	-
Contractual Services:				
CHORE Service	-	29,103 (4)	29,103	-
Code Enforcement – Housing Ordinance	-	66,491 (6)	66,491	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	10,500	10,500	-
Homeless Shelter	-	20,314 (5)	20,314	-
Abandoned Building Removal	13,664	39,500	38,504	-
Contingency and Local Option	-	- (3)	-	-
	$ 132,891	$ 1,723,798	$ 1,722,802	$ -

(1) Original "Housing Rehabilitation" allocation of $445,000 was increased by $181,527 from program income earned (original budgeted estimate for program income was $400,000).

(2) "Fire Safety Equipment" was increased by reprogramming $110,000 from "Street Paving" in the 2002/03 program year and decreased by reprogramming $6,637 to "Street Paving" in the 2004/05 program year.

(3) "Contingency and Local Option" was decreased by reprogramming $22,499 to the following:
$ 1,998 to "Homeless Prevention" in the 2002/03 program year.
$ 20,387 to "Handicap Ramp Curb Cuts" in the 2002/03 program year.
$ 114 to "Contingency and Local Option" in the 2005/06 program year.

(4) "CHORE Service" was decreased by reprogramming $1,809 to "Street Improvements" and $4,088 to "Contingency and Local Option" in the 2005/06 program year.

(5) "Homeless Shelter" was decreased by reprogramming $2,186 to "Contingency and Local Option" in the 2005/06 program year.

(6) "Code Enforcement – Housing Ordinance" was decreased by reprogramming $20,509 to "Sidewalk Replacement" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-6

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2004/05 – C.D.B.G. No. B-04-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2004 through June 30, 2008

Total 2004/05 program year funds allocated to recipient	$ 1,053,000
Add: Unobligated funds reprogrammed from:	
2000/01 program year	12,259
2001/02 program year	200,000
2002/03 program year	146,346
2003/04 program year	6,638
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(21,094)
2005/06 program year	(318,937)
2006/07 program year	(78,373)
2007/08 program year	(20,000)
Total 2004/05 program year adjusted resources	$ 979,839
Less: 2004/05 program year funds drawn by recipient	(964,839)
2004/05 program year funds available from HUD	$ 15,000
Total 2004/05 program year funds drawn down by recipient	$ 964,839
Add: Program income allocated to 2004/05 program year	414,599
Total 2004/05 program year funds received	1,379,438
Less: Funds applied to 2004/05 program year costs	(1,379,438)
2004/05 program year funds held by recipient	$ -
Total 2004/05 program year funds available for disposition	$ 15,000

See accompanying notes to financial statements.

EXHIBIT E-7

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-04 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ 1,000	$ 415,599 (1)	$ 415,599	$ -
Rehabilitation Delivery	-	100,000	100,000	-
Administrative Costs	-	195,600	195,600	-
Planning Study	-	15,000	-	-
Public Improvements:				
Sidewalk Replacement	-	121,063 (6)	121,063	-
Street Paving	-	358,939 (2)	358,939	-
Contractual Services:				
CHORE Service	-	30,270 (7)	30,270	-
Code Enforcement – Housing Ordinance	-	65,506 (5)	65,506	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	-	13,000 (3)	13,000	-
Homeless Shelter	-	22,500	22,500	-
Homeless Prevention	-	16,961 (8)	16,961	-
Abandoned Building Removal	-	- (9)	-	-
Contingency and Local Option	-	- (4)	-	-
	$ 1,000	$ 1,394,438	$ 1,379,438	$ -

(1) Original "Housing Rehabilitation" allocation of $601,000 was decreased by $185,401 from less program income earned than budgeted (original budgeted estimate for program income was $600,000).

(2) "Street Paving" was increased by reprogramming $305,850 from the following:
- $ 6,638 from "Fire Safety Equipment" in the 2003/04 program year.
- $ 12,259 from "Street Paving" in the 2000/01 program year.
- $ 10,096 from "Code Enforcement – Housing Ordinance" in the 2002/03 program year.
- $ 200,000 from "Housing Rehabilitation" in the 2001/02 program year.
- $ 76,857 from "Housing Rehabilitation" in the 2002/03 program year.

"Street Paving" was decreased by reprogramming $180,000 to "Street Paving" in the 2005/06 program year and $7,061 to "Sidewalk Replacement" in the 2006/07 program year.

(3) "Housing Support Services" was increased by reprogramming $1,250 from "Housing Support Services" in the 2002/03 program year.

(4) "Contingencies and Local Options" was increased by reprogramming $58,143 from "Housing Rehabilitation" in the 2002/03 program year and decreased by reprogramming $58,143 to the following:
- $ 21,094 to "Street Paving" in the 2002/03 program year.
- $ 3,500 to "Code Enforcement – Housing Ordinance" in the 2004/05 program year.
- $ 33,549 to "Sidewalk Replacement" in the 2006/07 program year.

(5) "Code Enforcement – Housing Ordinance" was increased by reprogramming $3,500 from "Contingency and Local Option" in the 2004/05 program year and decreased by reprogramming $24,994 to "Sidewalk Replacement" in the 2006/07 program year.

(6) "Sidewalk Replacement" was decreased by reprogramming $138,937 to "Street Paving" in the 2005/06 program year.

(7) "Chore Service" was decreased by reprogramming $4,730 to "Sidewalk Replacement" in the 2006/07 program year.

(8) "Homeless Prevention" was decreased by reprogramming $8,039 to "Sidewalk Replacement" in the 2006/07 program year.

(9) "Abandoned Building Removal" was decreased by reprogramming $20,000 to "Abandoned Building Removal" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-8

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2005 through June 30, 2008

Total 2005/06 program year funds allocated to recipient	$ 989,335
Add: Unobligated funds reprogrammed from:	
2002/03 program year	30,655
2003/04 program year	8,197
2004/05 program year	318,937
Less: Unobligated funds reprogrammed to:	
2002/03 program year	(20,986)
2006/07 program year	(143,349)
Total 2005/06 program year adjusted resources	$ 1,182,789
Less: 2005/06 program year funds drawn by recipient	(1,105,395)
2005/06 program year funds available from HUD	$ 77,394
Total 2005/06 program year funds drawn down by recipient	$ 1,105,395
Add: Program income allocated to 2005/06 program year	468,017
Total 2005/06 program year funds received	1,573,412
Less: Funds applied to 2005/06 program year costs	(1,573,412)
2005/06 program year funds held by recipient	$ -
Total 2005/06 program year funds available for disposition	$ 77,394

See accompanying notes to financial statements.

EXHIBIT E-9

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-05 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ 46,363	$ 518,736 (1)	$ 441,631	$ -
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	525	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)	-	-
	$ 46,888	$1,650,806	$ 1,573,412	$ -

(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 2006/07program year.

(6) "Chore Service" was decreased by reprogramming $9,623 to "Housing Rehabilitation" in the 2006/07 program year.

(7) "Sidewalk Replacement" was decreased by reprogramming $49,461 to "Housing Rehabilitation" in the 2006/07 program year.

(8) "Homeless Prevention" was decreased by reprogramming $1,168 to "Housing Rehabilitation" in the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-10

CITY OF WARREN, MICHIGAN
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
PROGRAM YEAR 2006/07 – C.D.B.G. No. B-06-MC-26-0016

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2008

Total 2006/07 program year funds allocated to recipient	$ 886,739
Add: Unobligated funds reprogrammed from:	
2003/04 program year	20,509
2004/05 program year	78,373
2005/06 program year	143,349
Less: Unobligated funds reprogrammed to:	
2007/08 program year	(17,000)
Total 2006/07 program year adjusted resources	$ 1,111,970
Less: 2006/07 program year funds drawn by recipient	(913,205)
2006/07 program year funds available from HUD	$ 198,765
Total 2006/07 program year funds drawn down by recipient	$ 913,205
Add: Program income allocated to 2006/07 program year	335,214
Total 2006/07 program year funds received	1,248,419
Less: Funds applied to 2006/07 program year costs	(1,248,419)
2006/07 program year funds held by recipient	$ -
Total 2006/07 program year funds available for disposition	$ 198,765

See accompanying notes to financial statements.

EXHIBIT E-11

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-06 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ 2,405	$ 414,803 (1)	$ 270,453	$ -
Rehabilitation Delivery	49,099	175,000	175,000	-
Administrative Costs	14,558	242,107 (2)	242,108	-
Public Improvements:				
Sidewalk Replacement	204,932	348,882 (3)	331,438	-
Contractual Services:				
CHORE Service	21,090	33,000 (4)	26,517	-
Code Enforcement – Housing Ordinance	49,439	110,000	100,553	-
Code Enforcement – Rental Ordinance	-	40,000	40,000	-
Housing Support Services	12,350	13,975	12,350	-
Homeless Shelter	1,100	30,000	30,000	-
Homeless Prevention	9,090	15,000	15,000	-
Child Advocacy	-	5,000	5,000	-
Contingency and Local Option	-	19,417	-	-
	$ 364,063	$ 1,447,184	$ 1,248,419	$ -

(1) Original "Housing Rehabilitation" allocation of $401,000 was decreased by $129,546 from less program income earned than budgeted (original budgeted estimate for program income was $400,000). It was also increased by reprogramming $143,349 from the following:
- $ 9,623 from "Chore Service" in the 2005/06 program year.
- $ 43,319 from "Street Paving" in the 2005/06 program year.
- $ 19,204 from "Code Enforcement-Housing Ordinance" in the 2005/06 program year.
- $ 49,461 from "Sidewalk Replacement" in the 2005/06 program year.
- $ 1,168 from "Homeless Prevention" in the 2005/06 program year.
- $ 20,572 from "Contingency and Local Option" in the 2005/06 program year.

(2) Original "Administrative Costs" allocation of $277,347 was decreased by $35,240 from less program income earned than budgeted (original budgeted estimate for program income was $100,000).

(3) "Sidewalk Replacement" was increased by reprogramming $98,882 from the following:
- $ 20,509 from "Code Enforcement-Housing Ordinance" in the 2003/04 program year.
- $ 24,994 from "Code Enforcement-Housing Ordinance" in the 2004/05 program year.
- $ 4,730 from "Chore Service" in the 2004/05 program year.
- $ 7,061 from "Street Paving" in the 2004/05 program year.
- $ 8,039 from "Homeless Prevention" in the 2004/05 program year.
- $ 33,549 from "Contingency and Local Option" in the 2004/05 program year.

"Sidewalk Replacement" was decreased by reprogramming $15,000 to "Homeless Prevention" in the 2007/08 program year.

(4) "Chore Service" was decreased by reprogramming $2,000 to "Chore Service" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-12

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2008

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
Total 2007/08 program year adjusted resources	$ 916,808
Less: 2007/08 program year funds drawn by recipient	(432,869)
2007/08 program year funds available from HUD	$ 483,939
Total 2007/08 program year funds drawn down by recipient	$ 432,869
Add: Program income allocated to 2007/08 program year	104,317
Total 2007/08 program year funds received	537,186
Less: Funds applied to 2006/07 program year costs	(503,478)
2006/07 program year funds held by recipient	$ 33,708
Total 2006/07 program year funds available for disposition	$ 517,647

See accompanying notes to financial statements.

EXHIBIT E-13

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-07 thru 6-30-08	Questioned Costs
Housing Rehabilitation	$ 59,638	$ 225,105 (1)	$ 59,638	$ -
Rehabilitation Delivery	97,655	175,000	97,655	-
Administrative Costs	153,098	176,363 (2)	153,098	-
Public Improvements:				
Sidewalk Replacement	46,096	170,000	46,096	-
Contractual Services:				
Abandoned buildings	-	20,000 (3)	-	-
CHORE Service	14,074	32,000 (4)	14,074	-
Code Enforcement – Housing Ordinance	52,584	110,000	52,584	-
Code Enforcement – Rental Ordinance	40,000	40,000	40,000	-
Housing Support Services	-	9,675	-	-
Homeless Shelter	16,819	24,000	16,819	-
Homeless Prevention	19,514	25,000 (5)	19,514	-
Child Advocacy	4,000	4,000	4,000	-
Homebuyer preparation	-	5,000 (6)	-	-
Contingency and Local Option	-	4,982 (7)	-	-
	$ 503,478	$ 1,021,125	$ 503,478	$ -

(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.

(5) "Homeless Prevention" was increased by reprogramming $15,000 from "Sidewalk Replacement" in the 2006/07 program year.

(6) "Homebuyer Preparation" was increased by reprogramming $5,000 from "Contingency and Local Option" in the 2007/08 program year.

(7) "Contingency and Local Option" was decreased by reprogramming $5,000 to "Homebuyer Preparation" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-14

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 1999/00 - H.O.M.E. No. M-99-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 1999 through June 30, 2008

Total 1999/00 program year funds allocated to recipient	$ 437,000
Less: Unobligated funds reprogrammed to: 2002/03 program year	(10,000)
Total program year adjusted resources	$ 427,000
Less: 1999/00 program year funds drawn by recipient	(427,000)
1999/00 program year funds available from HUD	$ -
Total 1999/00 program year funds drawn down by recipient	$ 427,000
Add: Program Income	199,983
Rental matching funds	10,645
Community processing fees	600
Local matching contributions received and allocated to 1999/00 program year	145,136
Total 1999/00 program year funds received	783,364
Less: Funds applied to 1999/00 program year costs	(783,364)
1999/00 program year funds held by recipient	$ -
Total 1999/00 program year funds available for disposition	$ -

See accompanying notes to financial statements.

EXHIBIT E-15

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 1999/00 - H.O.M.E. No. M-99-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 1999 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-99 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ -	$ 534,591 (1)	$ 534,591	$ -
Rental Rehabilitation	-	10,645 (2)	10,645	-
Single Family Acquisition Rehabilitation	-	162,540 (3)	158,977	-
CHDO Operating	-	12,000 (6)	15,563	-
Direct Homebuyer Assistance	-	125 (4)	125	-
Program Administration	238	63,463 (5)	63,463	-
	$ 238	$ 783,364	$ 783,364	$ -

(1) "Acquisition / New Construction" was increased by $46,886 from more local match contributions received than budgeted and decreased by $36,045 from program income not received as budgeted.

(2) "Rental Rehabilitation" budget was increased by $10,645 from more rental matching funds received than budgeted.

(3) "Single Family Acquisition Rehabilitation" was increased by $125 from more local match contributions received than budgeted, decreased by $11,135 from program income not received as budgeted and decreased by $12,000 for CHDO Operating.

(4) "Direct Homebuyer Assistance" was decreased by $425 from local match contributions not received as budgeted and decreased by reprogramming $10,000 to "Direct Homebuyer Assistance" in the 2002/03 program year.

(5) "Program Administration" was increased by $600 from more processing fees received than budgeted and increased by $7,163 from more program income received than budgeted.

(6) "CHDO Operating" in the amount of $12,000 was previously included in "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-16

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2000/01 - H.O.M.E. No. M-00-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2000 through June 30, 2008

Total 2000/01 program year funds allocated to recipient	$ 437,000
Add: Unobligated funds reprogrammed from 1998/99 program year	39,753
Less: Unobligated funds reprogrammed to 2002/03 program year	(73,205)
Total program year adjusted resources	403,548
Less: 2000/01 program year funds drawn by recipient	(403,548)
2000/01 program year funds available from HUD	$ -
Total 2000/01 program year funds drawn down by recipient	$ 403,548
Add: Program Income	395,558
Rental matching funds	11,865
Community processing fees	-
Local matching contributions received and allocated to 2000/01 program year	98,000
Total 2000/01 program year funds received	908,971
Less: Funds applied to 2000/01 program year costs	(908,971)
2000/01 program year funds held by recipient	$ -
Total 2000/01 program year funds available for disposition	$ -

See accompanying notes to financial statements.

EXHIBIT E-17

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2000/01 - H.O.M.E. No. M-00-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2000 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-00 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 62,589	$ 636,013 (1)	$ 675,279	$ -
Rental Rehabilitation	-	11,865 (2)	11,865	-
Single Family Acquisition Rehabilitation	-	162,183 (3)	123,882	-
CHDO Operating	-	20,545 (6)	20,368	-
Direct Homebuyer Assistance	-	- (4)	-	-
Program Administration	-	78,365 (5)	77,577	-
Contingencies	-	-	-	-
	$ 62,589	$ 908,971	$ 908,971	$ -

(1) "Acquisition / New Construction" was increased by reprogramming $3,255 from "Rental Rehabilitation" in the 1998/99 program year. It was decreased by $64,454 from program income not received as budgeted.

(2) "Rental Rehabilitation" budget was increased by $11,865 from more rental matching funds received than budgeted. It was decreased by reprogramming $50,000 to "Acquisition New Construction" in the 2002/03 program year.

(3) "Single Family Acquisition Rehabilitation" was increased by reprogramming $36,494 from "Rental Rehabilitation" in the 1998/99 program year and by reprogramming $3 from "Single Family Acquisition Rehabilitation" in the 1997/98 program year. It was increased by $6,135 from more program income received than budgeted. It was decreased by $20,545 for "CHDO Operating".

(4) "Direct Homebuyer Assistance" was decreased by $550 from local match contributions not received as budgeted. It was decreased by reprogramming $15,000 to "Acquisition New Construction" in the 2002/03 program year.

(4) "Program Administration" was decreased by $6,123 from program income not received as budgeted.

(5) "Contingencies" was decreased by reprogramming $8,205 to "Acquisition New Construction" in the 2002/03 program year.

(6) "CHDO Operating" in the amount of $20,545 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-18

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2001/02 - H.O.M.E. No. M-01-MC-26-0216

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2001 through June 30, 2008

Total 2001/02 program year funds allocated to recipient	$ 488,000
Less: Unobligated funds reprogrammed to the 2002/03 program year	(101,600)
Less: 2001/02 program year funds drawn by recipient	(386,400)
2001/02 program year funds available from HUD	$ -
Total 2001/02 program year funds drawn down by recipient	$ 386,400
Add: Program Income	153,353
Local matching contributions received and allocated to 2001/02 program year	111,186
Total 2001/02 program year funds received	650,939
Less: Funds applied to 2001/02 program year costs	(631,685)
2001/02 program year funds held by recipient	$ 19,254
Total 2001/02 program year funds available for disposition	$ 19,254

See accompanying notes to financial statements.

EXHIBIT E-19

CITY OF WARREN, MICHIGAN
HOME INVESTMENT PARTNERSHIP FUND
PROGRAM YEAR 2001/02 - H.O.M.E. No. M-01-MC-26-0216

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2001 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-01 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 227,497	$ 425,868 (1)	$ 408,549	$ -
Single Family Acquisition Rehabilitation	1,847	126,179 (2)	131,864	-
CHDO Operating	-	34,632 (5)	34,632	
Direct Homebuyer Assistance	-	125 (3)	125	-
Program Administration	-	64,135 (4)	56,515	-
	$ 229,344	$ 650,939	$ 631,685	$ -

(1) "Acquisition / New Construction" was decreased by $265,193 from program income not received as budgeted and increased by $1,061 from more match received than budgeted.

(2) "Single Family Acquisition Rehabilitation" was decreased by $135,389 from program income not received as budgeted. It was decreased by reprogramming $101,600 to "Acquisition New Construction" in the 2002/03 program year and decreased by $34,632 for "CHDO Operating".

(3) "Direct Homebuyer Assistance" was increased by $125 from more local match contributions received than budgeted.

(4) "Program Administration" was decreased by $26,065 from program income not received as budgeted.

(5) "CHDO Operating" in the amount of $34,632 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-20

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, 2008

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	(395,756)
2002/03 program year funds available from HUD	$ 306,605

Total 2002/03 program year funds drawn down by recipient	$ 395,756
Add: Program Income	829,461
Local matching contributions received and allocated to 2002/03 program year	146,015
Total 2002/03 program year funds received	1,371,232
Less: Funds applied to 2002/03 program year costs	(1,262,107)
2002/03 program year funds held by recipient	$ 109,125
Total 2002/03 program year funds available for disposition	$ 415,730

See accompanying notes to financial statements.

EXHIBIT E-21

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-02 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 87,736	$ 1,213,684 (1)	$ 799,929	$ -
Single Family Acquisition Rehabilitation	-	195,478 (2)	169,539	-
CHDO Operating	20,000	24,250 (4)	20,000	
Direct Homebuyer Assistance	-	135,925 (3)	135,925	-
Program Administration	-	108,500	136,714	-
	$ 107,736	$ 1,677,837	$ 1,262,107	$ -

(1) "Acquisition / New Construction" was decreased by reprogramming $75,000 to "Direct Homebuyer Assistance" in the 2002/03 program year. It was increased by $135,289 from more program income received than budgeted and increased by $35,289 from more local match contributions received than budgeted. It was also increased by reprogramming $159,805 from the following:
$ 50,000 from "Rental Rehabilitation" in the 2000/01 program year.
$ 8,205 from "Contingencies" in the 2000/01 program year.
$101,600 from "Single Family Acquisition Rehabilitation" in the 2001/02 program year.

(2) "Single Family Acquisition Rehabilitation" was decreased by $24,384 from less program income received than budgeted and by reprogramming $1,444 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year. It was decreased by $24,250 for "CHDO Operating".

(3) "Direct Homebuyer Assistance" was increased by $925 from more local match contributions received than budgeted. It was also increased by reprogramming $134,000 from the following:
$ 4,000 from "Direct Homebuyer Assistance" in the 1996/97 program year.
$30,000 from "Direct Homebuyer Assistance" in the 1997/98 program year.
$10,000 from "Direct Homebuyer Assistance" in the 1999/00 program year.
$15,000 from "Direct Homebuyer Assistance" in the 2000/01 program year.
$75,000 from "Acquisition New Construction" in the 2002/03 program year.

(4) "CHDO Operating" in the amount of $24,250 was previously combined with "Single Family Acquisition Rehabilitation".

See accompanying notes to financial statements.

EXHIBIT E-22

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, 2008

Total 2003/04 program year funds allocated to recipient	$ 425,642
Less: 2003/04 program year funds drawn by recipient	(261,016)
2003/04 program year funds available from HUD	$ 164,626
Total 2003/04 program year funds drawn down by recipient	$ 261,016
Add: Program Income	646,889
Local matching contributions received and allocated to 2003/04 program year	123,210
Total 2003/04 program year funds received	1,031,115
Less: Funds applied to 2003/04 program year costs	(941,115)
2003/04 program year funds held by recipient	$ 90,000
Total 2003/04 program year funds available for disposition	$ 254,626

See accompanying notes to financial statements.

EXHIBIT E-23

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-03 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ -	$ 804,709 (1)	$ 562,022	$ -
Single Family Acquisition Rehabilitation	3,488	173,468 (2)	226,529	-
CHDO Operating	10,000	15,000 (3)	10,000	-
Direct Homebuyer Assistance	-	100,000	100,000	-
Program Administration	-	102,564	42,564	-
	$ 13,488	$ 1,195,741	$ 941,115	$ -

(1) "Acquisition / New Construction" was increased by $27,268 from more program income received than budgeted and increased by $33,210 from more local match contributions received than budgeted. It was decreased by $15,000 for "CHDO Operating".

(2) "Single Family Acquisition Rehabilitation" was increased by $19,621 from more program income received than budgeted.

(3) "CHDO Operating" in the amount of $15,000 was previously combined with "Acquisition New Construction".

See accompanying notes to financial statements.

EXHIBIT E-24

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, 2008

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	(107,322)
2004/05 program year funds available from HUD	$ 181,728
Total 2004/05 program year funds drawn down by recipient	$ 107,322
Add: Program Income	74,311
Local matching contributions received and allocated to 2004/05 program year	134,594
Total 2004/05 program year funds received	316,227
Less: Funds applied to 2004/05 program year costs	(248,634)
2004/05 program year funds held by recipient	$ 67,593
Total 2004/05 program year funds available for disposition	$ 249,321

See accompanying notes to financial statements.

EXHIBIT E-25

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-04 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ -	$ 212,027 (1)	$ 39,000	$ -
Single Family Acquisition Rehabilitation	4,000	72,311 (2)	6,471	-
CHDO Operating	-	21,200 (3)	20,000	-
Direct Homebuyer Assistance	4,000	80,000 (4)	80,000	-
Program Administration	-	112,417	103,163	-
	$ 8,000	$ 497,955	$ 248,634	$ -

(1) "Acquisition / New Construction" was decreased by $538,000 from less program income received than budgeted and increased by $4,594 from more local match contributions received than budgeted. It was decreased by $21,200 for "CHDO Operating". It was also decreased by reprogramming $51,500 to "Direct Homebuyer Assistance" in the 2007/08 program year.

(2) "Single Family Acquisition Rehabilitation" was decreased by $17,689 from less program income received than budgeted and decreased by reprogramming $63,627 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year.

(3) "CHDO Operating" in the amount of $21,200 was previously combined with "Acquisition New Construction".

(4) "Direct Homebuyer Assistance" was decreased by reprogramming $20,000 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-26

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, 2008

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	$ 9,517
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	79,000
Total 2005/06 program year funds received	651,627
Less: Funds applied to 2005/06 program year costs	(418,169)
2005/06 program year funds held by recipient	$ 233,458
Total 2005/06 program year funds available for disposition	$ 242,975

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-05 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 150,352	$ 575,313 (1)	$ 358,468	$ -
Single Family Acquisition Rehabilitation	1,447	21,320 (2)	1,447	-
CHDO Operating	-	20,349 (4)	10,000	-
Direct Homebuyer Assistance	-	- (5)	-	-
Program Administration	-	44,162 (3)	48,254	-
	$ 151,799	$ 661,144	$ 418,169	$ -

(1) "Acquisition / New Construction" was decreased by $83,792 from less program income received than budgeted and increased by $34,000 from more local match contributions received than budgeted. It was decreased by $20,349 for "CHDO Operating". It was also decreased by reprogramming $84,784 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

(2) "Single Family Acquisition Rehabilitation" was decreased by $68,680 from less program income received than budgeted and by reprogramming $71,049 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year

(3) "Program Administration" was decreased by $56,537 from less program income received than budgeted.

(4) "CHDO Operating" in the amount of $20,349 was previously combined with "Acquisition / New Construction".

(5) "Direct Homebuyer Assistance" was decreased by reprogramming $60,000 to "Single Family Acquisition Rehabilitation" In the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-28

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, 2008

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	(86,502)
2006/07 program year funds available from HUD	$ 285,051
Total 2006/07 program year funds drawn down by recipient	$ 86,502
Add: Program Income	216,197
Local matching contributions received and allocated to 2006/07 program year	176,575
Total 2006/07 program year funds received	479,274
Less: Funds applied to 2006/07 program year costs	(290,513)
2006/07 program year funds held by recipient	$ 188,761
Total 2006/07 program year funds available for disposition	$ 473,812

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-06 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 31,291	$ 349,342 (1)	$ 31,291	$ -
Single Family Acquisition Rehabilitation	75	6,075 (2)	75	-
CHDO Operating	-	19,096	-	-
Direct Homebuyer Assistance	-	4,000 (4)	-	-
Program Administration	4,100	32,192	45,945	-
Owner Occupied Residential Rehabilitation	213,202	353,620 (3)	213,202	-
	$ 248,668	$ 787,238	$ 290,513	$ -

(1) "Acquisition / New Construction" was increased by $216,197 from more program income received than budgeted. It was decreased by reprogramming $52,488 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

(2) "Single Family Acquisition Rehabilitation" was decreased by reprogramming $94,000 to "Owner Occupied Residential Rehabilitation" in the 2006/07 program year. It was increased by $75 from more local match contributions received than budgeted.

(3) "Owner Occupied Residential Rehabilitation" was added by reprogramming $230,120 from the following:
$ 1,444 from "Single Family Acquisition Rehabilitation" in the 2002/03 program year.
$ 63,627 from "Single Family Acquisition Rehabilitation" in the 2004/05 program year.
$ 71,049 from "Single Family Acquisition Rehabilitation" in the 2005/06 program year.
$ 94,000 from "Single Family Acquisition Rehabilitation" in the 2006/07 program year.
It was increased by $123,500 from more local match contributions received than budgeted.

(4) "Direct Homebuyer Assistance" was decreased by reprogramming $12,000 to "Single Family Acquisition Rehabilitation" and $76,000 to "Direct Homebuyer Assistance" and $6,000 to "Program Administration" in the 2007/08 program year.

See accompanying notes to financial statements.

EXHIBIT E-30

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, 2008

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	(72,454)
2007/08 program year funds available from HUD	$ 669,045
Total 2007/08 program year funds drawn down by recipient	$ 72,454
Add: Program Income	59,266
Local matching contributions received and allocated to 2007/08 program year	-
Total 2007/08 program year funds received	131,720
Less: Funds applied to 2007/08 program year costs	(101,426)
2007/08 program year funds held by recipient	$ 30,294
Total 2007/08 program year funds available for disposition	$ 699,339

See accompanying notes to financial statements.

EXHIBIT E-31

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-07 thru 6-30-08	Questioned Costs
Acquisition / New Construction	$ 35	$ 81,616 (1)	$ 35	$ -
Single Family Acquisition Rehabilitation	-	428,841 (2)	-	-
CHDO Operating	-	18,936	-	-
Direct Homebuyer Assistance	-	127,500 (3)	-	-
Program Administration	101,391	43,872	101,391	-
Owner Occupied Residential Rehabilitation	-	100,000 (4)	-	-
	$ 101,426	$ 800,765	$ 101,426	$ -

(1) "Acquisition / New Construction" was decreased by $297,000 from less program income received than budgeted and by $85,000 from less match received than budgeted. "Acquisition / New Construction" was decreased by reprogramming $140,303 to "Single Family Acquisition Rehabilitation" in the 2007/08 program year.

(2) "Single Family Acquisition Rehabilitation" was increased by $59,266 from more program income received than budgeted and it was increased by reprogramming $369,575 from the following:
- $ 84,784 from "Acquisition / New Construction" in the 2005/06 program year.
- $ 52,488 from "Acquisition / New Construction" in the 2006/07 program year.
- $140,303 from "Acquisition / New Construction" in the 2007/08 program year.
- $ 20,000 from "Direct Homebuyer Assistance" in the 2004/05 program year.
- $ 60,000 from "Direct Homebuyer Assistance" in the 2005/06 program year.
- $ 12,000 from "Direct Homebuyer Assistance" in the 2006/07 program year.

(3) "Direct Homebuyer Assistance" was added by reprogramming $76,000 from "Direct Homebuyer Assistance" in the 2006/07 program year and $51,500 from "Acquisition / New Construction" in the 2004/05 program year.

(4) "Program Administration" was decreased by $33,000 from less program income received than budgeted and increased by reprogramming $6,000 from "Direct Homebuyer Assistance" from the 2006/07 program year.

See accompanying notes to financial statements.

EXHIBIT E-32

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2006/07 – ACCOUNT NO. MIH06F002

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2006 through June 30, 2008

Total 2006/07 program year funds allocated to recipient	$ 397,000
Add: Unobligated funds reprogrammed from:	
2004/05 program year	1,589
2005/06 program year	5,995
Less: Unobligated funds reprogrammed to:	
2007/08 program year	(27,000)
Total 2006/07 program year adjusted resources	377,584
Less: 2006/07 program year funds drawn by recipient	(301,155)
2006/07 program year funds available from HUD	$ 76,429
Total 2006/07 program year funds drawn down by recipient	$ 301,155
Less: Funds applied to 2006/07 program year costs	(301,155)
2006/07 program year funds held by recipient	$ -
Total 2006/07 program year funds available for disposition	$ 76,429

See accompanying notes to financial statements.

CITY OF WARREN, MICHIGAN
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PROGRAM YEAR 2006/07 – ACCOUNT NO. MIH06F002

STATEMENT OF PROGRAM COSTS

For the Period July 1, 2006 through June 30, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-06 thru 6-30-08	Questioned Costs
Emergency Housing Assistance	$ -	$ - (1)	$ -	$ -
Housing Advocacy Assistance	45,041	100,000	94,948	-
Tenant Based Rental Assistance	98,301	185,995 (2)	127,660	-
In Home Non-medical Care for Mentally Fragile	20,568	40,000 (3)	40,000	-
Administrative Costs	2,663	11,910	11,910	-
Short-term Rent, Mortgage and Utility Assistance	8,968	20,000 (4)	18,536	-
Move In Assistance	6,501	19,679 (5)	8,101	-
	$ 182,042	$ 377,584	$ 301,155	$ -

(1) "Emergency Housing Assistance" was decreased by reprogramming $66,679 to the following:
$ 32,000 to "Short-term Rent, Mortgage and Utility Assistance" in the 2006/07 program year.
$ 34,679 to "Move In Assistance" in the 2006/07 program year.

(2) "Tenant Based Rental Assistance" was increased by reprogramming $5,995 from the following:
$ 156 from "Emergency Housing Assistance" in the 2005/06 program year.
$ 599 from "Housing Advocacy" in the 2005/06 program year.
$ 5,240 from "Contingency and Local Option" in the 2005/06 program year.

(3) "In Home Non-medical Care for Medically Fragile" was increased by reprogramming $1,589 from "In Home Non-medical Care for Medically Fragile" in the 2004/05 program year.

(4) "Short-term Rent, Mortgage and Utility Assistance" was increased by reprogramming $32,000 from "Emergency Housing Assistance" in the 2006/07 program year and decreased by reprogramming $12,000 to "Short-term Rent, Mortgage and Utility Assistance" in the 2007/08 program year.

(5) "Move In Assistance" was increased by reprogramming $34,679 from "Emergency Housing Assistance" in the 2006/07 program year and decreased by reprogramming $10,000 to "Move In Assistance" and $5,000 to "Housing Advocacy Assistance" in the 2007/08 program year..

See accompanying notes to financial statements.

EXHIBIT E-34

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

STATEMENT OF SOURCE AND STATUS OF FUNDS

For the Period July 1, 2007 through June 30, 2008

Total 2007/08 program year funds allocated to recipient	$ 409,000
Add: Unobligated funds reprogrammed from: 2006/07 program year	27,000
Total 2007/08 program year adjusted resources	436,000
Less: 2007/08 program year funds drawn by recipient	(116,070)
2007/08 program year funds available from HUD	$ 319,930
Total 2007/08 program year funds drawn down by recipient	$ 116,070
Add: Program income	834
Less: Funds applied to 2007/08 program year costs	(116,804)
2007/08 program year funds held by recipient	$ 100
Total 2007/08 program year funds available for disposition	$ 320,030

See accompanying notes to financial statements.

EXHIBIT E-35

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, 2008

Program Activity and Related Costs	Expenditures 7-1-07 to 6-30-08	Authorized Costs	Cumulative Expenditures 7-1-07 thru 6-30-08	Questioned Costs
Emergency Housing Assistance	$ -	$ -	$ -	$ -
Housing Advocacy Assistance	55,128	105,000 (1)	55,128	-
Tenant Based Rental Assistance	-	180,000	-	-
In Home Non-medical Care for Mentally Fragile	22,826	40,000	22,826	-
Administrative Costs	7,648	12,270	7,648	-
Short-term Rent, Mortgage and Utility Assistance	11,820	48,730 (2)	11,820	-
Move In Assistance	19,382	50,000 (3)	19,382	-
	$ 116,804	$ 436,000	$ 116,804	$ -

(1) "Housing Advocacy Assistance" was increased by reprogramming $5,000 from "Move In Assistance" in the 2006/07 program year.

(2) "Short-term Rent, Mortgage, and Utility Assistance" was increased by reprogramming $12,000 from "Short-term Rent, Mortgage, and Utility Assistance" in the 2006/07 program year.

(3) "Move In Assistance" was increased by reprogramming $10,000 from "Move In Assistance" in the 2006/07 program year.

See accompanying notes to financial statements.

CITY OF WARREN

COMMENTS & RECOMMENDATIONS

JUNE 30, 2008

RAMIE E. PHILLIPS, JR, PC.CPA
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December 12, 2008

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

I have audited the general purpose financial statements of the City of Warren for the year ended June 30, 2008, and have issued my report thereon dated December 12, 2008. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under Generally Accepted Auditing Standards:

My responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

As part of my audit, I considered the internal controls of the City of Warren. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Downtown Development Authority:

*Construction Contract Management Controls:

The DDA has established a procedure to monitor contracts. Part of this procedure is the maintaining of a "contract payable summary" which lists in detail the contract, contract changes, and payments made to the contractor. This procedure is not being completely followed. I noted instances of the contract payable summary cards showing a balance due which did not agree to the general ledger balance.

I am recommending, the same as last year, that an updated contract summary be attached to each of the contractor's request for payment for the DDA Board to review. This will give the Board enough information to determine if the request for payment is in accordance with the contract and change orders.

*City Hall South Parking Lot Improvements:

The DDA prepared a purchase order in the amount of $9,000 for the purpose of improving the south parking lot. The City's purchasing ordinance requires that purchases in excess of $10,000 go out for bids. Since this Purchase Order was under the $10,000, formal bids were not obtained. There were three informal bids obtained. The successful bidder's bid was time and materials not to exceed $9,000.

At the August 6, 2008 DDA Board meeting an invoice to this contractor was approved in the amount of $29,012.50. On August 11, 2008 a "Request for Purchasing to Re-Encumber Purchase Order" was prepared which increased the original $9,000 bid to $29,012.50. The explanation for this increase was change in contract scope and some of the work that was going to be performed by City employees was not.

An invoice, dated August 13, 2008, for the delivery of 1,320 yards of topsoil delivered on July 2, 2008 was received by the DDA. On August 13, 2008 a purchase order was issued in the amount of $11,193.60 to cover this invoice. An additional Purchase Order to another trucking company in the amount of $1,960 was issued on August 13, 2008 for a June 30, 2008 invoice. This brings the total for this project to $42,166.10 ($29,012.50 + $11,193.60 + $1,960.00).

The cost of this $9,000 ended up costing $42,166.10. It appears that the scope of this project was not defined. The change to the initial purchase order put the total cost in excess of the $10,000 limit. The second purchase order in the amount of $11,193.60 does exceed the purchasing limit of $10,000 or should this have been included in the original purchase order which was for time and material?

It is my recommendation that when bids are requested a formal written spec sheet be prepared. Changes to this should be reviewed and approved by the DDA Board prior to incurring additional costs. I also recommend that the City's purchasing ordinance be followed.

Economic Stability

The City of Warren has been able to maintain a substantial fund balance which has given the City financial security. There are economic conditions which could decrease this balance. One of these is the decrease in tax revenues from an overall decrease in taxes and/or the failure of major tax payers failing to pay their taxes. In these economic times management needs to take steps to protect their revenue sources and to minimize the expenditures.

I do recommend that management be proactive in protecting the stability of the City's financial condition. The management needs to assure that the City is receiving all funds due it and at the same time scrutinizing where the City's funds are being expended. Cost cutting measures need to be thoroughly examined.

City of Warren Transfer Station:

*Contractor's Letter of Credit:

The City of Warren entered into a contract for the operation and maintenance of its solid waste transfer station, effective October 22, 2001.

In reviewing the contract and related files, I noted that the contractor's $1 million letter of credit had expired. This was reported by me in last year's comments and recommendations letter. This letter of credit was made a part of this contract to assure that the City of Warren would receive its $840,000 in royalties and that the transfer station would be returned to the City in operating order. This letter of credit gives the City a vehicle to collect any unpaid royalties and to restore the transfer station to a workable condition if the contractor defaults on this contract. If the current contractor was unable to fulfill the terms of this contract, collecting on the letter of credit would provide funds to engage another contractor to fulfill the contractor.

The contractor has commenced litigation to recover damages he feels he has incurred. This matter is currently pending.

Sincerely,

Ramie E. Phillips, Jr., PC, CPA