

City of Wyandotte, Michigan

**Financial Report
with Additional Information
September 30, 2007**

City of Wyandotte, Michigan

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Independent Auditor's Report

To the City Council
City of Wyandotte, Michigan

We 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 Wyandotte, Michigan (the "City") as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Wyandotte, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 Wyandotte, Michigan as of September 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, retirement system schedules of funding progress, and the budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the City Council
City of Wyandotte, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wyandotte, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

March 12, 2008

City of Wyandotte, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the City of Wyandotte, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2007. Please read it in conjunction with the City's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended September 30, 2007:

- Property tax revenue is the City's single, largest source of revenue. The City's 2006 taxable value (levied for the 2007 fiscal year) was \$676,682,000 (ad valorem), which represents an increase of \$26,692,000 or 4.11 percent in the current year. Increases in ad valorem taxable values in non-TIFA districts totaled 4.63 percent in the current year.
- State-shared revenue, our second largest revenue source, was reduced by the State of Michigan by approximately \$83,000 this year compared to the reduction of \$48,000 in the prior year. This represents a decrease of 2.4 percent in the current year. Further, the City is receiving approximately \$1,111,000 less per year than in 2000.
- The City continued the sharing agreements with the Consolidated Tax Increment Finance Authority and Downtown Development Authority. The sharing agreement with the Tax Increment Finance Authority returned approximately \$2,083,000 to the General Fund in the current year compared to \$1,887,000 in the prior year. The sharing agreement with the Downtown Development Authority returned approximately \$111,000 to the General Fund in the current year compared to \$125,000 in the prior year. Portions of these funds were used to defray annual operating costs with the remainder being contributed to the City of Wyandotte Retirement System.
- In previous years, the expenditures for retiree health insurance were made from the Health and Life Insurance Reserve of the Retirement System. Beginning in the prior year, the City's General Fund paid for the annual cost of retiree health insurance due to a lack of funds in the reserve. The City paid \$1,857,000 in the current year compared to \$2,000,000 in the prior year for the gross cost of retiree health insurance. Included in these amounts are approximately \$34,000 in the current year and \$203,000 in the prior year to be applied to future retiree health insurance premiums.
- The City utilized the charter-authorized debt millage to pay the debt service on the bonds sold to construct the Department of Public Service facility, the bonds sold to construct the police department and the 27th District Court facility and to renovate the Yack Arena, and the installment purchase agreement entered into by the City to fund various technology projects.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The amended budget of the City's General Fund indicated that an excess of revenues of approximately \$116,000 was to be expected. The actual results showed an excess of revenues of approximately \$26,000. This negative variance is attributed to the receipt of less state-shared revenue than expected.

The City remains cognizant of the difficult economic conditions that continue to negatively affect the operations of the City. As a result of this, we will continue to monitor operations to reduce expenditures and increase revenue where possible. In the recent past, the following actions have assisted the City in managing the City in light of the troubling environment:

- Reductions in expenditures were achieved through the elimination or delays in replacement of personnel positions when vacancies occur. Full-time employees have been reduced from 174 employees to 130 employees over the past 10 years.
- The City has also continued to reduce discretionary spending and has reduced certain elements of employer-paid healthcare coverage.
- The City recently performed a review of the operational environment of the City. The purpose of the review was to identify areas of operation that could be improved to better customer service at a reduced cost. Numerous recommendations were identified that would yield positive financial results to the City. The City has been implementing many of these recommendations and continues to review these issues and prioritize their implementation.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The City as a Whole

The following table shows, in a condensed format, the net assets as of September 30, 2007 and 2006 (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current assets	\$ 47,850	\$ 49,108	\$ 16,944	\$ 12,818	\$ 64,794	\$ 61,926
Noncurrent assets	<u>76,684</u>	<u>75,732</u>	<u>97,046</u>	<u>99,380</u>	<u>173,730</u>	<u>175,112</u>
Total assets	124,534	124,840	113,990	112,198	238,524	237,038
Liabilities						
Current liabilities	30,345	32,800	15,074	13,828	45,419	46,628
Long-term liabilities	<u>13,174</u>	<u>14,101</u>	<u>50,893</u>	<u>53,524</u>	<u>64,067</u>	<u>67,625</u>
Total liabilities	<u>43,519</u>	<u>46,901</u>	<u>65,967</u>	<u>67,352</u>	<u>109,486</u>	<u>114,253</u>
Net Assets						
Invested in capital assets -						
Net of related debt	59,845	59,429	24,396	24,282	84,241	83,711
Restricted	5,332	4,888	11,457	11,345	16,789	16,233
Unrestricted	<u>15,838</u>	<u>13,622</u>	<u>12,170</u>	<u>9,219</u>	<u>28,008</u>	<u>22,841</u>
Total net assets	<u>\$ 81,015</u>	<u>\$ 77,939</u>	<u>\$ 48,023</u>	<u>\$ 44,846</u>	<u>\$ 129,038</u>	<u>\$ 122,785</u>

The City of Wyandotte, Michigan has combined net assets of \$129 million in the current year compared to \$122 million in the prior year. Business-type activities comprise \$48 million and \$44 million of the total net assets in the respective years.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes in the net assets during the fiscal years ended September 30, 2007 and 2006 (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue						
Program revenue:						
Charges for services	\$ 7,045	\$ 6,849	\$ 49,306	\$ 43,139	\$ 56,351	\$ 49,988
Operating grants and contributions	2,144	2,020	142	-	2,286	2,020
Capital grants and contributions	2,673	1,918	169	82	2,842	2,000
General revenue:						
Property taxes	12,467	11,905	-	-	12,467	11,905
State-shared revenue	3,309	3,392	-	-	3,309	3,392
Unrestricted investment earnings	1,568	1,173	1,625	1,463	3,193	2,636
Gain (loss) on sale of assets	(18)	(28)	29	47	11	19
Transfers and other revenue	(158)	(239)	612	576	454	337
Total revenue	29,030	26,990	51,883	45,307	80,913	72,297
Program Expenses						
General government	8,298	8,731	-	-	8,298	8,731
Public safety	9,160	8,631	-	-	9,160	8,631
Public works	6,435	6,863	-	-	6,435	6,863
Community and economic development	220	256	-	-	220	256
Recreation and culture	1,418	1,130	-	-	1,418	1,130
Interest on long-term debt	422	210	-	-	422	210
Business-type	-	-	48,705	45,539	48,705	45,539
Total program expenses	25,953	25,821	48,705	45,539	74,658	71,360
Change in Net Assets	\$ 3,077	\$ 1,169	\$ 3,178	\$ (232)	\$ 6,255	\$ 937

Governmental Activities

The City's total governmental revenues increased by approximately \$2,040,000, or 7.5 percent, in the current year compared to an increase of \$2,344,000, or 9.5 percent, in the prior year. The current year increase can be attributed to increases in capital grants and contributions (\$755,000) which were comprised of contributions from the Tax Increment Finance Authority for the construction of the police and court facility (\$400,000), the receipt of a grant related to the streetscape project within the central business district (\$143,000), and receipts in the Drug Forfeiture Fund (\$104,000). An increase of \$395,000 in unrestricted investment earnings was also realized primarily due to an increase in interest rates. Tax revenue also increased by \$562,000.

Expenses increased by approximately \$132,000, or less than 1 percent, in the current year compared to a decrease of \$3,631,000 during the prior year.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

Business-type Activities

The City's business-type activities consist of the Electric Fund, Water Fund, Cable Television Fund, Sewage Disposal Fund, Municipal Golf Course Fund, and Commercial Building Rental Fund. We provide electric, water, and cable television service to residents from city-owned facilities. We provide sewage treatment via the downriver sewage disposal system, which is co-owned with 13 communities and operated by the County of Wayne. Wyandotte Shores golf course is owned and operated by the City and offers golfers a nine-hole links-style course on the shores of the Detroit River. The Commercial Building Rental Fund accounts for the activity of the city-owned commercial building at 3200 Biddle Avenue.

The Electric Fund's operating revenue increased for the year by 18 percent due to a significant increase in the power supply recover charge and an increase in sales to a new steam customer that began in the prior year. Operating expenses increased by 8 percent primarily due to increases in fuel and power production costs. The operating income was \$2,243,000 in the current year compared to an operating loss of \$642,000 in the prior year.

The Water Fund's operating results remained relatively stable in the current year. Operating income was \$269,000 in the current year compared to \$274,000 in the prior year. The Water Fund is still relying on annual contributions from the City's Tax Increment Financing Authority for water main construction. The current year contribution was approximately \$156,000.

The Cable Television Fund's operating revenue increased by 6 percent, mainly due to an increase in basic cable and cable internet revenues, compared to an increase of 3.7 percent in the prior year. Operating expenses increased by 7 percent in the current year. Thus, the Cable Television Fund realized an operating net loss of approximately \$179,000 in the current year compared to \$142,000 in the prior year. In addition, the Cable Television Fund continues to maintain excess operating cash to retire debt outstanding on the rebuild of its fiber optic cable network completed in 1999.

The operating results of the Sewage Disposal Fund indicate operating income of \$837,000 in the current year compared to an operating loss of \$38,000 in the prior year. These results are primarily the result of less scheduled maintenance programs in the current year as opposed to the prior year higher than expected meter loss.

The municipal golf course showed an operating loss of approximately \$99,000 in the current year as compared to \$125,000 in the prior year. The reduction in the loss was primarily the result of increased usage of the facility coupled with lower maintenance and operating costs. Unfortunately, the facility continues to operate at a loss which can be attributed to macro-economic conditions, the proliferation of golf courses in the area, and inherent limitations surrounding the operation of a nine-hole facility.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The city-owned commercial building realized net income of approximately \$175,000, which is an increase of approximately 8 percent from the previous year. This increase can be entirely attributed to the increased rental rates from existing tenants and lower interest costs on outstanding debt. Nonetheless, these results are positive in light of the City's desire to acquire the building at no cost to the taxpayers.

The City's Funds

Our analysis of the City's major funds begins on page 14, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The City's major funds for 2007 include the General Fund, the Major Streets Fund, the Local Streets Fund, and the Solid Waste Disposal Fund.

The General Fund pays for most of the City's governmental services. The most significant is public safety, which incurred expenses of approximately \$8.9 million, or 51.4 percent, of the total General Fund expenditures in the current year as compared to \$8.5 million, or 52.7 percent, of the total General Fund expenditures in the prior fiscal year. Additional noteworthy expenditures include public works (\$3.25 million, or 18.75 percent, in the current fiscal year as compared to \$3.01 million, or 18.6 percent, of total expenditures in the prior fiscal year) and recreation and culture (\$1,471,000, or 8.5 percent, of total expenditures in the current fiscal year compared to \$949,000, or 5.9 percent, of total expenditures in the prior fiscal year). The significant increase in the recreation and culture expenditures is due to the purchase of the former Masonic Temple building which the City intends to convert to an art and cultural facility.

The Major and Local Streets Funds are responsible for the construction and maintenance of the road system within the City. Funding for these activities is primarily derived from taxes on motor vehicles and motor vehicle fuels. Expenditures in these funds were used for road construction, resurfacing, maintenance, plowing, salting, cleaning, and traffic services. Expenditures totaled approximately \$1.57 million in the current fiscal year compared to \$1.64 million in the prior fiscal year for the Major Streets Fund and \$1.79 million in the current fiscal year and \$1.93 million in the prior fiscal year for the Local Streets Fund. The Local Streets Fund ended the fiscal year with a deficit of \$68,000 due to more construction work being completed at the end of the fiscal year than anticipated. This deficit will be eliminated by the use of next year's street funding. The expenditures for the Major and Local Streets Funds continue to reflect the investment in ensuring the road system within the City is adequately maintained and improved.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The Solid Waste Disposal Fund provides for solid waste rubbish collections and disposal for city residents and businesses. Funding is primarily derived from a tax levy dedicated for solid waste disposal purposes. This tax levy totaled \$1.575 million in the current fiscal year and \$1.49 million in the prior fiscal year. User fees, totaling \$238,000 in the current year and \$322,000 in the prior year, also support certain elements of the disposal programs. Expenditures for rubbish collection and disposal totaled \$1.66 million in the current year and \$1.62 million in the prior fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to include projected expenditures that were not completed at the end of the prior fiscal year
- Changes made throughout the year to account for revised estimates based on new or better knowledge and new projects that the Council desired to pursue
- Increases in appropriations to prevent budget overruns

Even with these adjustments, actual expenditures were less than anticipated. This is primarily attributable to the management of personnel costs when vacancies arose, which effectively served as a hiring freeze. Also, the growth in property tax revenue exceeded the City's expectations as did the amount of fines and forfeitures received from the 27th District Court. Building permit revenue also exceeded the amount anticipated by the City primarily due to a significant construction project being undertaken by BASF Corporation. Unfortunately, the City also realized less than expected revenue from the ambulance service and ice rental at the Yack Arena as well as state-shared revenue.

In addition, savings were also derived from the City's continued decision to self-insure prescription drug coverage for active employees, the utilization of programs by the courts to alleviate prisoner holding and transportation costs, and lower costs for liability and property insurance.

The most significant changes were increased appropriations for overtime for the police department (\$128,000), additional amounts due for the annual pension contribution (\$345,000), and costs associated with the granting of an annual bonus to City employees (\$288,000) who previously took a three-year wage freeze. Revenue adjustments included an increase in investment earnings (\$235,000) to reflect increased investment return realized from higher interest rates and larger surplus cash balances. An increase in net revenue from fines and fees received from the district court was increased (\$290,000) to reflect increased citations written by the police department. Building permit revenue (\$578,000) was increased as a result of BASF Corporation expansion. Revenue expectations were lowered for ice rental at the Yack Arena (\$100,000).

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

The City sold \$9.495 million in bonds during 2006 to renovate the Yack Arena and construct a new district court and police facility. The renovation of the Yack Arena was completed this year and the district court and police facility is scheduled to be completed in summer 2008.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year will continue to face a number of negative factors including reductions or lack of growth in state-shared revenue, escalating healthcare costs, depletion of reserve funds previously relied upon by the City, and lack of significant growth in property tax revenue due to the impact of Proposal A and the Headlee Amendment. Thus, the City needs to continue to monitor the budget very closely. No local tax increase is expected in the future but the delivery of services may be curtailed if the financial pressures continue.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

City of Wyandotte, Michigan

Statement of Net Assets September 30, 2007

	Primary Government			
	Governmental	Business-type	Total	Component Units
	Activities	Activities		
Assets				
Cash and investments (Note 3)	\$ 41,926,572	\$ 6,849,044	\$ 48,775,616	\$ 7,528,204
Receivables - Net:				
Taxes	1,958,188	-	1,958,188	1,864
Special assessments	703,090	-	703,090	-
Customer	-	6,641,308	6,641,308	-
Accrued interest	90,509	-	90,509	-
Other	765,075	-	765,075	109,874
Due from other governmental units	1,413,703	-	1,413,703	-
Note receivable	133,468	-	133,468	400,000
Due from component units (Note 9)	404,184	-	404,184	-
Due from primary government (Note 9)	-	-	-	2,231,362
Internal balances (Note 9)	332,349	(332,349)	-	-
Inventory	-	2,485,633	2,485,633	-
Prepaid expenses and other assets	122,735	1,300,195	1,422,930	-
Restricted assets (Note 12)	3,108,981	14,718,040	17,827,021	-
Investment in joint ventures (Note 7)	2,850,000	766,264	3,616,264	-
Land held for resale (Note 6)	134,417	-	134,417	1,015,882
Capital assets:				
Assets not subject to depreciation (Note 8)	21,193,644	986,636	22,180,280	-
Assets subject to depreciation - Net (Note 8)	48,161,242	78,117,608	126,278,850	-
Bond issuance costs (Note 5)	-	1,047,773	1,047,773	-
Long-term receivable (Note 17)	-	1,410,000	1,410,000	-
Advance to component unit (Note 9)	1,235,502	-	1,235,502	-
Total assets	124,533,659	113,990,152	238,523,811	11,287,186
Liabilities				
Accounts payable	3,176,470	2,679,349	5,855,819	744,182
Due to other governmental units	8,105,463	-	8,105,463	198,581
Due to component units (Note 9)	2,231,362	-	2,231,362	-
Due to primary government (Note 9)	-	-	-	404,184
Refundable deposits, bonds, etc.	1,184,384	717,393	1,901,777	-
Accrued liabilities and other	1,177,479	1,868,851	3,046,330	126,622
Deferred revenue (Note 4)	13,105,246	201,744	13,306,990	4,172,505
Noncurrent liabilities:				
Due within one year:				
Compensated absences	764,490	-	764,490	-
Current portion of long-term debt (Note 10)	600,000	4,931,660	5,531,660	931,106
Due in more than one year:				
Compensated absences	626,354	-	626,354	-
Long-term general liability and workers' compensation claims (Note 11)	527,362	484,971	1,012,333	-
Debt service payable from restricted assets	-	4,675,592	4,675,592	-
Advance from primary government (Note 9)	-	-	-	1,235,502
Long-term debt - Net of current portion and amount payable from restricted assets (Note 10)	12,020,000	50,407,739	62,427,739	2,277,803
Total liabilities	43,518,610	65,967,299	109,485,909	10,090,485
Net Assets				
Invested in capital assets - Net of related debt	59,843,867	24,396,345	84,240,212	-
Restricted for:				
Major and local streets projects	425,404	-	425,404	-
Construction and other	3,286,636	1,218,938	4,505,574	-
Debt service	1,619,706	9,090,511	10,710,217	-
Retiree health care	-	1,147,499	1,147,499	-
Unrestricted	15,839,436	12,169,560	28,008,996	1,196,701
Total net assets	\$ 81,015,049	\$ 48,022,853	\$ 129,037,902	\$ 1,196,701

The Notes to Financial Statements are an
Integral Part of this Statement.

City of Wyandotte, Michigan

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,297,727	\$ 3,103,895	\$ 39,225	\$ 168,000
Public safety	9,159,901	2,470,997	94,571	335,927
Public works	6,435,088	817,535	1,857,259	2,082,007
Community and economic development	220,610	76,633	152,937	22,700
Recreation and culture	1,424,597	575,589	-	64,300
Interest on long-term debt	415,551	-	-	-
Total governmental activities	25,953,474	7,044,649	2,143,992	2,672,934
Business-type activities:				
Electric	35,483,540	35,363,511	142,371	-
Water	2,906,668	3,175,743	-	156,452
Cable television	6,636,542	6,379,958	-	-
Sewage disposal	2,623,770	3,261,769	-	12,890
Golf course	423,328	324,157	-	-
Building rental	631,282	800,770	-	-
Total business-type activities	48,705,130	49,305,908	142,371	169,342
Total primary government	\$ 74,658,604	\$ 56,350,557	\$ 2,286,363	\$ 2,842,276
Component units:				
Tax Increment Finance Authorities - Consolidated Development Area	\$ 6,273,941	\$ -	\$ -	\$ -
Tax Increment Finance Authorities - Downtown Development Area	1,866,873	15,189	-	-
Downtown Development Authority	-	-	-	-
Brownfield Redevelopment Authority	69,253	-	-	-
Total component units	\$ 8,210,067	\$ 15,189	\$ -	\$ -
General revenues:				
Property taxes				
State-shared revenue				
Unrestricted investment income				
Miscellaneous				
Total general revenues				
Gain (Loss) on Sale of Fixed Assets				
Transfers				
Change in Net Assets				
Net Assets - Beginning of year - As restated (Note 18)				
Net Assets - End of year				

Statement of Activities
Year Ended September 30, 2007

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,986,607)	\$ -	\$ (4,986,607)	\$ -
(6,258,406)	-	(6,258,406)	-
(1,678,287)	-	(1,678,287)	-
31,660	-	31,660	-
(784,708)	-	(784,708)	-
(415,551)	-	(415,551)	-
(14,091,899)	-	(14,091,899)	-
-	22,342	22,342	-
-	425,527	425,527	-
-	(256,584)	(256,584)	-
-	650,889	650,889	-
-	(99,171)	(99,171)	-
-	169,488	169,488	-
-	912,491	912,491	-
(14,091,899)	912,491	(13,179,408)	-
-	-	-	(6,273,941)
-	-	-	(1,851,684)
-	-	-	-
-	-	-	(69,253)
-	-	-	(8,194,878)
12,467,279	-	12,467,279	6,086,908
3,309,311	-	3,309,311	-
1,568,005	1,624,696	3,192,701	419,000
453,996	-	453,996	813,009
17,798,591	1,624,696	19,423,287	7,318,917
(18,433)	28,789	10,356	-
(611,645)	611,645	-	-
3,076,614	3,177,621	6,254,235	(875,961)
77,938,435	44,845,232	122,783,667	2,072,662
\$ 81,015,049	\$ 48,022,853	\$ 129,037,902	\$ 1,196,701

City of Wyandotte, Michigan

Governmental Funds Balance Sheet September 30, 2007

	General Fund	Major Streets Fund	Local Streets Fund	Solid Waste Disposal	Nonmajor	Total
Assets						
Cash and investments (Note 3)	\$ 33,402,139	\$ 516,986	\$ 71,970	\$ 1,183,719	\$ 6,414,355	\$ 41,589,169
Receivables - Net:						
Taxes	1,531,732	-	-	225,062	201,394	1,958,188
Special assessments	-	-	-	-	703,090	703,090
Accrued interest	61,100	-	-	-	29,409	90,509
Other	714,761	-	-	35,547	14,767	765,075
Due from other governmental units	968,915	196,840	72,808	-	175,140	1,413,703
Due from component units (Note 9)	-	-	-	4,184	400,000	404,184
Due from other funds (Note 9)	154,293	-	1,336	1,420,988	2,568,241	4,144,858
Advances to other funds (Note 9)	-	-	-	-	1,017,725	1,017,725
Prepaid expenses and other assets	121,617	-	-	-	1,118	122,735
Land held for resale (Note 6)	-	-	-	-	134,417	134,417
Restricted assets (Note 12)	-	-	-	-	3,108,981	3,108,981
Note receivable	-	-	-	-	133,468	133,468
Advance to component unit (Note 9)	-	-	-	-	960,946	960,946
Total assets	\$ 36,954,557	\$ 713,826	\$ 146,114	\$ 2,869,500	\$ 15,863,051	\$ 56,547,048
Liabilities and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 735,537	\$ 219,156	\$ 146,999	\$ 138,184	\$ 1,915,955	\$ 3,155,831
Due to other governmental units	8,105,463	-	-	-	-	8,105,463
Due to component units (Note 9)	1,912,360	-	-	39,937	279,065	2,231,362
Due to other funds (Note 9)	10,760,610	1,336	67,045	-	100,329	10,929,320
Advances from other funds	416,355	-	-	-	-	416,355
Refundable deposits, bonds, etc.	1,184,364	-	-	-	20	1,184,384
Accrued liabilities and other	1,077,354	-	-	50,312	-	1,127,666
Deferred revenue (Note 4)	10,915,916	-	-	1,675,740	2,023,959	14,615,615
Total liabilities	35,107,959	220,492	214,044	1,904,173	4,319,328	41,765,996
Fund Balances (Deficits)						
Reserved for:						
Prepaid expenses	121,617	-	-	-	-	121,617
Noncurrent receivables	-	-	-	-	1,017,725	1,017,725
Construction code activity (Note 2)	69,801	-	-	-	-	69,801
Construction, debt service, and other	-	-	-	-	7,135,026	7,135,026
Unreserved, reported in:						
General Fund	1,655,180	-	-	-	-	1,655,180
Special Revenue Funds	-	493,334	(67,930)	965,327	3,390,972	4,781,703
Total fund balances (deficits)	1,846,598	493,334	(67,930)	965,327	11,543,723	14,781,052
Total liabilities and fund balances (deficits)	\$ 36,954,557	\$ 713,826	\$ 146,114	\$ 2,869,500	\$ 15,863,051	\$ 56,547,048

City of Wyandotte, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets September 30, 2007

Fund Balance Reported in Governmental Funds	\$ 14,781,052
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	69,354,886
Investments in joint ventures are not financial resources and are not reported in the funds	2,850,000
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	702,741
Property tax receivables are expected to be collected over several years and are not available to pay for current year expenditures	225,564
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	582,064
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(12,620,000)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,390,844)
Interest payable is not due and payable in the current period and is not reported in the funds	(49,813)
Internal Service Funds are included as part of governmental activities	6,579,399
Net Assets of Governmental Activities	\$ 81,015,049

City of Wyandotte, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance (Deficit) Year Ended September 30, 2007

	General Fund	Major Streets Fund	Local Streets Fund	Solid Waste Disposal	Nonmajor	Total
Revenue						
Property taxes	\$ 10,169,123	\$ -	\$ -	\$ 1,574,985	\$ 711,956	\$ 12,456,064
Licenses and permits	1,054,399	-	-	-	-	1,054,399
Federal grants	-	-	134,508	-	334,093	468,601
State-shared revenue and grants	3,309,311	1,171,728	433,128	-	246,812	5,160,979
Contribution from component unit	-	204,113	679,925	-	647,381	1,531,419
Other charges for services	2,960,435	-	-	238,194	-	3,198,629
Other fines and forfeitures	1,942,259	-	-	-	-	1,942,259
Investment income	792,994	29,484	8,796	74,007	642,804	1,548,085
Other revenue	117,309	85,256	-	-	815,869	1,018,434
Total revenue	20,345,830	1,490,581	1,256,357	1,887,186	3,398,915	28,378,869
Expenditures						
General government	3,702,012	-	-	-	1,455,418	5,157,430
Public safety	8,891,347	-	-	-	1,648,010	10,539,357
Public works	3,246,718	1,565,242	1,786,907	1,656,061	1,839,044	10,093,972
Community and economic development	-	-	-	-	220,610	220,610
Recreation and culture	1,476,949	-	-	-	1,070,464	2,547,413
Debt service	-	-	-	-	972,738	972,738
Total expenditures	17,317,026	1,565,242	1,786,907	1,656,061	7,206,284	29,531,520
Excess of Revenue Over (Under) Expenditures	3,028,804	(74,661)	(530,550)	231,125	(3,807,369)	(1,152,651)
Other Financing Sources (Uses)						
Transfers in	-	-	292,932	-	1,141,261	1,434,193
Transfers out	(3,002,906)	(292,932)	-	-	-	(3,295,838)
Total other financing sources (uses)	(3,002,906)	(292,932)	292,932	-	1,141,261	(1,861,645)
Net Change in Fund Balance	25,898	(367,593)	(237,618)	231,125	(2,666,108)	(3,014,296)
Fund Balance - Beginning of year	1,820,700	860,927	169,688	734,202	14,209,831	17,795,348
Fund Balance (Deficit) - End of year	\$ 1,846,598	\$ 493,334	\$ (67,930)	\$ 965,327	\$ 11,543,723	\$ 14,781,052

City of Wyandotte, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance (Deficit) of Governmental Funds to the Statement of Activities Year Ended September 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ (3,014,296)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	7,392,727
Capital contributions from component units	926,208
Depreciation expense	(5,009,049)
Net book value of assets disposed of	(18,433)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(35,335)
Increases in investments in joint ventures are not increases to current financial resources and are not reported in the funds	1,110,000
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	550,000
Increase in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(82,639)
Accrued interest	7,187
Internal Service Funds are included as part of governmental activities	1,250,244
Change in Net Assets of Governmental Activities	\$ 3,076,614

City of Wyandotte, Michigan

	Electric	Water	Cable Television	Sewage Disposal
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 2,038,292	\$ 1,049,586	\$ 93,975	\$ 3,557,378
Receivables - Net - Customer	5,196,317	517,297	485,792	441,902
Due from other funds (Note 9)	-	1,329,615	-	1,727,531
Inventory	2,269,440	115,893	100,300	-
Prepaid expenses and other assets	49,118	10,268	89,281	1,040,961
	<u>9,553,167</u>	<u>3,022,659</u>	<u>769,348</u>	<u>6,767,772</u>
Total current assets				
Noncurrent assets:				
Restricted assets (Note 12)	13,287,754	163,594	1,266,692	-
Investment in joint ventures (Note 7)	-	-	-	766,264
Capital assets:				
Assets not subject to depreciation (Note 8)	841,636	-	-	-
Assets subject to depreciation - Net (Note 8)	46,269,089	8,278,878	3,607,538	14,166,997
Bond issuance costs (Note 5)	1,047,773	-	-	-
Long-term receivable (Note 17)	1,410,000	-	-	-
Advance to component unit (Note 9)	-	-	-	-
	<u>62,856,252</u>	<u>8,442,472</u>	<u>4,874,230</u>	<u>14,933,261</u>
Total noncurrent assets				
Total assets	72,409,419	11,465,131	5,643,578	21,701,033
Liabilities				
Current liabilities:				
Accounts payable	1,978,377	77,018	493,487	123,544
Due to other funds (Note 9)	1,052,497	1,138,510	277,118	-
Refundable deposits, bonds, etc.	556,593	-	160,800	-
Accrued liabilities and other	949,630	526,550	387,473	-
Deferred revenue (Note 4)	-	-	135,656	-
Current portion of long-term debt (Note 10)	3,895,000	-	413,315	500,418
	<u>8,432,097</u>	<u>1,742,078</u>	<u>1,867,849</u>	<u>623,962</u>
Total current liabilities				
Noncurrent liabilities:				
Advances from other funds (Note 9)	-	-	-	-
Long-term general liability and workers' compensation claims (Note 11)	484,971	-	-	-
Debt service payable from restricted assets	4,675,592	-	-	-
Long-term debt - Net of current portion and amount payable from restricted assets (Note 10)	40,880,069	-	1,291,452	8,024,845
	<u>46,040,632</u>	<u>-</u>	<u>1,291,452</u>	<u>8,024,845</u>
Total noncurrent liabilities				
Total liabilities	54,472,729	1,742,078	3,159,301	8,648,807
Net Assets				
Invested in capital assets - Net of related debt	2,967,156	8,278,878	1,902,771	5,641,734
Restricted (Note 12)	10,026,662	163,594	1,266,692	-
Unrestricted (deficit)	4,942,872	1,280,581	(685,186)	7,410,492
	<u>\$ 17,936,690</u>	<u>\$ 9,723,053</u>	<u>\$ 2,484,277</u>	<u>\$ 13,052,226</u>
Total net assets				

**Proprietary Funds
Statement of Net Assets
September 30, 2007**

Golf Course	Building Rental	Total Enterprise Funds	Internal Service
\$ 90,622	\$ 19,191	\$ 6,849,044	\$ 337,403
-	-	6,641,308	-
-	-	3,057,146	6,515,441
-	-	2,485,633	-
-	110,567	1,300,195	-
90,622	129,758	20,333,326	6,852,844
-	-	14,718,040	-
-	-	766,264	-
-	145,000	986,636	-
3,248,022	2,547,084	78,117,608	-
-	-	1,047,773	-
-	-	1,410,000	-
-	-	-	274,556
3,248,022	2,692,084	97,046,321	274,556
3,338,644	2,821,842	117,379,647	7,127,400
6,923	-	2,679,349	20,639
-	320,000	2,788,125	-
-	-	717,393	-
5,198	-	1,868,851	-
-	66,088	201,744	-
-	122,927	4,931,660	-
12,121	509,015	13,187,122	20,639
-	601,370	601,370	-
-	-	484,971	527,362
-	-	4,675,592	-
-	211,373	50,407,739	-
-	812,743	56,169,672	527,362
12,121	1,321,758	69,356,794	548,001
3,248,022	2,357,784	24,396,345	-
-	-	11,456,948	-
78,501	(857,700)	12,169,560	6,579,399
\$ 3,326,523	\$ 1,500,084	\$ 48,022,853	\$ 6,579,399

City of Wyandotte, Michigan

	Electric	Water	Cable Television	Sewage Disposal
Operating Revenue				
Sale of water	\$ -	\$ 3,175,743	\$ -	\$ -
Sewage disposal charges	-	-	-	3,261,769
Sale of electricity	35,363,511	-	-	-
Other sales to customers	-	-	6,379,958	-
Other miscellaneous revenues	-	-	-	-
Total operating revenue	35,363,511	3,175,743	6,379,958	3,261,769
Operating Expenses				
Cost of water	-	792,388	-	-
Cost of sewage treatment	-	-	-	1,700,132
Cost of electrical production	22,072,512	-	-	-
Cost of insurance claims	-	-	-	-
Distribution	1,478,950	571,487	764,465	-
Transportation	57,896	22,661	17,173	-
Billing and administrative costs	585,853	275,158	502,915	-
Other operation and maintenance costs	4,439,168	701,956	1,244,705	360,810
Cable television royalties	-	-	3,429,451	-
Depreciation	4,486,151	543,018	600,124	363,979
Total operating expenses	33,120,530	2,906,668	6,558,833	2,424,921
Operating Income (Loss)	2,242,981	269,075	(178,875)	836,848
Nonoperating Revenue (Expenses)				
Investment and other income	1,050,754	169,419	182,201	215,029
Interest expense	(2,263,062)	-	(77,709)	(198,849)
Amortization of bond issuance costs	(99,948)	-	-	-
Gain on sale of assets	28,789	-	-	-
Grant revenue	142,371	-	-	-
Income (Loss) - Before contributions	1,101,885	438,494	(74,383)	853,028
Capital Contributions	-	156,452	-	12,890
Transfers In	-	-	-	611,645
Change in Net Assets	1,101,885	594,946	(74,383)	1,477,563
Net Assets - Beginning of year - As restated (Note 18)	16,834,805	9,128,107	2,558,660	11,574,663
Net Assets - End of year	<u>\$ 17,936,690</u>	<u>\$ 9,723,053</u>	<u>\$ 2,484,277</u>	<u>\$ 13,052,226</u>

Proprietary Funds

Statement of Revenue, Expenses, and Changes in Net Assets
Year Ended September 30, 2007

Golf Course	Building Rental	Total Enterprise Funds	Internal Service
\$ -	\$ -	\$ 3,175,743	\$ -
-	-	3,261,769	-
-	-	35,363,511	-
324,157	654,063	7,358,178	-
-	146,707	146,707	365,481
324,157	800,770	49,305,908	365,481
-	-	792,388	-
-	-	1,700,132	-
-	-	22,072,512	-
-	-	-	390,179
-	-	2,814,902	-
-	-	97,730	-
-	-	1,363,926	-
292,192	441,326	7,480,157	-
-	-	3,429,451	-
131,136	117,363	6,241,771	-
423,328	558,689	45,992,969	390,179
(99,171)	242,081	3,312,939	(24,698)
2,077	5,216	1,624,696	24,942
-	(72,593)	(2,612,213)	-
-	-	(99,948)	-
-	-	28,789	-
-	-	142,371	-
(97,094)	174,704	2,396,634	244
-	-	169,342	-
-	-	611,645	1,250,000
(97,094)	174,704	3,177,621	1,250,244
3,423,617	1,325,380	44,845,232	5,329,155
\$ 3,326,523	\$ 1,500,084	\$ 48,022,853	\$ 6,579,399

City of Wyandotte, Michigan

	Electric	Water	Cable Television
Cash Flow from Operating Activities			
Receipts from customers	\$ 35,145,037	\$ 3,036,874	\$ 6,264,751
Payments for interfund services and reimbursements	-	-	-
Payments to suppliers	(24,125,749)	(429,890)	(4,949,858)
Payments to employees	(4,692,835)	(943,599)	(953,210)
Internal activity - Payments to other funds	-	-	-
Claims paid	555,109	-	-
	<u>6,881,562</u>	<u>1,663,385</u>	<u>361,683</u>
Net cash provided by (used in) operating activities	6,881,562	1,663,385	361,683
Cash Flows from Noncapital Financing Activities - Transfers from (to) other funds	211,364	(550,788)	339,424
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	-	-	-
Receipt of capital grants	142,371	-	-
Proceeds from sales of capital assets	28,789	-	-
Purchase of capital assets - Net of reimbursements	(2,875,886)	(506,510)	(610,445)
Principal and interest paid on capital debt	(5,570,832)	-	(489,473)
Asset constructed for customer - Net of repayment	636,000	-	-
Proceeds from installment purchase agreement	-	-	200,000
Repayment on advances from other funds	-	-	-
	<u>(7,639,558)</u>	<u>(506,510)</u>	<u>(899,918)</u>
Net cash used in capital and related financing activities	(7,639,558)	(506,510)	(899,918)
Cash Flows from Investing Activities - Interest received on investments	1,050,754	169,419	182,201
Net Increase (Decrease) in Cash and Cash Equivalents	504,122	775,506	(16,610)
Cash and Cash Equivalents - Beginning of year	14,821,924	437,674	1,377,277
Cash and Cash Equivalents - End of year	<u>\$ 15,326,046</u>	<u>\$ 1,213,180</u>	<u>\$ 1,360,667</u>
Balance Sheet Classification of Cash and Cash Equivalents			
Cash and investments	\$ 2,038,292	\$ 1,049,586	\$ 93,975
Restricted investments	13,287,754	163,594	1,266,692
	<u>\$ 15,326,046</u>	<u>\$ 1,213,180</u>	<u>\$ 1,360,667</u>
Total cash and cash equivalents	\$ 15,326,046	\$ 1,213,180	\$ 1,360,667
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ 2,242,981	\$ 269,075	\$ (178,875)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	4,486,151	543,018	600,124
Changes in assets and liabilities:			
Receivables	(218,474)	(138,869)	(115,207)
Due from others	-	-	-
Inventories	(726,408)	(16,134)	(28,397)
Prepaid and other assets	(17,568)	(12)	(48,112)
Accounts payable	1,140,958	67,048	199,550
Due to others	-	725,642	-
Estimated claims liability	555,109	-	-
Accrued and other liabilities	(532,914)	213,617	(37,189)
Equity in joint venture	-	-	-
Deferred revenue	-	-	(12,336)
Customer deposits and other current liabilities	(48,273)	-	(17,875)
	<u>\$ 6,881,562</u>	<u>\$ 1,663,385</u>	<u>\$ 361,683</u>
Net cash provided by (used in) operating activities	\$ 6,881,562	\$ 1,663,385	\$ 361,683
Noncash Transactions - Capital contributions	\$ -	\$ 156,452	\$ -

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2007

Sewage Disposal	Golf Course	Building Rental	Total	Internal Service
\$ 2,983,514	\$ 324,157	\$ 800,770	\$ 48,555,103	\$ 370,013
(669,493)	-	-	(669,493)	-
(2,559,006)	(177,400)	(400,826)	(32,642,729)	48,572
-	(125,579)	-	(6,715,223)	-
-	-	(22,380)	(22,380)	-
-	-	-	555,109	(755,114)
<u>(244,985)</u>	<u>21,178</u>	<u>377,564</u>	<u>9,060,387</u>	<u>(336,529)</u>
611,645	-	-	611,645	-
1,554,071	-	-	1,554,071	-
-	-	-	142,371	-
-	-	-	28,789	-
(1,809,694)	(27,255)	-	(5,829,790)	-
(686,500)	-	(185,188)	(6,931,993)	-
-	-	-	636,000	-
-	-	-	200,000	-
-	-	(220,514)	(220,514)	-
<u>(942,123)</u>	<u>(27,255)</u>	<u>(405,702)</u>	<u>(10,421,066)</u>	<u>-</u>
215,029	2,077	5,216	1,624,696	24,942
(360,434)	(4,000)	(22,922)	875,662	(311,587)
<u>3,917,812</u>	<u>94,622</u>	<u>42,113</u>	<u>20,691,422</u>	<u>648,990</u>
\$ 3,557,378	\$ 90,622	\$ 19,191	\$ 21,567,084	\$ 337,403
\$ 3,557,378	\$ 90,622	\$ 19,191	\$ 6,849,044	\$ 337,403
-	-	-	14,718,040	-
\$ 3,557,378	\$ 90,622	\$ 19,191	\$ 21,567,084	\$ 337,403
\$ 836,848	\$ (99,171)	\$ 242,081	\$ 3,312,939	\$ (24,698)
363,979	131,136	117,363	6,241,771	-
(278,255)	-	-	(750,805)	4,532
(669,493)	-	-	(669,493)	-
-	-	-	(770,939)	-
10,451	-	(25,588)	(80,829)	-
(402,251)	(10,787)	-	994,518	48,572
-	-	(22,380)	703,262	-
-	-	-	555,109	(364,935)
-	-	-	(356,486)	-
(106,264)	-	-	(106,264)	-
-	-	66,088	53,752	-
-	-	-	(66,148)	-
<u>\$ (244,985)</u>	<u>\$ 21,178</u>	<u>\$ 377,564</u>	<u>\$ 9,060,387</u>	<u>\$ (336,529)</u>
\$ 12,890	\$ -	\$ -	\$ 169,342	\$ -

City of Wyandotte, Michigan

Fiduciary Funds Statement of Net Assets September 30, 2007

	Pension Trust	Agency
Assets		
Cash and cash equivalents (Note 3)	\$ 5,273,610	\$ 246,955
Investments (Note 3):		
U.S. government securities	12,200,082	-
Stocks	19,840,257	-
Bonds	10,075,794	-
Foreign stock ADR	18,344,687	-
Foreign government obligations	8,511,565	-
Foreign stock non-ADR	2,748,305	-
Foreign corporate bonds	286,161	-
Receivables - Net - Accrued interest	252,364	5,195
Total assets	77,532,825	\$ 252,150
Liabilities		
Accounts payable	46,131	\$ -
Due to other governmental units	-	1,668
Refundable deposits, bonds, etc.	-	250,482
Total liabilities	46,131	\$ 252,150
Net Assets Held in Trust for Pension and Other Employee Benefits	\$ 77,486,694	

City of Wyandotte, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Assets Year Ended September 30, 2007

Additions

Investment income:	
Interest and dividends	\$ 2,467,918
Net increase in fair value of investments	6,756,545
Investment related expenses	<u>(577,241)</u>
Net investment income	8,647,222
Contributions:	
Employer contributions from WDMS	807,962
Employee contributions	79,364
Employer contributions from all other funds	<u>4,258,899</u>
Net contributions	<u>5,146,225</u>
Total additions	13,793,447

Deductions

Benefit payments	5,427,355
Health benefits	<u>1,672,204</u>
Total deductions	<u>7,099,559</u>

Net Increase in Net Assets Held in Trust	6,693,888
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>70,792,806</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 77,486,694</u>

City of Wyandotte, Michigan

Component Units Statement of Net Assets (Deficit) September 30, 2007

	Tax Increment Finance Authorities - Consolidated	Tax Increment Finance Authorities - Downtown	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets					
Cash and investments (Note 3)	\$ 6,393,173	\$ 1,114,966	\$ 1,031	\$ 19,034	\$ 7,528,204
Receivables - Net:					
Taxes	-	-	1,864	-	1,864
Other	92,044	17,830	-	-	109,874
Due from primary government (Note 9)	1,675,080	556,282	-	-	2,231,362
Internal balances (Note 9)	196,797	(196,797)	-	-	-
Land held for resale (Note 6)	978,382	37,500	-	-	1,015,882
Note receivable	-	400,000	-	-	400,000
Total assets	9,335,476	1,929,781	2,895	19,034	11,287,186
Liabilities					
Accounts payable	665,849	56,019	-	22,314	744,182
Due to other governmental units	-	-	-	198,581	198,581
Due to primary government (Note 9)	404,184	-	-	-	404,184
Accrued liabilities and other	37,877	88,745	-	-	126,622
Deferred revenue (Note 4)	3,333,974	836,666	1,865	-	4,172,505
Advance from primary government (Note 9)	-	-	-	1,235,502	1,235,502
Long-term debt (Note 10)	2,104,613	1,040,000	-	64,296	3,208,909
Total liabilities	6,546,497	2,021,430	1,865	1,520,693	10,090,485
Net Assets (Deficit) - Unrestricted	\$ 2,788,979	\$ (91,649)	\$ 1,030	\$ (1,501,659)	\$ 1,196,701

City of Wyandotte, Michigan

	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Services</u>
Functions/Programs		
Tax Increment Finance Authorities - Consolidated governmental activities:		
Community and economic development	\$ 6,144,667	\$ -
Debt service	<u>129,274</u>	<u>-</u>
Total Tax Increment Finance Authorities - Consolidated	6,273,941	-
Tax Increment Finance Authorities - Downtown governmental activities:		
Community and economic development	1,793,394	15,189
Debt service	<u>73,479</u>	<u>-</u>
Total Tax Increment Finance Authorities - Downtown	1,866,873	15,189
Downtown Development Authority	-	-
Brownfield Redevelopment Authority - Governmental activities:		
Community and economic development	51,946	-
Debt service	<u>17,307</u>	<u>-</u>
Total Brownfield Redevelopment authority	<u>69,253</u>	<u>-</u>
Total governmental activities	<u>\$ 8,210,067</u>	<u>\$ 15,189</u>
General revenues:		
Property taxes		
Unrestricted investment income		
Miscellaneous		
		Total general revenues
Change in Net Assets		
Net Assets (Deficit) - Beginning of year		
Net Assets (Deficit) - End of year		

**Component Units
Statement of Activities
Year Ended September 30, 2007**

Net (Expense) Revenue and Changes in Net Assets				
Tax Increment Finance Authorities - Consolidated	Tax Increment Finance Authorities - Downtown	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (6,144,667)	\$ -	\$ -	\$ -	\$ (6,144,667)
(129,274)	-	-	-	(129,274)
(6,273,941)	-	-	-	(6,273,941)
-	(1,778,205)	-	-	(1,778,205)
-	(73,479)	-	-	(73,479)
-	(1,851,684)	-	-	(1,851,684)
-	-	-	-	-
-	-	-	(51,946)	(51,946)
-	-	-	(17,307)	(17,307)
-	-	-	(69,253)	(69,253)
(6,273,941)	(1,851,684)	-	(69,253)	(8,194,878)
4,967,441	1,028,832	6	90,629	6,086,908
344,068	74,578	48	306	419,000
785,291	11,004	-	16,714	813,009
6,096,800	1,114,414	54	107,649	7,318,917
(177,141)	(737,270)	54	38,396	(875,961)
2,966,120	645,621	976	(1,540,055)	2,072,662
\$ 2,788,979	\$ (91,649)	\$ 1,030	\$ (1,501,659)	\$ 1,196,701

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note I - Nature of Business and Significant Accounting Policies

The accounting policies of the City of Wyandotte, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Wyandotte, Michigan:

Reporting Entity

The City of Wyandotte, Michigan is governed by an elected six-member council and the mayor. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Blended Component Units - The Wyandotte Building Authority is governed by a three-member board that is appointed by the mayor with City Council approval. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units - The following component units are reported within the component unit column to emphasize that they are legally separate from the City:

The Downtown Development Authority was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The Authority's governing body, which consists of nine individuals, is selected by the mayor with approval by the City Council. In addition, the Authority's budget is subject to approval by the City Council.

The Brownfield Redevelopment Authority was created, pursuant to Public Act 381 of 1996, to promote revitalization of environmentally distressed areas within the six-square mile boundary of the City. The Brownfield Redevelopment Authority is funded primarily by property tax revenue captures. The Brownfield Redevelopment Authority is governed by a nine-member board that is appointed by the mayor and confirmed by the City Council.

The Tax Increment Finance Authorities (TIFAs) were created to preserve and continuously improve the areas within the TIFA districts. The Consolidated Development Area TIFAs governing body and Downtown Development Area TIFAs governing body, which consist of nine and 11 individuals, respectively, are selected by the mayor with approval by the City Council.

Note I - Nature of Business and Significant Accounting Policies (Continued)

The Economic Development Corporation (EDC) was created to alleviate and prevent conditions of unemployment and to assist and retain local industries and commercial enterprises in their efforts to operate within the City. The EDC's governing body, which consists of nine individuals, is selected by the mayor with approval by the City Council. There was no financial activity related to the EDC in the current year.

Separate financial statements for the above discretely presented component units are not prepared.

Jointly Governed Organizations - Jointly governed organizations are discussed in Note 7.

Government-wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, fiduciary fund, and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to first apply restricted revenues.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund and is used to provide for basic services including the following functions: legislative, judicial, elections, tax collection, property assessment, administration, public safety, engineering, public works, recreation, cultural, and planning. This fund accounts for all financial resources of the general government other than those required to be accounted for in another fund.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Major Streets Fund - The Major Streets Fund accounts for the construction, maintenance, and operation of the major street system within the city limits. A major street usually exhibits higher traffic volumes than local streets and typically leads to urban collectors (Wayne County or state roads). This fund accounts for the financial resources derived from the state gas and weight tax revenues that are restricted for use on major streets.

Local Streets Fund - The Local Streets Fund accounts for the construction and maintenance of the local street system within the city limits. A local street is typically not used for trip destination but rather to access living dwellings or other local establishments. This fund accounts for the financial resources derived from the state gas and weight tax revenues that are restricted for use on local streets.

Solid Waste Disposal Fund - The Solid Waste Disposal Fund accounts for services to provide for solid waste pickup and disposal for city residents and businesses, including recycling efforts. It is funded primarily through the millage rate levied on the tax bills and various user charges.

The City reports the following major proprietary funds:

Electric Fund - The Electric Fund accounts for the activities of providing electric services to the residents (and businesses) of the City.

Water Fund - The Water Fund accounts for the activities of the water distribution system.

Cable Television Fund - The Cable Television Fund accounts for the activities of providing cable services (and Internet) to the residents (and businesses) of the City.

Sewage Disposal Fund - The Sewage Disposal Fund accounts for the operations, maintenance, and improvements to the sewage disposal system in the city. Operations are primarily funded through user charges.

Golf Course Fund - The Golf Course Fund accounts for the operations of Wyandotte Shores Golf Course.

Building Rental Fund - The Building Rental Fund accounts for the operations of the commercial building located at 3200 Biddle Avenue.

Additionally, the City reports the following internal service and fiduciary activities:

Pension Trust Fund - The Pension Trust Fund accounts for the activities of the City's defined benefit pension plan. The plan accumulates resources for pension benefit payments to qualified employees.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Agency Fund - The Agency Fund accounts for assets held by the City in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments. The City's Internal Service Fund has been established to account for insurance costs associated with the City's participation in the Michigan Municipal League for costs associated with workers' compensation, general liability, the self-insured portion of active employee health insurance, and retiree health insurance coverage. The Internal Service Fund is used to account for current coverage and to provide reserves for future catastrophic claims.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The City has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except for such activity between the governmental and business-type funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales, rentals, and services. The Water and Sewer Disposal Funds also recognize the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed on August 1 of the following year, are due on September 30, become a lien on December 1, and have a final collection date of February 28 before they are added to the county tax rolls.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Property taxes billed on August 1 will be used to finance the following year's operations. As such, these taxes are recorded as deferred revenue in each respective fund at September 30.

The 2006 taxable valuation of the City totaled \$718,220,078 (a portion of which has been abated or resides in special tax districts), on which taxes levied consisted of 12.0538 mills for operating purposes, 2.5166 mills for debt service, 2.5166 mills for garbage and rubbish services, and 1.3446 mills for the sewer judgment levy. In addition, the City levied 1.5684 mills to support drain operation and maintenance. The City has attempted, but has been unable to identify the statutory or constitutional provisions that authorize the levy of this millage. The above levies resulted in approximately \$7,650,000 for operating purposes, \$1,142,000 for debt service, \$1,574,000 for garbage and rubbish services, \$709,000 for drain operation and maintenance, and \$612,000 for the sewer judgment levy. These amounts are recognized in the respective General Fund, Special Revenue Fund, Debt Service Fund, Enterprise Fund, and component unit financial statements as tax revenue.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Inventories and Prepaid Items - Real estate inventories in the Special Revenue Funds and component units are valued at the lower of cost (specific identification, including demolition cost) or market. Inventories of the remaining governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories of the Enterprise Funds are stated at the lower of cost, determined by the average cost method for general inventory and determined by the first-in, first-out method for coal inventory, or market. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Restricted Assets - The revenue bonds of the Enterprise Funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets. Unspent bond proceeds of the Capital Projects Fund are required to be set aside for construction. These amounts have also been classified as restricted assets.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Assets are depreciated using the straight-line method over the following useful lives:

Roads and other infrastructure	20 to 25 years
Sidewalks	10 to 60 years
Distribution systems	8 to 50 years
Utility plant and treatment facilities	17 to 35 years
Buildings and building improvements	40 to 50 years
Land improvements	20 to 50 years
Vehicles	4 to 8 years
Machinery and equipment	3 to 35 years

Compensated Absences (Vacation and Sick Leave) - It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Employees may receive payment of the accumulated sick leave and vacation balance at the rate determined by union contracts, which vary from unit to unit. A liability is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund 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 using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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 use for a specific purpose.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Significant Customers - The City has the following customers that represent significant amounts of operating revenue for the year ended September 30, 2007:

	Electricity Fees	Water Fees	Sewage Fees	Property Taxes
BASF Corporation	14 %	10 %	25 %	9 %
Electric Fund	- %	6 %	- %	- %
Wayne County	5 %	5 %	- %	- %
Wyandotte Hospital	5 %	2 %	- %	- %

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - 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 surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at October 1, 2006		\$	(436,099)
Current year permit revenue			1,117,153
Related expenses:			
Direct costs	\$	124,586	
Estimated indirect costs		486,667	611,253
Current year surplus			<u>505,900</u>
Cumulative surplus at September 30, 2007		\$	<u>69,801</u>

Accumulated Deficit - The City has accumulated deficits in the Brownfield Redevelopment Authority and Tax Increment Finance Authorities - Downtown Component Units. The deficits will be eliminated through the receipt of future tax captures. The City also has an accumulated deficit in the Local Streets Fund. This deficit will be eliminated through future state-shared revenues and transfers from other funds.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in 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.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 3 - Deposits and Investments (Continued)

The City has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States, certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution that has offices in Michigan, and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, interlocal agreements and investment pools, but not the remainder of State statutory authority as listed above. The City's deposits and investment policies are in accordance with statutory authority.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the City had \$51,261,834 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. In addition, the City's component units had \$6,935,401 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The City 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 City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
U.S. Treasury bills	\$ 408,610	1.53 years
U.S. Federal Agency	246,469	1.25 years
U.S. Treasury bills (pension)	7,194,678	9.17 years
U.S. Federal Agency (pension)	5,005,404	4.93 years
Corporate bonds and notes (pension)	9,077,378	13.33 years
Corporate bonds and notes - Mutual funds (pension)	998,416	Various
Foreign corporate bonds and notes (pension)	286,161	8.02 years
Foreign government obligations (pension)	8,511,565	3.59 years

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
General government	\$ 7,928,189	AAA	S&P
	25,138	AA+	S&P
	948,045	AA	S&P
	1,204,500	AA-	S&P
	2,468,277	A+	S&P
	1,648,799	A	S&P
	1,017,308	A-	S&P
	798,142	BBB+	S&P
	214,490	BBB	S&P
	1,492,483	AAA	Moody's
	18,383,720	Aaa	Moody's
	115,617	Aa1	Moody's
	1,038,443	N/A	Unrated
Component units	461,007	Aaa	Moody's

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 3 - Deposits and Investments (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The pension system does not restrict the amount of investments in foreign currency. The following deposits and securities are subject to foreign currency risk:

<u>Country</u>	<u>Fair Value of Bonds in U.S. Dollars</u>
Canadian dollar	\$ 1,503,899
Australian dollar	1,474,831
Polish zloty	885,027
Singapore dollar	796,133
Swedish krona	1,212,757
South African rand	525,760
New Zealand dollar	472,498
British pound sterling	795,085
Malaysian ringgit	533,470
Norwegian krone	579,904
Various	2,766,667

Note 4 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental and Enterprise Funds and component units also defer revenue recognition in connection with resources that have been received but not yet earned.

At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable - Governmental Activities</u>	<u>Unearned - Governmental Activities</u>	<u>Unearned - Business-type</u>	<u>Unearned - Component Units</u>
Delinquent property taxes	\$ 225,564	\$ -	\$ -	\$ -
Special assessments	702,741	-	-	-
ALS revenues	244,633	-	-	-
Property tax receipts for fiscal year 2007	-	13,105,246	-	4,172,505
Grants receivable	118,966	-	-	-
UDAG	135,034	-	-	-
Other	83,431	-	201,744	-
Total	<u>\$ 1,510,369</u>	<u>\$ 13,105,246</u>	<u>\$ 201,744</u>	<u>\$ 4,172,505</u>

Note 5 - Bond Issuance Costs

During the years ended September 30, 2005 and 2002, the Department of Municipal Services incurred bond issuance costs in the amount of \$517,983 and \$931,515, respectively. The 2005 bond issuance costs related to new debt issuances (Series 2005A and 2005B) and the 2002 bond issuance costs related to the 2002 revenue refunding bonds. Amortization expense for the 2002 revenue refunding amounted to \$62,100 for the year ended September 30, 2007. Amortization expense for the 2005 revenue bonds amounted to \$37,848 for the year ended September 30, 2007.

Note 6 - Land Held for Resale

The inventory in the Special Revenue Funds and component units consists of real property purchased for resale. The City purchases the property, demolishes the structure, if any, and resells the property for commercial or residential development. Inventory costs include the costs of land, existing structures, and demolition. Generally, the acquisition cost of inventory is substantially higher than its fair market value after demolition and site clearing. At September 30, 2007, inventory had a cost of \$852,693 and \$12,833,194 and a fair market value of \$134,417 and \$1,015,882 in the Special Revenue Funds and component units, respectively. Included in capital outlay and other expenses of the current year was a provision of \$112,504 and \$4,723,594 to record inventory at the lower of cost or market value in the Special Revenue Funds and component units, respectively. In the current year, sales of select properties within the component units resulted in gain on sale of \$267,313 included in miscellaneous income.

Note 7 - Joint Ventures

Southgate-Wyandotte Drainage District

The City is a member of the Southgate-Wyandotte Drainage District, a joint venture with the City of Southgate that provides drainage services to the residents of Southgate and Wyandotte. The venture is administered by the Wayne County Drainage Board. The City paid approximately \$1,623,000 to Wayne County during the year for operation and maintenance.

The City of Wyandotte has approximately a 51 percent interest in the venture. The operations of the fund will be financed through assessments to the participating cities, Wayne County, and the State of Michigan. The City is aware that over the next several years there are preliminary plans for significant system improvements to take place. The City's equity interest in the venture in the amount of \$2,850,000 has been recorded in the government-wide statement of net assets at September 30, 2007.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 7 - Joint Ventures (Continued)

Downriver Sewage Disposal System

The City, along with 12 other communities, jointly participates in the Downriver Sewage Disposal System. The City's share of capital assets, restricted assets (for debt service), and related debt is recorded in the Sewage Disposal Fund. During the year, the City paid approximately \$1,800,000 for operations of the system and \$687,000 for debt service. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future, except as discussed in Note 15. The City's equity interest in the venture in the amount of \$766,264 has been recorded in the proprietary and government-wide statements of net assets at September 30, 2007. Financial statements for the joint venture can be obtained from the administrative offices at 415 Clifford, Detroit, MI 48226.

Note 8 - Capital Assets

Capital asset activity of the City's governmental and business-type activities was as follows:

	Balance October 1, 2006	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2007
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 18,135,929	\$ -	\$ -	\$ -	\$ 18,135,929
Construction in progress	3,290,720	(3,290,720)	3,057,715	-	3,057,715
Subtotal	21,426,649	(3,290,720)	3,057,715	-	21,193,644
Capital assets being depreciated:					
Roads and other infrastructure	67,470,973	-	3,491,092	-	70,962,065
Sidewalks	34,026,363	-	-	-	34,026,363
Land improvements	5,150,160	-	1,062,217	(169,296)	6,043,081
Buildings and improvements	6,920,064	3,290,720	410,019	-	10,620,803
Machinery, equipment, and vehicles	10,641,478	-	297,892	(204,503)	10,734,867
Subtotal	124,209,038	3,290,720	5,261,220	(373,799)	132,387,179
Accumulated depreciation:					
Roads and other infrastructure	45,954,707	-	2,869,293	-	48,824,000
Sidewalks	21,127,943	-	1,249,016	-	22,376,959
Land improvements	2,489,656	-	189,915	(169,015)	2,510,556
Buildings and improvements	2,788,516	-	127,704	-	2,916,220
Machinery, equipment, and vehicles	7,211,432	-	573,121	(186,351)	7,598,202
Subtotal	79,572,254	-	5,009,049	(355,366)	84,225,937
Net capital assets being depreciated	44,636,784	3,290,720	252,171	(18,433)	48,161,242
Net capital assets	\$ 66,063,433	\$ -	\$ 3,309,886	\$ (18,433)	\$ 69,354,886

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 8 - Capital Assets (Continued)

	Balance October 1, 2006 (as adjusted)	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2007
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 145,000	\$ -	\$ -	\$ -	\$ 145,000
Construction in progress	3,890,103	(3,553,197)	504,730	-	841,636
Subtotal	4,035,103	(3,553,197)	504,730	-	986,636
Capital assets being depreciated:					
Utility plant	96,287,516	3,553,197	1,571,646	(204,736)	101,207,623
Transmission	5,797,768	-	114,804	-	5,912,572
Pumping	3,181,376	-	183,167	-	3,364,543
Purification	4,151,834	-	1,359,689	(10,240)	5,501,283
Distribution	44,724,961	-	523,512	(79,932)	45,168,541
Transportation	1,580,909	-	-	-	1,580,909
Stores	779,538	-	5,807	-	785,345
Cable equipment	1,245,549	-	72,960	-	1,318,509
Studio	472,895	-	29,547	-	502,442
General	3,748,004	-	234,185	-	3,982,189
Buildings	4,154,718	-	-	-	4,154,718
Land improvements	2,937,427	-	-	-	2,937,427
Equipment and fixtures	1,317,027	-	49,750	-	1,366,777
Sewer lines	11,855,812	-	1,554,071	-	13,409,883
Subtotal	182,235,334	3,553,197	5,699,138	(294,908)	191,192,761
Accumulated depreciation:					
Utility plant	58,559,953	-	3,488,242	-	62,048,195
Transmission	4,457,524	-	170,035	-	4,627,559
Pumping	2,073,575	-	149,452	-	2,223,027
Purification	3,088,973	-	100,340	-	3,189,313
Distribution	29,607,913	-	1,496,140	(10,240)	31,093,813
Transportation	1,232,228	-	98,382	(79,932)	1,250,678
Stores	620,115	-	39,661	-	659,776
Cable equipment	830,992	-	150,617	-	981,609
Studio	439,234	-	11,466	-	450,700
General	2,523,991	-	77,840	-	2,601,831
Buildings	772,868	-	143,351	-	916,219
Land improvements	645,248	-	58,749	-	703,997
Equipment and fixtures	885,740	-	56,284	-	942,024
Sewer lines	1,185,200	-	201,212	-	1,386,412
Subtotal	106,923,554	-	6,241,771	(90,172)	113,075,153
Net capital assets being depreciated	75,311,780	3,553,197	(542,633)	(204,736)	78,117,608
Net capital assets	\$ 79,346,883	\$ -	\$ (37,903)	\$ (204,736)	\$ 79,104,244

As discussed in Note 18, the City adjusted beginning net assets and capital assets to properly reflect prior period activity. This resulted in increases of \$969,200 to distribution systems being depreciated and \$88,965 to equipment and fixtures being depreciated as of October 1, 2006.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 8 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 4,325,627
Public safety	213,716
Public works	256,515
Recreation and culture	213,191
Total governmental activities	<u>\$ 5,009,049</u>

Business-type activities:

Electric	\$ 4,486,151
Water	543,018
Cable television	600,124
Sewage disposal	363,979
Golf course	131,136
Building rental	117,363
Total business-type activities	<u>\$ 6,241,771</u>

Construction Commitments - The City has active construction projects at year end. Commitments with contractors, in which the City expects to utilize bond proceeds and contributions from component units, are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Automated meter reading system	\$ 685,759	\$ 2,146,417
Wind turbine	144,452	5,845,548
Substation nine	11,425	1,288,575
Police and court facility	2,645,236	6,804,853
Yack Arena improvements	3,740,782	224,725
Total	<u>\$ 7,227,654</u>	<u>\$ 16,310,118</u>

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 9 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Local Streets Fund	\$ 67,045
	Other governmental funds	87,248
	Total General Fund	154,293
Local Streets Fund	Major Streets Fund	1,336
Solid Waste Disposal Fund	General Fund	1,398,364
	Water Fund	22,624
	Total Solid Waste Disposal Fund	1,420,988
Other governmental funds	General Fund	2,235,160
	Building Rental Fund	320,000
	Other governmental funds	13,081
	Total other governmental funds	2,568,241
Water Fund	Electric Fund	1,052,497
	Cable Television Fund	277,118
	Total Water Fund	1,329,615
Sewage Disposal Fund	General Fund	611,645
	Water Fund	1,115,886
	Total Sewage Disposal Fund	1,727,531
Internal Service Fund	General Fund	6,515,441
Tax Increment Financing Authority Fund - Consolidated	Tax Increment Financing Authority Fund - Downtown	196,797

Advances from/to Other Funds

Receivable Fund	Payable Fund	Amount
Other governmental funds	General Fund	\$ 416,355
	Building Rental Fund	601,370
	Total	\$ 1,017,725

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 9 - Interfund Receivables, Payables, and Transfers (Continued)

Due to/from Primary Government and Component Units

Receivable Fund	Payable Fund	Amount
Tax Increment Finance Authorities - Consolidated	General Fund	\$ 1,446,296
	Other governmental funds	228,784
	Total General Fund	1,675,080
Tax Increment Finance Authorities - Downtown	General Fund	466,064
	Solid Waste Disposal	39,937
	Other governmental funds	50,281
	Total Tax Increment Finance Authorities - Downtown	556,282
Solid Waste Disposal Fund	Tax Increment Finance Authorities - Consolidated	4,184
Other governmental funds	Tax Increment Finance Authorities - Consolidated	400,000

Advances from/to Primary Government and Component Units

Receivable Fund	Payable Fund	Amount
Self-insurance Fund	Brownfield Redevelopment Authority	\$ 274,556
Other governmental funds	Brownfield Redevelopment Authority	960,946
	Total	\$ 1,235,502

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 9 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Receiving Resources</u>	<u>Fund Providing Resources</u>	<u>Amount</u>
Local Streets Fund	Major Streets Fund	\$ 292,932
Other governmental funds	General Fund	1,141,261
Sewage Disposal Fund	General Fund	611,645
Internal Service Fund	General Fund	<u>1,250,000</u>
	Total	<u>\$ 3,295,838</u>

The transfer from the General Fund to the Sewage Fund was to pay the annual debt service for the court-ordered improvements to the Wyandotte wastewater treatment plant. The funds were derived from the judgment levy on the property tax bills. The transfer to other governmental funds was primarily to pay the annual debt service for the Department of Public Services facility bonds, the 27th District Court and police department facility construction, Yack Arena renovation bonds, and the debt service for the installment purchase agreement for various technology improvements. These funds are derived through tax levies. The transfer between the City's two street funds was to redistribute ACT 51 revenue from the Major Streets Fund to the Local Streets Fund, where the funds were then spent. The transfer from the General Fund to the Internal Service Fund was to provide reserves for future claims.

Note 10 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 10 - Long-term Debt (Continued)

Description	Amount
Governmental Activities:	
<u>General Obligations:</u>	
1999 Building Authority Bonds, issued for \$5,000,000, with interest from 3.75% to 5.75%, maturing in 2013	\$ 2,900,000
2006 Capital Improvement Bonds for public safety, recreation and culture, and court improvements, issued for \$9,495,000, with interest from 4.00% to 4.25%, maturing in 2025	9,345,000
2006 Bank One purchase installment for technology improvements, issued for \$500,000, with interest of 4.28%, maturing in 2011	375,000
Total governmental activity debt	<u>\$ 12,620,000</u>

Description	Amount
Business-type Activities:	
<u>General Obligations:</u>	
1998 Cable television purchase installment, issued for \$3,994,031, with interest of 4.16%, maturing in 2011	\$ 1,541,531
2000 Building rental purchase installment, issued for \$995,000, with interest of 8.06%, maturing in 2010	334,300
Downriver sewage disposal system bonds, 13 issues totaling \$22,053,776, with interest from 1.625% to 5.00%, maturing from 2016 to 2028	8,525,263
2007 Cable television purchase installment, issued for \$200,000, with interest of 4.14%, maturing in 2011	163,236
Subtotal	<u>10,564,330</u>

<u>Revenue Bonds:</u>	
1992 Electric Revenue Refunding Bonds issued for \$61,185,000, with interest of 6.25%, maturing in 2009	5,260,000
2002 Electric Revenue Refunding Bonds, net of unamortized premium and deferred refunding credit, issued for \$31,990,000, with interest from 3.25% to 5.38%, maturing in 2018	30,018,694
2005A Electric Revenue Bonds, net of unamortized premium, issued for \$6,104,826, with interest from 3.25% to 5.00%, maturing in 2016	5,483,850
2005B Electric Revenue Bonds, net of unamortized premium, issued for \$7,489,013, with interest from 3.50% to 4.50%, maturing in 2025	7,487,525
Less amounts payable from restricted assets	<u>(3,475,000)</u>
Subtotal	<u>44,775,069</u>
Total business-type activity debt	<u>\$ 55,339,399</u>

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 10 - Long-term Debt (Continued)

Description	Amount
Component Units:	
<u>General obligations:</u>	
1999 Brownfield Revitalization Loan, issued for \$944,000, with interest of 2.25%, maturing in 2015	\$ 684,613
2006 Brownfield Redevelopment Loan, issued for \$89,735, with interest of 3.50%, maturing in 2011	64,296
2006 Downtown Development Note Payable, issued for \$400,000, with interest of 5.00%, maturing in 2018	400,000
Subtotal	<u>\$ 1,148,909</u>
<u>Revenue Bonds:</u>	
1992 Limited Tax Development Refunding Bonds, issued for \$11,940,000, with interest from 6.25% to 6.8%, maturing in 2010	\$ 1,420,000
1992 Downtown Development Refunding Bonds, issued for \$4,030,000, with interest from 6.20% to 6.25%, maturing in 2009	640,000
Subtotal	<u>2,060,000</u>
Total component unit activity debt	<u>\$ 3,208,909</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities -					
General obligations	\$ 13,170,000	\$ -	\$ (550,000)	\$ 12,620,000	\$ 600,000
Business-type Activities					
General obligations	\$ 9,822,269	\$ 1,754,071	\$ (1,012,010)	\$ 10,564,330	\$ 1,036,660
Revenue bonds	51,467,977	-	(3,217,908)	48,250,069	3,725,000
Less portion payable from restricted assets	(3,315,000)	-	(160,000)	(3,475,000)	170,000
Total	<u>\$ 57,975,246</u>	<u>\$ 1,754,071</u>	<u>\$ (4,389,918)</u>	<u>\$ 55,339,399</u>	<u>\$ 4,931,660</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units - As restated					
General obligations	\$ 1,237,788	\$ -	\$ (88,880)	\$ 1,148,908	\$ 121,106
Revenue bonds	2,800,000	-	(740,000)	2,060,000	810,000
Total	<u>\$ 4,037,788</u>	<u>\$ -</u>	<u>\$ (828,880)</u>	<u>\$ 3,208,908</u>	<u>\$ 931,106</u>

Note 10 - Long-term Debt (Continued)

As discussed in Note 18, the TIFA - Downtown adjusted beginning long-term debt and notes receivable to properly reflect prior period activity. This resulted in increases of \$400,000 to component unit general obligations as of October 1, 2006.

Total interest expense for the year was approximately \$3,255,000.

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities			Business-type Activities			Component Unit Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 600,000	\$ 514,489	\$ 1,114,489	\$ 4,931,660	\$ 2,481,604	\$ 7,413,264	\$ 931,106	\$ 157,499	\$ 1,088,605
2009	850,000	488,459	1,338,459	4,841,872	2,243,269	7,085,141	910,112	103,184	1,013,296
2010	900,000	452,378	1,352,378	4,963,488	2,063,924	7,027,412	594,266	59,356	653,622
2011	1,020,000	413,686	1,433,686	5,061,674	1,880,357	6,942,031	144,446	25,708	170,154
2012	950,000	375,800	1,325,800	4,929,782	1,686,017	6,615,799	122,728	21,168	143,896
2013-2017	3,800,000	1,371,250	5,171,250	25,929,844	4,892,651	30,822,495	482,139	48,409	530,548
2018-2022	2,500,000	707,050	3,207,050	3,934,785	769,546	4,704,331	24,112	3,559	27,671
2023-2027	2,000,000	211,750	2,211,750	1,587,135	163,452	1,750,587	-	-	-
Thereafter	-	-	-	119,090	2,978	122,068	-	-	-
*	-	-	-	(959,931)	-	(959,931)	-	-	-
Total	\$ 12,620,000	\$ 4,534,862	\$ 17,154,862	\$ 55,339,399	\$ 16,183,798	\$ 71,523,197	\$ 3,208,909	\$ 418,883	\$ 3,627,792

* Less unamortized discount/premiums on bonds payable and deferred refunding charges

Electric Fund Revenue Bonds

The 1992 and the 2002 Electric Revenue Refunding bonds are payable out of the net revenue of the Electric Fund. The City has no liability for these bonds if the net revenue pledged should prove insufficient.

An agreement has been entered into with BASF for steam service related to the 2005 Revenue Bonds. This agreement provides for reimbursement to the department for one-half of the principal and associated interest of the 2005 Electric Revenue Bonds (Series A) actually used by the department to fund the construction of the Steam Expansion Project through 2010.

The revenue bond ordinance contains certain covenants and provisions that, among other matters, relate to the following:

- Segregation of proceeds of the revenue bond issue
- Segregation of Electric Fund revenue
- Segregation of assets for debt service payments
- Segregation of assets for construction of improvements to the system
- Periodic transfers of net revenue to those funds segregated for debt service payments
- Sale, lease, or other disposition of all or any substantial part of the system
- Establishment of rates sufficient to provide for required level of debt service coverage
- Adoption of, and adherence to, budgeted operation and maintenance expenses

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 10 - Long-term Debt (Continued)

Included in the current assets of the Electric Fund at September 30, 2007 is approximately \$268,000 earmarked for future repairs of the system pursuant to the ordinance. Also included in the current liabilities of the Electric Fund at September 30, 2007 is that portion of the bond principal that was to be transferred within the next year to the bond interest and Redemption Fund for payment of bond principal.

Note 11 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for claims related to medical benefits and participated in a general liability insurance plan with the Michigan Municipal League until changing to a commercial insurance carrier on January 1, 2007. The City is partially uninsured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceed the amount of insurance coverage in any of the past three fiscal years.

General Liability - The City currently keeps coverage that limits the maximum loss to \$20,000 per occurrence. Losses in excess of these limitations are insured up to a minimum of \$5,000,000 per occurrence depending on the nature of the claim. Losses in excess of the plan limitations are uninsured.

Workers' Compensation - The City (including the Department of Municipal Services) is partially uninsured for workers' compensation claims. The terms of the plan are subject to change each policy period. Subsequent to May 31, 1986, there is no aggregate insurance coverage limit. All claims are insured for the per occurrence exposure between the deductible as of May 31, 1986 of \$300,000 (\$400,000 and \$850,000 as of June 1, 1990 and 2002, respectively) and the policy limits equal to state statutory requirements.

The City estimates the liability for general liability, which includes workers' compensation claims, and the Department of Municipal Services estimates the liability for workers' compensation claims in the Enterprise Funds that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2007</u>	<u>2006</u>
Self-insurance Fund		
Estimated liability - Beginning of year	\$ 892,297	\$ 1,015,395
Incurred claims (including claims incurred but not reported)	390,179	237,798
Claim payments and changes in estimates	<u>(755,114)</u>	<u>(360,896)</u>
Estimated liability - End of year	<u>\$ 527,362</u>	<u>\$ 892,297</u>

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 11 - Risk Management (Continued)

	<u>2007</u>	<u>2006</u>
Department of Municipal Services		
Estimated liability - Beginning of year	\$ 507,619	\$ 556,696
Incurred claims (including claims incurred but not reported)	(25,917)	(87,301)
Claim payments and changes in estimates	<u>3,269</u>	<u>38,224</u>
Estimated liability - End of year	<u>\$ 484,971</u>	<u>\$ 507,619</u>

Note 12 - Restricted Assets and Restricted and Designated Fund Balance/Net Assets

The balances for the restricted asset accounts are as follows:

	<u>Construction</u>	<u>Electric</u>	<u>Water</u>	<u>Cable</u>	<u>Total</u>
Unspent bond proceeds and related interest	\$ 3,108,981	\$ 2,060,500	\$ -	\$ -	\$ 5,169,481
Debt service	-	9,188,005	-	1,103,098	10,291,103
Capital improvements	-	1,218,938	-	-	1,218,938
Retiree health care	-	<u>820,311</u>	<u>163,594</u>	<u>163,594</u>	<u>1,147,499</u>
Total	<u>\$ 3,108,981</u>	<u>\$ 13,287,754</u>	<u>\$ 163,594</u>	<u>\$ 1,266,692</u>	<u>\$ 17,827,021</u>

In addition, the current liability payable from restricted assets for the Electric Fund includes \$1,200,592 for interest and \$3,475,000 for bond principal payable.

The Electric Fund assets restricted for debt service are pursuant to the 1992 revenue bond ordinance for revenue bond debt service. In conjunction with the bond ordinance, the Commission passed a resolution to reserve retained earnings in the Electric Fund of \$4,373,529, which represents 125 percent of the average annual debt service requirement for all outstanding bonds.

Assets have also been restricted in the Electric Fund for future capital improvements and to assist in paying future bond principal and interest payments pursuant to a resolution approved by the Commission.

Assets have been restricted in the Cable Fund to assist in paying future principal and interest payments on the installment purchase contract.

In the Electric, Water, and Cable Funds, monies have been restricted to pay future retiree healthcare costs, pursuant to a resolution approved by the Commission.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 12 - Restricted Assets and Restricted and Designated Fund Balance/Net Assets (Continued)

Portions of net assets of the Enterprise Funds have been restricted for the following purposes at September 30, 2007:

	Electric	Water	Cable	Total
Debt service	\$ 7,987,413	\$ -	\$ 1,103,098	\$ 9,090,511
Capital improvements	1,218,938	-	-	1,218,938
Retiree health care	820,311	163,594	163,594	1,147,499
Total	<u>\$ 10,026,662</u>	<u>\$ 163,594</u>	<u>\$ 1,266,692</u>	<u>\$ 11,456,948</u>

Note 13 - Defined Benefit Pension Plan

Plan Description - The Employees' Pension Plan is a single-employer defined benefit pension plan that is administered by the City of Wyandotte Employees' Retirement System. This plan covers substantially all full-time general employees hired prior to October 1, 1999, all union (AFSCME) general members hired prior to April 1, 2000, all union (IAFF) fire fighters hired prior to October 1, 2000, all police and fire dispatchers hired prior to July 1, 2001, and Department of Municipal Services employees hired prior to October 1, 2006. The plan also covers all full-time police employees hired prior to February 1, 1999. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. At September 30, 2006, the date of the most recent actuarial valuation, membership consisted of 280 retirees and beneficiaries currently receiving benefits, 32 terminated employees entitled to benefits but not yet receiving them, and 176 current active employees. The plan does not issue a separate financial report.

Contributions - Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Please refer to Note 1 for further significant accounting policies.

The obligation to contribute to and maintain the system for the employees was established by negotiation with the City's collective bargaining units and requires no contribution from the employees, except for certain police officers who are members of the patrol and command bargaining units. As of March 1, 1999 for patrol members and February 1, 2001 for command members, all eligible police officers that were hired after October 1, 1982 but prior to February 1, 1999 are required to contribute 5 percent of their qualified wages to the plan. The funding policy provides for periodic employer contributions at actuarially determined rates. Administrative costs of the plan are financed through investment earnings.

City of Wyandotte, Michigan

Notes to Financial Statements September 30, 2007

Note 13 - Defined Benefit Pension Plan (Continued)

Annual Pension Costs - For the year ended September 30, 2007, the City's annual pension cost of \$3,210,120 for the plan was equal to the required and actual contribution. The annual pension costs consist of contributions from Municipal Service of \$807,962 and transfers from other funds of \$2,402,158. The annual required contribution was determined as part of an actuarial valuation at September 30, 2005, using the entry actual age cost method for Municipal Service and the aggregate method for general and police and fire divisions. Significant actuarial assumptions used include (i) a 7.5 investment rate of return and (ii) projected salary increases of 4.5 percent to 9.6 percent per year, which include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis.

The remaining amortization period is 11 years and 20 years for the Municipal Service and general and police and fire divisions, respectively.

Reserves - As of September 30, 2007, the plan's contribution, retirement benefit payments, and Special Retirement Fund reserves have been fully funded as follows:

Legally required reserves:

Reserve for employees' contributions	\$ 753,488
Reserve for retired benefit payments	50,307,667

Additional reserves:

Reserve for employer contributions	17,250,745
Reserve for Special Retirement Fund	408,854
Reserve for retiree health benefits	1,078,506
Reserve for endowment	7,687,434

Total reserves	<u>\$ 77,486,694</u>
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	<u>2005</u>	<u>2006</u>	<u>2007</u>
Annual pension costs (APC)	\$ 2,722,324	\$ 2,738,989	\$ 3,210,120
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Note 14 - Defined Contribution Pension Plan

The City established a defined contribution pension plan under Section 401(a) of the Internal Revenue Code for the following employees:

- Police patrol officers hired on or after February 1, 1999
- Police command officers hired on or after February 1, 1999
- Nonunion administrative employees hired on or after October 1, 1999
- Nonunion administrative employees hired prior to October 1, 1999 who elected to transfer their accrued benefits from the defined benefit plan
- Technical, clerical, and AFSCME local 894 members hired on or after April 1, 2000
- Wyandotte firefighters IAFF local 346 members hired on or after October 1, 2000
- Police and fire dispatchers hired on or after July 1, 2001
- Police and fire dispatchers hired prior to July 1, 2002 who elected to transfer their accrued benefits from the defined benefit plan
- Department of Municipal Services employees hired on or after October 1, 2006

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Investments are managed by a third party, and investment decisions are made by the individual employees. As established by the City of Wyandotte through collective bargaining agreements, the City and the employees contribute a percentage of employees' qualified earnings in the amount of 10 percent and 5 percent, respectively.

The employee contribution percentages noted above represent the required contribution. Employees are not permitted to contribute additional amounts. The City withholds from the employee earnings and remits to the plan each pay period. The City's contributions for each employee (plus interest allocated to the employee's account) are fully vested after five years of service.

In accordance with the above requirements, the City contributed approximately \$314,000 during the current year, and the employees contributed approximately \$157,000.

Note 15 - Contingent Liabilities

The City has been named as a defendant in numerous claims and lawsuits requesting damages of various amounts, the majority of which do not state a specific maximum. The various proceedings have not yet progressed to a point where a legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The City has not recorded an estimate of this liability at September 30, 2007.

The City was named as a defendant in a lawsuit alleging violations of the Clean Water Act occurring in the downriver sewage treatment system. Several other communities, including Wayne County, were also named as defendants. The estimated total cost of the projects is approximately \$338,000,000, with the City's share estimated to be approximately \$12,500,000, which approximates total expenditures to date. The City has issued approximately \$12,500,000 in debt to fund this project. In addition, approximately \$3,800,000 of completion and capital improvement bonds will be issued in 2008, with the City's share estimated to be approximately \$400,000. The City may have other significant sewer commitments under the Clean Water Act; the amount of these commitments cannot presently be determined.

In March 2005, United Skilled Trades, Inc. (UST) filed a suit against the City of Wyandotte Department of Municipal Services (the "Department") and others. UST alleged that it was owed money from the Department for services rendered pursuant to a contract for repair of a turbine. UST alleged that the Department is indebted to them in the amount of \$1,100,000. The Department vigorously defended its position that no material amounts were due to UST. On February 21, 2008, the Department received a decision in the case. The Court's verdict denied most of the claims of UST but did award two of their claims. The Court also ordered that any monies owing UST from this award be reduced by the Department's legal fees and other applicable costs. Management's estimate of the liability due UST as a result of this decision has been recorded in the financial statements of the Electric Fund as of September 30, 2007.

Note 16 - Other Postemployment Benefits

The City provides postemployment healthcare benefits to nearly all employees upon retirement in accordance with labor contracts. Currently, 280 retirees are eligible. The City includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment healthcare benefits are recognized as the insurance premiums become due; during the year, this amounted to approximately \$2,239,000, of which \$1,823,000 and \$416,000 was paid by the Employees' Retirement System and the Enterprise Funds, respectively. In the current year, the General Fund transferred approximately \$1,857,000 to the reserve for retiree health benefits within the pension system.

Note 16 - Other Postemployment Benefits (Continued)

Upcoming Reporting Change - The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending September 30, 2009.

Note 17 - Long-term Receivable

During the year ended September 30, 2006, the Department of Municipal Services entered into an agreement with a customer related to the construction of an asset. Under the terms of the agreement, the Department used proceeds from the 2005A Revenue Bonds to construct a steam line that will be used by the customer. The customer agreed to reimburse the Department for 50 percent of the debt service costs of the bond. Varying monthly payments will be made by the customer through December 31, 2010. The Department has recorded accounts receivable and reduced the cost of the underlying asset for the principal reimbursements. Interest reimbursements are offset against interest expense when received. During the current year, the Department received \$805,950 from the customer; \$636,000 for debt principal reimbursements, which reduced accounts receivable, and \$169,950 for interest, which reduced interest expense. At September 30, 2007, the outstanding balance related to this agreement is \$2,046,000, of which \$636,000 is included in current accounts receivable and \$1,410,000 is recorded as a long-term receivable.

Note 18 - Prior Period Adjustment

During the current year, the City identified infrastructure and equipment related to the Sewage Disposal Fund constructed or purchased in prior years but not recorded as capital assets when constructed or purchased but rather expensed as maintenance. To correct these items, the City recorded adjustments to beginning net assets in the Sewage Disposal Fund in order to add \$1,058,165 of capital assets. Accordingly, beginning net assets for the Sewage Disposal Fund have been adjusted and restated from \$10,516,498 to \$11,574,663.

Note 18 - Prior Period Adjustment (Continued)

During the current year, the TIFA - Downtown component unit identified long-term debt and notes receivable related to the year ended September 30, 2006 but not recorded in that year. The debt and note receivable relate to the purchase and resale of land and a building. To correct this misstatement, the component unit recorded an adjustment to increase beginning long-term debt and notes receivable in the amount of \$400,000. The adjustment had no impact on the beginning net assets of the TIFA - Downtown component unit.

Required Supplemental Information

City of Wyandotte, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended September 30, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 9,873,484	\$ 9,844,984	\$ 10,169,123	\$ 324,139
Licenses and permits	462,550	1,040,146	1,054,399	14,253
State-shared revenue and grants	3,494,112	3,494,112	3,309,311	(184,801)
Other charges for services	2,870,257	2,770,257	2,960,435	190,178
Other fines and forfeitures	1,592,043	1,887,043	1,942,259	55,216
Investment income	465,000	700,000	792,994	92,994
Transfers out	(1,736,800)	(1,736,800)	(3,002,906)	(1,266,106)
Other revenue	2,011,623	2,011,623	2,174,385	162,762
Total revenue	19,032,269	20,011,365	19,400,000	(611,365)
Expenditures				
General government:				
Legislative	193,576	203,482	192,459	11,023
Judicial	944,118	996,717	955,029	41,688
Financial services and administration	329,144	341,687	337,723	3,964
General government	1,299,950	1,300,650	1,204,011	96,639
Assessor	212,467	207,469	204,781	2,688
City clerk	265,639	269,945	226,996	42,949
Treasurer	112,612	131,638	111,823	19,815
City commissions	30,532	30,532	23,473	7,059
Elections	37,898	37,898	22,458	15,440
Public safety:				
Police and civil defense	4,369,931	4,573,081	4,423,045	150,036
Fire	2,403,517	2,462,691	2,346,452	116,239
Public works:				
Engineering and D.P.S	966,593	1,052,123	894,366	157,757
Other public works activities	2,763,593	2,855,890	2,664,736	191,154
Recreation and culture:				
Recreation	552,945	560,481	948,341	(387,860)
Swimming pool	14,342	14,342	12,636	1,706
Yack Arena	444,137	451,055	402,947	48,108
Youth assistance	41,447	43,600	43,232	368
Historical commission	98,856	102,929	100,695	2,234
Other functions	3,914,253	4,258,899	4,258,899	-
Total expenditures	18,995,550	19,895,109	19,374,102	521,007
Net Change in Fund Balance	\$ 36,719	\$ 116,256	\$ 25,898	\$ (90,358)

City of Wyandotte, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Major Streets Year Ended September 30, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 1,233,181	\$ 1,233,181	\$ 1,171,728	\$ (61,453)
Contribution from component unit	-	-	204,113	204,113
Investment income	15,000	20,000	29,484	9,484
Transfers out	(308,295)	(308,295)	(292,932)	15,363
Other revenue	70,000	70,000	85,256	15,256
Total revenue	1,009,886	1,014,886	1,197,649	182,763
Expenditures - Public works	1,006,500	1,502,027	1,565,242	(63,215)
Net Change in Fund Balance	\$ 3,386	\$ (487,141)	\$ (367,593)	\$ 119,548

City of Wyandotte, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Local Streets Year Ended September 30, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ -	\$ -	\$ 134,508	\$ 134,508
State-shared revenue and grants	456,667	456,667	433,128	(23,539)
Contribution from component unit	-	-	679,925	679,925
Investment income	7,000	9,000	8,796	(204)
Transfers in	308,295	308,295	292,932	(15,363)
Total revenue	771,962	773,962	1,549,289	775,327
Expenditures - Public works	700,000	925,600	1,786,907	(861,307)
Net Change in Fund Balance	\$ 71,962	\$ (151,638)	\$ (237,618)	\$ (85,980)

City of Wyandotte, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Solid Waste Disposal Year Ended September 30, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,567,109	\$ 1,561,109	\$ 1,574,985	\$ 13,876
Other charges for services	277,000	277,000	238,194	(38,806)
Investment income	25,000	75,000	74,007	(993)
Total revenue	1,869,109	1,913,109	1,887,186	(25,923)
Expenditures - Public works	1,756,080	1,709,080	1,656,061	53,019
Net Change in Fund Balance	\$ 113,029	\$ 204,029	\$ 231,125	\$ 27,096

City of Wyandotte, Michigan

Required Supplemental Information Police and Fire Pension System Schedule of Funding Progress Year Ended September 30, 2007

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
9/30/01	\$ 58,154,932	\$ 66,253,096	\$ 8,098,164	87.8	\$ 10,773,220	75.2
9/30/02	57,402,504	68,250,392	10,847,888	84.1	10,902,873	99.5
9/30/03	57,557,323	73,253,459	15,696,136	78.6	10,730,847	146.3
9/30/04	57,814,081	72,165,278	14,351,197	80.1	10,428,270	137.6
9/30/05	58,988,538	79,228,316	20,239,778	74.5	9,654,771	209.6
9/30/06	62,339,944	81,536,737	19,196,793	76.5	9,828,031	195.3

* Using market value excluding health benefit, special retirement, and endowment reserves

The schedule of employer contributions is as follows:

Fiscal Year Ended	Municipal Service Contribution	Reclassification from Endowment Reserve **	Annual Required Contribution	Percentage Contributed (Percent)
9/30/02	\$ 437,575	\$ 1,652,101	\$ 2,089,676	100.0
9/30/03	444,947	1,638,469	2,083,416	100.0
9/30/04	488,459	1,796,657	2,285,116	100.0
9/30/05	925,667	1,796,657	2,722,324	100.0
9/30/06	657,324	2,081,665	2,738,989	100.0
9/30/07	807,962	2,402,158	3,210,120	100.0

** The endowment reserve represents prepaid employer contributions deposited by the City during the year ended September 30, 1990 as well as transfers from various City funds in subsequent years.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of September 30, 2006, the latest actuarial valuation, follows:

Actuarial cost method***	Aggregate
Amortization method***	N/A
Remaining amortization period***	N/A
Asset valuation method	4-year smoothed market

City of Wyandotte, Michigan

Required Supplemental Information Police and Fire Pension System Schedule of Funding Progress (Continued) Year Ended September 30, 2007

Actuarial assumptions:

Investment rate of return	7.5%
Projected salary increases	4.5% - 9.6%
Includes inflation at	4.5%

*** Effective with the September 30, 2003 valuation, the aggregate cost method was implemented for general and police/fire groups. The aggregate cost method was phased in over the next four years and was fully implemented beginning with the September 30, 2006 valuation. Note that the aggregate cost method does not create an actuarial accrued liability. As a result, the above schedules continue to show the entry age normal cost method liability.

City of Wyandotte, Michigan

Note to Required Supplemental Information Year Ended September 30, 2007

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all Special Revenue Funds except that operating transfers and debt proceeds have been included in the "revenue" and "expenditures" categories, rather than as "other financing sources (uses)." All annual appropriations lapse at fiscal year end. The annual budget is prepared by the City management and adopted by the City Council; subsequent amendments are approved by the City Council.

The budget process is initiated in March, when the departments are given information and guidelines to assist them in formulating their budget requests. The department heads summarize departmental appropriation requests and submit them to the mayor, on or before June 1. During the month of June, the mayor reviews the appropriation requests, meets with the departments, and puts together the budget. The budget is submitted to the City Council in early July. During the next month, the City Council reviews the budget and considers any changes. After a public hearing, the final budget is adopted by resolution no later than September 30.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the budgetary comparison schedules to the fund-based statement of changes in fund balance is as follows:

	Budget Statement	Reimbursing Transfers from Other Funds	Operating Transfers	Operating Statement
General Fund:				
Total revenue	\$ 19,400,000	\$ (2,057,076)	\$ 3,002,906	\$ 20,345,830
Total expenditures	(19,374,102)	2,057,076	-	(17,317,026)
Other financing uses	-	-	(3,002,906)	(3,002,906)
Net change in fund balance	<u>\$ 25,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,898</u>
Major Streets Fund:				
Total revenue	\$ 1,197,649	\$ -	\$ 292,932	\$ 1,490,581
Total expenditures	(1,565,242)	-	-	(1,565,242)
Other financing uses	-	-	(292,932)	(292,932)
Net change in fund balance	<u>\$ (367,593)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (367,593)</u>

City of Wyandotte, Michigan

Note to Required Supplemental Information Year Ended September 30, 2007

	Budget Statement	Reimbursing Transfers from Other Funds	Proceeds from the Sale of Assets	Operating Transfers	Operating Statement
Local Streets Fund:					
Total revenue	\$ 1,549,289	\$ -	\$ -	\$ (292,932)	\$ 1,256,357
Total expenditures	(1,786,907)	-	-	-	(1,786,907)
Other financing sources	-	-	-	292,932	292,932
Net change in fund balance	<u>\$ (237,618)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (237,618)</u>

During the year, the City of Wyandotte, Michigan incurred expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual
General Fund - Recreation	\$ 560,481	\$ 942,005
Major Streets Fund - Public Works	1,502,027	1,565,242
Local Streets Fund - Public Works	925,600	1,786,907

The variance in the General Fund is due to the Masonic Temple purchase that was not budgeted for. The variance in the Major and Local Streets Funds is due to the initiation of projects originally scheduled for 2008 in 2007 due to the earlier than anticipated availability of funding for the projects.

Other Supplemental Information

City of Wyandotte, Michigan

	Nonmajor Special Revenue Funds					
	Equipment and Replacement	Drug Law Enforcement	Urban Development Action Grant	Grants	Public Improvement	Southgate-Wyandotte Drain O&M
Assets						
Cash and investments	\$ 146,576	\$ 267,352	\$ 306,685	\$ 162,967	\$ 122,294	\$ 409,018
Receivables - Net:						
Taxes	-	-	-	-	-	190,307
Special assessments	-	-	-	-	-	-
Accrued interest	618	-	-	-	-	-
Other	-	-	1,566	-	-	-
Due from other governmental units	-	-	60,000	106,086	-	-
Due from component units	-	-	-	-	-	-
Due from other funds	100,654	-	-	-	-	1,069,146
Advances to other funds	-	-	1,017,725	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-
Land held for resale	-	-	90,180	-	44,237	-
Restricted assets	-	-	-	-	-	-
Note receivable	-	-	133,468	-	-	-
Advance to component unit	-	-	-	-	-	-
Total assets	\$ 247,848	\$ 267,352	\$ 1,609,624	\$ 269,053	\$ 166,531	\$ 1,668,471
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 51,467	\$ 1,550	\$ 17,500	\$ 373	\$ -	\$ 196,342
Due to component units	-	-	-	-	-	249,323
Due to other funds	-	1,143	-	83,199	-	-
Refundable deposits, bonds, etc.	-	-	-	-	20	-
Deferred revenue	-	-	135,034	123,135	-	1,033,581
Total liabilities	51,467	2,693	152,534	206,707	20	1,479,246
Fund Balances						
Reserved for:						
Noncurrent receivables	-	-	1,017,725	-	-	-
Construction, debt service, and other	-	264,659	-	62,346	-	189,225
Unreserved, reported in Special Revenue Funds	196,381	-	439,365	-	166,511	-
Total fund balances	196,381	264,659	1,457,090	62,346	166,511	189,225
Total liabilities and fund balances	\$ 247,848	\$ 267,352	\$ 1,609,624	\$ 269,053	\$ 166,531	\$ 1,668,471

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007**

Nonmajor Special Revenue Funds				Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Sidewalk and Alley Paving	Special Events	Building Authority Improvement	EPA Cooperative Agreement	DPS Building Bonds	Construction	
\$ 1,629,842	\$ 240,629	\$ 450,456	\$ 30,518	\$ 579,099	\$ 2,068,919	\$ 6,414,355
11,087	-	-	-	-	-	201,394
703,090	-	-	-	-	-	703,090
-	655	-	-	-	28,136	29,409
13,201	-	-	-	-	-	14,767
-	-	-	9,054	-	-	175,140
-	-	-	-	-	400,000	400,000
24,753	-	333,081	-	1,040,607	-	2,568,241
-	-	-	-	-	-	1,017,725
-	1,118	-	-	-	-	1,118
-	-	-	-	-	-	134,417
-	-	-	-	-	3,108,981	3,108,981
-	-	-	-	-	-	133,468
-	-	-	960,946	-	-	960,946
\$ 2,381,973	\$ 242,402	\$ 783,537	\$ 1,000,518	\$ 1,619,706	\$ 5,606,036	\$ 15,863,051
\$ 8,576	\$ 31,224	\$ 23,595	\$ -	\$ -	\$ 1,585,328	\$ 1,915,955
-	29,742	-	-	-	-	279,065
-	2,906	-	-	-	13,081	100,329
-	-	-	-	-	-	20
723,154	-	-	9,055	-	-	2,023,959
731,730	63,872	23,595	9,055	-	1,598,409	4,319,328
-	-	-	-	-	-	1,017,725
-	-	-	991,463	1,619,706	4,007,627	7,135,026
1,650,243	178,530	759,942	-	-	-	3,390,972
1,650,243	178,530	759,942	991,463	1,619,706	4,007,627	11,543,723
\$ 2,381,973	\$ 242,402	\$ 783,537	\$ 1,000,518	\$ 1,619,706	\$ 5,606,036	\$ 15,863,051

City of Wyandotte, Michigan

	Nonmajor Special Revenue Funds					
	Equipment and Replacement	Drug Law Enforcement	Urban Development Action Grant	Grants	Public Improvement	Southgate-Wyandotte Drain O&M
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 711,956
Federal grants	-	103,927	-	230,166	-	-
State-shared revenue and grants	-	94,571	-	9,771	-	-
Contribution from component unit	-	-	-	-	-	-
Investment income	10,120	10,224	75,451	-	5,833	76,802
Other revenue	44,351	-	48,944	-	2,220	-
Total	54,471	208,722	124,395	239,937	8,053	788,758
Expenditures - Current						
General government	-	-	145,004	-	-	-
Public safety	-	112,096	-	-	-	-
Public works	177,388	-	-	-	5,581	1,647,971
Community and economic development	-	-	-	220,610	-	-
Recreation and culture	-	-	-	-	-	-
Debt service	118,367	-	-	-	-	-
Total expenditures	295,755	112,096	145,004	220,610	5,581	1,647,971
Excess of Revenue Over (Under) Expenditures	(241,284)	96,626	(20,609)	19,327	2,472	(859,213)
Other Financing Sources -						
Transfers in	100,654	-	-	-	-	-
Net Change in Fund Balances	(140,630)	96,626	(20,609)	19,327	2,472	(859,213)
Fund Balances - Beginning of year	337,011	168,033	1,477,699	43,019	164,039	1,048,438
Fund Balances - End of year	\$ 196,381	\$ 264,659	\$ 1,457,090	\$ 62,346	\$ 166,511	\$ 189,225

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2007

Nonmajor Special Revenue Funds				Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Sidewalk and Alley Paving	Special Events	Building Authority Improvement	EPA Cooperative Agreement	DPS Building Bonds	Construction	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 711,956
-	-	-	-	-	-	334,093
142,470	-	-	-	-	-	246,812
247,381	-	-	-	-	400,000	647,381
93,473	13,712	15,498	518	17,507	323,666	642,804
216,606	218,612	285,136	-	-	-	815,869
<u>699,930</u>	<u>232,324</u>	<u>300,634</u>	<u>518</u>	<u>17,507</u>	<u>723,666</u>	<u>3,398,915</u>
100,000	-	112,662	-	276	1,097,476	1,455,418
-	-	-	-	-	1,535,914	1,648,010
8,104	-	-	-	-	-	1,839,044
-	-	-	-	-	-	220,610
-	262,421	-	-	-	808,043	1,070,464
-	-	-	-	854,371	-	972,738
<u>108,104</u>	<u>262,421</u>	<u>112,662</u>	<u>-</u>	<u>854,647</u>	<u>3,441,433</u>	<u>7,206,284</u>
591,826	(30,097)	187,972	518	(837,140)	(2,717,767)	(3,807,369)
-	-	-	-	1,040,607	-	1,141,261
591,826	(30,097)	187,972	518	203,467	(2,717,767)	(2,666,108)
<u>1,058,417</u>	<u>208,627</u>	<u>571,970</u>	<u>990,945</u>	<u>1,416,239</u>	<u>6,725,394</u>	<u>14,209,831</u>
<u>\$ 1,650,243</u>	<u>\$ 178,530</u>	<u>\$ 759,942</u>	<u>\$ 991,463</u>	<u>\$ 1,619,706</u>	<u>\$ 4,007,627</u>	<u>\$ 11,543,723</u>