

City of Grandville, Michigan

**Financial Report
with Supplemental Information
June 30, 2008**

City of Grandville, Michigan

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Plante & Moran, PLLC

Suite 120

511 Renaissance Drive

St. Joseph, MI 49085

Tel: 269.982.8000

Fax: 269.982.2800

plantemoran.com

Independent Auditor's Report

To the Mayor and City Council
City of Grandville, 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 Grandville, Michigan (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Grandville, 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 Grandville, Michigan as of June 30, 2008 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 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 Mayor and City Council
City of Grandville, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grandville, 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

November 5, 2008

City of Grandville, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the City of Grandville, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the City's financial statements.

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.

The City as a Whole

The following table shows, in a condensed format, the net assets as of the current date and the previous year:

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current assets	\$ 7,361,216	\$ 8,133,295	\$ 7,974,792	\$ 7,636,729	\$ 15,336,008	\$ 15,770,024
Noncurrent assets	24,598,085	25,131,939	19,926,692	19,841,430	44,524,777	44,973,369
Total assets	31,959,301	33,265,234	27,901,484	27,478,159	59,860,785	60,743,393
Liabilities						
Current liabilities	2,141,399	1,989,030	1,257,608	805,431	3,399,007	2,794,461
Long-term liabilities	6,035,413	5,494,839	2,645,304	2,947,182	8,680,717	8,442,021
Total liabilities	8,176,812	7,483,869	3,902,912	3,752,613	12,079,724	11,236,482
Net Assets						
Invested in capital assets -						
Net of related debt	17,516,907	19,413,077	16,525,010	16,256,742	34,041,917	35,669,819
Restricted	2,126,809	1,354,947	454,500	354,500	2,581,309	1,709,447
Unrestricted	4,138,773	5,013,341	7,019,062	7,114,304	11,157,835	12,127,645
Total net assets	<u>\$ 23,782,489</u>	<u>\$ 25,781,365</u>	<u>\$ 23,998,572</u>	<u>\$ 23,725,546</u>	<u>\$ 47,781,061</u>	<u>\$ 49,506,911</u>

City of Grandville, Michigan

Management's Discussion and Analysis (Continued)

The City's combined net assets decreased 3 percent from a year ago - decreasing from \$49,506,911 to \$47,781,061. As we look at the governmental activities separately from the business-type activities, we can see that unrestricted net assets - the part of net assets that can be used to finance day-to-day operations - decreased by \$874,568 for the governmental activities. This represents a decrease of approximately 17 percent. The current level of unrestricted net assets for our governmental activities stands at \$4,138,773.

City property tax revenue increased 3 percent from 2007 due to inflationary increases in taxable values, not an increase in City tax rates. The City's operating millage remained the same as the prior year at 8.454 mills.

The following table shows the changes of the net assets during the current year:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenue:						
Charges for services	\$ 2,199,625	\$ 2,104,178	\$ 5,841,710	\$ 5,173,845	\$ 8,041,335	\$ 7,278,023
Operating grants and contributions	1,222,418	1,137,186	-	-	1,222,418	1,137,186
Capital grants and contributions	745,107	1,932,430	-	303,156	745,107	2,235,586
General revenue:						
Property taxes	6,172,193	5,996,605	-	-	6,172,193	5,996,605
State-shared revenue	1,278,958	1,274,017	-	-	1,278,958	1,274,017
Unrestricted investment earnings	433,621	518,370	273,523	404,646	707,144	923,016
Franchise fees	145,343	118,090	-	-	145,343	118,090
Other revenue	125,002	54,038	-	-	125,002	54,038
Total revenue	12,322,267	13,134,914	6,115,233	5,881,647	18,437,500	19,016,561
Program Expenses						
General government	2,133,355	2,098,830	-	-	2,133,355	2,098,830
Judicial	623,716	578,587	-	-	623,716	578,587
Public safety	4,138,192	4,217,922	-	-	4,138,192	4,217,922
Public works	5,391,921	6,031,968	-	-	5,391,921	6,031,968
Recreation and culture	1,778,539	1,708,324	-	-	1,778,539	1,708,324
Interest on long-term debt	295,932	266,767	-	-	295,932	266,767
Water and sewer	-	-	5,801,695	5,581,102	5,801,695	5,581,102
Transfers	(40,512)	-	40,512	-	-	-
Total program expenses	14,321,143	14,902,398	5,842,207	5,581,102	20,163,350	20,483,500
Change in Net Assets	\$ (1,998,876)	\$ (1,767,484)	\$ 273,026	\$ 300,545	\$ (1,725,850)	\$ (1,466,939)

City of Grandville, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

The City's total governmental revenues decreased by approximately \$813,000. The decrease, which represents 6 percent, was primarily due to the fact that in 2007, \$890,000 in revenue was recorded for the 44th/Ivanrest Special Assessment.

Expenses decreased by \$581,255 during the year primarily due to the majority of the cost for the 44th/Ivanrest road reconstruction being expensed in 2007. The project was completed in 2008.

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund. We provide water to City residents by purchasing directly from the Wyoming City Water System. We provide sewage treatment through a City-owned and operated sewage treatment plant.

The City's Funds

Our analysis of the City's major funds begins on page 10, 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 creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The City's major funds for 2008 include the General Fund, the Major and Local Streets Funds, and the Revolving Fund, which accounts for special assessment receipts and disbursements to other funds.

The General Fund pays for most of the City's governmental services. The most significant are public safety expenditures, made up primarily of police and fire, which totaled \$4,433,002, approximately 51 percent of the total General Fund budget. The City planned General Fund expenditures to exceed revenues as it continues to reduce its fund balance. The City's goal is to limit unreserved fund balance to 15 percent of normal expenditures.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to take into account events during the year. Changes were made to increase expenditure authorizations for police, building inspections, sand and salt purchases, and parks. City department overall expenditure levels went over budget by \$107,329 due to additional judicial costs, which were offset by additional fines and fees revenue.

City of Grandville, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

The City continued to invest in capital assets by adhering to its five-year capital plan. During the year, the City invested \$2,300,000 in major and local street construction and \$211,000 in other assets. Water infrastructure improvements are in process in the northeast section of Grandville. The Sewer Fund purchased a backhoe for \$42,000 and started construction on major improvements to the Canal Street lift station and the motor pool added \$304,459 in new equipment and vehicles.

Economic Factors and Next Year's Budgets and Rates

The City anticipates that there will be a continued decline in state revenue-sharing income coupled with increased unfunded mandates by both the state and federal government. This will undoubtedly shift tax burdens even more to the local level. Property tax revenue is anticipated to increase, but will not likely be enough to offset decreases in revenue sharing and inflationary increases such as employee health care. The City will address this issue by strictly adhering to the maintenance of department budgets and by developing budget alternatives that can be implemented upon notification of any mid-year revenue decreases. Finally, the City will continue to utilize its excess unrestricted General Fund balance.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of City 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 City manager or City finance director.

City of Grandville, Michigan

Statement of Net Assets June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 372,708	\$ 756,616	\$ 1,129,324	\$ 196,141
Investments (Note 3)	6,253,390	5,824,784	12,078,174	1,768,614
Receivables - Net (Note 4)	735,118	1,393,392	2,128,510	11,842
Restricted assets (Note 7)	-	454,500	454,500	-
Net pension asset	766,256	-	766,256	-
Capital assets - Net (Note 5):				
Assets subject to depreciation	21,772,427	15,706,175	37,478,602	152,314
Assets not subject to depreciation	1,973,173	728,517	2,701,690	201,207
Bond issuance costs - Net of amortization	86,229	-	86,229	-
Intangible assets (Note 5)	-	3,037,500	3,037,500	-
Total assets	31,959,301	27,901,484	59,860,785	2,330,118
Liabilities				
Accounts payable	1,114,402	686,892	1,801,294	20,713
Accrued and other liabilities	182,551	172,833	355,384	226
Long-term liabilities:				
Due in one year:				
Compensated absences	535,536	96,005	631,541	-
Long-term debt (Note 7)	308,910	301,878	610,788	-
Due in more than one year:				
Compensated absences	115,630	-	115,630	-
Long-term debt (Note 7)	5,919,783	2,645,304	8,565,087	1,000,000
Total liabilities	8,176,812	3,902,912	12,079,724	1,020,939
Net Assets				
Invested in capital assets - Net of related debt	17,516,907	16,525,010	34,041,917	353,521
Restricted:				
Cemetery	449,398	-	449,398	-
Drug forfeitures	123,924	-	123,924	-
Debt retirement	800,000	-	800,000	-
Roads	696,324	-	696,324	-
Other purposes	57,163	-	57,163	-
Revenue bond reserve	-	454,500	454,500	-
Unrestricted	4,138,773	7,019,062	11,157,835	955,658
Total net assets	\$ 23,782,489	\$ 23,998,572	\$ 47,781,061	\$ 1,309,179

City of Grandville, Michigan

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,133,355	\$ 1,131,109	\$ 5,798	\$ -
Judicial	623,716	361,240	57,152	-
Public safety	4,138,192	341,736	93,402	-
Public works	5,391,921	180,296	1,066,066	745,107
Recreation and culture	1,778,539	185,244	-	-
Interest on long-term debt	295,932	-	-	-
Total governmental activities	14,361,655	2,199,625	1,222,418	745,107
Business-type activities - Water and sewer	5,801,695	5,841,710	-	-
Total primary government	\$ 20,163,350	\$ 8,041,335	\$ 1,222,418	\$ 745,107
Component units:				
Downtown Development Authority	\$ 183,628	\$ 1,505	\$ -	\$ -
Brownfield Redevelopment Authority	-	-	-	-
Total component units	\$ 183,628	\$ 1,505	\$ -	\$ -

General revenues:
 Property taxes
 State-shared revenues
 Unrestricted investment earnings
 Franchise fees
 Other revenue
 Transfers
 Total general revenues and transfers

Change in Net Assets

Net Assets - Beginning of year

Net Assets - End of year

Statement of Activities
Year Ended June 30, 2008

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (996,448)	\$ -	\$ (996,448)	\$ -
(205,324)	-	(205,324)	-
(3,703,054)	-	(3,703,054)	-
(3,400,452)	-	(3,400,452)	-
(1,593,295)	-	(1,593,295)	-
(295,932)	-	(295,932)	-
(10,194,505)	-	(10,194,505)	-
-	40,015	40,015	-
(10,194,505)	40,015	(10,154,490)	-
-	-	-	(182,123)
-	-	-	-
-	-	-	(182,123)
6,172,193	-	6,172,193	344,787
1,278,958	-	1,278,958	-
433,621	273,523	707,144	65,025
145,343	-	145,343	-
125,002	-	125,002	-
40,512	(40,512)	-	-
8,195,629	233,011	8,428,640	409,812
(1,998,876)	273,026	(1,725,850)	227,689
25,781,365	23,725,546	49,506,911	1,081,490
\$ 23,782,489	\$ 23,998,572	\$ 47,781,061	\$ 1,309,179

City of Grandville, Michigan

Governmental Funds Balance Sheet June 30, 2008

	General Fund	Major Streets Fund	Local Streets Fund	Revolving Fund	Other Governmental Funds - Nonmajor	Total Governmental Funds
Assets						
Cash and cash equivalents (Note 3)	\$ 30,866	\$ 151,432	\$ 47,395	\$ -	\$ 34,742	\$ 264,435
Investments (Note 3)	3,449,144	1,256,756	393,340	-	255,572	5,354,812
Receivables - Net (Note 4)	406,316	121,615	46,612	152,862	1,713	729,118
Total assets	<u>\$ 3,886,326</u>	<u>\$ 1,529,803</u>	<u>\$ 487,347</u>	<u>\$ 152,862</u>	<u>\$ 292,027</u>	<u>\$ 6,348,365</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 581,186	\$ 308,493	\$ 196,430	\$ -	\$ -	\$ 1,086,109
Accrued and other liabilities	91,443	8,671	7,232	-	311	107,657
Deferred revenue (Note 4)	-	-	-	152,862	-	152,862
Total liabilities	672,629	317,164	203,662	152,862	311	1,346,628
Fund Balances						
Reserved:						
Cemetery	449,398	-	-	-	-	449,398
Drug forfeitures	123,924	-	-	-	-	123,924
Debt retirement	-	800,000	-	-	3,947	803,947
Other purposes	57,163	-	-	-	-	57,163
Designated - Postemployment benefits	427,868	-	-	-	-	427,868
Unreserved - Reported in:						
General Fund	2,155,344	-	-	-	-	2,155,344
Special Revenue Funds	-	412,639	283,685	-	287,769	984,093
Total fund balances	<u>3,213,697</u>	<u>1,212,639</u>	<u>283,685</u>	<u>-</u>	<u>291,716</u>	<u>5,001,737</u>
Total liabilities and fund balances	<u>\$ 3,886,326</u>	<u>\$ 1,529,803</u>	<u>\$ 487,347</u>	<u>\$ 152,862</u>	<u>\$ 292,027</u>	
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						22,605,932
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures						152,862
Net pension asset is not a financial resource and is not reported in the funds						766,256
Bond issuance costs - net of amortization are recorded in governmental activities						86,229
Long-term liabilities are not due and payable in the current period and are not reported in the funds						(6,228,693)
Accrued interest on long-term liabilities is not due and payable in the current period and is not reported in the funds						(66,775)
Internal Service Funds are included as part of governmental activities						2,116,107
Compensated absences are included as a liability in governmental activities						(651,166)
Net assets of governmental activities						<u>\$ 23,782,489</u>

City of Grandville, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2008

	General Fund	Major Streets Fund	Local Streets Fund	Revolving Fund	Other Governmental Funds - Nonmajor	Total Governmental Funds
Revenue						
Property taxes	\$ 5,390,032	\$ 195,540	\$ 586,621	\$ -	\$ -	\$ 6,172,193
Licenses and permits	182,919	-	-	-	-	182,919
State sources	1,489,083	747,190	272,731	-	-	2,509,004
Local sources	5,798	107,617	-	-	-	113,415
Special assessment collections	-	-	-	979,860	-	979,860
Fines and forfeitures	668,990	-	-	-	-	668,990
Charges for services	840,014	-	-	-	3,900	843,914
Interest income	204,693	26,973	28,099	123,183	10,825	393,773
Rental income	5,780	-	-	-	457,925	463,705
Cable revenue	145,343	-	-	-	-	145,343
Other	86,693	-	-	-	-	86,693
Total revenue	9,019,345	1,077,320	887,451	1,103,043	472,650	12,559,809
Expenditures						
Current:						
General government	2,324,441	-	-	3,761	-	2,328,202
Judicial	593,366	-	-	-	-	593,366
Public safety	4,433,002	-	-	-	-	4,433,002
Public works	480,951	2,252,332	828,911	-	37,929	3,600,123
Recreation and culture	1,950,728	-	-	-	-	1,950,728
Debt service	-	-	-	-	575,042	575,042
Total expenditures	9,782,488	2,252,332	828,911	3,761	612,971	13,480,463
Excess of Revenue Over (Under) Expenditures	(763,143)	(1,175,012)	58,540	1,099,282	(140,321)	(920,654)
Other Financing Sources (Uses)						
Transfers in	61,859	1,099,718	-	-	121,060	1,282,637
Transfers out	-	(129,867)	(7,045)	(1,101,690)	-	(1,238,602)
Proceeds from issuance of debt	-	910,000	-	-	-	910,000
Total other financing sources (uses)	61,859	1,879,851	(7,045)	(1,101,690)	121,060	954,035
Net Change in Fund Balances	(701,284)	704,839	51,495	(2,408)	(19,261)	33,381
Fund Balances - Beginning of year	3,914,981	507,800	232,190	2,408	310,977	4,968,356
Fund Balances - End of year	\$ 3,213,697	\$ 1,212,639	\$ 283,685	\$ -	\$ 291,716	\$ 5,001,737

City of Grandville, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ 33,381
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. This is the amount by which depreciation exceeds capital outlays in the current period	(1,305,391)
Special assessment revenues are recorded in the funds when they are collected or collectible within 60 days of year end; they are reported in the statement of activities when the assessment is set	(979,860)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	320,000
Bond proceeds are not reported as other financing sources on the statement of activities	(910,000)
Increase in interest expense incurred on outstanding bond principal payments that are recorded when earned in the statement of activities	(24,686)
Additional payment to retirement plan is recorded as an asset on the statement of net assets; in the funds it is recorded as an expense	766,256
Decrease in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	73,995
Amortization recorded on bond premium and loss on refunding in the statement of activities	(16,204)
Internal Service Funds are also included as governmental activities	<u>43,633</u>
Change in Net Assets of Governmental Activities	<u>\$ (1,998,876)</u>

City of Grandville, Michigan

Proprietary Funds Statement of Net Assets June 30, 2008

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Total	
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 189,710	\$ 566,906	\$ 756,616	\$ 108,273
Investments (Note 3)	1,574,438	4,250,346	5,824,784	898,578
Receivables - Net (Note 4)	477,618	915,774	1,393,392	6,000
Total current assets	2,241,766	5,733,026	7,974,792	1,012,851
Noncurrent assets:				
Restricted assets (Note 7)	-	454,500	454,500	-
Capital assets (Note 5)	8,389,085	8,045,607	16,434,692	1,139,668
Intangible assets (Note 5)	-	3,037,500	3,037,500	-
Total noncurrent assets	8,389,085	11,537,607	19,926,692	1,139,668
Total assets	10,630,851	17,270,633	27,901,484	2,152,519
Liabilities				
Current liabilities:				
Accounts payable	331,084	355,808	686,892	28,293
Accrued and other liabilities	8,130	164,703	172,833	3,169
Provision for compensated absences	17,039	78,966	96,005	4,950
Current portion of long-term debt (Note 7)	-	301,878	301,878	-
Total current liabilities	356,253	901,355	1,257,608	36,412
Noncurrent liabilities - Long-term debt - Net of current portion (Note 7)				
	-	2,645,304	2,645,304	-
Total liabilities	356,253	3,546,659	3,902,912	36,412
Net Assets				
Investment in capital assets - Net of related debt	8,389,085	8,135,925	16,525,010	1,139,668
Restricted - Revenue bond reserve	-	454,500	454,500	-
Unrestricted	1,885,513	5,133,549	7,019,062	976,439
Total net assets	\$ 10,274,598	\$ 13,723,974	\$ 23,998,572	\$ 2,116,107

City of Grandville, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended June 30, 2008

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Totals	
Operating Revenue				
Sale of water	\$ 1,809,211	\$ -	\$ 1,809,211	\$ -
Sewage disposal charges	-	3,926,045	3,926,045	-
Interest and penalty charges	21,124	12,240	33,364	-
Installation fees	4,930	60,874	65,804	-
Other charges for services	7,286	-	7,286	708,229
	<u>1,842,551</u>	<u>3,999,159</u>	<u>5,841,710</u>	<u>708,229</u>
Total operating revenue				
Operating Expenses				
Cost of water produced/purchased	908,704	-	908,704	-
Cost of sewage treatment	-	926,701	926,701	-
Cost of labor	369,399	1,247,984	1,617,383	146,885
Administrative costs, supplies, and other	205,781	1,149,635	1,355,416	343,107
Depreciation and amortization	286,009	567,915	853,924	249,765
	<u>1,769,893</u>	<u>3,892,235</u>	<u>5,662,128</u>	<u>739,757</u>
Total operating expenses				
Operating Income (Loss)	72,658	106,924	179,582	(31,528)
Nonoperating Revenue (Expense)				
Investment income	69,374	204,149	273,523	39,848
Interest expense	-	(139,567)	(139,567)	-
Gain on sale of equipment	-	-	-	38,836
	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,836</u>
Total income before transfers	142,032	171,506	313,538	47,156
Other Financing Uses -				
Transfers out	(8,807)	(31,705)	(40,512)	(3,523)
	<u>(8,807)</u>	<u>(31,705)</u>	<u>(40,512)</u>	<u>(3,523)</u>
Change in Net Assets	133,225	139,801	273,026	43,633
Net Assets - Beginning of year	<u>10,141,373</u>	<u>13,584,173</u>	<u>23,725,546</u>	<u>2,072,474</u>
Net Assets - End of year	<u>\$ 10,274,598</u>	<u>\$ 13,723,974</u>	<u>\$ 23,998,572</u>	<u>\$ 2,116,107</u>

City of Grandville, Michigan

Proprietary Funds Statement of Cash Flows Year Ended June 30, 2008

	Enterprise Funds			Internal Service Funds
	Water Fund	Sewer Fund	Totals	
Cash Flows from Operating Activities				
Receipts from customers	\$ 1,921,127	\$ 4,330,376	\$ 6,251,503	\$ -
Payments to suppliers	(909,886)	(1,931,647)	(2,841,533)	(327,974)
Payments to employees	(374,977)	(1,158,389)	(1,533,366)	(146,951)
Internal activity - Receipts from other funds	-	-	-	719,147
Net cash provided by operating activities	636,264	1,240,340	1,876,604	244,222
Cash Flows from Noncapital Financing Activities -				
Transfers to other funds	(8,807)	(31,705)	(40,512)	(3,523)
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(505,275)	(281,918)	(787,193)	(260,118)
Proceeds from the disposal of fixed assets	-	-	-	38,836
Principal and interest paid on capital debt	-	(474,566)	(474,566)	-
Net cash used in capital and related financing activities	(505,275)	(756,484)	(1,261,759)	(221,282)
Cash Flows from Investing Activities				
Interest received on investments	69,374	204,149	273,523	39,848
Purchase of investment securities	(2,618)	(91,659)	(94,277)	-
Proceeds from sale and maturities of investment securities	-	-	-	48,543
Net cash provided by investing activities	66,756	112,490	179,246	88,391
Net Increase in Cash and Cash Equivalents	188,938	564,641	753,579	107,808
Cash and Cash Equivalents - Beginning of year	772	2,265	3,037	465
Cash and Cash Equivalents - End of year	<u>\$ 189,710</u>	<u>\$ 566,906</u>	<u>\$ 756,616</u>	<u>\$ 108,273</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 72,658	\$ 106,924	\$ 179,582	\$ (31,528)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	286,009	567,915	853,924	249,765
Changes in assets and liabilities:				
Receivables	78,576	331,217	409,793	10,918
Accounts payable	204,599	144,689	349,288	15,133
Accrued and other liabilities	(5,578)	89,595	84,017	(66)
Net cash provided by operating activities	<u>\$ 636,264</u>	<u>\$ 1,240,340</u>	<u>\$ 1,876,604</u>	<u>\$ 244,222</u>

There were no noncash transactions during the year.

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

City of Grandville, Michigan

Fiduciary Funds Statement of Assets and Liabilities June 30, 2008

	<u>Agency Funds</u>
Assets - Cash and cash equivalents (Note 3)	<u>\$ 303,044</u>
Liabilities	
Accrued and other liabilities	\$ 266,997
Due to other governmental units	<u>36,047</u>
 Total liabilities	 <u>\$ 303,044</u>

City of Grandville, Michigan

Component Units Statement of Net Assets (Deficit) June 30, 2008

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash (Note 3)	\$ 196,141	\$ -	\$ 196,141
Investments	1,768,614	-	1,768,614
Accrued interest receivable	11,842	-	11,842
Capital assets (Note 5):			
Assets subject to depreciation	152,314	-	152,314
Assets not subject to depreciation	201,207	-	201,207
Total assets	2,330,118	-	2,330,118
Liabilities			
Accounts payable	20,713	-	20,713
Accrued and other liabilities	226	-	226
Long-term liabilities - Due in more than one year - Long-term debt (Note 7)	-	1,000,000	1,000,000
Total liabilities	20,939	1,000,000	1,020,939
Net Assets (Deficit)			
Investment in capital assets - Net of related debt Unrestricted	353,521	-	353,521
	1,955,658	(1,000,000)	955,658
Total net assets (deficit)	\$ 2,309,179	\$ (1,000,000)	\$ 1,309,179

City of Grandville, Michigan

Component Units Statement of Activities Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority	\$ 183,628	\$ 1,505	\$ -	\$ -	\$ (182,123)	\$ -	\$ (182,123)
Brownfield Redevelopment Authority	-	-	-	-	-	-	-
Total component units	\$ 183,628	\$ 1,505	\$ -	\$ -	(182,123)	-	(182,123)
General revenues:							
Property taxes					344,787	-	344,787
Unrestricted investment earnings					65,025	-	65,025
Total general revenues					409,812	-	409,812
Change in Net Assets					227,689	-	227,689
Net Assets (Deficit) - Beginning of year					2,081,490	(1,000,000)	1,081,490
Net Assets (Deficit) - End of year					\$ 2,309,179	\$ (1,000,000)	\$ 1,309,179

Note I - Summary of Significant Accounting Policies

The accounting policies of the City of Grandville, 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 Grandville, Michigan:

Reporting Entity

The City of Grandville is governed by an elected seven-member council. 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

- a. The 59th District Court has been blended into the General Fund of the City's financial statements. Although the Court operates under the direction of the district judge, it is reported as if it were part of the primary government because of the fiduciary responsibility the City retains relative to the operations of the Court.
- b. The City of Grandville's Building Authority is governed by a four-member board that is appointed by the City Council. 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 monitor and finance the construction of the City's public buildings.

Discretely Presented Component Units

The following component units are reported within the component units column in the government-wide financial statements. They are reported in a separate column to emphasize that they are legally separate from the City. No separate reports are issued for these funds.

- a. The Downtown Development Authority was created to correct and prevent deterioration, 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 City Council. In addition, the Downtown Development Authority's budget is subject to approval by the City Council.

Note I - Summary of Significant Accounting Policies (Continued)

- b. The Brownfield Redevelopment Authority was created to account for the redevelopment of environmentally contaminated and other underutilized sites within the City. The Brownfield Redevelopment Authority's governing body, which consists of seven individuals, is selected by the City Council.

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.

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 and fiduciary fund 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.

Note I - Summary of Significant Accounting Policies (Continued)

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. 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.

Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. General Fund activities are financed by revenue from income taxes, property taxes, state-shared revenue, and other sources.

Major Streets Fund - The Major Streets Fund accounts for the resources of state gas and weight tax revenues that are restricted for use on major streets.

Local Streets Fund - The Local Streets Fund accounts for the resources of state gas and weight tax revenues that are restricted for use on local streets.

Revolving Fund - The Revolving Fund accounts for the resources of special assessment proceeds that are used for use on special assessment districts.

The City reports the following major proprietary funds:

Water and Sewer Funds - The Water and Sewer Funds account for the activities of the water distribution system and sewage collection system. These funds are financed primarily by user charges.

Note I - Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Internal Service Fund - The Internal Service Fund accounts for major machinery and equipment purchases and maintenance provided to other departments of the City on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Recreation Fund, the 59th District Court, and the County and School Tax Fund. The Recreation Fund, the 59th District Court, and the County and School Tax Fund are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Nonmajor Governmental Funds - Nonmajor governmental funds consist of a Special Revenue Storm Sewer Trunkage and a General Debt Service Fund. Special Revenue Funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions. Debt Service Funds are used to account for the annual payment of principal, interest, and expenses in connection with certain long-term debt.

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 December 1, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

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 resources.

Note I - Summary of Significant Accounting Policies (Continued)

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 and services and charges to other funds. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. Operating expenses for proprietary funds include the cost of equipment and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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. Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 28 of the following year, at which time they are added to the county tax rolls. The 2007 valuation of the City totaled \$702 million, on which taxes were levied at 8.454 mills for the City's operating purposes. Property tax revenue including administrative fees amounted to approximately \$6,200,000 (including delinquent taxes) in the current year and was recorded in the General Fund, Major Streets Fund, and Local Streets Fund. Approximately \$350,000 was recaptured by the Downtown Development Authority.

Note I - Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items - Inventories in the proprietary funds would be valued at cost, on a first-in, first-out basis, which would approximate market value. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Restricted Assets - The restricted assets in the Sewer Fund consist of assets restricted pursuant to the resolutions for the 2006 Sewage System Revenue Bonds.

The reserved fund balance in the General Fund consists of monies (a) accumulated from drug forfeitures and are restricted by the State of Michigan to be used for future drug prevention programs, (b) to be spent on Metro H.S. Police Academy, and (c) to be used for cemetery care. Net assets have also been restricted in the Enterprise Funds pursuant to the revenue bond resolutions for future revenue bond debt service.

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 \$5,000 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.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, there was no interest expense capitalized as part of the cost of assets under construction.

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

Roads and sidewalks	10 to 50 years
Water and sewer distribution systems	10 to 100 years
Land improvements	15 to 20 years
Buildings and building improvements	7 to 45 years
Vehicles	3 to 15 years
Office furnishings	5 to 20 years
Other tools and equipment	5 to 40 years

Note I - Summary of Significant Accounting Policies (Continued)

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. All vacation pay and sick pay 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.

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 straight-line 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. Designations of fund balance represent tentative management plans that are subject to change.

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 reporting period. Actual results could differ from those estimates.

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. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at June 30, 2007	\$	(64)
Building permit revenue		127,230
Related expenses:		
Direct costs		121,806
Estimated indirect costs		<u>6,130</u>
Total construction code expenses		<u>127,936</u>
Cumulative shortfall at June 30, 2008	\$	<u><u>(770)</u></u>

Budgetary Information - The annual budget is prepared by City management and is adopted by the City Council approximately 30 days before the start of the beginning of the fiscal year. A public hearing on the budget shall be held before its final adoption, at such time and place as the Council shall direct, and notice of the public hearing shall be published at least one week in advance by the clerk. Subsequent amendments are approved by the City Council in a similar process. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. Amounts encumbered for purchased orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or services rendered. The amount of encumbrances is not calculated as of June 30, 2008.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

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 total fund level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund, Major Streets Fund, and Local Streets Fund budgets, as adopted by the City Council, is included in the fund financial statements. A comparison of actual results of operations to other funds' budgets can be obtained at City Hall.

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the City's General Fund expenditures exceeded the amended budget by \$107,329. This was due primarily to the increase in court activity, which resulted in both increased attorney fees and increased fines and forfeitures revenue.

Fund Deficits - At June 30, 2008, the City's Brownfield Redevelopment Authority Fund had a deficit of \$1,000,000. The deficit resulted from incurring expenditures for the project to be funded through a future property tax levy against the developer once the property has been redeveloped.

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. A 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 City has designated 22 banks for the deposits of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in Treasury bills, bonds, and securities of the United States government; bank accounts and CDs; commercial paper rated superior; United States government or federal agency obligation repurchase agreements; bankers' acceptances of United States banks; and government investment pools. In addition, the City limits the percentage of funds which may be invested in each type. The City's deposits and investment policies are in accordance with statutory authority.

Note 3 - Deposits and Investments (Continued)

The City holds cash and investments on behalf of its component units. These investments and cash 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 City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$11,347,499 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.

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 are as follows:

Investment	Fair Value	Rating	Rating Organization
Bank investment pool	\$ 1,087,384	Aaa	Moody's
Bank investment pool	1,291,085	AAA-VI	Fitch
Mutual funds	1,214,395	Aaa	Moody's

Concentration of Credit Risk

Per the City's investment policy, not more than 25 percent of total City funds classified as investments may be invested in commercial paper or investment pools and not more than 10 percent may be invested in repurchase agreements or bankers' acceptances. Of the City's investments, more than 5 percent of the City's total investments are in Dreyfus Treasury mutual fund at 8.57 percent.

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 4 - Receivables

Receivables as of year end for the City's individual major funds and the nonmajor and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Major Streets Fund	Local Streets Fund	Revolving Fund	Water Fund	Sewer Fund	Nonmajor and Other Funds	Total
Receivables:								
Special assessments	\$ -	\$ -	\$ -	\$ 152,862	\$ -	\$ -	\$ -	\$ 152,862
Accounts	112,453	-	636	-	466,402	875,899	-	1,455,390
Intergovernmental	276,719	117,335	43,059	-	-	-	-	437,113
Interest and other	17,144	4,280	2,917	-	11,216	39,875	1,713	77,145
Less allowance for uncollectibles	-	-	-	-	-	-	-	-
Net receivables	<u>\$ 406,316</u>	<u>\$ 121,615</u>	<u>\$ 46,612</u>	<u>\$ 152,862</u>	<u>\$ 477,618</u>	<u>\$ 915,774</u>	<u>\$ 1,713</u>	2,122,510
						Internal service - Interest and other		<u>6,000</u>
						Total government-wide receivables		<u>\$ 2,128,510</u>

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 funds 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</u>
Special assessments	<u>\$ 152,862</u>

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 5 - Capital Assets

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

	Balance July 1, 2007	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2008
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,738,397	\$ -	\$ -	\$ -	\$ 1,738,397
Construction in progress	929,003	(929,003)	234,776	-	234,776
Subtotal	2,667,400	(929,003)	234,776	-	1,973,173
Capital assets being depreciated:					
Roads and sidewalks	74,802,569	929,003	2,380,402	-	78,111,974
Land improvements	1,046,761	-	38,882	-	1,085,643
Buildings and improvements	8,876,766	-	94,097	-	8,970,863
Office furnishings and equipment	4,392,684	-	535,075	(175,638)	4,752,121
Subtotal	89,118,780	929,003	3,048,456	(175,638)	92,920,601
Accumulated depreciation:					
Roads and sidewalks	60,088,967	-	3,910,386	-	63,999,353
Land improvements	861,399	-	23,705	-	885,104
Buildings and improvements	2,624,003	-	258,261	-	2,882,264
Office furnishings and equipment	3,171,173	-	341,578	(131,298)	3,381,453
Subtotal	66,745,542	-	4,533,930	(131,298)	71,148,174
Net capital assets being depreciated	22,373,238	929,003	(1,485,474)	(44,340)	21,772,427
Net capital assets	\$ 25,040,638	\$ -	\$ (1,250,698)	\$ (44,340)	\$ 23,745,600

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 5 - Capital Assets (Continued)

	Balance July 1, 2007	Additions	Disposals and Adjustments	Balance June 30, 2008
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Construction in progress	-	713,517	-	713,517
Subtotal	15,000	713,517	-	728,517
Capital assets being depreciated:				
Land improvements	-	31,676	-	31,676
Water and sewer distribution systems	17,453,649	-	-	17,453,649
Buildings and building improvements	6,872,401	-	-	6,872,401
Other tools and equipment	2,466,912	42,000	-	2,508,912
Subtotal	26,792,962	73,676	-	26,866,638
Accumulated depreciation:				
Land improvements	-	1,584	-	1,584
Water and sewer distribution systems	6,109,120	445,290	-	6,554,410
Buildings and building improvements	2,295,651	146,513	-	2,442,164
Other tools and equipment	2,066,261	96,044	-	2,162,305
Subtotal	10,471,032	689,431	-	11,160,463
Net capital assets being depreciated	16,321,930	(615,755)	-	15,706,175
Net capital assets	\$ 16,336,930	\$ 97,762	\$ -	\$ 16,434,692

Note 5 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 34,628
Judicial	41,422
Public safety	213,873
Public works	3,851,761
Recreation and culture	142,481
Internal Service Fund depreciation is charged to the various functions based on their usage of the asset	<u>249,765</u>

Total governmental activities \$ 4,533,930

Business-type activities:

Water Fund	\$ 286,009
Sewer Fund	<u>403,422</u>

Total business-type activities \$ 689,431

As of June 30, 2008, the City had \$3,037,500 in unamortized intangible assets. The entire balance relates to sewage disposal rights. Amortization expense of \$112,500 was recognized in business-type activities.

Construction Commitments - The City has active construction projects at year end. At year end, the City's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Calvin Crest Park	\$ 212,776	\$ 14,840
Homewood watermain	592,031	171,424
Lee St. Park	8,139	85,461
Lift station	<u>208,242</u>	<u>71,637</u>
Total	<u><u>\$ 1,021,188</u></u>	<u><u>\$ 343,362</u></u>

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 5 - Capital Assets (Continued)

Capital asset activity of the City's component unit was as follows:

	Balance July 1, 2007	Additions	Disposals and Adjustments	Balance June 30, 2008
Component Unit				
Capital assets not being depreciated -				
Land	\$ 201,207	\$ -	\$ -	\$ 201,207
Capital assets being depreciated -				
Land improvements	440,518	26,336	-	466,854
Accumulated depreciation -				
Land improvements	<u>297,807</u>	<u>16,733</u>	<u>-</u>	<u>314,540</u>
Net capital assets being depreciated	<u>142,711</u>	<u>9,603</u>	<u>-</u>	<u>152,314</u>
Net capital assets	<u>\$ 343,918</u>	<u>\$ 9,603</u>	<u>\$ -</u>	<u>\$ 353,521</u>

Depreciation expense of \$16,733 of the component unit related solely to public works.

Note 6 - Interfund Receivables, Payables, and Transfers

Interfund Transfers

	Transfers Out					Total
	Major Streets Fund	Local Streets Fund	Revolving Fund	Water and Sewer Funds	Internal Service Funds	
Transfers in:						
General Fund	\$ 8,807	\$ 7,045	\$ 1,972	\$ 40,512	\$ 3,523	61,859
Major Streets Fund	-	-	1,099,718	-	-	1,099,718
Other governmental funds - Nonmajor	<u>121,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,060</u>
Total	<u>\$ 129,867</u>	<u>\$ 7,045</u>	<u>\$ 1,101,690</u>	<u>\$ 40,512</u>	<u>\$ 3,523</u>	<u>\$ 1,282,637</u>

The interfund transfers from the Revolving Fund to the Major Streets Fund were related to special assessment receipts. The transfers to the General Fund were to fund retiree healthcare costs. The transfer out of the Major Streets Fund was for debt retirement.

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 7 - Long-term Debt

Covenants of the revenue bond resolutions provide for, among other things, guidance on rate setting (required anticipation of debt coverage ratio) and various restrictions on the transfer of funds, issuance of additional debt, creation of liens, and the sale and lease of property. In accordance with the revenue bond resolutions, cash of \$454,500 has been required to be restricted for a bond reserve.

Excluded from the governmental activities are special assessment bonds that were issued during fiscal year 2001. The bonds, totaling \$4,395,000, were issued to offset infrastructure expenditures incurred during fiscal years 1999 and 2000 related to a significant capital project. The bonds are payable solely from the collection of the special assessment and are not a general obligation of the City. While the City remains the paying agent and maintains information related to the bonds, the obligation is not reflected in the City's financial statements. The outstanding balance of these bonds at June 30, 2008 was \$960,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Governmental Activities - General obligation bonds					
2007 Capital Improvement Bonds, maturing from 2007 through 2016, with interest of 4.399%	\$ -	\$ 910,000	\$ (110,000)	800,000	\$ 100,000
2005 Refinanced Building Authority Bonds, maturing from 2006 through 2025, with interest ranging from 3.25% to 5.0% (shown net of bond premium and loss on refunding costs of \$111,307)	5,042,561	-	(13,868)	5,028,693	13,910
1999 Building Authority Bonds, maturing from 2004 through 2009, with interest ranging from 5% to 5.15%. This bond was partially refunded in 2006	585,000	-	(185,000)	400,000	195,000
Total governmental activities	5,627,561	910,000	(308,868)	6,228,693	308,910
Business-type Activities - Revenue bonds -					
2006 Sewage System Bonds, maturing through 2016, with interest of 4.0% (shown net of bond premium and loss on refunding costs of \$262,818)	3,230,188	-	(283,006)	2,947,182	301,878
Total long-term-debt	\$ 8,857,749	\$ 910,000	\$ (591,874)	\$ 9,175,875	\$ 610,788

Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above governmental bonds are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 308,910	\$ 272,067	\$ 580,977	\$ 301,878	\$ 128,400	\$ 430,278
2010	318,954	256,542	575,496	315,923	114,400	430,323
2011	329,206	241,833	571,039	335,083	100,000	435,083
2012	339,756	226,685	566,441	359,417	85,000	444,417
2013	350,407	209,506	559,913	373,983	69,200	443,183
2014-2018	1,822,693	775,223	2,597,916	1,260,898	107,400	1,368,298
2018-2023	1,880,657	386,075	2,266,732	-	-	-
2023-2027	878,110	37,718	915,828	-	-	-
Total	<u>\$ 6,228,693</u>	<u>\$ 2,405,649</u>	<u>\$ 8,634,342</u>	<u>\$ 2,947,182</u>	<u>\$ 604,400</u>	<u>\$ 3,551,582</u>

The City has pledged substantially all revenue of the Sewer Fund, net of operating expenses, to repay the sewer revenue bonds. Proceeds from the bonds provided financing for the construction of various sewer lines. The bonds are payable solely from the net revenues of the sewer system. The remaining principal and interest to be paid on the bonds is \$3,551,582. During the current year, net revenues of the system were \$847,283 compared to the annual debt requirements of \$478,400.

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

- Establishment of rates to customers of the system that, together with other system income, are reasonably expected to produce annual net revenue sufficient to provide for 125 percent of annual debt service requirements on the bonds and to provide other expenditures of the system as long as any bonds are outstanding
- Periodic transfers of net revenue to a fund segregated for debt service payments so that the balance in the fund is equal to the lesser of the maximum annual debt service requirements on the bonds for any future year or 10 percent of the principal amounts on the bonds. Additionally, each month a portion of the next principal and interest payment on each revenue bond must be transferred to a separate fund segregated to pay the next debt service payment.
- Adoption of and adherence to budgeted expenses
- Segregation of Sewer Fund revenue

Note 7 - Long-term Debt (Continued)

- Segregation of assets for construction of improvements to the system
- Prohibited sale, lease, or other disposition of all or any substantial part of the system

The revenue bond covenants and restrictions were met by the City in the current year.

Component Units - In 2006, the Brownfield Redevelopment Authority was granted a loan from the State of Michigan for \$1,000,000. Repayment of the bonds will begin in 2011 at an interest rate of 2.0 percent and the bonds will be due in 2021. The debt will be repaid through a property tax levy against the developer once the property has been redeveloped. The developer has also signed a letter of credit dated April 27, 2006 that will pay the principal and interest on the bond if the developer defaults under the development agreement. The letter of credit expires May 5, 2011.

At June 30, 2008, \$4,950,000 of bonds outstanding are considered defeased.

Note 8 - 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 coverage of certain employees' health claims and participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and general liability insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The City has purchased commercial insurance for coverage of health claims for all employees. The City is self-insured for dental claims. The City estimates the liability for dental claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not been reported. The estimated liability is insignificant and has not been recorded on the accompanying financial statements.

Note 9 - Pension Plans

Defined Benefit Pension Plan

Plan Description - The City participates in the Michigan Municipal Employees' Retirement System (MMERS), an agent multiple-employer defined benefit pension plan; however, participation in the plan is closed to new employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The MMERS issues a publicly available financial report that includes financial statements and required supplemental information for the MMERS. That report may be obtained by writing to the MMERS at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the MMERS for these employees was established by negotiation with the City's competitive bargaining units and requires a contribution from the employees of varying percents of gross wages as follows:

	<u>Percentage</u>
Administration	1.71
Police sergeants	4.40
Police rank and file	3.40
Wastewater	3.55

Annual Pension Costs - For the year ended June 30, 2008, the City's contribution to the plan was \$1,311,980, which met the required contribution of \$545,724 and established a net pension asset of \$766,256. The required contribution of \$545,724 was determined as a part of an actuarial valuation at December 31, 2005 using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent to 8.40 percent per year, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) 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 from an 8 percent return over a five-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 17 years.

City of Grandville, Michigan

Notes to Financial Statements June 30, 2008

Note 9 - Pension Plans (Continued)

Three-year trend information as of June 30 follows:

	Fiscal Year Ended June 30		
	2006	2007	2008
Annual pension costs (APC)	\$ 312,037	\$ 489,168	\$ 545,724
Percentage of APC contributed	100%	100%	240%
Net pension asset	None	None	\$ 766,256
	Actuarial Valuation as of December 31		
	2005	2006	2007
Actuarial value of assets	\$ 9,684,550	\$ 10,039,232	\$ 10,498,547
Actuarial accrued liability (AAL) (entry age)	14,671,555	15,426,109	16,047,141
Unfunded AAL (UAAL)	4,987,005	5,386,877	5,548,594
Funded ratio	66%	65%	65%
Covered payroll	1,574,234	1,557,268	1,589,971
UAAL as a percentage of covered payroll	317%	346%	349%

Defined Contribution Pension Plan

The City provides pension benefits to all of its full-time employees not participating in the defined benefit plan through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City contributes 9 percent of employees' eligible earnings, as defined in the plan document, and employee contributions for each employee plus interest allocated to the employee's account are fully vested after five years of service.

The City's total payroll during the current year was \$5,158,235. The current year contribution was calculated based on covered payroll of \$3,208,282, resulting in an employer contribution of \$288,114 and employee contributions of \$95,688.

Note 10 - Contingent Liabilities

The City has been named in a few claims and lawsuits regarding property tax appeals and special assessment adjustments requesting damages of various amounts, the majority of which do not state a specific maximum. The proceedings have not yet progressed to the point where a legal opinion can be reached as to the ultimate liability, if any. No liability has been provided for any of these matters in the June 30, 2008 financial statements.

Note 11 - Other Postemployment Benefits

The City has elected to provide postemployment health benefits to all full-time employees upon retirement. Currently, 14 retirees are eligible for postemployment health benefits. The City includes pre-Medicare retirees in its insured healthcare plan. For the fiscal year ended June 30, 2008, the City made payments for postemployment health benefits of approximately \$91,000.

The City's funding policy is on a pay-as-you-go basis, accounted for within the General Fund. During 2000, the City received an actuarial study to help quantify the potential long-term liability for retiree healthcare benefits.

As of December 31, 2001 (date of actuarial valuation), the unfunded actuarial accrued liability (UAAL) totaled \$459,608. Significant actuarial assumptions used in determining the UAAL are the same as those used for the defined benefit pension plan (see Note 9) with the additional assumption of projected health insurance premium increases of 4.5 percent compounded annually, attributable to inflation.

Upcoming Reporting Change - The Governmental Accounting Standards Board has 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 June 30, 2009. The City plans to complete an actuarial valuation as of December 31, 2008.

Required Supplemental Information

City of Grandville, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,339,853	\$ 5,339,853	\$ 5,390,032	\$ 50,179
Licenses and permits	128,915	128,915	182,919	54,004
State sources	1,448,136	1,448,136	1,489,083	40,947
Local sources	5,500	5,500	5,798	298
Fines and forfeitures	553,000	553,000	668,990	115,990
Other charges for services	854,151	854,151	840,014	(14,137)
Interest income	208,611	208,611	204,693	(3,918)
Rental income	3,500	3,500	5,780	2,280
Cable revenue	130,000	130,000	145,343	15,343
Other	47,100	47,100	86,693	39,593
Total revenue	8,718,766	8,718,766	9,019,345	300,579
Expenditures				
General government:				
Legislative	47,644	47,644	50,359	(2,715)
Assessor	176,100	176,100	154,393	21,707
Attorney	279,000	279,000	394,528	(115,528)
Clerk	134,488	134,488	134,477	11
Treasurer	221,099	259,058	252,786	6,272
Executive	195,941	195,941	194,415	1,526
Probation	423,947	501,640	488,703	12,937
Court	42,937	42,937	46,792	(3,855)
Building inspection	60,000	115,000	118,310	(3,310)
General administration	509,717	511,024	489,678	21,346
Judicial	583,517	583,517	593,366	(9,849)
Public safety:				
Narcotics enforcement	6,000	6,000	6,929	(929)
Police	3,016,904	3,318,702	3,280,376	38,326
Fire	896,189	1,050,977	1,145,697	(94,720)
Public works:				
Sidewalk maintenance	25,180	28,801	31,339	(2,538)
Parking lot maintenance	49,583	50,790	58,352	(7,562)
Highways, streets, and bridges	313,500	357,500	349,079	8,421
Sanitation and other	48,805	48,805	42,181	6,624

City of Grandville, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
Recreation and culture:				
Cemetery	\$ 289,392	\$ 336,566	\$ 337,462	\$ (896)
Special projects	560,760	560,760	569,762	(9,002)
Planning and zoning	52,182	52,182	44,975	7,207
Parks and recreation	523,679	628,679	647,341	(18,662)
Library	156,548	156,548	143,839	12,709
Other	137,500	232,500	207,349	25,151
Total expenditures	<u>8,750,612</u>	<u>9,675,159</u>	<u>9,782,488</u>	<u>(107,329)</u>
Excess of Expenditures Over Revenue	(31,846)	(956,393)	(763,143)	193,250
Other Financing Sources - Transfers in	<u>26,000</u>	<u>26,000</u>	<u>61,859</u>	<u>35,859</u>
Net Change in Fund Balance	(5,846)	(930,393)	(701,284)	229,109
Fund Balance - Beginning of year	<u>3,914,981</u>	<u>3,914,981</u>	<u>3,914,981</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 3,909,135</u>	<u>\$ 2,984,588</u>	<u>\$ 3,213,697</u>	<u>\$ 229,109</u>

Note: The General Fund budget was adopted on the basis of total revenue and expenditures. The amounts shown above are in greater detail than the budget adopted by the City Council and are shown for management analysis only.

City of Grandville, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds - Major Streets Fund Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 197,009	\$ 197,009	\$ 195,540	\$ (1,469)
State sources	765,000	765,000	747,190	(17,810)
Local sources	46,000	46,000	107,617	61,617
Interest and rental income	52,847	52,847	26,973	(25,874)
Total revenue	1,060,856	1,060,856	1,077,320	16,464
Expenditures - Public works				
Administration	73,391	87,703	78,323	9,380
Snow removal	332,430	398,737	460,705	(61,968)
Bridge	10,500	185,500	201,278	(15,778)
Street construction	471,000	1,171,000	1,152,602	18,398
Nonmotorized	50,000	50,000	38,771	11,229
Street maintenance	370,115	389,123	320,653	68,470
Total expenditures	1,307,436	2,282,063	2,252,332	29,731
Excess of Expenditures Over Revenue				
	(246,580)	(1,221,207)	(1,175,012)	46,195
Other Financing Sources (Uses)				
Transfers in	235,240	235,240	1,099,718	864,478
Transfers out	-	(120,000)	(129,867)	(9,867)
Proceeds from issuance of debt	-	910,000	910,000	-
Total other financing sources	235,240	1,025,240	1,879,851	854,611
Net Change in Fund Balance	(11,340)	(195,967)	704,839	900,806
Fund Balance - Beginning of year	507,800	507,800	507,800	-
Fund Balance - End of year	<u>\$ 496,460</u>	<u>\$ 311,833</u>	<u>\$ 1,212,639</u>	<u>\$ 900,806</u>

Note: The Major Streets Special Revenue Fund budget was adopted on the basis of total revenue and expenditures. The amounts shown above are in greater detail than the budget adopted by the City Council and are shown for management analysis only.

City of Grandville, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds - Local Streets Fund Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 591,027	\$ 591,027	\$ 586,621	\$ (4,406)
State sources	278,000	278,000	272,731	(5,269)
Interest income	14,163	14,163	28,099	13,936
Total revenue	883,190	883,190	887,451	4,261
Expenditures - Public works				
Administration	43,285	53,729	51,017	2,712
Snow removal	160,004	161,311	217,033	(55,722)
Street maintenance	351,107	367,400	279,227	88,173
Street construction	336,000	336,000	281,634	54,366
Total expenditures	890,396	918,440	828,911	89,529
Excess of Revenue Over (Under) Expenditures	(7,206)	(35,250)	58,540	(85,268)
Other Financing Uses -				
Transfers out	-	-	(7,045)	(7,045)
Net Change in Fund Balance	(7,206)	(35,250)	51,495	86,745
Fund Balance - Beginning of year	232,190	232,190	232,190	-
Fund Balance - End of year	\$ 224,984	\$ 196,940	\$ 283,685	\$ 86,745

Note: The Local Streets Special Revenue Fund budget was adopted on the basis of total revenue and expenditures. The amounts shown above are in greater detail than the budget adopted by the City Council and are shown for management analysis only.

Other Supplemental Information

City of Grandville, Michigan

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds June 30, 2008

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental
	Storm Sewer Trunkage	General	
Assets			
Cash and cash equivalents	\$ 30,795	\$ 3,947	\$ 34,742
Investments	255,572	-	255,572
Receivables - Net	1,713	-	1,713
	\$ 288,080	\$ 3,947	\$ 292,027
Liabilities and Fund Balances			
Liabilities - Accrued and other liabilities	\$ 311	\$ -	\$ 311
Fund Balances - Unreserved - Reported in			
Special Revenue Funds	287,769	-	287,769
Debt Service Funds	-	3,947	3,947
	287,769	3,947	291,716
Total fund balances	287,769	3,947	291,716
Total liabilities and fund balances	\$ 288,080	\$ 3,947	\$ 292,027

City of Grandville, Michigan

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds Year Ended June 30, 2008

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Storm Sewer Trunkage	General	
Revenue			
Charges for services	\$ 3,900	\$ -	\$ 3,900
Interest and rentals	10,821	4	10,825
Rental income	-	457,925	457,925
	<u>14,721</u>	<u>457,929</u>	<u>472,650</u>
Total revenue			
	14,721	457,929	472,650
Expenditures			
Current - Public works	37,929	-	37,929
Debt service - Principal and interest	-	575,042	575,042
	<u>37,929</u>	<u>575,042</u>	<u>612,971</u>
Total expenditures			
	37,929	575,042	612,971
Excess of Expenditures Over Revenue	(23,208)	(117,113)	(140,321)
Other Financing Sources -			
Transfers in	-	121,060	121,060
	<u>-</u>	<u>121,060</u>	<u>121,060</u>
Net Change in Fund Balances	(23,208)	3,947	(19,261)
Fund Balances - Beginning of year	<u>310,977</u>	<u>-</u>	<u>310,977</u>
Fund Balances - End of year	<u><u>\$ 287,769</u></u>	<u><u>\$ 3,947</u></u>	<u><u>\$ 291,716</u></u>

City of Grandville, Michigan

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds June 30, 2008

	Agency Funds			Total Agency Funds
	Recreation	County and School Tax	59th District Court	
Assets - Cash and cash equivalents	<u>\$ 244,812</u>	<u>\$ 17,138</u>	<u>\$ 41,094</u>	<u>\$ 303,044</u>
Liabilities				
Accrued and other liabilities	\$ 244,812	\$ -	\$ 22,185	\$ 266,997
Due to other governmental units	<u>-</u>	<u>17,138</u>	<u>18,909</u>	<u>36,047</u>
Total liabilities	<u>\$ 244,812</u>	<u>\$ 17,138</u>	<u>\$ 41,094</u>	<u>\$ 303,044</u>

