

City of Port Huron

**NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Year Ended June 30, 2007

EXHIBIT C-2
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CEMETERY:				
Revenues:				
Charges for services	\$ 143,600	\$ 143,600	\$ 138,159	\$ (5,441)
Expenditures:				
Current:				
Public works	547,194	582,600	503,895	78,705
Capital outlay	3,000	25,000	19,800	5,200
Total Expenditures	<u>550,194</u>	<u>607,600</u>	<u>523,695</u>	<u>83,905</u>
Revenues over (under) Expenditures	(406,594)	(464,000)	(385,536)	78,464
Other financing sources (uses):				
Transfers in	314,000	464,000	467,757	3,757
Net Change in Fund Balance	(92,594)		82,221	82,221
Fund balance at beginning of year	<u>77,738</u>	<u>77,738</u>	<u>77,738</u>	
FUND BALANCE AT END OF YEAR	<u><u>\$ (14,856)</u></u>	<u><u>\$ 77,738</u></u>	<u><u>\$ 159,959</u></u>	<u><u>\$ 82,221</u></u>
LOAN REVOLVING:				
Revenues over Expenditures	\$	\$	\$	\$
Fund balance at beginning of year				
FUND BALANCE AT END OF YEAR	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
COMMUNITY DEVELOPMENT BLOCK GRANT:				
Revenues:				
Grants	\$ 879,334	\$ 1,379,334	\$ 1,068,828	\$ (310,506)
Charges for services			101,357	101,357
Total Revenues	<u>879,334</u>	<u>1,379,334</u>	<u>1,170,185</u>	<u>(209,149)</u>
Expenditures:				
Current:				
General support services	177,866	177,866	162,937	14,929
Capital outlay	701,468	1,201,468	1,007,248	194,220
Total Expenditures	<u>879,334</u>	<u>1,379,334</u>	<u>1,170,185</u>	<u>209,149</u>
Revenues over Expenditures				
Fund balance at beginning of year				
FUND BALANCE AT END OF YEAR	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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City of Port Huron

**NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**
Year Ended June 30, 2007

EXHIBIT C-2
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
HOME:				
Revenues:				
Grants	\$ 272,286	\$ 360,141	\$ 239,679	\$ (120,462)
Charges for services		10,000	12,100	2,100
Total Revenues	<u>272,286</u>	<u>370,141</u>	<u>251,779</u>	<u>(118,362)</u>
Expenditures:				
Current:				
General support services	27,229	37,229	35,085	2,144
Capital outlay	245,057	332,912	216,694	116,218
Total Expenditures	<u>272,286</u>	<u>370,141</u>	<u>251,779</u>	<u>118,362</u>
Revenues over Expenditures				
Fund balance at beginning of year				
FUND BALANCE AT END OF YEAR				
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NEIGHBORHOOD REHABILITATION:				
Revenues:				
Grants	\$ 347,200	\$ 347,200	\$ 145,779	\$ (201,421)
Expenditures:				
Current:				
General support services	27,200	27,200	27,200	
Capital outlay	320,000	320,000	118,579	201,421
Total Expenditures	<u>347,200</u>	<u>347,200</u>	<u>145,779</u>	<u>201,421</u>
Revenues over Expenditures				
Fund balance at beginning of year				
FUND BALANCE AT END OF YEAR				
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
STREETSCAPE MAINTENANCE:				
Revenues:				
Charges for services	\$ 70,000	\$ 70,000	\$ 70,456	\$ 456
Expenditures:				
Current:				
Public works	70,000	70,000	28,633	41,367
Revenues over Expenditures				
Fund balance at beginning of year				
FUND BALANCE AT END OF YEAR				
	<u>\$ 76,918</u>	<u>\$ 76,918</u>	<u>\$ 118,741</u>	<u>\$ 41,823</u>

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City of Port Huron

**NONMAJOR SPECIAL REVENUE FUNDS - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**
Year Ended June 30, 2007

EXHIBIT C-2
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BEAUTIFICATION COMMISSION:				
Revenues:				
Charges for services	\$ 2,000	\$ 2,000	\$ 2,054	\$ 54
Expenditures:				
Current:				
General support services	7,300	10,300	7,450	2,850
Revenues over (under) Expenditures	(5,300)	(8,300)	(5,396)	2,904
Other financing sources:				
Transfers in	3,300	3,300	3,300	
Net Change in Fund Balance	(2,000)	(5,000)	(2,096)	2,904
Fund balance at beginning of year	8,194	8,194	8,194	
FUND BALANCE AT END OF YEAR	\$ 6,194	\$ 3,194	\$ 6,098	\$ 2,904

FINANCIAL STATEMENTS

NONMAJOR ENTERPRISE FUNDS

These Funds report operations that provide services to citizens financed primarily by a user charge or activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes. The combined Nonmajor Enterprise Funds are comprised of the following individual funds:

Parking Fund - The operation of the City's metered and attended parking lots are accounted for in this fund.

Senior Citizens Fund - The rental operations related to senior citizens housing owned by the City of Port Huron are recorded in this fund.

Marina Fund - This fund accounts for the operation of the various marinas located within the City.

City of Port Huron

NONMAJOR ENTERPRISE FUNDS - COMBINING STATEMENT OF NET ASSETS

June 30, 2007

EXHIBIT D

ASSETS	Parking	Senior Citizens	Marina
Current assets:			
Cash and cash equivalents	\$ 234,421	\$ 720,762	\$ 253,785
Accounts receivable (net of allowances for uncollectibles)		24,642	5,064
Due from other governmental units			67,962
Inventories			37,565
Prepaid expenses			67,280
Total Current Assets	<u>234,421</u>	<u>745,404</u>	<u>431,656</u>
Capital assets:			
Land	861,665		1,518,228
Land improvements	263,033		591,264
Buildings		5,330,461	656,819
Equipment	3,370	29,697	2,533,421
	<u>1,128,068</u>	<u>5,360,158</u>	<u>5,299,732</u>
Less accumulated depreciation	265,774	3,785,185	3,050,466
Total Capital Assets	<u>862,294</u>	<u>1,574,973</u>	<u>2,249,266</u>
Total Assets	<u>1,096,715</u>	<u>2,320,377</u>	<u>2,680,922</u>
LIABILITIES			
Current liabilities:			
Accounts payable	938	31,487	24,171
Accrued payroll	1,962		5,877
Contracts payable		3,659	29,583
Due to other funds			
Unearned revenue			88,532
Other liabilities		21,942	
Total Current Liabilities	<u>2,900</u>	<u>57,088</u>	<u>148,163</u>
NET ASSETS			
Invested in capital assets	862,294	1,574,973	2,249,266
Unrestricted (deficit)	231,521	688,316	283,493
Total Net Assets	<u>\$ 1,093,815</u>	<u>\$ 2,263,289</u>	<u>\$ 2,532,759</u>

Totals

June 30, 2007	June 30, 2006
\$ 1,208,968	\$ 1,155,678
29,706	19,075
67,962	
37,565	37,005
67,280	69,952
1,411,481	1,281,710
2,379,893	2,379,893
854,297	859,022
5,987,280	5,707,033
2,566,488	2,628,314
11,787,958	11,574,262
7,101,425	6,880,581
4,686,533	4,693,681
6,098,014	5,975,391
56,596	88,248
7,839	9,106
33,242	75,268
	629,047
88,532	95,023
21,942	20,453
208,151	917,145
4,686,533	4,693,681
1,203,330	364,565
\$ 5,889,863	\$ 5,058,246

City of Port Huron

NONMAJOR ENTERPRISE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2007

EXHIBIT D-1

	<u>Parking</u>	<u>Senior Citizens</u>	<u>Marina</u>
Operating revenues:			
Charges for services	\$ 188,225	\$	\$ 223,722
Rents		377,665	248,118
Total Operating Revenues	<u>188,225</u>	<u>377,665</u>	<u>471,840</u>
Operating expenses:			
Personal services	94,129	3,529	182,402
Supplies and materials	21,839	15,526	210,921
Contractual services	69,235	680,211	323,395
Depreciation	338	190,726	96,331
Total Operating Expenses	<u>185,541</u>	<u>889,992</u>	<u>813,049</u>
Operating Income (Loss)	2,684	(512,327)	(341,209)
Nonoperating revenues (expenses):			
Operating grants		439,507	67,962
Income (Loss) Before Operating Transfers	<u>2,684</u>	<u>(72,820)</u>	<u>(273,247)</u>
Transfers in (out):			
Transfer in			1,175,000
Change in Net Assets	<u>2,684</u>	<u>(72,820)</u>	<u>901,753</u>
Net assets at beginning of year	<u>1,091,131</u>	<u>2,336,109</u>	<u>1,631,006</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,093,815</u>	<u>\$ 2,263,289</u>	<u>\$ 2,532,759</u>

Totals

June 30, 2007	June 30, 2006
\$ 411,947	\$ 491,787
625,783	632,761
1,037,730	1,124,548
280,060	338,055
248,286	343,334
1,072,841	1,078,346
287,395	313,869
1,888,582	2,073,604
(850,852)	(949,056)
507,469	456,525
(343,383)	(492,531)
1,175,000	75,000
831,617	(417,531)
5,058,246	5,475,777
\$ 5,889,863	\$ 5,058,246

City of Port Huron

NONMAJOR ENTERPRISE FUNDS - COMBINING STATEMENT
OF CASH FLOWS

Year Ended June 30, 2007

EXHIBIT D-2

	Parking	Senior Citizens	Marina
Cash flows from operating activities:			
Receipts from customers	\$ 188,827	\$ 369,922	\$ 463,348
Payments to suppliers for goods and services	(73,104)	(662,185)	(517,736)
Payments to employees for services	(94,039)	(3,529)	(183,759)
Payments connected with interfund services	(19,831)	(63,816)	(56,021)
Net cash provided by (used in) operating activities	<u>1,853</u>	<u>(359,608)</u>	<u>(294,168)</u>
Cash flows from noncapital financing activities:			
Operating grants received		439,507	
Transfers in			1,175,000
Advances from other funds			(629,047)
Net cash provided by (used in) noncapital financing activities		<u>439,507</u>	<u>545,953</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets		(280,247)	
Net cash provided by (used in) capital and related financing activities		<u>(280,247)</u>	
Net increase (decrease) in cash and cash equivalents	1,853	(200,348)	251,785
Cash and cash equivalents at beginning of year	<u>232,568</u>	<u>921,110</u>	<u>2,000</u>
Cash and cash equivalents at end of year	<u>\$ 234,421</u>	<u>\$ 720,762</u>	<u>\$ 253,785</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ 2,684</u>	<u>\$ (512,327)</u>	<u>\$ (341,209)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	338	190,726	96,331
Change in current assets and liabilities:			
Decrease (increase) in accounts receivables	602	(9,232)	(2,001)
Decrease (increase) in inventory			(560)
Decrease (increase) in prepaid expenses			2,672
Increase (decrease) in accounts payable	(1,861)	7,920	(37,711)
Increase (decrease) in accrued payroll	90		(1,357)
Increase (decrease) in contracts payable		(38,184)	(3,842)
Increase (decrease) in unearned revenue			(6,491)
Increase (decrease) in other liabilities		1,489	
Total Adjustments	<u>(831)</u>	<u>152,719</u>	<u>47,041</u>
Net cash provided by (used in) operating activities	<u>\$ 1,853</u>	<u>\$ (359,608)</u>	<u>\$ (294,168)</u>

Totals

June 30, 2007	June 30, 2006
\$ 1,022,097	\$ 1,122,114
(1,253,025)	(1,211,912)
(281,327)	(362,068)
(139,668)	(127,539)
<u>(651,923)</u>	<u>(579,405)</u>
439,507	456,525
545,953	75,000
<u>(629,047)</u>	<u>223,874</u>
985,460	755,399
<u>(280,247)</u>	<u>(65,571)</u>
<u>(280,247)</u>	<u>(65,571)</u>
53,290	110,423
<u>1,155,678</u>	<u>1,045,255</u>
\$ <u>1,208,968</u>	\$ <u>1,155,678</u>
\$ <u>(850,852)</u>	\$ <u>(949,056)</u>
287,395	313,869
(10,631)	(5,495)
(560)	(5,379)
2,672	(11,295)
(31,652)	66,610
(1,267)	(24,013)
(42,026)	32,293
(6,491)	5,445
1,489	(2,384)
<u>198,929</u>	<u>369,651</u>
\$ <u>(651,923)</u>	\$ <u>(579,405)</u>

FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

These Funds are used to record the financing of goods or services provided by the City to other departments and funds or to other governmental units on a cost-reimbursement basis. The Internal Service Funds are comprised of the following individual funds:

Central Stores Fund - This fund was established to account for the supply room and copier activities.

Motor Vehicle Fund - The rental charges of City-owned equipment (principally cars and trucks) to other City departments are accounted for in this fund.

Data Processing Fund - The data processing charges to other City departments and outside municipalities for which the City provides data processing services are accounted for in this fund.

Insurance and Fringe Benefit Fund - This fund is the clearing account for the City's property, liability and other insurances and the other payroll related fringe benefits. Monies are accumulated in this fund as a result of insurance and payroll allocations based on an activity/fund basis.

City of Port Huron

INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET ASSETS

June 30, 2007

EXHIBIT E

ASSETS	Governmental Activities		
	Central Stores	Motor Vehicle	Data Processing
Current assets:			
Cash and cash equivalents	\$ 81,582	\$ 1,902,484	\$ 124,296
Accounts receivable			3,457
Due from other governmental units			
Inventories	38,857	77,891	22,116
Total Current Assets	<u>120,439</u>	<u>1,980,375</u>	<u>149,869</u>
Capital assets:			
Land improvements		1,347,382	
Machinery and equipment	29,483	273,455	325,720
Vehicles		2,019,540	
	29,483	3,640,377	325,720
Less accumulated depreciation	15,625	1,841,727	263,711
Total Capital Assets	<u>13,858</u>	<u>1,798,650</u>	<u>62,009</u>
Total Assets	<u>134,297</u>	<u>3,779,025</u>	<u>211,878</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,909	34,157	
Accrued payroll		12,590	9,374
Claims and judgements payable			
Contracts payable		1,050	
Compensated absences payable (current portion)			
Total Current Liabilities	<u>3,909</u>	<u>47,797</u>	<u>9,374</u>
Noncurrent liabilities:			
Compensated absences payable (exclusive of current portion)			
Total Liabilities	<u>3,909</u>	<u>47,797</u>	<u>9,374</u>
NET ASSETS			
Invested in capital assets	13,858	1,798,650	62,009
Unrestricted	116,530	1,932,578	140,495
Total Net Assets	<u>\$ 130,388</u>	<u>\$ 3,731,228</u>	<u>\$ 202,504</u>

Insurance and Fringe Benefit	Totals	
	June 30, 2007	June 30, 2006
\$ 13,807,660	\$ 15,916,022	\$ 13,611,772
185,831	189,288	202,642
151,280	151,280	
	138,864	154,496
<u>14,144,771</u>	<u>16,395,454</u>	<u>13,968,910</u>
	1,347,382	1,370,559
	628,658	722,444
	2,019,540	2,515,224
	3,995,580	4,608,227
	2,121,063	2,536,015
	1,874,517	2,072,212
<u>14,144,771</u>	<u>18,269,971</u>	<u>16,041,122</u>
11,252	49,318	42,158
539,456	561,420	519,653
953,335	953,335	1,089,948
	1,050	
410,795	410,795	495,615
<u>1,914,838</u>	<u>1,975,918</u>	<u>2,147,374</u>
2,357,518	2,357,518	2,725,380
<u>4,272,356</u>	<u>4,333,436</u>	<u>4,872,754</u>
	1,874,517	2,072,212
9,872,415	12,062,018	9,096,156
<u>\$ 9,872,415</u>	<u>\$ 13,936,535</u>	<u>\$ 11,168,368</u>

City of Port Huron

INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2007

EXHIBIT E-1

	Central Stores	Motor Vehicle	Data Processing
Operating revenues:			
Charges for services	\$ 135,305	\$ 2,945,556	\$ 1,002,027
Operating expenses:			
Personal services	11,670	781,043	639,085
Supplies and materials	27,086	352,435	75,062
Contractual services	81,760	806,428	211,238
Depreciation	4,703	400,248	58,420
Total Operating Expenses	<u>125,219</u>	<u>2,340,154</u>	<u>983,805</u>
Operating Income (Loss)	<u>10,086</u>	<u>605,402</u>	<u>18,222</u>
Nonoperating revenues:			
Investment income			
Gain on sale of property and equipment		11,233	
Total Nonoperating Revenues		<u>11,233</u>	
Change in Net Assets	10,086	616,635	18,222
Net assets at beginning of year	<u>120,302</u>	<u>3,114,593</u>	<u>184,282</u>
NET ASSETS AT END OF YEAR	<u>\$ 130,388</u>	<u>\$ 3,731,228</u>	<u>\$ 202,504</u>

Insurance and Fringe Benefit	Totals	
	June 30, 2007	June 30, 2006
<u>\$ 11,327,231</u>	<u>\$ 15,410,119</u>	<u>\$ 14,713,065</u>
8,971,408	10,403,206	10,103,100
434	455,017	459,423
847,461	1,946,887	2,055,932
	463,371	479,247
<u>9,819,303</u>	<u>13,268,481</u>	<u>13,097,702</u>
<u>1,507,928</u>	<u>2,141,638</u>	<u>1,615,363</u>
615,296	615,296	387,253
	11,233	3,030
<u>615,296</u>	<u>626,529</u>	<u>390,283</u>
2,123,224	2,768,167	2,005,646
7,749,191	11,168,368	9,162,722
<u>\$ 9,872,415</u>	<u>\$ 13,936,535</u>	<u>\$ 11,168,368</u>

City of Port Huron

**INTERNAL SERVICE FUNDS - COMBINING STATEMENT
OF CASH FLOWS**

Year Ended June 30, 2007

EXHIBIT E-2

	Central Stores	Motor Vehicle	Data Processing
Cash flows from operating activities:			
Receipts from customers	\$ 135,305	\$ 2,945,556	\$ 1,006,507
Payments to suppliers for goods and services	(97,253)	(914,632)	(193,635)
Payments to employees for services	(11,670)	(782,013)	(640,216)
Payments connected with interfund services	(15,040)	(215,948)	(95,282)
Net cash provided by (used in) operating activities	<u>11,342</u>	<u>1,032,963</u>	<u>77,374</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,860)	(249,559)	(13,257)
Proceeds from sale of equipment		11,233	
Net cash provided by (used in) capital and related financial activities	<u>(2,860)</u>	<u>(238,326)</u>	<u>(13,257)</u>
Cash flows from investing activities:			
Investment income			
Net cash provided by (used in) investing activities			
Net increase (decrease) in cash and cash equivalents	8,482	794,637	64,117
Cash and cash equivalents at beginning of year	73,100	1,107,847	60,179
Cash and cash equivalents at end of year	<u>\$ 81,582</u>	<u>\$ 1,902,484</u>	<u>\$ 124,296</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ 10,086</u>	<u>\$ 605,402</u>	<u>\$ 18,222</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,703	400,248	58,420
Changes in current assets and liabilities:			
Decrease (increase) in accounts receivable			4,480
Decrease (increase) in due from other governmental units			
Decrease (increase) in inventories	1,006	8,109	6,517
Increase (decrease) in accounts payable	(4,453)	19,124	(9,134)
Increase (decrease) in accrued payroll		(970)	(1,131)
Increase (decrease) in claims and judgements payable			
Increase (decrease) in contracts payable		1,050	
Increase (decrease) in compensated absences payable			
Total adjustments	<u>1,256</u>	<u>427,561</u>	<u>59,152</u>
Net cash provided by (used in) operating activities	<u>\$ 11,342</u>	<u>\$ 1,032,963</u>	<u>\$ 77,374</u>

Insurance and Fringe Benefit	Totals	
	June 30, 2007	June 30, 2006
\$ 11,184,825	\$ 15,272,193	\$ 15,026,550
(846,272)	(2,051,792)	(2,337,413)
(9,516,835)	(10,950,734)	(9,722,397)
	(326,270)	(306,946)
<u>821,718</u>	<u>1,943,397</u>	<u>2,659,794</u>
	(265,676)	(561,972)
	11,233	3,030
	(254,443)	(558,942)
615,296	615,296	387,253
<u>615,296</u>	<u>615,296</u>	<u>387,253</u>
1,437,014	2,304,250	2,488,105
<u>12,370,646</u>	<u>13,611,772</u>	<u>11,123,667</u>
\$ <u>13,807,660</u>	\$ <u>15,916,022</u>	\$ <u>13,611,772</u>
\$ 1,507,928	\$ 2,141,638	\$ 1,615,363
	463,371	479,247
8,874	13,354	313,485
(151,280)	(151,280)	
	15,632	(32,978)
1,623	7,160	(96,026)
43,868	41,767	191,419
(136,613)	(136,613)	119,120
	1,050	
(452,682)	(452,682)	70,164
<u>(686,210)</u>	<u>(198,241)</u>	<u>1,044,431</u>
\$ <u>821,718</u>	\$ <u>1,943,397</u>	\$ <u>2,659,794</u>

FINANCIAL STATEMENTS

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity for others and therefore cannot be used to support the City's own programs. Both the E.W. Kiefer Fund and the Senior Citizens Fund are private purpose trust funds. Private purpose trust funds are used to account for any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations or other governments. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and for other funds.

E. W. Kiefer Fund - The assets donated to the City to be used for port promotion are accounted for in this fund.

Senior Citizens Fund - Assets donated to the City which are to be used for various senior citizens's projects are accounted for in this fund.

Agency Fund - This fund accounts for taxes collected for the City and other units of government.

City of Port Huron

FIDUCIARY FUNDS - COMBINING STATEMENT OF NET ASSETS
June 30, 2007

EXHIBIT F

	Trust Funds		Totals	
	<u>E. W. Kiefer</u>	<u>Senior Citizens</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
ASSETS				
Cash and cash equivalents	\$	\$ 29,745	\$ 29,745	\$ 32,530
LIABILITIES				
Other liabilities				
NET ASSETS				
Net assets held in trust	<u>\$ 0</u>	<u>\$ 29,745</u>	<u>\$ 29,745</u>	<u>\$ 32,530</u>

City of Port Huron

FIDUCIARY FUNDS - COMBINING
STATEMENT OF CHANGES IN NET ASSETS
 Year Ended June 30, 2007

EXHIBIT F-1

	E. W. Kiefer	Senior Citizens	Totals	
			June 30, 2007	June 30, 2006
Additions:				
Investment income	\$ 7	\$ 1,403	\$ 1,410	\$ 1,097
Deductions:				
Supplies and materials		900	900	900
Contractual services	3,295		3,295	20
Total Deductions	3,295	900	4,195	920
Change in Net Assets	(3,288)	503	(2,785)	177
Net assets at beginning of year	3,288	29,242	32,530	32,353
NET ASSETS AT END OF YEAR	\$ 0	\$ 29,745	\$ 29,745	\$ 32,530

City of Port Huron

**AGENCY FUND - STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES**
Year Ended June 30, 2007

EXHIBIT F-2

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>
ASSETS				
Cash and cash equivalents	<u>\$ 262,677</u>	<u>\$ 36,706,145</u>	<u>\$ 36,268,230</u>	<u>\$ 700,592</u>
LIABILITIES				
Due to other governmental units	<u>\$ 59,631</u>	<u>\$ 21,865,406</u>	<u>\$ 21,895,324</u>	<u>\$ 29,713</u>
Taxes collected in advance	<u>203,046</u>	<u>670,879</u>	<u>203,046</u>	<u>670,879</u>
Total Liabilities	<u>\$ 262,677</u>	<u>\$ 22,536,285</u>	<u>\$ 22,098,370</u>	<u>\$ 700,592</u>

FINANCIAL STATEMENTS

DISCRETELY PRESENTED GOVERNMENTAL COMPONENT UNITS

Discretely presented component units are entities which are legally separate from the City, but for which the City is financially accountable, or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete.

Downtown Development Authority - The Authority was established for the purpose of maintaining and renovating the downtown Port Huron area and collecting property tax revenues restricted for that purpose. The operating activities of the Authority are accounted for as governmental - type funds with each plan reported as a special revenue fund.

Tax Increment Finance Authority - The Authority is used for the maintaining and renovating of the City's Industrial Park and other areas outside the Downtown Development District/Authority through the collection of property tax revenues restricted for these purposes. The operating activities of the Authority are accounted for as governmental - type funds with each plan reported as a specific revenue fund.

Local Development Finance Authority - The financing of public facilities and general infrastructure needs for specific project districts through the collection of property tax revenues restricted for these purposes is accomplished through this Authority. The operating activities of the Authority are accounted for as a governmental - type fund with the single plan reported as a special revenue fund.

Brownfield Redevelopment Authority - The Authority is used to finance remediation, removal and redevelopment of formerly contaminated properties for beneficial uses. The Authority is authorized to collect property tax revenues restricted for these purposes. The operating activities of the Authority are accounted for as a governmental - type fund with the single plan reported as a special revenue fund.

City of Port Huron

**DISCRETELY PRESENTED GOVERNMENTAL COMPONENT UNITS -
TAX INCREMENT AUTHORITIES - COMBINING BALANCE SHEET SCHEDULE**
June 30, 2007

EXHIBIT G

	Special Revenue Funds				Totals
	Downtown Development	Tax Increment Finance	Local Development Finance	Brownfield Redevelopment	
ASSETS					
Cash and cash equivalents	\$ 370,724	\$ 1,164,088	\$	\$ 376,663	\$ 1,911,475
Receivables	4,482			4,164	8,646
Total Assets	<u>\$ 375,206</u>	<u>\$ 1,164,088</u>	<u>\$ 0</u>	<u>\$ 380,827</u>	<u>\$ 1,920,121</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 90	\$ 54	\$	\$ 376,185	\$ 376,329
Total Liabilities	<u>90</u>	<u>54</u>		<u>376,185</u>	<u>376,329</u>
Fund balances:					
Unreserved:					
Designated for subsequent years' expenditures	356,000	255,000			611,000
Undesignated	19,116	909,034		4,642	932,792
Total Fund Balances	<u>375,116</u>	<u>1,164,034</u>		<u>4,642</u>	<u>1,543,792</u>
Total Liabilities and Fund Balances	<u>\$ 375,206</u>	<u>\$ 1,164,088</u>	<u>\$ 0</u>	<u>\$ 380,827</u>	<u>\$ 1,920,121</u>

City of Port Huron

**DISCRETELY PRESENTED GOVERNMENTAL COMPONENT UNITS - TAX INCREMENT AUTHORITIES-
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
Year Ended June 30, 2007 EXHIBIT G-1

	Special Revenue Funds				Totals
	Downtown Development	Tax Increment Finance	Local Development Finance	Brownfield Redevelopment	
Revenues:					
Taxes	\$ 1,170,252	\$ 2,786,496	\$ 235,471	\$ 383,335	\$ 4,575,554
State shared revenues	4,011				4,011
Other revenue	544,932				544,932
Total Revenues	<u>1,719,195</u>	<u>2,786,496</u>	<u>235,471</u>	<u>383,335</u>	<u>5,124,497</u>
Expenditures:					
Current:					
Taxes disbursed - not captured		2,626,907			2,626,907
General support services	17,940	86,565	41,267	379,123	524,895
Capital outlay	5,848	6,162			12,010
Total Expenditures	<u>23,788</u>	<u>2,719,634</u>	<u>41,267</u>	<u>379,123</u>	<u>3,163,812</u>
Revenues over (under)					
Expenditures	<u>1,695,407</u>	<u>66,862</u>	<u>194,204</u>	<u>4,212</u>	<u>1,960,685</u>
Other financing sources (uses):					
Transfers in:					
Primary government					
Transfers out:					
Primary government	(1,540,469)	(159,189)	(194,204)		(1,893,862)
	<u>(1,540,469)</u>	<u>(159,189)</u>	<u>(194,204)</u>		<u>(1,893,862)</u>
Net Change in Fund Balances	154,938	(92,327)		4,212	66,823
Fund balances at beginning of year	220,178	1,256,361		430	1,476,969
FUND BALANCES AT END OF YEAR	<u>\$ 375,116</u>	<u>\$ 1,164,034</u>	<u>\$ 0</u>	<u>\$ 4,642</u>	<u>\$ 1,543,792</u>

City of Port Huron

DOWNTOWN DEVELOPMENT AUTHORITY - BALANCE SHEET SCHEDULE

June 30, 2007

EXHIBIT G-2

	<u>Operating</u>	<u>Harrington Hotel</u>	<u>Bank</u>	<u>Special Revenue Edison Redevelopment Area</u>
ASSETS				
Cash and cash equivalents	\$ 113,711	\$ 100,047	\$ 156,876	\$ 90
Receivables	847			
Total Assets	<u>\$ 114,558</u>	<u>\$ 100,047</u>	<u>\$ 156,876</u>	<u>\$ 90</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$	\$	\$	\$ 90
Total Liabilities				<u>90</u>
Fund balances:				
Unreserved:				
Designated for subsequent years' expenditures	100,000	100,000	156,000	
Undesignated	14,558	47	876	
Total Fund Balances	<u>114,558</u>	<u>100,047</u>	<u>156,876</u>	
Total Liabilities and Fund Balances	<u>\$ 114,558</u>	<u>\$ 100,047</u>	<u>\$ 156,876</u>	<u>\$ 90</u>

Funds

Mainstreet	Water Street	Totals
\$ 3,635	\$	\$ 370,724 4,482
<u>\$ 3,635</u>	<u>\$ 0</u>	<u>\$ 375,206</u>
\$	\$	\$ 90
<u></u>	<u></u>	<u>90</u>
<u>3,635</u>		356,000 19,116
<u>3,635</u>		<u>375,116</u>
<u>\$ 3,635</u>	<u>\$ 0</u>	<u>\$ 375,206</u>

City of Port Huron

**DOWNTOWN DEVELOPMENT AUTHORITY - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

Year Ended June 30, 2007

EXHIBIT G-3

	Operating	Harrington Hotel	Bank	Edison Redevelopment Area
Revenues:				
Taxes	\$ 92,531	\$ 28,197	\$ 42,250	\$ 530,164
State shared revenues	4,011			
Other revenue	4,800			
Total Revenues	<u>101,342</u>	<u>28,197</u>	<u>42,250</u>	<u>530,164</u>
Expenditures:				
Current:				
General support services	17,909			
Capital outlay				4,727
Total Expenditures	<u>17,909</u>	<u> </u>	<u> </u>	<u>4,727</u>
Revenues over (under) Expenditures	<u>83,433</u>	<u>28,197</u>	<u>42,250</u>	<u>525,437</u>
Other financing sources (uses):				
Transfers in:				
Primary government				
Transfers out:				
Primary government				(525,437)
				<u>(525,437)</u>
Net Change in Fund Balances	83,433	28,197	42,250	
Fund balances at beginning of year	<u>31,125</u>	<u>71,850</u>	<u>114,626</u>	
FUND BALANCES AT END OF YEAR	<u>\$ 114,558</u>	<u>\$ 100,047</u>	<u>\$ 156,876</u>	<u>\$ 0</u>

Mainstreet	Water Street	Totals
\$ 47,326	\$ 429,784	\$ 1,170,252
		4,011
	540,132	544,932
<u>47,326</u>	<u>969,916</u>	<u>1,719,195</u>
31		17,940
250	871	5,848
<u>281</u>	<u>871</u>	<u>23,788</u>
<u>47,045</u>	<u>969,045</u>	<u>1,695,407</u>
(45,987)	(969,045)	(1,540,469)
<u>(45,987)</u>	<u>(969,045)</u>	<u>(1,540,469)</u>
1,058		154,938
<u>2,577</u>		<u>220,178</u>
<u>\$ 3,635</u>	<u>\$ 0</u>	<u>\$ 375,116</u>

TAX INCREMENT FINANCE AUTHORITY - BALANCE SHEET SCHEDULE

June 30, 2007

EXHIBIT G-4

	Special Revenue Funds				Totals
	Industrial Park	Paper Company	Krafft Holland	Peerless Site	
ASSETS					
Cash and cash equivalents	\$ 857,306	\$ 185,730	\$ 121,052	\$	\$ 1,164,088
Total Assets	\$ 857,306	\$ 185,730	\$ 121,052	\$ 0	\$ 1,164,088
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$ 54	\$	\$	\$ 54
Total Liabilities		54			54
Fund balances:					
Unreserved:					
Designated for subsequent years' expenditures	230,000	25,000			255,000
Undesignated	627,306	160,676	121,052		909,034
Total Fund Balances	857,306	185,676	121,052		1,164,034
Total Liabilities and Fund Balances	\$ 857,306	\$ 185,730	\$ 121,052	\$ 0	\$ 1,164,088

City of Port Huron

TAX INCREMENT FINANCE AUTHORITY - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
Year Ended June 30, 2007

EXHIBIT G-5

	Industrial Park	Paper Company	Krafft Holland	Peerless Site	Totals
Revenues:					
Taxes	\$ 1,507,667	\$ 529,645	\$ 589,595	\$ 159,589	\$ 2,786,496
Expenditures:					
Current:					
Taxes disbursed - not captured	1,507,667	529,645	589,595		2,626,907
General support services	86,565				86,565
Capital outlay		5,762		400	6,162
Total Expenditures	<u>1,594,232</u>	<u>535,407</u>	<u>589,595</u>	<u>400</u>	<u>2,719,634</u>
Revenues over (under)					
Expenditures	(86,565)	(5,762)		159,189	66,862
Other financing sources (uses):					
Transfers out - primary government				(159,189)	(159,189)
Net Change in Fund Balances	(86,565)	(5,762)			(92,327)
Fund balances at beginning of year	<u>943,871</u>	<u>191,438</u>	<u>121,052</u>		<u>1,256,361</u>
FUND BALANCES AT END OF YEAR	<u>\$ 857,306</u>	<u>\$ 185,676</u>	<u>\$ 121,052</u>	<u>\$ 0</u>	<u>\$ 1,164,034</u>

STATISTICAL SECTION

This part of the City of Port Huron's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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

- Net Assets by Component
- Changes in Net Assets
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

- Taxable, Assessed and Equalized and Estimated Actual Valuation of Property
- Principal Property Taxpayers
- Direct and Overlapping Property Tax Rates
- Property Tax Levies and Collections
- Tax Information

Debt Capacity - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Direct and Overlapping Debt
- Computation of Legal Debt Margin
- Legal Debt Margin
- Revenue Bond Coverage

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operation Information - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

- Full-time Equivalent Government Employees
- Operating Indicators
- Capital Asset Statistics
- Public Works Projects - Completed Projects
- Public Works Projects - Current Year Projects

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year and the records of the City of Port Huron.

City of Port Huron

NET ASSETS BY COMPONENT
Last Five Fiscal Years

	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>
Governmental Activities:			
Invested in capital assets, net of related debt	\$ 35,485,109	\$ 36,615,040	\$ 36,890,140
Restricted	6,351,281	7,393,013	8,045,437
Unrestricted	17,062,698	17,712,746	18,754,236
Total Net Assets	<u>58,899,088</u>	<u>61,720,799</u>	<u>63,689,813</u>
Business Type Activities:			
Invested in capital assets, net of related debt	68,361,930	62,588,215	63,399,007
Restricted	1,136,532	1,134,111	1,148,328
Unrestricted	19,706,169	24,194,007	21,773,795
Total Net Assets	<u>89,204,631</u>	<u>87,916,333</u>	<u>86,321,130</u>
Total Primary Government:			
Invested in capital assets, net of related debt	103,847,039	99,203,255	100,289,147
Restricted	7,487,813	8,527,124	9,193,765
Unrestricted	36,768,867	41,906,753	40,528,031
TOTAL NET ASSETS	<u>\$ 148,103,719</u>	<u>\$ 149,637,132</u>	<u>\$ 150,010,943</u>

<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 37,917,205	\$ 39,143,574
8,395,407	7,756,905
20,930,937	24,441,973
<u>67,243,549</u>	<u>71,342,452</u>
62,988,238	65,911,126
1,135,607	
19,979,887	18,023,305
<u>84,103,732</u>	<u>83,934,431</u>
100,905,443	105,054,700
9,531,014	7,756,905
40,910,824	42,465,278
<u>\$ 151,347,281</u>	<u>\$ 155,276,883</u>

City of Port Huron

CHANGES IN NET ASSETS
Last Five Fiscal Years

	Year Ended June 30, 2003	Year Ended June 30, 2004	Year Ended June 30, 2005
Expenses:			
Governmental activities:			
General government	\$ 4,077,747	\$ 4,145,608	\$ 4,337,928
Public safety	11,838,334	12,111,816	12,370,766
Public works	7,675,927	7,517,051	8,089,009
Health and welfare	62,125	13,717	13,895
Community and economic development	2,305,879	2,706,277	2,524,509
Recreation, parks and culture	2,669,962	2,560,247	2,758,417
Total Governmental Activities Expenses	<u>28,629,974</u>	<u>29,054,716</u>	<u>30,094,524</u>
Business-type activities:			
Water	5,039,293	5,565,328	5,592,090
Wastewater	10,753,669	11,254,069	11,504,952
Land purchase	1,202,243	524,826	453,972
Parking	164,866	164,456	191,747
Senior citizens	698,169	726,037	749,544
Marina	833,789	896,597	942,724
Total Business-Type Activities Expenses	<u>18,692,029</u>	<u>19,131,313</u>	<u>19,435,029</u>
Total Primary Government Expenses	<u>47,322,003</u>	<u>48,186,029</u>	<u>49,529,553</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	1,884,026	1,965,093	2,173,930
Public safety	640,868	591,887	565,830
Public works	228,617	267,017	240,756
Community and economic development	438,047	545,298	611,872
Recreation, parks and culture	99,163	116,133	168,378
Operating grants and contributions:			
Public safety	18,051	83,514	151,174
Public works	2,519,350	2,708,865	2,684,859
Community and economic development	1,617,573	1,995,861	1,597,341
Capital grants and contributions:			
Public safety	71,578	122,275	485,064
Public works	1,240,875	2,400,034	934,408
Recreation, parks and culture	130,058	109,276	116,837
Total Governmental Activities Program Revenues	<u>\$ 8,888,206</u>	<u>\$ 10,905,253</u>	<u>\$ 9,730,449</u>

(Continued on next page)

Year Ended June 30, 2006	Year Ended June 30, 2007
\$ 4,352,715	\$ 3,294,266
12,870,592	12,775,838
8,033,049	8,822,339
18,171	17,851
2,111,966	2,396,732
2,922,958	2,628,408
<u>30,309,451</u>	<u>29,935,434</u>
6,143,152	6,296,545
12,852,702	13,269,918
833,578	193,013
202,593	185,541
866,645	889,992
1,004,366	813,049
<u>21,903,036</u>	<u>21,648,058</u>
<u>52,212,487</u>	<u>51,583,492</u>
2,407,797	1,636,600
825,494	673,556
263,250	246,799
762,589	723,750
123,254	183,387
63,337	89,077
2,586,679	2,570,537
1,166,245	1,454,286
1,323,802	532,389
836,753	1,547,572
125,626	127,832
<u>\$ 10,484,826</u>	<u>\$ 9,785,785</u>

City of Port Huron

CHANGES IN NET ASSETS
Last Five Fiscal Years

	Year Ended June 30, 2003	Year Ended June 30, 2004	Year Ended June 30, 2005
Business-type activities:			
Charges for services:			
Water	\$ 4,704,166	\$ 4,859,803	\$ 5,237,462
Wastewater	7,962,142	7,854,913	8,415,350
Land purchase	227,598	263,316	211,643
Parking	195,697	206,962	215,617
Senior citizens	314,687	328,272	368,805
Marina	462,180	576,132	604,697
Operating grants and contributions:			
Land purchase	1,276,947	1,218,769	1,059,947
Senior citizens	475,626	467,910	450,619
Marina			
Capital grants and contributions:			
Water	149,480	53,760	217
Wastewater	1,398,124	1,126,701	250,816
Land purchase		114,385	39,705
Marina	20,962		
Total Business-Type Activities Program Revenues	<u>17,187,609</u>	<u>17,070,923</u>	<u>16,854,878</u>
Total Primary Government Program Revenues	<u>26,075,815</u>	<u>27,976,176</u>	<u>26,585,327</u>
Net (expense)/revenue:			
Governmental activities	(19,741,768)	(18,149,463)	(20,364,075)
Business-type activities	(1,504,420)	(2,060,390)	(2,580,151)
Total Primary Government Net Expense	<u>(21,246,188)</u>	<u>(20,209,853)</u>	<u>(22,944,226)</u>
General revenues and other changes in net assets:			
Governmental activities:			
Property taxes	10,524,978	10,841,995	11,453,590
Income tax	5,551,093	5,555,182	5,955,633
Unrestricted state-shared revenues	4,674,395	4,220,535	4,134,528
Unrestricted investment income	705,669	581,626	953,716
Gain on sale of capital assets	77,703	3,642	27,691
Unrestricted cable fees and other income	283,992	308,194	307,931
Special item - custodial capital transfer			
Transfers		(540,000)	(500,000)
Total Governmental Activities	<u>21,817,830</u>	<u>20,971,174</u>	<u>22,333,089</u>
Business-type activities:			
Unrestricted investment income	379,296	232,092	431,755
Gain on sale of capital assets	1,388,014		2,689
Other income	1,000		50,504
Transfers		540,000	500,000
Total Business-Type Activities	<u>1,768,310</u>	<u>772,092</u>	<u>984,948</u>
Total Primary Government	<u>23,586,140</u>	<u>21,743,266</u>	<u>23,318,037</u>
Change in net assets:			
Governmental activities	2,076,062	2,821,711	1,969,014
Business-type activities	263,890	(1,288,298)	(1,595,203)
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,339,952</u>	<u>\$ 1,533,413</u>	<u>\$ 373,811</u>

<u>Year Ended</u> <u>June 30, 2006</u>	<u>Year Ended</u> <u>June 30, 2007</u>
\$ 5,542,397	\$ 5,601,863
8,783,025	8,942,423
251,600	307,432
187,623	188,225
375,771	377,665
561,154	471,840
1,230,828	1,893,862
456,525	439,507
	67,962
	107,153
779,138	1,139,982
405,910	
<u>18,573,971</u>	<u>19,537,914</u>
<u>29,058,797</u>	<u>29,323,699</u>
(19,824,625)	(20,149,649)
(3,329,065)	(2,110,144)
<u>(23,153,690)</u>	<u>(22,259,793)</u>
11,863,700	12,214,363
6,142,537	6,404,789
4,101,722	3,979,187
1,209,797	2,272,546
4,074	18,176
306,531	391,798
	(332,307)
(250,000)	(700,000)
<u>23,378,361</u>	<u>24,248,552</u>
851,667	873,039
	362,734
10,000	5,070
250,000	700,000
<u>1,111,667</u>	<u>1,940,843</u>
<u>24,490,028</u>	<u>26,189,395</u>
3,553,736	4,098,903
(2,217,398)	(169,301)
<u>\$ 1,336,338</u>	<u>\$ 3,929,602</u>

City of Port Huron

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Five Fiscal Years

	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>
General fund:			
Reserved	\$ 6,165	\$ 4,227	\$ 5,866
Unreserved	3,241,893	3,631,421	3,823,280
Total General Fund	<u>3,248,058</u>	<u>3,635,648</u>	<u>3,829,146</u>
All other governmental funds:			
Reserved	5,181,238	5,294,601	5,423,208
Unreserved, reported in:			
Special revenue funds	7,612,986	8,609,145	9,225,452
Permanent funds	117,904	119,519	121,685
Total All Other Governmental Funds	<u>12,912,128</u>	<u>14,023,265</u>	<u>14,770,345</u>
TOTAL ALL GOVERNMENTAL FUNDS	<u>\$ 16,160,186</u>	<u>\$ 17,658,913</u>	<u>\$ 18,599,491</u>

<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 5,728	\$ 5,133
3,895,856	4,093,971
<u>3,901,584</u>	<u>4,099,104</u>
5,393,331	5,723,863
9,813,947	9,394,473
120,772	
<u>15,328,050</u>	<u>15,118,336</u>
<u>\$ 19,229,634</u>	<u>\$ 19,217,440</u>

City of Port Huron

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Five Fiscal Years

	Year Ended June 30, 2003	Year Ended June 30, 2004	Year Ended June 30, 2005
Revenues:			
Taxes:			
Property taxes:			
General fund	\$ 7,146,695	\$ 7,367,483	\$ 7,782,286
Municipal streets fund:			
Streets millage	1,231,961	1,271,297	1,350,942
BWATC millage	400,469	401,666	417,181
Rubbish and garbage collection fund	1,745,853	1,801,549	1,903,181
Total	<u>10,524,978</u>	<u>10,841,995</u>	<u>11,453,590</u>
Income taxes	5,551,093	5,555,182	5,955,633
Total Taxes	<u>16,076,071</u>	<u>16,397,177</u>	<u>17,409,223</u>
Licenses and permits	517,234	630,550	608,278
Grants	2,489,073	3,385,654	3,145,132
State shared revenues	7,006,800	7,028,268	6,839,326
Charges for services	1,119,517	1,196,962	1,280,043
Fines and forfeits	251,427	208,089	209,910
Contributions	257,179	51,033	
Investment income	597,181	493,857	791,134
Rents	184,291	184,172	214,062
Sale of property	57,279	3,642	14,378
Other income			
Administrative charges	1,292,306	1,377,851	1,487,565
Total Revenues	<u>29,848,358</u>	<u>30,957,255</u>	<u>31,999,051</u>
Expenditures:			
Current:			
General government	3,033,866	3,067,793	3,337,326
Public safety	11,905,176	12,042,431	12,949,822
Public works	6,028,658	5,658,525	6,209,151
Senior citizens	62,125	13,717	13,895
Recreation, parks and culture	2,660,764	2,465,518	2,709,954
General support services	1,507,001	1,379,209	1,446,623
Capital outlay	3,555,075	4,291,335	3,841,702
Total Expenditures	<u>28,752,665</u>	<u>28,918,528</u>	<u>30,508,473</u>
Revenues over (under) Expenditures	<u>1,095,693</u>	<u>2,038,727</u>	<u>1,490,578</u>
Other financing sources (uses):			
Transfers in	1,845,287	1,476,726	1,709,889
Transfers out	<u>(2,145,287)</u>	<u>(2,016,726)</u>	<u>(2,259,889)</u>
	<u>(300,000)</u>	<u>(540,000)</u>	<u>(550,000)</u>
Special item:			
Custodial capital transfer			
NET CHANGE IN FUND BALANCES	<u>\$ 795,693</u>	<u>\$ 1,498,727</u>	<u>\$ 940,578</u>

<u>Year Ended</u> <u>June 30, 2006</u>	<u>Year Ended</u> <u>June 30, 2007</u>
\$ 8,049,963	\$ 8,286,548
1,401,182	1,444,684
438,891	448,195
1,973,664	2,034,936
<u>11,863,700</u>	<u>12,214,363</u>
6,142,537	6,404,789
<u>18,006,237</u>	<u>18,619,152</u>
764,635	736,935
3,418,137	3,111,899
6,689,794	6,630,858
1,533,599	1,416,319
203,515	211,878
822,544	1,657,250
240,776	251,090
1,044	6,943
	75,000
1,616,251	1,720,005
<u>33,296,532</u>	<u>34,437,329</u>
3,691,208	3,885,773
13,750,871	13,528,954
6,517,340	6,929,700
18,171	17,851
2,916,950	2,776,161
1,365,483	1,290,166
4,156,366	4,988,611
<u>32,416,389</u>	<u>33,417,216</u>
880,143	1,020,113
2,004,731	3,058,374
(2,254,731)	(3,758,374)
<u>(250,000)</u>	<u>(700,000)</u>
	(332,307)
<u>\$ 630,143</u>	<u>\$ (12,194)</u>

City of Port Huron

TAXABLE, ASSESSED AND EQUALIZED AND ESTIMATED ACTUAL VALUATION OF PROPERTY
Last Ten Fiscal Years and Succeeding Year

TAXABLE VALUATION OF PROPERTY

AD VALOREM ASSESSMENT ROLL

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Real Property</u>	<u>Personal Property</u>	<u>Total Ad Valorem</u>
1997-1998	\$ 298,950,217	\$ 89,144,723	\$ 31,987,339	\$ 420,082,279	\$ 85,312,150	\$ 505,394,429
1998-1999	314,256,844	89,717,862	33,725,626	437,700,332	97,402,375	535,102,707
1999-2000	326,463,799	92,902,196	35,345,860	454,711,855	104,918,375	559,630,230
2000-2001	339,650,137	95,862,366	37,700,569	473,213,072	105,730,775	578,943,847
2001-2002	360,279,722	99,739,934	39,257,794	499,277,450	116,239,150	615,516,600
2002-2003	386,267,293	98,306,355	43,963,985	528,537,633	116,579,850	645,117,483
2003-2004	400,963,223	104,021,942	47,535,082	552,520,247	111,710,650	664,230,897
2004-2005	419,175,807	110,508,670	47,279,153	576,963,630	107,345,450	684,309,080
2005-2006	439,901,675	127,344,313	47,135,901	614,381,889	116,758,250	731,140,139
2006-2007	462,822,102	133,346,548	48,689,916	644,858,566	111,126,000	755,984,566
2007-2008	484,507,112	139,212,025	48,060,220	671,779,357	115,133,200	786,912,557

ASSESSED AND EQUALIZED VALUATION OF PROPERTY

AD VALOREM ASSESSMENT ROLL

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Real Property</u>	<u>Personal Property</u>	<u>Total Ad Valorem</u>
1997-1998	\$ 322,552,125	\$ 93,745,675	\$ 34,049,350	\$ 450,347,150	\$ 85,312,150	\$ 535,659,300
1998-1999	349,896,375	94,065,600	35,309,975	479,271,950	97,402,375	576,674,325
1999-2000	371,889,450	98,883,500	37,832,175	508,605,125	104,918,375	613,523,500
2000-2001	398,934,025	104,662,800	39,989,400	543,586,225	105,730,775	649,317,000
2001-2002	432,681,200	108,995,200	41,096,000	582,772,400	116,239,150	699,011,550
2002-2003	477,830,800	113,452,500	47,771,300	639,054,600	116,579,850	755,634,450
2003-2004	498,550,400	121,163,000	52,161,700	671,875,100	111,710,650	783,585,750
2004-2005	510,041,900	133,193,200	51,574,400	694,809,500	107,345,450	802,154,950
2005-2006	540,571,900	151,284,900	51,988,800	743,845,600	116,758,250	860,603,850
2006-2007	577,001,000	158,720,100	52,679,000	788,400,100	111,126,000	899,526,100
2007-2008	588,570,400	163,228,600	51,057,200	802,856,200	115,133,200	917,989,400

A decision of the Michigan Supreme Court of November 30, 1944, (Cheeseman vs. Dell, 310 Michigan 108) defined the term "assessed valuation" as used in the property tax limitation amendment to the State Constitution to mean "the local assessments, as approved or changed and corrected through the statutory process of County equalization." Based upon this decision, all real and personal property taxes for the fiscal years 1945-1946, through 1953-1954, were levied upon County equalized valuations. Since 1954-1955, pursuant to a Supreme Court decision of November 29, 1954, (Pittsfield School District vs Washtenaw County, 341 Michigan 388) the State equalized valuations have been used.

The assessed and equalized valuation of taxable property is determined as of December 31st of each year and is the basis upon which taxes are levied during the succeeding fiscal year. The passage of Proposal A in May, 1994 altered how tax values are determined. Beginning in the 1995-1996 fiscal year, property taxes are based on taxable value instead of state equalized value. Proposal A also capped taxable value of each parcel of property, adjusted for additions and losses, at the previous year's rate of inflation or 5% whichever is less, until the property is sold or transferred. When ownership of a parcel of property is transferred, the taxable value becomes 50% of true cash value, or the state equalized valuation. The Industrial and Commercial

INDUSTRIAL AND COMMERCIAL FACILITIES ASSESSMENT ROLL

<u>Industrial Real Property</u>	<u>Industrial Personal Property</u>	<u>Commercial Real Property</u>	<u>Total IFT and CFT</u>	<u>Total Taxable Valuation</u>	<u>Taxable Value as a Percent Actual</u>
\$ 17,068,200	\$ 46,507,350	\$ 115,075	\$ 63,690,625	\$ 569,085,054	47.48%
18,397,075	47,332,325		65,729,400	600,832,107	46.76
18,833,575	43,646,875		62,480,450	622,110,680	46.01
17,389,550	39,527,675		56,917,225	635,861,072	45.02
17,889,550	32,475,700		50,365,250	665,881,850	44.43
19,682,550	29,151,850		48,834,400	693,951,883	43.13
16,358,850	25,562,900		41,921,750	706,152,647	42.77
15,372,259	25,319,900		40,692,159	725,001,239	43.00
13,055,376	27,618,000		40,673,376	771,813,515	42.77
12,094,334	26,364,900		38,459,234	794,443,800	42.32
12,546,325	22,052,200		34,598,525	821,511,082	43.10

INDUSTRIAL AND COMMERCIAL FACILITIES ASSESSMENT ROLL

<u>Industrial Real Property</u>	<u>Industrial Personal Property</u>	<u>Commercial Real Property</u>	<u>Total IFT and CFT</u>	<u>Total Equalized Valuation</u>	<u>Estimated Actual Value</u>
\$ 17,068,200	\$ 46,507,350	\$ 115,075	\$ 63,690,625	\$ 599,349,925	\$ 1,198,699,850
18,397,075	47,332,325		65,729,400	642,403,725	1,284,807,450
18,833,575	43,646,875		62,480,450	676,003,950	1,352,007,900
17,389,550	39,527,675		56,917,225	706,234,225	1,412,468,450
17,889,550	32,475,700		50,365,250	749,376,800	1,498,753,600
19,682,550	29,151,850		48,834,400	804,468,850	1,608,937,700
16,358,850	25,562,900		41,921,750	825,507,500	1,651,015,000
15,460,600	25,319,900		40,780,500	842,935,450	1,685,870,900
14,102,600	27,618,000		41,720,600	902,324,450	1,804,648,900
12,688,700	26,364,900		39,053,600	938,579,700	1,877,159,400
13,012,600	22,052,200		35,064,800	953,054,200	1,906,108,400

Facilities Tax Acts permit certain property to be taxed at one-half the tax rate for a period up to twelve years. The City Council has adopted a policy that such abatements will be twelve years for real property and six years for personal property. The ad valorem taxable valuation of \$755,984,566 and the abated taxable valuation of \$38,459,234 as of December 31, 2005 were used as the basis for determining the fiscal 2006-2007 operating taxes.

The State Tax Commission issued new personal property multipliers for the taxable valuation of personal property as of December 31, 1999. Such multipliers represent a significant change in the valuation of personal property resulting in lower valuations and, effective for the 2000-2001 and future fiscal years, reduced personal property tax revenues.

City of Port Huron

PRINCIPAL PROPERTY TAXPAYERS

June 30, 2007

<u>Taxpayer</u>	<u>2007 Ad Valorem Taxable Valuation</u>	<u>2007 Industrial Facilities Taxable Value</u>	<u>2007 Total Taxable Valuation</u>	<u>Percent of Total Taxable Valuation</u>	<u>2007 Rank</u>
Acheson Ventures/ Acheson Foundation	\$ 25,494,243	\$	\$ 25,494,243	3.10%	1
Domtar (E.B. Eddy Paper)	18,037,996	4,624,700	22,662,696	2.76	2
Mueller Brass Company	4,265,608	12,674,900	16,940,508	2.06	3
DTE Energy (Detroit Edison)	12,070,397		12,070,397	1.47	4
Acheson Industries	11,025,621		11,025,621	1.34	5
IAC (formerly Lear Corporation)	7,895,179	1,895,231	9,790,410	1.19	6
Collins and Aikman (Textron)	2,578,700	6,205,200	8,783,900	1.07	7
H.P. Pelzer	3,052,451	5,686,400	8,738,851	1.06	8
Royal Oak Boring	6,285,900	1,958,700	8,244,600	1.00	9
Sportrack (Advanced Accessory)	5,934,121	238,600	6,172,721	.75	10
Plastech (LDM)	5,049,597	214,100	5,263,697	.64	11
SEMCO Energy Company	5,009,541		5,009,541	.61	12
Port Huron Molded Products (Blue Water Automotive)	4,478,800	509,500	4,988,300	.61	13
Parkview Property Management	3,800,321		3,800,321	.46	14
Innkeepers Management (Edison Inn)	3,788,063		3,788,063	.46	15
Cross Hueller Ex-Cell-O-Lamb	3,241,500	320,200	3,561,700	.44	16
Shawmut Mills	1,386,766	2,106,300	3,493,066	.43	17
Citizens First Savings Bank	3,444,782		3,444,782	.42	18
Black River Plastics	1,351,500	1,998,598	3,350,098	.41	19
Times Herald Co.	3,336,891		3,336,891	.41	20
Blue Water Fiber Co.					
Crown Paper Co.					
Petri, Inc.					
Sombur Machine and Tool Inc.					
U.S. Manufacturing Company					
Huron Inc.					
Pine Grove Plaza					
Huron Advanced Technologies					
	<u>\$ 131,527,977</u>	<u>\$ 38,432,429</u>	<u>\$ 169,960,406</u>	<u>20.69%</u>	

The listing includes equipment and other property used in operations, but titled to others.

<u>1998 Total Taxable Valuation</u>	<u>Percent of Total Taxable Valuation</u>	<u>1998 Rank</u>
\$	%	
27,479,875	5.14	1
15,668,350	2.93	2
12,171,226	2.27	3
8,725,505	1.63	7
7,523,700	1.41	8
5,266,400	.98	10
3,193,425	.60	17
5,570,711	1.04	9
3,717,918	.69	11
3,480,046	.65	14
3,583,601	.67	12
3,433,992	.64	15
11,709,381	2.19	4
11,303,342	2.11	5
9,636,651	1.80	6
3,532,708	.66	13
3,200,950	.60	16
3,134,050	.59	18
2,794,700	.52	19
<u>2,720,218</u>	<u>.51</u>	20
<u>\$ 147,846,749</u>	<u>27.63%</u>	

City of Port Huron

DIRECT AND OVERLAPPING PROPERTY TAX RATES
PROPERTY TAX RATES PER \$1,000 TAXABLE VALUATION
Last Ten Fiscal Years

Year	CITY					BWATC
	Operating	Debt Service	Streets	Rubbish and Garbage Collection	Total	Bus Operating
1997-1998	\$ 11.3376		\$ 2.0000	\$ 2.8344	\$ 16.1720	\$.6480
1998-1999	11.3376		2.0000	2.8344	16.1720	.6480
1999-2000	11.3297		1.9986	2.8324	16.1607	.6436
2000-2001	11.3297		1.9986	2.8324	16.1607	.6435
2001-2002	11.3263		1.9980	2.8315	16.1558	.6386
2002-2003	11.2696		1.9880	2.8173	16.0749	.6354
2003-2004	11.2696		1.9880	2.8173	16.0749	.6294
2004-2005	11.2696		2.0000	2.8173	16.0869	.6294
2005-2006	11.2696		2.0000	2.8173	16.0869	.6245
2006-2007	11.2696		2.0000	2.8173	16.0869	.6245

Year	COUNTY					COLLEGE
	St. Clair County	Intermediate School	Special Education	Vocational Education	Total	Operating and Debt
1997-1998	\$ 7.1400	\$.1970	\$ 2.3455	\$.9382	\$ 10.6207	\$ 1.4076
1998-1999	7.1706	.1970	2.3455	.9382	10.6513	1.4076
1999-2000	7.1564	.1967	2.3415	.9366	10.6312	1.9044
2000-2001	7.1564	.1966	2.3415	.9366	10.6311	1.9043
2001-2002	7.1153	.1955	2.3290	.9316	10.5714	1.8941
2002-2003	7.1048	.1949	2.3228	.9291	10.5516	1.8891
2003-2004	7.1048	.1949	2.3228	.9291	10.5516	1.8891
2004-2005	7.1048	.1949	2.3228	.9291	10.5516	1.8891
2005-2006	7.1018	.1948	2.3225	.9290	10.5481	1.8891
2006-2007	7.3022	.1938	2.3113	.9245	10.7318	1.8891

Year	SCHOOL			STATE	GRAND TOTAL	
	Operating	Debt	Total	School Operating	Homestead	Non-Homestead
1997-1998	\$ 18.0000*	\$ 2.0000	\$ 20.0000	\$ 6.0000	\$ 36.8483	\$ 54.8483
1998-1999	18.0000*	2.0000	20.0000	6.0000	36.8789	54.8789
1999-2000	18.0000*	2.0000	20.0000	6.0000	37.3399	55.3399
2000-2001	18.0000*	2.0000	20.0000	6.0000	37.3396	55.3396
2001-2002	18.0000*	2.0000	20.0000	6.0000	37.2599	55.2599
2002-2003	18.0000*	2.0000	20.0000	6.0000	37.1510	55.1510
2003-2004	18.0000*	2.0000	20.0000	5.0000	36.1450	54.1450
2004-2005	18.0000*	2.0000	20.0000	6.0000	37.1570	55.1570
2005-2006	18.0000*	2.0000	20.0000	6.0000	37.1486	55.1486
2006-2007	18.0000*	2.0000	20.0000	6.0000	37.3323	55.3323

Without local voter approval, the City of Port Huron's millage levies are limited to the amounts currently levied (11.2696 mills for operating, 2.00 mills for streets and 2.8173 mills for rubbish and garbage collection).

*Non personal residence property only

City of Port Huron

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Ratio of Total Tax Collections To Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes To Total Tax Levy</u>
1997-1998	8,170,190	7,688,105	94.10	510,262 (73,553)	100.34	61,367	.75
1998-1999	8,641,067	8,169,499	94.54	495,643 (1,270)	100.28	146,561	1.70
1999-2000	9,030,880	8,535,656	94.52	520,649 (2,049)	100.28	123,842	1.37
2000-2001	9,834,934	9,101,980	92.55	576,579 (151,326)	98.41	157,359	1.60
2001-2002	10,439,950	9,670,106	92.63	596,541 (132,011)	98.34	37,584	.36
2002-2003	10,861,483	10,218,162	94.08	566,204 (209,651)	99.29	25,515	.23
2003-2004	11,081,086	10,379,513	93.67	633,054 (80,207)	99.38	30,416	.27
2004-2005	11,533,367	10,847,759	94.06	770,168 (112,596)	100.73	36,733	.32
2005-2006	12,370,474	11,563,855	93.48	643,688 (89,685)	98.68	128,651	1.04
2006-2007	12,695,967	12,034,215	94.79	664,615 (648)	100.02	112,370	.89

Includes General, Special Revenue and Debt Service Funds and discretely presented governmental component units.

Bracketed amounts in the Delinquent Tax Collections column represent taxes canceled and reclassified.

City of Port Huron

TAX INFORMATION

TAXES DUE: July 1st

PAYABLE: City, School and County operating taxes are due and payable July 1st at the office of the City Treasurer. (Other County taxes are due and payable December 1st)

PENALTIES FOR DELINQUENCY: An addition of one percent (1%) is made on the first day of the second, third, fourth and fifth thirty (30) day period next following the mailing of the tax bills (City Charter). Another addition of one percent (1%) is made on the fifteenth day of September and each month or fraction thereof thereafter (State law). Commencing March 1st, taxes on real property are collected through the Treasurer of St. Clair County, who adds and retains a collection fee of 4%, and in addition adds interest at the rate of 1% per month or fraction thereof to the date of payment.

LIEN ON PROPERTY: Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

<u>Date of Sale</u>	<u>Delinquent Tax Properties to be Sold</u>
May, 2010	Year 2007
May, 2011	Year 2008

STATE LAND SALE: The State Land Office Board Act No. 155, Public Acts of 1937, as amended, created a State agency to dispose of certain land held by the State of Michigan. (The functions of this agency were taken over by the State Department of Natural Resources in 1949.) Unsold taxes offered at the annual County May tax sale are deemed to be "bid in" by the State, which assumes jurisdiction over them. The taxpayer has twelve months from the date of the County May tax sale in which to redeem his property by paying all unpaid taxes and assessments in full, together with all interest, penalties and collection fees at the office of the County Treasurer. "Redemption interest" at the rate of 1% per month from the date of the County May tax sale is charged on those taxes and assessments paid during this redemption period. Taxes "bid in" by the State, which remain unpaid at the expiration of the redemption period, are deeded to the State of Michigan, and outstanding taxes, special assessments, etc. are immediately canceled. Administration of this property is then transferred from the Auditor General to the Department of Natural Resources.

On the first Tuesday in February, following acquisition by the State, these properties are offered at public auction at the statutory State Land Sale (minimum bid - 25% of the assessed valuation for the year preceding vesting of title in the State.) Properties offered but not sold at the State Land Sale may be appraised and again offered for sale by the Department of Natural Resources as they see fit. The proceeds from sales, together with any income from properties while under the jurisdiction of the Department of Natural Resources, are remitted to the taxing subdivisions on the basis of their equities in the properties.

City of Port Huron

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001
Direct Bonded Debt:				
Business-type Activities:				
Housing General Obligation Bonds	\$ 1,000,000	\$ 800,000	\$ 600,000	\$ 400,000
Water Supply System Revenue Bonds (Limited Tax General Obligation)		9,804,105	9,804,105	9,563,914
Wastewater General Obligation Limited Tax Bonds		7,880,000	7,880,000	7,686,000
State Revolving Fund Wastewater General Obligation Limited Tax Bonds			5,149,961	15,316,626
Drinking Water Revolving Fund Water Supply System General Obligation Limited Tax Bonds				
Total Direct Bonded Debt	<u>\$ 1,000,000</u>	<u>\$ 18,484,105</u>	<u>\$ 23,434,066</u>	<u>\$ 32,966,540</u>
 Total Taxable Valuation	 \$ 569,085,054	 \$ 600,832,107	 \$ 622,110,680	 \$ 635,861,072
 Ratio of Bonded Debt to Taxable Value	 0.18%	 3.08%	 3.77%	 5.18%
 Population	 33,694	 33,694	 32,338	 32,338
 Per Capita Direct Bonded Debt	 \$ 29.68	 \$ 548.59	 \$ 724.66	 \$ 1,019.44

Note - During the last ten fiscal years, there has been no governmental activities debt.

<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 200,000	\$	\$	\$	\$	\$
9,273,708	8,933,502	11,667,882	11,238,740	10,754,609	10,344,893
17,392,003	17,148,003	22,033,775	21,298,738	26,891,480	25,951,299
24,135,518	30,851,191	38,741,738	42,954,918	44,302,998	44,946,322
5,542,099	10,305,341	13,049,520	16,526,916	20,046,128	22,478,620
<u>\$ 56,543,328</u>	<u>\$ 67,238,037</u>	<u>\$ 85,492,915</u>	<u>\$ 92,019,312</u>	<u>\$ 101,995,215</u>	<u>\$ 103,721,134</u>
\$ 665,881,850	\$ 693,951,853	\$ 706,152,647	\$ 725,001,239	\$ 771,813,515	\$ 794,443,800
8.49%	9.69%	12.11%	12.69%	13.22%	13.06%
32,338	32,338	32,338	32,338	32,338	32,338
\$ 1,748.51	\$ 2,079.23	\$ 2,643.73	\$ 2,845.55	\$ 3,154.04	\$ 3,207.41

City of Port Huron

DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2007

DIRECT BONDED DEBT:

Water Supply System Revenue Bonds (Limited Tax General Obligation)		\$ 10,344,893
Wastewater General Obligation Limited Tax Bonds		25,951,299
State Revolving Fund Wastewater General Obligation Limited Tax Bonds		44,946,322
Drinking Water Revolving Fund Water Supply System General Obligation Limited Tax Bonds		<u>22,478,620</u>

Total Direct Bonded Debt 103,721,134

Less self-supporting general obligation bonds

Water Supply System Revenue Bonds (Limited Tax General Obligation)	\$ 10,344,893	
Wastewater General Obligation Limited Tax Bonds	25,951,299	
State Revolving Fund Wastewater General Obligation Limited Tax Bonds	44,946,322	
Drinking Water Revolving Fund Water Supply System General Obligation Limited Tax Bonds	<u>22,478,620</u>	<u>103,721,134</u>

Net Direct Bonded Debt 0

OVERLAPPING BONDED DEBT:

12.93% of St. Clair County Regional Educational Service Agency debt	851,441	
13.02% of St. Clair County Community College debt	572,880	
12.18% of St. Clair County debt	6,857,199	
39.02% of Port Huron Area School District debt	<u>10,848,340</u>	
Overlapping Bonded Debt		<u>19,129,860</u>

NET DIRECT AND OVERLAPPING BONDED DEBT \$ 19,129,860

	Per Capita Bonded Debt	Ratio of Bonded Debt to State Equalized Value
Net Direct Bonded Debt	\$.00	.00%
Net Direct and Overlapping Bonded Debt	\$ 591.56	2.13%

The percentage of overlapping bonded debt applicable to each governmental unit is estimated using the taxable valuation of assessed property. Applicable percentages were estimated by determining the portion of each governmental unit's taxable property located within the boundaries of the City of Port Huron and dividing it by that governmental unit's total taxable value.

City of Port Huron

COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2007

STATE EQUALIZED VALUATION AT DECEMBER 31, 2006 \$ 917,989,400

	Actual Net Debt	Percentage of State Equalized Valuation	Legal Margin	
			Amount	Legal Debt Margin Totals
General obligation debt	\$ 93,376,241			
Portion issued under order	<u>70,897,621</u>			
Balance	<u>\$ 22,478,620</u>	10%	<u>\$ 91,798,940</u>	<u>\$ 69,320,320</u>
Emergency bonds	None	3/8 of 1%	<u>\$ 3,442,460</u>	<u>\$ 3,442,460</u>
Special assessment bonds	None	12	<u>\$ 110,158,728</u>	<u>\$ 110,158,728</u>

The statutory debt limit of net bonded indebtedness incurred for all public purposes shall not at any one time exceed 10% of the State equalized valuation of property in the City (\$917,989,400), except that this limit may be exceeded by 3/8ths of 1% in case of fire, flood or other calamity. This limitation does not include bonds issued in anticipation of the payment of special assessments, nor bonds issued pursuant to court order.

The Michigan State Bond Act provides that the total debt in special assessment bonds, which would require that the City pledge its faith and credit, shall not exceed 12% of the state equalized valuation of property of the City, nor shall such bonds be issued in any calendar year in excess of 3% unless voted.

As described in the schedule of Assessed and Equalized Valuation of Taxable Property the State taxable valuation at December 31, 2006 of \$786,912,557 will be used as a basis for determining the fiscal 2007-2008 operating taxes.

City of Port Huron

LEGAL DEBT MARGIN
Last Ten Fiscal Years

	<u>June 30, 1998</u>	<u>June 30, 1999</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>
Direct Bonded Debt:				
Housing General Obligation Bonds	\$ 1,000,000	\$ 800,000	\$ 600,000	\$ 400,000
Water Supply System Revenue Bonds (Limited Tax General Obligation)		9,804,105	9,804,105	9,563,914
Wastewater General Obligation Limited Tax Bonds		7,880,000	7,880,000	7,686,000
State Revolving Fund Wastewater General Obligation Limited Tax Bonds			5,149,961	15,316,626
Drinking Water Revolving Fund Water Supply System General Obligation Limited Tax Bonds				
Total Direct Bonded Debt	<u>\$ 1,000,000</u>	<u>\$ 18,484,105</u>	<u>\$ 23,434,066</u>	<u>\$ 32,966,540</u>
Less self-supporting revenue bonds:				
Water Supply System Revenue Bonds (Limited Tax General Obligation)	\$	\$ 9,804,105	\$ 9,804,105	\$ 9,563,914
Less portion issued under an order:				
Wastewater General Obligation Limited Tax Bonds		7,880,000	7,880,000	7,686,000
State Revolving Fund Wastewater General Obligation Limited Tax Bonds			5,149,961	15,316,626
Total Excluded	<u>\$ 0</u>	<u>\$ 17,684,105</u>	<u>\$ 22,834,066</u>	<u>\$ 32,566,540</u>
Net debt applicable to limit	\$ 1,000,000	\$ 800,000	\$ 600,000	\$ 400,000
Debt limit	<u>57,667,433</u>	<u>61,352,350</u>	<u>64,931,700</u>	<u>69,901,155</u>
Legal debt margin	<u>\$ 56,667,433</u>	<u>\$ 60,552,350</u>	<u>\$ 64,331,700</u>	<u>\$ 69,501,155</u>
Total net debt applicable to the limit as a percentage of debt limit	1.73%	1.30%	0.92%	0.57%

<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
\$ 200,000	\$	\$	\$	\$	\$
9,273,708	8,933,502	11,667,882	11,238,740	10,754,609	10,344,893
17,392,003	17,148,003	22,033,775	21,298,738	26,891,480	25,951,299
24,135,518	30,851,191	38,741,738	42,954,918	44,302,998	44,946,322
5,542,099	10,305,341	13,049,520	16,526,916	20,046,128	22,478,620
<u>\$ 56,543,328</u>	<u>\$ 67,238,037</u>	<u>\$ 85,492,915</u>	<u>\$ 92,019,312</u>	<u>\$ 101,995,215</u>	<u>\$ 103,721,134</u>
\$ 9,273,708	\$ 8,933,502	\$ 11,667,882	\$ 11,238,740	\$ 10,754,609	\$ 10,344,893
17,392,003	17,148,003	22,033,775	21,298,738	26,891,480	25,951,299
24,135,518	30,851,191	38,741,738	42,954,918	44,302,998	44,946,322
<u>\$ 50,801,229</u>	<u>\$ 56,932,696</u>	<u>\$ 72,443,395</u>	<u>\$ 75,492,396</u>	<u>\$ 81,949,087</u>	<u>\$ 81,242,514</u>
\$ 5,742,099	\$ 10,305,341	\$ 13,049,520	\$ 16,526,916	\$ 20,046,128	\$ 22,478,620
75,563,445	78,358,575	80,215,495	86,060,385	89,952,610	91,798,940
<u>\$ 69,821,346</u>	<u>\$ 68,053,234</u>	<u>\$ 67,165,975</u>	<u>\$ 69,533,469</u>	<u>\$ 69,906,482</u>	<u>\$ 69,320,320</u>
7.60%	13.15%	16.27%	19.20%	22.29%	24.49%

City of Port Huron

REVENUE BOND COVERAGE
Last Ten Fiscal Years

WATER SUPPLY SYSTEM

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Expenses and Operating Transfers</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1997-1998	\$ 4,029,515	\$ 2,821,978	\$ 1,207,537	\$ 0	\$ 0	\$ 0	N/A
1998-1999	4,647,232	2,943,192	1,704,040	0	9,299	9,299	183.25
1999-2000	4,870,844	3,124,444	1,746,400	0	488,040	488,040	3.58
2000-2001	4,503,395	3,042,711	1,460,684	240,191	482,359	722,550	2.02
2001-2002	4,389,115	2,998,948	1,390,167	290,206	471,825	762,031	1.82
2002-2003	4,766,682	3,297,304	1,469,378	340,206	458,642	798,848	1.84
2003-2004	4,903,517	3,411,898	1,491,619	340,206	487,045	827,251	1.80
2004-2005	5,360,824	3,518,428	1,842,396	429,142	553,021	982,163	1.88
2005-2006	5,816,441	3,852,901	1,963,540	484,131	535,744	1,019,875	1.93
2006-2007	5,892,405	3,842,987	2,049,418	509,131	493,350	1,002,481	2.04

Gross revenues includes operating and nonoperating revenues.

City of Port Huron

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Area:</u>	8.00 square miles (5,120 acres)		
<u>Form of Government:</u>	Council-Manager (Since April 7, 1941)		
<u>Present Charter:</u>	Adopted April 7, 1969 (effective April 18, 1969)		
<u>Fiscal Year Begins:</u>	July 1		
<u>City Employees:</u>	292 regular, 219 seasonal, summer and fall programs		
<u>Fire Protection:</u>	3 stations, 49 fire fighting personnel, 2-way radio equipment		
<u>Police Protection:</u>	1 station, 51 police officers, 2-way radio equipment		
<u>Streets:</u>	142.29 miles improved 2.38 miles unimproved		
<u>Population:</u>	Official U.S. Census		
		1850	(village) 1,584
		1860	(city) 4,371
		1870	5,973
		1880	8,883
		1890	13,543
		1900	19,158
		1910	18,863
		1920	25,944
		1930	31,361
		1940	32,759
		1950	35,725
		1960	36,084
		1970	35,794
		1980	33,934
		1990	33,694
		2000	32,338
<u>Unemployment:</u>	State of Michigan	June 30, 1998	6.3%
		1999	6.2%
		2000	6.0%
		2001	8.7%
		2002	10.3%
		2003	11.9%
		2004	10.8%
		2005	11.5%
		2006	10.5%
		2007	13.0%

Statistical Information From the 2000 U.S. Census

Total population	32,338	
In-labor force	15,762	
Median household income - 1999 dollars	\$31,327	
Per capita income - 1999 dollars	\$17,100	
Housing units	14,003	
Occupied housing units	12,961	92.6%
Owner-occupied housing units	7,409	57.2%
Renter-occupied housing units	5,552	42.8%
Vacant housing units	1,042	7.4%

Note: Personal income by individual year for residents is not available.

City of Port Huron

PRINCIPAL EMPLOYERS

June 30, 2007

<u>Firm Name</u>	<u>Product/Service</u>	<u>2007 Approximate Number of Employees</u>	<u>2007 Percentage of Labor Force</u>	<u>2007 Rank</u>
Port Huron Hospital	Health care services	1,460	9.3	1
*Port Huron Area School District	Public education	1,000	6.3	2
Mercy Hospital	Health care services	840	5.3	3
AT&T	Telephone service (call center)	620	3.9	4
St. Clair County Community College	Education	450	2.9	5
Mueller Brass Co.	Copper & brass tubing	440	2.8	6
*St. Clair County	Public government	300	1.9	7
Advanced Accessory Systems	Automotive supplier	300	1.9	7
Plastech Engineered Products	Automotive supplier/plastics	300	1.9	7
City of Port Huron	Public government	292	1.9	10
Collins & Aikman	Interior automotive trim			
Domtar Industries, Inc.	Lightweight, publ., pkg., spec. papers.			

* Multiple locations, only those employees within the City of Port Huron are included above.

<u>1998</u> <u>Approximate</u> <u>Number of</u> <u>Employees</u>	<u>1998</u> <u>Percentage</u> <u>of</u> <u>Labor Force</u>	<u>1998</u> <u>Rank</u>
1,000	7.5	1
750	5.6	2
650	4.9	3
600	4.5	4
450	3.4	6
400	3.0	7
400	3.0	7
303	2.3	9
500	3.8	5
300	2.3	10

City of Port Huron

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES
Last Ten Fiscal Years

Function/Program	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001
General government:				
City manager	3.00	3.00	3.00	2.00
City attorney	3.00	3.00	3.00	3.00
City clerk/elections	3.00	3.00	3.00	3.00
Finance/purchasing	6.00	6.00	7.00	7.00
Income tax	2.00	2.00	3.00	3.00
Assessing	5.00	5.00	4.00	4.00
City treasurer/water office	5.50	5.50	5.80	5.80
Data processing	7.00	7.00	7.00	7.00
Personnel	2.75	3.00	3.00	3.00
Health and safety/marinas	1.50	1.00	0.70	1.70
Public safety:				
Police	72.00	72.00	72.00	72.00
Fire	54.70	54.70	53.70	55.70
Public works:				
DPW administration	1.00	1.00	1.80	1.80
MOC grounds	2.00	2.00	2.00	2.00
Engineering	6.00	6.00	7.00	6.00
Streets	22.00	22.00	21.20	21.20
Refuse collection/disposal	0.125	0.125	0.125	0.125
Motor vehicle pool	11.875	11.875	11.875	11.875
Water filtration plant	12.75	12.75	12.75	12.75
Utilities - water distribution	9.50	9.50	10.75	10.75
Water meter	4.25	4.25	4.25	4.25
Water reclamation facility	27.50	28.25	27.00	27.00
Utilities - sewer collection	10.00	8.25	11.25	11.25
Community and economic development	16.00	16.50	15.50	14.50
Recreation, parks and culture:				
Recreation	6.25	6.00	6.00	6.00
Cemetery	5.00	5.00	5.00	5.00
Parking	1.00	1.00	1.00	1.00
Parks and forestry	15.30	15.30	15.30	15.30
	<u>316.00</u>	<u>315.00</u>	<u>318.00</u>	<u>318.00</u>

<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
2.00	3.00	3.00	3.00	3.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
7.00	7.00	7.00	7.00	7.00	7.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	5.00	5.00	5.00	5.00	5.00
5.80	5.80	4.91	4.91	4.91	4.91
7.00	7.00	6.00	6.00	6.00	5.00
3.25	3.25	2.90	2.90	2.90	2.90
1.95	1.95	1.50	1.50	1.50	1.50
73.00	73.00	70.00	71.00	69.00	70.00
55.70	52.70	50.70	48.70	50.70	48.70
1.80	1.80	1.80	1.80	1.80	1.80
2.00	2.00	3.00	3.00	3.00	3.00
7.00	6.10	6.10	6.10	6.10	5.10
23.20	23.20	20.20	20.20	20.20	20.20
0.125	0.125	0.125	0.125	0.125	0.125
11.875	11.875	10.875	10.875	10.875	8.875
12.75	11.75	12.75	12.75	12.75	12.75
10.75	10.75	10.85	10.85	9.85	10.05
4.25	4.25	4.25	5.25	5.25	5.25
27.00	27.00	24.90	26.90	24.90	24.20
11.25	11.15	11.15	11.15	11.15	9.65
14.00	14.00	13.50	13.50	13.50	13.50
6.00	6.00	6.10	6.10	6.10	6.10
5.00	5.00	5.00	5.00	5.00	4.00
1.00	1.00	1.09	1.09	1.09	1.09
15.30	14.30	12.30	12.30	12.30	11.30
<u>321.00</u>	<u>317.00</u>	<u>303.00</u>	<u>305.00</u>	<u>302.00</u>	<u>292.00</u>

City of Port Huron

OPERATING INDICATORS
Last Ten Fiscal Years

Function/Program	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001
Election data:				
Registered voters - November	21,541	20,945	20,911	20,936
Voters (at the polls or absentee) - November	5,800	8,657	4,191	11,233
Percent voting	26.9%	41.3%	20.0%	53.7%
Police:				
Physical arrests*	3,145	3,656	3,364	2,960
Traffic violations*	5,112	5,003	5,566	5,613
Police reports*	7,422	6,903	6,664	6,986
Calls for service*	30,898	22,653	23,171	24,207
Fire:				
Fire runs*	180	216	187	159
Emergency medical runs*	47	656	1,156	1,473
Other*	603	682	671	689
Public works:				
Miles of streets resurfaced	2.78	1.68	0.28	1.76
Miles of streets reconstructed	9.90	5.29	2.07	12.32
Water:				
Accounts:				
City - regular	12,208	12,208	12,454	12,545
Port Huron Township	3,090	3,090	3,060	3,141
Fort Gratiot - regular	85	85	85	85
Fort Gratiot - Water District No. F	3,746	3,746	4,010	4,090
Kimball Township			1,343	1,289
Clyde Township				
Average daily pumpage (gallons per day)	8,300,000	8,300,000	8,300,000	8,300,000
Sewer:				
Equivalent connected population	56,900	56,900	56,900	56,900
Average daily sewage treatment (gallons per day)	12,560,000	12,560,000	10,000,000	10,000,000
Building construction				
Permits	683	641	679	715
Estimated value	\$ 39,123,226	\$ 24,414,998	\$ 25,180,532	\$ 30,116,864

* All information as of December 31st

<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
20,806	20,604	20,376	20,831	21,245	20,445
4,933	8,294	3,277	12,418	3,543	8,875
23.7%	40.3%	16.1%	59.6%	16.7%	43.4%
2,900	2,835	3,107	2,770	2,773	2,325
4,979	7,867	6,162	4,715	4,513	5,339
7,037	6,430	6,837	6,546	6,584	6,879
22,791	19,108	19,112	18,151	18,840	25,130
139	201	127	207	137	137
1,707	1,744	2,025	2,390	2,615	2,712
746	669	783	628	869	872
2.19	1.02	0.00	0.00	0.26	1.65
8.69	9.92	6.53	6.24	2.65	4.53
12,605	12,653	12,689	12,726	12,770	12,814
3,244	3,259	3,275	3,355	3,392	3,350
85	85	85	85	137	136
4,276	4,432	4,539	4,544	4,971	4,858
1,451	1,550	1,550	1,640	1,668	1,993
				736	743
8,200,000	8,100,000	7,300,000	7,300,000	7,000,000	6,800,000
56,900	56,900	64,100	64,571	64,571	65,556
10,000,000	9,840,000	11,220,000	11,300,000	11,730,000	11,800,000
833	663	725	875	786	634
\$ 10,811,337	\$ 6,919,660	\$ 7,226,335	\$ 10,130,441	\$ 7,773,012	\$ 5,565,105

City of Port Huron

CAPITAL ASSET STATISTICS
Last Ten Fiscal Years

Function/Program	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001
Police:				
Stations	1	1	1	1
Fire:				
Stations	3	3	3	3
Fire fighting apparatus	7	7	7	7
Rescue boat	1	1	1	1
Special response van	1	1	1	1
Heavy rescue van				
Hazmat trailer	1	1	1	1
Specialized equipment trailer				
Marina:				
Seasonal boat wells	131	122	122	105
Transient boat wells	389	406	406	404
Wells out of service				
Public works:				
Streets (miles):				
Major streets	43.370	43.370	43.220	43.220
Local streets	91.080	90.860	91.070	91.370
Trunkline	10.076	10.076	10.076	10.076
Streetlights	2,544	2,544	2,551	2,551
Parks and recreation:				
Parks/playgrounds (City owned)	20	20	20	20
Tennis courts (City and school owned)	34	34	34	34
Public beaches	2	2	2	2
Public swimming pools	2	2	2	2
Boat ramps	2	2	2	2
Public scenic turnouts	3	3	3	3
Public waterfront parkways	2	2	2	2
Combined acreage	195.25	195.25	195.25	195.25
Parks/playgrounds (school owned)	11	11	11	11
Acreage	94.5	94.5	94.5	94.5
Community center	1	1	1	1
Parking:				
Metered lots	13	13	13	13
Spaces	980	913	888	888
Permit only lot - spaces	33	33	33	33
Seasonal attended lot - spaces	464	464	464	464
Permit only spaces in metered lots	65	65	150	117
Seasonal unattended lots - spaces				
ADA marked spaces in City lots				
Free lot - spaces	228	228	228	228
Street meters - spaces	500	555	555	546
Water:				
Watermains (miles)	162.0	162.0	163.0	163.0
Average capacity (gallons per day)	20,000,000	20,000,000	20,000,000	20,000,000
Maximum daily capacity (gallons per day)	30,000,000	30,000,000	30,000,000	30,000,000
Fire hydrants (City maintained)	1,148	1,148	1,233	1,250
Fire hydrants (private)	128	128	128	128
Sewer:				
Miles of sanitary, storm and a combination of sanitary and storm sewers	194.0	194.0	194.0	222.0
Average treatment capacity (gallons per day)	20,000,000	20,000,000	20,000,000	20,000,000
Maximum treatment capacity (gallons per day)	33,000,000	33,000,000	33,000,000	33,000,000

<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
1	1	1	1	1	1
3	3	3	3	3	3
7	7	7	7	6	6
1	1	1	1	1	1
1	1	1	1		
				1	1
1	1	1	1	1	1
		1	1		
67	112	123	129	118	122
442	397	302	296	307	303
		84	84	84	84
43.220	43.220	43.220	43.220	43.220	43.220
91.340	91.370	91.370	91.370	91.370	91.370
10.080	10.080	10.080	10.080	10.076	10.076
3,096	3,096	3,096	3,096	3,096	3,096
20	20	20	20	20	20
34	34	34	34	34	34
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
2	2	2	2	2	2
195.25	195.25	195.25	195.25	195.25	195.25
11	11	11	11	11	11
94.5	94.5	94.5	94.5	94.5	94.5
1	1	1	1	1	1
13	13	13	13	13	13
880	880	865	865	866	867
33	33	33	33	33	33
464	464	460	460	460	460
236	121	135	135	168	168
	73	73	73	73	73
				48	48
228	228	228	228		
540	533	533	547	479	484
163.2	163.2	163.6	164.0	164.3	165.0
20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
1,263	1,269	1,314	1,314	1,369	1,394
128	129	129	129	129	129
222.0	222.0	234.0	238.0	243.9	253.0
20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000

City of Port Huron

PUBLIC WORKS PROJECTS
COMPLETED PROJECTS
June 30, 2007

The following is a summary of significant completed public works projects beginning with projects completed during the year ended June 30, 1999. Those projects with a significant portion of the project dedicated to the elimination of combined sewer overflows (CSO) are noted.

	<u>Streets and Other Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>	
East Hancock Area	\$ 684,601	\$ 156,131	\$ 24,488	\$ 865,220	
Hancock Street - 10 th to Gratiot	442,671	227,035	375,408	1,045,114	****
8 th Street (CSO)	551,018	195,111	475,475	1,221,604	*
Stone Street - Hollis to Holland	630,246	242,847	85,676	958,769	****
Mason Area	573,606	251,139	347,205	1,171,950	
Southside Bike Path	308,212			308,212	****
St. Clair Street	106,515	157,461	48,422	312,398	
Pine Grove Sidewalk and Bike Path	205,753			205,753	****
Belmar Place	135,069		22,003	157,072	
LaSalle Area	559,358	115,643	104,018	779,019	
Varney Area	729,184	361,504		1,090,688	*
Tunnel Area (CSO)	33,529	1,863,192	3,803,907	5,700,628	*
Sherman Woods	1,288,362	516,635	313,205	2,118,202	
Indian Creek 2A (CSO)	132,219	797,864	3,149,118	4,079,201	***
Cooper Area	399,499	197,288	3,290	600,077	
10 th Avenue - Garfield to Holland	876,400		61,140	937,540	****
Indian Creek 2B (CSO)	341,328	2,926,990	5,239,308	8,507,626	***
24 th Street - City Portion	8,675	148,558	99,762	256,995	
Indian Creek 3 (CSO)	476,343	1,206,370	4,432,330	6,115,043	
Oak Crest Redevelopment	79,042	110,711	94,186	283,939	*
Indian Creek 2C (CSO)	165,626	2,563,575	5,012,653	7,741,854	
Indian Creek 4 (CSO)	536,751	2,247,619	4,086,356	6,870,726	
10 th Street	1,581,791			1,581,791	
7 th and 9 th Street Area (CSO)		2,392,492	5,248,332	7,640,824	
Gratiot - State to Holland	682,105		105,136	787,241	****
Stone - McPherson to State	535,141	206,004	168,771	909,916	****
10 th Avenue - River to Pine Grove (CSO)		650,354	4,982,100	5,632,454	***
Peavey Area (CSO)		1,376,731	3,244,327	4,621,058	*
16 th Avenue Area Part 1 (CSO)	77,707	2,027,009	4,608,043	6,712,759	
16 th Avenue Area Part 2 (CSO)		1,887,842	4,190,489	6,078,331	***
24 th Street - Dove to Electric (CSO)	434,536	482,003	1,188,329	2,104,868	****
Florida Area	690,912	201,817	44,393	937,122	
Military Electric Area (CSO)	302,197	1,849,918	1,555,647	3,707,762	
Military - Reid to Black River	47,093	1,965,852	735,067	2,748,012	
Rural Area (CSO)	213,626	2,177,856	4,898,545	7,290,027	***
4 th Street Area (CSO)	312,545	1,805,000	5,710,819	7,828,364	
11 th Avenue Area (CSO)		2,020,933	6,113,020	8,133,953	*
Palmer Court Area (CSO)		873,326	3,161,520	4,034,846	
Traffic Signal Project	1,252,891			1,252,891	****
Woodstock Area Part 1	734,235	501,230	235,022	1,470,487	
Woodstock Area Part 2	517,600	444,290	163,133	1,125,023	
Woodstock Area Part 3	150,040	454,071	450,238	1,054,349	
Holland Avenue - Stone to Gratiot	374,910			374,910	****

(Continued on next page)

City of Port Huron

PUBLIC WORKS PROJECTS
COMPLETED PROJECTS
June 30, 2007

	<u>Streets and Other Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>	
Holland Avenue - Pine Grove to Stone	\$ 1,251,697	\$ 426,116	\$ 483,742	\$ 2,161,555	****
McNeil Creek - Jones Place			546,966	546,966	
Military Street - Utility Rehabilitation		191,251	240,037	431,288	
Industrial Park Concrete	1,191,092	24,491	92,007	1,307,590	**
Beard Area - Industrial Park (CSO)		870,807	6,295,322	7,166,129	**
16 th Street Pump Station (CSO)			1,490,651	1,490,651	**
10 th Street Pump Station (CSO)			950,245	950,245	**
12 th Avenue/River Street (CSO)	41,889	920,104	2,501,404	3,463,397	**
Thomas Street Pump Station			1,427,602	1,427,602	**
Wall Street	188,205	47,430	26,506	262,141	**
Quay Street Riverwalk	257,801			257,801	**
Indian Creek Pump Station (CSO)			1,308,259	1,308,259	**
Indian Creek 1 (CSO)	10,867	601,898	3,012,164	3,624,929	**
River Centre - Site Work	1,868,363	187,944	321,461	2,377,768	**
River Centre - Seawall	716,124			716,124	**
Military Street Streetscape	567,862			567,862	****
Renaissance South III	222,901	73,135	140,775	436,811	
Solids Handling - WRF			10,384,121	10,384,121	
Total public works projects	<u>\$ 23,488,137</u>	<u>\$ 38,945,577</u>	<u>\$103,802,143</u>	<u>\$ 166,235,857</u>	

- * Projects partially or completely funded through Community Development Block Grant funds.
- ** Projects partially or completely funded through tax increment financing.
- *** Projects partially or completely funded through Environmental Protection Agency grant funds.
- **** Projects partially or completely funded through other grant funds.

City of Port Huron

PUBLIC WORKS PROJECTS
CURRENT YEAR PROJECTS
Year Ended June 30, 2007

In any year the City of Port Huron has a number of public works projects in varying stages of completion. A schedule of costs incurred on such projects during the year ended June 30, 2007 appears below. Public works projects necessary for the elimination of combined sewer overflows (CSO) primarily involve substantial sewer separation work, but include improvements of water distribution lines where appropriate, the restoration of the roadways due to the sewer separation or water distribution line work and other street reconstruction, where necessary or recommended. Costs associated with these projects are primarily recorded in the Streets Funds, the Water Fund and the Wastewater Fund. Certain of these projects could also be recorded in the Community Development Block Grant Fund and the tax increment funds. Those projects with a significant portion of the project dedicated to the elimination of combined sewer overflows (CSO) are noted.

Costs incurred for public works projects for the 2006-2007 year are as follows:

	<u>Streets and Other Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Merchant Area (CSO)	\$	\$ 398,263	\$ 1,210,237	\$ 1,608,500
Riverside Drive	442,760	164,738	9,308	616,806
24 th Street - City portion	6,366	135,832	90,558	232,756
Oak Crest Redevelopment	79,043	110,710	94,187	283,940
Indian Creek I and I (CSO)			81,600	81,600
10 th Street - Beard to Lapeer	1,019,723			1,019,723
21 st Street Area Part I (CSO)		189,571	352,060	541,631
21 st Street Area Part II (CSO)		20,215	37,541	57,756
Gratiot Avenue - Krafft to Keewahdin	122,119			122,119
16 th Avenue Area Part I (CSO)	1,191	31,069	70,630	102,890
16 th Avenue Area Part II (CSO)		78,077	189,937	268,014
16 th Avenue Area Part III (CSO)	25,707	644,150	1,620,726	2,290,583
Vanness Area (CSO)		558,054	1,036,386	1,594,440
Woodstock Area Part III	145,841	439,065	434,785	1,019,691
Holland Avenue - Stone to Pine Grove	61,933	21,084	23,935	106,952
Erie Area South (CSO)		498,111	1,162,260	1,660,371
7 th Street Bridge	1,196,648			1,196,648
Filter Backwash		940,667		940,667
Other contracts	<u>63,989</u>	<u>67,607</u>	<u>(7,178)</u>	<u>124,418</u>
Total public works projects	<u>\$ 3,165,320</u>	<u>\$ 4,297,213</u>	<u>\$ 6,406,972</u>	<u>\$ 13,869,505</u>

Reconciliation of public works projects to amounts reported in the financial statements is as follows:

Total public works projects above	\$ 3,165,320	\$ 4,297,213	\$ 6,406,972
Other capital additions		348,770	118,704
Change in contracts payable		(251,904)	51,492
Projects recorded in other funds:			
Community Development Block Grant	<u>(76,503)</u>	<u>(107,153)</u>	<u>(91,160)</u>
Capital outlay (Exhibit A-4 - Major and Local Streets Funds)	<u>\$ 3,088,817</u>		
Acquisition and construction of capital assets (Exhibit A-10)		<u>\$ 4,286,926</u>	<u>\$ 6,486,008</u>

SINGLE AUDIT SECTION



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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Port Huron, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Port Huron, Michigan as of and for the year ended June 30, 2007, which collectively comprise the City of Port Huron, Michigan's basic financial statements, and have issued our report thereon dated November 15, 2007. Those basic financial statements are the responsibility of the management of the City of Port Huron, Michigan. Our responsibility was to express opinions on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Port Huron, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule 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 15, 2007

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and
Members of the City Council
City of Port Huron, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Port Huron, Michigan as of and for the year ended June 30, 2007, which collectively comprise the City of Port Huron, Michigan's basic financial statements, and have issued our report thereon dated November 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

To the Honorable Mayor and
Members of the City Council
City of Port Huron, Michigan

Compliance and Other Matters

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

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

Plante & Moran, PLLC

November 15, 2007



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Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133

To the Honorable Mayor and
Members of the City Council
City of Port Huron, Michigan

Compliance

We have audited the compliance of the City of Port Huron, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The major federal programs of the City of Port Huron, Michigan are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Port Huron, Michigan's management. Our responsibility is to express an opinion on the City of Port Huron, Michigan's compliance based on our audit.

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

In our opinion, the City of Port Huron, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

To the Honorable Mayor and
Members of the City Council
City of Port Huron, Michigan

Internal Control Over Compliance

The management of the City of Port Huron, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Port Huron, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement for a major program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a major federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement for a major program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance that is material to a type of compliance requirement for a major program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance and its operation that we consider to be material weaknesses, as defined above.

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

Plante & Moran, PLLC

November 15, 2007

City of Port Huron

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

<u>Federal Agency/Pass-through Agency Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Project/Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:				
Community Development Block Grants:	14.218			
Program year 2002		B-02-MC-26-0038	\$ 1,159,327	\$ 12,270
Program year 2003		B-03-MC-26-0038	1,042,600	37,136
Program year 2004		B-04-MC-26-0038	1,000,271	20,059
Program year 2005		B-05-MC-26-0038	899,409	423,352
Program year 2006		B-06-MC-26-0038	1,014,919	571,447
Program year 2007		B-07-MC-26-0038	881,023	<u>4,564</u>
Total Community Development Block Grants				<u>1,068,828</u>
Home Investment Partnership Program:				
Home Investment Partnership Program:	14.239			
Program year 2002		M-02-MC-260217	486,000	14,934
Program year 2003		M-03-MC-260217	301,874	20,268
Program year 2004		M-04-MC-260217	300,835	104,064
Program year 2005		M-05-MC-260217	289,838	58,098
Program year 2006		M-06-MC-260217	272,286	<u>42,315</u>
Total Home Investment Partnership Program				<u>239,679</u>
Economic Development Initiative Special Project Grant:				
Economic Development Initiative Special Project Grant:	14.246			
Program year 2005		B-05-SPMI-0127	347,200	<u>145,779</u>
Total Economic Development Initiative Special Project Grant				<u>145,779</u>
Section 8 New Construction and Substantial Rehabilitation				
Section 8 New Construction and Substantial Rehabilitation	14.182	MI-28-8023-004	439,507	<u>439,507</u>
Total U.S. Department of Housing and Urban Development				<u>1,893,793</u>
U.S. Department of Homeland Security - Assistance to Firefighters Grant:				
U.S. Department of Homeland Security - Assistance to Firefighters Grant:	97.044			
Program year 2005		EMW-2005-FG-02222-001	216,700	<u>40,455</u>
Total U.S. Department of Homeland Security - Assistance to Firefighters Grant				<u>40,455</u>
U.S. Department of Homeland Security - Passed through Michigan Department of State Police, Emergency Management Division; Homeland Security Cluster:				
U.S. Department of Homeland Security - Passed through Michigan Department of State Police, Emergency Management Division; Homeland Security Cluster:				
State Domestic Preparedness Equipment Support Program:	97.004			
Equipment		N/A		22,000
Homeland Security Grant Program:	97.067			
State Homeland Security	97.073	N/A	369,868	366,280
Law Enforcement Terrorism Prevention Program	97.074	N/A	144,500	<u>138,504</u>
Total Homeland Security Cluster				<u>526,784</u>

City of Port Huron

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2007

<u>Federal Agency/Pass-through Agency Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Project/Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security - Passed through Michigan Department of State Police, Emergency Management Division:				
Hazard Mitigation Grant	97.039	FEMA-1346-010	186,222	<u>7,256</u>
Total Hazard Mitigation Grant				<u>7,256</u>
Total U.S. Department of Homeland Security				<u>574,495</u>
U.S. Department of Interior-National Park Service:				
Save America's Treasure's Grant:	15.929			
Program year 2006		26-06-ML-0425	394,115	<u>22,050</u>
Total U.S. Department of Interior				<u>22,050</u>
U.S. Department of Justice - Bureau of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	1,840	<u>1,840</u>
Total U.S. Department of Justice				<u>1,840</u>
U.S. Environmental Protection Agency:	66.606			
Surveys, Studies, Investigations, and Special Purpose Grants:				
Program year 2003 - original award		XP-00548003-0	867,300	88,162
Program year 2003 - amended increase to award		XP-00548003-2	955,600	<u>271,585</u>
Total Surveys, Studies, Investigations, & Special Purpose Grants				<u>359,747</u>
U.S. Environmental Protection Agency - Passed through Michigan Department of Environmental Quality:				
Capitalization Grants for State Revolving Funds:	66.458			
Project number 5006-08			1,670,000	211
Project number 5006-09			3,770,000	6,417
Project number 5006-11			2,535,000	198,188
Project number 5006-12			2,955,000	428,307
Project number 5006-13			1,655,000	228,480
Project number 5006-14			1,325,000	309,495
Project number 5006-15			3,040,000	50,613
Project number 5177-01			10,220,000	<u>94</u>
Total Capitalization Grants for State Revolving Funds				<u>1,221,805*</u>

City of Port Huron

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2007

<u>Federal Agency/Pass-through Agency Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Project/Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
Capitalization Grants for Drinking Water State Revolving Funds:	66.468			
Project number 7110-01			3,930,000	6,270
Project number 7119-01			2,040,000	348,056
Project number 7147-01			2,315,000	6,182
Project number 7167-01			2,015,000	131,347
Project number 7168-01			2,105,000	8,432
Project number 7169-01			510,000	1,941
Project number 7185-01			1,355,000	247,024
Project number 7186-01			1,025,000	151,855
Project number 7187-01			705,000	159,859
Project number 7188-01			715,000	255,529
Project number 7220-01			3,070,000	<u>98,038</u>
Total Capitalization Grants for Drinking Water State Revolving Funds				<u>1,414,533*</u>
Total U.S. Environmental Protection Agency - Passed through Michigan Department of Environmental Quality				<u>2,636,338</u>
Total U.S. Environmental Protection Agency				<u>2,996,085</u>
Total federal awards				<u>\$ 5,488,263</u>

The notes to the schedule of expenditures of federal awards is an integral part of this schedule.

* Amount is included in long-term debt on the Comprehensive Annual Financial Report

City of Port Huron

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

Note A -Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Port Huron, Michigan and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Port Huron Neighborhood Housing Corporation:		
Home Investment Partnership Programs Economic Development Initiative	14.239	\$ 20,085
Special Project Grant	14.246	<u>118,579</u>
Total		<u>\$ 138,664</u>

Note C - Repayment of Loan Advances

During the year, one advance from the Michigan State Revolving Loan Fund Program (SRF) and three advances from the Michigan Drinking Water Revolving Loan Fund Program (DWRP) were repaid. These advances were received during the previous fiscal year. The repayments were made following a review of eligible expenditures prior to the finalization of the loan amortization schedules. The repayments are summarized below:

<u>Project Number</u>	<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Award Amount</u>	<u>Repayment Amount</u>	<u>Amount Previously Reported as Federal Expenditures</u>
5006-06	Capitalization Grants for State Revolving Funds	66.458	\$3,650,000	\$3,481	\$728
7105-01	Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$1,800,000	\$24,406	\$9,589
7132-01	Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$600,000	\$4,843	\$1,903
7150-01	Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$520,000	\$18,496	\$8,069

City of Port Huron, Michigan

Schedule of Findings and Questioned Costs Year Ended June 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major program(s):

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

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

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

City of Port Huron, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2007

Section I - Summary of Auditors Results (Continued)

Identification of major program(s):

CFDA Numbers	Name of Federal Program or Cluster
14.218	Community Development Block Grants
	Homeland Security Cluster:
97.004	State Domestic Preparedness Equipment Support Program
97.073	Homeland Security Grant Program - State Homeland Security
97.074	Homeland Security Grant Program - Law Enforcement Terrorist Prevention Program

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

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None