

**CITY OF ADRIAN, MICHIGAN
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2010**

	Downtown Development Authority	DDA Debt	Total Downtown Development Authority	LDFA - GAIDC	LDFA Debt	Total Local Development Finance Authority	Brownfield Redevelopment Authority
ASSETS:							
Cash and cash equivalents	\$ 392,061	\$ 2,360	\$ 394,421	\$ 20,765	\$ 51,602	\$ 72,367	\$ 68,170
Investments	165,307	-	165,307	132,473	-	132,473	-
Accounts and loans receivable	11,776	-	11,776	-	-	-	-
Due from primary government	-	-	-	-	-	-	-
Due from component unit	10,781	14,385	25,166	51,602	-	51,602	-
Total assets	<u>\$ 579,925</u>	<u>\$ 16,745</u>	<u>\$ 596,670</u>	<u>\$ 204,840</u>	<u>\$ 51,602</u>	<u>\$ 256,442</u>	<u>\$ 68,170</u>
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Current:							
Vouchers payable	\$ 646	\$ -	\$ 646	\$ 1,660	\$ -	\$ 1,660	\$ -
TIF payable	153,512	-	153,512	-	-	-	-
Accrued liabilities	698	7,973	8,671	627	-	627	-
Due to primary government	33,831	-	33,831	32,153	-	32,153	-
Due to component unit	14,385	-	14,385	-	51,602	51,602	10,781
Total current liabilities	<u>203,072</u>	<u>7,973</u>	<u>211,045</u>	<u>34,440</u>	<u>51,602</u>	<u>86,042</u>	<u>10,781</u>
Long Term:							
Accrued sick and vacation	-	-	-	1,887	-	1,887	-
Total liabilities	<u>203,072</u>	<u>7,973</u>	<u>211,045</u>	<u>36,327</u>	<u>51,602</u>	<u>87,929</u>	<u>10,781</u>
FUND BALANCES:							
Restricted for:							
Downtown Development	376,853	-	376,853	-	-	-	-
Brownfield Redevelopment	-	-	-	-	-	-	57,389
LDFA	-	-	-	168,513	-	168,513	-
Debt retirement	-	8,772	8,772	-	-	-	-
Total fund balances	<u>376,853</u>	<u>8,772</u>	<u>385,625</u>	<u>168,513</u>	<u>-</u>	<u>168,513</u>	<u>57,389</u>
Total liabilities and fund balance	<u>\$ 579,925</u>	<u>\$ 16,745</u>	<u>\$ 596,670</u>	<u>\$ 204,840</u>	<u>\$ 51,602</u>	<u>\$ 256,442</u>	<u>\$ 68,170</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ADRIAN, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF DISCRETELY PRESENTED COMPONENT UNITS
TO THE STATEMENT OF NET ASSETS
June 30, 2010

	<u>Downtown Development Authority</u>	<u>Local Development Finance Authority</u>	<u>Brownfield Redevelopment Authority</u>
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	\$ 494,494	\$ 749,800	\$ -
Long term loan receivable is recognized when received.	-	89,000	-
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.	(10,240)		-
Bond and loan indebtedness are recognized in the governmental funds when paid and not when accrued.	(160,000)	-	-
Net differences	324,254	838,800	-
Total fund balance in discretely presented component units	<u>385,625</u>	<u>168,513</u>	<u>57,389</u>
Total net assets of discretely presented component units	<u>\$ 709,879</u>	<u>\$ 1,007,313</u>	<u>\$ 57,389</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ADRIAN, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
FOR FISCAL YEAR ENDED JUNE 30, 2010

	Downtown Development Authority	DDA Debt	Total Downtown Development Authority	LDFA - GAIDC	LDFA Debt	Total Local Development Finance Authority	Brownfield Redevelopment
REVENUES:							
Property taxes	\$ 285,063	\$ -	\$ 285,063	\$ 60,748	\$ -	\$ 60,748	\$ 18,575
Investment earnings	2,911	92	3,003	407	144	551	216
Other	25,155	-	25,155	3,975	-	3,975	-
Sale of property	-	-	-	45,600	-	45,600	-
Public contributions	-	-	-	-	-	-	-
Total revenues	313,129	92	313,221	110,730	144	110,874	18,791
EXPENDITURES:							
Debt service:							
Principal retirement	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -
Interest and fiscal changes	-	16,638	16,638	-	-	-	-
Contributions to primary government	12,000	-	12,000	31,000	-	31,000	-
Other services	140,963	-	140,963	86,733	-	86,733	-
Total expenditures	152,963	96,638	249,601	117,733	-	117,733	-
Excess (deficiency) of revenues over (under) expenditures	160,166	(96,546)	63,620	(7,003)	144	(6,859)	18,791
Other financing sources (uses):							
Transfers in	10,781	95,785	106,566	51,602	-	51,602	-
Transfers out	(95,785)	-	(95,785)	-	(51,602)	(51,602)	(10,781)
Loan to primary government	-	-	-	-	-	-	-
Total other financing sources (uses)	(85,004)	95,785	10,781	51,602	(51,602)	-	(10,781)
Net changes in fund balances	75,162	(761)	74,401	44,599	(51,458)	(6,859)	8,010
Fund balances - beginning of year	301,691	9,533	311,224	123,914	51,458	175,372	49,379
Fund balances - end of year	\$ 376,853	\$ 8,772	\$ 385,625	\$ 168,513	\$ -	\$ 168,513	\$ 57,389

The notes to the financial statements are an integral part of this statement.

CITY OF ADRIAN, MICHIGAN
RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF DISCRETELY PRESENTED COMPONENT UNITS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority
Amounts reported for governmental activities in the statement of revenues, expenditures and changes in fund balances are different because:			
Net change in fund balance –	\$ 74,401	\$ (6,859)	\$ 8,010
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. (Total depreciation \$58,200 less total capital outlay of \$0)	(49,000)	(9,200)	-
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Note proceeds	-	-	-
Less: Principal repayment	80,000	-	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.			
Accrued interest - net effect	(10,240)	-	-
Change in net assets in discretely presented component units	\$ 95,161	\$ (16,059)	\$ 8,010

The notes to the financial statements are an integral part of this statement.

**CITY OF ADRIAN, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009**

	2010	2009
ASSETS:		
Cash and cash equivalents	\$ 392,061	\$ 474,914
Investments	165,307	164,920
Accounts receivable	2,800	4,592
Loans receivable	8,976	-
Due from component unit	10,781	-
Total assets	\$ 579,925	\$ 644,426
 LIABILITIES AND FUND BALANCES:		
LIABILITIES:		
Current:		
Vouchers payable	\$ 646	\$ 6,079
TIF payable	153,512	309,894
Due to primary government	33,831	11,391
Accrued payroll	698	661
Due to component unit	14,385	14,385
Total current liabilities	203,072	342,410
Long term:		
Accrued sick and vacation	-	325
Total liabilities	203,072	342,735
 FUND BALANCES:		
Restricted For:		
Downtown Development Authority	376,853	301,691
Total fund balances	376,853	301,691
Total liabilities and fund balance	\$ 579,925	\$ 644,426

**CITY OF ADRIAN, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>JUNE 30, 2010</u>	<u>June 30, 2009</u>
REVENUES:		
Property taxes	\$ 285,063	\$ 264,694
Interest	2,911	7,333
Other	<u>25,155</u>	<u>28,589</u>
Total revenues	<u>313,129</u>	<u>300,616</u>
EXPENDITURES:		
Current:		
Other services	140,963	175,425
Contribution to primary government	<u>-</u>	<u>12,000</u>
Total expenditures	<u>140,963</u>	<u>187,425</u>
Excess of revenues over expenditures	<u>172,166</u>	<u>113,191</u>
Other financing uses:		
Transfers in	10,781	2,000
Transfers out	<u>(107,785)</u>	<u>(102,480)</u>
Total other financing uses	(97,004)	(100,480)
Net change in fund balances	75,162	12,711
Total net assets – beginning of year	<u>301,691</u>	<u>288,980</u>
Total net assets – end of year	<u>\$ 376,853</u>	<u>\$ 301,691</u>

**CITY OF ADRIAN, MICHIGAN
 BROWNFIELD DEVELOPMENT - SPECIAL REVENUE FUND
 DISCRETELY PRESENTED COMPONENT UNIT
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2010 AND 2009**

	2010	2009
ASSETS:		
Cash	\$ 68,170	\$ 46,296
Due from component unit	-	3,083
	Total assets	Total assets
	\$ 68,170	\$ 49,379
 LIABILITIES AND FUND BALANCES:		
LIABILITIES:		
Due to component unit	\$ 10,781	\$ -
 FUND BALANCES:		
Restricted for:		
Brownfield Redevelopment	57,389	49,379
	Total liabilities and fund balance	Total liabilities and fund balance
	\$ 68,170	\$ 49,379

CITY OF ADRIAN, MICHIGAN
BROWNFIELD DEVELOPMENT - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>JUNE 30, 2010</u>	<u>June 30, 2009</u>
REVENUES:		
Property taxes	\$ 18,575	\$ 10,665
Interest	216	75
	<hr/>	<hr/>
Total revenues	18,791	10,740
	<hr/>	<hr/>
Excess of revenues over expenditures	18,791	10,740
	<hr/>	<hr/>
Other financing sources (uses):		
Transfers in	-	37,000
Transfers out	(10,781)	-
	<hr/>	<hr/>
Net change in fund balances	8,010	47,740
	<hr/>	<hr/>
Total net assets – beginning of year	49,379	1,639
	<hr/>	<hr/>
Total net assets – end of year	<u>\$ 57,389</u>	<u>\$ 49,379</u>

**CITY OF ADRIAN, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY - GAIDC - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009**

	2010	2009
ASSETS:		
Cash	\$ 20,765	\$ 1,015
Investments	132,473	132,162
Due from component unit	51,602	-
Total assets	\$ 204,840	\$ 133,177
 LIABILITIES AND FUND BALANCES:		
LIABILITIES:		
Current liabilities:		
Vouchers payable	\$ 1,660	\$ 2,219
Due to primary government	32,153	1,440
Due to component unit	-	3,083
Accrued payroll	627	511
Total current liabilities	34,440	7,253
 Noncurrent liabilities:		
Accrued sick and vacation	1,887	2,010
Total liabilities	36,327	9,263
 FUND BALANCES:		
Restricted for:		
LDFA	168,513	123,914
Total liabilities and fund balance	\$ 204,840	\$ 133,177

**CITY OF ADRIAN, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY - GAIDC - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>JUNE 30, 2010</u>	<u>June 30, 2009</u>
REVENUES:		
Property taxes	\$ 60,748	\$ 53,179
Interest	407	2,842
Rents	3,975	3,975
Public contributions		32,153
Sale of property	45,600	-
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Total revenues	110,730	92,149
EXPENDITURES:		
Other services	86,733	109,235
Contribution to primary government	31,000	33,000
	<hr/>	<hr/>
Total expenditures	117,733	142,235
Deficiency of revenues over expenditures	(7,003)	(50,086)
Other financing sources (uses):		
Transfers in	51,602	
Transfers out	-	(37,000)
Loan to primary government	-	(89,000)
	<hr/>	<hr/>
Net change in fund balances	44,599	(176,086)
Total net assets – beginning of year	123,914	300,000
	<hr/>	<hr/>
Total net assets – end of year	<u>\$ 168,513</u>	<u>\$ 123,914</u>

CITY OF ADRIAN, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY - DEBT SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS:		
Cash	\$ 2,360	\$ 2,268
Due from component units	14,385	14,385
Total assets	\$ 16,745	\$ 16,653
 LIABILITIES AND FUND BALANCES:		
LIABILITIES:		
Accrued interest payable	\$ 7,973	\$ 7,120
 FUND BALANCES:		
Restricted for debt retirement	8,772	9,533
Total liabilities and fund balance	\$ 16,745	\$ 16,653

**CITY OF ADRIAN, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY - DEBT SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>JUNE 30, 2010</u>	<u>June 30, 2009</u>
REVENUES:		
Interest	\$ 92	\$ 23
	<u>92</u>	<u>23</u>
Total revenues	<u>92</u>	<u>23</u>
 EXPENDITURES:		
Debt service:		
Principal retirement	80,000	80,000
Interest and fiscal charges	16,638	11,263
	<u>96,638</u>	<u>91,263</u>
Total expenditures	<u>96,638</u>	<u>91,263</u>
 Deficiency of revenues over expenditures	<u>(96,546)</u>	<u>(91,240)</u>
 Other financing sources:		
Transfers from DDA - special revenue	95,785	100,480
	<u>95,785</u>	<u>100,480</u>
 Net change in fund balances	(761)	9,240
 Total net assets – beginning of year	<u>9,533</u>	<u>293</u>
 Total net assets – end of year	<u>\$ 8,772</u>	<u>\$ 9,533</u>

CITY OF ADRIAN, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY - DEBT SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE BALANCE SHEETS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Cash	\$ 51,602	\$ 51,458
Total assets	<u>\$ 51,602</u>	<u>\$ 51,458</u>
 FUND BALANCES:		
Restricted for:		
Debt retirement	\$ 51,602	\$ 51,458
Total fund balances	<u>\$ 51,602</u>	<u>\$ 51,458</u>

CITY OF ADRIAN, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY - DEBT SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
FOR FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>JUNE 30, 2010</u>	<u>June 30, 2009</u>
REVENUES:		
Property taxes	\$ -	\$ -
Interest	144	308
	<u>144</u>	<u>308</u>
Total revenues	<u>144</u>	<u>308</u>
 EXPENDITURES:		
L DFA payback of taxes	-	14,023
Debt service:		
Principal retirement	-	-
Interest	-	3,773
	<u>-</u>	<u>3,773</u>
Total expenditures	<u>-</u>	<u>17,796</u>
 Excess of revenues over expenditures	144	(17,488)
 Other financing uses:		
Transfers out	<u>(51,602)</u>	<u>-</u>
 Net change in fund balances	(51,458)	(17,488)
 Total net assets – beginning of year	<u>51,458</u>	<u>68,946</u>
 Total net assets – end of year	<u>\$ -</u>	<u>\$ 51,458</u>