CITY OF DETROIT, MICHIGAN

ENTERPRISE FUNDS

COMBINING FINANCIAL STATEMENTS

ENTERPRISE FUNDS ARE ESTABLISHED TO ACCOUNT FOR OPERATIONS THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE SECTOR BUSINESSES WHERE THE INTENT IS THAT THE EXPENSE (INCLUDING DEPRECIATION) OF PROVIDING GOODS OR SERVICES PRIMARILY OR SOLELY TO THE GENERAL PUBLIC BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES

Airport Fund	To account for the operation of the Detroit City Airport.
Automobile Parking Fund	To account for the operation of municipal parking facilities within the City's limits.
Housing Fund	To account for the operation of the Housing Department which administers federally subsidized public housing programs.
Sewage Disposal Fund	To account for the Sewage Disposal System that provides drainage and sewage services within and outside the City of Detroit.
Transportation Fund	To account for the operation of public transportation facilities within the City of Detroit
Water Fund	To account for the Water Supply System that supplies water within and outside the City of Detroit.

EXHIBIT DDD-1

City of
ENTERPRISE
COMBINING
June 30, 2001 With

ASSETS	Airport Fund	Automobile Parking Fund
Current Assets:		
Cash	$ 74,277	$ 514,126
Investments	-	3,582,586
Accounts and Contracts Receivable:		
Due from Other Funds	172,226	313,198
Due from Other Governmental Agencies	167,867	-
Other Receivables	590,726	1,943,986
Total Accounts and Contracts Receivable - Gross	930,819	2,257,184
Allowance for Uncollectible Accounts	(189,173)	-
Total Accounts and Contracts Receivable - Net	741,646	2,257,184
Inventories	-	-
Prepaid Expenses	45,308	118,038
Total Current Assets	861,231	6,471,934
Restricted Assets:		
Cash	-	-
Investments	-	52,787,059
Due from Other Funds	-	-
Other Receivables	-	-
Prepaid Bond Expense	-	-
Total Restricted Assets	-	52,787,059
Property, Plant and Equipment:		
Land	20,517,649	11,214,019
Structures and Improvements	53,520,777	131,533,495
Mains, Interceptors and Regulators	-	-
Equipment	4,393,170	9,760,917
Construction Work in Progress	2,104,452	24,447,515
Total Property, Plant and Equipment	80,536,048	176,955,946
Accumulated Depreciation	(34,470,685)	(72,018,735)
Net Property, Plant and Equipment	46,065,363	104,937,211
Other Assets:		
Long - Term Assets - Bond Issuance Costs	-	-
Long - Term Assets - Other	-	263,979
Total Assets	$ 46,926,594	$ 164,460,183

Detroit
FUNDS
BALANCE SHEET
Comparative Totals for 2000, as Adjusted

Housing Fund	Sewage Disposal Fund	Transportation Fund	Water Fund	Totals 2001	Totals 2000 as Adjusted
$ 3,516,698	$ 767,209	$ 2,953,272	$ 6,351,315	$ 14,176,897	$ 9,676,954
-	7,430,502	176,810	2,546,555	13,736,453	19,192,884
33,840	37,267,033	21,144,112	30,116,995	89,047,404	84,754,774
5,391,634	-	13,668,720	-	19,228,221	19,763,499
153,569	171,693,908	2,500,143	89,225,469	266,107,801	221,573,123
5,579,043	208,960,941	37,312,975	119,342,464	374,383,426	326,091,396
(153,569)	(45,878,051)	(454,413)	(32,466,000)	(79,141,206)	(61,667,664)
5,425,474	163,082,890	36,858,562	86,876,464	295,242,220	264,423,732
562,345	13,053,994	14,958,800	8,314,095	36,889,234	30,084,054
124,501	909,220	8,067	231,513	1,436,647	469,852
9,629,018	185,243,815	54,955,511	104,319,942	361,481,451	323,847,476
6,293,630	2,895,743	-	1,323,139	10,512,512	10,213,093
-	289,084,767	-	366,892,953	708,764,779	801,742,912
-	-	-	6,965,724	6,965,724	4,051,494
-	102,319	-	116,714	219,033	-
-	-	-	15,372,716	15,372,716	-
6,293,630	292,082,829	-	390,671,246	741,834,764	816,007,499
5,984,870	12,178,836	4,114,574	5,303,673	59,313,621	57,466,818
345,716,482	669,687,913	56,644,954	370,432,615	1,627,536,236	1,557,362,270
-	423,957,368	-	667,881,565	1,091,838,933	1,058,203,799
17,590,010	559,619,685	160,726,668	304,016,681	1,056,107,131	908,705,940
34,194,448	586,316,752	2,645,222	537,243,121	1,186,951,510	873,675,509
403,485,810	2,251,760,554	224,131,418	1,884,877,655	5,021,747,431	4,455,414,336
(102,722,555)	(599,009,533)	(122,600,791)	(565,115,573)	(1,495,937,872)	(1,423,135,215)
300,763,255	1,652,751,021	101,530,627	1,319,762,082	3,525,809,559	3,032,279,121
-	14,155,936	-	18,654,013	32,809,949	27,449,722
-	-	650,000	-	913,979	650,000
$ 316,685,903	$ 2,144,233,601	$ 157,136,138	$ 1,833,407,283	$ 4,662,849,702	$ 4,200,233,818

EXHIBIT DDD-1
(Continued)

City of
ENTERPRISE
COMBINING
June 30, 2001 With

LIABILITIES AND EQUITY	Airport Fund	Automobile Parking Fund
Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 128,650	$ 2,944,056
Due to Other Funds	1,624,405	1,353,177
Due to Component Units	-	-
Refundable Deposits	111,413	-
Prepaid Revenue	36,667	-
Loans and Advances from Other Funds	-	1,250,000
Due to Other Governmental Agencies	-	-
Other Liabilities	139,938	43,861
Total Current Liabilities Payable from Current Assets	2,041,073	- 5,591,094
Current Liabilities Payable from Restricted Assets:		
Bonds and Notes Payable within One Year	-	5,410,000
Accrued Interest on Bonds and Notes Payable	-	1,748,616
Accounts and Contracts Payable	-	-
Due to Other Funds	-	-
Other Liabilities	-	-
Total Current Liabilities Payable from Restricted Assets	-	7,158,616
Long-term Obligations:		
Bonds and Notes Payable, Noncurrent Portion	-	78,520,000
Unamortized Discount	-	(3,050,097)
Bonds and Notes Payable, Noncurrent Portion - Net of Unamortized Discount	-	75,469,903
Accrued Public Liability and Workers' Compensation	8,500	-
Other Long-Term Liabilities	261,420	379,252
Deferred Revenue	-	-
Total Liabilities	2,310,993	88,598,865
Equity:		
Contributed Capital, Net of Amortization	47,309,316	19,040,284
Retained Earnings - Reserved	-	19,725,809
Retained Earnings (Deficit)	(2,693,715)	37,095,225
Total Equity	44,615,601	75,861,318
Total Liabilities and Equity	$ 46,926,594	$ 164,460,183

EXHIBIT DDD-1

Detroit
FUNDS
BALANCE SHEET
Comparative Totals for 2000, as Adjusted

Housing Fund	Sewage Disposal Fund	Transportation Fund	Water Fund	Totals 2001	Totals 2000 as Adjusted
$ 911,035	$ 11,994,716	$ 14,355,599	$ 10,616,426	$ 40,950,482	$ 37,120,095
13,253,718	32,442,050	29,092,712	49,003,330	126,769,392	114,670,930
-	-	-	-	-	118,090
-	-	-	-	111,413	106,456
-	-	-	-	36,667	56,667
-	-	-	-	1,250,000	1,250,000
979,203	-	-	-	979,203	7,605,967
894,696	16,498,856	12,957,570	18,834,272	49,369,193	55,607,890
16,038,652	60,935,622	56,405,881	78,454,028	219,466,350	216,536,095
-	24,880,174	-	18,140,000	48,430,174	44,136,008
-	22,696,319	-	17,871,925	42,316,860	51,944,376
4,971,338	42,080,713	-	32,714,139	79,766,190	100,272,358
-	14,433,967	-	9,431,153	23,865,120	26,312,110
-	8,502,025	-	978,327	9,480,352	2,826,068
4,971,338	112,593,198	-	79,135,544	203,858,696	225,490,920
-	1,175,481,398	-	1,313,570,000	2,567,571,398	2,087,934,739
-	(30,214,456)	-	(45,794,933)	(79,059,486)	(62,092,360)
-	1,145,266,942	-	1,267,775,067	2,488,511,912	2,025,842,379
3,750,128	4,906,375	24,621,497	12,182,140	45,468,640	64,518,979
2,503,501	4,627,571	3,076,433	6,348,909	17,197,086	9,634,400
-	-	-	-	-	237,588
27,263,619	1,328,329,708	84,103,811	1,443,895,688	2,974,502,684	2,542,260,361
555,258,512	388,333,030	59,984,571	100,402,480	1,170,328,193	1,204,701,535
-	28,290,011	-	20,878,573	68,894,393	70,152,835
(265,836,228)	399,280,852	13,047,756	268,230,542	449,124,432	383,119,087
289,422,284	815,903,893	73,032,327	389,511,595	1,688,347,018	1,657,973,457
$ 316,685,903	$ 2,144,233,601	$ 157,136,138	$ 1,833,407,283	$ 4,662,849,702	$ 4,200,233,818

EXHIBIT DDD-2

City of
ENTERPRISE
COMBINING STATEMENT OF REVENUES,
For the Year Ended June 30, 2001

	Airport Fund	Automobile Parking Fund
Operating Revenues:		
Sales and Charges for Services	$ -	$ -
Rentals, Fees and Surcharges	1,769,713	18,134,263
Federal Subsidies	-	-
Miscellaneous	479,633	85,922
Total Operating Revenues	2,249,346	18,220,185
Operating Expenses Before Depreciation:		
Salaries, Wages and Benefits	1,916,273	501,866
Contractual Services	-	2,904,109
Operating	623,499	2,799,474
Repairs and Maintenance	162,236	1,536,188
Materials, Supplies and Other Expenses	994,451	1,879,658
Total Operating Expenses Before Depreciation	3,696,459	9,621,295
Operating Income (Loss) Before Depreciation	(1,447,113)	8,598,890
Depreciation and Amortization	(2,650,738)	(4,323,100)
Operating Income (Loss)	(4,097,851)	4,275,790
Non-Operating Revenues (Expenses):		
Earnings on Investments	-	3,540,045
Unrealized Gain (Loss) on Investments	-	-
Contributions	-	-
Other Revenues	-	-
Interest on Bonds and Notes Payable	-	(5,317,401)
Gain (Loss) on Disposal of Assets	-	(1,633,426)
Other Expenses	-	-
Total Non-Operating Revenues (Expenses)	-	(3,410,782)
Net Income (Loss) before Operating Transfers and Capital Contributions	(4,097,851)	865,008
Operating Transfers In	1,895,984	-
Capital Contributions	2,351,912	-
Net Income (Loss)	150,045	865,008
Depreciation on Fixed Assets Acquired by Contributed Capital	1,472,824	685,187
Increase (Decrease) in Retained Earnings	1,622,869	1,550,195
Retained Earnings (Deficit) Beginning of Year as Previously Stated	(4,316,584)	55,270,839
Prior Period Adjustments	-	-
Retained Earnings (Deficit) Beginning of Year as Adjusted	(4,316,584)	55,270,839
Retained Earnings (Deficit) End of Year	(2,693,715)	56,821,034
Contributed Capital		
Contributed Capital Beginning of Year	48,782,140	19,725,471
Additions	-	-
Less Depreciation of Fixed Assets Acquired by Contributed Capital	(1,472,824)	(685,187)
Contributed Capital End of Year	47,309,316	19,040,284
Equity at End of Year	$ 44,615,601	$ 75,861,318

Detroit
FUNDS
EXPENSES AND CHANGES IN EQUITY
With Comparative Totals for 2000, as Adjusted

Housing Fund	Sewage Disposal Fund	Transportation Fund	Water Fund	Totals 2001	Totals 2000 as Adjusted
$ -	$ 245,905,389	$ 25,055,476	$ 189,802,814	$ 460,763,679	$ 433,106,284
5,472,859	2,795,420	-	-	28,172,255	28,876,821
44,244,087	-	-	-	44,244,087	45,164,290
3,086,640	3,677,721	-	4,642,195	11,972,111	13,986,128
52,803,586	252,378,530	25,055,476	194,445,009	545,152,132	521,133,523
16,586,525	34,900,655	42,185,224	30,441,553	126,532,096	117,953,427
-	-	-	-	2,904,109	2,837,993
3,774,194	118,196,678	99,473,310	115,691,034	340,558,189	323,789,562
10,339,893	19,185,922	32,722,135	-	63,946,374	67,583,592
21,850,132	-	-	661,517	25,385,758	35,330,717
52,550,744	172,283,255	174,380,669	146,794,104	559,326,526	547,495,291
252,842	80,095,275	(149,325,193)	47,650,905	(14,174,394)	(26,361,768)
(14,345,801)	(45,951,671)	(12,724,376)	(28,339,448)	(108,335,134)	(121,090,807)
(14,092,959)	34,143,604	(162,049,569)	19,311,457	(122,509,528)	(147,452,575)
2,135,260	20,565,997	187,314	10,026,242	36,454,858	40,108,471
-	2,613,155	-	-	2,613,155	-
-	-	69,110,971	-	69,110,971	69,004,749
-	2,336,534	1,558,927	-	3,895,461	1,958,718
-	(38,091,089)	-	(34,815,663)	(78,224,153)	(78,761,667)
(10,209,292)	-	-	-	(11,842,718)	(7,274,785)
-	-	(1,558,927)	(104,280)	(1,663,207)	(6,411,110)
(8,074,032)	(12,575,403)	69,298,285	(24,893,701)	20,344,367	18,624,376
(22,166,991)	21,568,201	(92,751,284)	(5,582,244)	(102,165,161)	(128,828,199)
-	-	74,183,229	-	76,079,213	62,049,424
16,650,481	-	37,457,116	-	56,459,509	-
(5,516,510)	21,568,201	18,889,061	(5,582,244)	30,373,561	(66,778,775)
-	19,727,487	12,487,844	-	34,373,342	43,352,510
(5,516,510)	41,295,688	31,376,905	(5,582,244)	64,746,903	(23,426,265)
(253,250,608)	386,275,175	(18,329,149)	294,691,359	460,341,032	501,615,648
(7,069,110)	-	-	-	(7,069,110)	(24,917,461)
(260,319,718)	386,275,175	(18,329,149)	294,691,359	453,271,922	476,698,187
(265,836,228)	427,570,863	13,047,756	289,109,115	518,018,825	453,271,922
555,258,512	408,060,517	72,472,415	100,402,480	1,204,701,535	1,100,002,212
-	-	-	-	-	148,051,833
-	(19,727,487)	(12,487,844)	-	(34,373,342)	(43,352,510)
555,258,512	388,333,030	59,984,571	100,402,480	1,170,328,193	1,204,701,535
$ 289,422,284	$ 815,903,893	$ 73,032,327	$ 389,511,595	$ 1,688,347,018	$ 1,657,973,457

EXHIBIT DDD-3

City of
ENTERPRISE
COMBINING STATEMENT
For the Year Ended June 30,

	Airport Fund	Automobile Parking Fund	Housing Fund
Operating Income (Loss)	$ (4,097,851)	$ 4,275,790	$ (14,092,959)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Cash Flows from Operating Activity:			
Depreciation	2,650,738	4,323,100	14,345,801
Provision for Uncollectible Accounts	104,007	-	(29,291)
Amortization of Bond Discount and Issuance	-	351,407	-
Loss on Disposal of Assets	-	(1,633,426)	3,434,768
Unrealized Gain (Loss) on Investments	-	-	-
Other	-	-	6,774,524
Increase (Decrease) in Certain Assets and Liabilities:			
Due from Other Funds	(172,226)	563	-
Due from Governmental Agencies	-	-	614,098
Due from Component Units	(167,867)	-	-
Other Receivables	1,042,765	(255,998)	29,291
Inventories	-	-	(25,808)
Prepaid Expenses	(1,616)	(343,260)	(37,755)
Other Assets	-	-	-
Accounts and Contracts Payable	57,416	480,232	1,493,372
Due to Other Funds	506,044	(62,095)	(2,384,228)
Prepaid Revenue	(20,000)	-	-
Refundable Deposits	4,957	-	-
Due to Other Governmental Agencies	(118,090)	-	(6,626,764)
Other Liabilities	(111,027)	(20,526)	(31,377)
Accrued Public Liability and Workers' Compensation	16,698	-	(1,342,640)
Other Long-Term Liabilities	-	-	(1,365,485)
Deferred Revenue	-	-	-
Net Cash Provided by (Used in) Operating Activities	(306,052)	7,115,787	755,547
Cash Flows from Non-Capital Financing Activities:			
Contributions from Other Governments	-	-	-
Transfers from Other Funds	1,895,984	-	-
Other Non-Operating Activities	-	-	-
Net Cash Provided by Non-Capital Financing Activities	1,895,984	-	-
Cash Flows from Capital and Related Financing Activities:			
Capital Contributions	2,351,912	-	16,650,481
Acquisition and Construction of Capital Assets	(4,017,413)	(22,144,694)	(21,582,625)
Proceeds from Bond and Note Issuances	-	-	-
Principal Paid on Bonds and Notes	-	(4,640,000)	-
Interest Paid on Bonds - Net	-	(5,263,185)	-
Principal Paid on Refunded Debt	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,665,501)	(32,047,879)	(4,932,144)
Cash Flows from Investing Activities:			
(Purchases) Sales of Investments - Net	-	21,437,449	-
Interest on Investment Securities	-	3,540,045	2,135,260
Net Cash Provided (Used) by Investing Activities	-	24,977,494	2,135,260
Net Increase (Decrease) in Cash	(75,569)	45,402	(2,041,337)
Cash at Beginning of Year	149,846	468,724	11,851,665
Cash at End of Year	$ 74,277	$ 514,126	$ 9,810,328

EXHIBIT DDD-3

Detroit
FUNDS
OF CASH FLOWS
2001 and June 30, 2000, as Adjusted

Sewage Disposal Fund	Transportation Fund	Water Fund	Totals 2001	Totals 2000 as Adjusted
$ 34,143,604	$ (162,049,569)	$ 19,311,457	$ (122,509,528)	$ (147,452,575)
45,951,671	12,724,376	28,339,448	108,335,134	121,090,807
6,259,018	(105,104)	11,224,912	17,453,542	(10,598,002)
2,075,696	-	3,025,072	5,452,175	3,708,467
-	-	-	1,801,342	7,274,785
2,613,155	-	-	2,613,155	(1,558,967)
2,336,534	-	(104,280)	9,006,778	(2,777,487)
(5,290,987)	60,482	-	(5,402,168)	(9,965,036)
-	-	-	614,098	9,224,538
-	-	-	(167,867)	-
(17,231,246)	(525,374)	(20,973,419)	(37,913,981)	18,254,127
(2,648,195)	(2,450,063)	(1,681,114)	(6,805,180)	(5,188,826)
(719,725)	(8,067)	(120,351)	(1,230,774)	305,142
-	-	(15,372,716)	(15,372,716)	-
(7,602,213)	(2,094,552)	(9,463,184)	(17,128,929)	60,276,380
-	12,712,661	(2,925,602)	7,846,780	1,122,881
-	-	-	(20,000)	(20,000)
-	-	-	4,957	8,927
-	-	-	(6,744,854)	690,254
(9,532,014)	(255,564)	(4,700,150)	(14,650,658)	3,363,705
-	(1,969,288)	-	(3,295,230)	(1,731,464)
-	1,608,775	-	243,290	122,692
-	6,362	-	6,362	967,156
50,355,298	(142,344,925)	6,560,073	(77,864,272)	47,117,504
-	67,355,489	-	67,355,489	58,504,749
-	74,243,711	-	76,139,695	78,523,402
-	-	-	-	(130,000)
-	141,599,200	-	143,495,184	136,898,151
-	39,301,643	-	58,304,036	141,450,477
(271,650,122)	(37,284,209)	(232,184,258)	(588,863,321)	(541,742,056)
100,341,038	-	575,997,775	676,338,813	618,889,740
(20,023,966)	-	(17,775,000)	(42,438,966)	(117,495,909)
(57,615,141)	-	(58,543,208)	(121,421,534)	(86,348,535)
-	-	(177,640,000)	(177,640,000)	-
(248,948,191)	2,017,434	89,855,309	(195,720,972)	14,753,717
180,255,873	202,686	(103,461,444)	98,434,564	(233,597,134)
20,565,997	187,314	10,026,242	36,454,858	39,818,004
200,821,870	390,000	(93,435,202)	134,889,422	(193,779,130)
2,228,977	1,661,709	2,980,180	4,799,362	4,990,242
1,433,975	1,291,563	4,694,274	19,890,047	14,899,805
$ 3,662,952	$ 2,953,272	$ 7,674,454	$ 24,689,409	$ 19,890,047

EXHIBIT O-1

City of Detroit

AIRPORT FUND
BALANCE SHEETS

June 30, 2001 and June 30, 2000

	2001	2000
ASSETS		
Current Assets:		
Cash	$ 74,277	$ 149,846
Due from Other Funds	172,226	-
Due from Component Units	167,867	-
Accounts Receivable	590,726	1,633,491
Allowance for Doubtful Accounts	(189,173)	(85,166)
Accounts Receivable, Net	401,553	1,548,325
Prepaid Expenses	45,308	43,692
Total Current Assets	861,231	1,741,863
Property, Plant and Equipment:		
Land	20,517,649	18,670,846
Structures	23,205,025	23,205,025
Runways, Lighting and Aircraft Parking Areas	30,315,752	30,315,752
Equipment	4,393,170	4,327,012
Construction Work in Progress	2,104,452	-
Total Property, Plant and Equipment	80,536,048	76,518,635
Less: Accumulated Depreciation	(34,470,685)	(31,819,947)
Net Property, Plant and Equipment	46,065,363	44,698,688
Total Assets	$ 46,926,594	$ 46,440,551
LIABILITIES AND EQUITY		
Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 128,650	$ 71,234
Due to Other Funds	1,624,405	1,118,361
Due to Component Units	-	118,090
Refundable Deposits	111,413	106,456
Prepaid Revenue	36,667	56,667
Accrued Workers' Compensation	42,092	3,876
Accrued Compensated Absences	27,192	30,886
Accrued Salaries and Wages	33,484	24,298
Other Current Liabilities	37,170	28,768
Total Current Liabilities Payable from Current Assets	2,041,073	1,558,636
Long-Term Liabilities:		
Accrued Workers' Compensation and Public Liability	8,500	175,331
Accrued Compensated Absences	261,420	241,028
Total Long-Term Liabilities	269,920	416,359
Total Liabilities	2,310,993	1,974,995
Equity:		
Contributed Capital	47,309,316	48,782,140
Accumulated Deficit	(2,693,715)	(4,316,584)
Total Equity	44,615,601	44,465,556
Commitments and Contingencies		
Total Liabilities and Equity	$ 46,926,594	$ 46,440,551

EXHIBIT O-2

City of Detroit

AIRPORT FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY

For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Revenues:		
Rental of Hangars, Offices and Land	$ 1,516,160	$ 837,130
Aviation Fuel Flowage Fees	53,616	89,547
Landing Fees	61,208	832,860
Passenger Facility Charges	138,729	-
Concessions	242,680	392,272
Other	236,953	1,446,724
Total Operating Revenues	2,249,346	3,598,533
Operating Expenses before Depreciation:		
Salaries and Wages	1,437,607	1,479,386
Employee Benefits	478,666	767,807
Utilities	623,499	585,163
Repairs and Maintenance	162,236	248,865
Bad Debt Expense	-	7,226
Supplies and Other Expense	994,451	1,033,258
Total Operating Expenses before Depreciation	3,696,459	4,121,705
Operating Loss before Depreciation	(1,447,113)	(523,172)
Depreciation	(2,650,738)	(2,567,271)
Operating Loss	(4,097,851)	(3,090,443)
Other Financing Sources-Transfer from General Fund	1,895,984	1,837,819
Net Loss before Capital Contributions	(2,201,867)	(1,252,624)
Capital Contributions	2,351,912	-
Net Income (Loss)	150,045	(1,252,624)
Add Depreciation on Fixed Assets:		
Acquired by Contributed Capital	1,472,824	1,423,973
Increase in Retained Earnings	1,622,869	171,349
Retained Deficit at Beginning of Year	(4,316,584)	(4,487,933)
Retained Deficit at End of Year	(2,693,715)	(4,316,584)
Contributed Capital at Beginning of Year	48,782,140	48,390,229
Additions	-	1,815,884
Less Depreciation on Fixed Assets Acquired by Contributed Capital	(1,472,824)	(1,423,973)
Contributed Capital at End of Year	47,309,316	48,782,140
Total Equity at End of Year	$ 44,615,601	$ 44,465,556

EXHIBIT O-3

City of Detroit

AIRPORT FUND
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Loss	$ (4,097,851)	$ (3,090,443)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	2,650,738	2,567,271
Provision for Uncollectible Accounts	104,007	(6,030)
Changes in Certain Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	(172,226)	61,641
Decrease in Due from Other Governments	-	7,226
Increase in Due from Component Units	(167,867)	-
(Increase) Decrease in Accounts Receivable	1,042,765	(736,036)
Increase in Prepaid Expenses	(1,616)	(334)
Decrease in Bank Overdraft	-	(89,301)
(Increase) Decrease in Accounts and Contracts Payable	57,416	(98,531)
Increase in Due to Other Funds	506,044	589,404
Decrease in Due to Component Units	(118,090)	(102,009)
Decrease in Prepaid Revenue	(20,000)	(20,000)
Increase in Refundable Deposits	4,957	8,927
Increase (Decrease) in Accrued Salaries and Wages	9,186	(28,543)
Increase (Decrease) in Workers' Compensation	(128,615)	338
Increase in Accrued Compensated Absences	16,698	9,265
Increase in Other Current Accrued Liabilities	8,402	28,768
Net Cash Used in Operating Activities	(306,052)	(898,387)
Cash Flows from Noncapital Financing Activities:		
Transfer from General Fund	1,895,984	1,837,819
Cash Flows from Capital and Related Financing Activities:		
Contributions from Governmental Agencies	2,351,912	1,815,884
Acquisition and Construction of Capital Assets	(4,017,413)	(2,605,470)
Net Cash Used in Capital and Related Financing Activities	(1,665,501)	(789,586)
Net Increase (Decrease) in Cash	(75,569)	149,846
Cash at Beginning of Year	149,846	-
Cash at End of Year	$ 74,277	$ 149,846

EXHIBIT P-1

City of Detroit
AUTOMOBILE PARKING FUND
BALANCE SHEETS
June 30, 2001 and June 30, 2000

	2001	2000
ASSETS		
Current Assets:		
Cash	$ 514,126	$ 468,724
Investments	3,582,586	3,582,745
Due from Other Funds	313,198	313,761
Accounts Receivable	1,943,986	1,687,988
Prepaid Expenses	118,038	38,757
Total Current Assets	6,471,934	6,091,975
Restricted Assets:		
Investments	52,787,059	74,224,349
Total Restricted Assets	52,787,059	74,224,349
Property, Plant and Equipment:		
Land	11,214,019	11,214,019
Entertainment Facilities	45,298,000	40,069,802
Parking Facilities	86,235,495	90,085,549
Meters, Equipment and Vehicles	9,760,917	8,588,626
Construction Work in Progress	24,447,515	8,877,787
Total Property, Plant and Equipment	176,955,946	158,835,783
Less Accumulated Depreciation	72,018,735	71,720,166
Net Property, Plant and Equipment	104,937,211	87,115,617
Other Assets-		
Long-Term Receivables	263,979	-
Total Assets	$ 164,460,183	$ 167,431,941
LIABILITIES AND EQUITY		
Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 2,944,056	$ 2,463,824
Due to Other Funds	1,353,177	1,415,272
Accrued Compensated Absences Payable	43,861	26,189
Total Current Liabilities Payable from Current Assets	4,341,094	3,905,285
Current Liabilities Payable from Restricted Assets:		
Parking and Arena System Bonds Payable within One Year	5,410,000	5,140,000
Accrued Interest on Bonds Payable	1,748,616	1,694,400
Total Current Liabilities Payable from Restricted Assets	7,158,616	6,834,400
Long-Term Liabilities:		
Parking and Arena System Bonds — Noncurrent Portion	78,520,000	83,430,000
Unamortized Discount	(3,050,097)	(3,401,504)
Parking System Bonds — Noncurrent Portion, Net	75,469,903	80,028,496
Accrued Compensated Absences	379,252	417,450
Advance from General Fund	1,250,000	1,250,000
Total Long-Term Liabilities	77,099,155	81,695,946
Total Liabilities	88,598,865	92,435,631
Equity:		
Capital Contributions, Net of Amortization	19,040,284	19,725,471
Retained Earnings — Restricted	19,725,809	13,896,106
Retained Earnings	37,095,225	41,374,733
Total Equity	75,861,318	74,996,310
Commitments and Contingencies		
Total Liabilities and Equity	$ 164,460,183	$ 167,431,941

EXHIBIT P-2

City of Detroit
AUTOMOBILE PARKING FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Revenues:		
Parking Fees	$ 13,983,833	$ 14,368,127
Arena Rentals	450,000	450,000
Ticket Surcharges	3,700,430	4,554,461
Miscellaneous	85,922	34,529
Total Operating Revenues	18,220,185	19,407,117
Operating Expenses:		
Contractual Management:		
Attendants' Wages	1,949,547	1,904,319
Employee Benefits	419,772	404,640
Management Fees	534,790	529,034
Garage and Lot Maintenance	1,003,167	768,085
Meter and Gate Maintenance	533,021	577,230
Meter and Gate Collection	490,180	494,530
Utilities	975,323	1,024,080
Rent	24,508	14,315
Guard Services	1,309,463	1,480,716
Operating Supplies and Other Expenses	299,241	328,844
Administrative and General:		
Salaries	501,866	324,277
Supplies and Other Expenses	1,580,417	1,556,729
Total Operating Expenses before Depreciation	9,621,295	9,406,799
Operating Income Before Depreciation	8,598,890	10,000,318
Depreciation On Assets Acquired with Parking Funds	3,637,913	3,535,199
Depreciation On Assets Acquired from Contributions	685,187	685,187
Total Operating Expenses	13,944,395	13,627,185
Operating Income	4,275,790	5,779,932
Non-Operating Revenues (Expenses):		
Earnings on Investments	3,540,045	3,883,097
Interest on Bonds Payable	(5,317,401)	(4,484,461)
Loss on Sale of Assets	(1,633,426)	-
Other Expenditures	-	(130,000)
Total Non-Operating Expense	(3,410,782)	(731,364)
Net Income	865,008	5,048,568
Add Credit Arising from Transfer of Depreciation to Contribution Account	685,187	685,187
Increase in Retained Earnings	1,550,195	5,733,755
Retained Earnings at Beginning of Year	55,270,839	49,537,084
Retained Earnings at End of Year	56,821,034	55,270,839
Contributed Capital at Beginning of Year	19,725,471	14,410,658
Less Charges Arising from Transfer of Depreciation to Contributions	(685,187)	(685,187)
Additions to Capital	-	6,000,000
Contributed Capital at End of Year	19,040,284	19,725,471
Total Equity End of Year	$ 75,861,318	$ 74,996,310

EXHIBIT P-3

City of Detroit
AUTOMOBILE PARKING FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Income	$ 4,275,790	$ 5,779,932
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	4,323,100	4,220,386
Loss on Disposal of Assets	(1,633,426)	-
(Increase) Decrease in Unamortized Bond Discount and Issuance Costs	351,407	(1,049,214)
Increase in Accounts Receivable	(255,998)	(493,147)
Increase in Prepaid Expenses and Other Assets	(343,260)	(6,300)
(Increase) Decrease in Due from Other Funds	563	(181,036)
Increase in Accounts and Contracts Payable	480,232	535,843
Increase (Decrease) in Due to Other Funds	(62,095)	359,894
Decrease in Accrued Compensated Absenses Payable	(20,526)	-
Net Cash Provided by Operating Activities	7,115,787	9,166,358
Cash Flows Used in Non-Capital Financing Activities-		
Other Non-Operating Expenditures	-	(130,000)
Net Cash Flows Used in Non-Capital Financing Activities	-	(130,000)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(22,144,694)	(8,864,618)
Interest Paid on Long-Term Debt	(5,263,185)	(4,609,011)
Principal Paid on Bonds Payable	(4,640,000)	(4,385,000)
Increase in Bonds Payable	-	29,900,000
Net Cash Provided by (Used in) Capital and Related Financing Activities	(32,047,879)	12,041,371
Cash Flows from Investing Activities:		
Interest on Investments Securities	3,540,045	3,592,629
Net Investment Activities	21,437,449	(24,745,740)
Net Cash Provided by (Used in) Investing Activities	24,977,494	(21,153,111)
Net Increase (Decrease) in Cash	45,402	(75,382)
Cash at Beginning of Year	468,724	544,106
Cash at End of Year	$ 514,126	$ 468,724

EXHIBIT Q-1

City of Detroit

HOUSING FUND

BALANCE SHEETS

June 30, 2001 and June 30, 2000, as Adjusted

	2001	2000 as Adjusted
ASSETS		
Current Assets:		
Cash	$ 3,516,698	$ 4,010,687
Due from Other Funds	33,840	33,840
Due from Other Governmental Agencies	5,391,634	6,005,732
Rents Receivable	153,569	182,860
Allowance for Doubtful Accounts	(153,569)	(182,860)
Rents Receivable, Net	-	-
Inventories	562,345	536,537
Prepaid Expenses	124,501	86,746
Total Current Assets	9,629,018	10,673,542
Restricted Assets:		
Cash	6,293,630	7,840,978
Total Restricted Assets	6,293,630	7,840,978
Property, Plant and Equipment:		
Land	5,984,870	5,984,870
Structures and Improvements	345,716,482	359,944,124
Equipment	17,590,010	17,119,367
Construction Work in Progress	34,194,448	39,703,844
Total Property, Plant and Equipment	403,485,810	422,752,205
Less Accumulated Depreciation	102,722,555	108,807,190
Net Property, Plant and Equipment	300,763,255	313,945,015
Total Assets	$ 316,685,903	$ 332,459,535
LIABILITIES AND EQUITY		
Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 911,035	$ 605,749
Due to Other Funds	13,253,718	15,637,946
Due to Other Governmental Agencies	979,203	7,605,967
Accrued Salaries and Wages	478,337	509,714
Accrued Compensated Absences	233,145	234,251
Workers' Compensation	183,214	69,267
Total Current Liabilities Payable from Current Assets	16,038,652	24,662,894
Current Liabilities Payable from Restricted Assets:		
Accounts and Contracts Payable	4,971,338	3,783,252
Total Current Liabilities Payable from Restricted Assets	4,971,338	3,783,252
Accrued Public Liability	936,807	2,200,000
Accrued Compensated Absences	2,503,501	2,604,687
Workers' Compensation	2,813,321	4,269,908
Total Liabilities	27,263,619	37,520,741
Equity:		
Contributed Capital	555,258,512	555,258,512
Accumulated Deficit	(265,836,228)	(260,319,718)
Total Equity	289,422,284	294,938,794
Commitments and Contingencies		
Total Liabilities and Equity	$ 316,685,903	$ 332,459,535

EXHIBIT Q-2

City of Detroit
HOUSING FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
For the Years Ended June 30, 2001 and June 30, 2000 as Adjusted

	2001	2000 as Adjusted
Operating Revenues		
Tenant Rents	$ 5,472,859	$ 5,354,551
Federal Rental Subsidies	44,244,087	45,164,290
Miscellaneous	3,086,640	2,329,548
Total Operating Revenues	52,803,586	52,848,389
Operating Expenses before Depreciation:		
Operation and Maintenance:		
Salaries, Wages and Employee Benefits	8,104,310	10,634,205
Utilities and Heating	3,774,194	5,292,913
Other Operation and Maintenance	10,339,893	9,921,420
Total Operation and Maintenance	22,218,397	25,848,538
Administrative:		
Salaries	8,482,215	8,838,658
Other Administrative Expense	21,850,132	31,392,229
Total Administrative	30,332,347	40,230,887
Total Operating Expenses before Depreciation	52,550,744	66,079,425
Operating Income (Loss) before Depreciation	252,842	(13,231,036)
Depreciation	(14,345,801)	(41,575,280)
Operating Loss	(14,092,959)	(54,806,316)
Non-Operating Income (Expense):		
Earnings on Investments	2,135,260	685,322
Loss on Retirement of Assets	(3,434,768)	(7,274,785)
Loss on Impairment of Assets	(6,774,524)	-
Total Non-Operating Expense	(8,074,032)	(6,589,463)
Net Loss before Capital Contributions	(22,166,991)	(61,395,779)
Capital Contributions	16,650,481	-
Net Loss	(5,516,510)	(61,395,779)
Accumulated Deficit, Beginning of Year as Previously Stated	(253,250,608)	(174,006,478)
Add: Effect of Prior Period Adjustment for Correction of an Error	(7,069,110)	(24,917,461)
Accumulated Deficit, Beginning of Year as Adjusted	(260,319,718)	(198,923,939)
Accumulated Deficit, End of Year	(265,836,228)	(260,319,718)
Contributed Capital:		
Contributed Capital Beginning of Year	555,258,512	423,366,164
Additions	-	131,892,348
Contributed Capital End of Year	555,258,512	555,258,512
Equity at End of Year	$ 289,422,284	$ 294,938,794

EXHIBIT Q-3

City of Detroit

HOUSING FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2001 and June 30, 2000 as Adjusted

	2001	2000 as Adjusted
Operating Loss	$ (14,092,959)	$ (54,806,316)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	14,345,801	41,575,280
Amortization of Bond Premium	-	(14,062)
Loss on Retirement of Assets	3,434,768	7,274,785
Loss on Impairment of Assets	6,774,524	-
Changes in Certain Assets and Liabilities:		
Increase in Allowance for Uncollectible Accounts	(29,291)	(238,481)
Decrease in Due from Other Funds	-	2,309,214
Decrease in Due from Other Governmental Agencies	614,098	9,217,312
Decrease in Rent Receivable, Net	29,291	238,481
Decrease (Increase) in Inventories	(25,808)	273,225
Decrease (Increase) in Prepaid Expenses	(37,755)	15,426
Increase (Decrease) in Accounts and Contracts Payable	1,493,372	(10,156,601)
Increase (Decrease) in Due to Other Funds	(2,384,228)	3,948,717
Increase (Decrease) in Due to Other Governmental Agencies	(6,626,764)	792,263
Decrease in Accrued Salaries and Wages	(31,377)	(134,657)
Increase (Decrease) in Accrued Public Liability	(1,263,193)	2,200,000
Increase (Decrease) in Accrued Compensated Absences	(102,292)	122,692
Increase (Decrease) in Workers' Compensation	(1,342,640)	1,054,269
Net Cash Provided by Operating Activities	755,547	3,671,547
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(21,582,625)	(49,896,748)
Capital Contributions	16,650,481	131,892,348
Payments on Notes Payable held by Federal Government	-	(75,668,784)
Payments on Bonds Payable	-	(6,780,000)
Payments on Notes Payable to Federal Financing Bank	-	(376,724)
Net Cash Used in Capital and Related Financing Activities	(4,932,144)	(829,908)
Cash Flows From Investing Activities-		
Earnings on Investments	2,135,260	685,323
Net Cash Provided by Investing Activities	2,135,260	685,323
Net Increase (Decrease) in Cash	(2,041,337)	3,526,962
Cash at Beginning of Year	11,851,665	8,324,703
Cash at End of Year	$ 9,810,328	$ 11,851,665

Photo courtesy City of Detroit — Communications and Creative Services

1897

Sebastian S, Kresge opened his first dime store "Kresge Discount Store" which grew into Kmart and Super Kmart, the nation's third largest discount retailer.

EXHIBIT R-1

City of
SEWAGE
BALANCE
June 30, 2001 and

ASSETS	2001	2000
Current Assets:		
Cash	$ 767,209	$ 153,705
Investments	7,430,502	5,701,786
Due from Other Funds	37,267,033	30,686,450
Accounts Receivable (Including $30,657,154 and $33,496,356 for Unbilled Sewage Services in 2001 and 2000, Respectively)	142,417,706	125,288,779
Allowance for Doubtful Accounts	(45,878,051)	(39,619,033)
Accounts Receivable, Net	96,539,655	85,669,746
Rate Adjustments Receivable from Customers	29,276,202	22,436,472
Prepaid Expenses	909,220	189,495
Inventories	13,053,994	10,405,799
Total Current Assets	185,243,815	155,243,453
Restricted Assets:		
Cash	2,895,743	1,280,270
Investments	289,084,767	471,069,356
Accounts Receivable	102,319	-
Due from Other Funds	-	2,685,437
Total Restricted Assets	292,082,829	475,035,063
Other Assets -- Unamortized Bond Issuance Cost	14,155,936	14,809,876
Property, Plant and Equipment:		
Land	12,178,836	12,178,836
Structures	669,687,913	637,677,688
Interceptors, Regulators and Land Improvements	423,957,368	417,631,046
Equipment	559,619,685	498,538,945
Construction Work in Progress	586,316,752	396,709,533
Total Property, Plant and Equipment	2,251,760,554	1,962,736,048
Less: Accumulated Depreciation	599,009,533	553,386,071
Net Property, Plant and Equipment	1,652,751,021	1,409,349,977
Total Assets	$ 2,144,233,601	$ 2,054,438,369

EXHIBIT R-1

Detroit
DISPOSAL FUND
SHEETS
June 30, 2000

LIABILITIES AND EQUITY	2001	2000
Current Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 11,994,716	$ 10,551,962
Due to Other Funds	32,442,050	37,146,201
Accrued Salaries and Wages	941,779	859,918
Accrued Compensated Absences	5,261,907	7,804,230
Rate Refund Payable to Customers	3,397,499	11,335,730
Accrued Workers' Compensation	1,912,936	1,148,729
Other Current Accrued Liabilities	4,984,735	4,766,619
Total Current Liabilities Payable from Current Assets	60,935,622	73,613,389
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds and Revolving Loan Payable Within One Year	24,880,174	21,221,008
Accrued Bond Interest Payable	22,696,319	24,426,531
Accounts and Contracts Payable	42,080,713	51,125,680
Due to Other Funds	14,433,967	11,125,657
Other Current Accrued Liabilities	8,502,025	2,200,000
Total Current Liabilities Payable from Restricted Assets	112,593,198	110,098,876
Long-Term Liabilities:		
Revenue Bonds and Revolving Loan Payable, noncurrent portion (Net of Unamortized Discount and Bond Issue Cost of $30,214,456 and $31,636,212 in 2001 and 2000, Respectively)	1,145,266,942	1,067,278,527
Accrued Workers' Compensation	4,906,375	7,245,996
Accrued Compensated Absences	4,627,571	1,865,889
Total Long-Term Liabilities	1,154,800,888	1,076,390,412
Total Liabilities	1,328,329,708	1,260,102,677
Equity:		
Contributed Capital:		
Contributions from Governmental Agencies	383,415,961	403,143,448
Contributions from City of Detroit	2,465,678	2,465,678
Contributions from Customers	2,451,391	2,451,391
Total Contributed Capital	388,333,030	408,060,517
Retained Earnings:		
Reserves from Retained Earnings	28,290,011	37,728,411
Retained Earnings	399,280,852	348,546,764
Total Equity	815,903,893	794,335,692
Commitments and Contingencies		
Total Liabilities and Equity	$ 2,144,233,601	$ 2,054,438,369

EXHIBIT R-2

City of Detroit
SEWAGE DISPOSAL FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Revenues:		
General Rate Customers	$ 105,139,215	$ 100,163,430
Suburban Rate Customers	139,051,646	115,402,197
City Departments – Sewage Disposal Charge	1,714,528	1,235,344
Sewage Surcharge	2,795,420	2,390,145
Miscellaneous	3,677,721	3,732,375
Total Operating Revenues	252,378,530	222,923,491
Operating Expenses before Depreciation:		
Sewage Treatment Plant	110,205,698	98,660,787
Sewer Maintenance and Engineering	19,185,922	22,950,022
Sewer Pumping Stations	2,871,539	4,983,751
Interceptors and Regulators	35,019	26,814
Combined Sewage Overflow Control Basins	597,063	58,773
Commercial	4,487,359	4,453,169
Administrative and General	34,900,655	29,715,325
Total Operating Expenses before Depreciation	172,283,255	160,848,641
Operating Income before Depreciation	80,095,275	62,074,850
Depreciation	45,951,671	38,120,464
Operating Income	34,143,604	23,954,386
Non-Operating Income (Expense):		
Earnings on Investments	20,565,997	21,530,951
Unrealized Gain (Loss) on Investments	2,613,155	(685,862)
Interest Expense, Net of Capitalized Interest	(38,091,089)	(40,724,279)
Miscellaneous	2,336,534	(2,947,311)
Net Non-Operating Expense	(12,575,403)	(22,826,501)
Net Income	21,568,201	1,127,885
Depreciation on Fixed Assets Acquired by Contributed Capital	19,727,487	29,417,401
Increase in Retained Earnings	41,295,688	30,545,286
Retained Earnings Beginning of Year	386,275,175	355,729,889
Retained Earnings End of Year	427,570,863	386,275,175
Contributed Capital:		
Contributed Capital Beginning of Year	408,060,517	436,752,508
Additions	-	725,410
Less Depreciation of Fixed Assets Acquired by Contributed Capital	(19,727,487)	(29,417,401)
Contributed Capital End of Year	388,333,030	408,060,517
Equity at End of Year	$ 815,903,893	$ 794,335,692

EXHIBIT R-3

City of Detroit
SEWAGE DISPOSAL FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Income	$ 34,143,604	$ 23,954,386
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	45,951,671	38,120,464
Amortization of Bond Discount and Issuance Costs	2,075,696	1,932,818
Provision for Uncollectible Accounts	6,259,018	(6,563,818)
Late Charges and Other, Net	2,336,534	(2,947,311)
Unrealized Gain (Loss) on Investments	2,613,155	(685,862)
Changes in Certain Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(17,231,246)	7,321,631
Increase (Decrease) in Rate Adjustments Receivable from Customers	(6,839,730)	3,637,322
Increase in Inventories	(2,648,195)	(5,173,637)
Increase in Prepaid Expenses	(719,725)	(132,241)
Increase (Decrease) in Accounts and Contracts Payable	(7,602,213)	30,220,016
Increase in Accrued Salaries and Wages	81,861	379,860
Decrease in Rate Refund Payable to Customers	(7,938,231)	(620,885)
Increase (Decrease) in Other Accruals	5,164,086	(901,332)
Net Change in Due to/Due from Other Funds	(5,290,987)	(2,339,446)
Net Cash Provided by Operating Activities	50,355,298	86,201,965
Cash Flows from Capital and Related Financing Activities:		
Grants Received	-	1,150,222
Acquisition and Construction of Capital Assets	(271,650,122)	(218,888,206)
Principal Paid on Revenue Bond Maturities	(20,023,966)	(17,920,000)
Interest Paid on Revenue Bonds	(57,615,141)	(42,044,972)
Proceeds from Bond Issuance and Increase in Revolving Loan Payable, Net	100,341,038	338,999,304
Net Cash Provided by (Used in) Capital and Related Financing Activities	(248,948,191)	61,296,348
Cash Flows from Investing Activities:		
Sales of Investments -- Net	180,255,873	(168,476,824)
Interest Received on Investments	20,565,997	21,530,951
Net Cash Provided by (Used in) Investing Activities	200,821,870	(146,945,873)
Net Increase in Cash	2,228,977	552,440
Cash at Beginning of Year	1,433,975	881,535
Cash at End of Year	$ 3,662,952	$ 1,433,975

EXHIBIT S-1

City of Detroit
TRANSPORTATION FUND
BALANCE SHEETS
June 30, 2001 and June 30, 2000

	2001	2000
ASSETS		
Current Assets:		
Cash	$ 2,953,272	$ 1,291,563
Investments	176,810	379,496
Due from Other Funds	21,144,112	21,204,594
Due from Other Governmental Agencies	13,668,720	13,757,767
Accounts Receivable	2,500,143	1,974,769
Allowance for Doubtful Accounts	(454,413)	(559,517)
Accounts Receivable, Net	2,045,730	1,415,252
Inventories	14,958,800	12,508,737
Prepaid Expenses	8,067	-
Total Current Assets	54,955,511	50,557,409
Property, Plant and Equipment:		
Land	4,114,574	4,114,574
Structures and Improvements	56,644,954	51,650,574
Buses and Equipment	160,726,668	138,306,347
Construction in Progress	2,645,222	2,485,055
Total Property, Plant and Equipment	224,131,418	196,556,550
Less: Accumulated Depreciation	(122,600,791)	(119,525,276)
Net Property, Plant and Equipment	101,530,627	77,031,274
Other Assets:		
Long-Term Disability Reserve Fund	650,000	650,000
Total Assets	$ 157,136,138	$ 128,238,683
LIABILITIES, DEFERRED REVENUE AND EQUITY		
Liabilities and Deferred Revenue:		
Current Liabilities Payable from Current Assets:		
Accounts Payable, Contracts Payable and Other Current Liabilities	$ 14,355,599	$ 16,450,151
Due to Other Funds	29,092,712	16,380,051
Accrued Salaries and Wages	1,704,016	1,595,907
Advances from Other Sources	614,984	978,657
Accrued Public and Workers' Compensation Liabilities	5,470,018	6,510,168
Accrued Compensated Absences	4,396,494	3,393,895
Long-Term Disability Program	528,108	451,991
Deferred Revenue	243,950	237,588
Total Current Liabilities Payable from Current Assets	56,405,881	45,998,408
Accrued Compensated Absences	964,000	732,440
Long-Term Disability Program	2,112,433	1,813,934
Accrued Public and Workers' Compensation Liabilities	24,621,497	25,550,635
Total Liabilities and Deferred Revenue	84,103,811	74,095,417
Equity:		
Contributed Capital, Net of Amortization	59,984,571	72,472,415
Retained Earnings Deficit	13,047,756	(18,329,149)
Total Equity	73,032,327	54,143,266
Commitments and Contingencies		
Total Liabilities, Deferred Revenue and Equity	$ 157,136,138	$ 128,238,683

EXHIBIT S-2

City of Detroit

TRANSPORTATION FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY

For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Revenues	$ 25,055,476	$ 29,010,669
Operating Expenses:		
Transportation	43,563,369	42,055,831
Maintenance	32,722,135	33,117,970
Motor Fuel and Servicing	20,369,277	22,038,414
Pension and Fringe Benefits	42,185,224	38,356,457
Injuries and Damages	14,348,296	8,373,747
General and Administrative	21,192,368	16,537,147
Total Operating Expenses	174,380,669	160,479,566
Operating Loss before depreciation expense	(149,325,193)	(131,468,897)
Depreciation on assets acquired from Contributions	12,487,844	11,825,949
Depreciation on assets acquired with Transportation Funds	236,532	336,742
Operating Loss	(162,049,569)	(143,631,588)
Non-Operating Income (Expense):		
Federal and State Contributions	69,110,971	69,004,749
Restricted Federal and State Grants	1,558,927	1,958,718
Expenditures Applicable to Federal and State Grants	(1,558,927)	(1,958,718)
Earnings on Investments	187,314	120,751
Total Non-Operating Income, Net	69,298,285	69,125,500
Net Loss Before Operating Transfers	(92,751,284)	(74,506,088)
Transfers from General Fund	74,183,229	60,211,605
Net Loss before Capital Contributions	(18,568,055)	(14,294,483)
Capital Contributions	37,457,116	-
Net Income (Loss)	18,889,061	(14,294,483)
Credit Arising from Transfer of Depreciation and Unamortized Portion of Capital Grant Assets Retired to Contributed Capital	12,487,844	11,825,949
Gain (Loss) Transferred to Accumulated Deficit	31,376,905	(2,468,534)
Accumulated Deficit at Beginning of Year	(18,329,149)	(15,860,615)
Accumulated Surplus (Deficit) at End of Year	13,047,756	(18,329,149)
Contributed Capital:		
Contributed Capital at Beginning of Year	72,472,415	76,680,173
Capital Contributions for Property, Plant and Equipment Additions — From Federal and State Governments	-	7,618,191
Less:		
Charge Arising from Transfer of Depreciation and Unamortized Portion of Capital Grant Assets Retired to Contributions	(12,487,844)	(11,825,949)
Contributed Capital at End of Year	59,984,571	72,472,415
Equity at End of Year	$ 73,032,327	$ 54,143,266

EXHIBIT S-3

City of Detroit
TRANSPORTATION FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Loss	$ (162,049,569)	$ (143,631,588)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	12,724,376	12,162,691
Increase (Decrease) in Allowance for Doubtful Accounts	(105,104)	144,662
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(525,374)	1,442,275
Decrease (Increase) in Due from Other Funds	60,482	(868,258)
Decrease in Inventories	(2,450,063)	(1,128,980)
Decrease (Increase) in Prepaid Expenses	(8,067)	130,464
Increase (Decrease) in Accounts Payable, Contracts Payable and Other Current Liabilities	(2,094,552)	5,589,567
Increase (Decrease) in Due to Other Funds	12,712,661	(3,775,134)
Increase (Decrease) in Accrued Salaries and Wages	108,109	(2,284,543)
Increase (Decrease) in Advance from Other Sources	(363,673)	978,657
Increase in Accrued Compensated Absences	1,234,159	477,710
Decrease in Public and Workers' Compensation Liability	(1,969,288)	(2,794,998)
Increase (Decrease) in Long Term Disability	374,616	(1,231,282)
Increase (Decrease) in Deferred Revenue	6,362	(11,501)
Net Cash Used in Operating Activities	(142,344,925)	(134,800,258)
Cash Flows from Noncapital Financing Activities:		
Federal and State Contributions	67,355,489	58,504,749
Operating Transfers from General Fund	74,243,711	76,685,583
Net Cash Provided by Noncapital Financing Activities	141,599,200	135,190,332
Cash Flows from Capital and Related Financing Activities:		
Capital Expenditures	(37,284,209)	(7,626,508)
Federal and State Contributions for Property, Plant and Equipment	39,301,643	6,592,023
Net Cash Provided by (Used in) Capital and Related Financing Activities	2,017,434	(1,034,485)
Cash Flows from Investing Activities:		
Sales of Investments — Net	202,686	751,246
Earnings on Investments	187,314	120,751
Net Cash Provided by Investing Activities	390,000	871,997
Net Increase in Cash	1,661,709	227,586
Cash at Beginning of Year	1,291,563	1,063,977
Cash at End of Year	$ 2,953,272	$ 1,291,563

Photo courtesy of City of Detroit — Communications and Creative Services Department.

1884

Detroit Fire Department Engine 1 Steam-powered, fire fighting equipment. This machine is Amoskeag 3 horse hitch built in New Hampshire. Driver-Ed Cook, Sr. Man-Frank Galagher, Engineer-Mike Sadler, and Assistant Engineer-Bill Doherty. Courtesy of Detroit Public Library — Burton Collection.

Photo by Glen Calvin Moon

1889

The Michigan Stove Company, one of the Detroit's leading manufacturing organizations. They manufactured a number of products, such as this Garland Stove. Among others was the Art Stove and Jewel Range. They later merged with the Detroit Stove Works and became Michigan Stove Works.
Courtesy of Detroit Public Library — Burton Collection.

EXHIBIT T-1

City of
WATER
BALANCE
June 30, 2001 and

ASSETS	2001	2000
Current Assets:		
Cash	$ 6,351,315	$ 3,602,429
Investments	2,546,555	9,528,857
Due from Other Funds	30,116,995	32,516,129
Accounts Receivable (Including $29,844,872 and $18,634,569 for Unbilled Water Services and Net of Allowance for Doubtful Accounts of $32,466,000 and $21,221,088 in 2001 and 2000, respectively)	56,759,469	47,147,676
Inventories	8,314,095	6,632,981
Prepaid Expenses	231,513	111,162
Total Current Assets	104,319,942	99,539,234
Restricted Assets:		
Cash	1,323,139	1,091,845
Investments	366,892,953	256,449,207
Accounts Receivable	116,714	-
Due from Other Funds	6,965,724	1,366,057
Prepaid Bond Expense	15,372,716	-
Total Restricted Assets	390,671,246	258,907,109
Other Assets – Unamortized Bond Issuance Cost	18,654,013	12,639,846
Property, Plant and Equipment:		
Land and Land Rights	5,303,673	5,303,673
Structures	370,432,615	324,413,756
Mains	583,063,794	561,370,890
Services, Meters and Improvements to Land	84,817,771	79,201,863
Equipment	304,016,681	241,825,643
Construction Work in Progress	537,243,121	425,899,290
Total Property, Plant and Equipment	1,884,877,655	1,638,015,115
Less: Accumulated Depreciation	565,115,573	537,876,565
Net Property, Plant and Equipment	1,319,762,082	1,100,138,550
Total Assets	$ 1,833,407,283	$ 1,471,224,739

EXHIBIT T-1

Detroit
FUND
SHEETS
June 30, 2000

LIABILITIES AND EQUITY	2001	2000
Liabilities:		
Current Liabilities Payable from Current Assets:		
Accounts and Contracts Payable	$ 10,616,426	$ 6,977,175
Due to Other Funds	49,003,330	42,973,099
Accrued Salaries and Wages	1,402,386	1,192,007
Accrued Workers' Compensation	5,092,268	2,999,002
Accrued Compensated Absences	7,621,056	5,552,843
Other Current Accrued Liabilities	4,718,562	6,090,945
Total Current Liabilities Payable from Current Assets	78,454,028	65,785,071
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable within One Year	18,140,000	17,775,000
Accrued Bond Interest Payable	17,871,925	25,823,445
Accounts and Contracts Payable	32,714,139	45,363,426
Due to Other Funds	9,431,153	15,186,453
Other Current Accrued Liabilities	978,327	626,068
Total Current Liabilities Payable from Restricted Assets	79,135,544	104,774,392
Long-Term Liabilities:		
Accrued Compensated Absences	6,348,909	8,309,634
Accrued Workers' Compensation	12,182,140	18,726,447
Revenue Bonds Payable, Non-Current Portion (Net of Unamortized Discount and Bond Issue Costs of $45,794,933 and $27,054,644 in 2001 and 2000, Respectively	1,267,775,067	878,535,356
Total Long-Term Liabilities	1,286,306,116	905,571,437
Total Liabilities	1,443,895,688	1,076,130,900
Equity:		
Contributed Capital:		
Contributions from Governmental Agencies	45,341,623	45,341,623
Contributions from Customers	55,060,857	55,060,857
Total Contributed Capital	100,402,480	100,402,480
Retained Earnings:		
Reserves from Retained Earnings	20,878,573	18,528,318
Retained Earnings	268,230,542	276,163,041
Total Equity	389,511,595	395,093,839
Commitments and Contingencies		
Total Liabilities and Equity	$ 1,833,407,283	$ 1,471,224,739

EXHIBIT T-2

City of Detroit
WATER FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Revenues:		
Water Sales — Detroit	$ 58,497,699	$ 55,047,069
Water Sales — Suburban	131,305,115	132,247,575
Miscellaneous	4,642,195	6,050,680
Total Operating Revenues	194,445,009	193,345,324
Operating Expenses before Depreciation:		
Source of Supplies	661,517	1,012,431
Low Lift Pumping	7,043,687	5,904,473
Purification	13,146,633	15,465,786
High Lift Pumping	21,575,649	26,006,067
Water Quality Operations	1,565,723	422,091
Transmission and Distribution	41,934,017	47,014,038
Services and meters	23,195,046	16,526,947
Hydrant division	2,399,763	2,341,398
Commercial	4,830,516	4,028,612
Administrative and General	30,441,553	27,837,312
Total Operating Expenses before Depreciation	146,794,104	146,559,155
Operating Income before Depreciation	47,650,905	46,786,169
Depreciation	28,339,448	22,444,715
Operating Income	19,311,457	24,341,454
Non-Operating Income (Expense):		
Earnings on Investments	10,026,242	13,888,350
Unrealized Loss on Investments	-	(873,105)
Interest Expense, Net of Capitalized Interest	(34,815,663)	(33,552,927)
Miscellaneous	(104,280)	183,886
Total Net Non-Operating Expense	(24,893,701)	(20,353,796)
Net Income (Loss)	(5,582,244)	3,987,658
Retained Earnings Beginning of Year	294,691,359	290,703,701
Retained Earnings End of Year	289,109,115	294,691,359
Contributed Capital Beginning and End of Year	100,402,480	100,402,480
Equity at End of Year	$ 389,511,595	$ 395,093,839

EXHIBIT T-3

City of Detroit
WATER FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2001 and June 30, 2000

	2001	2000
Operating Income	$ 19,311,457	$ 24,341,454
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	28,339,448	22,444,715
Amortization of Bond Discount and Issuance Costs	3,025,072	2,824,863
Provision for Uncollectible Accounts	11,224,912	(3,934,335)
Late Charges and Other	(104,280)	183,886
Unrealized Loss on Investments	-	(873,105)
Changes in Certain Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(20,973,419)	6,843,601
(Increase) Decrease in Inventories	(1,681,114)	840,566
(Increase) Decrease in Prepaid Expenses	(120,351)	298,127
Decrease in Prepaid Bond Interest	(15,372,716)	-
Increase (Decrease) in Accounts and Contracts Payable	(9,463,184)	34,186,086
Increase in Salaries, Wages and Accrued Compensated Absences	210,379	500,785
Increase (Decrease) in Other Current Accrued Liabilities	(4,910,529)	5,066,787
Net Change in Due to/Due from Other Funds	(2,925,602)	(8,947,151)
Net Cash Provided by Operating Activities	6,560,073	83,776,279
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets, Net	(232,184,258)	(253,860,506)
Proceeds from Bond Issuance, and Increase in Revolving Note Payable, Net	575,997,775	249,990,436
Principal Paid on Revenue Bond Maturities	(17,775,000)	(12,141,390)
Principal Paid on Refunded Debt	(177,640,000)	-
Interest Paid on Revenue Bonds	(58,543,208)	(39,918,563)
Net Cash Provided by (Used in) Capital and Related Financing Activities	89,855,309	(55,930,023)
Cash Flows from Investing Activities:		
Purchases of Investments, Net	(103,461,444)	(41,125,816)
Interest Received on Investments	10,026,242	13,888,350
Net Cash Used in Investing Activities	(93,435,202)	(27,237,466)
Net Increase in Cash	2,980,180	608,790
Cash at Beginning of Year	4,694,274	4,085,484
Cash at End of Year	$ 7,674,454	$ 4,694,274

The Walter B. Ford II Building opened to students in September 2001. Named for Walter Buhl Ford II, world-renowned designer, former CCS trustee and cofounder of Ford & Earl Associates.
Photo by Balthazar Korab

Students at work in CCS's Keith E. Crain Transportation Design Center, Walter B. Ford II Building.
Photo by Balthazar Korab

1906

Detroit—College for Creative Studies (CCS) is one of the world's leading arts education institutions. Located in Detroit's Cultural Center, CCS is a private, fully accredited, four-year college offering Bachelor of Fine Arts degrees in digital media, communication design, crafts, fine arts, illustration, industrial design, interior design and photography. The College is internationally renowned as the foremost educator of automotive designers in the United States.

CCS was established in 1906 as the Detroit Society of Arts and Crafts. With the growing success of its classes and gallery, the Society established a formal arts school called School of the Society of Arts and Crafts (SSAC), becoming one of the first American art organizations to operate its own academic institution. SSAC gained national attention in 1933 for exhibiting the automobile as an art form. In 1962, the school was authorized to grant Bachelor of Fine Arts (B.F.A.) degrees in Industrial Design. SSAC was accredited by the National Association of Schools of Art and Design in 1972, and gained unrestricted B.F.A. granting authority in 1973. In 1975, it was renamed the Center for Creative Studies—College of Art and design. In 1977, CCS was accredited by the North Central Association of Colleges and Schools. And in July 2001, the institution's name was changed to College for Creative Studies, to better reflect its status as one of the world's leading arts education institutions.

CCS is the only school in Michigan that has a hot glass studio. Students use glass elements in sculpture, furniture or as decorative art pieces.

Photo by Glenn Triest, 1982 CCS alumnus

Courtesy of College for Creative Studies