

# TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year Ended June 30,	
	2007	2006
Operating revenues		
Charges for services	\$ 26,728,808	\$ 25,466,677
MISO income	1,654,950	368,368
Other	265,008	240,284
<b>Total operating revenues</b>	<b>28,648,766</b>	<b>26,075,329</b>
Operating expenses		
Personnel	3,752,200	3,631,529
Contractual services	667,037	686,716
Repairs and maintenance	70,514	87,054
Office supplies, insurance and other	297,479	292,220
Operating supplies	18,566,813	18,443,152
Rentals	181,407	170,142
Utilities	91,733	91,912
City fee	1,478,700	1,337,048
Depreciation and amortization	1,539,177	1,519,785
<b>Total operating expenses</b>	<b>26,645,060</b>	<b>26,259,558</b>
<b>Operating income (loss)</b>	<b>2,003,706</b>	<b>(184,229)</b>
Non-operating revenues (expenses)		
Grant revenue	236,714	185,996
Rental income	26,396	23,152
Reimbursement	1,171,466	255,867
Sale of emission allowances	588,012	585,107
Interest income	1,084,075	667,893
Change in fair market value of investments	(50,736)	(125,665)
Grant expense	(234,355)	(213,029)
Interest expense	-	(185)
<b>Total non-operating revenues</b>	<b>2,821,572</b>	<b>1,379,136</b>
<b>Income before special items</b>	<b>4,825,278</b>	<b>1,194,907</b>
Special items		
Hydrodam impairment	(1,535,899)	-
Insurance settlement	(47,481)	-
Plant decommissioning	-	(190,392)
<b>Total special items</b>	<b>(1,583,380)</b>	<b>(190,392)</b>
Change in net assets	3,241,898	1,004,515
Net assets, beginning of year, as restated	55,516,779	54,512,264
<b>Net assets, end of year</b>	<b>\$ 58,758,677</b>	<b>\$ 55,516,779</b>

The accompanying notes are an integral part of these financial statements.

# TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

## BALANCE SHEETS

ASSETS	June 30,	
	2007	2006
<b>Current assets</b>		
Cash and cash equivalents	\$ 9,377,074	\$ 4,662,422
Investments	10,953,217	12,148,028
Receivables		
Customer, less allowances of \$78,151 and \$63,212 respectively, for uncollectible accounts	3,372,230	3,213,054
Accrued interest	59,051	59,050
Taxes	1,689	3,282
Other	828,669	949,120
Inventories	1,038,644	822,639
Prepaid expenses	13,934	13,983
<b>Total current assets</b>	<b>25,644,508</b>	<b>21,871,578</b>
<b>Restricted assets</b>	<b>622,595</b>	<b>-</b>
<b>Long-term assets</b>		
Long-term advances - due from primary government	821,516	885,849
Land	821,051	821,051
Construction in progress	1,229,136	1,093,681
Capital assets, net	32,555,872	33,860,474
<b>Total long-term assets</b>	<b>35,427,575</b>	<b>36,661,055</b>
<b>Total assets</b>	<b>\$ 61,694,678</b>	<b>\$ 58,532,633</b>

The accompanying notes are an integral part of these financial statements.

	June 30,	
	2007	2006
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,135,350	\$ 2,170,312
Accrued expenses and other liabilities	60,731	81,983
Customer deposits	126,675	134,525
Due to primary government	243,700	227,048
<b>Total current liabilities</b>	<b>2,566,456</b>	<b>2,613,868</b>
<b>Long-term liabilities</b>		
Compensated absences	369,545	401,986
<b>Total liabilities</b>	<b>2,936,001</b>	<b>3,015,854</b>
<b>Net assets</b>		
Invested in capital assets	34,606,059	35,775,206
Restricted for rate stabilization	622,595	-
Unrestricted	23,530,023	19,741,573
<b>Total net assets</b>	<b>58,758,677</b>	<b>55,516,779</b>
<b>Total liabilities and net assets</b>	<b>\$ 61,694,678</b>	<b>\$ 58,532,633</b>

The accompanying notes are an integral part of these financial statements.