

City of

CADILLAC

Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT *For the Fiscal Year Ended June 30, 2009*



200 N. Lake Street
 Cadillac, MI 49601
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ELECTED OFFICIALS

William Barnett, Mayor
 At Large

Shari Spoelman, Councilmember
 First Ward

Tom Dyer, Councilmember
 Second Ward

Art Stevens, Councilmember
 Third Ward

James Dean, Councilmember
 Fourth Ward

CITY ADMINISTRATION

City Manager	<i>Vacant</i>
Interim City Manager	<i>Precia L. Garland</i>
Director of Finance	<i>Owen Roberts</i>
Director of Public Safety	<i>Jeff Hawke</i>
Director of Public Utilities	<i>Jeff Dietlin</i>
Director of Public Works	<i>Bob Johnson</i>
City Engineer	<i>Bruce DeWitt</i>
City Clerk and Treasurer	<i>Jan Nelson</i>
City Attorney	<i>David McCurdy</i>

City of

CADILLAC

Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2009

Owen E. Roberts, Director of Finance

City of Cadillac

Elected Officials Information



Mayor William S. Barnett

Councilmember from City at Large
Population of City: 10,000
Occupation: Attorney
Term Expires: December 31, 2009
Annual Salary: \$4,100



James Dean, Mayor Pro-Tem

Councilmember from Ward 4
Population of Ward: 2,391
Occupation: Manufacturing
Term Expires: December 31, 2009
Annual Salary: \$2,800



Councilmember Art Stevens

Councilmember from Ward 3
Population of Ward: 2,542
Occupation: Financial Advisor
Term Expires: December 31, 2011
Annual Salary: \$2,800



Councilmember Thomas Dyer

Councilmember from Ward 2
Population of Ward: 2,472
Occupation: Manufacturing
Term Expires: December 31, 2009
Annual Salary: \$2,800



Councilmember Shari Spoelman

Councilmember from Ward 1
Population of ward: 2,595
Occupation: MSU Extension Director
Term Expires: December 31, 2011
Annual Salary: 2,800

CITY OF CADILLAC, MICHIGAN

JUNE 30, 2009

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200 North Lake Street • Cadillac, Michigan 49601
231.775.0181 • fax 231.775.8755
www.cadillac-mi.net

November 30, 2009

To the citizens of the City of Cadillac:

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Baird, Cotter and Bishop, P.C., was selected once again this year to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009 are free of material misstatement. The firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cadillac's financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with generally accepted accounting principles (GAAP).

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules. This year's financial section also includes, in accordance with GAAP, a narrative introduction, overview, and analysis to accompany the basic financial statements called Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected financial and demographic information, generally presented on an annual basis.

PROFILE OF GOVERNMENT

The City of Cadillac was incorporated in 1877 and serves as the county seat of Wexford County. It is located in beautiful Northern Michigan and offers four very separate and distinct seasons which provide a variety of recreational opportunities for visitors. The community is also recognized as the largest manufacturing base north of Grand Rapids, and therefore provides employment opportunities which create an excellent quality of life for the year-round residents. Cadillac occupies nine square miles, which includes a lake that is entirely within the city limits. The City government operates under a council/manager form of government and was one of the first municipalities in the state of Michigan to adopt this form of local governance. The City Council consists of four council members and a mayor elected at large. The council members are elected on a nonpartisan basis to staggered four-year terms based on four districts within the city.

The mayor serves a two year term. The chief function of the City Council is to hire a City Manager and take legislative action as appropriate.

The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City is financially accountable for the Cadillac Building Authority, the Downtown Development Authority, the Local Development Finance Authority, the Economic Development Corporation, the Brownfield Redevelopment Authority and the Policemen and Firemen Retirement System; therefore, these activities are included in the reporting entity. However, the Wexford County Airport Authority, the Cadillac Area Public School District, the Cadillac-Wexford Transit Authority, and the Cadillac Housing Commission have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Management of the City of Cadillac is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonability recognizes that: 1) The cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The City of Cadillac maintains budgeting controls to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. All activities of the City are budgeted and included in the annual appropriation budget in compliance with the State of Michigan P.A. 621. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control for all transfers for the budget amounts within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed appropriations at the major function level. Expenditures in all other funds may not exceed appropriations at the total fund level. The budget is approved by the city council annually by ordinance and amended by resolution quarterly as needed.

Cadillac is an extremely stable local unit of government, serving a well-rounded community. This stability has allowed for a long-term philosophy to be incorporated into the budgeting process for the City of Cadillac.

ECONOMIC CONDITION AND OUTLOOK

Economic conditions in Michigan continue to worsen. While the U.S. economy was officially designated as in recession effective December 2007, Michigan has been struggling with recessionary issues for much longer, with detrimental consequences. In fact, Michigan's economy has been under significant stress since the early part of the decade, losing nearly 750,000 jobs since peak employment levels were recorded in June 2000. State and local government finances have been directly affected by Michigan's economic erosion. Structural deficits now exist at the state level that cannot be cured by non-recurring revenues such as the ARRA funds. The result of these conditions is much worse than anyone could have imagined.

Virtually all sectors of the economy are experiencing significant reductions in activity. Michigan is especially hard hit with the auto industry in a crisis situation. Two of the “big three” were issued financial assistance from the US government, much like the bailout that was developed for Wall Street. Michigan’s economy is almost 700 percent more concentrated in the auto industry than the national economy (2007) and therefore, losses in the auto sector have reverberated deeply throughout the state, including disproportionate losses in the rapidly shrinking manufacturing sector. The state jobless rate presently stands at 15.1% overall and per capita income is not surprisingly on the decline.

The business climate in Michigan has been further challenged by the state’s rewrite of the state business tax. The Single Business Tax (SBT) was replaced two years ago by the Michigan Business Tax (MBT) in an attempt to more equally spread the tax burden among all businesses, with an overall goal of reducing the tax burden for most employers. The new tax has been met with great resistance in some sectors, and while only two years old, significant changes are being proposed. Many small to mid-size companies are reporting substantial increases in their tax liability, which appears to be an unintended consequence of the new tax and its associated 22% surcharge.

Michigan has also taken steps to reduce the cost of energy for its manufacturing base by recognizing that residential rate payers have been subsidized by the business community for many years. This has led to a change in the rate structure which results in a modest reduction in cost for some in the business community. Unfortunately, this also will lead to increases for our residential users which could not come at a more difficult time, due to the overall poor economic climate in Michigan.

The home mortgage crisis in Michigan is also leading our legislators to examine ways to lessen the impact of this situation on our homeowners. One of the issues currently being explored is to amend the way in which property taxes are levied. This would require that Proposal A be modified to alter the relationship between the state-equalized value and taxable value. Various proposals along these lines would have a serious impact on our revenue stream and the City will continue to monitor this situation closely.

On the local level, we continue to feel the effects of this decline in state economic activity. Genmar Holdings Corp., the parent company of Four Winns Boats, LLC filed for Chapter 11 bankruptcy protection in mid-2009. The city and members of the Cadillac Industrial Fund have been working diligently with the state of Michigan to identify incentives that will hopefully assist in retaining Four Winns in Cadillac. However, a few bright spots are emerging as well. Redevelopment activities on two brownfield sites were initiated this year. Willow Mercantile, a new produce and nursery supply business is under construction at 924 S. Mitchell Street and is slated to open in April 2010. The former Harris Milling site redevelopment is now well underway with construction of a new Chemical Bank main office building in downtown Cadillac.

Additionally, Avon Protection Services has secured a multi-year contract with the U.S. military to provide a frontline gas mask apparatus, and AAR Manufacturing continues to be the primary supplier of portable shelters for all branches of the military. Paulstra CRC, has recently undertaken a significant expansion in the Cadillac Industrial Park, and is anticipated to add over 100 jobs in the coming year due to the company obtaining a significant contract from Delphi. Piranha Hose also is embarking on a significant expansion in the coming year with its entry into the hydraulic hose business. This is a further diversification of this very specialized hose company, which will provide it with additional stability during these difficult economic times.

However, as the largest manufacturing base north of Grand Rapids, which includes a significant concentration of automotive suppliers, the Cadillac community has certainly been impacted by the significant slowdown in the domestic automotive industry. This has led to an increase in the local unemployment rate, which is currently just over 18% and is certain to impact our economic wellbeing through fiscal year 2010-11 and beyond.

Cadillac is only one of two northern Michigan communities in the past five years to experience growth in its population base and much of this positive activity can be attributed to the significant expansion of our rental housing market. A total of 240 rental units have come online over the past three years, with an additional 400 units approved and ready to be built as demand dictates. We do not anticipate much activity in this sector until the economy picks back up, but are currently experiencing the economic benefits of this population growth.

Cadillac witnessed a major reconstruction project in its core downtown this year with approximately \$6 million dollars in public infrastructure improvements undertaken along the Mitchell Street corridor, including water and sanitary sewer main upgrades, sidewalk bump-outs, new traffic signals, new countdown pedestrian crosswalk signals, gateway treatments, decorative street lighting and other aesthetic improvements, and 1.4 miles of fresh asphalt. Thanks to an aggressive marketing program, the construction activities were effectively communicated to business owners and the public prior to taking place, which mitigated many concerns before they had time to develop.

FUTURE OUTLOOK

While Cadillac has many positive opportunities on the horizon, the local community will continue to struggle along with the state as a whole. Michigan is not anticipated to see positive employment gains until early 2011, and therefore, retention and expansion efforts associated with our local business community will be a key to maintaining our economic vitality over the next couple of years.

Because the state of Michigan's economic woes, the City will realize a sharp decrease in state revenue sharing in the current fiscal year. For the fiscal year ending June 30, 2010, the constitutional portion of state shared revenue was reduced by 7% due to suppressed sales tax collections; the statutory portion was reduced by nearly 25%. While a reduction in revenue sharing had been anticipated due to the continuing economic recession, such a large reduction could not have been predicted.

Looking ahead, the City's other primary revenue source, local property taxes, is anticipated to see a reduction as well. Property values have been on the decline due to falling sales prices. Additionally, the Proposal A inflationary multiplier for 2010 is actually reflective of deflation (-0.3%). This, combined with declining property values is a nearly guaranteed indicator that property tax collections in the next fiscal year will be less than what they are in the current fiscal year.

Additionally, the City of Cadillac, in partnership with the Cadillac Industrial Fund, is beginning to look at new opportunities to grow the business community beyond traditional manufacturing. Specific emphasis has been placed on alternative energy opportunities, including the reuse of excess sources of energy such as electricity, steam, and hot water from the local power plant. The power plant recently changed ownership, and the new parent company is very desirous of working with the City to achieve these goals.

The City is also undertaking significant efforts to reach out to surrounding units of government in an attempt to find areas through which consolidation and/or sharing of services and resources can control the cost of government, while improving services. Initial discussions in this regard appear positive with much support being expressed in the local community for these efforts, including the recent formation of an Intergovernmental Cooperation Committee

Counter to this objective is action being taken by a neighboring township, which has filed a lawsuit against the City in an attempt to obtain access to the City's utility system without fully paying for the cost of this service. A judgment was issued in favor of the City with regard to the term of the existing utilities contract (which expires in 2017), confirming in fact that the contract will expire once it reaches the end of its stated term. However, this ruling has also been appealed by the township. This lawsuit is a significant threat to the City's long term stability, and we must vigorously defend our position to safeguard the municipal infrastructure for those who pay for this service. It is very unfortunate that Haring Township has chosen this course of action, which is diametrically opposed to the efforts of many other municipalities to coordinate activities and resources via cooperative and mutually beneficial means.

Challenges at the Wexford County Landfill are a major concern for the City of Cadillac and its residents, and we will continue to work with the county in an attempt to return the landfill to a stable and profitable enterprise. Many options are currently being explored through which the landfill can be reorganized in a long term and profitable manner. However, the current structure requires that the county subsidize the operation from general fund monies, which places the county governmental unit at risk. The City remains committed to working with the county to resolve this situation.

The municipal well field continues to be threatened by various sources of contamination. Previous City-led efforts have resulted in safeguards being put into place to protect this most important resource, but the recent discovery of a completely new source of contamination (MTBE) dictates that this aging well field be relocated as soon as possible. While the current source of drinking water is believed to be safe, the ongoing operation of a well field at this location runs counter to the City's Well Head Protection Program, and thus one new site has been secured and others will continue to be explored in the next fiscal year.

The City will also wrap up a significant rewrite of the current municipal master plan, which incorporated strong public outreach measures to solicit citizen input. The master plan is a key document in helping to define the future direction of our community.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device. This award has been received twenty-five consecutive years.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



PRECIA L. GARLAND
INTERIM CITY MANAGER



OWEN E. ROBERTS
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cadillac
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

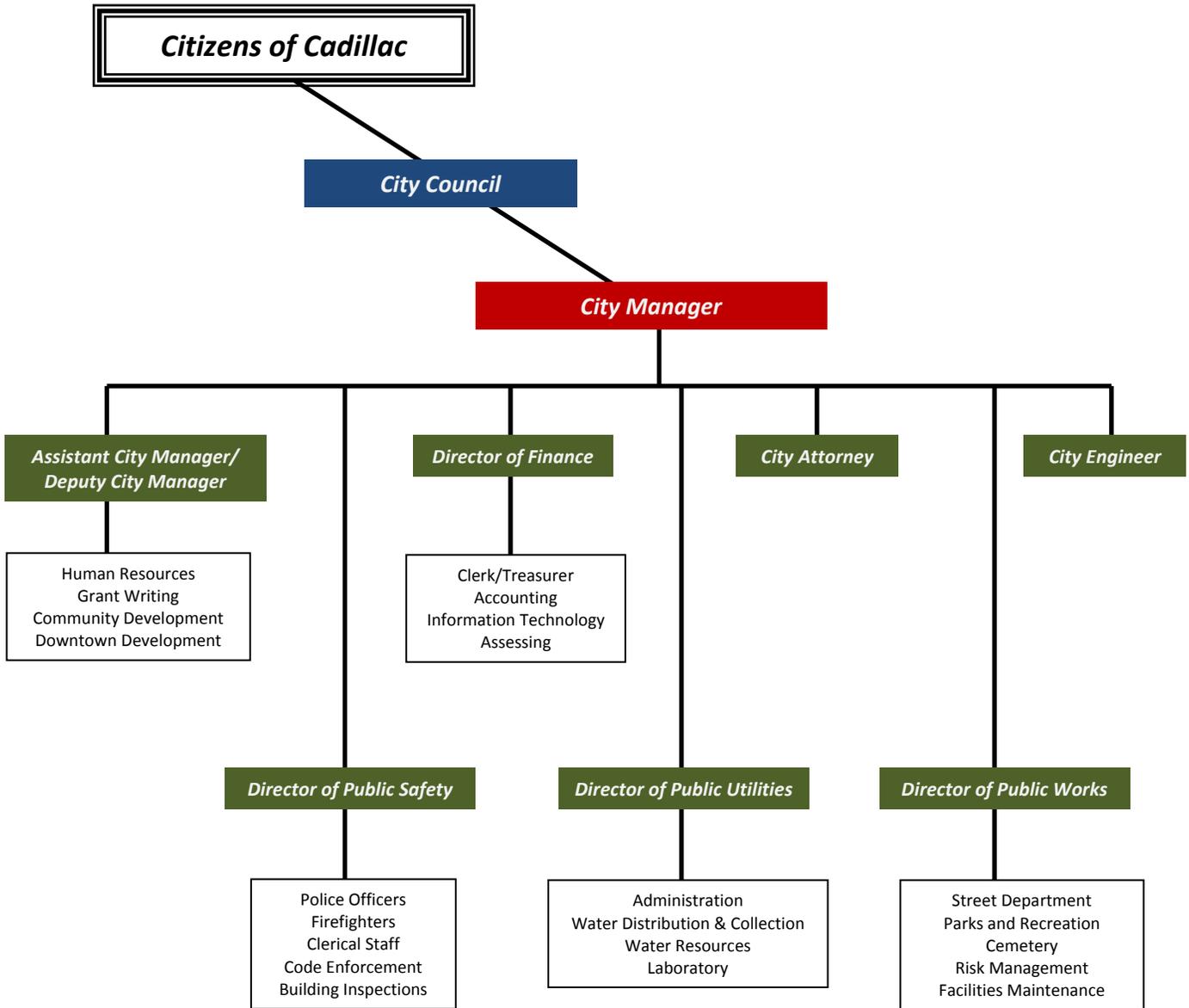
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Cadillac
Chart of Organization
 2008-2009



Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601
PHONE: 231-775-9789 FAX: 231-775-9749
www.bcbcpa.com

November 30, 2009

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, the business – type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2009, which collectively comprise the City’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009, on our consideration of the City of Cadillac, Michigan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages iii through xiv and required supplementary information on pages 63 through 66 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, other supplementary information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan ("the City") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

Government-Wide

- The assets of the City exceeded its liabilities at the close of this fiscal year by \$37.3 million (shown as *Net Assets*), representing a decrease of \$266,749 over the previous fiscal year. Governmental Activities represented \$221,066 of the decrease, while Business-Type activities accounted for \$45,683 of the decrease.
- Of the total net assets, \$8,494,147 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Level Financial Highlights

- As of June 30, 2009, the governmental funds of the City of Cadillac reported combined ending fund balances of \$6,281,800, of which \$4,022,579 is unreserved. This is an increase of \$127,161. The increase was a result of the sale of the former Harris Milling site owned by the City to a private developer, and the revenue generated by the police and fire retirement millage that was in excess of the required contributions to the plan. This excess is set aside for future contributions to the retirement system.
- The unreserved fund balance of the City's General Fund increased this year to \$2,140,207, or 32.8% of total General Fund expenditures. Most of this balance has been designated for various uses and working capital reserves.

Long-Term Debt

- The City of Cadillac's total debt **increased** by \$1,395,000 during the fiscal year. The City is taking advantage of a low-interest loan from the State of Michigan's State Revolving Fund program that will be utilized by the Water and Sewer Fund to make nearly \$4 million of upgrades to the City's wastewater treatment plant.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cadillac's basic financial statements. The City of Cadillac's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The *government-wide financial statements* are designed to provide a broad overview of the City's financial position. They are presented using a method of accounting that is similar to a private-sector business.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

The *Statement of Net Assets* (Pages 1-2) presents information on all of the City's assets and liabilities, the difference between the two being reported as the net assets of the City. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the City is improving or deteriorating. An increase in net assets would indicate an improvement in financial condition. On the other hand, a consistent decrease over time in net assets may indicate a decline in the financial health of the organization.

The *Statement of Activities* (Page 3) gives the information on the revenues and expenses causing the underlying change in the government's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows.

Both of these statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the City include general government, public safety, major and local streets, public works, culture and recreation, and economic development and assistance. Business-type activities of the City include water and sewer utility services, an auto parking activity as well as the operation of a building authority.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Each fund is operated similar to a completely separate entity, with its own set of balancing accounts. The City of Cadillac uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the City of Cadillac can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds Many of the City's basic services are reported in the governmental funds. Governmental funds account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This is known as the modified accrual basis of accounting. Under this reporting system, capital items, debt payments and certain other items are treated differently than on the government-wide statements. These items are recorded in the governmental fund statements on the Statement of Revenues, Expenditures and Changes in Fund Balance as expenditures. No depreciation is recorded on capital items. The balance sheet for governmental funds does not include any capital items or long-term debt.

Governmental funds for the City include the General Fund as well as the special revenue, capital project, debt service and permanent funds. The information is presented individually in the basic financial statements for the General Fund, Major Street Fund, and Local Street Fund, all of which are considered to be major funds. Individual data for each of the remaining nonmajor governmental funds is found elsewhere in this report.

The basic governmental fund financial statements can be found on pages 4-9 of this report.

Proprietary Funds Proprietary funds account for services for which the City charges its customers for the services they are provided. These charges can be to external customers or other agencies within the City. There are two types of proprietary funds:

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

- Enterprise funds are used to report business-like activities of the City. These activities intend to recover the full cost of the services through the fee charged to the customers. The City has three enterprise funds, which are the Water and Sewer Fund, the Automobile Parking System, and the Building Authority Operating Fund.
- Internal Service funds are the second type of proprietary funds. These funds provide services to other departments within the City. These funds allow the City to allocate costs of centralized services such as the City's vehicle fleet and information technology services. The City has four internal service funds, including the Central Stores and Municipal Garage Fund, Information Technology Fund, Self-Insurance Fund and Safety Fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of the funds are not available for supporting the City's programs. These funds are accounted for using the full accrual method of accounting, much like the Proprietary funds.

Component Units The City's Comprehensive Annual Financial Report includes reporting on separate legal entities for which the City has some level of financial responsibility. These funds are shown in a separate column. The City's component units include the Downtown Development Authority, the Downtown Development Authority Capital Projects, the Local Development Finance Authority Operating, Capital Projects and Utilities Funds, the Brownfield Redevelopment Authority Fund, and the Economic Development Corporation.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a complete understanding of the information provided in both the government-wide and the fund financial statements. The notes can be found beginning on Page 27 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements. This information can be found beginning on Page 63 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the City exceeded liabilities by \$37,315,618 at June 30, 2009, meaning that the City's assets were greater than its liabilities by this amount. A comparison with the previous fiscal year is presented in order to show the change in Net Assets over the previous fiscal year.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

City of Cadillac

Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 8,905	\$ 8,666	\$ 4,538	\$ 5,215	\$ 13,443	\$ 13,881
Capital Assets	15,550	16,281	23,192	21,215	38,742	37,496
Total Assets	\$ 24,455	\$ 24,947	\$ 27,730	\$ 26,430	\$ 52,185	\$ 51,377
Long-term liabilities	\$ 2,328	\$ 2,643	\$ 9,820	\$ 8,243	\$ 12,148	\$ 10,886
Other liabilities	1,089	1,045	1,633	1,864	2,722	2,909
Total Liabilities	\$ 3,417	\$ 3,688	\$ 11,453	\$ 10,107	\$ 14,870	\$ 13,795
Net Assets						
Invested in capital assets						
net of related debt	13,453	13,847	12,667	12,457	26,120	26,304
Restricted	1,383	1,360	1,318	1,490	2,701	2,850
Unrestricted	6,202	6,052	2,292	2,376	8,494	8,428
Total Net Assets	\$ 21,038	\$ 21,259	\$ 16,277	\$ 16,323	\$ 37,315	\$ 37,582

The most significant portion of the City's Net Assets (70%) represents investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related debt that is outstanding that the City used to acquire or construct the asset. These assets are used by the City of Cadillac to provide public services to its citizens; consequently, these assets are not available for future spending.

The City has \$8,494,147 (23%) in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by City policies regarding their use. An additional portion of net assets (7%) represents resources that are subject to external restrictions on how they may be used.

The total net assets of the City declined \$266,749 during the fiscal year. Governmental activities accounted for 83% of this decline. A decrease in the net book value of capital assets related to general governmental activities accounted for this decline. The unrestricted net assets of governmental activities actually increased during the fiscal year.

A decline in user charges in the Water and Sewer Fund accounted for the decline of net assets in the business-type activities.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

The following table illustrates and summarizes the results of the changes in the net assets for the City. The condensed information was derived from the government-wide statement of activities.

City of Cadillac
Change in Net Assets
(amounts expressed in thousands)

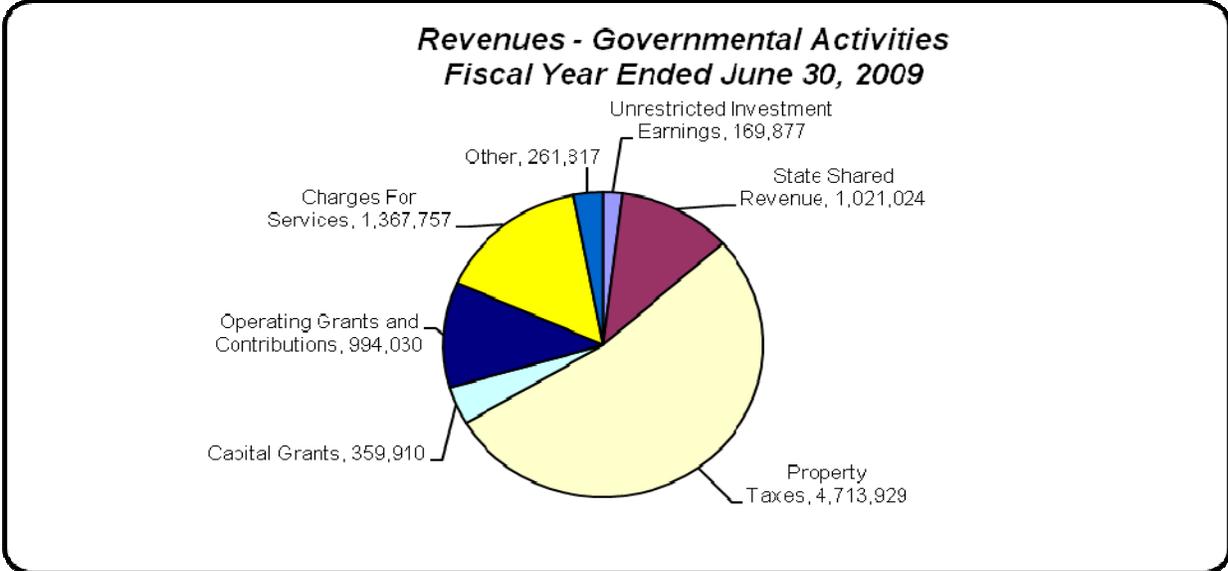
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$ 1,368	\$ 1,387	\$ 3,903	\$ 4,018	\$ 5,271	\$ 5,405
Operating Grants and Contributions	994	1,065	0	0	994	1,065
Capital Grants	360	1,250	0	0	360	1,250
General Revenues						
Property Taxes and Assessments	4,714	4,553	0	0	4,714	4,553
State Shared Revenue	1,021	1,014	0	0	1,021	1,014
Unrestricted Investment Earnings	169	263	148	104	317	367
Gain on Sale of Capital Assets	235	0	0	0	235	0
Other	27	71	0	0	27	71
Total Revenues	\$ 8,888	\$ 9,603	\$ 4,051	\$ 4,122	\$ 12,939	\$ 13,725
<u>Expenses</u>						
General Government, Administrative	\$ 1,854	\$ 1,642	\$ 0	\$ 0	\$ 1,854	\$ 1,642
Public Safety	3,296	3,435	0	0	3,296	3,435
Public Works	3,131	2,817	0	0	3,131	2,817
Recreation and Culture	515	476	0	0	515	476
Redevelopment and Housing	0	11	0	0	0	11
Economic Development/Assistance	235	239	0	0	235	239
Interest on Long-Term Debt	78	128	0	0	78	128
Water and Sewer	0	0	3,916	3,785	3,916	3,785
Automobile Parking System	0	0	129	139	129	139
Building Authority Operating	0	0	52	56	52	56
Total Expenses	\$ 9,109	\$ 8,748	\$ 4,097	\$ 3,980	\$ 13,206	\$ 12,728
Changes in Net Assets	\$ (221)	\$ 855	\$ (46)	\$ 142	\$ (267)	\$ 997
Beginning Net Assets	21,259	20,404	16,323	16,181	37,582	36,585
Ending Net Assets	\$ 21,038	\$ 21,259	\$ 16,277	\$ 16,323	\$ 37,315	\$ 37,582

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2009:



Governmental activities accounted for a total of \$8,888,344 in revenue for the fiscal year which was down \$715,027, or 7%, from the previous year. Several additional grants were received in the prior fiscal year, accounting for the fluctuation in total governmental revenue.

The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (53%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2009 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to state statutes, the City is currently at its maximum tax levy, and can only raise the levy to the charter maximum with the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2009, state shared revenue received by the City increased slightly, but this important source of revenue has been on a downward trend for the previous 8 years, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

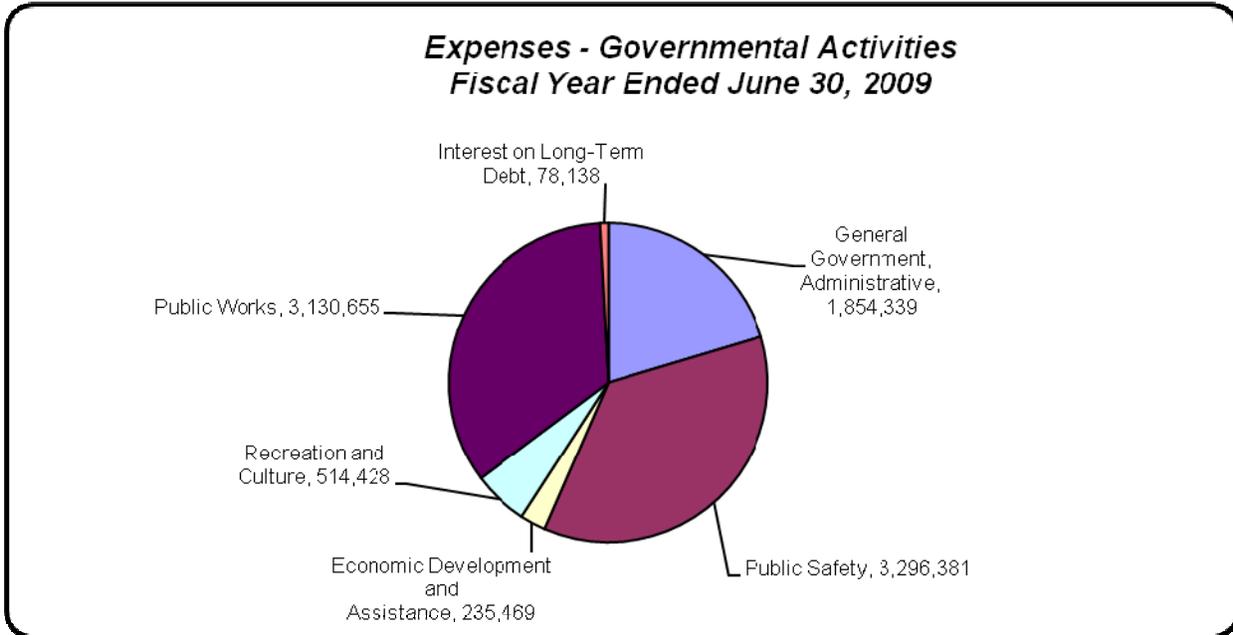
Capital Grants represents grant dollars - whether federal, state, or local - that the City has secured in order to assist in capital asset construction and infrastructure improvement within the City. During this fiscal year, these grants helped the City with the completion of several street and sidewalk construction projects.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2009:



Governmental activities accounted for total expenses of \$9,109,410. This was up from \$8,747,745 in the prior year, an increase of 4%. A significant portion of this increase was in Public Works, which was up \$313,304. Expenses related to a heavy winter resulted in added costs of snow removal.

The City's governmental activities expenses are dominated by the Public Safety expenses that total 36% of total expenses. The City spent \$3.3 million in FY2009 on Public Safety. Public Works represented the next largest portion of expenses, accounting for \$3.1 million, or 34% of total governmental activities. The Major Street Fund and Local Street Fund represent the majority of the Public Works expenses. General Government, Administrative expenses also consumed significant resources, totaling \$1.9 million during the year, which represents 20% of the expenses within the governmental activities.

Business-Type Activities

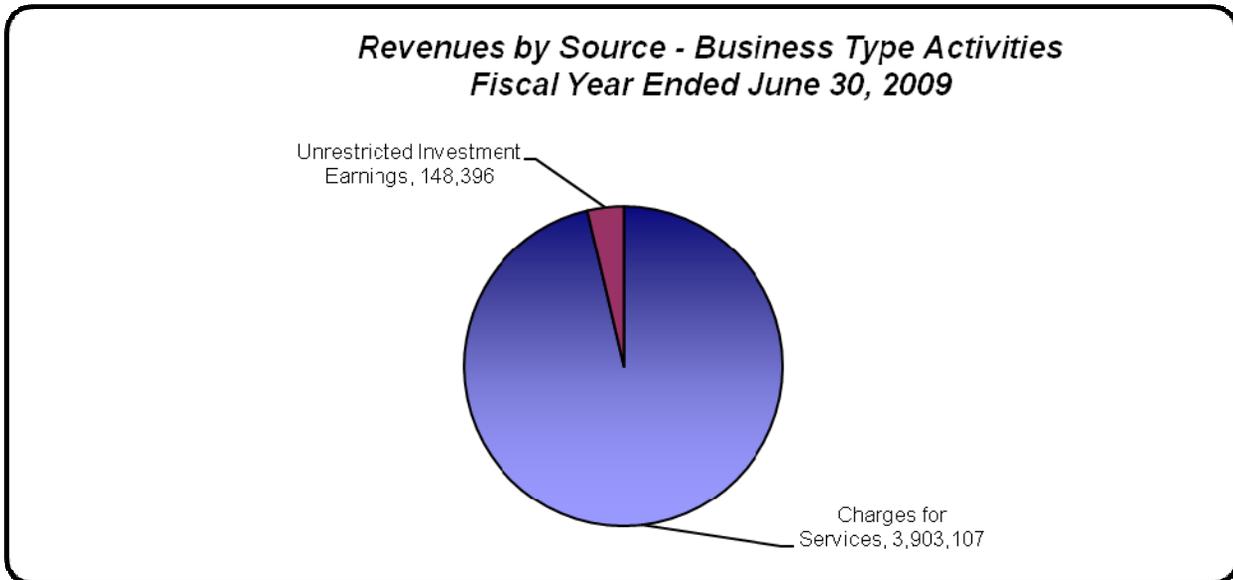
The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for a decrease of \$45,683 in the City's Net Assets, or about 17% of the total loss in the City's net assets for the fiscal year ended June 30, 2009.

The Business-type activities of the City include the Water and Sewer Fund, which provides water and sewer utility services to City residents as well as commercial customers, the Auto Parking Fund, which maintains City-owned parking lots, and the Building Authority Operating Fund, which manages the operation of a commercial office facility, currently being rented by the Michigan Department of Environmental Quality.

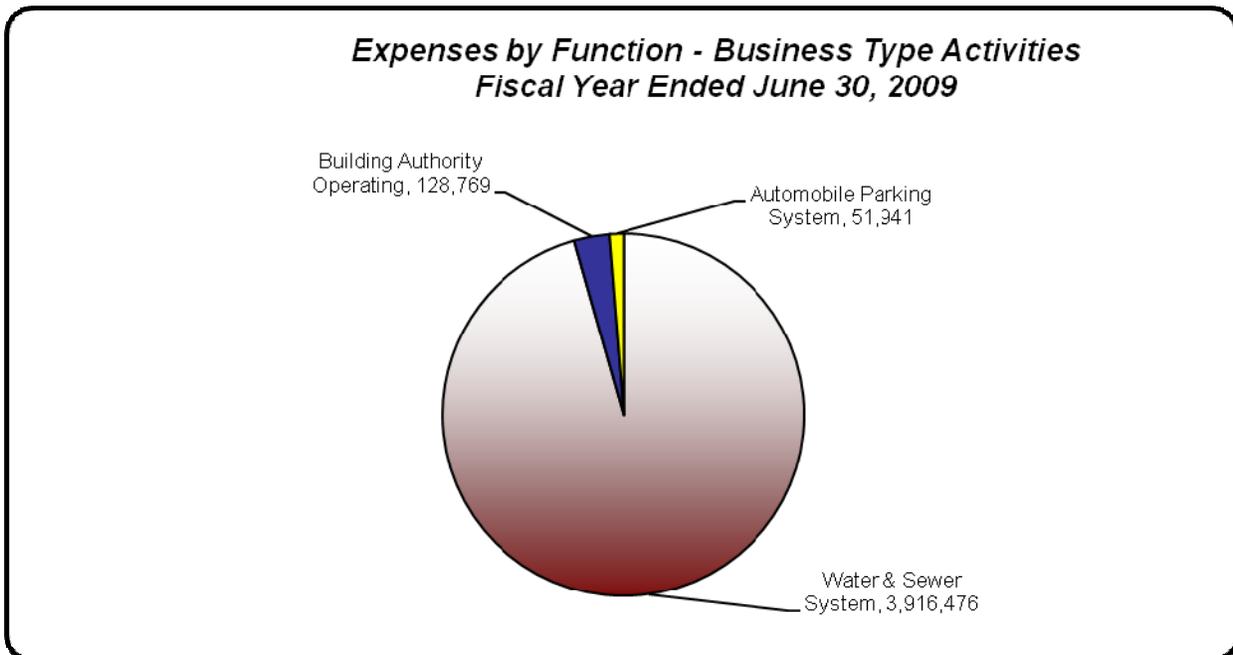
CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009



The Water and Sewer activity represents a significant portion of the business-type activities of the City. This activity accounts for 95% of the total expenses and 94% of the total revenue of the business-type activities.



CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2009, its governmental funds reported combined ending fund balances of \$6,281,800. This ending fund balance is \$127,161 higher than the end of the previous fiscal year. Of the total ending fund balance, \$4,022,579, or 64%, is unreserved. This amount includes \$283,513 designated for street improvements, \$1,107,629 designated for working capital, \$758,849 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken, \$23,508 designated for roof replacement, and \$273,729 designated for additional funding of the Police and Fire Retirement System. An additional \$1,575,351 of unreserved and undesignated fund balance exists in the City's Special Revenue funds and is restricted in its use according to the overriding purpose of the fund. Finally, the remaining \$2,259,221 of fund balance in the governmental funds is reserved for specific purposes and is therefore not available for new appropriation.

General Fund – The General Fund is the main operating fund of the City. The fund balance in the General Fund at June 30, 2009 was \$2,358,215. This represents a 16% increase from the prior year. An amount equal to 15% of total annual expenditures is designated as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for several years. There is also \$758,849 designated to fund sick and vacation benefits that have accrued but have not yet been paid out.

Ending fund balance in the City of Cadillac's General Fund increased by \$332,270 in the current fiscal year. This growth was enabled by a couple of key factors, including:

- State shared revenues were \$65,024 higher than budgeted.
- Over the last several years, the added voted millage for police and fire retirement was not sufficient to cover the costs of the system, resulting in a deficit and the related use of general tax dollars to subsidize the system. In the two previous fiscal years, the millage was increased to fully cover the costs of the system as well as recover the deficit that had resulted from previous year shortages. In the current year, the millage was reduced 0.2 mills, but revenue generated by the added voted millage exceeded the annual required contribution to the system by \$96,185.
- Additional contributions were received for the Diggins Hill Tennis Court project. Most significantly, the City contributed \$25,000 from the Capital Projects Trust Fund towards the project. These funds are reserved for the capital project.
- Additional proceeds from a land contract related to the sale of the former Michigan State Police Post in Cadillac to a local developer.
- Spending in several departments was under budgeted appropriations.

Major Street Fund – The Major Street Fund completed \$6,464 in street improvements in this fiscal year. The fund balance of the Major Street Fund ended the year at \$49,126 which was \$7,624 lower than the end of the previous fiscal year. Another harsh winter resulted in further increases in the cost of winter maintenance for the street system, and accounts for the reduction in the fund balance.

Local Street Fund – The Local Street Fund completed \$88,342 in street construction and improvements in this fiscal year, which represented the replacement of street signs and two small street improvement projects on Bremer and Balsam Streets. Fund balance ended \$209,081 higher than the previous year. A significant city-held brownfield property in the City's downtown area was sold to a developer for redevelopment. The proceeds of the sale represented a one-time inflow of resources that were transferred to the Local Street Fund to be used for future construction projects.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Proprietary Funds The City's proprietary funds provide virtually the same information as the government-wide statements; however more detail may be found in the fund financial statements.

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$1,916,098 in unrestricted net assets. This was down \$78,604, or 3.9%, from the previous year. All Water and Sewer rates were increased by 2.5% for this fiscal year. This rate increase was partially offset, though, by reductions in usage which produced less in user charge revenues, with actual operating revenues down \$111,740 for the year. Higher than expected earnings on idle funds and reserves helped offset the decline in user charges, providing an additional \$45,508 in earnings compared to the prior year.

This fund remains in sound fiscal condition moving forward. The wastewater collection and treatment system has nearly completed a project to upgrade the system by utilizing a low-interest loan from the State of Michigan. This project will total just over \$4.5 million.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$69,898. Rental income from the Michigan Department of Environmental Quality totaled \$195,870, which holds steady from year to year in accordance with the City's lease with the State of Michigan.

General Fund Budgetary Highlights

During the year there was one budget amendment proposed and approved by City Council. This amendment increased appropriations by \$359,900. The major appropriation increases were related to the following:

- Final costs were incurred related to the re-codification of the City Code.
- Additional costs were incurred related to the annual required contribution for other post-employment benefits (OPEB).
- An Engineering department employee opted back into the City's health insurance plan after opting out for several years.
- Overtime costs in the Fire Department were higher than expected due to staff turnover in the department.
- Additional street lighting costs were incurred due to rising electric rates.
- A grant was received during the year on behalf of the Cadillac Area Public Schools. The revenue was passed through on a reimbursement basis to the schools for costs related to the acquisition of a camera system in the schools.
- Additional community promotional events took place, including the development and publication of a community newsletter.

These additional appropriations were funded in most part by additional revenues received in the fund. The City received additional payment-in-lieu-of-taxes (PILOT) revenue, and several other revenue sources based on fees and fines were higher than expected. Additionally, investment returns came in slightly higher than expected. The additional appropriations were offset by lower than expected expenditures in several departments as well.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for the governmental and business-type activities as of June 30, 2009 amounted to \$38,741,971 (net of accumulated depreciation). This represents an increase of \$1,245,743, or 3%, over the prior year. Several significant projects are under way in the Water and Sewer Fund. The wastewater treatment plant and collection system underwent over \$4 million in renovations over the last two fiscal years. This project was nearly complete at the end of the current fiscal year.

Capital assets of the City include any items purchased that cost in excess of \$5,000 and have an expected useful life greater than one year. The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac

Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Infrastructure	\$ 17,873	\$ 17,511	\$ 0	\$ 0	\$ 17,873	\$ 17,511
Land and Land Improvements	3,302	3,351	1,402	1,052	4,704	4,403
Buildings	4,447	4,437	2,649	2,649	7,096	7,086
Improvements Other than Buildings	0	0	28,302	28,227	28,302	28,227
Machinery and Equipment	4,959	4,794	1,210	1,190	6,169	5,984
Subtotal	\$ 30,581	\$ 30,093	\$ 33,563	\$ 33,118	\$ 64,144	\$ 63,211
Construction in Progress	0	0	5,147	2,760	5,147	2,760
Accumulated Depreciation	(15,031)	(13,812)	(15,518)	(14,663)	(30,549)	(28,475)
Net Capital Assets	\$ 15,550	\$ 16,281	\$ 23,192	\$ 21,215	\$ 38,742	\$ 37,496

Additional information regarding the City's capital assets can be found in the Notes to Financial Statements section on Page 33 and Pages 39-42.

Long-Term Debt. As of June 30, 2009, the City had total long-term debt outstanding of \$13,379,000. This is an increase of \$1,395,000, or 12%, over the prior fiscal year. The only new debt in the current fiscal year was additional draws from a low-interest loan from the State of Michigan to complete renovations to the City's wastewater collection and treatment system.

Of the City's total outstanding debt, \$1,115,000 comprises debt backed by the full faith and credit of the City, while \$260,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Most of the City's revenue bonds are associated with the Water and Sewer Fund (\$9,712,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the Water and Sewer systems.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

City of Cadillac
General Obligation and Revenue Bonds
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General Obligation Bonds	\$ 1,115	\$ 1,260	\$ 0	\$ 0	\$ 1,115	\$ 1,260
Special Assessment Debt with governmental commitment	260	365	0	0	260	365
Contracts and Notes	1,422	1,533	0	0	1,422	1,533
Revenue Bonds	0	0	10,582	8,826	10,582	8,826
Total	<u>\$ 2,797</u>	<u>\$ 3,158</u>	<u>\$ 10,582</u>	<u>\$ 8,826</u>	<u>\$ 13,379</u>	<u>\$ 11,984</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation based on the City's assessed valuation of \$277,881,398 is \$27,788,140, which significantly exceeds the City's outstanding general obligation debt of \$1,115,000. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on Pages 44-49.

Economic Condition and Outlook

The City saw its unemployment rate increase this year from 11.2% a year ago to 17.3% as of September 30, 2009. This is well above the statewide unemployment rate of 15.3%, which is up from 8.9% last year. The State of Michigan continues to suffer economically, which coupled with the economic turmoil being felt across the national economy is a significant concern for our local financial condition.

More information regarding the economic outlook of the City can be found in the Transmittal Letter.

Contacting the City's Financial Services Department

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and demonstrate the City's accountability for the resources entrusted to it. If you have any questions regarding this report or need additional financial information, please direct your requests to the City of Cadillac, Director of Finance, 200 N. Lake Street, Cadillac, Michigan 49601, or call us at (231) 775-0181.

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CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2009

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>CURRENT ASSETS</u>				
Cash	\$ 930,763	\$ 144,311	\$ 1,075,074	\$ 466,152
Investments	6,524,262	3,414,701	9,938,963	2,264,399
Receivables				
Taxes	2,577	0	2,577	62
Accounts	75,492	261,291	336,783	1,566
Unbilled Services	0	250,348	250,348	0
Cylinder Deposits	0	10,500	10,500	0
Mortgages and Notes	255,761	0	255,761	0
Accrued Interest	68,595	44,572	113,167	12,916
Special Assessments	435,687	0	435,687	0
External Parties (Agency Funds)	16,946	0	16,946	0
Internal Balances	(109,442)	109,442	0	0
Due from Other Governments	290,295	0	290,295	18,761
Inventory	84,914	206,454	291,368	0
Prepaid Expenses	143,732	36,597	180,329	89
Total Current Assets	\$ 8,719,582	\$ 4,478,216	\$ 13,197,798	\$ 2,763,945
<u>NONCURRENT ASSETS</u>				
<u>CAPITAL ASSETS</u>				
Land and Land Improvements	\$ 3,301,886	\$ 1,401,898	\$ 4,703,784	\$ 250,412
Buildings	4,446,484	2,649,258	7,095,742	0
Improvements Other Than Buildings	0	28,301,840	28,301,840	0
Machinery and Equipment	4,958,674	1,209,688	6,168,362	0
Infrastructure	17,873,024	0	17,873,024	0
Construction Work in Progress	895	5,147,472	5,148,367	255,519
Less Accumulated Depreciation	15,031,424	15,517,724	30,549,148	68,249
Net Capital Assets	\$ 15,549,539	\$ 23,192,432	\$ 38,741,971	\$ 437,682
<u>OTHER ASSETS</u>				
Net Other Post Employment Benefits Asset	\$ 174,029	\$ 0	\$ 174,029	\$ 0
Deferred Charge - Bond Issuance Costs	11,499	60,018	71,517	0
Total Other Assets	\$ 185,528	\$ 60,018	\$ 245,546	\$ 0
Total Noncurrent Assets	\$ 15,735,067	\$ 23,252,450	\$ 38,987,517	\$ 437,682
TOTAL ASSETS	\$ 24,454,649	\$ 27,730,666	\$ 52,185,315	\$ 3,201,627

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 267,408	\$ 600,600	\$ 868,008	\$ 41,834
Accrued Expenses	200,635	199,041	399,676	1,309
Accrued Interest	24,453	124,344	148,797	0
External Parties Payable (Fiduciary Funds)	58,340	0	58,340	0
Utility Deposits	0	4,200	4,200	0
Deferred Revenue - Unearned	68,461	0	68,461	0
Current Portion of Long-Term Debt	469,542	705,000	1,174,542	10,981
Total Current Liabilities	\$ 1,088,839	\$ 1,633,185	\$ 2,722,024	\$ 54,124
LONG-TERM LIABILITIES				
Revenue Bonds (Net of Deferred Refunding Amount)	\$ 0	\$ 10,525,077	\$ 10,525,077	\$ 0
General Obligation Bonds	1,115,000	0	1,115,000	0
Special Assessment Bonds	260,000	0	260,000	0
Notes Payable	727,473	0	727,473	0
Capital Lease Payable	5,599	0	5,599	0
Net Other Post Employment Benefits Liability	184,925	0	184,925	0
Accrued Compensated Sick and Vacation	504,141	0	504,141	10,981
Less: Current Portion	(469,542)	(705,000)	(1,174,542)	(10,981)
Total Long-Term Liabilities	\$ 2,327,596	\$ 9,820,077	\$ 12,147,673	\$ 0
TOTAL LIABILITIES	\$ 3,416,435	\$ 11,453,262	\$ 14,869,697	\$ 54,124
EQUITY				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 13,452,966	\$ 12,667,355	\$ 26,120,321	\$ 437,682
Restricted for Debt Service	0	1,317,807	1,317,807	0
Restricted for Groundwater Cleanup	0	0	0	1,712,304
Restricted for Capital Projects	0	0	0	383,450
Restricted for Life Insurance	199,366	0	199,366	0
Restricted for Employees' Life and Health Insurance	1,085,220	0	1,085,220	0
Restricted for Special Purposes	98,757	0	98,757	0
Unrestricted	6,201,905	2,292,242	8,494,147	614,067
TOTAL NET ASSETS	\$ 21,038,214	\$ 16,277,404	\$ 37,315,618	\$ 3,147,503

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

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CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<u>PRIMARY GOVERNMENT</u>								
<u>GOVERNMENTAL ACTIVITIES</u>								
General Government, Administrative	\$ 1,854,339	\$ 471,804	\$ 0	\$ 1,059	\$ (1,381,476)	\$ 0	\$ (1,381,476)	\$ 0
Public Safety	3,296,381	298,833	11,162	0	(2,986,386)	0	(2,986,386)	0
Public Works	3,130,655	597,120	801,721	118,025	(1,613,789)	0	(1,613,789)	0
Recreation and Culture	514,428	0	148,647	221,378	(144,403)	0	(144,403)	0
Economic Development and Assistance	235,469	0	0	19,448	(216,021)	0	(216,021)	0
Interest on Long-Term Debt	78,138	0	32,500	0	(45,638)	0	(45,638)	0
Total Governmental Activities	\$ 9,109,410	\$ 1,367,757	\$ 994,030	\$ 359,910	\$ (6,387,713)	\$ 0	\$ (6,387,713)	\$ 0
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water and Sewer System	\$ 3,916,476	\$ 3,659,672	\$ 0	\$ 0	\$ 0	\$ (256,804)	\$ (256,804)	\$ 0
Building Authority Operating	128,769	195,870	0	0	0	67,101	67,101	0
Automobile Parking System	51,941	47,565	0	0	0	(4,376)	(4,376)	0
Total Business-Type Activities	\$ 4,097,186	\$ 3,903,107	\$ 0	\$ 0	\$ 0	\$ (194,079)	\$ (194,079)	\$ 0
TOTAL PRIMARY GOVERNMENT	\$ 13,206,596	\$ 5,270,864	\$ 994,030	\$ 359,910	\$ (6,387,713)	\$ (194,079)	\$ (6,581,792)	\$ 0
<u>COMPONENT UNITS</u>								
Local Development Finance Authority	\$ 250,514	\$ 14,570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (235,944)
Non-Major Component Units	179,324	0	4,465	378,981	0	0	0	204,122
TOTAL COMPONENT UNITS	\$ 429,838	\$ 14,570	\$ 4,465	\$ 378,981	\$ 0	\$ 0	\$ 0	\$ (31,822)
<u>GENERAL REVENUES</u>								
Property Taxes and Assessments					\$ 4,713,929	\$ 0	\$ 4,713,929	\$ 511,171
State Shared Revenue - Unrestricted					1,021,024	0	1,021,024	0
Investment Earnings - Unrestricted					169,877	148,396	318,273	83,632
Gain on Sale of Capital Assets					234,796	0	234,796	0
Other					27,021	0	27,021	5,000
Total General Revenues					\$ 6,166,647	\$ 148,396	\$ 6,315,043	\$ 599,803
Change in Net Assets					\$ (221,066)	\$ (45,683)	\$ (266,749)	\$ 567,981
<u>NET ASSETS - Beginning of Year</u>					21,259,280	16,323,087	37,582,367	2,579,522
<u>NET ASSETS - End of Year</u>					\$ 21,038,214	\$ 16,277,404	\$ 37,315,618	\$ 3,147,503

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2009

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
<u>ASSETS</u>					
Cash	\$ 45,689	\$ 1,637	\$ 218,672	\$ 535,777	\$ 801,775
Investments	2,296,215	0	0	2,974,533	5,270,748
Receivables					
Taxes	2,577	0	0	0	2,577
Accounts	53,581	0	0	130	53,711
Mortgages and Notes	35,476	0	0	220,285	255,761
Accrued Interest	20,799	0	0	37,823	58,622
Special Assessments					
Current	0	0	0	96,280	96,280
Deferred	0	0	0	339,407	339,407
Due from Other Funds	66,946	0	0	840	67,786
Due from Other Governments	146,011	92,819	30,138	21,327	290,295
Prepaid Expenditures	116,572	1,668	1,537	2,375	122,152
TOTAL ASSETS	<u>\$ 2,783,866</u>	<u>\$ 96,124</u>	<u>\$ 250,347</u>	<u>\$ 4,228,777</u>	<u>\$ 7,359,114</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 139,867	\$ 1,410	\$ 4,007	\$ 84,410	\$ 229,694
Accrued Expenditures	120,158	4,458	8,748	4,725	138,089
Due to Other Funds	59,180	41,130	0	0	100,310
Deferred Revenue	106,446	0	0	502,775	609,221
Total Liabilities	<u>\$ 425,651</u>	<u>\$ 46,998</u>	<u>\$ 12,755</u>	<u>\$ 591,910</u>	<u>\$ 1,077,314</u>

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

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
FUND BALANCE					
Reserved for:					
Prepaid Expenditures	\$ 116,572	\$ 1,668	\$ 1,537	\$ 2,375	\$ 122,152
Mayor Wedding Fees	100	0	0	0	100
Pistol Range	2,579	0	0	0	2,579
Veterans Memorial	1,855	0	0	0	1,855
Youth Services	844	0	0	0	844
Drug Forfeiture	2,800	0	0	0	2,800
Fire Safety House	1,859	0	0	0	1,859
Blackburn Skate Park	8,729	0	0	0	8,729
White Pine Trail	2,394	0	0	0	2,394
Diggins Hill Courts	80,276	0	0	0	80,276
Capital Improvements	0	0	0	1,149,257	1,149,257
Cemetery Perpetual Care	0	0	0	401,077	401,077
Debt Service	0	0	0	389,464	389,464
Other Purposes	0	0	0	95,835	95,835
Unreserved:					
Designated for:					
Roof Replacement	0	0	0	23,508	23,508
Street Improvements	0	47,458	236,055	0	283,513
Sick and Vacation	758,849	0	0	0	758,849
Police and Fire Retirement	273,729	0	0	0	273,729
Working Capital	1,107,629	0	0	0	1,107,629
Undesignated, Reported in Nonmajor:					
Special Revenue Funds	0	0	0	1,575,351	1,575,351
Total Fund Balance	\$ 2,358,215	\$ 49,126	\$ 237,592	\$ 3,636,867	\$ 6,281,800
TOTAL LIABILITIES					
AND FUND BALANCE	\$ 2,783,866	\$ 96,124	\$ 250,347	\$ 4,228,777	\$ 7,359,114

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Fund Balances for Governmental Funds		\$ 6,281,800
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 funds.		
Land and Land Improvements	\$ 3,207,915	
Buildings	4,034,539	
Equipment	2,297,902	
Infrastructure	17,873,024	
Accumulated Depreciation	<u>(13,046,471)</u>	14,366,909
Bond issuance costs are reported as expenditures in the governmental fund.		
		11,499
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Special Assessments Receivable	\$ 339,407	
Personal Property Taxes Receivable	2,509	
Deferred Revenue - Loans Receivable	<u>198,844</u>	540,760
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets		
		2,187,288
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.		
		(109,442)
Governmental assets and liabilities for other post employment benefits are not financial resources and therefore are not reported in the funds.		
Net Other Post Employment Benefits Asset		174,029
Net Other Post Employment Benefits Liability		(184,925)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	\$ (1,115,000)	
Special Assessment Bonds Payable	(260,000)	
Notes Payable	(333,072)	
Accrued Interest Payable	(17,491)	
Compensated Absences	<u>(504,141)</u>	<u>(2,229,704)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 21,038,214</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
<u>REVENUES</u>					
Taxes	\$ 4,712,419	\$ 0	\$ 0	\$ 202,110	\$ 4,914,529
Licenses and Permits	2,050	0	0	0	2,050
Federal Grants	25,741	2,923	21,756	310,364	360,784
State Grants	1,065,068	673,862	186,629	189,388	2,114,947
Contributions from Local Units	175,897	0	0	32,500	208,397
Charges for Services	1,028,973	0	0	94,161	1,123,134
Fines and Forfeits	39,802	0	0	0	39,802
Interest and Rents	84,705	113	205	140,629	225,652
Gain (Loss) on Investments	0	0	0	(323,017)	(323,017)
Other Revenue	556,809	0	0	143,187	699,996
Total Revenues	<u>\$ 7,691,464</u>	<u>\$ 676,898</u>	<u>\$ 208,590</u>	<u>\$ 789,322</u>	<u>\$ 9,366,274</u>
<u>EXPENDITURES</u>					
General Government	\$ 1,655,390	\$ 0	\$ 0	\$ 162,137	\$ 1,817,527
Public Safety	3,212,768	0	0	97,043	3,309,811
Public Works	888,846	666,522	612,915	0	2,168,283
Community and Economic Development	165,850	0	0	59,617	225,467
Culture and Recreation	217,600	0	0	355,140	572,740
Capital Outlay	0	0	0	360,950	360,950
Debt Service	0	0	31,594	371,701	403,295
Intergovernmental	381,040	0	0	0	381,040
Total Expenditures	<u>\$ 6,521,494</u>	<u>\$ 666,522</u>	<u>\$ 644,509</u>	<u>\$ 1,406,588</u>	<u>\$ 9,239,113</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,169,970</u>	<u>\$ 10,376</u>	<u>\$ (435,919)</u>	<u>\$ (617,266)</u>	<u>\$ 127,161</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 25,000	\$ 0	\$ 794,300	\$ 271,200	\$ 1,090,500
Transfers Out	(862,700)	(18,000)	(149,300)	(60,500)	(1,090,500)
Total Other Financing Sources (Uses)	<u>\$ (837,700)</u>	<u>\$ (18,000)</u>	<u>\$ 645,000</u>	<u>\$ 210,700</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 332,270	\$ (7,624)	\$ 209,081	\$ (406,566)	\$ 127,161
<u>FUND BALANCE</u> - Beginning of Year	<u>2,025,945</u>	<u>56,750</u>	<u>28,511</u>	<u>4,043,433</u>	<u>6,154,639</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 2,358,215</u>	<u>\$ 49,126</u>	<u>\$ 237,592</u>	<u>\$ 3,636,867</u>	<u>\$ 6,281,800</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Net Change in Fund Balance - Total Governmental Funds \$ 127,161

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, the costs of those assets are allocated over their estimated useful lives and reported as depreciation in the statement of activities.

Depreciation Expense	(1,059,222)
Capital Outlay	443,639

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balances by the cost of the capital assets sold net of accumulated depreciation.

Governmental Funds - Cost of capital assets sold	(49,611)
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Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid.

Accrued Interest Payable - Beginning of Year	20,469
Accrued Interest Payable - End of Year	(17,491)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities).	333,127
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Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where they are a reduction of assets).	(25,521)
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The effects of bond issuance costs, premiums, discounts, and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(1,903)
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The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Under the modified accrual basis of accounting, revenue is recognized when measurable and available. The entity wide statements recognize revenue when earned.

Special assessment revenue previously recognized when earned for the entity wide statements. (139,870)

The gain on property that was sold on a contract in a prior year was deferred and is being recognized as principal is collected in the governmental funds. (32,630)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in personal property tax revenue deferred using the modified accrual method 1,510

Employees compensated absences are reported on the accrual method in the statement of activities, and recorded as expenditures when financial resources are used in the governmental funds.

Compensated Absences - Beginning of Year 482,318
Compensated Absences - End of Year (504,141)

Expense for the unfunded portion of the other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

Other Post Employment Benefit Obligation - Beginning of Year 149,694
Other Post Employment Benefit Obligation - End of Year (10,896)

Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net revenue (expense) of the internal service funds is reported within the governmental activities.

62,301

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ (221,066)

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 5,103	\$ 68,189	\$ 71,019
Investments	1,965,127	51,706	80,061
Receivables			
Accounts	261,291	0	0
Unbilled Services	250,348	0	0
Accrued Interest	44,140	432	0
Cylinder Deposits	10,500	0	0
Due from Other Funds	0	0	0
Inventory, At Cost	206,454	0	0
Prepaid Expense	36,561	0	36
	<hr/>		
Total Current Assets	\$ 2,779,524	\$ 120,327	\$ 151,116
<hr/>			
<u>NONCURRENT ASSETS</u>			
<u>RESTRICTED ASSETS</u>			
Investments			
Bond Reserve Account	\$ 859,392	\$ 0	\$ 0
Bond Replacement Account	458,415	0	0
	<hr/>		
Total Restricted Assets	\$ 1,317,807	\$ 0	\$ 0
<hr/>			
<u>CAPITAL ASSETS</u>			
Land and Land Improvements	\$ 500,412	\$ 90,445	\$ 811,041
Buildings	930,747	1,718,511	0
Improvements Other Than Buildings	28,301,840	0	0
Machinery and Equipment	1,209,688	0	0
Construction Work In Progress	5,147,472	0	0
	<hr/>		
	\$ 36,090,159	\$ 1,808,956	\$ 811,041
Less Accumulated Depreciation	14,854,975	461,983	200,766
	<hr/>		
Net Capital Assets	\$ 21,235,184	\$ 1,346,973	\$ 610,275
<hr/>			
<u>OTHER ASSETS</u>			
Deferred Charge - Bond Issuance Costs	\$ 48,970	\$ 11,048	\$ 0
	<hr/>		
Total Noncurrent Assets	\$ 22,601,961	\$ 1,358,021	\$ 610,275
<hr/>			
TOTAL ASSETS	\$ 25,381,485	\$ 1,478,348	\$ 761,391

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 144,311	\$ 128,988
2,096,894	1,253,514
261,291	21,781
250,348	0
44,572	9,973
10,500	0
0	41,130
206,454	84,914
36,597	21,580
<u>\$ 3,050,967</u>	<u>\$ 1,561,880</u>
\$ 859,392	\$ 0
458,415	0
<u>\$ 1,317,807</u>	<u>\$ 0</u>
\$ 1,401,898	\$ 93,971
2,649,258	411,945
28,301,840	0
1,209,688	2,660,772
5,147,472	895
<u>\$ 38,710,156</u>	<u>\$ 3,167,583</u>
15,517,724	1,984,953
<u>\$ 23,192,432</u>	<u>\$ 1,182,630</u>
\$ 60,018	\$ 0
<u>\$ 24,570,257</u>	<u>\$ 1,182,630</u>
\$ 27,621,224	\$ 2,744,510

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 594,744	\$ 5,856	\$ 0
Accrued Interest	114,494	9,850	0
Other Accrued Expenses	198,958	0	83
Due to Other Funds	0	0	0
Utility Deposits	4,200	0	0
Current Portion of Long-Term Debt	595,000	110,000	0
Total Current Liabilities	\$ 1,507,396	\$ 125,706	\$ 83
<u>LONG-TERM LIABILITIES</u>			
2007 Wastewater System Junior			
Lien Revenue Bonds	\$ 3,417,293	\$ 0	\$ 0
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,058,440	760,000	0
2001 Revenue Bonds (Net of Deferred Refunding Amount)	4,584,344	0	0
Note Payable	0	0	0
Total Long-Term Liabilities	\$ 9,060,077	\$ 760,000	\$ 0
TOTAL LIABILITIES	\$ 10,567,473	\$ 885,706	\$ 83
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 11,580,107	\$ 476,973	\$ 610,275
Restricted for Debt Service	1,317,807	0	0
Restricted for Benefit Programs	0	0	0
Unrestricted (Deficit)	1,916,098	115,669	151,033
TOTAL NET ASSETS	\$ 14,814,012	\$ 592,642	\$ 761,308

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 600,600	\$ 37,714
124,344	6,962
199,041	62,546
0	50,000
4,200	0
705,000	50,000
<u>\$ 1,633,185</u>	<u>\$ 207,222</u>
\$ 3,417,293	\$ 0
1,818,440	0
4,584,344	0
0	350,000
<u>\$ 9,820,077</u>	<u>\$ 350,000</u>
<u>\$ 11,453,262</u>	<u>\$ 557,222</u>
\$ 12,667,355	\$ 1,182,630
1,317,807	0
0	1,284,586
2,182,800	(279,928)
<u>\$ 16,167,962</u>	<u>\$ 2,187,288</u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Net Assets - Total Proprietary Funds	\$ 16,167,962
Amounts reported for proprietary activities in the statement of net assets are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>109,442</u>
NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 16,277,404</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2009

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>OPERATING REVENUES</u>			
Operating Revenues	\$ 3,659,672	\$ 195,870	\$ 47,565
<u>OPERATING EXPENSES</u>			
Personal Services	\$ 800,425	\$ 0	\$ 9,063
Contractual Services	575,427	41,811	23,799
Supplies	334,371	0	601
Heat, Light and Power	368,163	2,713	0
Depreciation and Amortization	816,081	38,427	16,754
Employee Benefits	433,423	0	4,697
Administrative	201,900	5,000	0
Total Operating Expenses	\$ 3,529,790	\$ 87,951	\$ 54,914
Operating Income (Loss)	\$ 129,882	\$ 107,919	\$ (7,349)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Gain on Sale of Capital Assets	\$ 0	\$ 0	\$ 0
Interest Revenue	142,981	2,797	2,618
Interest and Fiscal Charges	(366,228)	(40,818)	0
Total Nonoperating Revenues (Expenses)	\$ (223,247)	\$ (38,021)	\$ 2,618
Change in Net Assets	\$ (93,365)	\$ 69,898	\$ (4,731)
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,907,377	522,744	766,039
<u>TOTAL NET ASSETS</u> - End of Year	\$ 14,814,012	\$ 592,642	\$ 761,308

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
<u>\$ 3,903,107</u>	<u>\$ 1,972,706</u>
\$ 809,488	\$ 191,207
641,037	264,901
334,972	97,365
370,876	29,456
871,262	211,093
438,120	1,103,407
<u>206,900</u>	<u>58,700</u>
<u>\$ 3,672,655</u>	<u>\$ 1,956,129</u>
<u>\$ 230,452</u>	<u>\$ 16,577</u>
\$ 0	\$ 12,000
148,396	37,681
<u>(407,046)</u>	<u>(21,442)</u>
<u>\$ (258,650)</u>	<u>\$ 28,239</u>
\$ (28,198)	\$ 44,816
<u>16,196,160</u>	<u>2,142,472</u>
<u><u>\$ 16,167,962</u></u>	<u><u>\$ 2,187,288</u></u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Net Change in Fund Net Assets - Total Proprietary Funds	\$ (28,198)
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>(17,485)</u>
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ (45,683)</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
MAJOR FUNDS

	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:

Cash Received from Customers	\$ 3,821,416	\$ 195,870	\$ 47,565
Cash Received from Interfund Services			
Provided and Used	0	0	0
Cash Payments to Suppliers for Goods and Services	(1,956,730)	(52,559)	(29,096)
Cash Payments to Employees for Services	(1,198,716)	0	(9,055)
Other Operating Revenues	0	0	0

Net Cash Provided by Operating Activities	\$ 665,970	\$ 143,311	\$ 9,414
---	------------	------------	----------

Cash Flows from Capital and Related Financing Activities:

Acquisition and Construction of Capital Assets	\$ (2,831,328)	\$ 0	\$ 0
Proceeds from Sales of Capital Assets	0	0	0
Loan Proceeds	2,270,814	0	0
Principal Paid	(410,000)	(105,000)	0
Interest Paid	(349,666)	(41,934)	0

Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (1,320,180)	\$ (146,934)	\$ 0
---	----------------	--------------	------

Cash Flows from Investing Activities:

Interest Received	\$ 125,800	\$ 2,434	\$ 2,618
Purchase of Investment Securities	(304,234)	0	(2,030)
Proceeds from Sale and Maturities of Investment Securities	767,053	44,344	0

Net Cash Provided (Used) by Investing Activities	\$ 588,619	\$ 46,778	\$ 588
--	------------	-----------	--------

Net Increase (Decrease) in Cash and Cash Equivalents	\$ (65,591)	\$ 43,155	\$ 10,002
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<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	70,694	25,034	61,017
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<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 5,103	\$ 68,189	\$ 71,019
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The accompanying notes are an integral part of the financial statements.

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 4,064,851	\$ 0
0	1,931,358
(2,038,385)	(1,652,093)
(1,207,771)	(184,013)
<u>0</u>	<u>1,000</u>
<u>\$ 818,695</u>	<u>\$ 96,252</u>
\$ (2,831,328)	\$ (144,786)
0	12,000
2,270,814	0
(515,000)	(50,000)
<u>(391,600)</u>	<u>(36,692)</u>
<u>\$ (1,467,114)</u>	<u>\$ (219,478)</u>
\$ 130,852	\$ 38,951
(306,264)	(4)
<u>811,397</u>	<u>17,367</u>
<u>\$ 635,985</u>	<u>\$ 56,314</u>
\$ (12,434)	\$ (66,912)
<u>156,745</u>	<u>195,900</u>
<u>\$ 144,311</u>	<u>\$ 128,988</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

MAJOR FUNDS

	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
WATER AND SEWER		

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 129,882	\$ 107,919	\$ (7,349)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 816,081	\$ 38,427	\$ 16,754
(Increase) Decrease in Current Assets			
Accounts Receivable	159,774	0	0
Due from Other Funds	1,970	0	0
Inventory	(1,787)	0	0
Prepaid Expense	(14,608)	0	1
Increase (Decrease) in Current Liabilities			
Accounts Payable	(461,524)	(3,035)	0
Other Accrued Expenses	35,132	0	8
Due to Other Funds	0	0	0
Utility Deposits	1,050	0	0
 Total Adjustments	 \$ 536,088	 \$ 35,392	 \$ 16,763
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 665,970	 \$ 143,311	 \$ 9,414

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 230,452	\$ 16,577
\$ 871,262	\$ 211,093
159,774	(16,198)
1,970	(24,150)
(1,787)	(28,585)
(14,607)	(859)
(464,559)	(18,611)
35,140	11,312
0	(54,327)
1,050	0
<u>\$ 588,243</u>	<u>\$ 79,675</u>
<u><u>\$ 818,695</u></u>	<u><u>\$ 96,252</u></u>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	<u>PENSION TRUST FUND</u>	<u>AGENCY</u>
<u>ASSETS</u>		
Cash	\$ 140,803	\$ 30,637
Investments		
Mutual Funds	1,866	0
Municipal Employees' Retirement System	5,252,423	0
Due from Other Funds	58,340	0
Due from Other Governments	0	4,290
Prepaid Deductions	5,775	0
	\$ 5,459,207	\$ 34,927
 TOTAL ASSETS	 \$ 5,459,207	 \$ 34,927
 <u>LIABILITIES</u>		
Accounts Payable	\$ 1,200	\$ 0
Due to Other Funds	0	16,946
Due to Other Governments	0	17,981
	\$ 1,200	\$ 34,927
 TOTAL LIABILITIES	 \$ 1,200	 \$ 34,927
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 5,458,007	\$ 0
	 \$ 5,458,007	 \$ 0

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2009

	<u>PENSION TRUST FUND</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 567,171
Employee	34,828
Total Contributions	<u>\$ 601,999</u>
Investment Income	
Interest and Dividend Income	\$ 808
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	(1,299,030)
Investment Expenses	(24,213)
Net Investment Income (Loss)	<u>\$ (1,322,435)</u>
Total Additions (Deletions)	<u>\$ (720,436)</u>
<u>DEDUCTIONS</u>	
Benefit Payments	
Retirement	\$ 594,334
Administrative Expenses	
Contracted Services	17,475
Total Deductions	<u>\$ 611,809</u>
Net Increase (Decrease) in Plan Assets	\$ (1,332,245)
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	
Beginning of Year	<u>6,790,252</u>
End of Year	<u>\$ 5,458,007</u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2009

	LOCAL DEVELOPMENT FINANCE AUTHORITY	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION
<u>ASSETS</u>			
Cash	\$ 288,218	\$ 88,308	\$ 1,167
Investments	2,017,168	149,798	0
Receivables			
Taxes	0	62	0
Accounts	1,566	0	0
Accrued Interest	12,886	30	0
Due from Other Governments	0	0	0
Prepaid Expenses	0	89	0
Total Current Assets	<u>\$ 2,319,838</u>	<u>\$ 238,287</u>	<u>\$ 1,167</u>
<u>CAPITAL ASSETS</u>			
Construction In Progress	\$ 0	\$ 255,519	\$ 0
Land Improvements	0	23,645	0
Improvements Other Than Buildings	226,767	0	0
	<u>\$ 226,767</u>	<u>\$ 279,164</u>	<u>\$ 0</u>
Less Accumulated Depreciation	63,848	4,401	0
Net Capital Assets	<u>\$ 162,919</u>	<u>\$ 274,763</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 2,482,757</u>	<u>\$ 513,050</u>	<u>\$ 1,167</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 16,791	\$ 12,508	\$ 0
Accrued Expenses	620	689	0
Current Portion of Long-Term Debt	0	10,981	0
Total Current Liabilities	<u>\$ 17,411</u>	<u>\$ 24,178</u>	<u>\$ 0</u>
<u>LONG-TERM LIABILITIES</u>			
Accrued Compensated Sick and Vacation	\$ 0	\$ 10,981	\$ 0
Less: Current Portion	0	(10,981)	0
Total Long-Term Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 17,411</u>	<u>\$ 24,178</u>	<u>\$ 0</u>
<u>EQUITY</u>			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 162,919	\$ 274,763	\$ 0
Restricted for Groundwater Clean-Up	1,712,304	0	0
Restricted for Capital Projects	383,450	0	0
Unrestricted	206,673	214,109	1,167
TOTAL NET ASSETS	<u>\$ 2,465,346</u>	<u>\$ 488,872</u>	<u>\$ 1,167</u>

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

BROWNFIELD REDEVELOPMENT AUTHORITY		TOTALS	
\$	88,459	\$	466,152
	97,433		2,264,399
	0		62
	0		1,566
	0		12,916
	18,761		18,761
	0		89
\$	204,653	\$	2,763,945
\$	0	\$	255,519
	0		23,645
	0		226,767
\$	0	\$	505,931
	0		68,249
\$	0	\$	437,682
\$	204,653	\$	3,201,627
\$	12,535	\$	41,834
	0		1,309
	0		10,981
\$	12,535	\$	54,124
\$	0	\$	10,981
	0		(10,981)
\$	0	\$	0
\$	12,535	\$	54,124
\$	0	\$	437,682
	0		1,712,304
	0		383,450
	192,118		614,067
\$	192,118	\$	3,147,503

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS					TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	LOCAL DEVELOPMENT FINANCE AUTHORITY	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY		
Local Development Finance Authority	\$ 250,514	\$ 14,570	\$ 0	\$ 0	\$ (235,944)	\$ 0	\$ 0	\$ 0	\$ (235,944)	
Downtown Development Authority	115,732	0	4,465	246,227	0	134,960	0	0	134,960	
Brownfield Redevelopment Authority	63,592	0	0	132,754	0	0	0	69,162	69,162	
TOTAL COMPONENT UNITS	\$ 429,838	\$ 14,570	\$ 4,465	\$ 378,981	\$ (235,944)	\$ 134,960	\$ 0	\$ 69,162	\$ (31,822)	
GENERAL REVENUES										
Property Taxes					\$ 336,379	\$ 147,836	\$ 0	\$ 26,956	\$ 511,171	
Unrestricted Investment Earnings					74,838	6,488	0	2,306	83,632	
Other					0	5,000	0	0	5,000	
Total General Revenues					\$ 411,217	\$ 159,324	\$ 0	\$ 29,262	\$ 599,803	
Change in Net Assets					\$ 175,273	\$ 294,284	\$ 0	\$ 98,424	\$ 567,981	
<u>NET ASSETS - Beginning of Year</u>					2,290,073	194,588	1,167	93,694	2,579,522	
<u>NET ASSETS - End of Year</u>					\$ 2,465,346	\$ 488,872	\$ 1,167	\$ 192,118	\$ 3,147,503	

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cadillac, Michigan, was incorporated March 9, 1877, and adopted its current charter on November 2, 1976. The City has a population of about 10,000 residents, and operates under a Council-Manager form of government. The Council is composed of five elected members, one of whom is the Mayor. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Data from these units are combined with data of the primary government. Discretely presented component units on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government. Each blended and discretely presented component unit has a June 30 year end.

BLENDED COMPONENT UNITS

City of Cadillac Policemen and Firemen Retirement System - The City's police and fire employees participate in the Policemen and Firemen Retirement System (PFRS). PFRS functions for the benefit of the employees and is governed by a five-member pension board. The City's treasurer, one fireman, one police officer, and two members appointed by the mayor constitute the pension board. The City is responsible for funding all PFRS costs based on actuarial valuations. These costs are paid for out of an unlimited tax levy approved by the voters of the City. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

Cadillac Building Authority - The Cadillac Building Authority is a municipal, nonprofit, nonstock corporation organized under the laws of the State of Michigan solely for the purpose of acquiring and owning buildings for lease to the City. Due to this special financing relationship, the Authority is considered a component of the City's reporting entity.

DISCRETELY PRESENTED COMPONENT UNITS

Downtown Development Authority (DDA) - The DDA was established through City Ordinance under Act No. 197 of the Public Acts of Michigan 1975. The City Council determined that it was necessary and in the best interest of the City to halt property value deterioration, to eliminate the causes and to promote economic growth. The members of the board of the DDA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The DDA is authorized to impose an ad valorem tax (2 mill maximum) on all taxable property within the established DDA District. The DDA is a volunteer organization.

Economic Development Corporation of the City of Cadillac (EDC) - The EDC is a nonstock, nonprofit corporation. Its purpose is to act as an economic development corporation for the City of Cadillac in accordance with state law. Directors of the corporation are appointed by the mayor with the

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

advice and consent of the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council.

Local Development Finance Authority (LDFA) - The LDFA was created by the City Council pursuant to the provisions of Act 251, Public Acts of 1986. The members of the board of the LDFA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The LDFA has a stated purpose to provide for the acquisition, construction and financing of a groundwater treatment facility, which will consist of a complex of wells and pumps installed on property where contaminated groundwater is located; piping sufficient to carry the contaminated groundwater to a cleaning facility; and the cleaning facility itself. The LDFA has also indicated that, if funds are available, they will construct roads, water and sewer lines within the VanderJagt Industrial Park. Money to finance these projects will come from tax increments attributed to increases in the value of real and personal property resulting from new construction, and property value increase within the industrial park.

Brownfield Redevelopment Authority (BRA) - The BRA was established through City Ordinance under Michigan Public Act 381 of 1996. Its purpose is to identify contaminated sites and remediate them, as well as, to provide the financing to do so. The members of the board of the BRA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council.

Financial statements of the individual component units are included as supplemental information in the comprehensive annual financial report of the City of Cadillac, Michigan located at 200 N. Lake Street, Cadillac, Michigan 49601. The component units do not issue separate financial reports.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially responsible.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual

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governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, interest and special assessments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City of Cadillac reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Major Street Fund* is used to account for the financial activity of the streets designated by the State of Michigan as major thoroughfares and for the maintenance contract of the state trunklines.

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The *Local Street Fund* receives all local street money paid to the city by the State, accounts for all construction, maintenance, traffic services, and snow and ice control on all streets classified as local.

The City of Cadillac reports the following major proprietary funds:

The *Water and Sewer Fund* records financial activity of the seven-well water system which provides water to customers and the operations of the City's tertiary treatment plant.

The *Building Authority Operating Fund* accounts for the rental of the DEQ office building.

Additionally the City of Cadillac reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service funds* account for the servicing of long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *permanent funds* are accounted for using the modified accrual basis of accounting. Permanent funds account for assets that are legally restricted to the extent that only the earnings, and not the principal, may be used.

The *proprietary funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Fiduciary funds are accounted for using the accrual method of accounting. Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

The *pension trust fund* is accounted for using the accrual method of accounting. The pension trust fund accounts for the assets of the government's public safety employee's pension plan which is required to be held in trust for the members and beneficiaries.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, the Automobile Parking System, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. Deposits and Investments

Investments - The City's investment policy is in compliance with state law and authorizes the City to invest in passbook savings accounts, negotiable and nonnegotiable certificates of deposit, repurchase agreements backed by the United States government or federal agency obligations, United States Treasury bills and bonds, bankers acceptances, federal agency instruments, money market funds and commercial paper. Investments in commercial paper must be rated in one of the two highest rating categories by Standard and Poor's or Moody's and are limited to fifty percent of a funds portfolio in accordance with state statutes. The Policemen and Firemen Retirement System Trust Fund and Cemetery Perpetual Care Fund are also authorized to invest in corporate common and preferred stocks and bonds.

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Investments are stated at fair value, which is determined using selected bases. Securities traded on a national exchange are valued at the last reported sales price. Managed funds not listed on an established market are reported at fair value as determined by the respective fund managers based on quoted prices of underlying securities.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes attach as an enforceable lien on the property as of the date they are levied. City, county taxes, 50% of Cadillac Area Public School and 100% state education taxes are levied and due July 1, and become delinquent after August 14. The remaining millages are levied and due December 1, and become delinquent after February 14. Collections of school and county taxes and remittances of them are accounted for in the Current Tax Collection Fund. City property tax revenues are recognized when they become both measurable and available for use to finance City operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

The 2008 taxable valuation of the City of Cadillac totaled \$256,985,706, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 2.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,584,230 for operating purposes and \$668,144 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

3. *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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4. *Restricted Assets*

Certain resources of the Water and Sewer Fund which are set aside for repayment of revenue bonds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond reserve" account is used to report resources set aside to make current debt service payments and to make up potential future deficiencies in the funds available for debt service. The "bond replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items acquired subsequent to July 1, 1979. The government was able to estimate the historical cost for the initial reporting of these assets by reviewing prior financial records. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on any invested debt proceeds over the same period.

Property, plant and equipment of the primary government, as well as the component units are depreciated using the straight line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Equipment	5-10

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6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for nonvesting, unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. *Use of Estimates*

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. One budget amendment was made during the year in a legally permissible manner.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

B. Major funds with expenditures in excess of appropriations were as follows:

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>
General Fund		
Community and Economic Development	\$ 164,000	\$ 165,850
Local Street Fund		
Transfers Out	146,400	149,300

These overages were funded by available fund balance and greater-than-anticipated revenues.

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III.DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2009, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Primary Government					
U.S. Government Agencies	\$ 3,921,832	\$ 850,843	\$ 1,132,154	\$ 566,335	\$ 1,372,500
Local Government Notes	556,667	102,222	454,445	0	0
	<u>\$ 4,478,499</u>	<u>\$ 953,065</u>	<u>\$ 1,586,599</u>	<u>\$ 566,335</u>	<u>\$ 1,372,500</u>
Component Units:					
U.S. Government Agencies	<u>\$ 1,222,054</u>	<u>\$ 0</u>	<u>\$ 91,830</u>	<u>\$ 517,878</u>	<u>\$ 612,346</u>

Interest Rate Risk. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, investments are purchased with the intent of holding them until they mature or are called.

Foreign currency risk. The City does not have a policy on this type of risk.

Credit risk. The City minimizes Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by: limiting investments to the types of securities listed in the City's investment policy; and pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business in accordance with the City's investment policy.

Concentration of credit risk. The City minimizes Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, as follows: with the exception of U.S. Treasury and agency securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2009, \$2,138,203 of the City's bank balance of \$5,214,553 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of the same date the discretely presented component unit's had exposure to custodial credit risk because \$475,384 of the bank balance of \$1,044,712 was uninsured and uncollateralized. Neither the government nor the discretely presented component unit's have a deposit policy for custodial credit risk.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments in U.S. Government Securities, Corporate Bonds and Notes, Stocks and Government Notes have custodial credit risk exposure because they are uninsured, and unregistered and the securities are held by brokers in the City's name. The government does not have an investment policy for custodial credit risk.

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As of June 30, 2009, the City had the following investments:

	<u>CARRYING AMOUNT</u>	<u>FAIR VALUE</u>
Investments - Primary Government		
U.S. Government Agency		
Securities	\$ 3,921,832	\$ 3,921,832
Common Stocks	11,313	11,313
Government Notes	556,667	556,667
Mutual Funds	7,339,577	7,339,577
	<u>\$ 11,829,389</u>	<u>\$ 11,829,389</u>

	<u>CARRYING AMOUNT</u>	<u>FAIR VALUE</u>
Investments - Component Units		
U.S. Government Agency		
Securities	\$ 1,222,054	\$ 1,222,054
Mutual Funds	463,785	463,785
	<u>\$ 1,685,839</u>	<u>\$ 1,685,839</u>

A reconciliation of cash and investments follows:

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>
Cash on Hand	\$ 1,200	\$ 0
Carrying amount of Deposits	4,609,177	1,044,712
Carrying amount of Investment	11,829,389	1,685,839
	<u>\$ 16,439,766</u>	<u>\$ 2,730,551</u>

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>
Government-wide Statement of Net Assets		
Cash	\$ 1,075,074	\$ 466,152
Investments	9,938,963	2,264,399
Statement of Fiduciary Net Assets		
Cash	171,440	0
Investments	5,254,289	0
	<u>\$ 16,439,766</u>	<u>\$ 2,730,551</u>

CITY OF CADILLAC, MICHIGAN

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B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Water and Sewer	Building Authority Operating	Nonmajor and Other Funds	Total
Receivables					
Taxes	\$ 2,577	\$ 0	\$ 0	\$ 0	\$ 2,577
Accounts Unbilled	53,581	261,291	0	21,911	336,783
Services	0	250,348	0	0	250,348
Special Assessments					
Current	0	0	0	96,280	96,280
Deferred	0	0	0	339,047	339,047
Mortgages and Notes	35,476	0	0	220,285	255,761
Accrued Interest	20,799	44,140	432	47,796	113,167
Cylinder Deposits	0	10,500	0	0	10,500
Receivables	<u>\$ 112,433</u>	<u>\$ 566,279</u>	<u>\$ 432</u>	<u>\$ 725,319</u>	<u>\$ 1,404,463</u>

By ordinance, the City can place substantially all of its delinquent receivables on the tax rolls as a lien against real property. As a result, its uncollectible accounts are virtually nil.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Deferred Revenue		
	Unavailable	Unearned	
Delinquent property taxes receivable (General Fund)	\$ 2,509	\$ 0	
Property taxes prepaid (General Fund)	0	16,568	
Mortgages and notes receivable (General Fund)	35,476	0	
Deferred Grant Revenue (General Fund)	0	51,893	
Mortgages and notes receivable (Special Revenue Funds)	163,368	0	
Special assessment receivables (Debt Service Funds)	92,843	0	
Special assessment receivables (Capital Projects Funds)	246,564	0	
	<u>\$ 540,760</u>	<u>\$ 68,461</u>	<u>\$ 609,221</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,505,104	\$ 0	\$ 49,611	\$ 2,455,493
Capital Assets, Being Depreciated				
Buildings	\$ 4,025,413	\$ 9,126	\$ 0	\$ 4,034,539
Land Improvements	752,422	0	0	752,422
Machinery and Equipment	2,225,776	72,126	0	2,297,902
Infrastructure	17,510,637	362,387	0	17,873,024
Total Capital Assets, Being Depreciated	\$ 24,514,248	\$ 443,639	\$ 0	\$ 24,957,887
Less Accumulated Depreciation For:				
Buildings	\$ 2,570,192	\$ 90,297	\$ 0	\$ 2,660,489
Land Improvements	400,345	29,764	0	430,109
Machinery and Equipment	1,430,908	143,567	0	1,574,475
Infrastructure	7,585,804	795,594	0	8,381,398
Total Accumulated Depreciation	\$ 11,987,249	\$ 1,059,222	\$ 0	\$ 13,046,471
Total Capital Assets, Being Depreciated, Net	\$ 12,526,999	\$ (615,583)	\$ 0	\$ 11,911,416
Governmental Activities Capital Assets, Net	\$ 15,032,103	\$ (615,583)	\$ 49,611	\$ 14,366,909
Internal Service Fund Net Fixed Assets				1,182,630
Net Fixed Assets per Statement of Net Assets				<u>\$ 15,549,539</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 362,532	\$ 349,787	\$ 0	\$ 712,319
Construction in Progress	2,760,466	2,387,006	0	5,147,472
Total Capital Assets, Not Being Depreciated	<u>\$ 3,122,998</u>	<u>\$ 2,736,793</u>	<u>\$ 0</u>	<u>\$ 5,859,791</u>
Capital Assets, Being Depreciated				
Buildings	\$ 2,649,258	\$ 0	\$ 0	\$ 2,649,258
Improvements Other Than Buildings	28,916,750	74,669	0	28,991,419
Machinery and Equipment	1,189,822	19,866	0	1,209,688
Total Capital Assets, Being Depreciated	<u>\$ 32,755,830</u>	<u>\$ 94,535</u>	<u>\$ 0</u>	<u>\$ 32,850,365</u>
Less Accumulated Depreciation For:				
Buildings	\$ 1,074,599	\$ 47,116	\$ 0	\$ 1,121,715
Improvements Other Than Buildings	12,681,347	738,339	0	13,419,686
Machinery and Equipment	907,693	68,630	0	976,323
Total Accumulated Depreciation	<u>\$ 14,663,639</u>	<u>\$ 854,085</u>	<u>\$ 0</u>	<u>\$ 15,517,724</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 18,092,191</u>	<u>\$ (759,550)</u>	<u>\$ 0</u>	<u>\$ 17,332,641</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 21,215,189</u></u>	<u><u>\$ 1,977,243</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 23,192,432</u></u>

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

Governmental activities:

General Government	\$ 70,701
Public Safety	119,056
Public Works, including depreciation of general infrastructure assets	725,112
Recreation and Culture	127,190
Economic Development and Assistance	17,163
Total depreciation expense - governmental activities	<u><u>\$ 1,059,222</u></u>

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Business-type activities:

Water and Sewer	\$ 802,051
Automobile Parking System	16,754
Building Authority Operating	35,280
 Total depreciation expense - business-type activities	 \$ 854,085

Construction Commitments:

The City has active construction projects as of June 30, 2009. The construction projects are for street construction, a wastewater treatment renovation project, and a salt storage facility. The total contract balances were approximately \$5,832,373 with \$5,292,877 being expended as of June 30, 2009. The remaining commitments total \$539,496. The projects are being funded with water and sewer revenues, general revenues, Act 51 Street revenues and special assessments.

Discretely Presented Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Government-Type Activities</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 0	\$ 132,754	\$ 132,754	\$ 0
Construction in Progress	0	255,519	0	255,519
Total Capital Assets, Not Being Depreciated	\$ 0	\$ 388,273	\$ 132,754	\$ 255,519
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 8,965	\$ 14,680	\$ 0	\$ 23,645
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(3,138)	(1,263)	0	(4,401)
Total Capital Assets, Being Depreciated, Net	5,827	13,417	0	19,244
Governmental Activities Capital Assets, Net	\$ 5,827	\$ 401,690	\$ 132,754	\$ 274,763
<u>Business-Type Activities</u>				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 226,767	\$ 0	\$ 0	\$ 226,767
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(59,313)	(4,535)	0	(63,848)
Total Capital Assets, Being Depreciated, Net	\$ 167,454	\$ (4,535)	\$ 0	\$ 162,919

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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

Governmental activities:

Economic Development and Assistance	\$ 1,263
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Business-type activities

Utilities	\$ 4,535
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D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2009, is as follows:

	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Pension Trust Fund	Total Due to
Due to					
General Fund	\$ 0	\$ 840	\$ 0	\$ 58,340	\$ 59,180
Local Street Fund	0	0	41,130	0	41,130
Internal Service Funds	50,000	0	0	0	50,000
Agency Funds	16,946	0	0	0	16,946
Total Due from	\$ 66,946	\$ 840	\$ 41,130	\$ 58,340	\$ 167,256

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2009, are expected to be repaid within one year.

The interfund transfers during the year ended June 30, 2009, are as follows:

	General	Local Street	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out				
General Fund	\$ 0	\$ 794,300	\$ 68,400	\$ 862,700
Major Street Fund	0	0	18,000	18,000
Local Street Fund	0	0	149,300	149,300
Nonmajor Governmental Funds	25,000	0	35,500	60,500
Total Transfers In	\$ 25,000	\$ 794,300	\$ 271,200	\$ 1,090,500

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

Operating Leases - The City is committed under two noncancelable leases for office equipment and three non-cancelable leases for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately \$19,898 for the year ended June 30, 2009. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	
2010	\$ 17,289
2011	2,711
	\$ 20,000
	\$ 20,000

Capital Leases – The City has entered into a lease agreement as lessee for financing the acquisition of patrol car cameras. This lease qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the General Fund.

The assets acquired through the lease are as follows:

<u>ASSETS</u>	<u>GENERAL FUND</u>
Machinery and equipment	\$ 26,350
Less: Accumulated Depreciation	(13,175)
TOTAL	\$ 13,175

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>GENERAL FUND</u>
2010	\$ 5,740
Less: Amount representing interest	(141)
Present value of minimum lease payments	\$ 5,599

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

F. Long-Term Debt

1. Primary Government

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2009 (in thousands of dollars):

Governmental Activities:

	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	NET OPEB OBLIGATION	SICK AND VACATION PAY	TOTAL
Debt Payable at July 1, 2008	\$ 1,260	\$ 365	\$ 867	\$ 241	\$ 482	\$ 3,215
New Debt Incurred	0	0	0	260	224	484
Debt Retired	(145)	(105)	(134)	(316)	(202)	(902)
Debt Payable at June 30, 2009	\$ 1,115	\$ 260	\$ 733	\$ 185	\$ 504	\$ 2,797
Due within one year	\$ 135	\$ 90	\$ 144	\$ 0	\$ 100	\$ 469

The General Fund will generally liquidate the net OPEB obligation and vested sick and vacation pay for the governmental activities.

Debt payable at June 30, 2009 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

\$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of \$25,000 through October 1, 2010; interest at 5.50 percent	\$ 50
\$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of \$25,000 to \$35,000 through October 1, 2014; interest at 5.45 to 5.55 percent	175
\$310,000 1997 Building Authority Bonds due in annual installments of \$25,000 to \$30,000 through October 1, 2012; interest at 5.10 to 5.25 percent	115
\$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$60,000 to \$85,000 through September 1, 2019; interest at 2.90 to 4.25 percent	775
	<u>\$ 1,115</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Special Assessment Bonds

\$425,000 Special Assessment Limited Tax Bonds due in annual installments of \$10,000 to \$15,000 through October 1, 2010; interest at 5.60 to 5.65 percent	\$	25
\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2011; interest at 5.40 to 5.45 percent		70
\$210,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$20,000 through October 1, 2014; interest at 5.45 to 5.55 percent		50
\$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$30,000 through October 1, 2015; interest at 4.20 to 5.00 percent		115
	<u>\$</u>	<u>260</u>

Other Long-Term Debt:

\$212,653 Michigan Jobs Commission loan due in quarterly installments of \$4,430 beginning September 1, 2005 and running through December 1, 2016; this loan is interest-free	\$	133
\$235,000 Loan, due in annual installments of \$26,111 through 2014; interest at 3.00 percent		156
\$26,350 Loan, due in monthly installments of \$820 through 2010; interest at 7.529 percent		6
\$500,000 Loan, due in annual installments of \$50,000 through 2017; interest at 5.25 percent		400
\$56,897 Loan, due in annual installments of \$18,897 to \$19,000 through 2011; this loan is interest free		38
Net OPEB obligation		185
Vested sick and vacation pay owed to City employees under various contracts and collective bargaining agreements (this debt is payable from the General Fund and various Special Revenue Funds)		504
	<u>\$</u>	<u>1,422</u>
	<u>\$</u>	<u>2,797</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

The annual requirements to amortize debt outstanding other than the net OPEB obligation and vested sick and vacation pay as of June 30, 2009, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	TOTAL
2010				
PRINCIPAL	\$ 135	\$ 90	\$ 144	\$ 369
INTEREST	44	11	23	78
TOTAL	<u>\$ 179</u>	<u>\$ 101</u>	<u>\$ 167</u>	<u>\$ 447</u>
2011				
PRINCIPAL	\$ 140	\$ 70	\$ 113	\$ 323
INTEREST	38	7	20	65
TOTAL	<u>\$ 178</u>	<u>\$ 77</u>	<u>\$ 133</u>	<u>\$ 388</u>
2012				
PRINCIPAL	\$ 120	\$ 55	\$ 94	\$ 269
INTEREST	33	3	16	52
TOTAL	<u>\$ 153</u>	<u>\$ 58</u>	<u>\$ 110</u>	<u>\$ 321</u>
2013				
PRINCIPAL	\$ 125	\$ 20	\$ 94	\$ 239
INTEREST	27	2	13	42
TOTAL	<u>\$ 152</u>	<u>\$ 22</u>	<u>\$ 107</u>	<u>\$ 281</u>
2014				
PRINCIPAL	\$ 100	\$ 10	\$ 94	\$ 204
INTEREST	23	1	10	34
TOTAL	<u>\$ 123</u>	<u>\$ 11</u>	<u>\$ 104</u>	<u>\$ 238</u>
2015-2019				
PRINCIPAL	\$ 410	\$ 15	\$ 194	\$ 619
INTEREST	58	0	12	70
TOTAL	<u>\$ 468</u>	<u>\$ 15</u>	<u>\$ 206</u>	<u>\$ 689</u>
2020				
PRINCIPAL	\$ 85	\$ 0	\$ 0	\$ 85
INTEREST	2	0	0	2
TOTAL	<u>\$ 87</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87</u>
GRAND TOTAL				
PRINCIPAL	\$ 1,115	\$ 260	\$ 733	\$ 2,108
INTEREST	225	24	94	343
TOTAL	<u><u>\$ 1,340</u></u>	<u><u>\$ 284</u></u>	<u><u>\$ 827</u></u>	<u><u>\$ 2,451</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2009, (in thousands of dollars) reported in Business-Type Activities:

	REVENUE BONDS
Debt Payable at July 1, 2008	\$ 8,826
New Debt Incurred	2,271
Debt Retired	(515)
Debt Payable at June 30, 2009	\$ 10,582

Revenue Bonds:

\$3,870,000 Wastewater System Junior Lien Revenue Bonds due in annual installments of \$165,000 to \$225,000 through October 1, 2028; interest at 1.625 percent	\$ 3,582
\$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of \$5,000 to \$175,000 through September 1, 2019; interest at 4.35 to 4.90 percent	1,080
\$5,215,000 Water and Sewer Revenue and Revenue Refunding Bonds due in annual installments of \$80,000 to \$505,000 through September 1, 2026; interest at 4.50 to 5.125 percent	5,050
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$110,000 to \$140,000 through October 1, 2015; interest at 4.30 to 4.60 percent	870
	\$ 10,582
Less unamortized deferred charges	57
Long-term debt per Statement of Net Assets	\$ 10,525

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2009, are as follows (in thousands of dollars):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>REVENUE</u> <u>BONDS</u>
2010	
PRINCIPAL	\$ 705
INTEREST	386
TOTAL	<u>\$ 1,091</u>
2011	
PRINCIPAL	\$ 740
INTEREST	358
TOTAL	<u>\$ 1,098</u>
2012	
PRINCIPAL	\$ 770
INTEREST	328
TOTAL	<u>\$ 1,098</u>
2013	
PRINCIPAL	\$ 810
INTEREST	296
TOTAL	<u>\$ 1,106</u>
2014	
PRINCIPAL	\$ 515
INTEREST	271
TOTAL	<u>\$ 786</u>
2015-2019	
PRINCIPAL	\$ 4,247
INTEREST	1,260
TOTAL	<u>\$ 5,507</u>
2020-2024	
PRINCIPAL	\$ 1,610
INTEREST	518
TOTAL	<u>\$ 2,128</u>
2025-2028	
PRINCIPAL	\$ 1,185
INTEREST	93
TOTAL	<u>\$ 1,278</u>
GRAND TOTAL	
PRINCIPAL	\$ 10,582
INTEREST	3,510
TOTAL	<u><u>\$ 14,092</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

\$389,464 is available in the Debt Service Funds to service the General Obligation and Special Assessment bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

At June 30, 2009, outstanding revenue bonds (including prior year's refundings) of \$835,000 are considered to be defeased. These are by fund type, as follows:

Enterprise Funds	<u><u>\$ 835,000</u></u>
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2. Component Units

As of June 30, 2009, the City of Cadillac's discretely presented component units had sick and vacation pay of \$10,981 as outstanding debt.

G. Fund Balance Reserves and Designations

In order to comply with generally accepted accounting principles and meet certain legal requirements, the City has reserved fund balances/net assets in various funds. In addition, certain portions of unreserved fund balances/net assets have been designated for intended future uses. These reserves and designations are detailed in the following schedule:

NET ASSETS

Restricted		
General Fund		
Special Purposes		\$ 98,757
Self-Insured Fund		
Retirees' Life Insurance	\$ 199,366	
Employees' Life and Health Insurance	<u>1,085,220</u>	1,284,586
Water and Sewer Fund		
Debt Service		<u>1,317,807</u>
		<u><u>\$ 2,701,150</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

FUND BALANCE/NET ASSETS

Reserved

General Fund

Prepaid Expenditures	\$	116,572	
Mayor Wedding Fees		100	
Veterans Memorial		1,855	
Pistol Range		2,579	
Youth Services		844	
Drug Forfeiture		2,800	
Fire Safety House		1,859	
Blackburn Skate Park		8,729	
White Pine Trail		2,394	
Diggins Hill Courts		80,276	\$ 218,008

Special Revenue Funds

Major Street Fund

Prepaid Expenditures	\$	1,668
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Local Street Fund

Prepaid Expenditures		1,537
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Cemetery Operating Fund

Capital Improvements		9,463
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Prepaid Expenditures		1,842
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Cadillac Development Fund

Prepaid Expenditures		119
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Clam River Greenway Fund

Parks and Recreation		24,588
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Building Inspection Fund

Prepaid Expenditures		414
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Milfoil Eradication Fund

Milfoil Eradication		71,247	110,878
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Debt Service Funds

Reserved for Debt Service

1992 Special Assessment Debt Retirement Fund	\$	671
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1993 Special Assessment Debt Retirement Fund		565
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1996 Special Assessment Debt Retirement Fund		83,714
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1996 Michigan Transportation Fund Debt Retirement Fund		4,032
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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1997 Special Assessment Debt Retirement Fund	157,826	
1997 Michigan Transportation Fund		
Debt Retirement Fund	1,104	
1997 Building Authority Debt Retirement Fund	409	
2000 Special Assessment Debt Retirement Fund	114,883	
2000 Michigan Transportation Fund		
Debt Retirement Fund	696	
2002 Special Assessment Debt Retirement Fund	24,519	
2004 Capital Improvement Bonds		
Debt Retirement Fund	1,045	389,464
Capital Projects Fund		
Industrial Park Fund		
Industrial Development	\$ 491,789	
Special Assessment Capital Projects Fund		
Special Assessment Project Construction	102,493	594,282
Reserved		
Permanent Funds		
Cemetery Perpetual Care Fund		
Cemetery Perpetual Care Endowment	\$ 401,077	
Capital Projects Trust Fund		
Capital Projects Trust Fund	545,512	946,589
Fiduciary Fund		
Policemen and Firemen Retirement System		
Employee's Pension Benefits		5,458,007
Component Units		
L.D.F.A. Capital Projects Fund		
Capital Projects	\$ 383,450	
L.D.F.A. Operating Fund		
Groundwater Cleanup	1,712,304	
Downtown Development Authority		
Prepaid Expenditures	89	2,095,843
TOTAL FUND BALANCE/NET ASSETS RESERVES		\$ 9,813,071

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Unreserved - Designated		
General Fund		
Sick and Vacation	\$ 758,849	
Police and Fire Retirement	273,729	
Working Capital	1,107,629	\$ 2,140,207
Special Revenue Funds		
Major Street Fund		
Street Improvements	\$ 47,458	
Local Street Fund		
Street Improvements	236,055	
Naval Reserve Fund		
Roof Replacement	23,508	307,021
TOTAL FUND BALANCE DESIGNATIONS		\$ 2,447,228

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

The City incurred bond issuance costs in connection with Water and Sewer revenue bonds and Building Authority Operating Bonds of \$406,052 and \$50,158, respectively. These costs have been capitalized and are amortized using the “interest” method, as prescribed in Accounting Principles Board Opinion Number 21, over the repayment period of the bonds.

The City also incurred bond issuance cost in connection with the City of Cadillac 2004 General Obligation Capital Improvement Bonds of \$20,337. These costs have been expenses on the Fund Financial Statements, but are capitalized and amortized using the “interest” method over the repayment period of the bonds on the Government-Wide Statements.

B. Mortgages and Notes Receivable

Mortgages and Notes Receivable as reported in the General Fund and Special Revenue Funds consist of the following:

The General Fund note results from the sale of real estate.

Mortgages resulted from loans made with H.U.D. grant monies to assist low and moderate income families to bring their homes up to the City building code. These loans are either low interest or interest free. As loans are repaid, money is made available for new loans.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling \$260,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has funds set aside totaling \$324,132 to be used for retirement of these bonds. This amount is on deposit in the various special assessment debt retirement funds.

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2008, audited financial statements:

Total Assets	\$ 2,911,713
Total Liabilities	8,921
Investment in Capital Assets	2,594,178
Net Assets Invested in Capital Assets	2,594,178
Net Assets - Unrestricted	308,614
Total Revenues - Governmental and Business Type Activities	1,632,711
Total Expenses - Governmental and Business Type Activities	711,908
Change in Net Assets	920,803

The Wexford County Airport Authority's total liabilities can be broken down as follows:

Payroll Withholdings	\$ 4,181
Accrued Payroll	675
Customer Deposits	2,647
Deferred Revenue	1,418

Complete financial statements may be obtained at: 8040 East 34 Road, Cadillac, Michigan 49601

E. Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

F. Due from Other Governments

Amounts due from other governments consist of \$290,295 in state-shared revenues, undrawn grants and contributions from local units.

G. Contingent Liabilities

Currently, the City has several cases being brought to the Michigan Tax Tribunal for reduction of assessed values due to proposed changes in the calculations of valuations on assets of certain taxpayers. If successful in their petition for reduced taxable values, the City's tax revenues may be reduced; the amount of potential reduction is not known.

H. Other Post Employment Benefits

Governmental Accounting Standards Board Statement No. 45 – *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* applies to the City's basic financial statements instead of the trust fund financial statements. The OPEB obligation is reported as a liability on the City's entity-wide statement of net assets.

Plan Descriptions. The City of Cadillac contributes to two agent multi-employer defined benefit healthcare plans: General Retiree Health Care Plan (GRHCP) and Policemen and Firemen Retiree Health Care Plan (PFRHP). Each plan provides medical benefits to eligible retired city employees and beneficiaries.

Benefit provisions for GRHCP and PFRHP are established and amended through negotiations between the City and respective unions.

Funding Policy and Annual OPEB Cost. For GRHCP, contribution requirements of the plan members and the City are established and may be amended through negotiations between the City and the union. For PFRHP, the board of trustees of the plan establishes and may amend the contribution requirements of plan members and the city. The City's annual other post employment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year and the related information for each plan are as follows:

	<u>General Retiree Health Care Plan</u>	<u>Policemen and Firemen Retiree Health Care Plan</u>
Contribution rates:		
City	Percentage of Payroll 10.56%	Percentage of Payroll 16.76%

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Plan Members	\$25/Month - Single \$50/Month - Family	\$25/Month - Single \$50/Month - Family
Annual required contribution	\$ 214,616	\$ 241,577
Interest on net OPEB obligation	(7,309)	19,285
Adjustment to annual required contribution	4,999	(13,942)
Annual OPEB cost	212,306	246,920
Contributions made	(294,969)	(303,055)
Increase in net OPEB obligation	(82,663)	(56,135)
Net OPEB obligation - Beginning of Year	(91,366)	241,060
Net OPEB obligation - End of Year	\$ (174,029)	\$ 184,925

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2007	\$ 119,728	101.54%	\$ (21,374)
	6/30/2008	209,183	133.46%	(91,366)
	6/30/2009	212,306	131.50%	(174,029)
Policemen and Firemen Retiree	6/30/2007	198,717	39.60%	275,815
	6/30/2008	229,088	115.17%	241,060
	6/30/2009	246,920	106.85%	184,925

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Funded Status and Funding Progress. The funded status of the plans as of December 31, 2006, which was the latest valuation, was as follows:

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
	<u> </u>	<u> </u>
Actuarial accrued liability (a)	\$ 1,963,259	\$ 2,634,900
Actuarial value of plan assets (b)	290,223	538,241
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 1,673,036</u>	<u>\$ 2,096,659</u>
Funded ratio (b) / (a)	14.78%	20.43%
Covered payroll (c)	\$ 1,557,632	\$ 1,440,996
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b))/(c))	107.41%	145.50%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the city and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

	<u>General Retiree Health Care Plan</u>	<u>Policemen and Firemen Retiree Health Care Plan</u>
Valuation Date	12/31/2006	12/31/2006
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Amortization Method	Level Percent Open	Level Percent Open
Remaining Amortization Period	30 years	30 years
Asset Valuation Method	Market Value	Market Value
Actuarial assumptions:		
Discount Rate	8% Per Year	8% Per Year
Projected Salary Increases	4.50%	4.00%
Valuation Health Care Cost Trend Rate		
Medical	10% in 2007, grading to 4.5% in 2016	10% in 2007, grading to 4.5% in 2016
Prescription Drug	10% in 2007, grading to 4.5% in 2016	10% in 2007, grading to 4.5% in 2016
Dental/Vision	6% in 2007, grading to 4.5% in 2010	6% in 2007, grading to 4.5% in 2010

I. Employee Retirement Systems

The City maintains a single-employer, defined benefit pension plan (Policemen and Firemen Retirement System) which covers all policemen and firemen, and participates in an agent multi-employer defined benefit pension plan with the Municipal Employees Retirement System (MERS), administered by the State of Michigan for coverage of substantially all of the City's general employees and the Water and Sewer System employees.

Plan Description. The **Policemen and Firemen Retirement System** (PFRS) is a single-employer defined benefit pension plan which is administered by the City. The PFRS provides retirement, disability and death benefits to all full-time members of the City's police and fire departments and their beneficiaries. Act No. 345 of the Public Acts of 1937, as amended, and the Michigan Constitution assign authority to the City's retirement board to establish and amend benefit provisions. The Cadillac Policeman and Fireman Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for a single-employer pension plan. That report may be obtained by writing to the City of Cadillac, 200 North Lake Street, Cadillac, Michigan 49601.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Funding Policy. The contribution requirements of the City are established and may be amended by the retirement board. Police and fire department members are required to contribute 3.00% of their annual covered payroll. The City is required to contribute at actuarially determined rates; the current rates are 36.03% for police and 35.15% for fire of annual covered payroll. The City pays all costs of administering the plan.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the PFRS for the current year were as follows:

Annual required contribuiton	\$ 567,170
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	\$ 567,170
Contributions made	567,170
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation beginning of year	0
Net pension obligation end of year	\$ 0

Three-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 556,555	100.0%	\$ 0
6/30/2008	558,831	100.0%	0
6/30/2009	567,170	100.0%	0

Funded Status and Funding Progress. As of June 30, 2008, the most recent actuarial valuation date, the plan was 71.7 percent funded. The actuarial accrued liability for benefits was \$9.9 million, and the actuarial value of assets was \$7.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.8 million, and the ratio of the UAAL to covered payroll was 200.0 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. The annual required contribution for the current year was determined as part of the June 30, 2008, actuarial valuation using the entry-age normal cost valuation method. The actuarial assumptions included (a) 7.50% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.00% to 5.50% per year.

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Both (a) and (b) included an inflation component of 4.00%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a period of 10 future years.

Plan Description. Substantially all full-time employees of the City who are not members of the Policeman and Fireman Retirement System are members of the **Municipal Employees Retirement System of Michigan** (MERS) which provides retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer pension plan administered by the State of Michigan. Act No. 427 of the Public Acts of 1984, as amended, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities. In this case, the authority rests with the City. The MERS issues a publicly available financial report that includes statements and required supplementary information for MERS. That report may be obtained by writing to The Retirement Board, Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 1.78% to 8.38% of annual covered payroll depending on division of employees. The contribution requirements of plan members and the City are established and may be amended by the MERS board of trustees.

Annual Pension Cost. For the year ended June 30, 2009, the annual pension cost of \$84,146 was equal to the City's required and actual contributions.

Three-Year Trend Information for MERS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 74,272	100.0%	\$ 0
6/30/2008	94,522	100.0%	0
6/30/2009	84,146	100.0%	0

Actuarial Methods and Assumptions. The required contribution was most recently determined as part of the December 31, 2008 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis. The difference in investment income between expected return and market return is recognized over a 10 year period at the rate of 10% per year. Positive unfunded accrued liability (if any) is amortized as a

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

level percentage of payroll over a period of 28 years, while negative unfunded liability (if any) is amortized as a level percentage of payroll over a period of 10 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was 100.2 percent funded. The actuarial accrued liability for benefits was \$11,538,000 and the actuarial value of assets was \$11,562,000, resulting in an excess funding of the actuarial accrued liability (UAAL) of \$24,000. The covered payroll (annual payroll of active employees covered by the plan) was \$2,552,000, and the ratio of the UAAL to the covered payroll was (0.94) percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

J. Component Unit Disclosures

The following presents the condensed financial statements for each of the four discretely presented component units.

Condensed Financial Statements - Discretely Presented Component Units
Statement of Net Assets

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Assets					
Current Assets	\$ 238,287	\$ 1,167	\$ 2,319,838	\$ 204,653	\$ 2,763,945
Capital Assets - Net	274,763	0	162,919	0	437,682
TOTAL ASSETS	\$ 513,050	\$ 1,167	\$ 2,482,757	\$ 204,653	\$ 3,201,627
Liabilities					
Current Liabilities	\$ 24,178	\$ 0	\$ 17,411	\$ 12,535	\$ 54,124
Invested in Capital Assets, Net of Related Debt	\$ 274,763	\$ 0	\$ 162,919	\$ 0	\$ 437,682
Net Assets	214,109	1,167	2,302,427	192,118	2,709,821
Total Equity	\$ 488,872	\$ 1,167	\$ 2,465,346	\$ 192,118	\$ 3,147,503
TOTAL LIABILITIES AND EQUITY	\$ 513,050	\$ 1,167	\$ 2,482,757	\$ 204,653	\$ 3,201,627

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Statements of Changes in Net Assets

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Revenues	\$ 410,016	\$ 0	\$ 425,787	\$ 162,016	\$ 997,819
Expenses					
Operating and Other	\$ 83,232	\$ 0	\$ 250,514	\$ 63,592	\$ 397,338
Intergovernmental	32,500	0	0	0	32,500
Total Expenses	\$ 115,732	\$ 0	\$ 250,514	\$ 63,592	\$ 429,838
Change in Net Assets	\$ 294,284	\$ 0	\$ 175,273	\$ 98,424	\$ 567,981
Equity - Beginning of Year	194,588	1,167	2,290,073	93,694	2,579,522
Equity - End of Year	\$ 488,872	\$ 1,167	\$ 2,465,346	\$ 192,118	\$ 3,147,503

K. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters.

The City maintains a self-insurance program to provide life insurance to retired City employees and to provide health insurance benefits for all active City employees and their families. These programs are reported in the Self-Insurance Fund (an internal service fund).

On January 5, 1981, the City Council approved Resolution 81.8 which, as amended provides \$2,500 to \$5,500 of life insurance benefits for all employees who retired on or after April 1, 1968 under either the municipal employee's retirement system (MERS) or under Act 345. Currently, 51 retirees meet those eligibility requirements. Expenditures for post-retirement life insurance benefits are recognized as claims are reported.

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$582,059 for aggregate plan benefits paid to all participants per year. This policy also provides group life insurance coverage for all active City employees. All fund types are charged premiums based on the number of employees they have.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

	<u>2009</u>	<u>2008</u>
Unpaid Claims, Beginning of Year	\$ 30,322	\$ 30,322
Incurred Claims (Including IBNR's)	475,873	286,412
Claim Payments	(478,657)	(279,865)
Unpaid Claims, End of Year	<u>\$ 27,538</u>	<u>\$ 36,869</u>

The City participates in two distinct pools of municipalities within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The City pays annual premiums to each pool for the respective insurance coverage. In the event a pool member's covered loss exceeds the pools limits, all further payments become the sole obligation of the member.

L. Sale of Future Revenues

For several years, the City has sold its rights to delinquent real property tax revenues, delinquent special assessments and related late payment penalties to the Wexford County treasurer. For the 2008 tax roll, the City received a lump sum payment of \$159,242 for general operating tax revenues, \$29,684 for police and fire retirement tax revenues, \$2,643 for downtown development tax revenues, \$30,505 for various special assessment revenues, \$13,501 for delinquent invoices and utilities, \$8,230 for administration fees, and \$23,465 for related late payment penalties. These amounts represent 100% of the present value of the delinquent real property tax revenues. In exchange for these payments, the county is allowed to keep the delinquent taxes collected plus the late payment penalties charged. If the county is ultimately unable to collect any of these delinquent taxes, the City will have to repay the county.

CITY OF CADILLAC, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	GENERAL FUND				MAJOR STREET FUND				LOCAL STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES												
Taxes	\$ 4,582,200	\$ 4,662,200	\$ 4,712,419	\$ 50,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	1,200	1,200	2,050	850	0	0	0	0	0	0	0	0
Federal Grants	0	72,000	25,741	(46,259)	0	0	2,923	2,923	0	0	21,756	21,756
State Grants	997,500	997,500	1,065,068	67,568	622,700	669,600	673,862	4,262	185,000	185,000	186,629	1,629
Contributions from Local Units	175,000	175,000	175,897	897	0	0	0	0	0	0	0	0
Charges for Services	1,052,700	1,052,700	1,028,973	(23,727)	0	0	0	0	0	0	0	0
Fines and Forfeits	25,300	37,400	39,802	2,402	0	0	0	0	0	0	0	0
Interest and Rents	76,000	76,000	84,705	8,705	1,500	1,500	113	(1,387)	3,500	3,500	205	(3,295)
Other Revenue	262,000	497,000	556,809	59,809	0	0	0	0	0	0	0	0
Total Revenues	\$ 7,171,900	\$ 7,571,000	\$ 7,691,464	\$ 120,464	\$ 624,200	\$ 671,100	\$ 676,898	\$ 5,798	\$ 188,500	\$ 188,500	\$ 208,590	\$ 20,090
EXPENDITURES												
General Government	\$ 1,677,300	\$ 1,702,300	\$ 1,655,390	\$ 46,910	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	3,209,100	3,294,100	3,212,768	81,332	0	0	0	0	0	0	0	0
Public Works	900,400	912,800	888,846	23,954	606,200	703,100	666,522	36,578	602,200	644,200	612,915	31,285
Community and Economic Development	133,900	164,000	165,850	(1,850)	0	0	0	0	0	0	0	0
Culture and Recreation	211,300	218,100	217,600	500	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	34,200	34,200	31,594	2,606
Intergovernmental	387,200	387,800	381,040	6,760	0	0	0	0	0	0	0	0
Total Expenditures	\$ 6,519,200	\$ 6,679,100	\$ 6,521,494	\$ 157,606	\$ 606,200	\$ 703,100	\$ 666,522	\$ 36,578	\$ 636,400	\$ 678,400	\$ 644,509	\$ 33,891
Excess (Deficiency) of Revenues Over Expenditures	\$ 652,700	\$ 891,900	\$ 1,169,970	\$ 278,070	\$ 18,000	\$ (32,000)	\$ 10,376	\$ 42,376	\$ (447,900)	\$ (489,900)	\$ (435,919)	\$ 53,981
OTHER FINANCING SOURCES (USES)												
Transfers In	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 594,300	\$ 594,300	\$ 794,300	\$ 200,000
Transfers Out	(702,700)	(902,700)	(862,700)	40,000	(18,000)	(18,000)	(18,000)	0	(146,400)	(146,400)	(149,300)	(2,900)
Total Other Financing Sources (Uses)	\$ (702,700)	\$ (902,700)	\$ (837,700)	\$ 65,000	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ 0	\$ 447,900	\$ 447,900	\$ 645,000	\$ 197,100
Net Change in Fund Balance	\$ (50,000)	\$ (10,800)	\$ 332,270	\$ 343,070	\$ 0	\$ (50,000)	\$ (7,624)	\$ 42,376	\$ 0	\$ (42,000)	\$ 209,081	\$ 251,081
FUND BALANCE - Beginning of Year	1,845,525	2,025,945	2,025,945	0	11,065	56,750	56,750	0	9,125	28,511	28,511	0
FUND BALANCE - End of Year	\$ 1,795,525	\$ 2,015,145	\$ 2,358,215	\$ 343,070	\$ 11,065	\$ 6,750	\$ 49,126	\$ 42,376	\$ 9,125	\$ (13,489)	\$ 237,592	\$ 251,081

CITY OF CADILLAC, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

General Health Care Plan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2004	6/30/2005	\$ 50,000	\$ 1,133,778	\$ 1,083,778	4.41%	\$ 1,384,857	78.26%
12/31/2004	6/30/2006	167,234	1,133,778	966,544	14.75%	1,447,176	66.79%
12/31/2006	6/30/2007	162,619	1,963,259	1,800,640	8.28%	1,512,299	119.07%
12/31/2006	6/30/2008	217,839	1,963,259	1,745,420	11.10%	1,490,557	117.10%
12/31/2006	6/30/2009	290,223	1,963,259	1,673,036	14.78%	1,557,632	107.41%

Policemen and Firemen Retiree Health Care

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2004	6/30/2005	\$ 50,000	\$ 2,045,075	\$ 1,995,075	2.44%	\$ 1,111,519	179.49%
12/31/2004	6/30/2006	185,623	2,045,075	1,859,452	9.08%	1,161,537	160.09%
12/31/2006	6/30/2007	263,030	2,634,900	2,371,870	9.98%	1,213,806	195.41%
12/31/2006	6/30/2008	399,724	2,634,900	2,235,176	15.17%	1,385,573	161.32%
12/31/2006	6/30/2009	538,241	2,634,900	2,096,659	20.43%	1,440,996	145.50%

In future years the most recent actuarial valuation and the two preceding valuations will be presented.

CITY OF CADILLAC, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

(Dollar amounts in thousands)

Policemen and Firemen Retirement System

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2006	6/30/2007	\$ 6,048	\$ 9,627	\$ 3,579	62.8%	\$ 1,437	249.06%
6/30/2007	6/30/2008	6,604	9,992	3,388	66.1%	1,483	228.46%
6/30/2008	6/30/2009	7,080	9,936	2,856	71.3%	1,390	205.47%

Municipal Employees Retirement System of Michigan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	6/30/2007	\$ 10,813	\$ 10,162	\$ (651)	106.4%	\$ 2,561	-25.42%
12/31/2007	6/30/2008	11,469	10,848	(621)	105.7%	2,444	-25.41%
12/31/2008	6/30/2009	11,562	11,538	(24)	100.2%	2,552	-0.94%

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2009

I. Budgetary Information

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Special Assessment Capital Projects Fund is not required to be presented as required supplemental information. All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. One budget amendment was made during the year in a legally permissible manner.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

MAJOR STREET FUND

The Major Street Fund accounts for the financial activity of the streets designated by the State of Michigan as major thoroughfares and for the maintenance contract of the state trunklines.

LOCAL STREET FUND

The Local Street Fund receives all local street money paid to the City by the State, accounts for all construction, maintenance, traffic services, and snow and ice control on all streets classified as local.

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 45,689	\$ 122,972
Investments	2,296,215	1,686,426
Receivables		
Taxes	2,577	999
Accounts	53,581	84,975
Note	35,476	68,106
Accrued Interest	20,799	11,824
Due from Other Funds	66,946	266,542
Due from Other Governments	146,011	144,320
Inventory, At Cost	0	2,297
Prepaid Expenditures	116,572	66,953
TOTAL ASSETS	<u>\$ 2,783,866</u>	<u>\$ 2,455,414</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 139,867	\$ 182,692
Accrued Expenditures	120,158	92,264
Due to Other Funds	59,180	64,953
Due to Other Governments	0	5,106
Deferred Revenue	106,446	84,454
Total Liabilities	<u>\$ 425,651</u>	<u>\$ 429,469</u>
<u>FUND BALANCE</u>		
Reserved for:		
Inventory	\$ 0	\$ 2,297
Prepaid Expenditures	116,572	66,953
Mayor Wedding Fees	100	350
Pistol Range	2,579	1,811
Antique Fire Truck	0	1,639
Veterans Memorial	1,855	1,855
Youth Services	844	844
Drug Forfeiture	2,800	7,910
Fire Safety House	1,859	2,250
Blackburn Skate Park	8,729	6,223
White Pine Trail	2,394	2,394
Diggins Hill Courts	80,276	31,435
Unreserved		
Designated for:		
Sick and Vacation	758,849	737,344
Working Capital	1,107,629	1,073,805
Police and Fire Retirement	273,729	88,835
Total Fund Balance	<u>\$ 2,358,215</u>	<u>\$ 2,025,945</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,783,866</u>	<u>\$ 2,455,414</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>BUDGET</u>		<u>2009</u>	<u>2008</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$ 4,582,200	\$ 4,662,200	\$ 4,712,419	\$ 4,558,803
Licenses and Permits	1,200	1,200	2,050	1,210
Federal Grants	0	72,000	25,741	24,253
State Grants	997,500	997,500	1,065,068	1,058,670
Contributions from Local Units	175,000	175,000	175,897	171,198
Charges for Services	1,052,700	1,052,700	1,028,973	1,048,711
Fines and Forfeits	25,300	37,400	39,802	29,083
Interest and Rents	76,000	76,000	84,705	113,265
Other Revenue	262,000	497,000	556,809	321,277
Total Revenues	\$ 7,171,900	\$ 7,571,000	\$ 7,691,464	\$ 7,326,470
<u>EXPENDITURES</u>				
General Government	\$ 1,677,300	\$ 1,702,300	\$ 1,655,390	\$ 1,616,656
Public Safety	3,209,100	3,294,100	3,212,768	3,339,497
Public Works	900,400	912,800	888,846	866,248
Community and Economic Development	133,900	164,000	165,850	206,153
Culture and Recreation	211,300	218,100	217,600	205,612
Intergovernmental	387,200	387,800	381,040	358,137
Total Expenditures	\$ 6,519,200	\$ 6,679,100	\$ 6,521,494	\$ 6,592,303
Excess (Deficiency) of Revenues Over Expenditures	\$ 652,700	\$ 891,900	\$ 1,169,970	\$ 734,167
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 0	\$ 0	\$ 25,000	\$ 40,152
Transfers Out	(702,700)	(902,700)	(862,700)	(566,400)
Total Other Financing Sources (Uses)	\$ (702,700)	\$ (902,700)	\$ (837,700)	\$ (526,248)
Net Change in Fund Balance	\$ (50,000)	\$ (10,800)	\$ 332,270	\$ 207,919
<u>FUND BALANCE</u> - Beginning of Year	1,845,525	2,025,945	2,025,945	1,818,026
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,795,525</u>	<u>\$ 2,015,145</u>	<u>\$ 2,358,215</u>	<u>\$ 2,025,945</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

<u>REVENUES</u>	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>Taxes</u>			
Property Tax	\$ 4,135,000	\$ 4,135,000	\$ 4,173,393
Industrial Facilities Tax	130,000	130,000	118,867
Property Tax Administration Fee	140,000	140,000	138,325
Trailer Park Fees	2,200	2,200	1,922
Penalties and Interest	45,000	45,000	50,367
Payments in Lieu of Tax			
Housing Commission	60,000	140,000	143,940
Community Antenna Television	70,000	70,000	85,605
Total Taxes	\$ 4,582,200	\$ 4,662,200	\$ 4,712,419
<u>Licenses and Permits</u>			
Business Licenses	\$ 1,200	\$ 1,200	\$ 2,050
<u>Federal Grants</u>			
FEMA Grant	\$ 0	\$ 6,200	\$ 6,293
Safe Routes to Schools Grant	0	5,600	5,617
Secure Our Schools Program Grant	0	13,800	13,831
FEMA Fire Truck Grant	0	46,400	0
Total Federal Grants	\$ 0	\$ 72,000	\$ 25,741
<u>State Grants</u>			
Sales and Use Tax	\$ 956,000	\$ 956,000	\$ 1,021,024
Telecommunications Right of Way Maintenance	30,000	30,000	32,882
Liquor Licenses	8,000	8,000	7,981
MJTC Grant	3,500	3,500	3,181
Total State Grants	\$ 997,500	\$ 997,500	\$ 1,065,068
<u>Contributions from Local Units</u>			
Fire Protection	\$ 175,000	\$ 175,000	\$ 175,897

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Charges for Services			
Northflight Ambulance	\$ 54,000	\$ 54,000	\$ 49,784
Zoning Fees	2,000	2,000	2,685
Exemption Certificate Fees	1,000	1,000	2,700
Police Charges	2,500	2,500	5,305
Rental Housing Ordinance Fees	5,000	5,000	5,910
Engineering Fees	3,500	3,500	14,700
Solid Waste Collection	620,800	620,800	597,120
Sale of Maps and Ordinances	500	500	1,141
Administration	363,200	363,200	349,200
Miscellaneous	200	200	428
	<hr/>	<hr/>	<hr/>
Total Charges for Services	\$ 1,052,700	\$ 1,052,700	\$ 1,028,973
	<hr/>	<hr/>	<hr/>
Fines and Forfeits			
Violation Bureau and Ordinance Fines	\$ 25,300	\$ 37,400	\$ 39,802
	<hr/>	<hr/>	<hr/>
Interest and Rents			
Interest	\$ 75,000	\$ 75,000	\$ 82,080
Land and Building Rental	1,000	1,000	2,625
	<hr/>	<hr/>	<hr/>
Total Interest and Rents	\$ 76,000	\$ 76,000	\$ 84,705
	<hr/>	<hr/>	<hr/>
Other Revenue			
Contributions and Donations from Private Sources	\$ 1,500	\$ 1,500	\$ 25,697
Reimbursements - Housing Commission	245,000	245,000	241,363
Sale of Property and Equipment	7,500	225,500	263,284
Miscellaneous (Refunds and Rebates)	8,000	25,000	26,465
	<hr/>	<hr/>	<hr/>
Total Other Revenue	\$ 262,000	\$ 497,000	\$ 556,809
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 7,171,900	\$ 7,571,000	\$ 7,691,464
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	\$ 0	\$ 0	\$ 25,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>GENERAL GOVERNMENT</u>			
Legislative			
Personal Services	\$ 14,900	\$ 15,400	\$ 15,301
Employee Benefits	1,500	1,500	1,201
Office Supplies	1,800	1,300	411
Contractual Services	4,000	8,500	8,449
Data Processing	9,300	9,300	9,300
Dues and Publications	10,000	10,000	8,571
Travel and Education	12,000	12,000	11,205
Ordinances and Proceedings	5,000	5,000	4,661
	<u>\$ 58,500</u>	<u>\$ 63,000</u>	<u>\$ 59,099</u>
City Manager			
Personal Services	\$ 133,000	\$ 133,000	\$ 132,893
Employee Benefits	34,100	40,100	37,216
Office Supplies	1,600	1,600	1,507
Postage	200	200	28
Data Processing	3,500	3,500	3,500
Dues and Publications	3,000	2,500	2,214
Telephone	1,000	1,000	845
Travel and Education	6,000	6,500	6,457
Vehicle Lease	6,000	6,000	5,385
	<u>\$ 188,400</u>	<u>\$ 194,400</u>	<u>\$ 190,045</u>
Assistant City Manager			
Personal Services	\$ 65,000	\$ 60,000	\$ 59,359
Employee Benefits	12,100	14,600	14,266
Office Supplies	2,900	1,400	995
Postage	1,000	300	230
Contractual Services	45,000	52,200	57,689
Data Processing	3,500	3,500	3,500
Dues and Publications	2,000	2,000	2,120
Telephone	700	700	780
Travel and Education	4,000	4,000	4,025
Suggestion Award Program	400	400	0
	<u>\$ 136,600</u>	<u>\$ 139,100</u>	<u>\$ 142,964</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Finance			
Personal Services	\$ 114,000	\$ 117,000	\$ 116,713
Employee Benefits	52,800	42,800	41,369
Office Supplies	7,500	14,500	14,121
Postage	2,500	2,500	197
Audit	11,000	11,000	10,600
Data Processing	28,000	28,000	28,000
Dues and Publications	3,500	3,500	2,786
Telephone	1,000	1,000	801
Travel and Education	5,500	5,500	5,095
	<u>\$ 225,800</u>	<u>\$ 225,800</u>	<u>\$ 219,682</u>
Assessor			
Postage	\$ 3,000	\$ 2,000	\$ 1,955
Contractual Services	10,000	14,600	14,573
Wexford County Contract	100,000	96,400	96,392
Data Processing	18,000	18,000	18,000
Board of Review	1,500	1,500	832
	<u>\$ 132,500</u>	<u>\$ 132,500</u>	<u>\$ 131,752</u>
City Clerk/Treasurer			
Personal Services	\$ 142,500	\$ 142,500	\$ 142,599
Employee Benefits	75,200	75,200	74,392
Office Supplies	3,500	2,300	1,834
Postage	9,500	13,700	13,641
Data Processing	40,000	40,000	40,000
Dues and Publications	600	600	604
Travel and Education	1,000	1,000	0
Bad Debt Expense	15,000	12,000	9,950
	<u>\$ 287,300</u>	<u>\$ 287,300</u>	<u>\$ 283,020</u>
Election			
Personal Services	\$ 6,000	\$ 6,000	\$ 5,289
Office Supplies	5,000	5,000	892
	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 6,181</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Building and Grounds			
Personal Services	\$ 39,700	\$ 39,700	\$ 39,586
Employee Benefits	13,800	16,800	14,140
Operating Supplies	14,200	14,200	13,660
Contractual Services	18,500	15,500	10,948
Service and Lease Contracts	9,800	9,800	8,915
Data Processing	5,500	5,500	5,500
Insurance	96,300	89,300	88,804
Utilities	96,200	90,200	89,698
Repairs and Maintenance	15,000	28,000	27,844
Equipment Rental	7,200	7,200	7,200
Capital Outlay	17,500	17,500	14,893
Parking Lot	2,300	2,300	2,260
	<u>\$ 336,000</u>	<u>\$ 336,000</u>	<u>\$ 323,448</u>
Legal			
Office Supplies	\$ 1,600	\$ 1,600	\$ 13
Contractual Services	81,000	81,000	81,480
Travel and Education	1,200	1,200	1,077
	<u>\$ 83,800</u>	<u>\$ 83,800</u>	<u>\$ 82,570</u>
Engineer			
Personal Services	\$ 116,800	\$ 116,800	\$ 117,348
Employee Benefits	46,200	58,200	55,757
Office Supplies	3,500	3,500	2,163
Postage	200	200	0
Contractual Services	8,000	9,200	9,176
Data Processing	20,000	20,000	20,000
Dues and Publications	1,500	400	303
Telephone	450	450	456
Travel and Education	750	650	130
Equipment Rental	3,000	3,000	1,296
Capital Outlay	17,000	17,000	10,000
	<u>\$ 217,400</u>	<u>\$ 229,400</u>	<u>\$ 216,629</u>
Total General Government	<u>\$ 1,677,300</u>	<u>\$ 1,702,300</u>	<u>\$ 1,655,390</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>PUBLIC SAFETY</u>			
Police Department			
Personal Services			
Supervisory	\$ 98,900	\$ 98,900	\$ 97,863
Regular	670,000	689,000	688,483
Staff	91,000	72,000	69,682
Crossing Guards	7,300	7,300	6,420
Volunteers	5,500	5,500	1,625
Summer Patrol	18,000	18,000	17,039
Overtime	68,000	68,000	56,429
Employee Benefits	705,400	705,400	704,473
Office Supplies	7,500	8,000	7,844
Operating Supplies	41,000	41,000	40,803
Community Service Supplies	1,000	1,000	661
Uniform Cleaning	9,500	9,500	9,000
Data Processing	55,000	55,000	55,095
Dues and Publications	2,000	3,000	2,728
Radio and Equipment Maintenance	4,500	6,000	5,571
Telephone	5,000	5,000	3,602
Travel and Education	29,000	22,000	16,950
Vehicle Repairs and Maintenance	23,500	27,500	27,427
Uniforms and Maintenance	11,500	11,500	10,614
Equipment Rental	23,000	23,000	20,823
Vehicle Lease	7,500	7,500	2,815
Copier Lease	3,700	3,700	2,909
Capital Outlay	48,800	48,800	48,260
	\$ 1,936,600	\$ 1,936,600	\$ 1,897,116
Code Enforcement			
Personal Services	\$ 0	\$ 4,000	\$ 3,554
Employee Benefits	0	1,500	1,272
	\$ 0	\$ 5,500	\$ 4,826
Fire Department			
Personal Services			
Supervisory	\$ 37,200	\$ 37,200	\$ 36,786
Regular	509,300	473,300	472,765
Staff	10,000	6,000	5,951
Volunteers	36,000	29,000	27,878
Overtime	72,300	144,300	143,806
Employee Benefits	488,100	488,100	500,532
Office Supplies	1,500	1,500	1,639

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Operating Supplies	20,000	23,000	22,927
Community Service Supplies	1,700	1,700	523
Uniform Cleaning	2,800	2,800	2,526
Subsistence Allowance	13,200	14,300	14,209
Data Processing	11,000	11,000	11,000
Dues and Publications	2,000	2,900	2,806
Radio and Equipment Maintenance	4,500	6,600	6,568
Telephone	1,200	1,300	1,260
Travel and Education	11,000	13,500	15,434
Vehicle Repairs and Maintenance	18,000	18,000	16,552
Uniforms and Maintenance	15,000	15,000	14,835
Vehicle Lease	4,800	3,700	3,645
Employee Safety	5,200	0	0
Capital Outlay	7,700	58,800	9,184
	<u>\$ 1,272,500</u>	<u>\$ 1,352,000</u>	<u>\$ 1,310,826</u>
Total Public Safety	<u>\$ 3,209,100</u>	<u>\$ 3,294,100</u>	<u>\$ 3,212,768</u>

PUBLIC WORKS

Miscellaneous

Personal Services	\$ 3,500	\$ 8,000	\$ 7,020
Employee Benefits	2,600	3,600	2,715
Street Lighting	103,300	126,300	121,190
Maintenance of Dam	2,500	2,500	2,470
Equipment Rental	16,300	16,300	12,517
Hydrant Rental	23,200	23,200	21,901
Property Taxes	5,000	5,000	2,097
	<u>\$ 156,400</u>	<u>\$ 184,900</u>	<u>\$ 169,910</u>

Sidewalks and Alleys

Personal Services	\$ 8,500	\$ 9,000	\$ 9,356
Employee Benefits	6,300	6,300	4,667
Operating Supplies	1,900	1,900	1,618
Contractual Services	7,500	7,500	7,235
Equipment Rental	18,600	22,000	23,749
	<u>\$ 42,800</u>	<u>\$ 46,700</u>	<u>\$ 46,625</u>

Leaves

Personal Services	\$ 6,100	\$ 6,100	\$ 4,735
Employee Benefits	4,600	4,600	2,480
Equipment Rental	43,800	35,000	31,550
	<u>\$ 54,500</u>	<u>\$ 45,700</u>	<u>\$ 38,765</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Grass and Weed Control			
Personal Services	\$ 7,400	\$ 7,400	\$ 9,051
Employee Benefits	5,500	5,500	4,172
Equipment Rental	29,300	29,300	30,618
	<u>\$ 42,200</u>	<u>\$ 42,200</u>	<u>\$ 43,841</u>
Composting			
Personal Services	\$ 6,000	\$ 2,000	\$ 232
Employee Benefits	3,500	1,000	133
Equipment Rental	7,200	2,500	933
	<u>\$ 16,700</u>	<u>\$ 5,500</u>	<u>\$ 1,298</u>
Waste Removal			
Removal Contract	\$ 582,500	\$ 582,500	\$ 584,095
County Landfill Fees	5,300	5,300	4,312
	<u>\$ 587,800</u>	<u>\$ 587,800</u>	<u>\$ 588,407</u>
Total Public Works	<u>\$ 900,400</u>	<u>\$ 912,800</u>	<u>\$ 888,846</u>

COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development			
Community Development	\$ 0	\$ 25,000	\$ 31,560
Planning and Zoning			
Personal Services	\$ 60,000	\$ 60,000	\$ 59,889
Employee Benefits	29,100	29,100	28,259
Office Supplies	2,000	2,900	2,525
Postage	500	500	0
Data Processing	2,500	2,500	2,500
Dues and Publications	400	400	345
Telephone	500	500	451
Travel and Education	500	600	530
Publisher's Costs	1,200	1,500	1,350
	<u>\$ 96,700</u>	<u>\$ 98,000</u>	<u>\$ 95,849</u>
Community Promotions			
Personal Services	\$ 9,000	\$ 9,000	\$ 8,144
Employee Benefits	6,700	4,500	3,979
Operating Supplies	2,000	2,200	2,153
Newsletter	3,000	5,000	4,453

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Contractual Services	5,500	6,500	6,167
Utilities	1,800	1,800	1,631
Equipment Rental	8,200	10,300	10,290
Special Projects	0	700	624
Chamber of Commerce	1,000	1,000	1,000
	<u>\$ 37,200</u>	<u>\$ 41,000</u>	<u>\$ 38,441</u>
Total Community and Economic Development	<u>\$ 133,900</u>	<u>\$ 164,000</u>	<u>\$ 165,850</u>

CULTURE AND RECREATION

Arts Commission

Contractual Services	\$ 10,500	\$ 10,500	\$ 10,500
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Municipal Parks

Personal Services	\$ 80,600	\$ 77,100	\$ 76,999
Employee Benefits	21,700	23,000	22,720
Operating Supplies	17,700	20,900	21,240
Contractual Services	2,200	2,200	1,591
Data Processing	1,000	1,000	1,000
Telephone	500	500	417
Travel and Education	200	200	238
Utilities	21,200	25,900	25,883
Repairs and Maintenance	20,000	21,200	21,697
Equipment Rental	13,200	11,900	11,670
Building Rental	1,100	1,100	1,100
Capital Outlay	21,400	22,600	22,545
	<u>\$ 200,800</u>	<u>\$ 207,600</u>	<u>\$ 207,100</u>
Total Culture and Recreation	<u>\$ 211,300</u>	<u>\$ 218,100</u>	<u>\$ 217,600</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>INTERGOVERNMENTAL EXPENDITURES</u>			
Recreation			
Cadillac Community Schools Recreation Program	\$ 66,200	\$ 66,200	\$ 66,200
Wexford County Swimmers' Itch Control Program	24,800	24,800	24,601
Housing			
Cadillac Housing Commission	245,000	245,000	243,808
Airport			
Wexford County Airport Authority	50,000	50,000	44,640
Clam Lake Township	1,200	1,800	1,791
	<u>\$ 387,200</u>	<u>\$ 387,800</u>	<u>\$ 381,040</u>
Total Intergovernmental Expenditures			
	<u>\$ 6,519,200</u>	<u>\$ 6,679,100</u>	<u>\$ 6,521,494</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
Local Street Fund	\$ 594,300	\$ 794,300	\$ 794,300
Police and Firemen Retirement System	40,000	40,000	0
Cemetery Operating Fund	68,400	68,400	68,400
	<u>\$ 702,700</u>	<u>\$ 902,700</u>	<u>\$ 862,700</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 1,637	\$ 4,598
Due from Other Governments	92,819	107,917
Prepaid Expenditures	1,668	1,605
TOTAL ASSETS	<u>\$ 96,124</u>	<u>\$ 114,120</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,410	\$ 14,694
Accrued Expenditures	4,458	4,917
Due to Other Funds	41,130	37,759
Total Liabilities	<u>\$ 46,998</u>	<u>\$ 57,370</u>
 <u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 1,668	\$ 1,605
Unreserved		
Designated for Street Improvements	47,458	55,145
Total Fund Balance	<u>\$ 49,126</u>	<u>\$ 56,750</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 96,124</u>	<u>\$ 114,120</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>BUDGET</u>		<u>2009</u>	<u>2008</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
STP Grant	\$ 0	\$ 0	\$ 0	\$ 447,230
FEMA Grant	0	0	2,923	0
State Grants				
Motor Vehicle Highway Fund (Act 51)	510,000	510,000	501,363	519,896
State Trunkline Maintenance	112,700	159,600	172,499	164,948
Interest and Rents				
Interest	1,500	1,500	113	1,160
 Total Revenues	 \$ 624,200	 \$ 671,100	 \$ 676,898	 \$ 1,133,234
<u>EXPENDITURES</u>				
Major Streets				
Construction - Streets	\$ 10,000	\$ 10,000	\$ 6,464	\$ 485,594
Surface Maintenance				
Personal Services	\$ 14,900	\$ 14,900	\$ 12,647	\$ 11,720
Employee Benefits	10,300	10,300	6,203	8,361
Materials	8,000	8,000	8,860	10,839
Equipment Rental	16,000	16,000	15,965	18,843
	\$ 49,200	\$ 49,200	\$ 43,675	\$ 49,763
Sweeping and Flushing				
Personal Services	\$ 3,800	\$ 3,800	\$ 2,626	\$ 3,377
Employee Benefits	2,800	2,800	1,530	2,208
Equipment Rental	27,500	27,500	19,015	24,639
	\$ 34,100	\$ 34,100	\$ 23,171	\$ 30,224

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	BUDGET		2009	2008
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Forestry				
Personal Services	\$ 10,500	\$ 10,500	\$ 13,461	\$ 10,130
Employee Benefits	7,800	7,800	6,218	7,588
Materials	5,300	5,300	3,452	4,166
Contractual Services	4,000	4,000	2,904	3,520
Travel and Education	800	800	705	601
Repairs and Maintenance	300	300	63	0
Equipment Rental	20,000	20,000	25,861	24,255
	<u>\$ 48,700</u>	<u>\$ 48,700</u>	<u>\$ 52,664</u>	<u>\$ 50,260</u>
Catch Basins				
Personal Services	\$ 4,500	\$ 4,500	\$ 4,440	\$ 6,611
Employee Benefits	5,400	5,400	2,321	4,689
Materials	1,400	1,400	758	305
Contractual Services	2,600	2,600	0	0
Equipment Rental	10,100	10,100	9,996	21,679
	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 17,515</u>	<u>\$ 33,284</u>
Drainage				
Personal Services	\$ 6,000	\$ 6,000	\$ 6,763	\$ 4,531
Employee Benefits	4,500	4,500	3,212	3,348
Materials	300	300	0	80
Equipment Rental	2,600	2,600	3,932	4,961
	<u>\$ 13,400</u>	<u>\$ 13,400</u>	<u>\$ 13,907</u>	<u>\$ 12,920</u>
Traffic Services				
Personal Services	\$ 18,500	\$ 18,500	\$ 17,267	\$ 16,700
Employee Benefits	10,900	10,900	8,380	13,350
Materials	16,000	16,000	12,535	16,509
Contractual Services	17,000	17,000	17,751	9,137
Equipment Rental	9,900	9,900	12,101	15,357
	<u>\$ 72,300</u>	<u>\$ 72,300</u>	<u>\$ 68,034</u>	<u>\$ 71,053</u>
Winter Maintenance				
Personal Services	\$ 20,800	\$ 30,500	\$ 30,436	\$ 27,813
Employee Benefits	15,500	15,500	13,577	23,194
Materials	12,700	24,100	24,058	17,582
Equipment Rental	66,100	109,000	108,597	108,438
	<u>\$ 115,100</u>	<u>\$ 179,100</u>	<u>\$ 176,668</u>	<u>\$ 177,027</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	BUDGET		2009	2008
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Administration				
Personal Services	\$ 47,400	\$ 47,400	\$ 48,195	\$ 46,994
Employee Benefits	22,000	22,000	21,702	19,417
Materials	100	100	0	0
Audit	2,000	2,000	1,600	2,000
Data Processing	8,000	8,000	8,000	17,500
Travel and Education	1,600	1,600	226	0
Equipment Rental	6,400	6,400	7,449	6,208
Administrative	39,200	25,200	25,200	41,400
	<u>\$ 126,700</u>	<u>\$ 112,700</u>	<u>\$ 112,372</u>	<u>\$ 133,519</u>
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	\$ 2,400	\$ 6,000	\$ 5,952	\$ 4,849
Employee Benefits	1,800	3,000	2,900	4,055
Materials	1,600	3,500	3,051	3,004
Equipment Rental	3,900	6,000	5,938	7,885
	<u>\$ 9,700</u>	<u>\$ 18,500</u>	<u>\$ 17,841</u>	<u>\$ 19,793</u>
Sweeping and Flushing				
Personal Services	\$ 600	\$ 600	\$ 730	\$ 938
Employee Benefits	400	400	380	697
Equipment Rental	3,400	3,400	3,612	4,289
	<u>\$ 4,400</u>	<u>\$ 4,400</u>	<u>\$ 4,722</u>	<u>\$ 5,924</u>
Traffic Signals				
Utilities	\$ 8,400	\$ 6,500	\$ 5,954	\$ 7,415
Trees and Shrubs				
Personal Services	\$ 0	\$ 0	\$ 236	\$ 104
Employee Benefits	0	0	116	85
Equipment Rental	0	0	185	50
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 537</u>	<u>\$ 239</u>
Drainage				
Personal Services	\$ 4,400	\$ 2,000	\$ 516	\$ 931
Employee Benefits	2,700	1,000	206	749
Materials	100	100	0	0
Equipment Rental	100	100	37	2,572
	<u>\$ 7,300</u>	<u>\$ 3,200</u>	<u>\$ 759</u>	<u>\$ 4,252</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>BUDGET</u>		<u>2009</u>	<u>2008</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Winter Maintenance				
Personal Services	\$ 14,800	\$ 19,800	\$ 19,176	\$ 17,277
Employee Benefits	11,000	11,000	8,521	14,426
Materials	16,000	23,000	22,793	19,784
Equipment Rental	29,000	55,000	53,992	41,787
	<u>\$ 70,800</u>	<u>\$ 108,800</u>	<u>\$ 104,482</u>	<u>\$ 93,274</u>
Snow Hauling				
Personal Services	\$ 3,300	\$ 4,900	\$ 4,906	\$ 5,403
Employee Benefits	2,500	2,500	2,111	4,510
Equipment Rental	6,300	10,800	10,740	13,096
	<u>\$ 12,100</u>	<u>\$ 18,200</u>	<u>\$ 17,757</u>	<u>\$ 23,009</u>
 Total Expenditures	 <u>\$ 606,200</u>	 <u>\$ 703,100</u>	 <u>\$ 666,522</u>	 <u>\$ 1,197,550</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ 18,000</u>	 <u>\$ (32,000)</u>	 <u>\$ 10,376</u>	 <u>\$ (64,316)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
2004 Capital Improvement				
Bonds Debt Retirement Fund	(18,000)	(18,000)	(18,000)	(19,100)
 Net Change in Fund Balance	 <u>\$ 0</u>	 <u>\$ (50,000)</u>	 <u>\$ (7,624)</u>	 <u>\$ (83,416)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>11,065</u>	 <u>56,750</u>	 <u>56,750</u>	 <u>140,166</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 11,065</u>	 <u>\$ 6,750</u>	 <u>\$ 49,126</u>	 <u>\$ 56,750</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 218,672	\$ 60,778
Receivables		
Accounts	0	35,934
Due from Other Governments	30,138	31,748
Prepaid Expenditures	1,537	1,479
	<hr/>	<hr/>
TOTAL ASSETS	\$ 250,347	\$ 129,939
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 4,007	\$ 653
Accrued Expenditures	8,748	7,175
Due to Other Funds	0	93,600
	<hr/>	<hr/>
Total Liabilities	\$ 12,755	\$ 101,428
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 1,537	\$ 1,479
Unreserved		
Designated for Street Improvements	236,055	27,032
	<hr/>	<hr/>
Total Fund Balance	\$ 237,592	\$ 28,511
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 250,347	\$ 129,939
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	BUDGET		2009	2008
	ORIGINAL	FINAL	ACTUAL	ACTUAL
<u>REVENUES</u>				
Federal Grants				
Community Development Block Grant	\$ 0	\$ 0	\$ 15,928	\$ 690,341
FEMA Grant	0	0	5,828	0
State Grants				
Motor Vehicle Highway Fund (Act 51)	185,000	185,000	186,629	193,752
Interest and Rents				
Interest	3,500	3,500	205	4,187
Other Revenue				
Contributions and Donations from Private Sources	0	0	0	35,934
Total Revenues	<u>\$ 188,500</u>	<u>\$ 188,500</u>	<u>\$ 208,590</u>	<u>\$ 924,214</u>
<u>EXPENDITURES</u>				
Street Construction				
Contractual Services	\$ 60,000	\$ 60,000	\$ 88,342	\$ 897,550
Surface Maintenance				
Personal Services	\$ 17,300	\$ 17,300	\$ 14,400	\$ 14,905
Employee Benefits	12,900	12,900	6,798	10,825
Materials	11,100	11,100	11,535	13,912
Equipment Rental	26,400	26,400	24,397	26,340
	<u>\$ 67,700</u>	<u>\$ 67,700</u>	<u>\$ 57,130</u>	<u>\$ 65,982</u>
Sweeping and Flushing				
Personal Services	\$ 7,700	\$ 7,700	\$ 6,953	\$ 5,937
Employee Benefits	5,700	5,700	3,496	4,170
Equipment Rental	49,400	49,400	45,649	42,461
	<u>\$ 62,800</u>	<u>\$ 62,800</u>	<u>\$ 56,098</u>	<u>\$ 52,568</u>
Forestry				
Personal Services	\$ 26,000	\$ 26,000	\$ 22,793	\$ 16,417
Employee Benefits	19,400	19,400	11,651	11,702
Materials	7,300	7,300	4,416	6,088
Contractual Services	2,300	2,300	1,554	3,520
Equipment Rental	41,800	41,800	42,418	37,092
	<u>\$ 96,800</u>	<u>\$ 96,800</u>	<u>\$ 82,832</u>	<u>\$ 74,819</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>BUDGET</u>		<u>2009</u>	<u>2008</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Catch Basins				
Personal Services	\$ 18,900	\$ 18,900	\$ 13,991	\$ 12,644
Employee Benefits	13,300	13,300	4,549	8,964
Materials	300	300	0	0
Contractual Services	0	0	0	3,407
Utilities	600	600	748	411
Equipment Rental	23,500	23,500	25,965	23,845
	<u>\$ 56,600</u>	<u>\$ 56,600</u>	<u>\$ 45,253</u>	<u>\$ 49,271</u>
Drainage				
Personal Services	\$ 8,000	\$ 8,000	\$ 7,603	\$ 4,783
Employee Benefits	6,000	6,000	3,797	3,269
Materials	300	300	3,892	0
Equipment Rental	4,100	4,100	4,341	4,171
	<u>\$ 18,400</u>	<u>\$ 18,400</u>	<u>\$ 19,633</u>	<u>\$ 12,223</u>
Traffic Services				
Personal Services	\$ 14,600	\$ 14,600	\$ 7,447	\$ 5,448
Employee Benefits	8,000	8,000	3,641	4,397
Materials	5,300	5,300	1,774	1,933
Contractual Services	500	500	0	0
Equipment Rental	5,100	5,100	3,937	4,536
	<u>\$ 33,500</u>	<u>\$ 33,500</u>	<u>\$ 16,799</u>	<u>\$ 16,314</u>
Winter Maintenance				
Personal Services	\$ 15,600	\$ 21,000	\$ 20,866	\$ 20,162
Employee Benefits	11,600	11,600	9,483	16,787
Materials	8,200	14,000	13,938	11,525
Equipment Rental	56,700	87,500	87,510	82,585
	<u>\$ 92,100</u>	<u>\$ 134,100</u>	<u>\$ 131,797</u>	<u>\$ 131,059</u>
Administration				
Personal Services	\$ 42,400	\$ 42,400	\$ 43,139	\$ 42,080
Employee Benefits	19,300	19,300	19,043	17,045
Materials	100	100	0	0
Audit	1,900	1,900	1,600	1,800
Data Processing	8,000	8,000	8,000	14,500
Equipment Rental	6,800	6,800	7,449	6,208
Administrative	35,800	35,800	35,800	38,200
	<u>\$ 114,300</u>	<u>\$ 114,300</u>	<u>\$ 115,031</u>	<u>\$ 119,833</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	BUDGET		2009	2008
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Debt Service				
Principal	\$ 26,200	\$ 26,200	\$ 26,111	\$ 0
Interest	8,000	8,000	5,483	8,510
	<u>\$ 34,200</u>	<u>\$ 34,200</u>	<u>\$ 31,594</u>	<u>\$ 8,510</u>
 Total Expenditures	 <u>\$ 636,400</u>	 <u>\$ 678,400</u>	 <u>\$ 644,509</u>	 <u>\$ 1,428,129</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (447,900)</u>	 <u>\$ (489,900)</u>	 <u>\$ (435,919)</u>	 <u>\$ (503,915)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
General Fund	\$ 594,300	\$ 594,300	\$ 794,300	\$ 566,400
Capital Projects Trust Fund	0	0	0	10,000
1997 Michigan Transportation Fund				
Debt Retirement Fund	(15,500)	(15,500)	(16,300)	(17,300)
1996 Michigan Transportation Fund				
Debt Retirement Fund	(28,400)	(28,400)	(29,200)	(25,400)
2000 Michigan Transportation Fund				
Debt Retirement Fund	(35,500)	(35,500)	(36,300)	(32,400)
2004 Capital Improvement Bonds				
Debt Retirement Fund	(67,000)	(67,000)	(67,500)	(67,500)
	<u>\$ 447,900</u>	<u>\$ 447,900</u>	<u>\$ 645,000</u>	<u>\$ 433,800</u>
 Net Other Financing Sources (Uses)	 <u>\$ 447,900</u>	 <u>\$ 447,900</u>	 <u>\$ 645,000</u>	 <u>\$ 433,800</u>
 Net Change In Fund Balance	 <u>\$ 0</u>	 <u>\$ (42,000)</u>	 <u>\$ 209,081</u>	 <u>\$ (70,115)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>9,125</u>	 <u>28,511</u>	 <u>28,511</u>	 <u>98,626</u>
 <u>FUND BALANCE (DEFICIT)</u> - End of Year	 <u>\$ 9,125</u>	 <u>\$ (13,489)</u>	 <u>\$ 237,592</u>	 <u>\$ 28,511</u>

MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

The Water and Sewer Fund records financial activity of the seven-well water system which provides water to customers and the operations of the City's tertiary treatment plant.

BUILDING AUTHORITY OPERATING FUND

The Building Authority Operating Fund was established to account for the rental of the DEQ building.

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 5,103	\$ 70,694
Investments	1,965,127	2,256,156
Receivables		
Accounts	261,291	396,679
Unbilled Services	250,348	274,734
Accrued Interest	44,140	26,959
Cylinder Deposits	10,500	10,500
Due from Other Funds	0	1,970
Inventory, At Cost	206,454	204,667
Prepaid Expense	36,561	21,953
	<u>\$ 2,779,524</u>	<u>\$ 3,264,312</u>
Total Current Assets		
 <u>NONCURRENT ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Investments		
Bond Reserve Account	\$ 859,392	\$ 1,041,996
Bond Replacement Account	458,415	447,601
	<u>\$ 1,317,807</u>	<u>\$ 1,489,597</u>
Total Restricted Assets		
 <u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 500,412	\$ 150,625
Buildings	930,747	930,747
Improvements Other than Buildings	28,301,840	28,227,171
Machinery and Equipment	1,209,688	1,189,822
Construction Work in Progress	5,147,472	2,760,466
	<u>\$ 36,090,159</u>	<u>\$ 33,258,831</u>
Less Accumulated Depreciation	14,854,975	14,052,923
Net Capital Assets	<u>\$ 21,235,184</u>	<u>\$ 19,205,908</u>
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	\$ 48,970	\$ 59,568
Total Noncurrent Assets	<u>\$ 22,601,961</u>	<u>\$ 20,755,073</u>
TOTAL ASSETS	<u>\$ 25,381,485</u>	<u>\$ 24,019,385</u>

	2009	2008
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 594,744	\$ 1,056,268
Accrued Interest	114,494	105,934
Other Accrued Expenses	198,958	163,826
Utility Deposits	4,200	3,150
Current Portion of Revenue Bonds	595,000	410,000
	<hr/>	<hr/>
Total Current Liabilities	\$ 1,507,396	\$ 1,739,178
	<hr/>	<hr/>
<u>LONG-TERM LIABILITIES</u>		
2007 Wastewater System Junior Lien Revenue Bonds	\$ 3,417,293	\$ 1,311,479
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,058,440	1,060,998
2001 Revenue Bonds (Net of Deferred Refunding Amount)	4,584,344	5,000,353
	<hr/>	<hr/>
Total Long-Term Liabilities	\$ 9,060,077	\$ 7,372,830
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 10,567,473	\$ 9,112,008
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,580,107	\$ 11,423,078
Unrestricted	1,317,807	1,489,597
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 1,916,098	1,994,702
	<hr/>	<hr/>
	<hr/>	<hr/>
	\$ 14,814,012	\$ 14,907,377
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	2009	2008
<u>OPERATING REVENUES</u>		
Sewer Charges to Customers	\$ 1,955,857	\$ 2,074,773
Water Charges to Customers	1,067,011	1,133,165
Fire Protection	108,798	94,563
Hydrant Rental	0	13,492
Sales of Services and Materials	528,006	455,419
Total Operating Revenues	\$ 3,659,672	\$ 3,771,412
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 800,425	\$ 861,668
Contractual Services	575,427	514,481
Supplies	334,371	352,857
Heat, Light and Power	368,163	338,715
Depreciation and Amortization	816,081	820,864
Employee Benefits	433,423	391,015
Administrative	201,900	203,800
Total Operating Expenses	\$ 3,529,790	\$ 3,483,400
Operating Income	\$ 129,882	\$ 288,012
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 142,981	\$ 97,473
Interest and Fiscal Charges	(366,228)	(333,329)
Total Nonoperating Revenues (Expenses)	\$ (223,247)	\$ (235,856)
Change in Net Assets	\$ (93,365)	\$ 52,156
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,907,377	14,855,221
<u>TOTAL NET ASSETS</u> - End of Year	\$ 14,814,012	\$ 14,907,377

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,821,416	\$ 3,695,384
Cash Payments to Suppliers for Goods and Services	(1,956,730)	(481,333)
Cash Payments to Employees for Services	(1,198,716)	(1,288,475)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 665,970	\$ 1,925,576
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (2,831,328)	\$ (2,540,548)
Loan Proceeds	2,270,814	1,311,479
Principal Paid	(410,000)	(385,000)
Interest Paid	(349,666)	(329,969)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (1,320,180)	\$ (1,944,038)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 125,800	\$ 102,046
Purchase of Investment Securities	(304,234)	(426,654)
Proceeds from Sale and Maturities of Investment Securities	767,053	40,292
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 588,619	\$ (284,316)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (65,591)	\$ (302,778)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	70,694	373,472
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 5,103	\$ 70,694
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2009	2008
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 129,882	\$ 288,012
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities		
Depreciation and Amortization	\$ 816,081	\$ 820,864
(Increase) Decrease in Current Assets		
Accounts Receivable	159,774	(79,550)
Due from Other Funds	1,970	3,522
Inventory	(1,787)	5,969
Prepaid Expense	(14,608)	(4,271)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(461,524)	949,056
Other Accrued Expenses	35,132	(35,792)
Due to Other Funds	0	(22,534)
Utility Deposits	1,050	300
Total Adjustments	\$ 536,088	\$ 1,637,564
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 665,970	\$ 1,925,576

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>ADMINISTRATIVE</u>			
Personal Services	\$ 394,100	\$ 394,045	\$ 410,775
Employee Benefits	252,600	271,893	188,366
Office Supplies	7,200	6,584	14,154
Postage	19,500	19,467	20,711
Safety Supplies	4,800	5,410	2,038
Property Taxes	7,600	7,553	7,553
Contractual Services	135,600	135,437	71,088
Engineering Fees	14,000	32,607	18,704
Legal Fees	2,000	1,964	0
Audit	5,100	3,900	5,100
State Mandated Fees	21,500	21,455	15,025
Data Processing	55,000	55,000	54,000
Insurance	36,000	35,989	36,986
Dues and Publications	2,400	2,548	1,743
Repairs and Maintenance	500	38	458
Telephone	7,800	7,362	8,004
Alarm System	4,400	4,672	4,621
Travel and Education	10,000	11,463	12,117
Employee Safety	2,100	0	2,100
Public Relations	1,000	971	1,019
Administration	201,900	201,900	203,800
	<u>\$ 1,185,100</u>	<u>\$ 1,220,258</u>	<u>\$ 1,078,362</u>
<u>BUILDINGS AND WATER TANK</u>			
Personal Services	\$ 4,600	\$ 4,479	\$ 6,325
Employee Benefits	1,100	769	845
Operating Supplies	15,800	18,529	15,363
Repairs and Maintenance	500	4,303	518
	<u>\$ 22,000</u>	<u>\$ 28,080</u>	<u>\$ 23,051</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>GENERAL STREET EXPENSE</u>			
Personal Services	\$ 1,000	\$ 208	\$ 223
Employee Benefits	700	96	112
Operating Supplies	2,300	2,202	6,931
Contractual Services	16,400	25,471	24,346
	<u>\$ 20,400</u>	<u>\$ 27,977</u>	<u>\$ 31,612</u>
<u>METER READING AND COLLECTION</u>			
Personal Services	\$ 10,300	\$ 10,217	\$ 11,313
Employee Benefits	6,400	4,695	4,940
Operating Supplies	300	0	0
	<u>\$ 17,000</u>	<u>\$ 14,912</u>	<u>\$ 16,253</u>
<u>CUSTOMER SERVICES</u>			
Personal Services	\$ 16,500	\$ 16,633	\$ 22,133
Employee Benefits	7,300	6,463	9,925
	<u>\$ 23,800</u>	<u>\$ 23,096</u>	<u>\$ 32,058</u>
<u>PUMPING STATION</u>			
Personal Services	\$ 2,000	\$ 2,097	\$ 1,561
Employee Benefits	1,900	686	664
Operating Supplies	8,500	8,390	8,708
Chemicals	18,800	18,727	24,690
Laboratory Control	22,000	23,550	20,676
Utilities	121,000	126,058	125,208
Repairs and Maintenance	1,400	1,360	8,133
	<u>\$ 175,600</u>	<u>\$ 180,868</u>	<u>\$ 189,640</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>MAINTENANCE - MAINS AND HYDRANTS</u>			
Personal Services	\$ 66,300	\$ 65,601	\$ 55,982
Employee Benefits	27,300	26,383	26,183
Operating Supplies	6,600	6,567	17,338
Contractual Services	7,500	6,963	8,920
	<u>\$ 107,700</u>	<u>\$ 105,514</u>	<u>\$ 108,423</u>
<u>MAINTENANCE - SERVICE CONNECTIONS</u>			
Personal Services	\$ 5,500	\$ 5,821	\$ 2,047
Employee Benefits	2,800	2,373	677
Operating Supplies	3,900	5,468	2,216
Repairs and Maintenance	100	80	0
	<u>\$ 12,300</u>	<u>\$ 13,742</u>	<u>\$ 4,940</u>
<u>METER - OPERATIONS</u>			
Personal Services	\$ 46,500	\$ 46,441	\$ 51,251
Employee Benefits	25,900	22,001	28,055
Operating Supplies	18,200	18,016	28,024
	<u>\$ 90,600</u>	<u>\$ 86,458</u>	<u>\$ 107,330</u>
<u>WELLS AND WELL FIELDS</u>			
Personal Services	\$ 1,700	\$ 1,678	\$ 1,309
Employee Benefits	1,500	448	358
Operating Supplies	3,000	2,894	4,785
Contractual Services	24,700	24,686	24,422
Repairs and Maintenance	5,600	11,661	28,814
Special Projects	0	5,000	0
	<u>\$ 36,500</u>	<u>\$ 46,367</u>	<u>\$ 59,688</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>NEW SERVICES</u>			
Personal Services	\$ 2,500	\$ 2,239	\$ 763
Employee Benefits	1,400	879	400
Operating Supplies	21,000	37,667	18,052
Contractual Services	0	0	922
	<u>\$ 24,900</u>	<u>\$ 40,785</u>	<u>\$ 20,137</u>
<u>PRELIMINARY TREATMENT</u>			
Personal Services	\$ 9,400	\$ 9,823	\$ 10,196
Employee Benefits	4,800	3,961	5,192
Operating Supplies	800	748	342
Utilities	2,300	2,553	12,559
Repairs and Maintenance	3,000	2,237	364
	<u>\$ 20,300</u>	<u>\$ 19,322</u>	<u>\$ 28,653</u>
<u>PRIMARY TREATMENT</u>			
Personal Services	\$ 9,000	\$ 8,691	\$ 9,519
Employee Benefits	4,800	3,754	5,008
Operating Supplies	0	0	151
Repairs and Maintenance	700	698	361
	<u>\$ 14,500</u>	<u>\$ 13,143</u>	<u>\$ 15,039</u>
<u>SECONDARY TREATMENT</u>			
Personal Services	\$ 8,500	\$ 8,428	\$ 11,146
Employee Benefits	5,300	3,617	5,839
Operating Supplies	800	733	1,130
Utilities	63,800	63,826	47,985
Repairs and Maintenance	4,200	4,808	7,900
	<u>\$ 82,600</u>	<u>\$ 81,412</u>	<u>\$ 74,000</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>TERTIARY TREATMENT</u>			
Personal Services	\$ 7,300	\$ 6,952	\$ 7,456
Employee Benefits	4,700	2,992	3,882
Operating Supplies	4,000	3,991	473
Utilities	66,400	66,496	30,629
Repairs and Maintenance	8,500	13,405	5,034
	<u>\$ 90,900</u>	<u>\$ 93,836</u>	<u>\$ 47,474</u>
<u>SLUDGE TREATMENT AND DISPOSAL</u>			
Personal Services	\$ 21,400	\$ 21,357	\$ 21,499
Employee Benefits	10,800	8,790	10,402
Operating Supplies	600	537	1,292
Laboratory Control	5,500	4,529	4,666
Injection Contract Costs	59,300	59,292	58,332
Utilities	23,000	23,074	49,506
Repairs and Maintenance	7,500	8,766	9,560
	<u>\$ 128,100</u>	<u>\$ 126,345</u>	<u>\$ 155,257</u>
<u>NUTRIENT REMOVAL</u>			
Personal Services	\$ 5,600	\$ 5,527	\$ 5,699
Employee Benefits	3,400	2,438	3,028
Operating Supplies	700	620	292
Chemicals	37,300	37,262	35,259
Repairs and Maintenance	5,400	6,791	3,285
	<u>\$ 52,400</u>	<u>\$ 52,638</u>	<u>\$ 47,563</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>EFFLUENT DISPOSAL</u>			
Personal Services	\$ 9,000	\$ 8,817	\$ 10,111
Employee Benefits	4,900	3,571	4,706
Operating Supplies	300	297	8,925
Plant Lab Supplies	7,400	7,203	6,198
Chemicals	500	0	4,329
Laboratory Control	10,000	9,741	6,610
Utilities	11,500	11,782	10,609
Repairs and Maintenance	4,000	3,018	6,025
	<u>\$ 47,600</u>	<u>\$ 44,429</u>	<u>\$ 57,513</u>
<u>INDUSTRIAL SURVEILLANCE</u>			
Personal Services	\$ 9,400	\$ 9,384	\$ 9,036
Employee Benefits	4,300	3,423	3,544
Operating Supplies	300	211	1,262
Laboratory Control	7,500	7,444	1,955
Repairs and Maintenance	600	378	502
	<u>\$ 22,100</u>	<u>\$ 20,840</u>	<u>\$ 16,299</u>
<u>BUILDINGS AND GROUNDS</u>			
Personal Services	\$ 99,500	\$ 99,631	\$ 82,390
Employee Benefits	37,200	37,232	35,461
Operating Supplies	30,500	30,693	28,281
Utilities	16,500	15,821	17,913
Repairs and Maintenance	15,600	20,087	28,016
	<u>\$ 199,300</u>	<u>\$ 203,464</u>	<u>\$ 192,061</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>SANITARY SEWERS</u>			
Personal Services	\$ 23,500	\$ 23,438	\$ 35,965
Employee Benefits	6,900	5,132	21,067
Operating Supplies	4,800	4,738	15,147
Contractual Services	12,300	12,856	5,177
	<u>\$ 47,500</u>	<u>\$ 46,164</u>	<u>\$ 77,356</u>
<u>LIFT STATIONS</u>			
Personal Services	\$ 16,600	\$ 16,504	\$ 17,061
Employee Benefits	8,900	7,021	7,421
Operating Supplies	4,600	9,263	5,157
Disposal Fees	2,000	1,328	1,589
Utilities	38,200	46,519	31,681
Repairs and Maintenance	21,100	21,125	28,492
	<u>\$ 91,400</u>	<u>\$ 101,760</u>	<u>\$ 91,401</u>
<u>VEHICLES - WATER</u>			
Personal Services	\$ 600	\$ 519	\$ 1,005
Employee Benefits	400	221	403
Operating Supplies	500	512	402
Fuel and Oil	5,200	8,527	10,440
Repairs and Maintenance	3,900	5,048	2,358
	<u>\$ 10,600</u>	<u>\$ 14,827</u>	<u>\$ 14,608</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>VEHICLES - DISTRIBUTION</u>			
Operating Supplies	\$ 1,200	\$ 1,521	\$ 1,588
Fuel and Oil	10,500	10,158	18,563
Repairs and Maintenance	11,500	17,625	20,741
	<u>\$ 23,200</u>	<u>\$ 29,304</u>	<u>\$ 40,892</u>
<u>LABORATORY</u>			
Personal Services	\$ 31,300	\$ 31,895	\$ 76,903
Employee Benefits	15,700	14,585	24,537
Operating Supplies	24,400	22,172	16,709
Repairs and Maintenance	7,300	7,122	11,372
Equipment Rental	1,000	490	682
Research and Development	2,200	1,904	2,723
	<u>\$ 81,900</u>	<u>\$ 78,168</u>	<u>\$ 132,926</u>
<u>OTHER EXPENSE</u>			
Depreciation and Amortization	\$ 950,000	\$ 816,081	\$ 820,864
TOTAL OPERATING EXPENSES	<u><u>\$ 3,578,300</u></u>	<u><u>\$ 3,529,790</u></u>	<u><u>\$ 3,483,400</u></u>

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CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 68,189	\$ 25,034
Investments	51,706	96,050
Receivables		
Interest	432	69
Total Current Assets	<u>\$ 120,327</u>	<u>\$ 121,153</u>
 <u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 90,445	\$ 90,445
Buildings	1,718,511	1,718,511
	<u>\$ 1,808,956</u>	<u>\$ 1,808,956</u>
Less Accumulated Depreciation	461,983	426,703
Net Capital Assets	\$ 1,346,973	\$ 1,382,253
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	11,048	14,195
Total Noncurrent Assets	<u>\$ 1,358,021</u>	<u>\$ 1,396,448</u>
TOTAL ASSETS	<u>\$ 1,478,348</u>	<u>\$ 1,517,601</u>

	<u>2009</u>	<u>2008</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 5,856	\$ 8,891
Accrued Interest	9,850	10,966
Current Portion of Revenue Bonds	<u>110,000</u>	<u>105,000</u>
Total Current Liabilities	\$ 125,706	\$ 124,857
 <u>LONG-TERM LIABILITIES</u>		
1999 Revenue Refunding Bonds	<u>760,000</u>	<u>870,000</u>
TOTAL LIABILITIES	<u>\$ 885,706</u>	<u>\$ 994,857</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 476,973	\$ 407,253
Unrestricted	<u>115,669</u>	<u>115,491</u>
TOTAL NET ASSETS	<u>\$ 592,642</u>	<u>\$ 522,744</u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	2009	2008
<u>OPERATING REVENUES</u>		
Building Rental	\$ 195,870	\$ 197,232
<u>OPERATING EXPENSES</u>		
Contractual Services	\$ 30,585	\$ 44,171
Audit	700	950
Insurance	609	597
Building Maintenance	9,917	1,698
Utilities	2,713	2,712
Depreciation and Amortization	38,427	38,763
Administration	5,000	5,000
Total Operating Expenses	\$ 87,951	\$ 93,891
Operating Income (Loss)	\$ 107,919	\$ 103,341
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 2,797	\$ 2,193
Interest Expense	(40,818)	(44,967)
Total Nonoperating Revenues (Expenses)	\$ (38,021)	\$ (42,774)
Change in Net Assets	\$ 69,898	\$ 60,567
<u>TOTAL NET ASSETS</u> - Beginning of Year	522,744	462,177
<u>TOTAL NET ASSETS</u> - End of Year	\$ 592,642	\$ 522,744

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 195,870	\$ 246,200
Cash Payments to Suppliers for Goods and Services	(52,559)	(46,956)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 143,311	\$ 199,244
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	\$ (105,000)	\$ (105,000)
Interest Paid	(41,934)	(46,070)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (146,934)	\$ (151,070)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 2,434	\$ 3,043
Purchase of Investment Securities	0	(52,784)
Proceeds from Sale and Maturities of Investment Securities	44,344	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 46,778	\$ (49,741)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 43,155	\$ (1,567)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	25,034	26,601
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 68,189	\$ 25,034
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>RECONCILIATION OF OPERATING INCOME</u> <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 107,919	\$ 103,341
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 38,427	\$ 38,763
(Increase) Decrease in Current Assets		
Due from Other Governments	0	48,968
Prepaid Expense	0	162
Increase (Decrease) in Current Liabilities		
Accounts Payable	(3,035)	8,010
Total Adjustments	\$ 35,392	\$ 95,903
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 143,311</u>	<u>\$ 199,244</u>

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CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 217,142	\$ 46,841	\$ 98,270
Investments	1,484,443	284,577	432,448
Receivables			
Accounts	130	0	0
Mortgages and Notes	220,285	0	0
Accrued Interest	11,801	10,367	15,655
Special Assessments			
Current	0	47,679	48,601
Deferred	0	92,843	246,564
Due from Other Funds	840	0	0
Due from Other Governments	21,327	0	0
Prepaid Expenditures	2,375	0	0
TOTAL ASSETS	\$ 1,958,343	\$ 482,307	\$ 841,538
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 83,718	\$ 0	\$ 692
Accrued Expenditures	4,725	0	0
Deferred Revenue	163,368	92,843	246,564
Total Liabilities	\$ 251,811	\$ 92,843	\$ 247,256
<u>FUND BALANCE</u>			
Reserved	\$ 107,673	\$ 389,464	\$ 594,282
Unreserved			
Designated	23,508	0	0
Undesignated	1,575,351	0	0
Total Fund Balance	\$ 1,706,532	\$ 389,464	\$ 594,282
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,958,343	\$ 482,307	\$ 841,538

PERMANENT			
FUNDS		TOTALS	
\$	173,524	\$	535,777
	773,065		2,974,533
	0		130
	0		220,285
	0		37,823
	0		96,280
	0		339,407
	0		840
	0		21,327
	0		2,375
<u>\$</u>	<u>946,589</u>	<u>\$</u>	<u>4,228,777</u>

\$	0	\$	84,410
	0		4,725
	0		502,775
<u>\$</u>	<u>0</u>	<u>\$</u>	<u>591,910</u>

\$	946,589	\$	2,038,008
	0		23,508
	0		1,575,351
<u>\$</u>	<u>946,589</u>	<u>\$</u>	<u>3,636,867</u>

<u>\$</u>	<u>946,589</u>	<u>\$</u>	<u>4,228,777</u>
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CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 80,247	\$ 52,401	\$ 69,462
Federal Grants	1,059	0	309,305
State Grants	189,388	0	0
Contributions from Local Units	0	32,500	0
Charges for Services	94,161	0	0
Interest and Rents	82,191	19,668	23,364
Gain (Loss) on Investments	0	0	0
Other Revenue	98,422	0	40,253
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 545,468	\$ 104,569	\$ 442,384
<u>EXPENDITURES</u>			
General Government	\$ 160,587	\$ 0	\$ 0
Public Safety	97,043	0	0
Community and Economic Development	59,617	0	0
Cultural and Recreation	355,140	0	0
Capital Outlay	0	0	360,950
Debt Service	19,000	323,396	29,305
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 691,387	\$ 323,396	\$ 390,255
Excess (Deficiency) of Revenues Over Expenditures	\$ (145,919)	\$ (218,827)	\$ 52,129
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 103,900	\$ 167,300	\$ 0
Transfers Out	(35,500)	0	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	\$ 68,400	\$ 167,300	\$ 0
Net Change in Fund Balances	\$ (77,519)	\$ (51,527)	\$ 52,129
<u>FUND BALANCES</u> - Beginning of Year	1,784,051	440,991	542,153
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u> - End of Year	\$ 1,706,532	\$ 389,464	\$ 594,282
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PERMANENT			
FUNDS		TOTALS	
\$	0	\$	202,110
	0		310,364
	0		189,388
	0		32,500
	0		94,161
	15,406		140,629
	(323,017)		(323,017)
	4,512		143,187
<hr/>			
\$	(303,099)	\$	789,322
<hr/>			
\$	1,550	\$	162,137
	0		97,043
	0		59,617
	0		355,140
	0		360,950
	0		371,701
<hr/>			
\$	1,550	\$	1,406,588
<hr/>			
\$	(304,649)	\$	(617,266)
<hr/>			
\$	0	\$	271,200
	(25,000)		(60,500)
<hr/>			
\$	(25,000)	\$	210,700
<hr/>			
\$	(329,649)	\$	(406,566)
<hr/>			
	1,276,238		4,043,433
<hr/>			
\$	946,589	\$	3,636,867
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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, capital projects, or permanent funds) that are legally restricted to expenditures for specified purposes. The accounting for this group of funds is on the modified accrual basis.

Nonmajor Special Revenue Funds in the City of Cadillac include:

Cemetery Operating Fund - This fund records the financial activities of running the cemetery. Revenues from endowment funds supplement charges for services to finance these activities.

H.L. Green Operating Fund - This fund was established to account for the rental of the H.L. Green building until it was sold on a land contract.

Cadillac Development Fund - This fund was established with grant monies from an Urban Development Action Grant to assist in economic development. As loans are repaid, money is made available for new loans.

Naval Reserve Center Fund - This fund was established to account for the rental of the Naval Reserve Center.

Clam River Greenway Fund - This fund was established to account for the ecological and scenic development of the Clam River Greenway.

Building Inspection Fund - This fund was established to account for building inspection activities pursuant to Public Act 245 of 1999.

Rental Rehabilitation Grant Fund - This fund was established to account for a Community Development Block Grant to upgrade rental housing within the City.

Milfoil Eradication Fund - This fund was established to account for milfoil eradication efforts in Lake Cadillac.

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

<u>ASSETS</u>	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
Cash	\$ 13,703	\$ 20,812	\$ 97,460
Investments	0	32,411	1,325,566
Receivables			
Accounts	50	0	0
Mortgages and Notes	0	96,810	123,475
Accrued Interest	0	0	10,765
Due from Other Funds	0	0	0
Due from Other Governments	0	0	0
Prepaid Expenditures	1,842	0	119
TOTAL ASSETS	\$ 15,595	\$ 150,033	\$ 1,557,385
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,179	\$ 0	\$ 0
Accrued Expenditures	2,716	0	919
Deferred Revenue	0	96,810	66,558
Total Liabilities	\$ 6,895	\$ 96,810	\$ 67,477
 <u>FUND BALANCES</u>			
Reserved for:			
Prepaid Expenditures	\$ 1,842	\$ 0	\$ 119
Capital Improvements	9,463	0	0
Milfoil Eradication	0	0	0
Parks and Recreation	0	0	0
Unreserved			
Designated - Roof Replacement	0	0	0
Undesignated	(2,605)	53,223	1,489,789
Total Fund Balances	\$ 8,700	\$ 53,223	\$ 1,489,908
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,595	\$ 150,033	\$ 1,557,385

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 31,534	\$ 3,261	\$ 1,470	\$ 0	\$ 48,902	\$ 217,142
26,466	0	0	0	100,000	1,484,443
0	0	80	0	0	130
0	0	0	0	0	220,285
0	0	0	0	1,036	11,801
0	0	0	840	0	840
0	21,327	0	0	0	21,327
0	0	414	0	0	2,375
<u>\$ 58,000</u>	<u>\$ 24,588</u>	<u>\$ 1,964</u>	<u>\$ 840</u>	<u>\$ 149,938</u>	<u>\$ 1,958,343</u>
\$ 788	\$ 0	\$ 60	\$ 0	\$ 78,691	\$ 83,718
0	0	1,090	0	0	4,725
0	0	0	0	0	163,368
<u>\$ 788</u>	<u>\$ 0</u>	<u>\$ 1,150</u>	<u>\$ 0</u>	<u>\$ 78,691</u>	<u>\$ 251,811</u>
\$ 0	\$ 0	\$ 414	\$ 0	\$ 0	\$ 2,375
0	0	0	0	0	9,463
0	0	0	0	71,247	71,247
0	24,588	0	0	0	24,588
23,508	0	0	0	0	23,508
33,704	0	400	840	0	1,575,351
<u>\$ 57,212</u>	<u>\$ 24,588</u>	<u>\$ 814</u>	<u>\$ 840</u>	<u>\$ 71,247</u>	<u>\$ 1,706,532</u>
<u>\$ 58,000</u>	<u>\$ 24,588</u>	<u>\$ 1,964</u>	<u>\$ 840</u>	<u>\$ 149,938</u>	<u>\$ 1,958,343</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 0	\$ 0
Federal Grants	1,059	0	0
State Grants	0	0	0
Charges for Services	41,950	0	0
Interest and Rents	142	5,244	54,561
Other Revenue	0	28,522	1,500
Total Revenues	<u>\$ 43,151</u>	<u>\$ 33,766</u>	<u>\$ 56,061</u>
<u>EXPENDITURES</u>			
General Government	\$ 134,036	\$ 0	\$ 0
Public Safety	0	0	0
Cultural and Recreation	0	0	0
Community and Economic Development	0	450	58,717
Debt Service	0	19,000	0
Total Expenditures	<u>\$ 134,036</u>	<u>\$ 19,450</u>	<u>\$ 58,717</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (90,885)</u>	<u>\$ 14,316</u>	<u>\$ (2,656)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 68,400	\$ 0	\$ 0
Transfers Out	0	0	(35,500)
Total Other Financing Sources (Uses)	<u>\$ 68,400</u>	<u>\$ 0</u>	<u>\$ (35,500)</u>
Net Change in Fund Balances	<u>\$ (22,485)</u>	<u>\$ 14,316</u>	<u>\$ (38,156)</u>
<u>FUND BALANCES</u> - Beginning of Year	<u>31,185</u>	<u>38,907</u>	<u>1,528,064</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 8,700</u>	<u>\$ 53,223</u>	<u>\$ 1,489,908</u>

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,247	\$ 80,247
0	0	0	0	0	1,059
0	189,388	0	0	0	189,388
0	0	52,211	0	0	94,161
20,312	21	22	0	1,889	82,191
0	68,400	0	0	0	98,422
\$ 20,312	\$ 257,809	\$ 52,233	\$ 0	\$ 82,136	\$ 545,468
\$ 26,551	\$ 0	\$ 0	\$ 0	\$ 0	\$ 160,587
0	0	97,043	0	0	97,043
0	243,906	0	0	111,234	355,140
0	0	0	450	0	59,617
0	0	0	0	0	19,000
\$ 26,551	\$ 243,906	\$ 97,043	\$ 450	\$ 111,234	\$ 691,387
\$ (6,239)	\$ 13,903	\$ (44,810)	\$ (450)	\$ (29,098)	\$ (145,919)
\$ 0	\$ 0	\$ 35,500	\$ 0	\$ 0	\$ 103,900
0	0	0	0	0	(35,500)
\$ 0	\$ 0	\$ 35,500	\$ 0	\$ 0	\$ 68,400
\$ (6,239)	\$ 13,903	\$ (9,310)	\$ (450)	\$ (29,098)	\$ (77,519)
63,451	10,685	10,124	1,290	100,345	1,784,051
\$ 57,212	\$ 24,588	\$ 814	\$ 840	\$ 71,247	\$ 1,706,532

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 13,703	\$ 24,705
Investments	0	8,306
Accounts Receivable	50	0
Due from Other Funds	0	3,008
Prepaid Expenditures	1,842	1,171
	<hr/>	<hr/>
TOTAL ASSETS	\$ 15,595	\$ 37,190
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 4,179	\$ 2,684
Accrued Expenditures	2,716	3,321
	<hr/>	<hr/>
Total Liabilities	\$ 6,895	\$ 6,005
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 1,842	\$ 1,171
Capital Improvements	9,463	9,463
Unreserved	(2,605)	20,551
	<hr/>	<hr/>
Total Fund Balance	\$ 8,700	\$ 31,185
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 15,595	\$ 37,190
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Federal Grants			
FEMA Grant	\$ 0	\$ 1,059	\$ 0
Charges for Services			
Sale of Lots and Burial Rights	5,000	4,513	6,412
Grave Openings and Storage	31,000	31,875	29,325
Foundations and Miscellaneous	6,500	5,562	7,553
Interest and Rents			
Interest	1,000	142	2,767
Other Revenue			
Contributions from Private Sources	0	0	185
Total Revenues	<u>\$ 43,500</u>	<u>\$ 43,151</u>	<u>\$ 46,242</u>
<u>EXPENDITURES</u>			
General Government			
Personal Services	\$ 75,700	\$ 61,740	\$ 56,006
Employee Benefits	23,800	25,666	17,614
Operating Supplies	9,200	12,399	8,854
Audit	600	450	650
Data Processing	2,500	2,500	4,500
Insurance	100	79	80
Travel and Education	400	344	338
Utilities	11,000	10,315	9,105
Repairs and Maintenance	4,500	6,486	5,986
Equipment Rental	8,200	5,557	5,767
Administration	8,700	8,500	0
Capital Outlay	0	0	1,885
Total Expenditures	<u>\$ 144,700</u>	<u>\$ 134,036</u>	<u>\$ 110,785</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (101,200)	\$ (90,885)	\$ (64,543)
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
General Fund	68,400	68,400	13,834
Net Change In Fund Balance	\$ (32,800)	\$ (22,485)	\$ (50,709)
<u>FUND BALANCE</u> - Beginning of Year	<u>31,185</u>	<u>31,185</u>	<u>81,894</u>
<u>FUND BALANCE (DEFICIT)</u> - End of Year	<u>\$ (1,615)</u>	<u>\$ 8,700</u>	<u>\$ 31,185</u>

CITY OF CADILLAC, MICHIGAN
H.L. GREEN OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 20,812	\$ 7,003
Investments	32,411	31,904
Note Receivable	96,810	125,332
	<hr/>	<hr/>
TOTAL ASSETS	\$ 150,033	\$ 164,239
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 96,810	\$ 125,332
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Unreserved	53,223	38,907
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 150,033	\$ 164,239
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN
H.L. GREEN OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Note	\$ 4,500	\$ 5,244	\$ 7,974
Other Revenue			
Note Principal Collections	26,500	28,522	25,452
	<u>\$ 31,000</u>	<u>\$ 33,766</u>	<u>\$ 33,426</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Audit	\$ 700	\$ 450	\$ 650
Debt Service			
Principal Payments	19,000	19,000	0
	<u>\$ 19,700</u>	<u>\$ 19,450</u>	<u>\$ 650</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 11,300	\$ 14,316	\$ 32,776
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Cadillac Development Fund	0	0	(76,329)
	<u>\$ 11,300</u>	<u>\$ 14,316</u>	<u>\$ (43,553)</u>
<u>FUND BALANCE</u> - Beginning of Year	38,907	38,907	82,460
<u>FUND BALANCE</u> - End of Year	<u>\$ 50,207</u>	<u>\$ 53,223</u>	<u>\$ 38,907</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 97,460	\$ 44,091
Investments	1,325,566	1,384,118
Receivables		
Notes	59,917	72,712
Mortgages	63,558	63,558
Accrued Interest	10,765	27,669
Prepaid Expenditures	119	114
	\$ 1,557,385	\$ 1,592,262
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accrued Expenditures	\$ 919	\$ 641
Deferred Revenues		
Installment Notes and Mortgages	66,558	63,557
	\$ 67,477	\$ 64,198
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 119	\$ 114
Unreserved	1,489,789	1,527,950
	\$ 1,489,908	\$ 1,528,064
	\$ 1,557,385	\$ 1,592,262

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Investments	\$ 52,500	\$ 54,561	\$ 61,693
Other Revenue			
Sale of Capital Assets	0	1,500	0
Loan Principal Collections	0	0	17,145
Total Revenues	<u>\$ 52,500</u>	<u>\$ 56,061</u>	<u>\$ 78,838</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Personal Services	\$ 26,800	\$ 27,234	\$ 25,753
Employee Benefits	7,300	4,753	6,001
Audit	1,400	650	1,000
Office Supplies	400	0	362
Postage	500	0	46
Data Processing	4,500	4,500	4,500
Administrative	19,100	19,100	17,600
Travel and Education	1,000	0	210
Dues and Publications	600	100	643
Contractual Services	0	2,000	1,255
Property Taxes	500	0	418
Construction	2,500	380	5,518
Total Expenditures	<u>\$ 64,600</u>	<u>\$ 58,717</u>	<u>\$ 63,306</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (12,100)</u>	<u>\$ (2,656)</u>	<u>\$ 15,532</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
H.L. Green Operating Fund	\$ 0	\$ 0	\$ 76,329
Building Inspection Fund	(33,000)	(35,500)	(52,500)
Clam River Greenway Fund	0	0	(27,000)
Total Transfers In (Out)	<u>\$ (33,000)</u>	<u>\$ (35,500)</u>	<u>\$ (3,171)</u>
Net Change in Fund Balance	\$ (45,100)	\$ (38,156)	\$ 12,361
<u>FUND BALANCE</u> - Beginning of Year	<u>1,528,064</u>	<u>1,528,064</u>	<u>1,515,703</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,482,964</u>	<u>\$ 1,489,908</u>	<u>\$ 1,528,064</u>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 31,534	\$ 38,786
Investments	26,466	26,067
TOTAL ASSETS	<u>\$ 58,000</u>	<u>\$ 64,853</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 788	\$ 316
Security Deposits Payable	0	1,086
Total Liabilities	<u>\$ 788</u>	<u>\$ 1,402</u>
 <u>FUND BALANCE</u>		
Unreserved		
Designated - Roof Replacement	\$ 23,508	\$ 0
Undesignated	33,704	63,451
Total Fund Balance	<u>\$ 57,212</u>	<u>\$ 63,451</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 58,000</u>	<u>\$ 64,853</u>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 2,100	\$ 575	\$ 2,325
Rents	39,300	19,737	34,675
	<hr/>		<hr/>
Total Revenues	\$ 41,400	\$ 20,312	\$ 37,000
	<hr/>		<hr/>
<u>EXPENDITURES</u>			
General Government			
Audit	\$ 400	\$ 450	\$ 450
Insurance	700	620	608
Utilities	25,000	20,893	21,621
Building Maintenance	9,000	4,588	4,620
	<hr/>		<hr/>
Total Expenditures	\$ 35,100	\$ 26,551	\$ 27,299
	<hr/>		<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,300	\$ (6,239)	\$ 9,701
<u>FUND BALANCE</u> - Beginning of Year	<hr/> 63,451	<hr/> 63,451	<hr/> 53,750
<u>FUND BALANCE</u> - End of Year	<hr/> <hr/> \$ 69,751	<hr/> <hr/> \$ 57,212	<hr/> <hr/> \$ 63,451

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 3,261	\$ 11,454
Due from Other Governments	21,327	0
	\$ 24,588	\$ 11,454
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 769
<u>FUND BALANCE</u>		
Reserved for:		
Parks and Recreation	24,588	10,685
	\$ 24,588	\$ 11,454

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
State Grants	\$ 189,388	\$ 0
Interest and Rents		
Interest	21	116
Other Revenue		
Contributions and Donations from Private Sources	68,400	31,000
Total Revenues	<u>\$ 257,809</u>	<u>\$ 31,116</u>
<u>EXPENDITURES</u>		
Cultural and Recreation		
Audit	\$ 450	\$ 450
Engineering Fees	18,457	14,725
Construction	224,999	6,975
Debt Service		
Principal Payments	0	27,000
Total Expenditures	<u>\$ 243,906</u>	<u>\$ 49,150</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,903	\$ (18,034)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
Cadillac Development Fund	0	27,000
Net Change in Fund Balance	\$ 13,903	\$ 8,966
<u>FUND BALANCE</u> - Beginning of Year	<u>10,685</u>	<u>1,719</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 24,588</u>	<u>\$ 10,685</u>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 1,470	\$ 11,487
Accounts Receivable	80	155
Prepaid Expenditures	414	696
	<hr/>	
Total Assets	\$ 1,964	\$ 12,338
	<hr/> <hr/>	
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 60	\$ 755
Accrued Expenditures	1,090	1,459
	<hr/>	
Total Liabilities	\$ 1,150	\$ 2,214
	<hr/>	
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 414	\$ 696
Unreserved	400	9,428
	<hr/>	
Total Fund Balance	\$ 814	\$ 10,124
	<hr/>	
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,964	\$ 12,338
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Building Permits	\$ 75,000	\$ 52,166	\$ 50,911
Heating and Fence Permits	500	45	30
Interest and Rents			
Interest	0	22	90
Other Revenue			
Miscellaneous	0	0	88
	<u>0</u>	<u>0</u>	<u>88</u>
Total Revenues	<u>\$ 75,500</u>	<u>\$ 52,233</u>	<u>\$ 51,119</u>
<u>EXPENDITURES</u>			
Public Safety			
Building Inspection			
Personal Services	\$ 60,800	\$ 56,571	\$ 59,234
Employee Benefits	35,100	32,984	31,472
Office Supplies	2,500	1,908	2,583
Postage	1,100	5	701
Audit	500	450	450
Data Processing	4,000	4,000	4,000
Dues and Publications	1,000	477	529
Travel and Education	2,000	429	1,322
Equipment Rental	1,000	219	0
Publishing Costs	500	0	0
	<u>500</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 108,500</u>	<u>\$ 97,043</u>	<u>\$ 100,291</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (33,000)</u>	<u>\$ (44,810)</u>	<u>\$ (49,172)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	33,000	35,500	52,500
	<u>33,000</u>	<u>35,500</u>	<u>52,500</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ (9,310)</u>	<u>\$ 3,328</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>10,124</u>	<u>10,124</u>	<u>6,796</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 10,124</u>	<u>\$ 814</u>	<u>\$ 10,124</u>

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Due from Other Funds	\$ 840	\$ 1,290
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	840	1,290
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 840</u>	<u>\$ 1,290</u>

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>		
Community and Economic Development Audit	450	450
Excess (Deficiency) of Revenues Over Expenditures	\$ (450)	\$ (450)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,290</u>	<u>1,740</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 840</u>	<u>\$ 1,290</u>

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 48,902	\$ 102,095
Investments	100,000	0
Accrued Interest Receivable	1,036	0
Total Assets	\$ 149,938	\$ 102,095
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 78,691	\$ 1,750
 <u>FUND BALANCE</u>		
Reserved for:		
Milfoil Eradication	71,247	100,345
TOTAL LIABILITIES AND FUND BALANCE	\$ 149,938	\$ 102,095

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes			
Special Assessments	\$ 82,500	\$ 80,247	\$ 107,465
Interest and Rents			
Interest	4,500	1,889	3,229
Total Revenues	\$ 87,000	\$ 82,136	\$ 110,694
<u>EXPENDITURES</u>			
Cultural and Recreation			
Office Supplies	\$ 1,500	\$ 72	\$ 21
Audit	500	450	450
Contracted Services	110,000	110,712	28,587
Capital Outlay	0	0	10,468
Total Expenditures	\$ 112,000	\$ 111,234	\$ 39,526
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,000)	\$ (29,098)	\$ 71,168
<u>OTHER FINANCING SOURCES</u>			
Transfers In (Out)			
General Fund	0	0	(40,152)
Net Change in Fund Balance	\$ (25,000)	\$ (29,098)	\$ 31,016
<u>FUND BALANCE</u> - Beginning of Year	100,345	100,345	69,329
<u>FUND BALANCE</u> - End of Year	\$ 75,345	\$ 71,247	\$ 100,345

NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment. The accounting for this group of funds is on the modified accrual basis.

The purpose of the bonds which the various debt service funds are paying are as follows:

1992 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in said districts.

1993 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of street improvements.

1996 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

1996 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1997 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

1997 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1997 Building Authority Debt Retirement Fund - A 1998 Building Authority Bond issue to construct parking lots.

2000 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

2000 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

2002 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of street improvements.

2004 Capital Improvement Bond Debt Retirement Fund - A 2004 General Obligation Bond issue to acquire and construct various street improvements.

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	1992	1993	1996
	SPECIAL	SPECIAL	SPECIAL
	ASSESSMENT	ASSESSMENT	ASSESSMENT
<u>ASSETS</u>			
Cash	\$ 671	\$ 565	\$ 3,640
Investments	0	0	63,209
Receivables			
Accrued Interest	0	0	1,762
Special Assessments			
Current	0	0	15,103
Deferred	0	0	12,260
	\$ 671	\$ 565	\$ 95,974
TOTAL ASSETS	\$ 671	\$ 565	\$ 95,974
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Deferred Revenues	\$ 0	\$ 0	\$ 12,260
<u>FUND BALANCES</u>			
Reserved for Debt Service	671	565	83,714
	\$ 671	\$ 565	\$ 95,974
TOTAL LIABILITIES AND FUND BALANCE	\$ 671	\$ 565	\$ 95,974

1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT
\$ 4,032	\$ 12,973	\$ 1,104	\$ 409	\$ 10,571	\$ 696	\$ 11,135
0	127,483	0	0	93,885	0	0
0	2,739	0	0	3,173	0	2,693
0	14,631	0	0	7,254	0	10,691
0	29,265	0	0	13,502	0	37,816
<u>\$ 4,032</u>	<u>\$ 187,091</u>	<u>\$ 1,104</u>	<u>\$ 409</u>	<u>\$ 128,385</u>	<u>\$ 696</u>	<u>\$ 62,335</u>
\$ 0	\$ 29,265	\$ 0	\$ 0	\$ 13,502	\$ 0	\$ 37,816
4,032	157,826	1,104	409	114,883	696	24,519
<u>\$ 4,032</u>	<u>\$ 187,091</u>	<u>\$ 1,104</u>	<u>\$ 409</u>	<u>\$ 128,385</u>	<u>\$ 696</u>	<u>\$ 62,335</u>

2004	
CAPITAL	
IMPROVEMENT	
BOND	TOTALS
<hr/>	<hr/>
\$ 1,045	\$ 46,841
0	284,577
0	10,367
0	47,679
0	92,843
<hr/>	<hr/>
<u>\$ 1,045</u>	<u>\$ 482,307</u>

\$ 0 \$ 92,843

1,045 389,464

\$ 1,045 \$ 482,307

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1996 SPECIAL ASSESSMENT
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 0	\$ 16,473
Contributions from Local Units	0	0	0
Interest and Rents	0	14	2,924
	<hr/>		
Total Revenues	\$ 0	\$ 14	\$ 19,397
<hr/>			
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 0	\$ 0	\$ 30,000
Interest and Fiscal Charges	0	0	2,530
Audit	0	0	606
	<hr/>		
Total Expenditures	\$ 0	\$ 0	\$ 33,136
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 14	\$ (13,739)
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	0	0	0
	<hr/>		
Net Change in Fund Balances	\$ 0	\$ 14	\$ (13,739)
<hr/>			
<u>FUND BALANCES</u> - Beginning of Year	671	551	97,453
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 671	\$ 565	\$ 83,714
	<hr/> <hr/>		

1996		1997		2000		2002	
MICHIGAN	1997	MICHIGAN	1997	2000	MICHIGAN	2002	
TRANSPORTATION	SPECIAL	TRANSPORTATION	BUILDING	SPECIAL	TRANSPORTATION	SPECIAL	
FUND	ASSESSMENT	FUND	AUTHORITY	ASSESSMENT	FUND	ASSESSMENT	
\$ 0	\$ 15,096	\$ 0	\$ 0	\$ 9,779	\$ 0	\$ 11,053	
0	0	0	32,500	0	0	0	
0	7,609	0	0	6,293	0	2,828	
\$ 0	\$ 22,705	\$ 0	\$ 32,500	\$ 16,072	\$ 0	\$ 13,881	
\$ 25,000	\$ 25,000	\$ 15,000	\$ 25,000	\$ 15,000	\$ 25,000	\$ 35,000	
3,737	4,759	701	6,886	3,447	10,604	6,073	
400	603	600	600	600	400	600	
\$ 29,137	\$ 30,362	\$ 16,301	\$ 32,486	\$ 19,047	\$ 36,004	\$ 41,673	
\$ (29,137)	\$ (7,657)	\$ (16,301)	\$ 14	\$ (2,975)	\$ (36,004)	\$ (27,792)	
29,200	0	16,300	0	0	36,300	0	
\$ 63	\$ (7,657)	\$ (1)	\$ 14	\$ (2,975)	\$ 296	\$ (27,792)	
3,969	165,483	1,105	395	117,858	400	52,311	
\$ 4,032	\$ 157,826	\$ 1,104	\$ 409	\$ 114,883	\$ 696	\$ 24,519	

2004	
CAPITAL	
IMPROVEMENT	
BOND	TOTALS
\$ 0	\$ 52,401
0	32,500
0	19,668
<hr/>	
\$ 0	\$ 104,569
<hr/>	
\$ 55,000	\$ 250,000
29,850	68,587
400	4,809
<hr/>	
\$ 85,250	\$ 323,396
<hr/>	
\$ (85,250)	\$ (218,827)
<hr/>	
85,500	167,300
<hr/>	
\$ 250	\$ (51,527)
<hr/>	
795	440,991
<hr/>	
\$ 1,045	\$ 389,464
<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 671	\$ 1,176
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 505
<u>FUND BALANCE</u>		
Reserved for Debt Service	671	671
TOTAL LIABILITIES AND FUND BALANCE	\$ 671	\$ 1,176

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2009	2008
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>	0	0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	671	671
<u>FUND BALANCE</u> - End of Year	\$ 671	\$ 671

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 565	\$ 2,277
Investments	0	894
TOTAL ASSETS	<u>\$ 565</u>	<u>\$ 3,171</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 2,620
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>565</u>	<u>551</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 565</u>	<u>\$ 3,171</u>

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Interest and Rents		
Interest on Investments	\$ 14	\$ 35
Interest on Assessments	0	48
	<hr/>	<hr/>
Total Revenues	\$ 14	\$ 83
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 0	\$ 15,000
Interest and Fiscal Charges	0	1,020
Audit	0	600
	<hr/>	<hr/>
Total Expenditures	\$ 0	\$ 16,620
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ 14	\$ (16,537)
<u>FUND BALANCE - Beginning of Year</u>	<hr/> 551	<hr/> 17,088
<u>FUND BALANCE - End of Year</u>	<hr/> \$ 565	<hr/> \$ 551

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 3,640	\$ 3,445
Investments	63,209	69,045
Receivables		
Accrued Interest	1,762	2,897
Special Assessments - Current	15,103	15,873
Special Assessments - Deferred	12,260	28,732
Due from Other Funds	0	6,493
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 95,974</u>	<u>\$ 126,485</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 300
Deferred Revenues	12,260	28,732
	<hr/>	<hr/>
Total Liabilities	\$ 12,260	\$ 29,032
 <u>FUND BALANCE</u>		
Reserved for Debt Service	83,714	97,453
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 95,974</u>	<u>\$ 126,485</u>

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 16,000	\$ 16,473	\$ 15,872
Interest and Rents			
Interest on Investments	2,000	1,094	3,412
Interest on Assessments	3,000	1,830	3,061
	<u>\$ 21,000</u>	<u>\$ 19,397</u>	<u>\$ 22,345</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 30,000
Interest and Fiscal Charges	2,700	2,530	4,165
Audit	600	600	600
Office Supplies	0	6	10
	<u>\$ 33,300</u>	<u>\$ 33,136</u>	<u>\$ 34,775</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (12,300)	\$ (13,739)	\$ (12,430)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
2002 Special Assessment Debt Retirement Fund	(57,000)	0	0
	<u>\$ (69,300)</u>	<u>\$ (13,739)</u>	<u>\$ (12,430)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>97,453</u>	<u>97,453</u>	<u>109,883</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 28,153</u>	<u>\$ 83,714</u>	<u>\$ 97,453</u>

CITY OF CADILLAC, MICHIGAN
1996 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 4,032	\$ 3,919
Due from Other Funds	0	50
	\$ 4,032	\$ 3,969
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	4,032	3,969
	\$ 4,032	\$ 3,969
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,032	\$ 3,969

CITY OF CADILLAC, MICHIGAN
1996 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Retirement			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 20,000
Interest and Fiscal Charges	3,800	3,737	4,975
Audit	400	400	400
Office Supplies	0	0	2
Total Expenditures	<u>\$ 29,200</u>	<u>\$ 29,137</u>	<u>\$ 25,377</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (29,200)	\$ (29,137)	\$ (25,377)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	<u>29,200</u>	<u>29,200</u>	<u>25,400</u>
Net Change in Fund Balance	\$ 0	\$ 63	\$ 23
<u>FUND BALANCE - Beginning of Year</u>	<u>3,969</u>	<u>3,969</u>	<u>3,946</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 3,969</u>	<u>\$ 4,032</u>	<u>\$ 3,969</u>

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 12,973	\$ 9,573
Investments	127,483	139,934
Receivables		
Accrued Interest	2,739	4,577
Special Assessments - Current	14,631	14,631
Special Assessments - Deferred	29,265	43,894
TOTAL ASSETS	\$ 187,091	\$ 212,609
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 3,232
Deferred Revenues	29,265	43,894
Total Liabilities	\$ 29,265	\$ 47,126
 <u>FUND BALANCE</u>		
Reserved for Debt Service	157,826	165,483
TOTAL LIABILITIES AND FUND BALANCE	\$ 187,091	\$ 212,609

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 15,000	\$ 15,096	\$ 15,251
Interest and Rents			
Interest on Investments	3,000	4,835	6,718
Interest on Assessments	3,700	2,774	3,685
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 21,700	\$ 22,705	\$ 25,654
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	5,000	4,759	6,396
Audit	600	600	450
Office Supplies	0	3	0
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 30,600	\$ 30,362	\$ 31,846
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (8,900)	\$ (7,657)	\$ (6,192)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
2002 Special Assessment Debt Retirement Fund	(40,000)	0	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	\$ (48,900)	\$ (7,657)	\$ (6,192)
<u>FUND BALANCE</u> - Beginning of Year	<u>165,483</u>	<u>165,483</u>	<u>171,675</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 116,583</u>	<u>\$ 157,826</u>	<u>\$ 165,483</u>

CITY OF CADILLAC, MICHIGAN
1997 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 1,104	\$ 505
Due from Other Funds	0	600
	<hr/>	<hr/>
Total Assets	<u>\$ 1,104</u>	<u>\$ 1,105</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	1,104	1,105
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,104</u>	<u>\$ 1,105</u>

CITY OF CADILLAC, MICHIGAN
1997 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	900	701	1,204
Audit	400	600	600
Total Expenditures	<u>\$ 16,300</u>	<u>\$ 16,301</u>	<u>\$ 16,804</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,300)	\$ (16,301)	\$ (16,804)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	<u>16,300</u>	<u>16,300</u>	<u>17,300</u>
Net Change in Fund Balance	\$ 0	\$ (1)	\$ 496
<u>FUND BALANCE - Beginning of Year</u>	<u>1,105</u>	<u>1,105</u>	<u>609</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,105</u>	<u>\$ 1,104</u>	<u>\$ 1,105</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 409	\$ 338
Due from Other Governments	0	34,100
	<hr/>	<hr/>
Total Assets	<u>\$ 409</u>	<u>\$ 34,438</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 34,043
<u>FUND BALANCE</u>		
Reserved for Debt Service	409	395
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 409</u>	<u>\$ 34,438</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Contributions from Local Units	\$ 32,500	\$ 32,500	\$ 34,100
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	6,900	6,886	8,443
Audit	600	600	600
Total Expenditures	\$ 32,500	\$ 32,486	\$ 34,043
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 14	\$ 57
<u>FUND BALANCE</u> - Beginning of Year	395	395	338
<u>FUND BALANCE</u> - End of Year	\$ 395	\$ 409	\$ 395

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 10,571	\$ 17,165
Investments	93,885	89,863
Receivables		
Accrued Interest	3,173	3,065
Special Assessments - Current	7,254	7,724
Special Assessments - Deferred	13,502	23,281
Due from Other Funds	0	41
	<u>\$ 128,385</u>	<u>\$ 141,139</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 13,502	\$ 23,281
<u>FUND BALANCE</u>		
Reserved for Debt Service	114,883	117,858
	<u>\$ 128,385</u>	<u>\$ 141,139</u>

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 7,800	\$ 9,779	\$ 8,053
Interest and Rents			
Interest on Investments	500	4,786	4,059
Interest on Assessments	2,000	1,507	2,027
Total Revenues	<u>\$ 10,300</u>	<u>\$ 16,072</u>	<u>\$ 14,139</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 20,000
Interest and Fiscal Charges	3,600	3,447	4,653
Audit	600	600	600
Total Expenditures	<u>\$ 19,200</u>	<u>\$ 19,047</u>	<u>\$ 25,253</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,900)	\$ (2,975)	\$ (11,114)
<u>FUND BALANCE</u> - Beginning of Year	<u>117,858</u>	<u>117,858</u>	<u>128,972</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 108,958</u>	<u>\$ 114,883</u>	<u>\$ 117,858</u>

CITY OF CADILLAC, MICHIGAN
2000 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 696	\$ 0
Due from Other Funds	0	33,005
 TOTAL ASSETS	 <u>\$ 696</u>	 <u>\$ 33,005</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 32,605
 <u>FUND BALANCE</u>		
Reserved for Debt Service	<u>696</u>	<u>400</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 696</u>	 <u>\$ 33,005</u>

CITY OF CADILLAC, MICHIGAN
2000 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 20,000
Interest and Fiscal Charges	10,900	10,604	11,550
Audit	400	400	450
Total Expenditures	\$ 36,300	\$ 36,004	\$ 32,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (36,300)	\$ (36,004)	\$ (32,000)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	36,300	36,300	32,400
Net Change in Fund Balance	\$ 0	\$ 296	\$ 400
<u>FUND BALANCE</u> - Beginning of Year	400	400	0
<u>FUND BALANCE</u> - End of Year	\$ 400	\$ 696	\$ 400

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 11,135	\$ 40,813
Receivables		
Accrued Interest	2,693	3,327
Special Assessments - Current	10,691	10,927
Special Assessments - Deferred	37,816	48,898
Due from Other Funds	0	505
TOTAL ASSETS	\$ 62,335	\$ 104,470
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 3,261
Deferred Revenue	37,816	48,898
Total Liabilities	\$ 37,816	\$ 52,159
<u>FUND BALANCE</u>		
Reserved for Debt Service	24,519	52,311
TOTAL LIABILITIES AND FUND BALANCE	\$ 62,335	\$ 104,470

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 11,000	\$ 11,053	\$ 11,628
Interest and Rents			
Interest on Assessments	3,400	2,828	3,521
	<u>\$ 14,400</u>	<u>\$ 13,881</u>	<u>\$ 15,149</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 35,000	\$ 35,000	\$ 30,000
Interest and Fiscal Charges	6,300	6,073	7,343
Audit	600	600	450
Office Supplies	0	0	8
	<u>\$ 41,900</u>	<u>\$ 41,673</u>	<u>\$ 37,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (27,500)</u>	<u>\$ (27,792)</u>	<u>\$ (22,652)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1996 Special Assessment Debt Retirement Fund	\$ 57,000	\$ 0	\$ 0
1997 Special Assessment Debt Retirement Fund	40,000	0	0
	<u>\$ 97,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 69,500	\$ (27,792)	\$ (22,652)
<u>FUND BALANCE</u> - Beginning of Year	<u>52,311</u>	<u>52,311</u>	<u>74,963</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 121,811</u>	<u>\$ 24,519</u>	<u>\$ 52,311</u>

CITY OF CADILLAC, MICHIGAN
2004 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 1,045	\$ 16,205
Due from Other Funds	0	70,784
TOTAL ASSETS	\$ 1,045	\$ 86,989
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 86,194
<u>FUND BALANCE</u>		
Reserved for Debt Service	1,045	795
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,045	\$ 86,989

CITY OF CADILLAC, MICHIGAN
2004 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 55,000	\$ 55,000	\$ 55,000
Interest and Fiscal Charges	30,100	29,850	31,212
Audit	400	400	0
Total Expenditures	<u>\$ 85,500</u>	<u>\$ 85,250</u>	<u>\$ 86,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (85,500)</u>	<u>\$ (85,250)</u>	<u>\$ (86,212)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Major Street Fund	\$ 18,000	\$ 18,000	\$ 19,100
Local Street Fund	67,500	67,500	67,500
Total Other Financing Sources (Uses)	<u>\$ 85,500</u>	<u>\$ 85,500</u>	<u>\$ 86,600</u>
Net Change in Fund Balance	\$ 0	\$ 250	\$ 388
<u>FUND BALANCE - Beginning of Year</u>	<u>795</u>	<u>795</u>	<u>407</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 795</u>	<u>\$ 1,045</u>	<u>\$ 795</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Nonmajor Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The accounting for this group of funds is on the modified accrual basis.

Industrial Park Fund - The purpose is the acquisition and development of a 240 acre tract of land into an industrial park for light manufacturing companies. Part of the development costs of 95.5 acres have been through a Small Cities Grant from the State of Michigan Department of Commerce.

Special Assessments Capital Projects Fund - The purpose is to account for preliminary and construction work on projects that are subsequently paid from special assessments.

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>INDUSTRIAL PARK</u>	<u>SPECIAL ASSESSMENTS CAPITAL PROJECTS</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 59,341	\$ 38,929	\$ 98,270
Investments	432,448	0	432,448
Receivables			
Accrued Interest	0	15,655	15,655
Special Assessments - Current	0	48,601	48,601
Special Assessments - Deferred	0	246,564	246,564
 TOTAL ASSETS	 \$ 491,789	 \$ 349,749	 \$ 841,538
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 692	\$ 692
Deferred Revenues	0	246,564	246,564
 Total Liabilities	 \$ 0	 \$ 247,256	 \$ 247,256
<u>FUND BALANCES</u>			
Reserved for			
Industrial Development	\$ 491,789	\$ 0	\$ 491,789
Special Assessment Project Construction	0	102,493	102,493
 Total Fund Balance	 \$ 491,789	 \$ 102,493	 \$ 594,282
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 491,789	 \$ 349,749	 \$ 841,538

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	INDUSTRIAL PARK	SPECIAL ASSESSMENT CAPITAL PROJECTS	TOTALS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 69,462	\$ 69,462
Federal Grants	0	309,305	309,305
Interest and Rents	6,890	16,474	23,364
Other Revenue	40,253	0	40,253
 Total Revenues	 \$ 47,143	 \$ 395,241	 \$ 442,384
<u>EXPENDITURES</u>			
Capital Outlay	\$ 3,754	\$ 357,196	\$ 360,950
Debt Service	17,721	11,584	29,305
 Total Expenditures	 \$ 21,475	 \$ 368,780	 \$ 390,255
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 25,668	 \$ 26,461	 \$ 52,129
<u>FUND BALANCES</u> - Beginning of Year	466,121	76,032	542,153
<u>FUND BALANCES</u> - End of Year	\$ 491,789	\$ 102,493	\$ 594,282

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 59,341	\$ 40,315
Investments	432,448	425,806
TOTAL ASSETS	<u>\$ 491,789</u>	<u>\$ 466,121</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Industrial Development	<u>491,789</u>	<u>466,121</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 491,789</u>	<u>\$ 466,121</u>

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 10,000	\$ 6,890	\$ 22,639
Other Revenue			
Sale of Property	35,000	40,253	0
Refunds and Reimbursements	0	0	39,317
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 45,000	\$ 47,143	\$ 61,956
<u>EXPENDITURES</u>			
Capital Outlay			
Contracted Services	\$ 12,500	\$ 250	\$ 1,806
Fees and Commissions	3,500	0	0
Property Taxes	2,700	2,904	4,405
Audit	800	600	700
Debt Service			
Principal Payments	17,800	17,721	17,721
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 37,300	\$ 21,475	\$ 24,632
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 7,700	\$ 25,668	\$ 37,324
<u>FUND BALANCE</u> - Beginning of Year	466,121	466,121	428,797
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE</u> - End of Year	\$ 473,821	\$ 491,789	\$ 466,121
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 38,929	\$ 15,081
Receivables		
Accrued Interest	15,655	17,458
Special Assessments - Current	48,601	55,301
Special Assessments - Deferred	246,564	334,472
Due from Other Funds	0	4,990
	<u>\$ 349,749</u>	<u>\$ 427,302</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 692	\$ 16,798
Deferred Revenues	246,564	334,472
	<u>\$ 247,256</u>	<u>\$ 351,270</u>
Total Liabilities		
<u>FUND BALANCE</u>		
Reserved for Special Assessment Project Construction	102,493	76,032
	<u>\$ 349,749</u>	<u>\$ 427,302</u>
TOTAL LIABILITIES AND FUND BALANCE		

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 50,000	\$ 69,462	\$ 68,840
Federal Grants			
Safe Routes to Schools Grant	500,000	309,305	0
Interest and Rents			
Interest on Assessments	18,000	16,390	18,198
Interest on Investments	2,000	84	80
Total Revenues	<u>\$ 570,000</u>	<u>\$ 395,241</u>	<u>\$ 87,118</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Audit	\$ 2,000	\$ 1,600	\$ 2,100
Public Improvements	570,000	355,596	97,865
Debt Service			
Principal Retirement	11,300	11,250	11,250
Interest and Fiscal Charges	400	334	1,061
Total Expenditures	<u>\$ 583,700</u>	<u>\$ 368,780</u>	<u>\$ 112,276</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (13,700)	\$ 26,461	\$ (25,158)
<u>FUND BALANCE</u> - Beginning of Year	<u>76,032</u>	<u>76,032</u>	<u>101,190</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 62,332</u>	<u>\$ 102,493</u>	<u>\$ 76,032</u>

NONMAJOR PERMANENT FUNDS

Nonmajor Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

In this category, the City of Cadillac administers the transactions of the:

Cemetery Perpetual Care Fund - Perpetual care of a cemetery lot is part of the purchase price. This principal amount is an endowment and the investment income is used to maintain the cemetery operation.

Capital Projects Trust Fund - The gain from the sale of the City's investment in an electric cogeneration plant has been set aside as an endowment for capital projects. Investment earnings from the endowment will be used for capital projects as deemed appropriate by the City Council.

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 74,179	\$ 99,345	\$ 173,524
Investments	326,898	446,167	773,065
TOTAL ASSETS	<u>\$ 401,077</u>	<u>\$ 545,512</u>	<u>\$ 946,589</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>FUND BALANCES</u>			
Reserved For:			
Cemetery Perpetual Care	\$ 401,077	\$ 0	\$ 401,077
Capital Projects Endowment	0	545,512	545,512
Total Fund Balances	<u>\$ 401,077</u>	<u>\$ 545,512</u>	<u>\$ 946,589</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 401,077</u>	<u>\$ 545,512</u>	<u>\$ 946,589</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 12,250	\$ 3,156	\$ 15,406
Gain (Loss) on Investments	(103,902)	(219,115)	(323,017)
Other Revenues	4,512	0	4,512
	<hr/>		
Total Revenues	\$ (87,140)	\$ (215,959)	\$ (303,099)
 <u>EXPENDITURES</u>			
General Government			
Contractual Services	1,100	450	1,550
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (88,240)	\$ (216,409)	\$ (304,649)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	0	(25,000)	(25,000)
	<hr/>		
Net Change in Fund Balances	\$ (88,240)	\$ (241,409)	\$ (329,649)
 <u>FUND BALANCES</u> - Beginning of Year	 489,317	 786,921	 1,276,238
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 401,077	\$ 545,512	\$ 946,589
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 74,179	\$ 53,714
Investments	326,898	438,611
TOTAL ASSETS	\$ 401,077	\$ 492,325
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 3,008
 <u>FUND BALANCE</u>		
Reserved for Cemetery Perpetual Care	401,077	489,317
TOTAL LIABILITIES AND FUND BALANCE	\$ 401,077	\$ 492,325

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30,

	2009	2008
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 12,250	\$ 15,901
Gain (Loss) on Investments	(103,902)	(47,115)
Other Revenue		
Perpetual Care of Lots	4,512	6,413
Total Revenues	\$ (87,140)	\$ (24,801)
<u>EXPENDITURES</u>		
General Government		
Audit	1,100	1,100
Excess (Deficiency) of Revenues Over Expenditures	\$ (88,240)	\$ (25,901)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Cemetery Operating Fund	0	(13,834)
Net Change in Fund Balance	\$ (88,240)	\$ (39,735)
<u>FUND BALANCE</u> - Beginning of Year	489,317	529,052
<u>FUND BALANCE</u> - End of Year	\$ 401,077	\$ 489,317

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 99,345	\$ 12,599
Investments	446,167	773,202
Receivables		
Accrued Interest	0	1,120
TOTAL ASSETS	<u>\$ 545,512</u>	<u>\$ 786,921</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Capital Projects Endowment	<u>545,512</u>	<u>786,921</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 545,512</u>	<u>\$ 786,921</u>

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30,

	2009	2008
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 3,156	\$ 5,633
Gain (Loss) on Investments	(219,115)	(68,324)
	\$ (215,959)	\$ (62,691)
<u>EXPENDITURES</u>		
General Government		
Audit	450	450
	\$ (216,409)	\$ (63,141)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
General Fund	\$ (25,000)	\$ 0
Local Street Fund	0	(10,000)
	\$ (25,000)	\$ (10,000)
Net Change in Fund Balance	\$ (241,409)	\$ (73,141)
<u>FUND BALANCE - Beginning of Year</u>	786,921	860,062
<u>FUND BALANCE - End of Year</u>	\$ 545,512	\$ 786,921

NONMAJOR PROPRIETARY FUND

Proprietary funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Proprietary Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of proprietary funds are self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can evaluate the performance of investor-owned enterprises in the same industry.

Automobile Parking System Fund - This fund accounts for operations of the on-street and off-street parking facilities within the City.

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF NET ASSETS

JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 71,019	\$ 61,017
Investments	80,061	78,031
Prepaid Expense	36	38
	<hr/>	<hr/>
Total Current Assets	\$ 151,116	\$ 139,086
	<hr/>	<hr/>
<u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 249,221	\$ 249,221
Land Improvements	561,820	561,820
	<hr/>	<hr/>
Less Accumulated Depreciation	\$ 811,041	\$ 811,041
	<hr/>	<hr/>
Net Capital Assets	\$ 610,275	\$ 627,028
	<hr/>	<hr/>
TOTAL ASSETS	\$ 761,391	\$ 766,114
	<hr/>	<hr/>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Other Accrued Expenses	\$ 83	\$ 75
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 610,275	\$ 627,028
Unrestricted	151,033	139,011
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 761,308	\$ 766,039
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Parking Lot Assessments	\$ 45,352	\$ 46,153
Parking Violations	951	1,614
Courtesy Parking	1,262	1,540
	<hr/>	<hr/>
Total Operating Revenues	\$ 47,565	\$ 49,307
	<hr/>	<hr/>
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,969	\$ 2,968
Employee Benefits	2,113	1,606
Office Supplies	404	89
Audit	600	850
Data Processing	3,000	3,300
Depreciation	16,754	16,754
Snow Removal		
Personal Services	5,754	5,986
Employee Benefits	2,442	5,000
Operating Supplies	0	137
Equipment Rental	20,101	22,757
Lot Maintenance		
Personal Services	340	249
Employee Benefits	142	203
Operating Supplies	197	334
Equipment Rental	98	293
	<hr/>	<hr/>
Total Operating Expenses	\$ 54,914	\$ 60,526
	<hr/>	<hr/>
Operating Income (Loss)	\$ (7,349)	\$ (11,219)
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	2,618	4,920
	<hr/>	<hr/>
Change in Net Assets	\$ (4,731)	\$ (6,299)
 <u>TOTAL NET ASSETS - Beginning of Year</u>		
	766,039	772,338
	<hr/>	<hr/>
<u>TOTAL NET ASSETS - End of Year</u>	\$ 761,308	\$ 766,039
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 47,565	\$ 49,307
Cash Payments to Suppliers for Goods and Services	(29,096)	(34,498)
Cash Payments to Employees for Services	(9,055)	(9,203)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 9,414	\$ 5,606
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 2,618	\$ 6,375
Purchase of Investment Securities	(2,030)	(4,289)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 588	\$ 2,086
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 10,002	\$ 7,692
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	61,017	53,325
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 71,019	\$ 61,017
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (7,349)	\$ (11,219)
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 16,754	\$ 16,754
(Increase) Decrease in Current Assets		
Prepaid Expense	1	(4)
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	8	75
Total Adjustments	\$ 16,763	\$ 16,825
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 9,414	\$ 5,606

INTERNAL SERVICE FUNDS

Internal service funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the City. Since the services and commodities are supplied exclusively to programs under the City's jurisdiction, they are distinguishable from those services which are rendered to the public in general and which are accounted for in general, special revenue or enterprise funds.

The City of Cadillac Central Stores and Municipal Garage Fund, Information Technology Fund, Self-Insurance Fund and Safety Fund make up the internal service funds category.

Central Stores and Municipal Garage Fund - Operates the motor pool for the City.

Information Technology Fund - Provides computer services to the various other funds that use the City's network.

Self-Insurance Fund - Is a self-funded account that provides for hospitalization and life insurance for municipal employees at a limited amount of risk to the City.

Safety Fund - This fund was created to educate and encourage safety throughout the City organizations.

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>CENTRAL</u>	
	<u>STORES AND</u>	
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>ASSETS</u>		
Cash	\$ 71,705	\$ 1,524
Investments	357	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	15,204	0
Accrued Interest	0	0
Due from Other Funds	41,130	0
Inventory, At Cost	84,914	0
Prepaid Expenses	21,543	37
Capital Assets (Net of Accumulated Depreciation)	824,832	357,798
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,059,685	\$ 359,359
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 8,209	\$ 1,437
Accrued Interest	6,962	0
Other Accrued Expenses	60,541	2,005
Due to Other Funds	0	50,000
Current Portion of Note Payable	50,000	0
	<hr/>	<hr/>
Total Current Liabilities	\$ 125,712	\$ 53,442
<u>LONG-TERM LIABILITIES</u>		
Note Payable	350,000	0
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 475,712	\$ 53,442
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 824,832	\$ 357,798
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted (Deficit)	(240,859)	(51,881)
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 583,973	\$ 305,917
	<hr/> <hr/>	<hr/> <hr/>

SELF- INSURANCE	SAFETY	TOTALS
\$ 42,417	\$ 13,342	\$ 128,988
1,253,157	0	1,253,514
6,577	0	21,781
9,973	0	9,973
0	0	41,130
0	0	84,914
0	0	21,580
0	0	1,182,630
<hr/>		
\$ 1,312,124	\$ 13,342	\$ 2,744,510
<hr/>		
\$ 27,538	\$ 530	\$ 37,714
0	0	6,962
0	0	62,546
0	0	50,000
0	0	50,000
<hr/>		
\$ 27,538	\$ 530	\$ 207,222
<hr/>		
0	0	350,000
<hr/>		
\$ 27,538	\$ 530	\$ 557,222
<hr/>		
\$ 0	\$ 0	\$ 1,182,630
199,366	0	199,366
1,085,220	0	1,085,220
0	12,812	(279,928)
<hr/>		
\$ 1,284,586	\$ 12,812	\$ 2,187,288
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2009

	CENTRAL STORES AND MUNICIPAL GARAGE	INFORMATION TECHNOLOGY
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 733,161	\$ 307,408
Other Revenue	0	0
Total Operating Revenues	\$ 733,161	\$ 307,408
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 183,573	\$ 7,634
Contractual Services	56,508	161,193
Supplies	89,327	7,296
Heat, Light and Power	27,035	2,421
Depreciation	133,275	77,818
Employee Benefits	135,339	8,837
Benefit Payments	0	0
Equipment Rental	13,614	0
Administrative	30,100	28,600
Total Operating Expenses	\$ 668,771	\$ 293,799
Operating Income (Loss)	\$ 64,390	\$ 13,609
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 12,000	\$ 0
Interest Revenue	94	1
Interest Expense	(21,442)	0
Total Nonoperating Revenues (Expenses)	\$ (9,348)	\$ 1
Changes In Net Assets	\$ 55,042	\$ 13,610
<u>TOTAL NET ASSETS</u> - Beginning of Year	528,931	292,307
<u>TOTAL NET ASSETS</u> - End of Year	\$ 583,973	\$ 305,917

SELF- INSURANCE	SAFETY	TOTALS
\$ 869,323	\$ 0	\$ 1,909,892
62,814	0	62,814
<hr/>		
\$ 932,137	\$ 0	\$ 1,972,706
<hr/>		
\$ 0	\$ 0	\$ 191,207
31,864	1,722	251,287
0	742	97,365
0	0	29,456
0	0	211,093
0	0	144,176
959,231	0	959,231
0	0	13,614
0	0	58,700
<hr/>		
\$ 991,095	\$ 2,464	\$ 1,956,129
<hr/>		
\$ (58,958)	\$ (2,464)	\$ 16,577
<hr/>		
\$ 0	\$ 0	12,000
37,502	84	37,681
0	0	(21,442)
<hr/>		
\$ 37,502	\$ 84	\$ 28,239
<hr/>		
\$ (21,456)	\$ (2,380)	\$ 44,816
<hr/>		
1,306,042	15,192	2,142,472
<hr/>		
\$ 1,284,586	\$ 12,812	\$ 2,187,288
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 698,390	\$ 307,408
Cash Payments to Suppliers for Goods and Services	(389,180)	(258,548)
Cash Payments to Employees for Services	(173,740)	(6,155)
Other Operating Revenues	1,000	0
	\$ 136,470	\$ 42,705
Cash Flows from Capital and Related		
Financing Activities:		
Principal Paid	\$ (50,000)	\$ 0
Interest Paid	(36,692)	0
Acquisition and Construction of Capital Assets	(97,938)	(46,848)
Proceeds from Sales of Capital Assets	12,000	0
	\$ (172,630)	\$ (46,848)
Cash Flows from Investing Activities:		
Interest Received	\$ 94	\$ 1
Purchase of Investment Securities	(4)	0
Proceeds from Sale and Maturities of Investment Securities	0	0
	\$ 90	\$ 1
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (36,070)	\$ (4,142)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	107,775	5,666
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 71,705	\$ 1,524

SELF- INSURANCE	SAFETY	TOTALS
\$ 925,560	\$ 0	\$ 1,931,358
(1,002,431)	(1,934)	(1,652,093)
0	(4,118)	(184,013)
0	0	1,000
<hr/>		
\$ (76,871)	\$ (6,052)	\$ 96,252
<hr/>		
\$ 0	\$ 0	\$ (50,000)
0	0	(36,692)
0	0	(144,786)
0	0	12,000
<hr/>		
\$ 0	\$ 0	\$ (219,478)
<hr/>		
\$ 38,772	\$ 84	\$ 38,951
0	0	(4)
17,367	0	17,367
<hr/>		
\$ 56,139	\$ 84	\$ 56,314
<hr/>		
\$ (20,732)	\$ (5,968)	\$ (66,912)
<hr/>		
63,149	19,310	195,900
<hr/>		
\$ 42,417	\$ 13,342	\$ 128,988
<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 64,390	\$ 13,609
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 133,275	\$ 77,818
(Increase) Decrease in Current Assets		
Accounts Receivable	(9,621)	0
Due from Other Funds	(24,150)	0
Inventory	(28,585)	0
Prepaid Expense	(889)	30
Increase (Decrease) in Current Liabilities		
Accounts Payable	(7,574)	(231)
Other Accrued Expenses	9,833	1,479
Due to Other Funds	(209)	(50,000)
Total Adjustments	\$ 72,080	\$ 29,096
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 136,470	\$ 42,705

SELF- INSURANCE	SAFETY	TOTALS
\$ (58,958)	\$ (2,464)	\$ 16,577
\$ 0	\$ 0	\$ 211,093
(6,577)	0	(16,198)
0	0	(24,150)
0	0	(28,585)
0	0	(859)
(11,336)	530	(18,611)
0	0	11,312
0	(4,118)	(54,327)
\$ (17,913)	\$ (3,588)	\$ 79,675
\$ (76,871)	\$ (6,052)	\$ 96,252

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 71,705	\$ 107,775
Investments	357	353
Receivables		
Accounts	15,204	5,583
Due from Other Funds	41,130	16,980
Inventory, At Cost	84,914	56,330
Prepaid Expense	21,543	20,654
	\$ 234,853	\$ 207,675
 <u>CAPITAL ASSETS</u>		
Construction in Progress	\$ 895	\$ 0
Land and Land Improvements	93,971	93,971
Buildings	411,945	411,945
Machinery and Equipment	1,742,116	1,696,062
	\$ 2,248,927	\$ 2,201,978
Less Accumulated Depreciation	1,424,095	1,341,810
Net Capital Assets	\$ 824,832	\$ 860,168
TOTAL ASSETS	\$ 1,059,685	\$ 1,067,843

	<u>2009</u>	<u>2008</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 8,209	\$ 15,783
Accrued Interest	6,962	22,212
Other Accrued Expenses	60,541	50,708
Due to Other Funds	0	209
Current Portion of Note Payable	50,000	50,000
	<hr/>	
Total Current Liabilities	\$ 125,712	\$ 138,912
<u>LONG-TERM LIABILITIES</u>		
Note Payable	350,000	400,000
	<hr/>	
TOTAL LIABILITIES	\$ 475,712	\$ 538,912
<hr/>		
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 824,832	\$ 860,168
Unrestricted (Deficit)	(240,859)	(331,237)
	<hr/>	
TOTAL NET ASSETS	\$ 583,973	\$ 528,931
	<hr/>	

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Services and Materials	\$ 37,417	\$ 20,661
Equipment Rentals	694,744	703,129
Other Revenue	1,000	135
Total Operating Revenues	\$ 733,161	\$ 723,925
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 176,842	\$ 145,209
Employee Benefits	131,280	82,115
Contractual Services	138	260
Employee Safety	0	1,700
Operating Supplies	85,427	149,316
Audit	2,650	3,150
Data Processing	13,500	23,000
Insurance	20,521	12,118
Property Taxes	2,000	2,177
Travel and Education	1,074	1,672
Heat, Light and Power	27,035	26,006
Equipment Maintenance	16,625	10,296
Equipment Rental	817	987
Depreciation	133,275	133,774
Outside Work		
Salaries and Wages	6,731	6,294
Employee Benefits	4,059	3,660
Operating Supplies	3,900	2,124
Equipment Rental	12,797	10,261
Vehicle Lease	0	6,397
Administrative	30,100	45,700
Total Operating Expenses	\$ 668,771	\$ 666,216
Operating Income (Loss)	\$ 64,390	\$ 57,709

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 12,000	\$ 0
Interest Revenue	94	400
Interest Expense	(21,442)	(24,175)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ (9,348)	\$ (23,775)
	<hr/>	<hr/>
Change in Net Assets	\$ 55,042	\$ 33,934
<u>TOTAL NET ASSETS - Beginning of Year</u>	<hr/> 528,931	<hr/> 494,997
<u>TOTAL NET ASSETS - End of Year</u>	<hr/> <u>\$ 583,973</u>	<hr/> <u>\$ 528,931</u>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 698,390	\$ 719,648
Cash Payments to Suppliers for Goods and Services	(389,180)	(388,811)
Cash Payments to Employees for Services	(173,740)	(138,867)
Other Operating Revenues	1,000	135
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 136,470	\$ 192,105
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
Principal Paid	\$ (50,000)	\$ (50,000)
Interest Paid	(36,692)	(16,343)
Acquisition and Construction of Capital Assets	(97,938)	(57,520)
Proceeds from Sales of Capital Assets	12,000	0
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (172,630)	\$ (123,863)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 94	\$ 400
Purchase of Investment Securities	(4)	(15)
	<hr/>	<hr/>
Net Cash Provided (Used) By Investing Activities	\$ 90	\$ 385
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (36,070)	\$ 68,627
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	107,775	39,148
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 71,705	\$ 107,775
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 64,390	\$ 57,709
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 133,275	\$ 133,774
(Increase) Decrease in Current Assets		
Accounts Receivable	(9,621)	(572)
Due from Other Funds	(24,150)	(3,570)
Inventory	(28,585)	(5,005)
Prepaid Expense	(889)	(1,810)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(7,574)	5,028
Accrued Expenses	9,833	6,342
Due to Other Funds	(209)	209
Total Adjustments	<u>\$ 72,080</u>	<u>\$ 134,396</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 136,470</u>	<u>\$ 192,105</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 1,524	\$ 5,666
Prepaid Expense	37	67
Total Current Assets	<u>\$ 1,561</u>	<u>\$ 5,733</u>
<u>CAPITAL ASSETS</u>		
Furniture, Fixtures and Equipment	\$ 918,656	\$ 871,808
Less Accumulated Depreciation	560,858	483,040
Net Capital Assets	<u>\$ 357,798</u>	<u>\$ 388,768</u>
TOTAL ASSETS	<u>\$ 359,359</u>	<u>\$ 394,501</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 1,437	\$ 1,668
Other Accrued Expenses	2,005	526
Due to Other Funds	50,000	100,000
TOTAL LIABILITIES	<u>\$ 53,442</u>	<u>\$ 102,194</u>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 357,798	\$ 388,768
Unrestricted (Deficit)	(51,881)	(96,461)
TOTAL NET ASSETS	<u>\$ 305,917</u>	<u>\$ 292,307</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 307,408	\$ 325,300
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 7,634	\$ 15,247
Employee Benefits	8,837	3,879
Audit	600	850
Insurance	159	159
Computer Programming	158,951	151,964
Telephone	2,421	1,927
Travel and Education	1,483	966
Office Supplies	7,296	13,025
Depreciation	77,818	78,033
Repairs and Maintenance	0	2,715
Administrative	28,600	21,900
Total Operating Expenses	\$ 293,799	\$ 290,665
Operating Income (Loss)	\$ 13,609	\$ 34,635
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 1	\$ 3,308
Change In Net Assets	\$ 13,610	\$ 37,943
<u>TOTAL NET ASSETS</u> - Beginning of Year	292,307	254,364
<u>TOTAL NET ASSETS</u> - End of Year	\$ 305,917	\$ 292,307

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 307,408	\$ 325,300
Cash Payments to Suppliers for Goods and Services	(258,548)	(200,474)
Cash Payments to Employees for Services	(6,155)	(15,063)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 42,705	\$ 109,763
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (46,848)	\$ (113,980)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 1	\$ 3,308
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (4,142)	\$ (909)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	5,666	6,575
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 1,524	\$ 5,666
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 13,609	\$ 34,635
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 77,818	\$ 78,033
(Increase) Decrease in Current Assets		
Prepaid Expense	30	75,717
Increase (Decrease) in Current Liabilities		
Accounts Payable	(231)	1,194
Other Accrued Expenses	1,479	184
Due to Other Funds	(50,000)	(80,000)
Total Adjustments	<u>\$ 29,096</u>	<u>\$ 75,128</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 42,705</u>	<u>\$ 109,763</u>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 42,417	\$ 63,149
Investments	1,253,157	1,270,524
Receivables		
Accounts	6,577	0
Accrued Interest	9,973	11,243
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,312,124	\$ 1,344,916
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 27,538	\$ 38,874
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Restricted for:		
Retirees' Life Insurance	\$ 199,366	\$ 199,366
Employees' Life and Health Insurance	1,085,220	1,106,676
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 1,284,586	\$ 1,306,042
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Employer Contributions	\$ 869,323	\$ 870,731
Other Revenue	62,814	95,921
	<hr/>	<hr/>
Total Operating Revenues	\$ 932,137	\$ 966,652
<u>OPERATING EXPENSES</u>		
Contractual Services		
Administration	\$ 31,864	\$ 51,466
Benefit Payments		
Insurance Premiums	483,358	523,277
Medical Claims	475,873	289,006
	<hr/>	<hr/>
Total Operating Expenses	\$ 991,095	\$ 863,749
Operating Income (Loss)	\$ (58,958)	\$ 102,903
<u>NONOPERATING REVENUES</u>		
Interest Revenue	37,502	58,594
	<hr/>	<hr/>
Change in Net Assets	\$ (21,456)	\$ 161,497
<u>TOTAL NET ASSETS - Beginning of Year</u>	<hr/>	<hr/>
	1,306,042	1,144,545
<u>TOTAL NET ASSETS - End of Year</u>	<hr/>	<hr/>
	\$ 1,284,586	\$ 1,306,042

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 925,560	\$ 968,322
Cash Payments to Suppliers for Goods and Services	(1,002,431)	(817,469)
Net Cash Provided (Used) by Operating Activities	<u>\$ (76,871)</u>	<u>\$ 150,853</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 38,772	\$ 59,322
Purchase of Investment Securities	0	(175,130)
Proceeds from Sale and Maturities of Investment Securities	17,367	0
Net Cash Provided (Used) by Investing Activities	<u>\$ 56,139</u>	<u>\$ (115,808)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (20,732)	\$ 35,045
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>63,149</u>	<u>28,104</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 42,417</u>	<u>\$ 63,149</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ (58,958)</u>	<u>\$ 102,903</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	\$ (6,577)	\$ 1,670
Prepaid Expense	0	37,728
Increase (Decrease) in Current Liabilities		
Accounts Payable	(11,336)	8,552
Total Adjustments	<u>\$ (17,913)</u>	<u>\$ 47,950</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (76,871)</u>	<u>\$ 150,853</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 13,342	\$ 19,310
<u>LIABILITIES</u>		
Accounts Payable	\$ 530	\$ 0
Due to Other Funds	0	4,118
 TOTAL LIABILITIES	 \$ 530	 \$ 4,118
 <u>NET ASSETS</u>		
Unrestricted	\$ 12,812	\$ 15,192

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 0	\$ 9,000
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 0	\$ 4,117
Operating Supplies	742	1,085
Dues and Publications	270	234
Audit	450	450
Travel and Education	1,002	120
Total Operating Expenses	\$ 2,464	\$ 6,006
Operating Income (Loss)	\$ (2,464)	\$ 2,994
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Revenue	84	399
Change in Net Assets	\$ (2,380)	\$ 3,393
<u>TOTAL NET ASSETS - Beginning of Year</u>	15,192	11,799
<u>TOTAL NET ASSETS - End of Year</u>	\$ 12,812	\$ 15,192

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2009	2008
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 0	\$ 9,000
Cash Payments to Suppliers for Goods and Services	(1,934)	(1,888)
Cash Payments to Employees for Services	(4,118)	0
Net Cash Provided (Used) by Operating Activities	\$ (6,052)	\$ 7,112
Cash Flows from Investing Activities		
Interest Received	84	399
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (5,968)	\$ 7,511
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	19,310	11,799
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 13,342	\$ 19,310
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (2,464)	\$ 2,994
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Accounts Payable	530	0
Due to Other Funds	(4,118)	4,118
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (6,052)	\$ 7,112

PENSION TRUST FUND

The Policemen and Firemen Retirement System accounts for assets of the government's public safety employees pension plan which is required to be held in trust for the members and beneficiaries.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 140,803	\$ 167,533
Investments		
Mutual Funds	1,866	1,842
Municipal Employees' Retirement System	5,252,423	6,575,666
Due from Other Funds	58,340	46,664
Prepaid Deductions	5,775	0
	\$ 5,459,207	\$ 6,791,705
 <u>LIABILITIES</u>		
Accounts Payable	\$ 1,200	\$ 0
Due to Other Funds	0	1,453
	1,200	1,453
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 5,458,007	\$ 6,790,252

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

	2009	2008
<u>ADDITIONS</u>		
Contributions		
Employer	\$ 567,171	\$ 558,831
Employee	34,828	42,165
Total Contributions	\$ 601,999	\$ 600,996
Investment Income		
Interest and Dividend Income	\$ 808	\$ 5,244
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	(1,299,030)	(124,724)
Investment Expenses	(24,213)	(30,132)
Net Investment Income (Loss)	\$ (1,322,435)	\$ (149,612)
Total Additions (Deletions)	\$ (720,436)	\$ 451,384
<u>DEDUCTIONS</u>		
Benefit Payments		
Retirement	\$ 594,334	\$ 536,428
Administrative Expenses		
Contracted Services		
Actuarial Fees	16,275	16,117
Auditing	1,200	1,200
Total Deductions	\$ 611,809	\$ 553,745
Net Increase (Decrease) in Plan Assets	\$ (1,332,245)	\$ (102,361)
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of Year	6,790,252	6,892,613
End of Year	\$ 5,458,007	\$ 6,790,252

AGENCY FUND

CURRENT TAX COLLECTION FUND

The Current Tax Collection Fund functions as the property tax collection agent for the area schools and county.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2009

	BALANCE			BALANCE
	7/1/2008	ADDITIONS	DEDUCTIONS	6/30/2009
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ 170	\$ 12,612,502	\$ 12,582,035	\$ 30,637
Due from Other Funds	14,938	0	14,938	0
Due from Other Governments	4,290	0	0	4,290
Total Assets	<u>\$ 19,398</u>	<u>\$ 12,612,502</u>	<u>\$ 12,596,973</u>	<u>\$ 34,927</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 19,398	\$ 8,262,880	\$ 8,264,297	\$ 17,981
Due to Other Funds	0	4,349,622	4,332,676	16,946
Total Liabilities	<u>\$ 19,398</u>	<u>\$ 12,612,502</u>	<u>\$ 12,596,973</u>	<u>\$ 34,927</u>

COMPONENT UNITS

MAJOR COMPONENT UNIT

L.D.F.A. Operating Fund - This fund was established to operate the groundwater cleanup facility located in the industrial park.

L.D.F.A. Capital Projects Fund - This fund was established to provide a source of revenue for the L.D.F.A. to undertake various capital and public infrastructure improvements within the L.D.F.A. district.

L.D.F.A. Utilities Fund - This fund was established to provide water utility services to the cogeneration plant located within the boundaries of the L.D.F.A.

NONMAJOR COMPONENT UNITS

Downtown Development Authority- This fund is designed to assist in the economic growth of the central business district from parking plans to mall development. A 2 mill maximum tax levy can be levied by the board when needed.

D.D.A. Capital Projects Fund - This fund was established to provide a source of revenue for the D.D.A. to undertake various capital and public infrastructure improvements within the D.D.A. district.

Economic Development Corporation - This fund was established to act as an economic development corporation for the City of Cadillac in accordance with State law.

Brownfield Redevelopment Authority - This fund identifies contaminated sites and remediates them, and provides financing to do so. This fund was established pursuant to Michigan Public Act 381 of 1996.

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2009

		<u>MAJOR</u>	<u>TOTAL</u>				
		<u>L.D.F.A.</u>	<u>NONMAJOR</u>				
			<u>COMPONENT</u>				
			<u>UNITS</u>	<u>TOTALS</u>			
<u>ASSETS</u>							
<u>CURRENT ASSETS</u>							
Cash	\$	288,218	\$	177,934	\$	466,152	
Investments		2,017,168		247,231		2,264,399	
Receivables							
Taxes		0		62		62	
Accounts		1,566		0		1,566	
Accrued Interest		12,886		30		12,916	
Due from Other Governments		0		18,761		18,761	
Prepaid Expenditures		0		89		89	
TOTAL CURRENT ASSETS		\$	2,319,838	\$	444,107	\$	2,763,945
<u>CAPITAL ASSETS</u>							
Investment in System	\$	226,767	\$	0	\$	226,767	
Less Accumulated Depreciation		63,848		0		63,848	
Net Capital Assets	\$	162,919	\$	0	\$	162,919	
TOTAL ASSETS		\$	2,482,757	\$	444,107	\$	2,926,864
<u>LIABILITIES AND EQUITY</u>							
<u>LIABILITIES</u>							
Accounts Payable	\$	16,791	\$	25,043	\$	41,834	
Accrued Expenditures		620		689		1,309	
Deferred Revenue		0		54		54	
Total Liabilities	\$	17,411	\$	25,786	\$	43,197	

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>MAJOR</u>	<u>TOTAL</u>	
	<u>L.D.F.A.</u>	<u>NONMAJOR</u>	
		<u>COMPONENT</u>	<u>TOTALS</u>
		<u>UNITS</u>	
			<u>TOTALS</u>
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 162,919	\$ 0	\$ 162,919
Unrestricted	206,673	0	206,673
Fund Balance			
Reserved for:			
Prepaid Expenditures	0	89	89
Capital Projects	383,450	0	383,450
Ground Water Clean-up	1,712,304	0	1,712,304
Unreserved	0	418,232	418,232
Total Net Assets/Fund Balance	<u>\$ 2,465,346</u>	<u>\$ 418,321</u>	<u>\$ 2,883,667</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,482,757</u>	<u>\$ 444,107</u>	<u>\$ 2,926,864</u>

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	<u>MAJOR</u>	<u>TOTAL NONMAJOR COMPONENT</u>	
	<u>L.D.F.A.</u>	<u>UNITS</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Taxes	\$ 336,379	\$ 174,788	\$ 511,167
Federal Grants	0	200,773	200,773
State Grants	0	178,208	178,208
Interest and Rents	68,397	8,794	77,191
Other Revenues	0	100,003	100,003
 Total Revenues	 \$ 404,776	 \$ 662,566	 \$ 1,067,342
<u>EXPENDITURES</u>			
Economic Development	\$ 0	\$ 501,725	\$ 501,725
Public Works	243,082	0	243,082
Intergovernmental Expenditures	0	32,500	32,500
 Total Expenditures	 \$ 243,082	 \$ 534,225	 \$ 777,307
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 161,694	 \$ 128,341	 \$ 290,035
 <u>FUND BALANCES</u> - Beginning of Year	 1,934,060	 289,980	 2,224,040
 <u>FUND BALANCES</u> - End of Year	 \$ 2,095,754	 \$ 418,321	 \$ 2,514,075

CITY OF CADILLAC, MICHIGAN

L.D.F.A. FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009

	<u>OPERATING</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>UTILITIES</u> <u>FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$ 82,586	\$ 180,435	\$ 25,197	\$ 288,218
Investments	1,636,054	201,896	179,218	2,017,168
Receivables				
Accounts	0	0	1,566	1,566
Accrued Interest	11,075	1,119	692	12,886
Total Current Assets	<u>\$ 1,729,715</u>	<u>\$ 383,450</u>	<u>\$ 206,673</u>	<u>\$ 2,319,838</u>
<u>CAPITAL ASSETS</u>				
Investment in System	\$ 0	\$ 0	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	0	0	63,848	63,848
Net Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 162,919</u>	<u>\$ 162,919</u>
TOTAL ASSETS	<u>\$ 1,729,715</u>	<u>\$ 383,450</u>	<u>\$ 369,592</u>	<u>\$ 2,482,757</u>
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 16,791	\$ 0	\$ 0	\$ 16,791
Accrued Expenditures	620	0	0	620
Total Liabilities	<u>\$ 17,411</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,411</u>
<u>EQUITY</u>				
Net Assets				
Invested in Capital Assets	\$ 0	\$ 0	\$ 162,919	\$ 162,919
Unrestricted	0	0	206,673	206,673
Fund Balance				
Reserved for:				
Capital Projects	0	383,450	0	383,450
Ground Water Clean-up	1,712,304	0	0	1,712,304
Total Net Assets/Fund Balance	<u>\$ 1,712,304</u>	<u>\$ 383,450</u>	<u>\$ 369,592</u>	<u>\$ 2,465,346</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,729,715</u>	<u>\$ 383,450</u>	<u>\$ 369,592</u>	<u>\$ 2,482,757</u>

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	<u>OPERATING FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes	\$ 219,226	\$ 117,153	\$ 336,379
Interest and Rents	59,562	8,835	68,397
Total Revenues	\$ 278,788	\$ 125,988	\$ 404,776
<u>EXPENDITURES</u>			
Public Works	242,682	400	243,082
Excess (Deficiency) of Revenues Over Expenditures	\$ 36,106	\$ 125,588	\$ 161,694
<u>FUND BALANCE - Beginning of Year</u>	<u>1,676,198</u>	<u>257,862</u>	<u>1,934,060</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,712,304</u>	<u>\$ 383,450</u>	<u>\$ 2,095,754</u>

CITY OF CADILLAC, MICHIGAN
L.D.F.A. OPERATING FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

	2009	2008
<u>ASSETS</u>		
Cash	\$ 82,586	\$ 31,667
Investments	1,636,054	1,649,924
Receivables		
Accrued Interest	11,075	747
TOTAL ASSETS	\$ 1,729,715	\$ 1,682,338
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 16,791	\$ 5,352
Accrued Expenditures	620	788
Total Liabilities	\$ 17,411	\$ 6,140
 <u>FUND BALANCE</u>		
Reserved for Groundwater Cleanup	1,712,304	1,676,198
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,729,715	\$ 1,682,338

CITY OF CADILLAC, MICHIGAN
L.D.F.A. OPERATING FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Groundwater Cleanup Special Assessment	\$ 220,000	\$ 219,226	\$ 219,226
Interest and Rents			
Interest	60,000	59,562	87,649
Total Revenues	\$ 280,000	\$ 278,788	\$ 306,875
<u>EXPENDITURES</u>			
Public Works			
Personal Services	\$ 18,500	\$ 14,542	\$ 17,999
Employee Benefits	9,200	5,331	7,269
Audit	900	450	850
Legal Fees	9,500	11,201	4,686
Engineering Fees	14,500	0	0
Supplies	14,700	9,903	11,958
Contractual Services	72,200	60,791	62,632
Heat, Light and Power	125,000	133,508	125,947
Equipment Maintenance	15,500	6,956	13,376
Total Expenditures	\$ 280,000	\$ 242,682	\$ 244,717
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 36,106	\$ 62,158
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)			
L.D.F.A. Capital Projects	0	0	(138,988)
Net Change in Fund Balance	\$ 0	\$ 36,106	\$ (76,830)
<u>FUND BALANCE</u> - Beginning of Year	1,767,128	1,676,198	1,753,028
<u>FUND BALANCE</u> - End of Year	\$ 1,767,128	\$ 1,712,304	\$ 1,676,198

CITY OF CADILLAC, MICHIGAN
L.D.F.A. CAPITAL PROJECTS FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 180,435	\$ 54,269
Investments	201,896	197,356
Receivables		
Accrued Interest	1,119	1,361
Due from Other Governments	0	4,876
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 383,450</u>	<u>\$ 257,862</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Capital Projects	383,450	257,862
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 383,450</u>	<u>\$ 257,862</u>

CITY OF CADILLAC, MICHIGAN
L.D.F.A. CAPITAL PROJECTS FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Taxes		
Property Taxes	\$ 117,153	\$ 108,535
Interest and Rents		
Interest	8,835	2,086
Total Revenues	\$ 125,988	\$ 110,621
 <u>EXPENDITURES</u>		
Audit	400	0
Excess (Deficiency) of Revenues Over Expenditures	\$ 125,588	\$ 110,621
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfer In (Out)		
L.D.F.A. Operating	\$ 0	\$ 138,988
L.D.F.A. Debt Retirement	0	8,253
Total Transfer In (Out)	\$ 0	\$ 147,241
Net Change in Fund Balance	\$ 125,588	\$ 257,862
 <u>FUND BALANCE</u> - Beginning of Year	 257,862	 0
<u>FUND BALANCE</u> - End of Year	\$ 383,450	\$ 257,862

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 25,197	\$ 13,887
Investments	179,218	173,471
Receivables		
Accounts	1,566	1,335
Accrued Interest	692	69
	<u>\$ 206,673</u>	<u>\$ 188,762</u>
 <u>CAPITAL ASSETS</u>		
Investment in System	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	63,848	59,313
	<u>\$ 162,919</u>	<u>\$ 167,454</u>
 <u>TOTAL ASSETS</u>		
	<u>\$ 369,592</u>	<u>\$ 356,216</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accrued Expenses	\$ 0	\$ 203
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 162,919	\$ 167,454
Unrestricted	206,673	188,559
	<u>\$ 369,592</u>	<u>\$ 356,013</u>
Total Net Assets	<u>\$ 369,592</u>	<u>\$ 356,013</u>

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Water Charges to Customers	\$ 14,570	\$ 16,403
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 1,763	\$ 2,707
Employee Benefits	734	800
Audit	400	400
Depreciation	4,535	4,535
Total Operating Expenses	\$ 7,432	\$ 8,442
Operating Income (Loss)	\$ 7,138	\$ 7,961
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	6,441	6,468
Change in Net Assets	\$ 13,579	\$ 14,429
<u>NET ASSETS</u> - Beginning of Year	356,013	341,584
<u>NET ASSETS</u> - End of Year	\$ 369,592	\$ 356,013

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 14,339	\$ 17,187
Cash Payments to Suppliers for Goods and Services	(400)	(1,200)
Cash Payments to Employees for Services	(2,700)	(2,578)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 11,239	\$ 13,409
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest Received	\$ 5,818	\$ 7,721
Proceeds from Sales and Maturities	1,726	0
Purchase of Investment Securities	(7,473)	(56,500)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 71	\$ (48,779)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 11,310	\$ (35,370)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	13,887	49,257
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 25,197	\$ 13,887
	<hr/> <hr/>	<hr/> <hr/>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income	\$ 7,138	\$ 7,961
	<hr/>	<hr/>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 4,535	\$ 4,535
(Increase) Decrease in Current Assets		
Accounts Receivable	(231)	784
Due from Other Governments	0	0
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	(203)	129
	<hr/>	<hr/>
Total Adjustments	\$ 4,101	\$ 5,448
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 11,239	\$ 13,409
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2009

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>ASSETS</u>				
Cash	\$ 88,308	\$ 1,167	\$ 88,459	\$ 177,934
Investments	149,798	0	97,433	247,231
Receivables				
Taxes	62	0	0	62
Accrued Interest	30	0	0	30
Due from Other Governments	0	0	18,761	18,761
Prepaid Expenditures	89	0	0	89
TOTAL ASSETS	\$ 238,287	\$ 1,167	\$ 204,653	\$ 444,107
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,508	\$ 0	\$ 12,535	\$ 25,043
Accrued Expenditures	689	0	0	689
Deferred Revenue	54	0	0	54
Total Liabilities	\$ 13,251	\$ 0	\$ 12,535	\$ 25,786
<u>FUND BALANCE</u>				
Reserved for Prepaid Expenditures	\$ 89	\$ 0	\$ 0	\$ 89
Unreserved	224,947	1,167	192,118	418,232
Total Fund Balances	\$ 225,036	\$ 1,167	\$ 192,118	\$ 418,321
TOTAL LIABILITIES AND FUND BALANCES	\$ 238,287	\$ 1,167	\$ 204,653	\$ 444,107

CITY OF CADILLAC, MICHIGAN

NONMAJOR GOVERNMENTAL COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>	<u>BROWNFIELD REDEVELOPMENT AUTHORITY</u>	<u>TOTALS</u>
<u>REVENUES</u>				
Federal Grants	\$ 200,773	\$ 0	\$ 0	\$ 200,773
Taxes	147,832	0	26,956	174,788
State Grants	45,454	0	132,754	178,208
Interest and Rents	6,488	0	2,306	8,794
Other Revenues	9,465	0	90,538	100,003
Total Revenues	<u>\$ 410,012</u>	<u>\$ 0</u>	<u>\$ 252,554</u>	<u>\$ 662,566</u>
<u>EXPENDITURES</u>				
Economic Development	\$ 347,595	\$ 0	\$ 154,130	\$ 501,725
Intergovernmental	32,500	0	0	32,500
Total Expenditures	<u>\$ 380,095</u>	<u>\$ 0</u>	<u>\$ 154,130</u>	<u>\$ 534,225</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,917	\$ 0	\$ 98,424	\$ 128,341
<u>FUND BALANCES - Beginning of Year</u>	<u>195,119</u>	<u>1,167</u>	<u>93,694</u>	<u>289,980</u>
<u>FUND BALANCES - End of Year</u>	<u>\$ 225,036</u>	<u>\$ 1,167</u>	<u>\$ 192,118</u>	<u>\$ 418,321</u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009

		CAPITAL		
		OPERATING	PROJECTS	
		FUND	FUND	TOTAL
	<u>ASSETS</u>			
Cash		\$ 13,096	\$ 75,212	\$ 88,308
Investments		0	149,798	149,798
Receivables				
Taxes		62	0	62
Accrued Interest		0	30	30
Prepaid Expenditures		89	0	89
TOTAL ASSETS		<u>\$ 13,247</u>	<u>\$ 225,040</u>	<u>\$ 238,287</u>
	<u>LIABILITIES AND FUND BALANCE</u>			
	<u>LIABILITIES</u>			
Accounts Payable		\$ 562	\$ 11,946	\$ 12,508
Accrued Expenditures		689	0	689
Deferred Revenue		54	0	54
Total Liabilities		<u>\$ 1,305</u>	<u>\$ 11,946</u>	<u>\$ 13,251</u>
	<u>FUND BALANCE</u>			
Reserved for Prepaid Expenditures		\$ 89	\$ 0	\$ 89
Unreserved		11,853	213,094	224,947
Total Fund Balance		<u>\$ 11,942</u>	<u>\$ 213,094</u>	<u>\$ 225,036</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 13,247</u>	<u>\$ 225,040</u>	<u>\$ 238,287</u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 31,153	\$ 116,679	\$ 147,832
Federal Grants	0	200,773	200,773
State Grants	0	45,454	45,454
Interest and Rents	217	6,271	6,488
Other Revenues	7,965	1,500	9,465
	<hr/>		
Total Revenues	\$ 39,335	\$ 370,677	\$ 410,012
	<hr/>		
<u>EXPENDITURES</u>			
Economic Development	\$ 36,848	\$ 310,747	\$ 347,595
Intergovernmental Expenditures	0	32,500	32,500
	<hr/>		
Total Expenditures	\$ 36,848	\$ 343,247	\$ 380,095
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,487	\$ 27,430	\$ 29,917
	<hr/>		
<u>FUND BALANCES</u> - Beginning of Year	9,455	185,664	195,119
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 11,942	\$ 213,094	\$ 225,036
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 13,096	\$ 7,043
Receivables		
Taxes	62	50
Accounts	0	60
Prepaid Expenditures	89	3,236
TOTAL ASSETS	<u>\$ 13,247</u>	<u>\$ 10,389</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 562	\$ 94
Accrued Expenditures	689	790
Deferred Revenue	54	50
Total Liabilities	<u>\$ 1,305</u>	<u>\$ 934</u>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 89	\$ 3,236
Unreserved	11,853	6,219
Total Fund Balance	<u>\$ 11,942</u>	<u>\$ 9,455</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 13,247</u>	<u>\$ 10,389</u>

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 30,000	\$ 31,153	\$ 29,977
Interest and Rents			
Interest	1,000	217	665
Other Revenues			
DEQ Management Fee	5,000	5,000	5,000
Contributions from Private Sources	3,000	2,965	4,345
	<hr/>		
Total Revenues	\$ 39,000	\$ 39,335	\$ 39,987
<hr/>			
<u>EXPENDITURES</u>			
Economic Development			
Personal Services	\$ 23,100	\$ 21,963	\$ 26,287
Employee Benefits	5,600	5,530	5,743
Audit	900	850	850
Contractual Services	8,000	6,415	2,939
Postage	500	0	692
Printing and Publishing	1,000	1,068	0
Office Supplies	1,000	124	792
Travel and Education	200	200	0
Downtown Marketing	2,500	698	1,410
	<hr/>		
Total Expenditures	\$ 42,800	\$ 36,848	\$ 38,713
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,800)	\$ 2,487	\$ 1,274
<hr/>			
<u>FUND BALANCE</u> - Beginning of Year	9,455	9,455	8,181
<hr/>			
<u>FUND BALANCE</u> - End of Year	\$ 5,655	\$ 11,942	\$ 9,455
<hr/>			

CITY OF CADILLAC, MICHIGAN

D.D.A. CAPITAL PROJECTS FUND

A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 75,212	\$ 74,333
Investments	149,798	146,000
Receivables		
Accrued Interest	30	30
	<hr/>	<hr/>
TOTAL ASSETS	\$ 225,040	\$ 220,363
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 11,946	\$ 599
Due to Other Governments	0	34,100
	<hr/>	<hr/>
Total Liabilities	\$ 11,946	\$ 34,699
<u>FUND BALANCE</u>		
Unreserved	213,094	185,664
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 225,040	\$ 220,363
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
D.D.A. CAPITAL PROJECTS FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	<u>2009</u>		<u>2008</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 107,000	\$ 116,679	\$ 101,354
Federal Grants			
Transportation Enhancement Grant	0	200,773	0
State Grants			
Transportation Enhancement Grant	0	45,454	0
Interest and Rents			
Interest	800	6,271	1,003
Other Revenue			
Contributions from Private Sources	0	1,500	0
	<hr/>		
Total Revenues	\$ 107,800	\$ 370,677	\$ 102,357
<hr/>			
<u>EXPENDITURES</u>			
Economic Development			
Construction	\$ 90,000	\$ 294,602	\$ 933
Audit	400	0	0
Contracted Services	26,600	16,145	10,379
Intergovernmental Expenditures			
Public Works	31,600	32,500	34,100
	<hr/>		
Total Expenditures	\$ 148,600	\$ 343,247	\$ 45,412
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (40,800)	\$ 27,430	\$ 56,945
	<hr/>		
<u>FUND BALANCE</u> - Beginning of Year	185,664	185,664	128,719
	<hr/>		
<u>FUND BALANCE</u> - End of Year	\$ 144,864	\$ 213,094	\$ 185,664
	<hr/>		

CITY OF CADILLAC, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 1,167	\$ 1,167
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	1,167	1,167
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,167</u>	<u>\$ 1,167</u>

CITY OF CADILLAC, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>1,167</u>	<u>1,167</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,167</u>	<u>\$ 1,167</u>

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ 88,459	\$ 6,304
Investments	97,433	95,059
Receivables		
Accrued Interest	0	81
Due from Other Governments	18,761	230
	<hr/>	<hr/>
TOTAL ASSETS	\$ 204,653	\$ 101,674
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Security Deposit Payable	\$ 0	\$ 5,000
Accounts Payable	12,535	2,980
	<hr/>	<hr/>
Total Liabilities	\$ 12,535	\$ 7,980
 <u>FUND BALANCE</u>		
Unreserved	192,118	93,694
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 204,653	\$ 101,674
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2008

	2009		2008
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
State Grants			
Brownfield Redevelopment Grant	\$ 849,300	\$ 132,754	\$ 0
Taxes			
Property Taxes	13,000	26,956	12,132
Interest and Rents			
Interest on Investments	4,000	2,306	5,735
Other Revenue			
Sale of Capital Assets	0	90,538	0
Total Revenues	<u>\$ 866,300</u>	<u>\$ 252,554</u>	<u>\$ 17,867</u>
<u>EXPENDITURES</u>			
Economic Development			
Contracted Services	\$ 1,140,600	\$ 153,330	\$ 30,691
Audit	500	800	850
Total Expenditures	<u>\$ 1,141,100</u>	<u>\$ 154,130</u>	<u>\$ 31,541</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (274,800)	\$ 98,424	\$ (13,674)
<u>OTHER FINANCING SOURCES</u>			
Brownfield Redevelopment Loan Proceeds	280,000	0	0
Net Change in Fund Balance	\$ 5,200	\$ 98,424	\$ (13,674)
<u>FUND BALANCE</u> - Beginning of Year	93,694	93,694	107,368
<u>FUND BALANCE</u> - End of Year	<u>\$ 98,894</u>	<u>\$ 192,118</u>	<u>\$ 93,694</u>

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	1996 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>			\$ 230,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 155,000	
During Current Period		<u>25,000</u>	<u>180,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 50,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.50 %	\$ 25,000	\$ 1,375	\$ 26,375
April 1, 2010			687	687
October 1, 2010	5.50 %	<u>25,000</u>	<u>687</u>	<u>25,687</u>
		<u><u>\$ 50,000</u></u>	<u><u>\$ 2,749</u></u>	<u><u>\$ 52,749</u></u>

CITY OF CADILLAC, MICHIGAN

1997 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	1997 Michigan Transportation Fund Bonds	
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952 as amended.	
<u>DATE OF ISSUE</u>	May 1, 1997	
<u>AMOUNT OF ISSUE</u>		\$ 110,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 95,000	
During Current Period	<u>15,000</u>	<u>110,000</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2009		<u><u>\$ 0</u></u>

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	2000 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	June 1, 2000		
<u>AMOUNT OF ISSUE</u>			\$ 300,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 100,000	
During Current Period		<u>25,000</u>	<u>125,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 175,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.45 %	\$ 25,000	\$ 4,824	\$ 29,824
April 1, 2010			4,142	4,142
October 1, 2010	5.50 %	25,000	4,142	29,142
April 1, 2011			3,455	3,455
October 1, 2011	5.50 %	25,000	3,455	28,455
April 1, 2012			2,768	2,768
October 1, 2012	5.50 %	30,000	2,768	32,768
April 1, 2013			1,943	1,943
October 1, 2013	5.55 %	35,000	1,943	36,943
April 1, 2014			971	971
October 1, 2014	5.55 %	35,000	971	35,971
		<u>\$ 175,000</u>	<u>\$ 31,382</u>	<u>\$ 206,382</u>

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac Building Authority 1997 Building Authority Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public parking lot improvements in the City of Cadillac		
<u>DATE OF ISSUE</u>	December 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 310,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 170,000	
During Current Period		<u>25,000</u>	<u>195,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 115,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.10 %	\$ 25,000	\$ 2,978	\$ 27,978
April 1, 2010			2,340	2,340
October 1, 2010	5.15 %	30,000	2,340	32,340
April 1, 2011			1,568	1,568
October 1, 2011	5.20 %	30,000	1,568	31,568
April 1, 2012			788	788
October 1, 2012	5.25 %	30,000	788	30,788
		<u>\$ 115,000</u>	<u>\$ 12,370</u>	<u>\$ 127,370</u>

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac 2004 General Obligation Capital Improvement Bonds	
<u>PURPOSE</u>	For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001.	
<u>DATE OF ISSUE</u>	November 1, 2004	
<u>AMOUNT OF ISSUE</u>		\$ 995,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 165,000	
During Current Period	<u>55,000</u>	<u>220,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>		<u><u>\$ 775,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2009	2.90 %	\$ 60,000	\$ 14,455	\$ 74,455
March 1, 2010			13,585	13,585
September 1, 2010	3.15 %	60,000	13,585	73,585
March 1, 2011			12,640	12,640
September 1, 2011	3.35 %	65,000	12,640	77,640
March 1, 2012			11,551	11,551
September 1, 2012	3.50 %	65,000	11,551	76,551
March 1, 2013			10,414	10,414
September 1, 2013	3.65 %	65,000	10,414	75,414
March 1, 2014			9,228	9,228

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2009

	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2014	3.75 %	70,000	9,228	79,228
March 1, 2015			7,915	7,915
September 1, 2015	3.85 %	70,000	7,915	77,915
March 1, 2016			6,568	6,568
September 1, 2016	3.95 %	75,000	6,568	81,568
March 1, 2017			5,086	5,086
September 1, 2017	4.05 %	80,000	5,086	85,086
March 1, 2018			3,466	3,466
September 1, 2018	4.15 %	80,000	3,466	83,466
March 1, 2019			1,806	1,806
September 1, 2019	4.25 %	85,000	1,806	86,806
		<u>\$ 775,000</u>	<u>\$ 178,973</u>	<u>\$ 953,973</u>

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac 1996 Special Assessment Limited Tax Bonds	
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac	
<u>DATE OF ISSUE</u>	May 1, 1996	
<u>AMOUNT OF ISSUE</u>		\$ 425,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 370,000	
During Current Period	<u>30,000</u>	<u>400,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>		<u><u>\$ 25,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.60 %	\$ 15,000	\$ 703	\$ 15,703
April 1, 2010			283	283
October 1, 2010	5.65 %	10,000	283	10,283
		<u>\$ 25,000</u>	<u>\$ 1,269</u>	<u>\$ 26,269</u>

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac 1997 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
<u>DATE OF ISSUE</u>	May 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 360,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 265,000	
During Current Period		<u>25,000</u>	<u>290,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 70,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.40 %	\$ 25,000	\$ 1,894	\$ 26,894
April 1, 2010			1,220	1,220
October 1, 2010	5.40 %	25,000	1,220	26,220
April 1, 2011			545	545
October 1, 2011	5.45 %	20,000	545	20,545
		<u>\$ 70,000</u>	<u>\$ 5,424</u>	<u>\$ 75,424</u>

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac 2000 Special Assessment Limited Tax Bonds			
<u>PURPOSE</u>	Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac			
<u>DATE OF ISSUE</u>	June 1, 2000			
<u>AMOUNT OF ISSUE</u>	\$ 210,000			
<u>AMOUNT REDEEMED</u>				
Prior to Current Period	\$ 145,000			
During Current Period	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; border-top: 1px solid black;">15,000</td> <td style="text-align: right; border-top: 1px solid black;">160,000</td> </tr> </table>		15,000	160,000
	15,000	160,000		
<u>BALANCE OUTSTANDING - June 30, 2009</u>	\$ 50,000			

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	5.45 %	\$ 20,000	\$ 1,373	\$ 21,373
April 1, 2010			827	827
October 1, 2010	5.50 %	5,000	827	5,827
April 1, 2011			690	690
October 1, 2011	5.50 %	5,000	690	5,690
April 1, 2012			553	553
October 1, 2012	5.50 %	10,000	553	10,553
April 1, 2013			277	277
October 1, 2013	5.55 %	5,000	277	5,277
April 1, 2014			139	139
October 1, 2014	5.55 %	5,000	139	5,139
		\$ 50,000	\$ 6,345	\$ 56,345

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	2002 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	For the purpose of constructing public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	June 1, 2002		
<u>AMOUNT OF ISSUE</u>			\$ 325,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 175,000	
During Current Period		<u>35,000</u>	<u>210,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 115,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	4.20 %	\$ 30,000	\$ 2,562	\$ 32,562
April 1, 2010			1,932	1,932
October 1, 2010	4.40 %	30,000	1,932	31,932
April 1, 2011			1,272	1,272
October 1, 2011	4.50 %	30,000	1,272	31,272
April 1, 2012			597	597
October 1, 2012	4.60 %	10,000	597	10,597
April 1, 2013			367	367
October 1, 2013	4.75 %	5,000	367	5,367
April 1, 2014			248	248
October 1, 2014	4.90 %	5,000	248	5,248
April 1, 2015			125	125
October 1, 2015	5.00 %	5,000	125	5,125
		<u>\$ 115,000</u>	<u>\$ 11,644</u>	<u>\$ 126,644</u>

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS
JUNE 30, 2009

TITLE OF ISSUE City of Cadillac Water Supply and Wastewater System Revenue and Revenue Refunding Bonds, Series 1999

PURPOSE To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and wastewater system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1989, maturing in the years 2000, 2001 and 2008 on September 1, 1999, (3) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1993, maturing in the years 2000 through and including 2008 on September 1, 1999, and (4) paying certain expenses relating to the issuance of the Bonds.

DATE OF ISSUE May 5, 1999

AMOUNT OF ISSUE \$ 2,110,000

AMOUNT REDEEMED

Prior to Current Period	\$ 725,000	
During Current Period	<u>305,000</u>	<u>1,030,000</u>

BALANCE OUTSTANDING - June 30, 2009 \$ 1,080,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2009	4.35 %	\$ 5,000	\$ 25,831	\$ 30,831
March 1, 2010			25,723	25,723
September 1, 2010	4.70 %	5,000	25,723	30,723

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS
JUNE 30, 2009

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
March 1, 2011			25,605	25,605
September 1, 2011	4.70 %	5,000	25,605	30,605
March 1, 2012			25,488	25,488
September 1, 2012	4.70 %	5,000	25,488	30,488
March 1, 2013			25,370	25,370
September 1, 2013	4.70 %	130,000	25,370	155,370
March 1, 2014			22,315	22,315
September 1, 2014	4.70 %	135,000	22,315	157,315
March 1, 2015			19,142	19,142
September 1, 2015	4.70 %	145,000	19,142	164,142
March 1, 2016			15,735	15,735
September 1, 2016	4.70 %	150,000	15,735	165,735
March 1, 2017			12,210	12,210
September 1, 2017	4.85 %	160,000	12,210	172,210
March 1, 2018			8,330	8,330
September 1, 2018	4.90 %	165,000	8,330	173,330
March 1, 2019			4,287	4,287
September 1, 2019	4.90 %	175,000	4,287	179,287
		<u>\$ 1,080,000</u>	<u>\$ 394,241</u>	<u>\$ 1,474,241</u>

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001		
<u>PURPOSE</u>	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and sewer system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1995, maturing in the years 2008 through and including 2012 on August 22, 2001, and (3) paying certain expenses relating to the issuance of the Bonds.		
<u>DATE OF ISSUE</u>	August 1, 2001		
<u>AMOUNT OF ISSUE</u>			\$ 5,215,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	60,000	
During Current Period		<u>105,000</u>	<u>165,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 5,050,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2009	4.50 %	\$ 425,000	\$ 124,292	\$ 549,292
March 1, 2010			114,729	114,729
September 1, 2010	4.63 %	450,000	114,729	564,729
March 1, 2011			104,322	104,322
September 1, 2011	4.75 %	480,000	104,322	584,322
March 1, 2012			92,923	92,923

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2009

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2012	4.75 %	505,000	92,923	597,923
March 1, 2013			80,929	80,929
September 1, 2013	4.60 %	80,000	80,929	160,929
March 1, 2014			79,089	79,089
September 1, 2014	4.75 %	85,000	79,089	164,089
March 1, 2015			77,070	77,070
September 1, 2015	4.80 %	100,000	77,070	177,070
March 1, 2016			74,670	74,670
September 1, 2016	5.00 %	100,000	74,670	174,670
March 1, 2017			72,170	72,170
September 1, 2017	5.00 %	100,000	72,170	172,170
March 1, 2018			69,670	69,670
September 1, 2018	5.00 %	105,000	69,670	174,670
March 1, 2019			67,045	67,045
September 1, 2019	5.10 %	115,000	67,045	182,045
March 1, 2020			64,112	64,112
September 1, 2020	5.10 %	305,000	64,112	369,112
March 1, 2021			56,335	56,335
September 1, 2021	5.10 %	320,000	56,335	376,335
March 1, 2022			48,175	48,175
September 1, 2022	5.125 %	340,000	48,175	388,175
March 1, 2023			39,463	39,463
September 1, 2023	5.125 %	355,000	39,463	394,463
March 1, 2024			30,366	30,366
September 1, 2024	5.125 %	375,000	30,366	405,366
March 1, 2025			20,756	20,756
September 1, 2025	5.125 %	395,000	20,756	415,756
March 1, 2026			10,634	10,634
September 1, 2026	5.125 %	415,000	10,634	425,634
		<u>\$ 5,050,000</u>	<u>\$ 2,329,208</u>	<u>\$ 7,379,208</u>

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2009

<u>TITLE OF ISSUE</u>	1999 Building Authority Refunding Bonds		
<u>PURPOSE</u>	For the purpose of advance refunding the 1994 Building Authority Bonds dated December 1, 1994 maturing in the years 2006 through and including 2015 on October 1, 1999		
<u>DATE OF ISSUE</u>	February 2, 1999		
<u>AMOUNT OF ISSUE</u>		\$	1,265,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	290,000	
During Current Period		<u>105,000</u>	<u>395,000</u>
<u>BALANCE OUTSTANDING - June 30, 2009</u>			<u><u>\$ 870,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2009	4.30 %	\$ 110,000	\$ 19,701	\$ 129,701
April 1, 2010			17,336	17,336
October 1, 2010	4.35 %	115,000	17,336	132,336
April 1, 2011			14,835	14,835
October 1, 2011	4.60 %	115,000	14,835	129,835
April 1, 2012			12,190	12,190
October 1, 2012	4.60 %	125,000	12,190	137,190
April 1, 2013			9,315	9,315

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2009

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2013	4.60 %	130,000	9,315	139,315
April 1, 2014			6,325	6,325
October 1, 2014	4.60 %	135,000	6,325	141,325
April 1, 2015			3,220	3,220
October 1, 2015	4.60 %	140,000	3,220	143,220
		<u>\$ 870,000</u>	<u>\$ 146,143</u>	<u>\$ 1,016,143</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2008 TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 238,724,335	8.2797	\$ 1,976,479	\$ 1,874,957	\$ 101,522
Cadillac Area Public Schools					
Operating	95,849,446	18.0000	1,781,475	1,612,705	168,770
Debt Retirement	237,833,838	2.9000	689,674	645,105	44,569
State Education Tax	237,885,038	6.0000	1,272,304	1,209,889	62,415
Wexford-Missaukee Intermediate School District	238,724,335	5.9419	1,413,159	1,292,888	120,271
Cadillac-Wexford Transit Authority	238,724,335	0.6000	143,216	131,074	12,142
Cadillac-Wexford Public Library	238,724,335	0.7500	179,022	163,843	15,179
Wexford County Council on Aging	238,724,335	0.9976	238,125	217,935	20,190
City of Cadillac					
General Fund	238,724,335	13.9473	3,329,534	3,183,123	146,411
Policemen and Firemen					
Retirement System	238,724,335	2.6000	620,665	593,373	27,292
Public Improvement					
Special Assessments			259,385	232,534	26,851
Unpaid Invoices			3,004	1,747	1,257
Water and Sewer Delinquent Accounts			51,959	39,715	12,244
Razed Buildings			8,500	8,500	0
Administration Fees			115,443	107,162	8,281
			<u>\$ 12,081,944</u>	<u>\$ 11,314,550</u>	<u>\$ 767,394</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2008 TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 2,469,322	8.2797	\$ 20,445	\$ 0	\$ 20,445	\$ (20,445)	\$ 0
Cadillac Area Public Schools							
Operating	2,469,322	18.0000	44,448	0	44,448	0	44,448
Debt Retirement	2,469,322	2.9000	7,161	0	7,161	0	7,161
State Education Tax	2,469,322	6.0000	14,816	0	14,816	0	14,816
Wexford-Missaukee Intermediate							
School District	2,469,322	5.9419	14,672	0	14,672	0	14,672
Cadillac-Wexford Transit Authority	2,469,322	0.6000	1,482	0	1,482	(1,482)	0
Cadillac-Wexford Public Library	2,469,322	0.7500	1,852	0	1,852	(1,852)	0
Wexford County Council on Aging	2,469,322	0.9976	2,463	0	2,463	(2,463)	0
Local Development Finance Authority							
Capture	(2,469,322)	27.1746	0	0	0	67,102	67,102
Groundwater Treatment							
Special Assessments			219,226	3,654	215,572	0	215,572
City of Cadillac							
General Fund	2,469,322	13.9473	34,440	0	34,440	(34,440)	0
Policemen and Firemen							
Retirement System	2,469,322	2.6000	6,420	0	6,420	(6,420)	0
			\$ 367,425	\$ 3,654	\$ 363,771	\$ 0	\$ 363,771

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2008 TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 15,781,546	8.2797	\$ 130,665	\$ 12,169	\$ 118,496	\$ (35,551)	\$ 82,945
Cadillac Area Public Schools							
Operating	15,781,546	18.0000	284,068	26,456	257,612	0	257,612
Debt Retirement	15,781,546	2.9000	45,766	4,262	41,504	0	41,504
State Education Tax	15,781,546	6.0000	94,689	8,819	85,870	0	85,870
Wexford-Missaukee Intermediate							
School District	15,781,546	5.9419	93,772	8,733	85,039	0	85,039
Cadillac-Wexford Transit Authority	15,781,546	0.6000	9,469	882	8,587	(2,576)	6,011
Cadillac-Wexford Public Library	15,781,546	0.7500	11,836	1,102	10,734	(3,220)	7,514
Wexford County Council on Aging	15,781,546	0.9976	15,744	1,466	14,278	(4,283)	9,995
Downtown Development Authority							
Special Assessments	15,781,546	1.9548	30,848	2,873	27,975	0	27,975
Capture	(4,293,696)	27.1746	0	0	0	116,679	116,679
City of Cadillac							
General Fund	15,781,546	13.9473	220,110	20,500	199,610	(59,885)	139,725
Policemen and Firemen Retirement System	15,781,546	2.6000	41,032	3,821	37,211	(11,164)	26,047
			\$ 977,999	\$ 91,083	\$ 886,916	\$ 0	\$ 886,916

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2008 TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 10,503	8.2797	\$ 87	\$ 0	\$ 87	\$ (87)	\$ 0
Cadillac Area Public Schools							
Operating	901,000	18.0000	16,218	0	16,218	(16,218)	0
Debt Retirement	901,000	2.9000	2,613	0	2,613	0	2,613
State Education Tax	849,800	6.0000	5,099	0	5,099	(5,099)	0
Wexford-Missaukee Intermediate School District	901,000	5.9419	5,354	0	5,354	(5,354)	0
Cadillac-Wexford Transit Authority	10,503	0.6000	6	0	6	(6)	0
Cadillac-Wexford Public Library	10,503	0.7500	8	0	8	(8)	0
Wexford County Council on Aging	10,503	0.9976	10	0	10	(10)	0
Brownfield Redevelopment District Capture							
Intermediated School District	901,000	5.9419	0	0	0	5,354	5,354
Cadillac Area Public Schools	901,000	18.0000	0	0	0	16,217	16,217
State Education Tax	849,800	6.0000	0	0	0	5,099	5,099
All Other Levies	10,503	31.6165	0	0	0	285	285
City of Cadillac							
General Fund	10,503	13.9473	146	0	146	(146)	0
Policemen and Firemen Retirement System	10,503	2.6000	27	0	27	(27)	0
	\$ 29,568		\$ 0	\$ 0	\$ 29,568	\$ 0	\$ 29,568

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2008 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 17,045,387	4.13985	\$ 70,565	\$ 70,251	\$ 314
Cadillac Area Public Schools					
Operating (State Share)					
After Proposal A	5,302,287	9.00000	47,721	47,721	0
Debt Retirement	17,045,387	1.45000	24,715	24,660	55
State Education Tax	4,151,787	6.00000	24,910	24,910	0
Wexford-Missaukee Intermediate School District					
State Share	17,045,387	2.97095	50,639	50,414	225
Cadillac-Wexford Transit Authority	17,045,387	0.30000	5,114	5,091	23
Cadillac-Wexford Public Library	17,045,387	0.37500	6,391	6,363	28
Wexford County Council on Aging	17,045,387	0.49880	8,502	8,464	38
City of Cadillac					
General Fund	17,045,387	6.97365	118,867	118,338	529
Policemen and Firemen					
Retirement System	17,045,387	1.30000	22,159	22,060	99
Administration Fees			5,046	5,028	18
			<u>\$ 384,629</u>	<u>\$ 383,300</u>	<u>\$ 1,329</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2008 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 3,683,605	4.13985	\$ 15,250	\$ 0	\$ 15,250	\$ (15,250)	\$ 0
Cadillac Area Public Schools							
Operating (State Share)							
After Proposal A	3,683,605	9.00000	33,152	0	33,152	0	33,152
Debt Retirement	3,683,605	1.45000	5,341	0	5,341	0	5,341
State Education Tax	3,683,605	6.00000	22,102	0	22,102	0	22,102
Wexford-Missaukee Intermediate							
School District							
State Share	3,683,605	2.97095	10,944	0	10,944	0	10,944
Cadillac-Wexford Transit Authority	3,683,605	0.30000	1,105	0	1,105	(1,105)	0
Cadillac-Wexford Public Library	3,683,605	0.37500	1,381	0	1,381	(1,381)	0
Wexford County Council on Aging	3,683,605	0.49880	1,837	0	1,837	(1,837)	0
Local Development Finance							
Authority Capture			0	0	0	50,050	50,050
City of Cadillac							
General Fund	3,683,605	6.97365	25,688	0	25,688	(25,688)	0
Policemen and Firemen							
Retirement System	3,683,605	1.30000	4,789	0	4,789	(4,789)	0
			\$ 121,589	\$ 0	\$ 121,589	\$ 0	\$ 121,589

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2008 OBSOLETE PROPERTIES TAX ROLL
JUNE 30, 2009

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 166,700	8.2797	\$ 1,380	\$ 1,380	\$ 0
Cadillac Area Public Schools					
Operating	312,723	18.0000	5,121	5,121	0
Debt Retirement	312,723	2.9000	907	907	0
State Education Tax	312,723	6.0000	1,876	1,876	0
Wexford-Missaukee Intermediate School District	166,700	5.9419	991	991	0
Cadillac-Wexford Transit Authority	166,700	0.6000	100	100	0
Cadillac-Wexford Public Library	166,700	0.7500	125	125	0
Wexford County Council on Aging	166,700	0.9976	166	166	0
City of Cadillac					
General Fund	166,700	13.9473	2,325	2,325	0
Policemen and Firemen					
Retirement System	166,700	2.6000	433	433	0
Downtown Development Authority	166,700	1.9548	326	326	0
Public Improvement					
Special Assessments			765	765	0
Administration Fees			145	145	0
			<u>\$ 14,660</u>	<u>\$ 14,660</u>	<u>\$ 0</u>

STATISTICAL SECTION

This part of the City of Cadillac'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.

<u>Contents</u>	<u>Page</u>
Financial Trends	249-254
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	255-258
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	259-263
<i>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.</i>	
Demographic and Economic Information	264-265
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	266-268
<i>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.</i>	
Other Schedules	269-283

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF CADILLAC, MICHIGAN
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<i>Fiscal Year</i>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$ 10,989	\$ 11,190	\$ 11,980	\$ 12,563	\$ 13,560	\$ 13,847	\$ 13,453
Restricted	981	495	457	792	1,162	1,360	1,383
Unrestricted	6,229	6,826	6,537	5,907	5,534	6,052	6,202
Total governmental activities net assets	<u>\$ 18,199</u>	<u>\$ 18,511</u>	<u>\$ 18,974</u>	<u>\$ 19,262</u>	<u>\$ 20,256</u>	<u>\$ 21,259</u>	<u>\$ 21,038</u>
Business-type Activities							
Invested in capital assets, net of related debt	\$ 10,128	\$ 11,219	\$ 11,317	\$ 11,404	\$ 11,610	\$ 12,457	\$ 12,667
Restricted	1,982	1,964	2,048	1,656	1,799	1,490	1,318
Unrestricted	2,950	2,114	1,756	2,384	2,772	2,376	2,292
Total business-type activities net assets	<u>\$ 15,060</u>	<u>\$ 15,297</u>	<u>\$ 15,121</u>	<u>\$ 15,444</u>	<u>\$ 16,181</u>	<u>\$ 16,323</u>	<u>\$ 16,277</u>
Primary Government							
Invested in capital assets, net of related debt	\$ 21,117	\$ 22,409	\$ 23,297	\$ 23,967	\$ 25,170	\$ 26,304	\$ 26,120
Restricted	2,963	2,459	2,505	2,448	2,961	2,850	2,701
Unrestricted	9,179	8,940	8,293	8,291	8,306	8,428	8,494
Total primary government net assets	<u>\$ 33,259</u>	<u>\$ 33,808</u>	<u>\$ 34,095</u>	<u>\$ 34,706</u>	<u>\$ 36,437</u>	<u>\$ 37,582</u>	<u>\$ 37,315</u>

Note: GASB Statement Number 44 requires this chart to show ten years of comparative data. The information presented on this chart is derived from data reported as a result of GASB Statement Number 34, which was implemented for the first time starting in 2003. Additional data will be added as subsequent fiscal years are completed until the ten year requirement is met.

CITY OF CADILLAC, MICHIGAN
CHANGE IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<i>Fiscal Year</i>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental Activities:							
General Government	\$ 1,328	\$ 1,672	\$ 1,695	\$ 2,313	\$ 1,829	\$ 1,642	\$ 1,854
Public Safety	2,623	2,908	3,322	3,403	3,449	3,434	3,296
Public Works	2,218	2,340	2,300	1,834	2,473	2,817	3,131
Recreation and Culture	457	214	285	417	448	476	514
Redevelopment and Housing	191	56	119	51	0	12	0
Economic Development/Assistance	50	268	85	74	404	239	236
Intergovernmental	97	97	100	0	0	0	0
Interest on Long-Term Debt	133	176	61	118	107	128	78
Total Governmental Activities Expenses	<u>\$ 7,097</u>	<u>\$ 7,731</u>	<u>\$ 7,967</u>	<u>\$ 8,210</u>	<u>\$ 8,710</u>	<u>\$ 8,748</u>	<u>\$ 9,109</u>
Business-Type Activities:							
Water and Sewer	\$ 3,201	\$ 3,312	\$ 3,473	\$ 3,605	\$ 3,623	\$ 3,785	\$ 3,916
Building Authority Operating	138	144	143	131	134	139	129
Automobile Parking System	54	48	50	48	57	56	52
Total Business-Type Activities Expenses	<u>\$ 3,393</u>	<u>\$ 3,504</u>	<u>\$ 3,666</u>	<u>\$ 3,784</u>	<u>\$ 3,814</u>	<u>\$ 3,980</u>	<u>\$ 4,097</u>
Total Primary Government Expenses	<u>\$ 10,490</u>	<u>\$ 11,235</u>	<u>\$ 11,633</u>	<u>\$ 11,994</u>	<u>\$ 12,524</u>	<u>\$ 12,728</u>	<u>\$ 13,206</u>
Program Revenues							
Governmental Activities:							
Charges For Services:							
General Government	\$ 402	\$ 405	\$ 416	\$ 464	\$ 459	\$ 507	\$ 472
Public Safety	780	767	374	401	470	287	299
Public Works	0	0	389	490	533	594	597
Operating Grants and Contributions	878	1,072	970	1,031	1,113	1,065	994
Capital Grants and Contributions	1,426	905	739	505	1,316	1,250	360
Total Governmental Activities Program Revenues	<u>\$ 3,486</u>	<u>\$ 3,149</u>	<u>\$ 2,888</u>	<u>\$ 2,891</u>	<u>\$ 3,891</u>	<u>\$ 3,703</u>	<u>\$ 2,722</u>

	<i>Fiscal Year</i>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-Type Activities:							
Charges for Services:							
Water and Sewer System	\$ 3,037	\$ 3,258	\$ 3,395	\$ 3,670	\$ 3,735	\$ 3,771	\$ 3,660
Building Authority Operating	196	196	196	196	196	197	196
Automobile Parking System	44	44	46	50	49	49	47
Operating Grants and Contributions	0	0	14	0	0	0	0
Capital Grants and Contributions	50	213	0	76	410	0	0
Total Business-Type Activities Program Revenues	<u>\$ 3,327</u>	<u>\$ 3,711</u>	<u>\$ 3,651</u>	<u>\$ 3,992</u>	<u>\$ 4,390</u>	<u>\$ 4,017</u>	<u>\$ 3,903</u>
Total Primary Government Program Revenues	<u>\$ 6,813</u>	<u>\$ 6,860</u>	<u>\$ 6,539</u>	<u>\$ 6,883</u>	<u>\$ 8,281</u>	<u>\$ 7,720</u>	<u>\$ 6,625</u>
General Revenues and Other Changes in							
Net Assets							
Governmental Activities:							
Property Taxes	\$ 3,205	\$ 3,547	\$ 3,667	\$ 4,188	\$ 4,364	\$ 4,553	\$ 4,714
State Shared Revenue - Unrestricted	1,163	1,147	1,066	1,055	1,043	1,014	1,021
Investment Earnings - Unrestricted	224	135	182	215	271	263	169
Gain (Loss) on Sale of Capital Assets	16	(2)	16	134	109	0	235
Other	142	8	14	14	25	71	27
Transfers	(193)	0	0	0	0	0	0
Special Items	0	0	212	0	0	0	0
Total Governmental Activities	<u>\$ 4,557</u>	<u>\$ 4,835</u>	<u>\$ 5,157</u>	<u>\$ 5,606</u>	<u>\$ 5,812</u>	<u>\$ 5,901</u>	<u>\$ 6,166</u>
Business-Type Activities							
Investment Earnings - Unrestricted	\$ 54	\$ 66	\$ 90	\$ 115	\$ 161	\$ 104	\$ 148
Gain (Loss) on Sale of Capital Assets	0	(36)	0	0	0	0	0
Transfers	255	0	0	0	0	0	0
Total Business-Type Activities	<u>\$ 309</u>	<u>\$ 30</u>	<u>\$ 90</u>	<u>\$ 115</u>	<u>\$ 161</u>	<u>\$ 104</u>	<u>\$ 148</u>
Total Primary Government	<u>\$ 4,866</u>	<u>\$ 4,865</u>	<u>\$ 5,247</u>	<u>\$ 5,721</u>	<u>\$ 5,973</u>	<u>\$ 6,005</u>	<u>\$ 6,314</u>
Change in Net Assets							
Governmental Activities	\$ 946	\$ 253	\$ 78	\$ 287	\$ 993	\$ 855	\$ (221)
Business-Type Activities	243	237	75	323	737	142	(45)
Total Primary Government	<u>\$ 1,189</u>	<u>\$ 490</u>	<u>\$ 153</u>	<u>\$ 610</u>	<u>\$ 1,730</u>	<u>\$ 997</u>	<u>\$ (266)</u>

Note: GASB Statement Number 44 requires this chart to show ten years of comparative data. The information presented on this chart is derived from data reported as a result of GASB Statement Number 34, which was implemented for the first time starting in 2003. Additional data will be added as subsequent fiscal years are completed until the ten year requirement is met.

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CITY OF CADILLAC, MICHIGAN
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 79,838	\$ 45,422	\$ 54,960	\$ 154,162	\$ 338,335	\$ 143,221	\$ 170,765	\$ 93,586	\$ 125,961	\$ 218,008
Unreserved	998,011	864,736	657,674	984,548	1,022,612	1,159,268	1,365,783	1,724,440	1,899,984	2,140,207
Total General Fund	<u>\$ 1,077,849</u>	<u>\$ 910,158</u>	<u>\$ 712,634</u>	<u>\$ 1,138,710</u>	<u>\$ 1,360,947</u>	<u>\$ 1,302,489</u>	<u>\$ 1,536,548</u>	<u>\$ 1,818,026</u>	<u>\$ 2,025,945</u>	<u>\$ 2,358,215</u>
All Other Governmental Funds										
Reserved	\$ 1,416,485	\$ 1,051,026	\$ 1,286,653	\$ 2,302,924	\$ 2,096,445	\$ 2,053,122	\$ 2,189,636	\$ 2,546,390	\$ 2,417,486	\$ 2,041,213
Unreserved, reported in:										
Special Revenue Funds	2,161,666	2,325,242	2,357,246	2,138,562	2,159,694	2,593,396	2,115,529	1,933,446	1,711,208	1,882,372
Total All Other Governmental Funds	<u>\$ 3,578,151</u>	<u>\$ 3,376,268</u>	<u>\$ 3,643,899</u>	<u>\$ 4,441,486</u>	<u>\$ 4,256,139</u>	<u>\$ 4,646,518</u>	<u>\$ 4,305,165</u>	<u>\$ 4,479,836</u>	<u>\$ 4,128,694</u>	<u>\$ 3,923,585</u>

CITY OF CADILLAC, MICHIGAN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Taxes and Special Assessments	\$ 3,020,518	\$ 3,076,836	\$ 3,169,173	\$ 3,432,606	\$ 3,752,186	\$ 3,851,994	\$ 4,353,294	\$ 4,600,263	\$ 4,785,912	\$ 4,914,529
Licenses and Permits	1,935	1,700	1,455	940	1,390	1,160	1,345	1,730	1,210	2,050
Federal Grants	518,532	972,834	717,706	800,708	132,878	551,158	286,568	618,992	1,161,824	360,784
State Grants	2,078,448	2,305,913	2,198,060	2,448,492	2,271,457	1,975,966	2,062,398	2,423,778	1,937,266	2,114,947
Contributions from Local Units	150,990	128,628	182,121	216,529	210,905	290,625	223,321	219,612	205,298	208,397
Charges for Services	785,258	789,248	799,010	931,470	919,017	921,931	1,086,646	1,195,636	1,142,942	1,123,134
Fines and Forfeits	27,962	27,175	29,316	28,226	36,247	35,306	28,110	28,546	29,083	39,802
Interest and Rents	517,884	536,806	492,843	293,478	208,833	249,077	282,366	337,882	320,498	225,652
Gain (Loss) on Investments	0	0	0	542	124,939	28,978	56,275	173,057	(115,439)	(323,017)
Other Revenue	1,177,897	456,707	369,293	631,093	577,932	350,624	492,252	507,353	476,811	699,996
Total Revenues	\$ 8,279,424	\$ 8,295,847	\$ 7,958,977	\$ 8,784,084	\$ 8,235,784	\$ 8,256,819	\$ 8,872,575	\$10,106,849	\$ 9,945,405	\$ 9,366,274
Expenditures										
General Government	\$ 1,345,093	\$ 1,485,144	\$ 1,575,793	\$ 1,364,291	\$ 1,892,716	\$ 1,674,851	\$ 1,691,254	\$ 1,929,941	\$ 1,756,290	\$ 1,817,527
Public Safety	2,748,774	2,713,177	2,603,464	2,670,927	2,824,591	3,132,114	3,612,327	3,328,541	3,439,788	3,309,811
Public Works	1,725,089	2,795,225	2,033,717	2,560,945	2,115,134	2,621,945	2,337,285	2,733,378	3,483,417	2,168,283
Redevelopment and Housing	89,180	92,554	85,637	192,495	57,426	119,110	51,964	0	0	0
Community & Economic Development	381,831	360,294	42,247	40,149	257,993	73,528	57,593	384,223	270,559	225,467
Capital Outlay	158,231	85,945	479,346	262,902	271,730	122,759	127,120	29,536	106,876	360,950
Culture and Recreation	189,685	280,963	344,621	654,700	354,368	418,927	268,500	469,798	267,288	572,740
Debt Service										
Principal	641,387	348,500	412,760	292,907	313,679	322,404	395,443	325,082	310,971	324,082
Interest	224,985	213,750	211,881	112,080	102,365	101,871	116,395	98,785	90,532	74,404
Other Charges	0	0	0	6,120	6,040	26,002	5,240	5,650	4,770	4,809
Intergovernmental	290,772	287,015	285,105	295,177	309,852	306,387	316,748	372,116	358,137	381,040
Total Expenditures	\$ 7,795,027	\$ 8,662,567	\$ 8,074,571	\$ 8,452,693	\$ 8,505,894	\$ 8,919,898	\$ 8,979,869	\$ 9,677,050	\$10,088,628	\$ 9,239,113

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Other Financing Sources (Uses)										
Transfers In	\$ 1,004,848	\$ 1,667,877	\$ 1,147,028	\$ 1,208,058	\$ 765,974	\$ 716,087	\$ 817,632	\$ 1,045,678	\$ 947,915	\$ 1,090,500
Transfers Out	(924,856)	(1,625,750)	(1,054,664)	(1,400,791)	(765,974)	(716,087)	(817,632)	(1,045,678)	(947,915)	(1,090,500)
Bond Proceeds	510,000	0	321,750	0	0	995,000	0	0	0	0
Loan Proceeds	272,149	0	0	231,905	307,000	0	0	26,350	0	0
Total Other Financing Sources (Uses)	\$ 862,141	\$ 42,127	\$ 414,114	\$ 39,172	\$ 307,000	\$ 995,000	\$ 0	\$ 26,350	\$ 0	\$ 0
Net Change in Fund Balances	\$ 1,346,538	\$ (324,593)	\$ 298,520	\$ 370,563	\$ 36,890	\$ 331,921	\$ (107,294)	\$ 456,149	\$ (143,223)	\$ 127,161
Debt Service as a percentage of non-capital expenditures	11.34%	6.56%	8.22%	5.88%	5.62%	6.06%	6.52%	5.30%	4.72%	5.20%

CITY OF CADILLAC, MICHIGAN
TAXABLE VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property Valuation	Personal Property Valuation	Total Taxable Valuation	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2000	138,456,334	35,290,222	173,746,556	376,610,300	46.13%	14.0900
2001	143,791,718	33,979,991	177,771,709	398,922,200	44.56%	14.0371
2002	153,053,692	35,377,232	188,430,924	429,828,200	43.84%	13.9907
2003	165,243,210	31,372,200	196,615,410	470,913,500	41.75%	13.9473
2004	168,351,258	43,240,100	211,591,358	508,916,600	41.58%	13.9473
2005	178,282,339	41,399,800	219,682,139	544,632,400	40.34%	13.9473
2006	184,439,086	44,135,005	228,574,091	572,365,010	39.94%	13.9473
2007	194,615,475	40,780,000	235,395,475	595,311,200	39.54%	13.9473
2008	206,863,302	40,257,800	247,121,102	609,799,600	40.52%	13.9473
2009	215,265,242	41,430,900	256,696,142	616,444,056	41.64%	13.9473

Source: City of Cadillac Treasurer's Office

Note: Property in the City is reassessed each year. Property is assessed at 50% of estimated actual value. Due to State legislation, however, annual increases in taxable value are limited to 5% or a state-determined rate of inflation, whichever is less. When homes are sold, taxable values are then "uncapped" and brought up to their assessed value. Tax rates are per \$1,000 of taxable value. Valuations based on Ad Valorem Parcels.

CITY OF CADILLAC, MICHIGAN
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	<i>Direct Tax Rates</i>			<i>Overlapping Tax Rates ^a</i>							Total Direct & Overlapping Rates
	<i>City of Cadillac</i>			<i>Wexford County</i>				<i>Cadillac Area Public Schools ^c</i>	<i>Wexford Missaukee Intermediate Schools</i>	<i>State Education Tax</i>	
	General	Police & Fire Retirement	Total City	Wexford County ^b	Cadillac-Wexford Transit Authority	Council on Aging	Wexford County Library				
2000	14.0850	1.1000	15.1850	8.3383	0.3984	0.9960	0.5500	22.4000	6.1232	6.0000	59.9909
2001	14.0371	1.0000	15.0371	8.2506	0.3942	0.9913	0.5500	22.1434	6.0882	6.0000	59.4548
2002	13.9907	1.0000	14.9907	8.2003	0.3910	0.9832	0.5500	21.7149	6.0597	6.0000	58.8898
2003	13.9473	1.4000	15.3473	8.1678	0.4000	0.9950	0.6500	21.3764	6.0388	6.0000	58.9753
2004	13.9473	1.6000	15.5473	8.1040	0.3910	0.9872	0.6838	21.3005	6.0003	5.0000	58.0141
2005	13.9473	1.8000	15.7473	8.0893	0.3960	0.9942	0.6825	21.4505	5.9853	6.0000	59.3451
2006	13.9473	1.8000	15.7473	8.0665	0.3948	0.9913	0.6805	21.4505	5.9614	6.0000	59.2923
2007	13.9473	2.7000	16.6473	8.0797	0.6000	0.9976	0.6785	20.5505	5.9419	6.0000	59.4955
2008	13.9473	2.8000	16.7473	8.0797	0.6000	0.9976	0.6785	20.9000	5.9419	6.0000	59.9450
2009	13.9473	2.6000	16.5473	8.2797	0.6000	0.9976	0.7500	20.9000	5.9419	6.0000	60.0165

Source: City of Cadillac Treasurer's Office

^a Overlapping rates are those of local and county governments that apply to property owners within the City of Cadillac.

^b Includes Wexford County operating rate and if applicable Wexford County extra voted rate(s).

^c Includes Cadillac Area Public Schools operating rate and school debt rate.

CITY OF CADILLAC, MICHIGAN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2009</u>			<u>2000</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^a</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^b</u>
Cadillac Renewable Energy ^c	\$ 12,582,900	1	4.90%	\$ 16,581,000	2	9.54%
Cadillac Casting ^d	9,396,400	2	3.66%	17,205,500	1	9.90%
Cadillac Rubber & Plastics ^e	7,495,858	2	2.92%	10,225,900	3	5.89%
Consumers Energy	5,831,490	4	2.27%	4,181,078	7	2.41%
Rexair, Inc.	5,408,137	5	2.11%	7,656,500	4	4.41%
AAR Cadillac Manufacturing	5,210,900	6	2.03%	4,040,600	8	2.33%
FIAMM Technologies, Inc.	4,492,693	7	1.75%	7,069,700	5	4.07%
Michigan Rubber Products	4,047,057	8	1.58%	4,625,730	6	2.66%
Four Winns Boats, LLC	3,778,145	9	1.47%	3,719,954	9	2.14%
Paulstra CRC Corporation	3,601,148	10	1.40%	3,305,900	10	1.90%
Totals	<u>\$ 61,844,728</u>		<u>24.09%</u>	<u>\$ 78,611,862</u>		<u>45.25%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$256,696,142

^b Based on total taxable value of \$173,746,556

^c Formerly Beaver MI Associates LTD Partnership.

^d Formerly CMI Cast Parts.

^e Formerly AVON Rubber and Plastics.

CITY OF CADILLAC, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections to Date ^a	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	2,879,032	2,740,866	95.20%	138,166	2,879,032	100.00%
2001	3,107,601	2,950,978	94.96%	156,623	3,107,601	100.00%
2002	3,167,040	3,029,463	95.66%	137,577	3,167,040	100.00%
2003	3,265,098	3,136,141	96.05%	128,957	3,265,098	100.00%
2004	3,481,675	3,364,230	96.63%	117,445	3,481,675	100.00%
2005	3,648,449	3,529,267	96.73%	119,182	3,648,449	100.00%
2006	3,803,126	3,691,936	97.08%	111,190	3,803,126	100.00%
2007	4,109,224	3,952,750	96.19%	156,474	4,109,224	100.00%
2008	4,329,051	4,163,604	96.18%	165,447	4,329,051	100.00%
2009	4,426,255	4,233,403	95.64%	192,852	4,426,255	100.00%

Source: City of Cadillac Treasurer's Office

^a In 1977 the Wexford County Treasurer began pooling all delinquent taxes together and financing delinquencies through bond sales. The proceeds from the bond sale are paid to the City giving the effect of 100% tax collection in a given year. The responsibility for the collection of the delinquent tax is shifted to the county treasurer. Delinquent personal properties remain with the City, but these amounts are negligible.

CITY OF CADILLAC, MICHIGAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u> ¹	<u>Per Capita</u> ¹
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Other Debt</u> ²	<u>Water & Sewer Revenue Bonds</u>	<u>Building Authority Revenue Bonds</u>			
2000	1,175	1,205	893	5,890	1,670	10,833	4.89%	1,083
2001	1,080	1,060	776	5,620	1,600	10,136	4.80%	1,014
2002	985	1,240	671	8,615	1,525	13,036	6.08%	1,304
2003	890	1,075	963	8,530	1,225	12,683	5.83%	1,268
2004	785	925	1,255	7,975	1,365	12,305	5.31%	1,231
2005	1,665	775	1,036	7,640	1,275	12,391	5.21%	1,239
2006	1,525	625	928	7,290	1,180	11,548	4.67%	1,155
2007	1,395	485	1,432	6,925	1,080	11,317	4.58%	1,132
2008	1,260	365	1,533	7,851	975	11,984	N/A	1,198
2009	1,115	260	1,422	9,712	870	13,379	N/A	1,338

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

² Other Debt includes City obligations to the State of Michigan for two community development loans, three internal loans, accrued and unused paid leave for City employees. In 2008 and 2009, Other Debt also includes net Other Post Employment Benefits (OPEB) obligations.

CITY OF CADILLAC, MICHIGAN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
2000	1,175	8	1,167	0.672%	116.70
2001	1,080	14	1,066	0.600%	106.60
2002	985	13	972	0.516%	97.20
2003	890	7	883	0.449%	88.30
2004	785	10	775	0.366%	77.50
2005	1,665	9	1,656	0.754%	165.60
2006	1,525	6	1,519	0.665%	151.90
2007	1,395	5	1,390	0.590%	139.00
2008	1,260	4	1,256	0.508%	125.60
2009	1,115	4	1,111	0.433%	111.10

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements.

¹ See the Schedule of Taxable Value and Estimated Actual Value of Taxable Property in this section for property value data.

² See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

CITY OF CADILLAC, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Wexford County	\$ 5,033	24.60%	\$ 1,238
Cadillac Area Public Schools	22,845	33.72%	7,703
Subtotal Overlapping Debt			<u>\$ 8,941</u>
City of Cadillac Direct Debt			<u>1,111</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,052</u></u>

Sources: Taxable value data used to estimate applicable percentages provided by the Wexford County Equalization Department. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Cadillac. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of each government's taxable value that is within the City of Cadillac's boundaries and then dividing it by the unit's total taxable value. Total taxable values of each unit are:

<i>City of Cadillac Taxable Value:</i>	<i>\$256,696,142</i>
<i>Wexford County Taxable Value:</i>	<i>\$1,043,661,514</i>
<i>CAPS Taxable Value:</i>	<i>\$761,292,458</i>

CITY OF CADILLAC, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<i>Fiscal Year</i>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 17,777	\$ 18,843	\$ 19,662	\$ 21,159	\$ 22,085	\$ 22,862	\$ 23,652	\$ 27,161	\$ 24,712	\$ 25,670
Total net debt applicable to limit	1,167	1,066	972	883	775	1,656	1,519	1,390	1,253	1,111
Legal debt margin	\$ 16,610	\$ 17,777	\$ 18,690	\$ 20,276	\$ 21,310	\$ 21,206	\$ 22,133	\$ 25,771	\$ 23,459	\$ 24,559
Total net debt applicable to the limit as a percentage of debt limit	6.56%	5.66%	4.94%	4.17%	3.51%	7.24%	6.42%	5.12%	5.07%	4.33%

Legal Debt Margin Calculation for Fiscal Year 2008

Taxable Value	\$ 256,696
Statutory Debt Limit (10%) of total taxable value)	\$ 25,670
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	13,379
Less:	
Assets Available for Debt Service	4
Bond Debt not Subject to Limit:	
Special Assessment Bonds	260
Revenue Bonds	10,582
Other Debt	1,422
Total Amount of Debt Applicable to Debt Limit	1,111
Legal Debt Margin	\$ 24,559

Note: Under State finance law, the City of Cadillac's outstanding general obligation debt should not exceed 10 percent of total taxable property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF CADILLAC, MICHIGAN
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Water & Sewer Revenue Bonds</u>						<u>Special Assessment Bonds</u>			
	<u>Water & Sewer Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>			<u>Principal</u>	<u>Interest</u>	
2000	3,185	1,840	1,345	255	315	2.36	270	453	82	0.50
2001	3,241	1,810	1,431	270	289	2.56	256	171	66	1.08
2002	3,330	1,982	1,348	280	278	2.42	281	230	62	0.96
2003	3,088	2,111	977	310	414	1.35	293	184	62	1.19
2004	3,321	2,193	1,128	330	399	1.55	293	196	56	1.16
2005	3,480	2,284	1,196	335	383	1.67	259	195	52	1.05
2006	3,777	2,460	1,317	350	366	1.84	206	161	38	1.04
2007	3,886	2,514	1,372	365	348	1.92	130	151	31	0.71
2008	3,869	2,662	1,207	385	330	1.69	150	131	25	0.96
2009	3,803	2,714	1,089	410	350	1.43	147	116	17	1.11

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements. Water and Sewer revenues includes investment earnings. Operating expenses do not include interest, depreciation, or amortization expenses. Because many of the Special Assessment Bonds pay off in advance, the Coverage Ratio may fall below one.

CITY OF CADILLAC, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Personal Income</u> (amounts expressed in thousands)	<u>Per Capita Personal Income</u> ²	<u>School Enrollment</u> ³	<u>Local Unemployment Percentage Rate</u> ⁴	<u>State Unemployment Percentage Rate</u> ⁴	<u>Civilian Labor Force</u> ⁴
2000	10,000	212,550	21,255	3,608	6.4	3.7	22,596
2001	10,000	211,310	21,131	3,514	9.4	5.2	21,836
2002	10,000	214,410	21,441	3,465	8.3	6.2	21,369
2003	10,000	217,400	21,740	3,639	9.8	7.1	21,298
2004	10,000	231,600	23,160	3,674	8.2	7.0	21,553
2005	10,000	237,690	23,769	3,614	7.3	6.7	21,707
2006	10,000	247,540	24,754	3,479	7.9	7.1	22,088
2007	10,000	246,900	24,690	3,460	8.1	7.7	21,648
2008	10,000	N/A	N/A	3,381	11.2	8.9	21,563
2009	10,000	N/A	N/A	3,376	17.3	15.3	20,138

Data Sources:

¹ Bureau of the Census

² Bureau of Economic Analysis

³ School Districts

⁴ Michigan Department of Labor & Economic Growth (Local unemployment and civilian labor force based on Wexford-Missaukee Labor Market Area; Personal and Per Capita income based on Cadillac Micropolitan Statistical Area)

Note: Personal income information is a total for the year. Unemployment rate is a seasonally adjusted yearly average, when available. School enrollment is based on the school census at the start of the school year and includes public and private schools.

CITY OF CADILLAC, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
AAR Mobility Systems	720	1	4.16%	394	7	1.80%
Mercy Hospital Cadillac	516	2	2.98%	450	5	2.06%
Cadillac Area Public Schools	420	3	2.43%	350	8	1.60%
Four Winns Boats	275	4	1.59%	750	2	3.43%
Avon Protection Systems	252	5	1.46%			
Cadillac Castings ¹	251	6	1.45%			
Avon Automotive	235	7	1.36%			
Rexair, Inc.	223	8	1.29%	450	6	2.06%
Michigan Rubber Products	216	9	1.25%	575	3	2.63%
BorgWarner Cooling Systems ²	118	10	0.68%	183	10	0.84%
Avon Rubber and Plastics				802	1	3.66%
Hayes Lemmerz International, Inc.				540	4	2.47%
FIAMM Technologies, LLC				240	9	1.10%
	<u>3,226</u>		<u>18.65%</u>	<u>4,734</u>		<u>21.65%</u>

Source: Michigan Department of Labor & Economic Growth; Cadillac Area Chamber of Commerce

¹ Formerly known as CMI Cadillac.

² Formerly known as Kysor of Cadillac.

Note: Percentage of Total City Employment is based on total employment in the Wexford-Missaukee labor market area.

CITY OF CADILLAC, MICHIGAN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government										
City Manager	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administrative Services	0.85	0.85	0.85	1.00	0.90	0.90	0.90	0.90	0.90	0.80
Finance	3.00	3.00	3.00	2.20	1.94	1.94	1.94	1.94	1.94	2.25
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Hall	0.45	1.45	1.75	2.50	1.90	1.30	1.30	1.30	1.30	1.10
City Engineer	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Public Safety										
Police	19.50	19.50	19.50	18.50	17.15	18.41	18.41	18.41	17.41	17.06
Fire	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.85
Building Inspector	1.28	1.28	1.28	1.28	1.38	1.38	1.38	1.38	1.38	1.38
Planning/Zoning	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Public Works	14.50	14.50	14.50	14.17	14.22	14.22	14.22	14.22	14.22	14.03
Data Processing	1.00	1.00	1.30	1.20	1.26	1.06	1.06	0.06	0.06	0.00
Auto Parking	0.00	0.00	0.40	0.35	0.35	0.09	0.09	0.09	0.09	0.09
Water & Sewer	21.00	21.00	21.00	21.20	21.20	21.00	21.00	21.00	20.00	20.00
Community Development	0.30	0.30	0.30	0.30	0.40	0.40	0.40	0.40	0.40	0.40
Cemetery	0.50	0.50	0.50	0.68	0.68	0.68	0.68	0.68	0.68	0.92
Total	83.00	84.00	85.00	84.00	82.00	82.00	82.00	81.00	79.00	79.00

Source: City of Cadillac Finance Department

CITY OF CADILLAC, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Traffic Citations	1,699	1,167	895	857	1,530	1,468	1,257	1,015	1,479	N/A ¹
Fire										
Number of Fire Inspections	50	30	50	50	57	129	370	376	260	N/A ¹
Number of Fires Reported	63	52	33	57	54	64	51	55	41	N/A ¹
Number of EMT Runs	516	463	949	1,347	1,414	1,322	1,119	1,171	1,242	N/A ¹
Building Inspection										
Number of Permits Issued	571	512	565	523	525	466	403	316	274	N/A ¹
Water										
Total Customers	3,408	3,414	3,407	3,456	3,487	3,520	3,524	3,517	3,544	3,496
Average Daily Consumption (thousands of gallons)	2,417	2,349	2,132	2,202	2,155	2,252	2,310	2,564	2,302	2,261
Wastewater										
Total Customers	3,499	3,504	3,493	3,526	3,544	3,569	3,573	3,564	3,592	3,541
Average Daily Treatment (thousands of gallons)	2,227	2,260	2,231	2,087	2,103	2,173	2,098	2,467	2,215	2,100

¹ Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2009.

Note: Indicators are not available for the general government function.

Source: Various government departments

CITY OF CADILLAC, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	9	9	9	9	9	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	6	6	6	6	6	6	6	6
Culture and Recreation										
Parks Acreage	117	117	117	117	117	117	117	117	117	117
Parks	4	4	4	4	4	4	4	4	4	4
Streets										
Streets (Miles)	66	66	68	68	68	68	68	68	68	68
Street Lights	568	570	571	573	574	574	574	574	587	578
Water										
Fire Hydrants	422	432	432	453	455	454	454	458	477	482
Miles of Water Mains	61	61	63	63	63	63	64	64	74	74
Water Mains Replaced (Feet)	7,858	7,200	6,330	4,700	3,450	3,185	200 ⁽¹⁾	2,360	620	1,900
Wastewater										
Miles of Sewer Mains	63	63	59	59	59	59	59	59	62	62
Feet of Sanitary Sewers										
Inspected with TV Cameras	2,150	2,805	4,600	3,670	2,949	3,380	1,900	1,350	2,550	810

(1) Water mains replaced were low in 2006, but the main projects through the year, including North Boulevard, Paluster Street and Kenwood Street were all projects where a total of one mile of new water mains were added.

Note: Capital asset statistics are not available for the general government function.

Source: Various City government departments

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2000	7,370,963	9,439,499	128.1	(2,068,536)
2001	7,992,526	9,785,299	122.4	(1,792,773)
2002	8,358,393	9,712,366	116.2	(1,353,973)
2003	8,910,724	10,053,522	112.8	(1,142,798)
2004	9,170,012	9,990,746	109.2	(820,734)
2005	9,727,339	10,274,211	105.6	(546,872)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
7.22		831,695	27	45	30,921	43.4	10
6.43	(2)	682,151	24				
6.05	(3)	122,066	4				
7.98	(4)	523,126	19				
6.89	(5)	78,851	1				
6.84	(6)	173,952	3				
7.55		874,910	27	49	32,069	43.5	10.5
6.80	(2)	735,799	25				
8.20	(3)	126,638	4				
8.42	(4)	470,240	17				
6.51	(5)	83,075	1				
7.19	(6)	178,648	3				
7.59		873,693	26	45	32,734	44.3	11.1
6.83	(2)	747,685	25				
8.10	(3)	126,412	4				
8.43	(4)	502,884	18				
6.51	(5)	87,693	1				
7.19	(6)	182,115	3				
7.61		883,818	25	46	34,267	45.5	11.5
6.95	(2)	811,027	26				
8.16	(3)	154,700	5				
8.54	(4)	507,863	17				
6.52	(5)	92,455	1				
7.19	(6)	188,722	3				
7.83		883,119	24	46	36,051	46.8	12.9
7.56	(2)	872,706	27				
8.34	(3)	129,730	4				
8.61	(4)	274,145	9				
7.17	(5)	96,440	1				
7.81	(6)	195,344	3				
7.93		856,613	23	46	37,997	48.1	13.9
7.63	(2)	872,436	25				
8.36	(3)	140,049	4				
8.63	(4)	293,606	9				
7.17	(5)	103,690	1				
7.80	(6)	203,413	3				

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2006	10,161,879	10,812,671	106.4	(650,792)
2007	10,847,928	11,468,618	105.7	(620,690)
2008	11,538,051	11,561,995	100.2	(23,944)
2009	N/A	N/A	N/A	N/A

NOTES:

- (1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

Source: Gabriel, Roeder, Smith & Company, Actuaries

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
7.93		1,015,806	26	47	38,799	48.0	13.6
7.63	(2)	775,555	25				
8.36	(3)	144,512	4				
8.63	(4)	307,119	9				
7.17	(5)	108,458	1				
7.80	(6)	209,300	3				
8.66		902,230	24	51	38,786	47.7	13.3
7.30	(2)	748,549	22				
8.31	(3)	138,907	4				
8.57	(4)	277,678	8				
7.17	(5)	111,015	1				
7.48	(6)	265,160	4				
8.65		1,034,034	26	55	39,254	47.5	12.7
7.96	(2)	807,111	23				
7.67	(3)	96,909	3				
8.20	(4)	295,894	9				
8.76	(5)	113,870	1				
8.45	(6)	203,683	3				
N/A		N/A		N/A	N/A	N/A	N/A

- (2) Local 14317 includes additional negotiated benefit for the union.
- (3) Separate benefits for Housing Commission.
- (4) Separate benefits for Library.
- (5) Separate benefits for City Manager.
- (6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
2000	5,600,202	5,724,442	102.2	(124,240)
2001	5,949,789	6,034,859	101.4	(85,070)
2002	6,958,880	6,041,096	86.8	917,784
2003	7,348,465	5,891,594	80.2	1,456,871
2004	7,982,006	5,848,560	73.3	2,133,446
2005	8,519,041	5,865,340	68.8	2,653,701
2006	9,626,707	6,047,771	62.8	3,578,936
2007	9,992,478	6,604,109	66.1	3,388,369
2008	9,936,669	7,080,393	71.3	2,856,276
2009	N/A	N/A	N/A	N/A

NOTES:

- (1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
- (2) Data from Gabriel, Roeder, Smith and Co., Actuaries.
- (3) Police 11.47%, Fire 12.91%
- (4) Police 12.73%, Fire 11.25%
- (5) Police 15.50%, Fire 17.44%
- (6) Police 17.34%, Fire 23.89%
- (7) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE
11.99	(3)	1,347,171	29	21	46,454	40.8	12.6
12.19	(4)	1,406,654	29	21	48,505	41.8	13.6
16.41	(5)	1,352,466	28	24	48,302	41.4	12.5
20.01	(6)	1,237,171	26	26	47,584	41.5	13.1
27.61	(7)	1,391,450	27	27	51,535	41.2	12.6
31.10	(8)	1,446,234	27	30	53,564	41.6	13.1
38.39	(9)	1,437,073	27	28	53,225	42.6	14.1
38.68	(10)	1,482,941	27	28	54,924	42.1	13.7
32.71	(11)	1,389,958	25	32	55,598	40.0	11.7
N/A		N/A	N/A	N/A	N/A	N/A	N/A

(8) Police 30.83%, Fire 31.51% (Each group contributes 3% of salary to cover benefit enhancements.)

(9) Police 38.39%, Fire 38.40% (Each group contributes 3% of salary to cover benefit enhancements.)

(10) Police 39.03%, Fire 38.15% (Each group contributes 3% of salary to cover benefit enhancements.)

(11) Police 34.41%, Fire 30.20% (Each group contributes 3% of salary to cover benefit enhancements.)

CITY OF CADILLAC, MICHIGAN
LABOR AGREEMENTS
JUNE 30, 2009

	DATE EFFECTIVE JULY 1,	EXPIRATION DATE JUNE 30,
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2008	2011
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA)	2007	2010
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2006	2009
<u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317	2007	2010

Source: City of Cadillac Human Resources Department

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2009

TAXES DUE AND

PAYABLE:

City, School, and County taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

PENALTIES FOR

DELINQUENCY:

Beginning August 15, a 4% penalty is added to unpaid City and School taxes. Beginning September 1, an additional 1% per month is added through February. Beginning February 15, a 3% penalty is added to unpaid County and School taxes. Beginning March 1, the Wexford County Treasurer assumes collection of real property taxes. All delinquent personal property and delinquent industrial and commercial facilities taxes remain with the City Treasurer for collection.

LIEN ON PROPERTY:

Unpaid real property 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:

Date of Sale May,	Delinquent Tax Properties to be Sold Year
2000	1997
2001	1998 and 1999
2002	2000
2003	2001
2004	2002
2005	2003
2006	2004
2007	2005
2008	2006
2009	2007

CITY OF CADILLAC, MICHIGAN

NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>WATER SUPPLY CUSTOMERS</u>		<u>WASTEWATER TREATMENT CUSTOMERS</u>	
	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>
2000	3,408	0.74	3,499	0.52
2001	3,414	0.20	3,504	0.10
2002	3,407	(0.21)	3,493	(0.31)
2003	3,456	1.40	3,526	0.94
2004	3,487	0.90	3,544	0.51
2005	3,520	0.95	3,569	0.71
2006	3,524	0.11	3,573	0.11
2007	3,517	(0.20)	3,564	(0.25)
2008	3,544	0.76	3,592	0.78
2009	3,496	(1.40)	3,541	(1.40)

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2009

<u>METER CLASSIFICATION</u>	<u>AVERAGE CUSTOMERS</u>	
	<u>WATER SUPPLY</u>	<u>WASTEWATER TREATMENT</u>
Unmetered	0	169
5/8"	3,151	3,087
3/4"	7	7
1"	135	111
1 1/2"	90	75
2"	85	68
3"	9	9
4"	13	11
6"	5	3
8"	1	1
TOTAL	<u><u>3,496</u></u>	<u><u>3,541</u></u>

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2009

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 1.99
1"	3.40
1 1/2"	6.74
2"	10.87
3"	23.62
4"	40.60
6"	84.75
8"	122.11
10"	196.69
12"	291.50

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 2000 THROUGH 2009

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2000	4.61	6.98	8.22	10.53	15.81	43.61	60.00	96.90	105.92
2001	4.00	6.01	10.02	20.04	32.06	70.13	120.23	250.47	360.68
2002	4.12	6.19	10.32	20.64	33.02	72.22	123.84	257.98	371.50
2003	4.25	6.40	10.65	21.25	34.00	74.40	127.55	265.70	382.65
2004	4.40	6.60	10.95	21.90	35.00	76.65	131.40	273.65	394.15
2005	4.60	6.85	11.40	22.80	36.40	79.70	136.65	284.60	409.90
2006	4.80	7.10	11.85	23.70	37.85	82.90	142.10	296.00	426.30
2007	4.95	7.30	12.20	24.40	39.00	85.40	146.35	304.90	439.10
2008	5.30	7.80	13.00	26.05	41.55	91.00	156.00	325.05	468.05
2009	5.54	8.15	13.59	27.22	43.42	95.10	163.02	339.68	489.11

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
THROUGH FISCAL YEAR JUNE 30, 2009

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2000	7.53	11.36	13.40	16.77	25.54	70.79	96.56	156.78	244.64
2001	6.60	9.90	16.50	33.00	52.80	115.50	198.00	412.50	594.00
2002	6.80	10.20	17.00	34.00	54.38	118.97	203.94	424.88	611.82
2003	7.00	10.50	17.50	35.00	56.00	122.55	210.05	437.60	630.20
2004	7.20	10.80	18.05	36.05	57.70	126.25	216.35	450.35	649.10
2005	7.50	11.25	18.75	37.50	60.00	131.30	225.00	468.80	675.05
2006	7.80	11.70	19.50	39.00	62.40	136.55	234.00	487.55	702.05
2007	8.05	12.05	20.10	40.15	64.30	140.65	241.00	502.15	723.10
2008	8.55	12.85	21.40	42.80	68.50	149.95	256.90	535.30	770.80
2009	8.93	13.43	22.36	44.73	71.58	156.70	268.46	559.39	805.49

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

	<u>CUBIC FEET</u>		<u>GALLONS</u>		<u>DOLLARS</u>
	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>
					<u>AND</u>
					<u>SEWER</u>
1) Cadillac Castings, Inc.	12,050,700	10,243,000	90,139,236	76,617,640	\$ 290,292
2) AAR Cadillac Manufacturing	12,454,100	7,831,800	93,156,668	58,581,864	256,222
3) Avon Rubber & Plastics, Inc.	9,589,500	8,791,700	71,729,460	65,761,916	250,439
4) Paulstra CRC	1,560,500	3,525,600	11,672,540	26,371,488	134,992
5) Mercy Hospital	1,846,000	1,846,000	13,808,080	13,808,080	66,510
6) Piranha Hose	2,270,700	2,270,700	16,984,836	16,984,836	63,389
7) Cadillac Renewable Energy	0	1,755,700	0	13,132,636	46,583
8) Borg-Warner	1,212,100	1,212,100	9,066,508	9,066,508	36,604
9) Michigan Rubber Products	1,130,200	1,130,200	8,453,896	8,453,896	34,403
10) Pheasant Ridge Estates	1,256,000	1,256,000	9,394,880	9,394,880	31,995
11) Country Acres	1,045,200	1,045,200	7,818,096	7,818,096	31,602
12) 4- WINNS	593,800	593,800	4,441,624	4,441,624	24,854
13) Leisure Park	444,000	444,000	3,321,120	3,321,120	12,972
14) Rexair, Inc.	141,500	141,500	1,058,420	1,058,420	8,961
15) Kolarevic Car Wash	241,000	241,000	1,802,680	1,802,680	8,144
TOTAL					<u><u>\$ 1,297,962</u></u>

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 2000 THROUGH 2009

<u>FISCAL YEAR</u>	<u>0 TO</u>	<u>600 TO</u>	<u>10,000 TO</u>	<u>100,000 TO</u>	<u>OVER</u>
<u>ENDED OR</u>	<u>600 CF</u>	<u>10,000 CF</u>	<u>100,000 CF</u>	<u>250,000 CF</u>	<u>250,000 CF</u>
<u>ENDING JUNE 30,</u>					
2000	0.70	0.84	0.63	0.52	0.45
2001	0.84	0.74	0.65	0.55	0.46
2002	0.87	0.76	0.67	0.57	0.48
2003	0.90	0.78	0.69	0.59	0.50
2004	0.93	0.80	0.71	0.61	0.52
2005	0.97	0.83	0.74	0.63	0.54
2006	1.01	0.86	0.77	0.66	0.57
2007	1.04	0.89	0.79	0.68	0.59
2008	1.08	0.93	0.82	0.71	0.62
2009	1.11	0.95	0.84	0.73	0.64

CITY OF CADILLAC, MICHIGAN

MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u> <u>ENDED OR</u> <u>ENDING JUNE 30,</u>	<u>CHARGE PER</u> <u>100 CF</u>	<u>PERCENT</u> <u>CHANGE</u>
2000	1.49	3.0
2001	1.52	2.0
2002	1.57	3.3
2003	1.62	3.2
2004	1.67	3.1
2005	1.74	4.2
2006	1.81	4.0
2007	1.86	2.8
2008	1.93	3.8
2009	1.98	2.6

Data furnished in compliance with securities and exchange commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
LAST TEN FISCAL YEARS

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
	CUBIC FEET	GALLONS	CHANGE IN PERCENT	CUBIC FEET	GALLONS	CHANGE IN PERCENT	
2000	117,928,000	882,100,000	5.10	108,663,000	812,800,000	9.80	78.60
2001	114,643,000	857,528,000	(2.80)	110,280,000	824,893,000	1.50	96.20
2002	104,011,000	778,000,000	(9.30)	108,877,000	814,400,000	1.30	104.70
2003	107,473,262	803,900,000	0.03	101,844,920	761,800,000	(0.06)	94.76
2004	105,160,428	786,600,000	(0.02)	102,606,952	767,750,000	0.01	97.60
2005	109,906,000	822,100,000	0.05	106,048,000	793,240,000	0.03	96.49
2006	112,727,000	843,200,000	2.60	102,366,000	765,700,000	(3.50)	90.80
2007	125,094,000	935,700,000	10.97	120,361,000	900,300,000	17.58	96.22
2008	112,331,550	840,240,000	(10.20)	108,066,911	808,340,500	(10.21)	96.20
2009	95,955,882	717,750,000	(14.58)	103,483,556	774,057,000	(4.24)	107.80

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2009

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered	0		N/A	
5/8"	30,102,890	29.84	28,832,170	32.54
3/4"	1,142,890	1.13	1,142,890	1.29
1"	5,178,650	5.13	3,615,000	4.08
1 1/2"	4,900,480	4.86	3,827,000	4.32
2"	15,583,610	15.45	20,897,740	23.59
3"	2,551,200	2.53	2,562,660	2.89
4"	20,400,840	20.22	12,077,520	13.63
6"	19,507,000	19.35	14,135,520	15.96
8"	1,506,600	1.49	1,506,600	1.70
TOTAL	100,874,160	100.00	88,597,100	100.00

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2009

<u>METER CLASSIFICATION</u>	<u>WATER SUPPLY</u>		<u>WASTEWATER TREATMENT</u>	
	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>
Unmetered			\$ 46,205	2.42
5/8"	\$ 471,183	43.00	728,245	38.09
3/4"	7,871	0.72	2,246	0.12
1"	64,063	5.85	81,333	4.24
1 1/2"	67,214	6.14	97,803	5.12
2"	153,284	13.99	395,152	20.67
3"	29,191	2.66	59,534	3.11
4"	149,858	13.68	232,806	12.18
6"	136,923	12.50	252,507	13.21
8"	15,943	1.46	16,111	0.84
TOTAL	\$ 1,095,530	100.00	\$ 1,911,942	100.00

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*



Cadillac City Council (seated, left to right): Councilmember Shari Spoelman, Councilmember Tom Dyer, Mayor William S. Barnett, Councilmember Art Stevens, Mayor Pro-Tem James Dean.

Cadillac Administrative Staff (standing, left to right): City Attorney Michael Figliomeni, City Manager Peter D. Stalker, City Clerk and Treasurer Janice Nelson.

CITY OF
CADILLAC
MICHIGAN

