



City of  
**CADILLAC**MICHIGAN

People, Place, Partnerships : The Cadillac Standard

**CITY OF CADILLAC  
WEXFORD COUNTY, MICHIGAN  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022**

# **CITY OF CADILLAC, MICHIGAN**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by: Financial Services Department

**Director of Finance**

Owen Roberts

**Accounting Manager**

Carol Pacella

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## **INTRODUCTORY SECTION**



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

December 29, 2022

To the Honorable Mayor, Members of the City Council, and citizens of the City of Cadillac:

The annual comprehensive financial report of the City of Cadillac for the fiscal year ended June 30, 2022 is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Gabridge & Company, PLC, have issued an unmodified (“clean”) opinion on the City of Cadillac’s financial statements for the year ended June 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE 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 has been 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.

The City Council is required to adopt an annual budget by the second council meeting in May of each year. The annual budget serves as the foundation of the City of Cadillac's financial planning and control. The budget is prepared by fund and department. The budget is adopted by total fund for all funds except the General Fund. The General Fund is adopted by department (i.e. Police Department, Fire Department). 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.

## **LOCAL ECONOMY AND FUTURE OUTLOOK**

Cadillac's local economy is a strong, diverse mixture of manufacturing, tourism, recreation, retail, and professional services, including major health care providers and ancillary services. The City's core downtown area has seen significant investment in public infrastructure over the last few years, and this has brought in several outside investors that have witnessed this public investment and chosen downtown Cadillac as their development destination. In fact, Cadillac has seen the opening of a first of its kind mixed-use commercial/residential development downtown, in addition to experiencing a real-estate market that remains strong. Several other new businesses have located in downtown Cadillac as well, including the recent announcement of the purchase and reopening of the former Hermann's European Café as a Mexican-style restaurant in the upcoming months.

Cadillac remains one of the largest manufacturing bases north of Grand Rapids, with a significant concentration of automotive suppliers, specialty product manufacturers that produce unique components and products for the Department of Defense, packaging and containers, vacuum cleaners, castings, metal fabrication and boats. The City's industrial base is comprised of over fifty companies that employ over four thousand people and produce approximately \$1 billion worth of products annually. These industries are an incredibly valuable and important factor in the fiscal sustainability of our City.

Foundational to this community's success are the vast recreational opportunities that are available locally. These include hunting, fishing, snowmobiling, biking, camping, golf, water sports and other activities. The City benefits from the proximity of these year-round activities that bring in visitors from around the country to spend their tourism and recreational dollars in this community.

Because of this, the City has been actively involved in several public community development initiatives, creating new and improved public gathering spaces essential in keeping Cadillac a destination location. The City recently completed construction of an extension to the White Pine Trail closer into the downtown core and created a formal trailhead. The State of Michigan through grant dollars from the Department of Natural Resources funded a significant portion of this project. This facility is one of the final placemaking locations in the Cadillac Commons space and will further enhance the quality of life for the community. Cadillac Commons is the public development that has transformed several open areas adjacent to Lake Cadillac in the core downtown into a significant magnet for festivals, events, and activities by creating several placemaking locations such as The Plaza and The Market at Cadillac Commons.

The City continues to explore opportunities to further invest in public infrastructure in order to help spur private development in the City. With about \$900,000 in ARPA COVID-relief funds still on hand, the City hopes to leverage these dollars to provide matching funds for grant opportunities as they arise.

During the last fiscal year, the City saw two retail recreational marijuana establishments open within the City, following a lengthy process of finalizing local rules to govern the process of licensing these businesses. Because of these licenses, the City received just nearly \$113,000 in revenue from the State as part of the revenue sharing mechanism in place for taxes collected on these sales. The City continues working through the process of creating an environment more geared to cultivation centers, by examining several modifications to its Zoning Code and Ordinances.

## **LONG TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

The City of Cadillac has available fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund of \$5,214,414. In accordance with City policy, 15% of annual expenditures will be assigned as a working capital reserve. The City has a long-standing practice of assigning an amount to fully fund accrued but unpaid sick and vacation leave. As of June 30, 2022, this amount was \$274,880. These two amounts help stabilize the financial position of the City.

The City also adopts a five-year capital improvement plan (CIP) each year. This plan identifies all capital projects in excess of \$7,500 and with an expected life of more than one year. Identifying these projects in the CIP aids in prioritizing appropriations and in identifying relevant sources of funding for future capital projects. The most significant projects identified in the CIP are typically street, water and sewer infrastructure projects. The CIP identified nearly \$7.1 million in street infrastructure maintenance projects and over \$3.1 million in water

and sewer infrastructure projects. In addition, the plan identified \$1.5 million in major equipment purchases, and \$350,000 in technology upgrades.

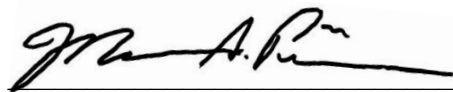
#### **AWARDS AND ACKNOWLEDGEMENTS**

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-seventh 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 annual comprehensive financial report. This report must satisfy 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

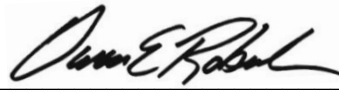
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning July 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award has been received for thirty-nine consecutive years.

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services 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,



Marcus A. Peccia, City Manager



Owen E. Roberts, Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cadillac  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

# **CITY OF CADILLAC, MICHIGAN**

## **ELECTED OFFICIALS**

**Carla J. Filkins, Mayor**  
At Large

**Bryan Elenbaas, Councilmember**  
Ward 1

**Antoinette Schippers, Mayor Pro-Tem**  
Ward 2

**Robert Engels, Councilmember**  
Ward 3

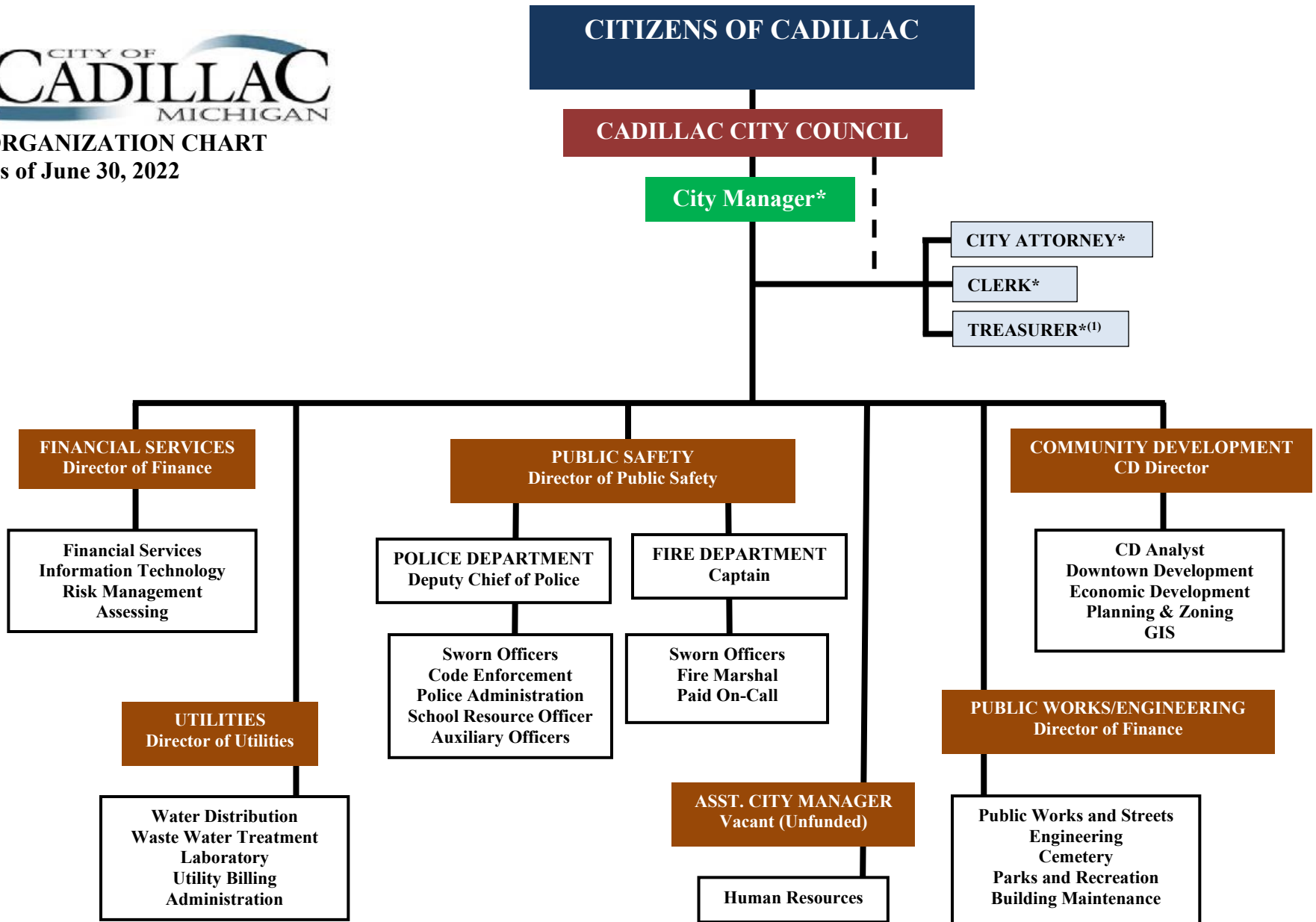
**Stephen King, Councilmember**  
Ward 4

## **CITY ADMINISTRATION**

|                                  |                                            |
|----------------------------------|--------------------------------------------|
| City Manager                     | <b>Marcus A. Peccia</b>                    |
| Community Development Director   | <b>John Wallace</b>                        |
| Director of Public Safety        | <b>Adam Ottjepka</b>                       |
| Director of Utilities            | <b>Jeff Dietlin</b>                        |
| Director of Finance/Public Works | <b>Owen Roberts</b>                        |
| City Clerk                       | <b>Sandra Wasson</b>                       |
| City Treasurer                   | <b>Keri Lanning</b>                        |
| City Attorney                    | <b>Foster Swift Collins &amp; Smith PC</b> |



**ORGANIZATION CHART**  
As of June 30, 2022



\* Positions appointed by the Cadillac City Council.  
(1) Reports to Director of Finance

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Cadillac, Michigan

***Report on the Audit of the Financial Statements******Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Change in Accounting Principle***

As stated in Note 19 to the basic financial statements, the City adopted **GASB Statement No. 87, Leases** during the fiscal year ending June 30, 2022, which represents a change in its policy for reporting lease activities both as lessor and lessee. Beginning net position of the governmental activities, business-type activities, discretely presented component units, or funds were not restated as a result of this implementation. Our opinions are not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the debt and tax roll schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, along with the debt and tax roll schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial

statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, on our consideration of the City'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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC  
Grand Rapids, Michigan  
December 29, 2022

## **Management's Discussion and Analysis**

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

---

## 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, 2022, 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**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of this fiscal year by \$35,076,257 (shown as *Net Position*), representing an increase of \$1,362,492 after increasing \$2,374,328 in the previous fiscal year. Governmental Activities increased \$1,089,741, while the Net Position of the Business-Type activities increased by \$272,749.
- As of June 30, 2022, the governmental funds of the City of Cadillac reported combined ending fund balances of \$10,050,035. This is a decrease of \$236,075. Fund balance in the General Fund increased by \$605,225 but decreased by \$841,300 in all other Governmental Funds. The increase in the General fund is due to additional revenue and spending below appropriations in the General Fund, as discussed later in this analysis. The decrease in other funds is primarily due to the spending down of fund balance in the Major and Local Street Funds. These bond proceeds were received in FY2021 and will be spent down over the next several years.
- In accordance with the City's policy, an amount equal to an amount of total General Fund expenditures and transfers has been assigned as a working capital reserve.
- In the General Fund, total Assigned and Unassigned Fund Balance increased to \$5,214,414 as of June 30, 2022. Of this amount, \$3,719,960 represents fund balance that is unassigned and therefore available for future appropriation. The Fund Balance increased as the result of a combination of increased and unexpected revenue as well as expenditures ending the year below appropriations. This is further discussed on page 21 of this report.
- The City of Cadillac's total outstanding debt **increased** by \$4,723,362 during the fiscal year. This increase is the result of \$5,723,362 of new revenue-backed debt being issued for a major well field project in the Water and Sewer Fund, and all debt service payments of \$1,000,000 on the city's outstanding bond issues being made in a timely manner.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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**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 readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods.

Both government-wide financial 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, public works, recreation and culture, economic development and assistance, and interest on long-term debt. Business-type activities of the City include water and sewer utility services, building authority, and auto parking.

The government-wide financial statements include not only the City of Cadillac itself (known as the *primary government*), but also a legally separate component units for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 27-28 of this report.

**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.

**City of Cadillac**  
**Management's Discussion and Analysis**  
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***Governmental Funds*** Governmental funds are used to account for essentially the same functions reported 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. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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, the Major Streets Fund, and the Local Streets Fund, which are considered to be major funds. Data is combined into a single aggregated presentation for the other governmental funds (non-major governmental funds). Individual data for each of the remaining nonmajor governmental funds is provided in the form of combining statements and schedules.

The basic governmental fund financial statements can be found on pages 29-32 of this report.

***Proprietary Funds*** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer activities, the Automobile Parking System, and the Building Authority Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its insurance benefit plans, information technology and safety activities, and for its fleet of vehicles. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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***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.

The City maintains two fiduciary funds, the Police and Fire Retirement Fund, a pension trust fund to report resources held in trust for retirees and beneficiaries of the City's Act 345 Police and Fire Retirement System, and a custodial fund used to report resources held by the City for other governments.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

***Component Units*** The City's Annual Comprehensive 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 41 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 84 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceeded liabilities by \$35,076,257 at June 30, 2022. A comparison with the previous fiscal year is presented in order to show the change in Net Position over the previous fiscal year.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**City of Cadillac Net Position**  
*(amounts expressed in thousands)*

|                                  | <b>Governmental Activities</b> |                 | <b>Business-Type Activities</b> |                 | <b>Total</b>    |                 |
|----------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|
|                                  | <b>2022</b>                    | <b>2021</b>     | <b>2022</b>                     | <b>2021</b>     | <b>2022</b>     | <b>2021</b>     |
| Current and Other Assets         | \$12,173                       | \$11,332        | \$3,655                         | \$5,009         | \$15,828        | \$16,341        |
| Capital Assets                   | 15,551                         | 14,538          | 31,999                          | 23,748          | 47,550          | 38,286          |
| <b>Total Assets</b>              | <b>\$27,724</b>                | <b>\$25,870</b> | <b>\$35,654</b>                 | <b>\$28,757</b> | <b>\$63,378</b> | <b>\$54,627</b> |
| Deferred Outflows of Resources   | \$2,920                        | \$1,042         | \$418                           | \$289           | \$3,338         | \$1,331         |
| Current and Other Liabilities    | \$2,688                        | \$1,463         | \$1,999                         | \$2,363         | \$4,687         | \$3,826         |
| Long-Term Liabilities            | 10,444                         | 7,467           | 12,658                          | 7,917           | 23,102          | 15,384          |
| <b>Total Liabilities</b>         | <b>\$13,132</b>                | <b>\$8,930</b>  | <b>\$14,657</b>                 | <b>\$10,280</b> | <b>\$27,789</b> | <b>\$19,210</b> |
| Deferred Inflows of Resources    | \$1,246                        | \$2,806         | \$2,603                         | \$227           | \$3,849         | \$3,033         |
| <b>Net Position</b>              |                                |                 |                                 |                 |                 |                 |
| Net Investment in Capital Assets | \$10,756                       | \$11,476        | \$17,325                        | \$16,919        | \$28,081        | \$28,395        |
| Restricted                       | 3,683                          | 4,486           | 675                             | 670             | 4,358           | 5,156           |
| Unrestricted                     | 1,827                          | (786)           | 812                             | 950             | 2,639           | 164             |
| <b>Total Net Position</b>        | <b>\$16,266</b>                | <b>\$15,176</b> | <b>\$18,812</b>                 | <b>\$18,539</b> | <b>\$35,078</b> | <b>\$33,715</b> |

The most significant portion of the City's Net Position (80%) represents net 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 negative balance in unrestricted Net Position for Governmental Activities in the prior year was a direct result of the implementation of GASB Statement Nos. 68 and 75. These new standards require reporting a net pension liability when the actuarial liabilities of a pension system exceed the actuarial value of the system's assets and a net OPEB liability when the same is true for an OPEB plan. For Cadillac, this added liabilities of \$5,879,529 for FY2022 and \$2,520,331 for FY2021 in the governmental activities, and additional liabilities of \$1,505,320 for FY2022 and \$1,587,004 for FY2021 in the business-type activities. An additional portion of net position represents resources that are subject to external restrictions on how they may be used. Total net position of the City increased by \$1,362,490 during the fiscal year. Reasons for this change in net position are discussed in upcoming sections.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**City of Cadillac Change in Net Position**  
(amounts expressed in thousands)

|                                    | <b>Governmental Activities</b> |                 | <b>Business-Type Activities</b> |                 | <b>Total</b>    |                 |
|------------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|
|                                    | <b>2022</b>                    | <b>2021</b>     | <b>2022</b>                     | <b>2021</b>     | <b>2022</b>     | <b>2021</b>     |
| <b><u>Revenues</u></b>             |                                |                 |                                 |                 |                 |                 |
| <b>Program Revenues</b>            |                                |                 |                                 |                 |                 |                 |
| Charges for Services               | \$1,695                        | \$1,535         | \$4,959                         | \$4,540         | \$6,654         | \$6,075         |
| Operating Grants and Contributions | 2,032                          | 2,373           | 0                               | 0               | 2,032           | 2,373           |
| Capital Grants                     | 314                            | 232             | 0                               | 0               | 314             | 232             |
| <b>General Revenues</b>            |                                |                 |                                 |                 |                 |                 |
| Property Taxes and Assessments     | 4,383                          | 4,035           | 0                               | 0               | 4,383           | 4,035           |
| State Shared Revenue               | 2,102                          | 2,011           | 0                               | 0               | 2,102           | 2,011           |
| Unrestricted Investment Earnings   | 27                             | 75              | 5                               | 16              | 32              | 91              |
| <b>Total Revenues</b>              | <b>\$10,553</b>                | <b>\$10,261</b> | <b>\$4,964</b>                  | <b>\$4,556</b>  | <b>\$15,517</b> | <b>\$14,817</b> |
| <b><u>Expenses</u></b>             |                                |                 |                                 |                 |                 |                 |
| General Government, Administrative | \$1,827                        | \$2,106         | \$0                             | \$0             | \$1,827         | \$2,106         |
| Public Safety                      | 3,837                          | 2,359           | 0                               | 0               | 3,837           | 2,359           |
| Public Works                       | 2,684                          | 2,559           | 0                               | 0               | 2,684           | 2,559           |
| Recreation and Culture             | 509                            | 440             | 0                               | 0               | 509             | 440             |
| Economic Development/Assistance    | 480                            | 589             | 0                               | 0               | 480             | 589             |
| Interest on Long-Term Debt         | 112                            | 122             | 0                               | 0               | 112             | 122             |
| Bond Issuance Costs                | 0                              | 47              | 0                               | 0               | 0               | 47              |
| Water and Sewer                    | 0                              | 0               | 4,510                           | 4,054           | 4,510           | 4,054           |
| Automobile Parking System          | 0                              | 0               | 71                              | 72              | 71              | 72              |
| Building Authority Operating       | 0                              | 0               | 125                             | 94              | 125             | 94              |
| <b>Total Expenses</b>              | <b>\$9,449</b>                 | <b>\$8,222</b>  | <b>\$4,706</b>                  | <b>\$4,220</b>  | <b>\$14,155</b> | <b>\$12,442</b> |
| <b>Transfers, Net</b>              | <b>(15)</b>                    | <b>(35)</b>     | <b>15</b>                       | <b>35</b>       | <b>0</b>        | <b>0</b>        |
| Changes in Net Position            | 1,089                          | 2,004           | 273                             | 371             | 1,362           | 2,375           |
| Beginning Net Position             | 15,176                         | 13,172          | 18,538                          | 18,167          | 33,714          | 31,339          |
| Ending Net Position                | <u>\$16,265</u>                | <u>\$15,176</u> | <u>\$18,811</u>                 | <u>\$18,538</u> | <u>\$35,076</u> | <u>\$33,714</u> |

**Governmental Activities**

The net position of the City's governmental activities increased by \$1,089,741 during the year. Much of this increase can be attributed to a surplus in the General Fund, as well as adjustments made related to pension and other post-employment benefit liabilities.

**City of Cadillac**  
**Management's Discussion and Analysis**  
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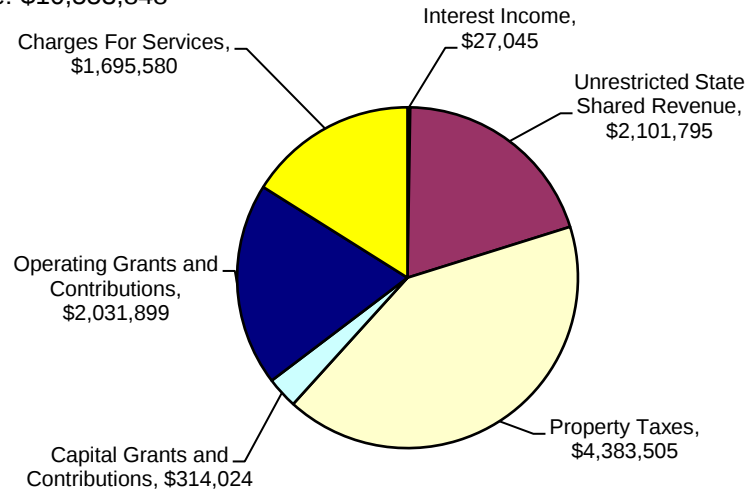
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The following chart summarizes the revenue sources for the City's governmental activities for the year ended June 30, 2022:

**Revenues - Governmental Activities**

Fiscal Year Ended June 30, 2022

Total Revenue: \$10,553,848

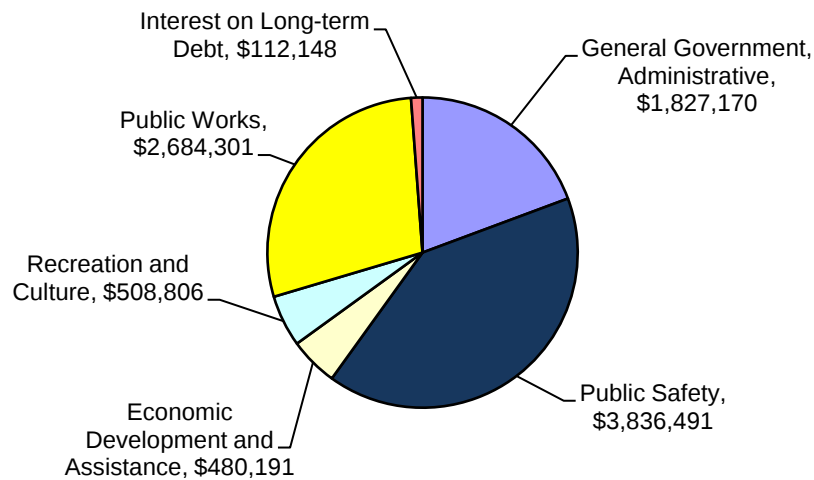


Total expenses for governmental activities for the year ended June 30, 2022 are summarized below:

**Expenses - Governmental Activities**

Fiscal Year Ended June 30, 2022

Total Expenses: \$9,449,107



**City of Cadillac**  
**Management's Discussion and Analysis**  
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**Business-Type Activities**

Net position within the City's business-type activities increased by \$272,749 during the year. Net Position in the City's Water and Sewer Fund increased by \$175,506 for the year. Total revenues were slightly over budget, and spending was below budget due to a reduction in Other Post-Employment Benefits liabilities, an employee vacancy, and other general spending that was below appropriations. The Building Authority Fund, which reports the activities related to the rental of a City building to the Michigan Department of Environmental Quality, had an increase in net position of \$95,222.

**Financial Analysis of the Government's Funds**

***Governmental Funds*** At the completion of the City's fiscal year ended June 30, 2022, governmental funds reported combined ending fund balances of \$10,050,035. This ending fund balance is \$236,075 lower than the end of the previous fiscal year. This reduction is primarily due to the spending down of fund balance in the Major Street Fund and the Local Street Fund. Of the total ending fund balance, \$429,544, or 4%, is nonspendable. An additional amount of \$3,125,463, or 31%, is restricted to spending for specific purposes, including street maintenance, lake treatment, debt service and perpetual care of Maple Hill Cemetery. Portions of total fund balance have also been assigned for various uses, including a working capital reserve and an amount equal to the estimated cost of sick and vacation leave benefits. This portion of fund balance totals \$2,775,068, or 28% of the total. Finally, \$3,719,960, or 37%, is unassigned and available for appropriation at the discretion of the City.

Detailed information regarding the various classifications of fund balance on hand as of June 30, 2022 can be found on page 78 of this report.

**General Fund** – The General Fund is the main operating fund of the City. The fund balance in the General Fund on June 30, 2022 was \$5,331,674. This represents a 12.8% **increase** from the prior year. An amount is assigned as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for many years. There is also \$274,880 assigned to fund sick and vacation benefits that have accrued but have not yet been paid out.

Total fund balance in the City of Cadillac's General Fund increased by \$605,225 in the current fiscal year. As discussed in the General Fund Budgetary Highlights below, revenues and other financing sources exceeded the final amended budget by \$247,440 and expenditures were below appropriations by \$322,485 which contributed to the positive year-end results. The final amended budget planned for a surplus of \$35,300 in the General Fund.

The increase in the General Fund was largely contributed from increased property taxes, which grew as a result of an average increase of approximately 6.0% in the taxable property values, driven by increased local real estate market values despite a 0.7% rate decrease on all classes of property.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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**Major Streets Fund** – The Major Streets Fund is a major special revenue fund of the City. The fund balance in the Major Streets Fund on June 30, 2022 was \$413,842. This represents a 46.8% **decrease** from the prior year. The primary reason for the decrease in the fund balance of the Major Streets Fund is increased spending on infrastructure projects, particularly Chestnut, Lindon to Leeson major streets and a roundabout on Division and Crosby.

**Local Streets Fund** – The Local Streets Fund is a major special revenue fund of the City. The fund balance in the Local Streets Fund on June 30, 2022 was \$1,497,027. This represents a 27.1% **decrease** from the prior year. The primary reason for the decrease in the fund balance of the Local Streets Fund is increased spending on infrastructure projects, particularly Evart, Cedar to Lester and Stimson, Carmel to Warren local streets.

**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. The Water and Sewer Fund increased net position by \$175,506 during the year. The issues discussed prior detail the primary contributors to the increase. Total Net Position in the City's Enterprise Funds increased by \$272,749 for the year.

**General Fund Budgetary Highlights**

*Budget Amendments*

During the year, two amendments of the General Fund budget were approved by City Council. These amendments increased total General Fund revenue by \$683,000 and appropriations by \$654,900. The major appropriation increases were related to the following:

- Recognize additional revenue from State of Michigan for personal property tax loss reimbursement (\$160,000), constitutional revenue sharing (\$110,000), and marijuana licensing fee revenue sharing (\$112,000). Also add revenues to recognize final projected property taxes (\$65,000), federal grant funds (\$80,000) a private contribution received (\$70,000) and additional solid waste revenue (\$20,000), and anticipated insurance proceeds related to a property damage incident in the Cadillac Fire Department (\$66,000). Total revenue increase of \$683,000.
- Appropriate \$112,400 for additional payroll costs for employees.
- Appropriate \$140,500 to cover costs of roof maintenance project on the Cadillac Municipal Complex completed in the current year.
- Appropriate \$108,000 to cover costs of patrol cars received in the current year, but originally budgeted and ordered in prior fiscal year.
- Appropriate \$100,000 to transfer out to Trailhead Construction Fund to cover actual costs of project.
- Appropriate \$85,000 for the costs of rebuilding the Shay Locomotive enclosure. This project was funded through private contributions and was part of a Cadillac Leadership project.
- Appropriate \$66,000 to cover the repair costs of a fire truck damaged in a vehicle accident while responding to an emergency scene.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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- Several other small appropriation increases were included in the budget amendments.

*Budget Variances*

Overall, actual revenues and other financing sources were \$247,440 above budget, while expenditures were over \$322,485 below the legal appropriations. Several factors contributed to these positive variances:

- Ad valorem Property Tax revenues exceeded budget by \$72,903.
- Constitutional Revenue Sharing revenue exceeded budget by \$79,863.
- Personal property tax reimbursement revenues from the State of Michigan exceeded budget by \$101,098.
- Total Legal Fees for the year were \$87,453 favorable to budget.
- Buildings and Grounds expenditures were \$64,383 favorable to budget based on only a portion of the roof maintenance project being completed during the year.
- Police Department expenditures were favorable to budget by \$62,469. This was primarily due to vacancies in the department, which were as high as three for a portion of the year.
- The Municipal Parks department did not complete a planned capital outlay project, and ended the year \$22,803 favorable to budget.
- General savings and smaller cost-reduction actions accounted for the remainder of the positive variances within the General Fund.

**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, 2022, amounted to \$44,787,272 (net of accumulated depreciation). This represents an increase of \$6,502,154 during the year, primarily from street improvement and water infrastructure projects during the year and applying normal government-wide depreciation costs of \$2,218,858 (net of disposals). The City has invested in a broad range of capital assets, as detailed below:

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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**City of Cadillac Capital Assets**  
(amounts expressed in thousands)

|                                       | <b>Governmental Activities</b> |                 | <b>Business-Type Activities</b> |                 | <b>Total</b>    |                 |
|---------------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|
|                                       | <b>2022</b>                    | <b>2021</b>     | <b>2022</b>                     | <b>2021</b>     | <b>2022</b>     | <b>2021</b>     |
| Infrastructure                        | \$26,070                       | \$23,878        | \$0                             | \$0             | \$26,070        | \$23,878        |
| Land and Land Improvements            | 3,450                          | 3,450           | 1,567                           | 1,567           | 5,017           | 5,017           |
| Buildings                             | 6,581                          | 6,581           | 2,437                           | 2,437           | 9,018           | 9,018           |
| Machinery & Equipment                 | 6,772                          | 6,461           | 1,669                           | 1,669           | 8,441           | 8,130           |
| Investment in Water and Sewer Systems | 0                              | 0               | 41,529                          | 40,844          | 41,529          | 40,844          |
| <b>Subtotal</b>                       | <b>\$42,873</b>                | <b>\$40,370</b> | <b>\$47,202</b>                 | <b>\$46,517</b> | <b>\$90,075</b> | <b>\$86,887</b> |
| Construction in Progress              | 488                            | 771             | 8,943                           | 3,181           | 9,431           | 3,952           |
| Accumulated Depreciation              | (27,811)                       | (26,603)        | (26,908)                        | (25,950)        | (54,719)        | (52,553)        |
| <b>Net Capital Assets</b>             | <b>\$15,550</b>                | <b>\$14,538</b> | <b>\$29,237</b>                 | <b>\$23,748</b> | <b>\$44,787</b> | <b>\$38,286</b> |

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. Additional information regarding the City's capital assets can be found in the Notes to Financial Statements section on pages 57-59.

**Long-Term Debt.** As of June 30, 2022, the City had total long-term debt outstanding of approximately \$16,706,765. This is an increase of \$4,687,982 compared to the prior fiscal year. The City issued \$5,723,362 of new revenue bonds for a major water project, and total debt was reduced by normal debt service requirements of \$1,000,000 that were met throughout the year.

Of the City's total outstanding debt, \$4,794,900 comprises debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. The City's revenue bonds are associated with the Water and Sewer Fund and are backed by revenues pledged from user charges generated in the Water and Sewer system and have been used to finance major capital projects within the system.

**City of Cadillac**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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**City of Cadillac Outstanding Debt**  
(amounts expressed in thousands)

|                               | <b>Governmental Activities</b> |                | <b>Business-Type Activities</b> |                | <b>Total</b>    |                 |
|-------------------------------|--------------------------------|----------------|---------------------------------|----------------|-----------------|-----------------|
|                               | <b>2022</b>                    | <b>2021</b>    | <b>2022</b>                     | <b>2021</b>    | <b>2022</b>     | <b>2021</b>     |
| General Obligation Bonds      | \$4,795                        | \$5,155        | \$0                             | \$0            | \$4,795         | \$5,155         |
| Contracts, Notes, and Other   | 311                            | 331            | 190                             | 205            | 501             | 536             |
| Revenue Bonds                 | 0                              | 0              | 11,912                          | 6,829          | 11,912          | 6,829           |
| <b>Total Outstanding Debt</b> | <b>\$5,106</b>                 | <b>\$5,486</b> | <b>\$12,102</b>                 | <b>\$7,034</b> | <b>\$17,208</b> | <b>\$12,520</b> |

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of total assessed valuation. The current debt limitation based on the City's taxable valuation of \$254,208,937 is \$25,420,894 which significantly exceeds the City's outstanding general obligation debt of \$4,794,900. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on pages 60-61.

**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.

## **Basic Financial Statements**

**City of Cadillac**  
**Statement of Net Position**  
**June 30, 2022**

|                                             | Primary Government   |                      |                      | Component           |
|---------------------------------------------|----------------------|----------------------|----------------------|---------------------|
|                                             | Governmental         | Business-type        | Total                | Units               |
|                                             | Activities           | Activities           |                      |                     |
| <b>ASSETS</b>                               |                      |                      |                      |                     |
| <i>Current Assets</i>                       |                      |                      |                      |                     |
| Cash and Pooled Investments                 | \$ 10,593,247        | \$ 2,526,844         | \$ 13,120,091        | \$ 1,914,608        |
| Receivables                                 | 680,680              | 691,820              | 1,372,500            | 67,725              |
| Prepays                                     | 160,839              | 16,094               | 176,933              | 62                  |
| Inventory                                   | 76,927               | 282,651              | 359,578              | --                  |
| Leases Receivable                           | --                   | 137,610              | 137,610              | --                  |
| Due from Fiduciary Funds                    | 660,879              | --                   | 660,879              | --                  |
| <b>Total Current Assets</b>                 | <b>12,172,572</b>    | <b>3,655,019</b>     | <b>15,827,591</b>    | <b>1,982,395</b>    |
| <i>Noncurrent Assets</i>                    |                      |                      |                      |                     |
| Restricted Cash                             | --                   | 674,970              | 674,970              | --                  |
| Capital Assets not being Depreciated        | 2,737,660            | 9,282,397            | 12,020,057           | 200,278             |
| Capital Assets being Depreciated, net       | 12,813,037           | 19,954,178           | 32,767,215           | 1,661,772           |
| Noncurrent Leases Receivable                | --                   | 2,087,702            | 2,087,702            | --                  |
| <b>Total Noncurrent Assets</b>              | <b>15,550,697</b>    | <b>31,999,247</b>    | <b>47,549,944</b>    | <b>1,862,050</b>    |
| <b>Total Assets</b>                         | <b>27,723,269</b>    | <b>35,654,266</b>    | <b>63,377,535</b>    | <b>3,844,445</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                      |                      |                      |                     |
| OPEB Related                                | 277,322              | 18,804               | 296,126              | --                  |
| Pension Related                             | 2,643,102            | 398,717              | 3,041,819            | --                  |
| <b>Total Deferred Outflows of Resources</b> | <b>2,920,424</b>     | <b>417,521</b>       | <b>3,337,945</b>     | <b>--</b>           |
| <b>LIABILITIES</b>                          |                      |                      |                      |                     |
| <i>Current Liabilities</i>                  |                      |                      |                      |                     |
| Accounts Payable                            | 654,165              | 878,136              | 1,532,301            | 52,749              |
| Accrued Liabilities                         | 304,864              | 95,042               | 399,906              | 2,830               |
| Customer Deposits                           | --                   | 8,780                | 8,780                | --                  |
| Accrued Interest                            | 17,043               | 68,755               | 85,798               | 2,129               |
| Unearned Revenue                            | 1,170,116            | --                   | 1,170,116            | --                  |
| Current Portion of Compensated Absences     | 168,063              | 58,836               | 226,899              | 897                 |
| Current Portion of Long-term Debt           | 373,333              | 890,000              | 1,263,333            | 66,667              |
| <b>Total Current Liabilities</b>            | <b>2,687,584</b>     | <b>1,999,549</b>     | <b>4,687,133</b>     | <b>125,272</b>      |
| <i>Noncurrent Liabilities</i>               |                      |                      |                      |                     |
| Compensated Absences                        | 143,165              | 130,959              | 274,124              | 764                 |
| Long-term Debt                              | 4,421,567            | 11,021,865           | 15,443,432           | 623,433             |
| Net OPEB Liability                          | 427,466              | 28,985               | 456,451              | --                  |
| Net Pension Liability                       | 5,452,063            | 1,476,335            | 6,928,398            | --                  |
| <b>Total Noncurrent Liabilities</b>         | <b>10,444,261</b>    | <b>12,658,144</b>    | <b>23,102,405</b>    | <b>624,197</b>      |
| <b>Total Liabilities</b>                    | <b>13,131,845</b>    | <b>14,657,693</b>    | <b>27,789,538</b>    | <b>749,469</b>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                      |                      |                      |                     |
| Pension Related                             | 1,246,414            | 403,676              | 1,650,090            | --                  |
| Deferred Lease Revenues                     | --                   | 2,199,595            | 2,199,595            | --                  |
| <b>Total Deferred Inflows of Resources</b>  | <b>1,246,414</b>     | <b>2,603,271</b>     | <b>3,849,685</b>     | <b>--</b>           |
| <b>NET POSITION</b>                         |                      |                      |                      |                     |
| Net Investment in Capital Assets            | 10,755,797           | 17,324,710           | 28,080,507           | 1,171,950           |
| <i>Restricted for:</i>                      |                      |                      |                      |                     |
| Nonexpendable Cemetery Trust                | 245,000              | --                   | 245,000              | --                  |
| Nonexpendable Capital Projects Trust        | 131,024              | --                   | 131,024              | --                  |
| Debt Service                                | 2,589                | 674,970              | 677,559              | --                  |
| Groundwater Clean Up                        | --                   | --                   | --                   | 38,004              |
| Capital Projects                            | 698,706              | --                   | 698,706              | 1,292,857           |
| Economic Development                        | --                   | --                   | --                   | 592,165             |
| Cemetery Perpetual Care                     | 369,978              | --                   | 369,978              | --                  |
| Internal Service - Retirees' Life Insurance | 168,866              | --                   | 168,866              | --                  |
| Recreation and Culture                      | 71,365               | --                   | 71,365               | --                  |
| Public Safety                               | 27,958               | --                   | 27,958               | --                  |
| Public Works                                | 1,967,784            | --                   | 1,967,784            | --                  |
| <i>Unrestricted</i>                         | 1,826,367            | 811,143              | 2,637,510            | --                  |
| <b>Total Net Position</b>                   | <b>\$ 16,265,434</b> | <b>\$ 18,810,823</b> | <b>\$ 35,076,257</b> | <b>\$ 3,094,976</b> |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac  
Statement of Activities  
For the Year Ended June 30, 2022**

|                                                |                      | Program Revenues    |                     |                   | Net (Expense) Revenue |                      |                       |                     |
|------------------------------------------------|----------------------|---------------------|---------------------|-------------------|-----------------------|----------------------|-----------------------|---------------------|
|                                                |                      |                     | Operating           | Capital Grants    | Primary Government    |                      |                       |                     |
| Functions/Programs                             | Expenses             | Charges for         | Grants and          | and               | Governmental          | Business-type        | Total                 | Component           |
|                                                |                      | Services            | Contributions       | Contributions     | Activities            | Activities           |                       | Units               |
| <b>Primary Government</b>                      |                      |                     |                     |                   |                       |                      |                       |                     |
| <b>Governmental Activities:</b>                |                      |                     |                     |                   |                       |                      |                       |                     |
| General Government                             | \$ 1,827,170         | \$ 608,224          | \$ 113,565          | \$ --             | \$ (1,105,381)        | \$ --                | \$ (1,105,381)        | \$ --               |
| Public Safety                                  | 3,836,491            | 321,502             | 125,544             | --                | (3,389,445)           | --                   | (3,389,445)           | --                  |
| Public Works                                   | 2,684,301            | 724,530             | 1,784,790           | --                | (174,981)             | --                   | (174,981)             | --                  |
| Recreation and Culture                         | 508,806              | 24,494              | --                  | 258,679           | (225,633)             | --                   | (225,633)             | --                  |
| Economic Development                           | 480,191              | 16,830              | 8,000               | 55,345            | (400,016)             | --                   | (400,016)             | --                  |
| Interest Expense                               | 112,148              | --                  | --                  | --                | (112,148)             | --                   | (112,148)             | --                  |
| <b>Total Governmental Activities</b>           | <b>9,449,107</b>     | <b>1,695,580</b>    | <b>2,031,899</b>    | <b>314,024</b>    | <b>(5,407,604)</b>    | <b>--</b>            | <b>(5,407,604)</b>    | <b>--</b>           |
| <b>Business-type Activities:</b>               |                      |                     |                     |                   |                       |                      |                       |                     |
| Auto Parking                                   | 71,329               | 57,859              | --                  | --                | --                    | (13,470)             | (13,470)              | --                  |
| Building Authority                             | 124,412              | 218,960             | --                  | --                | --                    | 94,548               | 94,548                | --                  |
| Water and Sewer                                | 4,510,300            | 4,681,873           | --                  | --                | --                    | 171,573              | 171,573               | --                  |
| <b>Total Business-type Activities</b>          | <b>4,706,041</b>     | <b>4,958,692</b>    | <b>--</b>           | <b>--</b>         | <b>--</b>             | <b>252,651</b>       | <b>252,651</b>        | <b>--</b>           |
| <b>Total Primary Government</b>                | <b>\$ 14,155,148</b> | <b>\$ 6,654,272</b> | <b>\$ 2,031,899</b> | <b>\$ 314,024</b> | <b>\$ (5,407,604)</b> | <b>\$ 252,651</b>    | <b>\$ (5,154,953)</b> | <b>--</b>           |
| <b>Component Units</b>                         |                      |                     |                     |                   |                       |                      |                       |                     |
| Brownfield Redevelopment Authority             | \$ 90,154            | \$ --               | \$ 54,047           | \$ --             | --                    | --                   | --                    | (36,107)            |
| Downtown Development Authority                 | 136,833              | 7,220               | 23,107              | --                | --                    | --                   | --                    | (106,506)           |
| Local Development Finance Authority            | 264,296              | 15,999              | --                  | --                | --                    | --                   | --                    | (248,297)           |
| Economic Development Corporation               | --                   | --                  | --                  | --                | --                    | --                   | --                    | --                  |
| <b>Total Component Units</b>                   | <b>\$ 491,283</b>    | <b>\$ 23,219</b>    | <b>\$ 77,154</b>    | <b>\$ --</b>      | <b>--</b>             | <b>--</b>            | <b>--</b>             | <b>(390,910)</b>    |
| <b>General Purpose Revenues and Transfers:</b> |                      |                     |                     |                   |                       |                      |                       |                     |
| <b>Revenues</b>                                |                      |                     |                     |                   |                       |                      |                       |                     |
| Interest Income                                |                      |                     |                     |                   | 27,045                | 5,098                | 32,143                | 15,986              |
| Property Taxes                                 |                      |                     |                     |                   | 4,383,505             | --                   | 4,383,505             | 302,199             |
| Unrestricted State Revenue                     |                      |                     |                     |                   | 2,101,795             | --                   | 2,101,795             | --                  |
| <b>Transfers</b>                               |                      |                     |                     |                   | (15,000)              | 15,000               | --                    | --                  |
| <b>Total General Revenues and Transfers</b>    |                      |                     |                     |                   | <b>6,497,345</b>      | <b>20,098</b>        | <b>6,517,443</b>      | <b>318,185</b>      |
| <b>Change in Net Position</b>                  |                      |                     |                     |                   | <b>1,089,741</b>      | <b>272,749</b>       | <b>1,362,490</b>      | <b>(72,725)</b>     |
| <i>Net Position at Beginning of Period</i>     |                      |                     |                     |                   | 15,175,693            | 18,538,074           | 33,713,767            | 3,167,701           |
| <b>Net Position at End of Period</b>           |                      |                     |                     |                   | <b>\$ 16,265,434</b>  | <b>\$ 18,810,823</b> | <b>\$ 35,076,257</b>  | <b>\$ 3,094,976</b> |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac  
Balance Sheet  
Governmental Funds  
June 30, 2022**

|                                                                               | <u>Special Revenue</u> |                      |                      | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------------------------------------------------|------------------------|----------------------|----------------------|-----------------------------------------|-----------------------------------------|
|                                                                               | <u>General</u>         | <u>Major Streets</u> | <u>Local Streets</u> |                                         |                                         |
| <b>ASSETS</b>                                                                 |                        |                      |                      |                                         |                                         |
| Cash and Pooled Investments                                                   | \$ 6,081,669           | \$ 287,278           | \$ 1,561,376         | \$ 2,433,322                            | \$ 10,363,645                           |
| Receivables                                                                   | 94,006                 | 194,926              | 61,111               | 322,577                                 | 672,620                                 |
| Prepays                                                                       | 48,531                 | 1,799                | 2,175                | 1,015                                   | 53,520                                  |
| Due from Fiduciary Funds                                                      | 660,879                | --                   | --                   | --                                      | 660,879                                 |
| Due from Other Funds                                                          | 171,816                | --                   | --                   | --                                      | 171,816                                 |
| Advance to Other Funds                                                        | --                     | --                   | --                   | 405,000                                 | 405,000                                 |
| <b>Total Assets</b>                                                           | <b>\$ 7,056,901</b>    | <b>\$ 484,003</b>    | <b>\$ 1,624,662</b>  | <b>\$ 3,161,914</b>                     | <b>\$ 12,327,480</b>                    |
| <b>LIABILITIES</b>                                                            |                        |                      |                      |                                         |                                         |
| Accounts Payable                                                              | \$ 306,177             | \$ 59,636            | \$ 30,915            | \$ 195,898                              | \$ 592,626                              |
| Accrued Liabilities                                                           | 248,934                | 10,525               | 10,720               | 10,743                                  | 280,922                                 |
| Unearned Revenue                                                              | 1,170,116              | --                   | --                   | --                                      | 1,170,116                               |
| Due to Other Funds                                                            | --                     | --                   | 86,000               | 85,816                                  | 171,816                                 |
| <b>Total Liabilities</b>                                                      | <b>1,725,227</b>       | <b>70,161</b>        | <b>127,635</b>       | <b>292,457</b>                          | <b>2,215,480</b>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                        |                      |                      |                                         |                                         |
| Unavailable Revenue                                                           | --                     | --                   | --                   | 61,965                                  | 61,965                                  |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                    | <b>1,725,227</b>       | <b>70,161</b>        | <b>127,635</b>       | <b>354,422</b>                          | <b>2,277,445</b>                        |
| <b>FUND BALANCE</b>                                                           |                        |                      |                      |                                         |                                         |
| Nonspendable                                                                  | 48,531                 | 1,799                | 2,175                | 377,039                                 | 429,544                                 |
| Restricted                                                                    | 68,729                 | 412,043              | 1,494,852            | 1,149,839                               | 3,125,463                               |
| Assigned                                                                      | 1,494,454              | --                   | --                   | 1,280,614                               | 2,775,068                               |
| Unassigned                                                                    | 3,719,960              | --                   | --                   | --                                      | 3,719,960                               |
| <b>Total Fund Balance</b>                                                     | <b>5,331,674</b>       | <b>413,842</b>       | <b>1,497,027</b>     | <b>2,807,492</b>                        | <b>10,050,035</b>                       |
| <b>Total Liabilities, Deferred Inflows of Resources,<br/>and Fund Balance</b> | <b>\$ 7,056,901</b>    | <b>\$ 484,003</b>    | <b>\$ 1,624,662</b>  | <b>\$ 3,161,914</b>                     | <b>\$ 12,327,480</b>                    |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2022**

|                                                                                                                                                                                                 |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Total Fund Balance - Governmental Funds                                                                                                                                                         | \$ 10,050,035               |
| Net Position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements                                   | 1,182,305                   |
| Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.                                                                                     | (17,043)                    |
| Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.                                                                      | 61,965                      |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.                                                                              | (4,794,900)                 |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.                                                                               | (274,880)                   |
| Net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds. | (3,873,280)                 |
| Net OPEB liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.    | (139,963)                   |
| General government capital assets of \$39,864,723, net of accumulated depreciation of \$25,793,528, are not financial resources, and accordingly are not reported in the funds.                 | 14,071,195                  |
| <b>Total Net Position - Governmental Activities</b>                                                                                                                                             | <b>\$ <u>16,265,434</u></b> |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

|                                            |                     | <u>Special Revenue</u> |                      | <u>Other</u>        | <u>Total Governmental</u> |
|--------------------------------------------|---------------------|------------------------|----------------------|---------------------|---------------------------|
|                                            | <u>General</u>      | <u>Major Streets</u>   | <u>Local Streets</u> | <u>Governmental</u> | <u>Funds</u>              |
| <b>Revenues</b>                            |                     |                        |                      | <b>Funds</b>        |                           |
| Property Taxes                             | \$ 4,383,505        | \$ --                  | \$ --                | \$ --               | \$ 4,383,505              |
| Licenses and Permits                       | 136,623             | --                     | --                   | 45,525              | 182,148                   |
| Federal Revenue                            | 108,000             | --                     | --                   | 110,000             | 218,000                   |
| State Revenue                              | 2,167,168           | 1,380,316              | 397,385              | 193,142             | 4,138,011                 |
| Local Revenue                              | 250,133             | --                     | --                   | 22,971              | 273,104                   |
| Charges for Services                       | 1,050,340           | --                     | --                   | 101,882             | 1,152,222                 |
| Fines                                      | 8,488               | --                     | --                   | --                  | 8,488                     |
| Miscellaneous                              | 143,751             | --                     | --                   | 11,769              | 155,520                   |
| Interest Income                            | 11,532              | 2,651                  | 3,264                | 10,427              | 27,874                    |
| <b>Total Revenues</b>                      | <b>8,259,540</b>    | <b>1,382,967</b>       | <b>400,649</b>       | <b>495,716</b>      | <b>10,538,872</b>         |
| <b>Expenditures</b>                        |                     |                        |                      |                     |                           |
| General Government                         | 1,753,734           | --                     | --                   | 2,000               | 1,755,734                 |
| Public Safety                              | 3,872,879           | --                     | --                   | 45,605              | 3,918,484                 |
| Public Works                               | 1,060,968           | 1,207,454              | 1,080,760            | 174,571             | 3,523,753                 |
| Economic Development                       | 331,381             | --                     | --                   | 138,576             | 469,957                   |
| Recreation and Culture                     | 354,353             | --                     | --                   | 25,174              | 379,527                   |
| Capital Outlay                             | --                  | --                     | --                   | 256,940             | 256,940                   |
| Debt Service - Principal                   | --                  | --                     | --                   | 360,000             | 360,000                   |
| Debt Service - Interest                    | --                  | --                     | --                   | 113,467             | 113,467                   |
| <b>Total Expenditures</b>                  | <b>7,373,315</b>    | <b>1,207,454</b>       | <b>1,080,760</b>     | <b>1,116,333</b>    | <b>10,777,862</b>         |
| <b>Excess of Revenues Over</b>             |                     |                        |                      |                     |                           |
| <b>(Under) Expenditures</b>                | <b>886,225</b>      | <b>175,513</b>         | <b>(680,111)</b>     | <b>(620,617)</b>    | <b>(238,990)</b>          |
| <b>Other Financing Sources (Uses)</b>      |                     |                        |                      |                     |                           |
| Sale of Property                           | 4,000               | --                     | --                   | 13,915              | 17,915                    |
| Transfers In                               | --                  | --                     | 360,000              | 685,500             | 1,045,500                 |
| Transfers Out                              | (285,000)           | (539,000)              | (236,500)            | --                  | (1,060,500)               |
| <b>Net Other Financing Sources (Uses)</b>  | <b>(281,000)</b>    | <b>(539,000)</b>       | <b>123,500</b>       | <b>699,415</b>      | <b>2,915</b>              |
| <b>Net Change in Fund Balance</b>          | <b>605,225</b>      | <b>(363,487)</b>       | <b>(556,611)</b>     | <b>78,798</b>       | <b>(236,075)</b>          |
| <b>Fund Balance at Beginning of Period</b> | <b>4,726,449</b>    | <b>777,329</b>         | <b>2,053,638</b>     | <b>2,728,694</b>    | <b>10,286,110</b>         |
| <b>Fund Balance at End of Period</b>       | <b>\$ 5,331,674</b> | <b>\$ 413,842</b>      | <b>\$ 1,497,027</b>  | <b>\$ 2,807,492</b> | <b>\$ 10,050,035</b>      |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended June 30, 2022**

|                                                                                                                                                                                                                                                                                                                        |                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Total Net Change in Fund Balances - Governmental Funds                                                                                                                                                                                                                                                                 | \$ (236,075)               |
| Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.                                                                                     | (180,161)                  |
| Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is represented by the amount by which capital outlay of \$2,115,522 exceeds depreciation expense of \$1,050,271. | 1,065,251                  |
| Changes to accrued interest do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.                                                                                                                                                                       | 1,319                      |
| Changes to compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.                                                                                                                                                                   | 9,019                      |
| Current year long-term debt principal payments on are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.                                                                                                                                  | 360,000                    |
| Some receivables are long-term in nature and are collectible over several years. However, the current receipts are reflected as revenues on the fund statements.                                                                                                                                                       | (2,769)                    |
| The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.                                                                                               | (72,978)                   |
| The statement of activities reports changes to net OPEB liability and OPEB related deferrals as OPEB expense; however, the expenditures recorded on the governmental funds equals actual OPEB contributions.                                                                                                           | 146,135                    |
| <b>Changes in Net Position - Governmental Activities</b>                                                                                                                                                                                                                                                               | <b>\$ <u>1,089,741</u></b> |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

|                                             | <b>Business-type Activities - Enterprise Funds</b> |                        |                                |                               | <b>Governmental Activities Internal Service Funds</b> |
|---------------------------------------------|----------------------------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------------------------------------|
|                                             | <b>Building Authority</b>                          | <b>Water and Sewer</b> | <b>Auto Parking (Nonmajor)</b> | <b>Total Enterprise Funds</b> |                                                       |
| <b>ASSETS</b>                               |                                                    |                        |                                |                               |                                                       |
| <i>Current Assets</i>                       |                                                    |                        |                                |                               |                                                       |
| Cash and Pooled Investments                 | \$ 303,408                                         | \$ 1,991,198           | \$ 232,238                     | \$ 2,526,844                  | \$ 229,602                                            |
| Receivables                                 | 221                                                | 691,425                | 174                            | 691,820                       | 8,060                                                 |
| Prepays                                     | --                                                 | 16,070                 | 24                             | 16,094                        | 107,319                                               |
| Inventory                                   | --                                                 | 282,651                | --                             | 282,651                       | 76,927                                                |
| Leases Receivable                           | 137,610                                            | --                     | --                             | 137,610                       | --                                                    |
| <b>Total Current Assets</b>                 | <b>441,239</b>                                     | <b>2,981,344</b>       | <b>232,436</b>                 | <b>3,655,019</b>              | <b>421,908</b>                                        |
| <i>Noncurrent Assets</i>                    |                                                    |                        |                                |                               |                                                       |
| Restricted Cash                             | --                                                 | 674,970                | --                             | 674,970                       | --                                                    |
| Capital Assets not being Depreciated        | 90,445                                             | 8,942,731              | 249,221                        | 9,282,397                     | 25,000                                                |
| Capital Assets being Depreciated, net       | 1,131,060                                          | 18,673,699             | 149,419                        | 19,954,178                    | 1,454,502                                             |
| Noncurrent Leases Receivable                | 2,087,702                                          | --                     | --                             | 2,087,702                     | --                                                    |
| <b>Total Noncurrent Assets</b>              | <b>3,309,207</b>                                   | <b>28,291,400</b>      | <b>398,640</b>                 | <b>31,999,247</b>             | <b>1,479,502</b>                                      |
| <b>Total Assets</b>                         | <b>3,750,446</b>                                   | <b>31,272,744</b>      | <b>631,076</b>                 | <b>35,654,266</b>             | <b>1,901,410</b>                                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                                    |                        |                                |                               |                                                       |
| OPEB Related                                | --                                                 | 18,804                 | --                             | 18,804                        | 18,804                                                |
| Pension Related                             | --                                                 | 398,717                | --                             | 398,717                       | 49,014                                                |
| <b>Total Deferred Outflows of Resources</b> | <b>--</b>                                          | <b>417,521</b>         | <b>--</b>                      | <b>417,521</b>                | <b>67,818</b>                                         |
| <b>LIABILITIES</b>                          |                                                    |                        |                                |                               |                                                       |
| <i>Current Liabilities</i>                  |                                                    |                        |                                |                               |                                                       |
| Accounts Payable                            | 3,820                                              | 874,316                | --                             | 878,136                       | 61,539                                                |
| Accrued Liabilities                         | --                                                 | 95,042                 | --                             | 95,042                        | 23,942                                                |
| Customer Deposits                           | --                                                 | 8,780                  | --                             | 8,780                         | --                                                    |
| Accrued Interest                            | --                                                 | 68,755                 | --                             | 68,755                        | --                                                    |
| Current Portion of Compensated Absences     | --                                                 | 58,836                 | --                             | 58,836                        | 19,628                                                |
| Current Portion of Long-term Debt           | --                                                 | 890,000                | --                             | 890,000                       | --                                                    |
| <b>Total Current Liabilities</b>            | <b>3,820</b>                                       | <b>1,995,729</b>       | <b>--</b>                      | <b>1,999,549</b>              | <b>105,109</b>                                        |
| <i>Noncurrent Liabilities</i>               |                                                    |                        |                                |                               |                                                       |
| Compensated Absences                        | --                                                 | 130,959                | --                             | 130,959                       | 16,720                                                |
| Long-term Debt                              | --                                                 | 11,021,865             | --                             | 11,021,865                    | --                                                    |
| Net OPEB Liability                          | --                                                 | 28,985                 | --                             | 28,985                        | 28,985                                                |
| Net Pension Liability                       | --                                                 | 1,476,335              | --                             | 1,476,335                     | 181,485                                               |
| Advance from Other Funds                    | --                                                 | --                     | --                             | --                            | 405,000                                               |
| <b>Total Noncurrent Liabilities</b>         | <b>--</b>                                          | <b>12,658,144</b>      | <b>--</b>                      | <b>12,658,144</b>             | <b>632,190</b>                                        |
| <b>Total Liabilities</b>                    | <b>3,820</b>                                       | <b>14,653,873</b>      | <b>--</b>                      | <b>14,657,693</b>             | <b>737,299</b>                                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                                    |                        |                                |                               |                                                       |
| Pension Related                             | --                                                 | 403,676                | --                             | 403,676                       | 49,624                                                |
| Deferred Lease Revenues                     | 2,199,595                                          | --                     | --                             | 2,199,595                     | --                                                    |
| <b>Total Deferred Inflows of Resources</b>  | <b>2,199,595</b>                                   | <b>403,676</b>         | <b>--</b>                      | <b>2,603,271</b>              | <b>49,624</b>                                         |
| <b>NET POSITION</b>                         |                                                    |                        |                                |                               |                                                       |
| Net Investment in Capital Assets            | 1,221,505                                          | 15,704,565             | 398,640                        | 17,324,710                    | 1,479,502                                             |
| <i>Restricted for:</i>                      |                                                    |                        |                                |                               |                                                       |
| Debt Service                                | --                                                 | 674,970                | --                             | 674,970                       | --                                                    |
| Internal Service - Retirees' Life Insurance | --                                                 | --                     | --                             | --                            | 168,866                                               |
| <i>Unrestricted</i>                         | 325,526                                            | 253,181                | 232,436                        | 811,143                       | (466,063)                                             |
| <b>Total Net Position</b>                   | <b>\$ 1,547,031</b>                                | <b>\$ 16,632,716</b>   | <b>\$ 631,076</b>              | <b>\$ 18,810,823</b>          | <b>\$ 1,182,305</b>                                   |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|                                              | <b>Business-type Activities - Enterprise Funds</b> |                        |                                |                               | <b>Governmental Activities Internal Service Funds</b> |
|----------------------------------------------|----------------------------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------------------------------------|
|                                              | <b>Building Authority</b>                          | <b>Water and Sewer</b> | <b>Auto Parking (Nonmajor)</b> | <b>Total Enterprise Funds</b> |                                                       |
| <b>Operating Revenues</b>                    |                                                    |                        |                                |                               |                                                       |
| Charges for Services                         | \$ 159,971                                         | \$ 4,658,070           | \$ 2,822                       | \$ 4,820,863                  | \$ 2,207,709                                          |
| <b>Total Operating Revenues</b>              | <u>159,971</u>                                     | <u>4,658,070</u>       | <u>2,822</u>                   | <u>4,820,863</u>              | <u>2,207,709</u>                                      |
| <b>Operating Expenses</b>                    |                                                    |                        |                                |                               |                                                       |
| Salaries and Wages                           | --                                                 | 1,732,256              | 16,440                         | 1,748,696                     | 241,770                                               |
| Materials and Supplies                       | --                                                 | 400,170                | 10,350                         | 410,520                       | 119,764                                               |
| Utilities                                    | 3,464                                              | 473,186                | --                             | 476,650                       | 37,111                                                |
| Repair and Maintenance                       | 37,703                                             | 213,279                | --                             | 250,982                       | 83,744                                                |
| Equipment Rental                             | --                                                 | 277,489                | 28,655                         | 306,144                       | 41,033                                                |
| Contracted Services                          | 34,953                                             | 356,007                | --                             | 390,960                       | 235,655                                               |
| Professional Fees                            | --                                                 | --                     | 500                            | 500                           | --                                                    |
| Insurance                                    | --                                                 | --                     | --                             | --                            | 1,418,006                                             |
| Depreciation                                 | 48,292                                             | 894,294                | 15,384                         | 957,970                       | 210,617                                               |
| <b>Total Operating Expenses</b>              | <u>124,412</u>                                     | <u>4,346,681</u>       | <u>71,329</u>                  | <u>4,542,422</u>              | <u>2,387,700</u>                                      |
| <b>Operating Income (Loss)</b>               | <u>35,559</u>                                      | <u>311,389</u>         | <u>(68,507)</u>                | <u>278,441</u>                | <u>(179,991)</u>                                      |
| <b>Non-Operating Revenues (Expenses)</b>     |                                                    |                        |                                |                               |                                                       |
| Interest Income (Loss)                       | 59,663                                             | 3,933                  | 491                            | 64,087                        | (829)                                                 |
| Gain on Sale of Capital Assets               | --                                                 | --                     | --                             | --                            | 659                                                   |
| Special Assessment Revenue                   | --                                                 | --                     | 55,037                         | 55,037                        | --                                                    |
| Miscellaneous Revenue                        | --                                                 | 23,803                 | --                             | 23,803                        | --                                                    |
| Interest Expense                             | --                                                 | (163,619)              | --                             | (163,619)                     | --                                                    |
| <b>Net Non-Operating Revenues (Expenses)</b> | <u>59,663</u>                                      | <u>(135,883)</u>       | <u>55,528</u>                  | <u>(20,692)</u>               | <u>(170)</u>                                          |
| <b>Income Before Transfers</b>               | <u>95,222</u>                                      | <u>175,506</u>         | <u>(12,979)</u>                | <u>257,749</u>                | <u>(180,161)</u>                                      |
| Transfers In                                 | --                                                 | --                     | 15,000                         | 15,000                        | --                                                    |
| <b>Change In Net Position</b>                | <u>95,222</u>                                      | <u>175,506</u>         | <u>2,021</u>                   | <u>272,749</u>                | <u>(180,161)</u>                                      |
| Net Position at Beginning of Period          | 1,451,809                                          | 16,457,210             | 629,055                        | 18,538,074                    | 1,362,466                                             |
| <b>Net Position at End of Period</b>         | <u>\$ 1,547,031</u>                                | <u>\$ 16,632,716</u>   | <u>\$ 631,076</u>              | <u>\$ 18,810,823</u>          | <u>\$ 1,182,305</u>                                   |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|                                                                                | <b>Business-type Activities - Enterprise Funds</b> |                        |                                |                               | <b>Governmental Activities Internal Service Funds</b> |
|--------------------------------------------------------------------------------|----------------------------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------------------------------------|
|                                                                                | <b>Building Authority</b>                          | <b>Water and Sewer</b> | <b>Auto Parking (Nonmajor)</b> | <b>Total Enterprise Funds</b> |                                                       |
| <b>Cash Flows from Operating Activities</b>                                    |                                                    |                        |                                |                               |                                                       |
| Cash Receipts from Customers and Local Contributions                           | \$ 134,226                                         | \$ 4,594,876           | \$ 2,757                       | \$ 4,731,859                  | \$ -                                                  |
| Cash Receipts from Interfund Services Provided                                 | -                                                  | -                      | -                              | -                             | 2,202,881                                             |
| Cash Payments to Employees for Services and Fringe Benefits                    | -                                                  | (1,781,254)            | (16,440)                       | (1,797,694)                   | (257,632)                                             |
| Cash Payments to Suppliers for Goods and Services                              | (73,089)                                           | (2,286,790)            | (40,980)                       | (2,400,859)                   | (1,873,796)                                           |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     | <b>61,137</b>                                      | <b>526,832</b>         | <b>(54,663)</b>                | <b>533,306</b>                | <b>71,453</b>                                         |
| <b>Cash Flows from Non-capital Financing Activities</b>                        |                                                    |                        |                                |                               |                                                       |
| Transfers In                                                                   | -                                                  | -                      | 15,000                         | 15,000                        | -                                                     |
| Other Non-operating Rental Revenue                                             | -                                                  | 23,803                 | -                              | 23,803                        | -                                                     |
| <b>Net Cash Provided by Non-capital Financing Activities</b>                   | <b>-</b>                                           | <b>23,803</b>          | <b>15,000</b>                  | <b>38,803</b>                 | <b>-</b>                                              |
| <b>Cash Flows from Capital and Related Financing Activities</b>                |                                                    |                        |                                |                               |                                                       |
| Principal Paid on Long-term Debt                                               | -                                                  | (640,000)              | -                              | (640,000)                     | -                                                     |
| Interest and Bond Issuance Costs Paid on Long-term Debt                        | -                                                  | (181,495)              | -                              | (181,495)                     | -                                                     |
| Issuance of Long-term Debt                                                     | -                                                  | 5,723,362              | -                              | 5,723,362                     | -                                                     |
| Special Assessment Revenue                                                     | -                                                  | -                      | 55,037                         | 55,037                        | -                                                     |
| Proceeds on Sale of Capital Assets                                             | -                                                  | -                      | -                              | -                             | 659                                                   |
| Capital Assets Purchased                                                       | (273,300)                                          | (6,173,735)            | -                              | (6,447,035)                   | (158,456)                                             |
| <b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b> | <b>(273,300)</b>                                   | <b>(1,271,868)</b>     | <b>55,037</b>                  | <b>(1,490,131)</b>            | <b>(157,797)</b>                                      |
| <b>Cash Flows From Investing Activities</b>                                    |                                                    |                        |                                |                               |                                                       |
| Interest Income (Loss)                                                         | 59,663                                             | 3,933                  | 491                            | 64,087                        | (829)                                                 |
| <b>Net Cash Provided by Investing Activities</b>                               | <b>59,663</b>                                      | <b>3,933</b>           | <b>491</b>                     | <b>64,087</b>                 | <b>(829)</b>                                          |
| <b>Net Increase (Decrease) in Cash and Pooled Investments</b>                  | <b>(152,500)</b>                                   | <b>(717,300)</b>       | <b>15,865</b>                  | <b>(853,935)</b>              | <b>(87,173)</b>                                       |
| <b>Cash and Pooled Investments and Restricted Cash - Beginning of Year</b>     | <b>455,908</b>                                     | <b>3,383,468</b>       | <b>216,373</b>                 | <b>4,055,749</b>              | <b>316,775</b>                                        |
| <b>Cash and Pooled Investments and Restricted Cash - End of Year</b>           | <b>\$ 303,408</b>                                  | <b>\$ 2,666,168</b>    | <b>\$ 232,238</b>              | <b>\$ 3,201,814</b>           | <b>\$ 229,602</b>                                     |
| <b>Statement of Net Position</b>                                               |                                                    |                        |                                |                               |                                                       |
| Cash and Pooled Investments                                                    | \$ 303,408                                         | \$ 1,991,198           | \$ 232,238                     | \$ 2,526,844                  | \$ 229,602                                            |
| Restricted Cash                                                                | -                                                  | 674,970                | -                              | 674,970                       | -                                                     |
| <b>Total Statement of Net Position</b>                                         | <b>\$ 303,408</b>                                  | <b>\$ 2,666,168</b>    | <b>\$ 232,238</b>              | <b>\$ 3,201,814</b>           | <b>\$ 229,602</b>                                     |
| <b>Reconciliation of Operating Income (Loss) to</b>                            |                                                    |                        |                                |                               |                                                       |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     |                                                    |                        |                                |                               |                                                       |
| Operating Income (Loss)                                                        | \$ 35,559                                          | \$ 311,389             | \$ (68,507)                    | \$ 278,441                    | \$ (179,991)                                          |
| <b>Adjustments to Reconcile Operating Income (Loss) to</b>                     |                                                    |                        |                                |                               |                                                       |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     |                                                    |                        |                                |                               |                                                       |
| Depreciation Expense                                                           | 48,292                                             | 894,294                | 15,384                         | 957,970                       | 210,617                                               |
| <b>Changes in Assets, Liabilities, and Deferred Items</b>                      |                                                    |                        |                                |                               |                                                       |
| Receivables                                                                    | (25,745)                                           | (63,194)               | (65)                           | (89,004)                      | (4,828)                                               |
| Inventory                                                                      | -                                                  | 41,234                 | -                              | 41,234                        | 46,480                                                |
| Prepaid Expenses                                                               | -                                                  | (15,210)               | (24)                           | (15,234)                      | (17,612)                                              |
| Accounts Payable                                                               | 3,031                                              | (638,555)              | (1,451)                        | (636,975)                     | 16,750                                                |
| Accrued Liabilities                                                            | -                                                  | 45,872                 | -                              | 45,872                        | 15,899                                                |
| Compensated Absences                                                           | -                                                  | (15,475)               | -                              | (15,475)                      | (10,886)                                              |
| Net OPEB Liability and Related Deferred Items                                  | -                                                  | (10,629)               | -                              | (10,629)                      | (10,629)                                              |
| Net Pension Liability and Related Deferred Items                               | -                                                  | (22,894)               | -                              | (22,894)                      | 5,653                                                 |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                     | <b>61,137</b>                                      | <b>526,832</b>         | <b>(54,663)</b>                | <b>533,306</b>                | <b>71,453</b>                                         |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

|                                               | <b>Pension and Benefit<br/>Trust</b> | <b>Custodial Fund</b> |
|-----------------------------------------------|--------------------------------------|-----------------------|
| <b>ASSETS</b>                                 |                                      |                       |
| Cash and Cash Equivalents                     | \$ 545                               | \$ --                 |
| Investments                                   |                                      |                       |
| Equity Investments - MERS Investment Services | 12,889,841                           | --                    |
| <b>Total Assets</b>                           | <b>12,890,386</b>                    | <b>--</b>             |
| <b>LIABILITIES</b>                            |                                      |                       |
| Due to General Fund                           | 660,879                              | --                    |
| <b>Total Liabilities</b>                      | <b>660,879</b>                       | <b>--</b>             |
| <b>NET POSITION</b>                           |                                      |                       |
| <b>Total Net Position</b>                     | <b>\$ 12,229,507</b>                 | <b>\$ --</b>          |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

|                                                       | <u>Pension and Benefit<br/>Trust</u> | <u>Custodial Fund</u> |
|-------------------------------------------------------|--------------------------------------|-----------------------|
| <b>Additions</b>                                      |                                      |                       |
| <i>Contributions</i>                                  |                                      |                       |
| Employer                                              | \$ 624,807                           | \$ -                  |
| Employee                                              | 23,740                               | -                     |
| <b><i>Total Contributions</i></b>                     | <u>648,547</u>                       | <u>-</u>              |
| <i>Investment Income</i>                              |                                      |                       |
| Investment Income                                     | (1,158,085)                          | -                     |
| Less: Investment Expense                              | (25,243)                             | -                     |
| <b><i>Total Investment Income</i></b>                 | <u>(1,183,328)</u>                   | <u>-</u>              |
| <i>Property Taxes Collected for Other Governments</i> | -                                    | 9,518,544             |
| <b><i>Total Additions</i></b>                         | <u>(534,781)</u>                     | <u>9,518,544</u>      |
| <b>Deductions</b>                                     |                                      |                       |
| Benefit Payments                                      | 1,075,137                            | -                     |
| Administrative                                        | 17,050                               | -                     |
| Payments of Property Taxes to Other Governments       | -                                    | 9,518,544             |
| <b><i>Total Deductions</i></b>                        | <u>1,092,187</u>                     | <u>9,518,544</u>      |
| <b><i>Change in Net Position</i></b>                  | <u><b>(1,626,968)</b></u>            | <u>-</u>              |
| <i>Net Position at Beginning of Period</i>            | 13,856,475                           | -                     |
| <b><i>Net Position at End of Period</i></b>           | <u><b>\$ 12,229,507</b></u>          | <u><b>\$ -</b></u>    |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2022**

|                                         | <b>Brownfield<br/>Redevelopment<br/>Authority</b> | <b>Downtown<br/>Development<br/>Authority</b> | <b>Local Development<br/>Finance Authority</b> | <b>Economic<br/>Development<br/>Corporation</b> | <b>Total<br/>Component<br/>Units</b> |
|-----------------------------------------|---------------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------------------------------------------|--------------------------------------|
| <b>ASSETS</b>                           |                                                   |                                               |                                                |                                                 |                                      |
| <i>Current Assets</i>                   |                                                   |                                               |                                                |                                                 |                                      |
| Cash and Pooled Investments             | \$ 176,391                                        | \$ 27,320                                     | \$ 1,709,730                                   | \$ 1,167                                        | \$ 1,914,608                         |
| Receivables                             | 46,150                                            | --                                            | 21,575                                         | --                                              | 67,725                               |
| Prepays                                 | --                                                | 62                                            | --                                             | --                                              | 62                                   |
| <b>Total Current Assets</b>             | <b>222,541</b>                                    | <b>27,382</b>                                 | <b>1,731,305</b>                               | <b>1,167</b>                                    | <b>1,982,395</b>                     |
| <i>Noncurrent Assets</i>                |                                                   |                                               |                                                |                                                 |                                      |
| Capital Assets not being Depreciated    | --                                                | 200,278                                       | --                                             | --                                              | 200,278                              |
| Capital Assets being Depreciated, net   | --                                                | 1,557,812                                     | 103,960                                        | --                                              | 1,661,772                            |
| <b>Total Assets</b>                     | <b>222,541</b>                                    | <b>1,785,472</b>                              | <b>1,835,265</b>                               | <b>1,167</b>                                    | <b>3,844,445</b>                     |
| <b>LIABILITIES</b>                      |                                                   |                                               |                                                |                                                 |                                      |
| <i>Current Liabilities</i>              |                                                   |                                               |                                                |                                                 |                                      |
| Accounts Payable                        | 49,634                                            | 2,375                                         | 740                                            | --                                              | 52,749                               |
| Accrued Liabilities                     | --                                                | 990                                           | 1,840                                          | --                                              | 2,830                                |
| Accrued Interest                        | --                                                | 2,129                                         | --                                             | --                                              | 2,129                                |
| Current Portion of Compensated Absences | --                                                | 897                                           | --                                             | --                                              | 897                                  |
| Current Portion of Long-term Debt       | --                                                | 66,667                                        | --                                             | --                                              | 66,667                               |
| <b>Total Current Liabilities</b>        | <b>49,634</b>                                     | <b>73,058</b>                                 | <b>2,580</b>                                   | <b>--</b>                                       | <b>125,272</b>                       |
| <i>Noncurrent Liabilities</i>           |                                                   |                                               |                                                |                                                 |                                      |
| Compensated Absences                    | --                                                | 764                                           | --                                             | --                                              | 764                                  |
| Long-term Debt                          | --                                                | 623,433                                       | --                                             | --                                              | 623,433                              |
| <b>Total Liabilities</b>                | <b>49,634</b>                                     | <b>697,255</b>                                | <b>2,580</b>                                   | <b>--</b>                                       | <b>749,469</b>                       |
| <b>NET POSITION</b>                     |                                                   |                                               |                                                |                                                 |                                      |
| Net Investment in Capital Assets        | --                                                | 1,067,990                                     | 103,960                                        | --                                              | 1,171,950                            |
| <i>Restricted for:</i>                  |                                                   |                                               |                                                |                                                 |                                      |
| Groundwater Clean Up                    | --                                                | --                                            | 38,004                                         | --                                              | 38,004                               |
| Capital Projects                        | --                                                | --                                            | 1,292,857                                      | --                                              | 1,292,857                            |
| Economic Development                    | 172,907                                           | 20,227                                        | 397,864                                        | 1,167                                           | 592,165                              |
| <i>Unrestricted</i>                     | --                                                | --                                            | --                                             | --                                              | --                                   |
| <b>Total Net Position</b>               | <b>\$ 172,907</b>                                 | <b>\$ 1,088,217</b>                           | <b>\$ 1,832,685</b>                            | <b>\$ 1,167</b>                                 | <b>\$ 3,094,976</b>                  |

The Notes to the Financial Statements are an integral part of these financial statements.

**City of Cadillac**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended June 30, 2022**

|                                            | <b>Brownfield<br/>Redevelopment<br/>Authority</b> | <b>Downtown<br/>Development<br/>Authority</b> | <b>Local Development<br/>Finance Authority</b> | <b>Economic<br/>Development<br/>Corporation</b> | <b>Total<br/>Component<br/>Units</b> |
|--------------------------------------------|---------------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------------------------------------------|--------------------------------------|
| <b>Expenses</b>                            |                                                   |                                               |                                                |                                                 |                                      |
| Economic Development                       | \$ 90,154                                         | \$ 38,416                                     | \$ 264,295                                     | \$ --                                           | \$ 392,865                           |
| Depreciation                               | --                                                | 82,777                                        | --                                             | --                                              | 82,777                               |
| Interest on Long-term Debt                 | --                                                | 15,640                                        | --                                             | --                                              | 15,640                               |
| <b>Total Expenses</b>                      | <b>90,154</b>                                     | <b>136,833</b>                                | <b>264,295</b>                                 | <b>--</b>                                       | <b>491,282</b>                       |
| <b>Program Revenues</b>                    |                                                   |                                               |                                                |                                                 |                                      |
| Charges for Services                       | --                                                | 7,220                                         | 15,999                                         | --                                              | 23,219                               |
| Operating Grants and Contributions         | 54,047                                            | 23,107                                        | --                                             | --                                              | 77,154                               |
| Capital Grants and Contributions           | --                                                | --                                            | --                                             | --                                              | --                                   |
| <b>Total Program Revenues</b>              | <b>54,047</b>                                     | <b>30,327</b>                                 | <b>15,999</b>                                  | <b>--</b>                                       | <b>100,373</b>                       |
| <b>Net Program Revenues (Expenses)</b>     | <b>(36,107)</b>                                   | <b>(106,506)</b>                              | <b>(248,296)</b>                               | <b>--</b>                                       | <b>(390,909)</b>                     |
| <b>General Revenue</b>                     |                                                   |                                               |                                                |                                                 |                                      |
| Property Taxes                             | 62,767                                            | 97,349                                        | 142,083                                        | --                                              | 302,199                              |
| Interest Income                            | --                                                | 150                                           | 15,836                                         | --                                              | 15,986                               |
| <b>Total General Revenues</b>              | <b>62,767</b>                                     | <b>97,499</b>                                 | <b>157,919</b>                                 | <b>--</b>                                       | <b>318,185</b>                       |
| <b>Change in Net Position</b>              | <b>26,660</b>                                     | <b>(9,007)</b>                                | <b>(90,377)</b>                                | <b>--</b>                                       | <b>(72,725)</b>                      |
| <i>Net Position at Beginning of Period</i> | 146,247                                           | 1,097,224                                     | 1,923,062                                      | 1,167                                           | 3,167,701                            |
| <b>Net Position at End of Period</b>       | <b>\$ 172,907</b>                                 | <b>\$ 1,088,217</b>                           | <b>\$ 1,832,685</b>                            | <b>\$ 1,167</b>                                 | <b>\$ 3,094,976</b>                  |

The Notes to the Financial Statements are an integral part of these financial statements.

## **Notes to the Financial Statements**

## City of Cadillac

### Notes to the Financial Statements

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#### **Note 1 - Summary of Significant Accounting Policies**

The financial statements of the City of Cadillac (the “City” or “government”) have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the City’s accounting policies are described below.

#### ***Reporting Entity***

The City 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 accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the 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”). The PFRS fund is a fiduciary fund-type component unit. 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. A separate report is not prepared for the PFRS.

**Cadillac Building Authority** – The Cadillac Building Authority (the “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 and to third parties. Due to this special financing relationship, the Authority is considered a component of the City’s reporting entity. A separate report is not prepared for the Authority.

#### ***Discretely Presented Component Units***

**Downtown Development Authority** – The Downtown Development Authority (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.

## City of Cadillac

### Notes to the Financial Statements

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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. Because the DDA board members are appointed by the City Council, the City exercises effective control over the activity of the DDA.

**Economic Development Corporation of the City of Cadillac** – The Economic Development Corporation (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 EDC are appointed by the Mayor with the advice and consent of the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. Because the EDC board members are appointed by the Mayor, and the City Council approves the EDC’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the EDC.

**Local Development Finance Authority** – The Local Development Finance Authority (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 and water and sewer lines within the VanderJagt Industrial Park. Money to finance these projects will come from tax increments attributed to the increase in the value of real and personal property resulting from new construction and property value increase within the industrial park. Because the LDFA board members are appointed by the City Council, and the City Council approves the LDFA’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the LDFA.

**Brownfield Redevelopment Authority** – The Brownfield Redevelopment Authority (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 budget and bonded debt must be approved by the City Council. Because the BRA board members are appointed by the City Council, and the City Council approves the BRA’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the BRA.

Financial statements of the individual component units are included as supplemental information in the comprehensive annual financial report of the City of Cadillac, Michigan

## City of Cadillac

### Notes to the Financial Statements

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located at 200 N. Lake Street, Cadillac, Michigan 49601. The discretely presented component units listed above do not issue separate financial reports.

The following entity is not included in the City's financial statements but do represent an ongoing financial interest or responsibility:

#### ***Joint Venture***

**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, 2021, audited financial statements:

#### **Wexford County Airport Authority - Basic Financial Statements**

|                                                            |              |
|------------------------------------------------------------|--------------|
| Total Assets                                               | \$ 3,633,950 |
| Total Liabilities                                          | 10,811       |
| Net Investment in Capital Assets                           | 3,302,475    |
| Net Position - Unrestricted                                | 320,664      |
| Total Revenues - Governmental and Business-type Activities | 486,194      |
| Total Expenses - Governmental and Business-type Activities | 727,431      |
| Change in Net Position                                     | (241,237)    |

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

#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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 accountable.

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. Indirect expenses are charged based upon a City-wide cost

## City of Cadillac

### Notes to the Financial Statements

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allocation plan which allocates costs based on the number of full-time equivalents, number of transactions, and other pertinent information. *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 the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### ***Measurement Focus, Basis of Accounting, and Financial Statement 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 the 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 or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

Property taxes, sales taxes, licenses, and interest 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 assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The ***general fund*** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

The ***major streets fund*** - is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on major streets. Gas

## City of Cadillac

### Notes to the Financial Statements

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and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

The **local streets fund** - is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on local streets. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

The City reports the following major proprietary funds:

The **building authority fund** accounts for operations and leasing of the City's buildings.

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 City reports the following nonmajor proprietary fund:

The **automobile parking system fund** accounts for operations of the on-street and off-street parking facilities within the City.

Additionally, the City reports the following fund types:

The **special revenue funds** are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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 accumulation and disbursement of resources for the construction of governmental fund capital projects.

The **permanent funds** account for resources that are legally restricted to the extent that only earnings, and not principal may be used for purposes that support the City programs.

The **enterprise funds** are used to account for operations of the City that are financed by charges for the services provided.

The **internal service funds** are used to account for shared services, equipment usage, and insurance coverage provided to the City departments and funds on a cost reimbursement basis.

The **pension trust fund** is used to account for the operations of the City Act 345 Pension Plan which provides pension benefits to public safety department employees.

## City of Cadillac

### Notes to the Financial Statements

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The *custodial fund* is used to account for the collection and disbursement of property taxes, that are collected on behalf of outside governments or other parties.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions where the amounts are reasonably equivalent in value to the interfund services provided 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 concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise funds are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies, and contracted services. All revenues and expenses are not meeting this definition are reported as non-operating revenues and expenses.

#### ***Cash and Pooled Investments***

For the purpose of the statement of cash flows, the City considers cash and pooled investments to be cash and cash equivalents because the pooling of these balances allows for withdrawal at any time similar to a demand deposit account.

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, banker's 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 fund's 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.

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.

Endowed funds are reported within the City's permanent funds. The original principal endowment amounts are recorded as nonspendable fund balance and investment earnings are reported as restricted fund balance within the fund financial statements. Both the nonspendable and restricted fund balance are reported as restricted net position on the government-wide financial statements.

## City of Cadillac

### Notes to the Financial Statements

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The investment earnings from the endowments can be used for cemetery operations or capital projects, as deemed appropriate by the City Council and by state law.

#### ***Receivables/Due from Other Governments***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end are considered by management to be immaterial. Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program and capital grants are recorded as receivables and revenue at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are reported as unearned revenue (a liability).

#### ***Special Assessments Receivable***

Special assessments receivable consists of long-term receivables from customers and benefited parties for various infrastructure improvement projects.

#### ***Loans Receivable***

Loans receivable, as reported in the special revenue funds, 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.

#### ***Prepaid and Other Assets***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### ***Inventory***

All inventories are valued at original cost using the first-in/first-out (FIFO) method. Inventory represents parts, materials, and supplies utilized in the various City operations. Inventories are recorded as expenditures when consumed rather than when purchased.

#### ***Leases Receivable***

The City may lease certain assets to various third parties. The City's sole asset being leased is a building that is being occupied as office space for the State of Michigan's Department of Energy Great Lakes and Energy ("EGLE"). Payments are fixed monthly payments.

## City of Cadillac

### Notes to the Financial Statements

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#### ***Restricted Cash***

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 (\$379,918) 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 (\$289,643) is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

#### ***Capital Assets***

Capital assets, which include land, construction in progress, buildings, vehicles and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental and 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 \$7,500 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

| <b>Description</b>           | <b>Useful Life</b> |
|------------------------------|--------------------|
| Buildings                    | 50                 |
| Building Improvements        | 20                 |
| Public Domain Infrastructure | 50                 |
| System Infrastructure        | 30                 |
| Vehicles                     | 5                  |
| Equipment                    | 5-10               |

#### ***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 as a liability when incurred in the government-wide financial statements and the proprietary funds. Vacation pay that is expected to be liquidated with expendable available

## City of Cadillac

### Notes to the Financial Statements

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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 resignation and retirements.

#### ***Long-term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bond issuance costs are expensed during the current period in both the government-wide and proprietary fund financial statements.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

#### ***Deferred Outflows / Inflows of Resources***

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net assets or fund balance, respectively, that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net assets or fund balance, respectively, that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position. These items relate to the City's net pension liability, net OPEB liability, and deferred lease revenues. The net pension liability and net OPEB liability amounts are related to differences between expected and actual experience, changes of assumptions, differences between projected and actual pension plan/OPEB investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply. The deferred lease revenues are related to the leases receivable for which revenue will be recognized in future years.

Additionally, the City has an additional deferred inflow, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, this item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental

## City of Cadillac

### Notes to the Financial Statements

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funds report unavailable revenues from two sources: receivables for revenues that are not considered to be available to liquidate liabilities of the current period and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### ***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

#### ***Fund Balance Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, interfund advances, and the nonspendable portion of endowments. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once

## City of Cadillac

### Notes to the Financial Statements

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adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

*Unassigned fund balance* is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the City Council.

#### ***Property Taxes***

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 inflows.

The 2021 taxable valuation of the City of Cadillac totaled \$253,133,622, on which ad valorem taxes levied consisted of 13.6630 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 (net of adjustments and recaptures) approximately \$3,458,565 for operating purposes and \$658,147 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective general fund or special revenue 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.

The Downtown Development Authority also levies 1.9173 mills on \$14,404,136 of taxable value, which raised approximately \$27,617 for its operations.

#### ***Interfund Transactions***

During the course of normal operations, the City has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Changes between enterprise funds and other functions of the City are not reimbursements because

## City of Cadillac

### Notes to the Financial Statements

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elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

#### ***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.

#### **Note 2 - Stewardship, Compliance, and Accountability**

##### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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 for the governmental fund types as a management control device.
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.

## City of Cadillac

### Notes to the Financial Statements

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.

#### ***Excess of Expenditures Over Budget Appropriations in Budgetary Funds***

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

The City's actual expenditures and budgeted expenditures for the budgeted funds have been shown at the department level. The approved budgets of the City for these budgeted funds were adopted at the major function level.

The City had the following expenditures in excess of the amounts appropriated during the year ended June 30, 2022:

|                                                    | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> | <u>Negative<br/>Variance</u> |
|----------------------------------------------------|-------------------------|--------------------------|------------------------------|
| <b>General Fund</b>                                |                         |                          |                              |
| <i>Public Works</i>                                |                         |                          |                              |
| Grass and Weed Control                             | \$ 29,900               | \$ 38,774                | \$ (8,874)                   |
| Waste Removal                                      | 601,000                 | 605,065                  | (4,065)                      |
| <b>Major Streets</b> - Transfers Out               | 536,500                 | 539,000                  | (2,500)                      |
| <b>Cadillac Development</b> - Economic Development | 71,000                  | 73,612                   | (2,612)                      |

The budget exceptions listed above are within the tolerable variance deemed acceptable by the Michigan Department of Treasury.

#### ***Deficit Net Position***

The City's Central Stores and Municipal Garage Fund, an internal service fund, had an unrestricted net position deficit of \$(533,900) and a total net position of \$784,694. The City's Insurance Fund, an internal service fund, had an unrestricted net position deficit of \$(95,408) and a total net position of \$73,458. Internal service funds as a whole had an unrestricted net position deficit of \$(466,063) and a total net position of \$1,182,305. As current assets are in excess of current liabilities for each of these funds, no deficit elimination plan is necessary.

# City of Cadillac

## Notes to the Financial Statements

### Note 3 - Cash and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2022:

|                                                                       | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> | <u>Total</u>         |
|-----------------------------------------------------------------------|-------------------------------|----------------------------|----------------------|
| <b>Statement of Net Position</b>                                      |                               |                            |                      |
| Cash and Pooled Investments                                           | \$ 13,120,091                 | \$ 1,914,608               | \$ 15,034,699        |
| Restricted Cash                                                       | 674,970                       | -                          | 674,970              |
| <b>Statement of Fiduciary Net Position</b>                            |                               |                            |                      |
| Cash and Cash Equivalents                                             | 545                           | -                          | 545                  |
| Pooled Investments                                                    | 12,889,841                    | -                          | 12,889,841           |
| <b>Total Cash and Pooled Investments</b>                              | <u>26,685,447</u>             | <u>\$ 1,914,608</u>        | <u>\$ 28,600,055</u> |
| <b>Deposits and Investments</b>                                       |                               |                            |                      |
| Bank Deposits (Checking, Savings, Money Market, and Cash Equivalents) |                               |                            | \$ 3,835,157         |
| Investments Held in Trust                                             |                               |                            | 12,889,841           |
| Other Pooled Investments                                              |                               |                            | 11,874,757           |
| Cash on hand                                                          |                               |                            | 300                  |
| <b>Total Deposits and Investments</b>                                 |                               |                            | <u>\$ 28,600,055</u> |

The deposits are in financial institutions in varying amounts. All accounts are in the name of the City and a specific fund or common account. They are recorded in City records at fair value. Interest is recorded when earned.

The City chooses to disclose its investments by specifically identifying each. As of year-end, the City had the following investments:

| <u>Investment</u>               | <u>Maturity</u>  | <u>Fair Value</u>    | <u>Rating</u> | <u>Source</u> |
|---------------------------------|------------------|----------------------|---------------|---------------|
| U.S. Agency Bonds               | Less than 1 year | \$ 301,671           | Aaa           | Moody         |
| U.S. Agency Bonds               | 1 - 5 years      | 4,412,432            | Aaa           | Moody         |
| U.S. Treasury Securities        | Less than 1 year | 1,495,548            | Aaa           | Moody         |
| U.S. Treasury Securities        | 1 - 5 years      | 516,496              | Aaa           | Moody         |
| MI Class                        | N/A              | 665,922              | AAAm          | S&P           |
| Money Market                    | N/A              | 81,011               | N/A           | N/A           |
| Cash Equivalent                 | N/A              | 27,611               | N/A           | N/A           |
| Equity Investments              | N/A              | 12,889,841           | N/A           | N/A           |
| Certificate of Deposit          | Less than 1 year | 1,677,614            | N/A           | N/A           |
| Certificate of Deposit          | 1 - 5 years      | 2,204,452            | N/A           | N/A           |
| Certificate of Deposit          | 6 - 10 years     | 492,000              | N/A           | N/A           |
| <b>Total Pooled Investments</b> |                  | <u>\$ 24,764,598</u> |               |               |

## City of Cadillac

### Notes to the Financial Statements

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***Custodial Credit Risk - Deposits.*** Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned. State law does not require, and the City does not have a policy for deposit custodial credit risk. As of year-end, \$6,974,232 of the City's bank balance of \$8,504,643 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the City believes it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Credit Risk.*** State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment credit risk. The rating information on the City's investments is presented in the table above.

***Interest Rate Risk.*** Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. In total, the City held \$3,474,833 of investments that mature within one year, \$7,133,380 of investments that mature between 1 and 5 years, \$492,000 of investments that mature between 6 and 10 years, and \$13,664,385 of investments that have no maturity date.

***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.

***Fair Value Measurement*** - The City is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

# City of Cadillac

## Notes to the Financial Statements

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

As of June 30, 2022, the City had the following fair value measurements:

- U.S. Agency Bonds held by the City totaled \$4,714,103. These are valued using Level 1 inputs.
- U.S. Treasury Securities held by the City totaled \$2,012,044. These are valued using Level 1 inputs.
- MI Class investments held by the City totaled \$665,922. These are valued using Level 2 inputs.
- Investments held in the MERS Investment Services Program, which are primarily mutual funds used to fund Police and Fire Retiree defined benefit pensions, with a balance of \$12,889,841 at June 30, 2022, are valued using Level 1 inputs.

Money market accounts, cash equivalents, and certificates of deposit totaling \$4,482,688 were not included in the fair value measurement disclosure because they are held directly in the City's name.

### Note 4 - Receivables

Details regarding receivables were as follows at June 30, 2022:

|                          | General          | Major Streets     | Local Streets    | Other Governmental Funds | Internal Service Funds | Water and Sewer   | Building Authority | Auto Parking  | Total Primary Government | Component Units  |
|--------------------------|------------------|-------------------|------------------|--------------------------|------------------------|-------------------|--------------------|---------------|--------------------------|------------------|
| <b>Receivables</b>       |                  |                   |                  |                          |                        |                   |                    |               |                          |                  |
| Accounts                 | \$ 62,711        | \$ -              | \$ -             | \$ 1,577                 | \$ 7,921               | \$ 49,241         | \$ -               | \$ -          | \$ 121,450               | \$ -             |
| Special Assessment       | -                | -                 | -                | 10,288                   | -                      | -                 | -                  | -             | 10,288                   | -                |
| Due from State           | -                | 194,926           | 61,111           | 137,797                  | -                      | -                 | -                  | -             | 393,834                  | -                |
| Interest                 | 31,295           | -                 | -                | 12,338                   | 139                    | 5,726             | 221                | 174           | 49,893                   | 21,575           |
| Loans                    | -                | -                 | -                | 12,250                   | -                      | -                 | -                  | -             | 12,250                   | -                |
| Grants                   | -                | -                 | -                | 148,327                  | -                      | 438               | -                  | -             | 148,765                  | 46,150           |
| Utilities                | -                | -                 | -                | -                        | -                      | 636,020           | -                  | -             | 636,020                  | -                |
| <b>Total Receivables</b> | <b>\$ 94,006</b> | <b>\$ 194,926</b> | <b>\$ 61,111</b> | <b>\$ 322,577</b>        | <b>\$ 8,060</b>        | <b>\$ 691,425</b> | <b>\$ 221</b>      | <b>\$ 174</b> | <b>\$ 1,372,500</b>      | <b>\$ 67,725</b> |

## City of Cadillac

### Notes to the Financial Statements

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#### Note 5 - Interfund Advances

Advances represent long-term loans between funds. Advances receivable and payable at June 30, 2022 were \$405,000: the Cadillac development fund has an advance due of \$405,000 from the central stores and municipal garage fund.

#### Note 6 - Interfund Receivables, Payables, and Transfers

Transfers in and out for the year ended June 30, 2022 are as follows:

| <b>Transfer In</b> | <b>Transfer Out</b> | <b>Amount</b> |
|--------------------|---------------------|---------------|
| Cemetery Operating | General Fund        | \$ 70,000     |
| Local Streets      | General Fund        | 60,000        |
| Trailhead          | General Fund        | 110,000       |
| Auto Parking       | General Fund        | 15,000        |
| Milfoil            | General Fund        | 30,000        |
| Local Streets      | Major Streets       | 300,000       |
| 2016 GO Bonds      | Major Streets       | 82,500        |
| 2020 CI Bonds      | Major Streets       | 156,500       |
| 2020 CI Bonds      | Local Streets       | 156,500       |
| 2016 GO Bonds      | Local Streets       | 80,000        |

Interfund 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 to finance various programs accounted for in other funds in accordance with budgetary authorizations.

As of June 30, 2022, the interfund balances were as follows:

| <b>Receivable Fund</b> | <b>Payable Fund</b>   | <b>Amount</b> |
|------------------------|-----------------------|---------------|
| General                | Local Streets         | \$ 86,000     |
| General                | Nonmajor Governmental | 85,816        |

Interfund balances resulted primarily 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.

# City of Cadillac

## Notes to the Financial Statements

### Note 7 - Capital Assets

Capital asset activity for governmental activities for the year was as follows:

| <b>Governmental Activities</b>                     | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Reductions</b>   | <b>Ending<br/>Balance</b> |
|----------------------------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| <b>Capital Assets not being Depreciated</b>        |                              |                     |                     |                           |
| Land                                               | \$ 2,224,302                 | \$ -                | \$ -                | \$ 2,224,302              |
| Construction in Process                            | 770,927                      | 448,541             | (731,110)           | 488,358                   |
| <i>Subtotal</i>                                    | <u>2,995,229</u>             | <u>448,541</u>      | <u>(731,110)</u>    | <u>2,712,660</u>          |
| <b>Capital Assets being Depreciated</b>            |                              |                     |                     |                           |
| Buildings                                          | 6,088,126                    | -                   | -                   | 6,088,126                 |
| Land Improvements                                  | 1,131,673                    | -                   | -                   | 1,131,673                 |
| Machinery and Equipment                            | 3,656,394                    | 205,670             | -                   | 3,862,064                 |
| Infrastructure                                     | 23,877,780                   | 2,192,420           | -                   | 26,070,200                |
| <i>Subtotal</i>                                    | <u>34,753,973</u>            | <u>2,398,090</u>    | <u>-</u>            | <u>37,152,063</u>         |
| <b>Less Accumulated Depreciation</b>               |                              |                     |                     |                           |
| Buildings                                          | (3,789,534)                  | (102,489)           | -                   | (3,892,023)               |
| Land Improvements                                  | (799,910)                    | (31,426)            | -                   | (831,336)                 |
| Machinery and Equipment                            | (2,802,438)                  | (161,002)           | -                   | (2,963,440)               |
| Infrastructure                                     | (17,351,375)                 | (755,354)           | -                   | (18,106,729)              |
| <i>Subtotal</i>                                    | <u>(24,743,257)</u>          | <u>(1,050,271)</u>  | <u>-</u>            | <u>(25,793,528)</u>       |
| <b>Capital Assets being Depreciated, net</b>       | <u>10,010,716</u>            | <u>1,347,819</u>    | <u>-</u>            | <u>11,358,535</u>         |
| <b>Capital Assets, Internal Service Funds, net</b> | <u>1,531,663</u>             | <u>(52,161)</u>     | <u>-</u>            | <u>1,479,502</u>          |
| <b>Capital Assets, net</b>                         | <u>\$ 14,537,608</u>         | <u>\$ 1,744,199</u> | <u>\$ (731,110)</u> | <u>\$ 15,550,697</u>      |

Capital asset activity for the internal service funds for the year was as follows:

| <b>Internal Service Funds</b>                | <b>Beginning<br/>Balance</b> | <b>Additions</b>   | <b>Reductions</b> | <b>Ending<br/>Balance</b> |
|----------------------------------------------|------------------------------|--------------------|-------------------|---------------------------|
| <b>Capital Assets not being Depreciated</b>  |                              |                    |                   |                           |
| Land                                         | \$ 25,000                    | \$ -               | \$ -              | \$ 25,000                 |
| <b>Capital Assets being Depreciated</b>      |                              |                    |                   |                           |
| Buildings                                    | 493,225                      | -                  | -                 | 493,225                   |
| Land Improvements                            | 68,971                       | -                  | -                 | 68,971                    |
| Machinery and Equipment                      | 2,804,182                    | 158,456            | (52,844)          | 2,909,794                 |
| <i>Subtotal</i>                              | <u>3,366,378</u>             | <u>158,456</u>     | <u>(52,844)</u>   | <u>3,471,990</u>          |
| <b>Less Accumulated Depreciation</b>         |                              |                    |                   |                           |
| Buildings                                    | (296,784)                    | (11,951)           | -                 | (308,735)                 |
| Land Improvements                            | (68,444)                     | (263)              | -                 | (68,707)                  |
| Machinery and Equipment                      | (1,494,487)                  | (198,403)          | 52,844            | (1,640,046)               |
| <i>Subtotal</i>                              | <u>(1,859,715)</u>           | <u>(210,617)</u>   | <u>52,844</u>     | <u>(2,017,488)</u>        |
| <b>Capital Assets being Depreciated, net</b> | <u>1,506,663</u>             | <u>(52,161)</u>    | <u>-</u>          | <u>1,454,502</u>          |
| <b>Capital Assets, net</b>                   | <u>\$ 1,531,663</u>          | <u>\$ (52,161)</u> | <u>\$ -</u>       | <u>\$ 1,479,502</u>       |

# City of Cadillac

## Notes to the Financial Statements

Capital asset activity for business-type activities for the year was as follows:

| <b>Business-type Activities</b>              | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Reductions</b> | <b>Ending<br/>Balance</b> |
|----------------------------------------------|------------------------------|---------------------|-------------------|---------------------------|
| <b>Capital Assets not being Depreciated</b>  |                              |                     |                   |                           |
| Land                                         | \$ 339,666                   | \$ -                | \$ -              | \$ 339,666                |
| Construction in Process                      | 3,181,148                    | 5,761,583           | -                 | 8,942,731                 |
| <i>Subtotal</i>                              | <u>3,520,814</u>             | <u>5,761,583</u>    | <u>-</u>          | <u>9,282,397</u>          |
| <b>Capital Assets being Depreciated</b>      |                              |                     |                   |                           |
| Buildings                                    | 2,437,016                    | -                   | -                 | 2,437,016                 |
| Land Improvements                            | 1,227,174                    | -                   | -                 | 1,227,174                 |
| Machinery and Equipment                      | 1,266,322                    | -                   | -                 | 1,266,322                 |
| Vehicles                                     | 402,644                      | -                   | -                 | 402,644                   |
| Water                                        | 14,908,010                   | 510,259             | -                 | 15,418,269                |
| Sewer                                        | 25,935,163                   | 175,193             | -                 | 26,110,356                |
| <i>Subtotal</i>                              | <u>46,176,329</u>            | <u>685,452</u>      | <u>-</u>          | <u>46,861,781</u>         |
| <b>Less Accumulated Depreciation</b>         |                              |                     |                   |                           |
| Buildings                                    | (1,426,435)                  | (56,352)            | -                 | (1,482,787)               |
| Land Improvements                            | (469,736)                    | (24,642)            | -                 | (494,378)                 |
| Machinery and Equipment                      | (874,096)                    | (67,129)            | -                 | (941,225)                 |
| Vehicles                                     | (357,488)                    | (37,551)            | -                 | (395,039)                 |
| Water                                        | (7,086,532)                  | (272,285)           | -                 | (7,358,817)               |
| Sewer                                        | (15,735,346)                 | (500,011)           | -                 | (16,235,357)              |
| <i>Subtotal</i>                              | <u>(25,949,633)</u>          | <u>(957,970)</u>    | <u>-</u>          | <u>(26,907,603)</u>       |
| <b>Capital Assets being Depreciated, net</b> | <u>20,226,696</u>            | <u>(272,518)</u>    | <u>-</u>          | <u>19,954,178</u>         |
| <b>Capital Assets, net</b>                   | <u>\$ 23,747,510</u>         | <u>\$ 5,489,065</u> | <u>\$ -</u>       | <u>\$ 29,236,575</u>      |

Capital asset activity for the component units for the year was as follows:

| <b>Discretely Presented Component Units</b>  | <b>Beginning<br/>Balance</b> | <b>Additions</b>   | <b>Reductions</b> | <b>Ending<br/>Balance</b> |
|----------------------------------------------|------------------------------|--------------------|-------------------|---------------------------|
| <b>Capital Assets not being Depreciated</b>  |                              |                    |                   |                           |
| Land                                         | \$ 200,278                   | \$ -               | \$ -              | \$ 200,278                |
| <b>Capital Assets being Depreciated</b>      |                              |                    |                   |                           |
| Land Improvements                            | 8,965                        | -                  | -                 | 8,965                     |
| Infrastructure                               | 2,270,904                    | -                  | -                 | 2,270,904                 |
| Other Equipment                              | 244,169                      | -                  | -                 | 244,169                   |
| <i>Subtotal</i>                              | <u>2,524,038</u>             | <u>-</u>           | <u>-</u>          | <u>2,524,038</u>          |
| <b>Less Accumulated Depreciation</b>         |                              |                    |                   |                           |
| Land Improvements                            | (8,965)                      | -                  | -                 | (8,965)                   |
| Infrastructure                               | (656,112)                    | (62,895)           | -                 | (719,007)                 |
| Other Equipment                              | (109,877)                    | (24,417)           | -                 | (134,294)                 |
| <i>Subtotal</i>                              | <u>(774,954)</u>             | <u>(87,312)</u>    | <u>-</u>          | <u>(862,266)</u>          |
| <b>Capital Assets being Depreciated, net</b> | <u>1,749,084</u>             | <u>(87,312)</u>    | <u>-</u>          | <u>1,661,772</u>          |
| <b>Capital Assets, net</b>                   | <u>\$ 1,949,362</u>          | <u>\$ (87,312)</u> | <u>\$ -</u>       | <u>\$ 1,862,050</u>       |

## City of Cadillac

### Notes to the Financial Statements

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Depreciation expense was charged to functions/programs as follows:

#### **Governmental Activities**

|                        |                            |
|------------------------|----------------------------|
| General Government     | \$ 67,145                  |
| Public Safety          | 145,015                    |
| Public Works           | 692,485                    |
| Recreation and Culture | 137,526                    |
| Economic Development   | 8,100                      |
| Internal Service Funds | 210,617                    |
| <b><i>Total</i></b>    | <b><u>\$ 1,260,888</u></b> |

#### **Business-type Activities**

|                     |                          |
|---------------------|--------------------------|
| Water and Sewer     | \$ 894,294               |
| Auto Parking        | 15,384                   |
| Building Authority  | 48,292                   |
| <b><i>Total</i></b> | <b><u>\$ 957,970</u></b> |

#### **Component Units**

|                                     |                         |
|-------------------------------------|-------------------------|
| Downtown Development Authority      | \$ 82,778               |
| Local Development Finance Authority | 4,534                   |
| <b><i>Total</i></b>                 | <b><u>\$ 87,312</u></b> |

# City of Cadillac

## Notes to the Financial Statements

### Note 8 - Long-term Obligations

The following is a summary of the long-term obligations' transactions of the City for the year ended June 30, 2022:

| <b>Governmental Activities</b>                                                                                                                                                 | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| \$2,050,000 2016 General Obligation Limited Tax Bonds due in annual installments of \$120,000 to \$235,000 through May 1, 2031; interest at 2.19%                              | \$ 1,389,900                 | \$ -                | \$ (130,000)        | \$ 1,259,900              | \$ 133,333                     |
| \$4,000,000 2020 Michigan Transportation Fund Bonds due in annual installments of \$235,000 to \$310,000 through May 1, 2035; interest at 2.17%                                | 3,765,000                    | -                   | (230,000)           | 3,535,000                 | 240,000                        |
| <b>Total Governmental Activities Debt</b>                                                                                                                                      | <b>5,154,900</b>             | <b>-</b>            | <b>(360,000)</b>    | <b>4,794,900</b>          | <b>373,333</b>                 |
| Governmental Compensated Absences                                                                                                                                              | 283,899                      | 275,018             | (284,037)           | 274,880                   | 148,435                        |
| Internal Service Compensated Absences                                                                                                                                          | 47,234                       | 45,238              | (56,124)            | 36,348                    | 19,628                         |
| <b>Total Compensated Absences</b>                                                                                                                                              | <b>331,133</b>               | <b>320,256</b>      | <b>(340,161)</b>    | <b>311,228</b>            | <b>168,063</b>                 |
| <b>Total Long-term Obligations</b>                                                                                                                                             | <b>\$ 5,486,033</b>          | <b>\$ 320,256</b>   | <b>\$ (700,161)</b> | <b>\$ 5,106,128</b>       | <b>\$ 521,768</b>              |
| <b>Business-type Activities</b>                                                                                                                                                | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
| \$3,865,205 Wastewater System Junior Lien Revenue Refunding Bond due in annual installments of \$175,000 to \$220,205 through October 1, 2028; interest at 1.625%              | \$ 1,695,205                 | \$ -                | \$ (200,000)        | \$ 1,495,205              | \$ 205,000                     |
| \$2,324,906 Water Supply and Wastewater Systems Revenue Junior Lien Revenue Bonds due in annual installments of \$27,671 to \$150,000 through April 1, 2032; interest at 2.50% | 1,423,856                    | -                   | (115,000)           | 1,308,856                 | 115,000                        |
| \$4,075,000 2013 Water Supply and Wastewater Systems Revenue Refunding Bonds due in annual installments of \$255,000 to \$370,000 through September 2026; interest at 2.70%    | 2,090,000                    | -                   | (325,000)           | 1,765,000                 | 335,000                        |
| \$9,795,000 2021 Water Supply System Revenue Bonds due in annual installments of \$235,000 to \$435,000 through April 1, 2052; interest at 2.125%                              | 1,619,442                    | 5,723,362           | -                   | 7,342,804                 | 235,000                        |
| <b>Total Business-type Activities Debt</b>                                                                                                                                     | <b>6,828,503</b>             | <b>5,723,362</b>    | <b>(640,000)</b>    | <b>11,911,865</b>         | <b>890,000</b>                 |
| Business-type Compensated Absences                                                                                                                                             | 205,270                      | 202,793             | (218,268)           | 189,795                   | 58,836                         |
| <b>Total Long-term Obligations</b>                                                                                                                                             | <b>\$ 7,033,773</b>          | <b>\$ 5,926,155</b> | <b>\$ (858,268)</b> | <b>\$ 12,101,660</b>      | <b>\$ 948,836</b>              |
| <b>Component Units</b>                                                                                                                                                         | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
| \$1,000,000 2016 General Obligation Limited Tax Bonds due in annual installments of \$60,000 to \$80,000 through May 1, 2031; interest at 2.19%                                | \$ 755,100                   | \$ -                | \$ (65,000)         | \$ 690,100                | \$ 66,667                      |
| <b>Total Component Unit Debt</b>                                                                                                                                               | <b>755,100</b>               | <b>-</b>            | <b>(65,000)</b>     | <b>690,100</b>            | <b>66,667</b>                  |
| Compensated Absences                                                                                                                                                           | 2,130                        | 2,098               | (2,567)             | 1,661                     | 897                            |
| <b>Total Long-term Obligations</b>                                                                                                                                             | <b>\$ 757,230</b>            | <b>\$ 2,098</b>     | <b>\$ (67,567)</b>  | <b>\$ 691,761</b>         | <b>\$ 67,564</b>               |

## City of Cadillac

### Notes to the Financial Statements

Compensated absences within governmental activities are typically paid by the general fund.

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of June 30, 2022 are as follows:

| Year Ending<br>June 30, | Governmental Activities |                   |                     | Business-type Activities * |                     |                      | Component Units   |                  |                   |
|-------------------------|-------------------------|-------------------|---------------------|----------------------------|---------------------|----------------------|-------------------|------------------|-------------------|
|                         | Principal               | Interest          | Total               | Principal                  | Interest            | Total                | Principal         | Interest         | Total             |
| 2023                    | \$ 373,333              | \$ 102,260        | \$ 475,593          | \$ 890,000                 | \$ 304,132          | \$ 1,194,132         | \$ 66,667         | \$ 12,775        | \$ 79,442         |
| 2024                    | 381,667                 | 94,059            | 475,726             | 905,000                    | 283,767             | 1,188,767            | 68,333            | 11,279           | 79,612            |
| 2025                    | 390,000                 | 85,676            | 475,676             | 930,000                    | 262,859             | 1,192,859            | 70,000            | 9,746            | 79,746            |
| 2026                    | 395,000                 | 77,185            | 472,185             | 955,000                    | 241,427             | 1,196,427            | 70,000            | 8,213            | 78,213            |
| 2027                    | 403,333                 | 68,513            | 471,846             | 980,000                    | 219,426             | 1,199,426            | 71,667            | 6,643            | 78,310            |
| 2028-2032               | 1,946,567               | 209,627           | 2,156,194           | 2,514,061                  | 958,698             | 3,472,759            | 343,433           | 16,789           | 360,222           |
| 2033-2052               | 905,000                 | 39,601            | 944,601             | 7,190,000                  | 1,574,342           | 8,764,342            | -                 | -                | -                 |
| <b>Totals</b>           | <b>\$ 4,794,900</b>     | <b>\$ 676,921</b> | <b>\$ 5,471,821</b> | <b>\$ 14,364,061</b>       | <b>\$ 3,844,651</b> | <b>\$ 18,208,712</b> | <b>\$ 690,100</b> | <b>\$ 65,445</b> | <b>\$ 755,545</b> |

\*The full amount of \$9,795,000 2021 Water Supply System Revenue Bonds hasn't been withdrawn yet but is shown here.

\*The schedule does not show every five years as the majority belongs to the full amount of the 2021 Water Supply System Revenue Bonds that is not yet drawn.

The debt documents contain various provisions that in the event of default, the City shall be required to use money from its general fund or levy an ad valorem tax sufficient to pay the obligation, subject to applicable constitutional, statutory, and charter limitations.

### Note 9 - Pension Plans

The City maintains a single-employer, defined benefit pension plan (Policemen and Firemen Retirement System) which covers all policemen and firemen. The City also participates in an agent multiple-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.

#### *MERS Plan Description*

##### *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, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

## City of Cadillac

### Notes to the Financial Statements

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#### ***Benefits Provided***

The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. Retirement benefits for employees are calculated as 2.00 to 2.50% of the employee's five-year final average compensation times the employee's years of service with a maximum of 80 percent, or no maximum of final average compensation depending on division. Normal retirement age is 60 with early retirement at an unreduced benefit at age 55 with 25 years of service or a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 8 to 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions.

#### ***Employees Covered by Benefit Terms - MERS***

At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

|                                                                     |                   |
|---------------------------------------------------------------------|-------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 84                |
| Inactive Plan Members Entitled to but not yet Receiving Benefits    | 7                 |
| Active Plan Members                                                 | 55                |
| <b><i>Total Employees Covered by MERS</i></b>                       | <b><u>146</u></b> |

#### ***Police and Fireman Retirement System Plan Description ("PFRS" or "Act 345 Defined Benefit Plan")***

##### ***Plan Description***

The City's police and fire employees participate in the Policemen and Firemen Retirement System. 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. A separate report is not prepared for the PFRS.

## City of Cadillac

### Notes to the Financial Statements

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#### ***Benefits Provided***

The City of Cadillac Policeman and Firemen Retirement System is a single employer defined benefit pension plan that covers policemen and firemen employees of the City of Cadillac. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The pension board is able to establish and amend the types of benefits offered through the plan.

The benefits provided are summarized on the following page.

# City of Cadillac

## Notes to the Financial Statements

|                                                     | <u>Eligibility</u>                                                                                                                                                       | <u>Amount</u>                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Service Retirement</b>                           | Age 50 with 25 or more years of service or age 60 regardless of service.                                                                                                 | <p>Straight life pension equals 2.5% of 5-year Average Final Compensation (AFC) times first 25 years of service plus 1% of AFC times years of service in excess of 25 years.</p> <p>Average final compensation is equaled to highest 5 years out of last 10 and includes base pay, overtime pay, longevity pay, cost of living allowance, holiday and vacation time pay.</p> |
| <b>Deferred Retirement</b>                          | 10 or more years of service.                                                                                                                                             | Computed as service retirement but based upon service, AFC and benefit in effect at termination. Benefit begins at date retirement would have occurred had member remained in employment.                                                                                                                                                                                    |
| <b>Death After Retirement Survivor's Pension</b>    | Payable to an eligible surviving spouse, if any, upon the death of a retired member who was receiving a straight life pension which was effective July 1, 1975 or later. | Spouse's pension equals 60% of the straight life pension the deceased retiree was receiving.                                                                                                                                                                                                                                                                                 |
| <b>Non-Duty Death-in-Service Survivor's Pension</b> | Payable to a surviving spouse, if any, upon the death of a member with 10 or more years of service.                                                                      | Accrued straight life pension actuarially reduced in accordance with an Option I election.                                                                                                                                                                                                                                                                                   |
| <b>Duty Death-in-Service Survivor's Pension</b>     | Payable upon the expiration of worker's compensation to the survivors of a member who died in the line of duty.                                                          | Same amount that was paid by worker's compensation.                                                                                                                                                                                                                                                                                                                          |
| <b>Non-Duty Disability</b>                          | Payable upon the total and permanent disability of a member with 5 or more years of service.                                                                             | To Age 55: 1.5% of AFC times years of service. At Age 55: Same as Service Retirement Pension.                                                                                                                                                                                                                                                                                |
| <b>Duty Disability</b>                              | Payable upon the total and permanent disability of a member in the line of duty.                                                                                         | To Age 55: 50% of AFC. At Age 55: Same as Service Retirement Pension with service credit from date of disability to age 55.                                                                                                                                                                                                                                                  |

## City of Cadillac

### Notes to the Financial Statements

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#### ***Employees Covered by Benefit Terms***

Membership of the Act 345 defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2022):

|                                                                     |                  |
|---------------------------------------------------------------------|------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 40               |
| Inactive Plan Members Entitled to but not yet Receiving Benefits    | 2                |
| Active Plan Members                                                 | <u>26</u>        |
| <b><i>Total Employees Covered by PFRS</i></b>                       | <b><u>68</u></b> |

#### ***Contributions***

##### ***MERS***

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2022, the active employee contribution rate and the City's contribution rate was a percentage of covered payroll depending on division, as follows:

| <b><u>Division</u></b> | <b><u>Employer<br/>Contributions</u></b> | <b><u>Employee<br/>Contributions</u></b> |
|------------------------|------------------------------------------|------------------------------------------|
| General Other - Open   | 19.24%                                   | 0.00%                                    |
| General Local - Open   | 16.74%                                   | 0.00%                                    |
| City Manager - Open    | 6.88%                                    | 0.00%                                    |
| Dept Heads - Open      | 38.75%                                   | 0.00%                                    |

##### ***PFRS***

Fire members hired prior to July 6, 2010 and all police members contribute an actuarially determined amount to pay for the increase in the benefit multiplier from 2.0% to 2.5%, but no larger than 3% annually. Fire members hired on or after July 6, 2010 do not contribute.

The City is required to contribute at an actuarially determined rate of 31.04% of payroll for police members and 34.4% of payroll for fire members. These rates totaled an actuarially determined contribution of \$468,400 for the year ending June 30, 2022, of which \$624,807 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

# City of Cadillac

## Notes to the Financial Statements

### *Net Pension Liability*

#### ***MERS***

The employer's Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

#### ***PFRS***

The employer's Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Changes in the plans net pension liability during the measurement year were as follows:

| <b>MERS</b>                                        | <b>Increase (Decrease)</b>     |                          |                              |
|----------------------------------------------------|--------------------------------|--------------------------|------------------------------|
|                                                    | <b>Total Pension Liability</b> | <b>Plan Net Position</b> | <b>Net Pension Liability</b> |
| <b>Balance at December 31, 2020</b>                | <b>\$ 14,853,419</b>           | <b>\$ 11,111,130</b>     | <b>\$ 3,742,289</b>          |
| <i>Changes for the Year:</i>                       |                                |                          |                              |
| Service Cost                                       | 203,873                        | -                        | 203,873                      |
| Interest on Total Pension Liability                | 1,103,107                      | -                        | 1,103,107                    |
| Differences Between Expected and Actual Experience | (76,724)                       | -                        | (76,724)                     |
| Changes of Assumptions                             | 573,227                        | -                        | 573,227                      |
| Contributions - Employer                           | -                              | 471,166                  | (471,166)                    |
| Net Investment Income                              | -                              | 1,547,742                | (1,547,742)                  |
| Benefit Payments, Including Refunds                | (881,586)                      | (881,586)                | -                            |
| Administrative Expenses                            | -                              | (17,758)                 | 17,758                       |
| <i>Net Changes</i>                                 | <b>921,897</b>                 | <b>1,119,564</b>         | <b>(197,667)</b>             |
| <b>Balance at December 31, 2021</b>                | <b>\$ 15,775,316</b>           | <b>\$ 12,230,694</b>     | <b>\$ 3,544,622</b>          |
| <b>Allocated to:</b>                               |                                |                          |                              |
|                                                    | Governmental Activities        | \$                       | 2,068,287                    |
|                                                    | Business-type Activities       |                          | 1,476,335                    |
|                                                    | <b>Total</b>                   | <b>\$</b>                | <b>3,544,622</b>             |

# City of Cadillac

## Notes to the Financial Statements

| PFRS                                               | Increase (Decrease)     |                         |                       |
|----------------------------------------------------|-------------------------|-------------------------|-----------------------|
|                                                    | Total Pension Liability | Plan Net Position       | Net Pension Liability |
| <b>Balance at June 30, 2021</b>                    | \$ 14,199,538           | \$ 13,856,475           | \$ 343,063            |
| <i>Changes for the Year:</i>                       |                         |                         |                       |
| Service Cost                                       | 275,100                 | -                       | 275,100               |
| Interest on Total Pension Liability                | 1,045,280               | -                       | 1,045,280             |
| Differences Between Expected and Actual Experience | 82,440                  | -                       | 82,440                |
| Changes of Assumptions                             | 1,086,063               | -                       | 1,086,063             |
| Changes in Benefit Terms                           | -                       | -                       | -                     |
| Contributions - Employer                           | -                       | 624,807                 | (624,807)             |
| Contributions - Employee                           | -                       | 23,740                  | (23,740)              |
| Net Investment Income                              | -                       | (1,183,327)             | 1,183,327             |
| Benefit Payments, Including Refunds                | (1,075,137)             | (1,075,137)             | -                     |
| Administrative Expenses                            | -                       | (17,050)                | 17,050                |
| <i>Net Changes</i>                                 | 1,413,746               | (1,626,967)             | 3,040,713             |
| <b>Balance at June 30, 2022</b>                    | \$ 15,613,284           | \$ 12,229,508           | \$ 3,383,776          |
|                                                    |                         | <b>Allocated to:</b>    |                       |
|                                                    |                         | Governmental Activities | \$ 3,383,776          |

### *Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions*

For the year ended June 30, 2022, the City recognized pension expense of \$462,240 for the MERS plan and \$674,143 for the PFRS plan for a net total of \$1,136,383. At June 30, 2022, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

#### *MERS*

| Source                                                                           | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Differences Between Expected and Actual Experience                               | \$ 103,438                     | \$ 98,277                     |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | -                              | 870,935                       |
| Changes of Assumptions                                                           | 628,023                        | -                             |
| Contributions Subsequent to the Measurement Date*                                | 225,843                        | -                             |
| <b>Totals</b>                                                                    | <b>\$ 957,304</b>              | <b>\$ 969,212</b>             |
|                                                                                  | <b>Allocated to:</b>           |                               |
| Governmental Activities                                                          | \$ 558,587                     | \$ 565,536                    |
| Business-type Activities                                                         | 398,717                        | 403,676                       |
| <b>Totals</b>                                                                    | <b>\$ 957,304</b>              | <b>\$ 969,212</b>             |

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023.

# City of Cadillac

## Notes to the Financial Statements

### PFRS

| Source                                                                           | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Differences Between Expected and Actual Experience                               | \$ 113,422                     | \$ 394,431                    |
| Changes of Assumptions                                                           | 1,211,230                      | 286,447                       |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 759,857                        | -                             |
| <b>Total</b>                                                                     | <b>\$ 2,084,509</b>            | <b>\$ 680,878</b>             |
| <b>Allocated to:</b>                                                             |                                |                               |
| Governmental Activities                                                          | \$ 2,084,509                   | \$ 680,878                    |

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending | MERS Amount        | PFRS                |
|--------------|--------------------|---------------------|
| June 30,     |                    |                     |
| 2023         | \$ 339,095         | \$ 385,103          |
| 2024         | (84,469)           | 236,623             |
| 2025         | (122,621)          | 115,824             |
| 2026         | (143,913)          | 576,648             |
| 2027         | -                  | 142,092             |
| Thereafter   | -                  | (52,659)            |
| <b>Total</b> | <b>\$ (11,908)</b> | <b>\$ 1,403,631</b> |

The below schedule provides a summary of all the amounts allocated to various funds within the City's financial statements for both pension plans:

|                                                                                  | Balance at June 30, 2021 | Net Change       | Balance at June 30, 2022 | Amounts Allocated To    |                   |
|----------------------------------------------------------------------------------|--------------------------|------------------|--------------------------|-------------------------|-------------------|
|                                                                                  |                          |                  |                          | Primary Government      | Business-type     |
|                                                                                  |                          |                  |                          | Governmental Activities | Activities        |
| <b>Deferred Outflows of Resources</b>                                            |                          |                  |                          |                         |                   |
| Differences Between Expected and Actual Experience                               | \$ 249,975               | \$ (33,115)      | \$ 216,860               | \$ 173,778              | \$ 43,082         |
| Changes of Assumptions                                                           | 691,832                  | 1,147,421        | 1,839,253                | 1,577,682               | 261,571           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | -                        | 759,863          | 759,863                  | 759,863                 | -                 |
| Contributions Subsequent to the Measurement Date                                 | 200,227                  | 25,616           | 225,843                  | 131,779                 | 94,064            |
| <b>Total Deferred Outflows of Resources</b>                                      | <b>1,142,034</b>         | <b>1,899,785</b> | <b>3,041,819</b>         | <b>2,643,102</b>        | <b>398,717</b>    |
| <b>Net Pension Liability</b>                                                     | <b>4,085,352</b>         | <b>2,843,046</b> | <b>6,928,398</b>         | <b>5,452,063</b>        | <b>1,476,335</b>  |
| <b>Deferred Inflows of Resources</b>                                             |                          |                  |                          |                         |                   |
| Differences Between Expected and Actual Experience                               | 585,895                  | (93,187)         | 492,708                  | 451,776                 | 40,932            |
| Changes of Assumptions                                                           | 348,351                  | (61,904)         | 286,447                  | 286,447                 | -                 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,603,368                | (732,433)        | 870,935                  | 508,191                 | 362,744           |
| <b>Total Deferred Inflows of Resources</b>                                       | <b>2,537,614</b>         | <b>(887,524)</b> | <b>1,650,090</b>         | <b>1,246,414</b>        | <b>403,676</b>    |
| <b>Pension Expense</b>                                                           |                          |                  | <b>\$ 1,136,383</b>      | <b>\$ 943,860</b>       | <b>\$ 192,523</b> |

## City of Cadillac

### Notes to the Financial Statements

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#### *Actuarial Assumptions*

##### *MERS*

The total pension liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.00% plus merit and longevity: 3.00% in the long-term

Investment Rate of Return: 7.00%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>  | <b>Target Allocation</b> | <b>Target Gross Rate of Return</b> | <b>Long-term Expected Gross Rate of Return</b> | <b>Inflation Assumption</b> | <b>Long-term Expected Real Rate of Return</b> |
|---------------------|--------------------------|------------------------------------|------------------------------------------------|-----------------------------|-----------------------------------------------|
| Global Equity       | 60.00%                   | 7.00%                              | 4.20%                                          | 2.50%                       | 2.70%                                         |
| Global Fixed Income | 20.00%                   | 4.50%                              | 0.90%                                          | 2.50%                       | 0.40%                                         |
| Private Investments | 20.00%                   | 9.50%                              | 1.90%                                          | 2.50%                       | 1.40%                                         |
| <b>Totals</b>       | <b>100.00%</b>           |                                    | <b>7.00%</b>                                   |                             | <b>4.50%</b>                                  |

##### *Discount Rate*

The discount rate used to measure the total pension liability is 7.25%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the

## City of Cadillac

### Notes to the Financial Statements

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rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### ***PFRS***

The total pension liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                          |
|---------------------------|------------------------------------------|
| Actuarial Cost Method     | Entry Age                                |
| Inflation                 | 2.50%                                    |
| Salary Increases          | Service Based Rates from 3.00% to 10.00% |
| Investment Rate of Return | 6.85%                                    |

Mortality rates were based on 50% Male – 50% Female blend of the 1994 Group Annuity Mortality Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study dated March 7, 2022.

#### ***Discount Rate***

The discount rate used to measure the total pension liability in the current year was 7.25% and in the prior year was 7.50%.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25 percent. The municipal bond rate is 4.09 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 7.25 percent.

#### ***Projected Cash Flows***

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its Board and City Council. It is the policy of

## City of Cadillac

### Notes to the Financial Statements

the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic long-term real rates of return for the MERS Total Market Fund included in the pension plan's target asset allocation as of June 30, 2022 are 7.00%. The following was the City's asset allocation policy as of June 30, 2022:

| <u>Asset Class</u>                  | <u>Target<br/>Allocation (%)</u> |
|-------------------------------------|----------------------------------|
| Global Equity                       | 60.00                            |
| Global Fixed Income                 | 20.00                            |
| Real Assets/Diversifying Strategies | 20.00                            |
|                                     | <u>100.00%</u>                   |

#### ***Rate of Return***

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### ***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the City, calculated using the discount rate of 7.25% and 7.25% for MERS and PFRS Respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25/6.25%) or one percentage point higher (8.25/8.25 %) than the current rate:

|                                   | <u>1% Decrease<br/>(6.25%)</u> | <u>Current<br/>Discount Rate<br/>(7.25%)</u> | <u>1% Increase<br/>(8.25%)</u> |
|-----------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| <i>MERS</i>                       |                                |                                              |                                |
| Net Pension Liability of the City | \$ 5,266,089                   | \$ 3,544,622                                 | \$ 2,092,392                   |

## City of Cadillac

### Notes to the Financial Statements

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|                                   | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|-----------------------------------|--------------------|----------------------|--------------------|
|                                   | <b>(6.25%)</b>     | <b>Discount Rate</b> | <b>(8.25%)</b>     |
|                                   | <b>(6.25%)</b>     | <b>(7.25%)</b>       | <b>(8.25%)</b>     |
| <i>PFRS</i>                       |                    |                      |                    |
| Net Pension Liability of the City | \$ 5,186,942       | \$ 3,383,776         | \$ 1,880,859       |

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Note - MERS: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

#### ***Pension Plan Fiduciary Net Position***

##### ***MERS***

Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at [www.mersofmichigan.com](http://www.mersofmichigan.com). The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

##### ***PFRS***

The plan's fiduciary net position has been determined on the same basis used by the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms. Separately issued financial statements are not available.

#### ***Significant Changes to the Pension Valuation - MERS***

At the February 27, 2020, board meeting, the MERS Retirement Board adopted demographic assumptions effective with the December 31, 2020, annual actuarial valuation, which will impact contributions beginning in 2022. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020, actuarial valuation, first impacting 2022 contributions.

## City of Cadillac

### Notes to the Financial Statements

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#### **Note 10 - Other Postemployment Benefits**

##### ***Plan Description***

The City provides retiree healthcare benefits through the City's retiree healthcare plan (the "Plan") to eligible employees and their spouses. The Plan is an agent multiple-employer defined benefit plan. The benefits are provided under collective bargaining agreements and personnel policies. The City pays for the pay-as-you go costs from the general fund and makes additional discretionary pre-funding contributions annually.

##### ***Eligibility***

General employees hired prior to the hire date cutoff (shown below) are eligible for retiree health benefits until Medicare eligibility at the earlier of age 55 with 25 years of service or age 60 with 10 years of service. Police and fire employees hire prior to the hire date cutoff (shown below) are eligible for retiree health benefits until Medicare eligibility at the earlier of age 50 with 25 years of service or age 60 with 10 years of service.

Employees are only eligible for retiree health benefits if they are hired prior to the following cutoff dates:

- City manager, department heads, and non-union – January 1, 2007
- Steelworker – July 1, 2007
- Police officers – July 1, 2009
- Firefighters – July 1, 2010

##### ***Benefits Provided and Contributions***

Steelworker retirees are required to contribute the portion of premium rates not covered by the City's explicit subsidy. All other retirees are required to contribute specific rates throughout retirement, ranging from \$15 to \$132 per month. The City contributes \$350 for single coverage and \$450 for non-single coverage for steelworker retirees per month. For all other retirees, the City pays the full cost of coverage less any retiree contribution requirements.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (June 30, 2021 rolled forward to June 30, 2022):

|                                                                     |            |
|---------------------------------------------------------------------|------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 76         |
| Inactive Plan Members Entitled to but not yet Receiving Benefits    | 7          |
| Active Plan Members                                                 | <u>22</u>  |
| Total Employees Covered by OPEB                                     | <u>105</u> |

## City of Cadillac

### Notes to the Financial Statements

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#### ***Methods and Assumptions***

The total OPEB liability was determined by an actuarial valuation and a measurement date as of June 30, 2022 and the following actuarial assumptions, applied to all periods included in the measurement:

|                           |       |                                                               |
|---------------------------|-------|---------------------------------------------------------------|
| Inflation                 | 2.50% |                                                               |
| Salary Increases          | 3.00% | Wage Inflation with 0.00%-6.70% Merit and Longevity Increases |
| Investment Rate of Return | 7.00% |                                                               |
| Discount Rate             | 7.00% |                                                               |

Healthcare cost trend rates starting at 7.5% in FYE 2023 decreasing to an ultimate rate of 4.50% for in FYE 2029 and beyond, and dental rates starting at 4.50% in FYE 2023 decreasing to a rate of 3.00% in FYE 2026 and beyond.

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability was 7.00% . This discount rate is used to determine the Total OPEB Liability. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### ***Investment Rate of Return***

The investment rate of return was assumed to be 7.00 percent, net of OPEB plan investment expense, including inflation. The long-term expected rate of return on OPEB plan investments was determined by using the long-term expected rate of return using the target asset allocation:

| <b><u>Asset Class</u></b> | <b><u>Target<br/>Allocation</u></b> | <b><u>Long-term<br/>Expected Real<br/>Rate of Return</u></b> |
|---------------------------|-------------------------------------|--------------------------------------------------------------|
| Global Equity             | 60.0%                               | 7.00%                                                        |
| Global Fixed Income       | 20.0%                               | 4.50%                                                        |
| Private Investments       | 20.0%                               | 9.50%                                                        |
| <b><i>Totals</i></b>      | <b>100.00%</b>                      | <b>7.00%</b>                                                 |

# City of Cadillac

## Notes to the Financial Statements

Changes in the net OPEB liability during the measurement year were as follows:

|                                                    | Increase (Decrease)     |                          |                       |
|----------------------------------------------------|-------------------------|--------------------------|-----------------------|
|                                                    | Total OPEB<br>Liability | Plan Net<br>Position     | Net OPEB<br>Liability |
| <b>Balance at June 30, 2021</b>                    | <b>\$ 4,273,997</b>     | <b>\$ 4,252,014</b>      | <b>\$ 21,983</b>      |
| <i>Changes for the Year:</i>                       |                         |                          |                       |
| Service Cost                                       | 43,635                  | -                        | 43,635                |
| Interest on Total OPEB Liability                   | 298,262                 | -                        | 298,262               |
| Differences Between Expected and Actual Experience | 14,587                  | -                        | 14,587                |
| Changes of Assumptions                             | 53,374                  | -                        | 53,374                |
| Contributions - Employer                           | -                       | 332,917                  | (332,917)             |
| Net Investment Income                              | -                       | (349,899)                | 349,899               |
| Benefit Payments, Including Refunds                | (332,917)               | (332,917)                | -                     |
| Administrative Expenses                            | -                       | (7,628)                  | 7,628                 |
| <i>Net Changes</i>                                 | <i>76,941</i>           | <i>(357,527)</i>         | <i>434,468</i>        |
| <b>Balance at June 30, 2022</b>                    | <b>\$ 4,350,938</b>     | <b>\$ 3,894,487</b>      | <b>\$ 456,451</b>     |
|                                                    |                         | <b>Allocated to:</b>     |                       |
|                                                    |                         | Governmental Activities  | \$ 427,466            |
|                                                    |                         | Business-type Activities | 28,985                |
|                                                    |                         | <b>Total</b>             | <b>\$ 456,451</b>     |

### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

|                            | 1% Decrease<br>(6.00%) | Current Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|----------------------------|------------------------|-------------------------|------------------------|
| Net OPEB Liability (Asset) | \$ 771,425             | \$ 456,451              | \$ 171,844             |

### *Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

|                            | 1% Decrease | Current Rate | 1% Increase |
|----------------------------|-------------|--------------|-------------|
| Net OPEB Liability (Asset) | \$ 116,600  | \$ 456,451   | \$ 839,177  |

## City of Cadillac

### Notes to the Financial Statements

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#### ***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB Plan***

For the year ended June 30, 2022, the City recognized OPEB expense of \$165,524. At June 30, 2022, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

| <b>Source</b>                                                                 | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|-------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences Between Expected and Actual Experience                            | \$ 7,293                                      | \$ -                                         |
| Changes of Assumptions                                                        | 26,687                                        | -                                            |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 262,146                                       | -                                            |
| Total                                                                         | <u>\$ 296,126</u>                             | <u>\$ -</u>                                  |

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year Ending</b> | <b>Amount</b> |
|--------------------|---------------|
| <b>June 30,</b>    |               |
| 2023               | \$ 114,518    |
| 2024               | 57,711        |
| 2025               | (7,088)       |
| 2026               | 130,985       |

#### **Note 11 - 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 (workers' compensation); medical benefits provided to employees, and natural disasters. The City has purchased commercial insurance for health claims, general liability, and property. The City participates in the Michigan Municipal League risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

#### **Note 12 - 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 property 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. The City collects and disburses taxes,

## City of Cadillac

### Notes to the Financial Statements

payments in lieu of taxes, and other receipts to various other units of government. Occasionally, chargebacks, tax tribunals, and various other situations occur where the City is directed to change the way collections have been previously disbursed. These changes could include money the City has previously recognized as income in its own various funds. There is no reasonable estimate of potential costs, if any, that are not already reflected in the financial statements.

#### Note 13 - Commitments and Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the City.

The City of Cadillac had the following contract commitments outstanding as of June 30, 2022:

|                                                                               | Total<br>Contract    | Incurred as of<br>June 30, 2022 | Remaining<br>Commitment |
|-------------------------------------------------------------------------------|----------------------|---------------------------------|-------------------------|
| <b>Street Construction (Funded by the Major and Local Street Funds)</b>       |                      |                                 |                         |
| Simons Street                                                                 | \$ 915,735           | \$ -                            | \$ 915,735              |
| White Pine Trailhead Project                                                  | 416,247              | 199,508                         | 216,739                 |
| <b>Total</b>                                                                  | <u>1,331,982</u>     | <u>199,508</u>                  | <u>1,132,474</u>        |
| * Grant funding covers \$375,000 of total project contract costs              |                      |                                 |                         |
| ** Grant funding covers \$600,000 of total project contract costs             |                      |                                 |                         |
| <b>Well Field and Water Headquarters (Funded by the Water and Sewer Fund)</b> | <u>9,795,000</u>     | <u>7,528,437</u>                | <u>2,266,563</u>        |
| <b>Total Construction Commitments</b>                                         | <u>\$ 11,126,982</u> | <u>\$ 7,727,945</u>             | <u>\$ 3,399,037</u>     |

#### Note 14 - Fund Balances - Governmental Funds

The City reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The schedule on the following page summarizes the City's fund balances as of June 30, 2022:

|                           | General       | Major<br>Streets | Local<br>Streets | Nonmajor<br>Funds | Total          |
|---------------------------|---------------|------------------|------------------|-------------------|----------------|
| <b>Nonspendable for:</b>  |               |                  |                  |                   |                |
| Prepaid Expenditures      | \$ 48,531     | \$ 1,799         | \$ 2,175         | \$ 1,015          | \$ 53,520      |
| Cemetery Perpetual Care   | -             | -                | -                | 245,000           | 245,000        |
| Capital Projects          | -             | -                | -                | 131,024           | 131,024        |
| <b>Total Nonspendable</b> | <u>48,531</u> | <u>1,799</u>     | <u>2,175</u>     | <u>377,039</u>    | <u>429,544</u> |

# City of Cadillac

## Notes to the Financial Statements

|                            | General             | Major Streets     | Nonmajor Funds      | Nonmajor Funds      | Total                |
|----------------------------|---------------------|-------------------|---------------------|---------------------|----------------------|
| <b>Restricted for:</b>     |                     |                   |                     |                     |                      |
| Veterans Memorial          | 1,855               | -                 | -                   | -                   | 1,855                |
| Flags Forever              | 1,375               | -                 | -                   | -                   | 1,375                |
| Youth Services             | 844                 | -                 | -                   | -                   | 844                  |
| Drug Forfeiture            | 4,656               | -                 | -                   | -                   | 4,656                |
| Mayor's Youth Council      | 262                 | -                 | -                   | -                   | 262                  |
| Blackburn Skate Park       | 3,272               | -                 | -                   | -                   | 3,272                |
| White Pine Trail           | 1,859               | -                 | -                   | -                   | 1,859                |
| Diggins Hill Courts        | 50                  | -                 | -                   | -                   | 50                   |
| Diggins Hill Park          | 7,528               | -                 | -                   | -                   | 7,528                |
| CAMA Lighthouse            | 800                 | -                 | -                   | -                   | 800                  |
| Sundial Project            | 2,125               | -                 | -                   | -                   | 2,125                |
| Bike Routes                | 7,000               | -                 | -                   | -                   | 7,000                |
| Cadillac Trail Signage     | 5,000               | -                 | -                   | -                   | 5,000                |
| McKellop Walkway Plowing   | 3,621               | -                 | -                   | -                   | 3,621                |
| Leadership Projects        | 25,200              | -                 | -                   | -                   | 25,200               |
| Downtown Infrastructure    | -                   | -                 | -                   | 445,324             | 445,324              |
| Major and Local Streets    | -                   | 412,043           | 1,494,852           | -                   | 1,906,895            |
| Cemetery                   | -                   | -                 | -                   | 36,024              | 36,024               |
| Milfoil                    | -                   | -                 | -                   | 20,041              | 20,041               |
| Building Inspection        | -                   | -                 | -                   | 22,458              | 22,458               |
| Clam River Greenway        | -                   | -                 | -                   | 23,197              | 23,197               |
| Mayor Wedding Fees         | 100                 | -                 | -                   | -                   | 100                  |
| Naval Reserve Center       | -                   | -                 | -                   | 8,136               | 8,136                |
| CASA Field Use             | 2,520               | -                 | -                   | -                   | 2,520                |
| Dog Park                   | 662                 | -                 | -                   | -                   | 662                  |
| Debt Service               | -                   | -                 | -                   | 2,589               | 2,589                |
| Other Capital Projects     | -                   | -                 | -                   | 222,092             | 222,092              |
| Cemetery Perpetual Care    | -                   | -                 | -                   | 369,978             | 369,978              |
| <b>Total Restricted</b>    | <b>68,729</b>       | <b>412,043</b>    | <b>1,494,852</b>    | <b>1,149,839</b>    | <b>3,125,463</b>     |
| <b>Assigned for:</b>       |                     |                   |                     |                     |                      |
| Working Capital            | 1,098,885           | -                 | -                   | -                   | 1,098,885            |
| Sick and Vacation          | 274,880             | -                 | -                   | -                   | 274,880              |
| Police and Fire            | 104,101             | -                 | -                   | -                   | 104,101              |
| Pistol Range               | 16,588              | -                 | -                   | -                   | 16,588               |
| HL Green Operating         | -                   | -                 | -                   | 49,217              | 49,217               |
| Cadillac Development       | -                   | -                 | -                   | 645,799             | 645,799              |
| Industrial Development     | -                   | -                 | -                   | 579,699             | 579,699              |
| Corridor Improvement       | -                   | -                 | -                   | 5,899               | 5,899                |
| <b>Total Assigned</b>      | <b>1,494,454</b>    | <b>-</b>          | <b>-</b>            | <b>1,280,614</b>    | <b>2,775,068</b>     |
| <b>Unassigned</b>          | <b>3,719,960</b>    | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>3,719,960</b>     |
| <b>Total Fund Balances</b> | <b>\$ 5,331,674</b> | <b>\$ 413,842</b> | <b>\$ 1,497,027</b> | <b>\$ 2,807,492</b> | <b>\$ 10,050,035</b> |

### Note 15 - Restricted Net Position

The City reports restricted net position in its government-wide financial statements as listed on the following page.

# City of Cadillac

## Notes to the Financial Statements

|                                          | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Component<br/>Units</b> |
|------------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| <b>Restricted for</b>                    |                                    |                                     |                            |
| Nonexpendable Cemetery Trust             | \$ 245,000                         | \$ -                                | \$ -                       |
| Nonexpendable Capital Projects           | 131,024                            | -                                   | -                          |
| Groundwater Cleanup                      | -                                  | -                                   | 38,004                     |
| Economic Development                     | -                                  | -                                   | 592,165                    |
| EE and Retiree Life and Health Insurance | 168,866                            | -                                   | -                          |
| <b>Public Safety</b>                     |                                    |                                     |                            |
| Drug Forfeiture                          | 4,656                              | -                                   | -                          |
| Youth Services                           | 844                                | -                                   | -                          |
| Building Inspection                      | 22,458                             | -                                   | -                          |
| <b>Public Works</b>                      |                                    |                                     |                            |
| Cemetery Perpetual Care                  | 369,978                            | -                                   | -                          |
| Cemetery                                 | 36,874                             | -                                   | -                          |
| Streets                                  | 1,910,869                          | -                                   | -                          |
| Milfoil                                  | 20,041                             | -                                   | -                          |
| <b>Recreation and Culture</b>            |                                    |                                     |                            |
| Naval Reserve Center                     | 8,136                              | -                                   | -                          |
| Veterans Memorial                        | 1,855                              | -                                   | -                          |
| Flags Forever                            | 1,375                              | -                                   | -                          |
| Blackburn Skate Park                     | 3,272                              | -                                   | -                          |
| White Pine Trail                         | 1,859                              | -                                   | -                          |
| Diggins Hill Park                        | 7,528                              | -                                   | -                          |
| CAMA Lighthouse                          | 800                                | -                                   | -                          |
| Sundial Project                          | 2,125                              | -                                   | -                          |
| Cadillac Trail Signage                   | 5,000                              | -                                   | -                          |
| Dog Park                                 | 662                                | -                                   | -                          |
| Mayor Wedding Fees                       | 100                                | -                                   | -                          |
| Mayor's Youth Council                    | 262                                | -                                   | -                          |
| CASA Field Use                           | 2,520                              | -                                   | -                          |
| McKellop Walkway Plowing                 | 3,621                              | -                                   | -                          |
| Leadership Projects                      | 25,200                             | -                                   | -                          |
| Diggins Hill Courts                      | 50                                 | -                                   | -                          |
| Bike Routes                              | 7,000                              | -                                   | -                          |
| <b>Capital Projects</b>                  |                                    |                                     |                            |
| Capital Projects                         | 698,706                            | -                                   | 1,292,857                  |
| <b>Debt Service</b>                      | 2,589                              | 674,970                             | -                          |
| <b>Total Restricted Net Position</b>     | <b>\$ 3,683,270</b>                | <b>\$ 674,970</b>                   | <b>\$ 1,923,026</b>        |

## City of Cadillac

### Notes to the Financial Statements

#### Note 16 - Tax Abatements

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2022, the City's operating property taxes were reduced by \$35,217 and the City's police and fire retirement taxes by \$6,702 under this program.

#### Note 17 - Net Investment in Capital Assets

Following is a summary of net investment in capital assets as presented in the government-wide statement of net position:

|                                         | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Component<br/>Units</b> |
|-----------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| <b>Add: Related Capital Assets:</b>     |                                    |                                     |                            |
| Capital Assets not being Depreciated    | \$ 2,737,660                       | \$ 9,282,397                        | \$ 200,278                 |
| Capital Assets being Depreciated, net   | 12,813,037                         | 19,954,178                          | 1,661,772                  |
| <b>Less: Related Long-term Debt:</b>    |                                    |                                     |                            |
| Due within One Year                     | (373,333)                          | (890,000)                           | (66,667)                   |
| Due in more than One Year               | (4,421,567)                        | (11,021,865)                        | (623,433)                  |
| <b>Net Investment in Capital Assets</b> | <b>\$ 10,755,797</b>               | <b>\$ 17,324,710</b>                | <b>\$ 1,171,950</b>        |

#### Note 18 - Subsequent Events

Events subsequent to the financial statement date have been evaluated through December 30, 2022, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have a significant impact on the financial condition of the City.

#### Note 19 – Lease Receivable – New Pronouncement Adopted

The City is reporting a lease receivable of \$2,225,312 as of June 30, 2022. The City reported lease revenue of \$159,971 and interest revenue of \$58,989 related to lease payments received during the year. The lease is for a two-story office building with 19,305 rentable square feet of space owned by the City of Cadillac and rented to the Michigan Department of Environment, Great Lakes, and Energy since May 1996. In March 2021 the State of Michigan exercised its right to extend the lease through March 31, 2036. If the purpose for which the lease was entered into no longer exists

## City of Cadillac

### Notes to the Financial Statements

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due to its elimination by State of Michigan Executive or Legislative action, funds are not made available for the State by state budgeting authorities, or space is provided in state government's owned or managed facilities, this lease may be cancelled with at least one hundred eighty days' notice. The State of Michigan does not acquire the building at the end of the lease term.

#### **Note 20 - Upcoming New Pronouncements**

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of conduit debt obligation and used by a third-party obligor. The City is evaluating the impact this standard will have on the financial statements when adopted. The requirements of the standard will be applied retrospectively and are effective for the City's financial statements for the year ending June 30, 2023.

## **Required Supplementary Information**

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2022**

|                                                       | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-------------------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                                       | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                                       |                         |                  |                  |                                                                 |
| Property Taxes                                        | \$ 4,136,000            | \$ 4,313,000     | \$ 4,385,903     | \$ 72,903                                                       |
| Federal Revenue                                       | --                      | 80,000           | 108,000          | 28,000                                                          |
| State Revenue                                         | 1,704,000               | 1,974,000        | 2,167,168        | 193,168                                                         |
| Local Revenue                                         | 230,000                 | 230,000          | 250,133          | 20,133                                                          |
| Licenses and Permits                                  | 137,500                 | 137,500          | 134,225          | (3,275)                                                         |
| Charges for Services                                  | 1,029,100               | 1,049,100        | 1,050,340        | 1,240                                                           |
| Fines                                                 | 15,000                  | 15,000           | 8,488            | (6,512)                                                         |
| Miscellaneous                                         | 41,500                  | 177,500          | 143,751          | (33,749)                                                        |
| Interest Income                                       | 35,000                  | 35,000           | 11,532           | (23,468)                                                        |
| <b>Total Revenues</b>                                 | <b>7,328,100</b>        | <b>8,011,100</b> | <b>8,259,540</b> | <b>248,440</b>                                                  |
| <b>Other Financing Sources</b>                        |                         |                  |                  |                                                                 |
| Sale of Property                                      | 5,000                   | 5,000            | 4,000            | (1,000)                                                         |
| <b>Total Revenues and Other<br/>Financing Sources</b> | <b>7,333,100</b>        | <b>8,016,100</b> | <b>8,263,540</b> | <b>247,440</b>                                                  |
| <b>Expenditures</b>                                   |                         |                  |                  |                                                                 |
| <b>General Government</b>                             |                         |                  |                  |                                                                 |
| City Council                                          | 54,000                  | 54,000           | 49,562           | 4,438                                                           |
| City Manager                                          | 311,600                 | 328,600          | 325,286          | 3,314                                                           |
| Finance                                               | 354,700                 | 369,700          | 369,084          | 616                                                             |
| Assessor                                              | 141,000                 | 141,000          | 139,277          | 1,723                                                           |
| Clerk/Treasurer                                       | 319,000                 | 347,000          | 346,761          | 239                                                             |
| Elections                                             | 16,000                  | 16,000           | 16,000           | --                                                              |
| Building and Grounds                                  | 312,600                 | 459,600          | 395,217          | 64,383                                                          |
| City Attorney                                         | 200,000                 | 200,000          | 112,547          | 87,453                                                          |
| <b>Total General Government</b>                       | <b>1,708,900</b>        | <b>1,915,900</b> | <b>1,753,734</b> | <b>162,166</b>                                                  |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2022**

|                                                                                                   | <b>Budgeted Amounts</b> |                     |                     | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|---------------------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|-----------------------------------------------------------------|
|                                                                                                   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                 |
| <b>Expenditures</b>                                                                               |                         |                     |                     |                                                                 |
| <b>Public Safety</b>                                                                              |                         |                     |                     |                                                                 |
| Police Department                                                                                 | \$ 2,227,000            | \$ 2,335,000        | \$ 2,272,531        | \$ 62,469                                                       |
| Fire Department                                                                                   | 1,534,700               | 1,600,700           | 1,600,348           | 352                                                             |
| <i>Total Public Safety</i>                                                                        | <u>3,761,700</u>        | <u>3,935,700</u>    | <u>3,872,879</u>    | <u>62,821</u>                                                   |
| <b>Public Works</b>                                                                               |                         |                     |                     |                                                                 |
| Public Works                                                                                      | 185,200                 | 207,200             | 207,426             | (226)                                                           |
| Engineering                                                                                       | 87,000                  | 87,000              | 86,610              | 390                                                             |
| Alleys                                                                                            | 42,600                  | 62,000              | 46,703              | 15,297                                                          |
| Leaves                                                                                            | 56,500                  | 56,500              | 38,125              | 18,375                                                          |
| Grass and Weed Control                                                                            | 29,900                  | 29,900              | 38,774              | (8,874)                                                         |
| Composting                                                                                        | 12,400                  | 12,400              | 5,265               | 7,135                                                           |
| Waste Removal                                                                                     | 596,000                 | 601,000             | 605,065             | (4,065)                                                         |
| Airport                                                                                           | 33,000                  | 33,000              | 33,000              | --                                                              |
| <i>Total Public Works</i>                                                                         | <u>1,042,600</u>        | <u>1,089,000</u>    | <u>1,060,968</u>    | <u>28,032</u>                                                   |
| <b>Economic Development</b>                                                                       |                         |                     |                     |                                                                 |
| Code Enforcement                                                                                  | 17,500                  | 17,500              | 18,489              | (989)                                                           |
| Planning and Zoning                                                                               | 174,500                 | 263,000             | 254,957             | 8,043                                                           |
| Community Promotions                                                                              | 58,000                  | 58,000              | 57,935              | 65                                                              |
| <i>Total Economic Development</i>                                                                 | <u>250,000</u>          | <u>338,500</u>      | <u>331,381</u>      | <u>7,119</u>                                                    |
| <b>Recreation and Culture</b>                                                                     |                         |                     |                     |                                                                 |
| Municipal Parks                                                                                   | 286,000                 | 315,000             | 292,197             | 22,803                                                          |
| Arts Commission                                                                                   | 10,500                  | 10,500              | 10,500              | --                                                              |
| Cadillac Community TV                                                                             | 25,000                  | 25,000              | 25,000              | --                                                              |
| Culture and Recreation                                                                            | 66,200                  | 66,200              | 26,656              | 39,544                                                          |
| <i>Total Recreation and Culture</i>                                                               | <u>387,700</u>          | <u>416,700</u>      | <u>354,353</u>      | <u>62,347</u>                                                   |
| <b>Total Expenditures</b>                                                                         | <u>7,150,900</u>        | <u>7,695,800</u>    | <u>7,373,315</u>    | <u>322,485</u>                                                  |
| <b>Other Financing Uses</b>                                                                       |                         |                     |                     |                                                                 |
| Transfers Out                                                                                     | 175,000                 | 285,000             | 285,000             | --                                                              |
| <i>Total Expenditures and Other<br/>Financing Uses</i>                                            | <u>7,325,900</u>        | <u>7,980,800</u>    | <u>7,658,315</u>    | <u>322,485</u>                                                  |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures<br/>and Other Uses</b> | <u>7,200</u>            | <u>35,300</u>       | <u>605,225</u>      | <u>569,925</u>                                                  |
| <b>Net Change in Fund Balance</b>                                                                 | <u>7,200</u>            | <u>35,300</u>       | <u>605,225</u>      | <u>569,925</u>                                                  |
| <i>Fund Balance at Beginning of Period</i>                                                        | <u>4,726,449</u>        | <u>4,726,449</u>    | <u>4,726,449</u>    | <u>--</u>                                                       |
| <b>Fund Balance at End of Period</b>                                                              | <u>\$ 4,733,649</u>     | <u>\$ 4,761,749</u> | <u>\$ 5,331,674</u> | <u>\$ 569,925</u>                                               |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Major Streets**  
**For the Year Ended June 30, 2022**

|                                                                             | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-----------------------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                                             | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                                             |                         |                   |                   |                                                                 |
| State Revenue                                                               | \$ 1,854,800            | \$ 1,854,800      | \$ 1,380,316      | \$ (474,484)                                                    |
| Interest Income                                                             | 5,000                   | 5,000             | 2,651             | (2,349)                                                         |
| <b>Total Revenues</b>                                                       | <b>1,859,800</b>        | <b>1,859,800</b>  | <b>1,382,967</b>  | <b>(476,833)</b>                                                |
| <b>Expenditures</b>                                                         |                         |                   |                   |                                                                 |
| Public Works                                                                | 1,895,800               | 1,895,800         | 1,207,454         | 688,346                                                         |
| <b>Total Expenditures</b>                                                   | <b>1,895,800</b>        | <b>1,895,800</b>  | <b>1,207,454</b>  | <b>688,346</b>                                                  |
| <b>Other Financing Uses</b>                                                 |                         |                   |                   |                                                                 |
| Transfers Out                                                               | 536,500                 | 536,500           | 539,000           | (2,500)                                                         |
| <b>Total Expenditures and Other<br/>Financing Uses</b>                      | <b>2,432,300</b>        | <b>2,432,300</b>  | <b>1,746,454</b>  | <b>685,846</b>                                                  |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures and Other Uses</b> | <b>(572,500)</b>        | <b>(572,500)</b>  | <b>(363,487)</b>  | <b>209,013</b>                                                  |
| <b>Net Change in Fund Balance</b>                                           | <b>(572,500)</b>        | <b>(572,500)</b>  | <b>(363,487)</b>  | <b>209,013</b>                                                  |
| Fund Balance at Beginning of Period                                         | 777,329                 | 777,329           | 777,329           | --                                                              |
| <b>Fund Balance at End of Period</b>                                        | <b>\$ 204,829</b>       | <b>\$ 204,829</b> | <b>\$ 413,842</b> | <b>\$ 209,013</b>                                               |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Streets**  
**For the Year Ended June 30, 2022**

|                                                                                                   | <b>Budgeted Amounts</b> |                     |                     | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|---------------------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|-----------------------------------------------------------------|
|                                                                                                   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>       |                                                                 |
| <b>Revenues</b>                                                                                   |                         |                     |                     |                                                                 |
| State Revenue                                                                                     | \$ 377,500              | \$ 377,500          | \$ 397,385          | \$ 19,885                                                       |
| Interest Income                                                                                   | 1,000                   | 1,000               | 3,264               | 2,264                                                           |
| <b>Total Revenues</b>                                                                             | <b>378,500</b>          | <b>378,500</b>      | <b>400,649</b>      | <b>22,149</b>                                                   |
| <b>Other Financing Sources</b>                                                                    |                         |                     |                     |                                                                 |
| Transfers In                                                                                      | (360,000)               | (360,000)           | 360,000             | 720,000                                                         |
| <b>Total Revenues and Other<br/>Financing Sources</b>                                             | <b>18,500</b>           | <b>18,500</b>       | <b>760,649</b>      | <b>742,149</b>                                                  |
| <b>Expenditures</b>                                                                               |                         |                     |                     |                                                                 |
| Public Works                                                                                      | 2,002,000               | 2,002,000           | 1,080,760           | 921,240                                                         |
| <b>Total Expenditures</b>                                                                         | <b>2,002,000</b>        | <b>2,002,000</b>    | <b>1,080,760</b>    | <b>921,240</b>                                                  |
| <b>Other Financing Uses</b>                                                                       |                         |                     |                     |                                                                 |
| Transfers Out                                                                                     | 236,500                 | 236,500             | 236,500             | --                                                              |
| <b>Total Expenditures and Other<br/>Financing Uses</b>                                            | <b>2,238,500</b>        | <b>2,238,500</b>    | <b>1,317,260</b>    | <b>921,240</b>                                                  |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures<br/>and Other Uses</b> | <b>(2,220,000)</b>      | <b>(2,220,000)</b>  | <b>(556,611)</b>    | <b>1,663,389</b>                                                |
| <b>Net Change in Fund Balance</b>                                                                 | <b>(2,220,000)</b>      | <b>(2,220,000)</b>  | <b>(556,611)</b>    | <b>1,663,389</b>                                                |
| Fund Balance at Beginning of Period                                                               | 2,053,638               | 2,053,638           | 2,053,638           | --                                                              |
| <b>Fund Balance at End of Period</b>                                                              | <b>\$ (166,362)</b>     | <b>\$ (166,362)</b> | <b>\$ 1,497,027</b> | <b>\$ 1,663,389</b>                                             |

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - Police and Fire**  
**Last 10 Fiscal Years\***

|                                                                        | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | Information<br>Unavailable<br>2013 |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------------------|
| <b>Total Pension Liability</b>                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                                    |
| Service Cost                                                           | \$ 275,100           | \$ 295,754           | \$ 252,670           | \$ 245,277           | \$ 251,482           | \$ 265,532           | \$ 244,157           | \$ 244,157           | \$ 236,694           | \$ -                               |
| Interest on Total Pension Liability                                    | 1,045,280            | 1,010,874            | 1,021,231            | 1,006,242            | 971,056              | 943,431              | 927,642              | 895,778              | 852,820              | -                                  |
| Differences Between Expected and Actual Experience                     | 82,440               | (63,673)             | (590,780)            | (40,161)             | 242,609              | 59,257               | (23,128)             | 119,335              | 250,448              | -                                  |
| Changes of Assumptions**                                               | 1,086,063            | (357,603)            | 534,387              | (41,620)             | 41,836               | (67,609)             | 48,937               | 78,308               | -                    | -                                  |
| Changes in Benefit Terms                                               | -                    | 27,412               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                                  |
| Benefit Payments, Including Refunds                                    | (1,075,137)          | (1,071,653)          | (1,066,326)          | (986,135)            | (959,967)            | (854,022)            | (827,606)            | (798,335)            | (743,524)            | -                                  |
| <b>Net Change in Pension Liability</b>                                 | 1,413,746            | (158,889)            | 151,182              | 183,603              | 547,016              | 346,589              | 370,002              | 539,243              | 596,438              | -                                  |
| <i>Total Pension Liability - Beginning</i>                             | 14,199,538           | 14,358,427           | 14,207,245           | 14,023,642           | 13,476,626           | 13,130,037           | 12,760,035           | 12,220,792           | 11,624,354           | -                                  |
| <b>Total Pension Liability - Ending (a)</b>                            | <b>\$ 15,613,284</b> | <b>\$ 14,199,538</b> | <b>\$ 14,358,427</b> | <b>\$ 14,207,245</b> | <b>\$ 14,023,642</b> | <b>\$ 13,476,626</b> | <b>\$ 13,130,037</b> | <b>\$ 12,760,035</b> | <b>\$ 12,220,792</b> | <b>\$ -</b>                        |
| <b>Plan Fiduciary Net Position</b>                                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                                    |
| Contributions - Employer                                               | \$ 624,807           | \$ 695,833           | \$ 675,981           | \$ 683,213           | \$ 701,533           | \$ 630,432           | \$ 629,917           | \$ 631,963           | \$ 633,673           | \$ -                               |
| Contributions - Employee                                               | 23,740               | 28,800               | 17,828               | 12,203               | 29,842               | 38,283               | 37,461               | 36,346               | 42,195               | -                                  |
| Net Investment Income                                                  | (1,183,327)          | 3,070,126            | 239,616              | 288,698              | 798,574              | 1,193,963            | 56,318               | 258,280              | 1,146,932            | -                                  |
| Benefit Payments, Including Refunds                                    | (1,075,137)          | (1,071,653)          | (1,066,326)          | (986,135)            | (959,967)            | (854,022)            | (827,606)            | (798,335)            | (743,524)            | -                                  |
| Administrative Expenses                                                | (17,050)             | (11,650)             | (11,950)             | (12,500)             | (14,921)             | (11,100)             | (10,400)             | (9,700)              | (7,200)              | -                                  |
| <b>Net Change in Plan Fiduciary Net Position</b>                       | (1,626,967)          | 2,711,456            | (144,851)            | (14,521)             | 555,061              | 997,556              | (114,310)            | 118,554              | 1,072,076            | -                                  |
| <i>Plan Fiduciary Net Position - Beginning</i>                         | 13,856,475           | 11,145,019           | 11,289,870           | 11,304,391           | 10,749,330           | 9,751,774            | 9,866,084            | 9,747,530            | 8,675,454            | -                                  |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                        | <b>\$ 12,229,508</b> | <b>\$ 13,856,475</b> | <b>\$ 11,145,019</b> | <b>\$ 11,289,870</b> | <b>\$ 11,304,391</b> | <b>\$ 10,749,330</b> | <b>\$ 9,751,774</b>  | <b>\$ 9,866,084</b>  | <b>\$ 9,747,530</b>  | <b>\$ -</b>                        |
| <b>Net Pension Liability - Ending (a) - (b)</b>                        | <b>\$ 3,383,776</b>  | <b>\$ 343,063</b>    | <b>\$ 3,213,408</b>  | <b>\$ 2,917,375</b>  | <b>\$ 2,719,251</b>  | <b>\$ 2,727,296</b>  | <b>\$ 3,378,263</b>  | <b>\$ 2,893,951</b>  | <b>\$ 2,473,262</b>  | <b>\$ -</b>                        |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 78.3%                | 97.6%                | 77.6%                | 79.5%                | 80.6%                | 79.8%                | 74.3%                | 77.3%                | 79.8%                | N/A                                |
| Covered Payroll                                                        | \$ 1,764,272         | \$ 1,732,053         | \$ 1,644,794         | \$ 1,522,152         | \$ 1,498,704         | \$ 1,528,849         | \$ 1,607,792         | \$ 1,595,473         | \$ 1,568,160         | N/A                                |
| Net Pension Liability as a Percentage of Covered Payroll               | 191.8%               | 19.8%                | 195.4%               | 191.7%               | 181.4%               | 178.4%               | 210.1%               | 181.4%               | 157.7%               | N/A                                |

**Notes to Schedule:**

\* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

\*\*In 2021, the following were significant changes to economic and demographic assumptions:

Average final compensation for fire members was updated from a 5-year average to a 3-year average.

Assumed administrative expenses were added to the calculation of the contribution requirement.

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Contributions - Police and Fire**  
**Last 10 Fiscal Years**

|                                                                      | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>        | <u>2013</u>         |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Actuarially Determined Contribution                                  | \$ 468,400          | \$ 510,426          | \$ 499,948          | \$ 496,076          | \$ 520,516          | \$ 533,253         | \$ 543,315         | \$ 549,400         | \$ 543,315         | \$ 549,400          |
| Contributions in Relation to the Actuarially Determined Contribution | 624,807             | 695,833             | 675,981             | 683,213             | 701,533             | 630,432            | 629,917            | 631,963            | 633,673            | 651,762             |
| Contribution Deficiency (Excess)                                     | <u>\$ (156,407)</u> | <u>\$ (185,407)</u> | <u>\$ (176,033)</u> | <u>\$ (187,137)</u> | <u>\$ (181,017)</u> | <u>\$ (97,179)</u> | <u>\$ (86,602)</u> | <u>\$ (82,563)</u> | <u>\$ (90,358)</u> | <u>\$ (102,362)</u> |
| Covered Payroll                                                      | \$ 1,764,272        | \$ 1,732,053        | \$ 1,644,794        | \$ 1,522,152        | \$ 1,498,704        | \$ 1,528,849       | \$ 1,607,792       | \$ 1,595,473       | \$ 1,568,160       | \$ 2,647,200        |
| Contributions as a Percentage of Covered Payroll                     | 35.4%               | 40.2%               | 41.1%               | 44.9%               | 46.8%               | 41.2%              | 39.2%              | 39.6%              | 40.4%              | 24.6%               |

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of June 30 each year, which is 24 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and Assumptions Used to Determine Contribution Rates**

|                               |                                                                                            |
|-------------------------------|--------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry-age Normal                                                                           |
| Amortization Method           | Level Percent of Pay                                                                       |
| Remaining Amortization Period | 10 Years                                                                                   |
| Asset Valuation Method        | 5 Years; Smoothed                                                                          |
| Inflation                     | 2.50%                                                                                      |
| Salary Increases              | Service-based rates                                                                        |
| Investment Rate of Return     | 7.25%, Net of Investment Expense, including Inflation                                      |
| Retirement Age                | Immediate retirement upon reaching eligibility                                             |
| Mortality                     | PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 |

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Investment Returns - Police and Fire**  
**Last 10 Fiscal Years\***

|                                                                 | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>Information<br/>Unavailable*</u><br><u>2013</u> |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------------------------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 7.25%       | 7.00%       | 5.00%       | 5.30%       | 7.10%       | 7.60%       | 5.50%       | 8.44%       | 9.55%       | N/A                                                |

*\* Built prospectively upon implementation on GASB Statement No.68. Ultimately, 10 years of data will be provided.*

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - MERS**  
**Last 10 Plan Years\***

|                                                                        | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | Information Unavailable |             |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|-------------|
|                                                                        |                      |                      |                      |                      |                      |                      |                      |                      | 2012                    | 2011        |
| <b>Total Pension Liability</b>                                         |                      |                      |                      |                      |                      |                      |                      |                      |                         |             |
| Service Cost                                                           | \$ 203,873           | \$ 213,993           | \$ 198,164           | \$ 193,437           | \$ 171,940           | \$ 183,064           | \$ 178,507           | \$ 182,201           | \$ -                    | \$ -        |
| Interest on Total Pension Liability                                    | 1,103,107            | 1,027,749            | 1,026,791            | 993,571              | 966,451              | 962,346              | 912,790              | 861,002              | -                       | -           |
| Differences Between Expected and Actual Experience                     | (76,724)             | 206,873              | (162,935)            | 2,454                | (39,013)             | (350,495)            | 18,275               | -                    | -                       | -           |
| Changes of Assumptions**                                               | 573,227              | 396,202              | 407,156              | -                    | -                    | -                    | 579,967              | -                    | -                       | -           |
| Benefit Payments, Including Refunds                                    | (881,586)            | (814,800)            | (763,157)            | (789,976)            | (750,139)            | (725,564)            | (728,028)            | (696,532)            | -                       | -           |
| Other Changes                                                          | -                    | -                    | -                    | -                    | (1,081)              | -                    | -                    | -                    | -                       | -           |
| <b>Net Change in Pension Liability</b>                                 | <b>921,897</b>       | <b>1,030,017</b>     | <b>706,019</b>       | <b>399,486</b>       | <b>348,158</b>       | <b>69,351</b>        | <b>961,511</b>       | <b>346,671</b>       | <b>-</b>                | <b>-</b>    |
| <i>Total Pension Liability - Beginning</i>                             | <i>14,853,419</i>    | <i>13,823,402</i>    | <i>13,117,383</i>    | <i>12,717,897</i>    | <i>12,369,739</i>    | <i>12,300,388</i>    | <i>11,338,877</i>    | <i>10,992,206</i>    | <i>-</i>                | <i>-</i>    |
| <b>Total Pension Liability - Ending (a)</b>                            | <b>\$ 15,775,316</b> | <b>\$ 14,853,419</b> | <b>\$ 13,823,402</b> | <b>\$ 13,117,383</b> | <b>\$ 12,717,897</b> | <b>\$ 12,369,739</b> | <b>\$ 12,300,388</b> | <b>\$ 11,338,877</b> | <b>\$ -</b>             | <b>\$ -</b> |
| <b>Plan Fiduciary Net Position</b>                                     |                      |                      |                      |                      |                      |                      |                      |                      |                         |             |
| Contributions - Employer                                               | \$ 471,166           | \$ 431,742           | \$ 371,775           | \$ 331,009           | \$ 304,055           | \$ 281,993           | \$ 260,636           | \$ 274,762           | \$ -                    | \$ -        |
| Net Investment Income (Loss)                                           | 1,547,742            | 1,276,898            | 1,261,012            | (390,671)            | 1,237,501            | 1,001,110            | (139,307)            | 617,338              | -                       | -           |
| Benefit Payments, Including Refunds                                    | (881,586)            | (814,800)            | (763,157)            | (789,976)            | (750,139)            | (725,196)            | (728,028)            | (696,532)            | -                       | -           |
| Administrative Expenses                                                | (17,758)             | (20,414)             | (21,709)             | (19,637)             | (19,622)             | (19,782)             | (20,636)             | (22,612)             | -                       | -           |
| <b>Net Change in Plan Fiduciary Net Position</b>                       | <b>1,119,564</b>     | <b>873,426</b>       | <b>847,921</b>       | <b>(869,275)</b>     | <b>771,795</b>       | <b>538,125</b>       | <b>(627,335)</b>     | <b>172,956</b>       | <b>-</b>                | <b>-</b>    |
| <i>Plan Fiduciary Net Position - Beginning</i>                         | <i>11,111,130</i>    | <i>10,237,704</i>    | <i>9,389,783</i>     | <i>10,259,058</i>    | <i>9,487,263</i>     | <i>8,949,138</i>     | <i>9,576,473</i>     | <i>9,883,508</i>     | <i>-</i>                | <i>-</i>    |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                        | <b>\$ 12,230,694</b> | <b>\$ 11,111,130</b> | <b>\$ 10,237,704</b> | <b>\$ 9,389,783</b>  | <b>\$ 10,259,058</b> | <b>\$ 9,487,263</b>  | <b>\$ 8,949,138</b>  | <b>\$ 10,056,464</b> | <b>\$ -</b>             | <b>\$ -</b> |
| <b>Net Pension Liability - Ending (a) - (b)</b>                        | <b>\$ 3,544,622</b>  | <b>\$ 3,742,289</b>  | <b>\$ 3,585,698</b>  | <b>\$ 3,727,600</b>  | <b>\$ 2,458,839</b>  | <b>\$ 2,882,476</b>  | <b>\$ 3,351,250</b>  | <b>\$ 1,282,413</b>  | <b>\$ -</b>             | <b>\$ -</b> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 77.5%                | 74.8%                | 74.1%                | 71.6%                | 80.7%                | 76.7%                | 72.8%                | 88.7%                | N/A                     | N/A         |
| Covered Payroll                                                        | \$ 2,849,619         | \$ 2,515,900         | \$ 2,349,644         | \$ 2,301,503         | \$ 2,066,937         | \$ 2,195,369         | \$ 2,186,192         | \$ 2,712,307         | N/A                     | N/A         |
| Net Pension Liability as a Percentage of Covered Payroll               | 124.4%               | 148.7%               | 152.6%               | 162.0%               | 119.0%               | 131.3%               | 153.3%               | 47.3%                | N/A                     | N/A         |

**Notes to Schedule:**

\* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

\*\*The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Contributions - MERS**  
**Last 10 Fiscal Years**

|                                                                      | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  | <u>2013</u>  |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution                                  | \$ 500,464   | \$ 436,183   | \$ 395,146   | \$ 344,803   | \$ 317,092   | \$ 281,993   | \$ 260,636   | \$ 274,762   | \$ 261,878   | \$ 227,945   |
| Contributions in Relation to the Actuarially Determined Contribution | 500,464      | 436,183      | 395,146      | 344,803      | 317,092      | 281,993      | 260,636      | 274,762      | 261,878      | 227,945      |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered Payroll                                                      | \$ 2,519,655 | \$ 2,533,002 | \$ 2,428,384 | \$ 2,367,018 | \$ 2,209,279 | \$ 2,217,872 | \$ 2,193,625 | \$ 2,739,769 | \$ 2,647,200 | \$ 2,522,912 |
| Contributions as a Percentage of Covered Payroll                     | 19.9%        | 17.2%        | 16.3%        | 14.6%        | 14.4%        | 12.7%        | 11.9%        | 10.0%        | 9.9%         | 9.0%         |

*Notes*

**Valuation Date**

Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and Assumptions Used to Determine Contribution Rates**

|                               |                                                                                                       |
|-------------------------------|-------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry-age Normal                                                                                      |
| Amortization Method           | Level Percentage of Payroll, Open                                                                     |
| Remaining Amortization Period | 18 Years                                                                                              |
| Asset Valuation Method        | 5 Years; Smoothed                                                                                     |
| Inflation                     | 2.50%                                                                                                 |
| Salary Increases              | 3.00% Wage Inflation with 0.00%-11.00% Merit and Longevity Increases                                  |
| Investment Rate of Return     | 7.35%, Net of Investment Expense, including Inflation                                                 |
| Retirement Age                | Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition               |
| Mortality                     | Rates Used were Based on the RP-2019 Group Annuity Mortality Table of a 50% Male and 50% Female Blend |

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last 10 Fiscal Years\***

|                                                                     | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | Information Unavailable |              |              |              |
|---------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|--------------|--------------|--------------|
|                                                                     |                     |                     |                     |                     |                     |                     | 2016                    | 2015         | 2014         | 2013         |
| <b>Total OPEB Liability</b>                                         |                     |                     |                     |                     |                     |                     |                         |              |              |              |
| Service Cost                                                        | \$ 43,635           | \$ 47,012           | \$ 43,449           | \$ 102,983          | \$ 97,328           | \$ 111,956          | \$ -                    | \$ -         | \$ -         | \$ -         |
| Interest on Total OPEB Liability                                    | 298,262             | 303,046             | 334,599             | 283,251             | 276,000             | 275,650             | -                       | -            | -            | -            |
| Differences Between Expected and Actual Experience                  | 14,587              | (345,171)           | 116,593             | (762,868)           | -                   | (184,047)           | -                       | -            | -            | -            |
| Changes of Assumptions**                                            | 53,374              | 378,190             | (316,948)           | 211,883             | -                   | 53,886              | -                       | -            | -            | -            |
| Benefit Payments, Including Refunds                                 | (332,917)           | (363,822)           | (386,610)           | (283,665)           | (225,531)           | (296,313)           | -                       | -            | -            | -            |
| <b>Net Change in total OPEB Liability</b>                           | 76,941              | 19,255              | (208,917)           | (448,416)           | 147,797             | (38,868)            | -                       | -            | -            | -            |
| Total OPEB Liability - Beginning                                    | 4,273,997           | 4,254,742           | 4,463,659           | 4,912,075           | 4,764,278           | 4,803,146           | -                       | -            | -            | -            |
| <b>Total OPEB Liability - Ending (a)</b>                            | <b>\$ 4,350,938</b> | <b>\$ 4,273,997</b> | <b>\$ 4,254,742</b> | <b>\$ 4,463,659</b> | <b>\$ 4,912,075</b> | <b>\$ 4,764,278</b> | <b>\$ -</b>             | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| <b>Plan Fiduciary Net Position</b>                                  |                     |                     |                     |                     |                     |                     |                         |              |              |              |
| Contributions - Employer                                            | \$ 332,917          | \$ 363,822          | \$ 386,610          | \$ 58,134           | \$ 225,531          | \$ 296,313          | \$ -                    | \$ -         | \$ -         | \$ -         |
| Net Investment Income (Loss)                                        | (349,899)           | 934,470             | (61,366)            | 91,017              | 247,199             | 370,924             | -                       | -            | -            | -            |
| Benefit Payments, Including Refunds                                 | (332,917)           | (363,822)           | (386,610)           | (283,665)           | (225,531)           | (296,313)           | -                       | -            | -            | -            |
| Administrative Expenses                                             | (7,628)             | (6,873)             | (6,203)             | (7,227)             | -                   | -                   | -                       | -            | -            | -            |
| <b>Net Change in Plan Fiduciary Net Position</b>                    | (357,527)           | 927,597             | (67,569)            | (141,741)           | 247,199             | 370,924             | -                       | -            | -            | -            |
| Plan Fiduciary Net Position - Beginning                             | 4,252,014           | 3,324,417           | 3,391,986           | 3,533,727           | 3,286,528           | 2,915,604           | -                       | -            | -            | -            |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                     | <b>\$ 3,894,487</b> | <b>\$ 4,252,014</b> | <b>\$ 3,324,417</b> | <b>\$ 3,391,986</b> | <b>\$ 3,533,727</b> | <b>\$ 3,286,528</b> | <b>\$ -</b>             | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| <b>Net OPEB Liability - Ending (a) - (b)</b>                        | <b>\$ 456,451</b>   | <b>\$ 21,983</b>    | <b>\$ 930,325</b>   | <b>\$ 1,071,673</b> | <b>\$ 1,378,348</b> | <b>\$ 1,477,750</b> | <b>\$ -</b>             | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 89.5%               | 99.5%               | 78.1%               | 76.0%               | 71.9%               | 69.0%               | N/A                     | N/A          | N/A          | N/A          |
| Covered Payroll                                                     | \$ 1,245,605        | \$ 1,245,605        | \$ 1,232,840        | \$ 1,362,246        | \$ 1,873,871        | \$ 1,806,140        | \$ 1,985,694            | \$ 2,519,304 | \$ 2,519,304 | \$ 3,569,960 |
| Net OPEB Liability as a Percentage of Covered Payroll               | 36.6%               | 1.8%                | 75.5%               | 78.7%               | 73.6%               | 81.8%               | N/A                     | N/A          | N/A          | N/A          |

**Notes to Schedule:**

\* Built prospectively upon implementation on GASB Statement No.75. An additional year will be added each year until ten years are presented.

\*\*In 2020, the following were significant changes to economic and demographic assumptions:

The mortality and medical trend rates were changed to reflect anticipated experience under Public Act 202.

The expected retirement age was changed to reflect retiree experience.

The premiums have decreased from the previous year.

**City of Cadillac**  
**Required Supplementary Information**  
**Schedule of Contributions - OPEB**  
**Last 10 Fiscal Years**

|                                                                      | <u>2022</u>  | <u>2021</u>  | <u>2020</u>       | <u>2019</u>       | <u>2018</u>      | <u>2017</u>  | <u>2016</u>  | <u>2015</u>      | <u>2014</u>      | <u>2013</u>       |
|----------------------------------------------------------------------|--------------|--------------|-------------------|-------------------|------------------|--------------|--------------|------------------|------------------|-------------------|
| Actuarially Determined Contribution                                  | \$ 332,917   | \$ 363,822   | \$ 386,610        | \$ 283,665        | \$ 244,032       | \$ 296,313   | \$ 271,847   | \$ 267,660       | \$ 276,378       | \$ 238,334        |
| Contributions in Relation to the Actuarially Determined Contribution | 332,917      | 363,822      | 246,610           | 58,134            | 225,531          | 296,313      | 271,847      | 187,747          | 181,183          | 103,690           |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 140,000</u> | <u>\$ 225,531</u> | <u>\$ 18,501</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 79,913</u> | <u>\$ 95,195</u> | <u>\$ 134,644</u> |
| Covered Payroll                                                      | \$ 1,245,605 | \$ 1,245,605 | \$ 1,232,840      | \$ 1,362,246      | \$ 1,873,871     | \$ 1,806,140 | \$ 1,985,694 | \$ 2,519,304     | \$ 2,519,304     | \$ 3,569,960      |
| Contributions as a Percentage of Covered Payroll                     | 26.7%        | 29.2%        | 20.0%             | 4.3%              | 12.0%            | 16.4%        | 13.7%        | 7.5%             | 7.2%             | 2.9%              |

Notes

**Valuation Date:** June 30, 2021

**Methods and Assumptions Used to Determine Contribution Rates**

|                               |                                                                                         |
|-------------------------------|-----------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry-age Normal                                                                        |
| Amortization Method           | Level Dollar                                                                            |
| Remaining Amortization Period | 12 Years                                                                                |
| Asset Valuation Method        | 5 Years; Smoothed                                                                       |
| Inflation                     | 2.50%                                                                                   |
| Salary Increases              | 3.00% Wage Inflation with 0.00%-6.70% Merit and Longevity Increases                     |
| Investment Rate of Return     | 7.00%, Net of Investment Expense, including Inflation                                   |
| Healthcare Cost Trend Rate    | 8.00% for health and pharmacy; 5.00% for dental                                         |
| Retirement Age                | Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition |
| Mortality                     | Pub-2010 with MP-2020                                                                   |

## **Combining and Individual Fund Statements and Schedules**

## City of Cadillac

### Nonmajor Governmental Fund Descriptions

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#### SPECIAL REVENUE FUNDS

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

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

***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.

***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.

***Building Inspection Fund*** - This fund was established to account for the receipts and expenditures incurred by the Cadillac to enforce the State Construction Code Act.

#### DEBT SERVICE FUND

***2016 GO Bonds Fund*** – This fund was established to account for the principal and interest payments on a 2016 General Obligation Bond issued to acquire and construct various municipality improvements.

***2020 CI Bonds Fund*** – This fund was established to account for the principal and interest payments on a 2020 Michigan Transportation Bond issued to acquire and construct various municipality improvements.

## City of Cadillac

### Nonmajor Governmental Fund Descriptions

---

#### CAPITAL PROJECT FUNDS

***Market Capital Project Fund*** - The purpose is to account for the market capital project.

***Cadillac Trailhead Project Fund***- The purpose is to account for the trailhead capital project.

***Mitchell-Bentley Cleanup Project Fund***- The purpose is to account for the cleanup of the former Mitchell-Bentley site.

***Downtown Infrastructure Fund*** - This fund was established to account for improvements on downtown infrastructure.

***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.

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

***Special Assessments Capital Projects Fund*** - This fund was established to account for the various capital projects of the City.

***Rotary Park Project Fund*** - The purpose is to account for the rotary park project on Lake Cadillac.

***Corridor Improvement*** - The purpose is to assist funding improvements in commercial corridors outside of the main commercial or downtown area.

#### PERMANENT FUNDS

***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 earning from the endowment will be used for capital projects as deemed appropriate by the City Council.

**City of Cadillac  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

|                                                                               | Special Revenue  |                  |                         |                         |                       |                        | Debt Service    |
|-------------------------------------------------------------------------------|------------------|------------------|-------------------------|-------------------------|-----------------------|------------------------|-----------------|
|                                                                               | Cemetery         | Milfoil          | Cadillac<br>Development | Naval Reserve<br>Center | HL Green<br>Operating | Building<br>Inspection | 2016 GO Bonds   |
| <b>ASSETS</b>                                                                 |                  |                  |                         |                         |                       |                        |                 |
| Cash and Pooled Investments                                                   | \$ 47,724        | \$ 20,041        | \$ 232,208              | \$ 8,468                | \$ 49,217             | \$ 27,284              | \$ 1,289        |
| Receivables                                                                   | --               | --               | 66,303                  | --                      | --                    | 1,577                  | --              |
| Prepays                                                                       | 850              | --               | 165                     | --                      | --                    | --                     | --              |
| Advance to Other Funds                                                        | --               | --               | 405,000                 | --                      | --                    | --                     | --              |
| <b>Total Assets</b>                                                           | <b>\$ 48,574</b> | <b>\$ 20,041</b> | <b>\$ 703,676</b>       | <b>\$ 8,468</b>         | <b>\$ 49,217</b>      | <b>\$ 28,861</b>       | <b>\$ 1,289</b> |
| <b>LIABILITIES</b>                                                            |                  |                  |                         |                         |                       |                        |                 |
| Accounts Payable                                                              | \$ 3,597         | \$ --            | \$ 1,200                | \$ 332                  | \$ --                 | \$ 6,403               | \$ --           |
| Accrued Liabilities                                                           | 8,103            | --               | 2,640                   | --                      | --                    | --                     | --              |
| Due to Other Funds                                                            | --               | --               | --                      | --                      | --                    | --                     | --              |
| <b>Total Liabilities</b>                                                      | <b>11,700</b>    | <b>--</b>        | <b>3,840</b>            | <b>332</b>              | <b>--</b>             | <b>6,403</b>           | <b>--</b>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                  |                  |                         |                         |                       |                        |                 |
| Unavailable Revenues                                                          | --               | --               | 53,872                  | --                      | --                    | --                     | --              |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                    | <b>11,700</b>    | <b>--</b>        | <b>57,712</b>           | <b>332</b>              | <b>--</b>             | <b>6,403</b>           | <b>--</b>       |
| <b>FUND BALANCE</b>                                                           |                  |                  |                         |                         |                       |                        |                 |
| Nonspendable                                                                  | 850              | --               | 165                     | --                      | --                    | --                     | --              |
| Restricted                                                                    | 36,024           | 20,041           | --                      | 8,136                   | --                    | 22,458                 | 1,289           |
| Assigned                                                                      | --               | --               | 645,799                 | --                      | 49,217                | --                     | --              |
| Unassigned                                                                    | --               | --               | --                      | --                      | --                    | --                     | --              |
| <b>Total Fund Balance</b>                                                     | <b>36,874</b>    | <b>20,041</b>    | <b>645,964</b>          | <b>8,136</b>            | <b>49,217</b>         | <b>22,458</b>          | <b>1,289</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources,<br/>and Fund Balance</b> | <b>\$ 48,574</b> | <b>\$ 20,041</b> | <b>\$ 703,676</b>       | <b>\$ 8,468</b>         | <b>\$ 49,217</b>      | <b>\$ 28,861</b>       | <b>\$ 1,289</b> |

**City of Cadillac  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

|                                                                           | <b>Debt Service</b>  |                               | <b>Capital Projects</b>           |                                        |                                |                        |                            |
|---------------------------------------------------------------------------|----------------------|-------------------------------|-----------------------------------|----------------------------------------|--------------------------------|------------------------|----------------------------|
|                                                                           | <b>2020 CI Bonds</b> | <b>Market Capital Project</b> | <b>Cadillac Trailhead Project</b> | <b>Mitchell-Bently Cleanup Project</b> | <b>Downtown Infrastructure</b> | <b>Industrial Park</b> | <b>Clam River Greenway</b> |
| <b>ASSETS</b>                                                             |                      |                               |                                   |                                        |                                |                        |                            |
| Cash and Pooled Investments                                               | \$ 1,300             | \$ 38,365                     | \$ 143,961                        | \$ --                                  | \$ 445,324                     | \$ 576,756             | \$ 23,197                  |
| Receivables                                                               | --                   | --                            | 137,797                           | 94,454                                 | --                             | 3,043                  | --                         |
| Prepays                                                                   | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| Advance to Other Funds                                                    | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| <b>Total Assets</b>                                                       | <b>\$ 1,300</b>      | <b>\$ 38,365</b>              | <b>\$ 281,758</b>                 | <b>\$ 94,454</b>                       | <b>\$ 445,324</b>              | <b>\$ 579,799</b>      | <b>\$ 23,197</b>           |
| <b>LIABILITIES</b>                                                        |                      |                               |                                   |                                        |                                |                        |                            |
| Accounts Payable                                                          | \$ --                | \$ --                         | \$ 170,019                        | \$ 8,637                               | \$ --                          | \$ 100                 | \$ --                      |
| Accrued Liabilities                                                       | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| Due to Other Funds                                                        | --                   | --                            | --                                | 85,816                                 | --                             | --                     | --                         |
| <b>Total Liabilities</b>                                                  | <b>--</b>            | <b>--</b>                     | <b>170,019</b>                    | <b>94,453</b>                          | <b>--</b>                      | <b>100</b>             | <b>--</b>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                               |                                   |                                        |                                |                        |                            |
| Unavailable Revenues                                                      | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                | <b>--</b>            | <b>--</b>                     | <b>170,019</b>                    | <b>94,453</b>                          | <b>--</b>                      | <b>100</b>             | <b>--</b>                  |
| <b>FUND BALANCE</b>                                                       |                      |                               |                                   |                                        |                                |                        |                            |
| Nonspendable                                                              | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| Restricted                                                                | 1,300                | 38,365                        | 111,739                           | 1                                      | 445,324                        | --                     | 23,197                     |
| Assigned                                                                  | --                   | --                            | --                                | --                                     | --                             | 579,699                | --                         |
| Unassigned                                                                | --                   | --                            | --                                | --                                     | --                             | --                     | --                         |
| <b>Total Fund Balance</b>                                                 | <b>1,300</b>         | <b>38,365</b>                 | <b>111,739</b>                    | <b>1</b>                               | <b>445,324</b>                 | <b>579,699</b>         | <b>23,197</b>              |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b> | <b>\$ 1,300</b>      | <b>\$ 38,365</b>              | <b>\$ 281,758</b>                 | <b>\$ 94,454</b>                       | <b>\$ 445,324</b>              | <b>\$ 579,799</b>      | <b>\$ 23,197</b>           |

**City of Cadillac  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

|                                                                                      | Capital Projects                          |                        |                         | Permanent             |                           | Total Nonmajor<br>Governmental<br>Funds |
|--------------------------------------------------------------------------------------|-------------------------------------------|------------------------|-------------------------|-----------------------|---------------------------|-----------------------------------------|
|                                                                                      | Special<br>Assessment<br>Capital Projects | Rotary Park<br>Project | Corridor<br>Improvement | Cemetery<br>Perpetual | Capital Projects<br>Trust |                                         |
| <b>ASSETS</b>                                                                        |                                           |                        |                         |                       |                           |                                         |
| Cash and Pooled Investments                                                          | \$ 71,076                                 | \$ 4,326               | \$ 5,899                | \$ 605,894            | \$ 130,993                | \$ 2,433,322                            |
| Receivables                                                                          | 10,288                                    | --                     | --                      | 9,084                 | 31                        | 322,577                                 |
| Prepays                                                                              | --                                        | --                     | --                      | --                    | --                        | 1,015                                   |
| Advance to Other Funds                                                               | --                                        | --                     | --                      | --                    | --                        | 405,000                                 |
| <i><b>Total Assets</b></i>                                                           | <b>\$ 81,364</b>                          | <b>\$ 4,326</b>        | <b>\$ 5,899</b>         | <b>\$ 614,978</b>     | <b>\$ 131,024</b>         | <b>\$ 3,161,914</b>                     |
| <b>LIABILITIES</b>                                                                   |                                           |                        |                         |                       |                           |                                         |
| Accounts Payable                                                                     | \$ 5,610                                  | \$ --                  | \$ --                   | \$ --                 | \$ --                     | \$ 195,898                              |
| Accrued Liabilities                                                                  | --                                        | --                     | --                      | --                    | --                        | 10,743                                  |
| Due to Other Funds                                                                   | --                                        | --                     | --                      | --                    | --                        | 85,816                                  |
| <i><b>Total Liabilities</b></i>                                                      | <b>5,610</b>                              | <b>--</b>              | <b>--</b>               | <b>--</b>             | <b>--</b>                 | <b>292,457</b>                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                 |                                           |                        |                         |                       |                           |                                         |
| Unavailable Revenues                                                                 | 8,093                                     | --                     | --                      | --                    | --                        | 61,965                                  |
| <i><b>Total Liabilities and Deferred Inflows of Resources</b></i>                    | <b>13,703</b>                             | <b>--</b>              | <b>--</b>               | <b>--</b>             | <b>--</b>                 | <b>354,422</b>                          |
| <b>FUND BALANCE</b>                                                                  |                                           |                        |                         |                       |                           |                                         |
| Nonspendable                                                                         | --                                        | --                     | --                      | 245,000               | 131,024                   | 377,039                                 |
| Restricted                                                                           | 67,661                                    | 4,326                  | --                      | 369,978               | --                        | 1,149,839                               |
| Assigned                                                                             | --                                        | --                     | 5,899                   | --                    | --                        | 1,280,614                               |
| Unassigned                                                                           | --                                        | --                     | --                      | --                    | --                        | --                                      |
| <i><b>Total Fund Balance</b></i>                                                     | <b>67,661</b>                             | <b>4,326</b>           | <b>5,899</b>            | <b>614,978</b>        | <b>131,024</b>            | <b>2,807,492</b>                        |
| <i><b>Total Liabilities, Deferred Inflows of Resources,<br/>and Fund Balance</b></i> | <b>\$ 81,364</b>                          | <b>\$ 4,326</b>        | <b>\$ 5,899</b>         | <b>\$ 614,978</b>     | <b>\$ 131,024</b>         | <b>\$ 3,161,914</b>                     |

**City of Cadillac**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2022**

|                                                     | Special Revenue  |                  |                      |                      |                    |                     | Debt Service     |
|-----------------------------------------------------|------------------|------------------|----------------------|----------------------|--------------------|---------------------|------------------|
|                                                     | Cemetery         | Milfoil          | Cadillac Development | Naval Reserve Center | HL Green Operating | Building Inspection | 2016 GO Bonds    |
| <b>Revenues</b>                                     |                  |                  |                      |                      |                    |                     |                  |
| Licenses and Permits                                | \$ --            | \$ --            | \$ --                | \$ --                | \$ --              | \$ 45,525           | \$ --            |
| Federal Revenue                                     | --               | --               | --                   | --                   | --                 | --                  | --               |
| State Revenue                                       | --               | --               | --                   | --                   | --                 | --                  | --               |
| Local Revenue                                       | 7,089            | --               | --                   | --                   | --                 | --                  | --               |
| Charges for Services                                | 69,238           | --               | --                   | 18,494               | --                 | --                  | --               |
| Miscellaneous                                       | --               | --               | 3,000                | 6,000                | --                 | --                  | --               |
| Interest Income (Loss)                              | 1                | --               | 4,541                | --                   | 7                  | --                  | --               |
| <b>Total Revenues</b>                               | <b>76,328</b>    | <b>--</b>        | <b>7,541</b>         | <b>24,494</b>        | <b>7</b>           | <b>45,525</b>       | <b>--</b>        |
| <b>Expenditures</b>                                 |                  |                  |                      |                      |                    |                     |                  |
| General Government                                  | --               | --               | --                   | --                   | --                 | --                  | 500              |
| Public Safety                                       | --               | --               | --                   | --                   | --                 | 45,605              | --               |
| Public Works                                        | 142,851          | 16,169           | --                   | --                   | --                 | --                  | --               |
| Economic Development                                | --               | --               | 73,612               | --                   | --                 | --                  | --               |
| Recreation and Culture                              | --               | --               | --                   | 25,174               | --                 | --                  | --               |
| Capital Outlay                                      | --               | --               | --                   | --                   | --                 | --                  | --               |
| Debt Service - Principal                            | --               | --               | --                   | --                   | --                 | --                  | 130,000          |
| Debt Service - Interest                             | --               | --               | --                   | --                   | --                 | --                  | 31,767           |
| <b>Total Expenditures</b>                           | <b>142,851</b>   | <b>16,169</b>    | <b>73,612</b>        | <b>25,174</b>        | <b>--</b>          | <b>45,605</b>       | <b>162,267</b>   |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>(66,523)</b>  | <b>(16,169)</b>  | <b>(66,071)</b>      | <b>(680)</b>         | <b>7</b>           | <b>(80)</b>         | <b>(162,267)</b> |
| <b>Other Financing Sources</b>                      |                  |                  |                      |                      |                    |                     |                  |
| Sale of Property                                    | --               | --               | --                   | --                   | --                 | --                  | --               |
| Transfers In                                        | 70,000           | 30,000           | --                   | --                   | --                 | --                  | 162,500          |
| <b>Net Other Financing Sources</b>                  | <b>70,000</b>    | <b>30,000</b>    | <b>--</b>            | <b>--</b>            | <b>--</b>          | <b>--</b>           | <b>162,500</b>   |
| <b>Net Change in Fund Balance</b>                   | <b>3,477</b>     | <b>13,831</b>    | <b>(66,071)</b>      | <b>(680)</b>         | <b>7</b>           | <b>(80)</b>         | <b>233</b>       |
| Fund Balance at Beginning of Period                 | 33,397           | 6,210            | 712,035              | 8,816                | 49,210             | 22,538              | 1,056            |
| <b>Fund Balance at End of Period</b>                | <b>\$ 36,874</b> | <b>\$ 20,041</b> | <b>\$ 645,964</b>    | <b>\$ 8,136</b>      | <b>\$ 49,217</b>   | <b>\$ 22,458</b>    | <b>\$ 1,289</b>  |

**City of Cadillac**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2022**

|                                                     | <b>Debt Service</b>  |                               | <b>Capital Projects</b>           |                                         |                                |                        |                            |
|-----------------------------------------------------|----------------------|-------------------------------|-----------------------------------|-----------------------------------------|--------------------------------|------------------------|----------------------------|
|                                                     | <b>2020 CI Bonds</b> | <b>Market Capital Project</b> | <b>Cadillac Trailhead Project</b> | <b>Mitchell-Bentley Cleanup Project</b> | <b>Downtown Infrastructure</b> | <b>Industrial Park</b> | <b>Clam River Greenway</b> |
| <b>Revenues</b>                                     |                      |                               |                                   |                                         |                                |                        |                            |
| Licenses and Permits                                | \$ --                | \$ --                         | \$ --                             | \$ --                                   | \$ --                          | \$ --                  | \$ --                      |
| Federal Revenue                                     | --                   | --                            | 110,000                           | --                                      | --                             | --                     | --                         |
| State Revenue                                       | --                   | --                            | 137,797                           | 46,744                                  | --                             | 8,601                  | --                         |
| Local Revenue                                       | --                   | 5,000                         | 10,882                            | --                                      | --                             | --                     | --                         |
| Charges for Services                                | --                   | --                            | --                                | --                                      | --                             | --                     | --                         |
| Miscellaneous                                       | --                   | --                            | --                                | --                                      | --                             | --                     | --                         |
| Interest Income (Loss)                              | --                   | --                            | --                                | --                                      | 599                            | (498)                  | --                         |
| <b>Total Revenues</b>                               | <u>--</u>            | <u>5,000</u>                  | <u>258,679</u>                    | <u>46,744</u>                           | <u>599</u>                     | <u>8,103</u>           | <u>--</u>                  |
| <b>Expenditures</b>                                 |                      |                               |                                   |                                         |                                |                        |                            |
| General Government                                  | --                   | --                            | --                                | --                                      | --                             | 500                    | --                         |
| Public Safety                                       | --                   | --                            | --                                | --                                      | --                             | --                     | --                         |
| Public Works                                        | --                   | --                            | --                                | --                                      | 13,056                         | --                     | --                         |
| Economic Development                                | --                   | 4,863                         | --                                | 47,272                                  | --                             | 12,829                 | --                         |
| Recreation and Culture                              | --                   | --                            | --                                | --                                      | --                             | --                     | --                         |
| Capital Outlay                                      | --                   | --                            | 256,940                           | --                                      | --                             | --                     | --                         |
| Debt Service - Principal                            | 230,000              | --                            | --                                | --                                      | --                             | --                     | --                         |
| Debt Service - Interest                             | 81,700               | --                            | --                                | --                                      | --                             | --                     | --                         |
| <b>Total Expenditures</b>                           | <u>311,700</u>       | <u>4,863</u>                  | <u>256,940</u>                    | <u>47,272</u>                           | <u>13,056</u>                  | <u>13,329</u>          | <u>--</u>                  |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <u>(311,700)</u>     | <u>137</u>                    | <u>1,739</u>                      | <u>(528)</u>                            | <u>(12,457)</u>                | <u>(5,226)</u>         | <u>--</u>                  |
| <b>Other Financing Sources</b>                      |                      |                               |                                   |                                         |                                |                        |                            |
| Sale of Property                                    | --                   | --                            | --                                | --                                      | --                             | 13,915                 | --                         |
| Transfers In                                        | 313,000              | --                            | 110,000                           | --                                      | --                             | --                     | --                         |
| <b>Net Other Financing Sources</b>                  | <u>313,000</u>       | <u>--</u>                     | <u>110,000</u>                    | <u>--</u>                               | <u>--</u>                      | <u>13,915</u>          | <u>--</u>                  |
| <b>Net Change in Fund Balance</b>                   | <u>1,300</u>         | <u>137</u>                    | <u>111,739</u>                    | <u>(528)</u>                            | <u>(12,457)</u>                | <u>8,689</u>           | <u>--</u>                  |
| <b>Fund Balance at Beginning of Period</b>          | --                   | 38,228                        | --                                | 529                                     | 457,781                        | 571,010                | 23,197                     |
| <b>Fund Balance at End of Period</b>                | <u>\$ 1,300</u>      | <u>\$ 38,365</u>              | <u>\$ 111,739</u>                 | <u>\$ 1</u>                             | <u>\$ 445,324</u>              | <u>\$ 579,699</u>      | <u>\$ 23,197</u>           |

**City of Cadillac**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2022**

|                                                         | <b>Capital Projects</b>                            |                                |                                 | <b>Permanent</b>              |                                   | <b>Total Nonmajor<br/>Governmental<br/>Funds</b> |
|---------------------------------------------------------|----------------------------------------------------|--------------------------------|---------------------------------|-------------------------------|-----------------------------------|--------------------------------------------------|
|                                                         | <b>Special<br/>Assessment<br/>Capital Projects</b> | <b>Rotary Park<br/>Project</b> | <b>Corridor<br/>Improvement</b> | <b>Cemetery<br/>Perpetual</b> | <b>Capital Projects<br/>Trust</b> |                                                  |
| <b>Revenues</b>                                         |                                                    |                                |                                 |                               |                                   |                                                  |
| Licenses and Permits                                    | \$ --                                              | \$ --                          | \$ --                           | \$ --                         | \$ --                             | \$ 45,525                                        |
| Federal Revenue                                         | --                                                 | --                             | --                              | --                            | --                                | 110,000                                          |
| State Revenue                                           | --                                                 | --                             | --                              | --                            | --                                | 193,142                                          |
| Local Revenue                                           | --                                                 | --                             | --                              | --                            | --                                | 22,971                                           |
| Charges for Services                                    | --                                                 | --                             | --                              | 14,150                        | --                                | 101,882                                          |
| Miscellaneous                                           | 2,769                                              | --                             | --                              | --                            | --                                | 11,769                                           |
| Interest Income (Loss)                                  | 192                                                | --                             | --                              | 5,270                         | 315                               | 10,427                                           |
| <b>Total Revenues</b>                                   | <b>2,961</b>                                       | <b>--</b>                      | <b>--</b>                       | <b>19,420</b>                 | <b>315</b>                        | <b>495,716</b>                                   |
| <b>Expenditures</b>                                     |                                                    |                                |                                 |                               |                                   |                                                  |
| General Government                                      | --                                                 | --                             | --                              | 500                           | 500                               | 2,000                                            |
| Public Safety                                           | --                                                 | --                             | --                              | --                            | --                                | 45,605                                           |
| Public Works                                            | 2,495                                              | --                             | --                              | --                            | --                                | 174,571                                          |
| Economic Development                                    | --                                                 | --                             | --                              | --                            | --                                | 138,576                                          |
| Recreation and Culture                                  | --                                                 | --                             | --                              | --                            | --                                | 25,174                                           |
| Capital Outlay                                          | --                                                 | --                             | --                              | --                            | --                                | 256,940                                          |
| Debt Service - Principal                                | --                                                 | --                             | --                              | --                            | --                                | 360,000                                          |
| Debt Service - Interest                                 | --                                                 | --                             | --                              | --                            | --                                | 113,467                                          |
| <b>Total Expenditures</b>                               | <b>2,495</b>                                       | <b>--</b>                      | <b>--</b>                       | <b>500</b>                    | <b>500</b>                        | <b>1,116,333</b>                                 |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | <b>466</b>                                         | <b>--</b>                      | <b>--</b>                       | <b>18,920</b>                 | <b>(185)</b>                      | <b>(620,617)</b>                                 |
| <b>Other Financing Sources</b>                          |                                                    |                                |                                 |                               |                                   |                                                  |
| Sale of Property                                        | --                                                 | --                             | --                              | --                            | --                                | 13,915                                           |
| Transfers In                                            | --                                                 | --                             | --                              | --                            | --                                | 685,500                                          |
| <b>Net Other Financing Sources</b>                      | <b>--</b>                                          | <b>--</b>                      | <b>--</b>                       | <b>--</b>                     | <b>--</b>                         | <b>699,415</b>                                   |
| <b>Net Change in Fund Balance</b>                       | <b>466</b>                                         | <b>--</b>                      | <b>--</b>                       | <b>18,920</b>                 | <b>(185)</b>                      | <b>78,798</b>                                    |
| <b>Fund Balance at Beginning of Period</b>              | <b>67,195</b>                                      | <b>4,326</b>                   | <b>5,899</b>                    | <b>596,058</b>                | <b>131,209</b>                    | <b>2,728,694</b>                                 |
| <b>Fund Balance at End of Period</b>                    | <b>\$ 67,661</b>                                   | <b>\$ 4,326</b>                | <b>\$ 5,899</b>                 | <b>\$ 614,978</b>             | <b>\$ 131,024</b>                 | <b>\$ 2,807,492</b>                              |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Cemetery**  
**For the Year Ended June 30, 2022**

|                                                                                | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                                                                | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                                                                |                         |                  |                  |                                                                 |
| Local Revenue                                                                  | \$ --                   | \$ 7,100         | \$ 7,089         | \$ (11)                                                         |
| Charges for Services                                                           | 55,000                  | 59,000           | 69,238           | 10,238                                                          |
| Interest Income                                                                | --                      | --               | 1                | 1                                                               |
| <b>Total Revenues</b>                                                          | <b>55,000</b>           | <b>66,100</b>    | <b>76,328</b>    | <b>10,228</b>                                                   |
| <b>Other Financing Sources</b>                                                 |                         |                  |                  |                                                                 |
| Transfers In                                                                   | 70,000                  | 80,000           | 70,000           | (10,000)                                                        |
| <b>Total Revenues and Other<br/>Financing Sources</b>                          | <b>125,000</b>          | <b>146,100</b>   | <b>146,328</b>   | <b>228</b>                                                      |
| <b>Expenditures</b>                                                            |                         |                  |                  |                                                                 |
| General Government                                                             | 124,200                 | 152,000          | 142,851          | 9,149                                                           |
| <b>Total Expenditures</b>                                                      | <b>124,200</b>          | <b>152,000</b>   | <b>142,851</b>   | <b>9,149</b>                                                    |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures</b> | <b>800</b>              | <b>(5,900)</b>   | <b>3,477</b>     | <b>9,377</b>                                                    |
| <b>Net Change in Fund Balance</b>                                              | <b>800</b>              | <b>(5,900)</b>   | <b>3,477</b>     | <b>9,377</b>                                                    |
| Fund Balance at Beginning of Period                                            | 33,397                  | 33,397           | 33,397           | --                                                              |
| <b>Fund Balance at End of Period</b>                                           | <b>\$ 34,197</b>        | <b>\$ 27,497</b> | <b>\$ 36,874</b> | <b>\$ 9,377</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Milfoil**  
**For the Year Ended June 30, 2022**

|                                                       | <b>Budgeted Amounts</b> |                 |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-------------------------------------------------------|-------------------------|-----------------|------------------|-----------------------------------------------------------------|
|                                                       | <b>Original</b>         | <b>Final</b>    | <b>Actual</b>    |                                                                 |
| <b>Other Financing Sources</b>                        |                         |                 |                  |                                                                 |
| Transfers In                                          | \$ 30,000               | \$ 30,000       | \$ 30,000        | \$ --                                                           |
| <b>Total Revenues and Other<br/>Financing Sources</b> | <b>30,000</b>           | <b>30,000</b>   | <b>30,000</b>    | <b>--</b>                                                       |
| <b>Expenditures</b>                                   |                         |                 |                  |                                                                 |
| Public Works                                          | 30,000                  | 30,000          | 16,169           | 13,831                                                          |
| <b>Total Expenditures</b>                             | <b>30,000</b>           | <b>30,000</b>   | <b>16,169</b>    | <b>13,831</b>                                                   |
| <b>Excess (Deficiency) of</b>                         |                         |                 |                  |                                                                 |
| <b>Other Sources Over Expenditures</b>                | <b>--</b>               | <b>--</b>       | <b>13,831</b>    | <b>13,831</b>                                                   |
| <b>Net Change in Fund Balance</b>                     | <b>--</b>               | <b>--</b>       | <b>13,831</b>    | <b>13,831</b>                                                   |
| Fund Balance at Beginning of Period                   | 6,210                   | 6,210           | 6,210            | --                                                              |
| <b>Fund Balance at End of Period</b>                  | <b>\$ 6,210</b>         | <b>\$ 6,210</b> | <b>\$ 20,041</b> | <b>\$ 13,831</b>                                                |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Cadillac Development**  
**For the Year Ended June 30, 2022**

|                                                                             | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-----------------------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                                             | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                                             |                         |                   |                   |                                                                 |
| Miscellaneous                                                               | \$ --                   | \$ --             | \$ 3,000          | \$ 3,000                                                        |
| Interest Income                                                             | 17,000                  | 17,000            | 4,541             | (12,459)                                                        |
| <b>Total Revenues</b>                                                       | <b>17,000</b>           | <b>17,000</b>     | <b>7,541</b>      | <b>(9,459)</b>                                                  |
| <b>Expenditures</b>                                                         |                         |                   |                   |                                                                 |
| Economic Development                                                        | 71,000                  | 71,000            | 73,612            | (2,612)                                                         |
| <b>Total Expenditures</b>                                                   | <b>71,000</b>           | <b>71,000</b>     | <b>73,612</b>     | <b>(2,612)</b>                                                  |
| <b>Other Financing Uses</b>                                                 |                         |                   |                   |                                                                 |
| Transfers Out                                                               | 15,000                  | 15,000            | --                | 15,000                                                          |
| <b>Total Expenditures and Other<br/>Financing Uses</b>                      | <b>86,000</b>           | <b>86,000</b>     | <b>73,612</b>     | <b>12,388</b>                                                   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures and Other Uses</b> | <b>(69,000)</b>         | <b>(69,000)</b>   | <b>(66,071)</b>   | <b>2,929</b>                                                    |
| <b>Net Change in Fund Balance</b>                                           | <b>(69,000)</b>         | <b>(69,000)</b>   | <b>(66,071)</b>   | <b>2,929</b>                                                    |
| Fund Balance at Beginning of Period                                         | 712,035                 | 712,035           | 712,035           | --                                                              |
| <b>Fund Balance at End of Period</b>                                        | <b>\$ 643,035</b>       | <b>\$ 643,035</b> | <b>\$ 645,964</b> | <b>\$ 2,929</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Naval Reserve Center**  
**For the Year Ended June 30, 2022**

|                                        | <b>Budgeted Amounts</b> |                 |                 | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|----------------------------------------|-------------------------|-----------------|-----------------|-----------------------------------------------------------------|
|                                        | <b>Original</b>         | <b>Final</b>    | <b>Actual</b>   |                                                                 |
| <b>Revenues</b>                        |                         |                 |                 |                                                                 |
| Charges for Services                   | \$ 20,000               | \$ 20,000       | \$ 18,494       | \$ (1,506)                                                      |
| Miscellaneous                          | 4,000                   | 4,000           | 6,000           | 2,000                                                           |
| <b>Total Revenues</b>                  | <b>24,000</b>           | <b>24,000</b>   | <b>24,494</b>   | <b>494</b>                                                      |
| <b>Expenditures</b>                    |                         |                 |                 |                                                                 |
| General Government                     | 24,000                  | 26,000          | 25,174          | 826                                                             |
| <b>Total Expenditures</b>              | <b>24,000</b>           | <b>26,000</b>   | <b>25,174</b>   | <b>826</b>                                                      |
| <b>Excess (Deficiency) of Revenues</b> |                         |                 |                 |                                                                 |
| <b>Over Expenditures</b>               | --                      | (2,000)         | (680)           | 1,320                                                           |
| <b>Net Change in Fund Balance</b>      | --                      | <b>(2,000)</b>  | <b>(680)</b>    | <b>1,320</b>                                                    |
| Fund Balance at Beginning of Period    | 8,816                   | 8,816           | 8,816           | --                                                              |
| <b>Fund Balance at End of Period</b>   | <b>\$ 8,816</b>         | <b>\$ 6,816</b> | <b>\$ 8,136</b> | <b>\$ 1,320</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**HL Green Operating**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                                              |                         |                  |                  |                                                                 |
| Interest Income                                              | \$ 500                  | \$ 500           | \$ 7             | \$ (493)                                                        |
| <b>Total Revenues</b>                                        | <b>500</b>              | <b>500</b>       | <b>7</b>         | <b>(493)</b>                                                    |
| <b>Expenditures</b>                                          |                         |                  |                  |                                                                 |
| <b>Total Expenditures</b>                                    | <b>--</b>               | <b>--</b>        | <b>--</b>        | <b>--</b>                                                       |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>500</b>              | <b>500</b>       | <b>7</b>         | <b>(493)</b>                                                    |
| <b>Net Change in Fund Balance</b>                            | <b>500</b>              | <b>500</b>       | <b>7</b>         | <b>(493)</b>                                                    |
| Fund Balance at Beginning of Period                          | 49,210                  | 49,210           | 49,210           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 49,710</b>        | <b>\$ 49,710</b> | <b>\$ 49,217</b> | <b>\$ (493)</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Building Inspection**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                                              |                         |                  |                  |                                                                 |
| Licenses and Permits                                         | \$ 70,000               | \$ 70,000        | \$ 45,525        | \$ (24,475)                                                     |
| <b>Total Revenues</b>                                        | <u>70,000</u>           | <u>70,000</u>    | <u>45,525</u>    | <u>(24,475)</u>                                                 |
| <b>Expenditures</b>                                          |                         |                  |                  |                                                                 |
| Code Enforcement                                             | 70,000                  | 70,000           | 45,605           | 24,395                                                          |
| <b>Total Expenditures</b>                                    | <u>70,000</u>           | <u>70,000</u>    | <u>45,605</u>    | <u>24,395</u>                                                   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <u>--</u>               | <u>--</u>        | <u>(80)</u>      | <u>(80)</u>                                                     |
| <b>Net Change in Fund Balance</b>                            | <u>--</u>               | <u>--</u>        | <u>(80)</u>      | <u>(80)</u>                                                     |
| Fund Balance at Beginning of Period                          | 22,538                  | 22,538           | 22,538           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <u>\$ 22,538</u>        | <u>\$ 22,538</u> | <u>\$ 22,458</u> | <u>\$ (80)</u>                                                  |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**2016 GO Bonds**  
**For the Year Ended June 30, 2022**

|                                                                   | <b>Budgeted Amounts</b> |                     |                 | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-------------------------------------------------------------------|-------------------------|---------------------|-----------------|-----------------------------------------------------------------|
|                                                                   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>   |                                                                 |
| <b>Other Financing Sources</b>                                    |                         |                     |                 |                                                                 |
| Transfers In                                                      | \$ (160,000)            | \$ (162,500)        | \$ 162,500      | \$ 325,000                                                      |
| <b>Total Revenues and Other<br/>Financing Sources</b>             | <b>(160,000)</b>        | <b>(162,500)</b>    | <b>162,500</b>  | <b>325,000</b>                                                  |
| <b>Expenditures</b>                                               |                         |                     |                 |                                                                 |
| Finance                                                           | 500                     | 500                 | 500             | --                                                              |
| Elections                                                         | 130,000                 | 130,000             | 130,000         | --                                                              |
| Debt Service - Interest                                           | 29,500                  | 32,000              | 31,767          | 233                                                             |
| <b>Total Expenditures</b>                                         | <b>160,000</b>          | <b>162,500</b>      | <b>162,267</b>  | <b>233</b>                                                      |
| <b>Excess (Deficiency) of<br/>Other Sources Over Expenditures</b> | <b>(320,000)</b>        | <b>(325,000)</b>    | <b>233</b>      | <b>325,233</b>                                                  |
| <b>Net Change in Fund Balance</b>                                 | <b>(320,000)</b>        | <b>(325,000)</b>    | <b>233</b>      | <b>325,233</b>                                                  |
| Fund Balance at Beginning of Period                               | 1,056                   | 1,056               | 1,056           | --                                                              |
| <b>Fund Balance at End of Period</b>                              | <b>\$ (318,944)</b>     | <b>\$ (323,944)</b> | <b>\$ 1,289</b> | <b>\$ 325,233</b>                                               |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**2020 CI Bonds**  
**For the Year Ended June 30, 2022**

|                                                                   | <b>Budgeted Amounts</b> |                     |                 | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|-------------------------------------------------------------------|-------------------------|---------------------|-----------------|-----------------------------------------------------------------|
|                                                                   | <b>Original</b>         | <b>Final</b>        | <b>Actual</b>   |                                                                 |
| <b>Other Financing Sources</b>                                    |                         |                     |                 |                                                                 |
| Transfers In                                                      | \$ (313,000)            | \$ (313,000)        | \$ 313,000      | \$ 626,000                                                      |
| <b>Total Revenues and Other<br/>Financing Sources</b>             | <b>(313,000)</b>        | <b>(313,000)</b>    | <b>313,000</b>  | <b>626,000</b>                                                  |
| <b>Expenditures</b>                                               |                         |                     |                 |                                                                 |
| Debt Service - Principal                                          | 230,000                 | 230,000             | 230,000         | --                                                              |
| Debt Service - Interest                                           | 82,500                  | 82,500              | 81,700          | 800                                                             |
| Debt Service - Bond Issuance Costs                                | 500                     | 500                 | --              | 500                                                             |
| <b>Total Expenditures</b>                                         | <b>313,000</b>          | <b>313,000</b>      | <b>311,700</b>  | <b>1,300</b>                                                    |
| <b>Excess (Deficiency) of<br/>Other Sources Over Expenditures</b> | <b>(626,000)</b>        | <b>(626,000)</b>    | <b>1,300</b>    | <b>627,300</b>                                                  |
| <b>Net Change in Fund Balance</b>                                 | <b>(626,000)</b>        | <b>(626,000)</b>    | <b>1,300</b>    | <b>627,300</b>                                                  |
| Fund Balance at Beginning of Period                               | --                      | --                  | --              | --                                                              |
| <b>Fund Balance at End of Period</b>                              | <b>\$ (626,000)</b>     | <b>\$ (626,000)</b> | <b>\$ 1,300</b> | <b>\$ 627,300</b>                                               |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Market Capital Project**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                                              |                         |                  |                  |                                                                 |
| State Revenue                                                | \$ --                   | \$ 5,000         | \$ 5,000         | \$ --                                                           |
| <b>Total Revenues</b>                                        | <b>--</b>               | <b>5,000</b>     | <b>5,000</b>     | <b>--</b>                                                       |
| <b>Expenditures</b>                                          |                         |                  |                  |                                                                 |
| Economic Development                                         | --                      | 5,000            | 4,863            | 137                                                             |
| <b>Total Expenditures</b>                                    | <b>--</b>               | <b>5,000</b>     | <b>4,863</b>     | <b>137</b>                                                      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>--</b>               | <b>--</b>        | <b>137</b>       | <b>137</b>                                                      |
| <b>Net Change in Fund Balance</b>                            | <b>--</b>               | <b>--</b>        | <b>137</b>       | <b>137</b>                                                      |
| Fund Balance at Beginning of Period                          | 38,228                  | 38,228           | 38,228           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 38,228</b>        | <b>\$ 38,228</b> | <b>\$ 38,365</b> | <b>\$ 137</b>                                                   |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Cadillac Trailhead Project**  
**For the Year Ended June 30, 2022**

|                                                                                | <b>Budgeted Amounts</b> |                |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------------------------|-------------------------|----------------|-------------------|-----------------------------------------------------------------|
|                                                                                | <b>Original</b>         | <b>Final</b>   | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                                                |                         |                |                   |                                                                 |
| Federal Revenue                                                                | \$ --                   | \$ 110,000     | \$ 110,000        | \$ --                                                           |
| State Revenue                                                                  | 465,000                 | 336,100        | 148,678           | (187,422)                                                       |
| Local Revenue                                                                  | --                      | --             | 1                 | 1                                                               |
| <b>Total Revenues</b>                                                          | <b>465,000</b>          | <b>446,100</b> | <b>258,679</b>    | <b>(187,421)</b>                                                |
| <b>Other Financing Sources</b>                                                 |                         |                |                   |                                                                 |
| Transfers In                                                                   | --                      | 110,000        | 110,000           | --                                                              |
| <b>Total Revenues and Other<br/>Financing Sources</b>                          | <b>465,000</b>          | <b>556,100</b> | <b>368,679</b>    | <b>(187,421)</b>                                                |
| <b>Expenditures</b>                                                            |                         |                |                   |                                                                 |
| Capital Outlay                                                                 | 465,000                 | 556,100        | 256,940           | 299,160                                                         |
| <b>Total Expenditures</b>                                                      | <b>465,000</b>          | <b>556,100</b> | <b>256,940</b>    | <b>299,160</b>                                                  |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures</b> | <b>--</b>               | <b>--</b>      | <b>111,739</b>    | <b>111,739</b>                                                  |
| <b>Net Change in Fund Balance</b>                                              | <b>--</b>               | <b>--</b>      | <b>111,739</b>    | <b>111,739</b>                                                  |
| Fund Balance at Beginning of Period                                            | --                      | --             | --                | --                                                              |
| <b>Fund Balance at End of Period</b>                                           | <b>\$ --</b>            | <b>\$ --</b>   | <b>\$ 111,739</b> | <b>\$ 111,739</b>                                               |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Mitchell-Bently Cleanup Project**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |               |               | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|---------------|---------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>  | <b>Actual</b> |                                                                 |
| <b>Revenues</b>                                              |                         |               |               |                                                                 |
| State Revenue                                                | \$ --                   | \$ 76,000     | \$ 46,744     | \$ (29,256)                                                     |
| <b>Total Revenues</b>                                        | <b>--</b>               | <b>76,000</b> | <b>46,744</b> | <b>(29,256)</b>                                                 |
| <b>Expenditures</b>                                          |                         |               |               |                                                                 |
| Economic Development                                         | --                      | 76,000        | 47,272        | 28,728                                                          |
| <b>Total Expenditures</b>                                    | <b>--</b>               | <b>76,000</b> | <b>47,272</b> | <b>28,728</b>                                                   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>--</b>               | <b>--</b>     | <b>(528)</b>  | <b>(528)</b>                                                    |
| <b>Net Change in Fund Balance</b>                            | <b>--</b>               | <b>--</b>     | <b>(528)</b>  | <b>(528)</b>                                                    |
| Fund Balance at Beginning of Period                          | 529                     | 529           | 529           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 529</b>           | <b>\$ 529</b> | <b>\$ 1</b>   | <b>\$ (528)</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Downtown Infrastructure**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                              |                         |                   |                   |                                                                 |
| Interest Income                                              | \$ --                   | \$ --             | \$ 599            | \$ 599                                                          |
| <b>Total Revenues</b>                                        | <b>--</b>               | <b>--</b>         | <b>599</b>        | <b>599</b>                                                      |
| <b>Expenditures</b>                                          |                         |                   |                   |                                                                 |
| Construction                                                 | --                      | 13,500            | 13,056            | 444                                                             |
| <b>Total Expenditures</b>                                    | <b>--</b>               | <b>13,500</b>     | <b>13,056</b>     | <b>444</b>                                                      |
| <b>Other Financing Uses</b>                                  |                         |                   |                   |                                                                 |
| <b>Total Expenditures and Other<br/>Financing Uses</b>       | <b>--</b>               | <b>13,500</b>     | <b>13,056</b>     | <b>444</b>                                                      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>--</b>               | <b>(13,500)</b>   | <b>(12,457)</b>   | <b>1,043</b>                                                    |
| <b>Net Change in Fund Balance</b>                            | <b>--</b>               | <b>(13,500)</b>   | <b>(12,457)</b>   | <b>1,043</b>                                                    |
| Fund Balance at Beginning of Period                          | 457,781                 | 457,781           | 457,781           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 457,781</b>       | <b>\$ 444,281</b> | <b>\$ 445,324</b> | <b>\$ 1,043</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Industrial Park**  
**For the Year Ended June 30, 2022**

|                                                                  | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|------------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                                  | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                                  |                         |                   |                   |                                                                 |
| State Revenue                                                    | \$ 50,000               | \$ 50,000         | \$ 8,601          | \$ (41,399)                                                     |
| Interest Income                                                  | 5,000                   | 5,000             | (498)             | (5,498)                                                         |
| <b>Total Revenues</b>                                            | <b>55,000</b>           | <b>55,000</b>     | <b>8,103</b>      | <b>(46,897)</b>                                                 |
| <b>Other Financing Sources</b>                                   |                         |                   |                   |                                                                 |
| Sale of Property                                                 | --                      | --                | 13,915            | 13,915                                                          |
| <b>Total Revenues and Other<br/>Financing Sources</b>            | <b>55,000</b>           | <b>55,000</b>     | <b>22,018</b>     | <b>(32,982)</b>                                                 |
| <b>Expenditures</b>                                              |                         |                   |                   |                                                                 |
| Economic Development                                             | 50,000                  | 50,000            | 12,829            | 37,171                                                          |
| General Government                                               | 500                     | 500               | 500               | --                                                              |
| <b>Total Expenditures</b>                                        | <b>50,500</b>           | <b>50,500</b>     | <b>13,329</b>     | <b>37,171</b>                                                   |
| <b>Excess (Deficiency) of Revenues and<br/>Over Expenditures</b> | <b>4,500</b>            | <b>4,500</b>      | <b>8,689</b>      | <b>4,189</b>                                                    |
| <b>Net Change in Fund Balance</b>                                | <b>4,500</b>            | <b>4,500</b>      | <b>8,689</b>      | <b>4,189</b>                                                    |
| Fund Balance at Beginning of Period                              | 571,010                 | 571,010           | 571,010           | --                                                              |
| <b>Fund Balance at End of Period</b>                             | <b>\$ 575,510</b>       | <b>\$ 575,510</b> | <b>\$ 579,699</b> | <b>\$ 4,189</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Clam River Greenway**  
**For the Year Ended June 30, 2022**

|                                                              | Budgeted Amounts |                  |                  | Variance<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|------------------|------------------|------------------------------------|
|                                                              | Original         | Final            | Actual           | Final to Actual                    |
| <b>Revenues</b>                                              |                  |                  |                  |                                    |
| <i>Total Revenues</i>                                        | --               | --               | --               | --                                 |
| <b>Expenditures</b>                                          |                  |                  |                  |                                    |
| <i>Total Expenditures</i>                                    | --               | --               | --               | --                                 |
| <i>Excess (Deficiency) of Revenues<br/>Over Expenditures</i> | --               | --               | --               | --                                 |
| <i>Net Change in Fund Balance</i>                            | --               | --               | --               | --                                 |
| <i>Fund Balance at Beginning of Period</i>                   | 23,197           | 23,197           | 23,197           | --                                 |
| <i>Fund Balance at End of Period</i>                         | <u>\$ 23,197</u> | <u>\$ 23,197</u> | <u>\$ 23,197</u> | <u>\$ --</u>                       |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Special Assessment Capital Projects**  
**For the Year Ended June 30, 2022**

|                                        | <b>Budgeted Amounts</b> |                  |                  | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|----------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------|
|                                        | <b>Original</b>         | <b>Final</b>     | <b>Actual</b>    |                                                                 |
| <b>Revenues</b>                        |                         |                  |                  |                                                                 |
| Miscellaneous                          | \$ 3,000                | \$ 3,000         | \$ 2,769         | \$ (231)                                                        |
| Interest Income                        | 300                     | 300              | 192              | (108)                                                           |
| <b>Total Revenues</b>                  | <b>3,300</b>            | <b>3,300</b>     | <b>2,961</b>     | <b>(339)</b>                                                    |
| <b>Expenditures</b>                    |                         |                  |                  |                                                                 |
| Public Works                           | 25,500                  | 25,500           | 2,495            | 23,005                                                          |
| <b>Total Expenditures</b>              | <b>25,500</b>           | <b>25,500</b>    | <b>2,495</b>     | <b>23,005</b>                                                   |
| <b>Excess (Deficiency) of Revenues</b> |                         |                  |                  |                                                                 |
| <b>Over Expenditures</b>               | (22,200)                | (22,200)         | 466              | 22,666                                                          |
| <b>Net Change in Fund Balance</b>      | <b>(22,200)</b>         | <b>(22,200)</b>  | <b>466</b>       | <b>22,666</b>                                                   |
| Fund Balance at Beginning of Period    | 67,195                  | 67,195           | 67,195           | --                                                              |
| <b>Fund Balance at End of Period</b>   | <b>\$ 44,995</b>        | <b>\$ 44,995</b> | <b>\$ 67,661</b> | <b>\$ 22,666</b>                                                |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Rotary Park Project**  
**For the Year Ended June 30, 2022**

|                                                              | Budgeted Amounts |                 |                 | Variance<br>Positive<br>(Negative)<br>Final to Actual |
|--------------------------------------------------------------|------------------|-----------------|-----------------|-------------------------------------------------------|
|                                                              | Original         | Final           | Actual          |                                                       |
| <b>Revenues</b>                                              |                  |                 |                 |                                                       |
| <i>Total Revenues</i>                                        | --               | --              | --              | --                                                    |
| <b>Expenditures</b>                                          |                  |                 |                 |                                                       |
| <i>Total Expenditures</i>                                    | --               | --              | --              | --                                                    |
| <i>Excess (Deficiency) of Revenues<br/>Over Expenditures</i> | --               | --              | --              | --                                                    |
| <i>Net Change in Fund Balance</i>                            | --               | --              | --              | --                                                    |
| <i>Fund Balance at Beginning of Period</i>                   | 4,326            | 4,326           | 4,326           | --                                                    |
| <i>Fund Balance at End of Period</i>                         | <u>\$ 4,326</u>  | <u>\$ 4,326</u> | <u>\$ 4,326</u> | <u>\$ --</u>                                          |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Corridor Improvement**  
**For the Year Ended June 30, 2022**

|                                                              | Budgeted Amounts |                 |                 | Variance<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|-----------------|-----------------|------------------------------------|
|                                                              | Original         | Final           | Actual          | Final to Actual                    |
| <b>Revenues</b>                                              |                  |                 |                 |                                    |
| <i>Total Revenues</i>                                        | --               | --              | --              | --                                 |
| <b>Expenditures</b>                                          |                  |                 |                 |                                    |
| <i>Total Expenditures</i>                                    | --               | --              | --              | --                                 |
| <i>Excess (Deficiency) of Revenues<br/>Over Expenditures</i> | --               | --              | --              | --                                 |
| <i>Net Change in Fund Balance</i>                            | --               | --              | --              | --                                 |
| <i>Fund Balance at Beginning of Period</i>                   | 5,899            | 5,899           | 5,899           | --                                 |
| <i>Fund Balance at End of Period</i>                         | <u>\$ 5,899</u>  | <u>\$ 5,899</u> | <u>\$ 5,899</u> | <u>\$ --</u>                       |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Cemetery Perpetual**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                              |                         |                   |                   |                                                                 |
| Licenses and Permits                                         | \$ 9,500                | \$ 9,500          | \$ 14,150         | \$ 4,650                                                        |
| Interest Income                                              | 6,000                   | 6,000             | 5,270             | (730)                                                           |
| <b>Total Revenues</b>                                        | <b>15,500</b>           | <b>15,500</b>     | <b>19,420</b>     | <b>3,920</b>                                                    |
| <b>Expenditures</b>                                          |                         |                   |                   |                                                                 |
| General Government                                           | 500                     | 500               | 500               | --                                                              |
| <b>Total Expenditures</b>                                    | <b>500</b>              | <b>500</b>        | <b>500</b>        | <b>--</b>                                                       |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>15,000</b>           | <b>15,000</b>     | <b>18,920</b>     | <b>3,920</b>                                                    |
| <b>Net Change in Fund Balance</b>                            | <b>15,000</b>           | <b>15,000</b>     | <b>18,920</b>     | <b>3,920</b>                                                    |
| Fund Balance at Beginning of Period                          | 596,058                 | 596,058           | 596,058           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 611,058</b>       | <b>\$ 611,058</b> | <b>\$ 614,978</b> | <b>\$ 3,920</b>                                                 |

**City of Cadillac**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Capital Projects Trust**  
**For the Year Ended June 30, 2022**

|                                                              | <b>Budgeted Amounts</b> |                   |                   | <b>Variance<br/>Positive<br/>(Negative)<br/>Final to Actual</b> |
|--------------------------------------------------------------|-------------------------|-------------------|-------------------|-----------------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Actual</b>     |                                                                 |
| <b>Revenues</b>                                              |                         |                   |                   |                                                                 |
| Interest Income                                              | \$ 1,500                | \$ 1,500          | \$ 315            | \$ (1,185)                                                      |
| <b>Total Revenues</b>                                        | <b>1,500</b>            | <b>1,500</b>      | <b>315</b>        | <b>(1,185)</b>                                                  |
| <b>Expenditures</b>                                          |                         |                   |                   |                                                                 |
| General Government                                           | 500                     | 500               | 500               | --                                                              |
| <b>Total Expenditures</b>                                    | <b>500</b>              | <b>500</b>        | <b>500</b>        | <b>--</b>                                                       |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>1,000</b>            | <b>1,000</b>      | <b>(185)</b>      | <b>(1,185)</b>                                                  |
| <b>Net Change in Fund Balance</b>                            | <b>1,000</b>            | <b>1,000</b>      | <b>(185)</b>      | <b>(1,185)</b>                                                  |
| Fund Balance at Beginning of Period                          | 131,209                 | 131,209           | 131,209           | --                                                              |
| <b>Fund Balance at End of Period</b>                         | <b>\$ 132,209</b>       | <b>\$ 132,209</b> | <b>\$ 131,024</b> | <b>\$ (1,185)</b>                                               |

## City of Cadillac

### Internal Service Fund Descriptions

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#### 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, insurance fund, and safety fund make up the internal service funds category.

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

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

***Insurance Fund*** - Is an 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 organization.

**City of Cadillac**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2022**

|                                             | Internal Service          |                                           |                  |                 |                                 |
|---------------------------------------------|---------------------------|-------------------------------------------|------------------|-----------------|---------------------------------|
|                                             | Information<br>Technology | Central Stores<br>and Municipal<br>Garage | Insurance        | Safety          | Total Internal<br>Service Funds |
| <b>ASSETS</b>                               |                           |                                           |                  |                 |                                 |
| <i>Current Assets</i>                       |                           |                                           |                  |                 |                                 |
| Cash and Pooled Investments                 | \$ 153,985                | \$ 37,438                                 | \$ 35,187        | \$ 2,992        | \$ 229,602                      |
| Receivables                                 | 139                       | 4,834                                     | 3,087            | --              | 8,060                           |
| Prepays                                     | 7,735                     | 18,788                                    | 80,786           | 10              | 107,319                         |
| Inventory                                   | --                        | 76,927                                    | --               | --              | 76,927                          |
| <b>Total Current Assets</b>                 | 161,859                   | 137,987                                   | 119,060          | 3,002           | 421,908                         |
| <i>Noncurrent Assets</i>                    |                           |                                           |                  |                 |                                 |
| Capital Assets not being Depreciated        | --                        | 25,000                                    | --               | --              | 25,000                          |
| Capital Assets being Depreciated, net       | 160,908                   | 1,293,594                                 | --               | --              | 1,454,502                       |
| <b>Total Assets</b>                         | 322,767                   | 1,456,581                                 | 119,060          | 3,002           | 1,901,410                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                           |                                           |                  |                 |                                 |
| OPEB Related                                | --                        | 18,804                                    | --               | --              | 18,804                          |
| Pension Related                             | --                        | 49,014                                    | --               | --              | 49,014                          |
| <b>Total Deferred Outflows of Resources</b> | --                        | 67,818                                    | --               | --              | 67,818                          |
| <b>LIABILITIES</b>                          |                           |                                           |                  |                 |                                 |
| <i>Current Liabilities</i>                  |                           |                                           |                  |                 |                                 |
| Accounts Payable                            | 1,616                     | 18,087                                    | 41,836           | --              | 61,539                          |
| Accrued Liabilities                         | --                        | 20,176                                    | 3,766            | --              | 23,942                          |
| Current Portion of Compensated Absences     | --                        | 19,628                                    | --               | --              | 19,628                          |
| <b>Total Current Liabilities</b>            | 1,616                     | 57,891                                    | 45,602           | --              | 105,109                         |
| <i>Noncurrent Liabilities</i>               |                           |                                           |                  |                 |                                 |
| Compensated Absences                        | --                        | 16,720                                    | --               | --              | 16,720                          |
| Net OPEB Liability                          | --                        | 28,985                                    | --               | --              | 28,985                          |
| Net Pension Liability                       | --                        | 181,485                                   | --               | --              | 181,485                         |
| Advance from Other Funds                    | --                        | 405,000                                   | --               | --              | 405,000                         |
| <b>Total Liabilities</b>                    | 1,616                     | 690,081                                   | 45,602           | --              | 737,299                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                           |                                           |                  |                 |                                 |
| Pension Related                             | --                        | 49,624                                    | --               | --              | 49,624                          |
| <b>Total Deferred Inflows of Resources</b>  | --                        | 49,624                                    | --               | --              | 49,624                          |
| <b>NET POSITION</b>                         |                           |                                           |                  |                 |                                 |
| Net Investment in Capital Assets            | 160,908                   | 1,318,594                                 | --               | --              | 1,479,502                       |
| <i>Restricted for:</i>                      |                           |                                           |                  |                 |                                 |
| Internal Service - Retirees' Life Insurance | --                        | --                                        | 168,866          | --              | 168,866                         |
| <i>Unrestricted</i>                         | 160,243                   | (533,900)                                 | (95,408)         | 3,002           | (466,063)                       |
| <b>Total Net Position</b>                   | <b>\$ 321,151</b>         | <b>\$ 784,694</b>                         | <b>\$ 73,458</b> | <b>\$ 3,002</b> | <b>\$ 1,182,305</b>             |

**City of Cadillac**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|                                              | Internal Service          |                                           |                  |                 |                                 |
|----------------------------------------------|---------------------------|-------------------------------------------|------------------|-----------------|---------------------------------|
|                                              | Information<br>Technology | Central Stores<br>and Municipal<br>Garage | Insurance        | Safety          | Total Internal<br>Service Funds |
| <b>Operating Revenues</b>                    |                           |                                           |                  |                 |                                 |
| Charges for Services                         | \$ 206,600                | \$ 674,275                                | \$ 1,326,834     | \$ --           | \$ 2,207,709                    |
| <b>Total Operating Revenues</b>              | <u>206,600</u>            | <u>674,275</u>                            | <u>1,326,834</u> | <u>--</u>       | <u>2,207,709</u>                |
| <b>Operating Expenses</b>                    |                           |                                           |                  |                 |                                 |
| Salaries and Wages                           | 3,876                     | 232,721                                   | --               | 5,173           | 241,770                         |
| Materials and Supplies                       | 20,232                    | 96,728                                    | --               | 2,804           | 119,764                         |
| Utilities                                    | 8,085                     | 29,026                                    | --               | --              | 37,111                          |
| Repair and Maintenance                       | --                        | 83,744                                    | --               | --              | 83,744                          |
| Equipment Rental                             | --                        | 41,033                                    | --               | --              | 41,033                          |
| Contracted Services                          | 136,157                   | 53,652                                    | 45,346           | 500             | 235,655                         |
| Insurance                                    | --                        | --                                        | 1,418,006        | --              | 1,418,006                       |
| Depreciation                                 | 35,676                    | 174,941                                   | --               | --              | 210,617                         |
| <b>Total Operating Expenses</b>              | <u>204,026</u>            | <u>711,845</u>                            | <u>1,463,352</u> | <u>8,477</u>    | <u>2,387,700</u>                |
| <b>Operating Income (Loss)</b>               | <u>2,574</u>              | <u>(37,570)</u>                           | <u>(136,518)</u> | <u>(8,477)</u>  | <u>(179,991)</u>                |
| <b>Non-Operating Revenues (Expenses)</b>     |                           |                                           |                  |                 |                                 |
| Interest Income (Loss)                       | 120                       | 6                                         | (955)            | --              | (829)                           |
| Gain on Sale of Capital Assets               | --                        | 659                                       | --               | --              | 659                             |
| <b>Net Non-Operating Revenues (Expenses)</b> | <u>120</u>                | <u>665</u>                                | <u>(955)</u>     | <u>--</u>       | <u>(170)</u>                    |
| <b>Change In Net Position</b>                | <u>2,694</u>              | <u>(36,905)</u>                           | <u>(137,473)</u> | <u>(8,477)</u>  | <u>(180,161)</u>                |
| Net Position at Beginning of Period          | 318,457                   | 821,599                                   | 210,931          | 11,479          | 1,362,466                       |
| <b>Net Position at End of Period</b>         | <u>\$ 321,151</u>         | <u>\$ 784,694</u>                         | <u>\$ 73,458</u> | <u>\$ 3,002</u> | <u>\$ 1,182,305</u>             |

**City of Cadillac**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|                                                                  | Internal Service          |                                           |                  |                 |                                 |
|------------------------------------------------------------------|---------------------------|-------------------------------------------|------------------|-----------------|---------------------------------|
|                                                                  | Information<br>Technology | Central Stores<br>and Municipal<br>Garage | Insurance        | Safety          | Total Internal<br>Service Funds |
| <b>Cash Flows from Operating Activities</b>                      |                           |                                           |                  |                 |                                 |
| Cash Receipts from Interfund Services Provided                   | \$ 206,481                | \$ 672,653                                | \$ 1,323,747     | \$ -            | \$ 2,202,881                    |
| Cash Payments to Employees for Services and Fringe Benefits      | (3,876)                   | (248,583)                                 | -                | (5,173)         | (257,632)                       |
| Cash Payments to Suppliers for Goods and Services                | (167,039)                 | (261,227)                                 | (1,442,216)      | (3,314)         | (1,873,796)                     |
| <b>Net Cash Provided by (Used in) Operating Activities</b>       | <u>35,566</u>             | <u>162,843</u>                            | <u>(118,469)</u> | <u>(8,487)</u>  | <u>71,453</u>                   |
| <b>Cash Flows from Capital and Related Financing Activities</b>  |                           |                                           |                  |                 |                                 |
| Proceeds on Sale of Capital Assets                               | -                         | 659                                       | -                | -               | 659                             |
| Capital Assets Purchased                                         | (23,596)                  | (134,860)                                 | -                | -               | (158,456)                       |
| <b>Net Cash Used in Capital and Related Financing Activities</b> | <u>(23,596)</u>           | <u>(134,201)</u>                          | <u>-</u>         | <u>-</u>        | <u>(157,797)</u>                |
| <b>Cash Flows From Investing Activities</b>                      |                           |                                           |                  |                 |                                 |
| Interest Income (Loss)                                           | 120                       | 6                                         | (955)            | -               | (829)                           |
| <b>Net Cash Provided by Investing Activities</b>                 | <u>120</u>                | <u>6</u>                                  | <u>(955)</u>     | <u>-</u>        | <u>(829)</u>                    |
| <b>Net Increase (Decrease) in Cash and Pooled Investments</b>    | 12,090                    | 28,648                                    | (119,424)        | (8,487)         | (87,173)                        |
| Cash and Pooled Investments - Beginning of Year                  | 141,895                   | 8,790                                     | 154,611          | 11,479          | 316,775                         |
| <b>Cash and Pooled Investments - End of Year</b>                 | <u>\$ 153,985</u>         | <u>\$ 37,438</u>                          | <u>\$ 35,187</u> | <u>\$ 2,992</u> | <u>\$ 229,602</u>               |

**City of Cadillac**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|                                                                                                                        | <b>Internal Service</b>           |                                                    |                     |                   |                                         |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------|---------------------|-------------------|-----------------------------------------|
|                                                                                                                        | <b>Information<br/>Technology</b> | <b>Central Stores<br/>and Municipal<br/>Garage</b> | <b>Insurance</b>    | <b>Safety</b>     | <b>Total Internal<br/>Service Funds</b> |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash Provided by (Used in) Operating Activities</b>            |                                   |                                                    |                     |                   |                                         |
| <b>Operating Income (Loss)</b>                                                                                         | \$ 2,574                          | \$ (37,570)                                        | \$ (136,518)        | \$ (8,477)        | \$ (179,991)                            |
| <b>Adjustments to Reconcile Operating Income (Loss) to<br/>    Net Cash Provided by (Used in) Operating Activities</b> |                                   |                                                    |                     |                   |                                         |
| Depreciation Expense                                                                                                   | 35,676                            | 174,941                                            | -                   | -                 | 210,617                                 |
| <b>Changes in Assets, Liabilities, and Deferred Items</b>                                                              |                                   |                                                    |                     |                   |                                         |
| Receivables                                                                                                            | (119)                             | (1,622)                                            | (3,087)             | -                 | (4,828)                                 |
| Inventory                                                                                                              | -                                 | 46,490                                             | -                   | (10)              | 46,480                                  |
| Prepaid Expenses                                                                                                       | (377)                             | (18,788)                                           | 1,553               | -                 | (17,612)                                |
| Accounts Payable                                                                                                       | (2,188)                           | 660                                                | 18,278              | -                 | 16,750                                  |
| Accrued Liabilities                                                                                                    | -                                 | 14,594                                             | 1,305               | -                 | 15,899                                  |
| Compensated Absences                                                                                                   | -                                 | (10,886)                                           | -                   | -                 | (10,886)                                |
| Net OPEB Liability and Related Deferred Items                                                                          | -                                 | (10,629)                                           | -                   | -                 | (10,629)                                |
| Net Pension Liability and Related Deferred Items                                                                       | -                                 | 5,653                                              | -                   | -                 | 5,653                                   |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                                                             | <u>\$ 35,566</u>                  | <u>\$ 162,843</u>                                  | <u>\$ (118,469)</u> | <u>\$ (8,487)</u> | <u>\$ 71,453</u>                        |

## City of Cadillac

### Component Unit Fund Descriptions

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#### COMPONENT UNITS

***Brownfield Redevelopment Authority Fund*** – 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.

***Downtown Development Authority Fund*** – This fund is designed to assist in the economic growth of the central business district from parking plans to mall development. A two (2) mill maximum tax levy can be levied by the Board when needed.

***Downtown Development Capital Projects Fund*** – This fund was established to provide a source of revenue for the DDA to undertake various capital and public infrastructure improvements within the DDA district.

***LDFA Fund*** – This fund was established to operate the groundwater cleanup facility located in the industrial park.

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

***LDFA Utilities Fund*** – This fund was established to provide water utility services to the cogeneration plant located within the boundaries of the LDFA district.

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

**City of Cadillac**  
**Brownfield Redevelopment Balance Sheet and Statement of Net Position**  
**June 30, 2022**

|                                                  | <b>Brownfield<br/>Redevelopment</b> | <b>Adjustments</b>         | <b>Statement of Net<br/>Position</b> |
|--------------------------------------------------|-------------------------------------|----------------------------|--------------------------------------|
| <b>ASSETS</b>                                    |                                     |                            |                                      |
| Cash and Pooled Investments                      | \$ 176,391                          | \$ --                      | \$ 176,391                           |
| Receivables                                      | 46,150                              | --                         | 46,150                               |
| <b><i>Total Assets</i></b>                       | <b><u>\$ 222,541</u></b>            | <b><u>\$ --</u></b>        | <b><u>\$ 222,541</u></b>             |
| <b>LIABILITIES</b>                               |                                     |                            |                                      |
| <i>Current Liabilities</i>                       |                                     |                            |                                      |
| Accounts Payable                                 | \$ 49,634                           | \$ --                      | \$ 49,634                            |
| <b><i>Total Liabilities</i></b>                  | <b><u>49,634</u></b>                | <b><u>--</u></b>           | <b><u>49,634</u></b>                 |
| <b>FUND BALANCE</b>                              |                                     |                            |                                      |
| <i>Restricted for:</i>                           |                                     |                            |                                      |
| Economic Development                             | 172,907                             | (172,907)                  | --                                   |
| <b><i>Total Fund Balance</i></b>                 | <b><u>172,907</u></b>               | <b><u>(172,907)</u></b>    | <b><u>--</u></b>                     |
| <b><i>Total Liabilities and Fund Balance</i></b> | <b><u>\$ 222,541</u></b>            | <b><u>\$ (172,907)</u></b> | <b><u>\$ 49,634</u></b>              |
| <b>NET POSITION</b>                              |                                     |                            |                                      |
| <i>Restricted for:</i>                           |                                     |                            |                                      |
| Economic Development                             |                                     | \$ 172,907                 | \$ 172,907                           |
| <b><i>Total Net Position</i></b>                 |                                     | <b><u>\$ 172,907</u></b>   | <b><u>\$ 172,907</u></b>             |

**City of Cadillac**  
**Brownfield Redevelopment Statement of Revenues, Expenditures, and**  
**For the Year Ended June 30, 2022**

|                                                            | <u>Brownfield<br/>Redevelopment</u> | <u>Adjustments</u>  | <u>Statement of<br/>Activities</u> |
|------------------------------------------------------------|-------------------------------------|---------------------|------------------------------------|
| <b>Revenues</b>                                            |                                     |                     |                                    |
| Property Taxes                                             | \$ 62,767                           | \$ --               | \$ 62,767                          |
| State Revenue                                              | 54,047                              | --                  | 54,047                             |
| <b><i>Total Revenues</i></b>                               | <u>116,814</u>                      | <u>--</u>           | <u>116,814</u>                     |
| <b>Expenditures</b>                                        |                                     |                     |                                    |
| Economic Development                                       | 90,154                              | --                  | 90,154                             |
| <b><i>Total Expenditures</i></b>                           | <u>90,154</u>                       | <u>--</u>           | <u>90,154</u>                      |
| <b><i>Excess of Revenues Over</i></b>                      |                                     |                     |                                    |
| <b><i>(Under) Expenditures</i></b>                         | <u>26,660</u>                       | <u>--</u>           | <u>26,660</u>                      |
| <b><i>Net Change in Fund Balance / Net Position</i></b>    | <u>26,660</u>                       | <u>--</u>           | <u>26,660</u>                      |
| <i>Fund Balance / Net Position at Beginning of Period</i>  | 146,247                             | --                  | 146,247                            |
| <b><i>Fund Balance / Net Position at End of Period</i></b> | <u><b>\$ 172,907</b></u>            | <u><b>\$ --</b></u> | <u><b>\$ 172,907</b></u>           |

**City of Cadillac**  
**DDA Combining Balance Sheet and Statement of Net Position**  
**June 30, 2022**

|                                           | <b>Downtown<br/>Development<br/>Authority</b> | <b>Downtown<br/>Development<br/>Capital Projects</b> | <b>Total DDA Funds</b> | <b>Adjustments</b>  | <b>Statement of Net<br/>Position</b> |
|-------------------------------------------|-----------------------------------------------|------------------------------------------------------|------------------------|---------------------|--------------------------------------|
| <b>ASSETS</b>                             |                                               |                                                      |                        |                     |                                      |
| <i>Current Assets</i>                     |                                               |                                                      |                        |                     |                                      |
| Cash and Pooled Investments               | \$ 14,656                                     | \$ 12,664                                            | \$ 27,320              | --                  | \$ 27,320                            |
| Prepays                                   | 62                                            | --                                                   | 62                     | --                  | 62                                   |
| <b>Total Current Assets</b>               | <b>14,718</b>                                 | <b>12,664</b>                                        | <b>27,382</b>          | <b>--</b>           | <b>27,382</b>                        |
| <i>Noncurrent Assets</i>                  |                                               |                                                      |                        |                     |                                      |
| Capital Assets not being Depreciated      | --                                            | --                                                   | --                     | 200,278 [1]         | 200,278                              |
| Capital Assets being Depreciated          | --                                            | --                                                   | --                     | 1,557,812 [1]       | 1,557,812                            |
| <b>Total Noncurrent Assets</b>            | <b>--</b>                                     | <b>--</b>                                            | <b>--</b>              | <b>1,758,090</b>    | <b>1,758,090</b>                     |
| <b>Total Assets</b>                       | <b>\$ 14,718</b>                              | <b>\$ 12,664</b>                                     | <b>\$ 27,382</b>       | <b>\$ 1,758,090</b> | <b>\$ 1,785,472</b>                  |
| <b>LIABILITIES</b>                        |                                               |                                                      |                        |                     |                                      |
| <i>Current Liabilities</i>                |                                               |                                                      |                        |                     |                                      |
| Accounts Payable                          | \$ 2,375                                      | \$ --                                                | \$ 2,375               | \$ --               | \$ 2,375                             |
| Accrued Liabilities                       | 990                                           | --                                                   | 990                    | --                  | 990                                  |
| Accrued Interest                          | --                                            | --                                                   | --                     | 2,129 [4]           | 2,129                                |
| Current Portion of Compensated Absences   | --                                            | --                                                   | --                     | 897 [2]             | 897                                  |
| Current Portion of Long-term Debt         | --                                            | --                                                   | --                     | 66,667 [3]          | 66,667                               |
| <b>Total Current Liabilities</b>          | <b>3,365</b>                                  | <b>--</b>                                            | <b>3,365</b>           | <b>69,693</b>       | <b>73,058</b>                        |
| <i>Noncurrent Liabilities</i>             |                                               |                                                      |                        |                     |                                      |
| Compensated Absences                      | --                                            | --                                                   | --                     | 764 [2]             | 764                                  |
| Long-term Debt                            | --                                            | --                                                   | --                     | 623,433 [3]         | 623,433                              |
| <b>Total Noncurrent Liabilities</b>       | <b>--</b>                                     | <b>--</b>                                            | <b>--</b>              | <b>624,197</b>      | <b>624,197</b>                       |
| <b>Total Liabilities</b>                  | <b>3,365</b>                                  | <b>--</b>                                            | <b>3,365</b>           | <b>693,890</b>      | <b>697,255</b>                       |
| <b>FUND BALANCE</b>                       |                                               |                                                      |                        |                     |                                      |
| Restricted                                | 11,353                                        | 12,664                                               | 24,017                 | (24,017)            | --                                   |
| <b>Total Fund Balance</b>                 | <b>11,353</b>                                 | <b>12,664</b>                                        | <b>24,017</b>          | <b>(24,017)</b>     | <b>--</b>                            |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 14,718</b>                              | <b>\$ 12,664</b>                                     | <b>\$ 27,382</b>       | <b>\$ 669,873</b>   | <b>\$ 697,255</b>                    |
| <b>NET POSITION</b>                       |                                               |                                                      |                        |                     |                                      |
| Net Investment in Capital Assets          |                                               |                                                      |                        | \$ 1,067,990        | \$ 1,067,990                         |
| <i>Restricted for:</i>                    |                                               |                                                      |                        |                     |                                      |
| Economic Development                      |                                               |                                                      |                        | 20,227              | 20,227                               |
| <b>Total Net Position</b>                 |                                               |                                                      |                        | <b>\$ 1,088,217</b> | <b>\$ 1,088,217</b>                  |

[1] Capital assets used in DDA activities are not financial resources and, therefore, are not reported in the funds.

[2] Compensated absences are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

[3] Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

[4] Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.

**City of Cadillac**  
**DDA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities**  
**For the Year Ended June 30, 2022**

|                                                         | <b>Downtown<br/>Development<br/>Authority</b> | <b>Downtown<br/>Development<br/>Capital Projects</b> | <b>Total DDA Funds</b> | <b>Adjustments</b>  | <b>Statement of<br/>Activities</b> |
|---------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|------------------------|---------------------|------------------------------------|
| <b>Revenues</b>                                         |                                               |                                                      |                        |                     |                                    |
| Property Taxes                                          | \$ 28,678                                     | \$ 68,671                                            | \$ 97,349              | \$ -                | \$ 97,349                          |
| Local Revenue                                           | --                                            | 23,107                                               | 23,107                 | --                  | 23,107                             |
| Investment Income                                       | 150                                           | --                                                   | 150                    | --                  | 150                                |
| Miscellaneous                                           | 7,220                                         | --                                                   | 7,220                  | --                  | 7,220                              |
| <b>Total Revenues</b>                                   | <b>36,048</b>                                 | <b>91,778</b>                                        | <b>127,826</b>         | <b>-</b>            | <b>127,826</b>                     |
| <b>Expenditures</b>                                     |                                               |                                                      |                        |                     |                                    |
| Economic Development                                    | 33,686                                        | 5,199                                                | 38,885                 | (469) [1]           | 38,416                             |
| Debt Service - Principal                                | --                                            | 65,000                                               | 65,000                 | (65,000) [3]        | --                                 |
| Debt Service - Interest                                 | --                                            | 15,884                                               | 15,884                 | (244) [4]           | 15,640                             |
| Depreciation                                            | --                                            | --                                                   | --                     | 82,777 [2]          | 82,777                             |
| <b>Total Expenditures</b>                               | <b>33,686</b>                                 | <b>86,083</b>                                        | <b>119,769</b>         | <b>17,064</b>       | <b>136,833</b>                     |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | <b>2,362</b>                                  | <b>5,695</b>                                         | <b>8,057</b>           | <b>(17,064)</b>     | <b>(9,007)</b>                     |
| <b>Net Change in Fund Balance / Net Position</b>        | <b>2,362</b>                                  | <b>5,695</b>                                         | <b>8,057</b>           | <b>(17,064)</b>     | <b>(9,007)</b>                     |
| Fund Balance / Net Position at Beginning of Period      | 8,991                                         | 6,969                                                | 15,960                 | 1,081,264           | 1,097,224                          |
| <b>Fund Balance / Net Position at End of Period</b>     | <b>\$ 11,353</b>                              | <b>\$ 12,664</b>                                     | <b>\$ 24,017</b>       | <b>\$ 1,064,200</b> | <b>\$ 1,088,217</b>                |

[1] Compensated absences that are not payable from current year resources are not reported as expenditures of the current year in the funds. In the Statement of Activities, those costs represent expenses of the current year.

[2] In the funds, capital outlay is recorded as an expenditure in the year paid for, while, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$82,777 is in excess of capital outlay of \$0.

[3] Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.

[4] Changes to accrued interest do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.

**City of Cadillac**  
**LDFA Combining Balance Sheet and Statement of Net Position**  
**June 30, 2022**

|                                           | <b>LDFA</b>      | <b>LDFA Capital<br/>Projects</b> | <b>LDFA Utilities</b> | <b>Total LDFA<br/>Funds</b> | <b>Adjustments</b>    | <b>Statement of Net<br/>Position</b> |
|-------------------------------------------|------------------|----------------------------------|-----------------------|-----------------------------|-----------------------|--------------------------------------|
| <b>ASSETS</b>                             |                  |                                  |                       |                             |                       |                                      |
| <i>Current Assets</i>                     |                  |                                  |                       |                             |                       |                                      |
| Cash and Pooled Investments               | \$ 37,932        | \$ 1,275,574                     | \$ 396,224            | \$ 1,709,730                | \$ --                 | \$ 1,709,730                         |
| Receivables                               | 2,560            | 17,283                           | 1,732                 | 21,575                      | --                    | 21,575                               |
| <b>Total Current Assets</b>               | <b>40,492</b>    | <b>1,292,857</b>                 | <b>397,956</b>        | <b>1,731,305</b>            | <b>--</b>             | <b>1,731,305</b>                     |
| <i>Noncurrent Assets</i>                  |                  |                                  |                       |                             |                       |                                      |
| Capital Assets being Depreciated          | --               | --                               | --                    | --                          | 103,960 [1]           | 103,960                              |
| <b>Total Noncurrent Assets</b>            | <b>--</b>        | <b>--</b>                        | <b>--</b>             | <b>--</b>                   | <b>--</b>             | <b>113,030</b>                       |
| <b>Total Assets</b>                       | <b>\$ 40,492</b> | <b>\$ 1,292,857</b>              | <b>\$ 397,956</b>     | <b>\$ 1,731,305</b>         | <b>\$ 103,960</b>     | <b>\$ 1,835,265</b>                  |
| <b>LIABILITIES</b>                        |                  |                                  |                       |                             |                       |                                      |
| <i>Current Liabilities</i>                |                  |                                  |                       |                             |                       |                                      |
| Accounts Payable                          | \$ 740           | \$ --                            | \$ --                 | \$ 740                      | \$ --                 | \$ 740                               |
| Accrued Liabilities                       | 1,748            | --                               | 92                    | 1,840                       | --                    | 1,840                                |
| <b>Total Current Liabilities</b>          | <b>2,488</b>     | <b>--</b>                        | <b>92</b>             | <b>2,580</b>                | <b>--</b>             | <b>2,580</b>                         |
| <b>FUND BALANCE</b>                       |                  |                                  |                       |                             |                       |                                      |
| <i>Restricted for:</i>                    |                  |                                  |                       |                             |                       |                                      |
| Ground Water Cleanup                      | 38,004           | --                               | --                    | 38,004                      | (38,004)              | --                                   |
| Capital Projects                          | --               | 1,292,857                        | --                    | 1,292,857                   | (1,292,857)           | --                                   |
| Economic Development                      | --               | --                               | 397,864               | 397,864                     | (397,864)             | --                                   |
| <b>Total Fund Balance</b>                 | <b>38,004</b>    | <b>1,292,857</b>                 | <b>397,864</b>        | <b>1,728,725</b>            | <b>(1,728,725)</b>    | <b>--</b>                            |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 40,492</b> | <b>\$ 1,292,857</b>              | <b>\$ 397,956</b>     | <b>\$ 1,731,305</b>         | <b>\$ (1,728,725)</b> | <b>\$ 2,580</b>                      |
| <b>NET POSITION</b>                       |                  |                                  |                       |                             |                       |                                      |
| Net Investment in Capital Assets          |                  |                                  |                       |                             | \$ 103,960            | \$ 103,960                           |
| <i>Restricted for:</i>                    |                  |                                  |                       |                             |                       |                                      |
| Ground Water Cleanup                      |                  |                                  |                       |                             | 38,004                | 38,004                               |
| Capital Projects                          |                  |                                  |                       |                             | 1,292,857             | 1,292,857                            |
| Economic Development                      |                  |                                  |                       |                             | 397,864               | 397,864                              |
| <b>Total Net Position</b>                 |                  |                                  |                       |                             | <b>\$ 1,832,685</b>   | <b>\$ 1,832,685</b>                  |

[1] Capital assets used in LDFA activities are not financial resources and, therefore, are not reported in the funds.

**City of Cadillac**  
**LDFA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities**  
**For the Year Ended June 30, 2022**

|                                                           | <u>LDFA</u>      | <u>LDFA Capital<br/>Projects</u> | <u>LDFA Utilities</u> | <u>Total LDFA<br/>Funds</u> | <u>Adjustments</u> | <u>Statement of<br/>Activities</u> |
|-----------------------------------------------------------|------------------|----------------------------------|-----------------------|-----------------------------|--------------------|------------------------------------|
| <b>Revenues</b>                                           |                  |                                  |                       |                             |                    |                                    |
| Property Taxes                                            | \$ --            | \$ 142,083                       | \$ --                 | \$ 142,083                  | \$ --              | \$ 142,083                         |
| Charges for Services                                      | --               | --                               | 15,999                | 15,999                      | --                 | 15,999                             |
| Interest Income                                           | 697              | 15,020                           | 119                   | 15,836                      | --                 | 15,836                             |
| <b>Total Revenues</b>                                     | <u>697</u>       | <u>157,103</u>                   | <u>16,118</u>         | <u>173,918</u>              | <u>--</u>          | <u>173,918</u>                     |
| <b>Expenditures</b>                                       |                  |                                  |                       |                             |                    |                                    |
| Economic Development                                      | 247,211          | 8,705                            | 3,844                 | 259,760                     | 4,535 [1]          | 264,295                            |
| <b>Total Expenditures</b>                                 | <u>247,211</u>   | <u>8,705</u>                     | <u>3,844</u>          | <u>259,760</u>              | <u>4,535</u>       | <u>264,295</u>                     |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b>   | <u>(246,514)</u> | <u>148,398</u>                   | <u>12,274</u>         | <u>(85,842)</u>             | <u>(4,535)</u>     | <u>(90,377)</u>                    |
| <b>Other Financing Sources (Uses)</b>                     |                  |                                  |                       |                             |                    |                                    |
| Transfers In                                              | 246,514          | --                               | --                    | --                          | --                 | --                                 |
| Transfers Out                                             | --               | (246,514)                        | --                    | --                          | --                 | --                                 |
| <b>Net Other Financing Sources (Uses)</b>                 | <u>246,514</u>   | <u>(246,514)</u>                 | <u>--</u>             | <u>--</u>                   | <u>--</u>          | <u>--</u>                          |
| <b>Net Change in Fund Balance / Net Position</b>          | <u>--</u>        | <u>(98,116)</u>                  | <u>12,274</u>         | <u>(85,842)</u>             | <u>(4,535)</u>     | <u>(90,377)</u>                    |
| <b>Fund Balance / Net Position at Beginning of Period</b> | 38,004           | 1,390,973                        | 385,590               | 1,814,567                   | 108,495            | 1,923,062                          |
| <b>Fund Balance / Net Position at End of Period</b>       | <u>\$ 38,004</u> | <u>\$ 1,292,857</u>              | <u>\$ 397,864</u>     | <u>\$ 1,728,725</u>         | <u>\$ 103,960</u>  | <u>\$ 1,832,685</u>                |

[1] In the funds capital outlay is recorded as an expenditure in the year paid for, while, in the Statement of Activities the asset is expensed over its useful life, this amount represents depreciation expense for the year.

**City of Cadillac**  
**EDC Balance Sheet and Statement of Net Position**  
**June 30, 2022**

|                                                  | <b>Economic<br/>Development<br/>Corporation</b> | <b>Adjustments</b>       | <b>Statement of Net<br/>Position</b> |
|--------------------------------------------------|-------------------------------------------------|--------------------------|--------------------------------------|
| <b>ASSETS</b>                                    |                                                 |                          |                                      |
| Cash and Pooled Investments                      | \$ 1,167                                        | \$ --                    | \$ 1,167                             |
| <i><b>Total Assets</b></i>                       | <b><u>\$ 1,167</u></b>                          | <b><u>\$ --</u></b>      | <b><u>\$ 1,167</u></b>               |
| <b>LIABILITIES</b>                               |                                                 |                          |                                      |
| <i><b>Total Liabilities</b></i>                  | <b><u>\$ --</u></b>                             | <b><u>\$ --</u></b>      | <b><u>\$ --</u></b>                  |
| <b>FUND BALANCE</b>                              |                                                 |                          |                                      |
| Restricted                                       | 1,167                                           | (1,167)                  | --                                   |
| Unassigned                                       | <u>--</u>                                       | <u>--</u>                | <u>--</u>                            |
| <i><b>Total Fund Balance</b></i>                 | <b><u>1,167</u></b>                             | <b><u>(1,167)</u></b>    | <b><u>--</u></b>                     |
| <i><b>Total Liabilities and Fund Balance</b></i> | <b><u>\$ 1,167</u></b>                          | <b><u>\$ (1,167)</u></b> | <b><u>\$ --</u></b>                  |
| <b>NET POSITION</b>                              |                                                 |                          |                                      |
| <i>Restricted for:</i>                           |                                                 |                          |                                      |
| Economic Development                             |                                                 | <u>\$ 1,167</u>          | <u>\$ 1,167</u>                      |
| <i><b>Total Net Position</b></i>                 |                                                 | <b><u>\$ 1,167</u></b>   | <b><u>\$ 1,167</u></b>               |

**City of Cadillac**  
**EDC Statement of Revenues, Expenditures, and Change in Fund Balance and Statement of Activities**  
**For the Year Ended June 30, 2022**

|                                                             | Economic<br>Development<br>Corporation | Adjustments  | Statement of<br>Activities |
|-------------------------------------------------------------|----------------------------------------|--------------|----------------------------|
| <b>Revenues</b>                                             |                                        |              |                            |
| <i>Total Revenues</i>                                       | --                                     | --           | --                         |
| <b>Expenditures</b>                                         |                                        |              |                            |
| <i>Total Expenditures</i>                                   | --                                     | --           | --                         |
| <i>Excess of Revenues Over<br/>    (Under) Expenditures</i> | --                                     | --           | --                         |
| <i>Net Change in Fund Balance / Net Position</i>            | --                                     | --           | --                         |
| <i>Fund Balance / Net Position at Beginning of Period</i>   | 1,167                                  | --           | 1,167                      |
| <i>Fund Balance / Net Position at End of Period</i>         | <b>\$ 1,167</b>                        | <b>\$ --</b> | <b>\$ 1,167</b>            |

**City of Cadillac**  
**2016 General Obligation Limited Tax Bonds**  
**June 30, 2022**

**Title of Issue**      City of Cadillac 2016 General Obligation Limited Tax Bonds

**Purpose**      For the purpose of paying all or part of acquiring and constructing various improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001.

**Date of Issue**      August 3, 2016

**Amount of Issue**      \$      3,050,000

**Amount Redeemed**

Prior to Current Period      \$      905,000

During Current Period      195,000

**Total Redeemed**      1,100,000

**Balance Outstanding**      \$      1,950,000

| Due Dates   | Interest Rates | Requirements             |                        |                          |
|-------------|----------------|--------------------------|------------------------|--------------------------|
|             |                | Principal                | Interest               | Total                    |
| May 1, 2023 | 2.19%          | \$      200,000          | \$      38,325         | \$      238,325          |
| May 1, 2024 | 2.19%          | 205,000                  | 33,836                 | 238,836                  |
| May 1, 2025 | 2.19%          | 210,000                  | 29,237                 | 239,237                  |
| May 1, 2026 | 2.19%          | 210,000                  | 24,638                 | 234,638                  |
| May 1, 2027 | 2.19%          | 215,000                  | 19,929                 | 234,929                  |
| May 1, 2028 | 2.19%          | 220,000                  | 15,111                 | 235,111                  |
| May 1, 2029 | 2.19%          | 225,000                  | 10,184                 | 235,184                  |
| May 1, 2030 | 2.19%          | 230,000                  | 5,147                  | 235,147                  |
| May 1, 2031 | 2.19%          | 235,000                  | -                      | 235,000                  |
|             |                | <u>\$      1,950,000</u> | <u>\$      176,405</u> | <u>\$      2,126,405</u> |

**City of Cadillac**  
**2020 Michigan Transportation Bonds**  
**June 30, 2022**

**Title of Issue** City of Cadillac Michigan Transportation Bonds, Series 2020

**Purpose** To finance the cost of (1) preserving, designing, constructing, reconstructing, paving, repaving, acquiring, extending, and repairing major and local street systems in the City, and conducting all work necessary or incidental to those systems, including street lighting, as authorized by Act 51 and (2) paying certain expenses related to the issuance of bonds.

**Date of Issue** July 14, 2020

**Amount of Issue** \$ 4,000,000

|                            |            |              |
|----------------------------|------------|--------------|
| <b>Amount Redeemed</b>     |            |              |
| Prior to Current Period    | \$ 235,000 |              |
| During Current Period      | 230,000    |              |
| <b>Total Redeemed</b>      |            | 465,000      |
| <b>Balance Outstanding</b> |            | \$ 3,535,000 |

| Due Dates        | Interest Rates | Requirements |            |              |
|------------------|----------------|--------------|------------|--------------|
|                  |                | Principal    | Interest   | Total        |
| November 1, 2022 |                |              | \$ 38,355  | \$ 38,355    |
| May 1, 2023      | 2.170%         | 240,000      | 38,355     | 278,355      |
| November 1, 2023 |                |              | 35,751     | 35,751       |
| May 1, 2024      | 2.170%         | 245,000      | 35,751     | 280,751      |
| November 1, 2024 |                |              | 33,093     | 33,093       |
| May 1, 2025      | 2.170%         | 250,000      | 33,093     | 283,093      |
| November 1, 2025 |                |              | 30,380     | 30,380       |
| May 1, 2026      | 2.170%         | 255,000      | 30,380     | 285,380      |
| November 1, 2026 |                |              | 27,613     | 27,613       |
| May 1, 2027      | 2.170%         | 260,000      | 27,613     | 287,613      |
| November 1, 2027 |                |              | 24,792     | 24,792       |
| May 1, 2028      | 2.170%         | 265,000      | 24,792     | 289,792      |
| November 1, 2028 |                |              | 21,917     | 21,917       |
| May 1, 2029      | 2.170%         | 270,000      | 21,917     | 291,917      |
| November 1, 2029 |                |              | 18,988     | 18,988       |
| May 1, 2030      | 2.170%         | 275,000      | 18,988     | 293,988      |
| November 1, 2030 |                |              | 16,004     | 16,004       |
| May 1, 2031      | 2.170%         | 280,000      | 16,004     | 296,004      |
| November 1, 2031 |                |              | 12,966     | 12,966       |
| May 1, 2032      | 2.170%         | 290,000      | 12,966     | 302,966      |
| November 1, 2032 |                |              | 9,819      | 9,819        |
| May 1, 2033      | 2.170%         | 295,000      | 9,819      | 304,819      |
| November 1, 2033 |                |              | 6,619      | 6,619        |
| May 1, 2034      | 2.170%         | 300,000      | 6,619      | 306,619      |
| November 1, 2034 |                |              | 3,364      | 3,364        |
| May 1, 2035      | 2.170%         | 310,000      | 3,364      | 313,364      |
|                  |                | \$ 3,535,000 | \$ 559,322 | \$ 4,094,322 |

**City of Cadillac**  
**2007 Wastewater System Junior Lien Revenue Bonds**  
**June 30, 2022**

**Title of Issue** 2007 Wastewater System Junior Lien Revenue Bonds

**Purpose** To finance the cost of (1) acquiring and constructing additions, extensions, and improvements to the City's wastewater system and (2) paying certain expenses related to the issuance of bonds.

**Date of Issue** September 20, 2007

**Amount of Issue** \$ 3,865,205

**Amount Redeemed**

Prior to Current Period \$ 2,170,000

During Current Period 200,000

**Total Redeemed** 2,370,000

**Balance Outstanding** \$ 1,495,205

| Due Dates       | Interest Rates | Requirements        |                  |                     |
|-----------------|----------------|---------------------|------------------|---------------------|
|                 |                | Principal           | Interest         | Total               |
| October 1, 2022 | 1.625%         | \$ 205,000          | \$ 12,149        | \$ 217,149          |
| April 1, 2023   |                |                     | 10,483           | 10,483              |
| October 1, 2023 | 1.625%         | 205,000             | 10,483           | 215,483             |
| April 1, 2024   |                |                     | 8,817            | 8,817               |
| October 1, 2024 | 1.625%         | 210,000             | 8,817            | 218,817             |
| April 1, 2025   |                |                     | 7,111            | 7,111               |
| October 1, 2025 | 1.625%         | 215,000             | 7,111            | 222,111             |
| April 1, 2026   |                |                     | 5,364            | 5,364               |
| October 1, 2026 | 1.625%         | 220,000             | 5,364            | 225,364             |
| April 1, 2027   |                |                     | 3,577            | 3,577               |
| October 1, 2027 | 1.625%         | 220,000             | 3,577            | 223,577             |
| April 1, 2028   |                |                     | 1,789            | 1,789               |
| October 1, 2028 | 1.625%         | 220,205             | 1,789            | 221,994             |
|                 |                | <u>\$ 1,495,205</u> | <u>\$ 86,431</u> | <u>\$ 1,581,636</u> |



**City of Cadillac**  
**2013 Water Supply & Wastewater System Revenue Refunding Bonds**  
**June 30, 2022**

**Title of Issue** City of Cadillac Water Supply & Wastewater System Revenue Refunding Bonds, Series 2013

**Purpose** To finance the cost of (1) refunding the City's Water Supply and Wastewater System Revenue & revenue Refunding Bonds, Series 1999, maturing in the years 2015 through 2019 on July 19, 2013, (2) refunding the City's Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001, maturing in the years 2015 through 2019 on July 19, 2013, and (3) paying certain expenses relating to the issuance of the Bonds.

**Date of Issue** July 19, 2013

**Amount of Issue** \$ 4,075,000

**Amount Redeemed**

Prior to Current Period \$ 1,985,000

During Current Period 325,000

**Total Redeemed** 2,310,000

**Balance Outstanding** \$ 1,765,000

| Due Dates         | Interest Rates | Requirements        |                   |                     |
|-------------------|----------------|---------------------|-------------------|---------------------|
|                   |                | Principal           | Interest          | Total               |
| September 1, 2022 | 2.70%          | \$ 335,000          | \$ 23,828         | \$ 358,828          |
| March 1, 2023     |                |                     | 19,305            | 19,305              |
| September 1, 2023 | 2.70%          | 340,000             | 19,305            | 359,305             |
| March 1, 2024     |                |                     | 14,715            | 14,715              |
| September 1, 2024 | 2.70%          | 355,000             | 14,715            | 369,715             |
| March 1, 2025     |                |                     | 9,923             | 9,923               |
| September 1, 2025 | 2.70%          | 365,000             | 9,923             | 374,923             |
| March 1, 2026     |                |                     | 4,995             | 4,995               |
| September 1, 2026 | 2.70%          | 370,000             | 4,995             | 374,995             |
|                   |                | <u>\$ 1,765,000</u> | <u>\$ 121,704</u> | <u>\$ 1,886,704</u> |

**City of Cadillac**  
**2021 Water Supply System Revenue Refunding Bonds**  
**June 30, 2022**

**Title of Issue** City of Cadillac Water Supply System Revenue Refunding Bonds,  
Series 2021

**Purpose** To finance the cost of (1) acquiring and constructing additions,  
extensions, and improvements to the City's water supply system  
and (2) paying certain expenses related to the issuance of bonds.

**Date of Issue** March 26, 2021

**Amount of Issue** \$ 9,795,000

**Amount Drawn\*** 7,342,804

|                            |    |           |
|----------------------------|----|-----------|
| <b>Amount Redeemed</b>     |    |           |
| Prior to Current Period    | \$ | -         |
| During Current Period      |    | -         |
| <b>Total Redeemed</b>      |    | -         |
| <b>Balance Outstanding</b> | \$ | 7,342,804 |

| Due Dates       | Interest Rates | Requirements |            |            |
|-----------------|----------------|--------------|------------|------------|
|                 |                | Principal    | Interest   | Total      |
| October 1, 2021 |                |              | \$ 104,072 | \$ 104,072 |
| April 1, 2022   | 2.13%          |              | 104,072    | 104,072    |
| October 1, 2022 |                |              | 104,072    | 104,072    |
| April 1, 2023   | 2.13%          | \$ 235,000   | 101,575    | 336,575    |
| October 1, 2023 |                |              | 101,575    | 101,575    |
| April 1, 2024   | 2.13%          | 240,000      | 99,025     | 339,025    |
| October 1, 2024 |                |              | 99,025     | 99,025     |
| April 1, 2025   | 2.13%          | 245,000      | 96,422     | 341,422    |
| October 1, 2025 |                |              | 96,422     | 96,422     |
| April 1, 2026   | 2.13%          | 250,000      | 93,766     | 343,766    |
| October 1, 2026 |                |              | 93,766     | 93,766     |
| April 1, 2027   | 2.13%          | 260,000      | 91,003     | 351,003    |
| October 1, 2027 |                |              | 91,003     | 91,003     |
| April 1, 2028   | 2.13%          | 265,000      | 88,188     | 353,188    |
| October 1, 2028 |                |              | 88,188     | 88,188     |
| April 1, 2029   | 2.13%          | 270,000      | 85,319     | 355,319    |
| October 1, 2029 |                |              | 85,319     | 85,319     |
| April 1, 2030   | 2.13%          | 275,000      | 82,397     | 357,397    |
| October 1, 2030 |                |              | 82,397     | 82,397     |
| April 1, 2031   | 2.13%          | 280,000      | 79,422     | 359,422    |
| October 1, 2031 |                |              | 79,422     | 79,422     |
| April 1, 2032   | 2.13%          | 285,000      | 76,394     | 361,394    |
| October 1, 2032 |                |              | 76,394     | 76,394     |
| April 1, 2033   | 2.13%          | 290,000      | 73,313     | 363,313    |
| October 1, 2033 |                |              | 73,313     | 73,313     |
| April 1, 2034   | 2.13%          | 300,000      | 70,125     | 370,125    |
| October 1, 2034 |                |              | 70,125     | 70,125     |
| April 1, 2035   | 2.13%          | 305,000      | 66,884     | 371,884    |
| October 1, 2035 |                |              | 66,884     | 66,884     |
| April 1, 2036   | 2.13%          | 310,000      | 63,591     | 373,591    |
| October 1, 2036 |                |              | 63,591     | 63,591     |

Continued...

**City of Cadillac**  
**2021 Water Supply System Revenue Refunding Bonds**  
**June 30, 2022**

**Title of Issue** City of Cadillac Water Supply System Revenue Refunding Bonds,  
Series 2021

**Purpose** To finance the cost of (1) acquiring and constructing additions,  
extensions, and improvements to the City's water supply system and  
(2) paying certain expenses related to the issuance of bonds.

**Date of Issue** March 26, 2021

**Amount of Issue** \$ 9,795,000

**Amount Drawn\*** 7,342,804

|                            |    |                  |
|----------------------------|----|------------------|
| <b>Amount Redeemed</b>     |    |                  |
| Prior to Current Period    | \$ | -                |
| During Current Period      |    | -                |
| <b>Total Redeemed</b>      |    | -                |
| <b>Balance Outstanding</b> | \$ | <u>7,342,804</u> |

| Due Dates       | Interest Rates | Requirements        |                     |                      |
|-----------------|----------------|---------------------|---------------------|----------------------|
|                 |                | Principal           | Interest            | Total                |
| April 1, 2037   | 2.13%          | \$ 320,000          | \$ 60,191           | 380,191              |
| October 1, 2037 |                |                     | 60,191              | 60,191               |
| April 1, 2038   | 2.13%          | 325,000             | 56,738              | 381,738              |
| October 1, 2038 |                |                     | 56,738              | 56,738               |
| April 1, 2039   | 2.13%          | 330,000             | 53,231              | 383,231              |
| October 1, 2039 |                |                     | 53,231              | 53,231               |
| April 1, 2040   | 2.13%          | 340,000             | 49,619              | 389,619              |
| October 1, 2040 |                |                     | 49,619              | 49,619               |
| April 1, 2041   | 2.13%          | 345,000             | 45,953              | 390,953              |
| October 1, 2041 |                |                     | 45,953              | 45,953               |
| April 1, 2042   | 2.13%          | 355,000             | 42,181              | 397,181              |
| October 1, 2042 |                |                     | 42,181              | 42,181               |
| April 1, 2043   | 2.13%          | 360,000             | 38,356              | 398,356              |
| October 1, 2043 |                |                     | 38,356              | 38,356               |
| April 1, 2044   | 2.13%          | 370,000             | 34,425              | 404,425              |
| October 1, 2044 |                |                     | 34,425              | 34,425               |
| April 1, 2045   | 2.13%          | 375,000             | 30,441              | 405,441              |
| October 1, 2045 |                |                     | 30,441              | 30,441               |
| April 1, 2046   | 2.13%          | 385,000             | 26,350              | 411,350              |
| October 1, 2046 |                |                     | 26,350              | 26,350               |
| April 1, 2047   | 2.13%          | 390,000             | 22,206              | 412,206              |
| October 1, 2047 |                |                     | 22,206              | 22,206               |
| April 1, 2048   | 2.13%          | 400,000             | 17,956              | 417,956              |
| October 1, 2048 |                |                     | 17,956              | 17,956               |
| April 1, 2049   | 2.13%          | 410,000             | 13,600              | 423,600              |
| October 1, 2049 |                |                     | 13,600              | 13,600               |
| April 1, 2050   | 2.13%          | 420,000             | 9,138               | 429,138              |
| October 1, 2050 |                |                     | 9,138               | 9,138                |
| April 1, 2051   | 2.13%          | 425,000             | 4,622               | 429,622              |
| October 1, 2051 |                |                     | 4,622               | 4,622                |
| April 1, 2052   | 2.13%          | 435,000             |                     | 435,000              |
|                 |                | <u>\$ 9,795,000</u> | <u>\$ 3,657,072</u> | <u>\$ 13,452,072</u> |

\*As of June 30, 2022, the City has only drawn down \$7,342,802 of the \$9,795,000 available balance.

Concluded.

**City of Cadillac**  
**Primary Government**  
**Statement of 2021 Ad Valorem Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Taxes<br/>Returned<br/>Delinquent</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|------------------------------------------|
| Wexford County                                 | \$ 254,208,937               | 6.7234                  | \$ 1,709,151              | \$ 1,657,899               | 51,252                                   |
| Wexford County - Public Safety                 | 254,208,937                  | 1.4379                  | 365,509                   | 348,696                    | 16,813                                   |
| Wexford County - Animal Control                | 254,208,937                  | 0.1983                  | 50,385                    | 48,069                     | 2,316                                    |
| Wexford County - Veteran's Relief              | 254,208,937                  | 0.0991                  | 25,168                    | 24,011                     | 1,157                                    |
| Wexford County - MSU Extension                 | 254,208,937                  | 0.1685                  | 42,810                    | 40,842                     | 1,968                                    |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            | -                                        |
| Operating                                      | 254,208,937                  | 18.0000                 | 2,237,459                 | 2,148,762                  | 88,697                                   |
| Debt Retirement                                | 254,208,937                  | 6.1500                  | 1,563,320                 | 1,503,924                  | 59,396                                   |
| State Education Tax                            | 254,208,937                  | 6.0000                  | 1,460,720                 | 1,415,006                  | 45,714                                   |
| Wexford-Missaukee Intermediate School District | 254,208,937                  | 6.1323                  | 1,558,882                 | 1,487,174                  | 71,708                                   |
| Cadillac-Wexford Transit Authority             | 254,208,937                  | 0.5950                  | 151,232                   | 144,276                    | 6,956                                    |
| Cadillac-Wexford Public Library                | 254,208,937                  | 0.7437                  | 189,034                   | 180,339                    | 8,695                                    |
| Wexford County Council on Aging                | 254,208,937                  | 0.9917                  | 252,078                   | 240,484                    | 11,594                                   |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                          |
| General Fund                                   | 254,208,937                  | 13.6630                 | 3,473,454                 | 3,369,300                  | 104,154                                  |
| Policemen and Firemen Retirement System        | 254,208,937                  | 2.6000                  | 660,955                   | 641,136                    | 19,819                                   |
| Downtown Development Authority                 | 14,465,165                   | 1.9173                  | 27,616                    | 25,966                     | 1,650                                    |
| Public Improvement Special Assessments         |                              |                         | 60,363                    | 53,444                     | 6,919                                    |
| Water and Sewer Delinquent Accounts            |                              |                         | 11,467                    | 7,518                      | 3,949                                    |
| Administration Fees                            |                              |                         | 138,262                   | 133,243                    | 5,019                                    |
|                                                |                              |                         | <u>\$ 13,977,865</u>      | <u>\$ 13,470,089</u>       | <u>\$ 507,776</u>                        |

**City of Cadillac**  
**Local Development Finance Authority**  
**Statement of 2021 Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Less Taxes<br/>Captured by<br/>LDFA</b> | <b>Net Collections<br/>Returned to<br/>Units</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| Wexford County                                 | \$ 4,514,864                 | 6.7234                  | \$ 30,355                 | \$ 30,283                  | \$ 26,648                                  | \$ 3,635                                         |
| Wexford County - Public Safety                 | 4,514,864                    | 1.4379                  | 6,492                     | 6,492                      | 5,699                                      | 793                                              |
| Wexford County - Animal Control                | 4,514,864                    | 0.1983                  | 895                       | 895                        | 786                                        | 109                                              |
| Wexford County - Veteran's Relief              | 4,514,864                    | 0.0991                  | 447                       | 447                        | 393                                        | 54                                               |
| Wexford County - MSU Extension                 | 4,514,864                    | 0.1685                  | 761                       | 761                        | 668                                        | 93                                               |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                            |                                                  |
| Operating                                      | 4,514,864                    | 18.0000                 | 79,544                    | 79,448                     | -                                          | 79,448                                           |
| Debt Retirement                                | 4,514,864                    | 6.1500                  | 27,766                    | 27,733                     | -                                          | 27,733                                           |
| State Education Tax                            | 4,514,864                    | 6.0000                  | 26,515                    | 26,451                     | -                                          | 26,451                                           |
| Wexford-Missaukee Intermediate School District | 4,514,864                    | 6.1323                  | 27,686                    | 27,686                     | -                                          | 27,686                                           |
| Cadillac-Wexford Transit Authority             | 4,514,864                    | 0.5950                  | 2,686                     | 2,686                      | 2,358                                      | 328                                              |
| Cadillac-Wexford Public Library                | 4,514,864                    | 0.7437                  | 3,358                     | 3,358                      | 2,948                                      | 410                                              |
| Wexford County Council on Aging                | 4,514,864                    | 0.9917                  | 4,477                     | 4,477                      | 3,930                                      | 547                                              |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                            |                                                  |
| General Fund                                   | 4,514,864                    | 13.6630                 | 61,687                    | 61,541                     | 54,152                                     | 7,389                                            |
| Policemen and Firemen Retirement System        | 4,514,864                    | 2.6000                  | 11,739                    | 11,711                     | 10,305                                     | 1,406                                            |
| Downtown Development Authority                 | 4,514,864                    | 1.9173                  | -                         | -                          | -                                          | -                                                |
|                                                |                              |                         | <u>\$ 284,408</u>         | <u>\$ 283,969</u>          | <u>\$ 107,887</u>                          | <u>\$ 176,082</u>                                |

**City of Cadillac**  
**Downtown Development Authority**  
**Statement of Ad Valorem 2021 Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Less Taxes<br/>Captured by<br/>DDA</b> | <b>Net Collections<br/>Due to Units</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|-------------------------------------------|-----------------------------------------|
| Wexford County                                 | \$ 14,465,165                | 6.7234                  | \$ 100,572                | 94,786                     | \$ 16,963                                 | \$ 77,823                               |
| Wexford County - Public Safety                 | 14,465,165                   | 1.4379                  | 21,511                    | 20,336                     | 3,628                                     | 16,708                                  |
| Wexford County - Animal Control                | 14,465,165                   | 0.1983                  | 2,966                     | 2,804                      | 499                                       | 2,305                                   |
| Wexford County - Veteran's Relief              | 14,465,165                   | 0.0991                  | 1,482                     | 1,401                      | 249                                       | 1,152                                   |
| Wexford County - MSU Extension                 | 14,465,165                   | 0.1685                  | 2,520                     | 2,382                      | 424                                       | 1,958                                   |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                           |                                         |
| Operating                                      | 14,465,165                   | 18.0000                 | 247,742                   | 233,671                    | -                                         | 233,671                                 |
| Debt Retirement                                | 14,465,165                   | 6.1500                  | 91,990                    | 86,831                     | -                                         | 86,831                                  |
| State Education Tax                            | 14,465,165                   | 6.0000                  | 89,329                    | 84,165                     | -                                         | 84,165                                  |
| Wexford-Missaukee Intermediate School District | 14,465,165                   | 6.1323                  | 91,003                    | 85,991                     | -                                         | 85,991                                  |
| Cadillac-Wexford Transit Authority             | 14,465,165                   | 0.5950                  | 8,901                     | 8,414                      | 1,500                                     | 6,914                                   |
| Cadillac-Wexford Public Library                | 14,465,165                   | 0.7437                  | 11,125                    | 10,518                     | 1,875                                     | 8,643                                   |
| Wexford County Council on Aging                | 14,465,165                   | 0.9917                  | 14,836                    | 14,025                     | 2,502                                     | 11,523                                  |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                           |                                         |
| General Fund                                   | 14,465,165                   | 13.6630                 | 204,380                   | 192,622                    | 34,472                                    | 158,150                                 |
| Policemen and Firemen Retirement System        | 14,465,165                   | 2.6000                  | 38,892                    | 36,654                     | 6,559                                     | 30,095                                  |
| Downtown Development Authority                 | 14,465,165                   | 1.9173                  | 28,562                    | 25,367                     | -                                         | 25,367                                  |
|                                                |                              |                         | <u>\$ 955,811</u>         | <u>\$ 899,967</u>          | <u>\$ 68,671</u>                          | <u>\$ 831,296</u>                       |

**City of Cadillac**  
**Brownfield Redevelopment Authority**  
**Statement of 2021 Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Less Taxes<br/>Captured by<br/>Brownfield</b> | <b>Net Collections<br/>Due to Units</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------------------|-----------------------------------------|
| Wexford County                                 | \$ 3,084,216                 | 6.7234                  | \$ 20,736                 | 20,736                     | \$ 6,527                                         | \$ 14,209                               |
| Wexford County - Public Safety                 | 3,084,216                    | 1.4379                  | 4,435                     | 4,435                      | 1,396                                            | 3,039                                   |
| Wexford County - Animal Control                | 3,084,216                    | 0.1983                  | 612                       | 612                        | 193                                              | 419                                     |
| Wexford County - Veteran's Relief              | 3,084,216                    | 0.0991                  | 306                       | 306                        | 101                                              | 205                                     |
| Wexford County - MSU Extension                 | 3,084,216                    | 0.1685                  | 520                       | 520                        | 159                                              | 361                                     |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                                  |                                         |
| Operating                                      | 3,084,216                    | 18.0000                 | 55,516                    | 55,516                     | 21,403                                           | 34,113                                  |
| Debt Retirement                                | 3,084,216                    | 6.1500                  | 18,968                    | 18,968                     | -                                                | 18,968                                  |
| State Education Tax                            | 3,084,216                    | 6.0000                  | 18,505                    | 18,505                     | 7,855                                            | 10,650                                  |
| Wexford-Missaukee Intermediate School District | 3,084,216                    | 6.1323                  | 18,913                    | 18,913                     | 7,083                                            | 11,830                                  |
| Cadillac-Wexford Transit Authority             | 3,084,216                    | 0.5950                  | 1,835                     | 1,835                      | 578                                              | 1,257                                   |
| Cadillac-Wexford Public Library                | 3,084,216                    | 0.7437                  | 2,294                     | 2,294                      | 722                                              | 1,572                                   |
| Wexford County Council on Aging                | 3,084,216                    | 0.9917                  | 3,059                     | 3,059                      | 963                                              | 2,096                                   |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                                  |                                         |
| General Fund                                   | 3,084,216                    | 13.6630                 | 42,140                    | 42,140                     | 13,266                                           | 28,874                                  |
| Policemen and Firemen Retirement System        | 3,084,216                    | 2.6000                  | 8,019                     | 8,019                      | 2,521                                            | 5,498                                   |
| Downtown Development Authority                 | 3,084,216                    | 1.9173                  | 5,913                     | 5,913                      | -                                                | 5,913                                   |
|                                                |                              |                         | <u>\$ 201,770</u>         | <u>\$ 201,770</u>          | <u>\$ 62,767</u>                                 | <u>\$ 139,003</u>                       |

**City of Cadillac**  
**Primary Government**  
**Statement of 2021 Industrial Facilities Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Taxes Returned<br/>Delinquent</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------|
| Wexford County                                 | \$ 5,789,382                 | 6.7234                  | \$ 17,330                 | 17,330                     | \$ -                                 |
| Wexford County - Public Safety                 | 5,789,382                    | 1.4379                  | 3,732                     | 3,732                      | -                                    |
| Wexford County - Animal Control                | 5,789,382                    | 0.1983                  | 514                       | 514                        | -                                    |
| Wexford County - Veteran's Relief              | 5,789,382                    | 0.0991                  | 257                       | 257                        | -                                    |
| Wexford County - MSU Extension                 | 5,789,382                    | 0.1685                  | 437                       | 437                        | -                                    |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                      |
| Operating                                      | 5,789,382                    | 18.0000                 | 31,884                    | 31,884                     | -                                    |
| Debt Retirement                                | 5,789,382                    | 6.1500                  | 15,852                    | 15,852                     | -                                    |
| State Education Tax                            | 5,789,382                    | 6.0000                  | 20,543                    | 20,543                     | -                                    |
| Wexford-Missaukee Intermediate School District | 5,789,382                    | 6.1323                  | 15,878                    | 15,878                     | -                                    |
| Cadillac-Wexford Transit Authority             | 5,789,382                    | 0.5950                  | 1,544                     | 1,544                      | -                                    |
| Cadillac-Wexford Public Library                | 5,789,382                    | 0.7437                  | 1,930                     | 1,930                      | -                                    |
| Wexford County Council on Aging                | 5,789,382                    | 0.9917                  | 2,574                     | 2,574                      | -                                    |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                      |
| General Fund                                   | 5,789,382                    | 13.6630                 | 35,217                    | 35,217                     | -                                    |
| Policemen and Firemen Retirement System        | 5,789,382                    | 2.6000                  | 6,702                     | 6,702                      | -                                    |
| Downtown Development Authority                 | 5,789,382                    | 1.9173                  | 228                       | 228                        | -                                    |
| Admin                                          |                              |                         | 1,546                     | 1,546                      | -                                    |
|                                                |                              |                         | <u>\$ 156,168</u>         | <u>\$ 156,168</u>          | <u>\$ -</u>                          |

**City of Cadillac**  
**Local Development Finance Authority**  
**Statement of 2021 Industrial Facilities Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Less Taxes<br/>Captured by<br/>LDFA</b> | <b>Net Collections<br/>Returned to<br/>Units</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| Wexford County                                 | \$ 2,509,804                 | 6.7234                  | \$ 8,437                  | 8,437                      | 8,437                                      | \$ -                                             |
| Wexford County - Public Safety                 | 2,509,804                    | 1.4379                  | 1,817                     | 1,817                      | 1,817                                      | -                                                |
| Wexford County - Animal Control                | 2,509,804                    | 0.1983                  | 250                       | 250                        | 250                                        | -                                                |
| Wexford County - Veteran's Relief              | 2,509,804                    | 0.0991                  | 125                       | 125                        | 125                                        | -                                                |
| Wexford County - MSU Extension                 | 2,509,804                    | 0.1685                  | 213                       | 213                        | 213                                        | -                                                |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                            |                                                  |
| Operating                                      | 2,509,804                    | 18.0000                 | 18,960                    | 18,960                     | -                                          | 18,960                                           |
| Debt Retirement                                | 2,509,804                    | 6.1500                  | 7,718                     | 7,718                      | -                                          | 7,718                                            |
| State Education Tax                            | 2,509,804                    | 6.0000                  | 12,640                    | 12,640                     | -                                          | 12,640                                           |
| Wexford-Missaukee Intermediate School District | 2,509,804                    | 6.1323                  | 7,731                     | 7,731                      | -                                          | 7,731                                            |
| Cadillac-Wexford Transit Authority             | 2,509,804                    | 0.5950                  | 752                       | 752                        | 752                                        | -                                                |
| Cadillac-Wexford Public Library                | 2,509,804                    | 0.7437                  | 940                       | 940                        | 940                                        | -                                                |
| Wexford County Council on Aging                | 2,509,804                    | 0.9917                  | 1,253                     | 1,253                      | 1,253                                      | -                                                |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                            |                                                  |
| General Fund                                   | 2,509,804                    | 13.6630                 | 17,146                    | 17,146                     | 17,146                                     | -                                                |
| Policemen and Firemen Retirement System        | 2,509,804                    | 2.6000                  | 3,263                     | 3,263                      | 3,263                                      | -                                                |
| Downtown Development Authority                 | 2,509,804                    | 1.9173                  | -                         | -                          | -                                          | -                                                |
|                                                |                              |                         | <u>\$ 81,245</u>          | <u>\$ 81,245</u>           | <u>\$ 34,196</u>                           | <u>\$ 47,049</u>                                 |

**City of Cadillac**  
**Primary Government**  
**Statement of 2021 Obsolete Properties Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Taxes Returned<br/>Delinquent</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------|
| Wexford County                                 | \$ 167,418                   | 6.7234                  | \$ 662                    | 662                        | \$ -                                 |
| Wexford County - Public Safety                 | 167,418                      | 1.4379                  | 143                       | 143                        | -                                    |
| Wexford County - Animal Control                | 167,418                      | 0.1983                  | 20                        | 20                         | -                                    |
| Wexford County - Veteran's Relief              | 167,418                      | 0.0991                  | 10                        | 10                         | -                                    |
| Wexford County - MSU Extension                 | 167,418                      | 0.1685                  | 17                        | 17                         | -                                    |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                      |
| Operating                                      | 167,418                      | 18.0000                 | 3,014                     | 3,014                      | -                                    |
| Debt Retirement                                | 167,418                      | 6.1500                  | 606                       | 606                        | -                                    |
| State Education Tax                            | 167,418                      | 6.0000                  | 1,004                     | 1,004                      | -                                    |
| Wexford-Missaukee Intermediate School District | 167,418                      | 6.1323                  | 607                       | 607                        | -                                    |
| Cadillac-Wexford Transit Authority             | 167,418                      | 0.5950                  | 59                        | 59                         | -                                    |
| Cadillac-Wexford Public Library                | 167,418                      | 0.7437                  | 74                        | 74                         | -                                    |
| Wexford County Council on Aging                | 167,418                      | 0.9917                  | 98                        | 98                         | -                                    |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                      |
| General Fund                                   | 167,418                      | 13.6630                 | 1,345                     | 1,345                      | -                                    |
| Policemen and Firemen Retirement System        | 167,418                      | 2.6000                  | 256                       | 256                        | -                                    |
| Downtown Development Authority                 | 167,418                      | 1.9173                  | -                         | -                          | -                                    |
| Admin                                          |                              |                         | 79                        | 79                         | -                                    |
|                                                |                              |                         | <u>\$ 7,994</u>           | <u>\$ 7,994</u>            | <u>\$ -</u>                          |

**City of Cadillac**  
**Primary Government**  
**Statement of 2021 DNR/PILT Tax Roll**  
**June 30, 2022**

|                                                | <b>Taxable<br/>Valuation</b> | <b>Mills<br/>Levied</b> | <b>Taxes<br/>Assessed</b> | <b>Taxes<br/>Collected</b> | <b>Taxes Returned<br/>Delinquent</b> |
|------------------------------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------------------|
| Wexford County                                 | \$ 2,049,954                 | 6.7234                  | \$ 13,783                 | 13,783                     | \$ -                                 |
| Wexford County - Public Safety                 | 2,049,954                    | 1.4379                  | 2,948                     | 2,948                      | -                                    |
| Wexford County - Animal Control                | 2,049,954                    | 0.1983                  | 406                       | 406                        | -                                    |
| Wexford County - Veteran's Relief              | 2,049,954                    | 0.0991                  | 203                       | 203                        | -                                    |
| Wexford County - MSU Extension                 | 2,049,954                    | 0.1685                  | 345                       | 345                        | -                                    |
| <b>Cadillac Area Public Schools</b>            |                              |                         |                           |                            |                                      |
| Debt Retirement                                | 2,049,954                    | 6.1500                  | 12,607                    | 12,607                     | -                                    |
| Wexford-Missaukee Intermediate School District | 2,049,954                    | 6.1323                  | 12,571                    | 12,571                     | -                                    |
| Cadillac-Wexford Transit Authority             | 2,049,954                    | 0.5950                  | 1,220                     | 1,220                      | -                                    |
| Cadillac-Wexford Public Library                | 2,049,954                    | 0.7437                  | 1,525                     | 1,525                      | -                                    |
| Wexford County Council on Aging                | 2,049,954                    | 0.9917                  | 2,033                     | 2,033                      | -                                    |
| <b>City of Cadillac</b>                        |                              |                         |                           |                            |                                      |
| General Fund                                   | 2,049,954                    | 13.6630                 | 28,009                    | 28,009                     | -                                    |
| Policemen and Firemen Retirement System        | 2,049,954                    | 2.6000                  | 5,330                     | 5,330                      | -                                    |
| Special Assessments                            |                              |                         | 400                       | 400                        | -                                    |
|                                                |                              |                         | <u>\$ 81,380</u>          | <u>\$ 81,380</u>           | <u>\$ -</u>                          |

## **STATISTICAL SECTION**

# ***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.

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| <b>Financial Trends</b>                                                                                                                                                                                                               | 153                |
| <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>                                                                      |                    |
| <b>Revenue Capacity</b>                                                                                                                                                                                                               | 159                |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>                                                                                        |                    |
| <b>Debt Capacity</b>                                                                                                                                                                                                                  | 163                |
| <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>                    |                    |
| <b>Demographic and Economic Information</b>                                                                                                                                                                                           | 168                |
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| <b>Other Schedules</b>                                                                                                                                                                                                                | 177                |

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

City of Cadillac, Michigan  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

|                                                         | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      |
|---------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental Activities                                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets                        | \$ 12,131        | \$ 11,469        | \$ 11,723        | \$ 10,986        | \$ 10,955        | \$ 10,652        | \$ 11,797        | \$ 11,586        | \$ 11,476        | \$ 10,756        |
| Restricted for Specific Purpose                         | 2,688            | 3,369            | 3,090            | 3,420            | 4,717            | 3,554            | 2,537            | 2,456            | 4,486            | 3,683            |
| Restricted for Specific Purpose, Temporarily Restricted | 349              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Restricted for Specific Purpose, Permanently Restricted | 756              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Unrestricted                                            | 3,498            | 4,078            | (106)            | (503)            | (3,699)          | (1,236)          | (865)            | (870)            | (786)            | 1,826            |
| Total governmental activities net assets                | <u>\$ 19,422</u> | <u>\$ 18,916</u> | <u>\$ 14,707</u> | <u>\$ 13,903</u> | <u>\$ 11,973</u> | <u>\$ 12,970</u> | <u>\$ 13,469</u> | <u>\$ 13,172</u> | <u>\$ 15,176</u> | <u>\$ 16,265</u> |
| Business-type Activities                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets                        | \$ 13,560        | \$ 13,972        | \$ 13,999        | \$ 14,116        | \$ 15,250        | \$ 15,861        | \$ 16,332        | \$ 16,838        | \$ 16,919        | \$ 17,325        |
| Restricted for Specific Purpose                         | 671              | 626              | 626              | 643              | 643              | 644              | 654              | 664              | 670              | 675              |
| Unrestricted                                            | 3,457            | 3,069            | 2,747            | 2,405            | 1,777            | 1,509            | 1,358            | 665              | 950              | 811              |
| Total business-type activities net assets               | <u>\$ 17,688</u> | <u>\$ 17,667</u> | <u>\$ 17,372</u> | <u>\$ 17,164</u> | <u>\$ 17,670</u> | <u>\$ 18,014</u> | <u>\$ 18,344</u> | <u>\$ 18,167</u> | <u>\$ 18,539</u> | <u>\$ 18,811</u> |
| Primary Government                                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net Investment in Capital Assets                        | \$ 25,691        | \$ 25,441        | \$ 25,722        | \$ 25,102        | \$ 26,205        | \$ 26,513        | \$ 28,129        | \$ 28,424        | \$ 28,395        | \$ 28,081        |
| Restricted for Specific Purpose                         | 3,359            | 3,995            | 3,716            | 4,063            | 5,360            | 4,198            | 3,191            | 3,120            | 5,156            | 4,358            |
| Restricted for Specific Purpose, Temporarily Restricted | 349              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Restricted for Specific Purpose, Permanently Restricted | 756              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Unrestricted                                            | 6,955            | 7,147            | 2,641            | 1,902            | (1,922)          | 273              | 493              | (205)            | 164              | 2,637            |
| Total primary government net assets                     | <u>\$ 37,110</u> | <u>\$ 36,583</u> | <u>\$ 32,079</u> | <u>\$ 31,067</u> | <u>\$ 29,643</u> | <u>\$ 30,984</u> | <u>\$ 31,813</u> | <u>\$ 31,339</u> | <u>\$ 33,715</u> | <u>\$ 35,076</u> |

City of Cadillac, Michigan  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

|                                                | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      |
|------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Expenses</b>                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities:                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General Government                             | \$ 1,862         | \$ 1,987         | \$ 1,988         | \$ 1,918         | \$ 1,998         | \$ 1,841         | \$ 2,095         | \$ 1,957         | \$ 2,106         | \$ 1,827         |
| Public Safety                                  | 3,224            | 3,199            | 3,757            | 3,858            | 4,130            | 2,815            | 3,542            | 3,718            | 2,359            | 3,837            |
| Public Works                                   | 2,456            | 2,570            | 2,516            | 3,988            | 2,957            | 2,603            | 2,916            | 3,020            | 2,559            | 2,684            |
| Recreation and Culture                         | 520              | 421              | 452              | 462              | 492              | 506              | 527              | 499              | 440              | 509              |
| Economic Development/Assistance                | 198              | 257              | 235              | 287              | 280              | 234              | 1,020            | 1,153            | 589              | 480              |
| Interest on Long-Term Debt                     | 39               | 21               | 17               | 15               | 105              | 45               | 39               | 48               | 169              | 112              |
| Total Governmental Activities Expenses         | <u>\$ 8,299</u>  | <u>\$ 8,455</u>  | <u>\$ 8,965</u>  | <u>\$ 10,528</u> | <u>\$ 9,962</u>  | <u>\$ 8,044</u>  | <u>\$ 10,139</u> | <u>\$ 10,395</u> | <u>\$ 8,222</u>  | <u>\$ 9,449</u>  |
| Business-Type Activities:                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Water and Sewer                                | \$ 4,025         | \$ 4,138         | \$ 4,275         | \$ 4,136         | \$ 3,982         | \$ 4,276         | \$ 4,479         | \$ 4,185         | \$ 4,053         | \$ 4,510         |
| Building Authority Operating                   | 95               | 88               | 92               | 101              | 118              | 123              | 124              | 90               | 94               | 125              |
| Automobile Parking System                      | 57               | 63               | 62               | 56               | 50               | 62               | 84               | 86               | 72               | 71               |
| Total Business-Type Activities Expenses        | <u>\$ 4,177</u>  | <u>\$ 4,289</u>  | <u>\$ 4,429</u>  | <u>\$ 4,293</u>  | <u>\$ 4,150</u>  | <u>\$ 4,461</u>  | <u>\$ 4,687</u>  | <u>\$ 4,361</u>  | <u>\$ 4,219</u>  | <u>\$ 4,706</u>  |
| Total Primary Government Expenses              | <u>\$ 12,476</u> | <u>\$ 12,744</u> | <u>\$ 13,394</u> | <u>\$ 14,821</u> | <u>\$ 14,112</u> | <u>\$ 12,505</u> | <u>\$ 14,826</u> | <u>\$ 14,756</u> | <u>\$ 12,441</u> | <u>\$ 14,155</u> |
| <b>Program Revenues</b>                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities:                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Charges For Services:                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General Government                             | \$ 472           | \$ 509           | \$ 520           | \$ 562           | \$ 628           | \$ 265           | \$ 594           | \$ 625           | \$ 592           | \$ 608           |
| Public Safety                                  | 258              | 106              | 99               | 114              | 227              | 196              | 216              | 180              | 175              | 322              |
| Public Works                                   | 527              | 733              | 726              | 748              | 661              | 1,044            | 847              | 559              | 765              | 725              |
| Recreation and Culture                         | 1                | 25               | 0                | 15               | 0                | 0                | 0                | 0                | 0                | 24               |
| Economic Development                           | 0                | 2                | 2                | 2                | 3                | 3                | 3                | 3                | 3                | 16               |
| Operating Grants and Contributions             | 1,193            | 1,148            | 1,090            | 2,512            | 1,573            | 1,180            | 1,985            | 1,846            | 2,373            | 2,032            |
| Capital Grants and Contributions               | 47               | 0                | 520              | 306              | 69               | 47               | 990              | 853              | 232              | 314              |
| Total Governmental Activities Program Revenues | <u>\$ 2,498</u>  | <u>\$ 2,523</u>  | <u>\$ 2,957</u>  | <u>\$ 4,259</u>  | <u>\$ 3,161</u>  | <u>\$ 2,735</u>  | <u>\$ 4,635</u>  | <u>\$ 4,066</u>  | <u>\$ 4,140</u>  | <u>\$ 4,041</u>  |

Continued...

City of Cadillac, Michigan  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

|                                                         | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Program Revenues</b>                                 |             |             |             |             |             |             |             |             |             |             |
| Business-Type Activities:                               |             |             |             |             |             |             |             |             |             |             |
| Charges for Services:                                   |             |             |             |             |             |             |             |             |             |             |
| Water and Sewer System                                  | \$ 4,073    | \$ 4,032    | \$ 4,060    | \$ 4,197    | \$ 4,573    | \$ 4,509    | \$ 4,754    | \$ 3,914    | \$ 4,319    | \$ 4,682    |
| Building Authority Operating                            | 196         | 196         | 196         | 149         | 113         | 196         | 154         | 154         | 164         | 219         |
| Automobile Parking System                               | 37          | 42          | 51          | 49          | 50          | 56          | 56          | 56          | 57          | 58          |
| Operating Grants and Contributions                      | 0           | 0           | 10          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Capital Grants and Contributions                        | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Business-Type Activities Program Revenues         | \$ 4,306    | \$ 4,270    | \$ 4,317    | \$ 4,395    | \$ 4,736    | \$ 4,761    | \$ 4,964    | \$ 4,124    | \$ 4,540    | \$ 4,959    |
| Total Primary Government Program Revenues               | \$ 6,804    | \$ 6,793    | \$ 7,274    | \$ 8,654    | \$ 7,897    | \$ 7,496    | \$ 9,599    | \$ 8,190    | \$ 8,680    | \$ 9,000    |
| <b>General Revenues and Other Changes in Net Assets</b> |             |             |             |             |             |             |             |             |             |             |
| Governmental Activities:                                |             |             |             |             |             |             |             |             |             |             |
| Property Taxes                                          | \$ 4,339    | \$ 4,338    | \$ 4,213    | \$ 4,207    | \$ 3,814    | \$ 3,872    | \$ 3,830    | \$ 3,910    | \$ 4,035    | \$ 4,384    |
| State Shared Revenue - Unrestricted                     | 924         | 988         | 1,027       | 1,133       | 1,922       | 2,138       | 2,027       | 1,984       | 2,011       | 2,102       |
| Investment Earnings - Unrestricted                      | 62          | 67          | 68          | 55          | 68          | 101         | 145         | 139         | 75          | 27          |
| Gain (Loss) on Sale of Capital Assets                   | 7           | 0           | 65          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Other                                                   | 4           | 10          | 93          | 2           | 115         | 195         | 0           | 0           | 0           | 0           |
| Transfers                                               | 0           | 0           | (9)         | 0           | 0           | 0           | 0           | 0           | (35)        | (15)        |
| Total Governmental Activities                           | \$ 5,336    | \$ 5,403    | \$ 5,457    | \$ 5,397    | \$ 5,919    | \$ 6,306    | \$ 6,002    | \$ 6,033    | \$ 6,086    | \$ 6,498    |
| Business-Type Activities                                |             |             |             |             |             |             |             |             |             |             |
| Investment Earnings - Unrestricted                      | 13          | 19          | 20          | 22          | 31          | 44          | 53          | 60          | 16          | 5           |
| Other                                                   | 0           | 0           | 76          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Transfers                                               | 0           | 0           | 9           | 0           | 0           | 0           | 0           | 0           | 35          | 15          |
| Total Business-Type Activities                          | \$ 13       | \$ 19       | \$ 105      | \$ 22       | \$ 31       | \$ 44       | \$ 53       | \$ 60       | \$ 51       | \$ 20       |
| Total Primary Government                                | \$ 5,349    | \$ 5,422    | \$ 5,562    | \$ 5,419    | \$ 5,950    | \$ 6,350    | \$ 6,055    | \$ 6,093    | \$ 6,137    | \$ 6,518    |
| <b>Change in Net Assets</b>                             |             |             |             |             |             |             |             |             |             |             |
| Governmental Activities                                 | \$ (465)    | \$ (527)    | \$ (550)    | \$ (873)    | \$ (882)    | \$ 997      | \$ 498      | \$ (296)    | \$ 2,004    | \$ 1,090    |
| Business-Type Activities                                | 142         | (1)         | (7)         | 125         | 617         | 344         | 330         | (177)       | 372         | 273         |
| Total Primary Government                                | \$ (323)    | \$ (528)    | \$ (557)    | \$ (748)    | \$ (265)    | \$ 1,341    | \$ 828      | \$ (473)    | \$ 2,376    | \$ 1,363    |

Concluded.

City of Cadillac, Michigan  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

|                                     | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u>  | <u>2022</u>  |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| <b>General Fund</b>                 |             |             |             |             |             |             |             |             |              |              |
| Nonspendable                        | \$ -        | \$ 37,127   | \$ 106,085  | \$ 9,641    | \$ 54,583   | \$ 10,415   | \$ 9,071    | \$ 1,203    | \$ 1,530     | \$ 48,531    |
| Restricted                          | 56,855      | 54,076      | 56,970      | 61,116      | 38,423      | 38,421      | 41,772      | 41,957      | 42,154       | 68,729       |
| Assigned                            | 1,622,467   | 1,579,291   | 1,552,612   | 1,551,812   | 1,463,890   | 1,426,129   | 2,047,888   | 1,451,083   | 1,394,072    | 1,494,454    |
| Unassigned                          | 480,251     | 371,323     | 221,245     | 486,455     | 1,118,374   | 1,445,491   | 1,332,597   | 2,259,269   | 3,288,693    | 3,719,960    |
| Total General Fund                  | \$2,159,573 | \$2,041,817 | \$1,936,912 | \$2,109,024 | \$2,675,270 | \$2,920,456 | \$3,431,328 | \$3,753,512 | \$ 4,726,449 | \$ 5,331,674 |
| <b>All Other Governmental Funds</b> |             |             |             |             |             |             |             |             |              |              |
| Nonspendable                        | \$1,111,293 | \$1,030,200 | \$ 973,345  | \$ 906,666  | \$ 848,688  | \$ 372,190  | \$ 373,091  | \$ 375,411  | \$ 376,209   | \$ 381,013   |
| Restricted                          | 1,358,831   | 1,478,859   | 1,209,298   | 1,678,116   | 3,325,714   | 2,811,751   | 1,822,249   | 1,669,216   | 3,845,298    | 3,056,734    |
| Assigned                            | 1,576,316   | 1,620,764   | 1,623,918   | 1,606,108   | 1,537,971   | 1,620,926   | 1,489,178   | 1,445,137   | 1,338,152    | 1,280,614    |
| Unassigned                          | -           | -           | -           | -           | -           | -           | -           | -           | -            | -            |
| Total All Other Governmental Funds  | 4,046,440   | 4,129,823   | 3,806,561   | 4,190,890   | 5,712,373   | 4,804,867   | 3,684,518   | 3,489,764   | 5,559,659    | 4,718,361    |
| Total Fund Balance                  | \$6,206,013 | \$6,171,640 | \$5,743,473 | \$6,299,914 | \$8,387,643 | \$7,725,323 | \$7,115,846 | \$7,243,276 | \$10,286,108 | \$10,050,035 |

**Note:** GASB Statement Number 54 redefined how the components of fund balance are reported. Under GASB Statement 54, the total amount reported as fund balance remains unchanged; the components, or categories, of fund balance have been redefined to further reflect the purpose for which fund balance can be spent. The information presented on this chart is derived from data reported in accordance with the prior reporting model and data reported following GASB Statement Number 54, which took effect for statements for periods beginning after June 15, 2010.

City of Cadillac, Michigan  
Changes of Fund Balances in Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

|                                                             | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         | <u>2016</u>         | <u>2017</u>         | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         | <u>2022</u>         |
|-------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes and Special Assessments                               | \$ 4,496,524        | \$ 4,338,224        | \$ 4,212,996        | \$ 4,209,449        | \$ 3,829,896        | \$ 3,872,306        | \$ 3,829,539        | \$ 3,909,988        | \$ 4,034,833        | \$ 4,383,505        |
| Licenses and Permits                                        | 122,102             | 129,179             | 139,623             | 190,504             | 264,019             | 230,572             | 238,257             | 194,986             | 203,814             | 182,148             |
| Federal Grants                                              | 42,314              | 4,779               | 44,800              | 65,168              | 121,569             | -                   | 741,980             | 18,112              | 421,551             | 218,000             |
| State Grants                                                | 1,883,928           | 2,015,816           | 2,501,558           | 3,603,240           | 3,432,181           | 3,364,315           | 3,985,598           | 4,428,265           | 3,834,337           | 4,138,011           |
| Contributions from Local Units                              | 227,103             | 215,823             | 160,595             | 244,845             | 195,607             | 195,039             | 295,637             | 252,748             | 324,481             | 273,104             |
| Charges for Services                                        | 943,558             | 939,858             | 984,807             | 986,860             | 921,127             | 1,033,777           | 1,120,793           | 1,121,774           | 1,152,247           | 1,152,222           |
| Fines and Forfeits                                          | 14,887              | 13,582              | 13,621              | 17,018              | 14,857              | 12,320              | 10,721              | 9,685               | 7,634               | 8,488               |
| Interest and Rents                                          | 108,040             | 67,443              | 60,115              | 55,452              | 67,677              | 94,157              | 135,851             | 129,364             | 69,687              | 27,874              |
| Gain (Loss) on Investments                                  | (45,257)            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Other Revenue                                               | 90,447              | 135,930             | 178,837             | 300,491             | 248,948             | 48,803              | 41,042              | 33,982              | 93,985              | 155,520             |
| Total Revenues                                              | <u>\$ 7,883,646</u> | <u>\$ 7,860,634</u> | <u>\$ 8,296,952</u> | <u>\$ 9,673,027</u> | <u>\$ 9,095,881</u> | <u>\$ 8,851,289</u> | <u>\$10,399,418</u> | <u>\$10,098,904</u> | <u>\$10,142,569</u> | <u>\$10,538,872</u> |
| <b>Expenditures</b>                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                                          | \$ 1,734,475        | \$ 1,819,501        | \$ 1,791,790        | \$ 1,720,714        | \$ 1,670,025        | \$ 1,784,670        | \$ 1,848,736        | \$ 1,837,446        | \$ 1,907,117        | \$ 1,696,054        |
| Public Safety                                               | 3,256,156           | 3,152,675           | 3,191,801           | 3,177,094           | 3,307,809           | 3,359,134           | 3,379,298           | 3,928,998           | 3,496,678           | 3,731,415           |
| Public Works                                                | 1,903,925           | 1,914,351           | 1,867,467           | 3,276,524           | 2,295,445           | 1,947,792           | 2,165,166           | 2,478,280           | 2,042,162           | 1,921,271           |
| Community & Economic Development                            | 184,069             | 248,307             | 238,222             | 250,708             | 233,669             | 226,027             | 992,104             | 1,159,845           | 570,969             | 469,957             |
| Capital Outlay                                              | 138,359             | 209,926             | 1,200,423           | 277,327             | 872,476             | 1,781,414           | 2,092,986           | 30,040              | 2,241,536           | 2,115,522           |
| Culture and Recreation                                      | 340,874             | 295,547             | 320,267             | 311,265             | 327,380             | 358,168             | 370,543             | 375,602             | 293,924             | 370,176             |
| Debt Service                                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal                                                   | 188,832             | 229,943             | 87,721              | 87,721              | 253,862             | 365,000             | 120,000             | 123,400             | 361,700             | 360,000             |
| Interest                                                    | 32,631              | 24,757              | 17,895              | 15,233              | 54,835              | 49,906              | 40,062              | 37,863              | 103,838             | 113,467             |
| Other Charges                                               | 2,235               | -                   | -                   | -                   | 42,650              | -                   | -                   | -                   | 46,813              | -                   |
| Intergovernmental                                           | 100,758             | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Total Expenditures                                          | <u>\$ 7,882,314</u> | <u>\$ 7,895,007</u> | <u>\$ 8,715,586</u> | <u>\$ 9,116,586</u> | <u>\$ 9,058,151</u> | <u>\$ 9,872,111</u> | <u>\$11,008,895</u> | <u>\$ 9,971,474</u> | <u>\$11,064,737</u> | <u>\$10,777,862</u> |
| <b>Other Financing Sources (Uses)</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Sale of Property                                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 394,504          | \$ -                | \$ -                | \$ -                | \$ 17,915           |
| Transfers In                                                | 649,500             | 806,035             | 492,404             | 407,750             | 769,650             | 1,618,316           | 625,323             | 480,550             | 595,450             | 1,045,500           |
| Transfers Out                                               | (649,500)           | (806,035)           | (501,937)           | (407,750)           | (769,650)           | (1,654,319)         | (625,323)           | (480,550)           | (630,450)           | (1,060,500)         |
| Bond Proceeds                                               | 0                   | 0                   | 0                   | 0                   | 2,050,000           | 0                   | 0                   | 0                   | 4,000,000           | 0                   |
| Total Other Financing Sources (Uses)                        | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ (9,533)</u>   | <u>\$ -</u>         | <u>\$ 2,050,000</u> | <u>\$ 358,501</u>   | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 3,965,000</u> | <u>\$ 2,915</u>     |
| <b>Net Change in Fund Balances</b>                          | <u>\$ 1,332</u>     | <u>\$ (34,373)</u>  | <u>\$ (428,167)</u> | <u>\$ 556,441</u>   | <u>\$ 2,087,730</u> | <u>\$ (662,321)</u> | <u>\$ (609,477)</u> | <u>\$ 127,430</u>   | <u>\$ 3,042,832</u> | <u>\$ (236,075)</u> |
| Debt Service as a percentage of<br>non-capital expenditures | 2.96%               | 3.31%               | 1.41%               | 1.16%               | 3.77%               | 5.13%               | 1.80%               | 1.62%               | 5.28%               | 5.47%               |

City of Cadillac, Michigan  
Taxable Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Real<br/>Property<br/>Valuation</b> | <b>Personal<br/>Property<br/>Valuation</b> | <b>Total<br/>Taxable<br/>Valuation</b> | <b>Estimated<br/>Actual<br/>Value</b> | <b>Ratio of Total<br/>Assessed to<br/>Total<br/>Estimated<br/>Actual Value</b> | <b>Total<br/>Direct<br/>Tax<br/>Rate</b> |
|-----------------------------------------------|----------------------------------------|--------------------------------------------|----------------------------------------|---------------------------------------|--------------------------------------------------------------------------------|------------------------------------------|
| 2013                                          | 196,431,899                            | 50,777,800                                 | 247,209,699                            | 516,593,200                           | 47.85%                                                                         | 17.0473                                  |
| 2014                                          | 191,926,234                            | 52,972,480                                 | 244,898,714                            | 506,343,018                           | 48.37%                                                                         | 17.0473                                  |
| 2015                                          | 190,071,183                            | 52,897,700                                 | 242,968,883                            | 510,726,600                           | 47.57%                                                                         | 16.5473                                  |
| 2016                                          | 190,288,151                            | 53,285,900                                 | 243,574,051                            | 525,383,000                           | 46.36%                                                                         | 16.5473                                  |
| 2017                                          | 190,631,321                            | 31,243,800                                 | 221,875,121                            | 493,984,600                           | 44.92%                                                                         | 16.5473                                  |
| 2018                                          | 192,217,626                            | 31,297,400                                 | 223,515,026                            | 508,651,200                           | 43.94%                                                                         | 16.5473                                  |
| 2019                                          | 198,547,361                            | 24,640,400                                 | 223,187,761                            | 514,587,200                           | 43.37%                                                                         | 16.5166                                  |
| 2020                                          | 206,299,451                            | 24,379,900                                 | 230,679,351                            | 539,083,200                           | 42.79%                                                                         | 16.5166                                  |
| 2021                                          | 212,531,605                            | 26,549,700                                 | 239,081,305                            | 586,476,706                           | 40.77%                                                                         | 16.3774                                  |
| 2022                                          | 221,321,737                            | 32,887,200                                 | 254,208,937                            | 645,626,400                           | 39.37%                                                                         | 16.2630                                  |

**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<br>Year | <i>Direct Tax Rates</i> |                                |                               |                | <i>Overlapping Tax Rates <sup>a</sup></i> |                                              |                     |                              |                                                    |                                                 |                           |                                           |
|----------------|-------------------------|--------------------------------|-------------------------------|----------------|-------------------------------------------|----------------------------------------------|---------------------|------------------------------|----------------------------------------------------|-------------------------------------------------|---------------------------|-------------------------------------------|
|                | <i>City of Cadillac</i> |                                |                               |                | <i>Wexford County</i>                     |                                              |                     |                              | Cadillac<br>Area<br>Public<br>Schools <sup>d</sup> | Wexford<br>Missaukee<br>Intermediate<br>Schools | State<br>Education<br>Tax | Total<br>Direct &<br>Overlapping<br>Rates |
|                | General <sup>b</sup>    | Police<br>& Fire<br>Retirement | Lake<br>Cadillac<br>Treatment | Total<br>City  | Wexford<br>County <sup>c</sup>            | Cadillac-<br>Wexford<br>Transit<br>Authority | Council on<br>Aging | Wexford<br>County<br>Library |                                                    |                                                 |                           |                                           |
| 2013           | 13.9473                 | 2.6000                         | 0.5000                        | <b>17.0473</b> | 7.7297                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 5.9419                                          | 6.0000                    | <b>59.9689</b>                            |
| 2014           | 13.9473                 | 2.6000                         | 0.5000                        | <b>17.0473</b> | 7.7297                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 5.9419                                          | 6.0000                    | <b>59.9689</b>                            |
| 2015           | 13.9473                 | 2.6000                         | N/A                           | <b>16.5473</b> | 8.1297                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 5.9419                                          | 6.0000                    | <b>59.8689</b>                            |
| 2016           | 13.9473                 | 2.6000                         | N/A                           | <b>16.5473</b> | 8.0297                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 6.1604                                          | 6.0000                    | <b>59.9874</b>                            |
| 2017           | 13.9473                 | 2.6000                         | N/A                           | <b>16.5473</b> | 8.1997                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 6.1604                                          | 6.0000                    | <b>60.1574</b>                            |
| 2018           | 13.9473                 | 2.6000                         | N/A                           | <b>16.5473</b> | 8.1997                                    | 0.6000                                       | 1.0000              | 0.7500                       | 20.9000                                            | 6.1604                                          | 6.0000                    | <b>60.1574</b>                            |
| 2019           | 13.9166                 | 2.6000                         | N/A                           | <b>16.5166</b> | 8.6997                                    | 0.6000                                       | 1.0000              | 0.7500                       | 23.8000                                            | 6.1604                                          | 6.0000                    | <b>63.5267</b>                            |
| 2020           | 13.9166                 | 2.6000                         | N/A                           | <b>16.5166</b> | 8.6997                                    | 0.6000                                       | 1.0000              | 0.7500                       | 24.1500                                            | 6.1604                                          | 6.0000                    | <b>63.8767</b>                            |
| 2021           | 13.7774                 | 2.6000                         | N/A                           | <b>16.3774</b> | 8.6881                                    | 0.5992                                       | 0.9987              | 0.7490                       | 24.1500                                            | 6.1604                                          | 6.0000                    | <b>63.7228</b>                            |
| 2022           | 13.6630                 | 2.6000                         | N/A                           | <b>16.2630</b> | 8.6272                                    | 0.5950                                       | 0.9917              | 0.7437                       | 24.1500                                            | 6.1323                                          | 6.0000                    | <b>63.5029</b>                            |

*Source: City of Cadillac Treasurer's Office*

<sup>a</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Cadillac.

<sup>b</sup> City general operating tax rate is limited to 15.0 mills per the city charter.

<sup>c</sup> Current year includes allocated mills of 6.7234 and extra voted mills of 0.0991 for Veterans Relief, 1.4379 mills for Road Patrol, 0.1983 mills for Animal Control and 0.1685 mills for MSU-Extension.

<sup>d</sup> Current year includes Cadillac Area Public Schools operating rate of 18 mills and school debt rate of 6.15 mills.

City of Cadillac, Michigan  
Property Tax Levies and Collections  
Last Ten Fiscal Years

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal year of Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date <sup>a</sup> |                       |
|-------------------------------------|----------------------------------------|---------------------------------------------|-----------------------|---------------------------------------|----------------------------------------|-----------------------|
|                                     |                                        | Amount                                      | Percentage<br>of Levy |                                       | Amount                                 | Percentage<br>of Levy |
| 2013                                | 4,409,413                              | 4,190,778                                   | 95.04%                | 218,635                               | 4,409,413                              | 100.00%               |
| 2014                                | 4,300,632                              | 4,128,524                                   | 96.00%                | 172,108                               | 4,300,632                              | 100.00%               |
| 2015                                | 4,148,351                              | 3,992,785                                   | 96.25%                | 155,566                               | 4,148,351                              | 100.00%               |
| 2016                                | 4,165,174                              | 4,015,955                                   | 96.42%                | 149,219                               | 4,165,174                              | 100.00%               |
| 2017                                | 3,739,341                              | 3,615,423                                   | 96.69%                | 123,918                               | 3,739,341                              | 100.00%               |
| 2018                                | 3,782,234                              | 3,643,714                                   | 96.34%                | 138,521                               | 3,782,234                              | 100.00%               |
| 2019                                | 3,749,906                              | 3,612,489                                   | 96.34%                | 137,418                               | 3,749,906                              | 100.00%               |
| 2020                                | 3,840,060                              | 3,706,106                                   | 96.51%                | 133,954                               | 3,840,060                              | 100.00%               |
| 2021                                | 3,963,594                              | 3,803,814                                   | 95.97%                | 159,780                               | 3,963,594                              | 100.00%               |
| 2022                                | 4,184,156                              | 4,060,183                                   | 97.04%                | 123,973                               | 4,184,156                              | 100.00%               |

**Source:** City of Cadillac Treasurer's Office

<sup>a</sup> 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.

City of Cadillac, Michigan  
Principal Property Tax Payers  
Current Year and Nine Years Ago

| Taxpayer                               | 2022                 |      |                                                              | 2013                 |      |                                                              |
|----------------------------------------|----------------------|------|--------------------------------------------------------------|----------------------|------|--------------------------------------------------------------|
|                                        | Taxable<br>Value     | Rank | Percentage<br>of Total City<br>Taxable<br>Value <sup>a</sup> | Taxable<br>Value     | Rank | Percentage<br>of Total City<br>Taxable<br>Value <sup>b</sup> |
| Cadillac Renewable Energy <sup>c</sup> | \$ 13,216,177        | 1    | 5.20%                                                        | \$ 13,946,500        | 1    | 5.64%                                                        |
| Consumers Energy                       | 11,010,009           | 2    | 4.33%                                                        | \$ 6,342,144         | 4    | 2.57%                                                        |
| Avon Protection System                 | 5,739,100            | 3    | 2.26%                                                        | 6,318,375            | 5    | 2.56%                                                        |
| AAR Cadillac Manufacturing             | 5,296,432            | 4    | 2.08%                                                        | 5,051,500            | 6    | 2.04%                                                        |
| FEDEX Ground Package                   | 3,376,300            | 5    | 1.33%                                                        |                      |      | 0.00%                                                        |
| Piranha Hose Products Inc.             | 3,310,504            | 6    | 1.30%                                                        | 4,573,726            | 9    | 1.85%                                                        |
| 925 Frisbie Street LLC <sup>c</sup>    | 3,075,915            | 7    | 1.21%                                                        |                      |      | 0.00%                                                        |
| Store Capital Acquisitions LLC         | 2,672,599            | 8    | 1.05%                                                        |                      |      | 0.00%                                                        |
| Hutchinson Antivibration System        | 2,121,927            | 9    | 0.83%                                                        |                      |      | 0.00%                                                        |
| Rexair, Inc.                           | 1,914,979            | 10   | 0.75%                                                        | 4,729,809            | 8    | 1.91%                                                        |
| Cadillac Casting <sup>d</sup>          |                      |      |                                                              | 10,559,900           | 2    | 4.27%                                                        |
| Paulstra CRC Corporation               |                      |      |                                                              | 6,873,039            | 3    | 2.78%                                                        |
| Avon Automotive                        |                      |      |                                                              | 4,899,200            | 7    | 1.98%                                                        |
| FIAMM Technologies, Inc.               |                      |      |                                                              | 3,887,200            | 10   | 1.57%                                                        |
| Totals                                 | <u>\$ 51,733,942</u> |      | <u>20.35%</u>                                                | <u>\$ 67,181,393</u> |      | <u>27.18%</u>                                                |

**Source:** City of Cadillac Treasurer's Office

<sup>a</sup> Based on total taxable value of \$254,208,937

<sup>b</sup> Based on total taxable value of \$247,209,699

<sup>c</sup> Formerly Beaver MI Associates LTD Partnership.

<sup>d</sup> Formerly CMI Cast Parts.

<sup>e</sup> Formerly Four Winn's Boats, LLC.

City of Cadillac, Michigan  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)

| <b>Fiscal<br/>Year</b> | <b><u>Governmental Activities</u></b>   |                                         |                                   | <b><u>Business-Type Activities</u></b>             |                                                     | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage<br/>of Personal<br/>Income<sup>1</sup></b> | <b>Per<br/>Capita<sup>1</sup></b> |
|------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------|----------------------------------------------------|-----------------------------------------------------|-----------------------------------------|----------------------------------------------------------|-----------------------------------|
|                        | <b>General<br/>Obligation<br/>Bonds</b> | <b>Special<br/>Assessment<br/>Bonds</b> | <b>Other<br/>Debt<sup>2</sup></b> | <b>Water &amp;<br/>Sewer<br/>Revenue<br/>Bonds</b> | <b>Building<br/>Authority<br/>Revenue<br/>Bonds</b> |                                         |                                                          |                                   |
| 2013                   | 595                                     | 25                                      | 114                               | 9,633                                              | 405                                                 | 10,772                                  | 3.57%                                                    | 1,040                             |
| 2014                   | 460                                     | -                                       | 44                                | 9,224                                              | 275                                                 | 10,003                                  | 3.23%                                                    | 966                               |
| 2015                   | 390                                     | -                                       | 26                                | 8,694                                              | 140                                                 | 9,250                                   | 2.84%                                                    | 893                               |
| 2016                   | 320                                     | -                                       | 8                                 | 8,144                                              | -                                                   | 8,472                                   | 2.48%                                                    | 818                               |
| 2017                   | 2,125                                   | -                                       | -                                 | 7,584                                              | -                                                   | 9,709                                   | 2.75%                                                    | 938                               |
| 2018                   | 1,760                                   | -                                       | -                                 | 7,014                                              | -                                                   | 8,774                                   | 2.35%                                                    | 847                               |
| 2019                   | 1,640                                   | -                                       | -                                 | 6,434                                              | -                                                   | 8,074                                   | 2.10%                                                    | 780                               |
| 2020                   | 1,517                                   | -                                       | -                                 | 5,829                                              | -                                                   | 7,346                                   | 1.72%                                                    | 709                               |
| 2021                   | 5,155                                   | -                                       | -                                 | 6,829                                              | -                                                   | 11,984                                  | 2.61%                                                    | 1,157                             |
| 2022                   | 4,795                                   | -                                       | -                                 | 6,189                                              | -                                                   | 10,984                                  | N/A                                                      | 1,065                             |

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the financial statements.

<sup>1</sup> See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

<sup>2</sup> Other Debt includes City obligations to the State of Michigan for one community development loan.

City of Cadillac, Michigan  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)

| <b><u>Fiscal<br/>Year</u></b> | <b><u>General<br/>Obligation<br/>Bonds</u></b> | <b><u>Less: Amount<br/>Available in Debt<br/>Service Funds</u></b> | <b><u>Total</u></b> | <b><u>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value<sup>1</sup> of<br/>Property</u></b> | <b><u>Per<br/>Capita<sup>2</sup></u></b> |
|-------------------------------|------------------------------------------------|--------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------|------------------------------------------|
| 2013                          | 595                                            | 2                                                                  | 593                 | 0.240%                                                                                             | 57.27                                    |
| 2014                          | 460                                            | 2                                                                  | 458                 | 0.187%                                                                                             | 44.23                                    |
| 2015                          | 390                                            | 2                                                                  | 388                 | 0.160%                                                                                             | 37.47                                    |
| 2016                          | 320                                            | 2                                                                  | 318                 | 0.131%                                                                                             | 30.71                                    |
| 2017                          | 2,125                                          | 7                                                                  | 2,118               | 0.955%                                                                                             | 204.54                                   |
| 2018                          | 1,760                                          | -                                                                  | 1,760               | 0.787%                                                                                             | 169.97                                   |
| 2019                          | 1,640                                          | -                                                                  | 1,640               | 0.735%                                                                                             | 158.38                                   |
| 2020                          | 1,517                                          | -                                                                  | 1,517               | 0.658%                                                                                             | 146.50                                   |
| 2021                          | 5,155                                          | -                                                                  | 5,155               | 2.156%                                                                                             | 497.83                                   |
| 2022                          | 4,795                                          | -                                                                  | 4,795               | 1.886%                                                                                             | 464.86                                   |

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the financial statements.

<sup>1</sup> See the Schedule of Taxable Value and Estimated Actual Value of Taxable Property in this section for property value data.

<sup>2</sup> 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, 2022  
(dollars in thousands)

| <u>Governmental Unit</u>                 | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable<sup>1</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|------------------------------------------|-----------------------------|------------------------------------------------------------|--------------------------------------------------------|
| <b>Debt repaid with property taxes:</b>  |                             |                                                            |                                                        |
| Wexford County                           | \$ 14,327                   | 23.32%                                                     | \$ 3,341                                               |
| Cadillac Area Public Schools             | 57,465                      | 33.96%                                                     | \$ 19,516                                              |
| Subtotal Overlapping Debt                |                             |                                                            | \$ 22,857                                              |
| <b>City of Cadillac Direct Debt</b>      |                             |                                                            | <u>4,795</u>                                           |
| <b>Total Direct and Overlapping Debt</b> |                             |                                                            | <u><u>\$ 27,652</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.

<sup>1</sup> 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:

|                                        |                        |
|----------------------------------------|------------------------|
| <b>City of Cadillac Taxable Value:</b> | <b>\$254,208,937</b>   |
| <b>Wexford County Taxable Value:</b>   | <b>\$1,090,031,974</b> |
| <b>CAPS Taxable Value:</b>             | <b>\$748,517,713</b>   |

City of Cadillac, Michigan  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

|                                                                         | <i>Fiscal Year</i> |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------------------------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                         | <u>2013</u>        | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      |
| Debt Limit                                                              | \$ 24,721          | \$ 24,490        | \$ 24,297        | \$ 24,357        | \$ 22,188        | \$ 22,352        | \$ 22,319        | \$ 23,068        | \$ 23,881        | \$ 25,421        |
| Total net debt applicable to limit                                      | 593                | 458              | 529              | 326              | 2,118            | 1,760            | 1,640            | 1,517            | 5,155            | 4,795            |
| Legal debt margin                                                       | <u>\$ 24,128</u>   | <u>\$ 24,032</u> | <u>\$ 23,768</u> | <u>\$ 24,031</u> | <u>\$ 20,070</u> | <u>\$ 20,592</u> | <u>\$ 20,679</u> | <u>\$ 21,551</u> | <u>\$ 18,726</u> | <u>\$ 20,626</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 2.40%              | 1.87%            | 2.18%            | 1.34%            | 9.55%            | 7.87%            | 7.35%            | 6.58%            | 21.59%           | 18.86%           |

**Legal Debt Margin Calculation for Fiscal Year 2018**

|                                                    |                  |
|----------------------------------------------------|------------------|
| Taxable Value                                      | <u>\$254,209</u> |
| Statutory Debt Limit (10%) of total taxable value) | \$ 25,421        |
| Debt Applicable to Limit:                          |                  |
| Gross Bonded Debt and Other Long-Term Debt         | 10,984           |
| Less:                                              |                  |
| Assets Available for Debt Service                  | -                |
| Bond Debt not Subject to Limit:                    |                  |
| Special Assessment Bonds                           | -                |
| Revenue Bonds                                      | 6,189            |
| Other Debt                                         | <u>- 6,189</u>   |
| Total Amount of Debt Applicable to Debt Limit      | <u>4,795</u>     |
| Legal Debt Margin                                  | <u>\$ 20,626</u> |

**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)

| Fiscal<br>Year | <i>Water &amp; Sewer Revenue Bonds</i> |                                |                             |                     |          |          | <i>Special Assessment Bonds</i>                  |                     |          |          |
|----------------|----------------------------------------|--------------------------------|-----------------------------|---------------------|----------|----------|--------------------------------------------------|---------------------|----------|----------|
|                | Water &<br>Sewer<br>Revenue            | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenue | <i>Debt Service</i> |          | Coverage | Special<br>Assessment<br>Collections             | <i>Debt Service</i> |          | Coverage |
|                |                                        |                                |                             | Principal           | Interest |          |                                                  | Principal           | Interest |          |
| 2013           | 4,084                                  | 2,807                          | 1,277                       | 781                 | 329      | 1.15     | 39                                               | 20                  | 2        | 1.77     |
| 2014           | 4,049                                  | 2,898                          | 1,151                       | 392                 | 358      | 1.53     | 31                                               | 25                  | 1        | 1.19     |
| 2015           | 4,077                                  | 3,140                          | 937                         | 530                 | 208      | 1.27     | All S.A. bond issues paid in full as of 6/30/14) |                     |          |          |
| 2016           | 4,217                                  | 3,037                          | 1,180                       | 550                 | 195      | 1.58     |                                                  |                     |          |          |
| 2017           | 4,602                                  | 2,971                          | 1,631                       | 560                 | 182      | 2.20     |                                                  |                     |          |          |
| 2018           | 4,549                                  | 3,251                          | 1,298                       | 570                 | 169      | 1.76     |                                                  |                     |          |          |
| 2019           | 4,778                                  | 3,439                          | 1,339                       | 580                 | 156      | 1.82     |                                                  |                     |          |          |
| 2020           | 3,964                                  | 3,148                          | 816                         | 605                 | 138      | 1.10     |                                                  |                     |          |          |
| 2021           | 4,287                                  | 3,837                          | 450                         | 620                 | 176      | 0.57     |                                                  |                     |          |          |
| 2022           | 4,658                                  | 4,347                          | 311                         | 640                 | 164      | 0.39     |                                                  |                     |          |          |

**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

| <b>Fiscal<br/>Year</b> | <b>Population<sup>1</sup></b> | <b>Personal<br/>Income<br/>(amounts expressed<br/>in thousands)</b> | <b>Per<br/>Capita<br/>Personal<br/>Income<sup>2</sup></b> | <b>School<br/>Enrollment<sup>3</sup></b> | <b>Local<br/>Unemployment<br/>Percentage<br/>Rate<sup>4</sup></b> | <b>State<br/>Unemployment<br/>Percentage<br/>Rate<sup>4</sup></b> | <b>Civilian<br/>Labor<br/>Force<sup>4</sup></b> |
|------------------------|-------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|
| 2013                   | 10,355                        | 301,652                                                             | 29,131                                                    | 3,378                                    | 11.7                                                              | 9.0                                                               | 19,399                                          |
| 2014                   | 10,355                        | 310,018                                                             | 29,939                                                    | 3,371                                    | 7.6                                                               | 7.2                                                               | 19,491                                          |
| 2015                   | 10,355                        | 325,903                                                             | 31,473                                                    | 3,388                                    | 5.1                                                               | 5.0                                                               | 21,481                                          |
| 2016                   | 10,355                        | 341,228                                                             | 32,953                                                    | 3,616                                    | 4.4                                                               | 4.6                                                               | 21,206                                          |
| 2017                   | 10,355                        | 352,981                                                             | 34,088                                                    | 3,459                                    | 5.1                                                               | 4.3                                                               | 21,605                                          |
| 2018                   | 10,355                        | 372,708                                                             | 35,993                                                    | 3,414                                    | 3.9                                                               | 4.0                                                               | 21,622                                          |
| 2019                   | 10,355                        | 384,595                                                             | 37,141                                                    | 3,533                                    | 4.2                                                               | 4.2                                                               | 22,513                                          |
| 2020                   | 10,355                        | 426,191                                                             | 41,158                                                    | 3,490                                    | 6.8                                                               | 8.6                                                               | 22,994                                          |
| 2021                   | 10,355                        | 459,358                                                             | 44,361                                                    | 3,477                                    | 4.2                                                               | 6.3                                                               | 21,956                                          |
| 2022                   | 10,315                        | N/A                                                                 | N/A                                                       | 3,552                                    | 4.3                                                               | 4.1                                                               | 21,763                                          |

**Data Sources:**

<sup>1</sup> Bureau of the Census

<sup>2</sup> Bureau of Economic Analysis

<sup>3</sup> School Districts

<sup>4</sup> Michigan Department of Technology, Management & Budget (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

| <b>Employer</b>                                   | <b>Industry Description</b>              | <b>2022</b>      | <b>2013</b>      |
|---------------------------------------------------|------------------------------------------|------------------|------------------|
|                                                   |                                          | <b>Employees</b> | <b>Employees</b> |
| Cadillac Area Public Schools                      | Elementary and Secondary Schools         | 500-999          | 250-499          |
| Hutchinson Antivibration Systems Inc <sup>3</sup> | Other Rubber Product Manufacturing       | 500-999          | 250-499          |
| Akwel <sup>4</sup>                                | Other Motor Vehicle Parts Manufacturing  | 250-499          | 250-499          |
| Avon Protection Systems Inc                       | Coating, Engraving & Heat Treating Metal | 250-499          | 100-249          |
| Cadillac Casting Inc                              | Ferrous Metal Foundries                  | 250-499          | 250-499          |
| Four Winn's/Glastron/Wellcraft/Rec Boat           | Ship and Boat Building                   | 250-499          | 250-499          |
| Munson Healthcare Cadillac Hospital <sup>1</sup>  | General Medical and Surgical Hospitals   | 250-499          | 250-499          |
| Rexair                                            | Vacuum Cleaners-Household Dealers        | 250-499          | 100-249          |
| AAR Mobility Systems                              | Rapid deployment mobile equipment mfg.   | 100-249          | 500-999          |
| BorgWarner Cadillac                               | Other Motor Vehicle Parts Manufacturing  | 100-249          |                  |
| Fiamm Technologies                                | Other Motor Vehicle Parts Manufacturing  | 100-249          | 100-249          |
| Michigan Rubber Products Inc                      | Other Rubber Product Manufacturing       | 100-249          |                  |
| Piranha Hose Products Inc                         | Rubber and Plastic Hoses and Tubing      | 100-249          | 100-249          |
| Samaritas Senior Care <sup>2</sup>                | Residential Care Homes                   | 100-249          |                  |

**Note:** Data is representative of the City of Cadillac.

<sup>1</sup> Formerly Mercy Hospital Cadillac

<sup>2</sup> Formerly Lakeview Lutheran Manor

<sup>3</sup> Formerly Paulstra CRC

<sup>4</sup> Formerly Avon Automotive

**Sources:** Michigan Department of Technology, Management & Budget, Labor Market Information

City of Cadillac, Michigan  
Full-Time Equivalent City Employees by Function  
Last Ten Fiscal Years

| <b>Function</b>           | <i>Full-Time Equivalent Employees as of June 30,</i> |             |             |             |             |             |             |             |             |             |
|---------------------------|------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           | <u>2013</u>                                          | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| <b>General Government</b> |                                                      |             |             |             |             |             |             |             |             |             |
| City Manager              | 2.20                                                 | 2.20        | 2.20        | 2.20        | 2.20        | 2.75        | 2.75        | 2.75        | 2.25        | 2.25        |
| Financial Services        | 2.25                                                 | 2.25        | 2.25        | 2.25        | 2.25        | 2.15        | 2.15        | 2.15        | 2.90        | 2.90        |
| Clerk/Treasurer           | 3.80                                                 | 3.80        | 3.80        | 3.80        | 3.80        | 3.75        | 3.75        | 3.75        | 3.75        | 3.75        |
| City Hall                 | 1.00                                                 | 1.00        | 1.00        | 1.00        | 1.00        | 1.50        | 1.50        | 1.50        | 1.00        | 1.00        |
| City Engineer             | 1.80                                                 | 1.80        | 1.80        | 1.80        | 1.80        | 0.80        | 0.80        | 0.80        | 0.80        | 0.80        |
| <b>Public Safety</b>      |                                                      |             |             |             |             |             |             |             |             |             |
| Police                    | 17.36                                                | 16.86       | 16.95       | 16.95       | 16.95       | 16.45       | 16.95       | 16.95       | 16.75       | 16.75       |
| Fire                      | 11.50                                                | 11.00       | 11.00       | 11.00       | 11.00       | 11.50       | 11.50       | 11.50       | 11.50       | 11.50       |
| Code Enforcement          | 0.50                                                 | 0.50        | 0.50        | 0.50        | 0.50        | 0.50        | 0.00        | 0.00        | 0.25        | 0.25        |
| <b>Other</b>              |                                                      |             |             |             |             |             |             |             |             |             |
| Public Works              | 12.10                                                | 12.10       | 12.10       | 12.10       | 12.00       | 12.00       | 12.05       | 12.05       | 12.55       | 12.55       |
| Data Processing           | 0.30                                                 | 0.30        | 0.30        | 0.30        | 0.30        | 0.30        | 0.30        | 0.30        | 0.05        | 0.05        |
| Auto Parking              | 0.09                                                 | 0.09        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        |
| Water/Sewer               | 20.00                                                | 20.00       | 20.00       | 20.00       | 20.00       | 20.00       | 20.00       | 20.00       | 20.00       | 19.00       |
| Community Development     | 2.20                                                 | 2.20        | 2.20        | 2.20        | 2.20        | 2.20        | 2.20        | 2.20        | 2.20        | 2.20        |
| Cemetery                  | 0.90                                                 | 0.90        | 0.90        | 0.90        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        |
| <b>Total FTE</b>          | 76.00                                                | 75.00       | 75.00       | 75.00       | 74.00       | 73.90       | 73.95       | 73.95       | 74.00       | 73.00       |

*Source: City of Cadillac Financial Services Department*

City of Cadillac, Michigan  
Operating Indicators by Function  
Last Ten Fiscal Years

| <u><b>Function</b></u>                              | <u><b>Fiscal Year</b></u> |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|-----------------------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                     | <u><b>2013</b></u>        | <u><b>2014</b></u> | <u><b>2015</b></u> | <u><b>2016</b></u> | <u><b>2017</b></u> | <u><b>2018</b></u> | <u><b>2019</b></u> | <u><b>2020</b></u> | <u><b>2021</b></u> | <u><b>2022</b></u> |
| <b>Police</b>                                       |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Traffic Citations                                   | 586                       | 536                | 538                | 344                | 583                | 650                | 550                | 324                | 318                | N/A <sup>1</sup>   |
| <b>Fire</b>                                         |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of Fire Inspections                          | 98                        | 86                 | 55                 | 80                 | 51                 | 35                 | 20                 | 0                  | 9                  | N/A <sup>1</sup>   |
| Number of Rental Inspections                        | 332                       | 455                | 285                | 586                | 412                | 302                | 256                | 71                 | 282                | N/A <sup>1</sup>   |
| Number of Fires Reported                            | 30                        | 34                 | 39                 | 52                 | 42                 | 51                 | 49                 | 45                 | 53                 | N/A <sup>1</sup>   |
| Number of EMT Runs                                  | 1,059                     | 1,545              | 1,788              | 1,792              | 1,760              | 1,983              | 2,095              | 1,895              | 2,619              | N/A <sup>1</sup>   |
| <b>Building Inspection</b>                          |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of Permits Issued                            | 0 <sup>2</sup>            | 0 <sup>2</sup>     | 0 <sup>2</sup>     | 276 <sup>2</sup>   | 438 <sup>2</sup>   | 416 <sup>2</sup>   | 484 <sup>2</sup>   | 420 <sup>2</sup>   | 350 <sup>2</sup>   | N/A <sup>1</sup>   |
| <b>Water</b>                                        |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Customers                                     | 3,553                     | 3,578              | 3,554              | 3,549              | 3,567              | 3,589              | 3,574              | 3,559              | 3,578              | 3,580              |
| Average Daily Consumption<br>(thousands of gallons) | 2,040                     | 1,942              | 2,265              | 2,183              | 2,021              | 2,018              | 1,576              | 1,692              | 1,738              | 1,848              |
| <b>Wastewater</b>                                   |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Customers                                     | 3,581                     | 3,604              | 3,575              | 3,569              | 3,608              | 3,623              | 3,610              | 3,598              | 3,612              | 3,606              |
| Average Daily Treatment<br>(thousands of gallons)   | 2,625                     | 2,323              | 1,904              | 1,766              | 1,989              | 1,939              | 1,284              | 1,778              | 1,633              | 1,811              |

<sup>1</sup> Public Safety and Building Inspection statistics are kept on a calendar year basis and are therefore not yet available for 2021.

<sup>2</sup> Building Inspection Services were legally removed from the City and transferred to Wexford County during calendar year 2010. In July 2015, the City resumed responsibility for permitting

**Note:** Indicators are not available for the general government function.

**Source:** Various government departments

City of Cadillac, Michigan  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

| <u><b>Function</b></u>        | <u><b>Fiscal Year</b></u> |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|-------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                               | <u><b>2013</b></u>        | <u><b>2014</b></u> | <u><b>2015</b></u> | <u><b>2016</b></u> | <u><b>2017</b></u> | <u><b>2018</b></u> | <u><b>2019</b></u> | <u><b>2020</b></u> | <u><b>2021</b></u> | <u><b>2022</b></u> |
| <b>Police</b>                 |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Stations                      | 1                         | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Mobile Units                  | 11                        | 11                 | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  | 10                 | 10                 |
| <b>Fire</b>                   |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Stations                      | 1                         | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Mobile Units                  | 7                         | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  |
| <b>Culture and Recreation</b> |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Parks Acreage                 | 117                       | 117                | 117                | 117                | 117                | 117                | 117                | 117                | 117                | 117                |
| Parks                         | 4                         | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  |
| <b>Streets</b>                |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Streets (Miles)               | 68                        | 68                 | 63                 | 63                 | 63                 | 63                 | 63                 | 63                 | 63                 | 63                 |
| Street Lights                 | 591                       | 591                | 591                | 592                | 592                | 593                | 593                | 593                | 593                | 593                |
| <b>Water</b>                  |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fire Hydrants                 | 483                       | 483                | 483                | 483                | 484                | 503                | 503                | 503                | 506                | 515                |
| Miles of Water Mains          | 75                        | 75                 | 75                 | 75                 | 76                 | 76                 | 76                 | 76                 | 76                 | 76                 |
| Water Mains Replaced (Feet)   | 1,000                     | 100                | 2,400              | 1,000              | 1,800              | 4,220              | 100                | 390                | 850                | 2,580              |
| <b>Wastewater</b>             |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Miles of Sewer Mains          | 62                        | 62                 | 62                 | 62                 | 63                 | 63                 | 63                 | 63                 | 63                 | 63                 |
| Feet of Sanitary Sewers       |                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Inspected with TV Cameras     | 1,000                     | 1,491              | 322                | 106,716            | 62,000             | 10,000             | 1,100              | 1,100              | 900                | 250                |
| Cleaned with Vacon            | 8,942                     | 28,673             | 22,991             | 111,101            | 60,000             | 41,567             | 35,773             | 36,988             | 24,296             | 37,256             |

(1) Feet of Sanitary Sewer Inspected with TV Cameras and Cleaned with Vacon were significantly higher in 2016. Funds received from a Stormwater, Asset Management, and Wastewater (SAW) Program Grant through the State of Michigan, Department of Environmental Quality, were specifically targeted for this purpose.

**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

| Fiscal<br>Years | Actuarial<br>Accrued<br>Liability | Assets<br>Allocated to<br>Funding | Percent<br>Funded | Unfunded<br>Actuarial<br>Accrued<br>Liability | Employer<br>Contributions<br>% of Payroll | Valuation<br>Payroll | Active<br>Members | Retirants and<br>Beneficiaries | Active Members Average |      |         |
|-----------------|-----------------------------------|-----------------------------------|-------------------|-----------------------------------------------|-------------------------------------------|----------------------|-------------------|--------------------------------|------------------------|------|---------|
|                 |                                   |                                   |                   |                                               |                                           |                      |                   |                                | Annual<br>Pay          | Age  | Service |
| 2013            | 13,097,078                        | 11,667,590                        | 89.1              | 1,429,488                                     | 0.00% - 23.25%                            | 2,568,174            | 61                | 67                             | 42,376                 | 48.3 | 12.3    |
| 2014            | 13,683,183                        | 11,828,362                        | 86.4              | 1,854,821                                     | 0.00% - 23.74%                            | 2,649,762            | 61                | 68                             | 43,747                 | 49.3 | 12.2    |
| 2015            | 14,869,776                        | 12,095,154                        | 81.3              | 2,774,622                                     | 0.00% - 20.59%                            | 2,713,353            | 62                | 70                             | 43,764                 | 49.7 | 12.8    |
| 2016            | 15,013,109                        | 12,257,453                        | 81.6              | 2,755,656                                     | 0.00% - 21.50%                            | 2,746,059            | 61                | 67                             | 45,017                 | 51.0 | 13.9    |
| 2017            | 15,475,178                        | 12,519,865                        | 80.9              | 2,955,313                                     | 0.00% - 30.15%                            | 2,529,521            | 57                | 70                             | 44,378                 | 50.8 | 13.3    |
| 2018            | 15,997,369                        | 12,403,252                        | 77.5              | 3,594,117                                     | 0.00% - 34.12%                            | 2,715,874            | 58                | 73                             | 46,825                 | 50.4 | 12.9    |
| 2019            | 16,906,895                        | 12,502,677                        | 74.0              | 4,404,218                                     | 6.88% - 38.75%                            | 2,746,887            | 57                | 73                             | 48,191                 | 50.5 | 13.5    |
| 2020            | 18,192,647                        | 12,957,681                        | 71.2              | 5,234,966                                     | 8.93% - 39.86%                            | 2,956,551            | 58                | 79                             | 50,975                 | 48.7 | 12.5    |
| 2021            | 19,324,079                        | 14,588,090                        | 75.5              | 4,735,989                                     | 9.15% - 38.99%                            | 2,849,619            | 55                | 84                             | 51,811                 | 47.4 | 12.1    |
| 2022            | N/A                               | N/A                               | N/A               | N/A                                           | N/A                                       | N/A                  | N/A               | N/A                            | N/A                    | N/A  | N/A     |

**Notes:**

1) Employer Contributions as Percent of Payroll are broken down as follows:

| <b>Employee Group:</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Non-Union              | 9.83%       | 11.00%      | 12.54%      | 14.08%      | 15.67%      | 17.35%      | 19.24%      | 20.29%      | 20.95%      | N/A         |
| Steelworkers           | 13.64%      | 14.43%      | 16.17%      | 15.03%      | 15.34%      | 15.81%      | 16.74%      | 16.45%      | 15.28%      | N/A         |
| Housing Commission     | 10.19%      | 10.23%      | 10.55%      | 10.11%      | 10.19%      | 12.04%      | 15.54%      | 17.78%      | 17.98%      | N/A         |
| Library                | 9.51%       | 10.69%      | 10.02%      | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | N/A         |
| City Manager           | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 2.49%       | 6.88%       | 8.93%       | 9.15%       | N/A         |
| Department Heads       | 23.25%      | 23.74%      | 20.59%      | 21.50%      | 30.15%      | 34.12%      | 38.75%      | 39.86%      | 38.99%      | N/A         |

**Source:** From 2011, data from actuaries employed by MERS.

City of Cadillac, Michigan  
Policemen and Firemen Retirement System - Comparative Schedule  
Last Ten Fiscal Years

| Fiscal Years | Actuarial<br>Accrued<br>Liability | Assets<br>Allocated to<br>Funding | Percent<br>Funded | Unfunded<br>Actuarial<br>Accrued<br>Liability | Employer<br>Contributions<br>% of Payroll | Valuation<br>Payroll | Active<br>Members | Retirants and<br>Beneficiaries | Active Members Average |      |         |
|--------------|-----------------------------------|-----------------------------------|-------------------|-----------------------------------------------|-------------------------------------------|----------------------|-------------------|--------------------------------|------------------------|------|---------|
|              |                                   |                                   |                   |                                               |                                           |                      |                   |                                | Annual Pay             | Age  | Service |
| 2013         | 11,624,354                        | 8,565,010                         | 73.7              | 3,059,344                                     | Note (3)                                  | 1,513,913            | 25                | 34                             | 60,557                 | 39.2 | 11.8    |
| 2014         | 12,220,792                        | 9,304,981                         | 76.1              | 2,915,811                                     | Note (3)                                  | 1,568,160            | 25                | 35                             | 62,726                 | 39.3 | 11.7    |
| 2015         | 12,681,727                        | 9,937,183                         | 78.4              | 2,744,544                                     | Note (3)                                  | 1,595,473            | 26                | 36                             | 61,364                 | 38.6 | 10.7    |
| 2016         | 12,882,578                        | 10,310,333                        | 80.0              | 2,572,245                                     | Note (3)                                  | 1,607,792            | 26                | 35                             | 61,838                 | 38.8 | 10.9    |
| 2017         | 13,300,486                        | 10,888,703                        | 81.9              | 2,411,783                                     | Note (3)                                  | 1,528,849            | 25                | 36                             | 61,154                 | 38.4 | 10.9    |
| 2018         | 13,806,343                        | 11,414,620                        | 82.7              | 2,391,723                                     | Note (3)                                  | 1,498,704            | 24                | 37                             | 62,446                 | 37.0 | 9.0     |
| 2019         | 14,035,425                        | 11,705,358                        | 83.4              | 2,330,067                                     | Note (3)                                  | 1,522,152            | 25                | 40                             | 60,886                 | 33.8 | 6.5     |
| 2020         | 13,690,326                        | 11,895,703                        | 86.9              | 1,794,623                                     | Note (3)                                  | 1,644,794            | 26                | 40                             | 63,261                 | 35.7 | 6.8     |
| 2021         | 14,017,155                        | 12,701,878                        | 90.6              | 1,315,277                                     | Note (3)                                  | 1,812,799            | 28                | 39                             | 61,859                 | 36.4 | 7.6     |
| 2022         | 15,634,629                        | 12,970,887                        | 83.0              | 2,663,742                                     | Note (3)                                  | 1,849,376            | 26                | 40                             | 67,857                 | 36.8 | 7.9     |

**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 Foster & Foster Actuaries and Consultants, formerly Rodwan Consulting Co., Actuarial Consultants.
- 3) Employer Contributions as a Percent of Payroll are broken down as follows\*:

| Member Type | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police      | 38.00% | 38.15% | 37.24% | 33.68% | 31.94% | 32.93% | 34.76% | 32.54% | 24.89% | 19.18% |
| Fire        | 29.98% | 34.59% | 32.76% | 34.69% | 34.76% | 33.56% | 30.14% | 36.55% | 33.25% | 31.08% |

\* - Prior to 7/6/2010, each group contributed 3% of salary to cover benefit enhancements. Fire members hired after 7/6/2010 no longer contribute.

City of Cadillac, Michigan  
Labor Agreements

Command Officers Association of Michigan (COAM)

Contract Dates: July 1, 2020 to June 30, 2023

Membership: Sergeants (3)  
Detective Sergeant (1)

Fraternal Order of Police Labor Council (FOPLC)

Contract Dates: July 1, 2020 to June 30, 2023

Membership: Patrol Officers (9)  
School Resource Officer (1)

International Association of Firefighters Local 704

Contract Dates: July 1, 2021 to June 30, 2024

Membership: Fire Captains (2)  
Fire Lieutenants (2)  
Firefighters (6)  
Fire Marshal (1)

United Steelworkers of America Local 14317

Contract Dates: July 1, 2019 to June 30, 2022

Membership: Water Division (6)  
Sewer Division (6)  
Laboratory Division (1)  
Street Division (10)

***Source:*** City of Cadillac Human Resources Department

City of Cadillac, Michigan  
Tax Information  
As of June 30, 2022

**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 and personal property taxes. All delinquent industrial and commercial facilities taxes remain with the City Treasurer for collection.

**LEIN 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<br>May, | Delinquent Tax Properties to be Sold<br>Year, |
|----------------------|-----------------------------------------------|
| 2013                 | 2011                                          |
| 2014                 | 2012                                          |
| 2015                 | 2013                                          |
| 2016                 | 2014                                          |
| 2017                 | 2015                                          |
| 2018                 | 2016                                          |
| 2019                 | 2017                                          |
| 2020                 | 2018                                          |
| 2021                 | 2019                                          |
| 2022                 | 2020                                          |

City of Cadillac, Michigan

Number of Water Supply and Wastewater Treatment Customers  
Through Fiscal Year June 30, 2022

| FISCAL<br>YEAR | WATER SUPPLY<br>CUSTOMERS |                         | WASTEWATER TREATMENT<br>CUSTOMERS |                         |
|----------------|---------------------------|-------------------------|-----------------------------------|-------------------------|
|                | NUMBER                    | PERCENTAGE<br>OF CHANGE | NUMBER                            | PERCENTAGE<br>OF CHANGE |
| 2013           | 3,553                     | 0.06                    | 3,581                             | (0.03)                  |
| 2014           | 3,578                     | 0.70                    | 3,604                             | 0.64                    |
| 2015           | 3,554                     | (0.67)                  | 3,576                             | (0.78)                  |
| 2016           | 3,549                     | (0.14)                  | 3,569                             | (0.20)                  |
| 2017           | 3,567                     | 0.51                    | 3,608                             | 1.09                    |
| 2018           | 3,589                     | 0.62                    | 3,623                             | 0.42                    |
| 2019           | 3,574                     | (0.42)                  | 3,610                             | (0.36)                  |
| 2020           | 3,559                     | (0.42)                  | 3,598                             | (0.33)                  |
| 2021           | 3,578                     | 0.53                    | 3,612                             | 0.39                    |
| 2022           | 3,580                     | 0.06                    | 3,606                             | (0.17)                  |

Average Number of Water Supply and Wastewater Treatment Customers  
By Meter Classification  
Fiscal Year Ended June 30, 2022

| METER CLASSIFICATION | AVERAGE CUSTOMERS |                         |
|----------------------|-------------------|-------------------------|
|                      | WATER<br>SUPPLY   | WASTEWATER<br>TREATMENT |
| Unmetered            | 2                 | 129                     |
| 5/8"                 | 3255              | 3194                    |
| 3/4"                 | 8                 | 9                       |
| 1"                   | 128               | 107                     |
| 1 1/2"               | 84                | 76                      |
| 2"                   | 76                | 68                      |
| 3"                   | 10                | 10                      |
| 4"                   | 12                | 10                      |
| 6"                   | 4                 | 3                       |
| 8"                   | 1                 |                         |
| TOTAL                | <u>3,580</u>      | <u>3,606</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  
Fiscal Year Ended June 30, 2022

| LINE SIZE | MONTHLY READY-TO-SERVE CHARGE |
|-----------|-------------------------------|
| 3/4"      | \$ 2.92                       |
| 1"        | \$ 5.00                       |
| 1 1/2"    | \$ 9.93                       |
| 2"        | \$ 16.03                      |
| 3"        | \$ 34.81                      |
| 4"        | \$ 59.87                      |
| 6"        | \$ 124.94                     |
| 8"        | \$ 180.03                     |
| 10"       | \$ 289.97                     |
| 12"       | \$ 429.81                     |

Monthly Water Supply Ready-To-Serve Charge by Meter Classification  
Fiscal Years Ended June 30, 2013 through 2022

| YEAR<br>ENDING<br>JUNE 30, | METER CLASSIFICATION |       |       |        |       |        |        |        |        |
|----------------------------|----------------------|-------|-------|--------|-------|--------|--------|--------|--------|
|                            | 5/8"                 | 3/4"  | 1"    | 1 1/2" | 2"    | 3"     | 4"     | 6"     | 8"     |
| 2013                       | 6.05                 | 8.90  | 14.84 | 29.73  | 47.42 | 103.85 | 178.02 | 370.94 | 534.12 |
| 2014                       | 6.05                 | 8.90  | 14.84 | 29.73  | 47.42 | 103.85 | 178.02 | 370.94 | 534.12 |
| 2015                       | 6.05                 | 8.90  | 14.84 | 29.73  | 47.42 | 103.85 | 178.02 | 370.94 | 534.12 |
| 2016                       | 6.23                 | 9.17  | 15.29 | 30.62  | 48.84 | 106.97 | 183.36 | 382.06 | 550.15 |
| 2017                       | 6.39                 | 9.40  | 15.66 | 31.38  | 50.06 | 109.64 | 187.95 | 391.62 | 563.90 |
| 2018                       | 6.39                 | 9.40  | 15.66 | 31.38  | 50.06 | 109.64 | 187.95 | 391.62 | 563.90 |
| 2019                       | 6.58                 | 9.68  | 16.13 | 32.33  | 51.56 | 112.92 | 193.59 | 403.36 | 580.82 |
| 2020                       | 7.24                 | 1.65  | 17.74 | 35.56  | 56.72 | 124.21 | 212.95 | 443.70 | 638.90 |
| 2021                       | 7.78                 | 11.45 | 19.07 | 38.23  | 60.97 | 133.53 | 228.92 | 476.97 | 686.82 |
| 2022                       | 8.17                 | 12.02 | 20.03 | 40.14  | 64.02 | 140.20 | 240.37 | 500.82 | 721.16 |

City of Cadillac, Michigan

Monthly Ready-To-Serve Charge for Wastewater Treatment  
Fiscal Years Ended June 30, 2013 through 2022

| YEAR<br>ENDING<br>JUNE 30, | METER CLASSIFICATION |       |       |        |       |        |        |        |          |
|----------------------------|----------------------|-------|-------|--------|-------|--------|--------|--------|----------|
|                            | 5/8"                 | 3/4"  | 1"    | 1 1/2" | 2"    | 3"     | 4"     | 6"     | 8"       |
| 2013                       | 9.76                 | 14.66 | 24.42 | 48.84  | 78.17 | 171.12 | 293.17 | 610.87 | 879.61   |
| 2014                       | 9.76                 | 14.66 | 24.42 | 48.84  | 78.17 | 171.12 | 293.17 | 610.87 | 879.61   |
| 2015                       | 9.76                 | 14.66 | 24.42 | 48.84  | 78.17 | 171.12 | 293.17 | 610.87 | 879.61   |
| 2016                       | 10.05                | 15.10 | 25.15 | 50.31  | 80.52 | 176.25 | 301.97 | 629.20 | 906.00   |
| 2017                       | 10.30                | 15.48 | 25.78 | 51.56  | 82.53 | 180.66 | 309.51 | 644.92 | 928.62   |
| 2018                       | 10.30                | 15.48 | 25.78 | 51.56  | 82.53 | 180.66 | 309.51 | 644.92 | 928.62   |
| 2019                       | 10.61                | 15.95 | 26.56 | 53.11  | 85.00 | 186.08 | 318.79 | 664.27 | 956.51   |
| 2020                       | 10.77                | 16.19 | 26.96 | 53.91  | 86.28 | 188.87 | 323.57 | 674.23 | 970.86   |
| 2021                       | 11.31                | 17.00 | 28.31 | 56.60  | 90.59 | 198.31 | 339.75 | 707.95 | 1,019.40 |
| 2022                       | 11.87                | 17.85 | 29.72 | 59.43  | 95.12 | 208.23 | 356.74 | 743.34 | 1,070.37 |

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  
Fiscal Year Ended June 30, 2022

|                               | CUBIC FEET |           | GALLONS    |            | DOLLARS               |                  |
|-------------------------------|------------|-----------|------------|------------|-----------------------|------------------|
|                               | WATER      | SEWER     | WATER      | SEWER      | WATER<br>AND<br>SEWER |                  |
|                               |            |           |            |            |                       |                  |
| 1) Avon Rubber & Plastics     | 11,784,500 | 8,340,800 | 88,148,060 | 62,389,184 | \$                    | 436,744          |
| 2) Cadillac Castings          | 12,740,900 | 5,853,500 | 95,301,932 | 43,784,180 | \$                    | 408,683          |
| 3) AAR Cadillac Manufacturing | 10,018,400 | 4,920,300 | 74,937,632 | 36,803,844 | \$                    | 258,209          |
| 4) Piranha Hose               | 3,193,600  | 3,193,600 | 23,888,128 | 23,888,128 | \$                    | 124,919          |
| 5) Cadillac Renewable Energy  | 463,500    | 2,235,200 | 3,466,980  | 16,719,296 | \$                    | 74,705           |
| 6) Four Winns                 | 479,000    | 479,000   | 3,582,920  | 3,582,920  | \$                    | 64,475           |
| 7) Munson Healthcare          | 1,069,000  | 1,069,000 | 7,996,120  | 7,996,120  | \$                    | 64,216           |
| 8) Pheasant Ridge             | 1,063,100  | 1,063,100 | 7,951,988  | 7,951,988  | \$                    | 51,619           |
| 9) Country Acres              | 1,250,100  | 1,250,100 | 9,350,748  | 9,350,748  | \$                    | 51,523           |
| 10) Borg-Warner               | 1,021,300  | 1,021,300 | 7,639,324  | 7,639,324  | \$                    | 29,418           |
| 11) Lakeside Auto Wash        | 669,000    | 669,000   | 5,004,120  | 5,004,120  | \$                    | 27,671           |
| 12) Hutchinson Antivibration  | 283,000    | 283,000   | 2,116,840  | 2,116,840  | \$                    | 18,372           |
| 13) Michigan Rubber Products  | 348,100    | 348,100   | 2,603,788  | 2,603,788  | \$                    | 17,904           |
| 14) Leisure Park              | 413,500    | 413,500   | 3,092,980  | 3,092,980  | \$                    | 17,656           |
| 15) Superclean Car Wash       | 282,500    | 282,500   | 2,113,100  | 2,113,100  | \$                    | 13,187           |
| TOTAL                         |            |           |            |            | \$                    | <u>1,659,302</u> |

Monthly Water Supply Commodity Charge  
Fiscal Years Ended or Ending June 30, 2013 through 2022

| FISCAL YEAR<br>ENDED OR<br>ENDING JUNE 30, | 0 TO<br>600 CF | 600 TO<br>10,000 CF | 10,000 TO<br>100,000 CF | 100,000 TO<br>250,000 CF | OVER<br>250,000 CF |
|--------------------------------------------|----------------|---------------------|-------------------------|--------------------------|--------------------|
| 2013                                       | 1.26           | 1.08                | 0.96                    | 0.83                     | 0.73               |
| 2014                                       | 1.26           | 1.08                | 0.96                    | 0.83                     | 0.73               |
| 2015                                       | 1.26           | 1.08                | 0.96                    | 0.83                     | 0.73               |
| 2016                                       | 1.30           | 1.11                | 0.99                    | 0.85                     | 0.75               |
| 2017                                       | 1.34           | 1.14                | 1.01                    | 0.88                     | 0.77               |
| 2018                                       | 1.34           | 1.14                | 1.01                    | 0.88                     | 0.77               |
| 2019                                       | 1.38           | 1.17                | 1.04                    | 0.91                     | 0.79               |
| 2020                                       | 1.52           | 1.29                | 1.14                    | 1.00                     | 0.87               |
| 2021                                       | 1.63           | 1.39                | 1.23                    | 1.08                     | 0.94               |
| 2022                                       | 1.71           | 1.46                | 1.29                    | 1.13                     | 0.99               |

City of Cadillac, Michigan

Monthly Wastewater Treatment Commodity Charge  
Last Ten Fiscal Years

| FISCAL YEAR<br>ENDED<br>JUNE 30, | CHARGE PER<br>100 CF | PERCENT<br>CHANGE |
|----------------------------------|----------------------|-------------------|
| 2013                             | 2.26                 | 0.0               |
| 2014                             | 2.26                 | 0.0               |
| 2015                             | 2.26                 | 0.0               |
| 2016                             | 2.33                 | 3.1               |
| 2017                             | 2.39                 | 2.6               |
| 2018                             | 2.39                 | 0.0               |
| 2019                             | 2.46                 | 2.9               |
| 2020                             | 2.50                 | 1.6               |
| 2021                             | 2.62                 | 4.8               |
| 2022                             | 2.75                 | 5.0               |

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  
Through Fiscal Year June 30, 2022

| FISCAL<br>YEAR | WATER SUPPLY<br>VOLUME AS PUMPED |             |               | WASTEWATER TREATMENT<br>VOLUME AS PUMPED |             |               | WASTEWATER<br>TREATMENT<br>AS A PERCENT<br>OF WATER<br>SUPPLY |
|----------------|----------------------------------|-------------|---------------|------------------------------------------|-------------|---------------|---------------------------------------------------------------|
|                | CUBIC<br>FEET                    | GALLONS     | CHANGE        | CUBIC<br>FEET                            | GALLONS     | CHANGE        |                                                               |
|                |                                  |             | IN<br>PERCENT |                                          |             | IN<br>PERCENT |                                                               |
| 2013           | 99,548,074                       | 744,619,590 | 7.57          | 128,070,856                              | 957,970,000 | 68.10         | 128.65                                                        |
| 2014           | 94,771,123                       | 708,888,000 | (4.80)        | 113,340,909                              | 847,790,000 | (11.50)       | 119.59                                                        |
| 2015           | 110,512,032                      | 826,630,000 | 16.61         | 92,928,609                               | 695,106,000 | (18.01)       | 84.09                                                         |
| 2016           | 112,178,342                      | 839,094,000 | 1.51          | 94,115,374                               | 703,983,000 | 1.28          | 83.90                                                         |
| 2017           | 98,630,882                       | 737,759,000 | (12.08)       | 97,055,749                               | 725,977,000 | 3.12          | 98.40                                                         |
| 2018           | 98,481,818                       | 736,644,000 | (0.15)        | 94,632,353                               | 707,850,000 | (2.50)        | 96.09                                                         |
| 2019           | 75,324,300                       | 563,425,764 | (0.24)        | 61,973,282                               | 463,560,149 | (0.35)        | 82.28                                                         |
| 2020           | 86,767,245                       | 649,019,000 | 15.19         | 82,545,454                               | 617,440,000 | 33.20         | 95.13                                                         |
| 2021           | 84,796,203                       | 634,275,600 | (2.27)        | 79,708,556                               | 596,220,000 | (3.44)        | 94.00                                                         |
| 2022           | 90,198,663                       | 674,686,000 | 6.37          | 88,382,353                               | 661,100,000 | 10.88         | 97.99                                                         |

Water Supply and Wastewater Treatment Volume by Meter Classification  
Fiscal Year Ended June 30, 2022

| METER<br>CLASSIFICATION | WATER SUPPLY<br>VOLUME AS BILLED |                        | WASTEWATER<br>TREATMENT<br>VOLUME AS BILLED |                        |
|-------------------------|----------------------------------|------------------------|---------------------------------------------|------------------------|
|                         | CUBIC FEET                       | PERCENT<br>OF<br>TOTAL | CUBIC FEET                                  | PERCENT<br>OF<br>TOTAL |
|                         |                                  |                        |                                             |                        |
| Unmetered               |                                  | 0.00                   |                                             | 0.00                   |
| 5/8"                    | 21,391,800                       | 28.72%                 | 16,906,998                                  | 27.73%                 |
| 3/4"                    | 149,700                          | 0.20%                  | 130,600                                     | 0.21%                  |
| 1"                      | 3,300,700                        | 4.43%                  | 2,359,900                                   | 3.87%                  |
| 1 1/2"                  | 4,496,400                        | 6.04%                  | 4,483,700                                   | 7.35%                  |
| 2"                      | 13,952,500                       | 18.73%                 | 16,640,100                                  | 27.29%                 |
| 3"                      | 2,714,100                        | 3.64%                  | 3,268,100                                   | 5.36%                  |
| 4"                      | 15,907,000                       | 21.35%                 | 10,124,900                                  | 16.61%                 |
| 6"                      | 11,563,500                       | 15.52%                 | 7,056,700                                   | 11.57%                 |
| 8"                      | 1,016,400                        | 1.36%                  |                                             | 0.00%                  |
| TOTAL                   | 74,492,100                       | 100%                   | 60,970,998                                  | 100%                   |

City of Cadillac, Michigan  
Water Supply and Wastewater Treatment Revenue  
As Billed by Meter Classification  
Fiscal Year Ended June 30, 2022

| METER<br>CLASSIFICATION | WATER SUPPLY |                        | WASTEWATER TREATMENT |                        |
|-------------------------|--------------|------------------------|----------------------|------------------------|
|                         | REVENUE      | PERCENT<br>OF<br>TOTAL | REVENUE              | PERCENT<br>OF<br>TOTAL |
| Unmetered               | \$106        | 0.01%                  | \$51,335             | 2.07%                  |
| 5/8"                    | \$672,264    | 43.67%                 | \$929,384            | 37.42%                 |
| 3/4"                    | \$3,423      | 0.22%                  | \$5,722              | 0.23%                  |
| 1"                      | \$79,067     | 5.14%                  | \$103,117            | 4.15%                  |
| 1 1/2"                  | \$104,477    | 6.79%                  | \$147,917            | 5.96%                  |
| 2"                      | \$238,559    | 15.50%                 | \$568,040            | 22.87%                 |
| 3"                      | \$53,249     | 3.46%                  | \$97,585             | 3.93%                  |
| 4"                      | \$212,437    | 13.80%                 | \$325,151            | 13.09%                 |
| 6"                      | \$153,782    | 9.99%                  | \$255,579            | 10.29%                 |
| 8"                      | \$21,924     | 1.42%                  |                      |                        |
| TOTAL                   | \$ 1,539,289 | 100%                   | \$ 2,483,831         | 100%                   |

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Cadillac, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being particularly stylized.

Gabridge & Company, PLC  
Grand Rapids, Michigan  
December 29, 2022

December 29, 2022

To the Honorable Mayor and Members of the City Council  
City of Cadillac, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the “City”) as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 20, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. There were no new accounting policies adopted, except as stated in Note 19 to the financial statements, and the application of existing policies was not changed during the fiscal year ended June 30, 2022. We noted no transactions entered by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

- Management’s estimate of the useful life of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- The assumptions used in the actuarial valuations of the pension and OPEB plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 29, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedule, and the pension schedules and OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules and the debt and tax roll schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

## **Restriction on Use**

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being particularly stylized.

Gabridge & Company, PLC  
Grand Rapids, MI