

*Comprehensive
Annual
Financial
Report*

For the Fiscal Year Ended June 30, 2010



200 N. Lake Street
 Cadillac, MI 49601
 Phone: (231) 775-0181
 Fax: (231) 775-8755
 www.cadillac-mi.net



ELECTED OFFICIALS

William Barnett, Mayor
 At Large

Shari Spoelman, Councilmember
 First Ward

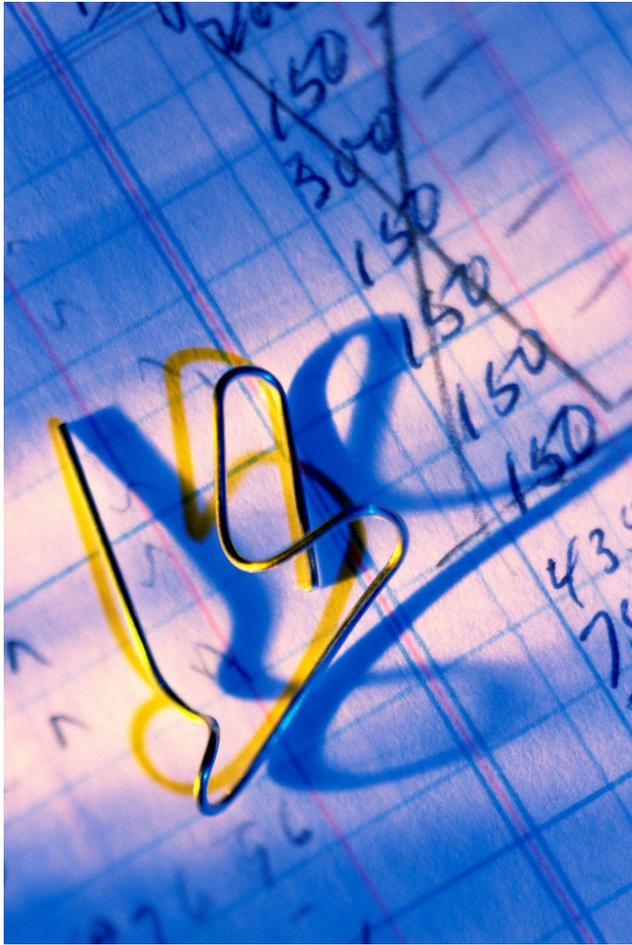
Antoinette Schippers, Councilmember
 Second Ward

Art Stevens, Councilmember
 Third Ward

Douglas Mellema, Councilmember
 Fourth Ward

CITY ADMINISTRATION

City Manager	<i>Marcus A. Peccia</i>
Director of Finance	<i>Owen Roberts</i>
Director of Public Utilities	<i>Jeff Dietlin</i>
Director of Public Works	<i>Bob Johnson</i>
City Engineer	<i>Bruce DeWitt</i>
Community Development Dir.	<i>Jerry Adams</i>
City Clerk	<i>Chris Benson</i>
City Treasurer	<i>Keri Lanning</i>
City Attorney	<i>Foster, Swift, Collins & Smith, PC</i>



CITY OF
CADILLAC
MICHIGAN

*Comprehensive
Annual
Financial
Report*

***For the Fiscal Year Ended June 30, 2010
Owen E. Roberts, Director of Finance***

City of Cadillac

Elected Officials Information



Mayor William S. Barnett

Councilmember from City at Large
Population of City: 10,000
Occupation: Attorney
Term Expires: December 31, 2011
Annual Salary: \$4,100



Art Stevens

Mayor Pro-Tem
Councilmember from Ward 3
Occupation: Financial Advisor
Term Expires: December 31, 2011
Annual Salary: \$2,800



Shari Spoelman

Councilmember from Ward 1
Occupation: MSU Extension Director
Term Expires: December 31, 2011
Annual Salary: \$2,800



Douglas Mellema

Councilmember from Ward 4
Occupation: Retired
Term Expires: December 31, 2013
Annual Salary: \$2,800



Antoinette Schippers

Councilmember from Ward 2
Occupation: Teacher
Term Expires: December 31, 2013
Annual Salary: \$2,800

CITY OF CADILLAC, MICHIGAN

JUNE 30, 2010

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

November 22, 2010

To the citizens of the City of Cadillac:

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Baird, Cotter and Bishop, P.C., was selected once again this year to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2010 are free of material misstatement. The firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cadillac's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with generally accepted accounting principles (GAAP).

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

PROFILE OF GOVERNMENT

The City of Cadillac was incorporated in 1877 and serves as the county seat of Wexford County. It is located in beautiful Northern Michigan and offers four very separate and

distinct seasons which provide a variety of recreational opportunities for visitors. The community is also recognized as the largest manufacturing base north of Grand Rapids, and therefore provides employment opportunities which create an excellent quality of life for the year-round residents. Cadillac occupies nine square miles, which includes a lake that is entirely within the city limits. The City government operates under a council/manager form of government and was one of the first municipalities in the state of Michigan to adopt this form of local governance. The City Council consists of four council members and a mayor elected at large. The council members are elected on a nonpartisan basis to staggered four-year terms based on four districts within the city. The mayor serves a two year term. The chief function of the City Council is to hire a City Manager and take legislative action as appropriate.

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

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

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

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

Economic conditions in our community, although still very difficult for many, do appear to be stabilizing and even improving, albeit very slowly and incrementally. Major employers in the City of Cadillac have continued to “weather the economic storm,” and have been able to keep their operations - both commercial and industrial - open due to the significant restructuring that took place over the last couple of years, where during that time two to three thousand jobs were removed from the local employment base.

Evidence of stabilization and even new local growth is apparent, especially through the various requests for industrial facilities tax (IFT) abatements that have been granted to aid our local industries in the replacement and addition of new equipment and in the addition of new employees. Over the last year, several local industries were granted IFT certificates, including Avon, Avon Protection, Inland Lakes Machine, Michigan Rubber, Piranha Hose, and Recreation Boat Holdings (formerly Four Winns).

Additionally, there seems to be a renewed interest in Cadillac’s downtown, with the opening of a used car business in the former Ford dealer location, and interest in the former Glen’s site (currently G&D Pizza). Cadillac is also seeing new investment and creativity from our existing merchants. Such examples include Cadillac downtown merchants now opening on Sundays, and the continued and new sponsorship of activities such as the Craft Beer Festival, Storybook Christmas, Art and Flower Show, and many more celebrations and events.

Evidence of more regional or statewide stabilization was reported by the Michigan Economic Development Corporation (MEDC) in October 2010. The MEDC reported that seventeen companies invested approximately \$2.1 billion (combined) in new investments in Michigan that resulted in the creation of more than 6,000 new job opportunities and the retention of more than 216,000 jobs statewide. Major investments that comprised the \$2.1 billion were from companies such as Ford, GM and Chrysler.

The MEDC also advised that most new job creation will be in the areas of traditional and advanced manufacturing, computer systems engineering, alternative energy, media services and recycling. According to Greg Main, President and CEO of the MEDC, “Our economic prospects are on the upswing, and we have every good reason to expect the improving trend to continue.”

It is also important to note that in 2010 the City developed and began the implementation of an area-wide jobs creation plan, as well as a regional economic development corporation, that will help provide resources to Cadillac’s industry as well as enhance our

regional communications to aid potential developers/industries in relocation to our community.

Cadillac continues to be the largest manufacturing base north of Grand Rapids, which includes a significant concentration of automotive suppliers. Although no one knows for certain the fate of the American automotive industry in Michigan, it does appear that General Motors is back on the right track towards financial success, and combined with Ford and Chrysler's current success, analysts have speculated that it might "jumpstart" the heart of Detroit and consequently get the State's automotive-related suppliers and manufacturers back into higher production; all of this could have a positive impact on Cadillac.

Cadillac has positive opportunities on the horizon, and it will continue to be an objective of the City to retain, expand, and attract industry, along with supporting our local merchants, to maintain and improve our community's economic vitality. This is crucial in maintaining positive revenues to support our infrastructure and operations.

Cadillac is still actively involved with the Inter-governmental Cooperation Committee (ICC), and via the Committee, is currently exploring the feasibility - along with other member agencies - of establishing a recreation authority for Wexford County and/or various agencies within the County. It is expected to take several months or perhaps longer, before a determination can be made and a recommendation brought forward to the appropriate agencies for action.

Although Cadillac, along with many other agencies in Wexford County, including the County itself, participate in the ICC, the City is still defending a lawsuit brought forward by a neighboring township in an attempt to obtain access to the City's utility system without fully paying for the cost of this service. A judgment was issued in favor of the City with regard to the term of the existing utilities contract (which expires in 2017), confirming in fact that the contract will expire once it reaches the end of its stated term, and the Appeals Court has also ruled in the City's favor at this time. However, it is expected that the township will seek a Supreme Court review. This lawsuit is a significant threat to the City's long term stability, and the City must continue to defend our position to safeguard the municipal infrastructure for those who pay for this service.

The City is continuing to search for a new municipal well field location. The City has committed to installing three wells at its Crosby Road site, however still needs a suitable location for two additional wells. The current municipal well field continues to be threatened by various sources of contamination; however, previous City-led efforts have resulted in safeguards being put into place to protect this most important resource, yet with the presence of MTBE, the City must soon cease operations of the current facilities and relocate.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the twenty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Sincerely,



MARCUS A. PECCIA
CITY MANAGER



OWEN E. ROBERTS
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cadillac
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



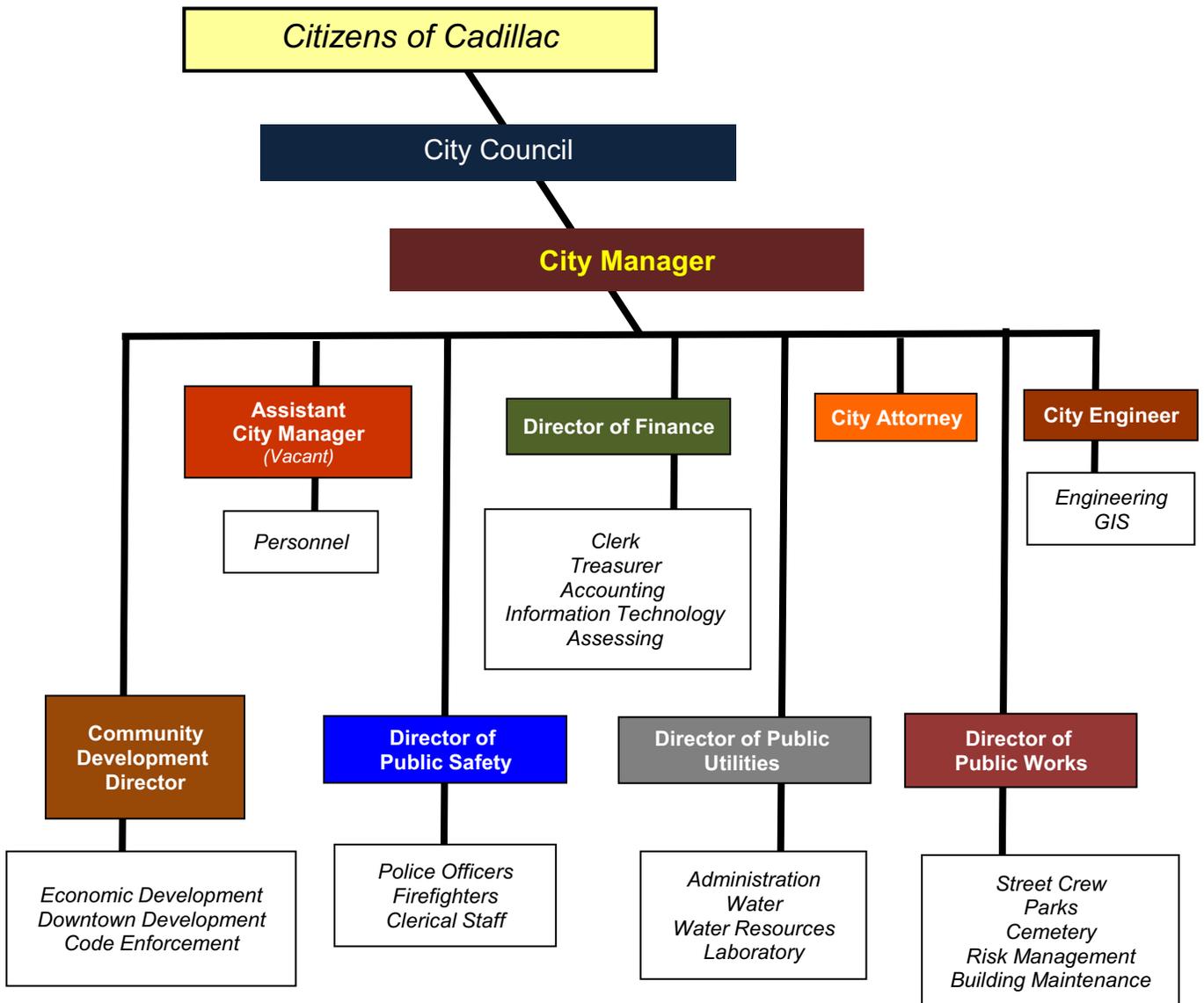
President

Executive Director

City of Cadillac

Chart of Organization

2009-2010



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Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 22, 2010

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, the business – type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2010, on our consideration of the City of Cadillac, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through xiv and required supplementary information on pages 63 through 66 be presented to supplement the basic financial statements. Such information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, schedules, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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, 2010, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

Government-Wide

- The assets of the City exceeded its liabilities at the close of this fiscal year by \$37.3 million (shown as *Net Assets*), representing a decrease of \$5,430 over the previous fiscal year. Governmental Activities represented \$180,211 of the decrease, while the Net Assets of the Business-Type activities increased by \$174,781.
- Of the total net assets, \$7,223,255 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Level Financial Highlights

- As of June 30, 2010, the governmental funds of the City of Cadillac reported combined ending fund balances of \$6,524,694, of which \$3,775,738 is unreserved. This is an increase of \$242,894. The increase was a result of the revenue generated by the police and fire retirement millage that was in excess of the required contributions to the plan. This excess is set aside for future contributions to the retirement system. In addition, contributions continued to be received for the Diggins Hill Tennis Court Project. However, construction of the courts did not occur in the fiscal year. Both of these items are accounted for in the General Fund.
- The unreserved fund balance of the City's General Fund increased this year to \$2,411,393, or 36.4% of total General Fund expenditures. Most of this balance has been designated for various uses and working capital reserves.

Long-Term Debt

- The City of Cadillac's total debt **decreased** by \$812,000 during the fiscal year. This decrease is the result of normal debt service payments on the city's outstanding bond issues. Though no new debt issues were undertaken in 2010, final draws on a low-interest loan for a wastewater treatment system upgrade were made in the amount of \$282,912.

Overview of the Financial Statements

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

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

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

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

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

Fund Financial Statements

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

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

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

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

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the City exceeded liabilities by \$37,310,188 at June 30, 2010, meaning that the City's assets were greater than its liabilities by this amount. A comparison with the previous fiscal year is presented in order to show the change in Net Assets over the previous fiscal year.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

City of Cadillac

Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 8,521	\$ 8,905	\$ 4,184	\$ 4,538	\$ 12,705	\$ 13,443
Capital Assets	14,882	15,550	22,811	23,192	37,693	38,742
Total Assets	\$ 23,403	\$ 24,455	\$ 26,995	\$ 27,730	\$ 50,398	\$ 52,185
Long-term liabilities	\$ 1,534	\$ 2,328	\$ 9,373	\$ 9,820	\$ 10,907	\$ 12,148
Other liabilities	1,011	1,089	1,170	1,633	2,181	2,722
Total Liabilities	\$ 2,545	\$ 3,417	\$ 10,543	\$ 11,453	\$ 13,088	\$ 14,870
Net Assets						
Invested in capital assets						
net of related debt	\$ 13,608	\$ 13,453	\$ 12,698	\$ 12,667	\$ 26,306	\$ 26,120
Restricted	2,448	1,383	1,332	1,318	3,780	2,701
Unrestricted	4,802	6,202	2,422	2,292	7,224	8,494
Total Net Assets	\$ 20,858	\$ 21,038	\$ 16,452	\$ 16,277	\$ 37,310	\$ 37,315

The most significant portion of the City's Net Assets (71%) represents investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related debt that is outstanding that the City used to acquire or construct the asset. These assets are used by the City of Cadillac to provide public services to its citizens; consequently, these assets are not available for future spending.

The City has \$7,223,255 (19%) in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by City policies regarding their use. An additional portion of net assets (10%) represents resources that are subject to external restrictions on how they may be used.

The total net assets of the City declined \$5,430 during the fiscal year. The Net Assets of the governmental activities decreased by \$180,211. A decrease in the net book value of capital assets related to general governmental activities accounted for this decline.

An increase in user charges in the Water and Sewer Fund accounted for the increase of \$174,781 in net assets in the business-type activities.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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

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

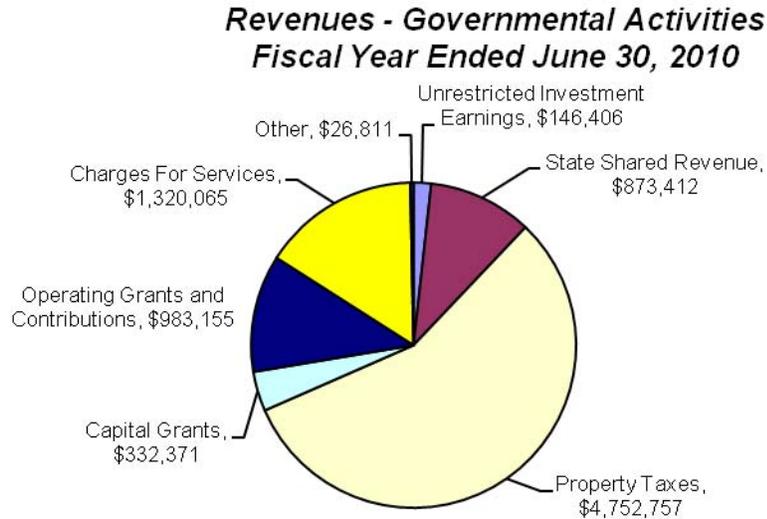
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$ 1,320	\$ 1,368	\$ 4,125	\$ 3,903	\$ 5,445	\$ 5,271
Operating Grants and Contributions	983	994	0	0	983	994
Capital Grants	332	360	0	0	332	360
General Revenues						
Property Taxes and Assessments	4,753	4,714	0	0	4,753	4,714
State Shared Revenue	873	1,021	0	0	873	1,021
Unrestricted Investment Earnings	147	169	66	148	213	317
Gain on Sale of Capital Assets	8	235	0	0	8	235
Other	19	27	0	0	19	27
Total Revenues	\$ 8,435	\$ 8,888	\$ 4,191	\$ 4,051	\$ 12,626	\$ 12,939
<u>Expenses</u>						
General Government, Administrative	\$ 1,888	\$ 1,854	\$ 0	\$ 0	\$ 1,888	\$ 1,854
Public Safety	3,305	3,296	0	0	3,305	3,296
Public Works	2,667	3,131	0	0	2,667	3,131
Recreation and Culture	453	515	0	0	453	515
Redevelopment and Housing	0	0	0	0	0	0
Economic Development/Assistance	237	235	0	0	237	235
Interest on Long-Term Debt	65	78	0	0	65	78
Water and Sewer	0	0	3,857	3,916	3,857	3,916
Automobile Parking System	0	0	113	129	113	129
Building Authority Operating	0	0	46	52	46	52
Total Expenses	\$ 8,615	\$ 9,109	\$ 4,016	\$ 4,097	\$ 12,631	\$ 13,206
Changes in Net Assets	\$ (180)	\$ (221)	\$ 175	\$ (46)	\$ (5)	\$ (267)
Beginning Net Assets	21,038	21,259	16,277	16,323	37,315	37,582
Ending Net Assets	\$ 20,858	\$ 21,038	\$ 16,452	\$ 16,277	\$ 37,310	\$ 37,315

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2010:



Governmental activities accounted for a total of \$8,434,977 in revenue for the fiscal year which was down \$453,367, or 5%, from the previous year. A one-time sale of property occurred in the prior fiscal year which accounted for over \$200,000 of the decline. In addition, revenues received from the state of Michigan in the form of state-shared revenue declined \$147,612 in 2010.

The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (56%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2010 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to state statutes, the City is currently at its maximum tax levy, and can only raise the levy to the charter maximum with the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2010, state shared revenue received by the City decreased by 14%, and this important source of revenue continues on a downward trend, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

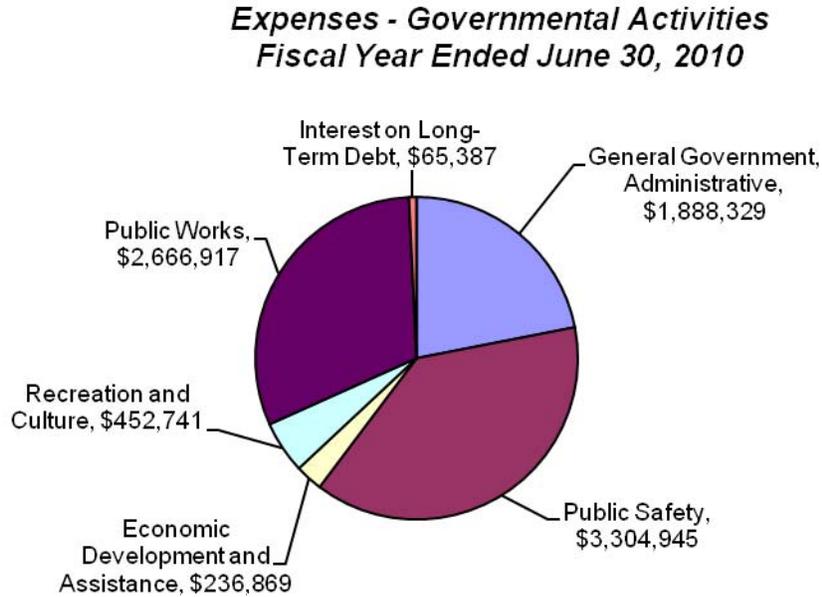
Capital Grants represents grant dollars - whether federal, state, or local - that the City has secured in order to assist in capital asset construction/acquisition and infrastructure improvement within the City. During

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

this fiscal year, these grants helped the City replace a pumper/tanker for the Fire Department and purchase several other important pieces of public safety equipment.

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2010:



Governmental activities accounted for total expenses of \$8,615,188. This was down from \$9,109,410 in the prior year, a decrease of 5%. A significant portion of this decrease was in Public Works, which was down \$463,738. Expenses related to a light winter resulted in reduced costs of snow removal.

The City's governmental activities expenses are dominated by the Public Safety expenses that total 38% of total expenses. The City spent \$3.3 million in FY2010 on Public Safety. Public Works represented the next largest portion of expenses, accounting for \$2.7 million, or 31% of total governmental activities. The Major Street Fund and Local Street Fund represent the majority of the Public Works expenses. General Government, Administrative expenses also consumed significant resources, totaling \$1.9 million during the year, which represents 22% of the expenses within the governmental activities.

Business-Type Activities

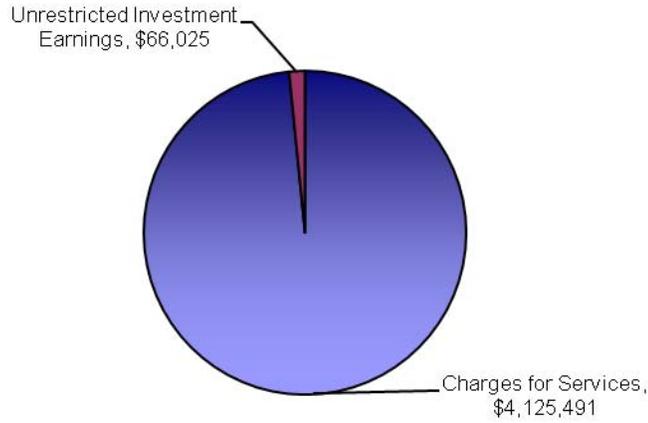
The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of \$174,781 in the City's Net Assets for the fiscal year ended June 30, 2010.

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

CITY OF CADILLAC, MICHIGAN

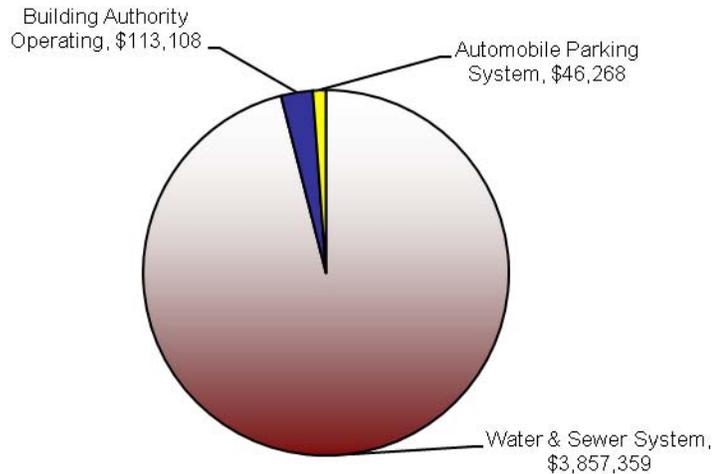
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

Revenues by Source - Business Type Activities
Fiscal Year Ended June 30, 2010



The Water and Sewer activity represents a significant portion of the business-type activities of the City. This activity accounts for 96% of the total expenses and 93% of the total revenue of the business-type activities.

Expenses by Function - Business Type Activities
Fiscal Year Ended June 30, 2010



CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2010, its governmental funds reported combined ending fund balances of \$6,524,694. This ending fund balance is \$242,894 higher than the end of the previous fiscal year. Of the total ending fund balance, \$3,775,738, or 58%, is unreserved. This amount includes \$266,093 designated for street improvements, \$1,102,189 designated for working capital, \$404,226 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken, \$23,508 designated for roof replacement, and \$378,886 designated for additional funding of the Police and Fire Retirement System. \$526,092 constitutes unreserved and undesignated fund balance in the General Fund. An additional \$1,074,744 of unreserved and undesignated fund balance exists in the City's Special Revenue funds and is restricted in its use according to the overriding purpose of the fund. Finally, the remaining \$2,748,956 of fund balance in the governmental funds is reserved for specific purposes and is therefore not available for new appropriation.

General Fund – The General Fund is the main operating fund of the City. The fund balance in the General Fund at June 30, 2010 was \$2,616,505. This represents an 11% increase from the prior year. An amount equal to 15% of total annual expenditures is designated as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for several years. There is also \$404,226 designated to fund sick and vacation benefits that have accrued but have not yet been paid out.

Ending fund balance in the City of Cadillac's General Fund increased by \$258,290 in the current fiscal year. This growth was enabled by a couple of key factors, including:

- The added voted millage for the Policemen and Firemen Retirement System generated revenues that exceeded the annual required contribution to the system by \$180,428. These additional proceeds are reserved and must be transferred to the System.
- Property tax revenues exceeded what was budgeted by just over \$87,000.
- Additional contributions were received for the Diggins Hill Tennis Court project. Most significantly, the local Rotary club contributed \$45,000 towards the project. These funds are reserved for the capital project.
- Final proceeds were received from a land contract related to the sale of the former Michigan State Police Post in Cadillac to a local developer.
- Spending in several departments was under budgeted appropriations.

Major Street Fund – The Major Street Fund completed \$11,687 in street improvements in this fiscal year. The fund balance of the Major Street Fund ended the year at \$64,555 which was \$15,429 higher than the end of the previous fiscal year. A lighter winter resulted in decreases in the cost of winter maintenance for the street system, and accounts for the increase in the fund balance.

Local Street Fund – The Local Street Fund completed \$205,803 in street construction and improvements in this fiscal year, which represented the replacement of street signs and two street improvement projects on Lincoln and N. Simons Streets. Fund balance ended the year at \$202,542 which was \$35,050 lower than the previous year. The proceeds of the sale of a property formerly owned by the City (former Harris Milling site) were transferred to the Local Street Fund in 2009 in order to fund street projects for the next couple of years. The use of fund balance to cover a portion of the 2010 construction was anticipated and accounted for the decrease in total fund balance for 2010.

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.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$2,057,018 in unrestricted net assets. This was up \$140,920, or 7.4%, from the previous year. All Water and Sewer rates were increased by 4.5% for this fiscal year. This rate increase helped provide about \$300,000 in increased user charge revenues. Additionally, revenues related to the treatment of leachate at the City's wastewater treatment plant exceeded anticipated revenues by \$44,601. The benefits of the additional revenue were offset by the costs of litigation related to two legal challenges that were in process during 2010. The system incurred just under \$150,000 in legal fees during the year to defend the cases.

This fund remains in sound fiscal condition moving forward. The wastewater collection and treatment system recently completed a project to upgrade the system by utilizing a low-interest loan from the State of Michigan. This project totaled just over \$4.5 million. The system also currently has \$2,057,018 in unrestricted net assets.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$84,345. Rental income from the Michigan Department of Environmental Quality totaled \$195,870, which holds steady from year to year in accordance with the City's lease with the State of Michigan.

General Fund Budgetary Highlights

During the year there were three budget amendments proposed and approved by City Council. These amendments increased appropriations by \$273,000. The major appropriation increases were related to the following:

- Three long-term City employees retired or resigned during the fiscal year, including the former City Manager, Assistant City Manager, and Clerk/Treasurer. Costs related to final benefit payouts in the amount of \$96,000 were authorized to fund the final payments for these three employees.
- Costs related to a national search for a new City Manager were incurred. Search costs of \$10,600 were authorized and an additional \$18,400 in costs was authorized for relocation and other costs related to the hiring of a new manager.
- In the Engineering Department, new digital aerial photos were taken for the City's GIS system. The City Council authorized \$10,000 for these costs in a budget amendment.
- Grant related costs for grants received after the 2010 budget was completed were amended into the 2010 budget, as follows:
 - \$40,000 for costs related to a COPS grant used to hire a school liaison officer;
 - \$30,000 for costs for exercise equipment in the Fire Department.
- Bids for a local recreation project at the Diggins Hill Tennis Courts came in higher than originally budgeted. An additional \$28,000 in costs was authorized through a budget amendment.
- Due to a mid-year change in the City Attorney, \$31,600 in additional costs were authorized for the transition.

Grant revenue was amended into the 2010 budget to match the grant costs. The City had set aside a reserve for final benefit payouts, which was used to cover the costs of final payments for the three employees who retired or resigned in 2010. Additional contributions were received to fund the higher costs of the Diggins Hill Project. Surplus funds on hand in excess of the City's 15% fund balance reserve policy were used to fund other additional costs. The increased appropriations were also somewhat offset by lower than expected expenditures in several City departments.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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, 2010 amounted to \$37,693,247 (net of accumulated depreciation). This represents a decrease of \$1,048,724, or 3%, over the prior year. The City added \$1,011,137 in assets during the year. These were primarily in the form of infrastructure and capital equipment, including a new fire truck. Total capital assets declined primarily due to normal government-wide depreciation costs of \$2,160,212.

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

City of Cadillac

Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2008</u>
Infrastructure	\$ 18,079	\$ 17,873	\$ 0	\$ 0	\$ 18,079	\$ 17,873
Land and Land Improvements	3,310	3,302	712	1,402	4,022	4,704
Buildings	4,512	4,447	2,666	2,649	7,178	7,096
Improvements Other than Buildings	0	0	34,309	28,302	34,309	28,302
Machinery and Equipment	5,188	4,959	1,210	1,210	6,398	6,169
Subtotal	\$ 31,089	\$ 30,581	\$ 38,897	\$ 33,563	\$ 69,986	\$ 64,144
Construction in Progress	6	0	328	5,147	334	5,147
Accumulated Depreciation	(16,213)	(15,031)	(16,414)	(15,518)	(32,627)	(30,549)
Net Capital Assets	\$ 14,882	\$ 15,550	\$ 22,811	\$ 23,192	\$ 37,693	\$ 38,742

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

Long-Term Debt. As of June 30, 2010, the City had total long-term debt outstanding of \$12,167,000. This is a decrease of \$812,000, or 6%, over the prior fiscal year. The only new debt in the current fiscal year was additional draws from a low-interest loan from the State of Michigan to complete renovations to the City's wastewater collection and treatment system.

Of the City's total outstanding debt, \$980,000 comprises debt backed by the full faith and credit of the City, while \$170,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Most of the City's revenue bonds are associated with the Water and Sewer Fund (\$9,400,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the system.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General Obligation Bonds	\$ 980	\$ 1,115	\$ 0	\$ 0	\$ 980	\$ 1,115
Special Assessment Debt with governmental commitment	170	260	0	0	170	260
Contracts and Notes	857	1,022	0	0	857	1,022
Revenue Bonds	0	0	10,160	10,582	10,160	10,582
Total	<u>\$ 2,007</u>	<u>\$ 2,397</u>	<u>\$ 10,160</u>	<u>\$ 10,582</u>	<u>\$ 12,167</u>	<u>\$ 12,979</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation based on the City's assessed valuation of \$261,507,514 is \$26,150,751, which significantly exceeds the City's outstanding general obligation debt of \$980,000. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on Pages 44-49.

Economic Condition and Outlook

The City saw its unemployment dip slightly this year from 17.3% a year ago to 15.3% as of September 30, 2010. This is well above the statewide unemployment rate of 13.0%, which is also slightly down from 15.3% last year. Though this is a positive turn, the State of Michigan continues to suffer economically, which coupled with the economic turmoil being felt across the national economy is a significant concern for our local financial condition.

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

Contacting the City's Financial Services Department

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

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CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2010

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>CURRENT ASSETS</u>				
Cash	\$ 735,594	\$ 203,567	\$ 939,161	\$ 278,921
Investments	6,584,845	2,902,131	9,486,976	2,376,219
Receivables				
Taxes	4,827	0	4,827	45
Accounts	60,754	322,956	383,710	2,871
Unbilled Services	0	305,766	305,766	0
Cylinder Deposits	0	10,500	10,500	0
Mortgages and Notes	250,366	0	250,366	0
Accrued Interest	46,650	12,553	59,203	3,406
Special Assessments	321,026	0	321,026	0
External Parties (Agency Funds)	6,818	20,633	27,451	0
Internal Balances	(85,887)	85,887	0	0
Due from Other Governments	282,061	22,169	304,230	79,119
Inventory	93,876	222,027	315,903	0
Prepaid Expenses	71,859	27,840	99,699	138
Total Current Assets	\$ 8,372,789	\$ 4,136,029	\$ 12,508,818	\$ 2,740,719
<u>NONCURRENT ASSETS</u>				
<u>CAPITAL ASSETS</u>				
Land and Land Improvements	\$ 3,309,866	\$ 1,401,898	\$ 4,711,764	\$ 1,190,046
Buildings	4,512,720	2,666,174	7,178,894	0
Improvements Other Than Buildings	0	33,619,554	33,619,554	226,767
Machinery and Equipment	5,188,090	1,209,688	6,397,778	0
Infrastructure	18,078,774	0	18,078,774	0
Construction Work in Progress	5,819	327,970	333,789	0
	\$ 31,095,269	\$ 39,225,284	\$ 70,320,553	\$ 1,416,813
Less Accumulated Depreciation	16,213,250	16,414,056	32,627,306	93,855
Net Capital Assets	\$ 14,882,019	\$ 22,811,228	\$ 37,693,247	\$ 1,322,958
<u>OTHER ASSETS</u>				
Net Other Post Employment Benefits Asset	\$ 138,443	\$ 0	\$ 138,443	\$ 0
Deferred Charge - Bond Issuance Costs	9,697	47,796	57,493	0
Total Other Assets	\$ 148,140	\$ 47,796	\$ 195,936	\$ 0
Total Noncurrent Assets	\$ 15,030,159	\$ 22,859,024	\$ 37,889,183	\$ 1,322,958
TOTAL ASSETS	\$ 23,402,948	\$ 26,995,053	\$ 50,398,001	\$ 4,063,677

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 257,243	\$ 71,881	\$ 329,124	\$ 29,313
Accrued Expenses	196,648	210,189	406,837	1,018
Accrued Interest	14,772	117,335	132,107	0
Due to Other Governments	185	26,367	26,552	0
External Parties Payable (Fiduciary Funds)	44,499	0	44,499	0
Utility Deposits	0	4,360	4,360	0
Deferred Revenue - Unearned	24,544	0	24,544	0
Current Portion of Long-Term Debt	472,832	740,000	1,212,832	19,531
Total Current Liabilities	\$ 1,010,723	\$ 1,170,132	\$ 2,180,855	\$ 49,862
LONG-TERM LIABILITIES				
Revenue Bonds (Net of Deferred Refunding Amount)	\$ 0	\$ 10,112,736	\$ 10,112,736	\$ 0
General Obligation Bonds	980,000	0	980,000	0
Special Assessment Bonds	170,000	0	170,000	0
Notes Payable	264,641	0	264,641	75,000
Net Other Post Employment Benefits Liability	188,187	0	188,187	0
Accrued Compensated Sick and Vacation	404,226	0	404,226	4,531
Less: Current Portion	(472,832)	(740,000)	(1,212,832)	(19,531)
Total Long-Term Liabilities	\$ 1,534,222	\$ 9,372,736	\$ 10,906,958	\$ 60,000
TOTAL LIABILITIES	\$ 2,544,945	\$ 10,542,868	\$ 13,087,813	\$ 109,862
EQUITY				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 13,607,631	\$ 12,698,492	\$ 26,306,123	\$ 1,247,958
Restricted for Debt Service	0	1,332,193	1,332,193	0
Restricted for Groundwater Cleanup	0	0	0	1,733,923
Restricted for Capital Projects				
Expendable	89,664	0	89,664	497,661
Nonexpendable	511,666	0	511,666	0
Restricted for Cemetery Perpetual Care				
Expendable	203,369	0	203,369	0
Nonexpendable	245,000	0	245,000	0
Restricted for Life Insurance	188,866	0	188,866	0
Restricted for Employees' Life and Health Insurance	1,064,449	0	1,064,449	0
Restricted for Special Purposes	145,603	0	145,603	0
Unrestricted	4,801,755	2,421,500	7,223,255	474,273
TOTAL NET ASSETS	\$ 20,858,003	\$ 16,452,185	\$ 37,310,188	\$ 3,953,815

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

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CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<u>PRIMARY GOVERNMENT</u>								
<u>GOVERNMENTAL ACTIVITIES</u>								
General Government, Administrative	\$ 1,888,329	\$ 440,636	\$ 0	\$ 0	\$ (1,447,693)	\$ 0	\$ (1,447,693)	\$ 0
Public Safety	3,304,945	294,453	61,814	229,222	(2,719,456)	0	(2,719,456)	0
Public Works	2,666,917	584,976	852,447	56,665	(1,172,829)	0	(1,172,829)	0
Recreation and Culture	452,741	0	0	46,484	(406,257)	0	(406,257)	0
Economic Development and Assistance	236,869	0	37,594	0	(199,275)	0	(199,275)	0
Interest on Long-Term Debt	65,387	0	31,300	0	(34,087)	0	(34,087)	0
Total Governmental Activities	\$ 8,615,188	\$ 1,320,065	\$ 983,155	\$ 332,371	\$ (5,979,597)	\$ 0	\$ (5,979,597)	\$ 0
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water and Sewer System	\$ 3,857,359	\$ 3,882,393	\$ 0	\$ 0	\$ 0	\$ 25,034	\$ 25,034	\$ 0
Building Authority Operating	113,108	195,870	0	0	0	82,762	82,762	0
Automobile Parking System	46,268	47,228	0	0	0	960	960	0
Total Business-Type Activities	\$ 4,016,735	\$ 4,125,491	\$ 0	\$ 0	\$ 0	\$ 108,756	\$ 108,756	\$ 0
TOTAL PRIMARY GOVERNMENT	\$ 12,631,923	\$ 5,445,556	\$ 983,155	\$ 332,371	\$ (5,979,597)	\$ 108,756	\$ (5,870,841)	\$ 0
<u>COMPONENT UNITS</u>								
Local Development Finance Authority	\$ 238,296	\$ 19,515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (218,781)
Non-Major Component Units	241,500	0	2,110	713,663	0	0	0	474,273
TOTAL COMPONENT UNITS	\$ 479,796	\$ 19,515	\$ 2,110	\$ 713,663	\$ 0	\$ 0	\$ 0	\$ 255,492
<u>GENERAL REVENUES</u>								
Property Taxes and Assessments					\$ 4,752,757	\$ 0	\$ 4,752,757	\$ 496,796
State Shared Revenue - Unrestricted					873,412	0	873,412	0
Investment Earnings - Unrestricted					146,406	66,025	212,431	49,024
Gain on Sale of Capital Assets					7,658	0	7,658	0
Other					19,153	0	19,153	5,000
Total General Revenues					\$ 5,799,386	\$ 66,025	\$ 5,865,411	\$ 550,820
Change in Net Assets					\$ (180,211)	\$ 174,781	\$ (5,430)	\$ 806,312
<u>NET ASSETS - Beginning of Year</u>					21,038,214	16,277,404	37,315,618	3,147,503
<u>NET ASSETS - End of Year</u>					\$ 20,858,003	\$ 16,452,185	\$ 37,310,188	\$ 3,953,815

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

CITY OF CADILLAC, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2010

	<u>GENERAL</u> <u>FUND</u>	<u>MAJOR</u> <u>STREET</u>	<u>LOCAL</u> <u>STREET</u>	<u>NONMAJOR</u> <u>FUNDS</u>	<u>TOTALS</u>
<u>ASSETS</u>					
Cash	\$ 4,294	\$ 819	\$ 181,473	\$ 460,626	\$ 647,212
Investments	2,640,882	0	0	2,676,023	5,316,905
Receivables					
Taxes	4,827	0	0	0	4,827
Accounts	45,440	0	0	0	45,440
Mortgages and Notes	0	0	0	250,366	250,366
Accrued Interest	17,949	0	0	22,861	40,810
Special Assessments					
Current	0	0	0	83,375	83,375
Deferred	0	0	0	237,651	237,651
Due from Other Funds	21,270	0	0	2,115	23,385
Advance to Other Funds	0	0	0	350,000	350,000
Due from Other Governments	167,586	84,443	30,032	0	282,061
Prepaid Expenditures	53,015	525	479	768	54,787
TOTAL ASSETS	<u>\$ 2,955,263</u>	<u>\$ 85,787</u>	<u>\$ 211,984</u>	<u>\$ 4,083,785</u>	<u>\$ 7,336,819</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 147,854	\$ 500	\$ 499	\$ 50,381	\$ 199,234
Accrued Expenditures	110,681	5,022	8,943	4,770	129,416
Due to Other Funds	54,499	15,710	0	16,567	86,776
Due to Other Governments	185	0	0	0	185
Deferred Revenue	25,539	0	0	370,975	396,514
Total Liabilities	<u>\$ 338,758</u>	<u>\$ 21,232</u>	<u>\$ 9,442</u>	<u>\$ 442,693</u>	<u>\$ 812,125</u>

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

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
FUND BALANCE					
Reserved for:					
Prepaid Expenditures	\$ 53,015	\$ 525	\$ 479	\$ 768	\$ 54,787
Mayor Wedding Fees	650	0	0	0	650
Pistol Range	3,324	0	0	0	3,324
Veterans Memorial	1,855	0	0	0	1,855
Youth Services	844	0	0	0	844
Drug Forfeiture	3,802	0	0	0	3,802
Fire Safety House	1,859	0	0	0	1,859
Blackburn Skate Park	8,566	0	0	0	8,566
CASA Field Use	2,520	0	0	0	2,520
White Pine Trail	2,394	0	0	0	2,394
Diggins Hill Park	500	0	0	0	500
Diggins Hill Courts	125,783	0	0	0	125,783
Capital Improvements	0	0	0	1,248,056	1,248,056
Cemetery Perpetual Care	0	0	0	448,369	448,369
Debt Service	0	0	0	340,788	340,788
Other Purposes	0	0	0	504,859	504,859
Unreserved, Designated For, Reported In:					
General Fund	1,885,301	0	0	0	1,885,301
Special Revenue Funds	0	64,030	202,063	23,508	289,601
Unreserved, Undesignated, Reported In:					
General Fund	526,092	0	0	0	526,092
Special Revenue Funds	0	0	0	1,074,744	1,074,744
Total Fund Balance	<u>\$ 2,616,505</u>	<u>\$ 64,555</u>	<u>\$ 202,542</u>	<u>\$ 3,641,092</u>	<u>\$ 6,524,694</u>
TOTAL LIABILITIES					
AND FUND BALANCE	<u>\$ 2,955,263</u>	<u>\$ 85,787</u>	<u>\$ 211,984</u>	<u>\$ 4,083,785</u>	<u>\$ 7,336,819</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Fund Balances for Governmental Funds	\$	6,524,694
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and Land Improvements	\$	3,215,895
Buildings		4,034,539
Equipment		2,580,181
Infrastructure		18,078,774
Construction in Progress		5,819
Accumulated Depreciation		(14,117,001)
		13,798,207
Bond issuance costs are reported as expenditures in the governmental fund.		
		9,697
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Special Assessments Receivable	\$	237,651
Personal Property Taxes Receivable		995
Deferred Revenue - Loans Receivable		133,324
		371,970
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets		
		2,122,705
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.		
		(85,887)
Governmental assets and liabilities for other post employment benefits are not financial resources and therefore are not reported in the funds.		
Net Other Post Employment Benefits Asset		138,443
Net Other Post Employment Benefits Liability		(188,187)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	\$	(980,000)
Special Assessment Bonds Payable		(170,000)
Notes Payable		(264,641)
Accrued Interest Payable		(14,772)
Compensated Absences		(404,226)
		(1,833,639)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	20,858,003

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
<u>REVENUES</u>					
Taxes	\$ 4,754,271	\$ 0	\$ 0	\$ 102,153	\$ 4,856,424
Licenses and Permits	1,275	0	0	0	1,275
Federal Grants	268,668	0	0	0	268,668
State Grants	967,044	595,047	183,363	37	1,745,491
Contributions from Local Units	180,973	0	0	31,300	212,273
Charges for Services	986,391	0	0	82,318	1,068,709
Fines and Forfeits	41,874	0	0	0	41,874
Interest and Rents	75,617	28	204	120,889	196,738
Gain (Loss) on Investments	0	0	0	65,613	65,613
Other Revenue	328,791	0	0	38,204	366,995
Total Revenues	\$ 7,604,904	\$ 595,075	\$ 183,567	\$ 440,514	\$ 8,824,060
<u>EXPENDITURES</u>					
General Government	\$ 1,713,701	\$ 0	\$ 0	\$ 145,968	\$ 1,859,669
Public Safety	3,366,675	0	0	66,898	3,433,573
Public Works	840,022	560,646	704,706	0	2,105,374
Community and Economic Development	160,842	0	0	58,352	219,194
Culture and Recreation	217,057	0	0	61,175	278,232
Capital Outlay	0	0	0	3,761	3,761
Debt Service	0	0	30,811	323,325	354,136
Intergovernmental	327,227	0	0	0	327,227
Total Expenditures	\$ 6,625,524	\$ 560,646	\$ 735,517	\$ 659,479	\$ 8,581,166
Excess (Deficiency) of Revenues Over Expenditures	\$ 979,380	\$ 34,429	\$ (551,950)	\$ (218,965)	\$ 242,894
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 1,310	\$ 0	\$ 650,000	\$ 254,871	\$ 906,181
Transfers Out	(722,400)	(19,000)	(133,100)	(31,681)	(906,181)
Total Other Financing Sources (Uses)	\$ (721,090)	\$ (19,000)	\$ 516,900	\$ 223,190	\$ 0
Net Change in Fund Balance	\$ 258,290	\$ 15,429	\$ (35,050)	\$ 4,225	\$ 242,894
<u>FUND BALANCE</u> - Beginning of Year	2,358,215	49,126	237,592	3,636,867	6,281,800
<u>FUND BALANCE</u> - End of Year	\$ 2,616,505	\$ 64,555	\$ 202,542	\$ 3,641,092	\$ 6,524,694

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net Change in Fund Balance - Total Governmental Funds	\$ 242,894
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, the costs of those assets are allocated over their estimated useful lives and reported as depreciation in the statement of activities.	
Depreciation Expense	(1,070,530)
Capital Outlay	501,828
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid.	
Accrued Interest Payable - Beginning of Year	17,491
Accrued Interest Payable - End of Year	(14,772)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities).	293,431
Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where they are a reduction of assets).	(30,044)
The effects of bond issuance costs, premiums, discounts, and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(1,802)
Under the modified accrual basis of accounting, revenue is recognized when measurable and available. The entity wide statements recognize revenue when earned.	
Special assessment revenue previously recognized when earned for the entity wide statements.	(101,756)
The gain on property that was sold on a contract in a prior year was deferred and is being recognized as principal is collected in the governmental funds.	(35,476)

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in personal property tax revenue deferred using the modified accrual method	(1,514)
Employees compensated absences are reported on the accrual method in the statement of activities, and recorded as expenditures when financial resources are used in the governmental funds.	
Compensated Absences - Beginning of Year	504,141
Compensated Absences - End of Year	(404,226)
Expense for the unfunded portion of the other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	
Other Post Employment Benefit Obligation - Beginning of Year	10,896
Other Post Employment Benefit Obligation - End of Year	(49,744)
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net revenue (expense) of the internal service funds is reported within the governmental activities.	<u>(41,028)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (180,211)</u>

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

CITY OF CADILLAC, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2010

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 58,253	\$ 56,634	\$ 88,680
Investments	1,435,156	53,675	81,107
Receivables			
Accounts	322,956	0	0
Unbilled Services	305,766	0	0
Accrued Interest	12,553	0	0
Cylinder Deposits	10,500	0	0
Due from Other Funds	20,633	0	0
Due from Other Governments	22,169	0	0
Inventory, At Cost	222,027	0	0
Prepaid Expense	27,833	0	7
Total Current Assets	\$ 2,437,846	\$ 110,309	\$ 169,794
<u>NONCURRENT ASSETS</u>			
<u>RESTRICTED ASSETS</u>			
Investments			
Bond Reserve Account	\$ 859,392	\$ 0	\$ 0
Bond Replacement Account	472,801	0	0
Total Restricted Assets	\$ 1,332,193	\$ 0	\$ 0
<u>CAPITAL ASSETS</u>			
Land and Land Improvements	\$ 500,412	\$ 90,445	\$ 811,041
Buildings	930,747	1,735,427	0
Improvements Other Than Buildings	33,619,554	0	0
Machinery and Equipment	1,209,688	0	0
Construction Work In Progress	327,970	0	0
	\$ 36,588,371	\$ 1,825,872	\$ 811,041
Less Accumulated Depreciation	15,698,709	497,827	217,520
Net Capital Assets	\$ 20,889,662	\$ 1,328,045	\$ 593,521
<u>OTHER ASSETS</u>			
Deferred Charge - Bond Issuance Costs	\$ 39,548	\$ 8,248	\$ 0
Total Noncurrent Assets	\$ 22,261,403	\$ 1,336,293	\$ 593,521
TOTAL ASSETS	\$ 24,699,249	\$ 1,446,602	\$ 763,315

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 203,567	\$ 88,382
1,569,938	1,267,940
322,956	15,314
305,766	0
12,553	5,840
10,500	0
20,633	25,710
22,169	0
222,027	93,876
27,840	17,072
<u>\$ 2,717,949</u>	<u>\$ 1,514,134</u>
\$ 859,392	\$ 0
472,801	0
<u>\$ 1,332,193</u>	<u>\$ 0</u>
\$ 1,401,898	\$ 93,971
2,666,174	478,181
33,619,554	0
1,209,688	2,607,909
327,970	0
<u>\$ 39,225,284</u>	<u>\$ 3,180,061</u>
16,414,056	2,096,249
<u>\$ 22,811,228</u>	<u>\$ 1,083,812</u>
<u>\$ 47,796</u>	<u>\$ 0</u>
<u>\$ 24,191,217</u>	<u>\$ 1,083,812</u>
<u>\$ 26,909,166</u>	<u>\$ 2,597,946</u>

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

CITY OF CADILLAC, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 70,934	\$ 947	\$ 0
Accrued Interest	108,667	8,668	0
Other Accrued Expenses	210,048	0	141
Utility Deposits	4,360	0	0
Due to Other Governments	26,367	0	0
Current Portion of Long-Term Debt	625,000	115,000	0
	<hr/>		
Total Current Liabilities	\$ 1,045,376	\$ 124,615	\$ 141
	<hr/>		
<u>LONG-TERM LIABILITIES</u>			
2007 Wastewater System Junior			
Lien Revenue Bonds	\$ 3,530,205	\$ 0	\$ 0
1999 Revenue Refunding Bonds			
(Net of Deferred Refunding Amount)	1,055,606	645,000	0
2001 Revenue Bonds			
(Net of Deferred Refunding Amount)	4,141,925	0	0
Advance from Other Funds	0	0	0
	<hr/>		
Total Long-Term Liabilities	\$ 8,727,736	\$ 645,000	\$ 0
	<hr/>		
TOTAL LIABILITIES	\$ 9,773,112	\$ 769,615	\$ 141
	<hr/>		
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 11,536,926	\$ 568,045	\$ 593,521
Restricted for Debt Service	1,332,193	0	0
Restricted for Benefit Programs	0	0	0
Unrestricted (Deficit)	2,057,018	108,942	169,653
	<hr/>		
TOTAL NET ASSETS	\$ 14,926,137	\$ 676,987	\$ 763,174
	<hr/> <hr/>		

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 71,881	\$ 58,009
117,335	0
210,189	67,232
4,360	0
26,367	0
740,000	0
<u>\$ 1,170,132</u>	<u>\$ 125,241</u>
\$ 3,530,205	\$ 0
1,700,606	0
4,141,925	0
0	350,000
<u>\$ 9,372,736</u>	<u>\$ 350,000</u>
<u>\$ 10,542,868</u>	<u>\$ 475,241</u>
\$ 12,698,492	\$ 1,083,812
1,332,193	0
0	1,253,315
2,335,613	(214,422)
<u>\$ 16,366,298</u>	<u>\$ 2,122,705</u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Net Assets - Total Proprietary Funds	\$ 16,366,298
Amounts reported for proprietary activities in the statement of net assets are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>85,887</u>
NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 16,452,185</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2010

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>OPERATING REVENUES</u>			
Operating Revenues	\$ 3,882,393	\$ 195,870	\$ 47,228
<u>OPERATING EXPENSES</u>			
Personal Services	\$ 833,971	\$ 0	\$ 6,974
Contractual Services	522,853	30,561	18,896
Supplies	342,272	0	435
Utilities	336,888	2,748	0
Depreciation and Amortization	856,425	38,644	16,754
Employee Benefits	388,769	0	3,558
Administrative	202,078	5,000	0
Total Operating Expenses	\$ 3,483,256	\$ 76,953	\$ 46,617
Operating Income (Loss)	\$ 399,137	\$ 118,917	\$ 611
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Gain on Sale of Capital Assets	\$ 0	\$ 0	\$ 0
Interest Revenue	63,187	1,583	1,255
Interest and Fiscal Charges	(350,199)	(36,155)	0
Total Nonoperating Revenues (Expenses)	\$ (287,012)	\$ (34,572)	\$ 1,255
Change in Net Assets	\$ 112,125	\$ 84,345	\$ 1,866
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,814,012	592,642	761,308
<u>TOTAL NET ASSETS</u> - End of Year	\$ 14,926,137	\$ 676,987	\$ 763,174

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 4,125,491	\$ 1,863,281
\$ 840,945	\$ 187,749
572,310	257,158
342,707	120,423
339,636	20,596
911,823	193,350
392,327	1,106,901
207,078	58,700
<u>\$ 3,606,826</u>	<u>\$ 1,944,877</u>
<u>\$ 518,665</u>	<u>\$ (81,596)</u>
\$ 0	\$ 3,987
66,025	34,302
<u>(386,354)</u>	<u>(21,276)</u>
<u>\$ (320,329)</u>	<u>\$ 17,013</u>
\$ 198,336	\$ (64,583)
<u>16,167,962</u>	<u>2,187,288</u>
<u><u>\$ 16,366,298</u></u>	<u><u>\$ 2,122,705</u></u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net Change in Fund Net Assets - Total Proprietary Funds	\$ 198,336
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>(23,555)</u>
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 174,781</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 3,748,875	\$ 195,870	\$ 47,228
Cash Received from Interfund Services			
Provided and Used	0	0	0
Cash Payments to Suppliers for Goods and Services	(1,934,586)	(43,218)	(22,860)
Cash Payments to Employees for Services	(1,211,650)	0	(6,916)
Other Operating Revenues	0	0	0
Net Cash Provided by Operating Activities	<u>\$ 602,639</u>	<u>\$ 152,652</u>	<u>\$ 17,452</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (498,212)	\$ (16,916)	\$ 0
Proceeds from Sales of Capital Assets	0	0	0
Loan Proceeds	282,912	0	0
Payment on Advance	0	0	0
Principal Paid	(595,000)	(110,000)	0
Interest Paid	(349,548)	(37,337)	0
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (1,159,848)</u>	<u>\$ (164,253)</u>	<u>\$ 0</u>
Cash Flows from Investing Activities:			
Interest Received	\$ 94,774	\$ 2,015	\$ 1,255
Purchase of Investment Securities	(131,157)	(1,969)	(1,046)
Proceeds from Sale and Maturities of Investment Securities	646,742	0	0
Net Cash Provided (Used) by Investing Activities	<u>\$ 610,359</u>	<u>\$ 46</u>	<u>\$ 209</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 53,150	\$ (11,555)	\$ 17,661
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>5,103</u>	<u>68,189</u>	<u>71,019</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 58,253</u>	<u>\$ 56,634</u>	<u>\$ 88,680</u>

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 3,991,973	\$ 0
0	1,885,098
(2,000,664)	(1,601,218)
(1,218,566)	(179,782)
<u>0</u>	<u>70</u>
<u>\$ 772,743</u>	<u>\$ 104,168</u>
\$ (515,128)	\$ (94,532)
0	3,987
282,912	0
0	(50,000)
(705,000)	0
<u>(386,885)</u>	<u>(28,238)</u>
<u>\$ (1,324,101)</u>	<u>\$ (168,783)</u>
\$ 98,044	\$ 38,435
(134,172)	(14,426)
<u>646,742</u>	<u>0</u>
<u>\$ 610,614</u>	<u>\$ 24,009</u>
\$ 59,256	\$ (40,606)
<u>144,311</u>	<u>128,988</u>
<u><u>\$ 203,567</u></u>	<u><u>\$ 88,382</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

MAJOR FUNDS

	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
WATER AND SEWER		

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 399,137	\$ 118,917	\$ 611
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 856,425	\$ 38,644	\$ 16,754
(Increase) Decrease in Current Assets			
Accounts Receivable	(117,083)	0	0
Due from Other Funds	(20,633)	0	0
Due from Other Governments	(22,169)	0	0
Inventory	(15,573)	0	0
Prepaid Expense	8,728	0	29
Increase (Decrease) in Current Liabilities			
Accounts Payable	(523,810)	(4,909)	0
Other Accrued Expenses	11,090	0	58
Due to Other Funds	0	0	0
Due to Other Governments	26,367	0	0
Utility Deposits	160	0	0
 Total Adjustments	 \$ 203,502	 \$ 33,735	 \$ 16,841
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 602,639	 \$ 152,652	 \$ 17,452

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 518,665	\$ (81,596)
\$ 911,823	\$ 193,350
(117,083)	6,467
(20,633)	15,420
(22,169)	0
(15,573)	(8,962)
8,757	4,508
(528,719)	20,295
11,148	4,686
0	(50,000)
26,367	0
160	0
<u>\$ 254,078</u>	<u>\$ 185,764</u>
<u>\$ 772,743</u>	<u>\$ 104,168</u>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	<u>PENSION TRUST FUND</u>	<u>AGENCY</u>
<u>ASSETS</u>		
Cash	\$ 112,968	\$ 50,777
Investments		
Mutual Funds	1,870	0
Municipal Employees' Retirement System	5,830,992	0
Due from Other Funds	44,499	0
Due from Other Governments	0	17,660
	\$ 5,990,329	\$ 68,437
 <u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 27,451
Due to Other Governments	0	40,986
	\$ 0	\$ 68,437
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 5,990,329	\$ 0

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2010

	<u>PENSION TRUST FUND</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 504,691
Employee	46,413
Total Contributions	<u>\$ 551,104</u>
Investment Income	
Interest and Dividend Income	\$ 226
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	604,755
Investment Expenses	(26,186)
Net Investment Income (Loss)	<u>\$ 578,795</u>
Total Additions (Deletions)	<u>\$ 1,129,899</u>
<u>DEDUCTIONS</u>	
Benefit Payments	
Retirement	\$ 585,552
Administrative Expenses	
Contracted Services	12,025
Total Deductions	<u>\$ 597,577</u>
Net Increase (Decrease) in Plan Assets	\$ 532,322
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	
Beginning of Year	<u>5,458,007</u>
End of Year	<u><u>\$ 5,990,329</u></u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2010

	LOCAL DEVELOPMENT FINANCE AUTHORITY	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION
<u>ASSETS</u>			
Cash	\$ 181,180	\$ 35,214	\$ 1,167
Investments	2,278,657	0	0
Receivables			
Taxes	0	45	0
Accounts	2,871	0	0
Accrued Interest	3,406	0	0
Due from Other Governments	0	53,252	0
Prepaid Expenses	0	138	0
Total Current Assets	<u>\$ 2,466,114</u>	<u>\$ 88,649</u>	<u>\$ 1,167</u>
<u>CAPITAL ASSETS</u>			
Land Improvements	\$ 0	\$ 1,190,046	\$ 0
Improvements Other Than Buildings	226,767	0	0
	<u>\$ 226,767</u>	<u>\$ 1,190,046</u>	<u>\$ 0</u>
Less Accumulated Depreciation	68,384	25,471	0
Net Capital Assets	<u>\$ 158,383</u>	<u>\$ 1,164,575</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 2,624,497</u>	<u>\$ 1,253,224</u>	<u>\$ 1,167</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 7,786	\$ 4,572	\$ 0
Accrued Expenses	242	776	0
Current Portion of Long-Term Debt	0	19,531	0
Total Current Liabilities	<u>\$ 8,028</u>	<u>\$ 24,879</u>	<u>\$ 0</u>
<u>LONG-TERM LIABILITIES</u>			
Notes Payable	\$ 0	\$ 75,000	\$ 0
Accrued Compensated Sick and Vacation	0	4,531	0
Less: Current Portion	0	(19,531)	0
Total Long-Term Liabilities	<u>\$ 0</u>	<u>\$ 60,000</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 8,028</u>	<u>\$ 84,879</u>	<u>\$ 0</u>
<u>EQUITY</u>			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 158,383	\$ 1,089,575	\$ 0
Restricted for Groundwater Clean-Up	1,733,923	0	0
Restricted for Capital Projects	497,661	0	0
Unrestricted	226,502	78,770	1,167
TOTAL NET ASSETS	<u>\$ 2,616,469</u>	<u>\$ 1,168,345</u>	<u>\$ 1,167</u>

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

BROWNFIELD REDEVELOPMENT AUTHORITY		TOTALS
\$	61,360	\$ 278,921
	97,562	2,376,219
	0	45
	0	2,871
	0	3,406
	25,867	79,119
	0	138
\$	184,789	\$ 2,740,719
\$	0	\$ 1,190,046
	0	226,767
\$	0	\$ 1,416,813
	0	93,855
\$	0	\$ 1,322,958
\$	184,789	\$ 4,063,677
\$	16,955	\$ 29,313
	0	1,018
	0	19,531
\$	16,955	\$ 49,862
\$	0	\$ 75,000
	0	4,531
	0	(19,531)
\$	0	\$ 60,000
\$	16,955	\$ 109,862
\$	0	\$ 1,247,958
	0	1,733,923
	0	497,661
	167,834	474,273
\$	167,834	\$ 3,953,815

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS					TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	LOCAL DEVELOPMENT FINANCE AUTHORITY	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY		
Local Development Finance Authority	\$ 238,296	\$ 19,515	\$ 0	\$ 0	\$ (218,781)	\$ 0	\$ 0	\$ 0	\$ (218,781)	
Downtown Development Authority	122,215	0	2,110	646,610	0	526,505	0	0	526,505	
Brownfield Redevelopment Authority	119,285	0	0	67,053	0	0	0	(52,232)	(52,232)	
TOTAL COMPONENT UNITS	\$ 479,796	\$ 19,515	\$ 2,110	\$ 713,663	\$ (218,781)	\$ 526,505	\$ 0	\$ (52,232)	\$ 255,492	
GENERAL REVENUES										
Property Taxes					\$ 324,118	\$ 144,951	\$ 0	\$ 27,727	\$ 496,796	
Unrestricted Investment Earnings					45,786	3,017	0	221	49,024	
Other					0	5,000	0	0	5,000	
Total General Revenues					\$ 369,904	\$ 152,968	\$ 0	\$ 27,948	\$ 550,820	
Change in Net Assets					\$ 151,123	\$ 679,473	\$ 0	\$ (24,284)	\$ 806,312	
NET ASSETS - Beginning of Year					2,465,346	488,872	1,167	192,118	3,147,503	
NET ASSETS - End of Year					\$ 2,616,469	\$ 1,168,345	\$ 1,167	\$ 167,834	\$ 3,953,815	

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

BLENDED COMPONENT UNITS

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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

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

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

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

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

The City of Cadillac reports the following major governmental funds:

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

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

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

The City of Cadillac reports the following major proprietary funds:

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

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

Additionally the City of Cadillac reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

2. *Receivables and Payables*

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

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

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

The 2009 taxable valuation of the City of Cadillac totaled \$261,707,778, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 2.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,650,091 for operating purposes and \$680,423 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

3. *Inventories and Prepaid Items*

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

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

CITY OF CADILLAC, MICHIGAN
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4. *Restricted Assets*

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

5. *Capital Assets*

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
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6. *Compensated Absences*

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

7. *Long-term Obligations*

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

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

8. *Fund Equity*

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

9. *Use of Estimates*

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

	APPROPRIATIONS	EXPENDITURES
General Fund		
Community and Economic Development	\$ 132,600	\$ 160,842

This overage was funded by available fund balance and greater-than-anticipated revenues.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2010, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Primary Government					
U.S. Government Agencies	\$ 3,176,401	\$ 204,024	\$ 1,767,321	\$ 144,907	\$ 1,060,149
Local Government Notes	130,556	41,111	89,445	0	0
	<u>\$ 3,306,957</u>	<u>\$ 245,135</u>	<u>\$ 1,856,766</u>	<u>\$ 144,907</u>	<u>\$ 1,060,149</u>
Component Units:					
U.S. Government Agencies	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2010, \$775,289 of the City's bank balance of \$5,770,629 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of the same date the discretely presented component unit's had exposure to custodial credit risk because \$21,918 of the bank balance of \$839,806 was uninsured and uncollateralized. Neither the government nor the discretely presented component unit's have a deposit policy for custodial credit risk.

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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As of June 30, 2010, the City had the following investments:

	<u>CARRYING AMOUNT</u>	<u>FAIR VALUE</u>
Investments - Primary Government		
U.S. Government Agency		
Securities	\$ 3,176,401	\$ 3,176,401
Common Stocks	154,537	154,537
Government Notes	130,556	130,556
Mutual Funds	7,346,192	7,346,192
	<u>\$ 10,807,686</u>	<u>\$ 10,807,686</u>

	<u>CARRYING AMOUNT</u>	<u>FAIR VALUE</u>
Investments - Component Units		
U.S. Government Agency		
Securities	\$ 150,000	\$ 150,000
Mutual Funds	1,665,334	1,665,334
	<u>\$ 1,815,334</u>	<u>\$ 1,815,334</u>

A reconciliation of cash and investments follows:

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>
Cash on Hand	\$ 1,200	\$ 0
Carrying amount of Deposits	5,613,858	839,806
Carrying amount of Investment	10,807,686	1,815,334
	<u>\$ 16,422,744</u>	<u>\$ 2,655,140</u>

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>
Government-wide Statement of Net Assets		
Cash	\$ 939,161	\$ 278,921
Investments	9,486,976	2,376,219
Statement of Fiduciary Net Assets		
Cash	163,745	0
Investments	5,832,862	0
	<u>\$ 16,422,744</u>	<u>\$ 2,655,140</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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B. Receivables

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

	General	Water and Sewer	Nonmajor and Other Funds	Total
Receivables				
Taxes	\$ 4,827	\$ 0	\$ 0	\$ 4,827
Accounts	60,754	322,956	0	383,710
Unbilled				
Services	0	305,766	0	305,766
Special Assessments				
Current	0	0	83,375	83,375
Deferred	0	0	237,651	237,651
Mortgages and Notes	0	0	250,366	250,366
Accrued Interest	23,789	12,553	22,861	59,203
Cylinder Deposits	0	10,500	0	10,500
Receivables	<u>\$ 89,370</u>	<u>\$ 651,775</u>	<u>\$ 594,253</u>	<u>\$ 1,335,398</u>

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

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

	Deferred Revenue		
	Unavailable	Unearned	
Delinquent property taxes receivable (General Fund)	\$ 995	\$ 0	
Property taxes prepaid (General Fund)	0	24,544	
Mortgages and notes receivable (Special Revenue Funds)	133,324	0	
Special assessment receivables (Debt Service Funds)	50,897	0	
Special assessment receivables (Capital Projects Funds)	186,754	0	
	<u>\$ 371,970</u>	<u>\$ 24,544</u>	<u>\$ 396,514</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,455,493	\$ 0	\$ 0	\$ 2,455,493
Construction in Progress	0	5,819	0	5,819
Total Capital Assets, Not Being Depreciated	<u>\$ 2,455,493</u>	<u>\$ 5,819</u>	<u>\$ 0</u>	<u>\$ 2,461,312</u>
Capital Assets, Being Depreciated				
Buildings	\$ 4,034,539	\$ 0	\$ 0	\$ 4,034,539
Land Improvements	752,422	7,980	0	760,402
Machinery and Equipment	2,297,902	282,279	0	2,580,181
Infrastructure	17,873,024	205,750	0	18,078,774
Total Capital Assets, Being Depreciated	<u>\$ 24,957,887</u>	<u>\$ 496,009</u>	<u>\$ 0</u>	<u>\$ 25,453,896</u>
Less Accumulated Depreciation For:				
Buildings	\$ 2,660,489	\$ 90,525	\$ 0	\$ 2,751,014
Land Improvements	430,109	28,878	0	458,987
Machinery and Equipment	1,574,475	156,197	0	1,730,672
Infrastructure	8,381,398	794,930	0	9,176,328
Total Accumulated Depreciation	<u>\$ 13,046,471</u>	<u>\$ 1,070,530</u>	<u>\$ 0</u>	<u>\$ 14,117,001</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 11,911,416</u>	<u>\$ (574,521)</u>	<u>\$ 0</u>	<u>\$ 11,336,895</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 14,366,909</u></u>	<u><u>\$ (568,702)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 13,798,207</u></u>
Internal Service Fund Net Fixed Assets				1,083,812
Net Fixed Assets per Statement of Net Assets				<u><u>\$ 14,882,019</u></u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 712,319	\$ 0	\$ 0	\$ 712,319
Construction in Progress	5,147,472	202,368	5,021,870	327,970
Total Capital Assets, Not Being Depreciated	<u>\$ 5,859,791</u>	<u>\$ 202,368</u>	<u>\$ 5,021,870</u>	<u>\$ 1,040,289</u>
Capital Assets, Being Depreciated				
Buildings	\$ 2,649,258	\$ 16,916	\$ 0	\$ 2,666,174
Improvements Other Than Buildings	28,991,419	5,317,714	0	34,309,133
Machinery and Equipment	1,209,688	0	0	1,209,688
Total Capital Assets, Being Depreciated	<u>\$ 32,850,365</u>	<u>\$ 5,334,630</u>	<u>\$ 0</u>	<u>\$ 38,184,995</u>
Less Accumulated Depreciation For:				
Buildings	\$ 1,121,715	\$ 44,412	\$ 0	\$ 1,166,127
Improvements Other Than Buildings	13,419,686	789,267	0	14,208,953
Machinery and Equipment	976,323	62,653	0	1,038,976
Total Accumulated Depreciation	<u>\$ 15,517,724</u>	<u>\$ 896,332</u>	<u>\$ 0</u>	<u>\$ 16,414,056</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 17,332,641</u>	<u>\$ 4,438,298</u>	<u>\$ 0</u>	<u>\$ 21,770,939</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 23,192,432</u></u>	<u><u>\$ 4,640,666</u></u>	<u><u>\$ 5,021,870</u></u>	<u><u>\$ 22,811,228</u></u>

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

Governmental activities:

General Government	\$ 70,374
Public Safety	131,689
Public Works, including depreciation of general infrastructure assets	730,105
Recreation and Culture	121,199
Economic Development and Assistance	17,163
Total depreciation expense - governmental activities	<u><u>\$ 1,070,530</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Business-type activities:

Water and Sewer	\$ 843,734
Automobile Parking System	16,754
Building Authority Operating	35,844
 Total depreciation expense - business-type activities	 \$ 896,332

Construction Commitments:

The City has active construction projects as of June 30, 2010. The construction projects are for street construction and the Diggins Hill Tennis Courts. The remaining commitments total \$366,567. The projects are being funded by general revenues that were donated and Act 51 Street revenues.

Discretely Presented Component Units:

	<u>Beginning</u> Balance	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> Balance
<u>Government-Type Activities</u>				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 255,519	\$ 0	\$ 255,519	\$ 0
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 23,645	\$ 1,166,401	\$ 0	\$ 1,190,046
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(4,401)	(21,070)	0	(25,471)
Total Capital Assets, Being Depreciated, Net	19,244	1,145,331	0	1,164,575
Governmental Activities Capital Assets, Net	\$ 274,763	\$ 1,145,331	\$ 255,519	\$ 1,164,575
<u>Business-Type Activities</u>				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 226,767	\$ 0	\$ 0	\$ 226,767
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(63,848)	(4,536)	0	(68,384)
Total Capital Assets, Being Depreciated, Net	\$ 162,919	\$ (4,536)	\$ 0	\$ 158,383

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

Governmental activities:

Economic Development and Assistance	\$ 21,070
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Business-type activities

Utilities	\$ 4,536
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D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2010, is as follows:

	<u>General Fund</u>	<u>Water and Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Pension Trust Fund</u>	<u>Total Due to</u>
Due to						
General Fund	\$ 0	\$ 0	\$ 0	\$10,000	\$44,499	\$ 54,499
Major Street Fund	0	0	0	15,710	0	15,710
Local Street Fund	0	0	0	0	0	0
Nonmajor						
Governmental Funds	14,452	0	2,115	0	0	16,567
Internal Service Funds	0	0	0	0	0	0
Agency Funds	6,818	20,633	0	0	0	27,451
Total Due from	<u>\$ 21,270</u>	<u>\$ 20,633</u>	<u>\$ 2,115</u>	<u>\$25,710</u>	<u>\$44,499</u>	<u>\$114,227</u>

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2010, are expected to be repaid within one year.

The composition of advances to/advances from balances as of June 30, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Cadillac Development	Stores and Garage	\$ 350,000

The amounts payable to the Cadillac Development Fund relates to working capital loans made to the stores and garage fund. \$50,000 of the balance is expected to be paid in fiscal year 2010-11.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The interfund transfers during the year ended June 30, 2010, are as follows:

	General	Local Street	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out				
General Fund	\$ 0	\$ 650,000	\$ 72,400	\$ 722,400
Major Street Fund	0	0	19,000	19,000
Local Street Fund	0	0	133,100	133,100
Nonmajor Governmental Funds	1,310	0	30,371	31,681
 Total Transfers In	 \$ 1,310	 \$ 650,000	 \$ 254,871	 \$ 906,181

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

E. Leases

Operating Leases - The City is committed under one noncancelable lease for office equipment and one non-cancelable lease for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately \$15,561 for the year ended June 30, 2010. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	
2011	\$ 9,463
2012	6,752
2013	6,752
2014	6,752
	\$ 29,719

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

F. Long-Term Debt

1. Primary Government

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2010 (in thousands of dollars):

Governmental Activities:

	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	NET OPEB OBLIGATION	SICK AND VACATION PAY	TOTAL
Debt Payable at July 1, 2009	\$ 1,115	\$ 260	\$ 333	\$ 185	\$ 504	\$ 2,397
New Debt Incurred	0	0	0	266	202	468
Debt Retired	(135)	(90)	(68)	(263)	(302)	(858)
Debt Payable at June 30, 2010	\$ 980	\$ 170	\$ 265	\$ 188	\$ 404	\$ 2,007
Due within one year	\$ 140	\$ 70	\$ 63	\$ 0	\$ 100	\$ 373

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

Debt payable at June 30, 2010 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

\$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of \$25,000 through October 1, 2010; interest at 5.50 percent	\$ 25
\$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of \$25,000 to \$35,000 through October 1, 2014; interest at 5.50 to 5.55 percent	150
\$310,000 1997 Building Authority Bonds due in annual installments of \$30,000 through October 1, 2012; interest at 5.15 to 5.25 percent	90
\$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$60,000 to \$85,000 through September 1, 2019; interest at 3.15 to 4.25 percent	715
	<u>\$ 980</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Special Assessment Bonds

\$425,000 Special Assessment Limited Tax Bonds due in annual installments of \$10,000 through October 1, 2010; interest at 5.65 percent	\$	10
\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2011; interest at 5.40 to 5.45 percent		45
\$210,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$10,000 through October 1, 2014; interest at 5.50 to 5.55 percent		30
\$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$30,000 through October 1, 2015; interest at 4.40 to 5.00 percent		85
	<u>\$</u>	<u>170</u>

Other Long-Term Debt:

\$212,653 Michigan Jobs Commission loan due in quarterly installments of \$4,430 beginning September 1, 2005 and running through December 1, 2016; this loan is interest-free	\$	115
\$235,000 Loan, due in annual installments of \$26,111 through 2014; interest at 3.00 percent		131
\$56,897 Loan, due in annual installments of \$18,897 to \$19,000 through 2011; this loan is interest free		19
Net OPEB obligation		188
Vested sick and vacation pay owed to City employees under various contracts and collective bargaining agreements (this debt is payable from the General Fund and various Special Revenue Funds)		404
	<u>\$</u>	<u>857</u>
	<u>\$</u>	<u>2,007</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The annual requirements to amortize debt outstanding other than the net OPEB obligation and vested sick and vacation pay as of June 30, 2010, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	TOTAL
2011				
PRINCIPAL	\$ 140	\$ 70	\$ 63	\$ 273
INTEREST	38	7	4	49
TOTAL	<u>\$ 178</u>	<u>\$ 77</u>	<u>\$ 67</u>	<u>\$ 322</u>
2012				
PRINCIPAL	\$ 120	\$ 55	\$ 44	\$ 219
INTEREST	33	4	3	40
TOTAL	<u>\$ 153</u>	<u>\$ 59</u>	<u>\$ 47</u>	<u>\$ 259</u>
2013				
PRINCIPAL	\$ 125	\$ 20	\$ 44	\$ 189
INTEREST	27	2	2	31
TOTAL	<u>\$ 152</u>	<u>\$ 22</u>	<u>\$ 46</u>	<u>\$ 220</u>
2014				
PRINCIPAL	\$ 100	\$ 10	\$ 44	\$ 154
INTEREST	23	1	2	26
TOTAL	<u>\$ 123</u>	<u>\$ 11</u>	<u>\$ 46</u>	<u>\$ 180</u>
2015				
PRINCIPAL	\$ 105	\$ 10	\$ 44	\$ 159
INTEREST	18	0	1	19
TOTAL	<u>\$ 123</u>	<u>\$ 10</u>	<u>\$ 45</u>	<u>\$ 178</u>
2016-2020				
PRINCIPAL	\$ 390	\$ 5	\$ 26	\$ 421
INTEREST	42	0	0	42
TOTAL	<u>\$ 432</u>	<u>\$ 5</u>	<u>\$ 26</u>	<u>\$ 463</u>
GRAND TOTAL				
PRINCIPAL	\$ 980	\$ 170	\$ 265	\$ 1,415
INTEREST	181	14	12	207
TOTAL	<u><u>\$ 1,161</u></u>	<u><u>\$ 184</u></u>	<u><u>\$ 277</u></u>	<u><u>\$ 1,622</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2010, (in thousands of dollars) reported in Business-Type Activities:

	REVENUE BONDS
Debt Payable at July 1, 2009	\$ 10,582
New Debt Incurred	283
Debt Retired	(705)
Debt Payable at June 30, 2010	\$ 10,160

Revenue Bonds:

\$3,870,000 Wastewater System Junior Lien Revenue Bonds due in annual installments of \$170,000 to \$220,205 through October 1, 2028; interest at 1.625 percent	\$ 3,700
\$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of \$5,000 to \$175,000 through September 1, 2019; interest at 4.70 to 4.90 percent	1,075
\$5,215,000 Water and Sewer Revenue and Revenue Refunding Bonds due in annual installments of \$80,000 to \$505,000 through September 1, 2026; interest at 4.60 to 5.125 percent	4,625
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$115,000 to \$140,000 through October 1, 2015; interest at 4.35 to 4.60 percent	760
	\$ 10,160
Less unamortized deferred charges	47
Long-term debt per Statement of Net Assets	\$ 10,113

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2010, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	REVENUE BONDS
2011	
PRINCIPAL	\$ 740
INTEREST	361
TOTAL	\$ 1,101
2012	
PRINCIPAL	\$ 770
INTEREST	331
TOTAL	\$ 1,101
2013	
PRINCIPAL	\$ 810
INTEREST	299
TOTAL	\$ 1,109
2014	
PRINCIPAL	\$ 515
INTEREST	274
TOTAL	\$ 789
2015	
PRINCIPAL	\$ 535
INTEREST	255
TOTAL	\$ 790
2016-2020	
PRINCIPAL	\$ 2,395
INTEREST	1,004
TOTAL	\$ 3,399
2021-2025	
PRINCIPAL	\$ 2,710
INTEREST	547
TOTAL	\$ 3,257
2026-2029	
PRINCIPAL	\$ 1,685
INTEREST	71
TOTAL	\$ 1,756
GRAND TOTAL	
PRINCIPAL	\$ 10,160
INTEREST	3,142
TOTAL	\$ 13,302

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

\$340,788 is available in the Debt Service Funds to service the General Obligation and Special Assessment bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

At June 30, 2010, outstanding revenue bonds (including prior year's refundings) of \$735,000 are considered to be defeased. These are by fund type, as follows:

Enterprise Funds	<u><u>\$ 735,000</u></u>
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2. Component Units

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2010, (in thousands of dollars) reported in discretely presented component units:

	<u>LONG-TERM DEBT</u>
Debt Payable at July 1, 2009	\$ 0
New Debt Incurred	75
Debt Retired	0
Debt Payable at June 30, 2010	<u><u>\$ 75</u></u>

Other Long-Term Debt:

\$75,000 Loan, due in annual installments of \$15,000 through 2015; interest at 3.00 percent	\$ 75
Vested sick and vacation pay owed to employees under various contracts and collective bargaining agreements	<u>5</u>
	<u><u>\$ 80</u></u>

G. Fund Balance Reserves and Designations

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NET ASSETS

Restricted		
General Fund		
Special Purposes		\$ 145,603
Permanent Funds		
Cemetery Perpetual Care Fund		
Expendable	\$ 203,369	
Nonexpendable	245,000	
Capital Projects Trust Fund		
Expendable	89,664	
Nonexpendable	511,666	1,049,699
Internal Service Funds		
Self-Insurance Fund		
Retirees' Life Insurance	188,866	
Employees' Life and Health Insurance	1,064,449	1,253,315
Water and Sewer Fund		
Debt Service		1,332,193
		\$ 3,780,810

FUND BALANCE/NET ASSETS

Reserved		
General Fund		
Prepaid Expenditures	\$ 53,015	
Mayor Wedding Fees	650	
Veterans Memorial	1,855	
Pistol Range	3,324	
Youth Services	844	
Drug Forfeiture	3,802	
Fire Safety House	1,859	
Blackburn Skate Park	8,566	
White Pine Trail	2,394	
CASA Field Use	2,520	
Diggins Hill Park	500	
Diggins Hill Courts	125,783	\$ 205,112

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Special Revenue Funds			
Major Street Fund			
Prepaid Expenditures	\$	525	
Local Street Fund			
Prepaid Expenditures		479	
Cemetery Operating Fund			
Capital Improvements		1,511	
Prepaid Expenditures		512	
Cadillac Development Fund			
Prepaid Expenditures		256	
Notes Receivable		117,042	
Advances		350,000	
Clam River Greenway Fund			
Parks and Recreation		24,118	
Milfoil Eradication Fund			
Milfoil Eradication		12,188	506,631
Debt Service Funds			
Reserved for Debt Service			
1996 Special Assessment Debt Retirement Fund	\$	80,138	
1996 Michigan Transportation Fund			
Debt Retirement Fund		4,519	
1997 Special Assessment Debt Retirement Fund		147,940	
1997 Building Authority Debt Retirement Fund		641	
2000 Special Assessment Debt Retirement Fund		99,322	
2000 Michigan Transportation Fund			
Debt Retirement Fund		1,809	
2002 Special Assessment Debt Retirement Fund		4,989	
2004 Capital Improvement Bonds			
Debt Retirement Fund		1,430	340,788
Capital Projects Fund			
Industrial Park Fund			
Industrial Development	\$	472,194	
Special Assessment Capital Projects Fund			
Special Assessment Project Construction		174,532	646,726

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Reserved

Permanent Funds

Cemetery Perpetual Care Fund

Cemetery Perpetual Care Endowment \$ 448,369

Capital Projects Trust Fund

Capital Projects Trust Fund 601,330 1,049,699

Fiduciary Fund

Policemen and Firemen Retirement System

Employee's Pension Benefits 5,990,329

Component Units

L.D.F.A. Capital Projects Fund

Capital Projects \$ 497,661

L.D.F.A. Operating Fund

Groundwater Cleanup 1,733,923

Downtown Development Authority

Prepaid Expenditures 138 2,231,722

TOTAL FUND BALANCE/NET ASSETS RESERVES

\$ 10,971,007

Unreserved - Designated

General Fund

Sick and Vacation \$ 404,226

Police and Fire Retirement 378,886

Working Capital 1,102,189 \$ 1,885,301

Special Revenue Funds

Major Street Fund

Street Improvements \$ 64,030

Local Street Fund

Street Improvements 202,063

Naval Reserve Fund

Roof Replacement 23,508 289,601

TOTAL FUND BALANCE DESIGNATIONS

\$ 2,174,902

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

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

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

B. Mortgages and Notes Receivable

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

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

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling \$170,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has funds set aside totaling \$299,438 to be used for retirement of these bonds. This amount is on deposit in the various special assessment debt retirement funds.

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2009, audited financial statements:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Total Assets	\$ 2,840,625
Total Liabilities	9,016
Investment in Capital Assets	2,483,196
Net Assets Invested in Capital Assets	2,483,196
Net Assets - Unrestricted	348,413
Total Revenues - Governmental and Business Type Activities	495,169
Total Expenses - Governmental and Business Type Activities	566,352
Change in Net Assets	(71,183)

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

Payroll Withholdings	\$ 1,573
Accrued Payroll	510
Customer Deposits	1,195
Deferred Revenue	5,738

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

E. Statement of Cash Flows

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

F. Due from Other Governments

Amounts due from other governments consist of \$304,230 in state-shared revenues, undrawn grants and contributions from local units.

G. Contingent Liabilities

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

H. Other Post Employment Benefits

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

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Contribution rates:		
City	Percentage of Payroll 10.56%	Percentage of Payroll 16.76%
Plan Members	\$25/Month - Single \$50/Month - Family	\$25/Month - Single \$50/Month - Family
Annual required contribution	\$ 224,274	\$ 251,240
Interest on net OPEB obligation	(13,922)	14,794
Adjustment to annual required contribution	9,726	(10,909)
Annual OPEB cost	220,078	255,125
Contributions made	(184,492)	(251,863)
Increase in net OPEB obligation	35,586	3,262
Net OPEB obligation - Beginning of Year	(174,029)	184,925
Net OPEB obligation - End of Year	\$ (138,443)	\$ 188,187

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2008	\$ 209,183	133.46%	\$ (91,366)
	6/30/2009	212,306	138.94%	(174,029)
	6/30/2010	220,078	83.83%	(138,443)
Policemen and Firemen Retiree	6/30/2008	229,088	115.17%	241,060
	6/30/2009	246,920	122.73%	184,925
	6/30/2010	255,125	98.72%	188,187

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

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Actuarial accrued liability (a)	\$ 1,963,259	\$ 2,634,900
Actuarial value of plan assets (b)	365,738	675,353
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 1,597,521</u>	<u>\$ 1,959,547</u>
Funded ratio (b) / (a)	18.63%	25.63%
Covered payroll (c)	\$ 1,627,725	\$ 1,498,636
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b))/(c))	98.14%	130.76%

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

I. Employee Retirement Systems

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

financial statements and required supplementary information for a single-employer pension plan. That report may be obtained by writing to the City of Cadillac, 200 North Lake Street, Cadillac, Michigan 49601.

Funding Policy. The contribution requirements of the City are established and may be amended by the retirement board. Police and fire department members are required to contribute 3.00% of their annual covered payroll. The City is required to contribute at actuarially determined rates; the current rates are 39.06% for police and 36.58% for fire of annual covered payroll. The City pays all costs of administering the plan.

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

Annual required contribution	\$ 504,692
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	\$ 504,692
Contributions made	504,692
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation beginning of year	0
Net pension obligation end of year	\$ 0

Three-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 558,831	100.0%	\$ 0
6/30/2009	567,170	100.0%	0
6/30/2010	504,692	100.0%	0

Funded Status and Funding Progress. As of June 30, 2009, the most recent actuarial valuation date, the plan was 65.6 percent funded. The actuarial accrued liability for benefits was \$10.0 million, and the actuarial value of assets was \$6.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.4 million, and the ratio of the UAAL to covered payroll was 245.4 percent.

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

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Actuarial Methods and Assumptions. The annual required contribution for the current year was determined as part of the June 30, 2009, actuarial valuation using the entry-age normal cost valuation method. The actuarial assumptions included (a) 7.50% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.20% to 8.0% per year. Both (a) and (b) included an inflation component of 4.00%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis over a period of 10 future years.

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

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 2.33% to 8.37% of annual covered payroll depending on division of employees. The contribution requirements of plan members and the City are established and may be amended by the MERS board of trustees.

Annual Pension Cost. For the year ended June 30, 2010, the annual pension cost of \$90,623 was equal to the City's required and actual contributions.

Three-Year Trend Information for MERS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 94,522	100.0%	\$ 0
6/30/2009	84,146	100.0%	0
6/30/2010	90,623	100.0%	0

Actuarial Methods and Assumptions. The required contribution was most recently determined as part of the December 31, 2009 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The difference in investment income between expected return and market return is recognized over a 10 year period at the rate of 10% per year. Positive unfunded accrued liability (if any) is amortized as a level percentage of payroll over a period of 28 years, while negative unfunded liability (if any) is amortized as a level percentage of payroll on an open basis over a period of 10 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 98.8 percent funded. The actuarial accrued liability for benefits was \$11,657,000 and the actuarial value of assets was \$11,520,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$137,000. The covered payroll (annual payroll of active employees covered by the plan) was \$2,743,000, and the ratio of the UAAL to the covered payroll was 4.99 percent.

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

J. Component Unit Disclosures

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

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

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Assets					
Current Assets	\$ 88,649	\$ 1,167	\$ 2,466,114	\$ 184,789	\$ 2,740,719
Capital Assets - Net	1,164,575	0	158,383	0	1,322,958
TOTAL ASSETS	\$ 1,253,224	\$ 1,167	\$ 2,624,497	\$ 184,789	\$ 4,063,677
Liabilities					
Current Liabilities	\$ 24,879	\$ 0	\$ 8,028	\$ 16,955	\$ 49,862
Long-Term Liabilities	60,000	0	0	0	60,000
TOTAL LIABILITIES	\$ 84,879	\$ 0	\$ 8,028	\$ 16,955	\$ 109,862

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Equity					
Invested in Capital Assets, Net of Related Debt	\$ 1,089,575	\$ 0	\$ 158,383	\$ 0	\$ 1,247,958
Net Assets	78,770	1,167	2,458,086	167,834	2,705,857
Total Equity	\$ 1,168,345	\$ 1,167	\$ 2,616,469	\$ 167,834	\$ 3,953,815
TOTAL LIABILITIES AND EQUITY	\$ 1,253,224	\$ 1,167	\$ 2,624,497	\$ 184,789	\$ 4,063,677

Statements of Changes in Net Assets

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Revenues	\$ 801,688	\$ 0	\$ 389,419	\$ 95,001	\$ 1,286,108
Expenses					
Operating and Other	\$ 90,915	\$ 0	\$ 238,296	\$ 119,285	\$ 448,496
Intergovernmental	31,300	0	0	0	31,300
Total Expenses	\$ 122,215	\$ 0	\$ 238,296	\$ 119,285	\$ 479,796
Change in Net Assets	\$ 679,473	\$ 0	\$ 151,123	\$ (24,284)	\$ 806,312
Equity - Beginning of Year	488,872	1,167	2,465,346	192,118	3,147,503
Equity - End of Year	\$ 1,168,345	\$ 1,167	\$ 2,616,469	\$ 167,834	\$ 3,953,815

K. Risk Management

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$541,068 for aggregate plan benefits paid to all participants per year. This policy also provides group life insurance coverage for all active City employees. All fund types are charged premiums based on the number of employees they have.

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

	2010	2009
Unpaid Claims, Beginning of Year	\$ 27,538	\$ 30,322
Incurred Claims (Including IBNR's)	308,177	475,873
Claim Payments	(294,389)	(478,657)
Unpaid Claims, End of Year	\$ 41,326	\$ 27,538

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

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

YEAR ENDED JUNE 30, 2010

	GENERAL FUND				MAJOR STREET FUND				LOCAL STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES												
Taxes	\$ 4,667,200	\$ 4,667,200	\$ 4,754,271	\$ 87,071	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	1,200	1,200	1,275	75	0	0	0	0	0	0	0	0
Federal Grants	205,000	270,000	268,668	(1,332)	0	0	0	0	0	0	0	0
State Grants	993,500	993,500	967,044	(26,456)	637,200	637,200	595,047	(42,153)	180,000	180,000	183,363	3,363
Contributions from Local Units	175,000	175,000	180,973	5,973	0	0	0	0	0	0	0	0
Charges for Services	1,052,700	1,052,700	986,391	(66,309)	0	0	0	0	0	0	0	0
Fines and Forfeits	29,000	29,000	41,874	12,874	0	0	0	0	0	0	0	0
Interest and Rents	71,500	71,500	75,617	4,117	1,000	1,000	28	(972)	2,500	2,500	204	(2,296)
Other Revenue	297,000	325,000	328,791	3,791	0	0	0	0	0	0	0	0
Total Revenues	\$ 7,492,100	\$ 7,585,100	\$ 7,604,904	\$ 19,804	\$ 638,200	\$ 638,200	\$ 595,075	\$ (43,125)	\$ 182,500	\$ 182,500	\$ 183,567	\$ 1,067
EXPENDITURES												
General Government	\$ 1,641,300	\$ 1,832,900	\$ 1,713,701	\$ 119,199	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	3,416,300	3,486,300	3,366,675	119,625	0	0	0	0	0	0	0	0
Public Works	884,200	859,200	840,022	19,178	625,200	625,200	560,646	64,554	761,700	761,700	704,706	56,994
Community and Economic Development	132,600	132,600	160,842	(28,242)	0	0	0	0	0	0	0	0
Culture and Recreation	293,300	329,700	217,057	112,643	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	34,200	34,200	30,811	3,389
Intergovernmental	353,500	353,500	327,227	26,273	0	0	0	0	0	0	0	0
Total Expenditures	\$ 6,721,200	\$ 6,994,200	\$ 6,625,524	\$ 368,676	\$ 625,200	\$ 625,200	\$ 560,646	\$ 64,554	\$ 795,900	\$ 795,900	\$ 735,517	\$ 60,383
Excess (Deficiency) of Revenues Over Expenditures	\$ 770,900	\$ 590,900	\$ 979,380	\$ 388,480	\$ 13,000	\$ 13,000	\$ 34,429	\$ 21,429	\$ (613,400)	\$ (613,400)	\$ (551,950)	\$ 61,450
OTHER FINANCING SOURCES (USES)												
Transfers In	\$ 0	\$ 0	\$ 1,310	\$ 1,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 650,000	\$ 650,000	\$ 650,000	\$ 0
Transfers Out	(862,400)	(862,400)	(722,400)	140,000	(19,000)	(19,000)	(19,000)	0	(133,100)	(133,100)	(133,100)	0
Total Other Financing Sources (Uses)	\$ (862,400)	\$ (862,400)	\$ (721,090)	\$ 141,310	\$ (19,000)	\$ (19,000)	\$ (19,000)	\$ 0	\$ 516,900	\$ 516,900	\$ 516,900	\$ 0
Net Change in Fund Balance	\$ (91,500)	\$ (271,500)	\$ 258,290	\$ 529,790	\$ (6,000)	\$ (6,000)	\$ 15,429	\$ 21,429	\$ (96,500)	\$ (96,500)	\$ (35,050)	\$ 61,450
FUND BALANCE - Beginning of Year	1,945,345	2,358,215	2,358,215	0	12,450	49,126	49,126	0	232,711	237,592	237,592	0
FUND BALANCE - End of Year	\$ 1,853,845	\$ 2,086,715	\$ 2,616,505	\$ 529,790	\$ 6,450	\$ 43,126	\$ 64,555	\$ 21,429	\$ 136,211	\$ 141,092	\$ 202,542	\$ 61,450

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

General Health Care Plan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2004	6/30/2005	\$ 50,000	\$ 1,133,778	\$ 1,083,778	4.41%	\$ 1,384,857	78.26%
12/31/2004	6/30/2006	167,234	1,133,778	966,544	14.75%	1,447,176	66.79%
12/31/2006	6/30/2007	162,619	1,963,259	1,800,640	8.28%	1,512,299	119.07%
12/31/2006	6/30/2008	217,839	1,963,259	1,745,420	11.10%	1,490,557	117.10%
12/31/2006	6/30/2009	290,223	1,963,259	1,673,036	14.78%	1,557,632	107.41%
12/31/2006	6/30/2010	365,738	1,963,259	1,597,521	18.63%	1,627,725	98.14%

Policemen and Firemen Retiree Health Care

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2004	6/30/2005	\$ 50,000	\$ 2,045,075	\$ 1,995,075	2.44%	\$ 1,111,519	179.49%
12/31/2004	6/30/2006	185,623	2,045,075	1,859,452	9.08%	1,161,537	160.09%
12/31/2006	6/30/2007	263,030	2,634,900	2,371,870	9.98%	1,213,806	195.41%
12/31/2006	6/30/2008	399,724	2,634,900	2,235,176	15.17%	1,385,573	161.32%
12/31/2006	6/30/2009	538,241	2,634,900	2,096,659	20.43%	1,440,996	145.50%
12/31/2006	6/30/2010	675,353	2,634,900	1,959,547	25.63%	1,498,636	130.76%

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

(Dollar amounts in thousands)

Policemen and Firemen Retirement System

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2007	6/30/2008	\$ 6,604	\$ 9,992	\$ 3,388	66.1%	\$ 1,483	228.46%
6/30/2008	6/30/2009	7,080	9,936	2,856	71.3%	1,390	205.47%
6/30/2009	6/30/2010	6,549	9,985	3,436	65.6%	1,400	245.43%

Municipal Employees Retirement System of Michigan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2007	6/30/2008	\$ 11,469	\$ 10,848	\$ (621)	105.7%	\$ 2,444	-25.41%
12/31/2008	6/30/2009	11,562	11,538	(24)	100.2%	2,552	-0.94%
12/31/2009	6/30/2010	11,520	11,657	137	98.8%	2,743	4.99%

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2010

I. Budgetary Information

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR STREET FUND

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

LOCAL STREET FUND

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

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 4,294	\$ 45,689
Investments	2,640,882	2,296,215
Receivables		
Taxes	4,827	2,577
Accounts	45,440	53,581
Note	0	35,476
Accrued Interest	17,949	20,799
Due from Other Funds	21,270	66,946
Due from Other Governments	167,586	146,011
Prepaid Expenditures	53,015	116,572
TOTAL ASSETS	<u>\$ 2,955,263</u>	<u>\$ 2,783,866</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 147,854	\$ 139,867
Accrued Expenditures	110,681	120,158
Due to Other Funds	54,499	59,180
Due to Other Governments	185	0
Deferred Revenue	25,539	106,446
Total Liabilities	<u>\$ 338,758</u>	<u>\$ 425,651</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 53,015	\$ 116,572
Mayor Wedding Fees	650	100
Pistol Range	3,324	2,579
Veterans Memorial	1,855	1,855
Youth Services	844	844
Drug Forfeiture	3,802	2,800
Fire Safety House	1,859	1,859
Blackburn Skate Park	8,566	8,729
CASA Field Use	2,520	0
White Pine Trail	2,394	2,394
Diggins Hill Park	500	0
Diggins Hill Courts	125,783	80,276
Unreserved		
Designated for:		
Sick and Vacation	404,226	758,849
Working Capital	1,102,189	1,107,629
Police and Fire Retirement	378,886	273,729
Undesignated	526,092	0
Total Fund Balance	<u>\$ 2,616,505</u>	<u>\$ 2,358,215</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 2,955,263</u>	 <u>\$ 2,783,866</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$ 4,667,200	\$ 4,667,200	\$ 4,754,271	\$ 4,712,419
Licenses and Permits	1,200	1,200	1,275	2,050
Federal Grants	205,000	270,000	268,668	25,741
State Grants	993,500	993,500	967,044	1,065,068
Contributions from Local Units	175,000	175,000	180,973	175,897
Charges for Services	1,052,700	1,052,700	986,391	1,028,973
Fines and Forfeits	29,000	29,000	41,874	39,802
Interest and Rents	71,500	71,500	75,617	84,705
Other Revenue	297,000	325,000	328,791	556,809
Total Revenues	<u>\$ 7,492,100</u>	<u>\$ 7,585,100</u>	<u>\$ 7,604,904</u>	<u>\$ 7,691,464</u>
<u>EXPENDITURES</u>				
General Government	\$ 1,641,300	\$ 1,832,900	\$ 1,713,701	\$ 1,655,390
Public Safety	3,416,300	3,486,300	3,366,675	3,212,768
Public Works	884,200	859,200	840,022	888,846
Community and Economic Development	132,600	132,600	160,842	165,850
Culture and Recreation	293,300	329,700	217,057	217,600
Intergovernmental	353,500	353,500	327,227	381,040
Total Expenditures	<u>\$ 6,721,200</u>	<u>\$ 6,994,200</u>	<u>\$ 6,625,524</u>	<u>\$ 6,521,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 770,900</u>	<u>\$ 590,900</u>	<u>\$ 979,380</u>	<u>\$ 1,169,970</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 0	\$ 0	\$ 1,310	\$ 25,000
Transfers Out	(862,400)	(862,400)	(722,400)	(862,700)
Total Other Financing Sources (Uses)	<u>\$ (862,400)</u>	<u>\$ (862,400)</u>	<u>\$ (721,090)</u>	<u>\$ (837,700)</u>
Net Change in Fund Balance	<u>\$ (91,500)</u>	<u>\$ (271,500)</u>	<u>\$ 258,290</u>	<u>\$ 332,270</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>1,945,345</u>	<u>2,358,215</u>	<u>2,358,215</u>	<u>2,025,945</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,853,845</u>	<u>\$ 2,086,715</u>	<u>\$ 2,616,505</u>	<u>\$ 2,358,215</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

<u>REVENUES</u>	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>Taxes</u>			
Property Tax	\$ 4,205,000	\$ 4,205,000	\$ 4,262,571
Industrial Facilities Tax	130,000	130,000	115,128
Property Tax Administration Fee	140,000	140,000	140,036
Trailer Park Fees	2,200	2,200	2,151
Penalties and Interest	45,000	45,000	58,144
Payments in Lieu of Tax			
Housing Commission	70,000	70,000	98,426
Community Antenna Television	75,000	75,000	77,815
Total Taxes	<u>\$ 4,667,200</u>	<u>\$ 4,667,200</u>	<u>\$ 4,754,271</u>
<u>Licenses and Permits</u>			
Business Licenses	\$ 1,200	\$ 1,200	\$ 1,275
<u>Federal Grants</u>			
DHS Grant - Exercise Equipment	\$ 0	\$ 25,000	\$ 19,516
COPS CHRP Grant	0	40,000	39,446
FEMA Fire Truck Grant	205,000	205,000	207,575
Safe Routes to Schools Grants	0	0	2,131
Total Federal Grants	<u>\$ 205,000</u>	<u>\$ 270,000</u>	<u>\$ 268,668</u>
<u>State Grants</u>			
Sales and Use Tax	\$ 950,000	\$ 950,000	\$ 873,412
Telecommunications Right of Way Maintenance	32,000	32,000	33,670
Liquor Licenses	8,000	8,000	19,219
MJTC Grant	3,500	3,500	3,149
Other State Grants	0	0	37,594
Total State Grants	<u>\$ 993,500</u>	<u>\$ 993,500</u>	<u>\$ 967,044</u>
<u>Contributions from Local Units</u>			
Fire Protection	\$ 175,000	\$ 175,000	\$ 180,973

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Charges for Services			
Northflight Ambulance	\$ 55,000	\$ 55,000	\$ 55,621
Zoning Fees	2,000	2,000	1,395
Exemption Certificate Fees	1,000	1,000	1,200
Police Charges	3,000	3,000	2,565
Rental Housing Ordinance Fees	6,000	6,000	9,020
Engineering Fees	24,000	24,000	530
Solid Waste Collection	635,000	635,000	584,976
Sale of Maps and Ordinances	1,000	1,000	509
Administration	325,700	325,700	325,700
Miscellaneous	0	0	4,875
	<hr/>	<hr/>	<hr/>
Total Charges for Services	\$ 1,052,700	\$ 1,052,700	\$ 986,391
	<hr/>	<hr/>	<hr/>
Fines and Forfeits			
Violation Bureau and Ordinance Fines	\$ 29,000	\$ 29,000	\$ 41,874
	<hr/>	<hr/>	<hr/>
Interest and Rents			
Interest	\$ 70,000	\$ 70,000	\$ 70,742
Land and Building Rental	1,500	1,500	4,875
	<hr/>	<hr/>	<hr/>
Total Interest and Rents	\$ 71,500	\$ 71,500	\$ 75,617
	<hr/>	<hr/>	<hr/>
Other Revenue			
Contributions and Donations from Private Sources	\$ 27,000	\$ 55,000	\$ 46,447
Reimbursements - Housing Commission	250,000	250,000	223,826
Sale of Property and Equipment	10,000	10,000	39,147
Miscellaneous (Refunds and Rebates)	10,000	10,000	19,371
	<hr/>	<hr/>	<hr/>
Total Other Revenue	\$ 297,000	\$ 325,000	\$ 328,791
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	<u>\$ 7,492,100</u>	<u>\$ 7,585,100</u>	<u>\$ 7,604,904</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
Rental Rehabilitation Grant Fund	\$ 0	\$ 0	\$ 840
1992 Special Assessment Fund	0	0	470
	<hr/>	<hr/>	<hr/>
Total Transfers In	\$ 0	\$ 0	\$ 1,310
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
GENERAL GOVERNMENT			
Legislative			
Personal Services	\$ 15,300	\$ 15,300	\$ 14,886
Employee Benefits	1,300	1,300	1,157
Office Supplies	1,800	1,800	1,065
Contractual Services	1,500	1,500	1,638
Data Processing	9,300	9,300	9,300
Dues and Publications	7,000	7,000	6,230
Travel and Education	10,000	10,000	6,159
Ordinances and Proceedings	5,000	5,000	4,497
	<u>\$ 51,200</u>	<u>\$ 51,200</u>	<u>\$ 44,932</u>
City Manager			
Personal Services	\$ 132,000	\$ 158,000	\$ 148,401
Employee Benefits	34,600	45,000	41,205
Office Supplies	1,500	1,500	1,055
Postage	200	200	0
Contractual Services	0	10,600	10,526
Data Processing	3,500	3,500	3,500
Dues and Publications	3,000	3,000	2,467
Telephone	1,000	1,000	746
Travel and Education	5,000	13,000	14,639
Car Allowance	0	0	1,050
Vehicle Repair and Maintenance	1,400	1,400	0
Vehicle Lease	4,400	4,400	3,204
	<u>\$ 186,600</u>	<u>\$ 241,600</u>	<u>\$ 226,793</u>
Assistant City Manager			
Personal Services	\$ 66,500	\$ 95,500	\$ 81,837
Employee Benefits	16,700	22,700	18,287
Office Supplies	3,000	3,000	1,186
Postage	1,000	1,000	231
Contractual Services	40,000	40,000	52,320
Data Processing	3,500	3,500	3,500
Dues and Publications	2,000	2,000	1,960
Telephone	800	800	705
Travel and Education	3,000	3,000	2,258
Suggestion Award Program	500	500	1,000
	<u>\$ 137,000</u>	<u>\$ 172,000</u>	<u>\$ 163,284</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Finance			
Personal Services	\$ 121,000	\$ 121,000	\$ 121,443
Employee Benefits	42,500	42,500	39,509
Office Supplies	8,000	8,000	6,351
Postage	2,500	2,500	201
Audit	12,000	12,000	9,500
Data Processing	28,000	28,000	28,000
Dues and Publications	3,000	3,000	3,110
Telephone	1,000	1,000	918
Travel and Education	5,000	5,000	5,733
	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 214,765</u>
Assessor			
Postage	\$ 3,000	\$ 3,000	\$ 4,734
Contractual Services	10,000	10,000	13,983
Wexford County Contract	100,000	100,000	95,525
Data Processing	18,000	18,000	18,000
Board of Review	1,600	1,600	1,246
	<u>\$ 132,600</u>	<u>\$ 132,600</u>	<u>\$ 133,488</u>
City Clerk/Treasurer			
Personal Services	\$ 143,500	\$ 173,500	\$ 165,652
Employee Benefits	74,700	79,700	70,447
Office Supplies	3,000	3,000	1,520
Postage	9,000	9,000	14,064
Data Processing	40,000	40,000	40,000
Dues and Publications	600	600	553
Travel and Education	1,500	1,500	3,951
Bad Debt Expense	15,000	15,000	752
	<u>\$ 287,300</u>	<u>\$ 322,300</u>	<u>\$ 296,939</u>
Election			
Personal Services	\$ 7,500	\$ 7,500	\$ 1,682
Office Supplies	4,000	4,000	3,637
	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 5,319</u>
Building and Grounds			
Personal Services	\$ 38,000	\$ 38,000	\$ 37,959
Employee Benefits	17,300	17,300	14,396
Operating Supplies	14,000	14,000	13,269
Contractual Services	10,100	10,100	6,025

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Service and Lease Contracts	8,400	8,400	7,962
Data Processing	5,500	5,500	5,500
Insurance	94,000	94,000	88,641
Utilities	96,200	96,200	80,486
Repairs and Maintenance	16,000	16,000	21,420
Equipment Rental	7,700	7,700	7,245
Capital Outlay	0	0	4,151
Parking Lot	2,300	2,300	2,260
	<u>\$ 309,500</u>	<u>\$ 309,500</u>	<u>\$ 289,314</u>
Legal			
Office Supplies	\$ 1,500	\$ 1,500	\$ 376
Contractual Services	81,000	130,000	127,055
Wexford County Contract	0	7,600	0
Travel and Education	1,000	1,000	0
	<u>\$ 83,500</u>	<u>\$ 140,100</u>	<u>\$ 127,431</u>
Engineer			
Personal Services	\$ 121,000	\$ 121,000	\$ 113,098
Employee Benefits	61,600	61,600	53,606
Office Supplies	3,500	3,500	3,141
Postage	200	200	0
Contractual Services	8,000	8,000	9,650
Data Processing	20,000	20,000	20,000
Dues and Publications	1,500	1,500	242
Telephone	500	500	489
Travel and Education	800	800	170
Equipment Rental	2,000	2,000	1,040
Capital Outlay	0	10,000	10,000
	<u>\$ 219,100</u>	<u>\$ 229,100</u>	<u>\$ 211,436</u>
Total General Government	<u>\$ 1,641,300</u>	<u>\$ 1,832,900</u>	<u>\$ 1,713,701</u>

PUBLIC SAFETY

Police Department

Personal Services

Supervisory	\$ 99,500	\$ 99,500	\$ 99,772
Regular	695,000	718,000	732,015
Staff	61,000	61,000	49,842
Crossing Guards	7,500	7,500	6,173
Volunteers	4,000	4,000	1,199
Summer Patrol	18,000	18,000	20,738
Overtime	60,000	60,000	67,586

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Employee Benefits	678,300	695,300	656,394
Office Supplies	6,500	6,500	6,726
Operating Supplies	39,000	39,000	40,041
Community Service Supplies	1,000	1,000	853
Uniform Cleaning	9,500	9,500	9,250
Data Processing	55,000	55,000	55,030
Dues and Publications	2,000	2,000	1,316
Radio and Equipment Maintenance	7,500	7,500	3,188
Telephone	4,000	4,000	2,748
Travel and Education	20,000	20,000	15,882
Vehicle Repairs and Maintenance	23,500	23,500	24,293
Uniforms and Maintenance	10,000	10,000	10,156
Equipment Rental	23,000	23,000	9,262
Vehicle Lease	2,900	2,900	2,766
Copier Lease	3,500	3,500	2,603
Capital Outlay	23,000	23,000	24,631
	<u>\$ 1,853,700</u>	<u>\$ 1,893,700</u>	<u>\$ 1,842,464</u>
Code Enforcement			
Personal Services	\$ 20,200	\$ 20,200	\$ 20,760
Employee Benefits	10,100	10,100	8,907
Office Supplies	1,000	1,000	0
	<u>\$ 31,300</u>	<u>\$ 31,300</u>	<u>\$ 29,667</u>
Fire Department			
Personal Services			
Supervisory	\$ 37,500	\$ 37,500	\$ 37,154
Regular	500,000	500,000	482,800
Staff	10,000	10,000	0
Volunteers	36,000	36,000	19,075
Overtime	115,000	115,000	145,682
Employee Benefits	489,600	489,600	432,828
Office Supplies	1,500	1,500	1,746
Operating Supplies	21,500	21,500	22,716
Community Service Supplies	1,500	1,500	1,694
Uniform Cleaning	2,800	2,800	2,722
Subsistence Allowance	13,500	13,500	15,684
Data Processing	11,000	11,000	11,000
Dues and Publications	2,500	2,500	2,037
Radio and Equipment Maintenance	8,500	8,500	5,585
Telephone	1,200	1,200	1,214
Travel and Education	10,000	10,000	8,382

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Vehicle Repairs and Maintenance	20,000	20,000	35,442
Uniforms and Maintenance	14,000	14,000	13,380
Vehicle Lease	4,200	4,200	3,013
Employee Safety	5,200	5,200	0
Capital Outlay	225,800	255,800	252,390
	<u>\$ 1,531,300</u>	<u>\$ 1,561,300</u>	<u>\$ 1,494,544</u>
Total Public Safety	<u>\$ 3,416,300</u>	<u>\$ 3,486,300</u>	<u>\$ 3,366,675</u>
 <u>PUBLIC WORKS</u>			
Miscellaneous			
Personal Services	\$ 5,900	\$ 5,900	\$ 4,365
Employee Benefits	2,800	2,800	1,937
Street Lighting	110,000	110,000	134,522
Maintenance of Dam	2,500	2,500	2,362
Equipment Rental	19,900	19,900	15,106
Hydrant Rental	23,200	23,200	24,865
Property Taxes	5,000	5,000	3,457
	<u>\$ 169,300</u>	<u>\$ 169,300</u>	<u>\$ 186,614</u>
Sidewalks and Alleys			
Personal Services	\$ 6,600	\$ 6,600	\$ 4,209
Employee Benefits	4,000	4,000	1,853
Operating Supplies	0	0	2,614
Equipment Rental	18,800	18,800	11,608
	<u>\$ 29,400</u>	<u>\$ 29,400</u>	<u>\$ 20,284</u>
Leaves			
Personal Services	\$ 4,500	\$ 4,500	\$ 4,293
Employee Benefits	2,700	2,700	2,152
Equipment Rental	32,000	32,000	27,129
	<u>\$ 39,200</u>	<u>\$ 39,200</u>	<u>\$ 33,574</u>
Grass and Weed Control			
Personal Services	\$ 7,200	\$ 7,200	\$ 7,130
Employee Benefits	4,300	4,300	3,780
Equipment Rental	23,900	23,900	22,954
	<u>\$ 35,400</u>	<u>\$ 35,400</u>	<u>\$ 33,864</u>
Composting			
Personal Services	\$ 1,500	\$ 1,500	\$ 1,318
Employee Benefits	900	900	621
Equipment Rental	2,800	2,800	3,126
	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 5,065</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Waste Removal			
Personal Services	\$ 100	\$ 100	\$ 32
Employee Benefits	100	100	16
Operating Supplies	100	100	0
Removal Contract	600,000	575,000	556,575
Equipment Rental	100	100	11
County Landfill Fees	5,300	5,300	3,987
	<u>\$ 605,700</u>	<u>\$ 580,700</u>	<u>\$ 560,621</u>
Total Public Works	<u>\$ 884,200</u>	<u>\$ 859,200</u>	<u>\$ 840,022</u>

COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development			
Community Development	\$ 0	\$ 0	\$ 36,390

Planning and Zoning			
Personal Services	\$ 61,000	\$ 61,000	\$ 61,317
Employee Benefits	29,500	29,500	26,799
Office Supplies	2,000	2,000	1,806
Postage	500	500	0
Data Processing	2,500	2,500	2,500
Dues and Publications	400	400	607
Telephone	500	500	429
Travel and Education	500	500	105
Publisher's Costs	1,000	1,000	930
	<u>\$ 97,900</u>	<u>\$ 97,900</u>	<u>\$ 94,493</u>

Community Promotions			
Personal Services	\$ 7,500	\$ 7,500	\$ 7,120
Employee Benefits	4,500	4,500	3,437
Operating Supplies	2,000	2,000	1,253
Newsletter	2,500	2,500	2,081
Contractual Services	7,800	7,800	3,533
Utilities	1,600	1,600	1,235
Equipment Rental	6,800	6,800	8,688
Special Projects	0	0	612
Chamber of Commerce	2,000	2,000	2,000
	<u>\$ 34,700</u>	<u>\$ 34,700</u>	<u>\$ 29,959</u>
Total Community and Economic Development	<u>\$ 132,600</u>	<u>\$ 132,600</u>	<u>\$ 160,842</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2010

	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>CULTURE AND RECREATION</u>			
Arts Commission			
Contractual Services	\$ 10,500	\$ 10,500	\$ 10,500
Municipal Parks			
Personal Services	\$ 81,300	\$ 81,300	\$ 81,031
Employee Benefits	20,200	20,200	27,999
Operating Supplies	17,700	17,700	18,306
Contractual Services	2,300	2,300	6,533
Data Processing	1,000	1,000	1,000
Telephone	500	500	608
Travel and Education	200	200	0
Utilities	18,600	18,600	21,331
Repairs and Maintenance	23,400	23,400	18,953
Equipment Rental	11,200	11,200	11,029
Building Rental	1,100	1,100	1,100
Capital Outlay	105,300	141,700	18,667
	<u>\$ 282,800</u>	<u>\$ 319,200</u>	<u>\$ 206,557</u>
Total Culture and Recreation	<u>\$ 293,300</u>	<u>\$ 329,700</u>	<u>\$ 217,057</u>
<u>INTERGOVERNMENTAL EXPENDITURES</u>			
Recreation			
Cadillac Community Schools Recreation Program	\$ 66,200	\$ 66,200	\$ 66,200
Housing			
Cadillac Housing Commission	250,000	250,000	224,280
Airport			
Wexford County Airport Authority	35,000	35,000	35,000
Clam Lake Township	2,300	2,300	1,747
	<u>\$ 353,500</u>	<u>\$ 353,500</u>	<u>\$ 327,227</u>
Total Intergovernmental Expenditures	<u>\$ 353,500</u>	<u>\$ 353,500</u>	<u>\$ 327,227</u>
TOTAL EXPENDITURES	<u>\$ 6,721,200</u>	<u>\$ 6,994,200</u>	<u>\$ 6,625,524</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
Local Street Fund	\$ 650,000	\$ 650,000	\$ 650,000
Police and Firemen Retirement System	140,000	140,000	0
Cemetery Operating Fund	72,400	72,400	72,400
	<u>\$ 862,400</u>	<u>\$ 862,400</u>	<u>\$ 722,400</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 819	\$ 1,637
Due from Other Governments	84,443	92,819
Prepaid Expenditures	525	1,668
TOTAL ASSETS	<u>\$ 85,787</u>	<u>\$ 96,124</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 500	\$ 1,410
Accrued Expenditures	5,022	4,458
Due to Other Funds	15,710	41,130
Total Liabilities	<u>\$ 21,232</u>	<u>\$ 46,998</u>
 <u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 525	\$ 1,668
Unreserved		
Designated for Street Improvements	64,030	47,458
Total Fund Balance	<u>\$ 64,555</u>	<u>\$ 49,126</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 85,787</u>	<u>\$ 96,124</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
FEMA Grant	\$ 0	\$ 0	\$ 0	\$ 2,923
State Grants				
Motor Vehicle Highway Fund (Act 51)	500,000	500,000	488,844	501,363
State Trunkline Maintenance	137,200	137,200	106,203	172,499
Interest and Rents				
Interest	1,000	1,000	28	113
 Total Revenues	 \$ 638,200	 \$ 638,200	 \$ 595,075	 \$ 676,898
<u>EXPENDITURES</u>				
Major Streets				
Construction - Streets	\$ 5,000	\$ 5,000	\$ 11,867	\$ 6,464
Surface Maintenance				
Personal Services	\$ 13,600	\$ 13,600	\$ 15,247	\$ 12,647
Employee Benefits	8,200	8,200	7,402	6,203
Materials	8,300	8,300	10,965	8,860
Equipment Rental	14,700	14,700	15,905	15,965
	\$ 44,800	\$ 44,800	\$ 49,519	\$ 43,675
Sweeping and Flushing				
Personal Services	\$ 4,800	\$ 4,800	\$ 4,033	\$ 2,626
Employee Benefits	2,900	2,900	2,015	1,530
Equipment Rental	25,200	25,200	27,217	19,015
	\$ 32,900	\$ 32,900	\$ 33,265	\$ 23,171

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Forestry				
Personal Services	\$ 12,300	\$ 12,300	\$ 12,683	\$ 13,461
Employee Benefits	7,400	7,400	5,942	6,218
Materials	4,500	4,500	6,995	3,452
Contractual Services	4,000	4,000	600	2,904
Travel and Education	800	800	165	705
Repairs and Maintenance	300	300	18	63
Equipment Rental	21,200	21,200	22,550	25,861
	<u>\$ 50,500</u>	<u>\$ 50,500</u>	<u>\$ 48,953</u>	<u>\$ 52,664</u>
Catch Basins				
Personal Services	\$ 9,000	\$ 9,000	\$ 5,209	\$ 4,440
Employee Benefits	5,000	5,000	2,419	2,321
Materials	1,100	1,100	417	758
Contractual Services	2,600	2,600	0	0
Equipment Rental	12,500	12,500	15,382	9,996
	<u>\$ 30,200</u>	<u>\$ 30,200</u>	<u>\$ 23,427</u>	<u>\$ 17,515</u>
Drainage				
Personal Services	\$ 6,200	\$ 6,200	\$ 6,527	\$ 6,763
Employee Benefits	3,700	3,700	3,220	3,212
Materials	200	200	0	0
Equipment Rental	3,200	3,200	3,284	3,932
	<u>\$ 13,300</u>	<u>\$ 13,300</u>	<u>\$ 13,031</u>	<u>\$ 13,907</u>
Traffic Services				
Personal Services	\$ 18,800	\$ 18,800	\$ 17,336	\$ 17,267
Employee Benefits	9,000	9,000	8,221	8,380
Materials	15,700	15,700	8,654	12,535
Contractual Services	15,400	15,400	19,543	17,751
Equipment Rental	8,700	8,700	8,949	12,101
	<u>\$ 67,600</u>	<u>\$ 67,600</u>	<u>\$ 62,703</u>	<u>\$ 68,034</u>
Winter Maintenance				
Personal Services	\$ 25,500	\$ 25,500	\$ 19,820	\$ 30,436
Employee Benefits	15,300	15,300	9,291	13,577
Materials	14,700	14,700	20,791	24,058
Equipment Rental	80,000	80,000	72,223	108,597
	<u>\$ 135,500</u>	<u>\$ 135,500</u>	<u>\$ 122,125</u>	<u>\$ 176,668</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	BUDGET		2010	2009
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Administration				
Personal Services	\$ 48,000	\$ 48,000	\$ 48,653	\$ 48,195
Employee Benefits	22,900	22,900	18,006	21,702
Materials	100	100	0	0
Audit	2,100	2,100	1,500	1,600
Data Processing	8,000	8,000	8,000	8,000
Travel and Education	0	0	0	226
Equipment Rental	7,500	7,500	7,449	7,449
Administrative	19,600	19,600	19,600	25,200
	<u>\$ 108,200</u>	<u>\$ 108,200</u>	<u>\$ 103,208</u>	<u>\$ 112,372</u>
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	\$ 4,000	\$ 4,000	\$ 1,325	\$ 5,952
Employee Benefits	2,400	2,400	631	2,900
Materials	1,900	1,900	638	3,051
Equipment Rental	4,900	4,900	1,436	5,938
	<u>\$ 13,200</u>	<u>\$ 13,200</u>	<u>\$ 4,030</u>	<u>\$ 17,841</u>
Sweeping and Flushing				
Personal Services	\$ 800	\$ 800	\$ 881	\$ 730
Employee Benefits	500	500	427	380
Equipment Rental	4,400	4,400	5,083	3,612
	<u>\$ 5,700</u>	<u>\$ 5,700</u>	<u>\$ 6,391</u>	<u>\$ 4,722</u>
Traffic Signals				
Utilities	\$ 7,500	\$ 7,500	\$ 6,222	\$ 5,954
Trees and Shrubs				
Personal Services	\$ 600	\$ 600	\$ 381	\$ 236
Employee Benefits	400	400	141	116
Equipment Rental	800	800	311	185
	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 833</u>	<u>\$ 537</u>
Drainage				
Personal Services	\$ 4,400	\$ 4,400	\$ 1,334	\$ 516
Employee Benefits	2,300	2,300	618	206
Equipment Rental	1,800	1,800	4,125	37
	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 6,077</u>	<u>\$ 759</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Winter Maintenance				
Personal Services	\$ 16,300	\$ 16,300	\$ 11,927	\$ 19,176
Employee Benefits	9,800	9,800	5,491	8,521
Materials	17,000	17,000	17,142	22,793
Equipment Rental	42,000	42,000	26,160	53,992
	<u>\$ 85,100</u>	<u>\$ 85,100</u>	<u>\$ 60,720</u>	<u>\$ 104,482</u>
Snow Hauling				
Personal Services	\$ 4,000	\$ 4,000	\$ 2,239	\$ 4,906
Employee Benefits	2,400	2,400	1,031	2,111
Equipment Rental	9,000	9,000	5,005	10,740
	<u>\$ 15,400</u>	<u>\$ 15,400</u>	<u>\$ 8,275</u>	<u>\$ 17,757</u>
 Total Expenditures	 <u>\$ 625,200</u>	 <u>\$ 625,200</u>	 <u>\$ 560,646</u>	 <u>\$ 666,522</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ 13,000</u>	 <u>\$ 13,000</u>	 <u>\$ 34,429</u>	 <u>\$ 10,376</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
2004 Capital Improvement				
Bonds Debt Retirement Fund	(19,000)	(19,000)	(19,000)	(18,000)
 Net Change in Fund Balance	 <u>\$ (6,000)</u>	 <u>\$ (6,000)</u>	 <u>\$ 15,429</u>	 <u>\$ (7,624)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>12,450</u>	 <u>49,126</u>	 <u>49,126</u>	 <u>56,750</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 6,450</u>	 <u>\$ 43,126</u>	 <u>\$ 64,555</u>	 <u>\$ 49,126</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 181,473	\$ 218,672
Due from Other Governments	30,032	30,138
Prepaid Expenditures	479	1,537
	<hr/>	<hr/>
TOTAL ASSETS	\$ 211,984	\$ 250,347
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 499	\$ 4,007
Accrued Expenditures	8,943	8,748
	<hr/>	<hr/>
Total Liabilities	\$ 9,442	\$ 12,755
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 479	\$ 1,537
Unreserved		
Designated for Street Improvements	202,063	236,055
	<hr/>	<hr/>
Total Fund Balance	\$ 202,542	\$ 237,592
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 211,984	\$ 250,347
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
Community Development Block Grant	\$ 0	\$ 0	\$ 0	\$ 15,928
FEMA Grant	0	0	0	5,828
State Grants				
Motor Vehicle Highway Fund (Act 51)	180,000	180,000	183,363	186,629
Interest and Rents				
Interest	2,500	2,500	204	205
Total Revenues	<u>\$ 182,500</u>	<u>\$ 182,500</u>	<u>\$ 183,567</u>	<u>\$ 208,590</u>
<u>EXPENDITURES</u>				
Street Construction				
Contractual Services	\$ 240,000	\$ 240,000	\$ 205,803	\$ 88,342
Surface Maintenance				
Personal Services	\$ 17,200	\$ 17,200	\$ 17,643	\$ 14,400
Employee Benefits	10,300	10,300	8,567	6,798
Materials	12,000	12,000	14,583	11,535
Equipment Rental	23,400	23,400	34,160	24,397
	<u>\$ 62,900</u>	<u>\$ 62,900</u>	<u>\$ 74,953</u>	<u>\$ 57,130</u>
Sweeping and Flushing				
Personal Services	\$ 7,700	\$ 7,700	\$ 7,165	\$ 6,953
Employee Benefits	4,600	4,600	3,868	3,496
Equipment Rental	52,700	52,700	47,290	45,649
	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 58,323</u>	<u>\$ 56,098</u>
Forestry				
Personal Services	\$ 26,000	\$ 26,000	\$ 25,525	\$ 22,793
Employee Benefits	15,600	15,600	11,820	11,651
Materials	5,400	5,400	5,601	4,416
Contractual Services	2,700	2,700	595	1,554
Equipment Rental	39,500	39,500	47,268	42,418
	<u>\$ 89,200</u>	<u>\$ 89,200</u>	<u>\$ 90,809</u>	<u>\$ 82,832</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	BUDGET		2010	2009
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Catch Basins				
Personal Services	\$ 17,500	\$ 17,500	\$ 19,564	\$ 13,991
Employee Benefits	10,000	10,000	5,572	4,549
Materials	200	200	81	0
Utilities	600	600	1,555	748
Equipment Rental	30,000	30,000	27,433	25,965
	<u>\$ 58,300</u>	<u>\$ 58,300</u>	<u>\$ 54,205</u>	<u>\$ 45,253</u>
Drainage				
Personal Services	\$ 8,000	\$ 8,000	\$ 8,588	\$ 7,603
Employee Benefits	4,800	4,800	4,334	3,797
Materials	100	100	6,889	3,892
Equipment Rental	4,000	4,000	4,582	4,341
	<u>\$ 16,900</u>	<u>\$ 16,900</u>	<u>\$ 24,393</u>	<u>\$ 19,633</u>
Traffic Services				
Personal Services	\$ 15,800	\$ 15,800	\$ 5,549	\$ 7,447
Employee Benefits	7,700	7,700	2,926	3,641
Materials	2,200	2,200	597	1,774
Equipment Rental	4,000	4,000	2,826	3,937
	<u>\$ 29,700</u>	<u>\$ 29,700</u>	<u>\$ 11,898</u>	<u>\$ 16,799</u>
Winter Maintenance				
Personal Services	\$ 18,000	\$ 18,000	\$ 14,598	\$ 20,866
Employee Benefits	10,800	10,800	6,825	9,483
Materials	9,400	9,400	13,258	13,938
Equipment Rental	62,800	62,800	55,393	87,510
	<u>\$ 101,000</u>	<u>\$ 101,000</u>	<u>\$ 90,074</u>	<u>\$ 131,797</u>
Administration				
Personal Services	\$ 43,000	\$ 43,000	\$ 43,537	\$ 43,139
Employee Benefits	20,300	20,300	15,862	19,043
Audit	2,000	2,000	1,500	1,600
Data Processing	8,000	8,000	8,000	8,000
Equipment Rental	7,500	7,500	7,449	7,449
Administrative	17,900	17,900	17,900	35,800
	<u>\$ 98,700</u>	<u>\$ 98,700</u>	<u>\$ 94,248</u>	<u>\$ 115,031</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>		<u>2010</u>	<u>2009</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Debt Service				
Principal	\$ 26,200	\$ 26,200	\$ 26,111	\$ 26,111
Interest	8,000	8,000	4,700	5,483
	<u>\$ 34,200</u>	<u>\$ 34,200</u>	<u>\$ 30,811</u>	<u>\$ 31,594</u>
 Total Expenditures	 <u>\$ 795,900</u>	 <u>\$ 795,900</u>	 <u>\$ 735,517</u>	 <u>\$ 644,509</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (613,400)</u>	 <u>\$ (613,400)</u>	 <u>\$ (551,950)</u>	 <u>\$ (435,919)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
General Fund	\$ 650,000	\$ 650,000	\$ 650,000	\$ 794,300
1997 Michigan Transportation Fund Debt Retirement Fund	0	0	0	(16,300)
1996 Michigan Transportation Fund Debt Retirement Fund	(28,000)	(28,000)	(28,000)	(29,200)
2000 Michigan Transportation Fund Debt Retirement Fund	(35,000)	(35,000)	(35,000)	(36,300)
2004 Capital Improvement Bonds Debt Retirement Fund	(70,100)	(70,100)	(70,100)	(67,500)
	<u>\$ 516,900</u>	<u>\$ 516,900</u>	<u>\$ 516,900</u>	<u>\$ 645,000</u>
 Net Other Financing Sources (Uses)	 <u>\$ 516,900</u>	 <u>\$ 516,900</u>	 <u>\$ 516,900</u>	 <u>\$ 645,000</u>
 Net Change In Fund Balance	 <u>\$ (96,500)</u>	 <u>\$ (96,500)</u>	 <u>\$ (35,050)</u>	 <u>\$ 209,081</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>232,711</u>	 <u>237,592</u>	 <u>237,592</u>	 <u>28,511</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 136,211</u>	 <u>\$ 141,092</u>	 <u>\$ 202,542</u>	 <u>\$ 237,592</u>

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MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

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

BUILDING AUTHORITY OPERATING FUND

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

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2010	2009
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 58,253	\$ 5,103
Investments	1,435,156	1,965,127
Receivables		
Accounts	322,956	261,291
Unbilled Services	305,766	250,348
Accrued Interest	12,553	44,140
Cylinder Deposits	10,500	10,500
Due from Other Funds	20,633	0
Due from Other Governments	22,169	0
Inventory, At Cost	222,027	206,454
Prepaid Expense	27,833	36,561
	<u>\$ 2,437,846</u>	<u>\$ 2,779,524</u>
Total Current Assets		
 <u>NONCURRENT ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Investments		
Bond Reserve Account	\$ 859,392	\$ 859,392
Bond Replacement Account	472,801	458,415
	<u>\$ 1,332,193</u>	<u>\$ 1,317,807</u>
Total Restricted Assets		
 <u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 500,412	\$ 500,412
Buildings	930,747	930,747
Improvements Other than Buildings	33,619,554	28,301,840
Machinery and Equipment	1,209,688	1,209,688
Construction Work in Progress	327,970	5,147,472
	<u>\$ 36,588,371</u>	<u>\$ 36,090,159</u>
Less Accumulated Depreciation	15,698,709	14,854,975
Net Capital Assets	<u>\$ 20,889,662</u>	<u>\$ 21,235,184</u>
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	\$ 39,548	\$ 48,970
	<u>\$ 22,261,403</u>	<u>\$ 22,601,961</u>
Total Noncurrent Assets		
TOTAL ASSETS	<u>\$ 24,699,249</u>	<u>\$ 25,381,485</u>

	<u>2010</u>	<u>2009</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 70,934	\$ 594,744
Accrued Interest	108,667	114,494
Other Accrued Expenses	210,048	198,958
Utility Deposits	4,360	4,200
Due to Other Governments	26,367	0
Current Portion of Revenue Bonds	625,000	595,000
	<hr/>	
Total Current Liabilities	\$ 1,045,376	\$ 1,507,396
	<hr/>	
<u>LONG-TERM LIABILITIES</u>		
2007 Wastewater System Junior Lien Revenue Bonds	\$ 3,530,205	\$ 3,417,293
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,055,606	1,058,440
2001 Revenue Bonds (Net of Deferred Refunding Amount)	4,141,925	4,584,344
	<hr/>	
Total Long-Term Liabilities	\$ 8,727,736	\$ 9,060,077
	<hr/>	
TOTAL LIABILITIES	\$ 9,773,112	\$ 10,567,473
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,536,926	\$ 11,580,107
Unrestricted	1,332,193	1,317,807
	2,057,018	1,916,098
	<hr/>	
TOTAL NET ASSETS	\$ 14,926,137	\$ 14,814,012
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

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

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Sewer Charges to Customers	\$ 2,158,645	\$ 1,955,857
Water Charges to Customers	1,172,012	1,067,011
Fire Protection	104,749	108,798
Hydrant Rental	12,433	0
Sales of Services and Materials	434,554	528,006
	<hr/>	<hr/>
Total Operating Revenues	\$ 3,882,393	\$ 3,659,672
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 833,971	\$ 800,425
Contractual Services	522,853	575,427
Supplies	342,272	334,371
Heat, Light and Power	336,888	368,163
Depreciation and Amortization	856,425	816,081
Employee Benefits	388,769	433,423
Administrative	202,078	201,900
	<hr/>	<hr/>
Total Operating Expenses	\$ 3,483,256	\$ 3,529,790
Operating Income	<hr/>	<hr/>
	\$ 399,137	\$ 129,882
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 63,187	\$ 142,981
Interest and Fiscal Charges	(350,199)	(366,228)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ (287,012)	\$ (223,247)
Change in Net Assets	\$ 112,125	\$ (93,365)
<u>TOTAL NET ASSETS</u> - Beginning of Year	<hr/>	<hr/>
	14,814,012	14,907,377
<u>TOTAL NET ASSETS</u> - End of Year	<hr/>	<hr/>
	\$ 14,926,137	\$ 14,814,012

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,748,875	\$ 3,821,416
Cash Payments to Suppliers for Goods and Services	(1,934,586)	(1,956,730)
Cash Payments to Employees for Services	(1,211,650)	(1,198,716)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 602,639	\$ 665,970
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (498,212)	\$ (2,831,328)
Loan Proceeds	282,912	2,270,814
Principal Paid	(595,000)	(410,000)
Interest Paid	(349,548)	(349,666)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (1,159,848)	\$ (1,320,180)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 94,774	\$ 125,800
Purchase of Investment Securities	(131,157)	(304,234)
Proceeds from Sale and Maturities of Investment Securities	646,742	767,053
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 610,359	\$ 588,619
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 53,150	\$ (65,591)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	5,103	70,694
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 58,253	\$ 5,103
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 399,137	\$ 129,882
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities		
Depreciation and Amortization	\$ 856,425	\$ 816,081
(Increase) Decrease in Current Assets		
Accounts Receivable	(117,083)	159,774
Due from Other Funds	(20,633)	1,970
Due from Other Governments	(22,169)	0
Inventory	(15,573)	(1,787)
Prepaid Expense	8,728	(14,608)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(523,810)	(461,524)
Other Accrued Expenses	11,090	35,132
Utility Deposits	160	1,050
Due to Other Governments	26,367	0
Total Adjustments	<u>\$ 203,502</u>	<u>\$ 536,088</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 602,639</u></u>	<u><u>\$ 665,970</u></u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>ADMINISTRATIVE</u>			
Personal Services	\$ 337,500	\$ 421,814	\$ 394,045
Employee Benefits	172,100	237,824	271,893
Office Supplies	9,200	6,191	6,584
Postage	19,500	21,873	19,467
Safety Supplies	4,800	2,469	5,410
Property Taxes	7,600	9,355	7,553
Contractual Services	61,000	50,371	135,437
Engineering Fees	20,000	700	32,607
Legal Fees	117,000	149,862	1,964
Audit	5,100	3,500	3,900
State Mandated Fees	20,000	29,121	21,455
Data Processing	55,000	55,604	55,000
Insurance	39,000	39,000	35,989
Dues and Publications	2,000	2,838	2,548
Repairs and Maintenance	500	35	38
Telephone	7,800	8,411	7,362
Alarm System	4,400	4,682	4,672
Travel and Education	10,000	8,818	11,463
Employee Safety	2,100	192	0
Pubic Relations	2,500	2,823	971
Administration	202,900	202,078	201,900
	<u>\$ 1,100,000</u>	<u>\$ 1,257,561</u>	<u>\$ 1,220,258</u>
<u>BUILDINGS AND WATER TANK</u>			
Personal Services	\$ 6,500	\$ 7,243	\$ 4,479
Employee Benefits	2,000	1,510	769
Operating Supplies	14,500	13,604	18,529
Repairs and Maintenance	2,000	3,551	4,303
	<u>\$ 25,000</u>	<u>\$ 25,908</u>	<u>\$ 28,080</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>GENERAL STREET EXPENSE</u>			
Personal Services	\$ 1,000	\$ 1,382	\$ 208
Employee Benefits	500	349	96
Operating Supplies	4,000	1,485	2,202
Contractual Services	19,400	4,405	25,471
	<u>\$ 24,900</u>	<u>\$ 7,621</u>	<u>\$ 27,977</u>
<u>METER READING AND COLLECTION</u>			
Personal Services	\$ 14,500	\$ 12,544	\$ 10,217
Employee Benefits	7,300	4,781	4,695
Operating Supplies	300	0	0
	<u>\$ 22,100</u>	<u>\$ 17,325</u>	<u>\$ 14,912</u>
<u>CUSTOMER SERVICES</u>			
Personal Services	\$ 16,500	\$ 30,863	\$ 16,633
Employee Benefits	8,400	12,348	6,463
	<u>\$ 24,900</u>	<u>\$ 43,211</u>	<u>\$ 23,096</u>
<u>PUMPING STATION</u>			
Personal Services	\$ 3,000	\$ 3,045	\$ 2,097
Employee Benefits	1,600	1,078	686
Operating Supplies	8,500	18,673	8,390
Chemicals	28,500	26,710	18,727
Laboratory Control	22,000	21,826	23,550
Utilities	121,000	136,731	126,058
Repairs and Maintenance	3,000	1,023	1,360
	<u>\$ 187,600</u>	<u>\$ 209,086</u>	<u>\$ 180,868</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>MAINTENANCE - MAINS AND HYDRANTS</u>			
Personal Services	\$ 64,300	\$ 34,519	\$ 65,601
Employee Benefits	30,700	12,416	26,383
Operating Supplies	21,500	15,879	6,567
Contractual Services	7,500	1,433	6,963
	<u>\$ 124,000</u>	<u>\$ 64,247</u>	<u>\$ 105,514</u>
<u>MAINTENANCE - SERVICE CONNECTIONS</u>			
Personal Services	\$ 3,500	\$ 2,769	\$ 5,821
Employee Benefits	1,800	867	2,373
Operating Supplies	3,900	3,021	5,468
Repairs and Maintenance	1,000	209	80
	<u>\$ 10,200</u>	<u>\$ 6,866</u>	<u>\$ 13,742</u>
<u>METER - OPERATIONS</u>			
Personal Services	\$ 73,000	\$ 57,200	\$ 46,441
Employee Benefits	37,300	20,606	22,001
Operating Supplies	20,700	17,529	18,016
	<u>\$ 131,000</u>	<u>\$ 95,335</u>	<u>\$ 86,458</u>
<u>WELLS AND WELL FIELDS</u>			
Personal Services	\$ 3,000	\$ 4,984	\$ 1,678
Employee Benefits	1,500	1,709	448
Operating Supplies	6,700	1,705	2,894
Contractual Services	25,000	25,006	24,686
Repairs and Maintenance	14,800	7,287	11,661
Special Projects	0	18,750	5,000
	<u>\$ 51,000</u>	<u>\$ 59,441</u>	<u>\$ 46,367</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>NEW SERVICES</u>			
Personal Services	\$ 1,500	\$ 450	\$ 2,239
Employee Benefits	800	223	879
Operating Supplies	21,000	4,908	37,667
Contractual Services	1,400	0	0
	<u>\$ 24,700</u>	<u>\$ 5,581</u>	<u>\$ 40,785</u>
<u>PRELIMINARY TREATMENT</u>			
Personal Services	\$ 9,500	\$ 10,985	\$ 9,823
Employee Benefits	4,900	4,649	3,961
Operating Supplies	800	1,319	748
Utilities	2,300	2,477	2,553
Repairs and Maintenance	2,500	1,037	2,237
	<u>\$ 20,000</u>	<u>\$ 20,467</u>	<u>\$ 19,322</u>
<u>PRIMARY TREATMENT</u>			
Personal Services	\$ 9,500	\$ 10,275	\$ 8,691
Employee Benefits	4,900	4,356	3,754
Operating Supplies	5,000	1,406	0
Repairs and Maintenance	3,500	1,366	698
	<u>\$ 22,900</u>	<u>\$ 17,403</u>	<u>\$ 13,143</u>
<u>SECONDARY TREATMENT</u>			
Personal Services	\$ 11,500	\$ 10,853	\$ 8,428
Employee Benefits	5,800	4,472	3,617
Operating Supplies	1,800	898	733
Utilities	54,000	61,925	63,826
Repairs and Maintenance	4,200	4,007	4,808
	<u>\$ 77,300</u>	<u>\$ 82,155</u>	<u>\$ 81,412</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>TERTIARY TREATMENT</u>			
Personal Services	\$ 12,400	\$ 10,707	\$ 6,952
Employee Benefits	6,200	4,458	2,992
Operating Supplies	7,400	7,050	3,991
Utilities	35,000	46,052	66,496
Repairs and Maintenance	9,500	8,271	13,405
	<u>\$ 70,500</u>	<u>\$ 76,538</u>	<u>\$ 93,836</u>
<u>SLUDGE TREATMENT AND DISPOSAL</u>			
Personal Services	\$ 27,000	\$ 21,167	\$ 21,357
Employee Benefits	12,900	8,271	8,790
Operating Supplies	4,400	2,957	537
Laboratory Control	5,500	4,445	4,529
Injection Contract Costs	45,000	39,105	59,292
Utilities	20,000	15,930	23,074
Repairs and Maintenance	7,500	2,059	8,766
	<u>\$ 122,300</u>	<u>\$ 93,934</u>	<u>\$ 126,345</u>
<u>NUTRIENT REMOVAL</u>			
Personal Services	\$ 7,100	\$ 9,607	\$ 5,527
Employee Benefits	3,400	3,949	2,438
Operating Supplies	1,100	0	620
Chemicals	41,000	48,003	37,262
Repairs and Maintenance	5,400	348	6,791
	<u>\$ 58,000</u>	<u>\$ 61,907</u>	<u>\$ 52,638</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>EFFLUENT DISPOSAL</u>			
Personal Services	\$ 12,000	\$ 9,691	\$ 8,817
Employee Benefits	5,200	3,912	3,571
Operating Supplies	5,000	1,324	297
Plant Lab Supplies	8,400	7,025	7,203
Chemicals	500	0	0
Laboratory Control	11,000	10,568	9,741
Utilities	11,500	12,664	11,782
Repairs and Maintenance	4,500	380	3,018
	<u>\$ 58,100</u>	<u>\$ 45,564</u>	<u>\$ 44,429</u>
<u>INDUSTRIAL SURVEILLANCE</u>			
Personal Services	\$ 10,400	\$ 10,483	\$ 9,384
Employee Benefits	4,400	3,830	3,423
Operating Supplies	1,500	750	211
Laboratory Control	3,000	4,094	7,444
Repairs and Maintenance	600	28	378
	<u>\$ 19,900</u>	<u>\$ 19,185</u>	<u>\$ 20,840</u>
<u>BUILDINGS AND GROUNDS</u>			
Personal Services	\$ 72,500	\$ 73,851	\$ 99,631
Employee Benefits	35,800	26,450	37,232
Operating Supplies	20,500	24,170	30,693
Utilities	25,000	12,684	15,821
Repairs and Maintenance	16,600	11,152	20,087
	<u>\$ 170,400</u>	<u>\$ 148,307</u>	<u>\$ 203,464</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>SANITARY SEWERS</u>			
Personal Services	\$ 33,500	\$ 32,042	\$ 23,438
Employee Benefits	17,300	6,345	5,132
Operating Supplies	8,000	15,248	4,738
Contractual Services	11,300	11,560	12,856
Repairs and Maintenance	1,000	286	0
	<u>\$ 71,100</u>	<u>\$ 65,481</u>	<u>\$ 46,164</u>
<u>LIFT STATIONS</u>			
Personal Services	\$ 18,100	\$ 22,015	\$ 16,504
Employee Benefits	9,300	8,340	7,021
Operating Supplies	4,800	9,748	9,263
Disposal Fees	2,000	1,061	1,328
Utilities	38,200	35,332	46,519
Repairs and Maintenance	12,500	7,928	21,125
	<u>\$ 84,900</u>	<u>\$ 84,424</u>	<u>\$ 101,760</u>
<u>VEHICLES - WATER</u>			
Personal Services	\$ 1,500	\$ 354	\$ 519
Employee Benefits	800	130	221
Operating Supplies	500	295	512
Fuel and Oil	6,200	8,612	8,527
Repairs and Maintenance	3,900	2,124	5,048
	<u>\$ 12,900</u>	<u>\$ 11,515</u>	<u>\$ 14,827</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>VEHICLES - DISTRIBUTION</u>			
Personal Services	\$ 1,000	\$ 526	\$ 0
Employee Benefits	500	52	0
Operating Supplies	1,200	675	1,521
Fuel and Oil	17,500	12,219	10,158
Repairs and Maintenance	15,000	11,947	17,625
	<u>\$ 35,200</u>	<u>\$ 25,419</u>	<u>\$ 29,304</u>
<u>LABORATORY</u>			
Personal Services	\$ 36,200	\$ 34,602	\$ 31,895
Employee Benefits	18,600	15,844	14,585
Operating Supplies	26,900	25,593	22,172
Repairs and Maintenance	10,900	3,254	7,122
Equipment Rental	1,000	947	490
Research and Development	2,500	2,110	1,904
	<u>\$ 96,100</u>	<u>\$ 82,350</u>	<u>\$ 78,168</u>
<u>OTHER EXPENSE</u>			
Depreciation and Amortization	\$ 950,000	\$ 856,425	\$ 816,081
TOTAL OPERATING EXPENSES	<u><u>\$ 3,595,000</u></u>	<u><u>\$ 3,483,256</u></u>	<u><u>\$ 3,529,790</u></u>

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CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 56,634	\$ 68,189
Investments	53,675	51,706
Receivables		
Interest	0	432
Total Current Assets	<u>\$ 110,309</u>	<u>\$ 120,327</u>
<u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 90,445	\$ 90,445
Buildings	1,735,427	1,718,511
	<u>\$ 1,825,872</u>	<u>\$ 1,808,956</u>
Less Accumulated Depreciation	497,827	461,983
Net Capital Assets	\$ 1,328,045	\$ 1,346,973
<u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	8,248	11,048
Total Noncurrent Assets	<u>\$ 1,336,293</u>	<u>\$ 1,358,021</u>
TOTAL ASSETS	<u>\$ 1,446,602</u>	<u>\$ 1,478,348</u>

	<u>2010</u>	<u>2009</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 947	\$ 5,856
Accrued Interest	8,668	9,850
Current Portion of Revenue Bonds	<u>115,000</u>	<u>110,000</u>
Total Current Liabilities	\$ 124,615	\$ 125,706
 <u>LONG-TERM LIABILITIES</u>		
1999 Revenue Refunding Bonds	<u>645,000</u>	<u>760,000</u>
TOTAL LIABILITIES	<u>\$ 769,615</u>	<u>\$ 885,706</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 568,045	\$ 476,973
Unrestricted	<u>108,942</u>	<u>115,669</u>
TOTAL NET ASSETS	<u>\$ 676,987</u>	<u>\$ 592,642</u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

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

	2010	2009
<u>OPERATING REVENUES</u>		
Building Rental	\$ 195,870	\$ 195,870
<u>OPERATING EXPENSES</u>		
Contractual Services	\$ 20,601	\$ 30,585
Audit	700	700
Insurance	700	609
Building Maintenance	8,560	9,917
Utilities	2,748	2,713
Depreciation and Amortization	38,644	38,427
Administration	5,000	5,000
Total Operating Expenses	\$ 76,953	\$ 87,951
Operating Income (Loss)	\$ 118,917	\$ 107,919
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 1,583	\$ 2,797
Interest Expense	(36,155)	(40,818)
Total Nonoperating Revenues (Expenses)	\$ (34,572)	\$ (38,021)
Change in Net Assets	\$ 84,345	\$ 69,898
<u>TOTAL NET ASSETS</u> - Beginning of Year	592,642	522,744
<u>TOTAL NET ASSETS</u> - End of Year	\$ 676,987	\$ 592,642

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 195,870	\$ 195,870
Cash Payments to Suppliers for Goods and Services	(43,218)	(52,559)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 152,652	\$ 143,311
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	\$ (110,000)	\$ (105,000)
Interest Paid	(37,337)	(41,934)
Acquisition and Construction of Capital Assets	(16,916)	0
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (164,253)	\$ (146,934)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 2,015	\$ 2,434
Purchase of Investment Securities	(1,969)	0
Proceeds from Sale and Maturities of Investment Securities	0	44,344
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 46	\$ 46,778
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (11,555)	\$ 43,155
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<hr/> 68,189	<hr/> 25,034
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<hr/> \$ 56,634	<hr/> \$ 68,189

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CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF OPERATING INCOME</u> <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 118,917	\$ 107,919
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 38,644	\$ 38,427
(Increase) Decrease in Current Assets		
Due from Other Governments	0	0
Prepaid Expense	0	0
Increase (Decrease) in Current Liabilities		
Accounts Payable	(4,909)	(3,035)
Total Adjustments	\$ 33,735	\$ 35,392
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 152,652</u>	<u>\$ 143,311</u>

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

COMBINING BALANCE SHEET

JUNE 30, 2010

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>ASSETS</u>			
Cash	\$ 158,217	\$ 18,321	\$ 155,870
Investments	1,029,804	291,659	433,079
Receivables			
Mortgages and Notes	250,366	0	0
Accrued Interest	3,199	7,281	12,381
Special Assessments			
Current	0	37,756	45,619
Deferred	0	50,897	186,754
Due from Other Funds	0	2,115	0
Advance to Other Funds	350,000	0	0
Prepaid Expenditures	768	0	0
TOTAL ASSETS	<u>\$ 1,792,354</u>	<u>\$ 408,029</u>	<u>\$ 833,703</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 50,381	\$ 0	\$ 0
Due to Other Funds	0	16,344	223
Accrued Expenditures	4,770	0	0
Deferred Revenue	133,324	50,897	186,754
Total Liabilities	<u>\$ 188,475</u>	<u>\$ 67,241</u>	<u>\$ 186,977</u>
<u>FUND BALANCE</u>			
Reserved	\$ 505,627	\$ 340,788	\$ 646,726
Unreserved			
Designated	23,508	0	0
Undesignated	1,074,744	0	0
Total Fund Balance	<u>\$ 1,603,879</u>	<u>\$ 340,788</u>	<u>\$ 646,726</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,792,354</u>	<u>\$ 408,029</u>	<u>\$ 833,703</u>

PERMANENT			
FUNDS		TOTALS	
\$	128,218	\$	460,626
	921,481		2,676,023
	0		250,366
	0		22,861
	0		83,375
	0		237,651
	0		2,115
	0		350,000
	0		768
<u>\$</u>	<u>1,049,699</u>	<u>\$</u>	<u>4,083,785</u>

\$	0	\$	50,381
	0		16,567
	0		4,770
	0		370,975
<u>\$</u>	<u>0</u>	<u>\$</u>	<u>442,693</u>

\$	1,049,699	\$	2,542,840
	0		23,508
	0		1,074,744
<u>\$</u>	<u>1,049,699</u>	<u>\$</u>	<u>3,641,092</u>

<u>\$</u>	<u>1,049,699</u>	<u>\$</u>	<u>4,083,785</u>
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CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 42,079	\$ 60,074
State Grants	37	0	0
Contributions from Local Units	0	31,300	0
Charges for Services	82,318	0	0
Interest and Rents	63,096	12,919	13,852
Gain (Loss) on Investments	0	0	0
Other Revenue	30,279	0	0
Total Revenues	<u>\$ 175,730</u>	<u>\$ 86,298</u>	<u>\$ 73,926</u>
<u>EXPENDITURES</u>			
General Government	\$ 144,518	\$ 0	\$ 0
Public Safety	66,898	0	0
Cultural and Recreation	61,175	0	0
Community and Economic Development	58,352	0	0
Capital Outlay	0	0	3,761
Debt Service	19,000	286,604	17,721
Total Expenditures	<u>\$ 349,943</u>	<u>\$ 286,604</u>	<u>\$ 21,482</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (174,213)</u>	<u>\$ (200,306)</u>	<u>\$ 52,444</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 100,879	\$ 153,992	\$ 0
Transfers Out	(29,319)	(2,362)	0
Total Other Financing Sources (Uses)	<u>\$ 71,560</u>	<u>\$ 151,630</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (102,653)</u>	<u>\$ (48,676)</u>	<u>\$ 52,444</u>
<u>FUND BALANCES</u> - Beginning of Year	<u>1,706,532</u>	<u>389,464</u>	<u>594,282</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 1,603,879</u>	<u>\$ 340,788</u>	<u>\$ 646,726</u>

PERMANENT		
FUNDS		TOTALS
\$	0	\$ 102,153
	0	37
	0	31,300
	0	82,318
	31,022	120,889
	65,613	65,613
	7,925	38,204
<hr/>		
\$	104,560	\$ 440,514
<hr/>		
\$	1,450	\$ 145,968
	0	66,898
	0	61,175
	0	58,352
	0	3,761
	0	323,325
<hr/>		
\$	1,450	\$ 659,479
<hr/>		
\$	103,110	\$ (218,965)
<hr/>		
\$	0	\$ 254,871
	0	(31,681)
<hr/>		
\$	0	\$ 223,190
<hr/>		
\$	103,110	\$ 4,225
	946,589	3,636,867
<hr/>		
\$	1,049,699	\$ 3,641,092
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NONMAJOR SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds in the City of Cadillac include:

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

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

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

<u>ASSETS</u>	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
Cash	\$ 6,470	\$ 28,870	\$ 64,972
Investments	0	32,453	918,313
Receivables			
Mortgages, Notes and Land Contracts	0	71,880	178,486
Accrued Interest	0	0	3,199
Advance to Other Funds	0	0	350,000
Prepaid Expenditures	512	0	256
TOTAL ASSETS	\$ 6,982	\$ 133,203	\$ 1,515,226
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,966	\$ 0	\$ 0
Accrued Expenditures	2,993	0	791
Deferred Revenue	0	71,880	61,444
Total Liabilities	\$ 4,959	\$ 71,880	\$ 62,235
 <u>FUND BALANCES</u>			
Reserved for:			
Prepaid Expenditures	\$ 512	\$ 0	\$ 256
Notes Receivable	0	0	117,042
Capital Improvements	1,511	0	0
Milfoil Eradication	0	0	0
Parks and Recreation	0	0	0
Advances	0	0	350,000
Unreserved			
Designated - Roof Replacement	0	0	0
Undesignated	0	61,323	985,693
Total Fund Balances	\$ 2,023	\$ 61,323	\$ 1,452,991
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,982	\$ 133,203	\$ 1,515,226

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 24,939	\$ 24,118	\$ 1,059	\$ 0	\$ 7,789	\$ 158,217
26,507	0	0	0	52,531	1,029,804
0	0	0	0	0	250,366
0	0	0	0	0	3,199
0	0	0	0	0	350,000
0	0	0	0	0	768
<u>\$ 51,446</u>	<u>\$ 24,118</u>	<u>\$ 1,059</u>	<u>\$ 0</u>	<u>\$ 60,320</u>	<u>\$ 1,792,354</u>
\$ 210	\$ 0	\$ 73	\$ 0	\$ 48,132	\$ 50,381
0	0	986	0	0	4,770
0	0	0	0	0	133,324
<u>\$ 210</u>	<u>\$ 0</u>	<u>\$ 1,059</u>	<u>\$ 0</u>	<u>\$ 48,132</u>	<u>\$ 188,475</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 768
0	0	0	0	0	117,042
0	0	0	0	0	1,511
0	0	0	0	12,188	12,188
0	24,118	0	0	0	24,118
0	0	0	0	0	350,000
23,508	0	0	0	0	23,508
27,728	0	0	0	0	1,074,744
<u>\$ 51,236</u>	<u>\$ 24,118</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,188</u>	<u>\$ 1,603,879</u>
<u>\$ 51,446</u>	<u>\$ 24,118</u>	<u>\$ 1,059</u>	<u>\$ 0</u>	<u>\$ 60,320</u>	<u>\$ 1,792,354</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
<u>REVENUES</u>			
State Grants	\$ 0	\$ 0	\$ 0
Charges for Services	44,952	0	0
Interest and Rents	5	2,621	44,350
Other Revenue	0	24,929	5,114
Total Revenues	<u>\$ 44,957</u>	<u>\$ 27,550</u>	<u>\$ 49,464</u>
<u>EXPENDITURES</u>			
General Government	\$ 124,034	\$ 0	\$ 0
Public Safety	0	0	0
Cultural and Recreation	0	0	0
Community and Economic Development	0	450	57,902
Debt Service	0	19,000	0
Total Expenditures	<u>\$ 124,034</u>	<u>\$ 19,450</u>	<u>\$ 57,902</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (79,077)</u>	<u>\$ 8,100</u>	<u>\$ (8,438)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 72,400	\$ 0	\$ 0
Transfers Out	0	0	(28,479)
Total Other Financing Sources (Uses)	<u>\$ 72,400</u>	<u>\$ 0</u>	<u>\$ (28,479)</u>
Net Change in Fund Balances	<u>\$ (6,677)</u>	<u>\$ 8,100</u>	<u>\$ (36,917)</u>
<u>FUND BALANCES</u> - Beginning of Year	<u>8,700</u>	<u>53,223</u>	<u>1,489,908</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 2,023</u>	<u>\$ 61,323</u>	<u>\$ 1,452,991</u>

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 0	\$ 37	\$ 0	\$ 0	\$ 0	\$ 37
0	0	37,366	0	0	82,318
14,508	13	3	0	1,596	63,096
0	0	236	0	0	30,279
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 14,508	\$ 50	\$ 37,605	\$ 0	\$ 1,596	\$ 175,730
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 20,484	\$ 0	\$ 0	\$ 0	\$ 0	\$ 144,518
0	0	66,898	0	0	66,898
0	520	0	0	60,655	61,175
0	0	0	0	0	58,352
0	0	0	0	0	19,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 20,484	\$ 520	\$ 66,898	\$ 0	\$ 60,655	\$ 349,943
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (5,976)	\$ (470)	\$ (29,293)	\$ 0	\$ (59,059)	\$ (174,213)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 28,479	\$ 0	\$ 0	\$ 100,879
0	0	0	(840)	0	(29,319)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 28,479	\$ (840)	\$ 0	\$ 71,560
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (5,976)	\$ (470)	\$ (814)	\$ (840)	\$ (59,059)	\$ (102,653)
57,212	24,588	814	840	71,247	1,706,532
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 51,236	\$ 24,118	\$ 0	\$ 0	\$ 12,188	\$ 1,603,879

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 6,470	\$ 13,703
Accounts Receivable	0	50
Prepaid Expenditures	512	1,842
	\$ 6,982	\$ 15,595
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,966	\$ 4,179
Accrued Expenditures	2,993	2,716
	\$ 4,959	\$ 6,895
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 512	\$ 1,842
Capital Improvements	1,511	6,858
	\$ 2,023	\$ 8,700
	\$ 6,982	\$ 15,595

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Federal Grants			
FEMA Grant	\$ 0	\$ 0	\$ 1,059
Charges for Services			
Sale of Lots and Burial Rights	9,800	7,925	4,513
Grave Openings and Storage	32,600	30,690	31,875
Foundations and Miscellaneous	8,400	6,337	5,562
Interest and Rents			
Interest	1,500	5	142
Total Revenues	<u>\$ 52,300</u>	<u>\$ 44,957</u>	<u>\$ 43,151</u>
<u>EXPENDITURES</u>			
General Government			
Personal Services	\$ 57,500	\$ 59,190	\$ 61,740
Employee Benefits	26,300	26,218	25,666
Operating Supplies	9,300	10,903	12,399
Audit	600	450	450
Data Processing	2,500	2,500	2,500
Insurance	100	100	79
Travel and Education	400	338	344
Utilities	10,600	7,704	10,315
Repairs and Maintenance	6,000	4,267	6,486
Equipment Rental	2,700	3,864	5,557
Administration	8,700	8,500	8,500
Total Expenditures	<u>\$ 124,700</u>	<u>\$ 124,034</u>	<u>\$ 134,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (72,400)</u>	<u>\$ (79,077)</u>	<u>\$ (90,885)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
General Fund	72,400	72,400	68,400
Net Change In Fund Balance	<u>\$ 0</u>	<u>\$ (6,677)</u>	<u>\$ (22,485)</u>
<u>FUND BALANCE - Beginning of Year</u>	<u>7,285</u>	<u>8,700</u>	<u>31,185</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 7,285</u>	<u>\$ 2,023</u>	<u>\$ 8,700</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 28,870	\$ 20,812
Investments	32,453	32,411
Note Receivable	71,880	96,810
	<hr/>	<hr/>
TOTAL ASSETS	\$ 133,203	\$ 150,033
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 71,880	\$ 96,810
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Unreserved	61,323	53,223
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 133,203	\$ 150,033
	<hr/>	<hr/>

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Note	\$ 3,000	\$ 2,621	\$ 5,244
Other Revenue			
Note Principal Collections	26,500	24,929	28,522
Total Revenues	<u>\$ 29,500</u>	<u>\$ 27,550</u>	<u>\$ 33,766</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Audit	\$ 700	\$ 450	\$ 450
Debt Service			
Principal Payments	19,000	19,000	19,000
Total Expenditures	<u>\$ 19,700</u>	<u>\$ 19,450</u>	<u>\$ 19,450</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,800	\$ 8,100	\$ 14,316
<u>FUND BALANCE</u> - Beginning of Year	<u>49,707</u>	<u>53,223</u>	<u>38,907</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 59,507</u>	<u>\$ 61,323</u>	<u>\$ 53,223</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 64,972	\$ 97,460
Investments	918,313	925,566
Receivables		
Notes	117,042	56,917
Land Contract	1,125	3,000
Mortgages	60,319	63,558
Accrued Interest	3,199	10,765
Advance to Other Funds	350,000	400,000
Prepaid Expenditures	256	119
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,515,226	\$ 1,557,385
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accrued Expenditures	\$ 791	\$ 919
Deferred Revenues		
Installment Notes and Mortgages	61,444	66,558
	<hr/>	<hr/>
Total Liabilities	\$ 62,235	\$ 67,477
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 256	\$ 119
Notes Receivable	117,042	56,917
Advances	350,000	400,000
Unreserved	985,693	1,032,872
	<hr/>	<hr/>
Total Fund Balance	\$ 1,452,991	\$ 1,489,908
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,515,226	\$ 1,557,385
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Investments	\$ 43,000	\$ 44,350	\$ 54,561
Other Revenue			
Loan Principal Collections	0	5,114	1,500
Total Revenues	<u>\$ 43,000</u>	<u>\$ 49,464</u>	<u>\$ 56,061</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Personal Services	\$ 27,000	\$ 24,456	\$ 27,234
Employee Benefits	8,700	6,590	4,753
Audit	800	650	650
Office Supplies	400	0	0
Postage	500	0	0
Data Processing	2,000	4,500	4,500
Administrative	19,100	19,100	19,100
Travel and Education	1,000	0	0
Dues and Publications	600	0	100
Contractual Services	2,500	2,606	2,000
Property Taxes	500	0	0
Construction	0	0	380
Total Expenditures	<u>\$ 63,100</u>	<u>\$ 57,902</u>	<u>\$ 58,717</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (20,100)</u>	<u>\$ (8,438)</u>	<u>\$ (2,656)</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Building Inspection Fund	\$ (15,000)	\$ (28,479)	\$ (35,500)
Net Change in Fund Balance	\$ (35,100)	\$ (36,917)	\$ (38,156)
<u>FUND BALANCE</u> - Beginning of Year	1,485,264	1,489,908	1,528,064
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,450,164</u>	<u>\$ 1,452,991</u>	<u>\$ 1,489,908</u>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 24,939	\$ 31,534
Investments	26,507	26,466
TOTAL ASSETS	\$ 51,446	\$ 58,000
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 210	\$ 788
<u>FUND BALANCE</u>		
Unreserved		
Designated - Roof Replacement	\$ 23,508	\$ 23,508
Undesignated	27,728	33,704
Total Fund Balance	\$ 51,236	\$ 57,212
TOTAL LIABILITIES AND FUND BALANCE	\$ 51,446	\$ 58,000

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 300	\$ 74	\$ 575
Rents	15,800	14,434	19,737
Total Revenues	<u>\$ 16,100</u>	<u>\$ 14,508</u>	<u>\$ 20,312</u>
<u>EXPENDITURES</u>			
General Government			
Audit	\$ 400	\$ 450	\$ 450
Insurance	700	700	620
Utilities	25,000	16,515	20,893
Building Maintenance	9,000	2,819	4,588
Total Expenditures	<u>\$ 35,100</u>	<u>\$ 20,484</u>	<u>\$ 26,551</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (19,000)	\$ (5,976)	\$ (6,239)
<u>FUND BALANCE</u> - Beginning of Year	<u>56,751</u>	<u>57,212</u>	<u>63,451</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 37,751</u>	<u>\$ 51,236</u>	<u>\$ 57,212</u>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 24,118	\$ 3,261
Due from Other Governments	0	21,327
TOTAL ASSETS	<u>\$ 24,118</u>	<u>\$ 24,588</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 0
 <u>FUND BALANCE</u>		
Reserved for:		
Parks and Recreation	24,118	24,588
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 24,118</u>	<u>\$ 24,588</u>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
State Grants	\$ 37	\$ 189,388
Interest and Rents		
Interest	13	21
Other Revenue		
Contributions and Donations from Private Sources	0	68,400
	<hr/>	<hr/>
Total Revenues	\$ 50	\$ 257,809
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Cultural and Recreation		
Audit	\$ 0	\$ 450
Engineering Fees	0	18,457
Construction	520	224,999
	<hr/>	<hr/>
Total Expenditures	\$ 520	\$ 243,906
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ (470)	\$ 13,903
 <u>FUND BALANCE</u> - Beginning of Year	 <hr/>	 <hr/>
	24,588	10,685
 <u>FUND BALANCE</u> - End of Year	 <hr/>	 <hr/>
	\$ 24,118	\$ 24,588
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 1,059	\$ 1,470
Accounts Receivable	0	80
Prepaid Expenditures	0	414
	<hr/>	<hr/>
Total Assets	<u>\$ 1,059</u>	<u>\$ 1,964</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 73	\$ 60
Accrued Expenditures	986	1,090
	<hr/>	<hr/>
Total Liabilities	<u>\$ 1,059</u>	<u>\$ 1,150</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 0	\$ 414
Unreserved	0	400
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 0</u>	<u>\$ 814</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,059</u>	<u>\$ 1,964</u>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Building Permits	\$ 58,500	\$ 37,366	\$ 52,166
Heating and Fence Permits	400	0	45
Interest and Rents			
Interest	0	3	22
Other Revenue			
Miscellaneous	0	236	0
	<u>0</u>	<u>236</u>	<u>0</u>
Total Revenues	<u>\$ 58,900</u>	<u>\$ 37,605</u>	<u>\$ 52,233</u>
<u>EXPENDITURES</u>			
Public Safety			
Building Inspection			
Personal Services	\$ 39,000	\$ 38,287	\$ 56,571
Employee Benefits	22,600	19,585	32,984
Office Supplies	2,200	1,883	1,908
Postage	700	25	5
Audit	500	450	450
Data Processing	4,000	4,000	4,000
Dues and Publications	1,000	777	477
Travel and Education	2,000	1,489	429
Equipment Rental	1,000	402	219
Publishing Costs	500	0	0
	<u>500</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 73,500</u>	<u>\$ 66,898</u>	<u>\$ 97,043</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (14,600)</u>	<u>\$ (29,293)</u>	<u>\$ (44,810)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	15,000	28,479	35,500
	<u>15,000</u>	<u>28,479</u>	<u>35,500</u>
Net Change in Fund Balance	<u>\$ 400</u>	<u>\$ (814)</u>	<u>\$ (9,310)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>9,774</u>	<u>814</u>	<u>10,124</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 10,174</u>	<u>\$ 0</u>	<u>\$ 814</u>

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Due from Other Funds	\$ 0	\$ 840
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	0	840
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<hr/> <u>\$ 0</u>	<hr/> <u>\$ 840</u>

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

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

	2010	2009
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>		
Community and Economic Development		
Audit	0	450
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (450)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
General Fund	(840)	0
Net Change in Fund Balance	\$ (840)	\$ (450)
<u>FUND BALANCE</u> - Beginning of Year	840	1,290
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 840

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 7,789	\$ 48,902
Investments	52,531	100,000
Accrued Interest Receivable	0	1,036
Total Assets	\$ 60,320	\$ 149,938
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 48,132	\$ 78,691
 <u>FUND BALANCE</u>		
Reserved for:		
Milfoil Eradication	12,188	71,247
TOTAL LIABILITIES AND FUND BALANCE	\$ 60,320	\$ 149,938

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

	1992	1993	1996
	SPECIAL	SPECIAL	SPECIAL
	ASSESSMENT	ASSESSMENT	ASSESSMENT
<u>ASSETS</u>			
Cash	\$ 223	\$ 565	\$ 4,927
Investments	0	0	63,292
Receivables			
Accrued Interest	0	0	702
Special Assessments			
Current	0	0	11,217
Deferred	0	0	0
Due from Other Funds	0	0	0
TOTAL ASSETS	\$ 223	\$ 565	\$ 80,138
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 223	\$ 565	\$ 0
Deferred Revenues	0	0	0
Total Liabilities	\$ 223	\$ 565	\$ 0
<u>FUND BALANCES</u>			
Reserved for Debt Service	0	0	80,138
TOTAL LIABILITIES AND FUND BALANCE	\$ 223	\$ 565	\$ 80,138

1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT
\$ 4,519	\$ 1,727	\$ 1,104	\$ 641	\$ 337	\$ 705	\$ 2,143
0	130,624	0	0	97,743	0	0
0	1,909	0	0	2,708	0	1,962
0	13,680	0	0	2,726	0	10,133
0	15,194	0	0	10,776	0	24,927
0	0	0	0	0	1,104	1,011
<u>\$ 4,519</u>	<u>\$ 163,134</u>	<u>\$ 1,104</u>	<u>\$ 641</u>	<u>\$ 114,290</u>	<u>\$ 1,809</u>	<u>\$ 40,176</u>
\$ 0	\$ 0	\$ 1,104	\$ 0	\$ 4,192	\$ 0	\$ 10,260
0	15,194	0	0	10,776	0	24,927
\$ 0	\$ 15,194	\$ 1,104	\$ 0	\$ 14,968	\$ 0	\$ 35,187
4,519	147,940	0	641	99,322	1,809	4,989
<u>\$ 4,519</u>	<u>\$ 163,134</u>	<u>\$ 1,104</u>	<u>\$ 641</u>	<u>\$ 114,290</u>	<u>\$ 1,809</u>	<u>\$ 40,176</u>

2004	
CAPITAL	
IMPROVEMENT	
BOND	TOTALS
<hr/>	<hr/>
\$ 1,430	\$ 18,321
0	291,659
0	7,281
0	37,756
0	50,897
0	2,115
<hr/>	<hr/>
<u>\$ 1,430</u>	<u>\$ 408,029</u>

\$ 0	\$ 16,344
0	50,897
<hr/>	<hr/>
\$ 0	\$ 67,241
1,430	340,788
<hr/>	<hr/>
<u>\$ 1,430</u>	<u>\$ 408,029</u>

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1996 SPECIAL ASSESSMENT
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 0	\$ 12,395
Contributions from Local Units	0	0	0
Interest and Rents	22	0	914
	<hr/>		
Total Revenues	\$ 22	\$ 0	\$ 13,309
<hr/>			
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 0	\$ 0	\$ 15,000
Interest and Fiscal Charges	0	0	1,285
Audit	0	0	600
	<hr/>		
Total Expenditures	\$ 0	\$ 0	\$ 16,885
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 22	\$ 0	\$ (3,576)
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 0	\$ 0	\$ 0
Transfers Out	(693)	(565)	0
	<hr/>		
Total Other Financing Sources (Uses)	\$ (693)	\$ (565)	\$ 0
<hr/>			
Net Change in Fund Balances	\$ (671)	\$ (565)	\$ (3,576)
<hr/>			
<u>FUND BALANCES</u> - Beginning of Year	671	565	83,714
<hr/>			
<u>FUND BALANCES</u> - End of Year	\$ 0	\$ 0	\$ 80,138
<hr/>			

1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT
\$ 0	\$ 14,069	\$ 0	\$ 0	\$ 2,726	\$ 0	\$ 12,889
0	0	0	31,300	0	0	0
0	5,060	0	0	4,788	0	2,135
\$ 0	\$ 19,129	\$ 0	\$ 31,300	\$ 7,514	\$ 0	\$ 15,024
\$ 25,000	\$ 25,000	\$ 0	\$ 25,000	\$ 20,000	\$ 25,000	\$ 30,000
2,063	3,415	0	5,618	2,475	9,541	4,742
450	600	0	450	600	450	600
\$ 27,513	\$ 29,015	\$ 0	\$ 31,068	\$ 23,075	\$ 34,991	\$ 35,342
\$ (27,513)	\$ (9,886)	\$ 0	\$ 232	\$ (15,561)	\$ (34,991)	\$ (20,318)
\$ 28,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,104	\$ 788
0	0	(1,104)	0	0	0	0
\$ 28,000	\$ 0	\$ (1,104)	\$ 0	\$ 0	\$ 36,104	\$ 788
\$ 487	\$ (9,886)	\$ (1,104)	\$ 232	\$ (15,561)	\$ 1,113	\$ (19,530)
4,032	157,826	1,104	409	114,883	696	24,519
\$ 4,519	\$ 147,940	\$ 0	\$ 641	\$ 99,322	\$ 1,809	\$ 4,989

2004	
CAPITAL	
IMPROVEMENT	
BOND	TOTALS
\$ 0	\$ 42,079
0	31,300
0	12,919
<u>\$ 0</u>	<u>\$ 86,298</u>
\$ 60,000	\$ 225,000
28,265	57,404
450	4,200
<u>\$ 88,715</u>	<u>\$ 286,604</u>
<u>\$ (88,715)</u>	<u>\$ (200,306)</u>
\$ 89,100	\$ 153,992
0	(2,362)
<u>\$ 89,100</u>	<u>\$ 151,630</u>
\$ 385	\$ (48,676)
1,045	389,464
<u>\$ 1,430</u>	<u>\$ 340,788</u>

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 223	\$ 671
	\$ 223	\$ 671
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 223	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	0	671
	0	671
TOTAL LIABILITIES AND FUND BALANCE	\$ 223	\$ 671

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Interest and Rents		
Interest on Assessments	\$ 22	\$ 0
<u>EXPENDITURES</u>		
	<u>0</u>	<u>0</u>
Excess (Deficiency) of		
Revenues Over Expenditures	\$ 22	\$ 0
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
General Fund	\$ (470)	\$ 0
2002 Special Assessment Debt Retirement Fund	(223)	0
Total Other Financing Sources (Uses)	<u>\$ (693)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (671)	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>671</u>	<u>671</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 671</u>

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 565	\$ 565
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 565	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	0	565
TOTAL LIABILITIES AND FUND BALANCE	\$ 565	\$ 565

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30,

	2010	2009
<u>REVENUES</u>		
Interest and Rents		
Interest on Investments	\$ 0	\$ 14
<u>EXPENDITURES</u>	0	0
Excess (Deficiency) of		
Revenues Over Expenditures	\$ 0	\$ 14
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
2002 Special Assessment Debt Retirement Fund	(565)	0
Net Change in Fund Balance	\$ (565)	\$ 14
<u>FUND BALANCE - Beginning of Year</u>	565	551
<u>FUND BALANCE - End of Year</u>	\$ 0	\$ 565

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 4,927	\$ 3,640
Investments	63,292	63,209
Receivables		
Accrued Interest	702	1,762
Special Assessments - Current	11,217	15,103
Special Assessments - Deferred	0	12,260
TOTAL ASSETS	<u>\$ 80,138</u>	<u>\$ 95,974</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 0	\$ 12,260
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>80,138</u>	<u>83,714</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 80,138</u>	<u>\$ 95,974</u>

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 12,300	\$ 12,395	\$ 16,473
Interest and Rents			
Interest on Investments	1,000	83	1,094
Interest on Assessments	800	831	1,830
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 14,100	\$ 13,309	\$ 19,397
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 15,000	\$ 30,000
Interest and Fiscal Charges	1,600	1,285	2,530
Audit	600	600	600
Office Supplies	0	0	6
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 32,200	\$ 16,885	\$ 33,136
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (18,100)	\$ (3,576)	\$ (13,739)
<u>FUND BALANCE</u> - Beginning of Year	<hr/>	<hr/>	<hr/>
	83,714	83,714	97,453
<u>FUND BALANCE</u> - End of Year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 65,614	\$ 80,138	\$ 83,714

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 4,519	\$ 4,032
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	4,519	4,032
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,519	\$ 4,032

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Retirement			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	2,600	2,063	3,737
Audit	400	450	400
Total Expenditures	\$ 28,000	\$ 27,513	\$ 29,137
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,000)	\$ (27,513)	\$ (29,137)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	28,000	28,000	29,200
Net Change in Fund Balance	\$ 0	\$ 487	\$ 63
<u>FUND BALANCE</u> - Beginning of Year	4,032	4,032	3,969
<u>FUND BALANCE</u> - End of Year	\$ 4,032	\$ 4,519	\$ 4,032

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 1,727	\$ 12,973
Investments	130,624	127,483
Receivables		
Accrued Interest	1,909	2,739
Special Assessments - Current	13,680	14,631
Special Assessments - Deferred	15,194	29,265
	\$ 163,134	\$ 187,091
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 15,194	\$ 29,265
<u>FUND BALANCE</u>		
Reserved for Debt Service	147,940	157,826
	\$ 163,134	\$ 187,091

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 14,600	\$ 14,069	\$ 15,096
Interest and Rents			
Interest on Investments	1,000	3,343	4,835
Interest on Assessments	1,900	1,717	2,774
	<u>17,500</u>	<u>19,129</u>	<u>22,705</u>
Total Revenues	\$ 17,500	\$ 19,129	\$ 22,705
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	3,700	3,415	4,759
Audit	600	600	600
Office Supplies	0	0	3
	<u>29,300</u>	<u>29,015</u>	<u>30,362</u>
Total Expenditures	\$ 29,300	\$ 29,015	\$ 30,362
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (11,800)	\$ (9,886)	\$ (7,657)
<u>FUND BALANCE</u> - Beginning of Year	<u>157,826</u>	<u>157,826</u>	<u>165,483</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 146,026</u>	<u>\$ 147,940</u>	<u>\$ 157,826</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 1,104	\$ 1,104
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,104	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	0	1,104
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,104	\$ 1,104
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 0	\$ 15,000
Interest and Fiscal Charges	0	701
Audit	0	600
Total Expenditures	<u>\$ 0</u>	<u>\$ 16,301</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (16,301)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
2000 Michigan Transportation Fund	\$ (1,104)	\$ 0
Local Street Fund	0	16,300
Total Other Financing Sources (Uses)	<u>\$ (1,104)</u>	<u>16,300</u>
Net Change in Fund Balance	\$ (1,104)	\$ (1)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,104</u>	<u>1,105</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 1,104</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 641	\$ 409
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	641	409
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 641</u>	<u>\$ 409</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Contributions from Local Units	\$ 31,300	\$ 31,300	\$ 32,500
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	5,900	5,618	6,886
Audit	400	450	600
Total Expenditures	\$ 31,300	\$ 31,068	\$ 32,486
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 0	\$ 232	\$ 14
<u>FUND BALANCE</u> - Beginning of Year	409	409	395
<u>FUND BALANCE</u> - End of Year	\$ 409	\$ 641	\$ 409

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 337	\$ 10,571
Investments	97,743	93,885
Receivables		
Accrued Interest	2,708	3,173
Special Assessments - Current	2,726	7,254
Special Assessments - Deferred	10,776	13,502
	\$ 114,290	\$ 128,385
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 4,192	\$ 0
Deferred Revenues	10,776	13,502
	\$ 14,968	\$ 13,502
<u>FUND BALANCE</u>		
Reserved for Debt Service	99,322	114,883
	\$ 114,290	\$ 128,385

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 3,100	\$ 2,726	\$ 9,779
Interest and Rents			
Interest on Investments	500	3,858	4,786
Interest on Assessments	1,000	930	1,507
Total Revenues	<u>\$ 4,600</u>	<u>\$ 7,514</u>	<u>\$ 16,072</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 15,000
Interest and Fiscal Charges	2,700	2,475	3,447
Audit	600	600	600
Total Expenditures	<u>\$ 23,300</u>	<u>\$ 23,075</u>	<u>\$ 19,047</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,700)	\$ (15,561)	\$ (2,975)
<u>FUND BALANCE</u> - Beginning of Year	<u>114,883</u>	<u>114,883</u>	<u>117,858</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 96,183</u>	<u>\$ 99,322</u>	<u>\$ 114,883</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 705	\$ 696
Due from Other Funds	1,104	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,809	\$ 696
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	1,809	696
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,809	\$ 696
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	9,600	9,541	10,604
Audit	400	450	400
Total Expenditures	\$ 35,000	\$ 34,991	\$ 36,004
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,000)	\$ (34,991)	\$ (36,004)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1997 Michigan Transportation Fund	\$ 0	\$ 1,104	\$ 0
Local Street Fund	35,000	35,000	36,300
Total Other Financing Sources (Uses)	\$ 35,000	\$ 36,104	\$ 36,300
Net Change in Fund Balance	\$ 0	\$ 1,113	\$ 296
<u>FUND BALANCE</u> - Beginning of Year	696	696	400
<u>FUND BALANCE</u> - End of Year	\$ 696	\$ 1,809	\$ 696

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 2,143	\$ 11,135
Receivables		
Accrued Interest	1,962	2,693
Special Assessments - Current	10,133	10,691
Special Assessments - Deferred	24,927	37,816
Due from Other Funds	1,011	0
	<u>\$ 40,176</u>	<u>\$ 62,335</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 10,260	\$ 0
Deferred Revenue	24,927	37,816
	<u>\$ 35,187</u>	<u>\$ 37,816</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	4,989	24,519
	<u>\$ 40,176</u>	<u>\$ 62,335</u>
TOTAL ASSETS	\$ 40,176	\$ 62,335
TOTAL LIABILITIES AND FUND BALANCE	\$ 40,176	\$ 62,335

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 10,800	\$ 12,889	\$ 11,053
Interest and Rents			
Interest on Assessments	2,100	2,135	2,828
	<u>\$ 12,900</u>	<u>\$ 15,024</u>	<u>\$ 13,881</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 35,000
Interest and Fiscal Charges	5,100	4,742	6,073
Audit	600	600	600
	<u>\$ 35,700</u>	<u>\$ 35,342</u>	<u>\$ 41,673</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (22,800)</u>	<u>\$ (20,318)</u>	<u>\$ (27,792)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1992 Special Assessment Debt Retirement Fund	\$ 0	\$ 223	\$ 0
1993 Special Assessment Debt Retirement Fund	0	565	0
	<u>\$ 0</u>	<u>\$ 788</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (22,800)</u>	<u>\$ (19,530)</u>	<u>\$ (27,792)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>24,519</u>	<u>24,519</u>	<u>52,311</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,719</u>	<u>\$ 4,989</u>	<u>\$ 24,519</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 1,430	\$ 1,045
	\$ 1,430	\$ 1,045
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	1,430	1,045
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,430	\$ 1,045

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 60,000	\$ 60,000	\$ 55,000
Interest and Fiscal Charges	28,700	28,265	29,850
Audit	400	450	400
Total Expenditures	<u>\$ 89,100</u>	<u>\$ 88,715</u>	<u>\$ 85,250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (89,100)</u>	<u>\$ (88,715)</u>	<u>\$ (85,250)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Major Street Fund	\$ 19,000	\$ 19,000	\$ 18,000
Local Street Fund	70,100	70,100	67,500
Total Other Financing Sources (Uses)	<u>\$ 89,100</u>	<u>\$ 89,100</u>	<u>\$ 85,500</u>
Net Change in Fund Balance	\$ 0	\$ 385	\$ 250
<u>FUND BALANCE</u> - Beginning of Year	<u>1,045</u>	<u>1,045</u>	<u>795</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,045</u>	<u>\$ 1,430</u>	<u>\$ 1,045</u>

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

	<u>INDUSTRIAL PARK</u>	<u>SPECIAL ASSESSMENTS CAPITAL PROJECTS</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 39,115	\$ 116,755	\$ 155,870
Investments	433,079	0	433,079
Receivables			
Accrued Interest	0	12,381	12,381
Special Assessments - Current	0	45,619	45,619
Special Assessments - Deferred	0	186,754	186,754
TOTAL ASSETS	\$ 472,194	\$ 361,509	\$ 833,703
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 223	\$ 223
Deferred Revenues	0	186,754	186,754
Total Liabilities	\$ 0	\$ 186,977	\$ 186,977
<u>FUND BALANCES</u>			
Reserved for			
Industrial Development	\$ 472,194	\$ 0	\$ 472,194
Special Assessment Project Construction	0	174,532	174,532
Total Fund Balance	\$ 472,194	\$ 174,532	\$ 646,726
TOTAL LIABILITIES AND FUND BALANCES	\$ 472,194	\$ 361,509	\$ 833,703

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	INDUSTRIAL PARK	SPECIAL ASSESSMENT CAPITAL PROJECTS	TOTALS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 60,074	\$ 60,074
Interest and Rents	687	13,165	13,852
 Total Revenues	 \$ 687	 \$ 73,239	 \$ 73,926
<u>EXPENDITURES</u>			
Capital Outlay	\$ 2,561	\$ 1,200	\$ 3,761
Debt Service	17,721	0	17,721
 Total Expenditures	 \$ 20,282	 \$ 1,200	 \$ 21,482
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (19,595)	 \$ 72,039	 \$ 52,444
<u>FUND BALANCES</u> - Beginning of Year	491,789	102,493	594,282
<u>FUND BALANCES</u> - End of Year	\$ 472,194	\$ 174,532	\$ 646,726

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 39,115	\$ 59,341
Investments	433,079	432,448
	<hr/>	<hr/>
TOTAL ASSETS	\$ 472,194	\$ 491,789
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Industrial Development	472,194	491,789
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 472,194	\$ 491,789
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 8,000	\$ 687	\$ 6,890
Other Revenue			
Sale of Property	35,000	0	40,253
	<u>\$ 43,000</u>	<u>\$ 687</u>	<u>\$ 47,143</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Contracted Services	\$ 16,000	\$ 296	\$ 250
Fees and Commissions	3,500	0	0
Property Taxes	3,100	1,665	2,904
Audit	800	600	600
Debt Service			
Principal Payments	17,800	17,721	17,721
	<u>\$ 41,200</u>	<u>\$ 20,282</u>	<u>\$ 21,475</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 1,800	\$ (19,595)	\$ 25,668
<u>FUND BALANCE</u> - Beginning of Year	<u>491,789</u>	<u>491,789</u>	<u>466,121</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 493,589</u>	<u>\$ 472,194</u>	<u>\$ 491,789</u>

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 116,755	\$ 38,929
Receivables		
Accrued Interest	12,381	15,655
Special Assessments - Current	45,619	48,601
Special Assessments - Deferred	186,754	246,564
	<hr/>	<hr/>
TOTAL ASSETS	\$ 361,509	\$ 349,749
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 692
Due to Other Funds	223	0
Deferred Revenues	186,754	246,564
	<hr/>	<hr/>
Total Liabilities	\$ 186,977	\$ 247,256
 <u>FUND BALANCE</u>		
Reserved for Special Assessment Project Construction	174,532	102,493
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 361,509	\$ 349,749
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 50,000	\$ 60,074	\$ 69,462
Federal Grants			
Safe Routes to Schools Grant	0	0	309,305
Interest and Rents			
Interest on Assessments	16,000	13,123	16,390
Interest on Investments	5,000	42	84
Total Revenues	<u>\$ 71,000</u>	<u>\$ 73,239</u>	<u>\$ 395,241</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Audit	\$ 2,000	\$ 1,200	\$ 1,600
Public Improvements	0	0	355,596
Debt Service			
Principal Retirement	0	0	11,250
Interest and Fiscal Charges	0	0	334
Total Expenditures	<u>\$ 2,000</u>	<u>\$ 1,200</u>	<u>\$ 368,780</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 69,000	\$ 72,039	\$ 26,461
<u>FUND BALANCE</u> - Beginning of Year	<u>102,493</u>	<u>102,493</u>	<u>76,032</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 171,493</u>	<u>\$ 174,532</u>	<u>\$ 102,493</u>

NONMAJOR PERMANENT FUNDS

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2010

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 81,197	\$ 47,021	\$ 128,218
Investments	367,172	554,309	921,481
TOTAL ASSETS	<u>\$ 448,369</u>	<u>\$ 601,330</u>	<u>\$ 1,049,699</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>			
Reserved For:			
Cemetery Perpetual Care	\$ 448,369	\$ 0	\$ 448,369
Capital Projects Endowment	0	601,330	601,330
Total Fund Balances	<u>\$ 448,369</u>	<u>\$ 601,330</u>	<u>\$ 1,049,699</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 448,369</u>	<u>\$ 601,330</u>	<u>\$ 1,049,699</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	CEMETERY PERPETUAL CARE	CAPITAL PROJECTS TRUST	TOTALS
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 11,318	\$ 19,704	\$ 31,022
Gain (Loss) on Investments	29,049	36,564	65,613
Other Revenues	7,925	0	7,925
	<hr/>		
Total Revenues	\$ 48,292	\$ 56,268	\$ 104,560
<u>EXPENDITURES</u>			
General Government			
Audit	1,000	450	1,450
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 47,292	\$ 55,818	\$ 103,110
<u>FUND BALANCES</u> - Beginning of Year	401,077	545,512	946,589
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 448,369	\$ 601,330	\$ 1,049,699
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 81,197	\$ 74,179
Investments	367,172	326,898
TOTAL ASSETS	\$ 448,369	\$ 401,077
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Cemetery Perpetual Care	448,369	401,077
TOTAL LIABILITIES AND FUND BALANCE	\$ 448,369	\$ 401,077

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

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

	2010	2009
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 11,318	\$ 12,250
Gain (Loss) on Investments	29,049	(103,902)
Other Revenue		
Perpetual Care of Lots	7,925	4,512
Total Revenues	\$ 48,292	\$ (87,140)
 <u>EXPENDITURES</u>		
General Government		
Audit	1,000	1,100
Excess (Deficiency) of Revenues Over Expenditures	\$ 47,292	\$ (88,240)
 <u>FUND BALANCE</u> - Beginning of Year	 401,077	 489,317
<u>FUND BALANCE</u> - End of Year	\$ 448,369	\$ 401,077

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 47,021	\$ 99,345
Investments	554,309	446,167
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 601,330</u>	<u>\$ 545,512</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
 <u>LIABILITIES</u>		
	\$ 0	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Capital Projects Endowment	601,330	545,512
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 601,330</u>	<u>\$ 545,512</u>

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

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

	2010	2009
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 19,704	\$ 3,156
Gain (Loss) on Investments	36,564	(219,115)
	\$ 56,268	\$ (215,959)
 <u>EXPENDITURES</u>		
General Government		
Audit	450	450
	\$ 55,818	\$ (216,409)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
General Fund	0	(25,000)
	\$ 55,818	\$ (241,409)
Net Change in Fund Balance		
<u>FUND BALANCE</u> - Beginning of Year	545,512	786,921
<u>FUND BALANCE</u> - End of Year	\$ 601,330	\$ 545,512

NONMAJOR PROPRIETARY FUND

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

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

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF NET ASSETS

JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 88,680	\$ 71,019
Investments	81,107	80,061
Prepaid Expense	7	36
	<hr/>	<hr/>
Total Current Assets	\$ 169,794	\$ 151,116
	<hr/>	<hr/>
<u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 249,221	\$ 249,221
Land Improvements	561,820	561,820
	<hr/>	<hr/>
Less Accumulated Depreciation	217,520	200,766
	<hr/>	<hr/>
Net Capital Assets	\$ 593,521	\$ 610,275
	<hr/>	<hr/>
TOTAL ASSETS	\$ 763,315	\$ 761,391
	<hr/>	<hr/>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Other Accrued Expenses	\$ 141	\$ 83
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 593,521	\$ 610,275
Unrestricted	169,653	151,033
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 763,174	\$ 761,308
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

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

	2010	2009
<u>OPERATING REVENUES</u>		
Charges for Services		
Parking Lot Assessments	\$ 44,598	\$ 45,352
Parking Violations	1,120	951
Courtesy Parking	1,510	1,262
	\$ 47,228	\$ 47,565
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 3,002	\$ 2,969
Employee Benefits	1,692	2,113
Office Supplies	248	404
Audit	600	600
Data Processing	3,000	3,000
Depreciation	16,754	16,754
Snow Removal		
Personal Services	3,972	5,754
Employee Benefits	1,866	2,442
Operating Supplies	18	0
Equipment Rental	15,296	20,101
Lot Maintenance		
Personal Services	0	340
Employee Benefits	0	142
Operating Supplies	169	197
Equipment Rental	0	98
	\$ 46,617	\$ 54,914
Total Operating Expenses		
	\$ 46,617	\$ 54,914
Operating Income (Loss)	\$ 611	\$ (7,349)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	1,255	2,618
	\$ 1,866	\$ (4,731)
Change in Net Assets		
<u>TOTAL NET ASSETS - Beginning of Year</u>	761,308	766,039
<u>TOTAL NET ASSETS - End of Year</u>	\$ 763,174	\$ 761,308

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 47,228	\$ 47,565
Cash Payments to Suppliers for Goods and Services	(22,860)	(29,096)
Cash Payments to Employees for Services	(6,916)	(9,055)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 17,452	\$ 9,414
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 1,255	\$ 2,618
Purchase of Investment Securities	(1,046)	(2,030)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 209	\$ 588
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 17,661	\$ 10,002
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	71,019	61,017
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 88,680	\$ 71,019
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 611	\$ (7,349)
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 16,754	\$ 16,754
(Increase) Decrease in Current Assets		
Prepaid Expense	29	1
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	58	8
Total Adjustments	\$ 16,841	\$ 16,763
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 17,452</u>	<u>\$ 9,414</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>INFORMATION TECHNOLOGY</u>
<u>ASSETS</u>		
Cash	\$ 48,868	\$ 10,372
Investments	357	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	15,039	0
Accrued Interest	0	0
Due from Other Funds	25,710	0
Inventory, At Cost	93,876	0
Prepaid Expenses	17,062	10
Capital Assets (Net of Accumulated Depreciation)	774,826	308,986
	<u>\$ 975,738</u>	<u>\$ 319,368</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,980	\$ 703
Other Accrued Expenses	65,044	2,188
	<u>\$ 81,024</u>	<u>\$ 2,891</u>
 <u>LONG-TERM LIABILITIES</u>		
Advance from Other Funds	350,000	0
	<u>\$ 431,024</u>	<u>\$ 2,891</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 774,826	\$ 308,986
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted (Deficit)	(230,112)	7,491
	<u>\$ 544,714</u>	<u>\$ 316,477</u>

SELF- INSURANCE	SAFETY	TOTALS
\$ 20,943	\$ 8,199	\$ 88,382
1,267,583	0	1,267,940
275	0	15,314
5,840	0	5,840
0	0	25,710
0	0	93,876
0	0	17,072
0	0	1,083,812
<u>\$ 1,294,641</u>	<u>\$ 8,199</u>	<u>\$ 2,597,946</u>
\$ 41,326	\$ 0	\$ 58,009
0	0	67,232
<u>\$ 41,326</u>	<u>\$ 0</u>	<u>\$ 125,241</u>
0	0	350,000
<u>\$ 41,326</u>	<u>\$ 0</u>	<u>\$ 475,241</u>
\$ 0	\$ 0	\$ 1,083,812
188,866	0	188,866
1,064,449	0	1,064,449
0	8,199	(214,422)
<u>\$ 1,253,315</u>	<u>\$ 8,199</u>	<u>\$ 2,122,705</u>

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2010

	CENTRAL STORES AND MUNICIPAL GARAGE	INFORMATION TECHNOLOGY
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 629,482	\$ 295,800
Other Revenue	70	0
Total Operating Revenues	\$ 629,552	\$ 295,800
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 176,037	\$ 8,431
Contractual Services	59,251	166,265
Supplies	115,074	5,349
Utilities	18,334	2,262
Depreciation	122,994	70,356
Employee Benefits	121,712	5,572
Benefit Payments	0	0
Equipment Rental	6,467	0
Administrative	30,100	28,600
Total Operating Expenses	\$ 649,969	\$ 286,835
Operating Income (Loss)	\$ (20,417)	\$ 8,965
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 2,398	\$ 1,589
Interest Revenue	36	6
Interest Expense	(21,276)	0
Total Nonoperating Revenues (Expenses)	\$ (18,842)	\$ 1,595
Changes In Net Assets	\$ (39,259)	\$ 10,560
<u>TOTAL NET ASSETS</u> - Beginning of Year	583,973	305,917
<u>TOTAL NET ASSETS</u> - End of Year	\$ 544,714	\$ 316,477

SELF- INSURANCE	SAFETY	TOTALS
\$ 863,447	\$ 0	\$ 1,788,729
74,482	0	74,552
<hr/>		
\$ 937,929	\$ 0	\$ 1,863,281
<hr/>		
\$ 0	\$ 3,281	\$ 187,749
23,832	1,343	250,691
0	0	120,423
0	0	20,596
0	0	193,350
0	0	127,284
979,617	0	979,617
0	0	6,467
0	0	58,700
<hr/>		
\$ 1,003,449	\$ 4,624	\$ 1,944,877
<hr/>		
\$ (65,520)	\$ (4,624)	\$ (81,596)
<hr/>		
\$ 0	\$ 0	3,987
34,249	11	34,302
0	0	(21,276)
<hr/>		
\$ 34,249	\$ 11	\$ 17,013
<hr/>		
\$ (31,271)	\$ (4,613)	\$ (64,583)
<hr/>		
1,284,586	12,812	2,187,288
<hr/>		
\$ 1,253,315	\$ 8,199	\$ 2,122,705
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2010

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 645,067	\$ 295,800
Cash Payments to Suppliers for Goods and Services	(347,648)	(258,755)
Cash Payments to Employees for Services	(171,534)	(8,248)
Other Operating Revenues	70	0
	\$ 125,955	\$ 28,797
Cash Flows from Capital and Related		
Financing Activities:		
Payment on Advance	\$ (50,000)	\$ 0
Interest Paid	(28,238)	0
Acquisition and Construction of Capital Assets	(72,988)	(21,544)
Proceeds from Sales of Capital Assets	2,398	1,589
	\$ (148,828)	\$ (19,955)
Cash Flows from Investing Activities:		
Interest Received	\$ 36	\$ 6
Purchase of Investment Securities	0	0
	\$ 36	\$ 6
Net Cash Provided (Used) by Investing Activities	\$ 36	\$ 6
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (22,837)	\$ 8,848
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	71,705	1,524
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 48,868	\$ 10,372

SELF-			
INSURANCE	SAFETY	TOTALS	
\$ 944,231	\$ 0	\$ 1,885,098	
(989,661)	(5,154)	(1,601,218)	
0	0	(179,782)	
0	0	70	
<hr/>			
\$ (45,430)	\$ (5,154)	\$ 104,168	
<hr/>			
\$ 0	\$ 0	\$ (50,000)	
0	0	(28,238)	
0	0	(94,532)	
0	0	3,987	
<hr/>			
\$ 0	\$ 0	\$ (168,783)	
<hr/>			
\$ 38,382	\$ 11	\$ 38,435	
(14,426)	0	(14,426)	
<hr/>			
\$ 23,956	\$ 11	\$ 24,009	
<hr/>			
\$ (21,474)	\$ (5,143)	\$ (40,606)	
<hr/>			
42,417	13,342	128,988	
<hr/>			
\$ 20,943	\$ 8,199	\$ 88,382	
<hr/> <hr/>			

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2010

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (20,417)	\$ 8,965
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 122,994	\$ 70,356
(Increase) Decrease in Current Assets		
Accounts Receivable	165	0
Due from Other Funds	15,420	0
Inventory	(8,962)	0
Prepaid Expense	4,481	27
Increase (Decrease) in Current Liabilities		
Accounts Payable	7,771	(734)
Other Accrued Expenses	4,503	183
Due to Other Funds	0	(50,000)
Total Adjustments	\$ 146,372	\$ 19,832
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 125,955	\$ 28,797

SELF- INSURANCE	SAFETY	TOTALS
\$ (65,520)	\$ (4,624)	\$ (81,596)
\$ 0	\$ 0	\$ 193,350
6,302	0	6,467
0	0	15,420
0	0	(8,962)
0	0	4,508
13,788	(530)	20,295
0	0	4,686
0	0	(50,000)
\$ 20,090	\$ (530)	\$ 185,764
\$ (45,430)	\$ (5,154)	\$ 104,168

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2010	2009
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 48,868	\$ 71,705
Investments	357	357
Receivables		
Accounts	15,039	15,204
Due from Other Funds	25,710	41,130
Inventory, At Cost	93,876	84,914
Prepaid Expense	17,062	21,543
	\$ 200,912	\$ 234,853
 <u>CAPITAL ASSETS</u>		
Construction in Progress	\$ 0	\$ 895
Land and Land Improvements	93,971	93,971
Buildings	478,181	411,945
Machinery and Equipment	1,667,709	1,742,116
	\$ 2,239,861	\$ 2,248,927
Less Accumulated Depreciation	1,465,035	1,424,095
Net Capital Assets	\$ 774,826	\$ 824,832
TOTAL ASSETS	\$ 975,738	\$ 1,059,685

	<u>2010</u>	<u>2009</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,980	\$ 8,209
Accrued Interest	0	6,962
Other Accrued Expenses	65,044	60,541
Total Current Liabilities	\$ 81,024	\$ 75,712
 <u>LONG-TERM LIABILITIES</u>		
Advance from Other Funds	350,000	400,000
TOTAL LIABILITIES	\$ 431,024	\$ 475,712
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 774,826	\$ 824,832
Unrestricted (Deficit)	(230,112)	(240,859)
TOTAL NET ASSETS	\$ 544,714	\$ 583,973

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	2010	2009
<u>OPERATING REVENUES</u>		
Charges for Services		
Services and Materials	\$ 55,900	\$ 37,417
Equipment Rentals	573,582	694,744
Other Revenue	70	1,000
Total Operating Revenues	\$ 629,552	\$ 733,161
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 169,438	\$ 176,842
Employee Benefits	118,426	131,280
Contractual Services	0	138
Operating Supplies	111,224	85,427
Audit	2,550	2,650
Data Processing	13,500	13,500
Insurance	21,000	20,521
Property Taxes	2,350	2,000
Travel and Education	290	1,074
Utilities	18,334	27,035
Equipment Maintenance	17,883	16,625
Equipment Rental	488	817
Depreciation	122,994	133,275
Outside Work		
Salaries and Wages	6,599	6,731
Employee Benefits	3,286	4,059
Contractual Services	422	0
Operating Supplies	3,850	3,900
Equipment Maintenance	1,256	0
Equipment Rental	5,979	12,797
Administrative	30,100	30,100
Total Operating Expenses	\$ 649,969	\$ 668,771
Operating Income (Loss)	\$ (20,417)	\$ 64,390

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	<u>2010</u>	<u>2009</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 2,398	\$ 12,000
Interest Revenue	36	94
Interest Expense	(21,276)	(21,442)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ (18,842)	\$ (9,348)
	<hr/>	<hr/>
Change in Net Assets	\$ (39,259)	\$ 55,042
<u>TOTAL NET ASSETS - Beginning of Year</u>	<hr/> 583,973	<hr/> 528,931
<u>TOTAL NET ASSETS - End of Year</u>	<hr/> <u>\$ 544,714</u>	<hr/> <u>\$ 583,973</u>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 645,067	\$ 698,390
Cash Payments to Suppliers for Goods and Services	(347,648)	(389,180)
Cash Payments to Employees for Services	(171,534)	(173,740)
Other Operating Revenues	70	1,000
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 125,955	\$ 136,470
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
Payment on Advance	\$ (50,000)	\$ (50,000)
Interest Paid	(28,238)	(36,692)
Acquisition and Construction of Capital Assets	(72,988)	(97,938)
Proceeds from Sales of Capital Assets	2,398	12,000
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (148,828)	\$ (172,630)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 36	\$ 94
Purchase of Investment Securities	0	(4)
	<hr/>	<hr/>
Net Cash Provided (Used) By Investing Activities	\$ 36	\$ 90
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (22,837)	\$ (36,070)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>71,705</u>	<u>107,775</u>
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 48,868</u>	<u>\$ 71,705</u>
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (20,417)	\$ 64,390
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 122,994	\$ 133,275
(Increase) Decrease in Current Assets		
Accounts Receivable	165	(9,621)
Due from Other Funds	15,420	(24,150)
Inventory	(8,962)	(28,585)
Prepaid Expense	4,481	(889)
Increase (Decrease) in Current Liabilities		
Accounts Payable	7,771	(7,574)
Accrued Expenses	4,503	9,833
Due to Other Funds	0	(209)
Total Adjustments	<u>\$ 146,372</u>	<u>\$ 72,080</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 125,955</u>	<u>\$ 136,470</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 10,372	\$ 1,524
Prepaid Expense	10	37
Total Current Assets	<u>\$ 10,382</u>	<u>\$ 1,561</u>
<u>CAPITAL ASSETS</u>		
Furniture, Fixtures and Equipment	\$ 940,200	\$ 918,656
Less Accumulated Depreciation	<u>631,214</u>	<u>560,858</u>
Net Capital Assets	<u>\$ 308,986</u>	<u>\$ 357,798</u>
TOTAL ASSETS	<u>\$ 319,368</u>	<u>\$ 359,359</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 703	\$ 1,437
Other Accrued Expenses	2,188	2,005
Due to Other Funds	0	50,000
TOTAL LIABILITIES	<u>\$ 2,891</u>	<u>\$ 53,442</u>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 308,986	\$ 357,798
Unrestricted (Deficit)	<u>7,491</u>	<u>(51,881)</u>
TOTAL NET ASSETS	<u>\$ 316,477</u>	<u>\$ 305,917</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

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

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 295,800	\$ 307,408
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 8,431	\$ 7,634
Employee Benefits	5,572	8,837
Audit	600	600
Insurance	300	159
Computer Programming	161,765	158,951
Telephone	2,262	2,421
Travel and Education	1,515	1,483
Office Supplies	5,349	7,296
Depreciation	70,356	77,818
Repairs and Maintenance	2,085	0
Administrative	28,600	28,600
Total Operating Expenses	\$ 286,835	\$ 293,799
Operating Income (Loss)	\$ 8,965	\$ 13,609
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 6	\$ 1
Gain on Sale of Capital Assets	1,589	0
Total Nonoperating Revenues (Expenses)	\$ 1,595	\$ 1
Change In Net Assets	\$ 10,560	\$ 13,610
<u>TOTAL NET ASSETS</u> - Beginning of Year	305,917	292,307
<u>TOTAL NET ASSETS</u> - End of Year	\$ 316,477	\$ 305,917

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 295,800	\$ 307,408
Cash Payments to Suppliers for Goods and Services	(258,755)	(258,548)
Cash Payments to Employees for Services	(8,248)	(6,155)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 28,797	\$ 42,705
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (21,544)	\$ (46,848)
Proceeds from Sales of Capital Assets	1,589	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (19,955)	\$ (46,848)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 6	\$ 1
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 8,848	\$ (4,142)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	1,524	5,666
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 10,372</u>	<u>\$ 1,524</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 8,965	\$ 13,609
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 70,356	\$ 77,818
(Increase) Decrease in Current Assets		
Prepaid Expense	27	30
Increase (Decrease) in Current Liabilities		
Accounts Payable	(734)	(231)
Other Accrued Expenses	183	1,479
Due to Other Funds	(50,000)	(50,000)
Total Adjustments	<u>\$ 19,832</u>	<u>\$ 29,096</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 28,797</u>	<u>\$ 42,705</u>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2010	2009
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 20,943	\$ 42,417
Investments	1,267,583	1,253,157
Receivables		
Accounts	275	6,577
Accrued Interest	5,840	9,973
TOTAL ASSETS	\$ 1,294,641	\$ 1,312,124
 <u>LIABILITIES</u>		
Accounts Payable	\$ 41,326	\$ 27,538
 <u>NET ASSETS</u>		
Restricted for:		
Retirees' Life Insurance	\$ 188,866	\$ 199,366
Employees' Life and Health Insurance	1,064,449	1,085,220
TOTAL NET ASSETS	\$ 1,253,315	\$ 1,284,586

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

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

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Employer Contributions	\$ 863,447	\$ 869,323
Other Revenue	74,482	62,814
	\$ 937,929	\$ 932,137
<u>OPERATING EXPENSES</u>		
Contractual Services		
Administration	\$ 23,832	\$ 31,864
Benefit Payments		
Insurance Premiums	511,440	483,358
Medical Claims	308,177	475,873
Other Benefits	160,000	0
	\$ 1,003,449	\$ 991,095
Total Operating Expenses		
	\$ (65,520)	\$ (58,958)
<u>NONOPERATING REVENUES</u>		
Interest Revenue	34,249	37,502
	\$ (31,271)	\$ (21,456)
Change in Net Assets		
<u>TOTAL NET ASSETS</u> - Beginning of Year	1,284,586	1,306,042
<u>TOTAL NET ASSETS</u> - End of Year	\$ 1,253,315	\$ 1,284,586

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 944,231	\$ 925,560
Cash Payments to Suppliers for Goods and Services	(989,661)	(1,002,431)
Net Cash Provided (Used) by Operating Activities	<u>\$ (45,430)</u>	<u>\$ (76,871)</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 38,382	\$ 38,772
Purchase of Investment Securities	(14,426)	0
Proceeds from Sale and Maturities of Investment Securities	0	17,367
Net Cash Provided (Used) by Investing Activities	<u>\$ 23,956</u>	<u>\$ 56,139</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (21,474)</u>	<u>\$ (20,732)</u>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>42,417</u>	<u>63,149</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 20,943</u>	<u>\$ 42,417</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ (65,520)</u>	<u>\$ (58,958)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	\$ 6,302	\$ (6,577)
Increase (Decrease) in Current Liabilities		
Accounts Payable	13,788	(11,336)
Total Adjustments	<u>\$ 20,090</u>	<u>\$ (17,913)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (45,430)</u>	<u>\$ (76,871)</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 8,199	\$ 13,342
 <u>LIABILITIES</u>		
Accounts Payable	<u>0</u>	<u>530</u>
 <u>NET ASSETS</u>		
Unrestricted	<u>\$ 8,199</u>	<u>\$ 12,812</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

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

	2010	2009
<u>OPERATING REVENUES</u>	\$ 0	\$ 0
<u>OPERATING EXPENSES</u>		
Operating Supplies	\$ 3,281	\$ 742
Dues and Publications	138	270
Audit	450	450
Travel and Education	755	1,002
Total Operating Expenses	\$ 4,624	\$ 2,464
Operating Income (Loss)	\$ (4,624)	\$ (2,464)
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Revenue	11	84
Change in Net Assets	\$ (4,613)	\$ (2,380)
<u>TOTAL NET ASSETS - Beginning of Year</u>	12,812	15,192
<u>TOTAL NET ASSETS - End of Year</u>	\$ 8,199	\$ 12,812

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2010	2009
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Payments to Suppliers for Goods and Services	(5,154)	(1,934)
Cash Payments to Employees for Services	0	(4,118)
Net Cash Provided (Used) by Operating Activities	\$ (5,154)	\$ (6,052)
Cash Flows from Investing Activities		
Interest Received	11	84
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (5,143)	\$ (5,968)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	13,342	19,310
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 8,199	\$ 13,342
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (4,624)	\$ (2,464)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Accounts Payable	(530)	530
Due to Other Funds	0	(4,118)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (5,154)	\$ (6,052)

PENSION TRUST FUND

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

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 112,968	\$ 140,803
Investments		
Mutual Funds	1,870	1,866
Municipal Employees' Retirement System	5,830,992	5,252,423
Due from Other Funds	44,499	58,340
Prepaid Deductions	0	5,775
	\$ 5,990,329	\$ 5,459,207
 <u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 1,200
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 5,990,329	\$ 5,458,007

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

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

	2010	2009
<u>ADDITIONS</u>		
Contributions		
Employer	\$ 504,691	\$ 567,171
Employee	46,413	34,828
Total Contributions	\$ 551,104	\$ 601,999
Investment Income		
Interest and Dividend Income	\$ 226	\$ 808
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	604,755	(1,299,030)
Investment Expenses	(26,186)	(24,213)
Net Investment Income (Loss)	\$ 578,795	\$ (1,322,435)
Total Additions (Deletions)	\$ 1,129,899	\$ (720,436)
<u>DEDUCTIONS</u>		
Benefit Payments		
Retirement	\$ 585,552	\$ 594,334
Administrative Expenses		
Contracted Services		
Actuarial Fees	12,025	16,275
Auditing	0	1,200
Total Deductions	\$ 597,577	\$ 611,809
Net Increase (Decrease) in Plan Assets	\$ 532,322	\$ (1,332,245)
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of Year	5,458,007	6,790,252
End of Year	\$ 5,990,329	\$ 5,458,007

AGENCY FUND

CURRENT TAX COLLECTION FUND

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2010

	<u>BALANCE</u>			<u>BALANCE</u>
	<u>7/1/2009</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>6/30/2010</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ 30,637	\$ 8,529,521	\$ 8,509,381	\$ 50,777
Due from Other Governments	4,290	13,370	0	17,660
Total Assets	<u>\$ 34,927</u>	<u>\$ 8,542,891</u>	<u>\$ 8,509,381</u>	<u>\$ 68,437</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 17,981	\$ 8,525,302	\$ 8,502,297	\$ 40,986
Due to Other Funds	16,946	17,589	7,084	27,451
Total Liabilities	<u>\$ 34,927</u>	<u>\$ 8,542,891</u>	<u>\$ 8,509,381</u>	<u>\$ 68,437</u>

COMPONENT UNITS

MAJOR COMPONENT UNIT

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

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

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

NONMAJOR COMPONENT UNITS

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

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

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

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

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2010

	<u>MAJOR</u>	<u>TOTAL</u>	
	<u>L.D.F.A.</u>	<u>NONMAJOR</u>	
		<u>COMPONENT</u>	
		<u>UNITS</u>	<u>TOTALS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 181,180	\$ 97,741	\$ 278,921
Investments	2,278,657	97,562	2,376,219
Receivables			
Taxes	0	45	45
Accounts	2,871	0	2,871
Accrued Interest	3,406	0	3,406
Due from Other Governments	0	79,119	79,119
Prepaid Expenditures	0	138	138
TOTAL CURRENT ASSETS	\$ 2,466,114	\$ 274,605	\$ 2,740,719
<u>CAPITAL ASSETS</u>			
Investment in System	\$ 226,767	\$ 0	\$ 226,767
Less Accumulated Depreciation	68,384	0	68,384
Net Capital Assets	\$ 158,383	\$ 0	\$ 158,383
TOTAL ASSETS	\$ 2,624,497	\$ 274,605	\$ 2,899,102
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 7,786	\$ 21,527	\$ 29,313
Accrued Expenditures	242	776	1,018
Deferred Revenue	0	45	45
Total Liabilities	\$ 8,028	\$ 22,348	\$ 30,376

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2010

	<u>MAJOR</u>	<u>TOTAL</u>	
	<u>L.D.F.A.</u>	<u>NONMAJOR</u>	
		<u>COMPONENT</u>	<u>TOTALS</u>
		<u>UNITS</u>	
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 158,383	\$ 0	\$ 158,383
Unrestricted	226,502	0	226,502
Fund Balance			
Reserved for:			
Prepaid Expenditures	0	138	138
Capital Projects	497,661	0	497,661
Ground Water Clean-up	1,733,923	0	1,733,923
Unreserved	0	252,119	252,119
Total Net Assets/Fund Balance	<u>\$ 2,616,469</u>	<u>\$ 252,257</u>	<u>\$ 2,868,726</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,624,497</u>	<u>\$ 274,605</u>	<u>\$ 2,899,102</u>

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2010

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
<u>REVENUES</u>			
Taxes	\$ 324,118	\$ 172,687	\$ 496,805
Federal Grants	0	503,243	503,243
State Grants	0	210,420	210,420
Interest and Rents	42,341	3,238	45,579
Other Revenues	0	7,110	7,110
Total Revenues	\$ 366,459	\$ 896,698	\$ 1,263,157
<u>EXPENDITURES</u>			
Economic Development	\$ 0	\$ 1,106,462	\$ 1,106,462
Public Works	230,629	0	230,629
Intergovernmental Expenditures	0	31,300	31,300
Total Expenditures	\$ 230,629	\$ 1,137,762	\$ 1,368,391
Excess (Deficiency) of Revenues Over Expenditures	\$ 135,830	\$ (241,064)	\$ (105,234)
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	0	75,000	75,000
Net Change in Fund Balance	\$ 135,830	\$ (166,064)	\$ (30,234)
<u>FUND BALANCES</u> - Beginning of Year	2,095,754	418,321	2,514,075
<u>FUND BALANCES</u> - End of Year	\$ 2,231,584	\$ 252,257	\$ 2,483,841

CITY OF CADILLAC, MICHIGAN

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

JUNE 30, 2010

	<u>OPERATING</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>UTILITIES</u> <u>FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$ 8,413	\$ 132,453	\$ 40,314	\$ 181,180
Investments	1,731,782	363,994	182,881	2,278,657
Receivables				
Accounts	0	0	2,871	2,871
Accrued Interest	1,756	1,214	436	3,406
Total Current Assets	<u>\$ 1,741,951</u>	<u>\$ 497,661</u>	<u>\$ 226,502</u>	<u>\$ 2,466,114</u>
<u>CAPITAL ASSETS</u>				
Investment in System	\$ 0	\$ 0	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	0	0	68,384	68,384
Net Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,383</u>	<u>\$ 158,383</u>
TOTAL ASSETS	<u>\$ 1,741,951</u>	<u>\$ 497,661</u>	<u>\$ 384,885</u>	<u>\$ 2,624,497</u>
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 7,786	\$ 0	\$ 0	\$ 7,786
Accrued Expenditures	242	0	0	242
Total Liabilities	<u>\$ 8,028</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,028</u>
<u>EQUITY</u>				
Net Assets				
Invested in Capital Assets	\$ 0	\$ 0	\$ 158,383	\$ 158,383
Unrestricted	0	0	226,502	226,502
Fund Balance				
Reserved for:				
Capital Projects	0	497,661	0	497,661
Ground Water Clean-up	1,733,923	0	0	1,733,923
Total Net Assets/Fund Balance	<u>\$ 1,733,923</u>	<u>\$ 497,661</u>	<u>\$ 384,885</u>	<u>\$ 2,616,469</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,741,951</u>	<u>\$ 497,661</u>	<u>\$ 384,885</u>	<u>\$ 2,624,497</u>

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	<u>OPERATING FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes	\$ 219,226	\$ 104,892	\$ 324,118
Interest and Rents	32,622	9,719	42,341
Total Revenues	\$ 251,848	\$ 114,611	\$ 366,459
<u>EXPENDITURES</u>			
Public Works	230,229	400	230,629
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,619	\$ 114,211	\$ 135,830
<u>FUND BALANCE - Beginning of Year</u>	<u>1,712,304</u>	<u>383,450</u>	<u>2,095,754</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,733,923</u>	<u>\$ 497,661</u>	<u>\$ 2,231,584</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2010	2009
<u>ASSETS</u>		
Cash	\$ 8,413	\$ 82,586
Investments	1,731,782	1,636,054
Receivables		
Accrued Interest	1,756	11,075
TOTAL ASSETS	\$ 1,741,951	\$ 1,729,715
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 7,786	\$ 16,791
Accrued Expenditures	242	620
Total Liabilities	\$ 8,028	\$ 17,411
 <u>FUND BALANCE</u>		
Reserved for Groundwater Cleanup	1,733,923	1,712,304
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,741,951	\$ 1,729,715

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Groundwater Cleanup Special Assessment	\$ 220,000	\$ 219,226	\$ 219,226
Interest and Rents			
Interest	35,000	32,622	59,562
Total Revenues	\$ 255,000	\$ 251,848	\$ 278,788
<u>EXPENDITURES</u>			
Public Works			
Personal Services	\$ 18,500	\$ 12,018	\$ 14,542
Employee Benefits	9,500	4,560	5,331
Audit	900	450	450
Legal Fees	9,500	0	11,201
Supplies	11,700	3,079	9,903
Contractual Services	72,200	75,847	60,791
Heat, Light and Power	125,000	125,581	133,508
Equipment Maintenance	15,000	8,694	6,956
Total Expenditures	\$ 262,300	\$ 230,229	\$ 242,682
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,300)	\$ 21,619	\$ 36,106
<u>FUND BALANCE</u> - Beginning of Year	1,712,304	1,712,304	1,676,198
<u>FUND BALANCE</u> - End of Year	\$ 1,705,004	\$ 1,733,923	\$ 1,712,304

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 132,453	\$ 180,435
Investments	363,994	201,896
Receivables		
Accrued Interest	1,214	1,119
 TOTAL ASSETS	 <u>\$ 497,661</u>	 <u>\$ 383,450</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Capital Projects	497,661	383,450
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 497,661</u>	 <u>\$ 383,450</u>

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Taxes		
Property Taxes	\$ 104,892	\$ 117,153
Interest and Rents		
Interest	9,719	8,835
Total Revenues	\$ 114,611	\$ 125,988
 <u>EXPENDITURES</u>		
Audit	400	400
Excess (Deficiency) of Revenues Over Expenditures	\$ 114,211	\$ 125,588
 <u>FUND BALANCE</u> - Beginning of Year	<u>383,450</u>	<u>257,862</u>
 <u>FUND BALANCE</u> - End of Year	<u>\$ 497,661</u>	<u>\$ 383,450</u>

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

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 40,314	\$ 25,197
Investments	182,881	179,218
Receivables		
Accounts	2,871	1,566
Accrued Interest	436	692
	<hr/>	<hr/>
Total Current Assets	\$ 226,502	\$ 206,673
	<hr/>	<hr/>
<u>CAPITAL ASSETS</u>		
Investment in System	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	68,384	63,848
	<hr/>	<hr/>
Net Capital Assets	\$ 158,383	\$ 162,919
	<hr/>	<hr/>
TOTAL ASSETS	\$ 384,885	\$ 369,592
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>	\$ 0	\$ 0
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 158,383	\$ 162,919
Unrestricted	226,502	206,673
	<hr/>	<hr/>
Total Net Assets	\$ 384,885	\$ 369,592
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Water Charges to Customers	\$ 19,515	\$ 14,570
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 1,979	\$ 1,763
Employee Benefits	752	734
Audit	400	400
Depreciation	4,536	4,535
Total Operating Expenses	\$ 7,667	\$ 7,432
Operating Income (Loss)	\$ 11,848	\$ 7,138
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	3,445	6,441
Change in Net Assets	\$ 15,293	\$ 13,579
<u>NET ASSETS - Beginning of Year</u>	<u>369,592</u>	<u>356,013</u>
<u>NET ASSETS - End of Year</u>	<u>\$ 384,885</u>	<u>\$ 369,592</u>

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

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 18,210	\$ 14,339
Cash Payments to Suppliers for Goods and Services	(400)	(400)
Cash Payments to Employees for Services	(2,731)	(2,700)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 15,079	\$ 11,239
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest Received	\$ 3,701	\$ 5,818
Proceeds from Sales and Maturities	0	1,726
Purchase of Investment Securities	(3,663)	(7,473)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 38	\$ 71
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 15,117	\$ 11,310
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	25,197	13,887
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 40,314	\$ 25,197
	<hr/> <hr/>	<hr/> <hr/>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income	\$ 11,848	\$ 7,138
	<hr/>	<hr/>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 4,536	\$ 4,535
(Increase) Decrease in Current Assets		
Accounts Receivable	(1,305)	(231)
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	0	(203)
	<hr/>	<hr/>
Total Adjustments	\$ 3,231	\$ 4,101
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 15,079	\$ 11,239
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2010

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>ASSETS</u>				
Cash	\$ 35,214	\$ 1,167	\$ 61,360	\$ 97,741
Investments	0	0	97,562	97,562
Receivables				
Taxes	45	0	0	45
Due from Other Governments	53,252	0	25,867	79,119
Prepaid Expenditures	138	0	0	138
TOTAL ASSETS	\$ 88,649	\$ 1,167	\$ 184,789	\$ 274,605
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,572	\$ 0	\$ 16,955	\$ 21,527
Accrued Expenditures	776	0	0	776
Deferred Revenue	45	0	0	45
Total Liabilities	\$ 5,393	\$ 0	\$ 16,955	\$ 22,348
<u>FUND BALANCE</u>				
Reserved for Prepaid Expenditures	\$ 138	\$ 0	\$ 0	\$ 138
Unreserved	83,118	1,167	167,834	252,119
Total Fund Balance	\$ 83,256	\$ 1,167	\$ 167,834	\$ 252,257
TOTAL LIABILITIES AND FUND BALANCE	\$ 88,649	\$ 1,167	\$ 184,789	\$ 274,605

CITY OF CADILLAC, MICHIGAN

NONMAJOR GOVERNMENTAL COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>REVENUES</u>				
Taxes	\$ 144,960	\$ 0	\$ 27,727	\$ 172,687
Federal Grants	503,243	0	0	503,243
State Grants	143,367	0	67,053	210,420
Interest and Rents	3,017	0	221	3,238
Other Revenues	7,110	0	0	7,110
Total Revenues	\$ 801,697	\$ 0	\$ 95,001	\$ 896,698
<u>EXPENDITURES</u>				
Economic Development	\$ 987,177	\$ 0	\$ 119,285	\$ 1,106,462
Intergovernmental	31,300	0	0	31,300
Total Expenditures	\$ 1,018,477	\$ 0	\$ 119,285	\$ 1,137,762
Excess (Deficiency) of Revenues Over Expenditures	\$ (216,780)	\$ 0	\$ (24,284)	\$ (241,064)
<u>OTHER FINANCING SOURCES (USES)</u>				
Loan Proceeds	75,000	0	0	75,000
Net Change in Fund Balance	\$ (141,780)	\$ 0	\$ (24,284)	\$ (166,064)
<u>FUND BALANCES</u> - Beginning of Year	225,036	1,167	192,118	418,321
<u>FUND BALANCES</u> - End of Year	\$ 83,256	\$ 1,167	\$ 167,834	\$ 252,257

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2010

	CAPITAL		
	OPERATING	PROJECTS	TOTAL
	FUND	FUND	
<u>ASSETS</u>			
Cash	\$ 20,049	\$ 15,165	\$ 35,214
Receivables			
Taxes	45	0	45
Due from Other Governments	185	53,067	53,252
Prepaid Expenditures	138	0	138
TOTAL ASSETS	<u>\$ 20,417</u>	<u>\$ 68,232</u>	<u>\$ 88,649</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,980	\$ 1,592	\$ 4,572
Accrued Expenditures	776	0	776
Deferred Revenue	45	0	45
Total Liabilities	<u>\$ 3,801</u>	<u>\$ 1,592</u>	<u>\$ 5,393</u>
<u>FUND BALANCE</u>			
Reserved for Prepaid Expenditures	\$ 138	\$ 0	\$ 138
Unreserved	16,478	66,640	83,118
Total Fund Balance	<u>\$ 16,616</u>	<u>\$ 66,640</u>	<u>\$ 83,256</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 20,417</u>	<u>\$ 68,232</u>	<u>\$ 88,649</u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2010

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 31,153	\$ 113,807	\$ 144,960
Federal Grants	0	503,243	503,243
State Grants	0	143,367	143,367
Interest and Rents	178	2,839	3,017
Other Revenues	7,110	0	7,110
	<hr/>		
Total Revenues	\$ 38,441	\$ 763,256	\$ 801,697
	<hr/>		
<u>EXPENDITURES</u>			
Economic Development	\$ 33,767	\$ 953,410	\$ 987,177
Intergovernmental Expenditures	0	31,300	31,300
	<hr/>		
Total Expenditures	\$ 33,767	\$ 984,710	\$ 1,018,477
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,674	\$ (221,454)	\$ (216,780)
	<hr/>		
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	0	75,000	75,000
	<hr/>		
Net Change in Fund Balance	\$ 4,674	\$ (146,454)	\$ (141,780)
	<hr/>		
<u>FUND BALANCES</u> - Beginning of Year	11,942	213,094	225,036
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 16,616	\$ 66,640	\$ 83,256
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 20,049	\$ 13,096
Receivables		
Taxes	45	62
Due from Other Governments	185	0
Prepaid Expenditures	138	89
	<hr/>	<hr/>
TOTAL ASSETS	\$ 20,417	\$ 13,247
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,980	\$ 562
Accrued Expenditures	776	689
Deferred Revenue	45	54
	<hr/>	<hr/>
Total Liabilities	\$ 3,801	\$ 1,305
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 138	\$ 89
Unreserved	16,478	11,853
	<hr/>	<hr/>
Total Fund Balance	\$ 16,616	\$ 11,942
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,417	\$ 13,247
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 31,000	\$ 31,153	\$ 31,153
Interest and Rents			
Interest	500	178	217
Other Revenues			
DEQ Management Fee	5,000	5,000	5,000
Contributions from Private Sources	3,000	2,110	2,965
Total Revenues	<u>\$ 39,500</u>	<u>\$ 38,441</u>	<u>\$ 39,335</u>
<u>EXPENDITURES</u>			
Economic Development			
Personal Services	\$ 23,100	\$ 19,368	\$ 21,963
Employee Benefits	6,400	5,033	5,530
Audit	900	850	850
Contractual Services	6,500	6,063	6,415
Postage	500	15	0
Printing and Publishing	300	106	1,068
Office Supplies	1,000	132	124
Travel and Education	200	0	200
Downtown Marketing	2,500	2,200	698
Total Expenditures	<u>\$ 41,400</u>	<u>\$ 33,767</u>	<u>\$ 36,848</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,900)	\$ 4,674	\$ 2,487
<u>FUND BALANCE</u> - Beginning of Year	11,942	11,942	9,455
<u>FUND BALANCE</u> - End of Year	<u>\$ 10,042</u>	<u>\$ 16,616</u>	<u>\$ 11,942</u>

CITY OF CADILLAC, MICHIGAN

D.D.A. CAPITAL PROJECTS FUND

A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 15,165	\$ 75,212
Investments	0	149,798
Receivables		
Accrued Interest	0	30
Due from Other Governments	53,067	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 68,232</u>	<u>\$ 225,040</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,592	\$ 11,946
 <u>FUND BALANCE</u>		
Unreserved	66,640	213,094
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 68,232</u>	<u>\$ 225,040</u>

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 100,000	\$ 113,807	\$ 116,679
Federal Grants			
Transportation Enhancement Grant	0	503,243	200,773
State Grants			
Transportation Enhancement Grant	0	143,367	45,454
Interest and Rents			
Interest	2,500	2,839	6,271
Other Revenue			
Contributions from Private Sources	0	0	1,500
Total Revenues	<u>\$ 102,500</u>	<u>\$ 763,256</u>	<u>\$ 370,677</u>
<u>EXPENDITURES</u>			
Economic Development			
Construction	\$ 335,000	\$ 946,185	\$ 294,602
Audit	400	400	0
Contracted Services	15,000	6,825	16,145
Intergovernmental Expenditures			
Public Works	31,000	31,300	32,500
Total Expenditures	<u>\$ 381,400</u>	<u>\$ 984,710</u>	<u>\$ 343,247</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (278,900)	\$ (221,454)	\$ 27,430
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	85,000	75,000	0
Net Change in Fund Balance	\$ (193,900)	\$ (146,454)	\$ 27,430
<u>FUND BALANCE</u> - Beginning of Year	213,094	213,094	185,664
<u>FUND BALANCE</u> - End of Year	<u>\$ 19,194</u>	<u>\$ 66,640</u>	<u>\$ 213,094</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 1,167	\$ 1,167
	<u>1,167</u>	<u>1,167</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	1,167	1,167
	<u>1,167</u>	<u>1,167</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,167</u>	<u>\$ 1,167</u>

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>1,167</u>	<u>1,167</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,167</u>	<u>\$ 1,167</u>

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 61,360	\$ 88,459
Investments	97,562	97,433
Due from Other Governments	25,867	18,761
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 184,789</u>	<u>\$ 204,653</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 16,955	\$ 12,535
 <u>FUND BALANCE</u>		
Unreserved	167,834	192,118
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 184,789</u>	<u>\$ 204,653</u>

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

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

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	2010		2009
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
State Grants			
Brownfield Redevelopment Grant	\$ 0	\$ 67,053	\$ 132,754
Taxes			
Property Taxes	12,000	27,727	26,956
Interest and Rents			
Interest on Investments	3,500	221	2,306
Other Revenue			
Sale of Capital Assets	0	0	90,538
	<hr/>		
Total Revenues	\$ 15,500	\$ 95,001	\$ 252,554
<hr/>			
<u>EXPENDITURES</u>			
Economic Development			
Operating Supplies	\$ 0	\$ 245	\$ 0
Contracted Services	260,000	118,240	153,330
Audit	800	800	800
	<hr/>		
Total Expenditures	\$ 260,800	\$ 119,285	\$ 154,130
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ (245,300)	\$ (24,284)	\$ 98,424
<hr/>			
<u>OTHER FINANCING SOURCES</u>			
Brownfield Redevelopment Loan Proceeds	247,300	0	0
	<hr/>		
Net Change in Fund Balance	\$ 2,000	\$ (24,284)	\$ 98,424
<hr/>			
<u>FUND BALANCE</u> - Beginning of Year	192,118	192,118	93,694
<hr/>			
<u>FUND BALANCE</u> - End of Year	\$ 194,118	\$ 167,834	\$ 192,118
<hr/> <hr/>			

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	1996 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>			\$ 230,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 180,000	
During Current Period		<u>25,000</u>	<u>205,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>			<u><u>\$ 25,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.50 %	<u>\$ 25,000</u>	<u>\$ 687</u>	<u>\$ 25,687</u>

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	2000 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	June 1, 2000		
<u>AMOUNT OF ISSUE</u>			\$ 300,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 125,000	
During Current Period		<u>25,000</u>	<u>150,000</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2010			<u><u>\$ 150,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.50 %	\$ 25,000	\$ 4,142	\$ 29,142
April 1, 2011			3,455	3,455
October 1, 2011	5.50 %	25,000	3,455	28,455
April 1, 2012			2,768	2,768
October 1, 2012	5.50 %	30,000	2,768	32,768
April 1, 2013			1,943	1,943
October 1, 2013	5.55 %	35,000	1,943	36,943
April 1, 2014			971	971
October 1, 2014	5.55 %	35,000	971	35,971
		<u><u>\$ 150,000</u></u>	<u><u>\$ 22,416</u></u>	<u><u>\$ 172,416</u></u>

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	City of Cadillac Building Authority 1997 Building Authority Bonds	
<u>PURPOSE</u>	Paying all or part of the cost of public parking lot improvements in the City of Cadillac	
<u>DATE OF ISSUE</u>	December 1, 1997	
<u>AMOUNT OF ISSUE</u>		\$ 310,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 195,000	
During Current Period	<u>25,000</u>	<u>220,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>		<u><u>\$ 90,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.15 %	\$ 30,000	\$ 2,340	\$ 32,340
April 1, 2011			1,568	1,568
October 1, 2011	5.20 %	30,000	1,568	31,568
April 1, 2012			788	788
October 1, 2012	5.25 %	<u>30,000</u>	<u>788</u>	<u>30,788</u>
		<u><u>\$ 90,000</u></u>	<u><u>\$ 7,052</u></u>	<u><u>\$ 97,052</u></u>

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2010

TITLE OF ISSUE City of Cadillac 2004 General Obligation Capital Improvement Bonds

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

DATE OF ISSUE November 1, 2004

AMOUNT OF ISSUE \$ 995,000

AMOUNT REDEEMED

Prior to Current Period	\$ 220,000	
During Current Period	<u>60,000</u>	<u>280,000</u>

BALANCE OUTSTANDING - June 30, 2010 \$ 715,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2010	3.15 %	\$ 60,000	\$ 13,585	\$ 73,585
March 1, 2011			12,640	12,640
September 1, 2011	3.35 %	65,000	12,640	77,640
March 1, 2012			11,551	11,551
September 1, 2012	3.50 %	65,000	11,551	76,551
March 1, 2013			10,414	10,414
September 1, 2013	3.65 %	65,000	10,414	75,414
March 1, 2014			9,228	9,228
September 1, 2014	3.75 %	70,000	9,228	79,228
March 1, 2015			7,915	7,915

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2010

	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2015	3.85 %	70,000	7,915	77,915
March 1, 2016			6,568	6,568
September 1, 2016	3.95 %	75,000	6,568	81,568
March 1, 2017			5,086	5,086
September 1, 2017	4.05 %	80,000	5,086	85,086
March 1, 2018			3,466	3,466
September 1, 2018	4.15 %	80,000	3,466	83,466
March 1, 2019			1,806	1,806
September 1, 2019	4.25 %	85,000	1,806	86,806
		<u>\$ 715,000</u>	<u>\$ 150,933</u>	<u>\$ 865,933</u>

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	City of Cadillac 1996 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>		\$	425,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	400,000	
During Current Period		15,000	415,000
<u>BALANCE OUTSTANDING - June 30, 2010</u>			\$ 10,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.65 %	\$ 10,000	\$ 283	\$ 10,283

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	City of Cadillac 1997 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
<u>DATE OF ISSUE</u>	May 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 360,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 290,000	
During Current Period		<u>25,000</u>	<u>315,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>			<u>\$ 45,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.40 %	\$ 25,000	\$ 1,220	\$ 26,220
April 1, 2011			545	545
October 1, 2011	5.45 %	<u>20,000</u>	545	<u>20,545</u>
		<u>\$ 45,000</u>	<u>\$ 2,310</u>	<u>\$ 47,310</u>

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	City of Cadillac 2000 Special Assessment Limited Tax Bonds
<u>PURPOSE</u>	Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac
<u>DATE OF ISSUE</u>	June 1, 2000
<u>AMOUNT OF ISSUE</u>	\$ 210,000
<u>AMOUNT REDEEMED</u>	
Prior to Current Period	\$ 160,000
During Current Period	<u>20,000</u>
	<u>180,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>	<u>\$ 30,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	5.50 %	\$ 5,000	\$ 827	\$ 5,827
April 1, 2011			690	690
October 1, 2011	5.50 %	5,000	690	5,690
April 1, 2012			553	553
October 1, 2012	5.50 %	10,000	553	10,553
April 1, 2013			277	277
October 1, 2013	5.55 %	5,000	277	5,277
April 1, 2014			139	139
October 1, 2014	5.55 %	5,000	139	5,139
		<u>\$ 30,000</u>	<u>\$ 4,145</u>	<u>\$ 34,145</u>

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	2002 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	For the purpose of constructing public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	June 1, 2002		
<u>AMOUNT OF ISSUE</u>			\$ 325,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 210,000	
During Current Period		<u>30,000</u>	<u>240,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>			<u><u>\$ 85,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	4.40 %	\$ 30,000	\$ 1,932	\$ 31,932
April 1, 2011			1,272	1,272
October 1, 2011	4.50 %	30,000	1,272	31,272
April 1, 2012			597	597
October 1, 2012	4.60 %	10,000	597	10,597
April 1, 2013			367	367
October 1, 2013	4.75 %	5,000	367	5,367
April 1, 2014			248	248
October 1, 2014	4.90 %	5,000	248	5,248
April 1, 2015			125	125
October 1, 2015	5.00 %	<u>5,000</u>	<u>125</u>	<u>5,125</u>
		<u><u>\$ 85,000</u></u>	<u><u>\$ 7,150</u></u>	<u><u>\$ 92,150</u></u>

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS
JUNE 30, 2010

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

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

DATE OF ISSUE May 5, 1999

AMOUNT OF ISSUE \$ 2,110,000

AMOUNT REDEEMED

Prior to Current Period	\$ 1,030,000	
During Current Period	<u>5,000</u>	<u>1,035,000</u>

BALANCE OUTSTANDING - June 30, 2010 \$ 1,075,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2010	4.70 %	\$ 5,000	\$ 25,723	\$ 30,723
March 1, 2011			25,605	25,605
September 1, 2011	4.70 %	5,000	25,605	30,605

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001		
<u>PURPOSE</u>	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and sewer system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1995, maturing in the years 2008 through and including 2012 on August 22, 2001, and (3) paying certain expenses relating to the issuance of the Bonds.		
<u>DATE OF ISSUE</u>	August 1, 2001		
<u>AMOUNT OF ISSUE</u>			\$ 5,215,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 165,000	
During Current Period		<u>425,000</u>	<u>590,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>			<u><u>\$ 4,625,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2010	4.63 %	\$ 450,000	\$ 114,729	\$ 564,729
March 1, 2011			104,322	104,322
September 1, 2011	4.75 %	480,000	104,322	584,322
March 1, 2012			92,923	92,923
September 1, 2012	4.75 %	505,000	92,923	597,923
March 1, 2013			80,929	80,929

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2010

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2013	4.60 %	80,000	80,929	160,929
March 1, 2014			79,089	79,089
September 1, 2014	4.75 %	85,000	79,089	164,089
March 1, 2015			77,070	77,070
September 1, 2015	4.80 %	100,000	77,070	177,070
March 1, 2016			74,670	74,670
September 1, 2016	5.00 %	100,000	74,670	174,670
March 1, 2017			72,170	72,170
September 1, 2017	5.00 %	100,000	72,170	172,170
March 1, 2018			69,670	69,670
September 1, 2018	5.00 %	105,000	69,670	174,670
March 1, 2019			67,045	67,045
September 1, 2019	5.10 %	115,000	67,045	182,045
March 1, 2020			64,112	64,112
September 1, 2020	5.10 %	305,000	64,112	369,112
March 1, 2021			56,335	56,335
September 1, 2021	5.10 %	320,000	56,335	376,335
March 1, 2022			48,175	48,175
September 1, 2022	5.125 %	340,000	48,175	388,175
March 1, 2023			39,463	39,463
September 1, 2023	5.125 %	355,000	39,463	394,463
March 1, 2024			30,366	30,366
September 1, 2024	5.125 %	375,000	30,366	405,366
March 1, 2025			20,756	20,756
September 1, 2025	5.125 %	395,000	20,756	415,756
March 1, 2026			10,634	10,634
September 1, 2026	5.125 %	415,000	10,634	425,634
		<u>\$ 4,625,000</u>	<u>\$ 2,090,187</u>	<u>\$ 6,715,187</u>

CITY OF CADILLAC, MICHIGAN

2007 WASTEWATER SYSTEM JUNIOR LIEN REVENUE BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	2007 Wastewater System Junior Lien Revenue Bonds		
<u>PURPOSE</u>	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.		
<u>DATE OF ISSUE</u>	September 20, 2007		
<u>AMOUNT OF ISSUE</u>			\$ 3,865,205
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 0	
During Current Period		<u>165,000</u>	<u>165,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>			<u>\$ 3,700,205</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	1.625 %	\$ 170,000	\$ 30,064	\$ 200,064
April 1, 2011			28,683	28,683
October 1, 2011	1.625 %	170,000	28,683	198,683
April 1, 2012			27,302	27,302
October 1, 2012	1.625 %	175,000	27,302	202,302
April 1, 2013			25,880	25,880
October 1, 2013	1.625 %	175,000	25,880	200,880
April 1, 2014			24,458	24,458
October 1, 2014	1.625 %	180,000	24,458	204,458
April 1, 2015			22,995	22,995
October 1, 2015	1.625 %	180,000	22,995	202,995
April 1, 2016			21,533	21,533
October 1, 2016	1.625 %	185,000	21,533	206,533

CITY OF CADILLAC, MICHIGAN

2007 WASTEWATER SYSTEM JUNIOR LIEN REVENUE BONDS

JUNE 30, 2010

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
April 1, 2017			20,030	20,030
October 1, 2017	1.625 %	190,000	20,030	210,030
April 1, 2018			18,486	18,486
October 1, 2018	1.625 %	190,000	18,486	208,486
April 1, 2019			16,942	16,942
October 1, 2019	1.625 %	195,000	16,942	211,942
April 1, 2020			15,358	15,358
October 1, 2020	1.625 %	195,000	15,358	210,358
April 1, 2021			13,774	13,774
October 1, 2021	1.625 %	200,000	13,774	213,774
April 1, 2022			12,149	12,149
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>\$ 3,700,205</u>	<u>\$ 599,526</u>	<u>\$ 4,299,731</u>

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2010

<u>TITLE OF ISSUE</u>	1999 Building Authority Refunding Bonds
<u>PURPOSE</u>	For the purpose of advance refunding the 1994 Building Authority Bonds dated December 1, 1994 maturing in the years 2006 through and including 2015 on October 1, 1999
<u>DATE OF ISSUE</u>	February 2, 1999
<u>AMOUNT OF ISSUE</u>	\$ 1,265,000
<u>AMOUNT REDEEMED</u>	
Prior to Current Period	\$ 395,000
During Current Period	<u>110,000</u>
	<u>505,000</u>
<u>BALANCE OUTSTANDING - June 30, 2010</u>	<u>\$ 760,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2010	4.35 %	\$ 115,000	\$ 17,336	\$ 132,336
April 1, 2011			14,835	14,835
October 1, 2011	4.60 %	115,000	14,835	129,835
April 1, 2012			12,190	12,190
October 1, 2012	4.60 %	125,000	12,190	137,190
April 1, 2013			9,315	9,315
October 1, 2013	4.60 %	130,000	9,315	139,315
April 1, 2014			6,325	6,325
October 1, 2014	4.60 %	135,000	6,325	141,325
April 1, 2015			3,220	3,220
October 1, 2015	4.60 %	140,000	3,220	143,220
		<u>\$ 760,000</u>	<u>\$ 109,106</u>	<u>\$ 869,106</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2009 TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 243,721,283	8.2797	\$ 2,017,852	\$ 1,910,955	\$ 106,897
Cadillac Area Public Schools					
Operating	110,103,406	18.0000	1,875,630	1,716,768	158,862
Debt Retirement	242,842,186	2.9000	704,200	662,010	42,190
State Education Tax	217,033,386	6.0000	1,302,186	1,230,807	71,379
Wexford-Missaukee Intermediate School District	243,721,283	5.9419	1,442,917	1,341,204	101,713
Cadillac-Wexford Transit Authority	243,721,283	0.6000	146,215	135,947	10,268
Cadillac-Wexford Public Library	243,721,283	0.7500	182,770	169,934	12,836
Wexford County Council on Aging	243,721,283	1.0000	243,705	226,589	17,116
City of Cadillac					
General Fund	243,721,283	13.9473	3,399,228	3,232,125	167,103
Policemen and Firemen					
Retirement System	243,721,283	2.6000	633,658	602,509	31,149
Public Improvement					
Special Assessments			165,262	140,213	25,049
Unpaid Invoices			10,754	4,500	6,254
Water and Sewer Delinquent Accounts			20,633	13,702	6,931
Administration Fees			134,884	125,936	8,948
			<u>\$ 12,279,894</u>	<u>\$ 11,513,199</u>	<u>\$ 766,695</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2009 TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 2,024,866	8.2797	\$ 16,765	\$ 0	\$ 16,765	\$ (16,765)	\$ 0
Cadillac Area Public Schools							
Operating	2,024,866	18.0000	36,448	0	36,448	0	36,448
Debt Retirement	2,024,866	2.9000	5,872	0	5,872	0	5,872
State Education Tax	2,024,866	6.0000	12,149	0	12,149	0	12,149
Wexford-Missaukee Intermediate							
School District	2,024,866	5.9419	12,032	0	12,032	0	12,032
Cadillac-Wexford Transit Authority	2,024,866	0.6000	1,215	0	1,215	(1,215)	0
Cadillac-Wexford Public Library	2,024,866	0.7500	1,519	0	1,519	(1,519)	0
Wexford County Council on Aging	2,024,866	1.0000	2,025	0	2,025	(2,025)	0
Local Development Finance Authority							
Capture	(2,024,866)	27.1770	0	0	0	55,030	55,030
Groundwater Treatment							
Special Assessments			219,226	14,630	204,596	0	204,596
City of Cadillac							
General Fund	2,024,866	13.9473	28,241	0	28,241	(28,241)	0
Policemen and Firemen							
Retirement System	2,024,866	2.6000	5,265	0	5,265	(5,265)	0
			\$ 340,757	\$ 14,630	\$ 326,127	\$ 0	\$ 326,127

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2009 TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 15,932,626	8.2797	\$ 131,917	\$ 16,456	\$ 115,461	\$ (34,672)	\$ 80,789
Cadillac Area Public Schools							
Operating	15,932,626	18.0000	286,787	35,776	251,011	0	251,011
Debt Retirement	15,932,626	2.9000	46,205	5,764	40,441	0	40,441
State Education Tax	15,932,626	6.0000	95,596	11,925	83,671	0	83,671
Wexford-Missaukee Intermediate							
School District	15,932,626	5.9419	94,670	11,810	82,860	0	82,860
Cadillac-Wexford Transit Authority	15,932,626	0.6000	9,560	1,193	8,367	(2,513)	5,854
Cadillac-Wexford Public Library	15,932,626	0.7500	11,949	1,491	10,458	(3,141)	7,317
Wexford County Council on Aging	15,932,626	1.0000	15,933	1,988	13,945	(4,188)	9,757
Downtown Development Authority							
Special Assessments	15,932,626	1.9548	31,143	3,885	27,258	0	27,258
Capture	(4,187,632)	27.1770	0	0	0	113,808	113,808
City of Cadillac							
General Fund	15,932,626	13.9473	222,217	27,721	194,496	(58,406)	136,090
Policemen and Firemen Retirement System	15,932,626	2.6000	41,425	5,168	36,257	(10,888)	25,369
			\$ 987,402	\$ 123,177	\$ 864,225	\$ 0	\$ 864,225

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2009 TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 29,003	8.2797	\$ 241	\$ 0	\$ 241	\$ (241)	\$ 0
Cadillac Area Public Schools							
Operating	908,100	18.0000	16,346	0	16,346	(16,346)	0
Debt Retirement	908,100	2.9000	2,633	0	2,633	0	2,633
State Education Tax	866,200	6.0000	5,197	0	5,197	(5,197)	0
Wexford-Missaukee Intermediate School District	908,100	5.9419	5,396	0	5,396	(5,396)	0
Cadillac-Wexford Transit Authority	29,003	0.6000	17	0	17	(17)	0
Cadillac-Wexford Public Library	29,003	0.7500	22	0	22	(22)	0
Wexford County Council on Aging	29,003	1.0000	29	0	29	(29)	0
Brownfield Redevelopment District Capture							
Intermediated School District	(908,100)	5.9419	0	0	0	5,396	5,396
Cadillac Area Public Schools	(908,100)	18.0000	0	0	0	16,347	16,347
State Education Tax	(866,200)	6.0000	0	0	0	5,197	5,197
All Other Levies	(29,003)	27.1770	0	0	0	788	788
City of Cadillac							
General Fund	29,003	13.9473	405	0	405	(405)	0
Policemen and Firemen Retirement System	29,003	2.6000	75	0	75	(75)	0
			\$ 30,361	\$ 0	\$ 30,361	\$ 0	\$ 30,361

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2009 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 16,509,213	4.13985	\$ 68,342	\$ 67,549	\$ 793
Cadillac Area Public Schools					
Operating (State Share)					
After Proposal A	5,086,513	9.00000	45,779	45,066	713
Debt Retirement	16,509,213	1.45000	23,937	23,657	280
State Education Tax	3,738,447	6.00000	22,431	21,956	475
Wexford-Missaukee Intermediate School District					
State Share	16,509,213	2.97095	49,046	48,468	578
Cadillac-Wexford Transit Authority	16,509,213	0.30000	4,952	4,894	58
Cadillac-Wexford Public Library	16,509,213	0.37500	6,191	6,118	73
Wexford County Council on Aging	16,509,213	0.50000	8,254	8,157	97
City of Cadillac					
General Fund	16,509,213	6.97365	115,128	113,794	1,334
Policemen and Firemen					
Retirement System	16,509,213	1.30000	21,463	21,214	249
Administration Fees			4,865	4,819	46
			<u>\$ 370,388</u>	<u>\$ 365,692</u>	<u>\$ 4,696</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2009 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 3,669,516	4.13985	\$ 15,191	\$ 0	\$ 15,191	\$ (15,191)	\$ 0
Cadillac Area Public Schools							
Operating (State Share)							
After Proposal A	3,669,516	9.00000	33,026	0	33,026	0	33,026
Debt Retirement	3,669,516	1.45000	5,321	0	5,321	0	5,321
State Education Tax	3,669,516	6.00000	22,017	0	22,017	0	22,017
Wexford-Missaukee Intermediate							
School District							
State Share	3,669,516	2.97095	10,902	0	10,902	0	10,902
Cadillac-Wexford Transit Authority	3,669,516	0.30000	1,101	0	1,101	(1,101)	0
Cadillac-Wexford Public Library	3,669,516	0.37500	1,376	0	1,376	(1,376)	0
Wexford County Council on Aging	3,669,516	0.50000	1,835	0	1,835	(1,835)	0
Local Development Finance							
Authority Capture	(3,669,516)	13.58850	0	0	0	49,863	49,863
City of Cadillac							
General Fund	3,669,516	6.97365	25,590	0	25,590	(25,590)	0
Policemen and Firemen							
Retirement System	3,669,516	1.30000	4,770	0	4,770	(4,770)	0
			\$ 121,129	\$ 0	\$ 121,129	\$ 0	\$ 121,129

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2009 OBSOLETE PROPERTIES TAX ROLL
JUNE 30, 2010

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 166,700	8.2797	\$ 1,380	\$ 1,380	\$ 0
Cadillac Area Public Schools					
Operating	312,319	18.0000	5,622	5,622	0
Debt Retirement	312,319	2.9000	906	906	0
State Education Tax	312,319	6.0000	1,874	1,874	0
Wexford-Missaukee Intermediate School District	166,700	5.9419	990	990	0
Cadillac-Wexford Transit Authority	166,700	0.6000	100	100	0
Cadillac-Wexford Public Library	166,700	0.7500	125	125	0
Wexford County Council on Aging	166,700	1.0000	167	167	0
City of Cadillac					
General Fund	166,700	13.9473	2,325	2,325	0
Policemen and Firemen					
Retirement System	166,700	2.6000	433	433	0
Downtown Development Authority			0	0	0
Public Improvement					
Special Assessments			765	765	0
Administration Fees			147	147	0
			<u>\$ 14,834</u>	<u>\$ 14,834</u>	<u>\$ 0</u>

STATISTICAL SECTION

This part of the City of Cadillac's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	248-254
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	255-258
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	259-263
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	264-265
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	266-267
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
Other Schedules	268-283

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

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

	<i>Fiscal Year</i>							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities								
Invested in capital assets, net of related debt	\$ 10,989	\$ 11,190	\$ 11,980	\$ 12,563	\$ 13,560	\$ 13,847	\$ 13,453	\$ 13,608
Restricted for Specific Purpose	981	495	457	792	1,162	1,360	1,383	1,398
Restricted for Specific Purpose, Expendable								293
Restricted for Specific Purpose, Nonexpendable								757
Unrestricted	6,229	6,826	6,537	5,907	5,534	6,052	6,202	4,802
Total governmental activities net assets	<u>\$ 18,199</u>	<u>\$ 18,511</u>	<u>\$ 18,974</u>	<u>\$ 19,262</u>	<u>\$ 20,256</u>	<u>\$ 21,259</u>	<u>\$ 21,038</u>	<u>\$ 20,858</u>
Business-type Activities								
Invested in capital assets, net of related debt	\$ 10,128	\$ 11,219	\$ 11,317	\$ 11,404	\$ 11,610	\$ 12,457	\$ 12,667	\$ 12,698
Restricted	1,982	1,964	2,048	1,656	1,799	1,490	1,318	1,332
Unrestricted	2,950	2,114	1,756	2,384	2,772	2,376	2,292	2,422
Total business-type activities net assets	<u>\$ 15,060</u>	<u>\$ 15,297</u>	<u>\$ 15,121</u>	<u>\$ 15,444</u>	<u>\$ 16,181</u>	<u>\$ 16,323</u>	<u>\$ 16,277</u>	<u>\$ 16,452</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 21,117	\$ 22,409	\$ 23,297	\$ 23,967	\$ 25,170	\$ 26,304	\$ 26,120	\$ 26,306
Restricted for Specific Purpose	2,963	2,459	2,505	2,448	2,961	2,850	2,701	2,730
Restricted for Specific Purpose, Expendable								293
Restricted for Specific Purpose, Nonexpendable								757
Unrestricted	9,179	8,940	8,293	8,291	8,306	8,428	8,494	7,224
Total primary government net assets	<u>\$ 33,259</u>	<u>\$ 33,808</u>	<u>\$ 34,095</u>	<u>\$ 34,706</u>	<u>\$ 36,437</u>	<u>\$ 37,582</u>	<u>\$ 37,315</u>	<u>\$ 37,310</u>

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

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

	<i>Fiscal Year</i>							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses								
Governmental Activities:								
General Government	\$ 1,328	\$ 1,672	\$ 1,695	\$ 2,313	\$ 1,829	\$ 1,642	\$ 1,854	\$ 1,888
Public Safety	2,623	2,908	3,322	3,403	3,449	3,434	3,296	3,305
Public Works	2,218	2,340	2,300	1,834	2,473	2,817	3,131	2,667
Recreation and Culture	457	214	285	417	448	476	514	453
Redevelopment and Housing	191	56	119	51	0	12	0	0
Economic Development/Assistance	50	268	85	74	404	239	236	237
Intergovernmental	97	97	100	0	0	0	0	0
Interest on Long-Term Debt	133	176	61	118	107	128	78	65
Total Governmental Activities Expenses	<u>\$ 7,097</u>	<u>\$ 7,731</u>	<u>\$ 7,967</u>	<u>\$ 8,210</u>	<u>\$ 8,710</u>	<u>\$ 8,748</u>	<u>\$ 9,109</u>	<u>\$ 8,615</u>
Business-Type Activities:								
Water and Sewer	\$ 3,201	\$ 3,312	\$ 3,473	\$ 3,605	\$ 3,623	\$ 3,785	\$ 3,916	\$ 3,857
Building Authority Operating	138	144	143	131	134	139	129	113
Automobile Parking System	54	48	50	48	57	56	52	46
Total Business-Type Activities Expenses	<u>\$ 3,393</u>	<u>\$ 3,504</u>	<u>\$ 3,666</u>	<u>\$ 3,784</u>	<u>\$ 3,814</u>	<u>\$ 3,980</u>	<u>\$ 4,097</u>	<u>\$ 4,016</u>
Total Primary Government Expenses	<u>\$ 10,490</u>	<u>\$ 11,235</u>	<u>\$ 11,633</u>	<u>\$ 11,994</u>	<u>\$ 12,524</u>	<u>\$ 12,728</u>	<u>\$ 13,206</u>	<u>\$ 12,631</u>
Program Revenues								
Governmental Activities:								
Charges For Services:								
General Government	\$ 402	\$ 405	\$ 416	\$ 464	\$ 459	\$ 507	\$ 472	\$ 441
Public Safety	780	767	374	401	470	287	299	295
Public Works	0	0	389	490	533	594	597	585
Operating Grants and Contributions	878	1,072	970	1,031	1,113	1,065	994	983
Capital Grants and Contributions	1,426	905	739	505	1,316	1,250	360	332
Total Governmental Activities Program Revenues	<u>\$ 3,486</u>	<u>\$ 3,149</u>	<u>\$ 2,888</u>	<u>\$ 2,891</u>	<u>\$ 3,891</u>	<u>\$ 3,703</u>	<u>\$ 2,722</u>	<u>\$ 2,636</u>

	<i>Fiscal Year</i>							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business-Type Activities:								
Charges for Services:								
Water and Sewer System	\$ 3,037	\$ 3,258	\$ 3,395	\$ 3,670	\$ 3,735	\$ 3,771	\$ 3,660	\$ 3,882
Building Authority Operating	196	196	196	196	196	197	196	196
Automobile Parking System	44	44	46	50	49	49	47	47
Operating Grants and Contributions	0	0	14	0	0	0	0	0
Capital Grants and Contributions	50	213		76	410	0	0	0
Total Business-Type Activities Program Revenues	\$ 3,327	\$ 3,711	\$ 3,651	\$ 3,992	\$ 4,390	\$ 4,017	\$ 3,903	\$ 4,125
Total Primary Government Program Revenues	\$ 6,813	\$ 6,860	\$ 6,539	\$ 6,883	\$ 8,281	\$ 7,720	\$ 6,625	\$ 6,761
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes	\$ 3,205	\$ 3,547	\$ 3,667	\$ 4,188	\$ 4,364	\$ 4,553	\$ 4,714	\$ 4,753
State Shared Revenue - Unrestricted	1,163	1,147	1,066	1,055	1,043	1,014	1,021	873
Investment Earnings - Unrestricted	224	135	182	215	271	263	169	146
Gain (Loss) on Sale of Capital Assets	16	(2)	16	134	109	0	235	8
Other	142	8	14	14	25	71	27	19
Transfers	(193)	0		0	0	0	0	0
Special Items	0	0	212	0	0	0	0	0
Total Governmental Activities	\$ 4,557	\$ 4,835	\$ 5,157	\$ 5,606	\$ 5,812	\$ 5,901	\$ 6,166	\$ 5,799
Business-Type Activities								
Investment Earnings - Unrestricted	54	66	90	115	161	104	148	66
Gain (Loss) on Sale of Capital Assets	-	(36)	0	0	0	0	0	0
Transfers	255	0	0	0	0	0	0	0
Total Business-Type Activities	\$ 309	\$ 30	\$ 90	\$ 115	\$ 161	\$ 104	\$ 148	\$ 66
Total Primary Government	\$ 4,866	\$ 4,865	\$ 5,247	\$ 5,721	\$ 5,973	\$ 6,005	\$ 6,314	\$ 5,865
Change in Net Assets								
Governmental Activities	\$ 946	\$ 253	\$ 78	\$ 287	\$ 993	\$ 855	\$ (221)	\$ (180)
Business-Type Activities	243	237	75	323	737	142	(45)	175
Total Primary Government	\$ 1,189	\$ 490	\$ 153	\$ 610	\$ 1,730	\$ 997	\$ (266)	\$ (5)

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

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

	<u>Fiscal Year</u>			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 45,422	\$ 54,960	\$ 154,162	\$ 338,335
Unreserved	864,736	657,674	984,548	1,022,612
Unreserved, Designated, reported in General Fund	0	0	0	0
Unreserved, Undesignated, reported in General Fund	0	0	0	0
Total General Fund	<u>\$ 910,158</u>	<u>\$ 712,634</u>	<u>\$ 1,138,710</u>	<u>\$ 1,360,947</u>
All Other Governmental Funds				
Reserved	\$ 1,051,026	\$ 1,286,653	\$ 2,302,924	\$ 2,096,445
Unreserved, reported in Special Revenue Funds	2,325,242	2,357,246	2,138,562	2,159,694
Unreserved, Designated, reported in Special Revenue Funds	0	0	0	0
Unreserved, Undesignated, reported in Special Revenue Funds	0	0	0	0
Total All Other Governmental Funds	<u>\$ 3,376,268</u>	<u>\$ 3,643,899</u>	<u>\$ 4,441,486</u>	<u>\$ 4,256,139</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 143,221	\$ 170,765	\$ 93,586	\$ 125,961	\$ 218,008	\$ 205,112
1,159,268	1,365,783	1,724,440	1,899,984	2,140,207	0
0	0	0	0	0	1,885,301
0	0	0	0	0	526,092
<u>\$ 1,302,489</u>	<u>\$ 1,536,548</u>	<u>\$ 1,818,026</u>	<u>\$ 2,025,945</u>	<u>\$ 2,358,215</u>	<u>\$ 2,616,505</u>

\$ 2,053,122	\$ 2,189,636	\$ 2,546,390	\$ 2,417,486	\$ 2,041,213	\$ 2,543,844
2,593,396	2,115,529	1,933,446	1,711,208	1,882,372	0
0	0	0	0	0	289,601
0	0	0	0	0	1,074,744
<u>\$ 4,646,518</u>	<u>\$ 4,305,165</u>	<u>\$ 4,479,836</u>	<u>\$ 4,128,694</u>	<u>\$ 3,923,585</u>	<u>\$ 3,908,189</u>

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues										
Taxes and Special Assessments	\$ 3,076,836	\$ 3,169,173	\$ 3,432,606	\$ 3,752,186	\$ 3,851,994	\$ 4,353,294	\$ 4,600,263	\$ 4,785,912	\$ 4,914,529	\$ 4,856,424
Licenses and Permits	1,700	1,455	940	1,390	1,160	1,345	1,730	1,210	2,050	1,275
Federal Grants	972,834	717,706	800,708	132,878	551,158	286,568	618,992	1,161,824	360,784	268,668
State Grants	2,305,913	2,198,060	2,448,492	2,271,457	1,975,966	2,062,398	2,423,778	1,937,266	2,114,947	1,745,491
Contributions from Local Units	128,628	182,121	216,529	210,905	290,625	223,321	219,612	205,298	208,397	212,273
Charges for Services	789,248	799,010	931,470	919,017	921,931	1,086,646	1,195,636	1,142,942	1,123,134	1,068,709
Fines and Forfeits	27,175	29,316	28,226	36,247	35,306	28,110	28,546	29,083	39,802	41,874
Interest and Rents	536,806	492,843	293,478	208,833	249,077	282,366	337,882	320,498	225,652	196,738
Gain (Loss) on Investments	0	0	542	124,939	28,978	56,275	173,057	(115,439)	(323,017)	65,613
Other Revenue	456,707	369,293	631,093	577,932	350,624	492,252	507,353	476,811	699,996	366,995
Total Revenues	\$ 8,295,847	\$ 7,958,977	\$ 8,784,084	\$ 8,235,784	\$ 8,256,819	\$ 8,872,575	\$ 10,106,849	\$ 9,945,405	\$ 9,366,274	\$ 8,824,060
Expenditures										
General Government	\$ 1,485,144	\$ 1,575,793	\$ 1,364,291	\$ 1,892,716	\$ 1,674,851	\$ 1,691,254	\$ 1,929,941	\$ 1,756,290	\$ 1,817,527	\$ 1,859,669
Public Safety	2,713,177	2,603,464	2,670,927	2,824,591	3,132,114	3,612,327	3,328,541	3,439,788	3,309,811	3,433,573
Public Works	2,795,225	2,033,717	2,560,945	2,115,134	2,621,945	2,337,285	2,733,378	3,483,417	2,168,283	2,105,374
Redevelopment and Housing	92,554	85,637	192,495	57,426	119,110	51,964	0	0	0	0
Community & Economic Development	360,294	42,247	40,149	257,993	73,528	57,593	384,223	270,559	225,467	219,194
Capital Outlay	85,945	479,346	262,902	271,730	122,759	127,120	29,536	106,876	360,950	3,761
Culture and Recreation	280,963	344,621	654,700	354,368	418,927	268,500	469,798	267,288	572,740	278,232
Debt Service										
Principal	348,500	412,760	292,907	313,679	322,404	395,443	325,082	310,971	324,082	287,832
Interest	213,750	211,881	112,080	102,365	101,871	116,395	98,785	90,532	74,404	62,104
Other Charges	0	0	6,120	6,040	26,002	5,240	5,650	4,770	4,809	4,200
Intergovernmental	287,015	285,105	295,177	309,852	306,387	316,748	372,116	358,137	381,040	327,227
Total Expenditures	\$ 8,662,567	\$ 8,074,571	\$ 8,452,693	\$ 8,505,894	\$ 8,919,898	\$ 8,979,869	\$ 9,677,050	\$ 10,088,628	\$ 9,239,113	\$ 8,581,166

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other Financing Sources (Uses)										
Transfers In	\$ 1,667,877	\$ 1,147,028	\$ 1,208,058	\$ 765,974	\$ 716,087	\$ 817,632	\$ 1,045,678	\$ 947,915	\$ 1,090,500	\$ 906,181
Transfers Out	(1,625,750)	(1,054,664)	(1,400,791)	(765,974)	(716,087)	(817,632)	(1,045,678)	(947,915)	(1,090,500)	(906,181)
Bond Proceeds	0	321,750	0	0	995,000	0	0	0	0	0
Loan Proceeds	0	0	231,905	307,000	0	0	26,350	0	0	0
Total Other Financing Sources (Uses)	\$ 42,127	\$ 414,114	\$ 39,172	\$ 307,000	\$ 995,000	\$ -	\$ 26,350	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ (324,593)	\$ 298,520	\$ 370,563	\$ 36,890	\$ 331,921	\$ (107,294)	\$ 456,149	\$ (143,223)	\$ 127,161	\$ 242,894
Debt Service as a percentage of non-capital expenditures	6.56%	8.22%	5.88%	5.62%	6.06%	6.52%	5.30%	4.72%	4.59%	4.38%

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

Fiscal Year Ended June 30,	Real Property Valuation	Personal Property Valuation	Total Taxable Valuation	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2001	143,791,718	33,979,991	177,771,709	398,922,200	44.56%	14.0371
2002	153,053,692	35,377,232	188,430,924	429,828,200	43.84%	13.9907
2003	165,243,210	31,372,200	196,615,410	470,913,500	41.75%	13.9473
2004	168,351,258	43,240,100	211,591,358	508,916,600	41.58%	13.9473
2005	178,282,339	41,399,800	219,682,139	544,632,400	40.34%	13.9473
2006	184,439,086	44,135,005	228,574,091	572,365,010	39.94%	13.9473
2007	194,615,475	40,780,000	235,395,475	595,311,200	39.54%	13.9473
2008	206,863,302	40,257,800	247,121,102	609,799,600	40.52%	13.9473
2009	215,265,242	41,430,900	256,696,142	616,444,056	41.64%	13.9473
2010	220,244,714	41,262,800	261,507,514	608,556,400	42.97%	13.9473

Source: City of Cadillac Treasurer's Office

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

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

Fiscal Year	<i>Direct Tax Rates</i>			<i>Overlapping Tax Rates ^a</i>							Total Direct & Overlapping Rates
	<i>City of Cadillac</i>			<i>Wexford County</i>				<i>Cadillac Area Public Schools ^c</i>	<i>Wexford Missaukee Intermediate Schools</i>	<i>State Education Tax</i>	
	General	Police & Fire Retirement	Total City	Wexford County ^b	Cadillac-Wexford Transit Authority	Council on Aging	Wexford County Library				
2001	14.0371	1.0000	15.0371	8.2506	0.3942	0.9913	0.5500	22.1434	6.0882	6.0000	59.4548
2002	13.9907	1.0000	14.9907	8.2003	0.3910	0.9832	0.5500	21.7149	6.0597	6.0000	58.8898
2003	13.9473	1.4000	15.3473	8.1678	0.4000	0.9950	0.6500	21.3764	6.0388	6.0000	58.9753
2004	13.9473	1.6000	15.5473	8.1040	0.3910	0.9872	0.6838	21.3005	6.0003	5.0000	58.0141
2005	13.9473	1.8000	15.7473	8.0893	0.3960	0.9942	0.6825	21.4505	5.9853	6.0000	59.3451
2006	13.9473	1.8000	15.7473	8.0665	0.3948	0.9913	0.6805	21.4505	5.9614	6.0000	59.2923
2007	13.9473	2.7000	16.6473	8.0797	0.6000	0.9976	0.6785	20.5505	5.9419	6.0000	59.4955
2008	13.9473	2.8000	16.7473	8.0797	0.6000	0.9976	0.6785	20.9000	5.9419	6.0000	59.9450
2009	13.9473	2.6000	16.5473	8.2797	0.6000	0.9976	0.7500	20.9000	5.9419	6.0000	60.0165
2010	13.9473	2.6000	16.5473	8.2797	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	60.0189

Source: City of Cadillac Treasurer's Office

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

^b Includes Wexford County operating rate and if applicable Wexford County extra voted rate(s).

^c Includes Cadillac Area Public Schools operating rate and school debt rate.

CITY OF CADILLAC, MICHIGAN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^a</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^b</u>
Cadillac Renewable Energy ^c	\$ 13,010,800	1	4.98%	\$ 17,094,712	1	7.95%
Cadillac Casting ^d	9,133,900	2	3.49%	16,157,910	2	7.52%
Consumers Energy	6,026,913	3	2.30%	4,114,339	7	1.91%
AAR Cadillac Manufacturing	5,527,800	4	2.11%	3,938,539	8	1.83%
Rexair, Inc.	5,217,275	5	2.00%	7,332,954	5	3.41%
Avon Automotive	4,713,800	6	1.80%			
FIAMM Technologies, Inc.	4,327,409	7	1.65%	7,508,509	4	3.49%
Paulstra CRC Corporation	3,930,374	8	1.50%			
Four Winns Boats, LLC	3,537,444	9	1.35%	3,726,724	10	1.73%
Zhongding Sealing Parts (USA) ^e	3,225,500	10	1.23%	4,990,593	6	2.32%
Cadillac Rubber & Plastics ^f				9,796,160	3	4.56%
Transpro Group, Inc.				3,893,931	9	1.81%
Totals	<u>\$ 58,651,215</u>		<u>22.43%</u>	<u>\$ 78,554,371</u>		<u>36.55%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$261,507,514

^b Based on total taxable value of \$214,914,100

^c Formerly Beaver MI Associates LTD Partnership.

^d Formerly CMI Cast Parts.

^e Formerly Michigan Rubber Products

^f Formerly AVON Rubber & Plastics

CITY OF CADILLAC, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections to Date ^a	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	3,107,601	2,950,978	94.96%	156,623	3,107,601	100.00%
2002	3,167,040	3,029,463	95.66%	137,577	3,167,040	100.00%
2003	3,265,098	3,136,141	96.05%	128,957	3,265,098	100.00%
2004	3,481,675	3,364,230	96.63%	117,445	3,481,675	100.00%
2005	3,648,449	3,529,267	96.73%	119,182	3,648,449	100.00%
2006	3,803,126	3,691,936	97.08%	111,190	3,803,126	100.00%
2007	4,109,224	3,952,750	96.19%	156,474	4,109,224	100.00%
2008	4,329,051	4,163,604	96.18%	165,447	4,329,051	100.00%
2009	4,426,255	4,233,403	95.64%	192,852	4,426,255	100.00%
2010	4,500,222	4,267,823	94.84%	232,400	4,500,222	100.00%

Source: City of Cadillac Treasurer's Office

^a In 1977 the Wexford County Treasurer began pooling all delinquent taxes together and financing delinquencies through bond sales. The proceeds from the bond sale are paid to the City giving the effect of 100% tax collection in a given year. The responsibility for the collection of the delinquent tax is shifted to the county treasurer. Delinquent personal properties remain with the City, but these amounts are negligible.

CITY OF CADILLAC, MICHIGAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u> ¹	<u>Per Capita</u> ¹
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Other Debt</u> ²	<u>Water & Sewer Revenue Bonds</u>	<u>Building Authority Revenue Bonds</u>			
2001	1,080	1,060	776	5,620	1,600	10,136	4.80%	1,014
2002	985	1,240	671	8,615	1,525	13,036	6.08%	1,304
2003	890	1,075	963	8,530	1,225	12,683	5.83%	1,268
2004	785	925	1,255	7,975	1,365	12,305	5.31%	1,231
2005	1,665	775	1,036	7,640	1,275	12,391	5.21%	1,239
2006	1,525	625	928	7,290	1,180	11,548	4.67%	1,155
2007	1,395	485	1,432	6,925	1,080	11,317	4.58%	1,132
2008	1,260	365	1,533	7,851	975	11,984	4.57%	1,198
2009	1,115	260	1,422	9,712	870	13,379	N/A	1,338
2010	980	170	857	9,400	760	12,167	N/A	1,217

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

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

² Other Debt includes City obligations to the State of Michigan for two community development loans, three internal loans, accrued and unused paid leave for City employees. Beginning in 2008, Other Debt also includes net Other Post Employment Benefits (OPEB) obligations.

CITY OF CADILLAC, MICHIGAN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
2001	1,080	14	1,066	0.600%	106.60
2002	985	13	972	0.516%	97.20
2003	890	7	883	0.449%	88.30
2004	785	10	775	0.366%	77.50
2005	1,665	9	1,656	0.754%	165.60
2006	1,525	6	1,519	0.665%	151.90
2007	1,395	5	1,390	0.590%	139.00
2008	1,260	4	1,256	0.508%	125.60
2009	1,115	4	1,111	0.433%	111.10
2010	980	3	977	0.374%	97.70

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

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

² See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

CITY OF CADILLAC, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Wexford County	\$ 6,845	26.08%	\$ 1,785
Cadillac Area Public Schools	21,685	36.69%	7,955
Subtotal Overlapping Debt			<u>\$ 9,740</u>
City of Cadillac Direct Debt			<u>977</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,717</u></u>

Sources: Taxable value data used to estimate applicable percentages provided by the Wexford County Equalization Department. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Cadillac. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of each government's taxable value that is within the City of Cadillac's boundaries and then dividing it by the unit's total taxable value. Total taxable values of each unit are:

<i>City of Cadillac Taxable Value:</i>	<i>\$261,507,514</i>
<i>Wexford County Taxable Value:</i>	<i>\$1,002,635,980</i>
<i>CAPS Taxable Value:</i>	<i>\$712,835,982</i>

CITY OF CADILLAC, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<i>Fiscal Year</i>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 18,843	\$ 19,662	\$ 21,159	\$ 22,085	\$ 22,862	\$ 23,652	\$ 27,161	\$ 24,712	\$ 25,670	\$ 26,151
Total net debt applicable to limit	1,066	972	883	775	1,656	1,519	1,390	1,253	1,111	977
Legal debt margin	\$ 17,777	\$ 18,690	\$ 20,276	\$ 21,310	\$ 21,206	\$ 22,133	\$ 25,771	\$ 23,459	\$ 24,559	\$ 25,174
Total net debt applicable to the limit as a percentage of debt limit	5.66%	4.94%	4.17%	3.51%	7.24%	6.42%	5.12%	5.07%	4.33%	3.74%

Legal Debt Margin Calculation for Fiscal Year 2010

Taxable Value	<u>\$ 261,508</u>
Statutory Debt Limit (10%) of total taxable value)	\$ 26,151
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	12,167
Less:	
Assets Available for Debt Service	3
Bond Debt not Subject to Limit:	
Special Assessment Bonds	170
Revenue Bonds	10,160
Other Debt	<u>857</u>
Total Amount of Debt Applicable to Debt Limit	<u>977</u>
Legal Debt Margin	<u>\$ 25,174</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)

<u>Fiscal Year</u>	<u>Water & Sewer Revenue Bonds</u>						<u>Special Assessment Bonds</u>			
	<u>Water & Sewer Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>			<u>Principal</u>	<u>Interest</u>	
2001	3,241	1,810	1,431	270	289	2.56	256	171	66	1.08
2002	3,330	1,982	1,348	280	278	2.42	281	230	62	0.96
2003	3,088	2,111	977	310	414	1.35	293	184	62	1.19
2004	3,321	2,193	1,128	330	399	1.55	293	196	56	1.16
2005	3,480	2,284	1,196	335	383	1.67	259	195	52	1.05
2006	3,777	2,460	1,317	350	366	1.84	206	161	38	1.04
2007	3,886	2,514	1,372	365	348	1.92	130	151	31	0.71
2008	3,869	2,662	1,207	385	330	1.69	150	131	25	0.96
2009	3,803	2,714	1,089	410	350	1.43	147	116	17	1.11
2010	3,945	2,627	1,318	595	350	1.39	121	90	12	1.19

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements. Water and Sewer revenues includes investment earnings. Operating expenses do not include interest, depreciation, or amortization expenses. Because many of the Special Assessment Bonds pay off in advance, the Coverage Ratio may fall below one.

CITY OF CADILLAC, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income</u> (amounts expressed in thousands)	<u>Per Capita Personal Income²</u>	<u>School Enrollment³</u>	<u>Local Unemployment Percentage Rate⁴</u>	<u>State Unemployment Percentage Rate⁴</u>	<u>Civilian Labor Force⁴</u>
2001	10,000	211,310	21,131	3,514	9.4	5.2	21,836
2002	10,000	214,410	21,441	3,465	8.3	6.2	21,369
2003	10,000	217,400	21,740	3,639	9.8	7.1	21,298
2004	10,000	231,600	23,160	3,674	8.2	7.0	21,553
2005	10,000	237,690	23,769	3,614	7.3	6.7	21,707
2006	10,000	247,540	24,754	3,479	7.9	7.1	22,088
2007	10,000	246,900	24,690	3,460	8.1	7.7	21,648
2008	10,000	262,170	26,217	3,381	11.2	8.9	21,563
2009	10,000	N/A	N/A	3,376	17.3	15.3	20,138
2010	10,000	N/A	N/A	3,334	15.3	13.0	19,161

Data Sources:

¹ Bureau of the Census

² Bureau of Economic Analysis

³ School Districts

⁴ Michigan Department of Labor & Economic Growth (Local unemployment and civilian labor force based on Wexford-Missaukee Labor Market Area; Personal and Per Capita income based on Cadillac Micropolitan Statistical Area)

Note: Personal income information is a total for the year. Unemployment rate is a seasonally adjusted yearly average, when available. School enrollment is based on the school census at the start of the school year and includes public and private schools.

CITY OF CADILLAC, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
AAR Mobility Systems	613	1	3.59%	394	8	1.91%
Mercy Hospital Cadillac	580	2	3.40%	408	5	1.98%
Cadillac Area Public Schools	461	3	2.70%	450	7	2.18%
Rec Boat Holdings ³	440	4	2.58%	750	2	3.64%
Cadillac Castings ¹	401	5	2.35%			0.00%
Avon Automotive	400	6	2.34%			0.00%
Avon Protection Systems	299	7	1.75%			0.00%
Michigan Rubber Products	240	8	1.41%	700	3	3.40%
Rexair, Inc.	200	9	1.17%	450	6	2.18%
FIAMM Technologies, LLC	135	10	0.79%	240	9	1.16%
Avon Rubber and Plastics				802	1	3.89%
Hayes Lemmerz International, Inc.				540	4	2.62%
BorgWarner Cooling Systems ²				183	10	0.89%
	<u>3,769</u>		<u>22.07%</u>	<u>4,917</u>		<u>23.86%</u>

Source: Michigan Department of Labor & Economic Growth; Cadillac Area Chamber of Commerce

¹ Formerly known as CMI Cadillac.

² Formerly known as Kysor of Cadillac.

³ Formerly known as Four Winns Boats.

Note: Percentage of Total City Employment is based on total employment in the Wexford-Missaukee labor market area.

CITY OF CADILLAC, MICHIGAN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government										
City Manager	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administrative Services	0.85	0.85	1.00	0.90	0.90	0.90	0.90	0.90	0.80	0.98
Finance	3.00	3.00	2.20	1.94	1.94	1.94	1.94	1.94	2.25	2.25
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Hall	1.45	1.75	2.50	1.90	1.30	1.30	1.30	1.30	1.10	1.28
City Engineer	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.51
Public Safety										
Police	19.50	19.50	18.50	17.15	18.41	18.41	18.41	17.41	17.06	16.41
Fire	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.85	11.85
Code Enforcement										0.40
Building Inspector	1.28	1.28	1.28	1.38	1.38	1.38	1.38	1.38	1.38	0.88
Planning/Zoning	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Other										
Public Works	14.50	14.50	14.17	14.22	14.22	14.22	14.22	14.22	14.03	13.03
Data Processing	1.00	1.30	1.20	1.26	1.06	1.06	0.06	0.06	0.00	0.30
Auto Parking	0.00	0.40	0.35	0.35	0.09	0.09	0.09	0.09	0.09	0.09
Water/Sewer	21.00	21.00	21.20	21.20	21.00	21.00	21.00	20.00	20.00	19.00
Community Development	0.30	0.30	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Cemetery	0.50	0.50	0.68	0.68	0.68	0.68	0.68	0.68	0.92	0.92
Total FTE	84.00	85.00	84.00	82.00	82.00	82.00	81.00	79.00	79.00	77.00

Source: City of Cadillac Financial Services Department

CITY OF CADILLAC, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Traffic Citations	1,167	895	857	1,530	1,468	1,257	1,015	1,479	1,177	N/A ¹
Fire										
Number of Fire Inspections	30	50	50	57	129	370	376	260	262	N/A ¹
Number of Fires Reported	52	33	57	54	64	51	55	41	42	N/A ¹
Number of EMT Runs	463	949	1,347	1,414	1,322	1,119	1,171	1,242	1,295	N/A ¹
Building Inspection										
Number of Permits Issued	512	565	523	525	466	403	316	274	250	N/A ¹
Water										
Total Customers	3,414	3,407	3,456	3,487	3,520	3,524	3,517	3,544	3,496	3,474
Average Daily Consumption (thousands of gallons)	2,349	2,132	2,202	2,155	2,252	2,310	2,564	2,302	2,261	2,150
Wastewater										
Total Customers	3,504	3,493	3,526	3,544	3,569	3,573	3,564	3,592	3,541	3,527
Average Daily Treatment (thousands of gallons)	2,260	2,231	2,087	2,103	2,173	2,098	2,467	2,215	2,100	1,860

¹ Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2010.

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

Source: Various government departments

CITY OF CADILLAC, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	9	9	9	9	9	9	9	9	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	6	6	6	6	6	6	6	6	7
Culture and Recreation										
Parks Acreage	117	117	117	117	117	117	117	117	117	117
Parks	4	4	4	4	4	4	4	4	4	4
Streets										
Streets (Miles)	66	68	68	68	68	68	68	68	68	68
Street Lights	570	571	573	574	574	574	574	587	578	578
Water										
Fire Hydrants	432	432	453	455	454	454	458	477	482	482
Miles of Water Mains	61	63	63	63	63	64	64	74	74	74
Water Mains Replaced (Feet)	7,200	6,330	4,700	3,450	3,185	200 ⁽¹⁾	2,360	620	1,900	1,070
Wastewater										
Miles of Sewer Mains	63	59	59	59	59	59	59	62	62	62
Feet of Sanitary Sewers										
Inspected with TV Cameras	2,805	4,600	3,670	2,949	3,380	1,900	1,350	2,550	810	690

(1) Water mains replaced were low in 2006, but the main projects through the year, including North Boulevard, Paluster Street and Kenwood Street were all projects where a total of one mile of new water mains were added.

Note: Capital asset statistics are not available for the general government function.

Source: Various City government departments

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2001	7,992,526	9,785,299	122.4	(1,792,773)
2002	8,358,393	9,712,366	116.2	(1,353,973)
2003	8,910,724	10,053,522	112.8	(1,142,798)
2004	9,170,012	9,990,746	109.2	(820,734)
2005	9,727,339	10,274,211	105.6	(546,872)
2006	10,161,879	10,812,671	106.4	(650,792)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
7.55		874,910	27	49	32,069	43.5	10.5
6.80	(2)	735,799	25				
8.20	(3)	126,638	4				
8.42	(4)	470,240	17				
6.51	(5)	83,075	1				
7.19	(6)	178,648	3				
7.59		873,693	26	45	32,734	44.3	11.1
6.83	(2)	747,685	25				
8.10	(3)	126,412	4				
8.43	(4)	502,884	18				
6.51	(5)	87,693	1				
7.19	(6)	182,115	3				
7.61		883,818	25	46	34,267	45.5	11.5
6.95	(2)	811,027	26				
8.16	(3)	154,700	5				
8.54	(4)	507,863	17				
6.52	(5)	92,455	1				
7.19	(6)	188,722	3				
7.83		883,119	24	46	36,051	46.8	12.9
7.56	(2)	872,706	27				
8.34	(3)	129,730	4				
8.61	(4)	274,145	9				
7.17	(5)	96,440	1				
7.81	(6)	195,344	3				
7.93		856,613	23	46	37,997	48.1	13.9
7.63	(2)	872,436	25				
8.36	(3)	140,049	4				
8.63	(4)	293,606	9				
7.17	(5)	103,690	1				
7.80	(6)	203,413	3				
7.93		1,015,806	26	47	38,799	48.0	13.6
7.63	(2)	775,555	25				
8.36	(3)	144,512	4				
8.63	(4)	307,119	9				
7.17	(5)	108,458	1				
7.80	(6)	209,300	3				

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2007	10,847,928	11,468,618	105.7	(620,690)
2008	11,538,051	11,561,995	100.2	(23,944)
2009	11,656,752	11,520,309	98.8	136,443
2010	N/A	N/A	N/A	N/A

NOTES:

- (1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

Source: Gabriel, Roeder, Smith & Company, Actuaries

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
8.66		902,230	24	51	38,786	47.7	13.3
7.30	(2)	748,549	22				
8.31	(3)	138,907	4				
8.57	(4)	277,678	8				
7.17	(5)	111,015	1				
7.48	(6)	265,160	4				
8.65		1,034,034	26	55	39,254	47.5	12.7
7.96	(2)	807,111	23				
7.67	(3)	96,909	3				
8.20	(4)	295,894	9				
8.76	(5)	113,870	1				
8.45	(6)	203,683	3				
8.64		1,122,756	26	57	43,539	48.0	12.5
8.07	(2)	822,440	20				
7.38	(3)	150,043	4				
7.96	(4)	333,134	9				
10.31	(5)	93,462	1				
8.71	(6)	221,142	3				
N/A		N/A		N/A	N/A	N/A	N/A

- (2) Local 14317 includes additional negotiated benefit for the union.
- (3) Separate benefits for Housing Commission.
- (4) Separate benefits for Library.
- (5) Separate benefits for City Manager.
- (6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
2001	5,949,789	6,034,859	101.4	(85,070)
2002	6,958,880	6,041,096	86.8	917,784
2003	7,348,465	5,891,594	80.2	1,456,871
2004	7,982,006	5,848,560	73.3	2,133,446
2005	8,519,041	5,865,340	68.8	2,653,701
2006	9,626,707	6,047,771	62.8	3,578,936
2007	9,992,478	6,604,109	66.1	3,388,369
2008	9,936,669	7,080,393	71.3	2,856,276
2009	9,985,089	6,549,608	65.6	3,435,481
2010	N/A	N/A	N/A	N/A

NOTES:

- (1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
- (2) Data from Gabriel, Roeder, Smith and Co., Actuaries.
- (3) Police 12.73%, Fire 11.25%
- (4) Police 15.50%, Fire 17.44%
- (5) Police 17.34%, Fire 23.89%
- (6) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)
- (7) Police 30.83%, Fire 31.51% (Each group contributes 3% of salary to cover benefit enhancements.)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL	VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE	
12.19	(3)	1,406,654	29	21	48,505	41.8	13.6
16.41	(4)	1,352,466	28	24	48,302	41.4	12.5
20.01	(5)	1,237,171	26	26	47,584	41.5	13.1
27.61	(6)	1,391,450	27	27	51,535	41.2	12.6
31.10	(7)	1,446,234	27	30	53,564	41.6	13.1
38.39	(8)	1,437,073	27	28	53,225	42.6	14.1
38.68	(9)	1,482,941	27	28	54,924	42.1	13.7
32.71	(10)	1,389,958	25	32	55,598	40.0	11.7
41.11	(11)	1,399,695	24	32	58,321	41.0	12.8
N/A		N/A	N/A	N/A	N/A	N/A	N/A

- (8) Police 38.39%, Fire 38.40% (Each group contributes 3% of salary to cover benefit enhancements.)
- (9) Police 39.03%, Fire 38.15% (Each group contributes 3% of salary to cover benefit enhancements.)
- (10) Police 34.41%, Fire 30.20% (Each group contributes 3% of salary to cover benefit enhancements.)
- (11) Police 42.06%, Fire 39.58% (Each group contributes 3% of salary to cover benefit enhancements.)

CITY OF CADILLAC, MICHIGAN
LABOR AGREEMENTS
JUNE 30, 2010

	<u>DATE</u> <u>EFFECTIVE</u> <u>JULY 1,</u>	<u>EXPIRATION</u> <u>DATE</u> <u>JUNE 30,</u>
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2008	2011
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA)	2007	2010
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2009	2012
<u>STREET DIVISION - DPW AND</u> <u>PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317	2007	2010

Source: City of Cadillac Human Resources Department

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2010

TAXES DUE AND

PAYABLE:

City, School, and County taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

PENALTIES FOR

DELINQUENCY:

Beginning August 15, a 4% penalty is added to unpaid City and School taxes. Beginning September 1, an additional 1% per month is added through February. Beginning February 15, a 3% penalty is added to unpaid County and School taxes. Beginning March 1, the Wexford County Treasurer assumes collection of real property taxes. All delinquent personal property and delinquent industrial and commercial facilities taxes remain with the City Treasurer for collection.

LIEN ON PROPERTY:

Unpaid real property taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

Date of Sale May,	Delinquent Tax Properties to be Sold Year
_____	_____
2001	1998 and 1999
2002	2000
2003	2001
2004	2002
2005	2003
2006	2004
2007	2005
2008	2006
2009	2007
2010	2008

CITY OF CADILLAC, MICHIGAN

NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>WATER SUPPLY CUSTOMERS</u>		<u>WASTEWATER TREATMENT CUSTOMERS</u>	
	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>
2001	3,414	0.20	3,504	0.10
2002	3,407	(0.21)	3,493	(0.31)
2003	3,456	1.40	3,526	0.94
2004	3,487	0.90	3,544	0.51
2005	3,520	0.95	3,569	0.71
2006	3,524	0.11	3,573	0.11
2007	3,517	(0.20)	3,564	(0.25)
2008	3,544	0.76	3,592	0.78
2009	3,496	(1.40)	3,541	(1.40)
2010	3,474	(0.60)	3,527	(0.40)

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2010

<u>METER CLASSIFICATION</u>	<u>AVERAGE CUSTOMERS</u>	
	<u>WATER SUPPLY</u>	<u>WASTEWATER TREATMENT</u>
Unmetered	0	170
5/8"	3,133	3,074
3/4"	7	7
1"	133	110
1 1/2"	88	74
2"	85	68
3"	9	9
4"	13	11
6"	5	3
8"	1	1
TOTAL	<u><u>3,474</u></u>	<u><u>3,527</u></u>

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2010

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 1.99
1"	3.40
1 1/2"	6.74
2"	10.87
3"	23.62
4"	40.60
6"	84.75
8"	122.11
10"	196.69
12"	291.50

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 2001 THROUGH 2010

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2001	4.00	6.01	10.02	20.04	32.06	70.13	120.23	250.47	360.68
2002	4.12	6.19	10.32	20.64	33.02	72.22	123.84	257.98	371.50
2003	4.25	6.40	10.65	21.25	34.00	74.40	127.55	265.70	382.65
2004	4.40	6.60	10.95	21.90	35.00	76.65	131.40	273.65	394.15
2005	4.60	6.85	11.40	22.80	36.40	79.70	136.65	284.60	409.90
2006	4.80	7.10	11.85	23.70	37.85	82.90	142.10	296.00	426.30
2007	4.95	7.30	12.20	24.40	39.00	85.40	146.35	304.90	439.10
2008	5.15	7.60	12.70	25.40	40.55	88.80	152.20	317.10	456.65
2009	5.30	7.80	13.00	26.05	41.55	91.00	156.00	325.05	468.05
2010	5.54	8.15	13.59	27.22	43.42	95.10	163.02	339.68	489.11

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
THROUGH FISCAL YEAR JUNE 30, 2010

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2001	6.60	9.90	16.50	33.00	52.80	115.50	198.00	412.50	594.00
2002	6.80	10.20	17.00	34.00	54.38	118.97	203.94	424.88	611.82
2003	7.00	10.50	17.50	35.00	56.00	122.55	210.05	437.60	630.20
2004	7.20	10.80	18.05	36.05	57.70	126.25	216.35	450.35	649.10
2005	7.50	11.25	18.75	37.50	60.00	131.30	225.00	468.80	675.05
2006	7.80	11.70	19.50	39.00	62.40	136.55	234.00	487.55	702.05
2007	8.05	12.05	20.10	40.15	64.30	140.65	241.00	502.15	723.10
2008	8.35	12.55	20.90	41.75	66.85	143.94	246.64	513.90	740.02
2009	8.55	12.85	21.40	42.80	68.50	149.95	256.90	535.30	770.80
2010	8.93	13.43	22.36	44.73	71.58	156.70	268.46	559.39	805.49

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

	<u>CUBIC FEET</u>		<u>GALLONS</u>		<u>DOLLARS</u>
	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>
					<u>AND</u>
					<u>SEWER</u>
1) AAR Cadillac Manufacturing	13,551,300	7,726,100	101,363,724	57,791,228	\$267,133
2) Cadillac Castings, Inc.	9,967,300	8,471,900	74,555,404	63,369,812	252,027
3) Avon Rubber & Plastics, Inc.	7,821,300	7,119,500	58,503,324	53,253,860	213,775
4) Paulstra CRC	3,512,500	3,512,900	26,273,500	26,276,492	210,087
5) Mercy Hospital	1,654,000	1,654,000	12,371,920	12,371,920	63,559
6) Cadillac Renewable Energy	0	1,483,100	0	11,093,588	40,614
7) Piranha Hose	1,197,800	1,197,800	8,959,544	8,959,544	35,709
8) Borg-Warner	1,051,300	1,051,300	7,863,724	7,863,724	33,647
9) Pheasant Ridge Estates	1,233,500	1,233,500	9,226,580	9,226,580	32,312
10) Michigan Rubber Products	1,008,700	1,008,700	7,545,076	7,545,076	32,258
11) Country Acres	895,900	895,900	6,701,332	6,701,332	28,011
12) Four Winns	254,300	254,300	1,902,164	1,902,164	15,333
13) Leisure Park	462,700	462,700	3,460,996	3,460,996	14,306
14) Kolarevic Car Wash	251,300	251,300	1,879,724	1,879,724	8,721
15) Rexair, Inc.	119,300	119,300	892,364	892,364	8,643
TOTAL					<u>\$ 1,256,135</u>

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 2001 THROUGH 2010

<u>FISCAL YEAR</u>	<u>0 TO</u>	<u>600 TO</u>	<u>10,000 TO</u>	<u>100,000 TO</u>	<u>OVER</u>
<u>ENDED OR</u>	<u>600 CF</u>	<u>10,000 CF</u>	<u>100,000 CF</u>	<u>250,000 CF</u>	<u>250,000 CF</u>
<u>ENDING JUNE 30,</u>					
2001	0.84	0.74	0.65	0.55	0.46
2002	0.87	0.76	0.67	0.57	0.48
2003	0.90	0.78	0.69	0.59	0.50
2004	0.93	0.80	0.71	0.61	0.52
2005	0.97	0.83	0.74	0.63	0.54
2006	1.01	0.86	0.77	0.66	0.57
2007	1.04	0.89	0.79	0.68	0.59
2008	1.08	0.93	0.82	0.71	0.62
2009	1.11	0.95	0.84	0.73	0.64
2010	1.16	0.99	0.88	0.76	0.67

CITY OF CADILLAC, MICHIGAN

MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u> <u>ENDED OR</u> <u>ENDING JUNE 30,</u>	<u>CHARGE PER</u> <u>100 CF</u>	<u>PERCENT</u> <u>CHANGE</u>
2001	1.52	2.0
2002	1.57	3.3
2003	1.62	3.2
2004	1.67	3.1
2005	1.74	4.2
2006	1.81	4.0
2007	1.86	2.8
2008	1.93	3.8
2009	1.98	2.6
2010	2.07	4.5

Data furnished in compliance with securities and exchange commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

CITY OF CADILLAC, MICHIGAN

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
LAST TEN FISCAL YEARS

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
	CUBIC FEET	GALLONS	CHANGE IN PERCENT	CUBIC FEET	GALLONS	CHANGE IN PERCENT	
2001	114,643,000	857,528,000	(2.80)	110,280,000	824,893,000	1.50	96.20
2002	104,011,000	778,000,000	(9.30)	108,877,000	814,400,000	1.30	104.70
2003	107,473,262	803,900,000	0.03	101,844,920	761,800,000	(0.06)	94.76
2004	105,160,428	786,600,000	(0.02)	102,606,952	767,750,000	0.01	97.60
2005	109,906,000	822,100,000	0.05	106,048,000	793,240,000	0.03	96.49
2006	112,727,000	843,200,000	2.60	102,366,000	765,700,000	(3.50)	90.80
2007	125,094,000	935,700,000	10.97	120,361,000	900,300,000	17.58	96.22
2008	112,331,550	840,240,000	(10.20)	108,066,911	808,340,500	(10.21)	96.20
2009	95,955,882	717,750,000	(14.58)	103,483,556	774,057,000	(4.24)	107.80
2010	99,835,900	746,770,000	4.04	87,712,300	656,088,000	(15.24)	87.86

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2010

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered	0		1,428,000	1.63
5/8"	29,446,200	29.49	28,175,700	32.12
3/4"	63,300	0.06	63,300	0.07
1"	4,290,400	4.30	3,083,600	3.52
1 1/2"	5,010,100	5.02	3,871,300	4.41
2"	15,561,200	15.59	22,031,200	25.12
3"	2,369,100	2.37	2,390,600	2.73
4"	19,518,700	19.55	11,515,400	13.13
6"	22,190,400	22.23	13,766,700	15.70
8"	1,386,500	1.39	1,386,500	1.58
TOTAL	99,835,900	100.00	87,712,300	100.00

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2010

<u>METER CLASSIFICATION</u>	<u>WATER SUPPLY</u>		<u>WASTEWATER TREATMENT</u>	
	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>
Unmetered			\$46,669	2.38
5/8"	\$475,612	42.67	741,906	37.83
3/4"	1,211	0.11	1,548	0.08
1"	60,178	5.40	75,854	3.87
1 1/2"	71,707	6.43	104,332	5.32
2"	162,212	14.55	436,695	22.27
3"	29,195	2.62	58,803	3.00
4"	148,034	13.28	227,748	11.61
6"	150,281	13.48	251,085	12.80
8"	16,308	1.46	16,408	0.84
TOTAL	\$ 1,114,738	100.00	\$ 1,961,048	100.00

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*



Cadillac City Council (seated, left to right): Councilmember Shari Spoelman, Councilmember Antoinette Schippers, Mayor William S. Barnett, Mayor Pro-Tem Art Stevens, Councilmember Douglas Mellema.

Cadillac Administrative Staff (standing, left to right): Director of Finance Owen Roberts, City Manager Marcus A. Peccia, City Clerk Chris Benson

CITY OF
CADILLAC
MICHIGAN

