



*Comprehensive Annual
Financial Report*

For the Fiscal Year Ended June 30, 2011



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 Peccia</i>
Director of Finance	<i>Owen Roberts</i>
Director of Public Utilities	<i>Jeff Dietlin</i>
Director of Public Works and Engineering	<i>Bruce DeWitt</i>
Community Development Director	<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>



*Comprehensive Annual
Financial Report*

***For the Fiscal Year Ended June 30, 2011
Owen Roberts, Director of Finance***

City of Cadillac

Elected Officials Information



Mayor William S. Barnett

Councilmember from City at Large
Population of City: 10,355
Occupation: Attorney
Term Expires: December 31, 2013
Annual Salary: \$4,100



Art Stevens

Mayor Pro-Tem
Councilmember from Ward 3
Occupation: Financial Advisor
Term Expires: December 31, 2015
Annual Salary: \$2,800



Shari Spoelman

Councilmember from Ward 1
Occupation: MSU Extension Director
Term Expires: December 31, 2015
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, 2011

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

November 30, 2011

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, 2011 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, 2011 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, 2011 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, appear to be stabilizing and even improving, albeit at a slow pace. The latest available unemployment statistics report that the unemployment rate within Wexford County is at 12.1%, which is down from a year ago when the unemployment rate was at 14.2%. Interesting to note, over the past 10 years the highest unemployment rate for Wexford County was 18.9%, and the lowest rate was 6.0%. Thus, though unemployment rates are decreasing, they are still significantly higher (more than double) than the lowest rate over the last 10 years.

Cadillac is still the largest manufacturing base north of Grand Rapids, which includes a significant concentration of automotive suppliers, and contributing factors to the unemployment rate dropping can primarily be attributed to some of Cadillac's major employers.

Cadillac has a diverse industrial base that includes manufacturers of marine watercraft, automotive products, rubber products, defense industry products, packaging and containers, vacuum cleaners, metal fabrication and castings. Manufacturing is strong in Cadillac, with over fifty companies that employ over four thousand people and produce nearly \$1 billion worth of products annually, according to the Economic Census, and as stated in the "Place for Manufacturing" brochure produced by the City of Cadillac's Department of Community Development. It is because of these industries that the unemployment rate has dropped, since they have continued to "weather the economic storm," and have been able to keep their operations going, adding new manufacturing lines, products, people, and even new facilities to accommodate their expansions and growth.

Additional evidence of employment and general economic stabilization comes from our industrial and commercial sectors investing new dollars in their operations via adding new manufacturing lines, people, facilities, and new business ventures. Requests for new industrial facilities tax (IFT) abatements are still being received and are being granted by the Cadillac City Council.

Cadillac's downtown continues to thrive with longstanding businesses sustaining themselves, and new businesses opening. There is indication that there may be new development within the downtown core that would include a variety of uses already permitted under current zoning laws, and underway is the construction of a new large sundries retail store on a previously vacant brownfield site, as well as the reopening of a restaurant south of the main downtown area. Cadillac's west-side business area - Cadillac

West - is also sustaining itself, and there has been some renewed interest in available properties, though no formal plans have been submitted.

In an effort to more formally market our community, the City's Downtown Development Authority has contributed some funding towards the State's "Pure Michigan" advertising campaign. It is expected that the campaign consisting of radio advertisements and internet presence on the State's site will be public in the spring of 2012. The theory behind the campaign is that people residing in southern Michigan, Indiana, and Ohio will become more aware of what Cadillac and the Cadillac area has to offer, and that they will become enticed to visit for a one or two day (weekend) stay to experience the local amenities.

Statewide, new information is available that shows how the State of Michigan is still in a slow recovery, even though locally the statistics seem to be a little more encouraging. According to Maureen Groppe, whose article appeared in the November 18, 2011 edition of the *BattleCreekEnquirer.com*, "16.9% of Michigan households get food stamps," which equates to the third highest in the Country, and is up from 14.5% in 2009. The national rate was 11.9%. However, according to economists speaking at the University of Michigan's Research Seminar in Quantitative Economics, the "health of the State's economy in 2011 was much better than predicted." (*Gongwer News Service, Michigan Report, November 18, 2011.*)

The University Seminar also reported that the State has seen an increase of 62,100 jobs from the fourth quarter of 2010 to the third quarter of 2011, primarily in the professional and business services, and private education and health service sectors. The economists caution that the pace of the new job creation will not continue as fast over the next two years, but it is expected that there will be sustained job growth and positive recovery for the Michigan economy during that same period of time.

Further evidence of statewide stabilization was seen when it was recently projected that the State's general fund revenues will increase approximately 2.3% in 2012, and another 1.3% in 2013, to \$7.9 billion and \$8.01 billion respectively. Although this growth is significant, the State is still collecting \$30 million less than what was generated in their fiscal year 2004, however it is encouraging to see the growth. (*Gongwer News Service, Michigan Report, November 18, 2011.*)

In an effort to foster good relations and county-wide economic development and growth, the City remains dedicated to working with the Wexford County Regional Economic Development Consortium, which began in 2010. The Consortium is not yet officially formed; however, by-laws have been drafted for review and progress is being made. Implementation of the Jobs Creation Plan will be a primary focus of the group, and the City was successful in obtaining a \$50,000 grant from the USDA to pay for a study.

Cadillac continues to see positive opportunities on the horizon. The City and other entities in the community continue to work hard to retain, expand, and attract new industry, as well as supporting our local merchants which goes a long way in maintaining

and improving our community's economic vitality. This is also crucial in maintaining positive revenues to support the City's infrastructure and operations.

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, 2010. This was the twenty-fifth 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, 2011. 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-six 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, 2010

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.



Linda C. Danison

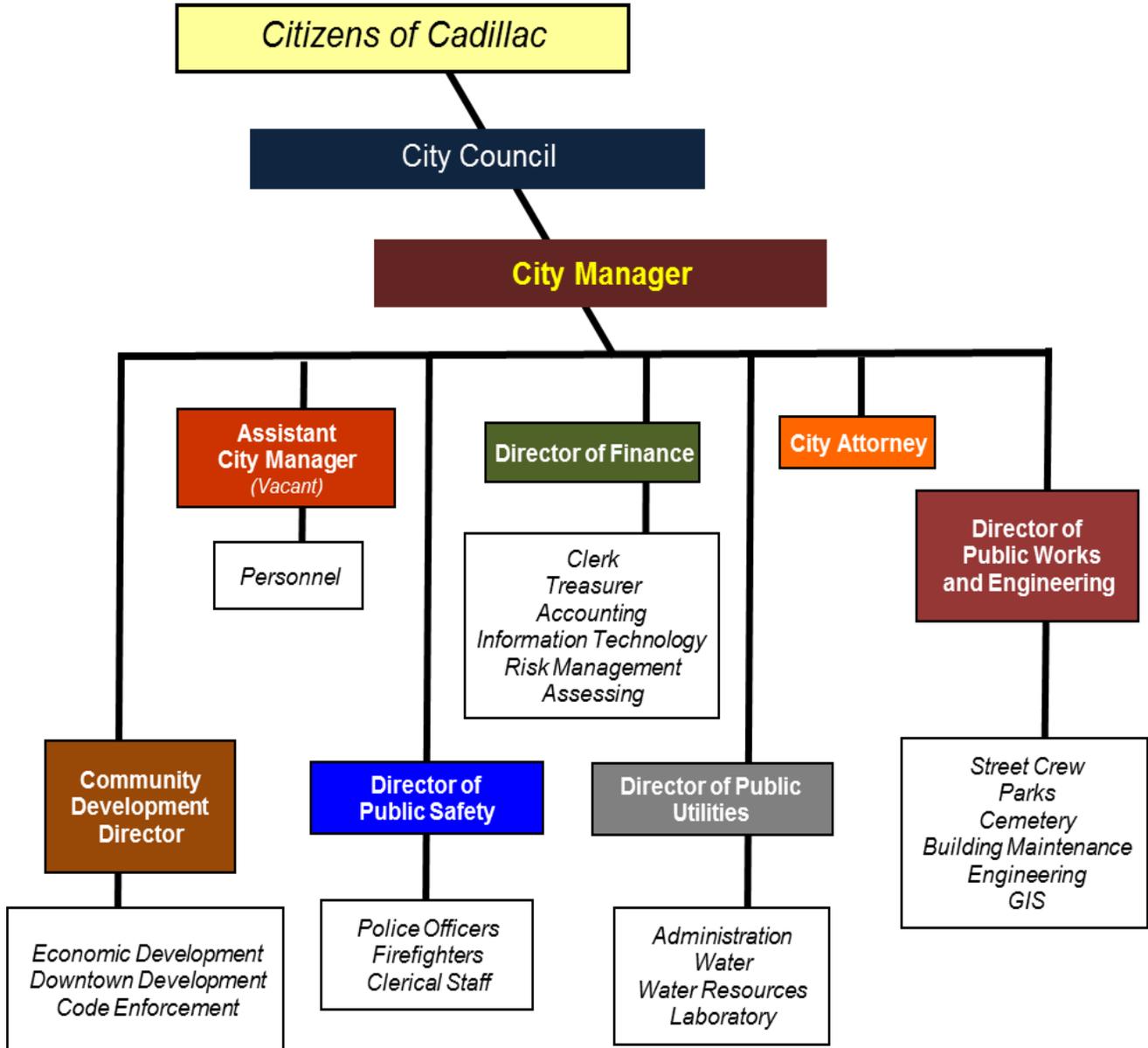
President

Jeffrey R. Emer

Executive Director

City of Cadillac Chart of Organization

As of June 30, 2011



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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 30, 2011

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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, 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 xv 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, 2011

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, 2011, 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 \$37.1 million (shown as *Net Assets*), representing a decrease of \$213,928 over the previous fiscal year. Governmental Activities decreased \$347,579, while the Net Assets of the Business-Type activities increased by \$133,651.
- Of the total net assets, \$5,517,681 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, 2011, the governmental funds of the City of Cadillac reported combined ending fund balances of \$6,366,351. This is a decrease of \$158,343. The decrease was the result of an extra contribution made to the Act 345 Police and Fire Retirement System that was the result of the revenue generated by the police and fire retirement millage being more than the required contributions to the plan over the last several years. This excess was transferred to the system in full this fiscal year. This item is accounted for in the General Fund. In the Local Street Fund, proceeds from the sale of a City-owned property that were reserved for infrastructure projects several years ago continue to be used to fund current projects, which accounted for a decrease in fund balance in the Local Street Fund as well.
- In accordance with the City's policy, an amount equal to 15% of total General Fund expenditures has been committed as a working capital reserve.
- In the General Fund, total Assigned and Unassigned Fund Balance increased to \$710,903 as of June 30, 2011 which is up from \$532,586 a year earlier. The bulk of this amount - \$509,256 - represents fund balance that is unassigned and therefore available for future appropriation.

Long-Term Debt

- The City of Cadillac's total debt **decreased** by \$955,000 during the fiscal year. This decrease is the result of normal debt service payments on the city's outstanding bond issues. No new debt issues were undertaken in FY2011.

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

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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.

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

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

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

Fund Financial Statements

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

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

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

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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

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

- 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 \$37,096,260 at June 30, 2011, 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, 2011

City of Cadillac

Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 8,806	\$ 8,521	\$ 4,271	\$ 4,184	\$ 13,077	\$ 12,705
Capital Assets	14,144	14,882	22,170	22,811	36,314	37,693
Total Assets	\$ 22,950	\$ 23,403	\$ 26,441	\$ 26,995	\$ 49,391	\$ 50,398
Current and other liabilities	\$ 966	\$ 1,011	\$ 1,244	\$ 1,170	\$ 2,210	\$ 2,181
Long-term liabilities	1,474	1,534	8,611	9,373	10,085	10,907
Total Liabilities	\$ 2,440	\$ 2,545	\$ 9,855	\$ 10,543	\$ 12,295	\$ 13,088
Net Assets						
Invested in capital assets net of related debt	13,114	13,608	12,789	12,698	25,903	26,306
Restricted	4,325	2,448	1,350	1,332	5,675	3,780
Unrestricted	3,071	4,802	2,447	2,422	5,518	7,224
Total Net Assets	\$ 20,510	\$ 20,858	\$ 16,586	\$ 16,452	\$ 37,096	\$ 37,310

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

The City has \$5,517,681 (15%) 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 (15%) represents resources that are subject to external restrictions on how they may be used.

The total net assets of the City declined \$213,928 during the fiscal year. The Net Assets of the governmental activities decreased by \$347,579. The primary reason for the decrease was an additional contribution made by the City's General Fund into the Police and Fire Retirement Fund. This transfer was the result of the extra-voted millage for police and fire retirement providing funds that exceeded the City's annual required contribution into the system for the last several years.

An increase in user charges in the Water and Sewer Fund accounted for the increase of \$133,651 in net assets in the business-type activities.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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)

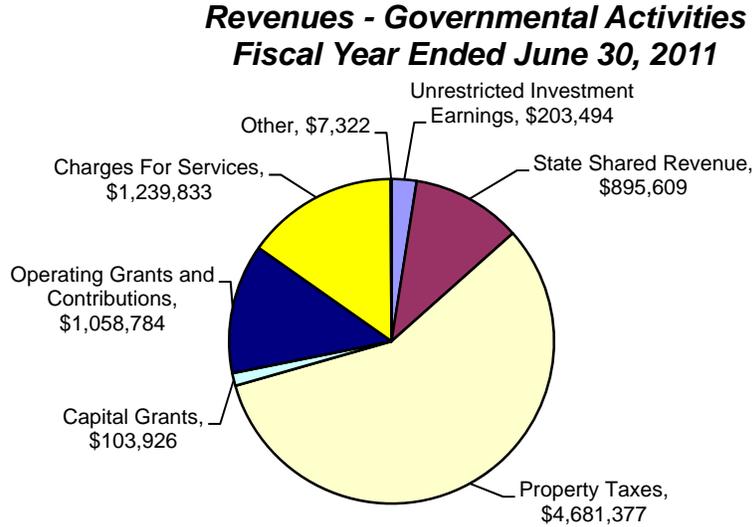
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$ 1,240	\$ 1,320	\$ 4,056	\$ 4,125	\$ 5,296	\$ 5,445
Operating Grants and Contributions	1,059	983	0	0	1,059	983
Capital Grants	104	332	0	0	104	332
General Revenues						
Property Taxes and Assessments	4,681	4,753	0	0	4,681	4,753
State Shared Revenue	896	873	0	0	896	873
Unrestricted Investment Earnings	203	147	65	66	268	213
Gain on Sale of Capital Assets	2	8	0	0	2	8
Other	5	19	0	0	5	19
Total Revenues	\$ 8,190	\$ 8,435	\$ 4,121	\$ 4,191	\$ 12,311	\$ 12,626
<u>Expenses</u>						
General Government, Administrative	\$ 1,746	\$ 1,888	\$ 0	\$ 0	\$ 1,746	\$ 1,888
Public Safety	3,427	3,305	0	0	3,427	3,305
Public Works	2,634	2,667	0	0	2,634	2,667
Recreation and Culture	421	453	0	0	421	453
Redevelopment and Housing	0	0	0	0	0	0
Economic Development/Assistance	255	237	0	0	255	237
Interest on Long-Term Debt	55	65	0	0	55	65
Water and Sewer	0	0	3,823	3,857	3,823	3,857
Automobile Parking System	0	0	107	113	107	113
Building Authority Operating	0	0	57	46	57	46
Total Expenses	\$ 8,538	\$ 8,615	\$ 3,987	\$ 4,016	\$ 12,525	\$ 12,631
Changes in Net Assets	\$ (348)	\$ (180)	\$ 134	\$ 175	\$ (214)	\$ (5)
Beginning Net Assets	20,858	21,038	16,452	16,277	37,310	37,315
Ending Net Assets	\$ 20,510	\$ 20,858	\$ 16,586	\$ 16,452	\$ 37,096	\$ 37,310

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2011:



Governmental activities accounted for a total of \$8,190,345 in revenue for the fiscal year which was down \$244,632, or 3%, from the previous year. This is mainly due to the general decline in property values throughout the City, which produces a decreasing amount of property taxes to fund City services. In addition, the City received a \$200,000 grant in the prior year which was used to purchase a new fire truck.

The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (57%). 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 FY2011 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 2011, state shared revenue received by the City increased slightly (2.5%), but 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 and contributions - whether federal, state, or local - that the City has secured or received in order to assist in capital asset construction/acquisition and infrastructure improvement within the City. During this fiscal year, these grants helped the City improve the disc golf course in Kenwood Park, construct a new picnic pavilion in this same park, and purchase several other important pieces of public safety equipment.

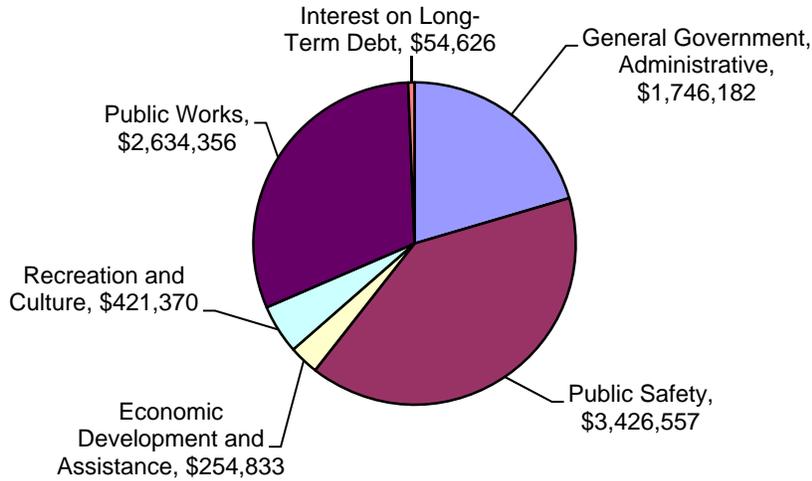
CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2011:

**Expenses - Governmental Activities
Fiscal Year Ended June 30, 2011**



Governmental activities accounted for total expenses of \$8,537,924. This was down from \$8,615,188 in the prior year, a decrease of 1%. The City consolidated and combined several staff positions in order to achieve savings within General Government Administrative functions.

The City's governmental activities expenses are dominated by the Public Safety expenses that total 40% of total expenses. The City spent over \$3.4 million in FY2011 on Public Safety. Public Works represented the next largest portion of expenses, accounting for \$2.6 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 \$1.7 million during the year, which represents 20% of the expenses within the governmental activities.

Business-Type Activities

The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of \$133,651 in the City's Net Assets for the fiscal year ended June 30, 2011.

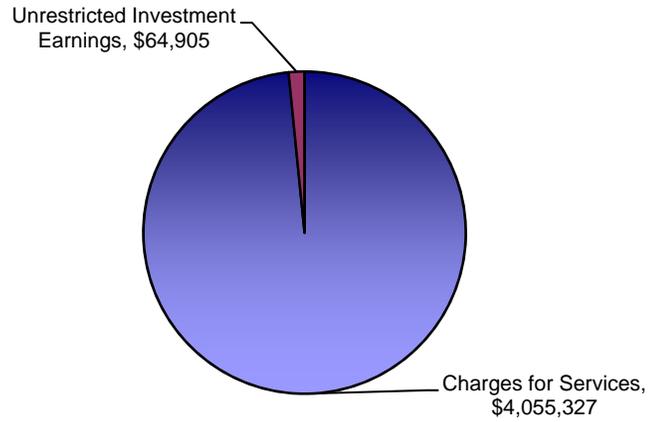
The Business-type activities of the City include the Water and Sewer Fund, which provides water and sewer utility services to City residents as well as commercial customers, the Auto Parking Fund, which maintains City-owned parking lots, and the Building Authority Operating Fund, which manages the operation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

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

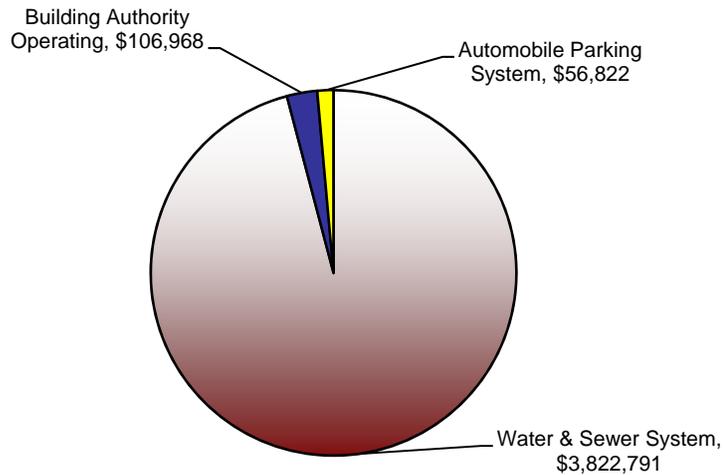
JUNE 30, 2011

**Revenues by Source - Business Type Activities
Fiscal Year Ended June 30, 2011**



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, 2011**



CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2011, its governmental funds reported combined ending fund balances of \$6,366,351. This ending fund balance is \$158,343 lower than the end of the previous fiscal year. Of the total ending fund balance, \$1,286,765, or 20%, is nonspendable because of legal or contractual obligations to keep certain endowment funds intact. An additional amount of \$1,246,461, or 20%, is restricted to spending for specific purposes, including street projects, lake treatment, and perpetual care of Maple Hill Cemetery. The City Council has also committed an amount equal to 15% of total General Fund expenditures as a Working Capital Reserve, as well as an amount that would fully fund the governmental funds portion of accrued sick and vacation leave. These two amounts total \$1,574,414 which represents another 25% of total fund balance. Portions of total fund balance have also been assigned for various uses totaling \$1,757,527, or 28% of the total. Finally, \$501,184 is unassigned and available for appropriation at the discretion of the City.

Detailed information regarding the various classifications of fund balance on hand as of June 30, 2011 can be found on page 5 of this report.

General Fund – The General Fund is the main operating fund of the City. The fund balance in the General Fund at June 30, 2011 was \$2,435,043. This represents a 7% decrease from the prior year. An amount equal to 15% of total annual expenditures is committed as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for several years. There is also \$446,113 committed to fund sick and vacation benefits that have accrued but have not yet been paid out.

Total fund balance in the City of Cadillac's General Fund decreased by \$181,462 in the current fiscal year. This decrease was mainly due to proceeds from the Police and Fire Retirement extra voted millage received in prior years being transferred in full to the retirement system during the year. This transfer alone consumed \$378,886 of fund balance on hand at the end of the prior year.

Major Street Fund – The Major Street Fund completed \$58,088 in street improvements in this fiscal year, highlighted by the resurfacing of a portion of Chestnut Street. The fund balance of the Major Street Fund ended the year at \$78,356 which was \$13,801 higher than the end of the previous fiscal year. A significant portion of the street administration costs formerly accounted for in this fund was transferred to the General Fund which enabled the fund balance increase.

Local Street Fund – The Local Street Fund completed \$142,733 in street construction and improvements in this fiscal year, which represented the replacement of street signs and two street improvement projects on May Street and Washington Street. Fund balance ended the year at \$192,730 which was \$9,812 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 FY2011 construction was anticipated and accounted for the decrease in total fund balance for 2011.

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

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$2,093,458 in unrestricted net assets. This was up \$36,440, or 1.8%, from the previous year. All Water and Sewer rates were increased by 4.5% for this fiscal year. Overall, the system saw a decline in total operating revenues of \$59,200. However, actual revenues exceeded budgeted revenues by \$37,193. In addition, total

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

operating costs of the system came in \$84,082 below budget. This combination contributed to the increase in net assets during the fiscal year.

This fund remains in sound fiscal condition moving forward. With over \$2 million in unrestricted net assets, the system has over 6 months operating costs in reserve. This stabilizes the finances and helps provide funds for pay-as-you-go capital financing.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$88,939. 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

Budget Amendments

During the year two budget amendments were approved by City Council. These amendments increased total General Fund appropriations by \$718,000. The major appropriation increases were related to the following:

- A local recreation project to reconstruct the Diggins Hill Tennis Courts was budgeted in the prior fiscal year, but not undertaken until this fiscal year. Costs of the project were covered primarily by donations also received in prior years. The total for this increase was \$131,700.
- The City assumed the responsibility for operating the local public access cable television channels. Budgeted costs were \$30,500.
- Three (3) grants were awarded in prior fiscal years, but the costs of the projects related to the grants were not incurred until this fiscal year. These projects include:
 - Cool Cities grant for Cobbs Mitchell Building - \$80,000;
 - Northwest Michigan Council of Governments - \$20,000 for a marketability study;
 - Cadillac Rotary Club - \$10,500 for a Rotary Pavilion Master Plan study.
- The extra voted millage that funds the Act 345 Police and Fire Retirement System has provided funds in excess of the City's annual required contribution for the last couple of years. These proceeds were transferred in full to the system to offset the unfunded actuarially accrued liability that exists in the system. This amounted to \$378,000.
- The fire marshal truck lease expired, and an additional \$17,800 was amended into the budget to fund the purchase of the truck at the end of the lease term.
- Two projects were undertaken during the year as a result of private contributions and grants received. These were received after the adoption of the budget and included:
 - Cadillac Leadership - \$25,000 for the construction of a picnic shelter at Kenwood Beach;
 - Wexford County – Grants amounting to \$17,000 were received from the Wexford County Recreation program.
- Funds were amended into the budget from the Sick and Vacation reserve to fund the accrued sick and vacation payout for an employee that was laid off from his position with the City.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

Grant revenue that was received in prior years was amended into the FY2011 budget to fund the project costs related to the grants. Additional grant revenue was received to fund the costs of the new grant projects. The City had set aside a reserve for final benefit payouts, which was used to cover the costs of final payments for the employee who was laid off in 2011. 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.

Budget Variances

Overall, actual expenditures were \$279,091 below the legal appropriations. Several factors contributed to this positive variance:

- Switched carriers for property and liability insurance, saving nearly \$50,000;
- Costs for the solid waste removal contract were approximately \$22,000 below appropriations;
- Restructured Public Works administrative staff, saving nearly \$24,000;
- Public Safety Director position was vacant after previous director retired, helping the Police and Fire Departments end the year nearly \$44,000 below appropriations;
- General savings and smaller cost-saving measures accounted for the remainder of the variances.

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, 2011 amounted to \$36,313,702 (net of accumulated depreciation). This represents a decrease of \$1,379,545, or 3.7%, over the prior year. The City added \$829,907 in assets during the year. These were primarily in the form of infrastructure and capital equipment, including the reconstruction of portions of Chestnut Street, May Street and Washington Street. Total capital assets declined primarily due to normal government-wide depreciation costs of \$2,200,747. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Infrastructure	\$ 18,270	\$ 18,079	\$ 0	\$ 0	\$ 18,270	\$ 18,079
Land and Land Improvements	3,456	3,310	1,402	712	4,858	4,022
Buildings	4,513	4,512	2,666	2,666	7,179	7,178
Improvements Other than Buildings	0	0	33,691	34,309	33,691	34,309
Machinery and Equipment	5,277	5,188	1,243	1,210	6,520	6,398
Subtotal	\$ 31,516	\$ 31,089	\$ 39,002	\$ 38,897	\$ 70,518	\$ 69,986
Construction in Progress	19	6	531	328	550	334
Accumulated Depreciation	(17,391)	(16,213)	(17,363)	(16,414)	(34,754)	(32,627)
Net Capital Assets	\$ 14,144	\$ 14,882	\$ 22,170	\$ 22,811	\$ 36,314	\$ 37,693

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

Capital assets of the City include any items purchased that cost in excess of \$5,000 and have an expected useful life greater than one year. Additional information regarding the City's capital assets can be found in the Notes to Financial Statements section on Page 33 and Pages 39-41.

Long-Term Debt. As of June 30, 2011, the City had total long-term debt outstanding of \$11,212,000. This is a decrease of \$955,000, or 8%, over the prior fiscal year. No new debt issues were undertaken in the current fiscal year and debt was reduced by normal debt service requirements that were met throughout the year.

Of the City's total outstanding debt, \$840,000 comprises debt backed by the full faith and credit of the City, while \$100,000 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 (\$8,775,000), 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
General Obligation and Revenue Bonds

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ 840	\$ 980	\$ 0	\$ 0	\$ 840	\$ 980
Special Assessment Debt with governmental commitment	100	170	0	0	100	170
Contracts and Notes	852	857	0	0	852	857
Revenue Bonds	0	0	9,420	10,160	9,420	10,160
Total	<u>\$ 1,792</u>	<u>\$ 2,007</u>	<u>\$ 9,420</u>	<u>\$ 10,160</u>	<u>\$ 11,212</u>	<u>\$ 12,167</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 \$256,981,971 is \$25,698,197 which significantly exceeds the City's outstanding general obligation debt of \$840,000. 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 this year from 15.3% a year ago to 12.0% as of September 30, 2011. This is still above the statewide unemployment rate of 11.1%, which is also down from 13.0% last year. Though this is a positive turn and there are early signs of a slow recovery, 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.

CITY OF CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2011

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>CURRENT ASSETS</u>				
Cash	\$ 904,256	\$ 266,067	\$ 1,170,323	\$ 509,342
Investments	6,234,787	2,888,904	9,123,691	2,374,776
Receivables				
Taxes	5,585	0	5,585	113
Accounts	56,071	424,428	480,499	3,582
Unbilled Services	0	298,957	298,957	0
Cylinder Deposits	0	6,000	6,000	0
Mortgages and Notes	190,483	0	190,483	0
Accrued Interest	61,601	16,486	78,087	12,577
Special Assessments	232,778	0	232,778	0
External Parties (Agency Funds)	5,486	0	5,486	0
Internal Balances	(64,605)	64,605	0	0
Due from Other Governments	302,507	0	302,507	26,552
Inventory	78,328	228,203	306,531	0
Prepaid Expenses	183,853	39,417	223,270	86
 Total Current Assets	 \$ 8,191,130	 \$ 4,233,067	 \$ 12,424,197	 \$ 2,927,028
 <u>NONCURRENT ASSETS</u>				
<u>CAPITAL ASSETS</u>				
Land and Land Improvements	\$ 3,455,992	\$ 1,401,898	\$ 4,857,890	\$ 1,190,046
Buildings	4,512,720	2,666,174	7,178,894	0
Improvements Other Than Buildings	0	33,690,455	33,690,455	226,767
Machinery and Equipment	5,276,790	1,243,360	6,520,150	0
Infrastructure	18,270,388	0	18,270,388	0
Construction Work in Progress	19,034	531,184	550,218	0
	\$ 31,534,924	\$ 39,533,071	\$ 71,067,995	\$ 1,416,813
Less Accumulated Depreciation	17,391,093	17,363,200	34,754,293	138,900
Net Capital Assets	\$ 14,143,831	\$ 22,169,871	\$ 36,313,702	\$ 1,277,913
 <u>OTHER ASSETS</u>				
Net Other Post Employment Benefits Asset	\$ 181,195	\$ 0	\$ 181,195	\$ 0
Net Pension Asset	425,970	0	425,970	0
Deferred Charge - Bond Issuance Costs	8,012	37,504	45,516	0
Total Other Assets	\$ 615,177	\$ 37,504	\$ 652,681	\$ 0
 Total Noncurrent Assets	 \$ 14,759,008	 \$ 22,207,375	 \$ 36,966,383	 \$ 1,277,913
 TOTAL ASSETS	 \$ 22,950,138	 \$ 26,440,442	 \$ 49,390,580	 \$ 4,204,941

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	\$ 320,431	\$ 120,519	\$ 440,950	\$ 26,341
Accrued Expenses	195,403	212,140	407,543	2,064
Accrued Interest	30,803	108,377	139,180	0
Due to Other Governments	16,685	26,367	43,052	0
External Parties Payable (Fiduciary Funds)	53,375	0	53,375	0
Utility Deposits	0	6,350	6,350	0
Deferred Revenue - Unearned	30,500	0	30,500	0
Current Portion of Long-Term Debt	318,832	770,000	1,088,832	15,000
Total Current Liabilities	\$ 966,029	\$ 1,243,753	\$ 2,209,782	\$ 43,405
<u>LONG-TERM LIABILITIES</u>				
Revenue Bonds				
(Net of Deferred Refunding Amount)	\$ 0	\$ 9,380,853	\$ 9,380,853	\$ 0
General Obligation Bonds	840,000	0	840,000	0
Special Assessment Bonds	100,000	0	100,000	0
Notes Payable	201,912	0	201,912	60,000
Net Other Post Employment Benefits Liability	204,492	0	204,492	0
Accrued Compensated Sick and Vacation	446,113	0	446,113	5,934
Less: Current Portion	(318,832)	(770,000)	(1,088,832)	(15,000)
Total Long-Term Liabilities	\$ 1,473,685	\$ 8,610,853	\$ 10,084,538	\$ 50,934
TOTAL LIABILITIES	\$ 2,439,714	\$ 9,854,606	\$ 12,294,320	\$ 94,339
<u>EQUITY</u>				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 13,114,376	\$ 12,789,018	\$ 25,903,394	\$ 1,217,913
Restricted for Debt Service	313,685	1,350,177	1,663,862	0
Restricted for Groundwater Cleanup	0	0	0	1,728,453
Restricted for Capital Projects				613,395
Temporarily Restricted	86,319	0	86,319	0
Permanently Restricted	511,666	0	511,666	0
Restricted for Cemetery Perpetual Care				
Temporarily Restricted	279,732	0	279,732	0
Permanently Restricted	245,000	0	245,000	0
Restricted for Life Insurance	186,366	0	186,366	0
Restricted for Employees' Life and Health Insurance	1,032,168	0	1,032,168	0
Restricted for Pension Benefits	402,673	0	402,673	0
Restricted for Special Purposes	1,267,399	0	1,267,399	0
Unrestricted	3,071,040	2,446,641	5,517,681	550,841
TOTAL NET ASSETS	\$ 20,510,424	\$ 16,585,836	\$ 37,096,260	\$ 4,110,602

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, 2011

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	\$ 1,746,182	\$ 377,330	\$ 0	\$ 0	\$ (1,368,852)	\$ 0	\$ (1,368,852)	\$ 0
Public Safety	3,426,557	282,163	97,744	24,857	(3,021,793)	0	(3,021,793)	0
Public Works	2,634,356	579,432	863,034	552	(1,191,338)	0	(1,191,338)	0
Recreation and Culture	421,370	908	0	78,517	(341,945)	0	(341,945)	0
Economic Development and Assistance	254,833	0	62,906	0	(191,927)	0	(191,927)	0
Interest on Long-Term Debt	54,626	0	35,100	0	(19,526)	0	(19,526)	0
Total Governmental Activities	\$ 8,537,924	\$ 1,239,833	\$ 1,058,784	\$ 103,926	\$ (6,135,381)	\$ 0	\$ (6,135,381)	\$ 0
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water and Sewer System	\$ 3,822,791	\$ 3,823,193	\$ 0	\$ 0	\$ 0	\$ 402	\$ 402	\$ 0
Building Authority Operating	106,968	195,870	0	0	0	88,902	88,902	0
Automobile Parking System	56,822	36,264	0	0	0	(20,558)	(20,558)	0
Total Business-Type Activities	\$ 3,986,581	\$ 4,055,327	\$ 0	\$ 0	\$ 0	\$ 68,746	\$ 68,746	\$ 0
TOTAL PRIMARY GOVERNMENT	\$ 12,524,505	\$ 5,295,160	\$ 1,058,784	\$ 103,926	\$ (6,135,381)	\$ 68,746	\$ (6,066,635)	\$ 0
<u>COMPONENT UNITS</u>								
Local Development Finance Authority	\$ 251,043	\$ 20,371	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (230,672)
Non-Major Component Units	139,703	0	1,125	0	0	0	0	(138,578)
TOTAL COMPONENT UNITS	\$ 390,746	\$ 20,371	\$ 1,125	\$ 0	\$ 0	\$ 0	\$ 0	\$ (369,250)
<u>GENERAL REVENUES</u>								
Property Taxes and Assessments					\$ 4,681,377	\$ 0	\$ 4,681,377	\$ 488,399
State Shared Revenue - Unrestricted					895,609	0	895,609	0
Investment Earnings - Unrestricted					203,494	64,905	268,399	32,638
Gain on Sale of Capital Assets					2,127	0	2,127	0
Other					5,195	0	5,195	5,000
Total General Revenues					\$ 5,787,802	\$ 64,905	\$ 5,852,707	\$ 526,037
Change in Net Assets					\$ (347,579)	\$ 133,651	\$ (213,928)	\$ 156,787
<u>NET ASSETS - Beginning of Year</u>					20,858,003	16,452,185	37,310,188	3,953,815
<u>NET ASSETS - End of Year</u>					\$ 20,510,424	\$ 16,585,836	\$ 37,096,260	\$ 4,110,602

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

CITY OF CADILLAC, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2011

	<u>GENERAL</u>	<u>MAJOR</u>	<u>LOCAL</u>	<u>NONMAJOR</u>	<u>TOTALS</u>
	<u>FUND</u>	<u>STREET</u>	<u>STREET</u>	<u>FUNDS</u>	
<u>ASSETS</u>					
Cash	\$ 43,740	\$ 11,730	\$ 70,643	\$ 657,001	\$ 783,114
Investments	2,416,696	0	100,000	2,479,731	4,996,427
Receivables					
Taxes	5,585	0	0	0	5,585
Accounts	47,859	0	0	0	47,859
Mortgages and Notes	0	0	0	190,483	190,483
Accrued Interest	16,175	0	1,342	37,614	55,131
Special Assessments					
Current	0	0	0	68,757	68,757
Deferred	0	0	0	164,021	164,021
Due from Other Funds	5,486	0	0	7,852	13,338
Advance to Other Funds	0	0	0	350,000	350,000
Due from Other Governments	180,668	91,813	30,026	0	302,507
Prepaid Expenditures	91,453	276	621	963	93,313
TOTAL ASSETS	<u>\$ 2,807,662</u>	<u>\$ 103,819</u>	<u>\$ 202,632</u>	<u>\$ 3,956,422</u>	<u>\$ 7,070,535</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 142,340	\$ 2,129	\$ 0	\$ 22,335	\$ 166,804
Accrued Expenditures	123,670	7,339	9,902	4,095	145,006
Due to Other Funds	59,424	15,995	0	2,052	77,471
Due to Other Governments	16,685	0	0	0	16,685
Deferred Revenue	30,500	0	0	267,718	298,218
Total Liabilities	<u>\$ 372,619</u>	<u>\$ 25,463</u>	<u>\$ 9,902</u>	<u>\$ 296,200</u>	<u>\$ 704,184</u>

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

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
FUND BALANCE					
Nonspendable:					
Prepaid Expenditures	\$ 91,453	\$ 276	\$ 621	\$ 963	\$ 93,313
Advances	0	0	0	350,000	350,000
Notes Receivable	0	0	0	86,786	86,786
Trust Funds	0	0	0	245,000	245,000
Capital Projects Endowment	0	0	0	511,666	511,666
Restricted for:					
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	1,409	0	0	0	1,409
White Pine Trail	2,394	0	0	0	2,394
Diggins Hill Park	500	0	0	0	500
CAMA Lighthouse	25,000	0	0	0	25,000
Leadership Pride Project	20,610	0	0	0	20,610
Street Improvements	0	78,080	192,109	0	270,189
Clam River Greenway	0	0	0	19,046	19,046
Milfoil Eradication	0	0	0	6,442	6,442
Debt Service	0	0	0	296,517	296,517
Special Assessment Project Construction	0	0	0	229,943	229,943
Cemetery Perpetual Care	0	0	0	279,732	279,732
Capital Projects	0	0	0	86,319	86,319
Committed for:					
Sick and Vacation	446,113	0	0	0	446,113
Working Capital	1,128,301	0	0	0	1,128,301
Assigned for:					
Mayor Wedding Fees	300	0	0	0	300
Pistol Range	2,127	0	0	0	2,127
CASA Field Use	2,520	0	0	0	2,520
Budgeted Use of Fund Balance for 2011-2012	196,700	0	0	0	196,700
H.L. Green Operating	0	0	0	72,011	72,011
Cadillac Development	0	0	0	991,518	991,518
Roof Replacement	0	0	0	23,508	23,508
Naval Reserve Center	0	0	0	12,761	12,761
Industrial Development	0	0	0	456,082	456,082
Unassigned (Deficit):	509,256	0	0	(8,072)	501,184
Total Fund Balance	\$ 2,435,043	\$ 78,356	\$ 192,730	\$ 3,660,222	\$ 6,366,351
TOTAL LIABILITIES					
AND FUND BALANCE	\$ 2,807,662	\$ 103,819	\$ 202,632	\$ 3,956,422	\$ 7,070,535

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, 2011

Total Fund Balances for Governmental Funds	\$	6,366,351
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	\$	3,362,021
Buildings		4,034,539
Machinery and Equipment		2,640,702
Infrastructure		18,270,388
Construction Work in Progress		19,034
Accumulated Depreciation		(15,181,689)
		13,144,995
Bond issuance costs are reported as expenditures in the governmental fund.		
		8,012
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Special Assessments Receivable	\$	164,021
Deferred Revenue - Loans Receivable		103,697
		267,718
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		
		1,985,243
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.		
		(64,356)
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		181,195
Net Other Post Employment Benefits Liability		(204,492)
Net Pension Asset		425,970
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	\$	(840,000)
Special Assessment Bonds Payable		(100,000)
Notes Payable		(201,912)
Accrued Interest Payable		(12,187)
Compensated Absences		(446,113)
		(1,600,212)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	20,510,424

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, 2011

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
<u>REVENUES</u>					
Taxes	\$ 4,682,372	\$ 0	\$ 0	\$ 74,182	\$ 4,756,554
Licenses and Permits	765	0	0	0	765
Federal Grants	111,133	0	0	0	111,133
State Grants	1,000,954	642,537	189,526	0	1,833,017
Contributions from Local Units	171,891	0	0	35,100	206,991
Charges for Services	962,675	0	0	50,855	1,013,530
Fines and Forfeits	37,966	0	0	0	37,966
Interest and Rents	59,346	31	1,442	112,544	173,363
Gain (Loss) on Investments	0	0	0	37,501	37,501
Other Revenue	313,445	0	0	37,938	351,383
Total Revenues	<u>\$ 7,340,547</u>	<u>\$ 642,568</u>	<u>\$ 190,968</u>	<u>\$ 348,120</u>	<u>\$ 8,522,203</u>
<u>EXPENDITURES</u>					
General Government	\$ 1,495,943	\$ 0	\$ 0	\$ 144,828	\$ 1,640,771
Public Safety	3,699,986	0	0	9,376	3,709,362
Public Works	849,227	630,467	569,952	0	2,049,646
Culture and Recreation	378,232	0	0	10,837	389,069
Community and Economic Development	176,257	0	0	58,407	234,664
Capital Outlay	0	0	0	3,815	3,815
Debt Service	0	0	30,028	298,227	328,255
Intergovernmental	324,964	0	0	0	324,964
Total Expenditures	<u>\$ 6,924,609</u>	<u>\$ 630,467</u>	<u>\$ 599,980</u>	<u>\$ 525,490</u>	<u>\$ 8,680,546</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 415,938</u>	<u>\$ 12,101</u>	<u>\$ (409,012)</u>	<u>\$ (177,370)</u>	<u>\$ (158,343)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 0	\$ 20,000	\$ 525,000	\$ 294,922	\$ 839,922
Transfers Out	(597,400)	(18,300)	(125,800)	(98,422)	(839,922)
Total Other Financing Sources (Uses)	<u>\$ (597,400)</u>	<u>\$ 1,700</u>	<u>\$ 399,200</u>	<u>\$ 196,500</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (181,462)</u>	<u>\$ 13,801</u>	<u>\$ (9,812)</u>	<u>\$ 19,130</u>	<u>\$ (158,343)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>2,616,505</u>	<u>64,555</u>	<u>202,542</u>	<u>3,641,092</u>	<u>6,524,694</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 2,435,043</u>	<u>\$ 78,356</u>	<u>\$ 192,730</u>	<u>\$ 3,660,222</u>	<u>\$ 6,366,351</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net Change in Fund Balance - Total Governmental Funds \$ (158,343)

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	(1,064,688)
Capital Outlay	411,476

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	14,772
Accrued Interest Payable - End of Year	(12,187)

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).

272,729

Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where they are a reduction of assets).

(29,627)

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.

(1,685)

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.	(73,630)
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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	(995)
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The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

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	404,226
Compensated Absences - End of Year	(446,113)

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	49,744
Other Post Employment Benefit Obligation - End of Year	(23,297)
Net Pension Asset - Beginning of Year	0
Net Pension Asset - End of Year	425,970

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.

(115,931)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ (347,579)

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 101,364	\$ 121,057	\$ 43,646
Investments	1,412,771	175	125,781
Receivables			
Accounts	424,428	0	0
Unbilled Services	298,957	0	0
Accrued Interest	16,270	0	216
Cylinder Deposits	6,000	0	0
Due from Other Funds	249	0	0
Inventory, At Cost	228,203	0	0
Prepaid Expense	39,412	0	5
	<hr/>		
Total Current Assets	\$ 2,527,654	\$ 121,232	\$ 169,648
<hr/>			
<u>NONCURRENT ASSETS</u>			
<u>RESTRICTED ASSETS</u>			
Investments			
Bond Reserve Account	\$ 859,392	\$ 0	\$ 0
Bond Replacement Account	490,785	0	0
	<hr/>		
Total Restricted Assets	\$ 1,350,177	\$ 0	\$ 0
<hr/>			
<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	33,690,455	0	0
Machinery and Equipment	1,243,360	0	0
Construction Work In Progress	531,184	0	0
	<hr/>		
	\$ 36,896,158	\$ 1,825,872	\$ 811,041
Less Accumulated Depreciation	16,594,691	534,235	234,274
	<hr/>		
Net Capital Assets	\$ 20,301,467	\$ 1,291,637	\$ 576,767
<hr/>			
<u>OTHER ASSETS</u>			
Deferred Charge - Bond Issuance Costs	\$ 31,688	\$ 5,816	\$ 0
	<hr/>		
Total Noncurrent Assets	\$ 21,683,332	\$ 1,297,453	\$ 576,767
<hr/>			
TOTAL ASSETS	\$ 24,210,986	\$ 1,418,685	\$ 746,415

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 266,067	\$ 121,142
1,538,727	1,238,360
424,428	8,212
298,957	0
16,486	6,470
6,000	0
249	15,995
228,203	78,328
39,417	90,540
<u>\$ 2,818,534</u>	<u>\$ 1,559,047</u>
\$ 859,392	\$ 0
490,785	0
<u>\$ 1,350,177</u>	<u>\$ 0</u>
\$ 1,401,898	\$ 93,971
2,666,174	478,181
33,690,455	0
1,243,360	2,636,088
531,184	0
<u>\$ 39,533,071</u>	<u>\$ 3,208,240</u>
17,363,200	2,209,404
<u>\$ 22,169,871</u>	<u>\$ 998,836</u>
<u>\$ 37,504</u>	<u>\$ 0</u>
<u>\$ 23,557,552</u>	<u>\$ 998,836</u>
<u>\$ 26,376,086</u>	<u>\$ 2,557,883</u>

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

CITY OF CADILLAC, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<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	\$ 120,178	\$ 341	\$ 0
Accrued Interest	100,959	7,418	0
Other Accrued Expenses	212,030	0	110
Utility Deposits	6,350	0	0
Due to Other Governments	26,367	0	0
Current Portion of Long-Term Debt	655,000	115,000	0
	<hr/>		
Total Current Liabilities	\$ 1,120,884	\$ 122,759	\$ 110
	<hr/>		
<u>LONG-TERM LIABILITIES</u>			
2007 Wastewater System Junior Lien Revenue Bonds	\$ 3,360,205	\$ 0	\$ 0
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,052,762	530,000	0
2001 Revenue Bonds (Net of Deferred Refunding Amount)	3,667,886	0	0
Advance from Other Funds	0	0	0
	<hr/>		
Total Long-Term Liabilities	\$ 8,080,853	\$ 530,000	\$ 0
	<hr/>		
TOTAL LIABILITIES	\$ 9,201,737	\$ 652,759	\$ 110
	<hr/>		
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,565,614	\$ 646,637	\$ 576,767
Restricted for Benefit Programs	1,350,177	0	0
Unrestricted (Deficit)	0	0	0
	2,093,458	119,289	169,538
	<hr/>		
TOTAL NET ASSETS	\$ 15,009,249	\$ 765,926	\$ 746,305
	<hr/>		

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 120,519	\$ 153,627
108,377	18,616
212,140	50,397
6,350	0
26,367	0
770,000	0
<u>\$ 1,243,753</u>	<u>\$ 222,640</u>
\$ 3,360,205	\$ 0
1,582,762	0
3,667,886	0
0	350,000
<u>\$ 8,610,853</u>	<u>\$ 350,000</u>
<u>\$ 9,854,606</u>	<u>\$ 572,640</u>
\$ 12,789,018	\$ 998,836
1,350,177	0
0	1,218,534
2,382,285	(232,127)
<u>\$ 16,521,480</u>	<u>\$ 1,985,243</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, 2011

Total Net Assets - Total Proprietary Funds	\$ 16,521,480
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>64,356</u>
NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 16,585,836</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, 2011

	<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	\$ 3,823,193	\$ 195,870	\$ 36,264
<u>OPERATING EXPENSES</u>			
Personal Services	\$ 867,435	\$ 0	\$ 9,873
Contractual Services	447,927	28,633	22,612
Supplies	327,659	0	309
Utilities	357,964	3,274	0
Depreciation and Amortization	906,837	38,840	16,754
Employee Benefits	366,996	0	4,796
Administrative	201,900	5,000	0
Total Operating Expenses	\$ 3,476,718	\$ 75,747	\$ 54,344
Operating Income (Loss)	\$ 346,475	\$ 120,123	\$ (18,080)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Gain on Sale of Capital Assets	\$ 0	\$ 0	\$ 0
Interest Revenue	63,657	37	1,211
Interest and Fiscal Charges	(327,020)	(31,221)	0
Total Nonoperating Revenues (Expenses)	\$ (263,363)	\$ (31,184)	\$ 1,211
Change in Net Assets	\$ 83,112	\$ 88,939	\$ (16,869)
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,926,137	676,987	763,174
<u>TOTAL NET ASSETS</u> - End of Year	\$ 15,009,249	\$ 765,926	\$ 746,305

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 4,055,327	\$ 1,778,951
\$ 877,308	\$ 222,469
499,172	256,388
327,968	131,774
361,238	22,529
962,431	186,915
371,792	1,046,472
206,900	58,700
<u>\$ 3,606,809</u>	<u>\$ 1,925,247</u>
<u>\$ 448,518</u>	<u>\$ (146,296)</u>
\$ 0	\$ 1,706
64,905	25,744
<u>(358,241)</u>	<u>(18,616)</u>
<u>\$ (293,336)</u>	<u>\$ 8,834</u>
\$ 155,182	\$ (137,462)
<u>16,366,298</u>	<u>2,122,705</u>
<u><u>\$ 16,521,480</u></u>	<u><u>\$ 1,985,243</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, 2011

Net Change in Fund Net Assets - Total Proprietary Funds	\$ 155,182
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>(21,531)</u>
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 133,651</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, 2011

	<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	\$ 3,775,583	\$ 195,870	\$ 36,264
Cash Received from Interfund Services Provided and Used	0	0	0
Cash Payments to Suppliers for Goods and Services	(1,301,971)	(37,513)	(27,715)
Cash Payments to Employees for Services	(1,232,449)	0	(9,904)
Net Cash Provided by Operating Activities	<u>\$ 1,241,163</u>	<u>\$ 158,357</u>	<u>\$ (1,355)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (307,787)	\$ 0	\$ 0
Proceeds from Sales of Capital Assets	0	0	0
Principal Paid	(625,000)	(115,000)	0
Interest Paid	(329,606)	(32,471)	0
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (1,262,393)</u>	<u>\$ (147,471)</u>	<u>\$ 0</u>
Cash Flows from Investing Activities:			
Interest Received	\$ 59,940	\$ 37	\$ 995
Purchase of Investment Securities	(110,203)	0	(44,674)
Proceeds from Sale and Maturities of Investment Securities	114,604	53,500	0
Net Cash Provided (Used) by Investing Activities	<u>\$ 64,341</u>	<u>\$ 53,537</u>	<u>\$ (43,679)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 43,111	\$ 64,423	\$ (45,034)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>58,253</u>	<u>56,634</u>	<u>88,680</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 101,364</u>	<u>\$ 121,057</u>	<u>\$ 43,646</u>

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 4,007,717	\$ 0
0	1,795,768
(1,367,199)	(1,478,165)
<u>(1,242,353)</u>	<u>(239,304)</u>
<u>\$ 1,398,165</u>	<u>\$ 78,299</u>
\$ (307,787)	\$ (104,825)
0	4,592
(740,000)	0
<u>(362,077)</u>	<u>0</u>
<u>\$ (1,409,864)</u>	<u>\$ (100,233)</u>
\$ 60,972	\$ 25,114
(154,877)	0
<u>168,104</u>	<u>29,580</u>
<u>\$ 74,199</u>	<u>\$ 54,694</u>
\$ 62,500	\$ 32,760
<u>203,567</u>	<u>88,382</u>
<u><u>\$ 266,067</u></u>	<u><u>\$ 121,142</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, 2011

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
MAJOR FUNDS		
WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 346,475	\$ 120,123	\$ (18,080)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 906,837	\$ 38,840	\$ 16,754
(Increase) Decrease in Current Assets			
Accounts Receivable	(90,163)	0	0
Due from Other Funds	20,384	0	0
Due from Other Governments	22,169	0	0
Inventory	(6,176)	0	0
Prepaid Expense	(11,579)	0	2
Increase (Decrease) in Current Liabilities			
Accounts Payable	49,244	(606)	0
Other Accrued Expenses	1,982	0	(31)
Due to Other Funds	0	0	0
Utility Deposits	1,990	0	0
 Total Adjustments	 \$ 894,688	 \$ 38,234	 \$ 16,725
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 1,241,163	 \$ 158,357	 \$ (1,355)

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 448,518	\$ (146,296)
\$ 962,431	\$ 186,915
(90,163)	7,102
20,384	9,715
22,169	0
(6,176)	15,548
(11,577)	(73,468)
48,638	94,649
1,951	(16,835)
0	969
1,990	0
<u>\$ 949,647</u>	<u>\$ 224,595</u>
<u>\$ 1,398,165</u>	<u>\$ 78,299</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, 2011

	PENSION TRUST FUND	AGENCY
<u>ASSETS</u>		
Cash	\$ 562,600	\$ 50,158
Investments		
Mutual Funds	7,084,715	0
Due from Other Funds	53,375	0
Due from Other Governments	0	20,588
	<hr/>	<hr/>
TOTAL ASSETS	\$ 7,700,690	\$ 70,746
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 5,486
Due to Other Governments	0	65,260
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 0	\$ 70,746
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 7,700,690	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

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, 2011

	<u>PENSION TRUST FUND</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 1,051,479
Employee	46,839
Total Contributions	<u>\$ 1,098,318</u>
Investment Income	
Interest and Dividend Income	\$ 161
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	1,283,435
Investment Expenses	(29,712)
Net Investment Income (Loss)	<u>\$ 1,253,884</u>
Total Additions (Deletions)	<u>\$ 2,352,202</u>
<u>DEDUCTIONS</u>	
Benefit Payments	
Retirement	\$ 631,266
Administrative Expenses	
Contracted Services	10,575
Total Deductions	<u>\$ 641,841</u>
Net Increase (Decrease) in Plan Assets	\$ 1,710,361
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	
Beginning of Year	<u>5,990,329</u>
End of Year	<u>\$ 7,700,690</u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2011

	LOCAL DEVELOPMENT FINANCE AUTHORITY	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION
<u>ASSETS</u>			
Cash	\$ 219,980	\$ 112,036	\$ 1,167
Investments	2,374,776	0	0
Receivables			
Accounts	3,522	60	0
Taxes	0	113	0
Accrued Interest	12,577	0	0
Due from Other Governments	0	26,552	0
Prepaid Expenses	0	86	0
Total Current Assets	<u>\$ 2,610,855</u>	<u>\$ 138,847</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	72,919	65,981	0
Net Capital Assets	<u>\$ 153,848</u>	<u>\$ 1,124,065</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 2,764,703</u>	<u>\$ 1,262,912</u>	<u>\$ 1,167</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 22,481	\$ 3,860	\$ 0
Accrued Expenses	1,197	867	0
Current Portion of Long-Term Debt	0	15,000	0
Total Current Liabilities	<u>\$ 23,678</u>	<u>\$ 19,727</u>	<u>\$ 0</u>
<u>LONG-TERM LIABILITIES</u>			
Notes Payable	\$ 0	\$ 60,000	\$ 0
Accrued Compensated Sick and Vacation	0	5,934	0
Less: Current Portion	0	(15,000)	0
Total Long-Term Liabilities	<u>\$ 0</u>	<u>\$ 50,934</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 23,678</u>	<u>\$ 70,661</u>	<u>\$ 0</u>
<u>EQUITY</u>			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 153,848	\$ 1,064,065	\$ 0
Restricted for Groundwater Clean-Up	1,728,453	0	0
Restricted for Capital Projects	613,395	0	0
Unrestricted	245,329	128,186	1,167
TOTAL NET ASSETS	<u>\$ 2,741,025</u>	<u>\$ 1,192,251</u>	<u>\$ 1,167</u>

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

BROWNFIELD REDEVELOPMENT AUTHORITY		TOTALS
\$	176,159	\$ 509,342
	0	2,374,776
	0	3,582
	0	113
	0	12,577
	0	26,552
	0	86
\$	176,159	\$ 2,927,028
<hr/>		
\$	0	\$ 1,190,046
	0	226,767
\$	0	\$ 1,416,813
	0	138,900
\$	0	\$ 1,277,913
<hr/>		
\$	176,159	\$ 4,204,941
<hr/>		
\$	0	\$ 26,341
	0	2,064
	0	15,000
\$	0	\$ 43,405
<hr/>		
\$	0	\$ 60,000
	0	5,934
	0	(15,000)
\$	0	\$ 50,934
<hr/>		
\$	0	\$ 94,339
<hr/>		
\$	0	\$ 1,217,913
	0	1,728,453
	0	613,395
	176,159	550,841
\$	176,159	\$ 4,110,602
<hr/>		

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

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	\$ 251,043	\$ 20,371	\$ 0	\$ 0	\$ (230,672)	\$ 0	\$ 0	\$ 0	\$ (230,672)	
Downtown Development Authority	113,963	0	1,125	0	0	(112,838)	0	0	(112,838)	
Brownfield Redevelopment Authority	25,740	0	0	0	0	0	0	(25,740)	(25,740)	
TOTAL COMPONENT UNITS	\$ 390,746	\$ 20,371	\$ 1,125	\$ 0	\$ (230,672)	\$ (112,838)	\$ 0	\$ (25,740)	\$ (369,250)	
GENERAL REVENUES										
Property Taxes					\$ 322,843	\$ 131,623	\$ 0	\$ 33,933	\$ 488,399	
Unrestricted Investment Earnings					32,385	121	0	132	32,638	
Other					0	5,000	0	0	5,000	
Total General Revenues					\$ 355,228	\$ 136,744	\$ 0	\$ 34,065	\$ 526,037	
Change in Net Assets					\$ 124,556	\$ 23,906	\$ 0	\$ 8,325	\$ 156,787	
NET ASSETS - Beginning of Year					2,616,469	1,168,345	1,167	167,834	3,953,815	
NET ASSETS - End of Year					\$ 2,741,025	\$ 1,192,251	\$ 1,167	\$ 176,159	\$ 4,110,602	

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Cadillac reports the following major governmental funds:

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

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

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

The City of Cadillac reports the following major proprietary funds:

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

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

Additionally the City of Cadillac reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

2. *Receivables and Payables*

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

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

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

The 2010 taxable valuation of the City of Cadillac totaled \$256,981,971, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 2.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,584,179 for operating purposes and \$668,139 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

3. *Inventories and Prepaid Items*

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

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

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4. *Restricted Assets*

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

5. *Capital Assets*

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

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

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

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

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

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

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6. *Compensated Absences*

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

7. *Long-Term Obligations*

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

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

8. *Fund Equity*

Beginning with fiscal year 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – Includes amounts that can only be used for specific purposes determined by a formal action by Council Resolution. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (Council Resolution) that was employed when the funds were initially committed.

Assigned – Includes amounts a government intends to use for a specific purpose. Intent can be expressed by the Council or by an official or body to which the Council delegates the authority.

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Unassigned – Includes amounts that are available for any purpose. Positive amounts are only reported in the General Fund.

As stated in Note 1C above, restricted resources are used first when an expense is incurred for which both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided otherwise in its commitment or assignment actions.

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.

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. Two budget amendments were made during the year in a legally permissible manner.

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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.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2011, 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	\$ 3,407,264	\$ 985,190	\$ 788,642	\$ 578,384	\$ 1,055,048
Local Government Notes	104,444	26,111	78,333	0	0
	<u>\$ 3,511,708</u>	<u>\$ 1,011,301</u>	<u>\$ 866,975</u>	<u>\$ 578,384</u>	<u>\$ 1,055,048</u>
Component Units:					
U.S. Government Agencies	\$ 858,000	\$ 0	\$ 533,000	\$ 325,000	\$ 0

Substantially all of the bonds are callable at various future dates.

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, 2011, \$1,638,751 of the City's bank balance of \$6,167,432 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 \$399,776 of the bank balance of \$2,026,118 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

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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.

Foreign Currency Risk – The City is not authorized to invest in investments with this type of risk; therefore the investment policy does not address this type of risk.

As of June 30, 2011, the City had the following investments:

	CARRYING AMOUNT	FAIR VALUE
Investments - Primary Government		
U.S. Government Agency		
Securities	\$ 3,407,264	\$ 3,407,264
Common Stocks	173,338	173,338
Government Notes	104,444	104,444
Mutual Funds	8,246,555	8,246,555
	<u>\$ 11,931,601</u>	<u>\$ 11,931,601</u>
	CARRYING AMOUNT	FAIR VALUE
Investments - Component Units		
U.S. Government Agency		
Securities	\$ 858,000	\$ 858,000

A reconciliation of cash and investments follows:

	PRIMARY GOVERNMENT	COMPONENT UNITS
Cash on Hand	\$ 300	\$ 0
Carrying amount of Deposits	6,059,586	2,026,118
Carrying amount of Investment	11,931,601	858,000
	<u>\$ 17,991,487</u>	<u>\$ 2,884,118</u>
	PRIMARY GOVERNMENT	COMPONENT UNITS
Government-wide Statement of Net Assets		
Cash	\$ 1,170,323	\$ 509,342
Investments	9,123,691	2,374,776
Statement of Fiduciary Net Assets		
Cash	612,758	0
Investments	7,084,715	0
	<u>\$ 17,991,487</u>	<u>\$ 2,884,118</u>

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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	Local Street	Water and Sewer	Nonmajor and Other Funds	Total
Receivables					
Taxes	\$ 5,585	\$ 0	\$ 0	\$ 0	\$ 5,585
Accounts	47,859	0	424,428	8,212	480,499
Unbilled					
Services	0	0	298,957	0	298,957
Special Assessments					
Current	0	0	0	68,757	68,757
Deferred	0	0	0	164,021	164,021
Mortgages					
and Notes	0	0	0	190,483	190,483
Accrued Interest	16,175	1,342	16,270	44,300	78,087
Cylinder					
Deposits	0	0	6,000	0	6,000
Receivables	<u>\$ 69,619</u>	<u>\$ 1,342</u>	<u>\$ 745,655</u>	<u>\$ 475,773</u>	<u>\$ 1,292,389</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	
Grant Funds (General Fund)	\$ 0	\$ 30,500	
Mortgages and notes receivable (Special Revenue Funds)	103,697	0	
Special assessment receivables (Debt Service Funds)	22,858	0	
Special assessment receivables (Capital Projects Funds)	141,163	0	
	<u>\$ 267,718</u>	<u>\$ 30,500</u>	<u>\$ 298,218</u>

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C. Capital Assets

Primary Government

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,480,493	\$ 0	\$ 0	\$ 2,480,493
Construction in Progress	5,819	19,034	5,819	19,034
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Total Capital Assets, Not Being Depreciated	\$ 2,486,312	\$ 19,034	\$ 5,819	\$ 2,499,527
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Capital Assets, Being Depreciated				
Buildings	\$ 4,512,720	\$ 0	\$ 0	\$ 4,512,720
Land Improvements	829,373	146,126	0	975,499
Machinery and Equipment	5,188,090	165,346	76,646	5,276,790
Infrastructure	18,078,774	191,614	0	18,270,388
<hr/>				
Total Capital Assets, Being Depreciated	\$ 28,608,957	\$ 503,086	\$ 76,646	\$ 29,035,397
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Less Accumulated Depreciation For:				
Buildings	\$ 2,935,094	\$ 101,234	\$ 0	\$ 3,036,328
Land Improvements	520,076	31,275	0	551,351
Machinery and Equipment	3,581,752	343,644	73,760	3,851,636
Infrastructure	9,176,328	775,450	0	9,951,778
<hr/>				
Total Accumulated Depreciation	\$ 16,213,250	\$ 1,251,603	\$ 73,760	\$ 17,391,093
<hr/>				
Total Capital Assets, Being Depreciated, Net	\$ 12,395,707	\$ (748,517)	\$ 2,886	\$ 11,644,304
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Governmental Activities Capital Assets, Net	\$ 14,882,019	\$ (729,483)	\$ 8,705	\$ 14,143,831
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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	327,970	203,214	0	531,184
Total Capital Assets, Not Being Depreciated	\$ 1,040,289	\$ 203,214	\$ 0	\$ 1,243,503
Capital Assets, Being Depreciated				
Buildings	\$ 2,666,174	\$ 0	\$ 0	\$ 2,666,174
Improvements Other Than Buildings	34,309,133	70,901	0	34,380,034
Machinery and Equipment	1,209,688	33,672	0	1,243,360
Total Capital Assets, Being Depreciated	\$ 38,184,995	\$ 104,573	\$ 0	\$ 38,289,568
Less Accumulated Depreciation For:				
Buildings	\$ 1,166,127	\$ 44,780	\$ 0	\$ 1,210,907
Improvements Other Than Buildings	14,208,953	855,640	0	15,064,593
Machinery and Equipment	1,038,976	48,724	0	1,087,700
Total Accumulated Depreciation	\$ 16,414,056	\$ 949,144	\$ 0	\$ 17,363,200
Total Capital Assets, Being Depreciated, Net	\$ 21,770,939	\$ (844,571)	\$ 0	\$ 20,926,368
Business-Type Activities Capital Assets, Net	\$ 22,811,228	\$ (641,357)	\$ 0	\$ 22,169,871

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

Governmental activities:

General Government	\$ 70,574
Public Safety	144,022
Public Works, Including Depreciation of General Infrastructure Assets	700,285
Recreation and Culture	132,644
Economic Development and Assistance	17,163
Capital Assets Held by Internal Service Funds Are Charged to Various Functions Based on Their Usage of the Assets	186,915
Total Depreciation Expense - Governmental Activities	<u>\$ 1,251,603</u>

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Business-Type Activities:

Water and Sewer	\$ 895,982
Automobile Parking System	16,754
Building Authority Operating	36,408
 Total depreciation expense - business-type activities	 \$ 949,144

Construction Commitments:

The City has active construction projects as of June 30, 2011. The construction projects are for street construction, utility infrastructure, Waste Water Treatment Plant roof replacement, and water well installation. The remaining commitments total \$831,240. The projects are being fund by general revenues, loan proceeds, and Act 51 Street Revenues.

Discretely Presented Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 1,190,046	\$ 0	\$ 0	\$ 1,190,046
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	25,471	40,510	0	65,981
Governmental Activities Capital Assets, Net	\$ 1,164,575	\$ (40,510)	\$ 0	\$ 1,124,065
<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	68,384	4,535	0	72,919
Total Capital Assets, Being Depreciated, Net	\$ 158,383	\$ (4,535)	\$ 0	\$ 153,848

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

Governmental activities:

Economic Development and Assistance	\$ 40,510
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Business-type activities

Utilities	\$ 4,535
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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2011, is as follows:

	General Fund	Water and Sewer Fund	Nonmajor Governmental Funds	Internal Service Funds	Pension Trust Fund	Total Due to
Due to						
General Fund	\$ 0	\$ 249	\$ 5,800	\$ 0	\$ 53,375	\$ 59,424
Major Street Fund	0	0	0	15,995	0	15,995
Nonmajor						
Governmental Funds	0	0	2,052	0	0	2,052
Internal Service Funds	0	0	0	0	0	0
Agency Funds	5,486	0	0	0	0	5,486
Total Due from	\$ 5,486	\$ 249	\$ 7,852	\$ 15,995	\$ 53,375	\$ 82,957

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, 2011, are expected to be repaid within one year.

The composition of advances to/advances from balances as of June 30, 2011, 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 2011-2012.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

The interfund transfers during the year ended June 30, 2011, are as follows:

	Major Street	Local Street	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out				
General Fund	\$ 0	\$ 525,000	\$ 72,400	\$ 597,400
Major Street Fund	0	0	18,300	18,300
Local Street Fund	0	0	125,800	125,800
Nonmajor Governmental Funds	20,000	0	78,422	98,422
 Total Transfers In	 \$ 20,000	 \$ 525,000	 \$ 294,922	 \$ 839,922

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 \$6,995 for the year ended June 30, 2011. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	
2012	\$ 6,752
2013	6,752
2014	6,752
	\$ 20,256
	\$ 20,256

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 (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, 2010	\$ 980	\$ 170	\$ 265	\$ 188	\$ 404	\$ 2,007
New Debt Incurred	0	0	0	134	251	385
Debt Retired	(140)	(70)	(63)	(118)	(209)	(600)
Debt Payable at June 30, 2011	\$ 840	\$ 100	\$ 202	\$ 204	\$ 446	\$ 1,792
Due within one year	\$ 120	\$ 55	\$ 44	\$ 0	\$ 100	\$ 319

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, 2011 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

\$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	\$ 125
\$310,000 1997 Building Authority Bonds due in annual installments of \$30,000 through October 1, 2012; interest at 5.20 to 5.25 percent	60
\$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$65,000 to \$85,000 through September 1, 2019; interest at 3.35 to 4.25 percent	655
	<u>\$ 840</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Special Assessment Bonds

\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 through October 1, 2011; interest at 5.45 percent	\$	20
\$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		25
\$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$30,000 through October 1, 2015; interest at 4.50 to 5.00 percent		55
	<u>\$</u>	<u>100</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	\$	97
\$235,000 Loan, due in annual installments of \$26,111 through 2014; interest at 3.00 percent		105
Net OPEB obligation		204
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)		446
	<u>\$</u>	<u>852</u>
	<u>\$</u>	<u>1,792</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

The annual requirements to amortize debt outstanding other than the net OPEB obligation and vested sick and vacation pay as of June 30, 2011, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	TOTAL
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				
PRINCIPAL	\$ 70	\$ 5	\$ 26	\$ 101
INTEREST	14	0	0	14
TOTAL	<u>\$ 84</u>	<u>\$ 5</u>	<u>\$ 26</u>	<u>\$ 115</u>
2017-2021				
PRINCIPAL	\$ 320	\$ 0	\$ 0	\$ 320
INTEREST	28	0	0	28
TOTAL	<u>\$ 348</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 348</u>
GRAND TOTAL				
PRINCIPAL	\$ 840	\$ 100	\$ 202	\$ 1,142
INTEREST	143	7	8	158
TOTAL	<u><u>\$ 983</u></u>	<u><u>\$ 107</u></u>	<u><u>\$ 210</u></u>	<u><u>\$ 1,300</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2011, (in thousands of dollars) reported in Business-Type Activities:

	REVENUE BONDS
Debt Payable at July 1, 2010	\$ 10,160
New Debt Incurred	0
Debt Retired	(740)
Debt Payable at June 30, 2011	\$ 9,420

Revenue Bonds:

\$3,865,205 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	\$ 3,530
\$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	1,070
\$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	4,175
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$115,000 to \$140,000 through October 1, 2015; interest at 4.60 percent	645
	\$ 9,420
Less unamortized deferred charges	39
Long-term debt per Statement of Net Assets	\$ 9,381

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2011, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	REVENUE BONDS
2012	
PRINCIPAL	\$ 770
INTEREST	331
TOTAL	<u>\$ 1,101</u>
2013	
PRINCIPAL	\$ 810
INTEREST	299
TOTAL	<u>\$ 1,109</u>
2014	
PRINCIPAL	\$ 515
INTEREST	274
TOTAL	<u>\$ 789</u>
2015	
PRINCIPAL	\$ 535
INTEREST	255
TOTAL	<u>\$ 790</u>
2016	
PRINCIPAL	\$ 565
INTEREST	234
TOTAL	<u>\$ 799</u>
2017-2021	
PRINCIPAL	\$ 2,330
INTEREST	919
TOTAL	<u>\$ 3,249</u>
2022-2026	
PRINCIPAL	\$ 2,840
INTEREST	421
TOTAL	<u>\$ 3,261</u>
2027-2029	
PRINCIPAL	\$ 1,055
INTEREST	48
TOTAL	<u>\$ 1,103</u>
GRAND TOTAL	
PRINCIPAL	\$ 9,420
INTEREST	2,781
TOTAL	<u><u>\$ 12,201</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

\$296,517 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.

2. Component Units

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2011, (in thousands of dollars) reported in discretely presented component units:

	<u>OTHER LONG-TERM DEBT</u>	<u>SICK AND VACATION PAY</u>	<u>TOTAL</u>
Debt Payable at July 1, 2010	\$ 75	\$ 5	\$ 80
New Debt Incurred	0	1	1
Debt Retired	(15)	0	(15)
Debt Payable at June 30, 2011	<u>\$ 60</u>	<u>\$ 6</u>	<u>\$ 66</u>

Other Long-Term Debt:

\$75,000 Loan, due in annual installments of \$15,000 through 2015; interest at 3.00 percent	\$ 60
Vested sick and vacation pay owed to employees under various contracts and collective bargaining agreements	<u>6</u>
	<u>\$ 66</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

G. Net Assets Restrictions

In order to comply with generally accepted accounting principles and meet certain legal requirements, the City has restricted net assets in various funds. These restrictions are detailed in the following schedule:

NET ASSETS

Restricted

General Fund

Veterans Memorial	\$ 1,855	
Youth Services	844	
Drug Forfeiture	3,802	
Fire Safety House	1,859	
Blackburn Skate Park	1,409	
White Pine Trail	2,394	
Diggins Hill Park	500	
CAMA Lighthouse	25,000	
Leadership Pride Project	20,610	\$ 58,273

Special Revenue Funds

Major Street Fund

Street Improvements	78,356
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Local Street Fund

Street Improvements	192,730
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Cemetery Operating Fund

Cemetery Operating	303
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Cadillac Development Fund

Cadillac Development	496,818
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Naval Reserve Fund

Naval Reserve	44,325
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Clam River Greenway Fund

Clam River Greenway	19,046
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Milfoil Eradication Fund

Milfoil Eradication	6,442	838,020
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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Capital Project Funds		
Special Assessment Capital Project Funds		
Capital Projects		371,106
Debt Service Funds		
1996 Michigan Transportation Fund		
Debt Service	782	
1997 Special Assessment Fund		
Debt Service	139,383	
1997 Building Authority Fund		
Debt Service	300	
2000 Special Assessment Fund		
Debt Service	106,918	
2000 Michigan Transportation Fund		
Debt Service	765	
2002 Special Assessment Fund		
Debt Service	65,537	313,685
Permanent Funds		
Cemetery Perpetual Care Fund		
Expendable	279,732	
Nonexpendable	245,000	
Capital Projects Trust Fund		
Expendable	86,319	
Nonexpendable	511,666	1,122,717
Internal Service Funds		
Self-Insurance Fund		
Retirees' Life Insurance	186,366	
Employees' Life and Health Insurance	1,032,168	1,218,534
Pension Trust Fund		
Pension Benefits		402,673
Water and Sewer Fund		
Debt Service		1,350,177
		<u>\$ 5,675,185</u>

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.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 \$100,000. 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 \$257,340 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, 2010, audited financial statements:

Total Assets	\$ 3,002,801
Total Liabilities	7,756
Investment in Capital Assets	2,594,308
Net Assets Invested in Capital Assets	2,594,308
Net Assets - Unrestricted	400,737
Total Revenues - Governmental and Business Type Activities	772,246
Total Expenses - Governmental and Business Type Activities	608,810
Change in Net Assets	163,436

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Accounts Payable	\$ 2,923
Payroll Withholdings	2,680
Accrued Payroll	753
Customer Deposits	1,140
Deferred Revenue	<u>260</u>
Total	<u>\$ 7,756</u>

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 \$302,507 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. Under the terms of various federal and state grants and regulatory requirements, periodic audits are required and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. However, as of June 30, 2011 the City does not believe such disallowances, if any, would be material to the financial position of the district.

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 obligations are reported as an asset and a liability on the City's entity-wide statement of net assets.

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 4.75%	Percentage of Payroll 9.29%
Plan Members	\$25/Month - Single \$50/Month - Family	\$25/Month - Single \$50/Month - Family
Annual required contribution	\$ 89,493	\$ 129,997
Interest on net OPEB obligation	(10,383)	14,114
Adjustment to annual required contribution	6,945	(10,066)
Annual OPEB cost	86,055	134,045
Contributions made	(128,807)	(117,740)
Increase (Decrease) in net OPEB obligation	(42,752)	16,305
Net OPEB obligation - Beginning of Year	(138,443)	188,187
Net OPEB obligation - End of Year	\$ (181,195)	\$ 204,492

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2011 and the two preceding years were as follows:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2009	212,306	138.94%	(174,029)
	6/30/2010	220,078	83.83%	(138,443)
	6/30/2011	86,055	149.68%	(181,195)
Policemen and Firemen Retiree	6/30/2009	246,920	122.73%	184,925
	6/30/2010	255,125	98.72%	188,187
	6/30/2011	134,045	87.84%	204,492

Funded Status and Funding Progress. The funded status of the plans as of January 1, 2010, which was the latest valuation, was as follows:

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Actuarial accrued liability (a)	\$ 1,469,797	\$ 1,983,778
Actuarial value of plan assets (b)	738,227	936,173
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 731,570</u>	<u>\$ 1,047,605</u>
Funded ratio (b) / (a)	50.23%	47.19%
Covered payroll (c)	\$ 1,882,787	\$ 1,399,695
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) - (b)]/(c))	38.86%	74.85%

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, 2011

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:

	<u>General Retiree Health Care Plan</u>	<u>Policemen and Firemen Retiree Health Care Plan</u>
Valuation Date	1/1/2010	1/1/2010
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	7.50% Per Year	7.50% Per Year
Projected Salary Increases	4.50%	4.00%
Valuation Health Care Cost Trend Rate		
Medical	10% in 2010, grading to 4.5% in 2020	10% in 2010, grading to 4.5% in 2020
Prescription Drug	10% in 2010, grading to 4.5% in 2021	10% in 2010, grading to 4.5% in 2021
Dental/Vision	10% in 2010, grading to 4.5% in 2011	10% in 2010, grading to 4.5% in 2011

I. Employee Retirement Systems

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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	\$ 625,509
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	\$ 625,509
Contributions made	1,051,479
Increase (decrease) in net pension obligation	\$ (425,970)
Net pension obligation beginning of year	0
Net pension obligation end of year	\$ (425,970)

Three-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 567,170	100.0%	\$ 0
6/30/2010	504,692	100.0%	0
6/30/2011	625,509	168.1%	(425,970)

Funded Status and Funding Progress. As of June 30, 2010, the most recent actuarial valuation date, the plan was 69.6 percent funded. The actuarial accrued liability for benefits was \$10.3 million, and the actuarial value of assets was \$7.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.1 million, and the ratio of the UAAL to covered payroll was 197.9 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, 2011

Actuarial Methods and Assumptions. The annual required contribution for the current year was determined as part of the June 30, 2010, 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 4.2% 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 except for the liability increase due to a plan amendment on July 1, 2010 which was amortized on a closed basis over a period of 21 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 6.82% to 12.29% 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, 2011, the annual pension cost of \$159,007 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
<hr/>	<hr/>	<hr/>	<hr/>
6/30/2009	\$ 84,146	100.0%	\$ 0
6/30/2010	90,623	100.0%	0
6/30/2011	159,007	100.0%	0

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Actuarial Methods and Assumptions. The required contribution was most recently determined as part of the December 31, 2010 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis. The difference in investment income between expected return and market return is recognized over a 10 year period at the rate of 10% per year. Positive unfunded accrued liability (if any) is amortized on an open basis 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, 2010, the most recent actuarial valuation date, the plan was 97.3 percent funded. The actuarial accrued liability for benefits was \$11.8 million, and the actuarial value of assets was \$11.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$326,000. The covered payroll (annual payroll of active employees covered by the plan) was \$2.5 million, and the ratio of the UAAL to the covered payroll was 13.07 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	\$ 138,847	\$ 1,167	\$ 2,610,855	\$ 176,159	\$ 2,927,028
Capital Assets - Net	1,124,065	0	153,848	0	1,277,913
TOTAL ASSETS	\$ 1,262,912	\$ 1,167	\$ 2,764,703	\$ 176,159	\$ 4,204,941
Liabilities					
Current Liabilities	\$ 19,727	\$ 0	\$ 23,678	\$ 0	\$ 43,405
Long-Term Liabilities	50,934	0	0	0	50,934
TOTAL LIABILITIES	\$ 70,661	\$ 0	\$ 23,678	\$ 0	\$ 94,339

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Equity					
Invested in Capital Assets, Net of Related Debt	\$ 1,064,065	\$ 0	\$ 153,848	\$ 0	\$ 1,217,913
Net Assets	128,186	1,167	2,587,177	176,159	2,892,689
Total Equity	\$ 1,192,251	\$ 1,167	\$ 2,741,025	\$ 176,159	\$ 4,110,602
TOTAL LIABILITIES AND EQUITY	\$ 1,262,912	\$ 1,167	\$ 2,764,703	\$ 176,159	\$ 4,204,941

Statements of Changes in Net Assets

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Revenues	\$ 137,869	\$ 0	\$ 375,599	\$ 34,065	\$ 547,533
Expenses					
Operating and Other	\$ 78,863	\$ 0	\$ 251,043	\$ 25,740	\$ 355,646
Intergovernmental	35,100	0	0	0	35,100
Total Expenses	\$ 113,963	\$ 0	\$ 251,043	\$ 25,740	\$ 390,746
Change in Net Assets	\$ 23,906	\$ 0	\$ 124,556	\$ 8,325	\$ 156,787
Equity - Beginning of Year	1,168,345	1,167	2,616,469	167,834	3,953,815
Equity - End of Year	\$ 1,192,251	\$ 1,167	\$ 2,741,025	\$ 176,159	\$ 4,110,602

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

K. Risk Management

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

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

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

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$553,866 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:

	2011	2010
Unpaid Claims, Beginning of Year	\$ 41,326	\$ 27,538
Incurred Claims (Including IBNR's)	166,638	308,177
Claim Payments	(196,341)	(294,389)
Unpaid Claims, End of Year	\$ 11,623	\$ 41,326

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

L. New GASB Standard

Effective July 1, 2010 the City adopted GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement also clarifies existing governmental fund type definitions. Accordingly the components of fund balance in the prior year have been restated using the new definitions in order to be consistent with the current year's presentation.

M. Subsequent Events

The City is authorized to issue up to 4.5 million dollars in revenue bonds with debt service covered by pledged revenues from the water and sewer fund; lien is junior to other prior debt issues; debt is issued in conjunction with MDEQ program at a low-interest loan of 2.5%; the City anticipates actual draws on the loan will be in the 2.5 million to 3 million dollar range; proceeds are for the installation of three new wells to replace aged wells to provide water to the system.

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

YEAR ENDED JUNE 30, 2011

	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
<u>REVENUES</u>												
Taxes	\$ 4,568,200	\$ 4,606,000	\$ 4,682,372	\$ 76,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	1,200	1,200	765	(435)	0	0	0	0	0	0	0	0
Federal Grants	70,000	70,000	111,133	41,133	0	0	0	0	0	0	0	0
State Grants	888,500	968,500	1,000,954	32,454	634,000	634,000	642,537	8,537	170,000	170,000	189,526	19,526
Contributions from Local Units	175,000	175,000	171,891	(3,109)	0	0	0	0	0	0	0	0
Charges for Services	1,003,700	1,004,200	962,675	(41,525)	0	0	0	0	0	0	0	0
Fines and Forfeits	30,000	30,000	37,966	7,966	0	0	0	0	0	0	0	0
Interest and Rents	76,500	76,500	59,346	(17,154)	500	500	31	(469)	1,500	1,500	1,442	(58)
Other Revenue	270,000	352,500	313,445	(39,055)	0	0	0	0	0	0	0	0
Total Revenues	\$ 7,083,100	\$ 7,283,900	\$ 7,340,547	\$ 56,647	\$ 634,500	\$ 634,500	\$ 642,568	\$ 8,068	\$ 171,500	\$ 171,500	\$ 190,968	\$ 19,468
<u>EXPENDITURES</u>												
General Government	\$ 1,591,200	\$ 1,591,200	\$ 1,495,943	\$ 95,257	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	3,335,300	3,738,600	3,699,986	38,614	0	0	0	0	0	0	0	0
Public Works	874,400	874,400	849,227	25,173	674,200	674,200	630,467	43,733	644,500	644,500	569,952	74,548
Community and Economic Development	134,400	244,900	176,257	68,643	0	0	0	0	0	0	0	0
Culture and Recreation	198,900	403,100	378,232	24,868	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	33,700	33,700	30,028	3,672
Intergovernmental	351,500	351,500	324,964	26,536	0	0	0	0	0	0	0	0
Total Expenditures	\$ 6,485,700	\$ 7,203,700	\$ 6,924,609	\$ 279,091	\$ 674,200	\$ 674,200	\$ 630,467	\$ 43,733	\$ 678,200	\$ 678,200	\$ 599,980	\$ 78,220
Excess (Deficiency) of Revenues Over Expenditures	\$ 597,400	\$ 80,200	\$ 415,938	\$ 335,738	\$ (39,700)	\$ (39,700)	\$ 12,101	\$ 51,801	\$ (506,700)	\$ (506,700)	\$ (409,012)	\$ 97,688
<u>OTHER FINANCING SOURCES (USES)</u>												
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0	\$ 525,000	\$ 525,000	\$ 525,000	\$ 0
Transfers Out	(597,400)	(597,400)	(597,400)	0	(18,300)	(18,300)	(18,300)	0	(125,800)	(125,800)	(125,800)	0
Total Other Financing Sources (Uses)	\$ (597,400)	\$ (597,400)	\$ (597,400)	\$ 0	\$ 1,700	\$ 1,700	\$ 1,700	\$ 0	\$ 399,200	\$ 399,200	\$ 399,200	\$ 0
Net Change in Fund Balance	\$ 0	\$ (517,200)	\$ (181,462)	\$ 335,738	\$ (38,000)	\$ (38,000)	\$ 13,801	\$ 51,801	\$ (107,500)	\$ (107,500)	\$ (9,812)	\$ 97,688
<u>FUND BALANCE</u> - Beginning of Year	2,098,815	2,616,505	2,616,505	0	44,826	64,555	64,555	0	155,592	202,542	202,542	0
<u>FUND BALANCE</u> - End of Year	\$ 2,098,815	\$ 2,099,305	\$ 2,435,043	\$ 335,738	\$ 6,826	\$ 26,555	\$ 78,356	\$ 51,801	\$ 48,092	\$ 95,042	\$ 192,730	\$ 97,688

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%
1/1/2010	6/30/2011	738,227	1,469,797	731,570	50.23%	1,882,787	38.86%

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%
1/1/2010	6/30/2011	936,173	1,983,778	1,047,605	47.19%	1,399,695	74.85%

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)
6/30/2008	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%
6/30/2010	6/30/2011	7,188	10,326	3,138	69.6%	1,586	197.86%

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)
12/31/2008	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%
12/31/2010	6/30/2011	11,570	11,896	326	97.3%	2,494	13.07%

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

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. Two 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>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 43,740	\$ 4,294
Investments	2,416,696	2,640,882
Receivables		
Taxes	5,585	4,827
Accounts	47,859	45,440
Accrued Interest	16,175	17,949
Due from Other Funds	5,486	21,270
Due from Other Governments	180,668	167,586
Prepaid Expenditures	91,453	53,015
TOTAL ASSETS	<u>\$ 2,807,662</u>	<u>\$ 2,955,263</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 142,340	\$ 147,854
Accrued Expenditures	123,670	110,681
Due to Other Funds	59,424	54,499
Due to Other Governments	16,685	185
Deferred Revenue	30,500	25,539
TOTAL LIABILITIES	<u>\$ 372,619</u>	<u>\$ 338,758</u>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 91,453	\$ 53,015
Restricted for:		
Police and Fire Retirement	0	378,886
Veterans Memorial	1,855	1,855
Youth Services	844	844
Drug Forfeiture	3,802	3,802
Fire Safety House	1,859	1,859
Blackburn Skate Park	1,409	8,566
White Pine Trail	2,394	2,394
Diggins Hill Park	500	500
Diggins Hill Courts	0	125,783
CAMA Lighthouse	25,000	0
Leadership Pride Project	20,610	0
Committed for:		
Sick and Vacation	446,113	404,226
Working Capital	1,128,301	1,102,189
Assigned for:		
Mayor Wedding Fees	300	650
Pistol Range	2,127	3,324
CASA Field Use	2,520	2,520
Budgeted Use of Fund Balance for 2011-2012	196,700	0
Unassigned	509,256	526,092
Total Fund Balance	<u>\$ 2,435,043</u>	<u>\$ 2,616,505</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,807,662</u>	<u>\$ 2,955,263</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>BUDGET</u>		<u>2011</u>	<u>2010</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$ 4,568,200	\$ 4,606,000	\$ 4,682,372	\$ 4,754,271
Licenses and Permits	1,200	1,200	765	1,275
Federal Grants	70,000	70,000	111,133	268,668
State Grants	888,500	968,500	1,000,954	967,044
Contributions from Local Units	175,000	175,000	171,891	180,973
Charges for Services	1,003,700	1,004,200	962,675	986,391
Fines and Forfeits	30,000	30,000	37,966	41,874
Interest and Rents	76,500	76,500	59,346	75,617
Other Revenue	270,000	352,500	313,445	328,791
Total Revenues	\$ 7,083,100	\$ 7,283,900	\$ 7,340,547	\$ 7,604,904
<u>EXPENDITURES</u>				
General Government	\$ 1,591,200	\$ 1,591,200	\$ 1,495,943	\$ 1,713,701
Public Safety	3,335,300	3,738,600	3,699,986	3,366,675
Public Works	874,400	874,400	849,227	840,022
Community and Economic Development	134,400	244,900	176,257	160,842
Culture and Recreation	198,900	403,100	378,232	217,057
Intergovernmental	351,500	351,500	324,964	327,227
Total Expenditures	\$ 6,485,700	\$ 7,203,700	\$ 6,924,609	\$ 6,625,524
Excess (Deficiency) of Revenues Over Expenditures	\$ 597,400	\$ 80,200	\$ 415,938	\$ 979,380
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 1,310
Transfers Out	(597,400)	(597,400)	(597,400)	(722,400)
Total Other Financing Sources (Uses)	\$ (597,400)	\$ (597,400)	\$ (597,400)	\$ (721,090)
Net Change in Fund Balance	\$ 0	\$ (517,200)	\$ (181,462)	\$ 258,290
<u>FUND BALANCE</u> - Beginning of Year	2,098,815	2,616,505	2,616,505	2,358,215
<u>FUND BALANCE</u> - End of Year	\$ 2,098,815	\$ 2,099,305	\$ 2,435,043	\$ 2,616,505

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

<u>REVENUES</u>	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>Taxes</u>			
Property Tax	\$ 4,106,000	\$ 4,116,000	\$ 4,166,359
Industrial Facilities Tax	105,000	105,000	104,574
Property Tax Administration Fee	135,000	135,000	136,556
Trailer Park Fees	2,200	2,200	2,185
Penalties and Interest	40,000	47,800	58,343
Payments in Lieu of Tax			
Housing Commission	100,000	100,000	106,403
Community Antenna Television	80,000	100,000	107,952
Total Taxes	\$ 4,568,200	\$ 4,606,000	\$ 4,682,372
<u>Licenses and Permits</u>			
Business Licenses	\$ 1,200	\$ 1,200	\$ 765
<u>Federal Grants</u>			
Justice Assistance Grant	\$ 0	\$ 0	\$ 20,306
COPS CHRP Grant	70,000	70,000	86,276
Bullet Proof Vest Partnership Grant	0	0	4,551
Total Federal Grants	\$ 70,000	\$ 70,000	\$ 111,133
<u>State Grants</u>			
Sales and Use Tax	\$ 845,000	\$ 845,000	\$ 895,609
Telecommunications Right of Way Maintenance	32,000	32,000	30,971
Liquor Licenses	8,000	8,000	8,364
MJTC Grant	3,500	3,500	3,104
Other State Grants	0	80,000	62,906
Total State Grants	\$ 888,500	\$ 968,500	\$ 1,000,954
<u>Contributions from Local Units</u>			
Fire Protection	\$ 175,000	\$ 175,000	\$ 171,891

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Charges for Services			
Northflight Ambulance	\$ 55,000	\$ 55,000	\$ 57,290
Zoning Fees	2,000	2,000	1,915
Exemption Certificate Fees	1,000	1,000	2,400
Police Charges	3,000	3,000	2,031
Rental Housing Ordinance Fees	6,000	6,000	7,115
Engineering Fees	15,000	15,000	790
Solid Waste Collection	595,000	595,000	579,432
Sale of Maps and Ordinances	1,000	1,000	81
Administration	325,700	325,700	310,300
CCTV	0	500	908
Miscellaneous	0	0	413
	<hr/>	<hr/>	<hr/>
Total Charges for Services	\$ 1,003,700	\$ 1,004,200	\$ 962,675
	<hr/>	<hr/>	<hr/>
Fines and Forfeits			
Violation Bureau and Ordinance Fines	\$ 30,000	\$ 30,000	\$ 37,966
	<hr/>	<hr/>	<hr/>
Interest and Rents			
Interest	\$ 75,000	\$ 75,000	\$ 57,606
Land and Building Rental	1,500	1,500	1,740
	<hr/>	<hr/>	<hr/>
Total Interest and Rents	\$ 76,500	\$ 76,500	\$ 59,346
	<hr/>	<hr/>	<hr/>
Other Revenue			
Contributions and Donations from Private Sources	\$ 0	\$ 82,500	\$ 78,517
Reimbursements - Housing Commission	250,000	250,000	229,939
Sale of Property and Equipment	10,000	10,000	421
Miscellaneous (Refunds and Rebates)	10,000	10,000	4,568
	<hr/>	<hr/>	<hr/>
Total Other Revenue	\$ 270,000	\$ 352,500	\$ 313,445
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 7,083,100	\$ 7,283,900	\$ 7,340,547
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>GENERAL GOVERNMENT</u>			
Legislative			
Personal Services	\$ 15,300	\$ 15,300	\$ 15,300
Employee Benefits	1,400	1,400	1,197
Office Supplies	1,600	1,600	1,075
Contractual Services	1,500	1,500	3,810
Data Processing	9,300	9,300	9,300
Dues and Publications	7,000	7,000	6,756
Travel and Education	5,000	5,000	4,800
Ordinances and Proceedings	5,000	5,000	4,332
	\$ 46,100	\$ 46,100	\$ 46,570
City Manager			
Personal Services	\$ 171,000	\$ 171,000	\$ 155,268
Employee Benefits	62,600	62,600	64,884
Office Supplies	2,900	2,900	500
Postage	1,200	1,200	1
Data Processing	7,000	7,000	7,000
Dues and Publications	4,800	4,800	2,181
Telephone	2,100	2,100	1,400
Travel and Education	8,500	8,500	7,251
Car Allowance	4,200	4,200	4,550
Suggestion Award Program	500	500	400
	\$ 264,800	\$ 264,800	\$ 243,435
Finance			
Personal Services	\$ 122,000	\$ 122,000	\$ 120,925
Employee Benefits	42,500	42,500	39,359
Office Supplies	7,500	7,500	5,837
Postage	2,500	2,500	1
Audit	11,500	11,500	11,126
Data Processing	28,000	28,000	28,000
Dues and Publications	3,000	3,000	1,739
Telephone	900	900	900
Travel and Education	4,000	4,000	6,359
	\$ 221,900	\$ 221,900	\$ 214,246

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Assessor			
Personal Service	\$ 0	\$ 0	\$ 1,181
Employee Benefits	0	0	91
Postage	3,000	3,000	2,257
Contractual Services	5,000	5,000	9,647
Wexford County Contract	106,500	106,500	97,104
Data Processing	18,000	18,000	18,000
Board of Review	2,000	2,000	89
	<u>\$ 134,500</u>	<u>\$ 134,500</u>	<u>\$ 128,369</u>
City Clerk/Treasurer			
Personal Services	\$ 129,000	\$ 129,000	\$ 127,649
Employee Benefits	76,900	76,900	72,163
Office Supplies	3,000	3,000	2,256
Postage	9,500	9,500	13,527
Data Processing	40,000	40,000	40,000
Dues and Publications	600	600	537
Travel and Education	3,500	3,500	4,792
Bad Debt Expense	15,000	15,000	14,085
	<u>\$ 277,500</u>	<u>\$ 277,500</u>	<u>\$ 275,009</u>
Election			
Personal Services	\$ 7,500	\$ 7,500	\$ 8,377
Employee Benefits	0	0	162
Office Supplies	4,000	4,000	5,774
Contractual Services	5,000	5,000	0
	<u>\$ 16,500</u>	<u>\$ 16,500</u>	<u>\$ 14,313</u>
Building and Grounds			
Personal Services	\$ 38,500	\$ 38,500	\$ 38,422
Employee Benefits	16,600	16,600	14,838
Operating Supplies	13,900	13,900	12,094
Contractual Services	13,100	13,100	7,730
Service and Lease Contracts	8,000	8,000	6,307
Travel and Education	0	0	5,166
Data Processing	5,500	5,500	5,500
Insurance	91,700	91,700	59,288
Utilities	89,200	89,200	81,849
Repairs and Maintenance	23,800	23,800	14,481
Equipment Rental	7,200	7,200	7,570
Capital Outlay	0	0	3,647
Parking Lot	2,300	2,300	0
	<u>\$ 309,800</u>	<u>\$ 309,800</u>	<u>\$ 256,892</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Legal			
Office Supplies	\$ 500	\$ 500	\$ 1,065
Contractual Services	105,000	105,000	108,156
Wexford County Contract	35,000	35,000	30,702
	<u>\$ 140,500</u>	<u>\$ 140,500</u>	<u>\$ 139,923</u>
Engineer			
Personal Services	\$ 97,500	\$ 97,500	\$ 96,031
Employee Benefits	47,100	47,100	45,571
Office Supplies	3,500	3,500	1,395
Postage	200	200	0
Contractual Services	8,000	8,000	11,614
Data Processing	20,000	20,000	20,000
Dues and Publications	1,000	1,000	63
Telephone	500	500	480
Travel and Education	800	800	508
Equipment Rental	1,000	1,000	1,524
	<u>\$ 179,600</u>	<u>\$ 179,600</u>	<u>\$ 177,186</u>
Total General Government	<u>\$ 1,591,200</u>	<u>\$ 1,591,200</u>	<u>\$ 1,495,943</u>

PUBLIC SAFETY

Police Department

 Personal Services

Supervisory	\$ 102,500	\$ 102,500	\$ 78,438
Regular	767,000	767,000	801,507
Staff	45,000	45,000	24,702
Crossing Guards	7,500	7,500	6,223
Volunteers	4,000	4,000	2,129
Summer Patrol	18,000	18,000	20,152
Overtime	63,000	63,000	73,423
Employee Benefits	709,400	709,400	683,484
Additional Pension Contribution	41,805	264,371	250,811
Office Supplies	7,500	7,500	7,206
Operating Supplies	37,000	37,000	42,515
Community Service Supplies	1,000	1,000	415
Uniform Cleaning	9,500	9,500	9,000
Data Processing	55,000	55,000	58,000
Dues and Publications	2,000	2,000	1,763
Radio and Equipment Maintenance	5,500	5,500	3,394

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Telephone	4,000	4,000	2,398
Travel and Education	20,000	20,000	21,497
Vehicle Repairs and Maintenance	23,500	23,500	19,561
Uniforms and Maintenance	10,000	10,000	10,145
Equipment Rental	14,000	14,000	3,990
Copier Lease	3,500	3,500	2,962
Capital Outlay	16,000	16,000	42,907
	<u>\$ 1,966,705</u>	<u>\$ 2,189,271</u>	<u>\$ 2,166,622</u>
Code Enforcement			
Personal Services	\$ 17,000	\$ 23,400	\$ 23,016
Employee Benefits	10,300	11,400	10,566
Office Supplies	1,000	1,000	179
	<u>\$ 28,300</u>	<u>\$ 35,800</u>	<u>\$ 33,761</u>
Fire Department			
Personal Services			
Supervisory	\$ 38,500	\$ 38,500	\$ 285
Regular	491,500	491,500	543,377
Staff	10,000	10,000	0
Volunteers	40,000	40,000	35,300
Overtime	125,000	125,000	148,726
Employee Benefits	471,700	471,700	466,391
Additional Pension Contribution	29,195	184,629	175,159
Office Supplies	2,000	2,000	975
Operating Supplies	21,500	21,500	22,650
Community Service Supplies	1,500	1,500	153
Uniform Cleaning	2,800	2,800	2,500
Subsistence Allowance	14,000	14,000	15,895
Data Processing	11,000	11,000	11,845
Dues and Publications	2,500	2,500	2,612
Radio and Equipment Maintenance	7,500	7,500	5,245
Telephone	1,200	1,200	574
Travel and Education	12,000	12,000	4,707
Vehicle Repairs and Maintenance	25,000	25,000	25,713
Uniforms and Maintenance	14,000	14,000	12,444
Vehicle Lease	4,200	4,200	2,711
Employee Safety	5,200	5,200	0
Capital Outlay	10,000	27,800	22,341
	<u>\$ 1,340,295</u>	<u>\$ 1,513,529</u>	<u>\$ 1,499,603</u>
Total Public Safety	<u>\$ 3,335,300</u>	<u>\$ 3,738,600</u>	<u>\$ 3,699,986</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>PUBLIC WORKS</u>			
Miscellaneous			
Personal Services	\$ 4,600	\$ 4,600	\$ 10,226
Employee Benefits	2,700	2,700	4,274
Operating Supplies	0	0	71
Street Lighting	115,000	115,000	124,241
Maintenance of Dam	2,500	2,500	2,406
Equipment Rental	17,600	17,600	24,456
Hydrant Rental	23,900	23,900	27,792
Property Taxes	5,000	5,000	5,110
	<u>\$ 171,300</u>	<u>\$ 171,300</u>	<u>\$ 198,576</u>
Sidewalks and Alleys			
Personal Services	\$ 7,500	\$ 7,500	\$ 7,583
Employee Benefits	4,400	4,400	4,132
Operating Supplies	0	0	2,411
Contractual Services	12,200	12,200	0
Equipment Rental	18,500	18,500	15,274
	<u>\$ 42,600</u>	<u>\$ 42,600</u>	<u>\$ 29,400</u>
Leaves			
Personal Services	\$ 4,600	\$ 4,600	\$ 5,055
Employee Benefits	3,000	3,000	2,828
Equipment Rental	29,700	29,700	27,437
	<u>\$ 37,300</u>	<u>\$ 37,300</u>	<u>\$ 35,320</u>
Grass and Weed Control			
Personal Services	\$ 7,500	\$ 7,500	\$ 6,709
Employee Benefits	4,400	4,400	3,839
Equipment Rental	25,500	25,500	18,379
	<u>\$ 37,400</u>	<u>\$ 37,400</u>	<u>\$ 28,927</u>
Composting			
Personal Services	\$ 1,500	\$ 1,500	\$ 111
Employee Benefits	900	900	129
Equipment Rental	2,800	2,800	344
	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 584</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Waste Removal			
Personal Services	\$ 100	\$ 100	\$ 168
Employee Benefits	100	100	42
Operating Supplies	100	100	0
Removal Contract	575,000	575,000	553,174
Equipment Rental	100	100	35
County Landfill Fees	5,200	5,200	3,001
	<u>\$ 580,600</u>	<u>\$ 580,600</u>	<u>\$ 556,420</u>
Total Public Works	<u>\$ 874,400</u>	<u>\$ 874,400</u>	<u>\$ 849,227</u>

COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development			
Community Development	\$ 0	\$ 110,500	\$ 66,610

Planning and Zoning			
Personal Services	\$ 63,000	\$ 63,000	\$ 51,322
Employee Benefits	29,100	29,100	22,783
Office Supplies	2,000	2,000	1,781
Postage	500	500	0
Contractual Services	0	0	470
Data Processing	2,500	2,500	2,500
Dues and Publications	400	400	746
Telephone	500	500	480
Travel and Education	500	500	1,163
Publisher's Costs	1,000	1,000	833
Capital Outlay	0	0	169
	<u>\$ 99,500</u>	<u>\$ 99,500</u>	<u>\$ 82,247</u>

Community Promotions			
Personal Services	\$ 7,200	\$ 7,200	\$ 7,344
Employee Benefits	4,200	4,200	3,362
Operating Supplies	2,100	2,100	1,240
Newsletter	2,500	2,500	0
Contractual Services	7,800	7,800	5,202
Utilities	1,600	1,600	1,724
Equipment Rental	7,500	7,500	5,827
Special Projects	0	0	701
Chamber of Commerce	2,000	2,000	2,000
	<u>\$ 34,900</u>	<u>\$ 34,900</u>	<u>\$ 27,400</u>
Total Community and Economic Development	<u>\$ 134,400</u>	<u>\$ 244,900</u>	<u>\$ 176,257</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	<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
CCTV			
Personal Services	\$ 0	\$ 22,500	\$ 17,009
Employee Benefits	0	2,000	1,301
Office Supplies	0	1,000	406
Contractual Services	0	5,000	925
	<u>\$ 0</u>	<u>\$ 30,500</u>	<u>\$ 19,641</u>
Municipal Parks			
Personal Services	\$ 81,800	\$ 81,800	\$ 88,567
Employee Benefits	21,000	21,000	17,997
Operating Supplies	19,400	19,400	19,023
Contractual Services	2,200	2,200	3,324
Data Processing	1,000	1,000	1,000
Telephone	500	500	660
Travel and Education	200	200	59
Utilities	20,400	20,400	25,729
Repairs and Maintenance	22,300	22,300	16,505
Equipment Rental	11,000	11,000	10,066
Building Rental	1,100	1,100	0
Capital Outlay	7,500	181,200	165,161
	<u>\$ 188,400</u>	<u>\$ 362,100</u>	<u>\$ 348,091</u>
Total Culture and Recreation	<u>\$ 198,900</u>	<u>\$ 403,100</u>	<u>\$ 378,232</u>
<u>INTERGOVERNMENTAL EXPENDITURES</u>			
Recreation			
Cadillac Community Schools Recreation Program	\$ 66,200	\$ 66,200	\$ 61,088
Housing			
Cadillac Housing Commission	250,000	250,000	229,312
Airport			
Wexford County Airport Authority	33,000	33,000	33,000
Clam Lake Township	2,300	2,300	1,564
	<u>\$ 351,500</u>	<u>\$ 351,500</u>	<u>\$ 324,964</u>
Total Intergovernmental Expenditures	<u>\$ 351,500</u>	<u>\$ 351,500</u>	<u>\$ 324,964</u>
TOTAL EXPENDITURES	<u>\$ 6,485,700</u>	<u>\$ 7,203,700</u>	<u>\$ 6,924,609</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
Local Street Fund	\$ 525,000	\$ 525,000	\$ 525,000
Cemetery Operating Fund	72,400	72,400	72,400
	<u>\$ 597,400</u>	<u>\$ 597,400</u>	<u>\$ 597,400</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 11,730	\$ 819
Due from Other Governments	91,813	84,443
Prepaid Expenditures	276	525
	<hr/>	<hr/>
TOTAL ASSETS	\$ 103,819	\$ 85,787
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,129	\$ 500
Accrued Expenditures	7,339	5,022
Due to Other Funds	15,995	15,710
	<hr/>	<hr/>
Total Liabilities	\$ 25,463	\$ 21,232
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 276	\$ 525
Restricted:		
Street Improvements	78,080	64,030
	<hr/>	<hr/>
Total Fund Balance	\$ 78,356	\$ 64,555
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 103,819	\$ 85,787
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>BUDGET</u>		<u>2011</u>	<u>2010</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
State Grants				
Motor Vehicle Highway Fund (Act 51)	\$ 495,000	\$ 495,000	\$ 496,647	\$ 488,844
State Trunkline Maintenance	139,000	139,000	142,460	106,203
Other State Grants	0	0	3,430	0
Interest and Rents				
Interest	500	500	31	28
Total Revenues	<u>\$ 634,500</u>	<u>\$ 634,500</u>	<u>\$ 642,568</u>	<u>\$ 595,075</u>
 <u>EXPENDITURES</u>				
Major Streets				
Construction - Streets	<u>\$ 59,500</u>	<u>\$ 59,500</u>	<u>\$ 58,088</u>	<u>\$ 11,867</u>
Surface Maintenance				
Personal Services	\$ 11,600	\$ 11,600	\$ 19,902	\$ 15,247
Employee Benefits	6,900	6,900	5,662	7,402
Materials	9,600	9,600	11,495	10,965
Equipment Rental	17,000	17,000	15,025	15,905
	<u>\$ 45,100</u>	<u>\$ 45,100</u>	<u>\$ 52,084</u>	<u>\$ 49,519</u>
Sweeping and Flushing				
Personal Services	\$ 3,200	\$ 3,200	\$ 4,601	\$ 4,033
Employee Benefits	2,000	2,000	1,922	2,015
Equipment Rental	21,300	21,300	20,075	27,217
	<u>\$ 26,500</u>	<u>\$ 26,500</u>	<u>\$ 26,598</u>	<u>\$ 33,265</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	BUDGET		2011	2010
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Forestry				
Personal Services	\$ 10,500	\$ 10,500	\$ 17,089	\$ 12,683
Employee Benefits	6,200	6,200	6,317	5,942
Materials	4,200	4,200	4,920	6,995
Contractual Services	4,000	4,000	4,000	600
Travel and Education	800	800	150	165
Repairs and Maintenance	300	300	122	18
Equipment Rental	21,400	21,400	18,342	22,550
	<u>\$ 47,400</u>	<u>\$ 47,400</u>	<u>\$ 50,940</u>	<u>\$ 48,953</u>
Catch Basins				
Personal Services	\$ 8,100	\$ 8,100	\$ 10,873	\$ 5,209
Employee Benefits	4,500	4,500	2,882	2,419
Materials	600	600	693	417
Contractual Services	2,500	2,500	0	0
Equipment Rental	11,200	11,200	8,556	15,382
	<u>\$ 26,900</u>	<u>\$ 26,900</u>	<u>\$ 23,004</u>	<u>\$ 23,427</u>
Drainage				
Personal Services	\$ 6,200	\$ 6,200	\$ 9,233	\$ 6,527
Employee Benefits	3,700	3,700	2,926	3,220
Materials	200	200	400	0
Equipment Rental	3,400	3,400	3,394	3,284
	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 15,953</u>	<u>\$ 13,031</u>
Traffic Services				
Personal Services	\$ 15,700	\$ 15,700	\$ 25,214	\$ 17,336
Employee Benefits	9,300	9,300	8,705	8,221
Materials	20,500	20,500	13,845	8,654
Contractual Services	15,000	15,000	6,808	19,543
Equipment Rental	9,700	9,700	10,034	8,949
	<u>\$ 70,200</u>	<u>\$ 70,200</u>	<u>\$ 64,606</u>	<u>\$ 62,703</u>
Winter Maintenance				
Personal Services	\$ 24,900	\$ 24,900	\$ 36,826	\$ 19,820
Employee Benefits	14,600	14,600	11,745	9,291
Materials	19,000	19,000	23,985	20,791
Equipment Rental	80,000	80,000	73,032	72,223
	<u>\$ 138,500</u>	<u>\$ 138,500</u>	<u>\$ 145,588</u>	<u>\$ 122,125</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	BUDGET		2011	2010
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Administration				
Personal Services	\$ 48,500	\$ 48,500	\$ 5,226	\$ 48,653
Employee Benefits	22,200	22,200	18,228	18,006
Materials	100	100	59	0
Audit	1,700	1,700	0	1,500
Data Processing	8,000	8,000	8,000	8,000
Travel and Education	0	0	145	0
Equipment Rental	7,500	7,500	7,449	7,449
Administrative	19,600	19,600	10,000	19,600
	<u>\$ 107,600</u>	<u>\$ 107,600</u>	<u>\$ 49,107</u>	<u>\$ 103,208</u>
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	\$ 4,000	\$ 4,000	\$ 2,860	\$ 1,325
Employee Benefits	2,500	2,500	976	631
Materials	2,100	2,100	1,316	638
Equipment Rental	5,400	5,400	1,261	1,436
	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 6,413</u>	<u>\$ 4,030</u>
Sweeping and Flushing				
Personal Services	\$ 800	\$ 800	\$ 1,046	\$ 881
Employee Benefits	500	500	454	427
Equipment Rental	4,400	4,400	4,030	5,083
	<u>\$ 5,700</u>	<u>\$ 5,700</u>	<u>\$ 5,530</u>	<u>\$ 6,391</u>
Traffic Signals				
Utilities	\$ 6,900	\$ 6,900	\$ 7,722	\$ 6,222
Trees and Shrubs				
Personal Services	\$ 600	\$ 600	\$ 459	\$ 381
Employee Benefits	400	400	206	141
Equipment Rental	800	800	467	311
	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,132</u>	<u>\$ 833</u>
Drainage				
Personal Services	\$ 4,300	\$ 4,300	\$ 728	\$ 1,334
Employee Benefits	2,500	2,500	218	618
Materials	0	0	169	0
Equipment Rental	1,400	1,400	76	4,125
	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ 1,191</u>	<u>\$ 6,077</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>BUDGET</u>		<u>2011</u>	<u>2010</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Winter Maintenance				
Personal Services	\$ 16,300	\$ 16,300	\$ 21,845	\$ 11,927
Employee Benefits	9,800	9,800	7,297	5,491
Materials	22,100	22,100	33,702	17,142
Equipment Rental	38,800	38,800	36,119	26,160
	<u>\$ 87,000</u>	<u>\$ 87,000</u>	<u>\$ 98,963</u>	<u>\$ 60,720</u>
Snow Hauling				
Personal Services	\$ 4,000	\$ 4,000	\$ 8,003	\$ 2,239
Employee Benefits	2,400	2,400	2,451	1,031
Equipment Rental	9,000	9,000	13,094	5,005
	<u>\$ 15,400</u>	<u>\$ 15,400</u>	<u>\$ 23,548</u>	<u>\$ 8,275</u>
Total Expenditures	<u>\$ 674,200</u>	<u>\$ 674,200</u>	<u>\$ 630,467</u>	<u>\$ 560,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,700)</u>	<u>\$ (39,700)</u>	<u>\$ 12,101</u>	<u>\$ 34,429</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
Capital Projects Trust Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
2004 Capital Improvement Bonds Debt Retirement Fund	<u>(18,300)</u>	<u>(18,300)</u>	<u>(18,300)</u>	<u>(19,000)</u>
Net Other Financing Sources (Uses)	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ (19,000)</u>
Net Change in Fund Balance	\$ (38,000)	\$ (38,000)	\$ 13,801	\$ 15,429
<u>FUND BALANCE</u> - Beginning of Year	<u>44,826</u>	<u>64,555</u>	<u>64,555</u>	<u>49,126</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 6,826</u>	<u>\$ 26,555</u>	<u>\$ 78,356</u>	<u>\$ 64,555</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 70,643	\$ 181,473
Investments	100,000	0
Accrued Interest Receivable	1,342	0
Due from Other Governments	30,026	30,032
Prepaid Expenditures	621	479
	<hr/>	<hr/>
TOTAL ASSETS	\$ 202,632	\$ 211,984
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 499
Accrued Expenditures	9,902	8,943
	<hr/>	<hr/>
Total Liabilities	\$ 9,902	\$ 9,442
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 621	\$ 479
Restricted:		
Street Improvements	192,109	202,063
	<hr/>	<hr/>
Total Fund Balance	\$ 192,730	\$ 202,542
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 202,632	\$ 211,984
	<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, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	BUDGET		2011	2010
	ORIGINAL	FINAL	ACTUAL	ACTUAL
<u>REVENUES</u>				
State Grants				
Motor Vehicle Highway Fund (Act 51)	\$ 170,000	\$ 170,000	\$ 186,096	\$ 183,363
Other State Grants	0	0	3,430	0
Interest and Rents				
Interest	1,500	1,500	1,442	204
Total Revenues	<u>\$ 171,500</u>	<u>\$ 171,500</u>	<u>\$ 190,968</u>	<u>\$ 183,567</u>
<u>EXPENDITURES</u>				
Street Construction				
Contractual Services	<u>\$ 107,500</u>	<u>\$ 107,500</u>	<u>\$ 142,733</u>	<u>\$ 205,803</u>
Surface Maintenance				
Personal Services	\$ 17,300	\$ 17,300	\$ 17,235	\$ 17,643
Employee Benefits	10,400	10,400	7,620	8,567
Materials	10,500	10,500	12,300	14,583
Equipment Rental	24,100	24,100	19,807	34,160
	<u>\$ 62,300</u>	<u>\$ 62,300</u>	<u>\$ 56,962</u>	<u>\$ 74,953</u>
Sweeping and Flushing				
Personal Services	\$ 6,700	\$ 6,700	\$ 6,430	\$ 7,165
Employee Benefits	4,000	4,000	3,533	3,868
Equipment Rental	50,000	50,000	34,624	47,290
	<u>\$ 60,700</u>	<u>\$ 60,700</u>	<u>\$ 44,587</u>	<u>\$ 58,323</u>
Forestry				
Personal Services	\$ 23,200	\$ 23,200	\$ 25,585	\$ 25,525
Employee Benefits	13,900	13,900	12,242	11,820
Materials	5,100	5,100	3,115	5,601
Contractual Services	2,700	2,700	1,990	595
Equipment Rental	41,200	41,200	37,111	47,268
	<u>\$ 86,100</u>	<u>\$ 86,100</u>	<u>\$ 80,043</u>	<u>\$ 90,809</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	BUDGET		2011	2010
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Catch Basins				
Personal Services	\$ 18,900	\$ 18,900	\$ 9,657	\$ 19,564
Employee Benefits	11,000	11,000	3,305	5,572
Materials	700	700	433	81
Contractual Services	100	100	0	0
Utilities	600	600	1,369	1,555
Equipment Rental	32,000	32,000	12,728	27,433
	<u>\$ 63,300</u>	<u>\$ 63,300</u>	<u>\$ 27,492</u>	<u>\$ 54,205</u>
Drainage				
Personal Services	\$ 8,000	\$ 8,000	\$ 8,199	\$ 8,588
Employee Benefits	4,800	4,800	3,480	4,334
Materials	100	100	120	6,889
Equipment Rental	4,300	4,300	4,692	4,582
	<u>\$ 17,200</u>	<u>\$ 17,200</u>	<u>\$ 16,491</u>	<u>\$ 24,393</u>
Traffic Services				
Personal Services	\$ 14,300	\$ 14,300	\$ 9,274	\$ 5,549
Employee Benefits	8,600	8,600	4,084	2,926
Materials	12,000	12,000	472	597
Equipment Rental	4,200	4,200	4,349	2,826
	<u>\$ 39,100</u>	<u>\$ 39,100</u>	<u>\$ 18,179</u>	<u>\$ 11,898</u>
Winter Maintenance				
Personal Services	\$ 18,400	\$ 18,400	\$ 16,132	\$ 14,598
Employee Benefits	11,000	11,000	6,989	6,825
Materials	12,100	12,100	17,444	13,258
Equipment Rental	67,800	67,800	48,474	55,393
	<u>\$ 109,300</u>	<u>\$ 109,300</u>	<u>\$ 89,039</u>	<u>\$ 90,074</u>
Administration				
Personal Services	\$ 43,500	\$ 43,500	\$ 43,021	\$ 43,537
Employee Benefits	20,100	20,100	16,056	15,862
Materials	300	300	0	0
Audit	1,700	1,700	2,000	1,500
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	17,900
	<u>\$ 99,000</u>	<u>\$ 99,000</u>	<u>\$ 94,426</u>	<u>\$ 94,248</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>BUDGET</u>		<u>2011</u>	<u>2010</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	7,500	7,500	3,917	4,700
	<u>\$ 33,700</u>	<u>\$ 33,700</u>	<u>\$ 30,028</u>	<u>\$ 30,811</u>
 Total Expenditures	 <u>\$ 678,200</u>	 <u>\$ 678,200</u>	 <u>\$ 599,980</u>	 <u>\$ 735,517</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (506,700)</u>	 <u>\$ (506,700)</u>	 <u>\$ (409,012)</u>	 <u>\$ (551,950)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
General Fund	\$ 525,000	\$ 525,000	\$ 525,000	\$ 650,000
1996 Michigan Transportation Fund Debt Retirement Fund	(22,700)	(22,700)	(22,700)	(28,000)
2000 Michigan Transportation Fund Debt Retirement Fund	(34,000)	(34,000)	(34,000)	(35,000)
2004 Capital Improvement Bonds Debt Retirement Fund	(69,100)	(69,100)	(69,100)	(70,100)
	<u>\$ 399,200</u>	<u>\$ 399,200</u>	<u>\$ 399,200</u>	<u>\$ 516,900</u>
 Net Other Financing Sources (Uses)	 <u>\$ 399,200</u>	 <u>\$ 399,200</u>	 <u>\$ 399,200</u>	 <u>\$ 516,900</u>
 Net Change in Fund Balance	 <u>\$ (107,500)</u>	 <u>\$ (107,500)</u>	 <u>\$ (9,812)</u>	 <u>\$ (35,050)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>155,592</u>	 <u>202,542</u>	 <u>202,542</u>	 <u>237,592</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 48,092</u>	 <u>\$ 95,042</u>	 <u>\$ 192,730</u>	 <u>\$ 202,542</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,

	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 101,364	\$ 58,253
Investments	1,412,771	1,435,156
Receivables		
Accounts	424,428	322,956
Unbilled Services	298,957	305,766
Accrued Interest	16,270	12,553
Cylinder Deposits	6,000	10,500
Due from Other Funds	249	20,633
Due from Other Governments	0	22,169
Inventory, At Cost	228,203	222,027
Prepaid Expense	39,412	27,833
	<u>\$ 2,527,654</u>	<u>\$ 2,437,846</u>
Total Current Assets		
 <u>NONCURRENT ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Investments		
Bond Reserve Account	\$ 859,392	\$ 859,392
Bond Replacement Account	490,785	472,801
	<u>\$ 1,350,177</u>	<u>\$ 1,332,193</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	33,690,455	33,619,554
Machinery and Equipment	1,243,360	1,209,688
Construction Work in Progress	531,184	327,970
	<u>\$ 36,896,158</u>	<u>\$ 36,588,371</u>
Less Accumulated Depreciation	16,594,691	15,698,709
Net Capital Assets	<u>\$ 20,301,467</u>	<u>\$ 20,889,662</u>
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	\$ 31,688	\$ 39,548
	<u>\$ 21,683,332</u>	<u>\$ 22,261,403</u>
Total Noncurrent Assets		
TOTAL ASSETS	<u>\$ 24,210,986</u>	<u>\$ 24,699,249</u>

	<u>2011</u>	<u>2010</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 120,178	\$ 70,934
Accrued Interest	100,959	108,667
Other Accrued Expenses	212,030	210,048
Utility Deposits	6,350	4,360
Due to Other Governments	26,367	26,367
Current Portion of Revenue Bonds	655,000	625,000
	<hr/>	
Total Current Liabilities	\$ 1,120,884	\$ 1,045,376
	<hr/>	
<u>LONG-TERM LIABILITIES</u>		
2007 Wastewater System Junior Lien Revenue Bonds	\$ 3,360,205	\$ 3,530,205
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,052,762	1,055,606
2001 Revenue Bonds (Net of Deferred Refunding Amount)	3,667,886	4,141,925
	<hr/>	
Total Long-Term Liabilities	\$ 8,080,853	\$ 8,727,736
	<hr/>	
TOTAL LIABILITIES	\$ 9,201,737	\$ 9,773,112
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,565,614	\$ 11,536,926
Unrestricted	1,350,177	1,332,193
	2,093,458	2,057,018
	<hr/>	
TOTAL NET ASSETS	\$ 15,009,249	\$ 14,926,137
	<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,

	2011	2010
<u>OPERATING REVENUES</u>		
Sewer Charges to Customers	\$ 2,134,406	\$ 2,158,645
Water Charges to Customers	1,186,073	1,172,012
Fire Protection	104,519	104,749
Hydrant Rental	12,433	12,433
Sales of Services and Materials	385,762	434,554
Total Operating Revenues	\$ 3,823,193	\$ 3,882,393
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 867,435	\$ 833,971
Contractual Services	447,927	522,853
Supplies	327,659	342,272
Heat, Light and Power	357,964	336,888
Depreciation and Amortization	906,837	856,425
Employee Benefits	366,996	388,769
Administrative	201,900	202,078
Total Operating Expenses	\$ 3,476,718	\$ 3,483,256
Operating Income	\$ 346,475	\$ 399,137
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 63,657	\$ 63,187
Interest and Fiscal Charges	(327,020)	(350,199)
Total Nonoperating Revenues (Expenses)	\$ (263,363)	\$ (287,012)
Change in Net Assets	\$ 83,112	\$ 112,125
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,926,137	14,814,012
<u>TOTAL NET ASSETS</u> - End of Year	\$ 15,009,249	\$ 14,926,137

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,775,583	\$ 3,748,875
Cash Payments to Suppliers for Goods and Services	(1,301,971)	(1,934,586)
Cash Payments to Employees for Services	(1,232,449)	(1,211,650)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 1,241,163	\$ 602,639
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (307,787)	\$ (498,212)
Loan Proceeds	0	282,912
Principal Paid	(625,000)	(595,000)
Interest Paid	(329,606)	(349,548)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (1,262,393)	\$ (1,159,848)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 59,940	\$ 94,774
Purchase of Investment Securities	(110,203)	(131,157)
Proceeds from Sale and Maturities of Investment Securities	114,604	646,742
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 64,341	\$ 610,359
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 43,111	\$ 53,150
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	58,253	5,103
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 101,364	\$ 58,253
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2011	2010
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 346,475	\$ 399,137
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities		
Depreciation and Amortization	\$ 906,837	\$ 856,425
(Increase) Decrease in Current Assets		
Accounts Receivable	(90,163)	(117,083)
Due from Other Funds	20,384	(20,633)
Due from Other Governments	22,169	(22,169)
Inventory	(6,176)	(15,573)
Prepaid Expense	(11,579)	8,728
Increase (Decrease) in Current Liabilities		
Accounts Payable	49,244	(523,810)
Other Accrued Expenses	1,982	11,090
Utility Deposits	1,990	160
Due to Other Governments	0	26,367
Total Adjustments	\$ 894,688	\$ 203,502
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,241,163	\$ 602,639

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>ADMINISTRATIVE</u>			
Personal Services	\$ 337,500	\$ 345,685	\$ 421,814
Employee Benefits	169,700	148,429	237,824
Office Supplies	9,000	7,388	6,191
Postage	19,500	23,155	21,873
Safety Supplies	4,800	2,007	2,469
Property Taxes	7,600	7,553	9,355
Contractual Services	61,000	48,897	50,371
Engineering Fees	18,000	16,094	700
Legal Fees	75,000	86,820	149,862
Audit	4,000	4,000	3,500
State Mandated Fees	22,500	15,981	29,121
Data Processing	55,000	55,000	55,604
Insurance	39,000	25,215	39,000
Dues and Publications	2,000	3,179	2,838
Repairs and Maintenance	500	460	35
Telephone	7,800	7,455	8,411
Alarm System	4,400	5,224	4,682
Travel and Education	10,000	9,104	8,818
Employee Safety	2,100	211	192
Public Relations	2,500	2,320	2,823
Administration	202,900	201,900	202,078
	<u>\$ 1,054,800</u>	<u>\$ 1,016,077</u>	<u>\$ 1,257,561</u>
<u>BUILDINGS AND WATER TANK</u>			
Personal Services	\$ 6,500	\$ 12,349	\$ 7,243
Employee Benefits	3,300	1,816	1,510
Operating Supplies	14,500	10,648	13,604
Repairs and Maintenance	2,000	440	3,551
	<u>\$ 26,300</u>	<u>\$ 25,253</u>	<u>\$ 25,908</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>GENERAL STREET EXPENSE</u>			
Personal Services	\$ 800	\$ 246	\$ 1,382
Employee Benefits	400	122	349
Operating Supplies	4,000	2,169	1,485
Contractual Services	19,400	13,661	4,405
	<u>\$ 24,600</u>	<u>\$ 16,198</u>	<u>\$ 7,621</u>
<u>METER READING AND COLLECTION</u>			
Personal Services	\$ 14,500	\$ 13,517	\$ 12,544
Employee Benefits	7,500	4,937	4,781
Operating Supplies	300	0	0
	<u>\$ 22,300</u>	<u>\$ 18,454</u>	<u>\$ 17,325</u>
<u>CUSTOMER SERVICES</u>			
Personal Services	\$ 16,500	\$ 17,505	\$ 30,863
Employee Benefits	8,500	6,046	12,348
	<u>\$ 25,000</u>	<u>\$ 23,551</u>	<u>\$ 43,211</u>
<u>PUMPING STATION</u>			
Personal Services	\$ 3,000	\$ 4,463	\$ 3,045
Employee Benefits	1,500	1,472	1,078
Operating Supplies	8,500	10,846	18,673
Chemicals	28,500	20,680	26,710
Laboratory Control	22,000	10,550	21,826
Utilities	121,000	147,513	136,731
Repairs and Maintenance	2,500	2,372	1,023
	<u>\$ 187,000</u>	<u>\$ 197,896</u>	<u>\$ 209,086</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>MAINTENANCE - MAINS AND HYDRANTS</u>			
Personal Services	\$ 68,300	\$ 37,024	\$ 34,519
Employee Benefits	35,000	10,635	12,416
Operating Supplies	21,500	20,103	15,879
Contractual Services	7,500	392	1,433
	<u>\$ 132,300</u>	<u>\$ 68,154</u>	<u>\$ 64,247</u>
<u>MAINTENANCE - SERVICE CONNECTIONS</u>			
Personal Services	\$ 3,500	\$ 1,721	\$ 2,769
Employee Benefits	1,800	749	867
Operating Supplies	3,900	4,478	3,021
Repairs and Maintenance	1,000	1,021	209
	<u>\$ 10,200</u>	<u>\$ 7,969</u>	<u>\$ 6,866</u>
<u>METER - OPERATIONS</u>			
Personal Services	\$ 75,000	\$ 128,226	\$ 57,200
Employee Benefits	38,000	54,574	20,606
Operating Supplies	20,700	27,159	17,529
	<u>\$ 133,700</u>	<u>\$ 209,959</u>	<u>\$ 95,335</u>
<u>WELLS AND WELL FIELDS</u>			
Personal Services	\$ 3,000	\$ 4,722	\$ 4,984
Employee Benefits	1,500	2,735	1,709
Operating Supplies	5,700	1,962	1,705
Contractual Services	25,000	15,348	25,006
Repairs and Maintenance	14,800	5,573	7,287
Special Projects	0	10,000	18,750
	<u>\$ 50,000</u>	<u>\$ 40,340</u>	<u>\$ 59,441</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>NEW SERVICES</u>			
Personal Services	\$ 1,500	\$ 5,842	\$ 450
Employee Benefits	800	2,438	223
Operating Supplies	21,000	5,834	4,908
Contractual Services	1,200	0	0
	<u>\$ 24,500</u>	<u>\$ 14,114</u>	<u>\$ 5,581</u>
<u>PRELIMINARY TREATMENT</u>			
Personal Services	\$ 10,000	\$ 12,205	\$ 10,985
Employee Benefits	5,000	6,253	4,649
Operating Supplies	800	207	1,319
Utilities	2,400	2,707	2,477
Repairs and Maintenance	2,500	90	1,037
	<u>\$ 20,700</u>	<u>\$ 21,462</u>	<u>\$ 20,467</u>
<u>PRIMARY TREATMENT</u>			
Personal Services	\$ 10,000	\$ 12,955	\$ 10,275
Employee Benefits	5,000	6,549	4,356
Operating Supplies	4,000	416	1,406
Repairs and Maintenance	3,000	503	1,366
	<u>\$ 22,000</u>	<u>\$ 20,423</u>	<u>\$ 17,403</u>
<u>SECONDARY TREATMENT</u>			
Personal Services	\$ 12,000	\$ 11,367	\$ 10,853
Employee Benefits	6,000	5,911	4,472
Operating Supplies	1,400	983	898
Utilities	54,000	67,681	61,925
Repairs and Maintenance	4,200	7,413	4,007
	<u>\$ 77,600</u>	<u>\$ 93,355</u>	<u>\$ 82,155</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>TERTIARY TREATMENT</u>			
Personal Services	\$ 13,000	\$ 10,428	\$ 10,707
Employee Benefits	6,500	5,311	4,458
Operating Supplies	7,400	5,121	7,050
Utilities	35,000	44,306	46,052
Repairs and Maintenance	8,500	7,979	8,271
	<u>\$ 70,400</u>	<u>\$ 73,145</u>	<u>\$ 76,538</u>
<u>SLUDGE TREATMENT AND DISPOSAL</u>			
Personal Services	\$ 27,000	\$ 20,576	\$ 21,167
Employee Benefits	13,500	10,045	8,271
Operating Supplies	3,400	1,623	2,957
Laboratory Control	5,500	5,467	4,445
Injection Contract Costs	45,000	50,007	39,105
Utilities	20,000	16,003	15,930
Repairs and Maintenance	7,500	3,324	2,059
	<u>\$ 121,900</u>	<u>\$ 107,045</u>	<u>\$ 93,934</u>
<u>NUTRIENT REMOVAL</u>			
Personal Services	\$ 7,100	\$ 9,178	\$ 9,607
Employee Benefits	3,500	4,664	3,949
Operating Supplies	800	207	0
Chemicals	41,000	42,263	48,003
Repairs and Maintenance	5,400	3,737	348
	<u>\$ 57,800</u>	<u>\$ 60,049</u>	<u>\$ 61,907</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>EFFLUENT DISPOSAL</u>			
Personal Services	\$ 12,000	\$ 12,388	\$ 9,691
Employee Benefits	6,000	6,367	3,912
Operating Supplies	3,500	1,935	1,324
Plant Lab Supplies	8,000	4,351	7,025
Chemicals	500	0	0
Laboratory Control	11,000	9,500	10,568
Utilities	11,500	13,536	12,664
Repairs and Maintenance	4,500	2,963	380
	<u>\$ 57,000</u>	<u>\$ 51,040</u>	<u>\$ 45,564</u>
<u>INDUSTRIAL SURVEILLANCE</u>			
Personal Services	\$ 10,400	\$ 11,011	\$ 10,483
Employee Benefits	5,200	4,831	3,830
Operating Supplies	1,200	711	750
Laboratory Control	4,000	2,398	4,094
Repairs and Maintenance	0	0	28
	<u>\$ 20,800</u>	<u>\$ 18,951</u>	<u>\$ 19,185</u>
<u>BUILDINGS AND GROUNDS</u>			
Personal Services	\$ 86,500	\$ 120,483	\$ 73,851
Employee Benefits	39,500	51,814	26,450
Operating Supplies	22,500	33,655	24,170
Utilities	20,000	15,657	12,684
Repairs and Maintenance	0	5,666	11,152
	<u>\$ 168,500</u>	<u>\$ 227,275</u>	<u>\$ 148,307</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>SANITARY SEWERS</u>			
Personal Services	\$ 33,500	\$ 24,915	\$ 32,042
Employee Benefits	17,000	6,335	6,345
Operating Supplies	9,000	9,032	15,248
Contractual Services	11,300	750	11,560
Repairs and Maintenance	1,000	546	286
	<u>\$ 71,800</u>	<u>\$ 41,578</u>	<u>\$ 65,481</u>
<u>LIFT STATIONS</u>			
Personal Services	\$ 18,100	\$ 16,723	\$ 22,015
Employee Benefits	9,200	8,037	8,340
Operating Supplies	7,000	7,786	9,748
Disposal Fees	1,800	1,660	1,061
Utilities	38,200	37,882	35,332
Repairs and Maintenance	14,500	12,961	7,928
	<u>\$ 88,800</u>	<u>\$ 85,049</u>	<u>\$ 84,424</u>
<u>VEHICLES - WATER</u>			
Personal Services	\$ 1,200	\$ 695	\$ 354
Employee Benefits	600	339	130
Operating Supplies	500	1,768	295
Fuel and Oil	6,200	11,285	8,612
Repairs and Maintenance	4,300	2,337	2,124
	<u>\$ 12,800</u>	<u>\$ 16,424</u>	<u>\$ 11,515</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>VEHICLES - DISTRIBUTION</u>			
Personal Services	\$ 1,000	\$ 226	\$ 526
Employee Benefits	500	33	52
Operating Supplies	1,200	2,976	675
Fuel and Oil	17,500	13,951	12,219
Repairs and Maintenance	15,000	17,783	11,947
	<u>\$ 35,200</u>	<u>\$ 34,969</u>	<u>\$ 25,419</u>
<u>LABORATORY</u>			
Personal Services	\$ 36,200	\$ 32,985	\$ 34,602
Employee Benefits	18,500	16,554	15,844
Operating Supplies	26,900	25,045	25,593
Repairs and Maintenance	9,700	5,439	3,254
Equipment Rental	1,000	453	947
Research and Development	2,500	675	2,110
	<u>\$ 94,800</u>	<u>\$ 81,151</u>	<u>\$ 82,350</u>
<u>OTHER EXPENSE</u>			
Depreciation and Amortization	\$ 950,000	\$ 906,837	\$ 856,425
TOTAL OPERATING EXPENSES	<u><u>\$ 3,560,800</u></u>	<u><u>\$ 3,476,718</u></u>	<u><u>\$ 3,483,256</u></u>

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CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 121,057	\$ 56,634
Investments	175	53,675
Total Current Assets	\$ 121,232	\$ 110,309
 <u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 90,445	\$ 90,445
Buildings	1,735,427	1,735,427
Less Accumulated Depreciation	534,235	497,827
Net Capital Assets	\$ 1,291,637	\$ 1,328,045
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	5,816	8,248
Total Noncurrent Assets	\$ 1,297,453	\$ 1,336,293
TOTAL ASSETS	\$ 1,418,685	\$ 1,446,602

	<u>2011</u>	<u>2010</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 341	\$ 947
Accrued Interest	7,418	8,668
Current Portion of Revenue Bonds	<u>115,000</u>	<u>115,000</u>
 Total Current Liabilities	 \$ 122,759	 \$ 124,615
 <u>LONG-TERM LIABILITIES</u>		
1999 Revenue Refunding Bonds	<u>530,000</u>	<u>645,000</u>
 TOTAL LIABILITIES	 <u>\$ 652,759</u>	 <u>\$ 769,615</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 646,637	\$ 568,045
Unrestricted	<u>119,289</u>	<u>108,942</u>
 TOTAL NET ASSETS	 <u>\$ 765,926</u>	 <u>\$ 676,987</u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

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

	2011	2010
<u>OPERATING REVENUES</u>		
Building Rental	\$ 195,870	\$ 195,870
<u>OPERATING EXPENSES</u>		
Contractual Services	\$ 19,152	\$ 20,601
Audit	700	700
Insurance	453	700
Building Maintenance	8,328	8,560
Utilities	3,274	2,748
Depreciation and Amortization	38,840	38,644
Administration	5,000	5,000
Total Operating Expenses	\$ 75,747	\$ 76,953
Operating Income (Loss)	\$ 120,123	\$ 118,917
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 37	\$ 1,583
Interest Expense	(31,221)	(36,155)
Total Nonoperating Revenues (Expenses)	\$ (31,184)	\$ (34,572)
Change in Net Assets	\$ 88,939	\$ 84,345
<u>TOTAL NET ASSETS - Beginning of Year</u>	676,987	592,642
<u>TOTAL NET ASSETS - End of Year</u>	\$ 765,926	\$ 676,987

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</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	(37,513)	(43,218)
Net Cash Provided (Used) by Operating Activities	<u>\$ 158,357</u>	<u>\$ 152,652</u>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	\$ (115,000)	\$ (110,000)
Interest Paid	(32,471)	(37,337)
Acquisition and Construction of Capital Assets	0	(16,916)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (147,471)</u>	<u>\$ (164,253)</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 37	\$ 2,015
Purchase of Investment Securities	0	(1,969)
Proceeds from Sale and Maturities of Investment Securities	53,500	0
Net Cash Provided (Used) by Investing Activities	<u>\$ 53,537</u>	<u>\$ 46</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 64,423</u>	<u>\$ (11,555)</u>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>56,634</u>	<u>68,189</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u><u>\$ 121,057</u></u>	<u><u>\$ 56,634</u></u>

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CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ 120,123</u>	<u>\$ 118,917</u>
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 38,840	\$ 38,644
Increase (Decrease) in Current Liabilities		
Accounts Payable	<u>(606)</u>	<u>(4,909)</u>
Total Adjustments	<u>\$ 38,234</u>	<u>\$ 33,735</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 158,357</u></u>	<u><u>\$ 152,652</u></u>

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

COMBINING BALANCE SHEET

JUNE 30, 2011

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 219,866	\$ 49,163	\$ 221,339
Investments	905,574	214,460	413,416
Receivables			
Mortgages and Notes	190,483	0	0
Accrued Interest	22,207	5,023	10,384
Special Assessments			
Current	0	26,923	41,834
Deferred	0	22,858	141,163
Due from Other Funds	5,800	2,052	0
Advance to Other Funds	350,000	0	0
Prepaid Expenditures	963	0	0
TOTAL ASSETS	\$ 1,694,893	\$ 320,479	\$ 828,136
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 22,335	\$ 0	\$ 0
Accrued Expenditures	4,095	0	0
Due to Other Funds	0	1,104	948
Deferred Revenue	103,697	22,858	141,163
Total Liabilities	\$ 130,127	\$ 23,962	\$ 142,111
<u>FUND BALANCE</u>			
Nonspendable	\$ 437,749	\$ 0	\$ 0
Restricted	35,291	296,517	229,943
Assigned	1,099,798	0	456,082
Unassigned	(8,072)	0	0
Total Fund Balance	\$ 1,564,766	\$ 296,517	\$ 686,025
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,694,893	\$ 320,479	\$ 828,136

PERMANENT			
FUNDS		TOTALS	
\$	166,633	\$	657,001
	946,281		2,479,731
	0		190,483
	0		37,614
	0		68,757
	0		164,021
	0		7,852
	0		350,000
	0		963
<u>\$</u>	<u>1,112,914</u>	<u>\$</u>	<u>3,956,422</u>

\$	0	\$	22,335
	0		4,095
	0		2,052
	0		267,718
<u>\$</u>	<u>0</u>	<u>\$</u>	<u>296,200</u>

\$	756,666	\$	1,194,415
	356,248		917,999
	0		1,555,880
	0		(8,072)
<u>\$</u>	<u>1,112,914</u>	<u>\$</u>	<u>3,660,222</u>

<u>\$</u>	<u>1,112,914</u>	<u>\$</u>	<u>3,956,422</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, 2011

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 27,947	\$ 46,235
Contributions from Local Units	0	35,100	0
Charges for Services	50,855	0	0
Interest and Rents	48,901	10,191	14,600
Gain (Loss) on Investments	0	0	0
Other Revenue	29,626	0	0
Total Revenues	\$ 129,382	\$ 73,238	\$ 60,835
<u>EXPENDITURES</u>			
General Government	\$ 143,378	\$ 0	\$ 0
Public Safety	9,376	0	0
Culture and Recreation	10,837	0	0
Community and Economic Development	58,407	0	0
Capital Outlay	0	0	3,815
Debt Service	18,897	261,609	17,721
Total Expenditures	\$ 240,895	\$ 261,609	\$ 21,536
Excess (Deficiency) of Revenues Over Expenditures	\$ (111,513)	\$ (188,371)	\$ 39,299
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 81,776	\$ 213,146	\$ 0
Transfers Out	(9,376)	(69,046)	0
Total Other Financing Sources (Uses)	\$ 72,400	\$ 144,100	\$ 0
Net Change in Fund Balances	\$ (39,113)	\$ (44,271)	\$ 39,299
<u>FUND BALANCES</u> - Beginning of Year	1,603,879	340,788	646,726
<u>FUND BALANCES</u> - End of Year	\$ 1,564,766	\$ 296,517	\$ 686,025

PERMANENT		
FUNDS		TOTALS
\$	0	\$ 74,182
	0	35,100
	0	50,855
	38,852	112,544
	37,501	37,501
	8,312	37,938
<hr/>		
\$	84,665	\$ 348,120
<hr/>		
\$	1,450	\$ 144,828
	0	9,376
	0	10,837
	0	58,407
	0	3,815
	0	298,227
<hr/>		
\$	1,450	\$ 525,490
<hr/>		
\$	83,215	\$ (177,370)
<hr/>		
\$	0	\$ 294,922
	(20,000)	(98,422)
<hr/>		
\$	(20,000)	\$ 196,500
<hr/>		
\$	63,215	\$ 19,130
	1,049,699	3,641,092
<hr/>		
\$	1,112,914	\$ 3,660,222
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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.

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, 2011

<u>ASSETS</u>	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
Cash	\$ 2,274	\$ 90,908	\$ 64,658
Investments	0	0	905,543
Receivables			
Mortgages and Notes	0	43,825	146,658
Accrued Interest	0	0	22,207
Due from Other Funds	5,800	0	0
Advance to Other Funds	0	0	350,000
Prepaid Expenditures	303	0	160
TOTAL ASSETS	\$ 8,377	\$ 134,733	\$ 1,489,226
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,138	\$ 18,897	\$ 0
Accrued Expenditures	3,205	0	890
Deferred Revenue	0	43,825	59,872
Total Liabilities	\$ 6,343	\$ 62,722	\$ 60,762
 <u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Expenditures	\$ 303	\$ 0	\$ 160
Advances	0	0	350,000
Notes Receivable	0	0	86,786
Restricted:			
Capital Projects	9,803	0	0
Clam River Greenway	0	0	0
Milfoil Eradication	0	0	0
Assigned:			
H.L. Green Operating	0	72,011	0
Cadillac Development	0	0	991,518
Roof Replacement	0	0	0
Naval Reserve Center	0	0	0
Unassigned	(8,072)	0	0
Total Fund Balances	\$ 2,034	\$ 72,011	\$ 1,428,464
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,377	\$ 134,733	\$ 1,489,226

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	MILFOIL ERADICATION	TOTALS
\$ 36,569	\$ 19,046	\$ 0	\$ 6,411	\$ 219,866
0	0	0	31	905,574
0	0	0	0	190,483
0	0	0	0	22,207
0	0	0	0	5,800
0	0	0	0	350,000
500	0	0	0	963
<u>\$ 37,069</u>	<u>\$ 19,046</u>	<u>\$ 0</u>	<u>\$ 6,442</u>	<u>\$ 1,694,893</u>
\$ 300	\$ 0	\$ 0	\$ 0	\$ 22,335
0	0	0	0	4,095
0	0	0	0	103,697
<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 130,127</u>
\$ 500	\$ 0	\$ 0	\$ 0	\$ 963
0	0	0	0	350,000
0	0	0	0	86,786
0	0	0	0	9,803
0	19,046	0	0	19,046
0	0	0	6,442	6,442
0	0	0	0	72,011
0	0	0	0	991,518
23,508	0	0	0	23,508
12,761	0	0	0	12,761
0	0	0	0	(8,072)
<u>\$ 36,769</u>	<u>\$ 19,046</u>	<u>\$ 0</u>	<u>\$ 6,442</u>	<u>\$ 1,564,766</u>
<u>\$ 37,069</u>	<u>\$ 19,046</u>	<u>\$ 0</u>	<u>\$ 6,442</u>	<u>\$ 1,694,893</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
<u>REVENUES</u>			
Charges for Services	\$ 50,855	\$ 0	\$ 0
Interest and Rents	0	1,980	41,235
Other Revenue	0	28,055	1,571
Total Revenues	<u>\$ 50,855</u>	<u>\$ 30,035</u>	<u>\$ 42,806</u>
<u>EXPENDITURES</u>			
General Government	\$ 123,244	\$ 0	\$ 0
Public Safety	0	0	0
Cultural and Recreation	0	0	0
Community and Economic Development	0	450	57,957
Debt Service	0	18,897	0
Total Expenditures	<u>\$ 123,244</u>	<u>\$ 19,347</u>	<u>\$ 57,957</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (72,389)</u>	<u>\$ 10,688</u>	<u>\$ (15,151)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 72,400	\$ 0	\$ 0
Transfers Out	0	0	(9,376)
Total Other Financing Sources (Uses)	<u>\$ 72,400</u>	<u>\$ 0</u>	<u>\$ (9,376)</u>
Net Change in Fund Balances	\$ 11	\$ 10,688	\$ (24,527)
<u>FUND BALANCES</u> - Beginning of Year	<u>2,023</u>	<u>61,323</u>	<u>1,452,991</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 2,034</u>	<u>\$ 72,011</u>	<u>\$ 1,428,464</u>

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	MILFOIL ERADICATION	TOTALS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,855
5,667	15	0	4	48,901
0	0	0	0	29,626
\$ 5,667	\$ 15	\$ 0	\$ 4	\$ 129,382
\$ 20,134	\$ 0	\$ 0	\$ 0	\$ 143,378
0	0	9,376	0	9,376
0	5,087	0	5,750	10,837
0	0	0	0	58,407
0	0	0	0	18,897
\$ 20,134	\$ 5,087	\$ 9,376	\$ 5,750	\$ 240,895
\$ (14,467)	\$ (5,072)	\$ (9,376)	\$ (5,746)	\$ (111,513)
\$ 0	\$ 0	\$ 9,376	\$ 0	\$ 81,776
0	0	0	0	(9,376)
\$ 0	\$ 0	\$ 9,376	\$ 0	\$ 72,400
\$ (14,467)	\$ (5,072)	\$ 0	\$ (5,746)	\$ (39,113)
51,236	24,118	0	12,188	1,603,879
\$ 36,769	\$ 19,046	\$ 0	\$ 6,442	\$ 1,564,766

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 2,274	\$ 6,470
Due from Other Funds	5,800	0
Prepaid Expenditures	303	512
	\$ 8,377	\$ 6,982
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 3,138	\$ 1,966
Accrued Expenditures	3,205	2,993
	\$ 6,343	\$ 4,959
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 303	\$ 512
Restricted:		
Capital Improvements	9,803	1,511
Unassigned	(8,072)	0
	\$ 2,034	\$ 2,023
	\$ 8,377	\$ 6,982
	\$ 8,377	\$ 6,982

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Charges for Services			
Sale of Lots and Burial Rights	\$ 9,800	\$ 8,312	\$ 7,925
Grave Openings and Storage	33,000	33,000	30,690
Foundations and Miscellaneous	8,400	9,543	6,337
Interest and Rents			
Interest	1,000	0	5
Total Revenues	<u>\$ 52,200</u>	<u>\$ 50,855</u>	<u>\$ 44,957</u>
<u>EXPENDITURES</u>			
General Government			
Personal Services	\$ 58,500	\$ 63,389	\$ 59,190
Employee Benefits	24,600	20,560	26,218
Operating Supplies	10,100	14,951	10,903
Audit	600	450	450
Data Processing	2,500	2,500	2,500
Insurance	100	65	100
Travel and Education	400	253	338
Utilities	10,600	10,325	7,704
Repairs and Maintenance	6,000	3,637	4,267
Equipment Rental	2,700	4,414	3,864
Administration	8,500	2,700	8,500
Total Expenditures	<u>\$ 124,600</u>	<u>\$ 123,244</u>	<u>\$ 124,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (72,400)</u>	<u>\$ (72,389)</u>	<u>\$ (79,077)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
General Fund	72,400	72,400	72,400
Net Change In Fund Balance	<u>\$ 0</u>	<u>\$ 11</u>	<u>\$ (6,677)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>2,023</u>	<u>2,023</u>	<u>8,700</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 2,023</u></u>	<u><u>\$ 2,034</u></u>	<u><u>\$ 2,023</u></u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 90,908	\$ 28,870
Investments	0	32,453
Note Receivable	43,825	71,880
	<hr/>	<hr/>
TOTAL ASSETS	\$ 134,733	\$ 133,203
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 18,897	\$ 0
Deferred Revenue	43,825	71,880
	<hr/>	<hr/>
Total Liabilities	\$ 62,722	\$ 71,880
 <u>FUND BALANCE</u>		
Assigned:		
H.L. Green Operating	72,011	61,323
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 134,733	\$ 133,203
	<hr/> <hr/>	<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, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Note	\$ 2,000	\$ 1,980	\$ 2,621
Other Revenue			
Note Principal Collections	26,500	28,055	24,929
	<u>\$ 28,500</u>	<u>\$ 30,035</u>	<u>\$ 27,550</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Audit	\$ 500	\$ 450	\$ 450
Debt Service			
Principal Payments	18,900	18,897	19,000
	<u>\$ 19,400</u>	<u>\$ 19,347</u>	<u>\$ 19,450</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 9,100	\$ 10,688	\$ 8,100
<u>FUND BALANCE - Beginning of Year</u>	<u>61,323</u>	<u>61,323</u>	<u>53,223</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 70,423</u>	<u>\$ 72,011</u>	<u>\$ 61,323</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 64,658	\$ 64,972
Investments	905,543	918,313
Receivables		
Notes	86,786	117,042
Land Contract	0	1,125
Mortgages	59,872	60,319
Accrued Interest	22,207	3,199
Advance to Other Funds	350,000	350,000
Prepaid Expenditures	160	256
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,489,226	\$ 1,515,226
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accrued Expenditures	\$ 890	\$ 791
Deferred Revenues		
Installment Notes and Mortgages	59,872	61,444
	<hr/>	<hr/>
Total Liabilities	\$ 60,762	\$ 62,235
	<hr/> <hr/>	<hr/> <hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 160	\$ 256
Notes Receivable	86,786	117,042
Advances	350,000	350,000
Assigned:		
Cadillac Development	991,518	985,693
	<hr/>	<hr/>
Total Fund Balance	\$ 1,428,464	\$ 1,452,991
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,489,226	\$ 1,515,226
	<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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest on Investments	\$ 43,000	\$ 41,235	\$ 44,350
Other Revenue			
Loan Principal Collections	0	1,571	5,114
Total Revenues	<u>\$ 43,000</u>	<u>\$ 42,806</u>	<u>\$ 49,464</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Personal Services	\$ 27,000	\$ 24,088	\$ 24,456
Employee Benefits	8,700	9,073	6,590
Audit	800	650	650
Office Supplies	400	221	0
Postage	500	0	0
Data Processing	2,500	4,500	4,500
Administrative	19,100	19,100	19,100
Travel and Education	1,000	0	0
Dues and Publications	600	325	0
Contractual Services	2,000	0	2,606
Property Taxes	500	0	0
Total Expenditures	<u>\$ 63,100</u>	<u>\$ 57,957</u>	<u>\$ 57,902</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (20,100)</u>	<u>\$ (15,151)</u>	<u>\$ (8,438)</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Building Inspection Fund	\$ 0	\$ (9,376)	\$ (28,479)
Net Change in Fund Balance	\$ (20,100)	\$ (24,527)	\$ (36,917)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,452,991</u>	<u>1,452,991</u>	<u>1,489,908</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,432,891</u>	<u>\$ 1,428,464</u>	<u>\$ 1,452,991</u>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 36,569	\$ 24,939
Investments	0	26,507
Prepaid Expenditures	500	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 37,069	\$ 51,446
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 300	\$ 210
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable:		
Prepaid Expenditures	\$ 500	\$ 0
Assigned:		
Roof Replacement	23,508	23,508
Naval Reserve Center	12,761	27,728
	<hr/>	<hr/>
Total Fund Balance	\$ 36,769	\$ 51,236
	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 37,069	\$ 51,446

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 200	\$ 38	\$ 74
Rents	11,700	5,629	14,434
	<hr/>		<hr/>
Total Revenues	\$ 11,900	\$ 5,667	\$ 14,508
	<hr/>		<hr/>
<u>EXPENDITURES</u>			
General Government			
Audit	\$ 500	\$ 450	\$ 450
Insurance	700	453	700
Utilities	22,000	16,869	16,515
Building Maintenance	9,000	2,362	2,819
	<hr/>		<hr/>
Total Expenditures	\$ 32,200	\$ 20,134	\$ 20,484
	<hr/>		<hr/>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (20,300)	\$ (14,467)	\$ (5,976)
	<hr/>		<hr/>
<u>FUND BALANCE</u> - Beginning of Year	51,236	51,236	57,212
	<hr/>		<hr/>
<u>FUND BALANCE</u> - End of Year	\$ 30,936	\$ 36,769	\$ 51,236
	<hr/>		<hr/>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 19,046	\$ 24,118
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Clam River Greenway	19,046	24,118
TOTAL LIABILITIES AND FUND BALANCE	\$ 19,046	\$ 24,118

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2011	2010
<u>REVENUES</u>		
State Grants	\$ 0	\$ 37
Interest and Rents		
Interest	15	13
Total Revenues	\$ 15	\$ 50
 <u>EXPENDITURES</u>		
Cultural and Recreation		
Construction	\$ 5,087	\$ 520
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,072)	\$ (470)
 <u>FUND BALANCE</u> - Beginning of Year	24,118	24,588
 <u>FUND BALANCE</u> - End of Year	\$ 19,046	\$ 24,118

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 0	\$ 1,059
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 73
Accrued Expenditures	0	986
Total Liabilities	\$ 0	\$ 1,059
<u>FUND BALANCE</u>	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 1,059

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Charges for Services			
Building Permits	\$ 0	\$ 0	\$ 37,366
Interest and Rents			
Interest	0	0	3
Other Revenue			
Miscellaneous	0	0	236
	<u>0</u>	<u>0</u>	<u>236</u>
Total Revenues	\$ 0	\$ 0	\$ 37,605
<u>EXPENDITURES</u>			
Public Safety			
Building Inspection			
Personal Services	\$ 0	\$ 0	\$ 38,287
Employee Benefits	0	0	19,585
Office Supplies	0	0	1,883
Postage	0	0	25
Audit	0	0	450
Data Processing	0	0	4,000
Dues and Publications	0	0	777
Travel and Education	0	0	1,489
Contractual Services	0	9,376	0
Equipment Rental	0	0	402
	<u>0</u>	<u>9,376</u>	<u>66,898</u>
Total Expenditures	\$ 0	\$ 9,376	\$ 66,898
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (9,376)	\$ (29,293)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	0	9,376	28,479
	<u>0</u>	<u>9,376</u>	<u>28,479</u>
Net Change in Fund Balance	\$ 0	\$ 0	\$ (814)
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>	<u>0</u>	<u>814</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 6,411	\$ 7,789
Investments	31	52,531
	\$ 6,442	\$ 60,320
Total Assets	\$ 6,442	\$ 60,320
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 48,132
 <u>FUND BALANCE</u>		
Restricted:		
Milfoil Eradication	6,442	12,188
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,442	\$ 60,320

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 500	\$ 4	\$ 1,596
<u>EXPENDITURES</u>			
Cultural and Recreation			
Office Supplies	\$ 500	\$ 50	\$ 180
Audit	500	450	450
Contracted Services	11,600	5,250	60,025
Total Expenditures	\$ 12,600	\$ 5,750	\$ 60,655
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,100)	\$ (5,746)	\$ (59,059)
<u>FUND BALANCE - Beginning of Year</u>	12,188	12,188	71,247
<u>FUND BALANCE - End of Year</u>	\$ 88	\$ 6,442	\$ 12,188

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:

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, 2011

	1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND
<u>ASSETS</u>				
Cash	\$ 0	\$ 782	\$ 562	\$ 1,104
Investments	0	0	123,824	0
Receivables				
Accrued Interest	0	0	1,072	0
Special Assessments				
Current	0	0	14,198	0
Deferred	0	0	0	0
Due from Other Funds	0	0	0	0
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 782</u>	<u>\$ 139,656</u>	<u>\$ 1,104</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 1,104
Deferred Revenues	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,104</u>
 <u>FUND BALANCES</u>				
Restricted:				
Debt Service	0	782	139,656	0
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 0</u>	<u>\$ 782</u>	<u>\$ 139,656</u>	<u>\$ 1,104</u>

1997 BUILDING AUTHORITY	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
\$ 1,084	\$ 3,301	\$ 1,383	\$ 39,017	\$ 1,930	\$ 49,163
0	90,636	0	0	0	214,460
0	2,550	0	1,401	0	5,023
0	2,725	0	10,000	0	26,923
0	8,051	0	14,807	0	22,858
0	0	1,104	948	0	2,052
<u>\$ 1,084</u>	<u>\$ 107,263</u>	<u>\$ 2,487</u>	<u>\$ 66,173</u>	<u>\$ 1,930</u>	<u>\$ 320,479</u>

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,104
0	8,051	0	14,807	0	22,858
\$ 0	\$ 8,051	\$ 0	\$ 14,807	\$ 0	\$ 23,962
1,084	99,212	2,487	51,366	1,930	296,517
<u>\$ 1,084</u>	<u>\$ 107,263</u>	<u>\$ 2,487</u>	<u>\$ 66,173</u>	<u>\$ 1,930</u>	<u>\$ 320,479</u>

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND
<u>REVENUES</u>				
Taxes and Special Assessments	\$ 0	\$ 0	\$ 15,289	\$ 0
Contributions from Local Units	0	0	0	0
Interest and Rents	90	0	4,092	0
Total Revenues	<u>\$ 90</u>	<u>\$ 0</u>	<u>\$ 19,381</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>				
Debt Service				
Principal Retirement	\$ 10,000	\$ 25,000	\$ 25,000	\$ 0
Interest and Fiscal Charges	582	987	2,065	0
Audit	600	450	600	0
Total Expenditures	<u>\$ 11,182</u>	<u>\$ 26,437</u>	<u>\$ 27,665</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,092)</u>	<u>\$ (26,437)</u>	<u>\$ (8,284)</u>	<u>\$ 0</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 0	\$ 22,700	\$ 0	\$ 0
Transfers Out	(69,046)	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (69,046)</u>	<u>\$ 22,700</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (80,138)</u>	<u>\$ (3,737)</u>	<u>\$ (8,284)</u>	<u>\$ 0</u>
<u>FUND BALANCES</u> - Beginning of Year	<u>80,138</u>	<u>4,519</u>	<u>147,940</u>	<u>0</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 0</u>	<u>\$ 782</u>	<u>\$ 139,656</u>	<u>\$ 0</u>

1997 BUILDING AUTHORITY	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
\$ 0	\$ 2,726	\$ 0	\$ 9,932	\$ 0	\$ 27,947
35,100	0	0	0	0	35,100
0	4,557	0	1,452	0	10,191
\$ 35,100	\$ 7,283	\$ 0	\$ 11,384	\$ 0	\$ 73,238
\$ 30,000	\$ 5,000	\$ 25,000	\$ 30,000	\$ 60,000	\$ 210,000
4,207	1,793	7,872	3,453	26,450	47,409
450	600	450	600	450	4,200
\$ 34,657	\$ 7,393	\$ 33,322	\$ 34,053	\$ 86,900	\$ 261,609
\$ 443	\$ (110)	\$ (33,322)	\$ (22,669)	\$ (86,900)	\$ (188,371)
\$ 0	\$ 0	\$ 34,000	\$ 69,046	\$ 87,400	\$ 213,146
0	0	0	0	0	(69,046)
\$ 0	\$ 0	\$ 34,000	\$ 69,046	\$ 87,400	\$ 144,100
\$ 443	\$ (110)	\$ 678	\$ 46,377	\$ 500	\$ (44,271)
641	99,322	1,809	4,989	1,430	340,788
\$ 1,084	\$ 99,212	\$ 2,487	\$ 51,366	\$ 1,930	\$ 296,517

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 4,927
Investments	0	63,292
Receivables		
Accrued Interest	0	702
Special Assessments - Current	0	11,217
	<hr/>	<hr/>
TOTAL ASSETS	\$ 0	\$ 80,138
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	0	80,138
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 80,138
	<hr/> <hr/>	<hr/> <hr/>

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 0	\$ 0	\$ 12,395
Interest and Rents			
Interest on Investments	0	32	83
Interest on Assessments	0	58	831
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 0	\$ 90	\$ 13,309
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 10,000	\$ 10,000	\$ 15,000
Interest and Fiscal Charges	900	582	1,285
Audit	600	600	600
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 11,500	\$ 11,182	\$ 16,885
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (11,500)	\$ (11,092)	\$ (3,576)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
2002 Special Assessment Debt Retirement Fund	(68,600)	(69,046)	0
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ (80,100)	\$ (80,138)	\$ (3,576)
<u>FUND BALANCE</u> - Beginning of Year	<hr/>	<hr/>	<hr/>
	80,138	80,138	83,714
<u>FUND BALANCE</u> - End of Year	<hr/>	<hr/>	<hr/>
	\$ 38	\$ 0	\$ 80,138

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 782	\$ 4,519
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	782	4,519
TOTAL LIABILITIES AND FUND BALANCE	\$ 782	\$ 4,519

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</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	1,300	987	2,063
Audit	400	450	450
Total Expenditures	<u>\$ 26,700</u>	<u>\$ 26,437</u>	<u>\$ 27,513</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,700)	\$ (26,437)	\$ (27,513)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	<u>22,700</u>	<u>22,700</u>	<u>28,000</u>
Net Change in Fund Balance	\$ (4,000)	\$ (3,737)	\$ 487
<u>FUND BALANCE</u> - Beginning of Year	<u>4,519</u>	<u>4,519</u>	<u>4,032</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 519</u>	<u>\$ 782</u>	<u>\$ 4,519</u>

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 562	\$ 1,727
Investments	123,824	130,624
Receivables		
Accrued Interest	1,072	1,909
Special Assessments - Current	14,198	13,680
Special Assessments - Deferred	0	15,194
TOTAL ASSETS	\$ 139,656	\$ 163,134
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 0	\$ 15,194
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	139,656	147,940
TOTAL LIABILITIES AND FUND BALANCE	\$ 139,656	\$ 163,134

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 14,000	\$ 15,289	\$ 14,069
Interest and Rents			
Interest on Investments	2,500	3,200	3,343
Interest on Assessments	900	892	1,717
Total Revenues	\$ 17,400	\$ 19,381	\$ 19,129
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	2,500	2,065	3,415
Audit	600	600	600
Total Expenditures	\$ 28,100	\$ 27,665	\$ 29,015
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (10,700)	\$ (8,284)	\$ (9,886)
<u>FUND BALANCE</u> - Beginning of Year	147,940	147,940	157,826
<u>FUND BALANCE</u> - End of Year	\$ 137,240	\$ 139,656	\$ 147,940

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 1,104	\$ 1,104
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,104	\$ 1,104
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	0	0
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,104	\$ 1,104
	<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>2011</u>	<u>2010</u>
<u>REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 0	\$ 0
Interest and Fiscal Charges	0	0
Audit	0	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
2000 Michigan Transportation Fund	\$ 0	\$ (1,104)
Net Change in Fund Balance	\$ 0	\$ (1,104)
<u>FUND BALANCE - Beginning of Year</u>	<u>0</u>	<u>1,104</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 1,084	\$ 641
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	1,084	641
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,084	\$ 641

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Contributions from Local Units	\$ 35,100	\$ 35,100	\$ 31,300
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 25,000
Interest and Fiscal Charges	4,700	4,207	5,618
Audit	400	450	450
Total Expenditures	\$ 35,100	\$ 34,657	\$ 31,068
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 0	\$ 443	\$ 232
<u>FUND BALANCE</u> - Beginning of Year	641	641	409
<u>FUND BALANCE</u> - End of Year	\$ 641	\$ 1,084	\$ 641

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 3,301	\$ 337
Investments	90,636	97,743
Receivables		
Accrued Interest	2,550	2,708
Special Assessments - Current	2,725	2,726
Special Assessments - Deferred	8,051	10,776
TOTAL ASSETS	\$ 107,263	\$ 114,290
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 4,192
Deferred Revenues	8,051	10,776
Total Liabilities	8,051	14,968
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	99,212	99,322
TOTAL LIABILITIES AND FUND BALANCE	\$ 107,263	\$ 114,290

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 2,800	\$ 2,726	\$ 2,726
Interest and Rents			
Interest on Investments	1,000	3,847	3,858
Interest on Assessments	700	710	930
Total Revenues	<u>\$ 4,500</u>	<u>\$ 7,283</u>	<u>\$ 7,514</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 5,000	\$ 5,000	\$ 20,000
Interest and Fiscal Charges	2,300	1,793	2,475
Audit	600	600	600
Total Expenditures	<u>\$ 7,900</u>	<u>\$ 7,393</u>	<u>\$ 23,075</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,400)	\$ (110)	\$ (15,561)
<u>FUND BALANCE</u> - Beginning of Year	<u>99,322</u>	<u>99,322</u>	<u>114,883</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 95,922</u>	<u>\$ 99,212</u>	<u>\$ 99,322</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 1,383	\$ 705
Due from Other Funds	1,104	1,104
	\$ 2,487	\$ 1,809
TOTAL ASSETS	\$ 2,487	\$ 1,809
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	2,487	1,809
	2,487	1,809
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,487	\$ 1,809

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	8,500	7,872	9,541
Audit	500	450	450
Total Expenditures	<u>\$ 34,000</u>	<u>\$ 33,322</u>	<u>\$ 34,991</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (34,000)</u>	<u>\$ (33,322)</u>	<u>\$ (34,991)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1997 Michigan Transportation Fund	\$ 0	\$ 0	\$ 1,104
Local Street Fund	34,000	34,000	35,000
Total Other Financing Sources (Uses)	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>\$ 36,104</u>
Net Change in Fund Balance	\$ 0	\$ 678	\$ 1,113
<u>FUND BALANCE</u> - Beginning of Year	<u>1,809</u>	<u>1,809</u>	<u>696</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,809</u>	<u>\$ 2,487</u>	<u>\$ 1,809</u>

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 39,017	\$ 2,143
Receivables		
Accrued Interest	1,401	1,962
Special Assessments - Current	10,000	10,133
Special Assessments - Deferred	14,807	24,927
Due from Other Funds	948	1,011
	<u>\$ 66,173</u>	<u>\$ 40,176</u>
 TOTAL ASSETS	\$ 66,173	\$ 40,176
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 10,260
Deferred Revenue	14,807	24,927
	<u>\$ 14,807</u>	<u>\$ 35,187</u>
Total Liabilities	\$ 14,807	\$ 35,187
 <u>FUND BALANCE</u>		
Restricted:		
Debt Service	51,366	4,989
	<u>\$ 66,173</u>	<u>\$ 40,176</u>
 TOTAL LIABILITIES AND FUND BALANCE	\$ 66,173	\$ 40,176

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 10,700	\$ 9,932	\$ 12,889
Interest and Rents			
Interest on Assessments	2,100	1,452	2,135
	<u>\$ 12,800</u>	<u>\$ 11,384</u>	<u>\$ 15,024</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 30,000
Interest and Fiscal Charges	4,000	3,453	4,742
Audit	600	600	600
	<u>\$ 34,600</u>	<u>\$ 34,053</u>	<u>\$ 35,342</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (21,800)</u>	<u>\$ (22,669)</u>	<u>\$ (20,318)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1992 Special Assessment Debt Retirement Fund	\$ 0	\$ 0	\$ 223
1993 Special Assessment Debt Retirement Fund	0	0	565
1996 Special Assessment Debt Retirement Fund	68,600	69,046	0
	<u>\$ 68,600</u>	<u>\$ 69,046</u>	<u>\$ 788</u>
Net Change in Fund Balance	<u>\$ 46,800</u>	<u>\$ 46,377</u>	<u>\$ (19,530)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>4,989</u>	<u>4,989</u>	<u>24,519</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 51,789</u>	<u>\$ 51,366</u>	<u>\$ 4,989</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 1,930	\$ 1,430
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted:		
Debt Service	1,930	1,430
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 1,930	\$ 1,430

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 60,000	\$ 60,000	\$ 60,000
Interest and Fiscal Charges	27,000	26,450	28,265
Audit	400	450	450
Total Expenditures	<u>\$ 87,400</u>	<u>\$ 86,900</u>	<u>\$ 88,715</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (87,400)</u>	<u>\$ (86,900)</u>	<u>\$ (88,715)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Major Street Fund	\$ 18,300	\$ 18,300	\$ 19,000
Local Street Fund	69,100	69,100	70,100
Total Other Financing Sources (Uses)	<u>\$ 87,400</u>	<u>\$ 87,400</u>	<u>\$ 89,100</u>
Net Change in Fund Balance	\$ 0	\$ 500	\$ 385
<u>FUND BALANCE</u> - Beginning of Year	<u>1,430</u>	<u>1,430</u>	<u>1,045</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 1,430</u></u>	<u><u>\$ 1,930</u></u>	<u><u>\$ 1,430</u></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, 2011

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	TOTALS
<u>ASSETS</u>			
Cash	\$ 42,177	\$ 179,162	\$ 221,339
Investments	413,416	0	413,416
Receivables			
Accrued Interest	489	9,895	10,384
Special Assessments - Current	0	41,834	41,834
Special Assessments - Deferred	0	141,163	141,163
 TOTAL ASSETS	 \$ 456,082	 \$ 372,054	 \$ 828,136
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 948	\$ 948
Deferred Revenues	0	141,163	141,163
 Total Liabilities	 \$ 0	 \$ 142,111	 \$ 142,111
<u>FUND BALANCES</u>			
Assigned for:			
Industrial Development	\$ 456,082	\$ 0	\$ 456,082
Restricted for:			
Special Assessment Project Construction	0	229,943	229,943
 Total Fund Balance	 \$ 456,082	 \$ 229,943	 \$ 686,025
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 456,082	 \$ 372,054	 \$ 828,136

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	TOTALS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 46,235	\$ 46,235
Interest and Rents	4,124	10,476	14,600
 Total Revenues	 \$ 4,124	 \$ 56,711	 \$ 60,835
<u>EXPENDITURES</u>			
Capital Outlay	\$ 2,515	\$ 1,300	\$ 3,815
Debt Service	17,721	0	17,721
 Total Expenditures	 \$ 20,236	 \$ 1,300	 \$ 21,536
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (16,112)	 \$ 55,411	 \$ 39,299
<u>FUND BALANCES</u> - Beginning of Year	472,194	174,532	646,726
<u>FUND BALANCES</u> - End of Year	\$ 456,082	\$ 229,943	\$ 686,025

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 42,177	\$ 39,115
Investments	413,416	433,079
Accrued Interest Receivable	489	0
	\$ 456,082	\$ 472,194
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Assigned for Industrial Development	456,082	472,194
	\$ 456,082	\$ 472,194
	\$ 456,082	\$ 472,194

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

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

YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 8,000	\$ 4,124	\$ 687
Other Revenue			
Sale of Property	35,000	0	0
	<u>\$ 43,000</u>	<u>\$ 4,124</u>	<u>\$ 687</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Contracted Services	\$ 16,000	\$ 250	\$ 296
Fees and Commissions	3,500	0	0
Property Taxes	3,100	1,665	1,665
Audit	800	600	600
Debt Service			
Principal Payments	17,800	17,721	17,721
	<u>\$ 41,200</u>	<u>\$ 20,236</u>	<u>\$ 20,282</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 1,800	\$ (16,112)	\$ (19,595)
<u>FUND BALANCE</u> - Beginning of Year	<u>472,194</u>	<u>472,194</u>	<u>491,789</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 473,994</u>	<u>\$ 456,082</u>	<u>\$ 472,194</u>

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 179,162	\$ 116,755
Receivables		
Accrued Interest	9,895	12,381
Special Assessments - Current	41,834	45,619
Special Assessments - Deferred	141,163	186,754
	<hr/>	<hr/>
TOTAL ASSETS	\$ 372,054	\$ 361,509
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 948	\$ 223
Deferred Revenues	141,163	186,754
	<hr/>	<hr/>
Total Liabilities	\$ 142,111	\$ 186,977
 <u>FUND BALANCE</u>		
Restricted for Special Assessment Project Construction	229,943	174,532
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 372,054	\$ 361,509
	<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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 44,000	\$ 46,235	\$ 60,074
Interest and Rents			
Interest on Assessments	10,000	10,361	13,123
Interest on Investments	500	115	42
Total Revenues	<u>\$ 54,500</u>	<u>\$ 56,711</u>	<u>\$ 73,239</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Audit	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ 1,200</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 53,200	\$ 55,411	\$ 72,039
<u>FUND BALANCE - Beginning of Year</u>	<u>174,532</u>	<u>174,532</u>	<u>102,493</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 227,732</u>	<u>\$ 229,943</u>	<u>\$ 174,532</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, 2011

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 88,567	\$ 78,066	\$ 166,633
Investments	436,165	510,116	946,281
TOTAL ASSETS	<u>\$ 524,732</u>	<u>\$ 588,182</u>	<u>\$ 1,112,914</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>FUND BALANCES</u>			
Nonspendable:			
Trust Funds	\$ 245,000	\$ 0	\$ 245,000
Capital Projects Endowment	0	511,666	511,666
Restricted for:			
Cemetery Perpetual Care	279,732	0	279,732
Capital Projects	0	76,516	76,516
Total Fund Balances	<u>\$ 524,732</u>	<u>\$ 588,182</u>	<u>\$ 1,112,914</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 524,732</u>	<u>\$ 588,182</u>	<u>\$ 1,112,914</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 15,048	\$ 23,804	\$ 38,852
Gain (Loss) on Investments	54,003	(16,502)	37,501
Other Revenues	8,312	0	8,312
	<hr/>		
Total Revenues	\$ 77,363	\$ 7,302	\$ 84,665
 <u>EXPENDITURES</u>			
General Government			
Audit	1,000	450	1,450
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 76,363	\$ 6,852	\$ 83,215
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)			
Major Street Fund	0	(20,000)	(20,000)
	<hr/>		
Net Change in Fund Balance	\$ 76,363	\$ (13,148)	\$ 63,215
 <u>FUND BALANCES</u> - Beginning of Year	 448,369	 601,330	 1,049,699
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 524,732	\$ 588,182	\$ 1,112,914
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 88,567	\$ 81,197
Investments	436,165	367,172
	\$ 524,732	\$ 448,369
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
 <u>FUND BALANCE</u>		
Nonspendable, Trust Funds	245,000	245,000
Restricted for Cemetery Perpetual Care	279,732	203,369
	524,732	448,369
	\$ 524,732	\$ 448,369

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

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

	2011	2010
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 15,048	\$ 11,318
Gain (Loss) on Investments	54,003	29,049
Other Revenue		
Perpetual Care of Lots	8,312	7,925
Total Revenues	\$ 77,363	\$ 48,292
 <u>EXPENDITURES</u>		
General Government		
Audit	1,000	1,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 76,363	\$ 47,292
 <u>FUND BALANCE</u> - Beginning of Year	 448,369	 401,077
 <u>FUND BALANCE</u> - End of Year	 \$ 524,732	 \$ 448,369

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 78,066	\$ 47,021
Investments	510,116	554,309
	<hr/>	<hr/>
TOTAL ASSETS	\$ 588,182	\$ 601,330
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
	<hr/>	<hr/>
	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Nonspendable, Capital Projects Endowment	511,666	511,666
Restricted for Capital Projects	76,516	89,664
	<hr/>	<hr/>
Total Fund Balances	588,182	601,330
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 588,182	\$ 601,330
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

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

	<u>2011</u>	<u>2010</u>
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 23,804	\$ 19,704
Gain (Loss) on Investments	(16,502)	36,564
	<hr/>	<hr/>
Total Revenues	\$ 7,302	\$ 56,268
 <u>EXPENDITURES</u>		
General Government		
Audit	450	450
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,852	\$ 55,818
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Major Street Fund	(20,000)	0
	<hr/>	<hr/>
Net Change in Fund Balance	\$ (13,148)	\$ 55,818
 <u>FUND BALANCE</u> - Beginning of Year	<hr/> 601,330	<hr/> 545,512
 <u>FUND BALANCE</u> - End of Year	<hr/> <hr/> \$ 588,182	<hr/> <hr/> \$ 601,330

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>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 43,646	\$ 88,680
Investments	125,781	81,107
Accrued Interest Receivable	216	0
Prepaid Expense	5	7
	<hr/>	<hr/>
Total Current Assets	\$ 169,648	\$ 169,794
 <u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 249,221	\$ 249,221
Land Improvements	561,820	561,820
	<hr/>	<hr/>
	\$ 811,041	\$ 811,041
Less Accumulated Depreciation	234,274	217,520
	<hr/>	<hr/>
Net Capital Assets	\$ 576,767	\$ 593,521
	<hr/>	<hr/>
TOTAL ASSETS	\$ 746,415	\$ 763,315
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Other Accrued Expenses	\$ 110	\$ 141
	<hr/>	<hr/>
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 576,767	\$ 593,521
Unrestricted	169,538	169,653
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 746,305	\$ 763,174
	<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,

	2011	2010
<u>OPERATING REVENUES</u>		
Charges for Services		
Parking Lot Assessments	\$ 33,327	\$ 44,598
Parking Violations	1,564	1,120
Courtesy Parking	1,373	1,510
	\$ 36,264	\$ 47,228
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,995	\$ 3,002
Employee Benefits	1,690	1,692
Office Supplies	236	248
Audit	600	600
Data Processing	3,000	3,000
Depreciation	16,754	16,754
Snow Removal		
Personal Services	6,830	3,972
Employee Benefits	3,085	1,866
Operating Supplies	60	18
Equipment Rental	18,987	15,296
Lot Maintenance		
Personal Services	48	0
Employee Benefits	21	0
Operating Supplies	13	169
Equipment Rental	25	0
	\$ 54,344	\$ 46,617
Operating Income (Loss)	\$ (18,080)	\$ 611
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	1,211	1,255
	\$ (16,869)	\$ 1,866
<u>TOTAL NET ASSETS - Beginning of Year</u>	763,174	761,308
<u>TOTAL NET ASSETS - End of Year</u>	\$ 746,305	\$ 763,174

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 36,264	\$ 47,228
Cash Payments to Suppliers for Goods and Services	(27,715)	(22,860)
Cash Payments to Employees for Services	(9,904)	(6,916)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (1,355)	\$ 17,452
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 995	\$ 1,255
Purchase of Investment Securities	(44,674)	(1,046)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (43,679)	\$ 209
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (45,034)	\$ 17,661
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	88,680	71,019
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 43,646	\$ 88,680
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (18,080)	\$ 611
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 16,754	\$ 16,754
(Increase) Decrease in Current Assets		
Prepaid Expense	2	29
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	(31)	58
Total Adjustments	\$ 16,725	\$ 16,841
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,355)</u>	<u>\$ 17,452</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, 2011

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>INFORMATION TECHNOLOGY</u>
<u>ASSETS</u>		
Cash	\$ 3,066	\$ 76,561
Investments	0	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	8,212	0
Accrued Interest	0	0
Due from Other Funds	15,995	0
Inventory, At Cost	78,328	0
Prepaid Expenses	26,286	306
Capital Assets (Net of Accumulated Depreciation)	724,243	274,593
TOTAL ASSETS	\$ 856,130	\$ 351,460
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,413	\$ 8,120
Accrued Interest Payable	18,616	0
Other Accrued Expenses	48,226	2,171
Total Current Liabilities	\$ 82,255	\$ 10,291
<u>LONG-TERM LIABILITIES</u>		
Advance from Other Funds	350,000	0
TOTAL LIABILITIES	\$ 432,255	\$ 10,291
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 724,243	\$ 274,593
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted (Deficit)	(300,368)	66,576
TOTAL NET ASSETS	\$ 423,875	\$ 341,169

SELF- INSURANCE	SAFETY	TOTALS
\$ 38,881	\$ 2,634	\$ 121,142
1,238,360	0	1,238,360
0	0	8,212
6,470	0	6,470
0	0	15,995
0	0	78,328
63,948	0	90,540
0	0	998,836
<hr/>		
\$ 1,347,659	\$ 2,634	\$ 2,557,883
<hr/>		
\$ 129,125	\$ 969	\$ 153,627
0	0	18,616
0	0	50,397
<hr/>		
\$ 129,125	\$ 969	\$ 222,640
<hr/>		
0	0	350,000
<hr/>		
\$ 129,125	\$ 969	\$ 572,640
<hr/>		
\$ 0	\$ 0	\$ 998,836
186,366	0	186,366
1,032,168	0	1,032,168
0	1,665	(232,127)
<hr/>		
\$ 1,218,534	\$ 1,665	\$ 1,985,243
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2011

	CENTRAL STORES AND MUNICIPAL GARAGE	INFORMATION TECHNOLOGY
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 547,269	\$ 291,800
Other Revenue	0	0
	<hr/>	
Total Operating Revenues	\$ 547,269	\$ 291,800
<hr/>		
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 210,659	\$ 8,562
Contractual Services	57,654	150,573
Supplies	123,335	6,712
Utilities	22,189	340
Depreciation	119,745	67,170
Employee Benefits	80,540	5,161
Benefit Payments	0	0
Equipment Rental	6,978	0
Administrative	30,100	28,600
	<hr/>	
Total Operating Expenses	\$ 651,200	\$ 267,118
<hr/>		
Operating Income (Loss)	\$ (103,931)	\$ 24,682
<hr/>		
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 1,706	\$ 0
Interest Revenue	2	10
Interest Expense	(18,616)	0
	<hr/>	
Total Nonoperating Revenues (Expenses)	\$ (16,908)	\$ 10
<hr/>		
Changes In Net Assets	\$ (120,839)	\$ 24,692
<hr/>		
<u>TOTAL NET ASSETS</u> - Beginning of Year	544,714	316,477
<hr/>		
<u>TOTAL NET ASSETS</u> - End of Year	\$ 423,875	\$ 341,169
<hr/>		

SELF- INSURANCE	SAFETY	TOTALS
\$ 863,472	\$ 0	\$ 1,702,541
76,410	0	76,410
<hr/>		
\$ 939,882	\$ 0	\$ 1,778,951
<hr/>		
\$ 0	\$ 3,248	\$ 222,469
39,620	1,563	249,410
0	1,727	131,774
0	0	22,529
0	0	186,915
0	0	85,701
960,771	0	960,771
0	0	6,978
0	0	58,700
<hr/>		
\$ 1,000,391	\$ 6,538	\$ 1,925,247
<hr/>		
\$ (60,509)	\$ (6,538)	\$ (146,296)
<hr/>		
\$ 0	\$ 0	1,706
25,728	4	25,744
0	0	(18,616)
<hr/>		
\$ 25,728	\$ 4	\$ 8,834
<hr/>		
\$ (34,781)	\$ (6,534)	\$ (137,462)
<hr/>		
1,253,315	8,199	2,122,705
<hr/>		
\$ 1,218,534	\$ 1,665	\$ 1,985,243
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

	<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	\$ 563,811	\$ 291,800
Cash Payments to Suppliers for Goods and Services	(315,039)	(184,265)
Cash Payments to Employees for Services	(227,477)	(8,579)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 21,295	\$ 98,956
	<hr/>	<hr/>
Cash Flows from Capital and Related		
Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (72,048)	\$ (32,777)
Proceeds from Sales of Capital Assets	4,592	0
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and	\$ (67,456)	\$ (32,777)
Related Financing Activities	<hr/>	<hr/>
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 2	\$ 10
Proceeds from Sale and Maturities of Investment Securities	357	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 359	\$ 10
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (45,802)	\$ 66,189
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	48,868	10,372
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 3,066	\$ 76,561
	<hr/> <hr/>	<hr/> <hr/>

SELF- INSURANCE	SAFETY	TOTALS
\$ 940,157	\$ 0	\$ 1,795,768
(976,540)	(2,321)	(1,478,165)
0	(3,248)	(239,304)
<hr/>		
\$ (36,383)	\$ (5,569)	\$ 78,299
<hr/>		
\$ 0	\$ 0	\$ (104,825)
0	0	4,592
<hr/>		
\$ 0	\$ 0	\$ (100,233)
<hr/>		
\$ 25,098	\$ 4	\$ 25,114
29,223	0	29,580
<hr/>		
\$ 54,321	\$ 4	\$ 54,694
<hr/>		
\$ 17,938	\$ (5,565)	\$ 32,760
20,943	8,199	88,382
<hr/>		
\$ 38,881	\$ 2,634	\$ 121,142
<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

	<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)	\$ (103,931)	\$ 24,682
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 119,745	\$ 67,170
(Increase) Decrease in Current Assets		
Accounts Receivable	6,827	0
Due from Other Funds	9,715	0
Inventory	15,548	0
Prepaid Expense	(9,224)	(296)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(567)	7,417
Other Accrued Expenses	(16,818)	(17)
Due to Other Funds	0	0
Total Adjustments	<u>\$ 125,226</u>	<u>\$ 74,274</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 21,295</u></u>	<u><u>\$ 98,956</u></u>

SELF- INSURANCE	SAFETY	TOTALS
\$ (60,509)	\$ (6,538)	\$ (146,296)
\$ 0	\$ 0	\$ 186,915
275	0	7,102
0	0	9,715
0	0	15,548
(63,948)	0	(73,468)
87,799	0	94,649
0	0	(16,835)
0	969	969
\$ 24,126	\$ 969	\$ 224,595
\$ (36,383)	\$ (5,569)	\$ 78,299

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 3,066	\$ 48,868
Investments	0	357
Receivables		
Accounts	8,212	15,039
Due from Other Funds	15,995	25,710
Inventory, At Cost	78,328	93,876
Prepaid Expense	26,286	17,062
	\$ 131,887	\$ 200,912
Total Current Assets		
<u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 93,971	\$ 93,971
Buildings	478,181	478,181
Machinery and Equipment	1,663,111	1,667,709
	\$ 2,235,263	\$ 2,239,861
Less Accumulated Depreciation	1,511,020	1,465,035
Net Capital Assets	\$ 724,243	\$ 774,826
TOTAL ASSETS	\$ 856,130	\$ 975,738

	<u>2011</u>	<u>2010</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,413	\$ 15,980
Accrued Interest Payable	18,616	0
Other Accrued Expenses	48,226	65,044
Total Current Liabilities	\$ 82,255	\$ 81,024
 <u>LONG-TERM LIABILITIES</u>		
Advance from Other Funds	350,000	350,000
TOTAL LIABILITIES	\$ 432,255	\$ 431,024
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 724,243	\$ 774,826
Unrestricted (Deficit)	(300,368)	(230,112)
TOTAL NET ASSETS	\$ 423,875	\$ 544,714

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,

	2011	2010
<u>OPERATING REVENUES</u>		
Charges for Services		
Services and Materials	\$ 27,290	\$ 55,900
Equipment Rentals	519,979	573,582
Other Revenue	0	70
Total Operating Revenues	\$ 547,269	\$ 629,552
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 202,396	\$ 169,438
Employee Benefits	76,709	118,426
Operating Supplies	121,087	111,224
Audit	2,550	2,550
Data Processing	13,500	13,500
Insurance	13,577	21,000
Property Taxes	2,000	2,350
Travel and Education	1,825	290
Utilities	22,189	18,334
Equipment Maintenance	20,611	17,883
Equipment Rental	404	488
Depreciation	119,745	122,994
Outside Work		
Salaries and Wages	8,263	6,599
Employee Benefits	3,831	3,286
Contractual Services	252	422
Operating Supplies	2,248	3,850
Equipment Maintenance	3,339	1,256
Equipment Rental	6,574	5,979
Administrative	30,100	30,100
Total Operating Expenses	\$ 651,200	\$ 649,969
Operating Income (Loss)	\$ (103,931)	\$ (20,417)

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>2011</u>	<u>2010</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Gain on Sale of Capital Assets	\$ 1,706	\$ 2,398
Interest Revenue	2	36
Interest Expense	(18,616)	(21,276)
Total Nonoperating Revenues (Expenses)	\$ (16,908)	\$ (18,842)
Change in Net Assets	\$ (120,839)	\$ (39,259)
<u>TOTAL NET ASSETS</u> - Beginning of Year	544,714	583,973
<u>TOTAL NET ASSETS</u> - End of Year	\$ 423,875	\$ 544,714

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2011	2010
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 563,811	\$ 645,067
Cash Payments to Suppliers for Goods and Services	(315,039)	(347,648)
Cash Payments to Employees for Services	(227,477)	(171,534)
Other Operating Revenues	0	70
	\$ 21,295	\$ 125,955
Cash Flows from Capital and Related Financing Activities		
Payment on Advance	\$ 0	\$ (50,000)
Interest Paid	0	(28,238)
Acquisition and Construction of Capital Assets	(72,048)	(72,988)
Proceeds from Sales of Capital Assets	4,592	2,398
	\$ (67,456)	\$ (148,828)
Cash Flows from Investing Activities:		
Interest Received	\$ 2	\$ 36
Proceeds from Sale and Maturities of Investment Securities	357	0
	\$ 359	\$ 36
Net Cash Provided (Used) By Investing Activities	\$ 359	\$ 36
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (45,802)	\$ (22,837)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	48,868	71,705
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 3,066	\$ 48,868

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2011	2010
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (103,931)	\$ (20,417)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 119,745	\$ 122,994
(Increase) Decrease in Current Assets		
Accounts Receivable	6,827	165
Due from Other Funds	9,715	15,420
Inventory	15,548	(8,962)
Prepaid Expense	(9,224)	4,481
Increase (Decrease) in Current Liabilities		
Accounts Payable	(567)	7,771
Accrued Expenses	(16,818)	4,503
Total Adjustments	\$ 125,226	\$ 146,372
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 21,295	 \$ 125,955

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 76,561	\$ 10,372
Prepaid Expense	306	10
Total Current Assets	<u>\$ 76,867</u>	<u>\$ 10,382</u>
 <u>CAPITAL ASSETS</u>		
Furniture, Fixtures and Equipment	\$ 972,977	\$ 940,200
Less Accumulated Depreciation	698,384	631,214
Net Capital Assets	<u>\$ 274,593</u>	<u>\$ 308,986</u>
TOTAL ASSETS	<u>\$ 351,460</u>	<u>\$ 319,368</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 8,120	\$ 703
Other Accrued Expenses	2,171	2,188
TOTAL LIABILITIES	<u>\$ 10,291</u>	<u>\$ 2,891</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 274,593	\$ 308,986
Unrestricted	66,576	7,491
TOTAL NET ASSETS	<u>\$ 341,169</u>	<u>\$ 316,477</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

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

	<u>2011</u>	<u>2010</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 291,800	\$ 295,800
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 8,562	\$ 8,431
Employee Benefits	5,161	5,572
Audit	600	600
Insurance	194	300
Computer Programming	149,286	161,765
Telephone	340	2,262
Travel and Education	52	1,515
Office Supplies	6,712	5,349
Depreciation	67,170	70,356
Repairs and Maintenance	441	2,085
Administrative	28,600	28,600
Total Operating Expenses	\$ 267,118	\$ 286,835
Operating Income (Loss)	\$ 24,682	\$ 8,965
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 10	\$ 6
Gain on Sale of Capital Assets	0	1,589
Total Nonoperating Revenues (Expenses)	\$ 10	\$ 1,595
Change In Net Assets	\$ 24,692	\$ 10,560
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>316,477</u>	<u>305,917</u>
<u>TOTAL NET ASSETS - End of Year</u>	<u>\$ 341,169</u>	<u>\$ 316,477</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2011	2010
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 291,800	\$ 295,800
Cash Payments to Suppliers for Goods and Services	(184,265)	(258,755)
Cash Payments to Employees for Services	(8,579)	(8,248)
	\$ 98,956	\$ 28,797
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (32,777)	\$ (21,544)
Proceeds from Sales of Capital Assets	0	1,589
	\$ (32,777)	\$ (19,955)
Cash Flows from Investing Activities:		
Interest Received	\$ 10	\$ 6
	\$ 66,189	\$ 8,848
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	10,372	1,524
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 76,561	\$ 10,372

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2011	2010
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 24,682	\$ 8,965
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 67,170	\$ 70,356
(Increase) Decrease in Current Assets		
Prepaid Expense	(296)	27
Increase (Decrease) in Current Liabilities		
Accounts Payable	7,417	(734)
Other Accrued Expenses	(17)	183
Due to Other Funds	0	(50,000)
Total Adjustments	\$ 74,274	\$ 19,832
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	\$ 98,956	\$ 28,797

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 38,881	\$ 20,943
Investments	1,238,360	1,267,583
Receivables		
Accounts	0	275
Accrued Interest	6,470	5,840
Prepaid Expenses	63,948	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,347,659	\$ 1,294,641
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 129,125	\$ 41,326
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Restricted for:		
Retirees' Life Insurance	\$ 186,366	\$ 188,866
Employees' Life and Health Insurance	1,032,168	1,064,449
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 1,218,534	\$ 1,253,315
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

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

YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Employer Contributions	\$ 863,472	\$ 863,447
Other Revenue	76,410	74,482
Total Operating Revenues	<u>\$ 939,882</u>	<u>\$ 937,929</u>
<u>OPERATING EXPENSES</u>		
Contractual Services		
Administration	\$ 39,620	\$ 23,832
Benefit Payments		
Insurance Premiums	679,133	511,440
Medical Claims	166,638	308,177
Other Benefits	115,000	160,000
Total Operating Expenses	<u>\$ 1,000,391</u>	<u>\$ 1,003,449</u>
Operating Income (Loss)	\$ (60,509)	\$ (65,520)
<u>NONOPERATING REVENUES</u>		
Interest Revenue	25,728	34,249
Change in Net Assets	\$ (34,781)	\$ (31,271)
<u>TOTAL NET ASSETS</u> - Beginning of Year	<u>1,253,315</u>	<u>1,284,586</u>
<u>TOTAL NET ASSETS</u> - End of Year	<u><u>\$ 1,218,534</u></u>	<u><u>\$ 1,253,315</u></u>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 940,157	\$ 944,231
Cash Payments to Suppliers for Goods and Services	(976,540)	(989,661)
Net Cash Provided (Used) by Operating Activities	<u>\$ (36,383)</u>	<u>\$ (45,430)</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 25,098	\$ 38,382
Purchase of Investment Securities	0	(14,426)
Proceeds from Sale and Maturities of Investment Securities	29,223	0
Net Cash Provided (Used) by Investing Activities	<u>\$ 54,321</u>	<u>\$ 23,956</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 17,938	\$ (21,474)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>20,943</u>	<u>42,417</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 38,881</u>	<u>\$ 20,943</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ (60,509)</u>	<u>\$ (65,520)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	\$ 275	\$ 6,302
Prepaid Expenses	(63,948)	0
Increase (Decrease) in Current Liabilities		
Accounts Payable	87,799	13,788
Total Adjustments	<u>\$ 24,126</u>	<u>\$ 20,090</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (36,383)</u>	<u>\$ (45,430)</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 2,634	\$ 8,199
<u>LIABILITIES</u>		
Accounts Payable	969	0
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 1,665</u>	<u>\$ 8,199</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

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

	<u>2011</u>	<u>2010</u>
<u>OPERATING REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 2,836	\$ 0
Employee Benefits	412	0
Operating Supplies	1,727	3,281
Dues and Publications	433	138
Audit	450	450
Travel and Education	680	755
	<hr/>	<hr/>
Total Operating Expenses	\$ 6,538	\$ 4,624
	<hr/>	<hr/>
Operating Income (Loss)	\$ (6,538)	\$ (4,624)
	<hr/>	<hr/>
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Revenue	4	11
	<hr/>	<hr/>
Change in Net Assets	\$ (6,534)	\$ (4,613)
	<hr/>	<hr/>
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>8,199</u>	<u>12,812</u>
	<hr/>	<hr/>
<u>TOTAL NET ASSETS - End of Year</u>	<u>\$ 1,665</u>	<u>\$ 8,199</u>
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Payments to Suppliers for Goods and Services	\$ (2,321)	\$ (5,154)
Cash Payments to Employees for Services	(3,248)	0
Net Cash Provided (Used) by Operating Activities	\$ (5,569)	\$ (5,154)
Cash Flows from Investing Activities		
Interest Received	4	11
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (5,565)	\$ (5,143)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>8,199</u>	<u>13,342</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 2,634</u>	<u>\$ 8,199</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (6,538)	\$ (4,624)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Accounts Payable	969	(530)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (5,569)</u>	<u>\$ (5,154)</u>

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,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 562,600	\$ 112,968
Investments		
Mutual Funds	0	1,870
Municipal Employees' Retirement System	7,084,715	5,830,992
Due from Other Funds	53,375	44,499
 TOTAL ASSETS	 \$ 7,700,690	 \$ 5,990,329
 <u>LIABILITIES</u>	 \$ 0	 \$ 0
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 7,700,690	\$ 5,990,329

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

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

	<u>2011</u>	<u>2010</u>
<u>ADDITIONS</u>		
Contributions		
Employer	\$ 1,051,479	\$ 504,691
Employee	46,839	46,413
Total Contributions	<u>\$ 1,098,318</u>	<u>\$ 551,104</u>
Investment Income		
Interest and Dividend Income	\$ 161	\$ 226
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	1,283,435	604,755
Investment Expenses	(29,712)	(26,186)
Net Investment Income (Loss)	<u>\$ 1,253,884</u>	<u>\$ 578,795</u>
Total Additions (Deletions)	<u>\$ 2,352,202</u>	<u>\$ 1,129,899</u>
<u>DEDUCTIONS</u>		
Benefit Payments		
Retirement	\$ 631,266	\$ 585,552
Administrative Expenses		
Contracted Services		
Actuarial Fees	10,575	12,025
Total Deductions	<u>\$ 641,841</u>	<u>\$ 597,577</u>
Net Increase (Decrease) in Plan Assets	\$ 1,710,361	\$ 532,322
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of Year	<u>5,990,329</u>	<u>5,458,007</u>
End of Year	<u>\$ 7,700,690</u>	<u>\$ 5,990,329</u>

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, 2011

	<u>BALANCE</u>			<u>BALANCE</u>
	<u>7/1/2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>6/30/2011</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ 50,777	\$ 8,316,522	\$ 8,317,141	\$ 50,158
Due from Other Governments	17,660	16,298	13,370	20,588
Total Assets	<u>\$ 68,437</u>	<u>\$ 8,332,820</u>	<u>\$ 8,330,511</u>	<u>\$ 70,746</u>
<u>LIABILITIES</u>				
Due to Other Governments	\$ 40,986	\$ 8,327,334	\$ 8,303,060	\$ 65,260
Due to Other Funds	27,451	5,486	27,451	5,486
Total Liabilities	<u>\$ 68,437</u>	<u>\$ 8,332,820</u>	<u>\$ 8,330,511</u>	<u>\$ 70,746</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, 2011

	<u>MAJOR</u>	<u>TOTAL NONMAJOR COMPONENT</u>	
	<u>L.D.F.A.</u>	<u>UNITS</u>	<u>TOTALS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 219,980	\$ 289,362	\$ 509,342
Investments	2,374,776	0	2,374,776
Receivables			
Accounts	3,522	60	3,582
Taxes	0	113	113
Accrued Interest	12,577	0	12,577
Due from Other Governments	0	26,552	26,552
Prepaid Expenditures	0	86	86
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT ASSETS	\$ 2,610,855	\$ 316,173	\$ 2,927,028
<u>CAPITAL ASSETS</u>			
Investment in System	\$ 226,767	\$ 0	\$ 226,767
Less Accumulated Depreciation	72,919	0	72,919
	<hr/>	<hr/>	<hr/>
Net Capital Assets	\$ 153,848	\$ 0	\$ 153,848
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,764,703	\$ 316,173	\$ 3,080,876
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 22,481	\$ 3,860	\$ 26,341
Accrued Expenditures	1,197	867	2,064
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 23,678	\$ 4,727	\$ 28,405
	<hr/>	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2011

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 153,848	\$ 0	\$ 153,848
Unrestricted	245,329	0	245,329
Fund Balance			
Nonspendable, Prepaid Expenditures	0	86	86
Restricted for:			
Capital Projects	613,395	115,614	729,009
Ground Water Clean-up	1,728,453	0	1,728,453
Economic Development	0	195,746	195,746
Total Net Assets/Fund Balance	\$ 2,741,025	\$ 311,446	\$ 3,052,471
TOTAL LIABILITIES AND EQUITY	\$ 2,764,703	\$ 316,173	\$ 3,080,876

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2011

	<u>MAJOR</u>	<u>TOTAL NONMAJOR COMPONENT</u>	
	<u>L.D.F.A.</u>	<u>UNITS</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Taxes	\$ 322,843	\$ 165,601	\$ 488,444
Interest and Rents	29,837	253	30,090
Other Revenues	0	6,125	6,125
 Total Revenues	 \$ 352,680	 \$ 171,979	 \$ 524,659
<u>EXPENDITURES</u>			
Economic Development	\$ 0	\$ 60,409	\$ 60,409
Public Works	242,416	0	242,416
Intergovernmental Expenditures	0	35,100	35,100
Debt Service	0	17,281	17,281
 Total Expenditures	 \$ 242,416	 \$ 112,790	 \$ 355,206
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 110,264	 \$ 59,189	 \$ 169,453
 <u>FUND BALANCES</u> - Beginning of Year	 2,231,584	 252,257	 2,483,841
 <u>FUND BALANCES</u> - End of Year	 \$ 2,341,848	 \$ 311,446	 \$ 2,653,294

CITY OF CADILLAC, MICHIGAN
L.D.F.A. GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2011

<u>ASSETS</u>	<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>CURRENT ASSETS</u>				
Cash	\$ 99,062	\$ 56,956	\$ 63,962	\$ 219,980
Investments	1,642,541	554,841	177,394	2,374,776
Receivables				
Accounts	0	0	3,522	3,522
Accrued Interest	10,385	1,598	594	12,577
 Total Current Assets	 \$ 1,751,988	 \$ 613,395	 \$ 245,472	 \$ 2,610,855
<u>CAPITAL ASSETS</u>				
Investment in System	\$ 0	\$ 0	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	0	0	72,919	72,919
 Net Capital Assets	 \$ 0	 \$ 0	 \$ 153,848	 \$ 153,848
 TOTAL ASSETS	 \$ 1,751,988	 \$ 613,395	 \$ 399,320	 \$ 2,764,703
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 22,481	\$ 0	\$ 0	\$ 22,481
Accrued Expenditures	1,054	0	143	1,197
 Total Liabilities	 \$ 23,535	 \$ 0	 \$ 143	 \$ 23,678
<u>EQUITY</u>				
Net Assets				
Invested in Capital Assets	\$ 0	\$ 0	\$ 153,848	\$ 153,848
Unrestricted	0	0	245,329	245,329
Fund Balance				
Restricted for:				
Capital Projects	0	613,395	0	613,395
Ground Water Cleanup	1,728,453	0	0	1,728,453
 Total Net Assets/Fund Balance	 \$ 1,728,453	 \$ 613,395	 \$ 399,177	 \$ 2,741,025
 TOTAL LIABILITIES AND EQUITY	 \$ 1,751,988	 \$ 613,395	 \$ 399,320	 \$ 2,764,703

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 219,227	\$ 103,616	\$ 322,843
Interest and Rents	17,269	12,568	29,837
Total Revenues	\$ 236,496	\$ 116,184	\$ 352,680
<u>EXPENDITURES</u>			
Public Works	241,966	450	242,416
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,470)	\$ 115,734	\$ 110,264
<u>FUND BALANCE</u> - Beginning of Year	1,733,923	497,661	2,231,584
<u>FUND BALANCE</u> - End of Year	\$ 1,728,453	\$ 613,395	\$ 2,341,848

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 99,062	\$ 8,413
Investments	1,642,541	1,731,782
Receivables		
Accrued Interest	10,385	1,756
TOTAL ASSETS	\$ 1,751,988	\$ 1,741,951
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 22,481	\$ 7,786
Accrued Expenditures	1,054	242
Total Liabilities	\$ 23,535	\$ 8,028
 <u>FUND BALANCE</u>		
Restricted for Groundwater Cleanup	1,728,453	1,733,923
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,751,988	\$ 1,741,951

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes and Special Assessments			
Groundwater Cleanup Special Assessment	\$ 220,000	\$ 219,227	\$ 219,226
Interest and Rents			
Interest	42,400	17,269	32,622
Total Revenues	\$ 262,400	\$ 236,496	\$ 251,848
<u>EXPENDITURES</u>			
Public Works			
Personal Services	\$ 18,500	\$ 16,589	\$ 12,018
Employee Benefits	9,100	6,981	4,560
Audit	900	850	450
Legal Fees	9,500	0	0
Supplies	14,700	10,531	3,079
Contractual Services	87,200	57,010	75,847
Heat, Light and Power	125,000	142,375	125,581
Equipment Maintenance	15,500	7,630	8,694
Total Expenditures	\$ 280,400	\$ 241,966	\$ 230,229
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,000)	\$ (5,470)	\$ 21,619
<u>FUND BALANCE</u> - Beginning of Year	1,733,923	1,733,923	1,712,304
<u>FUND BALANCE</u> - End of Year	\$ 1,715,923	\$ 1,728,453	\$ 1,733,923

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,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 56,956	\$ 132,453
Investments	554,841	363,994
Receivables		
Accrued Interest	1,598	1,214
TOTAL ASSETS	\$ 613,395	\$ 497,661
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Capital Projects	613,395	497,661
TOTAL LIABILITIES AND FUND BALANCE	\$ 613,395	\$ 497,661

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,

	2011	2010
<u>REVENUES</u>		
Taxes		
Property Taxes	\$ 103,616	\$ 104,892
Interest and Rents		
Interest	12,568	9,719
Total Revenues	\$ 116,184	\$ 114,611
 <u>EXPENDITURES</u>		
Audit	450	400
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,734	\$ 114,211
 <u>FUND BALANCE</u> - Beginning of Year	497,661	383,450
<u>FUND BALANCE</u> - End of Year	\$ 613,395	\$ 497,661

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,

	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 63,962	\$ 40,314
Investments	177,394	182,881
Receivables		
Accounts	3,522	2,871
Accrued Interest	594	436
Total Current Assets	\$ 245,472	\$ 226,502
<u>CAPITAL ASSETS</u>		
Investment in System	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	72,919	68,384
Net Capital Assets	\$ 153,848	\$ 158,383
TOTAL ASSETS	\$ 399,320	\$ 384,885
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accrued Expenditures	\$ 143	\$ 0
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 153,848	\$ 158,383
Unrestricted	245,329	226,502
Total Net Assets	\$ 399,177	\$ 384,885

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,

	2011	2010
<u>OPERATING REVENUES</u>		
Water Charges to Customers	\$ 20,371	\$ 19,515
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,573	\$ 1,979
Employee Benefits	1,069	752
Audit	450	400
Depreciation	4,535	4,536
Total Operating Expenses	\$ 8,627	\$ 7,667
Operating Income (Loss)	\$ 11,744	\$ 11,848
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	2,548	3,445
Change in Net Assets	\$ 14,292	\$ 15,293
<u>NET ASSETS - Beginning of Year</u>	384,885	369,592
<u>NET ASSETS - End of Year</u>	\$ 399,177	\$ 384,885

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>2011</u>	<u>2010</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 19,720	\$ 18,210
Cash Payments to Suppliers for Goods and Services	(450)	(400)
Cash Payments to Employees for Services	(3,499)	(2,731)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 15,771	\$ 15,079
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest Received	\$ 2,390	\$ 3,701
Proceeds from Sales and Maturities	5,487	0
Purchase of Investment Securities	0	(3,663)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 7,877	\$ 38
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 23,648	\$ 15,117
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	40,314	25,197
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 63,962	\$ 40,314
	<hr/> <hr/>	<hr/> <hr/>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income	\$ 11,744	\$ 11,848
	<hr/>	<hr/>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 4,535	\$ 4,536
(Increase) Decrease in Current Assets		
Accounts Receivable	(651)	(1,305)
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	143	0
	<hr/>	<hr/>
Total Adjustments	\$ 4,027	\$ 3,231
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 15,771	\$ 15,079
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2011

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>ASSETS</u>				
Cash	\$ 112,036	\$ 1,167	\$ 176,159	\$ 289,362
Receivables				
Accounts	60	0	0	60
Taxes	113	0	0	113
Due from Other Governments	26,552	0	0	26,552
Prepaid Expenditures	86	0	0	86
TOTAL ASSETS	\$ 138,847	\$ 1,167	\$ 176,159	\$ 316,173
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,860	\$ 0	\$ 0	\$ 3,860
Accrued Expenditures	867	0	0	867
Total Liabilities	\$ 4,727	\$ 0	\$ 0	\$ 4,727
<u>FUND BALANCE</u>				
Nonspendable, Prepaid Expenditures	\$ 86	\$ 0	\$ 0	\$ 86
Restricted for Economic Development	18,420	1,167	176,159	195,746
Restricted for Capital Projects	115,614	0	0	115,614
Total Fund Balance	\$ 134,120	\$ 1,167	\$ 176,159	\$ 311,446
TOTAL LIABILITIES AND FUND BALANCE	\$ 138,847	\$ 1,167	\$ 176,159	\$ 316,173

CITY OF CADILLAC, MICHIGAN

NONMAJOR GOVERNMENTAL COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>REVENUES</u>				
Taxes	\$ 131,668	\$ 0	\$ 33,933	\$ 165,601
Interest and Rents	121	0	132	253
Other Revenues	6,125	0	0	6,125
Total Revenues	\$ 137,914	\$ 0	\$ 34,065	\$ 171,979
<u>EXPENDITURES</u>				
Economic Development	\$ 34,669	\$ 0	\$ 25,740	\$ 60,409
Intergovernmental	35,100	0	0	35,100
Debt Service	17,281	0	0	17,281
Total Expenditures	\$ 87,050	\$ 0	\$ 25,740	\$ 112,790
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,864	\$ 0	\$ 8,325	\$ 59,189
<u>FUND BALANCES</u> - Beginning of Year	83,256	1,167	167,834	252,257
<u>FUND BALANCES</u> - End of Year	\$ 134,120	\$ 1,167	\$ 176,159	\$ 311,446

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2011

<u>ASSETS</u>	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
Cash	\$ 22,789	\$ 89,247	\$ 112,036
Receivables			
Accounts	60	0	60
Taxes	113	0	113
Due from Other Governments	185	26,367	26,552
Prepaid Expenditures	86	0	86
TOTAL ASSETS	<u>\$ 23,233</u>	<u>\$ 115,614</u>	<u>\$ 138,847</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,860	\$ 0	\$ 3,860
Accrued Expenditures	867	0	867
Total Liabilities	<u>\$ 4,727</u>	<u>\$ 0</u>	<u>\$ 4,727</u>
<u>FUND BALANCE</u>			
Nonspendable, Prepaid Expenditures	\$ 86	\$ 0	\$ 86
Restricted for Economic Development	18,420	0	18,420
Restricted for Capital Projects	0	115,614	115,614
Total Fund Balance	<u>\$ 18,506</u>	<u>\$ 115,614</u>	<u>\$ 134,120</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 23,233</u>	<u>\$ 115,614</u>	<u>\$ 138,847</u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 29,889	\$ 101,779	\$ 131,668
Interest and Rents	95	26	121
Other Revenues	6,125	0	6,125
	<hr/>		
Total Revenues	\$ 36,109	\$ 101,805	\$ 137,914
	<hr/>		
<u>EXPENDITURES</u>			
Economic Development	\$ 34,219	\$ 450	\$ 34,669
Intergovernmental Expenditures	0	35,100	35,100
Debt Service	0	17,281	17,281
	<hr/>		
Total Expenditures	\$ 34,219	\$ 52,831	\$ 87,050
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,890	\$ 48,974	\$ 50,864
	<hr/>		
<u>FUND BALANCES</u> - Beginning of Year	16,616	66,640	83,256
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 18,506	\$ 115,614	\$ 134,120
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 22,789	\$ 20,049
Receivables		
Accounts	60	0
Taxes	113	0
Due from Other Governments	185	185
Prepaid Expenditures	86	138
	<hr/>	<hr/>
TOTAL ASSETS	\$ 23,233	\$ 20,372
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 3,860	\$ 2,980
Accrued Expenditures	867	776
	<hr/>	<hr/>
Total Liabilities	\$ 4,727	\$ 3,756
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable, Prepaid Expenditures	\$ 86	\$ 138
Restricted for Economic Development	18,420	16,478
	<hr/>	<hr/>
Total Fund Balance	\$ 18,506	\$ 16,616
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 23,233	\$ 20,372
	<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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	<u>2011</u>		<u>2010</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 29,500	\$ 29,889	\$ 31,153
Interest and Rents			
Interest	200	95	178
Other Revenues			
DEQ Management Fee	5,000	5,000	5,000
Contributions from Private Sources	3,000	1,125	2,110
Total Revenues	<u>\$ 37,700</u>	<u>\$ 36,109</u>	<u>\$ 38,441</u>
<u>EXPENDITURES</u>			
Economic Development			
Personal Services	\$ 23,200	\$ 18,595	\$ 19,368
Employee Benefits	7,100	6,670	5,033
Audit	900	850	850
Contractual Services	6,500	7,702	6,063
Postage	100	18	15
Printing and Publishing	500	0	106
Office Supplies	200	234	132
Travel and Education	200	0	0
Downtown Marketing	1,000	150	2,200
Total Expenditures	<u>\$ 39,700</u>	<u>\$ 34,219</u>	<u>\$ 33,767</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,000)	\$ 1,890	\$ 4,674
<u>FUND BALANCE</u> - Beginning of Year	<u>16,616</u>	<u>16,616</u>	<u>11,942</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 14,616</u>	<u>\$ 18,506</u>	<u>\$ 16,616</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>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 89,247	\$ 15,165
Due from Other Governments	26,367	53,067
	<hr/>	<hr/>
TOTAL ASSETS	\$ 115,614	\$ 68,232
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 1,592
<u>FUND BALANCE</u>		
Restricted for Capital Projects	115,614	66,640
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 115,614	\$ 68,232
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 94,500	\$ 101,779	\$ 113,807
Federal Grants			
Transportation Enhancement Grant	50,000	0	503,243
State Grants			
Transportation Enhancement Grant	0	0	143,367
Interest and Rents			
Interest	500	26	2,839
Total Revenues	<u>\$ 145,000</u>	<u>\$ 101,805</u>	<u>\$ 763,256</u>
<u>EXPENDITURES</u>			
Economic Development			
Construction	\$ 0	\$ 0	\$ 946,185
Audit	400	450	400
Contracted Services	63,500	0	6,825
Intergovernmental Expenditures			
Public Works	35,100	35,100	31,300
Debt Service			
Principal	15,000	15,000	0
Interest	2,900	2,281	0
Total Expenditures	<u>\$ 116,900</u>	<u>\$ 52,831</u>	<u>\$ 984,710</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 28,100</u>	<u>\$ 48,974</u>	<u>\$ (221,454)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	0	0	75,000
Net Change in Fund Balance	<u>\$ 28,100</u>	<u>\$ 48,974</u>	<u>\$ (146,454)</u>
<u>FUND BALANCE</u> - Beginning of Year	66,640	66,640	213,094
<u>FUND BALANCE</u> - End of Year	<u>\$ 94,740</u>	<u>\$ 115,614</u>	<u>\$ 66,640</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 1,167	\$ 1,167
	1,167	1,167
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Economic Development	1,167	1,167
	1,167	1,167
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,167	\$ 1,167

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>2011</u>	<u>2010</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><u>\$ 1,167</u></u>	<u><u>\$ 1,167</u></u>

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	2011	2010
<u>ASSETS</u>		
Cash	\$ 176,159	\$ 61,360
Investments	0	97,562
Due from Other Governments	0	25,867
TOTAL ASSETS	\$ 176,159	\$ 184,789
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 16,955
<u>FUND BALANCE</u>		
Restricted for Economic Development	176,159	167,834
TOTAL LIABILITIES AND FUND BALANCE	\$ 176,159	\$ 184,789

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2010

	2011		2010
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
State Grants			
Brownfield Redevelopment Grant	\$ 50,000	\$ 0	\$ 67,053
Taxes			
Property Taxes	35,000	33,933	27,727
Interest and Rents			
Interest on Investments	2,500	132	221
Total Revenues	<u>\$ 87,500</u>	<u>\$ 34,065</u>	<u>\$ 95,001</u>
<u>EXPENDITURES</u>			
Economic Development			
Operating Supplies	\$ 0	\$ 0	\$ 245
Contracted Services	110,000	24,940	118,240
Audit	800	800	800
Total Expenditures	<u>\$ 110,800</u>	<u>\$ 25,740</u>	<u>\$ 119,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (23,300)</u>	<u>\$ 8,325</u>	<u>\$ (24,284)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>167,834</u>	<u>167,834</u>	<u>192,118</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 144,534</u>	<u>\$ 176,159</u>	<u>\$ 167,834</u>

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2011

<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	\$ 205,000	
During Current Period	<u>25,000</u>	<u>230,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>		<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2011

<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	\$ 150,000	
During Current Period	<u>25,000</u>	<u>175,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>		<u><u>\$ 125,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 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>\$ 125,000</u>	<u>\$ 14,819</u>	<u>\$ 139,819</u>

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2011

<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		\$ 220,000	
During Current Period		<u>30,000</u>	<u>250,000</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2011			<u><u>\$ 60,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2011	5.20 %	\$ 30,000	\$ 1,568	\$ 31,568
April 1, 2012			788	788
October 1, 2012	5.25 %	30,000	788	30,788
		<u>\$ 60,000</u>	<u>\$ 3,144</u>	<u>\$ 63,144</u>

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2011

<u>TITLE OF ISSUE</u>	City of Cadillac 2004 General Obligation Capital Improvement Bonds		
<u>PURPOSE</u>	For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001		
<u>DATE OF ISSUE</u>	November 1, 2004		
<u>AMOUNT OF ISSUE</u>			\$ 995,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 280,000	
During Current Period		<u>60,000</u>	<u>340,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>			<u><u>\$ 655,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 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, 2011

	INTEREST RATES	REQUIREMENTS		
		PRINCIPAL	INTEREST	TOTAL
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>\$ 655,000</u>	<u>\$ 124,708</u>	<u>\$ 779,708</u>

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2011

<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	\$ 415,000	
During Current Period	<u>10,000</u>	<u>425,000</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2011		<u><u>\$ 0</u></u>

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2011

<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	\$ 315,000	
During Current Period	25,000	340,000
<u>BALANCE OUTSTANDING - June 30, 2011</u>		\$ 20,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2011	5.45 %	\$ 20,000	\$ 545	\$ 20,545
		\$ 20,000	\$ 545	\$ 20,545

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2011

<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	\$ 180,000	
During Current Period	<u>5,000</u>	<u>185,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</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, 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 %	<u>5,000</u>	<u>139</u>	<u>5,139</u>
		<u><u>\$ 25,000</u></u>	<u><u>\$ 2,628</u></u>	<u><u>\$ 27,628</u></u>

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2011

<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		\$ 240,000	
During Current Period		<u>30,000</u>	<u>270,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>			<u><u>\$ 55,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 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>\$ 55,000</u></u>	<u><u>\$ 3,946</u></u>	<u><u>\$ 58,946</u></u>

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS
JUNE 30, 2011

<u>TITLE OF ISSUE</u>	City of Cadillac Water Supply and Wastewater System Revenue and Revenue Refunding Bonds, Series 1999		
<u>PURPOSE</u>	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		
<u>DATE OF ISSUE</u>	May 5, 1999		
<u>AMOUNT OF ISSUE</u>		\$	2,110,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$ 1,035,000		
During Current Period	<u>5,000</u>		<u>1,040,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>		\$	<u><u>1,070,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2011	4.70 %	\$ 5,000	\$ 25,605	\$ 30,605
March 1, 2012			25,488	25,488
September 1, 2012	4.70 %	5,000	25,488	30,488
March 1, 2013			25,370	25,370
September 1, 2013	4.70 %	130,000	25,370	155,370
March 1, 2014			22,315	22,315
September 1, 2014	4.70 %	135,000	22,315	157,315
March 1, 2015			19,142	19,142
September 1, 2015	4.70 %	145,000	19,142	164,142
March 1, 2016			15,735	15,735
September 1, 2016	4.70 %	150,000	15,735	165,735
March 1, 2017			12,210	12,210
September 1, 2017	4.85 %	160,000	12,210	172,210
March 1, 2018			8,330	8,330
September 1, 2018	4.90 %	165,000	8,330	173,330
March 1, 2019			4,287	4,287
September 1, 2019	4.90 %	<u>175,000</u>	<u>4,287</u>	<u>179,287</u>
		<u>\$ 1,070,000</u>	<u>\$ 291,359</u>	<u>\$ 1,361,359</u>

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2011

<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	\$ 590,000		
During Current Period	450,000	<u>1,040,000</u>	
<u>BALANCE OUTSTANDING - June 30, 2011</u>			<u><u>\$ 4,175,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 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
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

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2011

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>\$ 4,175,000</u>	<u>\$ 1,871,136</u>	<u>\$ 6,046,136</u>

CITY OF CADILLAC, MICHIGAN

2007 WASTEWATER SYSTEM JUNIOR LIEN REVENUE BONDS

JUNE 30, 2011

<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	\$ 165,000	
During Current Period	170,000	<u>335,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>		<u>\$ 3,530,205</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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, 2011

<u>DUE DATES</u>	<u>INTEREST</u>	<u>REQUIREMENTS</u>		
	<u>RATES</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
		\$ 3,530,205	\$ 540,779	\$ 4,070,984

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2011

<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	\$	505,000	
During Current Period		<u>115,000</u>	<u>620,000</u>
<u>BALANCE OUTSTANDING - June 30, 2011</u>		\$	<u><u>645,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 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>\$ 645,000</u>	<u>\$ 76,935</u>	<u>\$ 721,935</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2010 TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 239,604,961	6.7797	\$ 1,624,424	\$ 1,537,044	\$ 87,380
Wexford County - Recreation	239,604,961	0.2500	59,881	55,598	4,283
Wexford County - Public Safety	239,604,961	0.9500	227,605	211,324	16,281
Wexford County - Animal Control	239,604,961	0.2500	59,881	55,598	4,283
Cadillac Area Public Schools					
Operating	100,586,583	18.0000	1,860,134	1,710,263	149,871
Operating Comm PPT	8,264,350	6.0000	0	0	0
Debt Retirement	238,578,461	2.9000	691,836	648,306	43,530
State Education Tax	211,078,561	6.0000	1,266,461	1,189,601	76,860
Wexford-Missaukee Intermediate School District	239,604,961	5.9419	1,417,584	1,315,741	101,843
Cadillac-Wexford Transit Authority	239,604,961	0.6000	143,748	133,466	10,282
Cadillac-Wexford Public Library	239,604,961	0.7500	179,683	166,831	12,852
Wexford County Council on Aging	239,604,961	1.0000	239,592	222,453	17,139
City of Cadillac					
General Fund	239,604,961	13.9473	3,341,817	3,162,125	179,692
Policemen and Firemen					
Retirement System	239,604,961	2.6000	622,959	589,463	33,496
Public Improvement					
Special Assessments			137,032	114,241	22,791
Water and Sewer Delinquent Accounts			17,596	11,128	6,468
Unpaid Invoices			3,831	2,581	1,250
Razed Buildings			0	0	0
Administration Fees			132,140	123,385	8,755
			<u>\$ 12,026,204</u>	<u>\$ 11,249,148</u>	<u>\$ 777,056</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2010 TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 2,026,082	6.7797	\$ 13,736	\$ 0	\$ 13,736	\$ (13,736)	\$ 0
Wexford County - Recreation	2,026,082	0.2500	507	0	507	(507)	0
Wexford County - Public Safety	2,026,082	0.9500	1,925	0	1,925	(1,925)	0
Wexford County - Animal Control	2,026,082	0.2500	507	0	507	(507)	0
Cadillac Area Public Schools							
Operating	2,026,082	18.0000	36,469	0	36,469	0	36,469
Debt Retirement	2,026,082	2.9000	5,876	0	5,876	0	5,876
State Education Tax	2,026,082	6.0000	12,156	0	12,156	0	12,156
Wexford-Missaukee Intermediate							
School District	2,026,082	5.9419	12,039	0	12,039	0	12,039
Cadillac-Wexford Transit Authority	2,026,082	0.6000	1,216	0	1,216	(1,216)	0
Cadillac-Wexford Public Library	2,026,082	0.7500	1,520	0	1,520	(1,520)	0
Wexford County Council on Aging	2,026,082	1.0000	2,026	0	2,026	(2,026)	0
Local Development Finance Authority							
Capture	(2,026,082)	27.1270	0	0	0	54,963	54,962
Groundwater Treatment							
Special Assessments			219,226	3,487	215,739	0	215,739
City of Cadillac							
General Fund	2,026,082	13.9473	28,258	0	28,258	(28,258)	0
Policemen and Firemen							
Retirement System	2,026,082	2.6000	5,268	0	5,268	(5,268)	0
			\$ 340,729	\$ 3,487	\$ 337,242	\$ 0	\$ 337,241

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2010 TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 15,290,897	6.7797	\$ 103,668	\$ 11,397	\$ 92,271	\$ (25,437)	\$ 66,834
Wexford County - Recreation	15,290,897	0.2500	3,823	420	3,403	(938)	2,465
Wexford County - Public Safety	15,290,897	0.9500	14,526	1,597	12,929	(3,564)	9,365
Wexford County - Animal Control	15,290,897	0.2500	3,823	420	3,403	(938)	2,465
Cadillac Area Public Schools							
Operating	15,290,897	18.0000	275,236	30,259	244,977	0	244,977
Debt Retirement	15,290,897	2.9000	44,344	4,875	39,469	0	39,469
State Education Tax	15,290,897	6.0000	91,745	10,086	81,659	0	81,659
Wexford-Missaukee Intermediate							
School District	15,290,897	5.9419	90,857	9,989	80,868	0	80,868
Cadillac-Wexford Transit Authority	15,290,897	0.6000	9,175	1,009	8,166	(2,251)	5,915
Cadillac-Wexford Public Library	15,290,897	0.7500	11,468	1,261	10,207	(2,814)	7,393
Wexford County Council on Aging	15,290,897	1.0000	15,291	1,681	13,610	(3,752)	9,858
Downtown Development Authority							
Special Assessments	15,290,897	1.9548	29,889	3,286	26,603	0	26,603
Capture	(3,751,947)	27.1270	0	0	0	101,779	101,779
City of Cadillac							
General Fund	15,290,897	13.9473	213,267	23,447	189,820	(52,330)	137,490
Policemen and Firemen Retirement System	15,290,897	2.6000	39,756	4,371	35,385	(9,755)	25,630
			\$ 946,868	\$ 104,098	\$ 842,770	\$ 0	\$ 842,770

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2010 TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 60,031	6.7797	\$ 407	\$ 0	\$ 407	\$ (407)	\$ 0
Wexford County - Recreation	60,031	0.2500	15	0	15	0	15
Wexford County - Public Safety	60,031	0.9500	57	0	57	0	57
Wexford County - Animal Control	60,031	0.2500	15	0	15	0	15
Cadillac Area Public Schools							
Operating	1,086,531	18.0000	19,558	0	19,558	(19,558)	0
Debt Retirement	1,086,531	2.9000	3,151	0	3,151	0	3,151
State Education Tax	1,086,531	6.0000	6,519	0	6,519	(6,519)	0
Wexford-Missaukee Intermediate							
School District	1,086,531	5.9419	6,456	0	6,456	(6,456)	0
Cadillac-Wexford Transit Authority	60,031	0.6000	36	0	36	0	36
Cadillac-Wexford Public Library	60,031	0.7500	45	0	45	0	45
Wexford County Council on Aging	60,031	1.0000	60	0	60	0	60
Brownfield Redevelopment District Capture							
Intermediated School District	1,086,531	5.9419	0	0	0	6,456	6,456
Cadillac Area Public Schools	1,086,531	18.0000	0	0	0	19,558	19,558
State Education Tax	1,086,531	6.0000	0	0	0	6,519	6,519
All Other Levies	60,031	27.1270	0	0	0	1,400	1,400
City of Cadillac							
General Fund	60,031	13.9473	837	0	837	(837)	0
Policemen and Firemen							
Retirement System	60,031	2.6000	156	0	156	(156)	0
			\$ 37,312	\$ 0	\$ 37,312	\$ 0	\$ 37,312

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2010 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 14,995,777	3.38985	\$ 50,831	\$ 50,218	\$ 613
Wexford County - Recreation	14,995,777	0.1250	1,874	1,851	23
Wexford County - Public Safety	14,995,777	0.4750	7,122	7,106	16
Wexford County - Animal Control	14,995,777	0.1250	2,338	2,311	27
Cadillac Area Public Schools					
Operating (State Share)					
After Proposal A	5,011,877	9.00000	45,107	44,396	711
Debt Retirement	14,995,777	1.45000	21,742	21,480	262
State Education Tax	5,011,852	6.00000	30,071	29,597	474
Wexford-Missaukee Intermediate School District					
State Share	14,995,777	2.97095	44,550	44,012	538
Cadillac-Wexford Transit Authority	14,995,777	0.30000	4,498	4,444	54
Cadillac-Wexford Public Library	14,995,777	0.37500	5,623	5,555	68
Wexford County Council on Aging	14,995,777	0.50000	7,498	7,408	90
City of Cadillac					
General Fund	14,995,777	6.97365	104,574	103,312	1,262
Policemen and Firemen Retirement System	14,995,777	1.30000	19,494	19,259	235
			<u>\$ 345,322</u>	<u>\$ 340,949</u>	<u>\$ 4,373</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2010 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 3,580,625	3.38985	\$ 12,138	\$ 0	\$ 12,138	\$ (12,138)	\$ 0
Wexford County - Recreation	3,580,625	0.1250	448	0	448	(448)	0
Wexford County - Public Safety	3,580,625	0.4750	1,701	0	1,701	(1,701)	0
Wexford County - Animal Control	3,580,625	0.1250	448	0	448	(448)	0
Cadillac Area Public Schools							
Operating (State Share)							
After Proposal A	3,580,625	9.00000	32,226	0	32,226	0	32,226
Debt Retirement	3,580,625	1.45000	5,192	0	5,192	0	5,192
State Education Tax	3,580,625	6.00000	21,484	0	21,484	0	21,484
Wexford-Missaukee Intermediate School District							
State Share	3,580,625	2.97095	10,638	0	10,638	0	10,638
Cadillac-Wexford Transit Authority	3,580,625	0.30000	1,074	0	1,074	(1,074)	0
Cadillac-Wexford Public Library	3,580,625	0.37500	1,343	0	1,343	(1,343)	0
Wexford County Council on Aging	3,580,625	0.50000	1,790	0	1,790	(1,790)	0
Local Development Finance Authority Capture	0	0	0	0	0	48,567	48,567
City of Cadillac							
General Fund	3,580,625	6.97365	24,970	0	24,970	(24,970)	0
Policemen and Firemen Retirement System	3,580,625	1.30000	4,655	0	4,655	(4,655)	0
			<u>\$ 118,107</u>	<u>\$ 0</u>	<u>\$ 118,107</u>	<u>\$ 0</u>	<u>\$ 118,107</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2010 OBSOLETE PROPERTIES TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED
Wexford County	\$ 166,700	6.7797	\$ 1,130	\$ 0	\$ 1,130
Wexford County - Recreation	166,700	0.2500	295	0	295
Wexford County - Public Safety	166,700	0.9500	158	0	158
Wexford County - Animal Control	166,700	0.3000	50	0	50
Cadillac Area Public Schools					
Operating	131,884	18.0000	2,374	0	2,374
Operating	174,500	9.0000	1,571	0	1,571
Debt Retirement	306,384	2.9000	888	0	888
State Education Tax	131,884	6.0000	791	0	791
State Education Tax	174,500	3.0000	524	0	524
Wexford-Missaukee Intermediate School District	166,700	5.9419	991	0	991
Cadillac-Wexford Transit Authority	166,700	0.6000	100	0	100
Cadillac-Wexford Public Library	166,700	0.7500	125	0	125
Wexford County Council on Aging	166,700	1.0000	167	0	167
City of Cadillac					
General Fund	166,700	13.9473	2,325	0	2,325
Policemen and Firemen					
Retirement System	166,700	2.6000	433	0	433
Downtown Development Authority	53,900	1.9548	105	0	105
Public Improvement					
Special Assessments			574	0	574
Administration Fees			60	0	60
			\$ 12,661	\$ 0	\$ 12,661

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2010 DNR/PILT TAX ROLL
JUNE 30, 2011

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED
Wexford County	\$ 665,142	8.0893	\$ 4,514	\$ 0	\$ 4,514
Wexford County - Recreation		0.2500	0	0	0
Wexford County - Public Safety		0.9500	0	0	0
Wexford County - Animal Control		0.2500	0	0	0
Cadillac Area Public Schools					
Operating		18.0000	0	0	0
Debt Retirement	665,142	3.9000	2,456	0	2,456
State Education Tax		6.0000	0	0	0
Wexford-Missaukee Intermediate School District	665,142	5.9853	3,769	0	3,769
Cadillac-Wexford Transit Authority	665,142	0.3960	221	0	221
Cadillac-Wexford Public Library	665,142	0.6825	381	0	381
Wexford County Council on Aging	665,142	0.9942	555	0	555
City of Cadillac					
General Fund	665,142	13.9473	7,783	0	7,783
Policemen and Firemen					
Retirement System	665,142	1.8000	1,004	0	1,004
Downtown Development Authority		1.9548	0	0	0
Public Improvement					
Special Assessments			0	0	0
Administration Fees			0	0	0
			\$ 20,683	\$ 0	\$ 20,683

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	240-246
<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	247-250
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	251-255
<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	256-257
<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	258-260
<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	261-275

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 NINE 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>	<u>2011</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	\$ 13,114
Restricted for Specific Purpose	981	495	457	792	1,162	1,360	1,383	1,398	3,202
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	-	-	-	293	366
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	-	-	-	757	757
Unrestricted	6,229	6,826	6,537	5,907	5,534	6,052	6,202	4,802	3,071
Total governmental activities net assets	\$ 18,199	\$ 18,511	\$ 18,974	\$ 19,262	\$ 20,256	\$ 21,259	\$ 21,038	\$ 20,858	\$ 20,510
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	\$ 12,789
Restricted for Specific Purpose	1,982	1,964	2,048	1,656	1,799	1,490	1,318	1,332	1,350
Unrestricted	2,950	2,114	1,756	2,384	2,772	2,376	2,292	2,422	2,447
Total business-type activities net assets	\$ 15,060	\$ 15,297	\$ 15,121	\$ 15,444	\$ 16,181	\$ 16,323	\$ 16,277	\$ 16,452	\$ 16,586
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	\$ 25,903
Restricted for Specific Purpose	2,963	2,459	2,505	2,448	2,961	2,850	2,701	2,730	4,552
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	-	-	-	293	366
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	-	-	-	757	757
Unrestricted	9,179	8,940	8,293	8,291	8,306	8,428	8,494	7,224	5,518
Total primary government net assets	\$ 33,259	\$ 33,808	\$ 34,095	\$ 34,706	\$ 36,437	\$ 37,582	\$ 37,315	\$ 37,310	\$ 37,096

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 NINE 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>	<u>2011</u>
Expenses									
Governmental Activities:									
General Government	\$ 1,328	\$ 1,672	\$ 1,695	\$ 2,313	\$ 1,829	\$ 1,642	\$ 1,854	\$ 1,888	\$ 1,746
Public Safety	2,623	2,908	3,322	3,403	3,449	3,434	3,296	3,305	3,427
Public Works	2,218	2,340	2,300	1,834	2,473	2,817	3,131	2,667	2,634
Recreation and Culture	457	214	285	417	448	476	514	453	421
Redevelopment and Housing	191	56	119	51	0	12	0	0	0
Economic Development/Assistance	50	268	85	74	404	239	236	237	255
Intergovernmental	97	97	100	0	0	0	0	0	0
Interest on Long-Term Debt	133	176	61	118	107	128	78	65	55
Total Governmental Activities Expenses	\$ 7,097	\$ 7,731	\$ 7,967	\$ 8,210	\$ 8,710	\$ 8,748	\$ 9,109	\$ 8,615	\$ 8,538
Business-Type Activities:									
Water and Sewer	\$ 3,201	\$ 3,312	\$ 3,473	\$ 3,605	\$ 3,623	\$ 3,785	\$ 3,916	\$ 3,857	\$ 3,823
Building Authority Operating	138	144	143	131	134	139	129	113	107
Automobile Parking System	54	48	50	48	57	56	52	46	56
Total Business-Type Activities Expenses	\$ 3,393	\$ 3,504	\$ 3,666	\$ 3,784	\$ 3,814	\$ 3,980	\$ 4,097	\$ 4,016	\$ 3,986
Total Primary Government Expenses	\$ 10,490	\$ 11,235	\$ 11,633	\$ 11,994	\$ 12,524	\$ 12,728	\$ 13,206	\$ 12,631	\$ 12,524
Program Revenues									
Governmental Activities:									
Charges For Services:									
General Government	\$ 402	\$ 405	\$ 416	\$ 464	\$ 459	\$ 507	\$ 472	\$ 441	\$ 377
Public Safety	780	767	374	401	470	287	299	295	282
Public Works	0	0	389	490	533	594	597	585	579
Recreation and Culture	0	0	0	0	0	0	0	0	1
Operating Grants and Contributions	878	1,072	970	1,031	1,113	1,065	994	983	1,059
Capital Grants and Contributions	1,426	905	739	505	1,316	1,250	360	332	104
Total Governmental Activities Program Revenues	\$ 3,486	\$ 3,149	\$ 2,888	\$ 2,891	\$ 3,891	\$ 3,703	\$ 2,722	\$ 2,636	\$ 2,402

	<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>	<u>2011</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	\$ 3,823	
Building Authority Operating	196	196	196	196	196	197	196	196	196	
Automobile Parking System	44	44	46	50	49	49	47	47	36	
Operating Grants and Contributions	0	0	14	0	0	0	0	0	0	
Capital Grants and Contributions	50	213		76	410	0	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	\$ 4,055	
Total Primary Government Program Revenues	\$ 6,813	\$ 6,860	\$ 6,539	\$ 6,883	\$ 8,281	\$ 7,720	\$ 6,625	\$ 6,761	\$ 6,457	
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	\$ 4,681	
State Shared Revenue - Unrestricted	1,163	1,147	1,066	1,055	1,043	1,014	1,021	873	896	
Investment Earnings - Unrestricted	224	135	182	215	271	263	169	146	203	
Gain (Loss) on Sale of Capital Assets	16	(2)	16	134	109	0	235	8	2	
Other	142	8	14	14	25	71	27	19	5	
Transfers	(193)	0		0	0	0	0	0	0	
Special Items	0	0	212	0	0	0	0	0	0	
Total Governmental Activities	\$ 4,557	\$ 4,835	\$ 5,157	\$ 5,606	\$ 5,812	\$ 5,901	\$ 6,166	\$ 5,799	\$ 5,787	
Business-Type Activities										
Investment Earnings - Unrestricted	54	66	90	115	161	104	148	66	65	
Gain (Loss) on Sale of Capital Assets	-	(36)	0	0	0	0	0	0	0	
Transfers	255	0	0	0	0	0	0	0	0	
Total Business-Type Activities	\$ 309	\$ 30	\$ 90	\$ 115	\$ 161	\$ 104	\$ 148	\$ 66	\$ 65	
Total Primary Government	\$ 4,866	\$ 4,865	\$ 5,247	\$ 5,721	\$ 5,973	\$ 6,005	\$ 6,314	\$ 5,865	\$ 5,852	
Change in Net Assets										
Governmental Activities	\$ 946	\$ 253	\$ 78	\$ 287	\$ 993	\$ 855	\$ (221)	\$ (180)	\$ (348)	
Business-Type Activities	243	237	75	323	737	142	(45)	175	134	
Total Primary Government	\$ 1,189	\$ 490	\$ 153	\$ 610	\$ 1,730	\$ 997	\$ (266)	\$ (5)	\$ (214)	

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)

	Fiscal Year			
	2002	2003	2004	2005
General Fund				
Reserved	\$ 54,960	\$ 154,162	\$ 338,335	\$ 143,221
Unreserved	\$ 657,674	\$ 984,548	\$ 1,022,612	\$ 1,159,268
Unreserved, Designated, reported in General Fund	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated, reported in General Fund	\$ -	\$ -	\$ -	\$ -
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total General Fund	\$ 712,634	\$ 1,138,710	\$ 1,360,947	\$ 1,302,489
All Other Governmental Funds				
Reserved	\$ 1,286,653	\$ 2,302,924	\$ 2,096,445	\$ 2,053,122
Unreserved, reported in Special Revenue Funds	\$ 2,357,246	\$ 2,138,562	\$ 2,159,694	\$ 2,593,396
Unreserved, Designated, reported in Special Rev. Funds	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated, reported in Special Rev. Funds	\$ -	\$ -	\$ -	\$ -
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total All Other Governmental Funds	\$ 3,643,899	\$ 4,441,486	\$ 4,256,139	\$ 4,646,518
Total Fund Balance	\$ 4,356,533	\$ 5,580,196	\$ 5,617,086	\$ 5,949,007

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 170,765	\$ 93,586	\$ 125,961	\$ 218,008	\$ 205,112	
\$ 1,365,783	\$ 1,724,440	\$ 1,899,984	\$ 2,140,207	\$ -	
\$ -	\$ -	\$ -	\$ -	1,885,301	
\$ -	\$ -	\$ -	\$ -	526,092	
					\$ 91,453
					\$ 58,273
					\$ 1,574,414
					201,647
					509,256
<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>	<u>\$ 2,435,043</u>
\$ 2,189,636	\$ 2,546,390	\$ 2,417,486	\$ 2,041,213	\$ 2,543,844	
\$ 2,115,529	\$ 1,933,446	\$ 1,711,208	\$ 1,882,372	\$ -	
\$ -	\$ -	\$ -	\$ -	289,601	
\$ -	\$ -	\$ -	\$ -	1,074,744	
					\$ 1,195,312
					\$ 1,188,188
					\$ -
					\$ 1,555,880
					\$ (8,072)
<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>	<u>\$ 3,931,308</u>
<u>\$ 5,841,713</u>	<u>\$ 6,297,862</u>	<u>\$ 6,154,639</u>	<u>\$ 6,281,800</u>	<u>\$ 6,524,694</u>	<u>\$ 6,366,351</u>

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

	Fiscal Year									
	<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>	<u>2011</u>
Revenues										
Taxes and Special Assessments	\$ 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	\$ 4,756,554
Licenses and Permits	1,455	940	1,390	1,160	1,345	1,730	1,210	2,050	1,275	765
Federal Grants	717,706	800,708	132,878	551,158	286,568	618,992	1,161,824	360,784	268,668	111,133
State Grants	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	1,833,017
Contributions from Local Units	182,121	216,529	210,905	290,625	223,321	219,612	205,298	208,397	212,273	206,991
Charges for Services	799,010	931,470	919,017	921,931	1,086,646	1,195,636	1,142,942	1,123,134	1,068,709	1,013,530
Fines and Forfeits	29,316	28,226	36,247	35,306	28,110	28,546	29,083	39,802	41,874	37,966
Interest and Rents	492,843	293,478	208,833	249,077	282,366	337,882	320,498	225,652	196,738	173,363
Gain (Loss) on Investments	0	542	124,939	28,978	56,275	173,057	(115,439)	(323,017)	65,613	37,501
Other Revenue	369,293	631,093	577,932	350,624	492,252	507,353	476,811	699,996	366,995	351,383
Total Revenues	\$ 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	\$ 8,522,203
Expenditures										
General Government	\$ 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	\$ 1,640,771
Public Safety	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	3,709,362
Public Works	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	2,049,646
Redevelopment and Housing	85,637	192,495	57,426	119,110	51,964	0	0	0	0	0
Community & Economic Development	42,247	40,149	257,993	73,528	57,593	384,223	270,559	225,467	219,194	234,664
Capital Outlay	479,346	262,902	271,730	122,759	127,120	29,536	106,876	360,950	3,761	3,815
Culture and Recreation	344,621	654,700	354,368	418,927	268,500	469,798	267,288	572,740	278,232	389,069
Debt Service										
Principal	412,760	292,907	313,679	322,404	395,443	325,082	310,971	324,082	287,832	272,729
Interest	211,881	112,080	102,365	101,871	116,395	98,785	90,532	74,404	62,104	51,326
Other Charges	0	6,120	6,040	26,002	5,240	5,650	4,770	4,809	4,200	4,200
Intergovernmental	285,105	295,177	309,852	306,387	316,748	372,116	358,137	381,040	327,227	324,964
Total Expenditures	\$ 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	\$ 8,680,546

	Fiscal Year									
	<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>	<u>2011</u>
Other Financing Sources (Uses)										
Transfers In	\$ 1,147,028	\$ 1,208,058	\$ 765,974	\$ 716,087	\$ 817,632	\$ 1,045,678	\$ 947,915	\$ 1,090,500	\$ 906,181	\$ 839,922
Transfers Out	(1,054,664)	(1,400,791)	(765,974)	(716,087)	(817,632)	(1,045,678)	(947,915)	(1,090,500)	(906,181)	(839,922)
Bond Proceeds	321,750	0	0	995,000	0	0	0	0	0	0
Loan Proceeds	0	231,905	307,000	0	0	26,350	0	0	0	0
Total Other Financing Sources (Uses)	\$ 414,114	\$ 39,172	\$ 307,000	\$ 995,000	\$ -	\$ 26,350	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 298,520	\$ 370,563	\$ 36,890	\$ 331,921	\$ (107,294)	\$ 456,149	\$ (143,223)	\$ 127,161	\$ 242,894	\$ (158,343)
Debt Service as a percentage of non-capital expenditures	8.22%	5.79%	5.54%	5.71%	6.45%	5.23%	4.66%	4.53%	4.33%	3.92%

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
2002	153,053,692	35,377,232	188,430,924	429,828,200	43.84%	14.9907
2003	165,243,210	31,372,200	196,615,410	470,913,500	41.75%	15.3473
2004	168,351,258	43,240,100	211,591,358	508,916,600	41.58%	15.5473
2005	178,282,339	41,399,800	219,682,139	544,632,400	40.34%	15.7473
2006	184,439,086	44,135,005	228,574,091	572,365,010	39.94%	15.7473
2007	194,615,475	40,780,000	235,395,475	595,311,200	39.54%	16.6473
2008	206,863,302	40,257,800	247,121,102	609,799,600	40.52%	16.7473
2009	215,265,242	41,430,900	256,696,142	616,444,056	41.64%	16.5473
2010	220,244,714	41,262,800	261,507,514	608,556,400	42.97%	16.5473
2011	214,108,421	42,873,550	256,981,971	565,558,400	45.44%	16.5473

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 ^d</i>	<i>Wexford Missaukee Intermediate Schools</i>	<i>State Education Tax</i>	
	<i>General ^b</i>	<i>Police & Fire Retirement</i>	<i>Total City</i>	<i>Wexford County ^c</i>	<i>Cadillac- Wexford Transit Authority</i>	<i>Council on Aging</i>	<i>Wexford County Library</i>				
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
2011	13.9473	2.6000	16.5473	8.2297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	59.9689

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 City general operating tax rate is limited to 15.0 mills per the city charter.

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

^d 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>2011</u>			<u>2002</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^a</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^b</u>
Cadillac Renewable Energy ^c	\$ 12,971,767	1	5.05%	\$ 17,607,997	2	7.57%
Cadillac Casting ^d	10,760,600	2	4.19%	18,381,188	1	7.91%
Paulstra CRC Corporation	6,423,506	3	2.50%	3,182,706	10	1.37%
Consumers Energy	6,117,949	4	2.38%			
Rexair, Inc.	5,074,061	5	1.97%	7,111,981	4	3.06%
AAR Cadillac Manufacturing	5,009,448	6	1.95%	4,026,660	7	1.73%
Avon Automotive	4,481,800	7	1.74%			
FIAMM Technologies, Inc.	4,110,884	8	1.60%	6,124,054	5	2.63%
925 Frisbie Street LLC ^e	3,703,662	9	1.44%	3,781,187	8	1.63%
Borgwarner Inc.	3,443,000	10	1.34%			
Avon Rubber & Plastics				9,021,527	3	3.88%
Michigan Rubber				4,898,039	6	2.11%
Transpro Group, Inc.				3,443,851	9	1.48%
Totals	<u>\$ 62,096,677</u>		<u>24.16%</u>	<u>\$ 77,579,190</u>		<u>33.37%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$256,981,971.

^b Based on total taxable value of \$232,466,710.

^c Formerly Beaver MI Associates LTD Partnership.

^d Formerly CMI Cast Parts.

^e Formerly Four Winns Boats, LLC.

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
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%
2011	4,408,769	4,167,763	94.53%	241,006	4,408,769	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.

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>			
2002	985	1,240	289	8,615	1,525	13,036	6.08%	1,304
2003	890	1,075	583	8,530	1,225	12,683	5.83%	1,268
2004	785	925	831	7,975	1,365	12,305	5.31%	1,231
2005	1,665	775	562	7,640	1,275	12,391	5.21%	1,239
2006	1,525	625	455	7,290	1,180	11,548	4.67%	1,155
2007	1,395	485	924	6,925	1,080	10,809	4.38%	1,081
2008	1,260	365	810	7,851	975	11,261	4.30%	1,126
2009	1,115	260	733	9,712	870	12,690	4.88%	1,269
2010	980	170	265	9,400	760	11,575	N/A	1,158
2011	840	100	202	8,775	645	10,562	N/A	1,020

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 one community development loan and one internal loan.

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>
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
2011	840	3	837	0.326%	80.83

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, 2011
(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	\$ 6,464	26.95%	\$ 1,742
Cadillac Area Public Schools	20,386	37.33%	7,610
Subtotal Overlapping Debt			<u>\$ 9,352</u>
City of Cadillac Direct Debt			<u>837</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,189</u></u>

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

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

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

<i>City of Cadillac Taxable Value:</i>	<i>\$256,981,971</i>
<i>Wexford County Taxable Value:</i>	<i>\$953,399,549</i>
<i>CAPS Taxable Value:</i>	<i>\$688,394,469</i>

CITY OF CADILLAC, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<i>Fiscal Year</i>									
	<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>	<u>2011</u>
Debt Limit	\$ 19,662	\$ 21,159	\$ 22,085	\$ 22,862	\$ 23,652	\$ 27,161	\$ 24,712	\$ 25,670	\$ 26,151	\$ 25,698
Total net debt applicable to limit	972	883	775	1,656	1,519	1,390	1,253	1,111	977	837
Legal debt margin	\$ 18,690	\$ 20,276	\$ 21,310	\$ 21,206	\$ 22,133	\$ 25,771	\$ 23,459	\$ 24,559	\$ 25,174	\$ 24,861
Total net debt applicable to the limit as a percentage of debt limit	4.94%	4.17%	3.51%	7.24%	6.42%	5.12%	5.07%	4.33%	3.74%	3.26%

Legal Debt Margin Calculation for Fiscal Year 2011

Taxable Value	<u>\$ 256,982</u>
Statutory Debt Limit (10% of total taxable value)	\$ 25,698
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	10,562
Less:	
Assets Available for Debt Service	3
Bond Debt not Subject to Limit:	
Special Assessment Bonds	100
Revenue Bonds	9,420
Other Debt	<u>202</u> 9,725
Total Amount of Debt Applicable to Debt Limit	<u>837</u>
Legal Debt Margin	<u>\$ 24,861</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>	
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
2011	3,887	2,570	1,317	625	330	1.38	88	70	8	1.13

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements. Water and Sewer revenues includes investment earnings. Operating expenses do not include interest, depreciation, or amortization expenses. Because many of the Special Assessment Bonds pay off in advance, the Coverage Ratio may fall below one.

CITY OF CADILLAC, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Personal Income</u> (amounts expressed in thousands)	<u>Per Capita Personal Income</u> ²	<u>School Enrollment</u> ³	<u>Local Unemployment Percentage Rate</u> ⁴	<u>State Unemployment Percentage Rate</u> ⁴	<u>Civilian Labor Force</u> ⁴
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	259,940	25,994	3,376	17.3	15.3	20,138
2010	10,000	N/A	N/A	3,334	15.3	13.0	19,161
2011	10,355	N/A	N/A	3,267	12.0	11.1	18,540

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>2011</u>			<u>2002</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>
Mercy Hospital Cadillac	608	1	3.73%	560	3	2.82%
AAR Mobility Systems	453	2	2.78%	281	8	1.41%
Cadillac Area Public Schools	446	3	2.73%	500	4	2.51%
Rec Boat Holdings ¹	409	4	2.51%	625	2	3.14%
Avon Automotive	350	5	2.14%			
Cadillac Castings ²	347	6	2.13%			
Avon Protection Systems	254	7	1.56%			
Rexair, Inc.	223	8	1.37%	324	7	1.63%
Michigan Rubber Products	191	9	1.17%	410	5	2.06%
FIAMM Technologies, LLC	131	10	0.80%	212	10	1.07%
Avon Rubber and Plastics				830	1	4.17%
Hayes Lemmerz International, Inc.				409	6	2.06%
Lakeview Lutheran Manor				220	9	1.11%
	<u>3,412</u>		<u>20.92%</u>	<u>4,371</u>		<u>21.98%</u>

Source: Michigan Department of Labor & Economic Growth; Cadillac Area Chamber of Commerce

¹ Formerly known as Four Winns Boats.

² Formerly known as CMI Cadillac.

Note: Percentage of Total City Employment is based on total employment in the Wexford-Missaukee labor market area.

CITY OF CADILLAC, MICHIGAN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>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>	<u>2011</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	1.00	0.90	0.90	0.90	0.90	0.90	0.80	0.98	1.22
Financial Services	3.00	2.20	1.94	1.94	1.94	1.94	1.94	2.25	2.25	2.25
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.88
City Hall	1.75	2.50	1.90	1.30	1.30	1.30	1.30	1.10	1.28	1.28
City Engineer	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.51	1.79
Public Safety										
Police	19.50	18.50	17.15	18.41	18.41	18.41	17.41	17.06	16.41	16.91
Fire	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.85	11.85	11.85
Code Enforcement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.50
Building Inspector	1.28	1.28	1.38	1.38	1.38	1.38	1.38	1.38	0.88	0.00
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	14.17	14.22	14.22	14.22	14.22	14.22	14.03	13.03	13.03
Data Processing	1.30	1.20	1.26	1.06	1.06	0.06	0.06	0.00	0.30	0.30
Auto Parking	0.40	0.35	0.35	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Water/Sewer	21.00	21.20	21.20	21.00	21.00	21.00	20.00	20.00	19.00	19.87
Community Development	0.30	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Cemetery	0.50	0.68	0.68	0.68	0.68	0.68	0.68	0.92	0.92	0.92
Total FTE	85.00	84.00	82.00	82.00	82.00	81.00	79.00	79.00	77.01	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>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>	<u>2011</u>
Police										
Traffic Citations	895	857	1,530	1,468	1,257	1,015	1,479	1,177	815	N/A ¹
Fire										
Number of Fire Inspections	50	50	57	129	370	376	260	262	301	N/A ¹
Number of Fires Reported	33	57	54	64	51	55	41	42	38	N/A ¹
Number of EMT Runs	949	1,347	1,414	1,322	1,119	1,171	1,242	1,295	1,353	N/A ¹
Building Inspection										
Number of Permits Issued	565	523	525	466	403	316	274	250	108	N/A ¹
Water										
Total Customers	3,407	3,456	3,487	3,520	3,524	3,517	3,544	3,496	3,474	3,497
Average Daily Consumption (thousands of gallons)	2,132	2,202	2,155	2,252	2,310	2,564	2,302	2,261	2,150	2,102
Wastewater										
Total Customers	3,493	3,526	3,544	3,569	3,573	3,564	3,592	3,541	3,527	3,542
Average Daily Treatment (thousands of gallons)	2,231	2,087	2,103	2,173	2,098	2,467	2,215	2,100	1,860	2,118

¹ Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2011.

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>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>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	9	9	9	9	9	9	9	9	10	11
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	6	6	6	6	6	6	6	6	7	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)	68	68	68	68	68	68	68	68	68	68
Street Lights	571	573	574	574	574	574	587	578	578	578
Water										
Fire Hydrants	432	453	455	454	454	458	477	482	482	482
Miles of Water Mains	63	63	63	63	64	64	74	74	74	74
Water Mains Replaced (Feet)	6,330	4,700	3,450	3,185	200 ⁽¹⁾	2,360	620	1,900	1,070	1,500
Wastewater										
Miles of Sewer Mains	59	59	59	59	59	59	62	62	62	62
Feet of Sanitary Sewers										
Inspected with TV Cameras	4,600	3,670	2,949	3,380	1,900	1,350	2,550	810	690	600

(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>
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
7.59		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	11,896,112	11,570,167	97.3	325,945
2011	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				
8.46		1,006,384	24	63	41,575	47.8	12.5
8.14	(2)	831,440	21				
7.43	(3)	154,124	4				
7.96	(4)	271,107	7				
10.4	(5)	90,000	1				
8.89	(6)	141,434	2				
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
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	10,326,784	7,188,395	69.6	3,138,389
2011	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) Prior to 2009, data from Gabriel, Roeder, Smith and Co., Actuaries. From 2009 forward, data from Rodwan Consulting Company, Actuarial Consultants.
- (3) Police 15.50%, Fire 17.44%
- (4) Police 17.34%, Fire 23.89%
- (5) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)
- (6) Police 30.83%, Fire 31.51% (Each group contributes 3% of salary to cover benefit enhancements.)
- (7) Police 38.39%, Fire 38.40% (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
16.41	(3)	1,352,466	28	24	48,302	41.4	12.5
20.01	(4)	1,237,171	26	26	47,584	41.5	13.1
27.61	(5)	1,391,450	27	27	51,535	41.2	12.6
31.10	(6)	1,446,234	27	30	53,564	41.6	13.1
38.39	(7)	1,437,073	27	28	53,225	42.6	14.1
38.68	(8)	1,482,941	27	28	54,924	42.1	13.7
32.71	(9)	1,389,958	25	32	55,598	40.0	11.7
41.11	(10)	1,399,695	24	32	58,321	41.0	12.8
35.63	(11)	1,585,519	27	32	58,723	39.7	12.2
N/A		N/A	N/A	N/A	N/A	N/A	N/A

- (8) Police 39.03%, Fire 38.15% (Each group contributes 3% of salary to cover benefit enhancements.)
- (9) Police 34.41%, Fire 30.20% (Each group contributes 3% of salary to cover benefit enhancements.)
- (10) Police 42.06%, Fire 39.58% (Each group contributes 3% of salary to cover benefit enhancements.)
- (11) Police 37.10%, Fire 33.41% (Each group contributes 3% of salary to cover benefit enhancements.)

CITY OF CADILLAC, MICHIGAN
LABOR AGREEMENTS
JUNE 30, 2011

	DATE EFFECTIVE JULY 1,	EXPIRATION DATE JUNE 30,
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2011	2014
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA) Captain Agreement	2010	2014
Lieutenant and Sergeants Agreement	2011	2014
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2009	2012
<u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317	2010	2013

Source: City of Cadillac Human Resources Department

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2011

TAXES DUE AND

PAYABLE:

City, School, and County taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

PENALTIES FOR

DELINQUENCY:

Beginning August 15, a 4% penalty is added to unpaid City and School taxes. Beginning September 1, an additional 1% per month is added through February. Beginning February 15, a 3% penalty is added to unpaid County and School taxes. Beginning March 1, the Wexford County Treasurer assumes collection of real and personal property taxes. All delinquent industrial and commercial facilities taxes remain with the City Treasurer for collection.

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:

<u>Date of Sale</u> <u>May,</u>	<u>Delinquent Tax</u> <u>Properties to be Sold</u> <u>Year</u>
2002	2000
2003	2001
2004	2002
2005	2003
2006	2004
2007	2005
2008	2006
2009	2007
2010	2008
2011	2009

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>
2002	3,407	(0.21)	3,493	(0.31)
2003	3,456	1.44	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	0.77	3,592	0.79
2009	3,496	(1.35)	3,541	(1.42)
2010	3,474	(0.63)	3,527	(0.40)
2011	3,497	0.66	3,542	0.43

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2011

<u>METER CLASSIFICATION</u>	<u>AVERAGE CUSTOMERS</u>	
	<u>WATER SUPPLY</u>	<u>WASTEWATER TREATMENT</u>
Unmetered	0	169
5/8"	3,152	3,088
3/4"	7	7
1"	135	111
1 1/2"	90	75
2"	85	68
3"	9	9
4"	13	11
6"	5	3
8"	1	1
TOTAL	<u><u>3,497</u></u>	<u><u>3,542</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, 2011

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 2.07
1"	3.55
1 1/2"	7.04
2"	11.36
3"	24.68
4"	42.43
6"	88.56
8"	127.20
10"	205.52
12"	304.62

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 2002 THROUGH 2011

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2011	5.79	8.52	14.20	28.45	45.37	99.37	170.36	354.96	511.12

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
FISCAL YEARS ENDED JUNE 30, 2002 THROUGH 2011

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2011	9.34	14.03	23.37	46.74	74.80	163.75	280.54	584.56	841.73

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, 2010 THROUGH DECEMBER 31, 2010

	<u>CUBIC FEET</u>		<u>GALLONS</u>		<u>DOLLARS</u>
	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>
					<u>AND</u>
					<u>SEWER</u>
1) Cadillac Castings	25,335,700	11,640,400	189,511,036	87,070,192	\$686,933
2) Avon Rubber & Plastics	11,335,700	10,371,200	84,791,036	77,576,576	341,959
3) AAR Cadillac Manufacturing	14,838,800	7,072,100	110,994,224	52,899,308	272,450
4) Paulstra CRC	3,196,000	3,196,000	23,906,080	23,906,080	95,864
5) Mercy Hospital	1,586,500	1,586,500	11,867,020	11,867,020	64,361
6) Cadillac Renewable Energy	815,800	2,039,700	6,102,184	15,256,956	54,403
7) Borg-Warner	1,339,600	1,339,600	10,020,208	10,020,208	43,580
8) Piranha Hose	1,162,200	1,162,200	8,693,256	8,693,256	36,552
9) Michigan Rubber Products	1,060,500	1,060,500	7,932,540	7,932,540	34,985
10) Pheasant Ridge	1,230,500	1,230,500	9,204,140	9,204,140	34,148
11) Country Acres	916,600	916,600	6,856,168	6,856,168	29,666
12) Four Winns	313,100	313,100	2,341,988	2,341,988	19,005
13) Leisure Park	483,500	483,500	3,616,580	3,616,580	15,551
14) Rexair, Inc.	156,800	156,800	1,172,864	1,172,864	10,130
15) Kolarevic Car Wash	247,300	247,300	1,849,804	1,849,804	8,981
TOTAL					<u>\$ 1,748,568</u>

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 2002 THROUGH 2011

<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>					
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
2011	1.21	1.03	0.92	0.79	0.70

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>
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
2011	2.16	4.3

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	
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
2011	102,593,850	767,402,000	2.76	103,347,594	773,040,000	17.83	100.73

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2011

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	1.91
5/8"	23,999,900	27.51	22,985,000	30.72
3/4"	96,900	0.11	96,900	0.13
1"	3,885,100	4.45	2,833,600	3.79
1 1/2"	4,242,800	4.86	3,008,400	4.02
2"	12,306,900	14.10	16,796,200	22.45
3"	1,694,500	1.94	1,700,700	2.27
4"	18,832,800	21.58	11,684,300	15.61
6"	21,047,900	24.12	13,148,200	17.57
8"	1,146,500	1.33	1,146,500	1.53
TOTAL	87,253,300	100.00	74,827,800	100.00

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2011

<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	\$ 84	0.01	\$50,067	2.41
5/8"	493,206	41.62	765,288	36.81
3/4"	1,805	0.15	1,724	0.08
1"	64,657	5.46	84,690	4.07
1 1/2"	73,252	6.18	102,017	4.91
2"	159,155	13.43	414,000	19.91
3"	27,884	2.35	54,772	2.63
4"	171,963	14.51	286,481	13.78
6"	176,671	14.91	303,058	14.58
8"	16,448	1.38	17,125	0.82
TOTAL	\$ 1,185,125	100.00	\$ 2,079,222	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 Barnett, Mayor Pro-Tem Art Stevens, Councilmember Douglas Mellema.

Cadillac Administrative Staff (standing, left to right): Director of Finance Owen Roberts, City Manager Marcus Peccia, City Clerk Chris Benson



Comprehensive Annual Financial Report
For the Year Ended June 30, 2011