

**CITY OF CADILLAC
WEXFORD COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015**

City of
CADILLAC MICHIGAN

People, Place, Partnerships: The Cadillac Standard

CITY OF CADILLAC, MICHIGAN

ELECTED OFFICIALS

Carla Filkins, Mayor
At Large

Shari Spoelman, Councilmember
First Ward

Antoinette Schippers, Councilmember
Second Ward

Art Stevens, Mayor Pro-Tem
Third Ward

Elvin Keith III, Councilmember
Fourth Ward

CITY ADMINISTRATION

City Manager	Marcus A. Peccia
Community Dev. Director	John Wallace
Director of Finance	Owen Roberts
Director of Public Utilities	Jeff Dietlin
Director of Public Works and Engineering	Bruce DeWitt
City Clerk	Sandra Wasson
City Treasurer	Keri Lanning
City Attorney	Foster Swift Collins & Smith PC

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CITY OF CADILLAC, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

Prepared by: Financial Services Department

Director of Finance

Owen Roberts

Accountant

Carol Pacella

INTRODUCTORY SECTION



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

December 23, 2015

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

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2015 is hereby submitted.

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

Gabridge & Company, PLC, have issued an unmodified (“clean”) opinion on the City of Cadillac’s financial statements for the year ended June 30, 2015. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Cadillac was incorporated in 1877 and serves as the county seat of Wexford County. It is located in beautiful Northern Michigan and offers four very separate and distinct seasons which provide a variety of recreational opportunities for visitors. The community has been recognized as the largest manufacturing base north of Grand Rapids, and therefore provides employment opportunities which create an excellent quality of life for the year-round residents. Cadillac occupies nine square miles, which includes a lake that is entirely within the city limits.

The City government operates under a council/manager form of government and was one of the first municipalities in the state of Michigan to adopt this form of local governance. The City Council consists of four council members and a mayor elected at large. The council members are elected on a nonpartisan basis to staggered four-year terms based on four districts within the city. The mayor serves a two year term. The chief function of the City Council is to hire a City Manager and take legislative action as appropriate.

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

The City Council is required to adopt an annual budget by the second council meeting in May of each year. The annual budget serves as the foundation of the City of Cadillac's financial planning and control. The budget is prepared by fund and department. The budget is adopted by total fund for all funds except the General Fund. The General Fund is adopted by department (i.e. Police Department, Fire Department). The level of budgetary control for all transfers for the budget amounts within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed appropriations at the major function level. Expenditures in all other funds may not exceed appropriations at the total fund level. The budget is approved by the city council annually by ordinance and amended by resolution quarterly as needed.

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

Local Economy and Future Outlook

Our local economy is comprised of a healthy mixture of manufacturing, tourism, recreation, retail, and professional services including major health care providers and services. The manufacturing sector provides significant employment opportunities and is a critical component of our overall local economic condition. Additionally, local recreation opportunities are vast, and include hunting, fishing, snowmobiling, biking, camping, golf, water sports and others. These activities bring in visitors from around the country to spend their tourism and recreational dollars in the community.

Economic conditions in our community continue to improve. Lodging utilization rates are strong, and our major festivals and events are ever more popular. This positively impacts commerce that benefits our local economy. Looking ahead, the future construction of "Cadillac Junction", a mixed-use development consisting of high quality market rate multi-family residential and major commercial retail establishments should also enhance and solidify the City's economic base.

Cadillac is the largest manufacturing base north of Grand Rapids, with a significant concentration of automotive suppliers, specialty product manufacturers that produce unique components and products for the Department of Defense, packaging and containers, vacuum cleaners, castings, metal fabrication and boats. Without a doubt, the City's industrial base, comprised of over fifty companies that employ over four thousand people and produce approximately \$1 billion worth of products annually is an incredibly valuable and important factor in the fiscal sustainability of our City.

Our industrial sector also appears to be improving, with recent examples including significant investment in both the acquisition of new equipment and in expanding the size of existing facilities. In fact, one local manufacturer has doubled their space, all of which helps secure local stability and employment levels. Downtown development continues strong as well, evidenced by the sustainability of our local downtown merchants.

Cadillac remains actively involved in several public community development initiatives. Creating new and improved public gathering spaces is essential in keeping Cadillac a destination location. We are embarking on the largest, most significant public community development projects since the construction of the original Rotary Performing Arts Pavilion and Keith McKellop Walkway. The redevelopment of the Rotary Performing Arts Pavilion has begun, along with the creation of the Cadillac Heritage Plaza. The Pavilion redevelopment will completely redesign audience seating and gathering areas, in addition to adding new dressing room spaces, audio visual equipment, and other improvements to the facility. The new Plaza, when completed, is expected to provide amazing new amenities such as a splash pad, ice rink, farmers market, and fireplace. Other exciting projects for the future include the extension of the White Pine Trail closer into our downtown area, and reimagining of the Mitchell Street corridor. These projects will enhance the core public areas of the community, and will provide the City with valuable opportunities to partner with other local agencies and organizations.

In taking a brief look at our state's economy, according to the Research Seminar in Quantitative Economics (RSQE) Forecast from the University of Michigan released in November 2015, Michigan has finished its "sixth year of economic recovery since the previous recession's low point in the summer of 2009, and growth is being forecasted for at least two more years". The RSQE further reported that job growth during the first quarter of 2015 surged to an annual rate of 3.8% before averaging 1.4% during the second and third quarters. The forecast is estimating job growth at 1.4 to 1.5% for 2016, and 1.4 to 1.6% in 2017. Additionally, the RSQE forecasts that personal income growth will rise from 4.1% in 2015 to 4.4% in 2016, due to strength in wages and salaries.

Long-term Financial Planning and Major Initiatives

The City of Cadillac has unrestricted fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund of \$1,773,857. This represents 28.0% of total General Fund expenditures for the fiscal year just ended. In accordance with City policy, 15% of annual expenditures and transfers out – or \$999,647 – will be assigned as a

working capital reserve. The City has also had a long-standing practice of assigning an amount to fully fund accrued but unpaid sick and vacation leave. As of June 30, 2015 this amount was \$385,018. These two amounts help stabilize the financial condition of the City.

The City also adopts a five-year capital improvement plan (CIP) each year. This plan identifies all capital projects in excess of \$7,500 and with an expected life of more than one year. Identifying these projects in the CIP aids in prioritizing appropriations and in identifying relevant sources of funding for future capital projects.

The most significant project identified in the CIP is the final phase of relocating the City's well field. Phase I of this project, which included about half of the required system capacity, has been online for a couple of years, while initial engineering and site identification activities for Phase II are ongoing and it is anticipated that construction could begin late in 2016. The City anticipates using a low-interest loan from the Michigan Department of Environmental Quality's Drinking Water Revolving Fund to fund this project that is estimated to cost \$3.5 million. The CIP also identified over \$3.3 million in street and infrastructure maintenance projects, \$2.3 million in major equipment purchases, and \$365,000 in technology upgrades.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-ninth 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.

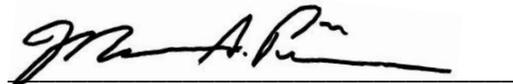
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2014. 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 for thirty-one consecutive years.

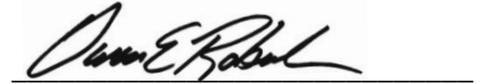
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Sincerely,



Marcus A. Peccia, City Manager



Owen E. Roberts, Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cadillac
Michigan**

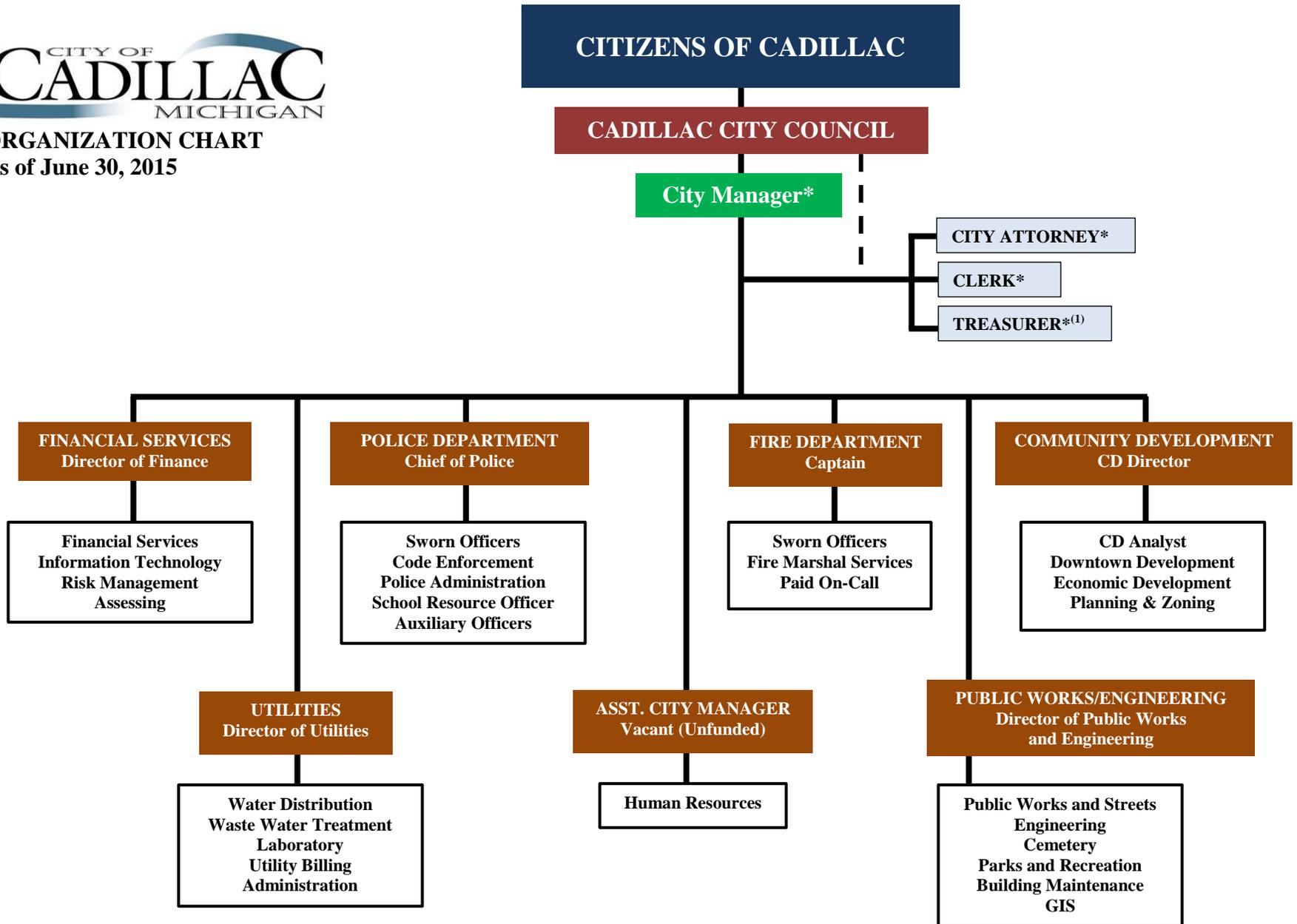
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



ORGANIZATION CHART
As of June 30, 2015



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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As described in Note 16 to the financial statements, during the year ended June 30, 2015 the City adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of implementing these pronouncements, the City's net pension liability and pension related deferred outflows have been recognized on the government-wide and proprietary statements and, as discussed in Note 16, the 2014 financial statements have been restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension schedules, as listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, debt and tax roll

schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, along with the debt and tax roll schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, along with the debt and tax roll schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cadillac, Michigan's internal control over financial reporting and compliance.



Gabridge & Company, PLC
Grand Rapids, Michigan
December 23, 2015

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan (the "City" or "government") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities at the close of this fiscal year by \$32,620,130 (shown as *Net Position*), representing a decrease of \$267,648 over the previous fiscal year. Governmental Activities decreased \$260,272, while the Net Position of the Business-Type activities decreased by \$7,376.
- Of the total net position, \$3,182,175 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2015, the governmental funds of the City of Cadillac reported combined ending fund balances of \$5,743,473. This is a decrease of \$428,167. The City used funds on hand to complete several street improvement projects during the current year. In addition, donated funds on hand from the prior fiscal year were expended to construct a new playground in the parks system.
- In accordance with the City's policy, an amount equal to 15% of total General Fund expenditures and transfers has been assigned as a working capital reserve.
- In the General Fund, total Assigned and Unassigned Fund Balance decreased to \$1,773,857 as of June 30, 2015. Of this amount, \$221,245 represents fund balance that is unassigned and therefore available for future appropriation. The Fund Balance decreased because of a planned use of these funds to balance the budget for the year and because of a payout of accrued sick and vacation hours to a retiree.
- The City of Cadillac's total bonded debt **decreased** by \$735,000 during the fiscal year. This decrease is the result of all debt service payments on the city's outstanding bond issues being made in a timely manner and no additional debt incurred during the fiscal year.

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

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the City include general government, public safety, public works, recreation and culture, economic development and assistance, and interest on long-term debt. Business-type activities of the City include water and sewer utility services, building authority, and auto parking.

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

The government-wide financial statements can be found on pages 19 - 20 of this report.

Fund Financial Statements

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

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

Governmental funds for the City include the General Fund as well as the special revenue, capital project, debt service, and permanent funds. The information is presented individually in the basic financial statements for the General Fund, which is considered to be a major fund. Data is combined into a single aggregated presentation for the other governmental funds (nonmajor governmental funds). Individual data for each of the remaining nonmajor governmental funds is provided in the form of combining statements and schedules.

The basic governmental fund financial statements can be found on pages 21 - 24 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 25 - 28 of this report.

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

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

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

The fiduciary fund financial statements can be found on pages 29 - 30 of this report.

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 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 34 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 73 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceeded liabilities by \$32,620,130 at June 30, 2015. A comparison with the previous fiscal year is presented in order to show the change in Net Position over the previous fiscal year.

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

City of Cadillac Net Position

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$7,735	\$8,722	\$4,074	\$4,142	\$11,809	\$12,864
Capital Assets	12,140	11,973	22,833	23,471	34,973	35,444
Total Assets	\$19,875	\$20,695	\$26,907	\$27,613	\$46,782	\$48,308
Total Deferred Outflows of Resources	\$715	\$74	\$123	\$52	\$838	\$126
Current and Other Liabilities	\$680	\$493	\$933	\$968	\$1,613	\$1,461
Long-Term Liabilities	4,662	4,240	8,725	8,977	13,387	13,217
Total Liabilities	\$5,342	\$4,733	\$9,658	\$9,945	\$15,000	\$14,678
Net Position						
Net Investment in Capital Assets	\$11,723	\$11,470	\$13,999	\$13,972	\$25,722	\$25,442
Restricted	3,091	3,369	626	626	3,717	3,995
Unrestricted	434	419	2,747	2,781	3,181	3,200
Total Net Position	\$15,248	\$15,258	\$17,372	\$17,379	\$32,620	\$32,637

The most significant portion of the City's Net Position (79%) 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 implemented GASB Statement No. 68. This new standard requires reporting a net pension liability when the actuarial liabilities of a pension system exceed the actuarial value of the system's assets. For Cadillac this added a liability of \$3,476,849 in the governmental funds, and an additional liability of \$411,130 in the business-type activities. An additional portion of net position (11%) represents resources that are subject to external restrictions on how they may be used.

The total net position of the City decreased by \$267,648 during the fiscal year. Reasons for this change in net position are discussed in upcoming sections.

**City of Cadillac
Management's Discussion and Analysis
June 30, 2015**

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$1,347	\$1,375	\$4,307	\$4,270	\$5,654	\$5,645
Operating Grants and Contributions	1,090	1,148	10	0	1,100	1,148
Capital Grants	520	0	0	0	520	0
General Revenues						
Property Taxes and Assessments	4,213	4,338	0	0	4,213	4,338
State Shared Revenue	1,027	988	0	0	1,027	988
Unrestricted Investment Earnings	68	68	20	19	88	87
Gain on Sale of Capital Assets	65	0	0	0	65	0
Other	83	10	85	0	168	10
Total Revenues	\$8,413	\$7,927	\$4,422	\$4,289	\$12,835	\$12,216
Expenses						
General Government, Administrative	\$1,988	\$1,987	\$0	\$0	\$1,988	\$1,987
Public Safety	3,466	3,199	0	0	3,466	3,199
Public Works	2,515	2,571	0	0	2,515	2,571
Recreation and Culture	452	421	0	0	452	421
Economic Development/Assistance	235	256	0	0	235	256
Interest on Long-Term Debt	17	21	0	0	17	21
Water and Sewer	0	0	4,275	4,138	4,275	4,138
Automobile Parking System	0	0	62	63	62	63
Building Authority Operating	0	0	92	88	92	88
Total Expenses	\$8,673	\$8,455	\$4,429	\$4,289	\$13,102	\$12,744
Changes in Net Position	(260)	(528)	(7)	0	(267)	(528)
Beginning Net Position	15,508	16,036	17,379	17,379	32,887	33,415
Ending Net Position	<u>\$15,248</u>	<u>\$15,508</u>	<u>\$17,372</u>	<u>\$17,379</u>	<u>\$32,620</u>	<u>\$32,887</u>

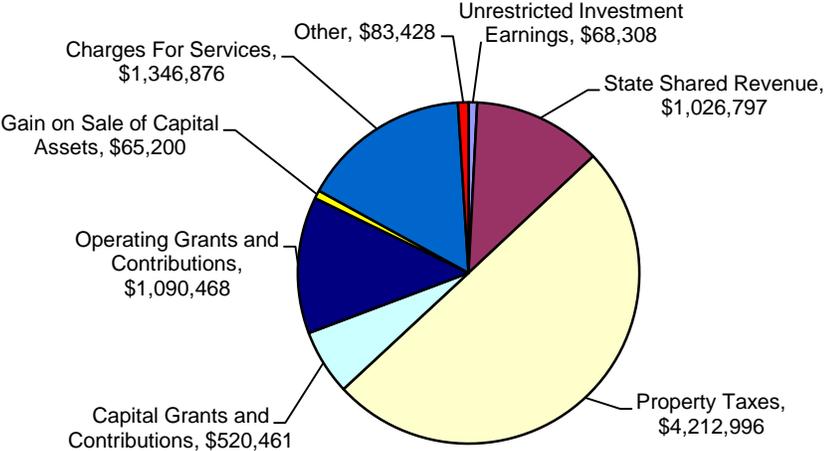
Governmental Activities

The net position of the City's governmental activities decreased by \$260,272 during the year. Much of this decrease can be attributed to depreciation expense charged against governmental assets. The City's overall taxable value declined for the fifth straight year, putting additional strain on available resources to fund operations and capital purchases.

**City of Cadillac
Management's Discussion and Analysis
June 30, 2015**

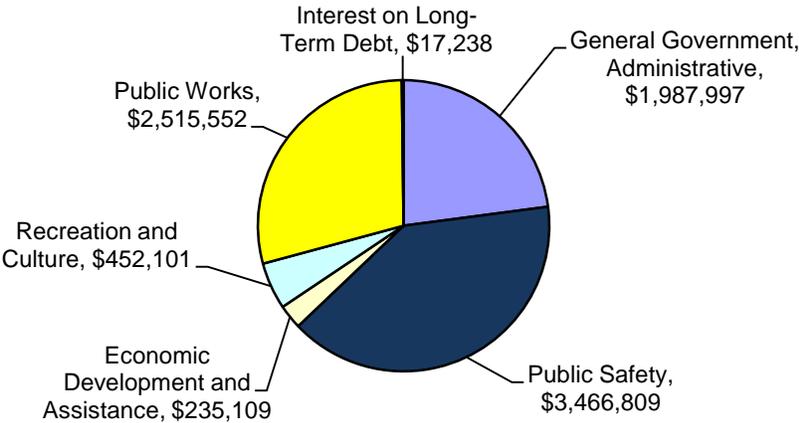
The following chart summarizes the revenue sources for the City's governmental activities for the year ended June 30, 2015:

Revenues - Governmental Activities
Fiscal Year Ended June 30, 2015
Total Revenue: \$8,414,534



Total expenses for governmental activities for the year ended June 30, 2015 are summarized below:

Expenses - Governmental Activities
Fiscal Year Ended June 30, 2015
Total Expenses: \$8,674,806



City of Cadillac
Management's Discussion and Analysis
June 30, 2015

Business-Type Activities

Net position within the City's business-type activities decreased \$7,376 during the year. The City's water and sewer activities resulted in a loss of \$112,408 for the year. Much of this loss was attributable to the costs of a "Run Water Notice" having to be issued by the Utilities Department that lasted several months at the end of the winter. The department incurred thousands of dollars of unexpected costs related to the event for contractual thawing services, departmental overtime, and repairs and maintenance of broken pipes as a result of pipes freezing and water mains breaking. In addition, Legal Fees specific to the Water and Sewer System exceeded planned amounts by \$85,000. These losses were offset by a gain in the Building Authority Fund, which reports the activities related to the rental of a City building to the Michigan Department of Environmental Quality. This fund had an increase in net position of \$105,031.

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2015, governmental funds reported combined ending fund balances of \$5,743,473. This ending fund balance is \$428,167 lower than the end of the previous fiscal year. Of the total ending fund balance, \$1,079,430, or 19%, is nonspendable. An additional amount of \$1,266,268, or 22%, is restricted to spending for specific purposes, including street projects, lake treatment, and perpetual care of Maple Hill Cemetery. Portions of total fund balance have also been assigned for various uses, including a 15% working capital reserve and an amount equal to the estimated cost of sick and vacation leave benefits. This portion of fund balance totals \$3,176,530, or 55% of the total. Finally, \$221,245 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, 2015 can be found on page 69 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, 2015 was \$1,936,912. This represents a 5% decrease from the prior year. An amount equal to 15% of total annual expenditures is assigned as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for several years. There is also \$385,018 assigned to fund sick and vacation benefits that have accrued but have not yet been paid out.

Total fund balance in the City of Cadillac's General Fund decreased by \$104,905 in the current fiscal year. The City's final appropriated budget had planned for a use of fund balance of \$307,800 but because of some cost saving measures highlighted in the next section, and several revenue sources exceeding the budget, the City ended the year in better condition than anticipated.

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

City of Cadillac
Management's Discussion and Analysis
June 30, 2015

statements. The Water and Sewer Fund decreased net position by \$112,408 during the year. The issues discussed prior were the reason for the decrease. The Building Authority Operating Fund saw its net position increase in this fiscal year by \$105,031. 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 \$171,800. The major appropriation increases were related to the following:

- Additional legal fees were appropriated to cover annual activity that exceeded projections in the amount of \$65,000.
- Funds were amended into the budget from the Sick and Vacation reserve to fund the accrued sick and vacation payout for two employees that retired or resigned during the year. These items totaled \$70,000.
- An additional appropriation of \$15,000 was required to cover refunds of taxes based on tax tribunal decisions that were higher than planned.
- An additional appropriation of \$7,800 was required to cover elections.
- The Parks Department provided significant labor and equipment as part of the City's local match towards the construction of the new lakefront playground. An additional appropriation of \$20,000 was required to cover these costs.
- A couple of significant repairs were required on the mechanical equipment at the City Municipal Complex. Additional appropriations of \$10,000 were required to cover these costs.
- The City's required transfer out to the Local Street Fund was reduced by \$20,000 because of a special appropriation by the State of Michigan that was designated to the Local Street Fund.

Budget Variances

Overall, actual expenditures were \$150,997 below the legal appropriations. Several factors contributed to this positive variance:

- Final Legal Fees were \$14,000 below projections.

**City of Cadillac
Management's Discussion and Analysis
June 30, 2015**

- The final quarterly transfer out to the Local Street Fund was not made due to a special appropriation from the State of Michigan that was designated to the Local Street Fund. This was a \$61,250 savings to the General Fund.
- General savings and smaller cost-reduction actions accounted for the remainder of the positive 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, 2015 amounted to \$34,972,659 (net of accumulated depreciation). This represents a decrease of \$472,766 during the prior year. The City invested over \$1,100,000 (net of disposals) in capital assets during the year. These were primarily in the form of infrastructure and water and sewer system improvements. Total capital assets declined primarily due to normal government-wide depreciation costs of \$2,101,774. 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	
	2015	2014	2015	2014	2015	2014
Infrastructure	\$19,899	\$19,144	\$0	\$0	\$19,899	\$19,144
Land and Land Improvements	3,617	3,482	1,402	1,402	5,019	4,884
Buildings	4,688	4,540	2,350	2,350	7,038	6,890
Machinery & Equipment	4,972	5,039	1,433	1,577	6,405	6,616
Investment in Water and Sewer Systems	0	0	38,344	37,927	38,344	37,927
Subtotal	<u>\$33,176</u>	<u>\$32,205</u>	<u>\$43,529</u>	<u>\$43,256</u>	<u>\$76,705</u>	<u>\$75,461</u>
Construction in Progress	0	0	170	278	170	278
Accumulated Depreciation	<u>(21,037)</u>	<u>(20,232)</u>	<u>(20,866)</u>	<u>(20,062)</u>	<u>(41,903)</u>	<u>(40,294)</u>
Net Capital Assets	<u>\$12,139</u>	<u>\$11,973</u>	<u>\$22,833</u>	<u>\$23,472</u>	<u>\$34,972</u>	<u>\$35,445</u>

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 41 and pages 49 - 51.

Long-term Debt. As of June 30, 2015, the City had total long-term debt (including compensated absences) outstanding of approximately \$9,843,163. This is a decrease of \$724,438, or 7%, over the prior fiscal year. No additional debt was undertaken through the year, and total debt was reduced by normal debt service requirements that were met throughout the year.

**City of Cadillac
Management's Discussion and Analysis
June 30, 2015**

Of the City's total outstanding debt, \$390,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Most of the City's revenue bonds are associated with the Water and Sewer Fund (\$8,694,061), 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 Outstanding Debt (amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$390	\$460	\$0	\$0	\$390	\$460
Special Assessment Debt with Governmental Commitment	0	0	0	0	0	0
Contracts, Notes, and Other	449	465	170	143	619	608
Revenue Bonds	0	0	8,834	9,499	8,834	9,499
Total Outstanding Debt	\$839	\$925	\$9,004	\$9,642	\$9,843	\$10,567

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of total assessed valuation. The current debt limitation based on the City's taxable valuation of \$242,968,883 is \$24,296,888 which significantly exceeds the City's outstanding general obligation debt of \$390,000. More information on the City's long-term debt is available in the Notes to the Financial Statements section of this document, on pages 52 - 53.

Contacting the City's Financial Services Department

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

BASIC FINANCIAL STATEMENTS

City of Cadillac
Statement of Net Position
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
<i>Current Assets</i>				
Cash & Pooled Investments	\$ 6,764,753	\$ 2,566,657	\$ 9,331,410	\$ 3,042,105
Receivables	653,789	603,099	1,256,888	30,535
Prepays	225,851	46,213	272,064	36
Inventory	87,868	196,087	283,955	--
Due from Fiduciary Funds	3,009	36,651	39,660	--
Total Current Assets	7,735,270	3,448,707	11,183,977	3,072,676
<i>Noncurrent Assets</i>				
Restricted Cash	--	625,784	625,784	--
Capital Assets not being Depreciated	2,480,493	882,067	3,362,560	--
Capital Assets being Depreciated	9,659,254	21,950,845	31,610,099	1,098,177
Total Noncurrent Assets	12,139,747	23,458,696	35,598,443	1,098,177
Total Assets	19,875,017	26,907,403	46,782,420	4,170,853
DEFERRED OUTFLOWS OF RESOURCES				
Pension	715,615	123,648	839,263	--
Total Deferred Outflows of Resources	715,615	123,648	839,263	--
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	521,774	153,880	675,654	69,455
Accrued Liabilities	66,671	21,210	87,881	1,030
Customer Deposits	--	8,100	8,100	--
Accrued Interest	3,957	60,262	64,219	--
Current Portion of Long-term Debt	87,721	690,000	777,721	9,803
Total Current Liabilities	680,123	933,452	1,613,575	80,288
<i>Noncurrent Liabilities</i>				
Compensated Absences	422,287	170,232	592,519	337
Long-term Debt	328,862	8,144,061	8,472,923	90,403
Net Other Post Employment Benefits Liability	434,557	--	434,557	--
Net Pension Liability	3,476,849	411,130	3,887,979	--
Total Noncurrent Liabilities	4,662,555	8,725,423	13,387,978	90,740
Total Liabilities	5,342,678	9,658,875	15,001,553	171,028
NET POSITION				
Net Investment in Capital Assets	11,723,164	13,998,851	25,722,015	1,098,177
Restricted	3,090,156	625,784	3,715,940	2,901,648
Unrestricted	434,634	2,747,541	3,182,175	--
Total Net Position	\$ 15,247,954	\$ 17,372,176	\$ 32,620,130	\$ 3,999,825

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

**City of Cadillac
Statement of Activities
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 1,987,997	\$ 519,696	\$ 66,768	\$ --	\$ (1,401,533)	\$ --	\$ (1,401,533)	\$ --
Public Safety	3,466,809	98,652	159,595	--	(3,208,562)	--	(3,208,562)	--
Public Works	2,515,552	726,188	864,105	--	(925,259)	--	(925,259)	--
Economic Development	235,109	2,340	--	--	(232,769)	--	(232,769)	--
Recreation & Culture	452,101	--	--	520,461	68,360	--	68,360	--
Interest on Long-term Debt	17,238	--	--	--	(17,238)	--	(17,238)	--
Total Governmental Activities	8,674,806	1,346,876	1,090,468	520,461	(5,717,001)	--	(5,717,001)	--
Business-type Activities:								
Auto Parking	62,731	51,025	--	--	--	(11,706)	(11,706)	--
Building Authority	91,801	195,870	--	--	--	104,069	104,069	--
Water and Sewer	4,274,896	4,060,140	9,962	--	--	(204,794)	(204,794)	--
Total Business-type Activities	4,429,428	4,307,035	9,962	--	--	(112,431)	(112,431)	--
Total Primary Government	\$ 13,104,234	\$ 5,653,911	\$ 1,100,430	\$ 520,461	\$ (5,717,001)	\$ (112,431)	\$ (5,829,432)	--
Component Units								
Brownfield Redevelopment	\$ 34,296	\$ --	\$ 9,000	\$ --	--	--	--	(25,296)
Downtown Development Authority	83,594	5,000	150	--	--	--	--	(78,444)
Local Development Finance Authority	267,315	16,932	--	--	--	--	--	(250,383)
Economic Development Corporation	--	--	--	--	--	--	--	--
Total Component Units	\$ 385,205	\$ 21,932	\$ 9,150	\$ --	--	--	--	(354,123)
General Purpose Revenues and Transfers:								
Revenues								
Property Taxes					4,212,996	--	4,212,996	293,187
State Revenue					1,026,797	--	1,026,797	--
Gain on Sale of Capital Assets					65,200	--	65,200	--
Interest Income					68,308	20,017	88,325	26,550
Miscellaneous Income					92,961	75,505	168,466	--
Transfers					(9,533)	9,533	--	--
Total General Revenues and Transfers					5,456,729	105,055	5,561,784	319,737
Change in Net Position					(260,272)	(7,376)	(267,648)	(34,386)
<i>Net Position at Beginning of Period, as Restated (Note 16)</i>					15,508,226	17,379,552	32,887,778	4,034,211
Net Position at End of Period					\$ 15,247,954	\$ 17,372,176	\$ 32,620,130	\$ 3,999,825

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

**City of Cadillac
Balance Sheet
Governmental Funds
June 30, 2015**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash & Pooled Investments	\$ 1,788,152	\$ 3,666,222	\$ 5,454,374
Receivables	150,015	479,869	629,884
Prepays	106,085	5,357	111,442
Due from Fiduciary Funds	2,876	133	3,009
Due from Other Funds	88,393	89,686	178,079
Advance to Other Funds	--	200,000	200,000
<i>Total Assets</i>	<u>\$ 2,135,521</u>	<u>\$ 4,441,267</u>	<u>\$ 6,576,788</u>
LIABILITIES			
Accounts Payable	\$ 134,131	\$ 339,730	\$ 473,861
Accrued Liabilities	54,372	9,114	63,486
Due to Other Funds	--	178,079	178,079
<i>Total Liabilities</i>	<u>188,503</u>	<u>526,923</u>	<u>715,426</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	10,106	107,783	117,889
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>198,609</u>	<u>634,706</u>	<u>833,315</u>
FUND BALANCE			
Nonspendable	106,085	973,345	1,079,430
Restricted	56,970	1,209,298	1,266,268
Assigned	1,552,612	1,623,918	3,176,530
Unassigned	221,245	--	221,245
<i>Total Fund Balance</i>	<u>1,936,912</u>	<u>3,806,561</u>	<u>5,743,473</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 2,135,521</u>	<u>\$ 4,441,267</u>	<u>\$ 6,576,788</u>

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

City of Cadillac
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2015

Total Fund Balance - Governmental Funds	\$ 5,743,473
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.	1,802,185
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(3,957)
General government capital assets of \$30,309,137 net of accumulated depreciation of \$18,850,162, are not financial resources, and accordingly are not reported in the funds.	11,458,975
Certain receivables are not available to pay for current period expenditures and, therefore, are unearned in the funds.	117,889
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(416,583)
Compensated absences are not due in and payable in the current period, and therefore, are not reported in the funds.	(385,018)
The net pension liability is not paid from current financial resources and, therefore, is excluded from the fund financial statements but is included as an asset in the government-wide financial statements.	(3,295,538)
Other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(434,557)
Deferred outflows from the difference between projected and actual investment earnings of the pension plan as well as City contributions made after the measurement date of the net pension liability are not reported in the funds.	661,085
Total Net Position - Governmental Funds	\$ <u>15,247,954</u>

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

City of Cadillac
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 4,212,849	\$ 147	\$ 4,212,996
Licenses & Permits	139,623	--	139,623
Federal Revenue	44,800	--	44,800
State Revenue	1,035,467	1,466,091	2,501,558
Local Revenue Sharing	159,595	1,000	160,595
Charges for Services	893,547	91,260	984,807
Fines	13,621	--	13,621
Miscellaneous	32,993	145,844	178,837
Interest Income	26,914	33,201	60,115
<i>Total Revenues</i>	<u>6,559,409</u>	<u>1,737,543</u>	<u>8,296,952</u>
Expenditures			
General Government	1,639,537	152,253	1,791,790
Public Safety	3,191,801	--	3,191,801
Public Works	853,335	1,014,132	1,867,467
Economic Development	186,096	52,126	238,222
Recreation & Culture	320,267	--	320,267
Capital Outlay	154,528	1,045,895	1,200,423
Debt Service - Principal	--	87,721	87,721
Debt Service - Interest	--	17,895	17,895
<i>Total Expenditures</i>	<u>6,345,564</u>	<u>2,370,022</u>	<u>8,715,586</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>213,845</u>	<u>(632,479)</u>	<u>(418,634)</u>
Other Financing Sources (Uses)			
Transfers In	--	492,404	492,404
Transfers Out	(318,750)	(183,187)	(501,937)
<i>Net Other Financing Sources (Uses)</i>	<u>(318,750)</u>	<u>309,217</u>	<u>(9,533)</u>
<i>Net Change in Fund Balance</i>	<u>(104,905)</u>	<u>(323,262)</u>	<u>(428,167)</u>
<i>Fund Balance at Beginning of Period</i>	2,041,817	4,129,823	6,171,640
<i>Fund Balance at End of Period</i>	<u>\$ 1,936,912</u>	<u>\$ 3,806,561</u>	<u>\$ 5,743,473</u>

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

City of Cadillac
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2015

Total Net Change in Fund Balances - Governmental Funds	\$ (428,167)
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements	114,413
Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,001,304 is exceeded of capital outlay expenditures of \$1,200,423.	199,119
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.	657
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.	35,912
Certain receivables are not available to pay for current period expenditures and, therefore, are unearned in the funds	(18,600)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.	87,721
Changes to the net pension liability are not shown in the fund financial statements. The net effect of the current year increase is to increase net position.	(130,919)
In the Statement of Activities, an expense is recorded for other post-employment benefits (OPEB) to adjust net OPEB obligation to the actuarial determined amount less any contributions to fund the obligation. This is the difference between the prior year and the current year net OPEB obligation.	(120,408)
Changes in Net Position - Governmental Funds	\$ <u>(260,272)</u>

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

**City of Cadillac
Statement of Net Position
Proprietary Funds
June 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
ASSETS				
<i>Current Assets</i>				
Cash & Pooled Investments	\$ 2,255,506	\$ 311,151	\$ 2,566,657	\$ 1,310,379
Receivables	602,567	532	603,099	23,905
Prepays	44,935	1,278	46,213	114,409
Inventory	196,087	--	196,087	87,868
Due from Fiduciary Funds	36,651	--	36,651	--
Total Current Assets	<u>3,135,746</u>	<u>312,961</u>	<u>3,448,707</u>	<u>1,536,561</u>
<i>Noncurrent Assets</i>				
Restricted Cash	625,784	--	625,784	--
Capital Assets not being Depreciated	542,401	339,666	882,067	25,000
Capital Assets being Depreciated	20,634,754	1,316,091	21,950,845	655,772
Total Assets	<u>24,938,685</u>	<u>1,968,718</u>	<u>26,907,403</u>	<u>2,217,333</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	123,648	--	123,648	54,530
Total Deferred Outflows of Resources	<u>123,648</u>	<u>--</u>	<u>123,648</u>	<u>54,530</u>
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	153,831	49	153,880	47,913
Accrued Liabilities	20,872	338	21,210	3,185
Customer Deposits	8,100	--	8,100	--
Accrued Interest	58,652	1,610	60,262	--
Current Portion of Long-term Debt	550,000	140,000	690,000	--
Total Current Liabilities	<u>791,455</u>	<u>141,997</u>	<u>933,452</u>	<u>51,098</u>
<i>Noncurrent Liabilities</i>				
Compensated Absences	170,232	--	170,232	37,269
Long-term Debt	8,144,061	--	8,144,061	--
Net Pension Liability	411,130	--	411,130	181,311
Advance from Other Funds	--	--	--	200,000
	<u>8,725,423</u>	<u>--</u>	<u>8,725,423</u>	<u>218,580</u>
Total Liabilities	<u>9,516,878</u>	<u>141,997</u>	<u>9,658,875</u>	<u>469,678</u>
NET POSITION				
Net Investment in Capital Assets	12,483,094	1,515,757	13,998,851	680,772
<i>Restricted for:</i>				
Debt Service	625,784	--	625,784	--
Retirees' Life Insurance	--	--	--	168,866
Employees' Life and Health Insurance	--	--	--	898,356
<i>Unrestricted</i>	2,436,577	310,964	2,747,541	54,191
Total Net Position	<u>\$ 15,545,455</u>	<u>\$ 1,826,721</u>	<u>\$ 17,372,176</u>	<u>\$ 1,802,185</u>

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

City of Cadillac
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Operating Revenues				
Charges for Services	\$ 4,059,420	\$ 1,577	\$ 4,060,997	\$ 1,864,561
Rent	--	195,870	195,870	--
Miscellaneous	720	49,448	50,168	72,322
Total Operating Revenues	<u>4,060,140</u>	<u>246,895</u>	<u>4,307,035</u>	<u>1,936,883</u>
Operating Expenses				
Salaries & Wages	1,444,861	21,528	1,466,389	208,556
Materials & Supplies	371,018	1,987	373,005	109,718
Utilities	465,071	2,739	467,810	35,342
Repair & Maintenance	157,356	20,113	177,469	102,002
Equipment Rental	245,992	21,962	267,954	21,081
Contracted Services	456,124	19,208	475,332	188,062
Professional Fees	--	5,500	5,500	--
Self Insurance	--	--	--	1,101,084
Depreciation	930,587	53,162	983,749	116,721
Total Operating Expenses	<u>4,071,009</u>	<u>146,199</u>	<u>4,217,208</u>	<u>1,882,566</u>
Operating Income (Loss)	<u>(10,869)</u>	<u>100,696</u>	<u>89,827</u>	<u>54,317</u>
Non-Operating Revenues (Expenses)				
Interest Income	16,881	3,136	20,017	8,193
Gain on Sale of Capital Assets	--	--	--	65,200
Federal Operating Grant	9,962	--	9,962	--
Miscellaneous Income	75,505	--	75,505	--
Interest Expense	(203,887)	(8,333)	(212,220)	(13,297)
Net Non-Operating Revenues (Expenses)	<u>(101,539)</u>	<u>(5,197)</u>	<u>(106,736)</u>	<u>60,096</u>
Income Before Contributions and Transfers	<u>(112,408)</u>	<u>95,499</u>	<u>(16,909)</u>	<u>114,413</u>
Transfers In	--	9,533	9,533	--
Transfers Out	--	--	--	--
Change In Net Position	<u>(112,408)</u>	<u>105,032</u>	<u>(7,376)</u>	<u>114,413</u>
<i>Net Position at Beginning of Period, as Restated (Note 16)</i>	15,657,863	1,721,689	17,379,552	1,687,772
Net Position at End of Period	<u>\$ 15,545,455</u>	<u>\$ 1,826,721</u>	<u>\$ 17,372,176</u>	<u>\$ 1,802,185</u>

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

**City of Cadillac
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
Cash Flows from Operating Activities				
Cash Received from Customers and Special Assessments	\$ 4,153,777	\$ 246,886	\$ 4,400,663	\$ 1,944,094
Cash Payments to Employees for Services and Fringe Benefits	(1,411,802)	(21,528)	(1,433,330)	(221,438)
Cash Payments to Suppliers for Goods and Services	(1,786,989)	(74,564)	(1,861,553)	(1,570,519)
Total Cash Flows from Operating Activities	<u>954,986</u>	<u>150,794</u>	<u>1,105,780</u>	<u>152,137</u>
Cash Flows from Non-capital and Related Financing Activities				
Due from (to) Other Funds	(16,386)	-	(16,386)	-
Transfers from (to) Other Funds	-	9,533	9,533	-
Miscellaneous Receipts	75,505	-	75,505	-
Grants & Contributions	9,962	-	9,962	-
Total Cash Flows from Non-capital and Related Financing Activities	<u>69,081</u>	<u>9,533</u>	<u>78,614</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Principal Paid	(530,000)	(135,000)	(665,000)	-
Interest Paid	(207,507)	(9,886)	(217,393)	(13,297)
Purchase of Equipment	(345,152)	-	(345,152)	(18,233)
Total Cash Flows from (used in) by Capital and Related Financing Activities	<u>(1,082,659)</u>	<u>(144,886)</u>	<u>(1,227,545)</u>	<u>(31,530)</u>
Cash Flows From Investing Activities				
Interest on Investments	16,881	3,136	20,017	8,193
Total Cash Flows from Investing Activities	<u>16,881</u>	<u>3,136</u>	<u>20,017</u>	<u>8,193</u>
Net Increase (Decrease) in Cash and Equivalents	<u>(41,711)</u>	<u>18,577</u>	<u>(23,134)</u>	<u>128,800</u>
<i>Cash and Equivalents - Beginning of Year</i>	2,923,001	292,574	3,215,575	1,231,579
Cash and Equivalents - End of Year	<u>\$ 2,881,290</u>	<u>\$ 311,151</u>	<u>\$ 3,192,441</u>	<u>\$ 1,360,379</u>

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

**City of Cadillac
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (10,869)	\$ 100,696	\$ 89,827	\$ 54,317
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization Expense	930,587	53,162	983,749	116,721
Changes in Assets & Liabilities				
Accounts Receivable	93,637	(9)	93,628	7,211
Inventory	736	-	736	(24,888)
Prepaid Expenses	(32,965)	(1,246)	(34,211)	(4,046)
Deferred Outflow Related to Pension	(71,756)	-	(71,756)	(31,646)
Accounts Payable	(59,199)	(554)	(59,753)	17,163
Accrued Liabilities	6,041	(1,255)	4,786	(1,459)
Compensated Absences	26,926	-	26,926	(12,922)
Net Pension Liability	71,848	-	71,848	31,686
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 954,986</u>	<u>\$ 150,794</u>	<u>\$ 1,105,780</u>	<u>\$ 152,137</u>
Noncash Item				
Prior Period Adjustment (Note 16)	\$ (287,390)	\$ -	\$ (287,390)	\$ (126,741)

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

City of Cadillac
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension and Benefit Trust	
	Police & Fire Trust	Agency
ASSETS		
Cash & Pooled Investments	\$ 507,860	\$ 141,565
Investments Held by Trustee	--	--
Equity Mutal Funds	9,358,223	--
Taxes Receivable	--	14,915
<i>Total Assets</i>	9,866,083	156,480
LIABILITIES		
Due to Other Governmental Units	--	116,820
Due to Other Funds	--	39,660
<i>Total Liabilities</i>	--	156,480
NET POSITION		
Restricted for Pensions	\$ 9,866,083	\$ --

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

City of Cadillac
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Police & Fire Trust
Additions	
<i>Contributions</i>	
Employer	\$ 631,963
Employee	36,346
<i>Total Contributions</i>	668,309
<i>Investment Income</i>	
Investment Income	279,835
Less Investment Expense	(21,556)
<i>Total Investment Income</i>	258,279
<i>Total Additions</i>	926,588
Deductions	
Benefit Payments, Including Refunds of Member Contributions	798,335
Administrative Expenses	9,700
<i>Total Deductions</i>	808,035
<i>Change in Net Position</i>	118,553
<i>Net Position at Beginning of Period</i>	9,747,530
<i>Net Position at End of Period</i>	\$ 9,866,083

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

City of Cadillac
Combining Statement of Net Position
Component Units
June 30, 2015

	Brownfield Redevelopment	Downtown Development Authority	Local Development Finance Authority	Economic Development Corporation	Total Component Units
ASSETS					
<i>Current Assets</i>					
Cash & Pooled Investments	\$ 215,649	\$ 14,806	\$ 175,279	\$ 1,167	\$ 406,901
Investments	--	368,451	2,266,753	--	2,635,204
Receivables	9,000	1,454	20,081	--	30,535
Prepays	--	36	--	--	36
Total Current Assets	224,649	384,747	2,462,113	1,167	3,072,676
<i>Noncurrent Assets</i>					
Capital Assets being Depreciated	--	962,470	135,707	--	1,098,177
Total Assets	224,649	1,347,217	2,597,820	1,167	4,170,853
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	58,416	4,385	6,654	--	69,455
Accrued Liabilities	--	439	591	--	1,030
Current Portion of Long-term Debt	9,803	--	--	--	9,803
Total Current Liabilities	68,219	4,824	7,245	--	80,288
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	337	--	--	337
Long-term Debt	90,403	--	--	--	90,403
Total Liabilities	158,622	5,161	7,245	--	171,028
NET POSITION					
Net Investment in Capital Assets	--	962,470	135,707	--	1,098,177
<i>Restricted for:</i>					
Groundwater Clean Up	--	--	1,007,117	--	1,007,117
Capital Projects	--	--	1,139,523	--	1,139,523
Economic Development	66,027	379,586	308,228	1,167	755,008
<i>Unrestricted</i>	--	--	--	--	--
Total Net Position	\$ 66,027	\$ 1,342,056	\$ 2,590,575	\$ 1,167	\$ 3,999,825

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

City of Cadillac
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2015

	Brownfield Redevelopment	Downtown Development Authority	Local Development Finance Authority	Economic Development Corporation	Total Component Units
Expenses					
Economic Development	\$ 34,296	\$ 43,532	\$ 262,780	\$ --	\$ 340,608
Depreciation	--	40,062	4,535	--	44,597
Total Expenses	34,296	83,594	267,315	--	385,205
Program Revenues					
Charges for Services	--	5,000	16,932	--	21,932
Operating Grants and Contributions	9,000	150	--	--	9,150
Capital Grants and Contributions	--	--	--	--	--
Total Program Revenues	9,000	5,150	16,932	--	31,082
Net Program Revenues (Expenses)	(25,296)	(78,444)	(250,383)	--	(354,123)
General Revenue					
Property Taxes	24,795	127,284	141,108	--	293,187
Interest Income	--	3,840	22,710	--	26,550
Total General Revenues	24,795	131,124	163,818	--	319,737
Change in Net Position	(501)	52,680	(86,565)	--	(34,386)
<i>Net Position at Beginning of Period</i>	66,528	1,289,376	2,677,140	1,167	4,034,211
Net Position at End of Period	\$ 66,027	\$ 1,342,056	\$ 2,590,575	\$ 1,167	\$ 3,999,825

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

NOTES TO THE FINANCIAL STATEMENTS

City of Cadillac

Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

The City was incorporated March 9, 1877, and adopted its current charter on November 2, 1976. The City has a population of about 10,000 residents, and operates under a Council-Manager form of government. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Units

City of Cadillac Policemen and Firemen Retirement System – The City’s police and fire employees participate in the Policemen and Firemen Retirement System (“PFRS”). PFRS functions for the benefit of the employees and is governed by a five-member pension board. The City’s treasurer, one fireman, one police officer, and two members appointed by the mayor constitute the pension board. The City is responsible for funding all PFRS costs based on actuarial valuations. These costs are paid for out of an unlimited tax levy approved by the voters of the City. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. A separate report is not prepared for the PFRS.

Cadillac Building Authority – The Cadillac Building Authority (the “Authority”) is a municipal, nonprofit, nonstock corporation organized under the laws of the State of Michigan solely for the purpose of acquiring and owning buildings for lease to the City. Due to this special financing relationship, the Authority is considered a component of the City’s reporting entity. A separate report is not prepared for the Authority.

Discretely Presented Component Units

Downtown Development Authority – The Downtown Development Authority (the “DDA”) was established through City Ordinance under Act No. 197 of the Public Acts of Michigan 1975. The City Council determined that it was necessary and in the best interest of the City to halt property value deterioration, to eliminate the causes and to promote economic growth.

City of Cadillac

Notes to the Financial Statements

The members of the board of the DDA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The DDA is authorized to impose an ad valorem tax (2 mill maximum) on all taxable property within the established DDA District. The DDA is a volunteer organization. Because the DDA board members are appointed by the City Council, the City exercises effective control over the activity of the DDA.

Economic Development Corporation of the City of Cadillac – The Economic Development Corporation (the “EDC”) is a nonstock, nonprofit corporation. Its purpose is to act as an economic development corporation for the City of Cadillac in accordance with state law. Directors of the EDC are appointed by the Mayor with the advice and consent of the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. Because the EDC board members are appointed by the Mayor, and the City Council approves the EDC’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the EDC.

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

Brownfield Redevelopment Authority – The Brownfield Redevelopment Authority (the “BRA”) was established through City Ordinance under Michigan Public Act 381 of 1996. Its purpose is to identify contaminated sites and remediate them, as well as, to provide the financing to do so. The members of the board of the BRA are appointed by the City Council. Its operational and capital budget and bonded debt must be approved by the City Council. Because the BRA board members are appointed by the City Council, and the City Council approves the BRA’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the BRA.

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

City of Cadillac

Notes to the Financial Statements

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

Joint Venture

Wexford County Airport Authority – The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2014, audited financial statements:

Total Assets	\$	3,718,677
Total Liabilities		39,544
Net Investment in Capital Assets		3,426,477
Net Position - Unrestricted		252,656
Total Revenues - Governmental & Business-type Activities		1,130,200
Total Expenses - Governmental & Business-type Activities		584,947
Change in Net Position		545,253

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a City-wide cost allocation plan which allocates costs based on the number of full-time equivalents, number of transactions, and other pertinent information. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are

City of Cadillac

Notes to the Financial Statements

restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental fund:

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

The City reports the following major proprietary 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.

City of Cadillac

Notes to the Financial Statements

Additionally, the City reports the following fund types:

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

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

The *capital projects funds* account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

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

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

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

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

The *agency funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Cadillac

Notes to the Financial Statements

Budgets and Budgetary Accounting

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

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the general fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed for the governmental fund types as a management control device.
6. Budgets for the general, special revenue, debt service and capital project funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. 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.

Cash and Pooled Investments

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

City of Cadillac

Notes to the Financial Statements

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 fund's portfolio in accordance with state statutes. The policemen and firemen retirement system trust fund and cemetery perpetual care fund are also authorized to invest in corporate common and preferred stocks and bonds.

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

Receivables/Due from Other Governments

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

Special Assessments Receivable

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

Loans Receivable

Loans receivable as reported in the special revenue funds consist of the following:

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

Prepaid and Other Assets

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

City of Cadillac

Notes to the Financial Statements

Inventory

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

Restricted Cash

Certain resources of the water and sewer fund, which are set aside for repayment of revenue bonds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond reserve" account (\$379,918) is used to report resources set aside to make current debt service payments and to make up potential future deficiencies in the funds available for debt service. The "bond replacement" account (\$245,866) is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Capital Assets

Capital assets, which include land, construction in progress, buildings, vehicles and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

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

Description	Useful Life
Buildings	50
Building Improvements	20
Public Domain Infrastructure	50
System Infrastructure	30
Vehicles	5
Equipment	5-10

City of Cadillac

Notes to the Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category, pension related deferred outflows. The government-wide statements and proprietary funds also report deferred outflows from the difference between projected and actual investment earnings of the pension plan, changes in assumptions of the pension plan, as well as City contributions made after the measurement date of the net pension liability.

Compensated Absences

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

Long-term Obligations

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The

City of Cadillac

Notes to the Financial Statements

government has one item, which arises only under a modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues with three sources: installment notes and mortgages, personal property taxes, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-

City of Cadillac

Notes to the Financial Statements

making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Property Taxes

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

The 2014 taxable valuation of the City of Cadillac totaled \$243,347,960, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes, 2.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,496,549 for operating purposes, \$651,802 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective general fund or special revenue fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

The Downtown Development Authority also levies a 1.548 mills on \$14,588,073 of taxable value, which raised approximately \$28,557 for its operations.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the

City of Cadillac

Notes to the Financial Statements

reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Changes between enterprise funds and other functions of the City are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through December 23, 2015, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have a significant impact on the financial condition of the City.

Note 2 – Statutory Compliance

Excess of expenditures over appropriations in budgetary funds

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

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

During the year ended June 30, 2015, the City did not incur any excess of expenditures over appropriations.

City of Cadillac

Notes to the Financial Statements

Note 3 – Cash and Investments

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	Primary Government	Component Unit	Totals
Statement of Net Position			
Cash & Pooled Investments	\$ 9,331,410	\$ 3,042,105	\$ 12,373,515
Restricted Cash and Equivalents	625,784	-	625,784
Statement of Fiduciary Net Position			
Cash & Pooled Investments	649,425	-	649,425
Investments	9,358,223	-	9,358,223
Total	\$ 19,964,842	\$ 3,042,105	\$ 23,006,947

Deposits and Investments

Bank deposits (checking, savings, and certificates of deposit)	\$ 5,069,702
Investments	8,578,722
Investments held in trust	9,358,223
Cash on hand	300
Total	\$ 23,006,947

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

Investments

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

Investment	Maturity	Fair Value	Rating	Source
MI Class Investments	N/A	\$ 186,414	AAAm	S&P
U.S. Agency	2016 - 2027	3,056,095	AA+	S&P
Equity Mutual Funds	N/A	9,358,223	N/A	
Money Market Mutual Funds or Other Liquid Accounts	N/A	5,336,213	N/A	
Total		\$ 17,936,945		

City of Cadillac

Notes to the Financial Statements

Investment and Deposit Risk

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

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. The maturity date for each investment is identified above for investments held at year-end. \$332,986 of the Certificates of Deposits matured within one year, the remainder of \$2,383,000 Mature in 1-5 Years.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require, and the City does not have, a policy for deposit custodial credit risk. As of year-end, \$4,103,042 of the City's bank deposits and certificates of deposit balance of \$5,245,889 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

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

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.

City of Cadillac

Notes to the Financial Statements

Note 4 – Receivables

Receivables were as follows at June 30, 2015:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Water & Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Receivables							
Accounts	\$ 93,001	\$ 83	\$ 18,329	\$ 305,949	\$ -	\$ 417,362	\$ 1,421
Special Assessment	-	192,943	-	-	-	192,943	-
Due from State	30,212	192,390	-	-	-	222,602	9,000
Taxes	10,661	185	-	-	-	10,846	538
Interest	16,141	23,473	5,576	4,031	532	49,753	19,576
Loans	-	11,322	-	-	-	11,322	-
Grants	-	59,473	-	-	-	59,473	-
Unbilled	-	-	-	292,587	-	292,587	-
Total Receivables	<u>\$ 150,015</u>	<u>\$ 479,869</u>	<u>\$ 23,905</u>	<u>\$ 602,567</u>	<u>\$ 532</u>	<u>\$ 1,256,888</u>	<u>\$ 30,535</u>

Note 5 – Advances Between Funds

Advances receivable and payable at June 30, 2015 were \$200,000. Advances represent long-term loans between funds. The Cadillac development fund has an advance due of \$200,000 from the central stores and municipal garage fund as of June 30, 2015.

Note 6 – Interfund Transactions

Transfers in and out for the year ended June 30, 2015 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 318,750
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	9,533
Nonmajor Governmental Funds	Nonmajor Governmental Funds	173,654

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

As of June 30, 2015, interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 88,393
Nonmajor Governmental Funds	Nonmajor Governmental Funds	89,686

City of Cadillac

Notes to the Financial Statements

Interfund balances resulted primarily from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Note 7 – Capital Assets

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

Governmental Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 2,455,493	\$ -	\$ -	\$ 2,455,493
Capital assets being depreciated				
Buildings	4,062,010	147,700	-	4,209,710
Land Improvements	932,865	134,828	-	1,067,693
Machinery & Equipment	2,621,443	162,549	107,053	2,676,939
Infrastructure	19,143,958	755,346	-	19,899,304
Total capital assets being depreciated	<u>26,760,276</u>	<u>1,200,423</u>	<u>107,053</u>	<u>27,853,646</u>
Less accumulated depreciation				
Buildings	3,121,049	94,657	-	3,215,706
Land Improvements	579,569	30,520	-	610,089
Machinery & Equipment	2,088,050	137,803	107,053	2,118,800
Infrastructure	12,167,245	738,324	-	12,905,569
Total accumulated depreciation	<u>17,955,913</u>	<u>1,001,304</u>	<u>107,053</u>	<u>18,850,164</u>
Internal Service Fund Capital Assets	<u>714,060</u>	<u>(33,288)</u>	<u>-</u>	<u>680,772</u>
<i>Net capital assets being depreciated</i>	<u>9,518,423</u>	<u>199,119</u>	<u>-</u>	<u>9,684,254</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,973,916</u>	<u>\$ 199,119</u>	<u>\$ -</u>	<u>\$ 12,139,747</u>

City of Cadillac

Notes to the Financial Statements

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

Internal Service Funds	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 25,000	-	-	\$ 25,000
Capital assets being depreciated				
Buildings	478,181	-	-	478,181
Land Improvements	68,971	-	-	68,971
Machinery & Equipment	2,417,783	83,433	206,184	2,295,032
Total capital assets being depreciated	<u>2,964,935</u>	<u>83,433</u>	<u>206,184</u>	<u>2,842,184</u>
Less accumulated depreciation				
Buildings	221,401	10,447	-	231,848
Land Improvements	66,606	263	-	66,869
Machinery & Equipment	1,987,868	106,011	206,184	1,887,695
Total accumulated depreciation	<u>2,275,875</u>	<u>116,721</u>	<u>206,184</u>	<u>2,186,412</u>
<i>Net capital assets being depreciated</i>	<u>689,060</u>	<u>(33,288)</u>	<u>-</u>	<u>655,772</u>
Internal Service Funds Capital Assets, Net	<u>\$ 714,060</u>	<u>\$ (33,288)</u>	<u>\$ -</u>	<u>\$ 680,772</u>

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

Business-type Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 712,319	\$ -	\$ -	\$ 712,319
Construction in Process	277,807	228,836	336,895	169,748
Total capital assets not being depreciated	<u>990,126</u>	<u>228,836</u>	<u>336,895</u>	<u>882,067</u>
Capital assets being depreciated				
Buildings	2,350,590	-	-	2,350,590
Land Improvements	689,966	-	-	689,966
Machinery & Equipment	1,283,535	11,049	163,942	1,130,642
Vehicles	292,754	24,579	15,504	301,829
Water	13,567,021	311,916	-	13,878,937
Sewer	24,359,536	105,667	-	24,465,203
Total capital assets being depreciated	<u>42,543,402</u>	<u>453,211</u>	<u>179,446</u>	<u>42,817,167</u>
Less accumulated depreciation				
Buildings	1,141,436	44,559	-	1,185,995
Land Improvements	346,055	21,335	-	367,390
Machinery & Equipment	807,126	56,972	163,942	700,156
Vehicles	265,582	11,439	15,504	261,517
Water	5,367,269	251,459	-	5,618,728
Sewer	12,134,552	597,985	-	12,732,537
Total accumulated depreciation	<u>20,062,020</u>	<u>983,749</u>	<u>179,446</u>	<u>20,866,323</u>
<i>Net capital assets being depreciated</i>	<u>22,481,383</u>	<u>(530,538)</u>	<u>-</u>	<u>21,950,845</u>
Business-type Activities Capital Assets, Net	<u>\$ 23,471,509</u>	<u>\$ (301,702)</u>	<u>\$ 336,895</u>	<u>\$ 22,832,912</u>

City of Cadillac

Notes to the Financial Statements

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

Discretely Presented Component Units	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>
Capital assets being depreciated				
Land Improvements	\$ 8,965	\$ -	\$ -	\$ 8,965
Infrastructure	1,407,848	-	-	1,407,848
<i>Total capital assets being depreciated</i>	<u>1,416,813</u>	<u>-</u>	<u>-</u>	<u>1,416,813</u>
Less accumulated depreciation				
Land Improvements	8,516	448	-	8,964
Infrastructure	265,523	44,149	-	309,672
<i>Total accumulated depreciation</i>	<u>274,039</u>	<u>44,597</u>	<u>-</u>	<u>318,636</u>
<i>Component Units Capital Assets, Net</i>	<u>\$ 1,142,774</u>	<u>\$ (44,597)</u>	<u>\$ -</u>	<u>\$ 1,098,177</u>

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

Governmental Activities

General Government	\$ 70,754
Public Safety	120,640
Public Works	669,350
Recreation & Culture	131,829
Economic Development	8,731
Internal Service Funds	116,721
<i>Total Governmental Activities</i>	<u>\$ 1,118,025</u>

Business-type Activities

Water & Sewer	\$ 930,587
Auto Parking	16,754
Building Authority	36,408
<i>Total Business-type Activities</i>	<u>\$ 983,749</u>

Component Units

Downtown Development Authority	\$ 40,062
Local Development Finance Authority	4,535
<i>Total Component Units</i>	<u>\$ 44,597</u>

City of Cadillac

Notes to the Financial Statements

Note 8 – Long-term Debt

The following is a summary of the debt transactions of the City for the year ended June 30, 2015:

Governmental Activities	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
\$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$65,000 to \$85,000 through September 1, 2019; interest at 3.65% to 4.25%	\$ 460,000	\$ -	\$ 70,000	\$ 390,000	\$ 70,000
\$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.	44,304	-	17,721	26,583	17,721
Total Governmental Activities Debt	504,304	-	87,721	416,583	87,721
Governmental Compensated Absences	420,930	200,261	236,173	385,018	-
Internal Service Compensated Absences	50,191	39,376	52,298	37,269	-
Total Compensated Absences	471,121	239,637	288,471	422,287	-
Total Long-term Debt	\$ 925,234	\$ 239,637	\$ 376,192	\$ 838,870	\$ 87,721
Business-type Activities	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
\$3,865,205 Wastewater System Junior Lien Revenue Refunding Bond due in annual installments of \$175,000 to \$220,205 through October 1, 2028; interest at 1.625%	\$ 3,010,205	\$ -	\$ 180,000	\$ 2,830,205	\$ 180,000
\$2,324,906 Water Supply and Wastewater Systems Revenue Junior Lien Revenue Bonds due in annual installments of \$27,671 to \$150,000 through April 1, 2032; interest at 2.50%	2,138,856	-	95,000	2,043,856	95,000
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$130,000 to \$140,000 through October 1, 2015; interest at 4.60%	275,000	-	135,000	140,000	140,000
\$4,075,000 2013 Water Supply and Wastewater Systems Revenue Refunding Bonds due in annual installments of \$255,000 to \$370,000 through September 2026; interest at 2.70%	4,075,000	-	255,000	3,820,000	275,000
Total Business-type Activities Debt	9,499,061	-	665,000	8,834,061	690,000
Business-type Compensated Absences	143,306	82,422	55,496	170,232	-
Total Long-term Debt	\$ 9,642,367	\$ 82,422	\$ 720,496	\$ 9,004,293	\$ 690,000

2013 Water Supply and Wastewater System revenue refunding bonds had no gain or loss, and therefore had no deferred items related to the refunding.

City of Cadillac

Notes to the Financial Statements

<u>Component Units</u>	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>	<u>Due Within One Year</u>
\$143,324 Brownfield Redemption Loan from the Department of Environmental Quality, due in annual installments of \$14,332 starting October 2016 and through 2026; interest at 1.50%	\$ 143,324	\$ -	\$ 43,118	\$ 100,206	\$ 9,803
Total Component Unit Debt	<u>143,324</u>	<u>-</u>	<u>-</u>	<u>100,206</u>	<u>9,803</u>
Compensated Absences	9,303	337	9,303	337	-
Total Component Units	<u>\$ 152,627</u>	<u>\$ 337</u>	<u>\$ 52,421</u>	<u>\$ 100,543</u>	<u>\$ 19,606</u>

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of June 30, 2015 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 87,721	\$ 14,483	\$ 104,864	\$ 690,000	\$ 201,032	\$ 883,487
2017	83,862	11,654	102,204	560,000	182,287	891,032
2018	80,000	8,553	95,515	570,000	169,247	742,287
2019	80,000	5,273	88,553	580,000	156,032	739,247
2020	85,000	1,806	85,273	605,000	142,382	736,032
2021-2025	-	-	86,806	3,265,000	490,786	3,750,755
2026-2030	-	-	-	2,270,205	135,591	3,007,361
2031-2035	-	-	-	293,856	21,914	455,770
Totals	<u>\$ 416,583</u>	<u>\$ 41,768</u>	<u>\$ 563,213</u>	<u>\$ 8,834,061</u>	<u>\$ 1,499,270</u>	<u>\$ 10,333,331</u>

<u>Year Ending June 30,</u>	<u>Component Units</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 9,803	\$ -	\$ 9,803
2017	8,447	1,356	9,803
2018	8,573	1,229	9,802
2019	8,702	1,101	9,803
2020	8,833	970	9,803
2021-2025	46,190	838	47,028
2026-2030	9,658	145	9,803
Totals	<u>\$ 100,206</u>	<u>\$ 5,639</u>	<u>\$ 96,042</u>

Compensated absences are generally liquidated from the general fund in governmental activities and the water and sewer fund in business-type activities, and are accounted for using last in first out methodology, resulting in no current portion.

Note 9 – Pension Plans

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

City of Cadillac

Notes to the Financial Statements

System (MERS), administered by the State of Michigan for coverage of substantially all of the City's general employees and the water and sewer system employees.

MERS Plan Description

Plan Description

Substantially all full-time employees of the City who are not members of the Policeman and Fireman Retirement System are members of the Municipal Employees Retirement System of Michigan (MERS) which provides retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer 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.

Benefits Provided

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

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

City of Cadillac

Notes to the Financial Statements

Employees Covered by Benefit Terms

At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	59
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>53</u>
Total employees covered by MERS	<u>122</u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2015, the active employee contribution rate was 0% percent of annual pay and the City's contribution rate was 0.00 to 22.55% of covered payroll depending on division.

Net Pension Liability

The net pension liability reported at June 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

City of Cadillac

Notes to the Financial Statements

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

<u>Changes in Net Pension Liability</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2013	\$ 10,703,821	\$ 9,883,508	\$ 820,313
Service cost	182,201	-	182,201
Interest	861,002	-	861,002
Contributions - Employer	-	274,762	(274,762)
Net investment income	-	617,338	(617,338)
Benefit payments, including refunds	(717,067)	(717,067)	-
Administrative expenses	-	(22,612)	22,612
Net changes	326,136	152,421	173,715
Balance at December 31, 2014	\$ 11,029,957	\$ 10,035,929	\$ 994,028

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$335,226. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 143,101	\$ -
Employer contributions to the plan subsequent to the measurement date	155,855	-
Total	\$ 298,956	\$ -

City of Cadillac

Notes to the Financial Statements

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

Years Ending	
June 30	Amount
2016	\$ 35,775
2017	35,775
2018	35,775
2019	35,776

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 - 4%	
Salary increases	4.50%	In the long-term, 2 percent, and 3 percent for calendar years 2015, and 2016, respectively, including inflation
Investment rate of return	8.25%	Gross of pension plan investment expense, including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study in 2008.

Discount Rate

The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Cadillac

Notes to the Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	58%	5.0%
Global fixed income	20%	2.2%
Real assets	12%	4.2%
Diversifying strategies	10%	6.6%

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

The following presents the net pension liability of the City, calculated using the discount rate of 8.25 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the City	\$ 2,402,344	\$ 994,028	\$ (209,549)

Pension Plan Fiduciary Net Position

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

City of Cadillac

Notes to the Financial Statements

Police and Fireman Retirement System Plan Description (“PFRS” or “Act 345 Defined Benefit Plan”)

Plan Description

The City’s police and fire employees participate in the Policemen and Firemen Retirement System. PFRS functions for the benefit of the employees and is governed by a five-member pension board. The City’s treasurer, one fireman, one police officer, and two members appointed by the mayor constitute the pension board. The City is responsible for funding all PFRS costs based on actuarial valuations. These costs are paid for out of an unlimited tax levy approved by the voters of the City. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. A separate report is not prepared for the PFRS.

Benefits Provided

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

City of Cadillac

Notes to the Financial Statements

The benefits provided can be summarized as follows:

Eligibility	Amount
Service Retirement	
Age 50 with 25 or more years of service or age 60 regardless of service.	Straight life pension at retirement equals 2.5% of 5 year average final compensation (AFC) times first 25 years of service plus 1% of AFC times year of service in excess of 25 years.
Deferred Retirement	
10 or more years of service.	Computed as service retirement but based upon service, AFC, and benefit in effect at termination. Benefit begins at date of retirement would have occurred had member remained in employment.
Death After Retirement Survivor's Pension	
Payable to surviving spouse, if any, upon the death of a retired member who was receiving a straight life pension which was effective July 1, 1975 or later.	Spouse's pension equals 60% of the straight life pension the deceased retiree was receiving.
Non-Duty Death in Service Survivor's Pension	
Payable to a surviving spouse, if any, upon the death of a member with 20 or more years of service.	Accrued service life pension actuarially reduced in accordance with an Option I election.
Duty Death In Service Survivor's Pension	
Payable upon the expiration of worker's compensation to the survivors of a member who died in the line of duty.	Same amount that was paid by workers' compensation.
Non-Duty Disability	
Payable upon the total and permanent disability of a member with 5 or more years of service.	To age 55: 1.5% of AFC times years of service. At age 55: Same as service retirement pension.
Duty Disability	
Payable upon the total and permanent disability of a member in the line of duty.	To age 55: 50% of AFC. At age 55: Same as service retirement pension with service credit from date of disability to age 55.

*Average final compensation (AFC) is highest 5 years out of last 10. Covered compensation includes base pay, overtime pay, longevity pay, cost of living allowance, holiday and vacation time pay.

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Notes to the Financial Statements

Employees Covered by Benefit Terms

Membership of the Act 345 defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2015):

Act 345 Defined Benefit Plan	
Retirees and beneficiaries receiving benefits	36
Terminated plan members entitled to but not yet receiving benefits	1
Active plan members	<u>26</u>
Total Participants	<u>63</u>

Contributions

Fire members hired prior to 7/06/2010 and all police members contribute an actuarially determined amount to pay for the increase in the benefit multiplier from 2.0% to 2.5%, but no larger than 3% annually. Fire members hired on or after 7/06/2010 do not contribute.

The City is required to contribute at an actuarially determined rate of 30.68% of payroll for police members and 31.69% of payroll for fire members. These rates totaled an actuarially determined contribution of \$549,400 for the year ending June 30, 2015, of which \$631,963 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The net pension liability reported at June 30, 2015 was determined using a measure of the total pension liability and the pension net position as of June 30, 2015. The June 30, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

City of Cadillac

Notes to the Financial Statements

The components of the net pension liability of the City at June 30, 2015, were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 12,220,792	\$ 9,747,530	\$ 2,473,262
Service cost	244,157	-	244,157
Interest	895,778	-	895,778
Contributions - Employer	-	631,963	(631,963)
Contributions - Employee	-	36,346	(36,346)
Net investment income	-	258,280	(258,280)
Differences between expected and actual experience	119,335	-	119,335
Changes in assumptions	78,308	-	78,308
Benefit payments, including refunds	(798,335)	(798,335)	-
Administrative expenses	-	(9,700)	9,700
Net changes	539,243	118,554	420,689
Balance at June 30, 2015	\$ 12,760,035	\$ 9,866,084	\$ 2,893,951

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$829,606. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 374,036	\$ -
Changes in actuarial assumptions	65,878	-
Difference between expected and actual demographics experience	100,393	-
Total	\$ 540,307	\$ -

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Notes to the Financial Statements

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

Years Ending	
June 30	Amount
2016	\$ 135,077
2017	135,077
2018	135,077
2019	135,076

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Inflation	4.00%
Salary Increases	8.0-4.0% (Includes inflation)
Investment Rate of Return	7.44%

Mortality rates were based on the 1994 Healthy Annuitant Mortality Table for 50% Male – 50% Female blend.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 7.44 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected Cash Flows

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its Board and City Council. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment

City of Cadillac

Notes to the Financial Statements

policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic long-term real rates of return for the MERS Total Market Fund included in the pension plan's target asset allocation as of June 30, 2015 are 7.44%.

The following was the City's asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Stock	35%	6.8%
International Stock	7%	6.6%
Emerging Market Stock	4%	6.7%
U.S. Bond	17%	2.2%
Global Bond	12%	2.2%
Global Real Estate	6%	4.2%
Private Equity	7%	6.6%
Cash	7%	1.0%
Commodity	5%	4.0%
<i>Total</i>	100%	

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.44 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Cadillac

Notes to the Financial Statements

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.44 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.44 percent) or 1-percentage-point higher (8.44 percent) than the current rate:

	1% Decrease (6.44%)	Current Discount Rate (7.44%)	1% Increase (8.44%)
Net pension liability of the City	\$ 4,325,186	\$ 2,893,951	\$ 1,685,423

Pension Plan Fiduciary Net Position

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

Note 10 - Other Postemployment 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 a liability on the City's entity-wide statement of net position.

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. A separately issued report is not available for these plans.

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

City of Cadillac

Notes to the Financial Statements

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 for each plan are as follows:

	General Retirees	Police & Fire Retirees
Annual Required Contribution	\$ 158,872	\$ 108,788
Adjustment to ARC	(8,129)	25,153
Interest on Net OPEB Obligation	(6,304)	29,775
Annual OPEB Cost (Expense)	144,439	163,716
Less: Contributions Made	(51,625)	(136,122)
<i>Increase in OPEB Obligation</i>	92,814	27,594
<i>Beginning Net OPEB Obligation</i>	(84,052)	398,201
<i>Ending Net OPEB Obligation</i>	\$ 8,762	\$ 425,795

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2015 and the two preceding years were as follows:

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2013	\$ 93,262	49%	\$ (150,758)
	6/30/2014	141,076	53%	(84,052)
	6/30/2015	144,349	36%	8,672
Policemen & Firemen Retiree Health Care Plan	6/30/2013	\$ 145,739	40%	\$ 354,436
	6/30/2014	150,578	71%	398,201
	6/30/2015	163,806	83%	425,795

Funded Status and Funding Progress. As of June 30, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,624,119 for the GRHCP plan and \$2,710,557 for the PFRHP Plan, which were funded \$1,085,035 and \$1,375,973, respectively. The unfunded actuarial accrued liability was \$539,084 and \$1,334,584, respectively and the funded ratio was 67% and 51%, respectively. The covered payroll (annual payroll of the active employees covered by the Plan) was \$1,389,519 and \$1,129,785, respectively, and the ratio of the UAAL to the covered payroll was 39% and 118%, respectively.

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

City of Cadillac

Notes to the Financial Statements

provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Significant methods and assumptions were as follows:

	<u>General Retiree Health Care Plan</u>	<u>Policemen & Firemen Retiree Health Care Plan</u>
Valuation Date	6/30/2013	6/30/2013
Actuarial Cost Method	Entry Age	Entry Age
	Normal Level % of Salary	Normal Level % of Salary
Amortization Method	Level Dollar over 20 years, Closed	Level Dollar over 20 years, Closed
Remaining Amortization	19 Years	19 Years
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions		
Interest Rate	7.5%	7.5%
Inflation Rate Assumptions		
Projected Salary Increases	4.5%	4.5%
Valuation Health Care Cost Trend Rate		
Medical	9.0% in 2014 to 5.0% in 2023	9.0% in 2014 to 5.0% in 2023
Prescription Drug	9.0% in 2014 to 5.0% in 2023	9.0% in 2014 to 5.0% in 2023
Dental / Vision	5.0% initially, decreasing by 0.5% to 3.0%	5.0% initially, decreasing by 0.5% to 3.0%

Note 11 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees (workers’ compensation); medical benefits provided to employees, and natural disasters. The City has purchased commercial insurance for health claims, general liability and property. The City participates in the Michigan Municipal League risk pool for claims relating to workers’ compensation. Settled claims relating to the

City of Cadillac

Notes to the Financial Statements

commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 12 - Contingent Liabilities

Currently, the City has several cases being brought to the Michigan Tax Tribunal for reduction of assessed values due to proposed changes in the calculations of valuations on 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. The City collects and disburses taxes, payments in lieu of taxes, and other receipts to various other units of government. Occasionally, chargebacks, tax tribunals, and various other situations occur where the City is directed to change the way collections have been previously disbursed. These changes could include money the City has previously recognized as income in its own various funds. There is no reasonable estimate of potential costs, if any, that are not already reflected in the financial statements.

Note 13 – Commitments and Contingencies

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

Note 14 – Fund Balances – Governmental Funds

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

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable			
Prepays	\$ 106,085	\$ 5,357	\$ 111,442
Advances to Other Funds	-	200,000	200,000
Loan Receivables	-	11,322	11,322
Cemetery Perpetual Care	-	245,000	245,000
Capital Projects	-	511,666	511,666
Total Nonspendable	<u>106,085</u>	<u>973,345</u>	<u>1,079,430</u>

City of Cadillac

Notes to the Financial Statements

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Restricted for			
Veterans Memorial	1,855	-	1,855
Youth Services	844	-	844
Drug Forfeiture	4,598	-	4,598
Fire Safety House	1,859	-	1,859
Blackburn Skate Park	3,083	-	3,083
White Pine Trail	1,859	-	1,859
Diggins Hill Park	1,890	-	1,890
CAMA Lighthouse	22,800	-	22,800
Sundial Project	3,225	-	3,225
Bike Routes	2,000	-	2,000
Cadillac Trail Signage	5,000	-	5,000
McKellop Walkway Plowing	3,621	-	3,621
Bike Cadillac	5,000	-	5,000
Historical Signs Maintenance	(664)	-	(664)
Major & Local Streets	-	508,773	508,773
Cemetery	-	29,951	29,951
Milfoil	-	169,552	169,552
Clam River Greenway	-	20,697	20,697
Debt Service	-	134,058	134,058
Capital Projects	-	96,182	96,182
Cemetery Perpetual Care	-	250,085	250,085
Total Restricted	<u>56,970</u>	<u>1,209,298</u>	<u>1,266,268</u>
Assigned for			
Working Capital	999,647	-	999,647
Sick & Vacation	385,018	-	385,018
Subsequent Year Use of Fund Balance	160,000	-	160,000
Pistol Range	4,627	-	4,627
CASA Field Use	2,520	-	2,520
Mayor Wedding Fees	800	-	800
HL Green Operating	-	117,106	117,106
Future Economic Development Loans	-	1,099,307	1,099,307
Naval Reserve Center	-	10,700	10,700
Industrial Development	-	390,906	390,906
Corridor Improvement	-	5,899	5,899
Total Assigned	<u>1,552,612</u>	<u>1,623,918</u>	<u>3,176,530</u>
Unassigned	<u>221,245</u>	<u>-</u>	<u>221,245</u>
Total Fund Balances - Governmental Funds	<u>\$ 1,936,912</u>	<u>\$ 3,806,561</u>	<u>\$ 5,743,473</u>

City of Cadillac

Notes to the Financial Statements

Note 15 – Restricted Net Position

The City reports restricted net position in its government-wide financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Restricted for			
Veterans Memorial	\$ 1,855	\$ -	\$ -
Youth Services	844	-	-
Drug Forfeiture	4,598	-	-
Fire Safety House	1,859	-	-
Blackburn Skate Park	3,083	-	-
White Pine Trail	1,859	-	-
Diggins Hill Park	1,890	-	-
CAMA Lighthouse	22,800	-	-
Sundial Project	3,225	-	-
Bike Routes	2,000	-	-
Cadillac Trail Signage	5,000	-	-
McKellop Walkway Plowing	3,621	-	-
Bike Cadillac	5,000	-	-
Histotical Signs Maintenance	(664)	-	-
Major & Local Streets	508,773	-	-
Cemetery	29,951	-	-
Milfoil	169,552	-	-
Clam River Greenway	20,697	-	-
Debt Service	134,058	625,784	-
Capital Projects	607,848	-	1,007,117
Groundwater Cleanup	-	-	1,139,523
Economic Development	-	-	755,008
EE & Retiree Life & Health Insurance	1,067,222	-	-
Cemetery Perpetual Care	495,085	-	-
Total Restricted Net Position	<u>\$ 3,090,156</u>	<u>\$ 625,784</u>	<u>\$ 2,901,648</u>

Note 16 – Reporting Change

During the current year, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and the proprietary fund now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension note for further details. This change does not impact the general fund or any other governmental fund.

City of Cadillac

Notes to the Financial Statements

The financial statements for the year ended June 30, 2014 have been restated in order to adopt GASB Statement No. 68. The effect of this new accounting standard was a decrease in net position to record the net pension liability at June 30, 2014.

As a result of implementing this statement the beginning net position of both the governmental activities and business-type activities has been restated as indicated:

	Governmental Activities	Business-type Activities	Component Units
Net Position - June 30, 2014 - As previously reported	\$ 18,916,085	\$ 17,666,942	\$ 4,034,211
Adjustment for implementation of GASB Statement No. 68	<u>(3,658,307)</u>	<u>(287,390)</u>	-
Net Position - June 30, 2014 - Restated	<u>\$ 15,257,778</u>	<u>\$ 17,379,552</u>	<u>\$ 4,034,211</u>

Note 17 – Upcoming Accounting Pronouncements

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive note disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The City is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB Statement No. 75 is effective one year later.

REQUIRED SUPPLEMENTARY INFORMATION

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u> (Negative)
Revenues				
Property Taxes	\$ 4,207,000	\$ 4,207,000	\$ 4,212,849	\$ 5,849
Federal Revenue	--	--	44,800	44,800
State Revenue	1,001,000	1,001,000	1,035,467	34,467
Local Revenue Sharing	200,000	200,000	159,595	(40,405)
Licenses & Permits	121,000	121,000	139,623	18,623
Charges for Services	905,500	905,500	893,547	(11,953)
Fines	20,000	20,000	13,621	(6,379)
Miscellaneous	18,000	18,000	32,993	14,993
Interest Income	35,000	35,000	26,914	(8,086)
Total Revenues	<u>6,507,500</u>	<u>6,507,500</u>	<u>6,559,409</u>	<u>51,909</u>
Expenditures				
General Government				
City Council	44,200	46,200	42,608	3,592
City Manager	253,200	253,200	244,895	8,305
Finance	220,000	220,000	215,316	4,684
Assessor	131,000	131,000	129,312	1,688
Clerk/Treasurer	278,600	293,600	297,097	(3,497)
Elections	14,500	22,300	16,599	5,701
Building and Grounds	281,300	291,300	282,093	9,207
City Attorney	187,000	252,000	237,658	14,342
Engineering	178,200	178,200	173,959	4,241
Total General Government	<u>1,588,000</u>	<u>1,687,800</u>	<u>1,639,537</u>	<u>48,263</u>
Public Safety				
Police Department	1,934,600	1,824,600	1,824,302	298
Code Enforcement	31,500	31,500	29,886	1,614
Fire Department	1,303,300	1,338,300	1,337,568	732
Total Public Safety	<u>3,269,400</u>	<u>3,194,400</u>	<u>3,191,756</u>	<u>2,644</u>
Public Works				
Public Works	218,000	218,000	222,051	(4,051)
Alleys	58,600	58,600	44,822	13,778
Leaves	36,600	36,600	41,815	(5,215)
Grass and Weed Control	28,700	28,700	22,776	5,924
Composting	3,800	3,800	1,947	1,853
Waste Removal	493,000	493,000	486,924	6,076
Airport	33,000	33,000	33,000	--
Total Public Works	<u>871,700</u>	<u>871,700</u>	<u>853,335</u>	<u>18,365</u>
Economic Development				
Planning and Zoning	117,400	154,400	145,964	8,436
Economic Development	--	--	5,137	(5,137)
Total Economic Development	<u>117,400</u>	<u>154,400</u>	<u>151,101</u>	<u>3,299</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Expenditures				
Recreation and Culture				
Municipal Parks	208,500	228,500	228,430	1,048
Community Promotions	41,000	41,000	34,995	6,005
Arts Commission	10,500	10,500	10,500	--
Cadillac Community TV	23,800	23,800	15,137	8,663
School Recreation Program	66,200	66,200	66,200	--
<i>Total Recreation & Culture</i>	<u>350,000</u>	<u>370,000</u>	<u>355,262</u>	<u>15,716</u>
Capital Outlay	47,000	157,000	154,573	2,427
<i>Total Expenditures</i>	<u>6,243,500</u>	<u>6,435,300</u>	<u>6,345,564</u>	<u>89,736</u>
Other Financing Uses				
Transfers Out	400,000	380,000	318,750	61,250
<i>Total Expenditures and Other Financing Uses</i>	<u>6,643,500</u>	<u>6,815,300</u>	<u>6,664,314</u>	<u>150,986</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>(136,000)</u>	<u>(307,800)</u>	<u>(104,905)</u>	<u>202,895</u>
<i>Net Change in Fund Balance</i>	<u>(136,000)</u>	<u>(307,800)</u>	<u>(104,905)</u>	<u>202,895</u>
<i>Fund Balance at Beginning of Period</i>	2,041,817	2,041,817	2,041,817	--
<i>Fund Balance at End of Period</i>	<u>\$ 1,905,817</u>	<u>\$ 1,734,017</u>	<u>\$ 1,936,912</u>	<u>\$ 202,895</u>

City of Cadillac
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Police & Fire
Last 2 Fiscal Years

	2015	2014
Total Pension Liability		
Service Cost	\$ 244,157	\$ 236,694
Interest	895,778	852,820
Changes in Benefit Terms	-	-
Differences Between Expected & Actual Experience	119,335	250,448
Changes in Assumptions	78,308	-
Benefit Payments, Including Refunds	(798,335)	(743,524)
Net Change in Pension Liability	<u>539,243</u>	<u>596,438</u>
<i>Total Pension Liability - Beginning</i>	12,220,792	11,624,354
Total Pension Liability - Ending (a)	<u>\$ 12,760,035</u>	<u>\$ 12,220,792</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 631,963	\$ 633,673
Contributions - Member	36,346	42,195
Net Investment Income	258,280	1,146,932
Benefit Payments, Including Refunds	(798,335)	(743,524)
Administrative Expenses	(9,700)	(7,200)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>118,554</u>	<u>1,072,076</u>
<i>Plan Fiduciary Net Position - Beginning</i>	9,747,530	8,675,454
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,866,084</u>	<u>\$ 9,747,530</u>
Net Pension (Asset) Liability - Ending (a) - (b)	\$ 2,893,951	\$ 2,473,262
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77%	80%
Covered Employee Payroll	\$ 1,595,473	\$ 1,568,160
Net Pension Liability as a Percentage of Covered Employee Payroll	181%	158%

* Built prospectively upon implementation of GASB68

City of Cadillac
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - MERS
Last Fiscal Years

	2015
Total Pension Liability	
Service Cost	\$ 182,201
Interest	861,002
Changes in Benefit Terms	-
Differences Between Expected & Actual Experience	-
Changes in Assumptions	-
Benefit Payments, Including Refunds	(717,067)
<i>Net Change in Pension Liability</i>	326,136
<i>Total Pension Liability - Beginning</i>	<i>10,703,821</i>
<i>Total Pension Liability - Ending (a)</i>	<i>\$ 11,029,957</i>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 274,762
Contributions - Member	-
Net Investment Income	617,338
Benefit Payments, Including Refunds	(717,067)
Administrative Expenses	(22,612)
Other	-
<i>Net Change in Plan Fiduciary Net Position</i>	152,421
<i>Plan Fiduciary Net Position - Beginning</i>	<i>9,883,508</i>
<i>Plan Fiduciary Net Position - Ending (b)</i>	<i>\$ 10,035,929</i>
<i>Net Pension (Asset) Liability - Ending (a) - (b)</i>	\$ 994,028
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91%
Covered Employee Payroll	\$ 2,712,307
Net Pension Liability as a Percentage of Covered Employee Payroll	37%

* Built prospectively upon implementation of GASB68

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 549,400	\$ 543,315	\$ 549,400	\$ 545,530	\$ 513,543	\$ 556,203	\$ 573,385	\$ 482,450	\$ 572,257	\$ 528,923
Contributions in Relation to the Actuarially Determined Contribution	631,963	633,673	651,762	666,098	1,051,479	504,691	567,171	558,831	556,555	469,725
Contribution Deficiency (Excess)	\$ (82,563)	\$ (90,358)	\$ (102,362)	\$ (120,568)	\$ (537,936)	\$ 51,512	\$ 6,214	\$ (76,381)	\$ 15,702	\$ 59,198
Covered Employee Payroll	1,595,473	1,568,160	2,647,200	2,522,912	2,413,371	1,585,519	1,399,695	1,389,958	1,482,941	1,437,073
Contributions as a Percentage of Covered Employee Payroll	40%	40%	25%	26%	44%	32%	41%	40%	38%	33%

Notes

Valuation Date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
Covered employee payroll is as of June 30 of the fiscal year.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	5 year smoothed market
Inflation	4.00%
Salary increases	4.00% - 8.00%, including inflation
Investment rate of return	7.44%, net of pension plan investment expense, including inflation

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 274,762	\$ 261,878	\$ 227,945	\$ 211,857	\$ 159,007	\$ 90,263	\$ 84,146	\$ 94,522	\$ 74,272	\$ 4,187
Contributions in Relation to the Actuarially Determined Contribution	274,762	261,878	227,945	211,857	159,007	90,263	84,146	94,522	74,272	4,187
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	2,712,307	2,647,200	2,522,912	2,413,371	2,552,000	2,494,000	2,743,000	2,552,000	2,444,000	2,561,000
Contributions as a Percentage of Covered Employee Payroll	10%	10%	9%	9%	6%	4%	3%	4%	3%	0%

Notes

Valuation Date

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry Age - Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	10 Year smoothed
Inflation	3-4%
Salary increases	4.00% - 5.50%, including inflation
Investment rate of return	8.25%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibilty condition
Investment rate of return	50% Male - 50% Female blend of the 1994 Group Mortality Table

City of Cadillac
Required Supplementary Information
Schedule of Investment Returns - Police & Fire
Last 2 Fiscal Years

	<u>2015</u>	<u>2014</u>
Annual Money-weighted rate of return, net of investment expense	8.44%	9.55%

Notes

Information from 2013 to 2005 is unavailable

**City of Cadillac
Required Supplementary Information
Schedule of Investment Returns - MERS
Last Fiscal Year**

	<u>2015</u>
Annual Money-weighted rate of return, net of investment expense	6.49%

Notes
Information from 2014 to 2005 is unavailable

**City of Cadillac
Other Post Employment Benefits
Schedule of Funding Progress**

General Retiree Health Care Plan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2004	6/30/2005	\$ 50,000	\$ 1,133,778	\$ 1,083,778	4%	\$ 1,384,857	78%
12/31/2004	6/30/2006	167,234	1,133,778	966,544	15%	1,447,176	67%
12/31/2006	6/30/2007	162,619	1,963,259	1,800,640	8%	1,512,299	119%
12/31/2006	6/30/2008	217,839	1,963,259	1,745,420	11%	1,490,557	117%
12/31/2006	6/30/2009	290,223	1,963,259	1,673,036	15%	1,557,632	107%
12/31/2006	6/30/2010	365,738	1,963,259	1,597,521	19%	1,627,725	98%
1/1/2010	6/30/2011	738,227	1,469,797	731,570	50%	1,882,787	39%
1/1/2010	6/30/2012	969,841	1,616,777	646,936	60%	1,967,512	33%
6/30/2013	6/30/2013	1,085,035	1,624,119	539,084	67%	1,389,519	39%

Policemen & Firemen Retiree Health Care Plan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2004	6/30/2005	\$ 50,000	\$ 2,045,075	\$ 1,995,075	2%	\$ 1,111,519	179%
12/31/2004	6/30/2006	185,623	2,045,075	1,859,452	9%	1,161,537	160%
12/31/2006	6/30/2007	263,030	2,634,900	2,371,870	10%	1,213,806	195%
12/31/2006	6/30/2008	399,724	2,634,900	2,235,176	15%	1,385,573	161%
12/31/2006	6/30/2009	538,241	2,634,900	2,096,659	20%	1,440,996	146%
12/31/2006	6/30/2010	675,353	2,634,900	1,959,547	26%	1,498,636	131%
1/1/2010	6/30/2011	936,173	1,983,778	1,047,605	47%	1,399,695	75%
1/1/2010	6/30/2012	1,229,891	2,182,156	952,265	56%	1,455,683	65%
6/30/2013	6/30/2013	1,375,973	2,710,557	1,334,584	51%	1,129,785	118%

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2013	\$ 93,262	49%	\$ (150,758)
	6/30/2014	141,076	53%	(84,052)
	6/30/2015	144,349	36%	8,672
Policemen & Firemen Retiree Health Care Plan	6/30/2013	\$ 145,739	40%	\$ 354,436
	6/30/2014	150,578	71%	398,201
	6/30/2015	163,806	83%	425,795

OTHER SUPPLEMENTARY INFORMATION

City of Cadillac

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

CAPITAL PROJECT FUNDS

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

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

City of Cadillac

Nonmajor Governmental Fund Descriptions

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

Lakefront Playground Project Fund - The purpose is to account for the lakefront playground on Lake Cadillac.

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

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

PERMANENT FUNDS

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

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

**City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue					
	Naval Reserve Center	HL Green Operating	Major Streets	Local Streets	Cemetery	Milfoil
ASSETS						
Cash & Pooled Investments	\$ 10,700	\$ 115,302	\$ 388,336	\$ 218,166	\$ 34,900	\$ 167,964
Receivables	--	1,804	141,986	50,731	--	1,765
Prepays	1,291	--	940	1,432	1,636	--
Due from Fiduciary Funds	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
Advance to Other Funds	--	--	--	--	--	--
Total Assets	\$ 11,991	\$ 117,106	\$ 531,262	\$ 270,329	\$ 36,536	\$ 169,729
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ 182,210	\$ 12,003	\$ 3,223	\$ --
Accrued Liabilities	--	--	4,669	2,564	1,726	--
Due to Other Funds	--	--	17,800	71,200	--	--
Total Liabilities	--	--	204,679	85,767	4,949	--
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	--	--	--	--	--	177
Total Liabilities and Deferred Inflows of Resources	--	--	204,679	85,767	4,949	177
FUND BALANCE						
Nonspendable	1,291	--	940	1,432	1,636	--
Restricted	--	--	325,643	183,130	29,951	169,552
Assigned	10,700	117,106	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	11,991	117,106	326,583	184,562	31,587	169,552
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,991	\$ 117,106	\$ 531,262	\$ 270,329	\$ 36,536	\$ 169,729

**City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue	Debt Service		Capital Projects		
	Cadillac Development	2004 Capital Improvement Bonds	1997 BA Debt Retirement	Industrial Park	Clam River Greenway	Special Assessment Capital Projects
ASSETS						
Cash & Pooled Investments	\$ 1,096,856	\$ 134,004	\$ --	\$ 390,821	\$ 20,697	\$ 22,585
Receivables	73,400	--	--	85	--	195,867
Prepays	58	--	--	--	--	--
Due from Fiduciary Funds	--	133	--	--	--	--
Due from Other Funds	--	89,000	--	--	--	686
Advance to Other Funds	200,000	--	--	--	--	--
<i>Total Assets</i>	<u>\$ 1,370,314</u>	<u>\$ 223,137</u>	<u>\$ --</u>	<u>\$ 390,906</u>	<u>\$ 20,697</u>	<u>\$ 219,138</u>
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 142,294
Accrued Liabilities	155	--	--	--	--	--
Due to Other Funds	--	89,079	--	--	--	--
<i>Total Liabilities</i>	<u>155</u>	<u>89,079</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>142,294</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	59,472	--	--	--	--	48,134
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>59,627</u>	<u>89,079</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>190,428</u>
FUND BALANCE						
Nonspendable	211,380	--	--	--	--	--
Restricted	--	134,058	--	--	20,697	28,710
Assigned	1,099,307	--	--	390,906	--	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>1,310,687</u>	<u>134,058</u>	<u>--</u>	<u>390,906</u>	<u>20,697</u>	<u>28,710</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 1,370,314</u>	<u>\$ 223,137</u>	<u>\$ --</u>	<u>\$ 390,906</u>	<u>\$ 20,697</u>	<u>\$ 219,138</u>

**City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Capital Projects			Permanent		Total Nonmajor Governmental Funds
	Lakefront Playground Project	Rotary Park Project	Corridor Improvement	Cemetery Perpetual	Capital Projects Trust	
ASSETS						
Cash & Pooled Investments	\$ --	\$ 993	\$ 5,899	\$ 481,432	\$ 577,567	\$ 3,666,222
Receivables	--	--	--	13,653	578	479,869
Prepays	--	--	--	--	--	5,357
Due from Fiduciary Funds	--	--	--	--	--	133
Due from Other Funds	--	--	--	--	--	89,686
Advance to Other Funds	--	--	--	--	--	200,000
<i>Total Assets</i>	\$ --	\$ 993	\$ 5,899	\$ 495,085	\$ 578,145	\$ 4,441,267
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 339,730
Accrued Liabilities	--	--	--	--	--	9,114
Due to Other Funds	--	--	--	--	--	178,079
<i>Total Liabilities</i>	--	--	--	--	--	526,923
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	--	--	--	--	--	107,783
<i>Total Liabilities and Deferred Inflows of Resources</i>	--	--	--	--	--	634,706
FUND BALANCE						
Nonspendable	--	--	--	245,000	511,666	973,345
Restricted	--	993	--	250,085	66,479	1,209,298
Assigned	--	--	5,899	--	--	1,623,918
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	--	993	5,899	495,085	578,145	3,806,561
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ --	\$ 993	\$ 5,899	\$ 495,085	\$ 578,145	\$ 4,441,267

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue					
	Naval Reserve Center	HL Green Operating	Major Streets	Local Streets	Cemetery	Milfoil
Revenues						
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 147
State Revenue	--	--	800,048	278,426	--	--
Local Revenue Sharing	--	--	--	--	--	--
Charges for Services	12,828	--	--	--	63,807	--
Miscellaneous	5,000	--	8,000	1,000	--	--
Interest Income	--	1,352	710	2	--	1,215
Total Revenues	17,828	1,352	808,758	279,428	63,807	1,362
Expenditures						
General Government	18,202	--	--	--	131,202	--
Public Works	--	--	573,972	410,492	--	29,668
Economic Development	--	--	--	--	--	--
Capital Outlay	--	--	253,603	--	8,022	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Total Expenditures	18,202	--	827,575	410,492	139,224	29,668
Excess of Revenues Over (Under) Expenditures	(374)	1,352	(18,817)	(131,064)	(75,417)	(28,306)
Other Financing Sources (Uses)						
Transfers In	--	--	--	303,750	87,000	--
Transfers Out	--	--	(77,800)	(71,200)	--	--
Net Other Financing Sources (Uses)	--	--	(77,800)	232,550	87,000	--
Net Change in Fund Balance	(374)	1,352	(96,617)	101,486	11,583	(28,306)
<i>Fund Balance at Beginning of Period</i>	12,365	115,754	423,200	83,076	20,004	197,858
Fund Balance at End of Period	\$ 11,991	\$ 117,106	\$ 326,583	\$ 184,562	\$ 31,587	\$ 169,552

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue	Debt Service		Capital Projects		
	Cadillac Development	2004 Capital Improvement Bonds	1997 BA Debt Retirement	Industrial Park	Clam River Greenway	Special Assessment Capital Projects
Revenues						
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State Revenue	--	--	--	--	--	305,117
Local Revenue Sharing	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	16,973
Interest Income	20,039	1	--	3,565	--	3,438
Total Revenues	20,039	1	--	3,565	--	325,528
Expenditures						
General Government	--	500	--	776	72	500
Public Works	--	--	--	--	--	--
Economic Development	50,585	--	1,541	--	--	--
Capital Outlay	--	--	--	--	--	501,742
Debt Service - Principal	--	70,000	--	17,721	--	--
Debt Service - Interest	--	17,895	--	--	--	--
Total Expenditures	50,585	88,395	1,541	18,497	72	502,242
Excess of Revenues Over (Under) Expenditures	(30,546)	(88,394)	(1,541)	(14,932)	(72)	(176,714)
Other Financing Sources (Uses)						
Transfers In	--	89,000	--	--	--	--
Transfers Out	(9,533)	--	--	--	--	--
Net Other Financing Sources (Uses)	(9,533)	89,000	--	--	--	--
Net Change in Fund Balance	(40,079)	606	(1,541)	(14,932)	(72)	(176,714)
<i>Fund Balance at Beginning of Period</i>	1,350,766	133,452	1,541	405,838	20,769	205,424
Fund Balance at End of Period	\$ 1,310,687	\$ 134,058	\$ --	\$ 390,906	\$ 20,697	\$ 28,710

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	<u>Capital Projects</u>			<u>Permanent</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Lakefront Playground Project</u>	<u>Rotary Park Project</u>	<u>Corridor Improvement</u>	<u>Cemetery Perpetual</u>	<u>Capital Projects Trust</u>	
Revenues						
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 147
State Revenue	45,000	37,500	--	--	--	1,466,091
Local Revenue Sharing	1,000	--	--	--	--	1,000
Charges for Services	--	--	--	14,625	--	91,260
Miscellaneous	3,678	111,193	--	--	--	145,844
Interest Income	--	--	--	1,276	1,603	33,201
Total Revenues	<u>49,678</u>	<u>148,693</u>	<u>--</u>	<u>15,901</u>	<u>1,603</u>	<u>1,737,543</u>
Expenditures						
General Government	--	--	--	501	500	152,253
Public Works	--	--	--	--	--	1,014,132
Economic Development	--	--	--	--	--	52,126
Capital Outlay	134,828	147,700	--	--	--	1,045,895
Debt Service - Principal	--	--	--	--	--	87,721
Debt Service - Interest	--	--	--	--	--	17,895
Total Expenditures	<u>134,828</u>	<u>147,700</u>	<u>--</u>	<u>501</u>	<u>500</u>	<u>2,370,022</u>
Excess of Revenues Over (Under) Expenditures	<u>(85,150)</u>	<u>993</u>	<u>--</u>	<u>15,400</u>	<u>1,103</u>	<u>(632,479)</u>
Other Financing Sources (Uses)						
Transfers In	12,654	--	--	--	--	492,404
Transfers Out	--	--	--	(12,000)	(12,654)	(183,187)
Net Other Financing Sources (Uses)	<u>12,654</u>	<u>--</u>	<u>--</u>	<u>(12,000)</u>	<u>(12,654)</u>	<u>309,217</u>
Net Change in Fund Balance	<u>(72,496)</u>	<u>993</u>	<u>--</u>	<u>3,400</u>	<u>(11,551)</u>	<u>(323,262)</u>
Fund Balance at Beginning of Period	72,496	--	5,899	491,685	589,696	4,129,823
Fund Balance at End of Period	<u>\$ --</u>	<u>\$ 993</u>	<u>\$ 5,899</u>	<u>\$ 495,085</u>	<u>\$ 578,145</u>	<u>\$ 3,806,561</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Naval Reserve Center
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Reimbursements	\$ --	\$ --	\$ 5,000	\$ 5,000
Interest Income	11,300	11,300	12,828	1,528
Total Revenues	<u>11,300</u>	<u>11,300</u>	<u>17,828</u>	<u>6,528</u>
Other Financing Sources				
Total Revenues and Other Financing Sources	<u>11,300</u>	<u>11,300</u>	<u>17,828</u>	<u>6,528</u>
Expenditures				
General Government	22,500	22,500	18,202	4,298
Total Expenditures	<u>22,500</u>	<u>22,500</u>	<u>18,202</u>	<u>4,298</u>
Other Financing Uses				
Total Expenditures and Other Financing Uses	<u>22,500</u>	<u>22,500</u>	<u>18,202</u>	<u>4,298</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(11,200)</u>	<u>(11,200)</u>	<u>(374)</u>	<u>10,826</u>
Net Change in Fund Balance	<u>(11,200)</u>	<u>(11,200)</u>	<u>(374)</u>	<u>10,826</u>
<i>Fund Balance at Beginning of Period</i>	12,365	12,365	12,365	--
Fund Balance at End of Period	<u>\$ 1,165</u>	<u>\$ 1,165</u>	<u>\$ 11,991</u>	<u>\$ 10,826</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
HL Green Operating
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Interest Income	\$ 1,000	\$ 1,000	\$ 1,352	\$ 352
<i>Total Revenues</i>	<u>1,000</u>	<u>1,000</u>	<u>1,352</u>	<u>352</u>
Other Financing Sources				
<i>Total Revenues and Other Financing Sources</i>	<u>1,000</u>	<u>1,000</u>	<u>1,352</u>	<u>352</u>
Expenditures				
General Government	500	500	--	500
<i>Total Expenditures</i>	<u>500</u>	<u>500</u>	<u>--</u>	<u>500</u>
Other Financing Uses				
<i>Total Expenditures and Other Financing Uses</i>	<u>500</u>	<u>500</u>	<u>--</u>	<u>500</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>500</u>	<u>500</u>	<u>1,352</u>	<u>852</u>
<i>Net Change in Fund Balance</i>	<u>500</u>	<u>500</u>	<u>1,352</u>	<u>852</u>
<i>Fund Balance at Beginning of Period</i>	115,754	115,754	115,754	--
<i>Fund Balance at End of Period</i>	<u>\$ 116,254</u>	<u>\$ 116,254</u>	<u>\$ 117,106</u>	<u>\$ 852</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Major Streets
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
State Revenue	\$ 689,000	\$ 689,000	\$ 800,045	\$ 111,045
Local Revenue Sharing	--	--	8,000	8,000
Interest Income	--	--	713	713
Total Revenues	<u>689,000</u>	<u>689,000</u>	<u>808,758</u>	<u>119,758</u>
Other Financing Sources				
Total Revenues and Other Financing Sources	<u>689,000</u>	<u>689,000</u>	<u>808,758</u>	<u>119,758</u>
Expenditures				
Public Works	656,600	670,100	651,772	18,328
Capital Outlay	<u>207,500</u>	<u>237,500</u>	<u>253,603</u>	<u>(16,103)</u>
Total Expenditures	<u>864,100</u>	<u>907,600</u>	<u>905,375</u>	<u>2,225</u>
Other Financing Uses				
Total Expenditures and Other Financing Uses	<u>864,100</u>	<u>907,600</u>	<u>905,375</u>	<u>2,225</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(175,100)</u>	<u>(218,600)</u>	<u>(96,617)</u>	<u>121,983</u>
Net Change in Fund Balance	<u>(175,100)</u>	<u>(218,600)</u>	<u>(96,617)</u>	<u>121,983</u>
Fund Balance at Beginning of Period	423,200	423,200	423,200	--
Fund Balance at End of Period	<u>\$ 248,100</u>	<u>\$ 204,600</u>	<u>\$ 326,583</u>	<u>\$ 121,983</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Streets
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
State Revenue	\$ 206,000	\$ 256,000	\$ 278,426	\$ 22,426
Local Revenue Sharing	--	--	1,000	1,000
Interest Income	500	500	--	(500)
Nonoperating revenues	--	--	2	2
Total Revenues	<u>206,500</u>	<u>256,500</u>	<u>279,428</u>	<u>22,928</u>
Other Financing Sources				
Transfers In	385,000	365,000	303,750	(61,250)
Total Revenues and Other Financing Sources	<u>591,500</u>	<u>621,500</u>	<u>583,178</u>	<u>(38,322)</u>
Expenditures				
Public Works	574,000	574,000	410,492	163,508
Total Expenditures	<u>574,000</u>	<u>574,000</u>	<u>410,492</u>	<u>163,508</u>
Other Financing Uses				
Transfers Out	--	--	71,200	(71,200)
Total Expenditures and Other Financing Uses	<u>574,000</u>	<u>574,000</u>	<u>481,692</u>	<u>92,308</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>17,500</u>	<u>47,500</u>	<u>101,486</u>	<u>53,986</u>
Net Change in Fund Balance	<u>17,500</u>	<u>47,500</u>	<u>101,486</u>	<u>53,986</u>
Fund Balance at Beginning of Period	83,076	83,076	83,076	--
Fund Balance at End of Period	<u>\$ 100,576</u>	<u>\$ 130,576</u>	<u>\$ 184,562</u>	<u>\$ 53,986</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cemetery
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Charges for Services	\$ 52,400	\$ 52,400	\$ 63,808	\$ 11,408
<i>Total Revenues</i>	<u>52,400</u>	<u>52,400</u>	<u>63,808</u>	<u>11,408</u>
Other Financing Sources				
Transfers In	87,000	87,000	87,000	--
<i>Total Revenues and Other Financing Sources</i>	<u>139,400</u>	<u>139,400</u>	<u>150,808</u>	<u>11,408</u>
Expenditures				
General Government	130,300	130,300	131,203	(903)
Capital Outlay	9,000	9,000	8,022	978
<i>Total Expenditures</i>	<u>139,300</u>	<u>139,300</u>	<u>139,225</u>	<u>75</u>
Other Financing Uses				
<i>Total Expenditures and Other Financing Uses</i>	<u>139,300</u>	<u>139,300</u>	<u>139,225</u>	<u>75</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>100</u>	<u>100</u>	<u>11,583</u>	<u>11,483</u>
<i>Net Change in Fund Balance</i>	100	100	11,583	11,483
<i>Fund Balance at Beginning of Period</i>	20,004	20,004	20,004	--
<i>Fund Balance at End of Period</i>	<u>\$ 20,104</u>	<u>\$ 20,104</u>	<u>\$ 31,587</u>	<u>\$ 11,483</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Milfoil
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Property Taxes	\$ --	\$ --	\$ 149	\$ 149
Interest Income	1,500	1,500	1,213	(287)
<i>Total Revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>1,362</u>	<u>(138)</u>
Other Financing Sources				
<i>Total Revenues and Other Financing Sources</i>	<u>1,500</u>	<u>1,500</u>	<u>1,362</u>	<u>(138)</u>
Expenditures				
Public Works	124,500	124,500	29,668	94,832
<i>Total Expenditures</i>	<u>124,500</u>	<u>124,500</u>	<u>29,668</u>	<u>94,832</u>
Other Financing Uses				
<i>Total Expenditures and Other Financing Uses</i>	<u>124,500</u>	<u>124,500</u>	<u>29,668</u>	<u>94,832</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>(123,000)</u>	<u>(123,000)</u>	<u>(28,306)</u>	<u>94,694</u>
<i>Net Change in Fund Balance</i>	<u>(123,000)</u>	<u>(123,000)</u>	<u>(28,306)</u>	<u>94,694</u>
<i>Fund Balance at Beginning of Period</i>	197,858	197,858	197,858	--
<i>Fund Balance at End of Period</i>	<u>\$ 74,858</u>	<u>\$ 74,858</u>	<u>\$ 169,552</u>	<u>\$ 94,694</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Development
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Interest Income	\$ 27,000	\$ 27,000	\$ 20,039	\$ (6,961)
<i>Total Revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>20,039</u>	<u>(6,961)</u>
Other Financing Sources				
<i>Total Revenues and Other Financing Sources</i>	<u>27,000</u>	<u>27,000</u>	<u>20,039</u>	<u>(6,961)</u>
Expenditures				
Economic Development	67,900	87,900	50,585	37,315
<i>Total Expenditures</i>	<u>67,900</u>	<u>87,900</u>	<u>50,585</u>	<u>37,315</u>
Other Financing Uses				
Transfers Out	--	--	9,533	(9,533)
<i>Total Expenditures and Other Financing Uses</i>	<u>67,900</u>	<u>87,900</u>	<u>60,118</u>	<u>27,782</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>(40,900)</u>	<u>(60,900)</u>	<u>(40,079)</u>	<u>20,821</u>
<i>Net Change in Fund Balance</i>	(40,900)	(60,900)	(40,079)	20,821
<i>Fund Balance at Beginning of Period</i>	1,350,766	1,350,766	1,350,766	--
<i>Fund Balance at End of Period</i>	<u>\$ 1,309,866</u>	<u>\$ 1,289,866</u>	<u>\$ 1,310,687</u>	<u>\$ 20,821</u>

City of Cadillac

Nonmajor Proprietary Fund Descriptions

NONMAJOR PROPRIETARY FUNDS

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 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.

Building Authority Fund - This fund accounts for operations of the building.

City of Cadillac
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2015

	<u>Enterprise</u>		<u>Total Enterprise Funds</u>
	<u>Auto Parking</u>	<u>Building Authority</u>	
ASSETS			
<i>Current Assets</i>			
Cash & Pooled Investments	\$ 156,156	\$ 154,995	\$ 311,151
Receivables	523	9	532
Prepays	31	1,247	1,278
Total Current Assets	<u>156,710</u>	<u>156,251</u>	<u>312,961</u>
<i>Noncurrent Assets</i>			
Capital Assets not being Depreciated	249,221	90,445	339,666
Capital Assets being Depreciated	260,531	1,055,560	1,316,091
Total Assets	<u>666,462</u>	<u>1,302,256</u>	<u>1,968,718</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	--	49	49
Accrued Liabilities	338	--	338
Accrued Interest	--	1,610	1,610
Current Portion of Long-term Debt	--	140,000	140,000
Total Current Liabilities	<u>338</u>	<u>141,659</u>	<u>141,997</u>
<i>Noncurrent Liabilities</i>			
Total Liabilities	<u>338</u>	<u>141,659</u>	<u>141,997</u>
NET POSITION			
Net Investment in Capital Assets	509,752	1,006,005	1,515,757
<i>Unrestricted</i>	156,372	154,592	310,964
Total Net Position	<u>\$ 666,124</u>	<u>\$ 1,160,597</u>	<u>\$ 1,826,721</u>

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	<u>Enterprise</u>		
	<u>Auto Parking</u>	<u>Building Authority</u>	
Operating Revenues			
Charges for Services	\$ 1,577	\$ --	\$ 1,577
Miscellaneous	49,448	--	49,448
Rent	--	195,870	195,870
<i>Total Operating Revenues</i>	<u>51,025</u>	<u>195,870</u>	<u>246,895</u>
Operating Expenses			
Salaries & Wages	21,528	--	21,528
Materials & Supplies	1,987	--	1,987
Utilities	--	2,739	2,739
Repair & Maintenance	--	20,113	20,113
Equipment Rental	21,962	--	21,962
Contracted Services	--	19,208	19,208
Professional Fees	500	5,000	5,500
Depreciation	16,754	36,408	53,162
<i>Total Operating Expenses</i>	<u>62,731</u>	<u>83,468</u>	<u>146,199</u>
<i>Operating Income (Loss)</i>	<u>(11,706)</u>	<u>112,402</u>	<u>100,696</u>
Non-Operating Revenues (Expenses)			
Interest Income	2,172	964	3,136
Interest Expense	--	(8,333)	(8,333)
<i>Net Non-Operating Revenues (Expenses)</i>	<u>2,172</u>	<u>(7,369)</u>	<u>(5,197)</u>
Transfers	(9,534)	105,033	95,499
Transfers In	9,533	--	9,533
Transfers Out	--	--	--
<i>Change In Net Position</i>	<u>(1)</u>	<u>105,033</u>	<u>105,032</u>
<i>Net Position at Beginning of Period</i>	666,125	1,055,564	1,721,689
<i>Net Position at End of Period</i>	<u>\$ 666,124</u>	<u>\$ 1,160,597</u>	<u>\$ 1,826,721</u>

City of Cadillac
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	<u>Enterprise</u>		
	<u>Auto Parking</u>	<u>Building Authority</u>	<u>Total Enterprise Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Special Assessments	\$ 51,025	\$ 195,861	\$ 246,886
Cash Payments to Employees for Services and Fringe Benefits	(21,528)	-	(21,528)
Cash Payments to Suppliers for Goods and Services	(25,703)	(48,861)	(74,564)
Total Cash Flows from Operating Activities	<u>3,794</u>	<u>147,000</u>	<u>150,794</u>
Cash Flows from Non-capital and Related Financing Activities			
Transfers from (to) Other Funds	9,533	-	9,533
Total Cash Flows from Non-capital and Related Financing Activities	<u>9,533</u>	<u>-</u>	<u>9,533</u>
Cash Flows from Capital and Related Financing Activities			
Principal Paid	-	(135,000)	(135,000)
Interest Paid	-	(9,886)	(9,886)
Total Cash Flows from (used in) by Capital and Related Financing Activities	<u>-</u>	<u>(144,886)</u>	<u>(144,886)</u>
Cash Flows From Investing Activities			
Interest on Investments	2,172	964	3,136
Total Cash Flows from Investing Activities	<u>2,172</u>	<u>964</u>	<u>3,136</u>
Net Increase (Decrease) in Cash and Equivalents	15,499	3,078	18,577
<i>Cash and Equivalents - Beginning of Year</i>	140,657	151,917	292,574
Cash and Equivalents - End of Year	<u>\$ 156,156</u>	<u>\$ 154,995</u>	<u>\$ 311,151</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (11,706)	\$ 112,402	\$ 100,696
Adjustments to Reconcile Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Depreciation and Amortization Expense	16,754	36,408	53,162
Changes in Assets & Liabilities			
Accounts Receivable	-	(9)	(9)
Prepaid Expenses	1	(1,247)	(1,246)
Accounts Payable	-	(554)	(554)
Accrued Liabilities	(1,255)	-	(1,255)
Net Cash Provided by Operating Activities	<u>\$ 3,794</u>	<u>\$ 147,000</u>	<u>\$ 150,794</u>

City of Cadillac

Internal Service Fund Descriptions

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 organization.

City of Cadillac
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Internal Service				Total Internal Service Funds
	Information Technology	Central Stores and Municipal Garage	Self Insurance	Safety	
ASSETS					
<i>Current Assets</i>					
Cash & Pooled Investments	\$ 212,150	\$ 69,542	\$ 1,019,598	\$ 9,089	\$ 1,310,379
Receivables	1,588	17,911	4,406	--	23,905
Prepays	12,738	27,360	74,311	--	114,409
Inventory	--	87,868	--	--	87,868
Total Current Assets	226,476	202,681	1,098,315	9,089	1,536,561
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	25,000	--	--	25,000
Capital Assets being Depreciated	214,041	441,731	--	--	655,772
Total Assets	440,517	669,412	1,098,315	9,089	2,217,333
DEFERRED OUTFLOWS OF RESOURCES					
Pension	--	54,530	--	--	54,530
Total Deferred Outflows of Resources	--	54,530	--	--	54,530
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	4,905	11,915	31,093	--	47,913
Accrued Liabilities	83	3,102	--	--	3,185
Total Current Liabilities	4,988	15,017	31,093	--	51,098
<i>Noncurrent Liabilities</i>					
Compensated Absences	3,817	33,452	--	--	37,269
Net Pension Liability	--	181,311	--	--	181,311
Advance from Other Funds	--	200,000	--	--	200,000
Total Liabilities	8,805	429,780	31,093	--	469,678
NET POSITION					
Net Investment in Capital Assets	214,041	466,731	--	--	680,772
<i>Restricted for:</i>					
Retirees' Life Insurance	--	--	168,866	--	168,866
Employees' Life and Health Insurance	--	--	898,356	--	898,356
<i>Unrestricted</i>	217,671	(172,569)	--	9,089	54,191
Total Net Position	\$ 431,712	\$ 294,162	\$ 1,067,222	\$ 9,089	\$ 1,802,185

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Internal Service				Total Internal Service Funds
	Information Technology	Central Stores and Municipal Garage	Self Insurance	Safety	
Operating Revenues					
Charges for Services	\$ 201,000	\$ 604,402	\$ 1,054,159	\$ 5,000	\$ 1,864,561
Miscellaneous	--	127	72,195	--	72,322
Total Operating Revenues	201,000	604,529	1,126,354	5,000	1,936,883
Operating Expenses					
Salaries & Wages	13,833	187,798	--	6,925	208,556
Materials & Supplies	21,856	86,380	--	1,482	109,718
Utilities	5,850	29,492	--	--	35,342
Repair & Maintenance	1,102	100,900	--	--	102,002
Equipment Rental	--	21,081	--	--	21,081
Contracted Services	104,647	42,071	40,844	500	188,062
Self Insurance	--	--	1,101,084	--	1,101,084
Depreciation	34,414	82,307	--	--	116,721
Total Operating Expenses	181,702	550,029	1,141,928	8,907	1,882,566
Operating Income (Loss)	19,298	54,500	(15,574)	(3,907)	54,317
Non-Operating Revenues (Expenses)					
Interest Income	953	--	7,240	--	8,193
Gain on Sale of Capital Assets	250	64,950	--	--	65,200
Interest Expense	--	(13,297)	--	--	(13,297)
Net Non-Operating Revenues (Expenses)	1,203	51,653	7,240	--	60,096
Change In Net Position	20,501	106,153	(8,334)	(3,907)	114,413
<i>Net Position at Beginning of Period, as Restated (Note XX)</i>	411,211	188,009	1,075,556	12,996	1,687,772
Net Position at End of Period	\$ 431,712	\$ 294,162	\$ 1,067,222	\$ 9,089	\$ 1,802,185

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Internal Service				Total Internal Service Funds
	Information Technology	Central Stores and Municipal Garage	Self Insurance	Safety	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 200,045	\$ 599,167	\$ 1,139,882	\$ 5,000	\$ 1,944,094
Cash Payments to Employees for Services and Fringe Benefits	(12,683)	(201,830)	-	(6,925)	(221,438)
Cash Payments to Suppliers for Goods and Services	(124,478)	(322,859)	(1,121,200)	(1,982)	(1,570,519)
Total Cash Flows from Operating Activities	<u>62,884</u>	<u>74,478</u>	<u>18,682</u>	<u>(3,907)</u>	<u>152,137</u>
Cash Flows From Non-capital and Related Financing Activities					
Payment on Advance	-	(50,000)	-	-	(50,000)
Total Cash Flows From Non-capital and Related Financing Activities	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Cash Flows from Capital and Related Financing Activities					
Interest Paid	-	(13,297)	-	-	(13,297)
Net Capital Asset Activity	(27,575)	9,342	-	-	(18,233)
Total Cash Flows Used in Capital and Related Financing Activities	<u>(27,575)</u>	<u>(3,955)</u>	<u>-</u>	<u>-</u>	<u>(31,530)</u>
Cash Flows From Investing Activities					
Interest on Investments	953	-	7,240	-	8,193
Total Cash Flows from Investing Activities	<u>953</u>	<u>-</u>	<u>7,240</u>	<u>-</u>	<u>8,193</u>
Net Increase (Decrease) in Cash and Equivalents	36,262	20,523	25,922	(3,907)	78,800
<i>Cash and Equivalents - Beginning of Year</i>	175,888	49,019	993,676	12,996	1,231,579
Cash and Equivalents - End of Year	<u>\$ 212,150</u>	<u>\$ 69,542</u>	<u>\$ 1,019,598</u>	<u>\$ 9,089</u>	<u>\$ 1,310,379</u>

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	<u>Internal Service</u>				<u>Total Internal Service Funds</u>
	<u>Information Technology</u>	<u>Central Stores and Municipal Garage</u>	<u>Self Insurance</u>	<u>Safety</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 19,298	\$ 54,500	\$ (15,574)	\$ (3,907)	\$ 54,317
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization Expense	34,414	82,307	-	-	116,721
Changes in Assets & Liabilities					
Accounts Receivable	(955)	(5,362)	13,528	-	7,211
Inventory	-	(24,888)	-	-	(24,888)
Prepaid Expenses	4,391	(12,785)	4,348	-	(4,046)
Deferred Outflow Related to Pension	-	(31,646)	-	-	(31,646)
Accounts Payable	4,538	(3,755)	16,380	-	17,163
Accrued Liabilities	48	(1,507)	-	-	(1,459)
Compensated Absences	1,150	(14,072)	-	-	(12,922)
Net Pension Liability	-	31,686	-	-	31,686
Net Cash Provided by Operating Activities	<u>\$ 62,884</u>	<u>\$ 74,478</u>	<u>\$ 18,682</u>	<u>\$ (3,907)</u>	<u>\$ 152,137</u>

City of Cadillac

Agency Fund Descriptions

AGENCY FUNDS

Current Tax Fund – This fund is used to record the receipt and transfers of property taxes collected by the City on behalf of the state, county, school districts, and other governments.

Payroll Fund – This fund is used to account for receipts and disbursements of payroll withholdings.

City of Cadillac
Combinig Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency			Total Fiduciary Funds
	Current Tax	Payroll		
ASSETS				
Cash & Pooled Investments	\$ 141,565	\$ --	\$	141,565
Taxes Receivable	14,915	--		14,915
<i>Total Assets</i>	156,480	--		156,480
LIABILITIES				
Due to Other Governmental Units	116,820	--		116,820
Due to Other Funds	39,660	--		39,660
<i>Total Liabilities</i>	156,480	--		156,480
NET POSITION				
Held in Trust	\$ --	\$ --	\$	--

City of Cadillac
Combined Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Payroll			
	June 30, 2014	Additions	Deductions	June 30, 2015
ASSETS				
Cash & Pooled Investments	\$ -	\$ 7,302,982	\$ 7,302,982	\$ -
<i>Total Assets</i>	<u>-</u>	<u>7,302,982</u>	<u>7,302,982</u>	<u>-</u>
LIABILITIES				
Due to Others	-	10,588,030	10,588,030	-
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 10,588,030</u>	<u>\$ 10,588,030</u>	<u>\$ -</u>

	Current Tax Collection Fund			
	June 30, 2014	Additions	Deductions	June 30, 2015
ASSETS				
Cash & Pooled Investments	\$ 182,091	\$ 7,400,349	\$ 7,440,875	\$ 141,565
Taxes Receivable	-	16,882	1,967	14,915
<i>Total Assets</i>	<u>182,091</u>	<u>7,417,231</u>	<u>7,442,842</u>	<u>156,480</u>
LIABILITIES				
Due to Other Governments	157,480	8,031,059	8,071,719	116,820
Due to Other Funds	24,611	8,010,818	7,995,769	39,660
<i>Total Liabilities</i>	<u>\$ 182,091</u>	<u>\$ 8,031,059</u>	<u>\$ 8,071,719</u>	<u>\$ 156,480</u>

	Total Agency Funds			
	June 30, 2014	Additions	Deductions	June 30, 2015
ASSETS				
Cash & Pooled Investments	\$ 182,091	\$ 14,703,331	\$ 14,743,857	\$ 141,565
Taxes Receivable	-	16,882	-	14,915
Due from Other Governments	-	-	-	-
<i>Total Assets</i>	<u>182,091</u>	<u>14,720,213</u>	<u>14,743,857</u>	<u>156,480</u>
LIABILITIES				
Due to Other Governments	157,480	8,031,059	8,071,719	116,820
Due to Other Funds	24,611	8,010,818	7,995,769	39,660
Due to Others	-	10,588,030	10,588,030	-
<i>Total Liabilities</i>	<u>\$ 182,091</u>	<u>\$ 26,629,907</u>	<u>\$ 26,655,518</u>	<u>\$ 156,480</u>

City of Cadillac

Component Unit Fund Descriptions

COMPONENT UNITS

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

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

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

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 two (2) mill maximum tax levy can be levied by the Board when needed.

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

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
LDFA Combining Balance Sheet and Statement of Net Position
June 30, 2015

	<u>LDFA</u>	<u>LDFA Capital Projects</u>	<u>LDFA Utilities</u>	<u>Total LDFA Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
<i>Current Assets</i>						
Cash & Pooled Investments	\$ 69,985	\$ 52,956	\$ 52,338	\$ 175,279	\$ --	\$ 175,279
Investments	926,982	1,085,828	253,943	2,266,753	--	2,266,753
Accounts Receivable	--	--	1,421	1,421	--	1,421
Interest Receivable	17,395	739	526	18,660	--	18,660
Total Current Assets	<u>1,014,362</u>	<u>1,139,523</u>	<u>308,228</u>	<u>2,462,113</u>	<u>--</u>	<u>2,462,113</u>
<i>Noncurrent Assets</i>						
Capital Assets being Depreciated	--	--	--	--	135,707 [1]	135,707
Total Assets	<u>\$ 1,014,362</u>	<u>\$ 1,139,523</u>	<u>\$ 308,228</u>	<u>\$ 2,462,113</u>	<u>\$ 135,707</u>	<u>\$ 2,597,820</u>
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	\$ 6,654	\$ --	\$ --	\$ 6,654	\$ --	\$ 6,654
Accrued Liabilities	591	--	--	591	--	591
Total Current Liabilities	<u>7,245</u>	<u>--</u>	<u>--</u>	<u>7,245</u>	<u>--</u>	<u>7,245</u>
FUND BALANCE						
<i>Restricted for:</i>						
Ground Water Cleanup	1,007,117	--	--	1,007,117	(1,007,117)	--
Capital Projects	--	1,139,523	--	1,139,523	(1,139,523)	--
Economic Development	--	--	308,228	308,228	(308,228)	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	<u>1,007,117</u>	<u>1,139,523</u>	<u>308,228</u>	<u>2,454,868</u>	<u>(2,454,868)</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 1,014,362</u>	<u>\$ 1,139,523</u>	<u>\$ 308,228</u>	<u>\$ 2,462,113</u>	<u>\$ (2,454,868)</u>	<u>\$ 7,245</u>
NET POSITION						
Net Investment in Capital Assets					\$ 135,707	\$ 135,707
<i>Restricted for:</i>						
Ground Water Cleanup					1,007,117	1,007,117
Capital Projects					1,139,523	1,139,523
Economic Development					308,228	308,228
Total Net Position					<u>\$ 2,590,575</u>	<u>\$ 2,590,575</u>

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

City of Cadillac
L DFA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2015

	<u>L DFA</u>	<u>L DFA Capital Projects</u>	<u>L DFA Utilities</u>	<u>Total L DFA Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues						
Property Taxes	\$ --	\$ 141,108	\$ --	\$ 141,108	\$ --	\$ 141,108
Charges for Services	--	--	16,932	16,932	--	16,932
Interest and Rents	14,725	--	--	14,725	--	14,725
Other Revenues	--	6,242	1,743	7,985	--	7,985
Total Revenues	<u>14,725</u>	<u>147,350</u>	<u>18,675</u>	<u>180,750</u>	<u>--</u>	<u>180,750</u>
Expenditures						
General Government	--	500	--	500	(500)	--
Economic Development	257,888	--	--	257,888	4,892	262,780
Salaries & Wages	--	--	3,892	3,892	(3,892)	--
Contracted Services	--	--	500	500	(500)	--
Depreciation	--	--	--	--	4,535 [1]	4,535
Total Expenditures	<u>257,888</u>	<u>500</u>	<u>4,392</u>	<u>262,780</u>	<u>4,535</u>	<u>267,315</u>
Excess of Revenues Over (Under) Expenditures	<u>(243,163)</u>	<u>146,850</u>	<u>14,283</u>	<u>(82,030)</u>	<u>(4,535)</u>	<u>(86,565)</u>
Net Change in Fund Balance / Net Position	<u>(243,163)</u>	<u>146,850</u>	<u>14,283</u>	<u>(82,030)</u>	<u>(4,535)</u>	<u>(86,565)</u>
<i>Fund Balance / Net Position at Beginning of Period</i>	1,250,280	992,673	293,945	2,536,898	140,242	2,677,140
Fund Balance / Net Position at End of Period	<u>\$ 1,007,117</u>	<u>\$ 1,139,523</u>	<u>\$ 308,228</u>	<u>\$ 2,454,868</u>	<u>\$ 135,707</u>	<u>\$ 2,590,575</u>

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

City of Cadillac
DDA Combining Balance Sheet and Statement of Net Position
June 30, 2015

	<u>Downtown Development Authority</u>	<u>Downtown Development Capital Projects</u>	<u>Total DDA Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
<i>Current Assets</i>					
Cash & Pooled Investments	\$ 3,577	\$ 11,229	\$ 14,806	--	\$ 14,806
Investments	--	368,451	368,451	--	368,451
Receivables	538	--	538	--	538
Prepays	36	--	36	--	36
Interest Receivable	--	916	916	--	916
Total Current Assets	<u>4,151</u>	<u>380,596</u>	<u>384,747</u>	<u>--</u>	<u>384,747</u>
<i>Noncurrent Assets</i>					
Capital Assets being Depreciated	--	--	--	962,470 [1]	962,470
Total Assets	<u>\$ 4,151</u>	<u>\$ 380,596</u>	<u>\$ 384,747</u>	<u>\$ 962,470</u>	<u>\$ 1,347,217</u>
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	\$ 2,773	\$ 1,612	\$ 4,385	\$ --	\$ 4,385
Accrued Liabilities	439	--	439	--	439
Total Current Liabilities	<u>3,212</u>	<u>1,612</u>	<u>4,824</u>	<u>--</u>	<u>4,824</u>
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	--	--	337 [2]	337
Total Liabilities	<u>3,212</u>	<u>1,612</u>	<u>4,824</u>	<u>337</u>	<u>5,161</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	538	--	538	(538) [3]	--
Total Liabilities and Deferred Inflows of Resources	<u>3,750</u>	<u>1,612</u>	<u>5,362</u>	<u>(201)</u>	<u>5,161</u>
FUND BALANCE					
Restricted	401	378,984	379,385	(379,385)	--
Unassigned	--	--	--	--	--
Total Fund Balance	<u>401</u>	<u>378,984</u>	<u>379,385</u>	<u>(379,385)</u>	<u>--</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,151</u>	<u>\$ 380,596</u>	<u>\$ 384,747</u>	<u>\$ (379,586)</u>	<u>\$ 5,161</u>
NET POSITION					
Net Investment in Capital Assets				\$ 962,470	\$ 962,470
<i>Restricted for:</i>					
Economic Development				379,586	379,586
Total Net Position				<u>\$ 1,342,056</u>	<u>\$ 1,342,056</u>

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

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

[3] Certain receivables are not available to pay for current period expenditures and, therefore, are unearned in the funds.

City of Cadillac
DDA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2015

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments	Statement of Activities
Revenues					
Operating revenues	\$ 28,871	\$ 98,047	\$ 126,918	\$ 366 [1]	\$ 127,284
Charges for Services	5,000	--	5,000	--	5,000
Miscellaneous	150	--	150	--	150
Interest Income	301	3,539	3,840	--	3,840
Total Revenues	34,322	101,586	135,908	366	136,274
Expenditures					
Economic Development	37,284	15,214	52,498	(8,966) [2]	43,532
Depreciation	--	--	--	40,062 [3]	40,062
Total Expenditures	37,284	15,214	52,498	31,096	83,594
Excess of Revenues Over (Under) Expenditures	(2,962)	86,372	83,410	(30,730)	52,680
Net Change in Fund Balance / Net Position	(2,962)	86,372	83,410	(30,730)	52,680
<i>Fund Balance / Net Position at Beginning of Period</i>	3,363	292,612	295,975	993,401	1,289,376
Fund Balance / Net Position at End of Period	\$ 401	\$ 378,984	\$ 379,385	\$ 962,671	\$ 1,342,056

[1] Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

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

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

City of Cadillac
EDC Balance Sheet and Statement of Net Position
June 30, 2015

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

City of Cadillac
EDC Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2015

	<u>Economic Development Corporation</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
<i>Total Revenues</i>	--	--	--
Expenditures			
<i>Total Expenditures</i>	--	--	--
<i>Excess of Revenues Over (Under) Expenditures</i>	--	--	--
Other Financing Sources (Uses)			
Transfers from Other Funds	\$ --	\$ --	\$ --
Transfers to Other Funds	--	--	--
<i>Net Other Financing Sources (Uses)</i>	--	--	--
<i>Net Change in Fund Balance / Net Position</i>	--	--	--
<i>Fund Balance / Net Position at Beginning of Period</i>	1,167	--	1,167
<i>Fund Balance / Net Position at End of Period</i>	\$ 1,167	\$ --	\$ 1,167

City of Cadillac
Brownfield Redevelopment Balance Sheet and Statement of Net Position
June 30, 2015

	Brownfield Redevelopment	Adjustments	Statement of Net Position
ASSETS			
Cash & Pooled Investments	\$ 215,649	\$ --	\$ 215,649
Receivables	9,000	--	9,000
Total Assets	\$ 224,649	\$ 0	\$ 224,649
LIABILITIES			
<i>Noncurrent Liabilities</i>			
Accounts Payable	\$ 58,416	\$ --	\$ 58,416
Current Portion of Long-term Debt	--	9,803 [1]	9,803
Total Liabilities	58,416	9,803	68,219
<i>Noncurrent Liabilities</i>			
Long-term Debt	--	90,403 [1]	90,403
Total Liabilities	58,416	100,206	158,622
FUND BALANCE			
<i>Restricted for:</i>			
Economic Development	166,233	(166,233)	--
Unassigned	--	--	--
Total Fund Balance	166,233	(166,233)	--
Total Liabilities and Fund Balance	\$ 224,649	\$ (66,027)	\$ 158,622
NET POSITION			
<i>Restricted for:</i>			
Economic Development		\$ 66,027 [1]	\$ 66,027
Total Net Position		\$ 66,027	\$ 66,027

[1] Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

City of Cadillac
Brownfield Redevelopment Statement of Revenues, Expenditures, and
Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2015

	<u>Brownfield Redevelopment</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Property Taxes	\$ 24,795	\$ --	\$ 24,795
Operating Grants and Contributions	9,000	--	9,000
Note Proceeds	--	--	--
Total Revenues	<u>33,795</u>	<u>--</u>	<u>33,795</u>
Expenditures			
Public Works	77,414	(43,118) [1]	34,296
Total Expenditures	<u>77,414</u>	<u>(43,118)</u>	<u>34,296</u>
Excess of Revenues Over (Under) Expenditures	<u>(43,619)</u>	<u>43,118</u>	<u>(501)</u>
Net Change in Fund Balance / Net Position	(43,619)	43,118	(501)
<i>Fund Balance / Net Position at Beginning of Period</i>	209,852	(143,324)	66,528
Fund Balance / Net Position at End of Period	<u>\$ 166,233</u>	<u>\$ (100,206)</u>	<u>\$ 66,027</u>

[1] Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

City of Cadillac
2004 General Obligation Capital Improvement Bonds
June 30, 2015

Title of Issue City of Cadillac 2004 General Obligation Capital Improvement Bonds

Purpose For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 24, Public Acts of Michigan 2001.

Date of Issue November 1, 2004

Amount of Issue \$ 995,000

Amount Redeemed

Prior to Current Period

\$ 535,000

During Current Period

70,000

Total Redeemed

605,000

Balance Outstanding

\$ 390,000

<u>Due Dates</u>	<u>Interest Rates</u>	<u>Requirements</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 1, 2015	3.85%	\$ 70,000	\$ 7,915	\$ 77,915
March 1, 2016			6,568	6,568
September 1, 2016	3.95%	75,000	6,568	81,568
March 1, 2017			5,086	5,086
September 1, 2017	4.05%	80,000	5,086	85,086
March 1, 2018			3,466	3,466
September 1, 2018	4.15%	80,000	3,466	83,466
March 1, 2019			1,806	1,806
September 1, 2019	4.25%	85,000	1,806	86,806
		<u>\$ 390,000</u>	<u>\$ 41,767</u>	<u>\$ 431,767</u>

City of Cadillac
2007 Wastewater System Junior Lien Revenue Bonds
June 30, 2015

Title of Issue 2007 Wastewater System Junior Lien Revenue Bonds

Purpose

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

Date of Issue September 20, 2007

Amount of Issue \$ 3,865,205

Amount Redeemed

Prior to Current Period \$ 855,000

During Current Period 180,000

Total Redeemed 1,035,000

Balance Outstanding \$ 2,830,205

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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
April 1, 2017			20,030	20,030
October 1, 2017	1.625%	190,000	20,030	210,030
April 1, 2018			18,486	18,486
October 1, 2018	1.625%	190,000	18,486	208,486
April 1, 2019			16,942	16,942
October 1, 2019	1.625%	195,000	16,942	211,942
April 1, 2020			15,358	15,358
October 1, 2020	1.625%	195,000	15,358	210,358
April 1, 2021			13,774	13,774
October 1, 2021	1.625%	200,000	13,774	213,774
April 1, 2022			12,149	12,149
October 1, 2022	1.625%	205,000	12,149	217,149
April 1, 2023			10,483	10,483
October 1, 2023	1.625%	205,000	10,483	215,483
April 1, 2024			8,817	8,817
October 1, 2024	1.625%	210,000	8,817	218,817
April 1, 2025			7,111	7,111
October 1, 2025	1.625%	215,000	7,111	222,111
April 1, 2026			5,364	5,364
October 1, 2026	1.625%	220,000	5,364	225,364
April 1, 2027			3,577	3,577
October 1, 2027	1.625%	220,000	3,577	223,577
April 1, 2028			1,789	1,789
October 1, 2028	1.625%	220,205	1,789	221,994
		<u>\$ 2,830,205</u>	<u>\$ 333,821</u>	<u>\$ 3,164,026</u>

City of Cadillac
2011 Drinking Water Revolving Fund Loan
June 30, 2015

Title of Issue 2011 Drinking Water Revolving Fund Loan

Purpose

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

Date of Issue September 23, 2011

Amount of Issue \$ 2,324,906

Amount Redeemed		
Prior to Current Period	\$ 186,050	
During Current Period	95,000	
Total Redeemed		281,050
Balance Outstanding		<u>\$ 2,043,856</u>

<u>Due Dates</u>	<u>Interest Rates</u>	<u>Requirements</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1, 2015			\$ 25,548	\$ 25,548
April 1, 2016	2.50%	\$ 95,000	25,548	120,548
October 1, 2016			24,361	24,361
April 1, 2017	2.50%	100,000	24,361	124,361
October 1, 2017			23,111	23,111
April 1, 2018	2.50%	100,000	23,111	123,111
October 1, 2018			21,861	21,861
April 1, 2019	2.50%	105,000	21,861	126,861
October 1, 2019			20,548	20,548
April 1, 2020	2.50%	110,000	20,548	130,548
October 1, 2020			19,173	19,173
April 1, 2021	2.50%	110,000	19,173	129,173
October 1, 2021			17,798	17,798
April 1, 2022	2.50%	115,000	17,798	132,798
October 1, 2022			16,361	16,361
April 1, 2023	2.50%	115,000	16,361	131,361
October 1, 2023			14,923	14,923
April 1, 2024	2.50%	120,000	14,923	134,923
October 1, 2024			13,423	13,423
April 1, 2025	2.50%	120,000	13,423	133,423
October 1, 2025			11,923	11,923
April 1, 2026	2.50%	125,000	11,923	136,923
October 1, 2026			10,361	10,361
April 1, 2027	2.50%	130,000	10,361	140,361
October 1, 2027			8,736	8,736
April 1, 2028	2.50%	130,000	8,736	138,736
October 1, 2028			7,111	7,111
April 1, 2029	2.50%	135,000	7,111	142,111
October 1, 2029			5,423	5,423
April 1, 2030	2.50%	140,000	5,423	145,423
October 1, 2030			3,673	3,673
April 1, 2031	2.50%	145,000	3,673	148,673
October 1, 2031			1,861	1,861
April 1, 2032	2.50%	148,856	1,861	150,717
		<u>\$ 2,043,856</u>	<u>\$ 492,390</u>	<u>\$ 2,536,246</u>

City of Cadillac
1999 Building Authority Refunding Bonds
June 30, 2015

Title of Issue 1999 Building Authority Refunding Bonds

Purpose 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.

Date of Issue February 2, 1999

Amount of Issue \$ 1,265,000

Amount Redeemed

Prior to Current Period \$ 990,000

During Current Period 135,000

Total Redeemed 1,125,000

Balance Outstanding \$ 140,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
October 1, 2015	4.60%	<u>\$ 135,000</u>	<u>\$ 6,325</u>	<u>\$ 141,325</u>

City of Cadillac
2013 Water Supply & Wastewater System Revenue Refunding Bonds
June 30, 2015

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

Purpose

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

Date of Issue July 19, 2013

Amount of Issue \$ 4,075,000

Amount Redeemed

Prior to Current Period \$ -
 During Current Period 255,000

Total Redeemed 255,000

Balance Outstanding \$ 3,820,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
September 1, 2015	2.70%	\$ 275,000	\$ 51,570	\$ 326,570
March 1, 2016			47,858	47,858
September 1, 2016	2.70%	275,000	47,858	322,858
March 1, 2017			44,145	44,145
September 1, 2017	2.70%	280,000	44,145	324,145
March 1, 2018			40,365	40,365
September 1, 2018	2.70%	285,000	40,365	325,365
March 1, 2019			36,518	36,518
September 1, 2019	2.70%	300,000	36,518	336,518
March 1, 2020			32,468	32,468
September 1, 2020	2.70%	315,000	32,468	347,468
March 1, 2021			28,215	28,215
September 1, 2021	2.70%	325,000	28,215	353,215
March 1, 2022			23,828	23,828
September 1, 2022	2.70%	335,000	23,828	358,828
March 1, 2023			19,305	19,305
September 1, 2023	2.70%	340,000	19,305	359,305
March 1, 2024			14,715	14,715
September 1, 2024	2.70%	355,000	14,715	369,715
March 1, 2025			9,923	9,923
September 1, 2025	2.70%	365,000	9,923	374,923
March 1, 2026			4,995	4,995
September 1, 2026	2.70%	370,000	4,995	374,995
		<u>\$ 3,820,000</u>	<u>\$ 656,240</u>	<u>\$ 4,476,240</u>

**City of Cadillac
Primary Government
Statement of 2014 Tax Roll
June 30, 2015**

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 243,347,960	6.7797	\$ 1,705,132	\$ 1,641,395	\$ 63,737
Wexford County - Public Safety	243,347,960	0.9500	238,914	226,049	12,864
Wexford County - Animal Control	243,347,960	0.2000	50,287	47,579	2,707
Wexford County - Veteran's Relief	243,347,960	0.1000	25,135	23,782	1,353
Wexford County - Recreation	243,347,960	0.1000	25,135	23,782	1,353
Cadillac Area Public Schools					
Operating	243,347,960	18.0000	2,064,139	1,952,901	111,238
Debt Retirement	243,347,960	2.9000	729,755	696,488	33,267
State Education Tax	243,347,960	6.0000	1,255,970	1,199,562	56,408
Wexford-Missaukee Intermediate School District	243,347,960	5.9419	1,494,418	1,413,944	80,474
Cadillac-Wexford Transit Authority	243,347,960	0.6000	150,890	142,766	8,125
Cadillac-Wexford Public Library	243,347,960	0.7500	188,612	178,456	10,156
Wexford County Council on Aging	243,347,960	1.0000	251,495	237,953	13,542
City of Cadillac					
General Fund	243,347,960	13.9473	3,507,850	3,376,727	131,123
Policemen & Firemen Retirement System	243,347,960	2.6000	653,909	629,466	24,443
Downtown Development Authority	14,588,073	1.9548	28,557	26,261	2,296
Public Improvement Special Assessments			78,071	68,857	9,214
Water & Sewer Delinquent Accounts			15,973	11,543	4,430
Unpaid Invoices			2,877	2,119	758
Administration Fees			124,333	118,663	5,670
			<u>\$ 12,591,451</u>	<u>\$ 12,018,293</u>	<u>\$ 573,158</u>

City of Cadillac
Local Development Finance Authority
Statement of 2014 Tax Roll
June 30, 2015

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Less Taxes Captured by LDFA</u>	<u>Net Collections Returned to Units</u>
Wexford County	\$ 5,772,370	6.7797	\$ 39,135	\$ 39,135	\$ 35,396	\$ 3,738
Wexford County - Public Safety	5,772,370	0.9500	5,484	5,484	4,960	524
Wexford County - Animal Control	5,772,370	0.2000	1,154	1,154	1,044	110
Wexford County - Veteran's Relief	5,772,370	0.1000	577	577	522	55
Wexford County - Recreation	5,772,370	0.1000	577	577	522	55
Cadillac Area Public Schools						
Operating	5,772,370	18.0000	78,211	78,211	-	78,211
Debt Retirement	5,772,370	2.9000	16,740	16,740	-	16,740
State Education Tax	5,772,370	6.0000	35,129	35,129	-	35,129
Wexford-Missaukee Intermediate School District	5,772,370	5.9419	34,299	34,299	-	34,299
Cadillac-Wexford Transit Authority	5,772,370	0.6000	3,463	3,463	3,133	331
Cadillac-Wexford Public Library	5,772,370	0.7500	4,329	4,329	3,916	414
Wexford County Council on Aging	5,772,370	1.0000	5,772	5,772	5,221	551
City of Cadillac						
General Fund	5,772,370	13.9473	80,509	80,509	72,818	7,691
Policemen & Firemen Retirement System	5,772,370	2.6000	15,008	15,008	13,575	1,434
Local Development Finance Authority Capture					(141,107)	141,107
			<u>\$ 320,387</u>	<u>\$ 320,387</u>	<u>\$ -</u>	<u>\$ 320,387</u>

City of Cadillac
Downtown Development Authority
Statement of 2014 Tax Roll
June 30, 2015

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Less Taxes Captured by DDA</u>	<u>Net Collections Due to Units</u>
Wexford County	\$ 14,588,073	6.7797	\$ 99,045	\$ 99,045	\$ 20,014	\$ 79,031
Wexford County - Public Safety	14,588,073	0.9500	13,878	13,878	2,804	11,074
Wexford County - Animal Control	14,588,073	0.2000	2,922	2,922	590	2,331
Wexford County - Veteran's Relief	14,588,073	0.1000	1,461	1,461	295	1,166
Wexford County - Recreation	14,588,073	0.1000	1,461	1,461	295	1,166
Cadillac Area Public Schools						
Operating	14,588,073	18.0000	249,278	249,278	-	249,278
Debt Retirement	14,588,073	2.9000	42,538	42,538	-	42,538
State Education Tax	14,588,073	6.0000	87,406	87,406	-	87,406
Wexford-Missaukee Intermediate School District	14,588,073	5.9419	86,805	86,805	-	86,805
Cadillac-Wexford Transit Authority	14,588,073	0.6000	8,765	8,765	1,771	6,994
Cadillac-Wexford Public Library	14,588,073	0.7500	10,956	10,956	2,213	8,743
Wexford County Council on Aging	14,588,073	1.0000	14,609	14,609	2,952	11,657
City of Cadillac						
General Fund	14,588,073	13.9473	203,757	203,757	41,174	162,583
Policemen & Firemen Retirement System	14,588,073	2.6000	37,984	37,984	7,675	30,308
Downtown Development Authority	14,588,073	1.9548	28,557	28,557	-	28,557
Downtown Development Authority Capture					(79,783)	79,783
			<u>\$ 889,420</u>	<u>\$ 889,420</u>	<u>\$ -</u>	<u>\$ 889,420</u>

City of Cadillac
Brownfield Redevelopment Authority
Statement of 2014 Tax Roll
June 30, 2015

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Less Taxes Captured by Brownfield</u>	<u>Net Collections Due to Units</u>
Wexford County	\$ 906,500	6.7797	\$ 6,146	6,146	\$ 3,563	\$ 2,582.70
Wexford County - Public Safety	906,500	0.9500	861	861	499	362
Wexford County - Animal Control	906,500	0.2000	181	181	105	76
Wexford County - Veteran's Relief	906,500	0.1000	91	91	53	38
Wexford County - Recreation	906,500	0.1000	91	91	53	38
Cadillac Area Public Schools						-
Operating	906,500	18.0000	16,317	16,317	9,460	6,857
Debt Retirement	906,500	2.9000	2,629	2,629	1,524	1,105
State Education Tax	906,500	6.0000	5,439	5,439	3,153	2,286
Wexford-Missaukee Intermediate School District	906,500	5.9419	5,386	5,386	3,123	2,264
Cadillac-Wexford Transit Authority	906,500	0.6000	544	544	315	229
Cadillac-Wexford Public Library	906,500	0.7500	680	680	394	286
Wexford County Council on Aging	906,500	1.0000	907	907	526	381
City of Cadillac						-
General Fund	906,500	13.9473	12,643	12,643	7,330	5,313
Policemen & Firemen Retirement System	906,500	2.6000	2,357	2,357	1,366	990
Downtown Development Authority	906,500	1.9548	573	573	372	201
Brownfield Redevelopment Authority Capture					(31,836)	31,836
			<u>\$ 54,844</u>	<u>\$ 54,844</u>	<u>\$ -</u>	<u>\$ 54,844</u>

City of Cadillac
Primary Government
Statement of 2014 Industrial Facilities Tax Roll
June 30, 2015

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 14,929,865	6.7797	\$ 50,609	\$ 50,609	\$ -
Wexford County - Public Safety	14,929,865	0.9500	7,091	7,071	20
Wexford County - Animal Control	14,929,865	0.2000	1,493	1,489	4
Wexford County - Veteran's Relief	14,929,865	0.1000	746	744	2
Wexford County - Recreation	14,929,865	0.1000	746	744	2
Cadillac Area Public Schools					-
Operating	14,929,865	18.0000	41,015	40,825	190
Debt Retirement	14,929,865	2.9000	21,647	21,617	31
State Education Tax	14,929,865	6.0000	27,344	27,344	-
Wexford-Missaukee Intermediate School District	14,929,865	5.9419	44,354	44,229	125
Cadillac-Wexford Transit Authority	14,929,865	0.6000	4,479	4,466	13
Cadillac-Wexford Public Library	14,929,865	0.7500	5,598	5,582	16
Wexford County Council on Aging	14,929,865	1.0000	7,465	7,444	21
City of Cadillac					-
General Fund	14,929,865	13.9473	104,114	104,114	-
Policemen & Firemen Retirement System	14,929,865	2.6000	19,409	19,409	-
Admin			3,360	3,356	4
			<u>\$ 339,471</u>	<u>\$ 339,042</u>	<u>\$ 428</u>

City of Cadillac
Local Development Finance Authority
Statement of 2014 Industrial Facilities Tax Roll
June 30, 2015

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Less Taxes Captured by LDFA</u>	<u>Net Collections Due to Units</u>
Wexford County	\$ 4,487,600	6.7797	\$ 15,212	\$ 15,212	\$ 15,212	\$ -
Wexford County - Public Safety	4,487,600	0.9500	2,132	2,132	2,132	-
Wexford County - Animal Control	4,487,600	0.2000	449	449	449	-
Wexford County - Veteran's Relief	4,487,600	0.1000	224	224	224	-
Wexford County - Recreation	4,487,600	0.1000	224	224	224	-
Cadillac Area Public Schools		-				
Operating	4,487,600	18.0000	22,284	22,284	-	22,284
Debt Retirement	4,487,600	2.9000	6,507	6,507	-	6,507
State Education Tax	4,487,600	6.0000	14,856	14,856	-	14,856
Wexford-Missaukee Intermediate School District	4,487,600	5.9419	13,332	13,332	-	13,332
Cadillac-Wexford Transit Authority	4,487,600	0.6000	1,346	1,346	1,346	-
Cadillac-Wexford Public Library	4,487,600	0.7500	1,683	1,683	1,683	-
Wexford County Council on Aging	4,487,600	1.0000	2,244	2,244	2,244	-
City of Cadillac		-				
General Fund	4,487,600	13.9473	31,295	31,295	31,295	-
Policemen & Firemen Retirement System	4,487,600	2.6000	5,834	5,834	5,834	-
Local Development Finance Authority Capture					(60,642)	60,642
			<u>\$ 117,621</u>	<u>\$ 117,621</u>	<u>\$ -</u>	<u>\$ 117,621</u>

**City of Cadillac
Primary Government
Statement of 2014 Obsolete Properties Tax Roll
June 30, 2015**

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 409,576	6.7797	\$ 1,798	\$ 1,130	\$ 668
Wexford County - Public Safety	409,576	2.6000	252	158	94
Wexford County - Animal Control	409,576	0.2000	53	33	20
Wexford County - Veteran's Relief	409,576	0.1000	27	17	10
Wexford County - Recreation	409,576	0.1000	27	17	10
Cadillac Area Public Schools					
Operating	409,576	18.0000	7,372	5,599	1,773
Debt Retirement	409,576	1.4500	1,188	902	286
State Education Tax	409,576	6.0000	2,457	1,866	591
Wexford-Missaukee Intermediate School District	409,576	5.9419	1,576	991	585
Cadillac-Wexford Transit Authority	409,576	0.6000	159	100	59
Cadillac-Wexford Public Library	409,576	0.7500	199	125	74
Wexford County Council on Aging	409,576	1.0000	265	167	99
City of Cadillac					
General Fund	409,576	13.9473	3,699	2,325	1,374
Policemen & Firemen Retirement System	409,576	2.6000	690	433	256
Downtown Development Authority	409,576	1.9548	105	105	-
Special Assessment			777	777	-
Admin			206	147	59
			<u>\$ 20,850</u>	<u>\$ 14,894</u>	<u>\$ 5,956</u>

**City of Cadillac
Primary Government
Statement of 2014 DNR/PILT Tax Roll
June 30, 2015**

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 810,276	6.7797	\$ 5,493	\$ 5,493	\$ -
Wexford County - Public Safety	810,276	0.9500	770	770	-
Wexford County - Animal Control	810,276	0.2000	162	162	-
Wexford County - Veteran's Relief	810,276	0.1000	81	81	-
Wexford County - Recreation	810,276	0.1000	81	81	-
Cadillac Area Public Schools					
Debt Retirement	810,276	2.9000	2,350	2,350	-
State Education Tax		6.0000			
Wexford-Missaukee Intermediate School District	810,276	5.9419	4,815	4,815	-
Cadillac-Wexford Transit Authority	810,276	0.6000	486	486	-
Cadillac-Wexford Public Library	810,276	0.7500	608	608	-
Wexford County Council on Aging	810,276	1.0000	810	810	-
City of Cadillac					
General Fund	810,276	13.9473	11,301	11,301	-
Policemen & Firemen Retirement System	810,276	2.6000	2,107	2,107	-
			<u>\$ 29,064</u>	<u>\$ 29,064</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	134
<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	139
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	143
<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	148
<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	150
<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	158

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

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

	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 12,563	\$ 13,560	\$ 13,847	\$ 13,453	\$ 13,608	\$ 13,114	\$ 12,618	\$ 12,131	\$ 11,469	\$ 11,723
Restricted for Specific Purpose	792	1,162	1,360	1,383	1,398	3,202	2,744	2,688	3,369	3,090
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	293	366	364	349	-	-
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	757	757	757	756	-	-
Unrestricted	5,907	5,534	6,052	6,202	4,802	3,071	3,404	3,498	4,078	435
Total governmental activities net position	\$ 19,262	\$ 20,256	\$ 21,259	\$ 21,038	\$ 20,858	\$ 20,510	\$ 19,887	\$ 19,422	\$ 18,916	\$ 15,248
Business-type Activities										
Invested in capital assets, net of related debt	\$ 11,404	\$ 11,610	\$ 12,457	\$ 12,667	\$ 12,698	\$ 12,789	\$ 13,558	\$ 13,560	\$ 13,972	\$ 13,999
Restricted for Specific Purpose	1,656	1,799	1,490	1,318	1,332	1,350	1,363	671	626	626
Unrestricted	2,384	2,772	2,376	2,292	2,422	2,447	2,661	3,457	3,069	2,747
Total business-type activities net position	\$ 15,444	\$ 16,181	\$ 16,323	\$ 16,277	\$ 16,452	\$ 16,586	\$ 17,582	\$ 17,688	\$ 17,667	\$ 17,372
Primary Government										
Invested in capital assets, net of related debt	\$ 23,967	\$ 25,170	\$ 26,304	\$ 26,120	\$ 26,306	\$ 25,903	\$ 26,176	\$ 25,691	\$ 25,441	\$ 25,722
Restricted for Specific Purpose	2,448	2,961	2,850	2,701	2,730	4,552	4,107	3,359	3,995	3,716
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	293	366	364	349	-	-
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	757	757	757	756	-	-
Unrestricted	8,291	8,306	8,428	8,494	7,224	5,518	6,065	6,955	7,147	3,182
Total primary government net position	\$ 34,706	\$ 36,437	\$ 37,582	\$ 37,315	\$ 37,310	\$ 37,096	\$ 37,469	\$ 37,110	\$ 36,583	\$ 32,620

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

	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses										
Governmental Activities:										
General Government	\$ 2,313	\$ 1,829	\$ 1,642	\$ 1,854	\$ 1,888	\$ 1,746	\$ 1,796	\$ 1,862	\$ 1,987	\$ 1,988
Public Safety	3,403	3,449	3,434	3,296	3,305	3,427	3,236	3,224	3,199	3,466
Public Works	1,834	2,473	2,817	3,131	2,667	2,634	2,513	2,456	2,570	2,516
Recreation and Culture	417	448	476	514	453	421	538	520	421	452
Redevelopment and Housing	51	0	12	0	0	0	0	0	0	0
Economic Development/Assistance	74	404	239	236	237	255	244	198	257	235
Intergovernmental	0	0	0	0	0	0	0	0	0	0
Interest on Long-Term Debt	118	107	128	78	65	55	47	39	21	17
Total Governmental Activities Expenses	\$ 8,210	\$ 8,710	\$ 8,748	\$ 9,109	\$ 8,615	\$ 8,538	\$ 8,374	\$ 8,299	\$ 8,455	\$ 8,674
Business-Type Activities:										
Water and Sewer	\$ 3,605	\$ 3,623	\$ 3,785	\$ 3,916	\$ 3,857	\$ 3,823	\$ 3,767	\$ 4,025	\$ 4,138	\$ 4,275
Building Authority Operating	131	134	139	129	113	107	114	95	88	92
Automobile Parking System	48	57	56	52	46	56	45	57	63	62
Total Business-Type Activities Expenses	\$ 3,784	\$ 3,814	\$ 3,980	\$ 4,097	\$ 4,016	\$ 3,986	\$ 3,926	\$ 4,177	\$ 4,289	\$ 4,429
Total Primary Government Expenses	\$ 11,994	\$ 12,524	\$ 12,728	\$ 13,206	\$ 12,631	\$ 12,524	\$ 12,300	\$ 12,476	\$ 12,744	\$ 13,103
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 464	\$ 459	\$ 507	\$ 472	\$ 441	\$ 377	\$ 482	\$ 472	\$ 509	\$ 520
Public Safety	401	470	287	299	295	282	266	258	106	99
Public Works	490	533	594	597	585	579	547	527	733	726
Recreation and Culture	0	0	0	0	0	1	2	1	25	0
Economic Development	0	0	0	0	0	0	0	0	2	2
Operating Grants and Contributions	1,031	1,113	1,065	994	983	1,059	1,119	1,193	1,148	1,090
Capital Grants and Contributions	505	1,316	1,250	360	332	104	269	47	0	520
Total Governmental Activities Program Revenues	\$ 2,891	\$ 3,891	\$ 3,703	\$ 2,722	\$ 2,636	\$ 2,402	\$ 2,685	\$ 2,498	\$ 2,523	\$ 2,957

City of Cadillac
Changes in Net Position (Continued)
Last Ten Fiscal Year
(accrual basis of accounting)
(amounts expressed in thousands)

	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Program Revenues (Continued)										
Business-Type Activities:										
Charges for Services:										
Water and Sewer System	\$ 3,670	\$ 3,735	\$ 3,771	\$ 3,660	\$ 3,882	\$ 3,823	\$ 3,995	\$ 4,073	\$ 4,032	\$ 4,060
Building Authority Operating	196	196	197	196	196	196	194	196	196	196
Automobile Parking System	50	49	49	47	47	36	1	37	42	51
Operating Grants and Contributions	0	0	0	0	0	0	0	0	0	10
Capital Grants and Contributions	76	410	0	0	0	0	509	0	0	0
Total Business-Type Activities Program Revenues	\$ 3,992	\$ 4,390	\$ 4,017	\$ 3,903	\$ 4,125	\$ 4,055	\$ 4,699	\$ 4,306	\$ 4,270	\$ 4,317
Total Primary Government Program Revenues	\$ 6,883	\$ 8,281	\$ 7,720	\$ 6,625	\$ 6,761	\$ 6,457	\$ 7,384	\$ 6,804	\$ 6,793	\$ 7,274
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 4,188	\$ 4,364	\$ 4,553	\$ 4,714	\$ 4,753	\$ 4,681	\$ 4,443	\$ 4,339	\$ 4,338	\$ 4,213
State Shared Revenue - Unrestricted	1,055	1,043	1,014	1,021	873	896	896	924	988	1,027
Investment Earnings - Unrestricted	215	271	263	169	146	203	103	62	67	68
Gain (Loss) on Sale of Capital Assets	134	109	0	235	8	2	3	7	0	65
Other	14	25	71	27	19	5	16	4	10	93
Transfers	0	0	0	0	0	0	0	0	0	(9)
Special Items	0	0	0	0	0	0	0	0	0	0
Total Governmental Activities	\$ 5,606	\$ 5,812	\$ 5,901	\$ 6,166	\$ 5,799	\$ 5,787	\$ 5,461	\$ 5,336	\$ 5,403	\$ 5,457
Business-Type Activities										
Investment Earnings - Unrestricted	115	161	104	148	66	65	15	13	19	20
Gain (Loss) on Sale of Capital Assets	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	209	0	0	76
Transfers	0	0	0	0	0	0	0	0	0	9
Total Business-Type Activities	\$ 115	\$ 161	\$ 104	\$ 148	\$ 66	\$ 65	\$ 224	\$ 13	\$ 19	\$ 105
Total Primary Government	\$ 5,721	\$ 5,973	\$ 6,005	\$ 6,314	\$ 5,865	\$ 5,852	\$ 5,685	\$ 5,349	\$ 5,422	\$ 5,562
Change in Net Position										
Governmental Activities	\$ 287	\$ 993	\$ 855	\$ (221)	\$ (180)	\$ (348)	\$ (228)	\$ (465)	\$ (527)	\$ (260)
Business-Type Activities	323	737	142	(45)	175	134	996	142	(1)	(7)
Total Primary Government	\$ 610	\$ 1,730	\$ 997	\$ (266)	\$ (5)	\$ (214)	\$ 768	\$ (323)	\$ (528)	\$ (267)

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 170,765	\$ 93,586	\$ 125,961	\$ 218,008	\$ 205,112					
Unreserved	1,365,783	1,724,440	1,899,984	2,140,207	-					
Unreserved, Designated, reported in General Fund	-	-	-	-	1,885,301					
Unreserved, Undesignated, reported in General Fund	-	-	-	-	526,092					
Nonspendable						\$ 91,453	\$ 36,033	\$ -	\$ 37,127	\$ 106,085
Restricted						58,273	42,884	56,855	54,076	56,970
Committed						1,574,414	-	-	-	-
Assigned						201,647	1,782,955	1,622,467	1,579,291	1,552,612
Unassigned						509,256	320,880	480,251	371,323	221,245
Total General Fund	1,536,548	1,818,026	2,025,945	2,358,215	2,616,505	2,435,043	2,182,752	2,159,573	2,041,817	1,936,912
All Other Governmental Funds										
Reserved	2,189,636	2,546,390	2,417,486	2,041,213	2,543,844					
Unreserved, reported in Special Revenue Funds	2,115,529	1,933,446	1,711,208	1,882,372	-					
Unreserved, Designated, reported in Special Rev. Funds	-	-	-	-	289,601					
Unreserved, Undesignated, reported in Special Rev. Funds	-	-	-	-	1,074,744					
Nonspendable						1,195,312	759,938	1,111,293	1,030,200	973,345
Restricted						1,188,188	1,314,116	1,358,831	1,478,859	1,209,298
Committed						-	-	-	-	-
Assigned						1,555,880	1,958,609	1,576,316	1,620,764	1,623,918
Unassigned						(8,072)	(10,734)	-	-	-
Total All Other Governmental Funds	4,305,165	4,479,836	4,128,694	3,923,585	3,908,189	3,931,308	4,021,929	4,046,440	4,129,823	3,806,561
Total Fund Balance	\$ 5,841,713	\$ 6,297,862	\$ 6,154,639	\$ 6,281,800	\$ 6,524,694	\$ 6,366,351	\$ 6,204,681	\$ 6,206,013	\$ 6,171,640	\$ 5,743,473

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. Upon redefinition of Committed Fund Balance, items reported as Committed in fiscal 2011 were redefined as Assigned in fiscal year 2012.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes and Special Assessments	\$ 4,353,294	\$ 4,600,263	\$ 4,785,912	\$ 4,914,529	\$ 4,856,424	\$ 4,756,554	\$ 4,616,673	\$ 4,496,524	\$ 4,338,224	\$ 4,212,996
Licenses and Permits	1,345	1,730	1,210	2,050	1,275	765	109,775	122,102	129,179	139,623
Federal Grants	286,568	618,992	1,161,824	360,784	268,668	111,133	72,656	42,314	4,779	44,800
State Grants	2,062,398	2,423,778	1,937,266	2,114,947	1,745,491	1,833,017	2,003,498	1,883,928	2,015,816	2,501,558
Contributions from Local Units	223,321	219,612	205,298	208,397	212,273	206,991	205,615	227,103	215,823	160,595
Charges for Services	1,086,646	1,195,636	1,142,942	1,123,134	1,068,709	1,013,530	979,459	943,558	939,858	984,807
Fines and Forfeits	28,110	28,546	29,083	39,802	41,874	37,966	20,001	14,887	13,582	13,621
Interest and Rents	282,366	337,882	320,498	225,652	196,738	173,363	128,240	108,040	67,443	60,115
Gain (Loss) on Investments	56,275	173,057	(115,439)	(323,017)	65,613	37,501	(17,101)	(45,257)	-	-
Other Revenue	492,252	507,353	476,811	699,996	366,995	351,383	349,441	90,447	135,930	178,837
Total Revenues	\$ 8,872,575	\$ 10,106,849	\$ 9,945,405	\$ 9,366,274	\$ 8,824,060	\$ 8,522,203	\$ 8,468,257	\$ 7,883,646	\$ 7,860,634	\$ 8,296,952
Expenditures										
General Government	\$ 1,691,254	\$ 1,929,941	\$ 1,756,290	\$ 1,817,527	\$ 1,859,669	\$ 1,640,771	\$ 1,672,482	\$ 1,734,475	\$ 1,819,501	\$ 1,791,790
Public Safety	3,612,327	3,328,541	3,439,788	3,309,811	3,433,573	3,709,362	3,196,361	3,256,156	3,152,675	3,191,801
Public Works	2,337,285	2,733,378	3,483,417	2,168,283	2,105,374	2,049,646	2,175,179	1,903,925	1,914,351	1,867,467
Redevelopment and Housing	51,964	0	0	0	0	0	0	0	0	0
Community & Economic Development	57,593	384,223	270,559	225,467	219,194	234,664	226,141	184,069	248,307	238,222
Capital Outlay	127,120	29,536	106,876	360,950	3,761	3,815	4,114	138,359	209,926	1,200,423
Culture and Recreation	268,500	469,798	267,288	572,740	278,232	389,069	343,517	340,874	295,547	320,267
Debt Service										
Principal	395,443	325,082	310,971	324,082	287,832	272,729	218,832	188,832	229,943	87,721
Interest	116,395	98,785	90,532	74,404	62,104	51,326	43,904	32,631	24,757	17,895
Other Charges	5,240	5,650	4,770	4,809	4,200	4,200	3,300	2,235	-	-
Intergovernmental	316,748	372,116	358,137	381,040	327,227	324,964	351,006	100,758	-	-
Total Expenditures	\$ 8,979,869	\$ 9,677,050	\$ 10,088,628	\$ 9,239,113	\$ 8,581,166	\$ 8,680,546	\$ 8,234,836	\$ 7,882,314	\$ 7,895,007	\$ 8,715,586
Other Financing Sources (Uses)										
Transfers In	\$ 817,632	\$ 1,045,678	\$ 947,915	\$ 1,090,500	\$ 906,181	\$ 839,922	\$ 819,768	\$ 649,500	\$ 806,035	\$ 492,404
Transfers Out	(817,632)	(1,045,678)	(947,915)	(1,090,500)	(906,181)	(839,922)	(819,768)	(649,500)	(806,035)	(501,937)
Bond Proceeds	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	0	26,350	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ -	\$ 26,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,533)
Net Change in Fund Balances	\$ (107,294)	\$ 456,149	\$ (143,223)	\$ 127,161	\$ 242,894	\$ (158,343)	\$ 233,421	\$ 1,332	\$ (34,373)	\$ (428,167)
Debt Service as a percentage of non-capital expenditures	6.45%	5.23%	4.66%	4.53%	4.33%	3.92%	3.40%	2.96%	3.31%	1.41%

City of Cadillac
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
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
2012	202,455,519	50,840,200	253,295,719	537,969,400	47.08%	17.0473
2013	196,431,899	50,777,800	247,209,699	516,593,200	47.85%	17.0473
2014	191,926,234	52,972,480	244,898,714	506,343,018	48.37%	17.0473
2015	190,071,183	52,897,700	242,968,883	510,726,600	47.57%	16.5473

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
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	<i>Direct Tax Rates</i>			<i>Overlapping Tax Rates ^a</i>								
	<i>City of Cadillac</i>			<i>Wexford County</i>				<i>Cadillac Area Public Schools ^d</i>	<i>Wexford Intermediate Schools</i>	<i>State Education Tax</i>	<i>Total Direct & Overlapping Rates</i>	
	<i>General ^b</i>	<i>Police & Fire Retirement</i>	<i>Lake Cadillac Treatment</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>				
2006	13.9473	1.8000	N/A	15.7473	8.0665	0.3948	0.9913	0.6805	21.4505	5.9614	6.0000	59.2923
2007	13.9473	2.7000	N/A	16.6473	8.0797	0.6000	0.9976	0.6785	20.5505	5.9419	6.0000	59.4955
2008	13.9473	2.8000	N/A	16.7473	8.0797	0.6000	0.9976	0.6785	20.9000	5.9419	6.0000	59.9450
2009	13.9473	2.6000	N/A	16.5473	8.2797	0.6000	0.9976	0.7500	20.9000	5.9419	6.0000	60.0165
2010	13.9473	2.6000	N/A	16.5473	8.2797	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	60.0189
2011	13.9473	2.6000	N/A	16.5473	8.2297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	59.9689
2012	13.9473	2.6000	0.5000	17.0473	8.2297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	60.4689
2013	13.9473	2.6000	0.5000	17.0473	7.7297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	59.9689
2014	13.9473	2.6000	0.5000	17.0473	7.7297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	59.9689
2015	13.9473	2.6000	N/A	16.5473	8.1297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	59.8689

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
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date ^a	
		Fiscal year of Levy Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	4,487,315	4,273,383	95.23%	213,931	4,487,315	100.00%
2013	4,409,413	4,190,778	95.04%	218,635	4,409,413	100.00%
2014	4,300,632	4,128,524	96.00%	172,108	4,300,632	100.00%
2015	4,148,351	3,992,785	96.25%	155,566	4,148,351	100.00%

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
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Value	Rank	Percentage of Total City Taxable Value ^a	Taxable Value	Rank	Percentage of Total City Taxable Value ^b
Cadillac Renewable Energy ^c	\$ 12,078,200	1	4.97%	\$ 11,311,600	1	4.46%
Cadillac Casting ^d	10,969,700	2	4.51%	6,938,100	2	2.74%
Avon Protection	7,796,500	3	3.21%			
Paulstra CRC Corporation	7,354,811	4	3.03%	4,190,394	8	1.65%
Consumers Energy	6,899,440	5	2.84%	5,887,587	4	2.32%
Borgwarner, Inc.	4,421,500	6	1.82%			
Avon Automotive	4,270,200	7	1.76%			
Rexair, Inc.	4,140,745	8	1.70%	5,516,058	5	2.17%
AAR Cadillac Manufacturing	4,065,400	9	1.67%	4,822,958	7	1.90%
FIAMM Technologies, Inc.	3,464,765	10	1.43%	4,849,016	10	1.91%
Cadillac Rubber & Plastics				7,181,334	3	2.83%
Michigan Rubber Products				4,775,254	6	1.88%
927 Frisbie Street LLC ^e				3,468,988	9	1.37%
Totals	<u>\$ 65,461,261</u>		<u>26.94%</u>	<u>\$ 58,941,289</u>		<u>23.24%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$242,968,883.

^b Based on total taxable value of \$253,662,303.

^c Formerly Beaver MI Associates LTD Partnership.

^d Formerly CMI Cast Parts.

^e Formerly Four Winns Boats, LLC.

City of Cadillac
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>			
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	4.26%	1,081
2008	1,260	365	810	7,851	975	11,261	4.31%	1,126
2009	1,115	260	733	9,712	870	12,690	4.72%	1,269
2010	980	170	265	9,400	760	11,575	4.39%	1,158
2011	840	100	202	8,775	645	10,562	3.72%	1,020
2012	720	45	158	10,145	530	11,598	3.86%	1,120
2013	595	25	114	9,633	405	10,772	3.57%	1,040
2014	460	-	44	9,224	275	10,003	3.23%	966
2015	390	-	26	8,694	140	9,250	N/A	893

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.

City of Cadillac
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>
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
2012	720	2	718	0.283%	69.34
2013	595	2	593	0.240%	57.27
2014	460	2	458	0.187%	44.23
2015	390	2	388	0.160%	37.47

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
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(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	\$ 4,126	26.35%	\$ 1,087
Cadillac Area Public Schools	14,500	37.15%	\$ 5,387
Subtotal Overlapping Debt			\$ 6,474
City of Cadillac Direct Debt			<u>416</u>
Total Direct and Overlapping Debt			<u><u>\$ 6,890</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>\$242,968,883</i>
<i>Wexford County Taxable Value:</i>	<i>\$922,103,984</i>
<i>CAPS Taxable Value:</i>	<i>\$654,038,036</i>

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

	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 23,652	\$ 27,161	\$ 24,712	\$ 25,670	\$ 26,151	\$ 25,698	\$ 25,330	\$ 24,721	\$ 24,490	\$ 24,297
Total net debt applicable to limit	1,519	1,390	1,253	1,111	977	837	718	593	458	529
Legal debt margin	\$ 22,133	\$ 25,771	\$ 23,459	\$ 24,559	\$ 25,174	\$ 24,861	\$ 24,612	\$ 24,128	\$ 24,032	\$ 23,768
Total net debt applicable to the limit as a percentage of debt limit	6.42%	5.12%	5.07%	4.33%	3.74%	3.26%	2.83%	2.40%	1.87%	2.18%

Legal Debt Margin Calculation for Fiscal Year 2014

Taxable Value	<u>\$ 242,969</u>
Statutory Debt Limit (10%) of total taxable value)	\$ 24,297
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	9,250
Less:	
Assets Available for Debt Service	2
Bond Debt not Subject to Limit:	
Special Assessment Bonds	-
Revenue Bonds	8,694
Other Debt	<u>26</u> <u>8,722</u>
Total Amount of Debt Applicable to Debt Limit	<u>528</u>
Legal Debt Margin	<u>\$ 23,769</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
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>	
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
2012	4,218	2,546	1,672	655	308	1.74	60	55	7	0.97
2013	4,084	2,807	1,277	781	329	1.15	39	20	2	1.77
2014	4,049	2,898	1,151	392	358	1.53	31	25	1	1.19
2015	4,077	3,140	937	530	208	1.27	<i>All S.A. bond issues paid in full as of 6/30/14.</i>			

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
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income²	School Enrollment³	Local Unemployment Percentage Rate⁴	State Unemployment Percentage Rate⁴	Civilian Labor Force⁴
2006	10,000	247,180	24,718	3,479	7.9	7.1	22,088
2007	10,000	253,570	25,357	3,460	8.1	7.7	21,648
2008	10,000	261,380	26,138	3,381	11.2	8.9	21,563
2009	10,000	268,780	26,878	3,376	17.3	15.3	20,138
2010	10,000	263,540	26,354	3,334	15.3	13.0	19,161
2011	10,355	283,862	27,413	3,267	12.0	11.1	18,540
2012	10,355	300,647	29,034	3,262	9.8	9.3	18,960
2013	10,355	301,652	29,131	3,378	11.7	9.0	19,399
2014	10,355	310,018	29,939	3,371	7.6	7.2	19,491
2015	10,355	N/A	N/A	3,388	5.1	5.0	21,481

Data Sources:

¹ Bureau of the Census

² Bureau of Economic Analysis

³ School Districts

⁴ Michigan Department of Technology, Management & Budget (Local unemployment and civilian labor force based on Wexford-Missaukee Labor Market Area; Personal and Per Capita income based on Cadillac Micropolitan Statistical Area)

Note: Personal income information is a total for the year. Unemployment rate is a seasonally adjusted yearly average, when available. School enrollment is based on the school census at the start of the school year and includes public and private schools.

**City of Cadillac
Principal Employers
Current Year and Nine Years Ago**

Employer	Industry Description	<u>2015</u>	<u>2006</u>
		Employees	Employees
AAR Mobility Systems	Rapid deployment mobile equipment mfg	500-999	250-499
Mercy Hospital Cadillac	General medical and surgical hospitals	500-999	500-999
Avon Automotive	Hose supplier for various industries	250-499	500-999
Avon Protection Systems Inc	Metal coating and nonprecious engraving	250-499	-
Cadillac Area Public Schools	Elementary and secondary schools	250-499	500-999
Cadillac Casting Inc	Iron foundries	250-499	250-499
Four Winns/Glastron/Wellcraft	Boat building	250-499	500-999
Fiamm Technologies	Wholesale trade agents and brokers	100-249	-
Lakeview Lutheran Manor	Homes for the elderly	100-249	100-249
Michigan Rubber Products Inc	All other rubber product manufacturing	100-249	250-499
Paulstra CRC Corp	All other rubber product manufacturing	100-249	-
Piranha Hose Products Inc	Rubber and plastics hose and belting mfg	100-249	-
Rexair	Household vacuum cleaners	100-249	100-249
BorgWarner Cooling Systems	Automotive parts and accessories	100-249	100-249

Sources: Michigan Department of Technology, Management & Budget, Labor Market Information; Cadillac Area Chamber of Commerce

Note: Data is representative of the City of Cadillac.

City of Cadillac
Full-time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government										
City Manager	1.50	1.50	1.50	1.50	1.50	1.50	2.37	2.20	2.20	2.20
Administrative Services	0.90	0.90	0.90	0.80	0.98	1.22	0.00	0.00	0.00	0.00
Financial Services	1.94	1.94	1.94	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	3.88	3.80	3.80	3.80	3.80
City Hall	1.30	1.30	1.30	1.10	1.28	1.28	1.32	1.00	1.00	1.00
City Engineer	2.41	2.41	2.41	2.41	2.51	1.79	1.80	1.80	1.80	1.80
Public Safety										
Police	18.41	18.41	17.41	17.06	16.41	16.91	16.91	17.36	16.86	16.95
Fire	11.50	11.50	11.50	11.85	11.85	11.85	11.85	11.50	11.00	11.00
Code Enforcement					0.40	0.50	0.50	0.50	0.50	0.50
Building Inspector	1.38	1.38	1.38	1.38	0.88	0.00	0.00	0.00	0.00	0.00
Planning/Zoning	1.21	1.21	1.21	1.21	1.21	1.21	0.00	0.00	0.00	0.00
Other										
Public Works	14.22	14.22	14.22	14.03	13.03	13.03	12.70	12.10	12.10	12.10
Data Processing	1.06	0.06	0.06	0.00	0.30	0.30	0.30	0.30	0.30	0.30
Auto Parking	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.00
Water/Sewer	21.00	21.00	20.00	20.00	19.00	19.87	20.00	20.00	20.00	20.00
Community Development	0.40	0.40	0.40	0.40	0.40	0.40	2.21	2.20	2.20	2.20
Cemetery	0.68	0.68	0.68	0.92	0.92	0.92	0.90	0.90	0.90	0.90
Total FTE	82.00	81.00	79.00	79.00	77.00	77.00	77.00	76.00	75.00	75.00

Source: City of Cadillac Financial Services Department

City of Cadillac
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function</u>	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Traffic Citations	1,257	1,015	1,479	1,177	815	640	688	586	536	N/A ¹
Fire										
Number of Fire Inspections	370	376	260	262	301	50	50	98	86	N/A ¹
Number of Rental Inspections								332	455	N/A ¹
Number of Fires Reported	51	55	41	42	38	51	38	30	34	N/A ¹
Number of EMT Runs	1,119	1,171	1,242	1,295	1,353	1,358	1,341	1,059	1,545	N/A ¹
Building Inspection										
Number of Permits Issued	403	316	274	250	108 ²	0 ²				
Water										
Total Customers	3,524	3,517	3,544	3,496	3,474	3,497	3,551	3,553	3,578	3,554
Average Daily Consumption (thousands of gallons)	2,310	2,564	2,302	2,261	2,150	2,102	1,896	2,040	1,942	2,265
Wastewater										
Total Customers	3,573	3,564	3,592	3,541	3,527	3,542	3,582	3,581	3,604	3,575
Average Daily Treatment (thousands of gallons)	2,098	2,467	2,215	2,100	1,860	2,118	1,561	2,625	2,323	1,904

¹ Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2014.

² Building Inspection Services were legally removed from the City and transferred to Wexford County during calendar year 2010.

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

Source: Various government departments

City of Cadillac
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u><i>Function</i></u>	<i>Fiscal Year</i>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	9	9	9	9	10	11	11	11	11	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	6	6	6	6	7	7	7	7	6	6
Culture and Recreation										
Parks Acreage	117	117	117	117	117	117	117	117	117	117
Parks	4	4	4	4	4	4	4	4	4	4
Streets										
Streets (Miles)	68	68	68	68	68	68	68	68	68	63
Street Lights	574	574	587	578	578	578	578	591	591	591
Water										
Fire Hydrants	454	458	477	482	482	482	483	483	483	483
Miles of Water Mains	64	64	74	74	74	74	75	75	75	75
Water Mains Replaced (Feet)	200 ⁽¹⁾	2,360	620	1,900	1,070	1,500	2,110	1,000	100	2,400
Wastewater										
Miles of Sewer Mains	59	59	62	62	62	62	62	62	62	62
Feet of Sanitary Sewers										
Inspected with TV Cameras	1,900	1,350	2,550	810	690	600	1,084	1,000	1,491	322
Cleaned with Vacon							9,382	8,942	28,673	22,991

(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
Municipal Employees Retirement System
Comparative Schedule
Last Ten Fiscal Years**

FISCAL YEARS	ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
2006	10,161,879	10,812,671	106.4	(650,792)
2007	10,847,928	11,468,618	105.7	(620,690)
2008	11,538,051	11,561,995	100.2	(23,944)
2009	11,656,752	11,520,309	98.8	136,443
2010	11,896,112	11,570,167	97.3	325,945
2011	12,411,116	11,622,971	93.6	788,145
2012	12,815,528	11,554,072	90.2	1,261,456
2013	13,097,078	11,667,590	89.1	1,429,488
2014	13,683,183	11,828,362	86.4	1,854,821
2015	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:

*Prior to 2011, data from Gabriel, Roeder, Smith & Company, Actuaries.
For 2011, data from actuaries employed by MERS.*

**City of Cadillac
Municipal Employees Retirement System
Comparative Schedule (Continued)
Last Ten Fiscal Years**

FISCAL YEARS	EMPLOYER CONTRIBUTIONS		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
	PERCENT OF PAYROLL					ANNUAL PAY	AGE	SERVICE
2006	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				
2007	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				
2008	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				
2009	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				
2010	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				
2011	8.43		1,079,159	25	63	41,837	46.2	12.7
	11.06	(2)	865,665	22				
	11.22	(3)	154,124	4				
	11.73	(4)	271,107	7				
	0	(5)	90,000	1				
	26.58	(6)	141,434	1				
2012	9.17		953,736	22	60	41,958	47.1	12.1
	12.73	(2)	844,810	22				
	10.40	(3)	184,721	5				
	13.56	(4)	228,754	7				
	0.00	(5)	100,800	1				
	22.55	(6)	146,345	2				
2013	9.83		1,004,759	23	67	42,376	48.3	12.3
	13.64	(2)	866,695	22				
	10.19	(3)	192,770	5				
	9.51	(4)	256,360	8				
	0.00	(5)	101,305	1				
	23.25	(6)	146,285	2				
2014	11.00		1,039,374	24	68	43,747	49.3	12.2
	14.43	(2)	880,447	21				
	10.23	(3)	199,524	5				
	10.69	(4)	281,084	8				
	0.00	(5)	101,555	1				
	23.74	(6)	147,778	2				
2015	N/A		N/A		N/A	N/A	N/A	N/A

NOTES:

(1) The retirement board has implemented a program of contribution credits which give recognition to

Local 14317 includes additional negotiated benefit for the union.
Separate benefits for Housing Commission.
Separate benefits for Library.
Separate benefits for City Manager.
Separate benefits for Department Heads.

Source:

**City of Cadillac
Policemen and Fireman Retirement System
Comparative Schedule
Last Ten Fiscal Years**

FISCAL YEARS	(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY	EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL	VALUATION PAYROLL	ACTIVE MEMBERS	RETIRED AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE
2006	9,626,707	6,047,771	62.8	3,578,936	38.39	(3) 1,437,073	27	28	53,225	42.6	14.1
2007	9,992,478	6,604,109	66.1	3,388,369	38.68	(4) 1,482,941	27	28	54,924	42.1	13.7
2008	9,936,669	7,080,393	71.3	2,856,276	32.71	(5) 1,389,958	25	32	55,598	40.0	11.7
2009	9,985,089	6,549,608	65.6	3,435,481	41.11	(6) 1,399,695	24	32	58,321	41.0	12.8
2010	10,326,784	7,188,395	69.6	3,138,389	35.63	(7) 1,585,519	27	32	58,723	39.7	12.2
2011	10,852,937	7,989,372	73.6	2,863,565	33.93	(8) 1,544,766	26	33	59,414	39.3	12.4
2012	11,246,821	8,200,264	72.9	3,046,557	31.71	(9) 1,600,665	26	31	61,564	40.5	13.3
2013	11,624,354	8,565,010	73.7	3,059,344	33.75	(10) 1,513,913	25	34	60,557	39.2	11.8
2014	12,220,792	9,304,981	76.1	2,915,811	32.22	(11) 1,568,160	25	35	62,726	39.3	11.7
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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 38.39%, Fire 38.40% (Each group contributes 3% of salary to cover benefit enhancements.)
- (4) Police 39.03%, Fire 38.15% (Each group contributes 3% of salary to cover benefit enhancements.)
- (5) Police 34.41%, Fire 30.20% (Each group contributes 3% of salary to cover benefit enhancements.)
- (6) Police 42.06%, Fire 39.58% (Each group contributes 3% of salary to cover benefit enhancements.)
- (7) Police 37.10%, Fire 33.41% (Each group contributes 3% of salary to cover benefit enhancements.)
- (8) Police 38.18%, Fire 28.03% (Each group contributes 3% of salary to cover benefit enhancements.)
- (9) Police 38.00%, Fire 29.98% (Each group contributes 3% of salary to cover benefit enhancements. Fire members hired after 7/6/2010 do not contribute.)
- (10) Police 38.15%, Fire 34.59% (Each group contributes 3% of salary to cover benefit enhancements. Fire members hired after 7/6/2010 do not contribute.)
- (11) Police 37.24%, Fire 32.76% (Each group contributes 3% of salary to cover benefit enhancements. Fire members hired after 7/6/2010 do not contribute.)

**City of Cadillac
Labor Agreements
As of June 30, 2015**

	DATE EFFECTIVE JULY 1,	EXPIRATION DATE JUNE 30,
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2014	2017
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA) Captain, Lieutenant and Sergeants Agreement	2014	2017
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2012	2015
<u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317	2013	2016

Source: City of Cadillac Human Resources Department

**City of Cadillac
Tax Information
June 30, 2015**

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:

Date of Sale May,	Delinquent Tax Properties to be Sold Year
2006	2004
2007	2005
2008	2006
2009	2007
2010	2008
2011	2009
2012	2010
2013	2011
2014	2012
2015	2013

City of Cadillac

**NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
LAST TEN FISCAL YEARS**

FISCAL YEAR	WATER SUPPLY CUSTOMERS		WASTEWATER TREATMENT CUSTOMERS	
	NUMBER	PERCENTAGE OF CHANGE	NUMBER	PERCENTAGE OF CHANGE
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
2012	3,551	1.54	3,582	1.13
2013	3,553	0.06	3,581	(0.03)
2014	3,578	0.70	3,604	0.64
2015	3,554	(0.67)	3,576	(0.78)

**AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2015**

METER CLASSIFICATION	AVERAGE CUSTOMERS	
	WATER SUPPLY	WASTEWATER TREATMENT
Unmetered	2	158
5/8"	3212	3138
3/4"	8	8
1"	134	107
1 1/2"	91	75
2"	80	68
3"	8	8
4"	12	10
6"	6	3
8"	1	1
TOTAL	<u>3,554</u>	<u>3,576</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

**MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2015**

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	2.16
1"	3.71
1 1/2"	7.36
2"	11.87
3"	25.79
4"	44.34
6"	92.59
8"	133.34
10"	214.77
12"	318.33

**MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 2006 THROUGH 2015**

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2012	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2013	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2014	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2015	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12

**MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
FISCAL YEARS ENDED JUNE 30, 2006 THROUGH 2015**

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2012	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2013	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2014	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2015	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61

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

**FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2014 THROUGH DECEMBER 31, 2014**

	<u>DOLLARS</u>				
	<u>CUBIC FEET</u>		<u>GALLONS</u>		<u>WATER AND SEWER</u>
	<u>WATER</u>	<u>SEWER</u>	<u>WATER</u>	<u>SEWER</u>	<u>SEWER</u>
1) Avon Rubber & Plastics	15,223,400	12,273,800	113,871,032	91,808,024	\$ 417,405
2) Cadillac Castings	16,555,900	7,606,500	123,838,132	56,896,620	\$ 293,262
3) AAR Cadillac Manufacturing	10,416,500	7,530,400	77,915,420	56,327,392	\$ 268,375
4) Country Acres	1,106,800	1,106,800	8,278,864	8,278,864	\$ 66,562
5) Piranha Hose	1,924,600	1,924,600	14,396,008	14,396,008	\$ 61,895
6) Mercy Hospital	1,214,500	1,214,500	9,084,460	9,084,460	\$ 56,857
7) Borg-Warner	1,425,600	1,425,600	10,663,488	10,663,488	\$ 49,212
8) Cadillac Renewable Energy	0	1,078,100	0	8,064,188	\$ 38,423
9) Pheasant Ridge	1,050,500	1,050,500	7,857,740	7,857,740	\$ 33,928
10) Michigan Rubber Products	711,000	711,000	5,318,280	5,318,280	\$ 31,229
11) Four Winns	593,700	593,700	4,440,876	4,440,876	\$ 26,303
12) Paulstra CRC	460,500	460,500	3,444,540	3,444,540	\$ 20,638
13) Leisure Park	397,400	397,400	2,972,552	2,972,552	\$ 13,439
14) Kolarevic Car Wash	312,400	312,400	2,336,752	2,336,752	\$ 11,707
15) Rexair, Inc.	123,300	123,300	922,284	922,284	\$ 9,677
TOTAL					<u>\$ 1,398,912</u>

**MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 2006 THROUGH 2015**

FISCAL YEAR ENDED OR ENDING JUNE 30,	0 TO 600 CF	600 TO 10,000 CF	10,000 TO 100,000 CF	100,000 TO 250,000 CF	OVER 250,000 CF
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
2012	1.26	1.08	0.96	0.83	0.73
2013	1.26	1.08	0.96	0.83	0.73
2014	1.26	1.08	0.96	0.83	0.73
2015	1.26	1.08	0.96	0.83	0.73

**MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED OR ENDING JUNE 30,	CHARGE PER 100 CF	PERCENT CHANGE
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
2012	2.16	0.0
2013	2.16	0.0
2014	2.16	0.0
2015	2.16	0.0

Data furnished in compliance with securities and exchange commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues. *Source: Cadillac Utilities Department*

City of Cadillac

**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	
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
2012	92,542,200	692,215,656	(9.80)	76,188,700	569,891,476	(26.28)	82.34
2013	99,548,074	744,619,590	7.57	128,070,856	957,970,000	68.10	128.65
2014	94,771,123	708,888,000	(4.80)	113,340,909	847,790,000	(11.50)	119.59
2015	110,512,032	826,630,000	16.61	92,928,609	695,106,000	(18.01)	84.09

**WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2015**

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered	0	0.00	0	0.00
5/8"	25,037,345	28.63	23,985,927	31.73
3/4"	148,473	0.17	148,473	0.20
1"	4,928,727	5.64	3,442,582	4.55
1 1/2"	6,134,618	7.01	3,619,527	4.79
2"	13,253,455	15.15	17,371,091	22.98
3"	2,442,545	2.79	2,625,055	3.47
4"	21,607,309	24.71	14,612,836	19.33
6"	12,839,564	14.68	8,726,727	11.54
8"	1,070,182	1.22	1,066,909	1.41
TOTAL	87,462,218	100.00	75,599,127	100.00

City of Cadillac
Water Supply and Wastewater Treatment Revenue
AS Billed by Meter Classification
Fiscal Year Ended June 30, 2015

<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	\$ 94	0.01	\$ 48,964	2.20
5/8"	529,834	42.12	831,925	37.36
3/4"	2,513	0.20	2,399	0.11
1"	76,614	6.09	83,165	3.74
1 1/2"	94,229	7.49	123,117	5.53
2"	180,448	14.34	463,422	20.81
3"	34,812	2.77	72,130	3.24
4"	198,620	15.79	364,153	16.35
6"	124,172	9.87	219,832	9.87
8"	16,638	1.32	17,479	0.79
TOTAL	\$ 1,257,974	100.00	\$ 2,226,586	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*