

City of

CADILLAC



Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008



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



ELECTED OFFICIALS

William Barnett, Mayor
 At Large

Shari Spoelman, Councilmember
 First Ward

Tom Dyer, Councilmember
 Second Ward

Art Stevens, Councilmember
 Third Ward

James Dean, Councilmember
 Fourth Ward

CITY ADMINISTRATION

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

City of

CADILLAC



Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008

Owen E. Roberts, Director of Finance

City of Cadillac

Elected Officials Information



Mayor William S. Barnett

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



James Dean, Mayor Pro-Tem

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



Councilmember Art Stevens

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



Councilmember Thomas Dyer

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



Councilmember Shari Spoelman

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

CITY OF CADILLAC, MICHIGAN

JUNE 30, 2008

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

December 12, 2008

To the citizens of the City of Cadillac:

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Baird, Cotter and Bishop, P.C., was selected once again this year to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cadillac's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with generally accepted accounting principles (GAAP).

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

PROFILE OF GOVERNMENT

The City of Cadillac was incorporated in 1877 and serves as the county seat of Wexford County. It is located in beautiful Northern Michigan and offers four very separate and distinct seasons which provide a variety of recreational opportunities for visitors. The community is

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Economic conditions in Michigan continue to worsen. Michigan has been experiencing a single state recession for approximately three years, and a commonly held concern has been the potential impact to the state if the country as a whole were to join us in this difficult situation. Unfortunately this has now happened with the United States as a whole officially in a recession, and the result is much worse than anyone could have imagined.

Virtually all sectors of the economy are experiencing significant reductions in activity. Michigan is especially hard hit with the auto industry in a crisis situation. The “big three” are seeking financial assistance from the US government, much like the bailout that was developed for Wall Street. However, Washington is treating the auto industry much differently with significant skepticism being expressed regarding these manufacturers’ ability to survive in the new economy. Another concern that is being expressed is that if any one of the domestic automakers fails, it would most likely bring the other two to the point of bankruptcy as well.

Washington appears to recognize this potential disaster, and the related domino effect that a collapse in this industry would have on the other sectors of the economy, and thus is poised to take action in the very near future. How much help and how soon remains to be seen. The end result is an extremely poor national image for Detroit and the rest of Michigan as a whole, which will be difficult to overcome in the immediate future.

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

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

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

On the local level, we are feeling the effects of this decline in state economic activity. However, we also are experiencing some positive developments with several of our manufacturers doing quite well. Paulstra CRC, has recently undertaken a significant expansion in the Cadillac Industrial Park, and is anticipated to add over 100 jobs in the coming year due to the company obtaining a significant contract from Delphi. Additionally, Avon Protection Services has secured a multi-year contract with the U.S. military to provide a frontline gas mask apparatus, and AAR Manufacturing continues to be the primary supplier of portable shelters for all branches of the military. Piranha Hose also is embarking on a significant expansion in the coming year with an entry into the hydraulic hose business. This is a further diversification of this very specialized hose company, which will provide them with additional stability during these difficult economic times.

However, as the largest manufacturing base north of Grand Rapids, with a significant concentration of automotive suppliers as well, the Cadillac community has certainly been impacted by the significant slowdown in the domestic automotive industry. This has led to an increase in the local unemployment rate which is currently just over 13%. This will impact our economic wellbeing through fiscal year 2009-10 and beyond.

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

Cadillac continues to prepare for a major reconstruction project in the core downtown next year. Over \$6 million dollars in construction activities will be undertaken along the Mitchell Street corridor which will result in a greatly needed improvement to this most important commercial district. The potential impact of this construction on the downtown business community is a concern, and is one the City has taken extra steps to mitigate. An aggressive marketing program has been initiated to communicate to potential users of the downtown business district that steps are being taken to ensure continued access to this commercial sector throughout the construction period.

FUTURE OUTLOOK

While Cadillac has many positive opportunities on the horizon, the local community will struggle along with the state as a whole. Michigan is not anticipated to see positive employment gains until fiscal year 2010, and therefore, retention and expansion efforts associated with our local business community will be key to maintaining our economic vitality over the next couple of years.

Additionally, the City of Cadillac, in partnership with the Cadillac Industrial Fund, is beginning to look at new opportunities to grow the business community beyond traditional

manufacturing activity. Specific emphasis has been placed on alternative energy opportunities, including the reuse of excess sources of energy such as electricity, steam, and hot water from the local power plant. The power plant recently changed ownership, and the new parent company is very desirous of working with the City to achieve these goals.

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

Counter to this objective is action being taken by a neighboring township to sue the City in an attempt to obtain access to the city utility system without fully paying for the cost of this service. This is a significant threat to the City's long term stability, and we must vigorously defend our position in this litigation to safeguard the municipal infrastructure for those who pay for this service. It is very unfortunate that Haring Township has chosen this course of action which is diametrically opposed to the efforts of many other municipalities to coordinate activities and resources via cooperative and mutually beneficial means.

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

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

The City will also undertake a significant rewrite to the current municipal master plan, and anticipates a concerted and deliberate attempt to involve the community in this process. This public outreach is sure to generate much discussion in the coming year with regard to the desired direction of the community from a long term perspective. Cadillac looks forward to this interactive and engaging process with its citizenry which will help to define future direction for the community.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twenty-third 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, 2008. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device. This award has been received twenty-four consecutive years.

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

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

Sincerely,



PETER D. STALKER
CITY MANAGER



OWEN E. ROBERTS
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cadillac
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



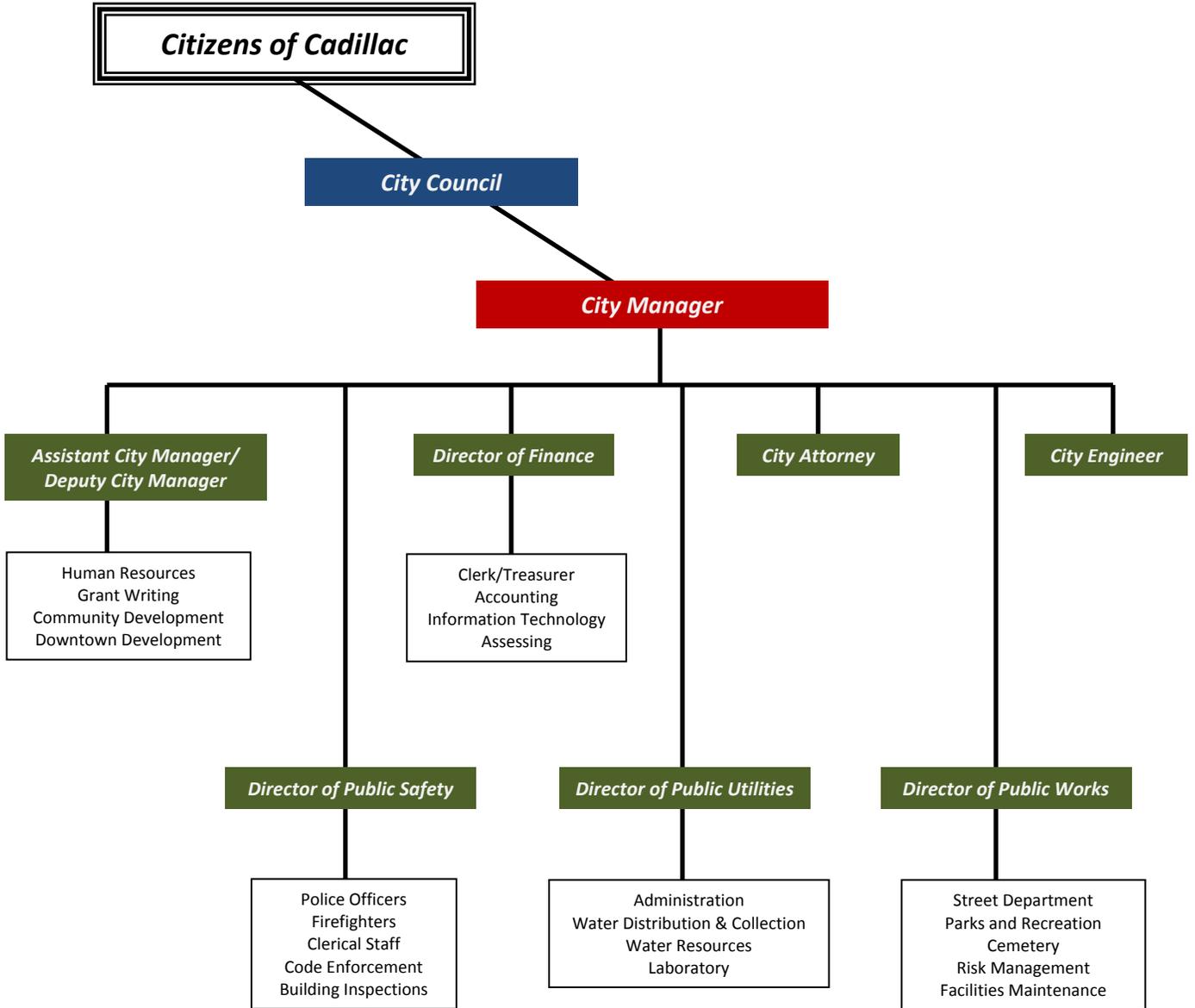
Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

City of Cadillac
Chart of Organization
 2007-2008



Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601
PHONE: 231-775-9789 FAX: 231-775-9749
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October 17, 2008

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, the business – type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2008, which collectively comprise the City’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2008, on our consideration of the City of Cadillac, Michigan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages iii through xiv and required supplementary information on pages 62 through 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Cadillac, Michigan. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, other supplementary information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan ("the City") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

Government-Wide

- The assets of the City exceeded its liabilities at the close of this fiscal year by \$37.6 million (shown as *Net Assets*), representing an increase of \$997,850 over the previous fiscal year. Governmental Activities represented \$855,626 of this increase, while Business-Type activities accounted for \$142,224 of the increase. Of this amount, \$8,484,979 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Fund Level Financial Highlights

- As of June 30, 2008, the governmental funds of the City of Cadillac reported combined ending fund balances of \$6,154,639, of which \$3,611,192 is unreserved. This is a decrease of \$143,223. Use of previous reserves to fund street maintenance activities as well as the operation of a municipal cemetery accounted for the decrease.
- The unreserved fund balance of the City's General Fund increased this year to \$1,899,984, or 28.8% of total General Fund expenditures. Most of this balance has been designated for various uses or working capital reserves.

Long-Term Debt

- The City of Cadillac's total debt **increased** by \$426,000 during the fiscal year. The City is taking advantage of a low-interest loan from the State of Michigan's State Revolving Fund program that will be utilized by the Water and Sewer Fund to make nearly \$4 million of upgrades to the City's wastewater treatment plant.

Overview of the Financial Statements

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

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

The *Statement of Net Assets* (Pages 1-2) presents information on all of the City's assets and liabilities, the difference between the two being reported as the net assets of the City. Over time,

increases or decreases in net assets can serve as a useful indicator of whether the financial position of the City is improving or deteriorating. An increase in net assets would indicate an improvement in financial condition. On the other hand, a consistent decrease over time in net assets may indicate a decline in the financial health of an organization.

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a complete understanding of the information provided in both the government-wide and the fund financial statements. The notes can be found beginning on Page 26 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 62 of this report.

Government-Wide Financial Analysis

Net assets of the City are \$37,639,264 at June 30, 2008, meaning that the City's assets were greater than its liabilities by this amount. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. A comparison with the previous fiscal year is presented in order to show the change in Net Assets over the previous fiscal year.

City of Cadillac
Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 8,666	\$ 8,876	\$ 5,215	\$ 5,007	\$ 13,881	\$ 13,883
Capital Assets	16,281	15,864	21,215	19,532	37,496	35,396
Total Assets	\$ 24,947	\$ 24,740	\$ 26,430	\$ 24,539	\$ 51,377	\$ 49,279
Long-term liabilities	\$ 2,586	\$ 3,081	\$ 8,243	\$ 7,433	\$ 10,829	\$ 10,514
Other liabilities	1,045	1,198	1,864	925	2,909	2,123
Total Liabilities	\$ 3,631	\$ 4,279	\$ 10,107	\$ 8,358	\$ 13,738	\$ 12,637
Net Assets						
Invested in capital assets net of related debt	13,847	13,560	12,457	11,610	26,304	25,170
Restricted	1,360	1,162	1,490	1,799	2,850	2,961
Unrestricted	6,109	5,739	2,376	2,772	8,485	8,511
Total Net Assets	\$ 21,316	\$ 20,461	\$ 16,323	\$ 16,181	\$ 37,639	\$ 36,642

The most significant portion of the City's Net Assets (70%) represents investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related debt that is outstanding that the City used to acquire or construct the asset. These assets are used by the City of Cadillac to provide public services to its citizens; consequently, these assets are not available for future spending. The City has \$8,484,979 in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by City policies regarding their use. An additional portion of net assets (7.6%) represents resources that are subject to external restrictions on how they may be used.

The total net assets of the City increased \$997,850 in this fiscal year, which is a good indicator that the City experienced positive financial growth during the year. As a result, the City ended the fiscal year in better condition than when the year started. About 20% of the overall increase is attributable to positive claims experience in the City's self-insurance program. A similar portion was generated by the final recovery of a previous deficit related to the extra voted millage for the Police and Fire Retirement System. Revenues from the millage exceeded contributions to the system by just over \$160,000. Much of the remaining growth is attributable to rate increases and investment earnings.

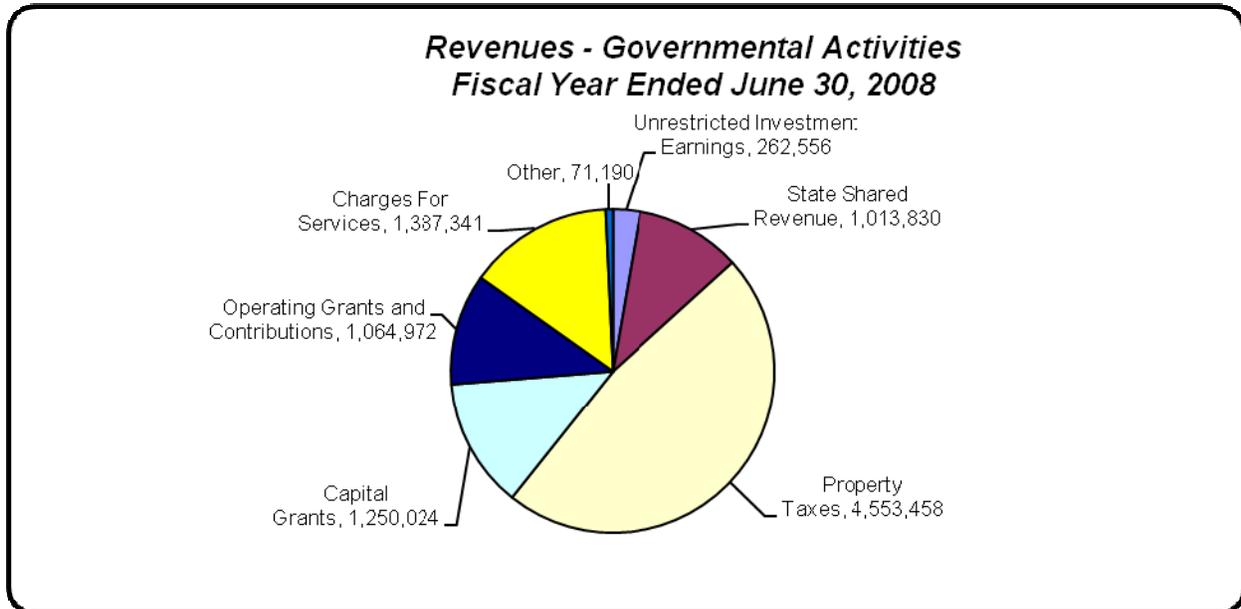
The following table illustrates and summarizes the results of the changes in the net assets for the City. The condensed information was derived from the government-wide statement of activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,387	\$ 1,462	\$ 4,018	\$ 3,980	\$ 5,405	\$ 5,442
Operating Grants and Contributions	1,065	1,113			1,065	1,113
Capital Grants	1,250	1,316		410	1,250	1,726
General Revenues						
Property Taxes and Assessments	4,553	4,364			4,553	4,364
State Shared Revenue	1,014	1,043			1,014	1,043
Unrestricted Investment Earnings	263	271	104	161	367	432
Other	71	135			71	135
Total Revenues	\$ 9,603	\$ 9,704	\$ 4,122	\$ 4,551	\$ 13,725	\$ 14,255
Expenses						
General Government, Administrative	\$ 1,642	\$ 1,762			\$ 1,642	\$ 1,762
Public Safety	3,435	3,404			3,435	3,404
Public Works	2,817	2,484			2,817	2,484
Recreation and Culture	476	448			476	448
Redevelopment and Housing	11				11	
Economic Development/Assistance	239	404			239	404
Interest on Long-Term Debt	128	107			128	107
Water and Sewer			3,785	3,623	3,785	3,623
Automobile Parking System			139	134	139	134
Building Authority Operating			56	57	56	57
Total Expenses	\$ 8,748	\$ 8,609	\$ 3,980	\$ 3,814	\$ 12,728	\$ 12,423
Changes in Net Assets	\$ 855	\$ 1,095	\$ 142	\$ 737	\$ 997	\$ 1,832
Beginning Net Assets	20,461	19,366	16,181	15,444	36,642	34,810
Ending Net Assets	\$ 21,316	\$ 20,461	\$ 16,323	\$ 16,181	\$ 37,639	\$ 36,642

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2008:

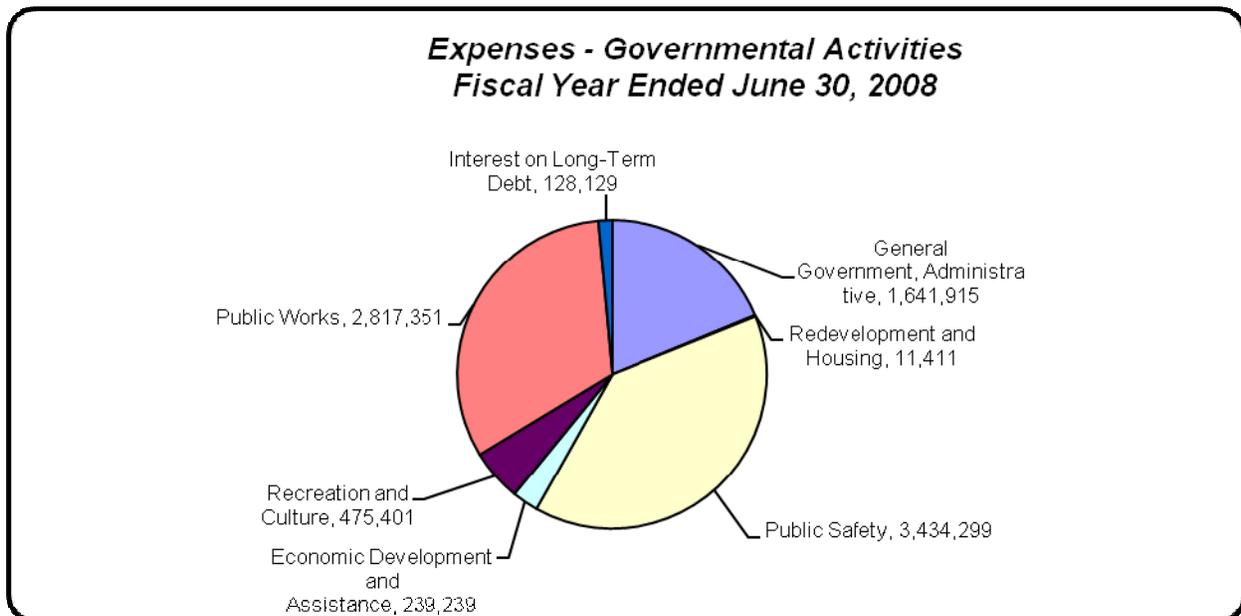


Governmental activities accounted for a total of \$9,603,371 in revenue for the fiscal year. The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (47.42%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2008 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to state statutes, the City is currently at its maximum tax levy, and can only raise the levy to the charter maximum with the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2008, the amount of state shared revenue received by the City once again trended downward, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

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

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2008:



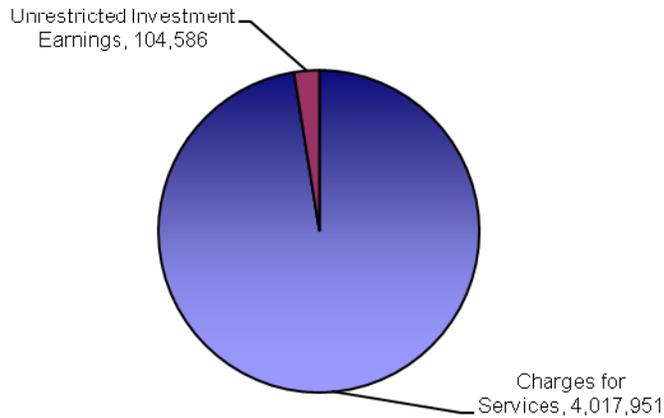
The City's governmental activities expenses are dominated by the Public Safety expenses that total 39.26% of total expenses of \$8.7 million. The City spent \$3.4 million in FY2008 on Public Safety. Public Works represented the next largest portion of expenses, accounting for \$2.8 million, or 32.21% of total governmental activities. General Government, Administrative expenses also consumed significant resources, totaling \$1.6 million during the year, which represents 18.77% of the expenses within the governmental activities. Expenses in the Major Street Fund and Local Street Fund represent the majority of the Public Works expenses.

Business-Type Activities

The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of \$142,224 in the City's Net Assets, or about 14.25% of the total growth in the City's net assets for the fiscal year ended June 30, 2008.

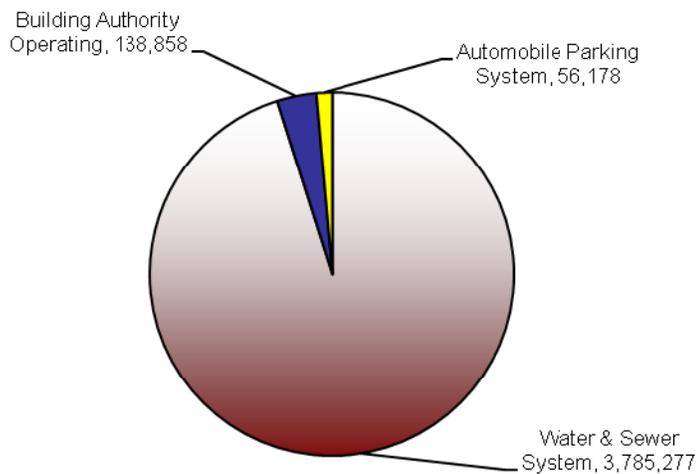
The Business-type activities of the City include the Water and Sewer Fund, which provides water and sewer utility services to City residents as well as commercial customers, the Auto Parking Fund, which maintains City-owned parking lots, and the Building Authority Operating Fund, which manages the operation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

**Revenues by Source - Business Type Activities
Fiscal Year Ended June 30, 2008**



The Water and Sewer activity represents a significant portion of the business-type activities of the City. This activity accounts for 95% of the total expenses and 92% of the total revenue of the business-type activities.

**Expenses by Function - Business Type Activities
Fiscal Year Ended June 30, 2008**



Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2008, its governmental funds reported combined ending fund balances of \$6,154,639. This ending fund balance is \$143,223 lower than the end of the previous fiscal year. Of the total ending fund balance, \$3,611,192, or 59%, is unreserved. This amount includes \$82,177 designated for street improvements, \$1,073,805 designated for working capital, \$737,344 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken, and \$88,835 designated for additional funding of the Police and Fire Retirement System. An additional \$1,629,031 of unreserved and undesignated fund balance exists in the City's Special Revenue funds and is restricted in its use according to the overriding purpose of the fund. Finally, the remaining \$2,543,447 of fund balance in the governmental funds is reserved for specific purposes and is therefore not available for new appropriation.

General Fund – The General Fund is the main operating fund of the City. The fund balance in the General Fund at June 30, 2008 was \$2,025,945. An amount equal to 15% of total annual expenditures is designated as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for several years. There is also \$737,344 designated to fund sick and vacation benefits that have accrued but have not yet been paid out.

The fund balance in the City of Cadillac's General Fund increased by \$207,919 in the current fiscal year. This growth was enabled by a couple of key factors, including:

- A transfer that was made several years ago to kick off the Eurasian watermilfoil treatment in Lake Cadillac was reimbursed in the current fiscal year using proceeds of the special assessment generated for this purpose. The transfer back in amounted to \$40,152.
- Over the last several years, the added voted millage for police and fire retirement has not been sufficient to cover the costs of the system, resulting in a deficit and the related use of general tax dollars to subsidize the system. In the previous fiscal year, the millage was increased to fully cover the costs of the system as well as recover the deficit that had resulted from previous year shortages. In the current year, the revenue generated by the added voted millage exceeded the annual required contribution to the system by \$160,673.
- Earnings on investments exceeded expectations.

Major Street Fund – The Major Street Fund completed \$485,594 in street improvements in this fiscal year. The fund balance of the Major Street Fund ended the year at \$56,750, which was \$83,416 lower than the end of the previous fiscal year. An exceptionally harsh winter resulted in substantial increases in the cost of winter maintenance for the street system, and accounts for the reduction in the fund balance.

Local Street Fund – The Local Street Fund completed \$897,550 in street construction and improvements in this fiscal year, highlighted by a major grant project resulting in a new street in one of the city's industrial parks. Fund balance ended \$70,115 lower than the previous year. Similar to the Major Street Fund, an exceptionally harsh winter and the related street maintenance costs was the major factor in the use of reserves to fund a portion of the year's activities.

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

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$1,994,702 in unrestricted net assets. All Water and Sewer rates were increased by 3% for this fiscal year. This rate increase was partially offset, though, by fluctuations in usage and yielded an overall increase in operating revenues from \$3,734,817 in 2007 to \$3,771,412 in FY2008, an overall 1% increase. Due to current market conditions, the fund saw a decrease in interest income of \$53,167, or 35% from the previous fiscal year. Total net assets of the fund increased \$52,156, due mostly to the modest increase in rates. This fund remains in sound fiscal condition moving forward. The fund has begun a project to upgrade the system by utilizing a low-interest loan from the State of Michigan. This project will total nearly \$4 million, with nearly \$2.8 million complete to date.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$60,567. Rental income from the Michigan Department of Environmental Quality totaled \$195,870, which holds steady from year to year in accordance with the City's lease with the State of Michigan.

General Fund Budgetary Highlights

During the year there was one budget amendment proposed and approved by City Council. This amendment increased appropriations by \$351,800. The major appropriation increases were related to the following:

- Final acquisition costs related to the Harris Milling property in downtown Cadillac were appropriated. These amounted to \$79,000 for the year. This site is being prepared for commercial development and will be sold to Chemical Bank for a new downtown banking facility.
- Additional costs related to the annual required contribution for other post-employment benefits (OPEB) and for the Police and Fire Retirement system were appropriated. An additional appropriation of \$53,800 was made for these costs.
- Due to harsh winter conditions, an additional transfer of \$93,800 was required to be made to the Local Street Fund, and additional related costs of \$20,000 were incurred in the Public Works department of the General Fund.
- The Police Department received a grant to purchase hardware, software and training for a new electronic crash report submission project. This required a \$25,000 appropriation which was funded in full by the grant.
- Several other small additions were made throughout the General Fund.

These additional appropriations were funded in most part by additional revenues received in the fund. The City budgeted approximately \$140,000 more in state shared revenue than had been originally budgeted. Additionally, investment returns came in at higher levels than expected.

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, 2008 amounted to \$37,496,228 (net of accumulated depreciation). Capital assets of the City include any items purchased that cost in excess of \$5,000 and have an expected useful life greater than one year. The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac
Capital Assets as of June 30, 2008
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Infrastructure	\$ 17,511	\$ 16,128	\$ 0	\$ 0	\$ 17,511
Land and Land Improvements	3,351	3,341	1,052	1,044	4,403	4,385
Buildings	4,437	4,404	2,649	2,649	7,086	7,053
Improvements Other than Buildings	0	0	28,227	28,036	28,227	28,036
Machinery and Equipment	4,794	4,666	1,190	1,156	5,984	5,822
Subtotal	\$ 30,093	\$ 28,539	\$ 33,118	\$ 32,885	\$ 63,211	\$ 61,424
Construction in Progress	0	0	2,760	453	2,760	453
Accumulated Depreciation	(13,812)	(12,675)	(14,663)	(13,806)	(28,475)	(26,481)
Net Capital Assets	\$ 16,281	\$ 15,864	\$ 21,215	\$ 19,532	\$ 37,496	\$ 35,396

Major capital asset events during FY2008 included the following:

- New street in industrial park to accommodate Four Winns expansion (\$731,854)
- Nelson Street (\$107,366)
- Two Street Department supervisor trucks (\$18,198 each)
- New police patrol vehicle (\$26,810)
- IT server replacement (\$75,765)
- Utility Infrastructure (\$190,701)
- Police lobby renovation (\$24,718)

Additional information regarding the City’s capital assets can be found in the Notes to Financial Statements section on Page 32 and Pages 38-40.

Long-Term Debt. As of June 30, 2008, the City had total long-term debt outstanding of \$11,743,000. Of this amount, \$1,260,000 comprises debt backed by the full faith and credit of the City, while \$365,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City’s bonded debt represents bonds secured solely by specified revenue sources. Most of the City’s revenue bonds are associated with the Water and Sewer Fund (\$7,851,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the Water and Sewer systems.

City of Cadillac
General Obligation and Revenue Bonds
as of June 30, 2008

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$ 1,260	\$ 1,395	\$ 0	\$ 0	\$ 1,260	\$ 1,395
Special Assessment Debt with governmental commitment	365	485	0	0	365	485
Contracts and Notes	1,292	1,432	0	0	1,292	1,432
Revenue Bonds	0	0	8,826	8,005	8,826	8,005
Total	\$ 2,917	\$ 3,312	\$ 8,826	\$ 8,005	\$ 11,743	\$ 11,317

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation based on the City’s assessed valuation of \$270,528,398 is \$27,052,840, which significantly exceeds the City’s outstanding general obligation debt of \$1,260,000. More information on the City’s long-term debt is available in the Notes to Financial Statements section of this document, on Pages 43-48.

Economic Condition and Outlook

The City saw its unemployment rate increase this year from 8.1% a year ago to 11.4% as of September 30, 2008. This is well above the statewide unemployment rate of 8.7%, which is up from 7.7% last year. The State of Michigan continues to suffer economically, which coupled with the economic turmoil being felt across the national economy is a significant concern for our local financial condition.

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

Contacting the City’s Finance Department

This financial report is designed to provide the wide variety of users of this document with a general overview of the City’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, Finance Director, 200 N. Lake Street, Cadillac, Michigan 49601, or call us at (231) 775-0181.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2008

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>CURRENT ASSETS</u>				
Cash	\$ 840,994	\$ 156,745	\$ 997,739	\$ 188,670
Investments	6,345,053	3,919,834	10,264,887	2,261,810
Receivables				
Taxes	999	0	999	50
Accounts	126,647	396,679	523,326	1,395
Unbilled Services	0	274,734	274,734	0
Cylinder Deposits	0	10,500	10,500	0
Mortgages and Notes	329,708	0	329,708	0
Accrued Interest	83,180	27,028	110,208	2,288
Special Assessments	583,733	0	583,733	0
External Parties (Fiduciary Funds)	1,453	0	1,453	0
Internal Balances	(128,897)	128,897	0	0
Due from Other Governments	318,085	0	318,085	5,106
Inventory	58,627	204,667	263,294	0
Prepaid Expenses	92,739	21,991	114,730	3,236
Total Current Assets	\$ 8,652,321	\$ 5,141,075	\$ 13,793,396	\$ 2,462,555
<u>NONCURRENT ASSETS</u>				
<u>CAPITAL ASSETS</u>				
Land and Land Improvements	\$ 3,351,497	\$ 1,052,111	\$ 4,403,608	\$ 235,732
Buildings	4,437,358	2,649,258	7,086,616	0
Improvements Other Than Buildings	0	28,227,171	28,227,171	0
Machinery and Equipment	4,793,646	1,189,822	5,983,468	0
Infrastructure	17,510,637	0	17,510,637	0
Construction Work in Progress	0	2,760,466	2,760,466	0
	\$ 30,093,138	\$ 35,878,828	\$ 65,971,966	\$ 235,732
Less Accumulated Depreciation	13,812,099	14,663,639	28,475,738	62,451
Net Capital Assets	\$ 16,281,039	\$ 21,215,189	\$ 37,496,228	\$ 173,281
<u>OTHER ASSETS</u>				
Deferred Charge - Bond Issuance Costs	\$ 13,402	\$ 73,763	\$ 87,165	\$ 0
Total Noncurrent Assets	\$ 16,294,441	\$ 21,288,952	\$ 37,583,393	\$ 173,281
TOTAL ASSETS	\$ 24,946,762	\$ 26,430,027	\$ 51,376,789	\$ 2,635,836

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 277,436	\$ 1,065,159	\$ 1,342,595	\$ 9,025
Security Deposit Payable	1,086	0	1,086	5,000
Accrued Expenses	175,391	163,901	339,292	1,781
Accrued Interest	28,301	116,900	145,201	0
Due to Other Governments	5,106	0	5,106	34,100
External Parties Payable (Fiduciary Funds)	46,664	0	46,664	0
External Parties Payable (Agency Funds)	14,938	0	14,938	0
Utility Deposits	0	3,150	3,150	0
Deferred Revenue - Unearned	15,349	0	15,349	0
Current Portion of Long-Term Debt	480,238	515,000	995,238	6,408
Total Current Liabilities	\$ 1,044,509	\$ 1,864,110	\$ 2,908,619	\$ 56,314
LONG-TERM LIABILITIES				
Revenue Bonds				
(Net of Deferred Refunding Amount)	\$ 0	\$ 8,757,830	\$ 8,757,830	\$ 0
General Obligation Bonds	1,260,000	0	1,260,000	0
Special Assessment Bonds	365,000	0	365,000	0
Notes Payable	794,658	0	794,658	0
Capital Lease Payable	14,644		14,644	0
Net Other Post Employment Benefits Liability	149,694	0	149,694	0
Accrued Compensated Sick and Vacation	482,318	0	482,318	6,408
Less: Current Portion	(480,238)	(515,000)	(995,238)	(6,408)
Total Long-Term Liabilities	\$ 2,586,076	\$ 8,242,830	\$ 10,828,906	\$ 0
TOTAL LIABILITIES	\$ 3,630,585	\$ 10,106,940	\$ 13,737,525	\$ 56,314
EQUITY				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 13,846,737	\$ 12,457,359	\$ 26,304,096	\$ 173,281
Restricted for Debt Service	0	1,489,597	1,489,597	0
Restricted for Groundwater Cleanup	0	0	0	1,676,198
Restricted for Capital Projects	0	0	0	257,862
Restricted for Life Insurance	199,366	0	199,366	0
Restricted for Employees' Life and Health Insurance	1,106,676	0	1,106,676	0
Restricted for Special Purposes	54,550	0	54,550	0
Unrestricted	6,108,848	2,376,131	8,484,979	472,181
TOTAL NET ASSETS	\$ 21,316,177	\$ 16,323,087	\$ 37,639,264	\$ 2,579,522

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<u>PRIMARY GOVERNMENT</u>								
<u>GOVERNMENTAL ACTIVITIES</u>								
General Government, Administrative	\$ 1,641,915	\$ 506,811	\$ 31,185	\$ 0	\$ (1,103,919)	\$ 0	\$ (1,103,919)	\$ 0
Public Safety	3,434,299	286,716	11,657	24,253	(3,111,673)	0	(3,111,673)	0
Public Works	2,817,351	593,814	880,565	1,193,246	(149,726)	0	(149,726)	0
Recreation and Culture	475,401	0	107,465	32,525	(335,411)	0	(335,411)	0
Redevelopment and Housing	11,411	0	0	0	(11,411)	0	(11,411)	0
Economic Development and Assistance	239,239	0	0	0	(239,239)	0	(239,239)	0
Interest on Long-Term Debt	128,129	0	34,100	0	(94,029)	0	(94,029)	0
Total Governmental Activities	\$ 8,747,745	\$ 1,387,341	\$ 1,064,972	\$ 1,250,024	\$ (5,045,408)	\$ 0	\$ (5,045,408)	\$ 0
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water and Sewer System	\$ 3,785,277	\$ 3,771,412	\$ 0	\$ 0	\$ 0	\$ (13,865)	\$ (13,865)	\$ 0
Building Authority Operating	138,858	197,232	0	0	0	58,374	58,374	0
Automobile Parking System	56,178	49,307	0	0	0	(6,871)	(6,871)	0
Total Business-Type Activities	\$ 3,980,313	\$ 4,017,951	\$ 0	\$ 0	\$ 0	\$ 37,638	\$ 37,638	\$ 0
TOTAL PRIMARY GOVERNMENT	\$ 12,728,058	\$ 5,405,292	\$ 1,064,972	\$ 1,250,024	\$ (5,045,408)	\$ 37,638	\$ (5,007,770)	\$ 0
<u>COMPONENT UNITS</u>								
Local Development Finance Authority	\$ 253,158	\$ 16,403	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (236,755)
Non-Major Component Units	117,763	0	4,345	0	0	0	0	(113,418)
TOTAL COMPONENT UNITS	\$ 370,921	\$ 16,403	\$ 4,345	\$ 0	\$ 0	\$ 0	\$ 0	\$ (350,173)
<u>GENERAL REVENUES</u>								
Property Taxes and Assessments					\$ 4,553,458	\$ 0	\$ 4,553,458	\$ 471,139
State Shared Revenue - Unrestricted					1,013,830	0	1,013,830	0
Investment Earnings - Unrestricted					262,556	104,586	367,142	103,606
Gain on Sale of Capital Assets					355	0	355	0
Other					70,835	0	70,835	5,000
Total General Revenues					\$ 5,901,034	\$ 104,586	\$ 6,005,620	\$ 579,745
Change in Net Assets					\$ 855,626	\$ 142,224	\$ 997,850	\$ 229,572
<u>NET ASSETS - Beginning of Year</u>					20,460,551	16,180,863	36,641,414	2,349,950
<u>NET ASSETS - End of Year</u>					\$ 21,316,177	\$ 16,323,087	\$ 37,639,264	\$ 2,579,522

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

CITY OF CADILLAC, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2008

	<u>GENERAL</u> <u>FUND</u>	<u>MAJOR</u> <u>STREET</u>	<u>LOCAL</u> <u>STREET</u>	<u>NONMAJOR</u> <u>FUNDS</u>	<u>TOTALS</u>
<u>ASSETS</u>					
Cash	\$ 122,972	\$ 4,598	\$ 60,778	\$ 456,746	\$ 645,094
Investments	1,686,426	0	0	3,387,750	5,074,176
Receivables					
Taxes	999	0	0	0	999
Accounts	84,975	0	35,934	155	121,064
Mortgages and Notes	68,106	0	0	261,602	329,708
Accrued Interest	11,824	0	0	60,113	71,937
Special Assessments					
Current	0	0	0	104,456	104,456
Deferred	0	0	0	479,277	479,277
Due from Other Funds	266,542	0	0	120,766	387,308
Due from Other Governments	144,320	107,917	31,748	34,100	318,085
Inventory, At Cost	2,297	0	0	0	2,297
Prepaid Expenditures	66,953	1,605	1,479	1,981	72,018
TOTAL ASSETS	<u>\$ 2,455,414</u>	<u>\$ 114,120</u>	<u>\$ 129,939</u>	<u>\$ 4,906,946</u>	<u>\$ 7,606,419</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 182,692	\$ 14,694	\$ 653	\$ 23,072	\$ 221,111
Accrued Expenditures	92,264	4,917	7,175	5,421	109,777
Due to Other Funds	64,953	37,759	93,600	165,768	362,080
Security Deposit Payable	0	0	0	1,086	1,086
Due to Other Governments	5,106	0	0	0	5,106
Deferred Revenue	84,454	0	0	668,166	752,620
Total Liabilities	<u>\$ 429,469</u>	<u>\$ 57,370</u>	<u>\$ 101,428</u>	<u>\$ 863,513</u>	<u>\$ 1,451,780</u>

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

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
FUND BALANCE					
Reserved for:					
Inventory	\$ 2,297	\$ 0	\$ 0	\$ 0	\$ 2,297
Prepaid Expenditures	66,953	1,605	1,479	1,981	72,018
Mayor Wedding Fees	350	0	0	0	350
Pistol Range	1,811	0	0	0	1,811
Antique Fire Truck	1,639	0	0	0	1,639
Veterans Memorial	1,855	0	0	0	1,855
Youth Services	844	0	0	0	844
Drug Forfeiture	7,910	0	0	0	7,910
Fire Safety House	2,250	0	0	0	2,250
Blackburn Skate Park	6,223	0	0	0	6,223
White Pine Trail	2,394	0	0	0	2,394
Diggins Hill Courts	31,435	0	0	0	31,435
Capital Improvements	0	0	0	1,338,537	1,338,537
Cemetery Perpetual Care	0	0	0	489,317	489,317
Debt Service	0	0	0	440,991	440,991
Other Purposes	0	0	0	143,576	143,576
Unreserved:					
Designated for:					
Street Improvements	0	55,145	27,032	0	82,177
Sick and Vacation	737,344	0	0	0	737,344
Police and Fire Retirement	88,835	0	0	0	88,835
Working Capital	1,073,805	0	0	0	1,073,805
Undesignated, Reported in Nonmajor:					
Special Revenue Funds	0	0	0	1,629,031	1,629,031
Total Fund Balance	\$ 2,025,945	\$ 56,750	\$ 28,511	\$ 4,043,433	\$ 6,154,639
TOTAL LIABILITIES					
AND FUND BALANCE	\$ 2,455,414	\$ 114,120	\$ 129,939	\$ 4,906,946	\$ 7,606,419

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balances for Governmental Funds		\$ 6,154,639
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and Land Improvements	\$ 3,257,526	
Buildings	4,025,413	
Equipment	2,225,776	
Infrastructure	17,510,637	
Accumulated Depreciation	<u>(11,987,249)</u>	15,032,103
Bond issuance costs are reported as expenditures in the governmental fund.		
		13,402
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Special Assessments Receivable	\$ 479,277	
Personal Property Taxes Receivable	999	
Deferred Revenue - Loans Receivable	<u>256,995</u>	737,271
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets		
		2,142,472
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.		
		(126,927)
Governmental liabilities for other post employment benefits are not due and payable in the current period and therefore are not reported in the funds.		
		(149,694)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	\$ (1,260,000)	
Special Assessment Bonds Payable	(365,000)	
Notes Payable	(359,302)	
Accrued Interest Payable	(20,469)	
Compensated Absences	<u>(482,318)</u>	(2,487,089)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 21,316,177</u></u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
<u>REVENUES</u>					
Taxes	\$ 4,558,803	\$ 0	\$ 0	\$ 227,109	\$ 4,785,912
Licenses and Permits	1,210	0	0	0	1,210
Federal Grants	24,253	447,230	690,341	0	1,161,824
State Grants	1,058,670	684,844	193,752	0	1,937,266
Contributions from Local Units	171,198	0	0	34,100	205,298
Charges for Services	1,048,711	0	0	94,231	1,142,942
Fines and Forfeits	29,083	0	0	0	29,083
Interest and Rents	113,265	1,160	4,187	201,886	320,498
Gain (Loss) on Investments	0	0	0	(115,439)	(115,439)
Other Revenue	321,277	0	35,934	119,600	476,811
Total Revenues	\$ 7,326,470	\$ 1,133,234	\$ 924,214	\$ 561,487	\$ 9,945,405
<u>EXPENDITURES</u>					
General Government	\$ 1,616,656	\$ 0	\$ 0	\$ 139,634	\$ 1,756,290
Public Safety	3,339,497	0	0	100,291	3,439,788
Public Works	866,248	1,197,550	1,419,619	0	3,483,417
Community and Economic Development	206,153	0	0	64,406	270,559
Culture and Recreation	205,612	0	0	61,676	267,288
Capital Outlay	0	0	0	106,876	106,876
Debt Service	0	0	8,510	397,763	406,273
Intergovernmental	358,137	0	0	0	358,137
Total Expenditures	\$ 6,592,303	\$ 1,197,550	\$ 1,428,129	\$ 870,646	\$ 10,088,628
Excess (Deficiency) of Revenues Over Expenditures	\$ 734,167	\$ (64,316)	\$ (503,915)	\$ (309,159)	\$ (143,223)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 40,152	\$ 0	\$ 576,400	\$ 331,363	\$ 947,915
Transfers Out	(566,400)	(19,100)	(142,600)	(219,815)	(947,915)
Total Other Financing Sources (Uses)	\$ (526,248)	\$ (19,100)	\$ 433,800	\$ 111,548	\$ 0
Net Change in Fund Balance	\$ 207,919	\$ (83,416)	\$ (70,115)	\$ (197,611)	\$ (143,223)
<u>FUND BALANCE</u> - Beginning of Year	1,818,026	140,166	98,626	4,241,044	6,297,862
<u>FUND BALANCE</u> - End of Year	\$ 2,025,945	\$ 56,750	\$ 28,511	\$ 4,043,433	\$ 6,154,639

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Net change in Fund Balance - Total Governmental Funds \$ (143,223)

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

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

Depreciation Expense	(1,018,017)
Capital Outlay	1,478,359

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

Governmental Funds - Cost of capital assets sold	(3,145)
--	---------

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid.

Accrued Interest Payable - Beginning of Year	27,883
Accrued Interest Payable - End of Year	(20,469)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities).

319,362

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

(41,056)

The effects of bond issuance costs, premiums, discounts, and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(1,991)

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

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

Special assessment revenue previously recognized when earned for the entity wide statements. (37,125)

The gain on property that was sold on a contract in a prior year was deferred and is being recognized as principal is collected in the governmental funds. (31,153)

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

Change in personal property tax revenue deferred using the modified accrual method (5,345)

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

Compensated Absences - Beginning of Year 508,150
Compensated Absences - End of Year (482,318)

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

Other Post Employment Benefit Obligation - Beginning of Year 254,441
Other Post Employment Benefit Obligation - End of Year (149,694)

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

200,967

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 855,626

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2008

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 70,694	\$ 25,034	\$ 61,017
Investments	2,256,156	96,050	78,031
Receivables			
Accounts	396,679	0	0
Unbilled Services	274,734	0	0
Accrued Interest	26,959	69	0
Cylinder Deposits	10,500	0	0
Due from Other Funds	1,970	0	0
Inventory, At Cost	204,667	0	0
Prepaid Expense	21,953	0	38
Total Current Assets	\$ 3,264,312	\$ 121,153	\$ 139,086
<u>NONCURRENT ASSETS</u>			
<u>RESTRICTED ASSETS</u>			
Investments			
Bond Reserve Account	\$ 1,041,996	\$ 0	\$ 0
Bond Replacement Account	447,601	0	0
Total Restricted Assets	\$ 1,489,597	\$ 0	\$ 0
<u>CAPITAL ASSETS</u>			
Land and Land Improvements	\$ 150,625	\$ 90,445	\$ 811,041
Buildings	930,747	1,718,511	0
Improvements Other Than Buildings	28,227,171	0	0
Machinery and Equipment	1,189,822	0	0
Construction Work In Progress	2,760,466	0	0
	\$ 33,258,831	\$ 1,808,956	\$ 811,041
Less Accumulated Depreciation	14,052,923	426,703	184,013
Net Capital Assets	\$ 19,205,908	\$ 1,382,253	\$ 627,028
<u>OTHER ASSETS</u>			
Deferred Charge - Bond Issuance Costs	\$ 59,568	\$ 14,195	\$ 0
Total Noncurrent Assets	\$ 20,755,073	\$ 1,396,448	\$ 627,028
TOTAL ASSETS	\$ 24,019,385	\$ 1,517,601	\$ 766,114

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 156,745	\$ 195,900
2,430,237	1,270,877
396,679	5,583
274,734	0
27,028	11,243
10,500	0
1,970	16,980
204,667	56,330
21,991	20,721
<u>\$ 3,524,551</u>	<u>\$ 1,577,634</u>
\$ 1,041,996	\$ 0
447,601	0
<u>\$ 1,489,597</u>	<u>\$ 0</u>
\$ 1,052,111	\$ 93,971
2,649,258	411,945
28,227,171	0
1,189,822	2,567,870
2,760,466	0
<u>\$ 35,878,828</u>	<u>\$ 3,073,786</u>
14,663,639	1,824,850
<u>\$ 21,215,189</u>	<u>\$ 1,248,936</u>
<u>\$ 73,763</u>	<u>\$ 0</u>
<u>\$ 22,778,549</u>	<u>\$ 1,248,936</u>
<u>\$ 26,303,100</u>	<u>\$ 2,826,570</u>

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

CITY OF CADILLAC, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 1,056,268	\$ 8,891	\$ 0
Accrued Interest	105,934	10,966	0
Other Accrued Expenses	163,826	0	75
Due to Other Funds	0	0	0
Utility Deposits	3,150	0	0
Current Portion of Long-Term Debt	410,000	105,000	0
Total Current Liabilities	<u>\$ 1,739,178</u>	<u>\$ 124,857</u>	<u>\$ 75</u>
 <u>LONG-TERM LIABILITIES</u>			
2007 Wastewater System Junior Lien Revenue Bonds	\$ 1,311,479	\$ 0	\$ 0
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,060,998	870,000	0
2001 Revenue Bonds (Net of Deferred Refunding Amount)	5,000,353	0	0
Note Payable	0	0	0
Total Long-Term Liabilities	<u>\$ 7,372,830</u>	<u>\$ 870,000</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 9,112,008</u>	<u>\$ 994,857</u>	<u>\$ 75</u>
 <u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 11,423,078	\$ 407,253	\$ 627,028
Restricted for Debt Service	1,489,597	0	0
Restricted for Benefit Programs	0	0	0
Unrestricted (Deficit)	1,994,702	115,491	139,011
TOTAL NET ASSETS	<u>\$ 14,907,377</u>	<u>\$ 522,744</u>	<u>\$ 766,039</u>

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 1,065,159	\$ 56,325
116,900	22,212
163,901	51,234
0	104,327
3,150	0
515,000	50,000
<u>\$ 1,864,110</u>	<u>\$ 284,098</u>
\$ 1,311,479	\$ 0
1,930,998	0
5,000,353	0
0	400,000
<u>\$ 8,242,830</u>	<u>\$ 400,000</u>
<u>\$ 10,106,940</u>	<u>\$ 684,098</u>
\$ 12,457,359	\$ 1,248,936
1,489,597	0
0	1,306,042
2,249,204	(412,506)
<u>\$ 16,196,160</u>	<u>\$ 2,142,472</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Net Assets - Total Proprietary Funds	\$ 16,196,160
Amounts reported for proprietary activities in the statement of net assets are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>126,927</u>
NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 16,323,087</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>OPERATING REVENUES</u>			
Operating Revenues	\$ 3,771,412	\$ 197,232	\$ 49,307
<u>OPERATING EXPENSES</u>			
Personal Services	\$ 861,668	\$ 0	\$ 9,203
Contractual Services	514,481	47,416	27,200
Supplies	352,857	0	560
Heat, Light and Power	338,715	2,712	0
Depreciation and Amortization	820,864	38,763	16,754
Employee Benefits	391,015	0	6,809
Administrative	203,800	5,000	0
Total Operating Expenses	\$ 3,483,400	\$ 93,891	\$ 60,526
Operating Income (Loss)	\$ 288,012	\$ 103,341	\$ (11,219)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Revenue	\$ 97,473	\$ 2,193	\$ 4,920
Interest and Fiscal Charges	(333,329)	(44,967)	0
Total Nonoperating Revenues (Expenses)	\$ (235,856)	\$ (42,774)	\$ 4,920
Change in Net Assets	\$ 52,156	\$ 60,567	\$ (6,299)
<u>TOTAL NET ASSETS</u> - Beginning of Year	14,855,221	462,177	772,338
<u>TOTAL NET ASSETS</u> - End of Year	\$ 14,907,377	\$ 522,744	\$ 766,039

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
<u>\$ 4,017,951</u>	<u>\$ 2,024,877</u>
\$ 870,871	\$ 170,867
589,097	280,942
353,417	165,550
341,427	27,933
876,381	211,807
397,824	901,937
<u>208,800</u>	<u>67,600</u>
<u>\$ 3,637,817</u>	<u>\$ 1,826,636</u>
<u>\$ 380,134</u>	<u>\$ 198,241</u>
\$ 104,586	\$ 62,701
<u>(378,296)</u>	<u>(24,175)</u>
<u>\$ (273,710)</u>	<u>\$ 38,526</u>
\$ 106,424	\$ 236,767
<u>16,089,736</u>	<u>1,905,705</u>
<u>\$ 16,196,160</u>	<u>\$ 2,142,472</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Net Change in Fund Net Assets - Total Proprietary Funds	\$ 106,424
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	<u>35,800</u>
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 142,224</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 3,695,384	\$ 246,200	\$ 49,307
Cash Received from Interfund Services			
Provided and Used	0	0	0
Cash Payments to Suppliers for Goods and Services	(481,333)	(46,956)	(34,498)
Cash Payments to Employees for Services	(1,288,475)	0	(9,203)
Other Operating Revenues	0	0	0
Net Cash Provided by Operating Activities	<u>\$ 1,925,576</u>	<u>\$ 199,244</u>	<u>\$ 5,606</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (2,540,548)	\$ 0	\$ 0
Loan Proceeds	1,311,479	0	0
Principal Paid	(385,000)	(105,000)	0
Interest Paid	(329,969)	(46,070)	0
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (1,944,038)</u>	<u>\$ (151,070)</u>	<u>\$ 0</u>
Cash Flows from Investing Activities:			
Interest Received	\$ 102,046	\$ 3,043	\$ 6,375
Purchase of Investment Securities	(426,654)	(52,784)	(4,289)
Proceeds from Sale and Maturities of Investment Securities	40,292	0	0
Net Cash Provided (Used) by Investing Activities	<u>\$ (284,316)</u>	<u>\$ (49,741)</u>	<u>\$ 2,086</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (302,778)</u>	<u>\$ (1,567)</u>	<u>\$ 7,692</u>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>373,472</u>	<u>26,601</u>	<u>53,325</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 70,694</u>	<u>\$ 25,034</u>	<u>\$ 61,017</u>

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

TOTALS	INTERNAL SERVICE FUNDS
\$ 3,990,891	\$ 0
0	2,022,270
(562,787)	(1,407,025)
(1,297,678)	(155,547)
<u>0</u>	<u>135</u>
<u>\$ 2,130,426</u>	<u>\$ 459,833</u>
\$ (2,540,548)	\$ (171,500)
1,311,479	0
(490,000)	(50,000)
<u>(376,039)</u>	<u>(16,343)</u>
<u>\$ (2,095,108)</u>	<u>\$ (237,843)</u>
\$ 111,464	\$ 63,429
(483,727)	(175,145)
<u>40,292</u>	<u>0</u>
<u>\$ (331,971)</u>	<u>\$ (111,716)</u>
\$ (296,653)	\$ 110,274
<u>453,398</u>	<u>85,626</u>
<u>\$ 156,745</u>	<u>\$ 195,900</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

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

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 288,012	\$ 103,341	\$ (11,219)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 820,864	\$ 38,763	\$ 16,754
(Increase) Decrease in Current Assets			
Accounts Receivable	(79,550)	0	0
Due from Other Funds	3,522	0	0
Due from Other Governments - Operating	0	48,968	0
Inventory	5,969	0	0
Prepaid Expense	(4,271)	162	(4)
Increase (Decrease) in Current Liabilities			
Accounts Payable	949,056	8,010	0
Other Accrued Expenses	(35,792)	0	75
Due to Other Funds	(22,534)	0	0
Utility Deposits	300	0	0
Total Adjustments	\$ 1,637,564	\$ 95,903	\$ 16,825
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,925,576	\$ 199,244	\$ 5,606

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 380,134	\$ 198,241
876,381	211,807
(79,550)	1,098
3,522	(3,570)
48,968	0
5,969	(5,005)
(4,113)	111,635
957,066	18,892
(35,717)	6,526
(22,534)	(79,791)
300	0
<u>\$ 1,750,292</u>	<u>\$ 261,592</u>
<u>\$ 2,130,426</u>	<u>\$ 459,833</u>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008

	<u>PENSION TRUST FUND</u>	<u>AGENCY</u>
<u>ASSETS</u>		
Cash	\$ 167,533	\$ 170
Investments		
Mutual Funds	1,842	0
Municipal Employees' Retirement System	6,575,666	0
Due from Other Funds	46,664	14,938
Due from Other Governments	0	4,290
TOTAL ASSETS	<u>\$ 6,791,705</u>	<u>\$ 19,398</u>
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,453	\$ 0
Due to Other Governments	0	19,398
TOTAL LIABILITIES	<u>\$ 1,453</u>	<u>\$ 19,398</u>
<u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	<u>\$ 6,790,252</u>	<u>\$ 0</u>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>PENSION TRUST FUND</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 558,831
Employee	42,165
Total Contributions	<u>\$ 600,996</u>
Investment Income	
Interest and Dividend Income	\$ 5,244
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	(124,724)
Investment Expenses	(30,132)
Net Investment Income (Loss)	<u>\$ (149,612)</u>
Total Additions (Deletions)	<u>\$ 451,384</u>
<u>DEDUCTIONS</u>	
Benefit Payments	
Retirement	\$ 536,428
Administrative Expenses	
Contracted Services	17,317
Total Deductions	<u>\$ 553,745</u>
Net Increase (Decrease) in Plan Assets	\$ (102,361)
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	
Beginning of Year	<u>6,892,613</u>
End of Year	<u><u>\$ 6,790,252</u></u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2008

	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
<u>ASSETS</u>			
Cash	\$ 99,823	\$ 88,847	\$ 188,670
Investments	2,020,751	241,059	2,261,810
Receivables			
Taxes	0	50	50
Accounts	1,335	60	1,395
Accrued Interest	2,177	111	2,288
Due from Other Governments	4,876	230	5,106
Prepaid Expenses	0	3,236	3,236
Total Current Assets	<u>\$ 2,128,962</u>	<u>\$ 333,593</u>	<u>\$ 2,462,555</u>
<u>CAPITAL ASSETS</u>			
Land Improvements	\$ 0	\$ 8,965	\$ 8,965
Improvements Other Than Buildings	226,767	0	226,767
	<u>\$ 226,767</u>	<u>\$ 8,965</u>	<u>\$ 235,732</u>
Less Accumulated Depreciation	59,313	3,138	62,451
Net Capital Assets	<u>\$ 167,454</u>	<u>\$ 5,827</u>	<u>\$ 173,281</u>
TOTAL ASSETS	<u>\$ 2,296,416</u>	<u>\$ 339,420</u>	<u>\$ 2,635,836</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 5,352	\$ 3,673	\$ 9,025
Accrued Expenses	991	790	1,781
Security Deposit Payable	0	5,000	5,000
Due to Other Governments	0	34,100	34,100
Current Portion of Long-Term Debt	0	6,408	6,408
Total Current Liabilities	<u>\$ 6,343</u>	<u>\$ 49,971</u>	<u>\$ 56,314</u>
<u>LONG-TERM LIABILITIES</u>			
Accrued Compensated Sick and Vacation	\$ 0	\$ 6,408	\$ 6,408
Less: Current Portion	0	(6,408)	(6,408)
Total Long-Term Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 6,343</u>	<u>\$ 49,971</u>	<u>\$ 56,314</u>
<u>EQUITY</u>			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 167,454	\$ 5,827	\$ 173,281
Restricted for Groundwater Clean-Up	1,676,198	0	1,676,198
Restricted for Capital Projects	257,862	0	257,862
Unrestricted	188,559	283,622	472,181
TOTAL NET ASSETS	<u>\$ 2,290,073</u>	<u>\$ 289,449</u>	<u>\$ 2,579,522</u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
Local Development Finance Authority	\$ 253,158	\$ 16,403	\$ 0	\$ (236,755)	\$ 0	\$ (236,755)
Downtown Development Authority	86,222	0	4,345	0	(81,877)	(81,877)
Brownfield Redevelopment Authority	31,541	0	0	0	(31,541)	(31,541)
TOTAL COMPONENT UNITS	\$ 370,921	\$ 16,403	\$ 4,345	\$ (236,755)	\$ (113,418)	\$ (350,173)
<u>GENERAL REVENUES</u>						
Property Taxes				\$ 327,761	\$ 143,378	\$ 471,139
Unrestricted Investment Earnings				96,203	7,403	103,606
Other				0	5,000	5,000
Total General Revenues				\$ 423,964	\$ 155,781	\$ 579,745
Change in Net Assets				\$ 187,209	\$ 42,363	\$ 229,572
<u>NET ASSETS</u> - Beginning of Year				2,102,864	247,086	2,349,950
<u>NET ASSETS</u> - End of Year				\$ 2,290,073	\$ 289,449	\$ 2,579,522

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

BLENDED COMPONENT UNITS

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

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

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

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

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

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

The City of Cadillac reports the following major governmental funds:

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

The City of Cadillac reports the following major proprietary funds:

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

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

Additionally the City of Cadillac reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

2. *Receivables and Payables*

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

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

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

The 2007 taxable valuation of the City of Cadillac totaled \$247,226,308, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 2.8000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,448,113 for operating purposes and \$692,214 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

3. *Inventories and Prepaid Items*

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

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

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4. *Restricted Assets*

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

5. *Capital Assets*

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

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

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

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

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

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

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6. *Compensated Absences*

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

7. *Long-term Obligations*

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

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

8. *Fund Equity*

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

9. *Use of Estimates*

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>
General Fund		
Culture and Recreation	\$ 193,800	\$ 205,612
Major Street Fund		
Public Works	1,158,100	1,197,550
Local Street Fund		
Debt Service	0	8,510

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

III.DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2008, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Primary Government					
U.S. Government Agencies	\$ 4,427,533	\$ 285,292	\$ 1,951,761	\$ 1,666,025	\$ 524,455
Local Government Notes	644,028	87,361	380,556	176,111	0
	<u>\$ 5,071,561</u>	<u>\$ 372,653</u>	<u>\$ 2,332,317</u>	<u>\$ 1,842,136</u>	<u>\$ 524,455</u>
Component Units:					
U.S. Government Agencies	\$ 60,000	\$ 0	\$ 0	\$ 60,000	\$ 0

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

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

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

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2008, \$2,891,029 of the City's bank balance of \$4,471,959 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of the same date the discretely presented component unit's had exposure to custodial credit risk because \$187,503 of the bank balance of \$654,664 was uninsured and uncollateralized. Neither the government nor the discretely presented component unit's have a deposit policy for custodial credit risk.

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

As of June 30, 2008, the City had the following investments:

	CARRYING AMOUNT	FAIR VALUE
Investments - Primary Government		
U.S. Government Agency		
Securities	\$ 4,427,533	\$ 4,427,533
Common Stocks	657,528	657,528
Government Notes	644,028	644,028
Mutual Funds	8,308,452	8,308,452
	<u>\$ 14,037,541</u>	<u>\$ 14,037,541</u>

	CARRYING AMOUNT	FAIR VALUE
Investments - Component Units		
U.S. Government Agency		
Securities	\$ 60,000	\$ 60,000
Mutual Funds	1,736,450	1,736,450
	<u>\$ 1,796,450</u>	<u>\$ 1,796,450</u>

A reconciliation of cash and investments follows:

	PRIMARY GOVERNMENT	COMPONENT UNITS
Cash on Hand	\$ 1,200	\$ 0
Carrying amount of Deposits	3,969,096	654,020
Carrying amount of Investment	14,037,541	1,796,460
	<u>\$ 18,007,837</u>	<u>\$ 2,450,480</u>

	PRIMARY GOVERNMENT	COMPONENT UNITS
Government-wide Statement of Net Assets		
Cash	\$ 997,739	\$ 188,670
Investments	10,264,887	2,261,810
Statement of Fiduciary Net Assets		
Cash	167,703	0
Investments	6,577,508	0
	<u>\$ 18,007,837</u>	<u>\$ 2,450,480</u>

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

B. Receivables

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

	General	Major Street	Local Street	Water and Sewer	Building Authority Operating	Nonmajor and Other Funds	Total
Receivables							
Taxes	\$ 999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 999
Accounts Unbilled	84,975	0	35,934	396,679	0	5,738	523,326
Services	0	0	0	274,734	0	0	274,734
Special Assessments							
Current	0	0	0	0	0	104,456	104,456
Deferred	0	0	0	0	0	479,277	479,277
Mortgages and Notes	68,106	0	0	0	0	261,602	329,708
Accrued Interest	11,824	0	0	26,959	69	71,356	110,208
Cylinder Deposits	0	0	0	10,500	0	0	10,500
Receivables	<u>\$ 165,904</u>	<u>\$ 0</u>	<u>\$ 35,934</u>	<u>\$ 708,872</u>	<u>\$ 69</u>	<u>\$ 922,429</u>	<u>\$ 1,833,208</u>

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

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

	Deferred Revenue	
	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 999	\$ 0
Property taxes prepaid (General Fund)	0	15,349
Mortgages and notes receivable (General Fund)	68,106	0
Mortgages and notes receivable (Special Revenue Funds)	188,889	0
Special assessment receivables (Debt Service Funds)	144,805	0
Special assessment receivables (Capital Projects Funds)	334,472	0
	<u>\$ 737,271</u>	<u>\$ 15,349</u>
		<u>\$ 752,620</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,505,104	\$ 0	\$ 0	\$ 2,505,104
Capital Assets, Being Depreciated				
Buildings	\$ 3,991,699	\$ 33,714	\$ 0	\$ 4,025,413
Land Improvements	741,986	10,436	0	752,422
Machinery and Equipment	2,212,448	51,065	37,737	2,225,776
Infrastructure	16,127,493	1,383,144	0	17,510,637
Total Capital Assets, Being Depreciated	\$23,073,626	\$ 1,478,359	\$ 37,737	\$ 24,514,248
Less Accumulated Depreciation For:				
Buildings	\$ 2,481,042	\$ 89,150	\$ 0	\$ 2,570,192
Land Improvements	370,742	29,603	0	400,345
Machinery and Equipment	1,323,936	141,564	34,592	1,430,908
Infrastructure	6,828,104	757,700	0	7,585,804
Total Accumulated Depreciation	\$11,003,824	\$ 1,018,017	\$ 34,592	\$ 11,987,249
Total Capital Assets, Being Depreciated, Net	\$12,069,802	\$ 460,342	\$ 3,145	\$ 12,526,999
Governmental Activities Capital Assets, Net	\$14,574,906	\$ 460,342	\$ 3,145	\$ 15,032,103
Internal Service Fund Net Fixed Assets				1,248,936
Net Fixed Assets per Statement of Net Assets				\$ 16,281,039

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 362,532	\$ 0	\$ 0	\$ 362,532
Construction in Progress	452,604	2,307,862		2,760,466
Total Capital Assets, Not Being Depreciated	<u>\$ 815,136</u>	<u>\$ 2,307,862</u>	<u>\$ 0</u>	<u>\$ 3,122,998</u>
Capital Assets, Being Depreciated				
Buildings	\$ 2,649,258	\$ 0	\$ 0	\$ 2,649,258
Improvements Other Than Buildings	28,718,252	198,498	0	28,916,750
Machinery and Equipment	1,155,634	34,188		1,189,822
Total Capital Assets, Being Depreciated	<u>\$ 32,523,144</u>	<u>\$ 232,686</u>	<u>\$ 0</u>	<u>\$ 32,755,830</u>
Less Accumulated Depreciation For:				
Buildings	\$ 1,024,182	\$ 50,417	\$ 0	\$ 1,074,599
Improvements Other Than Buildings	11,943,830	737,517	0	12,681,347
Machinery and Equipment	837,809	69,884		907,693
Total Accumulated Depreciation	<u>\$ 13,805,821</u>	<u>\$ 857,818</u>	<u>\$ 0</u>	<u>\$ 14,663,639</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 18,717,323</u>	<u>\$ (625,132)</u>	<u>\$ 0</u>	<u>\$ 18,092,191</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 19,532,459</u></u>	<u><u>\$ 1,682,730</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 21,215,189</u></u>

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

Governmental activities:

General Government	\$ 70,927
Public Safety	116,847
Public Works, including depreciation of general infrastructure assets	691,800
Recreation and Culture	121,280
Economic Development and Assistance	17,163
Total depreciation expense - governmental activities	<u><u>\$ 1,018,017</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Business-type activities:

Water and Sewer	\$ 805,784
Automobile Parking System	16,754
Building Authority Operating	35,280
Total depreciation expense - business-type activities	\$ 857,818

Construction Commitments:

The City has active construction projects as of June 30, 2008. The construction projects are for street construction and for the underlying water and sewer infrastructure. The total contract balances were approximately \$4,918,397 with \$2,760,466 being expended as of June 30, 2008. The remaining commitments total \$2,157,931. The projects are being funded with water and sewer revenues, general revenues, Act 51 Street revenues and special assessments.

Discretely Presented Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Government-Type Activities</u>				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 8,965	\$ 0	\$ 0	\$ 8,965
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(2,241)	(897)	0	(3,138)
Total Capital Assets, Being Depreciated, Net	\$ 6,724	\$ (897)	\$ 0	\$ 5,827
<u>Business-Type Activities</u>				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	\$ 226,767	\$ 0	\$ 0	\$ 226,767
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(54,778)	(4,535)	0	(59,313)
Total Capital Assets, Being Depreciated, Net	\$ 171,989	\$ (4,535)	\$ 0	\$ 167,454

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

Governmental activities:

Economic Development and Assistance	\$ 897
Business-type activities	
Utilities	\$ 4,535

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2008, is as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer	Agency Funds	Internal Service Funds	Pension Trust Fund	Total Due to
Due to							
General Fund	\$ 0	\$ 1,381	\$ 1,970	\$ 14,938	\$ 0	\$ 46,664	\$ 64,953
Major Street Fund	5,000	15,779	0	0	16,980	0	37,759
Local Street Fund	0	93,600	0	0	0	0	93,600
Nonmajor							
Governmental Funds	155,762	10,006	0	0	0	0	165,768
Internal Service Funds	104,327	0	0	0	0	0	104,327
Pension Trust Fund	1,453	0	0	0	0	0	1,453
Total Due from	\$ 266,542	\$ 120,766	\$ 1,970	\$ 14,938	\$ 16,980	\$ 46,664	\$ 467,860

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2008, are expected to be repaid within one year.

The interfund transfers during the year ended June 30, 2008, are as follows:

	General	Local Street	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out				
General Fund	\$ 0	\$ 566,400	\$ 0	\$ 566,400
Major Street Fund	0	0	19,100	19,100
Local Street Fund	0	0	142,600	142,600
Nonmajor Governmental Funds	40,152	10,000	169,663	219,815
Total Transfers In	\$ 40,152	\$ 576,400	\$ 331,363	\$ 947,915

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

Operating Leases - The City is committed under two noncancelable leases for office equipment and three noncancelable leases for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately \$29,288 for the year ended June 30, 2008. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	
2009	\$ 18,461
2010	14,416
2011	2,711
	\$ 35,588
	\$ 35,588

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

The assets acquired through the lease are as follows:

<u>ASSETS</u>	<u>GENERAL FUND</u>
Machinery and equipment	\$ 26,350
Less: Accumulated Depreciation	(7,905)
TOTAL	\$ 18,445

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>GENERAL FUND</u>
2009	\$ 9,840
2010	5,740
Total minimum lease payments	\$ 15,580
Less: Amount representing interest	(936)
Present value of minimum lease payments	\$ 14,644

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

F. Long-Term Debt

1. Primary Government

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2008 (in thousands of dollars):

Governmental Activities:

	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	SICK AND VACATION PAY	TOTAL
Debt Payable at July 1, 2007	\$ 1,395	\$ 485	\$ 924	\$ 508	\$ 3,312
New Debt Incurred	0	0	0	148	148
Debt Retired	(135)	(120)	(114)	(174)	(543)
Debt Payable at June 30, 2008	<u>\$ 1,260</u>	<u>\$ 365</u>	<u>\$ 810</u>	<u>\$ 482</u>	<u>\$ 2,917</u>
Due within one year	<u>\$ 145</u>	<u>\$ 105</u>	<u>\$ 140</u>	<u>\$ 90</u>	<u>\$ 480</u>

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

Debt payable at June 30, 2008 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

\$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of \$25,000 through October 1, 2010; interest at 5.50 percent	\$ 75
\$110,000 1997 Michigan Transportation Fund Bonds due in annual installments of \$15,000 through October 1, 2008; interest at 5.35 percent	15
\$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of \$25,000 to \$35,000 through October 1, 2014; interest at 5.45 to 5.55 percent	200
\$310,000 1997 Building Authority Bonds due in annual installments of \$25,000 to \$30,000 through October 1, 2012; interest at 5.05 to 5.25 percent	140
\$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$55,000 to \$85,000 through September 1, 2019; interest at 2.60 to 4.25 percent	830
	<u>\$ 1,260</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Special Assessment Bonds

\$425,000 Special Assessment Limited Tax Bonds due in annual installments of \$10,000 to \$30,000 through October 1, 2010; interest at 5.50 to 5.65 percent	\$	55
\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2011; interest at 5.35 to 5.45 percent		95
\$210,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$20,000 through October 1, 2014; interest at 5.45 to 5.55 percent		65
\$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$35,000 through October 1, 2015; interest at 4.00 to 5.00 percent		150
	<u>\$</u>	<u>365</u>

Other Long-Term Debt:

\$212,653 Michigan Jobs Commission loan due in quarterly installments of \$4,430 beginning September 1, 2005 and running through December 1, 2016; this loan is interest-free	\$	151
\$235,000 Loan, due in annual installments of \$26,111 through 2014; interest at 3.00 percent		183
\$45,000 Loan, due in annual installments of \$11,250 through 2009; interest at 3.00 percent		11
\$26,350 Loan, due in monthly installments of \$820 through 2010; interest at 7.529 percent		15
\$500,000 Loan, due in annual installments of \$50,000 through 2017; interest at 5.25 percent		450
Vested sick and vacation pay owed to City employees under various contracts and collective bargaining agreements (this debt is payable from the General Fund and various Special Revenue Funds)		482
	<u>\$</u>	<u>1,292</u>
	<u>\$</u>	<u>2,917</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The annual requirements to amortize debt outstanding other than vested sick and vacation pay as of June 30, 2008, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	TOTAL
2009				
PRINCIPAL	\$ 145	\$ 105	\$ 140	\$ 390
INTEREST	50	16	28	94
TOTAL	<u>\$ 195</u>	<u>\$ 121</u>	<u>\$ 168</u>	<u>\$ 484</u>
2010				
PRINCIPAL	\$ 135	\$ 90	\$ 99	\$ 324
INTEREST	44	11	23	78
TOTAL	<u>\$ 179</u>	<u>\$ 101</u>	<u>\$ 122</u>	<u>\$ 402</u>
2011				
PRINCIPAL	\$ 140	\$ 70	\$ 94	\$ 304
INTEREST	38	7	20	65
TOTAL	<u>\$ 178</u>	<u>\$ 77</u>	<u>\$ 114</u>	<u>\$ 369</u>
2012				
PRINCIPAL	\$ 120	\$ 55	\$ 94	\$ 269
INTEREST	33	4	16	53
TOTAL	<u>\$ 153</u>	<u>\$ 59</u>	<u>\$ 110</u>	<u>\$ 322</u>
2013				
PRINCIPAL	\$ 125	\$ 45	\$ 94	\$ 264
INTEREST	27	2	13	42
TOTAL	<u>\$ 152</u>	<u>\$ 47</u>	<u>\$ 107</u>	<u>\$ 306</u>
2014-2018				
PRINCIPAL	\$ 430	\$ 0	\$ 289	\$ 719
INTEREST	75	0	22	97
TOTAL	<u>\$ 505</u>	<u>\$ 0</u>	<u>\$ 311</u>	<u>\$ 816</u>
2019-2020				
PRINCIPAL	\$ 165	\$ 0	\$ 0	\$ 165
INTEREST	9	0	0	9
TOTAL	<u>\$ 174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 174</u>
GRAND TOTAL				
PRINCIPAL	\$ 1,260	\$ 365	\$ 810	\$ 2,435
INTEREST	276	40	122	438
TOTAL	<u><u>\$ 1,536</u></u>	<u><u>\$ 405</u></u>	<u><u>\$ 932</u></u>	<u><u>\$ 2,873</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2008, (in thousands of dollars) reported in Business-Type Activities:

	REVENUE BONDS
Debt Payable at July 1, 2007	\$ 8,005
New Debt Incurred	1,311
Debt Retired	(490)
Debt Payable at June 30, 2008	\$ 8,826

Revenue Bonds:

\$3,870,000 Wastewater System Junior Lien Revenue Bonds due in annual installments of \$165,000 to \$225,000 through October 1, 2028; interest at 1.625 percent	\$ 1,311
\$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of \$5,000 to \$305,000 through September 1, 2019; interest at 4.25 to 4.90 percent	1,385
\$5,215,000 Water and Sewer Revenue and Revenue Refunding Bonds due in annual installments of \$80,000 to \$505,000 through September 1, 2026; interest at 4.38 to 5.125 percent	5,155
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$105,000 to \$140,000 through October 1, 2015; interest at 4.25 to 4.60 percent	975
	\$ 8,826
Less unamortized deferred charges	68
Long-term debt per Statement of Net Assets	\$ 8,758

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2008, are as follows (in thousands of dollars):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>REVENUE</u> <u>BONDS</u>
2009	
PRINCIPAL	\$ 515
INTEREST	380
TOTAL	<u>\$ 895</u>
2010	
PRINCIPAL	\$ 705
INTEREST	359
TOTAL	<u>\$ 1,064</u>
2011	
PRINCIPAL	\$ 740
INTEREST	331
TOTAL	<u>\$ 1,071</u>
2012	
PRINCIPAL	\$ 770
INTEREST	301
TOTAL	<u>\$ 1,071</u>
2013	
PRINCIPAL	\$ 810
INTEREST	269
TOTAL	<u>\$ 1,079</u>
2014-2018	
PRINCIPAL	\$ 2,221
INTEREST	1,016
TOTAL	<u>\$ 3,237</u>
2019-2023	
PRINCIPAL	\$ 1,525
INTEREST	597
TOTAL	<u>\$ 2,122</u>
2024-2027	
PRINCIPAL	\$ 1,540
INTEREST	164
TOTAL	<u>\$ 1,704</u>
GRAND TOTAL	
PRINCIPAL	\$ 8,826
INTEREST	3,417
TOTAL	<u><u>\$ 12,243</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

\$440,991 is available in the Debt Service Funds to service the General Obligation and Special Assessment bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

At June 30, 2008, outstanding revenue bonds (including prior year's refundings) of \$1,235,000 are considered to be defeased. These are by fund type, as follows:

Enterprise Funds	<u><u>\$ 1,235,000</u></u>
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2. Component Units

As of June 30, 2008, the City of Cadillac's discretely presented component units had sick and vacation pay of \$6,408 as outstanding debt.

G. Fund Balance Reserves and Designations

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

NET ASSETS

Restricted		
General Fund		
Special Purposes		\$ 54,550
Self-Insured Fund		
Retirees' Life Insurance	\$ 199,366	
Employees' Life and Health Insurance	<u>1,106,676</u>	1,306,042
Water and Sewer Fund		
Debt Service		<u>1,489,597</u>
		<u><u>\$ 2,850,189</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

FUND BALANCE/NET ASSETS

Reserved

General Fund

Inventory	\$	2,297	
Prepaid Expenditures		66,953	
Mayor Wedding Fees		350	
Veterans Memorial		1,855	
Pistol Range		1,811	
Antique Fire Truck		1,639	
Youth Services		844	
Drug Forfeiture		7,910	
Fire Safety House		2,250	
Blackburn Skate Park		6,223	
White Pine Trail		2,394	
Diggins Hill Courts		31,435	\$ 125,961

Special Revenue Funds

Major Street Fund

Prepaid Expenditures	\$	1,605	
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Local Street Fund

Prepaid Expenditures	1,479	
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Cemetery Operating Fund

Capital Improvements	9,463	
Prepaid Expenditures	1,171	

Cadillac Development Fund

Loans Receivable	32,546	
Prepaid Expenditures	114	

Clam River Greenway Fund

Parks and Recreation	10,685	
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Building Inspection Fund

Prepaid Expenditures	696	
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Milfoil Eradication Fund

Milfoil Eradication	100,345	158,104
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Debt Service Funds

Reserved for Debt Service

1992 Special Assessment Debt Retirement Fund	\$	671	
1993 Special Assessment Debt Retirement Fund		551	

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

1996 Special Assessment Debt Retirement Fund	97,453	
1996 Michigan Transportation Fund		
Debt Retirement Fund	3,969	
1997 Special Assessment Debt Retirement Fund	165,483	
1997 Michigan Transportation Fund		
Debt Retirement Fund	1,105	
1997 Building Authority Debt Retirement Fund	395	
2000 Special Assessment Debt Retirement Fund	117,858	
2000 Michigan Transportation Fund		
Debt Retirement Fund	400	
2002 Special Assessment Debt Retirement Fund	52,311	
2004 Capital Improvement Bonds		
Debt Retirement Fund	795	440,991
<hr/>		
Capital Projects Fund		
Industrial Park Fund		
Industrial Development	\$ 466,121	
Special Assessment Capital Projects Fund		
Special Assessment Project Construction	76,032	542,153
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Reserved		
Permanent Funds		
Cemetery Perpetual Care Fund		
Cemetery Perpetual Care Endowment	\$ 489,317	
Capital Projects Trust Fund		
Capital Projects Trust Fund	786,921	1,276,238
<hr/>		
Fiduciary Fund		
Policeman and Fireman Retirement System		
Employees' Pension Benefits		6,790,252
Component Units		
L.D.F.A. Capital Projects Fund		
Capital Projects	\$ 257,862	
L.D.F.A. Operating Fund		
Groundwater Cleanup	1,676,198	1,934,060
<hr/>		
TOTAL FUND BALANCE/NET ASSETS RESERVES		<u>\$ 11,267,759</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Unreserved - Designated		
General Fund		
Sick and Vacation	\$ 737,344	
Police and Fire Retirement	88,835	
Working Capital	<u>1,073,805</u>	\$ 1,899,984
Special Revenue Funds		
Major Street Fund		
Street Improvements	\$ 55,145	
Local Street Fund		
Street Improvements	<u>27,032</u>	<u>82,177</u>
TOTAL FUND BALANCE DESIGNATIONS		<u><u>\$ 1,982,161</u></u>

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

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

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

B. Mortgages and Notes Receivable

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

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

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

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling \$365,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has funds set aside totaling \$374,185

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

to be used for retirement of these bonds. This amount is on deposit in the various special assessment debt retirement funds.

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2007, audited financial statements:

Total Assets	\$ 2,001,243
Total Liabilities	19,254
Investment in Capital Assets	1,720,548
Net Assets Invested in Capital Assets	1,720,548
Net Assets - Unrestricted	261,441
Total Revenues - Governmental and Business Type Activities	613,919
Total Expenses - Governmental and Business Type Activities	683,808
Change in Net Assets	(69,889)

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

Accounts Payable	\$ 13,627
Payroll Withholdings	3,250
Accrued Payroll	477
Customer Deposits	1,900

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

E. Statement of Cash Flows

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

F. Due from Other Governments

Amounts due from other governments consist of \$318,085 in state-shared revenues, undrawn grants and contributions from local units.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

G. Contingent Liabilities

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

H. Other Post Employment Benefits

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Plan Members	\$25/Month - Single \$50/Month - Family	\$25/Month - Single \$50/Month - Family
Annual required contribution	\$ 205,374	\$ 232,286
Interest on net OPEB obligation	2,663	12,464
Adjustment to annual required contribution	1,146	(15,662)
Annual OPEB cost	209,183	229,088
Contributions made	(279,175)	(263,843)
Increase in net OPEB obligation	(69,992)	(34,755)
Net OPEB obligation - Beginning of Year	(21,374)	275,815
Net OPEB obligation - End of Year	\$ (91,366)	\$ 241,060

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2008 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	6/30/2006	\$ 111,132	164.03%	\$ (19,526)
	6/30/2007	119,728	101.54%	(21,374)
	6/30/2008	209,183	133.46%	(91,366)
Policemen and Firemen Retiree	6/30/2006	191,664	86.81%	155,797
	6/30/2007	198,717	39.60%	275,815
	6/30/2008	229,088	115.17%	241,060

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Actuarial accrued liability (a)	\$ 1,963,259	\$ 2,634,900
Actuarial value of plan assets (b)	217,839	399,724
Unfunded actuarial accrued liability (funding excess) (a) - (b)	\$ 1,745,420	\$ 2,235,176
Funded ratio (b) / (a)	11.10%	15.17%
Covered payroll (c)	\$ 1,490,557	\$ 1,385,573
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b))/(c))	117.10%	161.32%

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

I. Employee Retirement Systems

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

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

Annual required contribuiton	\$ 558,831
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	\$ 558,831
Contributions made	558,831
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation beginning of year	0
Net pension obligation end of year	\$ 0

Three-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 469,725	100.0%	\$ 0
6/30/2007	556,555	100.0%	0
6/30/2008	558,831	100.0%	0

Funded Status and Funding Progress. As of June 30, 2007, the most recent actuarial valuation date, the plan was 66.0 percent funded. The actuarial accrued liability for benefits was \$10.0 million, and the actuarial value of assets was \$6.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.4 million, and the ratio of the UAAL to covered payroll was 226.7 percent.

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

Actuarial Methods and Assumptions. The annual required contribution for the current year was determined as part of the June 30, 2007, actuarial valuation using the entry-age normal cost valuation

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

method. The actuarial assumptions included (a) 7.00% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.00% to 5.50% per year. Both (a) and (b) included an inflation component of 4.00%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a period of 11 future years.

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

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 3.17% to 8.02% of annual covered payroll depending on division of employees. The contribution requirements of plan members and the City are established and may be amended by the MERS board of trustees.

Annual Pension Cost. For the year ended June 30, 2008, the annual pension cost of \$94,522 was equal to the City's required and actual contributions.

Three-Year Trend Information for MERS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 4,187	100.0%	\$ 0
6/30/2007	74,272	100.0%	0
6/30/2008	94,522	100.0%	0

Actuarial Methods and Assumptions. The required contribution was most recently determined as part of the December 31, 2007 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the plan was 105.7 percent funded. The actuarial accrued liability for benefits was \$10,848,000, and the actuarial value of assets was \$11,469,000, resulting in an excess funding of the actuarial accrued liability (UAAL) of \$621,000. The covered payroll (annual payroll of active employees covered by the plan) was \$2,444,000, and the ratio of the UAAL to the covered payroll was (25.41) percent.

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

J. Component Unit Disclosures

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

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

	LOCAL				
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTAL
Assets					
Current Assets	\$ 230,752	\$ 1,167	\$ 2,128,962	\$ 101,674	\$ 2,462,555
Capital Assets - Net	5,827	0	167,454	0	173,281
TOTAL ASSETS	\$ 236,579	\$ 1,167	\$ 2,296,416	\$ 101,674	\$ 2,635,836
Liabilities					
Current Liabilities	\$ 7,891	\$ 0	\$ 6,343	\$ 7,980	\$ 22,214
Compensated Absences	34,100	0	0	0	34,100
Total Liabilities	\$ 41,991	\$ 0	\$ 6,343	\$ 7,980	\$ 56,314

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Equity					
Invested in Capital Assets, Net of Related Debt	\$ 5,827	\$ 0	\$ 167,454	\$ 0	\$ 173,281
Net Assets	188,761	1,167	2,122,619	93,694	2,406,241
Total Equity	\$ 194,588	\$ 1,167	\$ 2,290,073	\$ 93,694	\$ 2,579,522
TOTAL LIABILITIES AND EQUITY	\$ 236,579	\$ 1,167	\$ 2,296,416	\$ 101,674	\$ 2,635,836

Statements of Changes in Net Assets

	LOCAL				TOTAL
	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	
Revenues	\$ 142,259	\$ 0	\$ 440,367	\$ 17,867	\$ 600,493
Expenditures					
Operating and Other	\$ 52,122	\$ 0	\$ 253,158	\$ 31,541	\$ 336,821
Intergovernmental	34,100	0	0	0	34,100
Total Expenditures	\$ 86,222	\$ 0	\$ 253,158	\$ 31,541	\$ 370,921
Change in Net Assets	\$ 56,037	\$ 0	\$ 187,209	\$ (13,674)	\$ 229,572
Equity - Beginning of Year	138,551	1,167	2,102,864	107,368	2,349,950
Equity - End of Year	\$ 194,588	\$ 1,167	\$ 2,290,073	\$ 93,694	\$ 2,579,522

K. Risk Management

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

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

On January 5, 1981, the City Council approved Resolution 81.8 which, as amended provides \$2,500 to \$5,500 of life insurance benefits for all employees who retired on or after April 1, 1968 under either the municipal employee's retirement system (MERS) or under Act 345. Currently, 52 retirees meet those

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

eligibility requirements. Expenditures for post-retirement life insurance benefits are recognized as claims are reported. During the year, the City incurred no post-retirement life insurance benefits. The City has \$199,366 set aside in the Self-Insurance Fund for future claims.

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$551,147 for aggregate plan benefits paid to all participants per year. This policy also provides group life insurance coverage for all active City employees. All fund types are charged premiums based on the number of employees they have.

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

	2008	2007
Unpaid Claims, Beginning of Year	\$ 30,322	\$ 56,245
Incurred Claims (Including IBNR's)	286,412	255,713
Claim Payments	(279,865)	(281,636)
Unpaid Claims, End of Year	\$ 36,869	\$ 30,322

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

L. Sale of Future Revenues

For several years, the City has sold its rights to delinquent real property tax revenues, delinquent special assessments and related late payment penalties to the Wexford County treasurer. For the 2007 tax roll, the City received a lump sum payment of \$134,235 for general operating tax revenues, \$26,948 for police and fire retirement tax revenues, \$2,968 for downtown development tax revenues, \$63,501 for various special assessment revenues, \$6,709 for administration fees, and \$22,686 for related late payment penalties. These amounts represent 100% of the present value of the delinquent real property tax revenues. In exchange for these payments, the county is allowed to keep the delinquent taxes collected plus the late payment penalties charged. If the county is ultimately unable to collect any of these delinquent taxes, the City will have to repay the county.

M. Prior Period Adjustment

During the current year, it was determined the OPEB obligation was previously calculated incorrectly because it did not reflect any adjustments to the annual required contribution. It also did not reflect the retiree health care costs that were paid by the City, which decreases the net OPEB obligation. To correct this error, the beginning net assets of the governmental activities of \$20,255,804, as originally reported, has been increased to \$20,460,551.

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

YEAR ENDED JUNE 30, 2008

	GENERAL FUND				MAJOR STREET FUND				LOCAL STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>REVENUES</u>												
Taxes	\$ 4,567,000	\$ 4,567,000	\$ 4,558,803	\$ (8,197)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,000	\$ 135,000	\$ 0	\$ (135,000)
Licenses and Permits	1,200	1,200	1,210	10	0	0	0	0	0	0	0	0
Federal Grants	0	25,000	24,253	(747)	425,000	425,000	447,230	22,230	800,000	800,000	690,341	(109,659)
State Grants	926,500	1,066,500	1,058,670	(7,830)	631,000	679,000	684,844	5,844	190,000	190,000	193,752	3,752
Contributions from Local Units	170,000	170,000	171,198	1,198	0	0	0	0	0	0	0	0
Charges for Services	1,082,700	1,082,700	1,048,711	(33,989)	0	0	0	0	0	0	0	0
Fines and Forfeits	31,000	31,000	29,083	(1,917)	0	0	0	0	0	0	0	0
Interest and Rents	62,000	97,000	113,265	16,265	5,000	5,000	1,160	(3,840)	0	0	4,187	4,187
Other Revenue	221,800	261,800	321,277	59,477	0	0	0	0	40,000	40,000	35,934	(4,066)
Total Revenues	\$ 7,062,200	\$ 7,302,200	\$ 7,326,470	\$ 24,270	\$ 1,061,000	\$ 1,109,000	\$ 1,133,234	\$ 24,234	\$ 1,165,000	\$ 1,165,000	\$ 924,214	\$ (240,786)
<u>EXPENDITURES</u>												
General Government	\$ 1,622,400	\$ 1,664,300	\$ 1,616,656	\$ 47,644	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	3,231,100	3,351,100	3,339,497	11,603	0	0	0	0	0	0	0	0
Public Works	908,400	899,200	866,248	32,952	1,110,100	1,158,100	1,197,550	(39,450)	1,725,500	1,765,800	1,419,619	346,181
Community and Economic Development	133,900	212,900	206,153	6,747	0	0	0	0	0	0	0	0
Culture and Recreation	188,300	193,800	205,612	(11,812)	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	0	0	8,510	(8,510)
Intergovernmental	340,400	361,200	358,137	3,063	0	0	0	0	0	0	0	0
Total Expenditures	\$ 6,424,500	\$ 6,682,500	\$ 6,592,303	\$ 90,197	\$ 1,110,100	\$ 1,158,100	\$ 1,197,550	\$ (39,450)	\$ 1,725,500	\$ 1,765,800	\$ 1,428,129	\$ 337,671
Excess (Deficiency) of Revenues Over Expenditures	\$ 637,700	\$ 619,700	\$ 734,167	\$ 114,467	\$ (49,100)	\$ (49,100)	\$ (64,316)	\$ (15,216)	\$ (560,500)	\$ (600,800)	\$ (503,915)	\$ 96,885
<u>OTHER FINANCING SOURCES (USES)</u>												
Transfers In	\$ 0	\$ 40,000	\$ 40,152	\$ 152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 579,600	\$ 647,000	\$ 576,400	\$ (70,600)
Transfers Out	(552,600)	(646,400)	(566,400)	80,000	(116,100)	(89,700)	(19,100)	70,600	(143,500)	(143,500)	(142,600)	900
Total Other Financing Sources (Uses)	\$ (552,600)	\$ (606,400)	\$ (526,248)	\$ 80,152	\$ (116,100)	\$ (89,700)	\$ (19,100)	\$ 70,600	\$ 436,100	\$ 503,500	\$ 433,800	\$ (69,700)
Net Change in Fund Balance	\$ 85,100	\$ 13,300	\$ 207,919	\$ 194,619	\$ (165,200)	\$ (138,800)	\$ (83,416)	\$ 55,384	\$ (124,400)	\$ (97,300)	\$ (70,115)	\$ 27,185
<u>FUND BALANCE - Beginning of Year</u>	<u>1,572,748</u>	<u>1,572,748</u>	<u>1,818,026</u>	<u>245,278</u>	<u>220,080</u>	<u>220,080</u>	<u>140,166</u>	<u>(79,914)</u>	<u>137,598</u>	<u>137,598</u>	<u>98,626</u>	<u>(38,972)</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,657,848</u>	<u>\$ 1,586,048</u>	<u>\$ 2,025,945</u>	<u>\$ 439,897</u>	<u>\$ 54,880</u>	<u>\$ 81,280</u>	<u>\$ 56,750</u>	<u>\$ (24,530)</u>	<u>\$ 13,198</u>	<u>\$ 40,298</u>	<u>\$ 28,511</u>	<u>\$ (11,787)</u>

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

General Health Care Plan

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

Policemen and Firemen Retiree Health Care

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

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

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

(Dollar amounts in thousands)

Policemen and Firemen Retirement System

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2005	6/30/2006	\$ 5,865	\$ 8,519	\$ 2,654	68.8%	\$ 1,446	183.54%
6/30/2006	6/30/2007	6,048	9,627	3,579	62.8%	1,437	249.06%
6/30/2007	6/30/2008	6,604	9,992	3,388	66.1%	1,483	228.46%

Municipal Employees Retirement System of Michigan

Actuarial Valuation Date	Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	6/30/2006	\$ 10,274	\$ 9,727	\$ (547)	105.6%	\$ 2,470	-22.15%
12/31/2006	6/30/2007	10,813	10,162	(651)	106.4%	2,561	-25.42%
12/31/2007	6/30/2008	11,469	10,848	(621)	105.7%	2,444	-25.41%

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

JUNE 30, 2008

I. Budgetary Information

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR STREET FUND

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

LOCAL STREET FUND

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

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 122,972	\$ 303,425
Investments	1,686,426	1,360,154
Receivables		
Taxes	999	9,062
Accounts	84,975	129,706
Note	68,106	99,259
Accrued Interest	11,824	11,899
Due from Other Funds	266,542	210,253
Due from Other Governments	144,320	190,944
Inventory, At Cost	2,297	5,790
Prepaid Expenditures	66,953	69,612
TOTAL ASSETS	<u>\$ 2,455,414</u>	<u>\$ 2,390,104</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 182,692	\$ 238,429
Accrued Expenditures	92,264	78,818
Due to Other Funds	64,953	11,442
Due to Other Governments	5,106	126,112
Deferred Revenue	84,454	117,277
Total Liabilities	<u>\$ 429,469</u>	<u>\$ 572,078</u>
<u>FUND BALANCE</u>		
Reserved for:		
Inventory	\$ 2,297	\$ 5,790
Prepaid Expenditures	66,953	69,612
Mayor Wedding Fees	350	0
Pistol Range	1,811	1,283
Antique Fire Truck	1,639	1,639
Veterans Memorial	1,855	1,855
Youth Services	844	844
Drug Forfeiture	7,910	2,921
Fire Safety House	2,250	2,250
Blackburn Skate Park	6,223	4,998
White Pine Trail	2,394	2,394
Diggins Hill Courts	31,435	0
Unreserved		
Designated for:		
Sick and Vacation	737,344	617,775
Working Capital	1,073,805	1,087,159
Police and Fire Retirement	88,835	0
Tax Tribunal	0	19,506
Total Fund Balance	<u>\$ 2,025,945</u>	<u>\$ 1,818,026</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,455,414</u>	<u>\$ 2,390,104</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$ 4,567,000	\$ 4,567,000	\$ 4,558,803	\$ 4,362,865
Licenses and Permits	1,200	1,200	1,210	1,730
Federal Grants	0	25,000	24,253	352,608
State Grants	926,500	1,066,500	1,058,670	1,087,073
Contributions from Local Units	170,000	170,000	171,198	189,612
Charges for Services	1,082,700	1,082,700	1,048,711	1,057,101
Fines and Forfeits	31,000	31,000	29,083	28,546
Interest and Rents	62,000	97,000	113,265	123,025
Other Revenue	221,800	261,800	321,277	300,295
Total Revenues	<u>\$ 7,062,200</u>	<u>\$ 7,302,200</u>	<u>\$ 7,326,470</u>	<u>\$ 7,502,855</u>
<u>EXPENDITURES</u>				
General Government	\$ 1,622,400	\$ 1,664,300	\$ 1,616,656	\$ 1,790,061
Public Safety	3,231,100	3,351,100	3,339,497	3,236,286
Public Works	908,400	899,200	866,248	766,708
Community and Economic Development	133,900	212,900	206,153	333,866
Culture and Recreation	188,300	193,800	205,612	408,434
Intergovernmental	340,400	361,200	358,137	367,672
Total Expenditures	<u>\$ 6,424,500</u>	<u>\$ 6,682,500</u>	<u>\$ 6,592,303</u>	<u>\$ 6,903,027</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 637,700</u>	<u>\$ 619,700</u>	<u>\$ 734,167</u>	<u>\$ 599,828</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Loan Proceeds	\$ 0	\$ 0	\$ 0	\$ 26,350
Transfers In	0	40,000	40,152	0
Transfers Out	(552,600)	(646,400)	(566,400)	(344,700)
Total Other Financing Sources (Uses)	<u>\$ (552,600)</u>	<u>\$ (606,400)</u>	<u>\$ (526,248)</u>	<u>\$ (318,350)</u>
Net Change in Fund Balance	\$ 85,100	\$ 13,300	\$ 207,919	\$ 281,478
<u>FUND BALANCE</u> - Beginning of Year	<u>1,572,748</u>	<u>1,572,748</u>	<u>1,818,026</u>	<u>1,536,548</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,657,848</u>	<u>\$ 1,586,048</u>	<u>\$ 2,025,945</u>	<u>\$ 1,818,026</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

<u>REVENUES</u>	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>Taxes</u>			
Property Tax	\$ 4,094,800	\$ 4,094,800	\$ 4,072,504
Industrial Facilities Tax	140,000	140,000	132,662
Property Tax Administration Fee	140,000	140,000	142,077
Trailer Park Fees	2,200	2,200	2,148
Penalties and Interest	45,000	45,000	49,395
Payments in Lieu of Tax			
Housing Commission	75,000	75,000	80,170
Community Antenna Television	70,000	70,000	79,847
	<hr/>	<hr/>	<hr/>
Total Taxes	\$ 4,567,000	\$ 4,567,000	\$ 4,558,803
	<hr/>	<hr/>	<hr/>
<u>Licenses and Permits</u>			
Business Licenses	\$ 1,200	\$ 1,200	\$ 1,210
	<hr/>	<hr/>	<hr/>
<u>Federal Grants</u>			
Highway Safety Grant	\$ 0	\$ 25,000	\$ 24,253
	<hr/>	<hr/>	<hr/>
<u>State Grants</u>			
Sales and Use Tax	\$ 880,000	\$ 1,020,000	\$ 1,013,830
Telecommunications Right of Way Maintenance	35,000	35,000	33,183
Liquor Licenses	8,000	8,000	8,036
MJTC Grant	3,500	3,500	3,621
	<hr/>	<hr/>	<hr/>
Total State Grants	\$ 926,500	\$ 1,066,500	\$ 1,058,670
	<hr/>	<hr/>	<hr/>
<u>Contributions from Local Units</u>			
Fire Protection	\$ 170,000	\$ 170,000	\$ 171,198
	<hr/>	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Charges for Services			
Northflight Ambulance	\$ 50,000	\$ 50,000	\$ 52,167
Zoning Fees	5,000	5,000	2,205
Exemption Certificate Fees	2,000	2,000	900
Police Charges	4,000	4,000	6,235
Rental Housing Ordinance Fees	5,000	5,000	6,260
Engineering Fees	10,500	10,500	17,458
Solid Waste Collection	636,200	636,200	593,814
Sale of Maps and Ordinances	0	0	595
Administration	368,600	368,600	368,600
Miscellaneous	1,400	1,400	477
	<hr/>	<hr/>	<hr/>
Total Charges for Services	\$ 1,082,700	\$ 1,082,700	\$ 1,048,711
	<hr/>	<hr/>	<hr/>
Fines and Forfeits			
Violation Bureau and Ordinance Fines	\$ 31,000	\$ 31,000	\$ 29,083
	<hr/>	<hr/>	<hr/>
Interest and Rents			
Interest	\$ 61,000	\$ 96,000	\$ 111,445
Land and Building Rental	1,000	1,000	1,820
	<hr/>	<hr/>	<hr/>
Total Interest and Rents	\$ 62,000	\$ 97,000	\$ 113,265
	<hr/>	<hr/>	<hr/>
Other Revenue			
Contributions and Donations from Private Sources	\$ 5,000	\$ 5,000	\$ 32,525
Reimbursements - Housing Commission	205,000	225,000	224,799
Sale of Property and Equipment	6,800	6,800	36,329
Miscellaneous (Refunds and Rebates)	5,000	25,000	27,624
	<hr/>	<hr/>	<hr/>
Total Other Revenue	\$ 221,800	\$ 261,800	\$ 321,277
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 7,062,200	\$ 7,302,200	\$ 7,326,470
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	\$ 0	\$ 40,000	\$ 40,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>GENERAL GOVERNMENT</u>			
Legislative			
Personal Services	\$ 15,000	\$ 15,000	\$ 14,943
Employee Benefits	2,100	2,100	1,170
Office Supplies	900	1,700	1,678
Contractual Services	1,200	2,700	2,240
Dues and Publications	9,200	9,200	7,320
Travel and Education	11,600	11,600	11,208
Ordinances and Proceedings	4,700	4,700	4,985
	<u>\$ 44,700</u>	<u>\$ 47,000</u>	<u>\$ 43,544</u>
City Manager			
Personal Services	\$ 128,000	\$ 128,000	\$ 128,930
Employee Benefits	31,700	37,300	32,819
Office Supplies	1,800	1,800	998
Postage	100	100	70
Data Processing	4,000	4,000	4,000
Dues and Publications	3,000	3,000	2,915
Telephone	1,400	1,400	721
Travel and Education	5,000	5,000	6,921
Vehicle Lease	4,600	5,600	5,646
	<u>\$ 179,600</u>	<u>\$ 186,200</u>	<u>\$ 183,020</u>
Assistant City Manager			
Personal Services	\$ 32,500	\$ 32,500	\$ 33,834
Employee Benefits	9,400	9,400	6,772
Office Supplies	2,700	2,700	3,395
Postage	700	700	1,317
Contractual Services	40,000	40,000	43,019
Data Processing	4,000	4,000	4,000
Dues and Publications	1,800	1,800	1,472
Telephone	1,200	1,200	764
Travel and Education	2,000	2,000	2,194
Suggestion Award Program	400	400	0
	<u>\$ 94,700</u>	<u>\$ 94,700</u>	<u>\$ 96,767</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Finance			
Personal Services	\$ 126,500	\$ 126,500	\$ 132,663
Employee Benefits	53,000	53,000	42,224
Office Supplies	14,000	14,000	18,061
Postage	5,500	5,500	1,801
Audit	11,000	11,000	14,300
Data Processing	18,500	18,500	18,500
Dues and Publications	7,500	7,500	2,700
Telephone	2,600	2,600	736
Travel and Education	9,300	9,300	6,516
	<u>\$ 247,900</u>	<u>\$ 247,900</u>	<u>\$ 237,501</u>
Assessor			
Postage	\$ 2,000	\$ 3,000	\$ 2,968
Contractual Services	10,000	10,000	14,135
Wexford County Contract	100,000	100,000	95,624
Data Processing	47,000	47,000	47,000
Board of Review	1,100	1,700	1,447
	<u>\$ 160,100</u>	<u>\$ 161,700</u>	<u>\$ 161,174</u>
City Clerk/Treasurer			
Personal Services	\$ 138,700	\$ 138,700	\$ 139,053
Employee Benefits	77,400	77,400	75,372
Office Supplies	2,500	2,500	597
Postage	6,600	6,600	7,750
Data Processing	40,000	40,000	40,000
Dues and Publications	600	600	612
Travel and Education	800	800	179
Bad Debt Expense	15,000	19,500	18,957
	<u>\$ 281,600</u>	<u>\$ 286,100</u>	<u>\$ 282,520</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Election			
Personal Services	\$ 4,800	\$ 4,800	\$ 3,518
Office Supplies	3,500	3,500	5,056
	\$ 8,300	\$ 8,300	\$ 8,574
Building and Grounds			
Personal Services	\$ 47,100	\$ 47,100	\$ 48,746
Employee Benefits	14,300	16,500	14,186
Operating Supplies	14,200	14,200	13,069
Contractual Services	19,300	25,400	12,479
Service and Lease Contracts	10,000	10,000	6,303
Insurance	90,800	90,800	96,822
Utilities	78,300	84,300	86,282
Repairs and Maintenance	15,000	16,500	18,532
Equipment Rental	8,000	8,000	6,000
Capital Outlay	18,000	18,000	17,305
Parking Lot	2,300	2,300	2,259
	\$ 317,300	\$ 333,100	\$ 321,983
Legal			
Office Supplies	\$ 1,600	\$ 1,600	\$ 329
Contractual Services	82,600	82,600	80,380
Travel and Education	1,200	1,200	300
	\$ 85,400	\$ 85,400	\$ 81,009
Engineer			
Personal Services	\$ 118,000	\$ 118,000	\$ 111,660
Employee Benefits	48,900	60,000	58,333
Office Supplies	3,500	3,500	2,636
Postage	200	200	69
Contractual Services	8,000	8,000	8,000
Data Processing	17,500	17,500	17,500
Dues and Publications	700	700	398
Telephone	700	700	398
Travel and Education	500	500	260
Equipment Rental	4,800	4,800	1,310
	\$ 202,800	\$ 213,900	\$ 200,564
Total General Government	\$ 1,622,400	\$ 1,664,300	\$ 1,616,656

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>PUBLIC SAFETY</u>			
Police Department			
Personal Services			
Supervisory	\$ 96,000	\$ 96,000	\$ 94,343
Regular	673,500	673,500	688,392
Staff	94,000	94,000	82,585
Crossing Guards	11,000	11,000	6,478
Volunteers	4,500	4,500	2,105
Summer Patrol	18,000	18,000	17,549
Overtime	55,000	65,000	73,328
Employee Benefits	736,400	772,400	785,456
Office Supplies	9,000	9,600	9,562
Operating Supplies	43,000	47,800	47,739
Community Service Supplies	1,500	1,500	707
Uniform Cleaning	9,500	9,500	8,811
Data Processing	55,000	55,000	55,000
Dues and Publications	2,000	2,800	2,768
Radio and Equipment Maintenance	4,000	4,000	3,459
Telephone	5,000	3,000	2,798
Travel and Education	32,600	30,100	30,038
Vehicle Repairs and Maintenance	23,500	22,000	21,597
Uniforms and Maintenance	11,500	15,100	15,025
Equipment Rental	23,500	21,100	21,055
Vehicle Lease	7,800	6,400	6,303
Copier Lease	3,700	3,700	3,224
Capital Outlay	53,100	78,100	77,175
	<u>\$ 1,973,100</u>	<u>\$ 2,044,100</u>	<u>\$ 2,055,497</u>
Fire Department			
Personal Services			
Supervisory	\$ 37,000	\$ 37,000	\$ 35,870
Regular	495,000	495,000	470,395
Staff	0	0	424
Volunteers	36,000	36,000	27,950
Overtime	71,000	110,000	114,341
Employee Benefits	504,900	514,900	520,331
Office Supplies	1,500	1,500	607
Operating Supplies	20,000	20,000	24,472
Community Service Supplies	1,700	1,700	1,376

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Uniform Cleaning	2,800	2,800	2,750
Subsistence Allowance	12,800	12,800	9,093
Data Processing	10,000	10,000	10,000
Dues and Publications	2,000	2,000	2,814
Radio and Equipment Maintenance	5,500	5,500	5,056
Telephone	1,200	1,200	1,196
Travel and Education	14,500	14,500	12,220
Vehicle Repairs and Maintenance	18,000	18,000	17,962
Uniforms and Maintenance	15,000	15,000	14,995
Vehicle Lease	3,900	3,900	4,128
Employee Safety	5,200	5,200	5,200
Capital Outlay	0	0	2,820
	<u>\$ 1,258,000</u>	<u>\$ 1,307,000</u>	<u>\$ 1,284,000</u>
Total Public Safety	<u>\$ 3,231,100</u>	<u>\$ 3,351,100</u>	<u>\$ 3,339,497</u>
 <u>PUBLIC WORKS</u>			
Miscellaneous			
Personal Services	\$ 4,300	\$ 6,800	\$ 7,110
Employee Benefits	2,400	3,600	4,974
Street Lighting	92,300	100,300	99,662
Maintenance of Dam	1,600	2,000	1,970
Equipment Rental	15,300	35,300	32,677
Hydrant Rental	23,200	23,200	23,200
Property Taxes	900	900	2,265
	<u>\$ 140,000</u>	<u>\$ 172,100</u>	<u>\$ 171,858</u>
Sidewalks and Alleys			
Personal Services	\$ 9,400	\$ 9,400	\$ 5,623
Employee Benefits	5,600	5,600	4,037
Operating Supplies	4,500	4,500	1,062
Equipment Rental	29,100	29,100	19,952
	<u>\$ 48,600</u>	<u>\$ 48,600</u>	<u>\$ 30,674</u>
Leaves			
Personal Services	\$ 5,900	\$ 6,400	\$ 5,931
Employee Benefits	3,400	5,100	4,949
Equipment Rental	36,800	43,300	43,033
	<u>\$ 46,100</u>	<u>\$ 54,800</u>	<u>\$ 53,913</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Grass and Weed Control			
Personal Services	\$ 6,900	\$ 6,900	\$ 5,800
Employee Benefits	4,000	4,000	3,761
Equipment Rental	33,300	18,300	18,444
	\$ 44,200	\$ 29,200	\$ 28,005
Composting			
Personal Services	\$ 40,000	\$ 5,000	\$ 4,675
Employee Benefits	2,700	2,700	2,593
Equipment Rental	2,400	2,400	2,577
	\$ 45,100	\$ 10,100	\$ 9,845
Waste Removal			
Removal Contract	\$ 580,000	\$ 580,000	\$ 567,252
County Landfill Fees	4,400	4,400	4,701
	\$ 584,400	\$ 584,400	\$ 571,953
Total Public Works	\$ 908,400	\$ 899,200	\$ 866,248

COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development			
Community Development	\$ 0	\$ 79,000	\$ 82,280
Planning and Zoning			
Personal Services	\$ 58,000	\$ 58,000	\$ 58,418
Employee Benefits	29,300	29,300	28,338
Office Supplies	3,000	3,000	2,307
Postage	500	500	527
Data Processing	4,000	4,000	4,000
Dues and Publications	500	500	195
Telephone	500	500	314
Travel and Education	500	500	190
	\$ 96,300	\$ 96,300	\$ 94,289
Community Promotions			
Personal Services	\$ 9,100	\$ 9,100	\$ 5,786
Employee Benefits	5,400	5,400	4,598
Operating Supplies	1,700	1,700	1,849
Newsletter	4,000	4,000	2,494

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Contractual Services	5,500	5,500	0
Utilities	1,500	1,500	5,507
Equipment Rental	9,400	9,400	7,734
Special Projects	0	0	616
Chamber of Commerce	1,000	1,000	1,000
	<u>\$ 37,600</u>	<u>\$ 37,600</u>	<u>\$ 29,584</u>
Total Community and Economic Development	<u>\$ 133,900</u>	<u>\$ 212,900</u>	<u>\$ 206,153</u>

CULTURE AND RECREATION

Arts Commission			
Contractual Services	\$ 10,500	\$ 10,500	\$ 10,500
Municipal Parks			
Personal Services	\$ 81,100	\$ 84,600	\$ 83,695
Employee Benefits	22,100	24,100	24,431
Operating Supplies	15,000	15,000	25,456
Contractual Services	2,200	2,200	2,671
Telephone	500	500	263
Travel and Education	200	200	0
Utilities	17,400	17,400	17,253
Repairs and Maintenance	17,000	17,000	22,172
Equipment Rental	16,200	16,200	11,401
Building Rental	1,100	1,100	1,500
Capital Outlay	5,000	5,000	6,270
	<u>\$ 177,800</u>	<u>\$ 183,300</u>	<u>\$ 195,112</u>
Total Culture and Recreation	<u>\$ 188,300</u>	<u>\$ 193,800</u>	<u>\$ 205,612</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008

	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
<u>INTERGOVERNMENTAL EXPENDITURES</u>			
Recreation			
Cadillac Community Schools Recreation Program	\$ 66,200	\$ 66,200	\$ 66,200
Wexford County Swimmers' Itch Control Program	35,000	35,000	32,801
Housing			
Cadillac Housing Commission	205,000	225,000	224,210
Airport			
Wexford County Airport Authority	33,000	33,000	33,000
Clam Lake Township	1,200	2,000	1,926
	<u>\$ 340,400</u>	<u>\$ 361,200</u>	<u>\$ 358,137</u>
Total Intergovernmental Expenditures			
	<u>\$ 340,400</u>	<u>\$ 361,200</u>	<u>\$ 358,137</u>
TOTAL EXPENDITURES	<u>\$ 6,424,500</u>	<u>\$ 6,682,500</u>	<u>\$ 6,592,303</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
Local Street Fund	\$ 472,600	\$ 566,400	\$ 566,400
Police and Fire Retirement Funding	80,000	80,000	0
	<u>\$ 552,600</u>	<u>\$ 646,400</u>	<u>\$ 566,400</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 4,598	\$ 1,633
Receivables		
Accounts	0	603
Due from Other Funds	0	50,329
Due from Other Governments	107,917	106,465
Prepaid Expenditures	1,605	1,332
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 114,120</u>	<u>\$ 160,362</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 14,694	\$ 116
Accrued Expenditures	4,917	3,968
Due to Other Funds	37,759	16,112
	<hr/>	<hr/>
Total Liabilities	<u>\$ 57,370</u>	<u>\$ 20,196</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 1,605	\$ 1,332
Unreserved		
Designated for Street Improvements	55,145	138,834
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 56,750</u>	<u>\$ 140,166</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 114,120</u>	<u>\$ 160,362</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
Community Development Block Grant	\$ 0	\$ 0	\$ 0	\$ 254,776
STP Grant	425,000	425,000	447,230	0
State Grants				
MDOT - Street Improvements	0	0	0	495,000
Motor Vehicle Highway Fund (Act 51)	515,000	515,000	519,896	525,708
State Trunkline Maintenance	116,000	164,000	164,948	119,001
Interest and Rents				
Interest	5,000	5,000	1,160	3,362
Other Revenue				
Contributions and Donations from Private Sources	0	0	0	603
 Total Revenues	 \$ 1,061,000	 \$ 1,109,000	 \$ 1,133,234	 \$ 1,398,450
<u>EXPENDITURES</u>				
Major Streets				
Construction - Streets	\$ 505,000	\$ 505,000	\$ 485,594	\$ 967,885
Surface Maintenance				
Personal Services	\$ 13,500	\$ 13,500	\$ 11,720	\$ 11,303
Employee Benefits	8,000	8,000	8,361	5,845
Materials	8,900	8,900	10,839	5,976
Equipment Rental	20,000	20,000	18,843	9,302
	<u>\$ 50,400</u>	<u>\$ 50,400</u>	<u>\$ 49,763</u>	<u>\$ 32,426</u>
Sweeping and Flushing				
Personal Services	\$ 3,700	\$ 3,700	\$ 3,377	\$ 3,053
Employee Benefits	2,100	2,100	2,208	1,531
Equipment Rental	28,800	28,800	24,639	18,761
	<u>\$ 34,600</u>	<u>\$ 34,600</u>	<u>\$ 30,224</u>	<u>\$ 23,345</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Forestry				
Personal Services	\$ 9,900	\$ 9,900	\$ 10,130	\$ 10,087
Employee Benefits	5,800	5,800	7,588	5,154
Materials	6,300	6,300	4,166	3,013
Contractual Services	4,800	4,800	3,520	1,477
Travel and Education	900	900	601	200
Repairs and Maintenance	300	300	0	0
Equipment Rental	22,200	22,200	24,255	15,105
	<u>\$ 50,200</u>	<u>\$ 50,200</u>	<u>\$ 50,260</u>	<u>\$ 35,036</u>
Catch Basins				
Personal Services	\$ 4,900	\$ 4,900	\$ 6,611	\$ 3,431
Employee Benefits	2,900	2,900	4,689	1,262
Materials	1,300	1,300	305	1,632
Contractual Services	3,000	3,000	0	2,145
Equipment Rental	11,000	11,000	21,679	7,920
	<u>\$ 23,100</u>	<u>\$ 23,100</u>	<u>\$ 33,284</u>	<u>\$ 16,390</u>
Drainage				
Personal Services	\$ 5,400	\$ 5,400	\$ 4,531	\$ 6,363
Employee Benefits	3,100	3,100	3,348	3,454
Materials	100	100	80	349
Equipment Rental	2,500	2,500	4,961	2,564
	<u>\$ 11,100</u>	<u>\$ 11,100</u>	<u>\$ 12,920</u>	<u>\$ 12,730</u>
Traffic Services				
Personal Services	\$ 12,900	\$ 12,900	\$ 16,700	\$ 12,038
Employee Benefits	7,400	7,400	13,350	6,050
Materials	18,500	18,500	16,509	13,907
Contractual Services	23,000	23,000	9,137	13,698
Equipment Rental	12,400	12,400	15,357	5,585
	<u>\$ 74,200</u>	<u>\$ 74,200</u>	<u>\$ 71,053</u>	<u>\$ 51,278</u>
Winter Maintenance				
Personal Services	\$ 18,900	\$ 18,900	\$ 27,813	\$ 22,488
Employee Benefits	11,000	11,000	23,194	10,758
Materials	12,400	12,400	17,582	13,514
Equipment Rental	68,100	68,100	108,438	62,523
	<u>\$ 110,400</u>	<u>\$ 110,400</u>	<u>\$ 177,027</u>	<u>\$ 109,283</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	BUDGET		2008	2007
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Administration				
Personal Services	\$ 46,000	\$ 46,000	\$ 46,994	\$ 45,586
Employee Benefits	20,100	20,100	19,417	14,444
Audit	1,900	1,900	2,000	1,800
Data Processing	17,500	17,500	17,500	17,000
Travel and Education	700	700	0	1,435
Equipment Rental	7,500	7,500	6,208	6,568
Administrative	41,400	41,400	41,400	35,000
	<u>\$ 135,100</u>	<u>\$ 135,100</u>	<u>\$ 133,519</u>	<u>\$ 121,833</u>
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	\$ 2,200	\$ 5,500	\$ 4,849	\$ 2,839
Employee Benefits	1,300	4,300	4,055	1,442
Materials	1,700	3,500	3,004	1,330
Equipment Rental	3,200	8,500	7,885	4,393
	<u>\$ 8,400</u>	<u>\$ 21,800</u>	<u>\$ 19,793</u>	<u>\$ 10,004</u>
Sweeping and Flushing				
Personal Services	\$ 600	\$ 600	\$ 938	\$ 496
Employee Benefits	400	400	697	323
Equipment Rental	3,400	3,400	4,289	2,411
	<u>\$ 4,400</u>	<u>\$ 4,400</u>	<u>\$ 5,924</u>	<u>\$ 3,230</u>
Traffic Signals				
Utilities	\$ 6,400	\$ 7,400	\$ 7,415	\$ 7,634
Trees and Shrubs				
Personal Services	\$ 1,000	\$ 1,000	\$ 104	\$ 0
Employee Benefits	600	600	85	0
Equipment Rental	1,800	1,800	50	0
	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 239</u>	<u>\$ 0</u>
Drainage				
Personal Services	\$ 4,100	\$ 4,100	\$ 931	\$ 855
Employee Benefits	2,400	2,400	749	456
Materials	500	500	0	0
Equipment Rental	0	2,500	2,572	345
Contractual Services	800	800	0	0
	<u>\$ 7,800</u>	<u>\$ 10,300</u>	<u>\$ 4,252</u>	<u>\$ 1,656</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Winter Maintenance				
Personal Services	\$ 14,000	\$ 17,500	\$ 17,277	\$ 14,577
Employee Benefits	8,300	14,200	14,426	6,992
Materials	14,100	19,500	19,784	16,491
Equipment Rental	35,700	42,500	41,787	30,471
	<u>\$ 72,100</u>	<u>\$ 93,700</u>	<u>\$ 93,274</u>	<u>\$ 68,531</u>
Snow Hauling				
Personal Services	\$ 3,400	\$ 5,500	\$ 5,403	\$ 2,316
Employee Benefits	2,000	4,400	4,510	1,105
Equipment Rental	8,100	13,100	13,096	5,382
	<u>\$ 13,500</u>	<u>\$ 23,000</u>	<u>\$ 23,009</u>	<u>\$ 8,803</u>
 Total Expenditures	 <u>\$ 1,110,100</u>	 <u>\$ 1,158,100</u>	 <u>\$ 1,197,550</u>	 <u>\$ 1,470,064</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (49,100)</u>	 <u>\$ (49,100)</u>	 <u>\$ (64,316)</u>	 <u>\$ (71,614)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
Local Street Fund	\$ (97,000)	\$ (70,600)	\$ 0	\$ (97,000)
2004 Capital Improvement Bonds Debt Retirement Fund	(19,100)	(19,100)	(19,100)	(18,600)
	<u>\$ (116,100)</u>	<u>\$ (89,700)</u>	<u>\$ (19,100)</u>	<u>\$ (115,600)</u>
 Net Other Financing Sources (Uses)	 <u>\$ (116,100)</u>	 <u>\$ (89,700)</u>	 <u>\$ (19,100)</u>	 <u>\$ (115,600)</u>
 Net Change in Fund Balance	 <u>\$ (165,200)</u>	 <u>\$ (138,800)</u>	 <u>\$ (83,416)</u>	 <u>\$ (187,214)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>220,080</u>	 <u>220,080</u>	 <u>140,166</u>	 <u>327,380</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 54,880</u>	 <u>\$ 81,280</u>	 <u>\$ 56,750</u>	 <u>\$ 140,166</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 60,778	\$ 62,786
Receivables		
Accounts	35,934	4,032
Due from Other Funds	0	12,495
Due from Other Governments	31,748	43,955
Prepaid Expenditures	1,479	1,228
	<u>\$ 129,939</u>	<u>\$ 124,496</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 653	\$ 348
Accrued Expenditures	7,175	5,016
Due to Other Funds	93,600	20,506
	<u>\$ 101,428</u>	<u>\$ 25,870</u>
 <u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 1,479	\$ 1,228
Unreserved		
Designated for Street Improvements	27,032	97,398
	<u>\$ 28,511</u>	<u>\$ 98,626</u>
	<u>\$ 129,939</u>	<u>\$ 124,496</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
Community Development Block Grant	\$ 800,000	\$ 800,000	\$ 690,341	\$ 11,608
State Grants				
Motor Vehicle Highway Fund (Act 51)	190,000	190,000	193,752	196,996
Taxes and Special Assessments				
Special Assessments	135,000	135,000	0	0
Interest and Rents				
Interest	0	0	4,187	7,716
Other Revenue				
Contributions and Dontations from Private Sources	40,000	40,000	35,934	4,032
Total Revenues	<u>\$ 1,165,000</u>	<u>\$ 1,165,000</u>	<u>\$ 924,214</u>	<u>\$ 220,352</u>
<u>EXPENDITURES</u>				
Street Construction				
Contractual Services	\$ 1,171,500	\$ 1,171,500	\$ 897,550	\$ 69,159
Surface Maintenance				
Personal Services	\$ 16,400	\$ 16,400	\$ 14,905	\$ 16,708
Employee Benefits	9,700	9,700	10,825	8,860
Materials	10,700	10,700	13,912	12,343
Equipment Rental	27,700	27,700	26,340	23,861
	<u>\$ 64,500</u>	<u>\$ 64,500</u>	<u>\$ 65,982</u>	<u>\$ 61,772</u>
Sweeping and Flushing				
Personal Services	\$ 6,200	\$ 6,200	\$ 5,937	\$ 7,666
Employee Benefits	3,600	3,600	4,170	3,797
Equipment Rental	60,500	60,500	42,461	42,950
	<u>\$ 70,300</u>	<u>\$ 70,300</u>	<u>\$ 52,568</u>	<u>\$ 54,413</u>
Forestry				
Personal Services	\$ 26,100	\$ 26,100	\$ 16,417	\$ 20,602
Employee Benefits	15,300	15,300	11,702	10,327
Materials	8,300	8,300	6,088	6,889
Contractual Services	4,800	4,800	3,520	1,477
Equipment Rental	45,800	45,800	37,092	33,317
	<u>\$ 100,300</u>	<u>\$ 100,300</u>	<u>\$ 74,819</u>	<u>\$ 72,612</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Catch Basins				
Personal Services	\$ 11,500	\$ 11,500	\$ 12,644	\$ 14,300
Employee Benefits	6,500	6,500	8,964	3,915
Materials	400	400	0	236
Contractual Services	5,000	5,000	3,407	507
Utilities	600	600	411	600
Equipment Rental	34,600	34,600	23,845	15,117
	<u>\$ 58,600</u>	<u>\$ 58,600</u>	<u>\$ 49,271</u>	<u>\$ 34,675</u>
Drainage				
Personal Services	\$ 7,700	\$ 7,700	\$ 4,783	\$ 7,498
Employee Benefits	4,500	4,500	3,269	4,023
Materials	300	300	0	0
Equipment Rental	4,500	4,500	4,171	3,303
	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 12,223</u>	<u>\$ 14,824</u>
Traffic Services				
Personal Services	\$ 11,900	\$ 11,900	\$ 5,448	\$ 5,788
Employee Benefits	6,800	6,800	4,397	3,477
Materials	5,600	5,600	1,933	1,579
Contractual Services	500	500	0	0
Equipment Rental	5,000	5,000	4,536	3,416
	<u>\$ 29,800</u>	<u>\$ 29,800</u>	<u>\$ 16,314</u>	<u>\$ 14,260</u>
Winter Maintenance				
Personal Services	\$ 15,300	\$ 21,000	\$ 20,162	\$ 13,808
Employee Benefits	9,000	17,000	16,787	6,633
Materials	8,400	12,000	11,525	7,677
Equipment Rental	60,000	83,000	82,585	40,942
	<u>\$ 92,700</u>	<u>\$ 133,000</u>	<u>\$ 131,059</u>	<u>\$ 69,060</u>
Administration				
Personal Services	\$ 41,200	\$ 41,200	\$ 42,080	\$ 40,819
Employee Benefits	17,600	17,600	17,045	12,610
Audit	1,800	1,800	1,800	1,650
Data Processing	14,500	14,500	14,500	14,000
Equipment Rental	7,500	7,500	6,208	6,552
Administrative	38,200	38,200	38,200	30,200
	<u>\$ 120,800</u>	<u>\$ 120,800</u>	<u>\$ 119,833</u>	<u>\$ 105,831</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>BUDGET</u>		<u>2008</u>	<u>2007</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Debt Service				
Principal	\$ 0	\$ 0	\$ 0	\$ 26,111
Interest	0	0	8,510	4,902
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,510</u>	<u>\$ 31,013</u>
 Total Expenditures	 <u>\$ 1,725,500</u>	 <u>\$ 1,765,800</u>	 <u>\$ 1,428,129</u>	 <u>\$ 527,619</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (560,500)</u>	 <u>\$ (600,800)</u>	 <u>\$ (503,915)</u>	 <u>\$ (307,267)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
General Fund	472,600	566,400	566,400	344,300
Major Street Fund	97,000	70,600	0	97,000
Capital Projects Trust Fund	10,000	10,000	10,000	0
1997 Michigan Transportation Fund Debt Retirement Fund	(17,300)	(17,300)	(17,300)	(17,200)
1996 Michigan Transportation Fund Debt Retirement Fund	(25,400)	(25,400)	(25,400)	(26,000)
2000 Michigan Transportation Fund Debt Retirement Fund	(33,300)	(33,300)	(32,400)	(33,305)
2004 Capital Improvement Bonds Debt Retirement Fund	(67,500)	(67,500)	(67,500)	(69,300)
	<u>\$ 436,100</u>	<u>\$ 503,500</u>	<u>\$ 433,800</u>	<u>\$ 295,495</u>
 Net Other Financing Sources (Uses)	 <u>\$ 436,100</u>	 <u>\$ 503,500</u>	 <u>\$ 433,800</u>	 <u>\$ 295,495</u>
 Net Change In Fund Balance	 <u>\$ (124,400)</u>	 <u>\$ (97,300)</u>	 <u>\$ (70,115)</u>	 <u>\$ (11,772)</u>
 <u>FUND BALANCE - Beginning of Year</u>	 <u>137,598</u>	 <u>137,598</u>	 <u>98,626</u>	 <u>110,398</u>
 <u>FUND BALANCE - End of Year</u>	 <u>\$ 13,198</u>	 <u>\$ 40,298</u>	 <u>\$ 28,511</u>	 <u>\$ 98,626</u>

MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

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

BUILDING AUTHORITY OPERATING FUND

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

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 70,694	\$ 373,472
Investments	2,256,156	1,560,317
Receivables		
Accounts	396,679	330,969
Unbilled Services	274,734	260,894
Accrued Interest	26,959	31,532
Cylinder Deposits	10,500	10,500
Due from Other Funds	1,970	5,492
Inventory, At Cost	204,667	210,636
Prepaid Expense	21,953	17,682
	<hr/>	<hr/>
Total Current Assets	\$ 3,264,312	\$ 2,801,494
	<hr/>	<hr/>
<u>NONCURRENT ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Investments		
Bond Reserve Account	\$ 1,041,996	\$ 1,365,599
Bond Replacement Account	447,601	433,474
	<hr/>	<hr/>
Total Restricted Assets	\$ 1,489,597	\$ 1,799,073
	<hr/>	<hr/>
<u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 150,625	\$ 142,828
Buildings	930,747	930,747
Improvements Other than Buildings	28,227,171	28,036,470
Machinery and Equipment	1,189,822	1,155,634
Construction Work in Progress	2,760,466	452,604
	<hr/>	<hr/>
	\$ 33,258,831	\$ 30,718,283
Less Accumulated Depreciation	14,052,923	13,247,139
Net Capital Assets	<hr/>	<hr/>
	\$ 19,205,908	\$ 17,471,144
	<hr/>	<hr/>
<u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	\$ 59,568	\$ 71,183
	<hr/>	<hr/>
Total Noncurrent Assets	\$ 20,755,073	\$ 19,341,400
	<hr/>	<hr/>
TOTAL ASSETS	\$ 24,019,385	\$ 22,142,894
	<hr/>	<hr/>

	<u>2008</u>	<u>2007</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 1,056,268	\$ 107,212
Accrued Interest	105,934	112,641
Other Accrued Expenses	163,826	199,618
Due to Other Funds	0	22,534
Utility Deposits	3,150	2,850
Current Portion of Revenue Bonds	410,000	385,000
	<hr/>	
Total Current Liabilities	\$ 1,739,178	\$ 829,855
	<hr/>	
<u>LONG-TERM LIABILITIES</u>		
2007 Wastewater System Junior Lien Revenue Bonds	\$ 1,311,479	\$ 0
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	1,060,998	1,361,773
2001 Revenue Bonds (Net of Deferred Refunding Amount)	5,000,353	5,096,045
	<hr/>	
Total Long-Term Liabilities	\$ 7,372,830	\$ 6,457,818
	<hr/>	
TOTAL LIABILITIES	\$ 9,112,008	\$ 7,287,673
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 11,423,078	\$ 10,628,326
Unrestricted	1,489,597	1,799,073
	1,994,702	2,427,822
	<hr/>	
TOTAL NET ASSETS	\$ 14,907,377	\$ 14,855,221
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

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

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Sewer Charges to Customers	\$ 2,074,773	\$ 1,974,631
Water Charges to Customers	1,133,165	1,057,747
Fire Protection	94,563	93,307
Hydrant Rental	13,492	9,458
Sales of Services and Materials	455,419	599,674
	<hr/>	<hr/>
Total Operating Revenues	\$ 3,771,412	\$ 3,734,817
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 861,668	\$ 778,690
Contractual Services	514,481	471,446
Supplies	352,857	371,245
Heat, Light and Power	338,715	341,851
Depreciation and Amortization	820,864	814,055
Employee Benefits	391,015	338,656
Administrative	203,800	212,300
	<hr/>	<hr/>
Total Operating Expenses	\$ 3,483,400	\$ 3,328,243
Operating Income	<hr/>	<hr/>
	\$ 288,012	\$ 406,574
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 97,473	\$ 150,640
Interest and Fiscal Charges	(333,329)	(355,436)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ (235,856)	\$ (204,796)
Income (Loss) Before Contributions	<hr/>	<hr/>
	\$ 52,156	\$ 201,778
<u>CAPITAL CONTRIBUTIONS</u>		
State Revolving Fund Grant	\$ 0	\$ 394,990
Community Development Block Program Grant	0	15,104
	<hr/>	<hr/>
Total Capital Contributions	\$ 0	\$ 410,094
Change in Net Assets	<hr/>	<hr/>
	\$ 52,156	\$ 611,872
<u>TOTAL NET ASSETS</u> - Beginning of Year	<hr/>	<hr/>
	14,855,221	14,243,349
<u>TOTAL NET ASSETS</u> - End of Year	<hr/> <hr/>	<hr/> <hr/>
	\$ 14,907,377	\$ 14,855,221

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2008	2007
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,695,384	\$ 3,828,160
Cash Payments to Suppliers for Goods and Services	(481,333)	(1,368,669)
Cash Payments to Employees for Services	(1,288,475)	(1,097,978)
	\$ 1,925,576	\$ 1,361,513
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (2,540,548)	\$ (586,962)
Loan Proceeds	1,311,479	0
Grant Proceeds	0	410,094
Principal Paid	(385,000)	(365,000)
Interest Paid	(329,969)	(348,729)
	\$ (1,944,038)	\$ (890,597)
Cash Flows from Investing Activities:		
Interest Received	\$ 102,046	\$ 143,833
Purchase of Investment Securities	(426,654)	(489,698)
Proceeds from Sale and Maturities of Investment Securities	40,292	122,964
	\$ (284,316)	\$ (222,901)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (302,778)	\$ 248,015
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	373,472	125,457
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 70,694	\$ 373,472

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
 <u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 288,012	\$ 406,574
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities		
Depreciation and Amortization	\$ 820,864	\$ 814,055
(Increase) Decrease in Current Assets		
Accounts Receivable	(79,550)	91,003
Due from Other Funds	3,522	2,340
Inventory	5,969	(17,287)
Prepaid Expense	(4,271)	35,052
Increase (Decrease) in Current Liabilities		
Accounts Payable	949,056	34,793
Other Accrued Expenses	(35,792)	19,368
Due to Other Funds	(22,534)	(23,766)
Due to Other Governments	0	(1,199)
Utility Deposits	300	580
Total Adjustments	<u>\$ 1,637,564</u>	<u>\$ 954,939</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u><u>\$ 1,925,576</u></u>	 <u><u>\$ 1,361,513</u></u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>ADMINISTRATIVE</u>			
Personal Services	\$ 363,700	\$ 410,775	\$ 360,999
Employee Benefits	171,100	188,366	182,331
Office Supplies	8,400	14,154	9,200
Postage	17,500	20,711	19,684
Safety Supplies	4,800	2,038	4,018
Property Taxes	7,500	7,553	7,087
Contractual Services	61,000	71,088	69,063
Engineering Fees	18,500	18,704	11,662
Legal Fees	5,000	0	33
Audit	5,000	5,100	4,800
State Mandated Fees	18,500	15,025	22,340
Data Processing	54,000	54,000	50,000
Bad Debt Expenses	1,000	0	0
Insurance	38,000	36,986	38,323
Dues and Publications	2,400	1,743	1,903
Repairs and Maintenance	500	458	364
Telephone	4,500	8,004	4,962
Alarm System	4,400	4,621	3,847
Travel and Education	10,000	12,117	9,853
Employee Safety	2,100	2,100	1,200
Public Relations	1,000	1,019	1,145
Grant Match	43,900	0	0
Administration	203,800	203,800	212,300
	<u>\$ 1,046,600</u>	<u>\$ 1,078,362</u>	<u>\$ 1,015,114</u>
<u>BUILDINGS AND WATER TANK</u>			
Personal Services	\$ 6,500	\$ 6,325	\$ 5,600
Employee Benefits	1,800	845	555
Operating Supplies	15,400	15,363	16,343
Repairs and Maintenance	2,000	518	3,404
	<u>\$ 25,700</u>	<u>\$ 23,051</u>	<u>\$ 25,902</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>GENERAL STREET EXPENSE</u>			
Personal Services	\$ 1,000	\$ 223	\$ 441
Employee Benefits	700	112	240
Operating Supplies	4,000	6,931	4,868
Contractual Services	17,500	24,346	9,987
	<u>\$ 23,200</u>	<u>\$ 31,612</u>	<u>\$ 15,536</u>
<u>METER READING AND COLLECTION</u>			
Personal Services	\$ 8,200	\$ 11,313	\$ 5,641
Employee Benefits	6,000	4,940	1,867
Operating Supplies	300	0	0
	<u>\$ 14,500</u>	<u>\$ 16,253</u>	<u>\$ 7,508</u>
<u>CUSTOMER SERVICES</u>			
Personal Services	\$ 22,200	\$ 22,133	\$ 6,356
Employee Benefits	10,800	9,925	2,816
	<u>\$ 33,000</u>	<u>\$ 32,058</u>	<u>\$ 9,172</u>
<u>PUMPING STATION</u>			
Personal Services	\$ 1,600	\$ 1,561	\$ 3,428
Employee Benefits	1,500	664	1,453
Operating Supplies	8,500	8,708	9,065
Chemicals	26,400	24,690	24,421
Laboratory Control	21,500	20,676	21,711
Utilities	116,500	125,208	118,321
Repairs and Maintenance	3,500	8,133	2,747
	<u>\$ 179,500</u>	<u>\$ 189,640</u>	<u>\$ 181,146</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>MAINTENANCE - MAINS AND HYDRANTS</u>			
Personal Services	\$ 54,900	\$ 55,982	\$ 60,617
Employee Benefits	29,600	26,183	25,105
Operating Supplies	17,500	17,338	18,512
Contractual Services	9,000	8,920	4,942
	<u>\$ 111,000</u>	<u>\$ 108,423</u>	<u>\$ 109,176</u>
<u>MAINTENANCE - SERVICE CONNECTIONS</u>			
Personal Services	\$ 2,100	\$ 2,047	\$ 2,115
Employee Benefits	1,600	677	507
Operating Supplies	2,300	2,216	2,849
Repairs and Maintenance	0	0	998
	<u>\$ 6,000</u>	<u>\$ 4,940</u>	<u>\$ 6,469</u>
<u>METER - OPERATIONS</u>			
Personal Services	\$ 51,500	\$ 51,251	\$ 61,377
Employee Benefits	28,500	28,055	26,483
Operating Supplies	28,100	28,024	34,725
	<u>\$ 108,100</u>	<u>\$ 107,330</u>	<u>\$ 122,585</u>
<u>WELLS AND WELL FIELDS</u>			
Personal Services	\$ 1,000	\$ 1,309	\$ 1,889
Employee Benefits	1,400	358	378
Operating Supplies	9,100	4,785	3,372
Contractual Services	24,500	24,422	33,891
Repairs and Maintenance	18,500	28,814	22,111
	<u>\$ 54,500</u>	<u>\$ 59,688</u>	<u>\$ 61,641</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>NEW SERVICES</u>			
Personal Services	\$ 800	\$ 763	\$ 1,302
Employee Benefits	900	400	516
Operating Supplies	18,100	18,052	24,174
Contractual Services	1,000	922	1,350
	<u>\$ 20,800</u>	<u>\$ 20,137</u>	<u>\$ 27,342</u>
<u>PRELIMINARY TREATMENT</u>			
Personal Services	\$ 9,400	\$ 10,196	\$ 11,890
Employee Benefits	4,700	5,192	5,178
Operating Supplies	800	342	500
Utilities	10,000	12,559	1,967
Repairs and Maintenance	400	364	2,833
	<u>\$ 25,300</u>	<u>\$ 28,653</u>	<u>\$ 22,368</u>
<u>PRIMARY TREATMENT</u>			
Personal Services	\$ 9,600	\$ 9,519	\$ 10,054
Employee Benefits	5,500	5,008	4,344
Operating Supplies	500	151	0
Repairs and Maintenance	500	361	2,658
	<u>\$ 16,100</u>	<u>\$ 15,039</u>	<u>\$ 17,056</u>
<u>SECONDARY TREATMENT</u>			
Personal Services	\$ 11,400	\$ 11,146	\$ 11,850
Employee Benefits	6,500	5,839	4,448
Operating Supplies	1,200	1,130	12
Utilities	46,000	47,985	49,180
Repairs and Maintenance	7,900	7,900	1,627
	<u>\$ 73,000</u>	<u>\$ 74,000</u>	<u>\$ 67,117</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>TERTIARY TREATMENT</u>			
Personal Services	\$ 7,800	\$ 7,456	\$ 10,720
Employee Benefits	5,300	3,882	3,727
Operating Supplies	500	473	10,617
Utilities	28,500	30,629	22,623
Repairs and Maintenance	5,100	5,034	10,636
	<u>\$ 47,200</u>	<u>\$ 47,474</u>	<u>\$ 58,323</u>
<u>SLUDGE TREATMENT AND DISPOSAL</u>			
Personal Services	\$ 21,600	\$ 21,499	\$ 21,036
Employee Benefits	11,900	10,402	9,170
Operating Supplies	1,700	1,292	1,297
Laboratory Control	5,500	4,666	3,735
Injection Contract Costs	42,100	58,332	55,667
Utilities	18,100	49,506	9,836
Repairs and Maintenance	9,600	9,560	8,500
	<u>\$ 110,500</u>	<u>\$ 155,257</u>	<u>\$ 109,241</u>
<u>NUTRIENT REMOVAL</u>			
Personal Services	\$ 5,700	\$ 5,699	\$ 5,206
Employee Benefits	3,800	3,028	2,386
Operating Supplies	1,500	292	429
Chemicals	32,500	35,259	41,257
Repairs and Maintenance	3,300	3,285	6,467
	<u>\$ 46,800</u>	<u>\$ 47,563</u>	<u>\$ 55,745</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>EFFLUENT DISPOSAL</u>			
Personal Services	\$ 10,200	\$ 10,111	\$ 9,309
Employee Benefits	5,100	4,706	4,008
Operating Supplies	9,000	8,925	1,389
Plant Lab Supplies	6,500	6,198	6,522
Chemicals	4,400	4,329	0
Laboratory Control	10,500	6,610	12,067
Utilities	9,500	10,609	9,434
Repairs and Maintenance	5,400	6,025	7,329
	<u>\$ 60,600</u>	<u>\$ 57,513</u>	<u>\$ 50,058</u>
<u>INDUSTRIAL SURVEILLANCE</u>			
Personal Services	\$ 9,200	\$ 9,036	\$ 8,069
Employee Benefits	4,500	3,544	2,948
Operating Supplies	1,300	1,262	677
Laboratory Control	2,000	1,955	1,755
Repairs and Maintenance	300	502	728
	<u>\$ 17,300</u>	<u>\$ 16,299</u>	<u>\$ 14,177</u>
<u>BUILDINGS AND GROUNDS</u>			
Personal Services	\$ 79,400	\$ 82,390	\$ 63,175
Employee Benefits	38,400	35,461	22,292
Operating Supplies	23,500	28,281	36,337
Utilities	17,900	17,913	66,130
Repairs and Maintenance	20,500	28,016	23,237
	<u>\$ 179,700</u>	<u>\$ 192,061</u>	<u>\$ 211,171</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>SANITARY SEWERS</u>			
Personal Services	\$ 36,000	\$ 35,965	\$ 34,131
Employee Benefits	20,900	21,067	12,659
Operating Supplies	15,200	15,147	10,273
Contractual Services	5,300	5,177	4,674
Repairs and Maintenance	0	0	675
	<u>\$ 77,400</u>	<u>\$ 77,356</u>	<u>\$ 62,412</u>
<u>LIFT STATIONS</u>			
Personal Services	\$ 17,200	\$ 17,061	\$ 13,990
Employee Benefits	9,000	7,421	5,619
Operating Supplies	4,500	5,157	6,245
Disposal Fees	2,000	1,589	1,100
Utilities	31,700	31,681	55,551
Repairs and Maintenance	22,300	28,492	19,244
	<u>\$ 86,700</u>	<u>\$ 91,401</u>	<u>\$ 101,749</u>
<u>VEHICLES - WATER</u>			
Personal Services	\$ 1,200	\$ 1,005	\$ 1,142
Employee Benefits	800	403	258
Operating Supplies	400	402	626
Fuel and Oil	10,500	10,440	4,647
Repairs and Maintenance	5,800	2,358	4,285
	<u>\$ 18,700</u>	<u>\$ 14,608</u>	<u>\$ 10,958</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>VEHICLES - DISTRIBUTION</u>			
Operating Supplies	\$ 1,700	\$ 1,588	\$ 986
Fuel and Oil	18,600	18,563	17,129
Repairs and Maintenance	20,800	20,741	14,659
	<u>\$ 41,100</u>	<u>\$ 40,892</u>	<u>\$ 32,774</u>
<u>LABORATORY</u>			
Personal Services	\$ 74,900	\$ 76,903	\$ 68,353
Employee Benefits	25,000	24,537	19,368
Operating Supplies	16,900	16,709	21,803
Repairs and Maintenance	12,600	11,372	7,154
Equipment Rental	1,000	682	562
Research and Development	1,800	2,723	2,208
	<u>\$ 132,200</u>	<u>\$ 132,926</u>	<u>\$ 119,448</u>
<u>OTHER EXPENSE</u>			
Depreciation and Amortization	\$ 820,000	\$ 820,864	\$ 814,055
TOTAL OPERATING EXPENSES	<u><u>\$ 3,375,500</u></u>	<u><u>\$ 3,483,400</u></u>	<u><u>\$ 3,328,243</u></u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 25,034	\$ 26,601
Investments	96,050	43,266
Receivables		
Interest	69	919
Due from Other Governments	0	48,968
Prepaid Expense	0	162
	<hr/>	<hr/>
Total Current Assets	\$ 121,153	\$ 119,916
 <u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 90,445	\$ 90,445
Buildings	1,718,511	1,718,511
	<hr/>	<hr/>
	\$ 1,808,956	\$ 1,808,956
Less Accumulated Depreciation	426,703	391,423
	<hr/>	<hr/>
Net Capital Assets	\$ 1,382,253	\$ 1,417,533
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	14,195	17,678
	<hr/>	<hr/>
Total Noncurrent Assets	\$ 1,396,448	\$ 1,435,211
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,517,601	\$ 1,555,127
	<hr/>	<hr/>

	<u>2008</u>	<u>2007</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 8,891	\$ 881
Accrued Interest	10,966	12,069
Current Portion of Revenue Bonds	<u>105,000</u>	<u>105,000</u>
Total Current Liabilities	\$ 124,857	\$ 117,950
 <u>LONG-TERM LIABILITIES</u>		
1999 Revenue Refunding Bonds	<u>870,000</u>	<u>975,000</u>
TOTAL LIABILITIES	<u>\$ 994,857</u>	<u>\$ 1,092,950</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 407,253	\$ 337,533
Unrestricted	<u>115,491</u>	<u>124,644</u>
TOTAL NET ASSETS	<u>\$ 522,744</u>	<u>\$ 462,177</u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

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

	2008	2007
<u>OPERATING REVENUES</u>		
Building Rental	\$ 197,232	\$ 195,870
<u>OPERATING EXPENSES</u>		
Contractual Services	\$ 44,171	\$ 29,299
Audit	950	900
Insurance	597	593
Building Maintenance	1,698	7,096
Utilities	2,712	2,982
Depreciation and Amortization	38,763	38,435
Administration	5,000	5,000
Total Operating Expenses	\$ 93,891	\$ 84,305
Operating Income (Loss)	\$ 103,341	\$ 111,565
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 2,193	\$ 4,970
Interest Expense	(44,967)	(49,600)
Total Nonoperating Revenues (Expenses)	\$ (42,774)	\$ (44,630)
Income (Loss)	\$ 60,567	\$ 66,935
<u>TOTAL NET ASSETS</u> - Beginning of Year	462,177	395,242
<u>TOTAL NET ASSETS</u> - End of Year	\$ 522,744	\$ 462,177

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 246,200	\$ 146,902
Cash Payments to Suppliers for Goods and Services	(46,956)	(44,372)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 199,244	\$ 102,530
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	\$ (105,000)	\$ (100,000)
Interest Paid	(46,070)	(50,625)
Acquisition and Construction of Capital Assets	0	(19,500)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (151,070)	\$ (170,125)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 3,043	\$ 5,888
Purchase of Investment Securities	(52,784)	(4,580)
Proceeds from Sale and Maturities of Investment Securities	0	47,841
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (49,741)	\$ 49,149
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,567)	\$ (18,446)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<hr/> 26,601	<hr/> 45,047
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<hr/> \$ 25,034	<hr/> \$ 26,601

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>RECONCILIATION OF OPERATING INCOME</u> <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 103,341	\$ 111,565
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 38,763	\$ 38,435
(Increase) Decrease in Current Assets		
Due from Other Governments	48,968	(48,968)
Prepaid Expense	162	1,169
Increase (Decrease) in Current Liabilities		
Accounts Payable	8,010	329
Total Adjustments	\$ 95,903	\$ (9,035)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 199,244</u>	<u>\$ 102,530</u>

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

COMBINING BALANCE SHEET

JUNE 30, 2008

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>ASSETS</u>			
Cash	\$ 239,621	\$ 95,416	\$ 55,396
Investments	1,450,395	299,736	425,806
Receivables			
Accounts	155	0	0
Mortgages and Notes	261,602	0	0
Accrued Interest	27,669	13,866	17,458
Special Assessments			
Current	0	49,155	55,301
Deferred	0	144,805	334,472
Due from Other Funds	4,298	111,478	4,990
Due from Other Governments	0	34,100	0
Prepaid Expenditures	1,981	0	0
TOTAL ASSETS	<u>\$ 1,985,721</u>	<u>\$ 748,556</u>	<u>\$ 893,423</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,274	\$ 0	\$ 16,798
Accrued Expenditures	5,421	0	0
Security Deposits Payable	1,086	0	0
Due to Other Funds	0	162,760	0
Deferred Revenue	188,889	144,805	334,472
Total Liabilities	<u>\$ 201,670</u>	<u>\$ 307,565</u>	<u>\$ 351,270</u>
<u>FUND BALANCE</u>			
Reserved	\$ 155,020	\$ 440,991	\$ 542,153
Unreserved			
Undesignated	1,629,031	0	0
Total Fund Balance	<u>\$ 1,784,051</u>	<u>\$ 440,991</u>	<u>\$ 542,153</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,985,721</u>	<u>\$ 748,556</u>	<u>\$ 893,423</u>

PERMANENT			
FUNDS		TOTALS	
\$ 66,313		\$ 456,746	
1,211,813		3,387,750	
0		155	
0		261,602	
1,120		60,113	
0		104,456	
0		479,277	
0		120,766	
0		34,100	
0		1,981	
<u>\$ 1,279,246</u>		<u>\$ 4,906,946</u>	

\$ 0		\$ 23,072	
0		5,421	
0		1,086	
3,008		165,768	
0		668,166	
<u>\$ 3,008</u>		<u>\$ 863,513</u>	

\$ 1,276,238		\$ 2,414,402	
0		1,629,031	
<u>\$ 1,276,238</u>		<u>\$ 4,043,433</u>	
<u>\$ 1,279,246</u>		<u>\$ 4,906,946</u>	

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 107,465	\$ 50,804	\$ 68,840
Contributions from Local Units	0	34,100	0
Charges for Services	94,231	0	0
Interest and Rents	112,869	26,566	40,917
Gain (Loss) on Investments	0	0	0
Other Revenue	73,870	0	39,317
Total Revenues	\$ 388,435	\$ 111,470	\$ 149,074
<u>EXPENDITURES</u>			
General Government	\$ 138,084	\$ 0	\$ 0
Public Safety	100,291	0	0
Community and Economic Development	64,406	0	0
Cultural and Recreation	61,676	0	0
Capital Outlay	0	0	106,876
Debt Service	27,000	340,731	30,032
Total Expenditures	\$ 391,457	\$ 340,731	\$ 136,908
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,022)	\$ (229,261)	\$ 12,166
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 169,663	\$ 161,700	\$ 0
Transfers Out	(195,981)	0	0
Total Other Financing Sources (Uses)	\$ (26,318)	\$ 161,700	\$ 0
Net Change in Fund Balances	\$ (29,340)	\$ (67,561)	\$ 12,166
<u>FUND BALANCES</u> - Beginning of Year	1,813,391	508,552	529,987
<u>FUND BALANCES</u> - End of Year	\$ 1,784,051	\$ 440,991	\$ 542,153

PERMANENT		
FUNDS		TOTALS
\$	0	\$ 227,109
	0	34,100
	0	94,231
	21,534	201,886
	(115,439)	(115,439)
	6,413	119,600
<hr/>		
\$	(87,492)	\$ 561,487
<hr/>		
\$	1,550	\$ 139,634
	0	100,291
	0	64,406
	0	61,676
	0	106,876
	0	397,763
<hr/>		
\$	1,550	\$ 870,646
<hr/>		
\$	(89,042)	\$ (309,159)
<hr/>		
\$	0	\$ 331,363
	(23,834)	(219,815)
<hr/>		
\$	(23,834)	\$ 111,548
<hr/>		
\$	(112,876)	\$ (197,611)
	1,389,114	4,241,044
<hr/>		
\$	1,276,238	\$ 4,043,433
<hr/> <hr/>		

NONMAJOR SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds in the City of Cadillac include:

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

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

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

	<u>CEMETERY</u>	<u>H.L. GREEN</u>	<u>CADILLAC</u>
<u>ASSETS</u>	<u>OPERATING</u>	<u>OPERATING</u>	<u>DEVELOPMENT</u>
Cash	\$ 24,705	\$ 7,003	\$ 44,091
Investments	8,306	31,904	1,384,118
Receivables			
Accounts	0	0	0
Mortgages and Notes	0	125,332	136,270
Accrued Interest	0	0	27,669
Due from Other Funds	3,008	0	0
Prepaid Expenditures	1,171	0	114
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 37,190	\$ 164,239	\$ 1,592,262
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,684	\$ 0	\$ 0
Accrued Expenditures	3,321	0	641
Security Deposits Payable	0	0	0
Deferred Revenue	0	125,332	63,557
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 6,005	\$ 125,332	\$ 64,198
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>			
Reserved for:			
Prepaid Expenditures	\$ 1,171	\$ 0	\$ 114
Capital Improvements	9,463	0	0
Milfoil Eradication	0	0	0
Mortgages and Notes Receivable	0	0	32,546
Parks and Recreation	0	0	0
Unreserved	20,551	38,907	1,495,404
	<hr/>	<hr/>	<hr/>
Total Fund Balances	\$ 31,185	\$ 38,907	\$ 1,528,064
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,190	\$ 164,239	\$ 1,592,262
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 38,786	\$ 11,454	\$ 11,487	\$ 0	\$ 102,095	\$ 239,621
26,067	0	0	0	0	1,450,395
0	0	155	0	0	155
0	0	0	0	0	261,602
0	0	0	0	0	27,669
0	0	0	1,290	0	4,298
0	0	696	0	0	1,981
<u>\$ 64,853</u>	<u>\$ 11,454</u>	<u>\$ 12,338</u>	<u>\$ 1,290</u>	<u>\$ 102,095</u>	<u>\$ 1,985,721</u>
\$ 316	\$ 769	\$ 755	\$ 0	\$ 1,750	\$ 6,274
0	0	1,459	0	0	5,421
1,086	0	0	0	0	1,086
0	0	0	0	0	188,889
<u>\$ 1,402</u>	<u>\$ 769</u>	<u>\$ 2,214</u>	<u>\$ 0</u>	<u>\$ 1,750</u>	<u>\$ 201,670</u>
\$ 0	\$ 0	\$ 696	\$ 0	\$ 0	\$ 1,981
0	0	0	0	0	9,463
0	0	0	0	100,345	100,345
0	0	0	0	0	32,546
0	10,685	0	0	0	10,685
63,451	0	9,428	1,290	0	1,629,031
<u>\$ 63,451</u>	<u>\$ 10,685</u>	<u>\$ 10,124</u>	<u>\$ 1,290</u>	<u>\$ 100,345</u>	<u>\$ 1,784,051</u>
<u>\$ 64,853</u>	<u>\$ 11,454</u>	<u>\$ 12,338</u>	<u>\$ 1,290</u>	<u>\$ 102,095</u>	<u>\$ 1,985,721</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>CEMETERY OPERATING</u>	<u>H.L. GREEN OPERATING</u>	<u>CADILLAC DEVELOPMENT</u>
<u>REVENUES</u>			
Taxes	\$ 0	\$ 0	\$ 0
Charges for Services	43,290	0	0
Interest and Rents	2,767	7,974	61,693
Other Revenue	185	25,452	17,145
Total Revenues	<u>\$ 46,242</u>	<u>\$ 33,426</u>	<u>\$ 78,838</u>
<u>EXPENDITURES</u>			
General Government	\$ 110,785	\$ 0	\$ 0
Public Safety	0	0	0
Cultural and Recreation	0	0	0
Community and Economic Development	0	650	63,306
Debt Service	0	0	0
Total Expenditures	<u>\$ 110,785</u>	<u>\$ 650</u>	<u>\$ 63,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (64,543)</u>	<u>\$ 32,776</u>	<u>\$ 15,532</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 13,834	\$ 0	\$ 76,329
Transfers Out	0	(76,329)	(79,500)
Total Other Financing Sources (Uses)	<u>\$ 13,834</u>	<u>\$ (76,329)</u>	<u>\$ (3,171)</u>
Net Change in Fund Balances	<u>\$ (50,709)</u>	<u>\$ (43,553)</u>	<u>\$ 12,361</u>
<u>FUND BALANCES</u> - Beginning of Year	<u>81,894</u>	<u>82,460</u>	<u>1,515,703</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 31,185</u>	<u>\$ 38,907</u>	<u>\$ 1,528,064</u>

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,465	\$ 107,465
0	0	50,941	0	0	94,231
37,000	116	90	0	3,229	112,869
0	31,000	88	0	0	73,870
\$ 37,000	\$ 31,116	\$ 51,119	\$ 0	\$ 110,694	\$ 388,435
\$ 27,299	\$ 0	\$ 0	\$ 0	\$ 0	\$ 138,084
0	0	100,291	0	0	100,291
0	22,150	0	0	39,526	61,676
0	0	0	450	0	64,406
0	27,000	0	0	0	27,000
\$ 27,299	\$ 49,150	\$ 100,291	\$ 450	\$ 39,526	\$ 391,457
\$ 9,701	\$ (18,034)	\$ (49,172)	\$ (450)	\$ 71,168	\$ (3,022)
\$ 0	\$ 27,000	\$ 52,500	\$ 0	\$ 0	\$ 169,663
0	0	0	0	(40,152)	(195,981)
\$ 0	\$ 27,000	\$ 52,500	\$ 0	\$ (40,152)	\$ (26,318)
\$ 9,701	\$ 8,966	\$ 3,328	\$ (450)	\$ 31,016	\$ (29,340)
53,750	1,719	6,796	1,740	69,329	1,813,391
\$ 63,451	\$ 10,685	\$ 10,124	\$ 1,290	\$ 100,345	\$ 1,784,051

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 24,705	\$ 23,487
Investments	8,306	61,895
Receivables		
Accrued Interest	0	347
Due from Other Funds	3,008	0
Prepaid Expenditures	1,171	724
	<u>\$ 37,190</u>	<u>\$ 86,453</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,684	\$ 3,117
Accrued Expenditures	3,321	1,442
	<u>\$ 6,005</u>	<u>\$ 4,559</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 1,171	\$ 724
Capital Improvements	9,463	11,163
Unreserved	20,551	70,007
	<u>\$ 31,185</u>	<u>\$ 81,894</u>
	<u>\$ 37,190</u>	<u>\$ 86,453</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>		

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Charges for Services			
Sale of Lots and Burial Rights	\$ 6,000	\$ 6,412	\$ 8,900
Grave Openings and Storage	28,000	29,325	32,850
Foundations and Miscellaneous	7,000	7,553	8,379
Interest and Rents			
Interest	2,500	2,767	3,760
Other Revenue			
Contributions from Private Sources	0	185	245
Total Revenues	<u>\$ 43,500</u>	<u>\$ 46,242</u>	<u>\$ 54,134</u>
<u>EXPENDITURES</u>			
General Government			
Personal Services	\$ 54,500	\$ 56,006	\$ 48,429
Employee Benefits	15,900	17,614	13,491
Operating Supplies	7,500	8,854	9,417
Audit	600	650	600
Data Processing	4,500	4,500	4,000
Insurance	100	80	79
Travel and Education	400	338	399
Utilities	9,300	9,105	13,293
Repairs and Maintenance	4,500	5,986	4,479
Equipment Rental	5,300	5,767	2,784
Capital Outlay	1,300	1,885	11,773
Total Expenditures	<u>\$ 103,900</u>	<u>\$ 110,785</u>	<u>\$ 108,744</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (60,400)</u>	<u>\$ (64,543)</u>	<u>\$ (54,610)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
Cemetery Perpetual Care Fund	12,000	13,834	21,326
Net Change In Fund Balance	<u>\$ (48,400)</u>	<u>\$ (50,709)</u>	<u>\$ (33,284)</u>
<u>FUND BALANCE - Beginning of Year</u>	<u>86,678</u>	<u>81,894</u>	<u>115,178</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 38,278</u>	<u>\$ 31,185</u>	<u>\$ 81,894</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 7,003	\$ 52,506
Investments	31,904	29,847
Receivables		
Note	125,332	150,784
Accrued Interest	0	107
	<hr/>	<hr/>
TOTAL ASSETS	\$ 164,239	\$ 233,244
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 125,332	\$ 150,784
 <u>FUND BALANCE</u>		
Unreserved	38,907	82,460
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 164,239	\$ 233,244
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Note	\$ 500	\$ 7,974	\$ 8,446
Other Revenue			
Note Principal Collections	29,000	25,452	24,640
Total Revenues	\$ 29,500	\$ 33,426	\$ 33,086
<u>EXPENDITURES</u>			
Community and Economic Development			
Audit	600	650	600
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 28,900	\$ 32,776	\$ 32,486
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Cadillac Development Fund	\$ (77,000)	\$ (76,329)	\$ 0
Community Development Fund	0	0	(10,000)
Total Financing Sources (Uses)	\$ (77,000)	(76,329)	(10,000)
Net Change In Fund Balance	\$ (48,100)	\$ (43,553)	\$ 22,486
<u>FUND BALANCE</u> - Beginning of Year	73,374	82,460	59,974
<u>FUND BALANCE</u> - End of Year	\$ 25,274	\$ 38,907	\$ 82,460

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 44,091	\$ 51,763
Investments	1,384,118	1,371,263
Receivables		
Notes	72,712	88,787
Mortgages	63,558	76,914
Accrued Interest	27,669	26,602
Prepaid Expenditures	114	94
	<u>\$ 1,592,262</u>	<u>\$ 1,615,423</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 20,061
Accrued Expenditures	641	499
Deferred Revenues		
Installment Notes and Mortgages	63,557	79,160
	<u>\$ 64,198</u>	<u>\$ 99,720</u>
<u>FUND BALANCE</u>		
Reserved for:		
Notes Receivable	\$ 32,546	\$ 32,546
Prepaid Expenditures	114	94
Unreserved	1,495,404	1,483,063
	<u>\$ 1,528,064</u>	<u>\$ 1,515,703</u>
	<u>\$ 1,592,262</u>	<u>\$ 1,615,423</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Investments	\$ 46,000	\$ 61,693	\$ 59,386
Other Revenue			
Contributions and Donations from Private Sources	0	0	3,279
Loan Principal Collections	0	17,145	1,488
Total Revenues	<u>\$ 46,000</u>	<u>\$ 78,838</u>	<u>\$ 64,153</u>
<u>EXPENDITURES</u>			
Community and Economic Development			
Personal Services	\$ 25,000	\$ 25,753	\$ 24,322
Employee Benefits	6,500	6,001	3,460
Audit	1,400	1,000	1,350
Office Supplies	400	362	120
Postage	500	46	162
Data Processing	4,500	4,500	4,000
Administrative	17,600	17,600	15,000
Travel and Education	1,000	210	512
Dues and Publications	500	643	399
Telephone	200	0	0
Contractual Services	1,000	1,255	0
Property Taxes	0	418	0
Construction	5,500	5,518	0
Intergovernmental Expenditures			
Public Works			
Downtown Development Authority	0	0	4,444
Total Expenditures	<u>\$ 64,100</u>	<u>\$ 63,306</u>	<u>\$ 53,769</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (18,100)</u>	<u>\$ 15,532</u>	<u>\$ 10,384</u>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
H.L. Green Operating Fund	\$ 76,900	\$ 76,329	\$ 0
Community Development Fund	0	0	271,247
Building Inspection Fund	(52,500)	(52,500)	(10,000)
Clam River Greenway Fund	(27,000)	(27,000)	0
Total Transfers In (Out)	<u>\$ (2,600)</u>	<u>\$ (3,171)</u>	<u>\$ 261,247</u>
Net Change in Fund Balance	\$ (20,700)	\$ 12,361	\$ 271,631
<u>FUND BALANCE</u> - Beginning of Year	<u>1,622,225</u>	<u>1,515,703</u>	<u>1,244,072</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,601,525</u>	<u>\$ 1,528,064</u>	<u>\$ 1,515,703</u>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 38,786	\$ 28,705
Investments	26,067	24,517
Receivables		
Accounts	0	2,258
Accrued Interest	0	69
	<hr/>	<hr/>
TOTAL ASSETS	\$ 64,853	\$ 55,549
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 316	\$ 713
Security Deposits Payable	1,086	1,086
	<hr/>	<hr/>
Total Liabilities	\$ 1,402	\$ 1,799
 <u>FUND BALANCE</u>		
Unreserved	63,451	53,750
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 64,853	\$ 55,549
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 1,000	\$ 2,325	\$ 2,314
Rents	37,600	34,675	35,441
	<hr/>		
Total Revenues	\$ 38,600	\$ 37,000	\$ 37,755
	<hr/>		
<u>EXPENDITURES</u>			
General Government			
Audit	\$ 400	\$ 450	\$ 400
Insurance	600	608	605
Utilities	24,000	21,621	22,393
Building Maintenance	13,600	4,620	6,338
	<hr/>		
Total Expenditures	\$ 38,600	\$ 27,299	\$ 29,736
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 9,701	\$ 8,019
	<hr/>		
<u>FUND BALANCE</u> - Beginning of Year	56,631	53,750	45,731
	<hr/>		
<u>FUND BALANCE</u> - End of Year	\$ 56,631	\$ 63,451	\$ 53,750
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 11,454	\$ 1,719
Grants Receivable	0	7,500
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 11,454</u>	<u>\$ 9,219</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 769	\$ 0
Deferred Revenue	0	7,500
	<hr/>	<hr/>
Total Liabilities	\$ 769	\$ 7,500
 <u>FUND BALANCE</u>		
Reserved for:		
Parks and Recreation	10,685	1,719
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,454</u>	<u>\$ 9,219</u>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
State Grants	\$ 269,500	\$ 0	\$ 0
Interest and Rents			
Interest	0	116	122
Other Revenue			
Contributions and Donations from Private Sources	109,700	31,000	190
 Total Revenues	 \$ 379,200	 \$ 31,116	 \$ 312
<u>EXPENDITURES</u>			
Cultural and Recreation			
Audit	\$ 400	\$ 450	\$ 400
Engineering Fees	36,500	14,725	3,935
Construction	342,300	6,975	0
Debt Service			
Principal Payments	0	27,000	0
 Total Expenditures	 \$ 379,200	 \$ 49,150	 \$ 4,335
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 0	 \$ (18,034)	 \$ (4,023)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	0	27,000	0
 Net Change in Fund Balance	 \$ 0	 \$ 8,966	 \$ (4,023)
 <u>FUND BALANCE</u> - Beginning of Year	 1,442	 1,719	 5,742
 <u>FUND BALANCE</u> - End of Year	 \$ 1,442	 \$ 10,685	 \$ 1,719

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 11,487	\$ 7,377
Accounts Receivable	155	0
Prepaid Expenditures	696	602
	<hr/>	<hr/>
Total Assets	\$ 12,338	\$ 7,979
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 755	\$ 0
Accrued Expenditures	1,459	1,183
	<hr/>	<hr/>
Total Liabilities	\$ 2,214	\$ 1,183
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 696	\$ 602
Unreserved	9,428	6,194
	<hr/>	<hr/>
Total Fund Balance	\$ 10,124	\$ 6,796
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 12,338	\$ 7,979
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Building Permits	\$ 52,000	\$ 50,911	\$ 88,061
Heating and Fence Permits	0	30	345
Interest and Rents			
Interest	0	90	448
Other Revenue			
Miscellaneous	0	88	197
	<u>0</u>	<u>88</u>	<u>197</u>
Total Revenues	<u>\$ 52,000</u>	<u>\$ 51,119</u>	<u>\$ 89,051</u>
<u>EXPENDITURES</u>			
Public Safety			
Building Inspection			
Personal Services	\$ 57,500	\$ 59,234	\$ 56,571
Employee Benefits	31,800	31,472	25,765
Office Supplies	2,800	2,583	1,327
Postage	1,100	701	761
Audit	400	450	400
Data Processing	4,000	4,000	3,200
Dues and Publications	600	529	580
Travel and Education	2,000	1,322	2,324
Equipment Rental	500	0	327
Publishing Costs	500	0	0
Capital Outlay	0	0	1,000
	<u>0</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>\$ 101,200</u>	<u>\$ 100,291</u>	<u>\$ 92,255</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (49,200)	\$ (49,172)	\$ (3,204)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	52,500	52,500	10,000
	<u>52,500</u>	<u>52,500</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ 3,300</u>	<u>\$ 3,328</u>	<u>\$ 6,796</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>	<u>6,796</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 3,300</u>	<u>\$ 10,124</u>	<u>\$ 6,796</u>

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Due from Other Funds	\$ 1,290	\$ 1,740
	1,290	1,740
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	1,290	1,740
	1,290	1,740
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,290	\$ 1,740

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

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

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>		
Community and Economic Development		
Audit	\$ 450	\$ 400
Administration	<u>0</u>	<u>32</u>
Total Expenditures	<u>\$ 450</u>	<u>\$ 432</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (450)	\$ (432)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,740</u>	<u>2,172</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 1,290</u></u>	<u><u>\$ 1,740</u></u>

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 102,095	\$ 80,217
Prepaid Expenditures	0	5,218
	<hr/>	<hr/>
Total Assets	<u>\$ 102,095</u>	<u>\$ 85,435</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	<u>\$ 1,750</u>	<u>\$ 16,106</u>
 <u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 0	\$ 5,218
Milfoil Eradication	100,345	64,111
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 100,345</u>	<u>\$ 69,329</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 102,095</u>	<u>\$ 85,435</u>

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes			
Special Assessments	\$ 110,000	\$ 107,465	\$ 110,784
Interest and Rents			
Interest	1,200	3,229	3,624
Other Revenue			
Contributions from Private Sources	0	0	11,950
Total Revenues	\$ 111,200	\$ 110,694	\$ 126,358
 <u>EXPENDITURES</u>			
Cultural and Recreation			
Office Supplies	2,500	\$ 21	\$ 0
Audit	\$ 400	450	400
Contracted Services	106,100	28,587	56,629
Capital Outlay	0	10,468	0
Total Expenditures	\$ 109,000	\$ 39,526	\$ 57,029
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,200	\$ 71,168	\$ 69,329
 <u>OTHER FINANCING SOURCES</u>			
Transfers In (Out)			
General Fund	0	(40,152)	0
Net Change in Fund Balance	\$ 2,200	\$ 31,016	\$ 69,329
<u>FUND BALANCE</u> - Beginning of Year	19,600	69,329	0
<u>FUND BALANCE</u> - End of Year	\$ 21,800	\$ 100,345	\$ 69,329

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1996 SPECIAL ASSESSMENT
<u>ASSETS</u>			
Cash	\$ 1,176	\$ 2,277	\$ 3,445
Investments	0	894	69,045
Receivables			
Accrued Interest	0	0	2,897
Special Assessments			
Current	0	0	15,873
Deferred	0	0	28,732
Due from Other Funds	0	0	6,493
Due from Other Governments	0	0	0
TOTAL ASSETS	\$ 1,176	\$ 3,171	\$ 126,485
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 505	\$ 2,620	\$ 300
Deferred Revenues	0	0	28,732
Total Liabilities	\$ 505	\$ 2,620	\$ 29,032
<u>FUND BALANCES</u>			
Reserved for Debt Service	671	551	97,453
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,176	\$ 3,171	\$ 126,485

1996		1997		1997
MICHIGAN		1997	MICHIGAN	1997
TRANSPORTATION	SPECIAL	TRANSPORTATION	BUILDING	
FUND	ASSESSMENT	FUND	AUTHORITY	
\$ 3,919	\$ 9,573	\$ 505	\$ 338	
0	139,934	0	0	
0	4,577	0	0	
0	14,631	0	0	
0	43,894	0	0	
50	0	600	0	
0	0	0	34,100	
<hr/>				
\$ 3,969	\$ 212,609	\$ 1,105	\$ 34,438	
<hr/>				
\$ 0	\$ 3,232	\$ 0	\$ 34,043	
0	43,894	0	0	
<hr/>				
\$ 0	\$ 47,126	\$ 0	\$ 34,043	
<hr/>				
3,969	165,483	1,105	395	
<hr/>				
\$ 3,969	\$ 212,609	\$ 1,105	\$ 34,438	
<hr/>				

2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
\$ 17,165	\$ 0	\$ 40,813	\$ 16,205	\$ 95,416
89,863	0	0	0	299,736
3,065	0	3,327	0	13,866
7,724	0	10,927	0	49,155
23,281	0	48,898	0	144,805
41	33,005	505	70,784	111,478
0	0	0	0	34,100
<u>\$ 141,139</u>	<u>\$ 33,005</u>	<u>\$ 104,470</u>	<u>\$ 86,989</u>	<u>\$ 748,556</u>
\$ 0	\$ 32,605	\$ 3,261	\$ 86,194	\$ 162,760
23,281	0	48,898	0	144,805
<u>\$ 23,281</u>	<u>\$ 32,605</u>	<u>\$ 52,159</u>	<u>\$ 86,194</u>	<u>\$ 307,565</u>
117,858	400	52,311	795	440,991
<u>\$ 141,139</u>	<u>\$ 33,005</u>	<u>\$ 104,470</u>	<u>\$ 86,989</u>	<u>\$ 748,556</u>

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1996 SPECIAL ASSESSMENT
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 0	\$ 15,872
Contributions from Local Units	0	0	0
Interest and Rents	0	83	6,473
	<hr/>		
Total Revenues	\$ 0	\$ 83	\$ 22,345
<hr/>			
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 0	\$ 15,000	\$ 30,000
Interest and Fiscal Charges	0	1,020	4,165
Audit	0	600	610
	<hr/>		
Total Expenditures	\$ 0	\$ 16,620	\$ 34,775
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (16,537)	\$ (12,430)
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	0	0	0
	<hr/>		
Net Change in Fund Balances	\$ 0	\$ (16,537)	\$ (12,430)
<hr/>			
<u>FUND BALANCES</u> - Beginning of Year	671	17,088	109,883
	<hr/>		
<u>FUND BALANCES</u> - End of Year	\$ 671	\$ 551	\$ 97,453
	<hr/> <hr/>		

1996		1997	
MICHIGAN	1997	MICHIGAN	1997
TRANSPORTATION	SPECIAL	TRANSPORTATION	BUILDING
FUND	ASSESSMENT	FUND	AUTHORITY
\$ 0	\$ 15,251	\$ 0	\$ 0
0	0	0	34,100
0	10,403	0	0
\$ 0	\$ 25,654	\$ 0	\$ 34,100
\$ 20,000	\$ 25,000	\$ 15,000	\$ 25,000
4,975	6,396	1,204	8,443
402	450	600	600
\$ 25,377	\$ 31,846	\$ 16,804	\$ 34,043
\$ (25,377)	\$ (6,192)	\$ (16,804)	\$ 57
25,400	0	17,300	0
\$ 23	\$ (6,192)	\$ 496	\$ 57
3,946	171,675	609	338
\$ 3,969	\$ 165,483	\$ 1,105	\$ 395

2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
\$ 8,053	\$ 0	\$ 11,628	\$ 0	\$ 50,804
0	0	0	0	34,100
6,086	0	3,521	0	26,566
\$ 14,139	\$ 0	\$ 15,149	\$ 0	\$ 111,470
\$ 20,000	\$ 20,000	\$ 30,000	\$ 55,000	\$ 255,000
4,653	11,550	7,343	31,212	80,961
600	450	458	0	4,770
\$ 25,253	\$ 32,000	\$ 37,801	\$ 86,212	\$ 340,731
\$ (11,114)	\$ (32,000)	\$ (22,652)	\$ (86,212)	\$ (229,261)
0	32,400	0	86,600	161,700
\$ (11,114)	\$ 400	\$ (22,652)	\$ 388	\$ (67,561)
128,972	0	74,963	407	508,552
\$ 117,858	\$ 400	\$ 52,311	\$ 795	\$ 440,991

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 1,176	\$ 671
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 505	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	671	671
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,176	\$ 671

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2008	2007
<u>REVENUES</u>		
Interest and Rents		
Interest on Assessments	\$ 0	\$ 40
Interest on Investments	0	3,668
Total Revenues	\$ 0	\$ 3,708
<u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 0	\$ 20,000
Interest and Fiscal Charges	0	920
Audit	0	540
Total Expenditures	\$ 0	\$ 21,460
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (17,752)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
2002 Special Assessment Debt Retirement	0	3,000
Net Change in Fund Balance	\$ 0	\$ (14,752)
<u>FUND BALANCE</u> - Beginning of Year	671	15,423
<u>FUND BALANCE</u> - End of Year	\$ 671	\$ 671

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 2,277	\$ 7,080
Investments	894	859
Receivables		
Accrued Interest	0	518
Special Assessments - Current	0	8,631
	<hr/>	<hr/>
TOTAL ASSETS	\$ 3,171	\$ 17,088
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 2,620	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Debt Service	551	17,088
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,171	\$ 17,088
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 8,000	\$ 0	\$ 8,756
Interest and Rents			
Interest on Investments	700	35	1,264
Interest on Assessments	800	48	581
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 9,500	\$ 83	\$ 10,601
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	1,100	1,020	1,553
Audit	600	600	540
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 16,700	\$ 16,620	\$ 17,093
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,200)	\$ (16,537)	\$ (6,492)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
2000 Special Assessment Debt Retirement	0	0	(24,000)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ (7,200)	\$ (16,537)	\$ (30,492)
<u>FUND BALANCE - Beginning of Year</u>	<hr/>	<hr/>	<hr/>
	22,580	17,088	47,580
<u>FUND BALANCE - End of Year</u>	<hr/>	<hr/>	<hr/>
	\$ 15,380	\$ 551	\$ 17,088

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 3,445	\$ 21,203
Investments	69,045	65,555
Receivables		
Accrued Interest	2,897	4,021
Special Assessments - Current	15,873	15,872
Special Assessments - Deferred	28,732	44,605
Due from Other Funds	6,493	3,232
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 126,485</u>	<u>\$ 154,488</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 300	\$ 0
Deferred Revenues	28,732	44,605
	<hr/>	<hr/>
Total Liabilities	\$ 29,032	\$ 44,605
 <u>FUND BALANCE</u>		
Reserved for Debt Service	97,453	109,883
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 126,485</u>	<u>\$ 154,488</u>

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 15,000	\$ 15,872	\$ 17,096
Interest and Rents			
Interest on Investments	0	3,412	4,182
Interest on Assessments	5,000	3,061	4,092
Total Revenues	<u>\$ 20,000</u>	<u>\$ 22,345</u>	<u>\$ 25,370</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 30,000
Interest and Fiscal Charges	4,300	4,165	5,778
Audit	600	600	540
Office Supplies	0	10	3
Total Expenditures	<u>\$ 34,900</u>	<u>\$ 34,775</u>	<u>\$ 36,321</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (14,900)	\$ (12,430)	\$ (10,951)
<u>FUND BALANCE</u> - Beginning of Year	<u>120,834</u>	<u>109,883</u>	<u>120,834</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 105,934</u>	<u>\$ 97,453</u>	<u>\$ 109,883</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 3,919	\$ 3,946
Due from Other Funds	50	0
	\$ 3,969	\$ 3,946
TOTAL ASSETS	\$ 3,969	\$ 3,946
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	3,969	3,946
	3,969	3,946
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,969	\$ 3,946

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Retirement			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 20,000
Interest and Fiscal Charges	5,000	4,975	6,075
Audit	400	400	400
Office Supplies	0	2	3
Total Expenditures	<u>\$ 25,400</u>	<u>\$ 25,377</u>	<u>\$ 26,478</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,400)	\$ (25,377)	\$ (26,478)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	<u>25,400</u>	<u>25,400</u>	<u>26,000</u>
Net Change in Fund Balance	\$ 0	\$ 23	\$ (478)
<u>FUND BALANCE - Beginning of Year</u>	<u>4,424</u>	<u>3,946</u>	<u>4,424</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 4,424</u>	<u>\$ 3,969</u>	<u>\$ 3,946</u>

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 9,573	\$ 18,180
Investments	139,934	136,341
Receivables		
Accrued Interest	4,577	5,600
Special Assessments - Current	14,631	14,786
Special Assessments - Deferred	43,894	59,145
TOTAL ASSETS	\$ 212,609	\$ 234,052
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 3,232	\$ 3,232
Deferred Revenues	43,894	59,145
Total Liabilities	\$ 47,126	\$ 62,377
<u>FUND BALANCE</u>		
Reserved for Debt Service	165,483	171,675
TOTAL LIABILITIES AND FUND BALANCE	\$ 212,609	\$ 234,052

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 20,000	\$ 15,251	\$ 16,752
Interest and Rents			
Interest on Investments	0	6,718	3,962
Interest on Assessments	6,000	3,685	4,716
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 26,000	\$ 25,654	\$ 25,430
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	6,400	6,396	7,427
Audit	600	450	540
Office Supplies	0	0	4
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 32,000	\$ 31,846	\$ 32,971
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (6,000)	\$ (6,192)	\$ (7,541)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
2002 Special Assessment Debt Retirement	(30,000)	0	(100,000)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ (36,000)	\$ (6,192)	\$ (107,541)
<u>FUND BALANCE</u> - Beginning of Year	<hr/>	<hr/>	<hr/>
	169,816	171,675	279,216
<u>FUND BALANCE</u> - End of Year	<hr/>	<hr/>	<hr/>
	\$ 133,816	\$ 165,483	\$ 171,675

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 505	\$ 609
Due from Other Funds	600	0
	<hr/>	<hr/>
Total Assets	<u>\$ 1,105</u>	<u>\$ 609</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	1,105	609
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,105</u>	<u>\$ 609</u>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	1,700	1,204	2,303
Audit	600	600	400
Total Expenditures	<u>\$ 17,300</u>	<u>\$ 16,804</u>	<u>\$ 17,703</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (17,300)	\$ (16,804)	\$ (17,703)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	17,300	17,300	17,200
Net Change in Fund Balance	\$ 0	\$ 496	\$ (503)
<u>FUND BALANCE - Beginning of Year</u>	<u>1,112</u>	<u>609</u>	<u>1,112</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,112</u>	<u>\$ 1,105</u>	<u>\$ 609</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 338	\$ 338
Due from Other Governments	34,100	0
	<hr/>	<hr/>
Total Assets	<u>\$ 34,438</u>	<u>\$ 338</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 34,043	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Debt Service	395	338
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 34,438</u>	<u>\$ 338</u>

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Contributions from Local Units	\$ 34,100	\$ 34,100	\$ 30,000
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 20,000
Interest and Fiscal Charges	8,500	8,443	9,262
Audit	600	600	400
Total Expenditures	\$ 34,100	\$ 34,043	\$ 29,662
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 57	\$ 338
<u>FUND BALANCE</u> - Beginning of Year	300	338	0
<u>FUND BALANCE</u> - End of Year	\$ 300	\$ 395	\$ 338

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 17,165	\$ 31,688
Investments	89,863	86,646
Receivables		
Accrued Interest	3,065	2,749
Special Assessments - Current	7,724	7,889
Special Assessments - Deferred	23,281	31,334
Due from Other Funds	41	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 141,139</u>	<u>\$ 160,306</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 23,281	\$ 31,334
 <u>FUND BALANCE</u>		
Reserved for Debt Service	<hr/> 117,858	<hr/> 128,972
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 141,139</u>	<u>\$ 160,306</u>

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 10,200	\$ 8,053	\$ 9,424
Interest and Rents			
Interest on Investments	0	4,059	564
Interest on Assessments	2,000	2,027	2,428
Total Revenues	\$ 12,200	\$ 14,139	\$ 12,416
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 20,000
Interest and Fiscal Charges	4,700	4,653	5,458
Audit	600	600	540
Total Expenditures	\$ 25,300	\$ 25,253	\$ 25,998
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (13,100)	\$ (11,114)	\$ (13,582)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1993 Special Assessment Debt Retirement	0	0	24,000
Net Change in Fund Balance	\$ (13,100)	\$ (11,114)	\$ 10,418
<u>FUND BALANCE</u> - Beginning of Year	131,454	128,972	118,554
<u>FUND BALANCE</u> - End of Year	\$ 118,354	\$ 117,858	\$ 128,972

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Due from Other Funds	\$ 33,005	\$ 605
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 32,605	\$ 605
<u>FUND BALANCE</u>		
Reserved for Debt Service	400	0
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 33,005</u>	<u>\$ 605</u>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 20,000
Interest and Fiscal Charges	12,000	11,550	12,906
Audit	400	450	400
Total Expenditures	\$ 32,400	\$ 32,000	\$ 33,306
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,400)	\$ (32,000)	\$ (33,306)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Street Fund	32,400	32,400	33,305
Net Change in Fund Balance	\$ 0	\$ 400	\$ (1)
<u>FUND BALANCE</u> - Beginning of Year	1	0	1
<u>FUND BALANCE</u> - End of Year	\$ 1	\$ 400	\$ 0

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 40,813	\$ 59,995
Receivables		
Accrued Interest	3,327	3,948
Special Assessments - Current	10,927	11,020
Special Assessments - Deferred	48,898	60,526
Due from Other Funds	505	0
	\$ 104,470	\$ 135,489
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 3,261	\$ 0
Deferred Revenue	48,898	60,526
	\$ 52,159	\$ 60,526
<u>FUND BALANCE</u>		
Reserved for Debt Service	52,311	74,963
	\$ 104,470	\$ 135,489

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 15,000	\$ 11,628	\$ 12,878
Interest and Rents			
Interest on Assessments	3,000	3,521	4,048
	<u>18,000</u>	<u>15,149</u>	<u>16,926</u>
Total Revenues	\$	\$	\$
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 30,000
Interest and Fiscal Charges	7,500	7,343	8,423
Audit	600	450	540
Office Supplies	0	8	0
	<u>38,100</u>	<u>37,801</u>	<u>38,963</u>
Total Expenditures	\$	\$	\$
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (20,100)	\$ (22,652)	\$ (22,037)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
1992 Special Assessment Debt Retirement	\$ 0	\$ 0	\$ (3,000)
1997 Special Assessment Debt Retirement	30,000	0	100,000
	<u>30,000</u>	<u>0</u>	<u>97,000</u>
Total Other Financing Sources (Uses)	\$	\$	\$
Net Change in Fund Balance	\$ 9,900	\$ (22,652)	\$ 74,963
<u>FUND BALANCE</u> - Beginning of Year	<u>129,500</u>	<u>74,963</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 139,400</u>	<u>\$ 52,311</u>	<u>\$ 74,963</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 16,205	\$ 16,205
Due from Other Funds	70,784	18
TOTAL ASSETS	<u>\$ 86,989</u>	<u>\$ 16,223</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 86,194	\$ 15,816
<u>FUND BALANCE</u>		
Reserved for Debt Service	795	407
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 86,989</u>	<u>\$ 16,223</u>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 55,000	\$ 55,000	\$ 55,000
Interest and Fiscal Charges	31,600	31,212	32,461
Audit	0	0	400
Total Expenditures	<u>\$ 86,600</u>	<u>\$ 86,212</u>	<u>\$ 87,861</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (86,600)</u>	<u>\$ (86,212)</u>	<u>\$ (87,861)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Major Street Fund	\$ 19,100	\$ 19,100	\$ 18,600
Local Street Fund	67,500	67,500	69,300
Total Other Financing Sources (Uses)	<u>\$ 86,600</u>	<u>\$ 86,600</u>	<u>\$ 87,900</u>
Net Change in Fund Balance	\$ 0	\$ 388	\$ 39
<u>FUND BALANCE - Beginning of Year</u>	<u>368</u>	<u>407</u>	<u>368</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 368</u>	<u>\$ 795</u>	<u>\$ 407</u>

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	TOTALS
<u>ASSETS</u>			
Cash	\$ 40,315	\$ 15,081	\$ 55,396
Investments	425,806	0	425,806
Receivables			
Accrued Interest	0	17,458	17,458
Special Assessments - Current	0	55,301	55,301
Special Assessments - Deferred	0	334,472	334,472
Due from Other Funds	0	4,990	4,990
 TOTAL ASSETS	 \$ 466,121	 \$ 427,302	 \$ 893,423
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 16,798	\$ 16,798
Deferred Revenues	0	334,472	334,472
 Total Liabilities	 \$ 0	 \$ 351,270	 \$ 351,270
<u>FUND BALANCES</u>			
Reserved for			
Industrial Development	\$ 466,121	\$ 0	\$ 466,121
Special Assessment Project Construction	0	76,032	76,032
 Total Fund Balance	 \$ 466,121	 \$ 76,032	 \$ 542,153
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 466,121	 \$ 427,302	 \$ 893,423

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>INDUSTRIAL PARK</u>	<u>SPECIAL ASSESSMENT CAPITAL PROJECTS</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 68,840	\$ 68,840
Interest and Rents	22,639	18,278	40,917
Other Revenue	39,317	0	39,317
	<hr/>		
Total Revenues	\$ 61,956	\$ 87,118	\$ 149,074
<hr/>			
<u>EXPENDITURES</u>			
Capital Outlay	\$ 6,911	\$ 99,965	\$ 106,876
Debt Service	17,721	12,311	30,032
	<hr/>		
Total Expenditures	\$ 24,632	\$ 112,276	\$ 136,908
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	\$ 37,324	\$ (25,158)	\$ 12,166
<hr/>			
<u>FUND BALANCES</u> - Beginning of Year	428,797	101,190	529,987
<hr/>			
<u>FUND BALANCES</u> - End of Year	\$ 466,121	\$ 76,032	\$ 542,153
<hr/> <hr/>			

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 40,315	\$ 6,659
Investments	425,806	421,037
Receivables		
Accrued Interest	0	2,191
TOTAL ASSETS	<u>\$ 466,121</u>	<u>\$ 429,887</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 1,090
<u>FUND BALANCE</u>		
Reserved for Industrial Development	466,121	428,797
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 466,121</u>	<u>\$ 429,887</u>

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 7,000	\$ 22,639	\$ 13,807
Other Revenue			
Refunds and Reimbursements	35,000	39,317	151,534
Total Revenues	\$ 42,000	\$ 61,956	\$ 165,341
<u>EXPENDITURES</u>			
Capital Outlay			
Contracted Services	\$ 0	\$ 1,806	\$ 4,844
Fees and Commissions	3,500	0	15,300
Property Taxes	4,200	4,405	4,119
Land	17,800	0	0
Audit	700	700	650
Debt Service			
Principal Payments	0	17,721	17,721
Total Expenditures	\$ 26,200	\$ 24,632	\$ 42,634
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,800	\$ 37,324	\$ 122,707
<u>FUND BALANCE</u> - Beginning of Year	424,090	428,797	306,090
<u>FUND BALANCE</u> - End of Year	\$ 439,890	\$ 466,121	\$ 428,797

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 15,081	\$ 97,683
Receivables		
Accrued Interest	17,458	17,362
Special Assessments - Current	55,301	50,668
Special Assessments - Deferred	334,472	320,792
Due from Other Funds	4,990	42,227
	<hr/>	<hr/>
TOTAL ASSETS	\$ 427,302	\$ 528,732
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 16,798	\$ 59,742
Due to Other Funds	0	47,008
Deferred Revenues	334,472	320,792
	<hr/>	<hr/>
Total Liabilities	\$ 351,270	\$ 427,542
 <u>FUND BALANCE</u>		
Reserved for Special Assessment Project Construction	76,032	101,190
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 427,302	\$ 528,732
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 175,000	\$ 68,840	\$ 61,708
Interest and Rents			
Interest on Assessments	20,000	18,198	17,242
Interest on Investments	2,000	80	1,603
Total Revenues	<u>\$ 197,000</u>	<u>\$ 87,118</u>	<u>\$ 80,553</u>
<u>EXPENDITURES</u>			
Capital Outlay			
Audit	\$ 2,200	\$ 2,100	\$ 2,000
Public Improvements	95,000	97,865	2,623
Debt Service			
Principal Retirement	11,300	11,250	11,250
Interest and Fiscal Charges	500	1,061	1,317
Total Expenditures	<u>\$ 109,000</u>	<u>\$ 112,276</u>	<u>\$ 17,190</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 88,000	\$ (25,158)	\$ 63,363
<u>FUND BALANCE</u> - Beginning of Year	<u>320,827</u>	<u>101,190</u>	<u>37,827</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 408,827</u>	<u>\$ 76,032</u>	<u>\$ 101,190</u>

NONMAJOR PERMANENT FUNDS

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2008

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 53,714	\$ 12,599	\$ 66,313
Investments	438,611	773,202	1,211,813
Receivables			
Accrued Interest	0	1,120	1,120
TOTAL ASSETS	<u>\$ 492,325</u>	<u>\$ 786,921</u>	<u>\$ 1,279,246</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 3,008	\$ 0	\$ 3,008
<u>FUND BALANCES</u>			
Reserved For:			
Cemetery Perpetual Care	\$ 489,317	\$ 0	\$ 489,317
Capital Projects Endowment	0	786,921	786,921
Total Fund Balances	<u>\$ 489,317</u>	<u>\$ 786,921</u>	<u>\$ 1,276,238</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 492,325</u>	<u>\$ 786,921</u>	<u>\$ 1,279,246</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 15,901	\$ 5,633	\$ 21,534
Gain (Loss) on Investments	(47,115)	(68,324)	(115,439)
Other Revenues	6,413	0	6,413
	<hr/>		
Total Revenues	\$ (24,801)	\$ (62,691)	\$ (87,492)
 <u>EXPENDITURES</u>			
General Government			
Contractual Services	1,100	450	1,550
	<hr/>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,901)	\$ (63,141)	\$ (89,042)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(13,834)	(10,000)	(23,834)
	<hr/>		
Net Change in Fund Balances	\$ (39,735)	\$ (73,141)	\$ (112,876)
 <u>FUND BALANCES - Beginning of Year</u>	 529,052	 860,062	 1,389,114
	<hr/>		
<u>FUND BALANCES - End of Year</u>	\$ 489,317	\$ 786,921	\$ 1,276,238
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 53,714	\$ 31,831
Investments	438,611	497,221
TOTAL ASSETS	\$ 492,325	\$ 529,052
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 3,008	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Cemetery Perpetual Care	489,317	529,052
TOTAL LIABILITIES AND FUND BALANCE	\$ 492,325	\$ 529,052

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

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

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 15,901	\$ 21,434
Gain (Loss) on Investments	(47,115)	47,304
Other Revenue		
Perpetual Care of Lots	6,413	8,900
	<hr/>	<hr/>
Total Revenues	\$ (24,801)	\$ 77,638
 <u>EXPENDITURES</u>		
General Government		
Audit	1,100	1,000
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,901)	\$ 76,638
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Cemetery Operating Fund	(13,834)	(21,326)
	<hr/>	<hr/>
Net Change in Fund Balance	\$ (39,735)	\$ 55,312
 <u>FUND BALANCE</u> - Beginning of Year	 <hr/>	 <hr/>
	529,052	473,740
 <u>FUND BALANCE</u> - End of Year	 <hr/>	 <hr/>
	\$ 489,317	\$ 529,052
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 12,599	\$ 2,768
Investments	773,202	855,034
Receivables		
Accrued Interest	1,120	2,260
TOTAL ASSETS	\$ 786,921	\$ 860,062
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Capital Projects Endowment	786,921	860,062
TOTAL LIABILITIES AND FUND BALANCE	\$ 786,921	\$ 860,062

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

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

	2008	2007
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 5,633	\$ 6,607
Gain (Loss) on Investments	(68,324)	125,753
	\$ (62,691)	\$ 132,360
 <u>EXPENDITURES</u>		
General Government		
Audit	450	400
	\$ (63,141)	\$ 131,960
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Local Street Fund	(10,000)	0
	\$ (73,141)	\$ 131,960
 <u>FUND BALANCE</u> - Beginning of Year	 860,062	 728,102
 <u>FUND BALANCE</u> - End of Year	 \$ 786,921	 \$ 860,062

NONMAJOR PROPRIETARY FUND

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

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

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF NET ASSETS

JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 61,017	\$ 53,325
Receivables		
Interest	0	1,455
Investments	78,031	73,742
Prepaid Expense	38	34
	<hr/>	<hr/>
Total Current Assets	\$ 139,086	\$ 128,556
	<hr/>	<hr/>
<u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 249,221	\$ 249,221
Land Improvements	561,820	561,820
	<hr/>	<hr/>
	\$ 811,041	\$ 811,041
Less Accumulated Depreciation	184,013	167,259
	<hr/>	<hr/>
Net Capital Assets	\$ 627,028	\$ 643,782
	<hr/>	<hr/>
TOTAL ASSETS	\$ 766,114	\$ 772,338
	<hr/>	<hr/>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Other Accrued Expenses	\$ 75	\$ 0
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 627,028	\$ 643,782
Unrestricted	139,011	128,556
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 766,039	\$ 772,338
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

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

	2008	2007
<u>OPERATING REVENUES</u>		
Charges for Services		
Parking Lot Assessments	\$ 46,153	\$ 45,620
Parking Violations	1,614	1,536
Courtesy Parking	1,540	1,539
	\$ 49,307	\$ 48,695
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,968	\$ 2,877
Employee Benefits	1,606	1,479
Office Supplies	89	160
Audit	850	800
Data Processing	3,300	2,900
Depreciation	16,754	16,754
Snow Removal		
Personal Services	5,986	5,301
Employee Benefits	5,000	2,492
Operating Supplies	137	60
Equipment Rental	22,757	15,750
Lot Maintenance		
Personal Services	249	118
Employee Benefits	203	61
Operating Supplies	334	4,903
Equipment Rental	293	134
	\$ 60,526	\$ 53,789
Total Operating Expenses		
	\$ (11,219)	\$ (5,094)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	4,920	5,280
	\$ (6,299)	\$ 186
Change in Net Assets		
<u>TOTAL NET ASSETS - Beginning of Year</u>	772,338	772,152
<u>TOTAL NET ASSETS - End of Year</u>	\$ 766,039	\$ 772,338

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 49,307	\$ 48,695
Cash Payments to Suppliers for Goods and Services	(34,498)	(30,745)
Cash Payments to Employees for Services	(9,203)	(8,296)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 5,606	\$ 9,654
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 6,375	\$ 3,828
Purchase of Investment Securities	(4,289)	(43,839)
Proceeds from Sale and Maturities of Investment Securities	0	1,262
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 2,086	\$ (38,749)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 7,692	\$ (29,095)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	53,325	82,420
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 61,017	\$ 53,325
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (11,219)	\$ (5,094)
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 16,754	\$ 16,754
(Increase) Decrease in Current Assets		
Prepaid Expense	(4)	(4)
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	75	0
Due to Other Funds	0	(2,002)
Total Adjustments	\$ 16,825	\$ 14,748
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 5,606</u>	<u>\$ 9,654</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>INFORMATION TECHNOLOGY</u>
<u>ASSETS</u>		
Cash	\$ 107,775	\$ 5,666
Investments	353	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	5,583	0
Accrued Interest	0	0
Due from Other Funds	16,980	0
Inventory, At Cost	56,330	0
Prepaid Expenses	20,654	67
Capital Assets (Net of Accumulated Depreciation)	860,168	388,768
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,067,843	\$ 394,501
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,783	\$ 1,668
Accrued Interest	22,212	0
Other Accrued Expenses	50,708	526
Due to Other Funds	209	100,000
Current Portion of Note Payable	50,000	0
	<hr/>	<hr/>
Total Current Liabilities	\$ 138,912	\$ 102,194
<u>LONG-TERM LIABILITIES</u>		
Note Payable	400,000	0
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 538,912	\$ 102,194
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 860,168	\$ 388,768
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted (Deficit)	(331,237)	(96,461)
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 528,931	\$ 292,307
	<hr/> <hr/>	<hr/> <hr/>

SELF- INSURANCE	SAFETY	TOTALS
\$ 63,149	\$ 19,310	\$ 195,900
1,270,524	0	1,270,877
0	0	5,583
11,243	0	11,243
0	0	16,980
0	0	56,330
0	0	20,721
0	0	1,248,936
<hr/>		
\$ 1,344,916	\$ 19,310	\$ 2,826,570
<hr/>		
\$ 38,874	\$ 0	\$ 56,325
0	0	22,212
0	0	51,234
0	4,118	104,327
0	0	50,000
<hr/>		
\$ 38,874	\$ 4,118	\$ 284,098
<hr/>		
0	0	400,000
<hr/>		
\$ 38,874	\$ 4,118	\$ 684,098
<hr/>		
\$ 0	\$ 0	\$ 1,248,936
199,366	0	199,366
1,106,676	0	1,106,676
0	15,192	(412,506)
<hr/>		
\$ 1,306,042	\$ 15,192	\$ 2,142,472
<hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2008

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
	<u> </u>	<u> </u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 723,925	\$ 325,300
Other Revenue	0	0
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 723,925	\$ 325,300
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 151,503	\$ 15,247
Contractual Services	54,373	156,654
Supplies	151,440	13,025
Heat, Light and Power	26,006	1,927
Depreciation	133,774	78,033
Employee Benefits	85,775	3,879
Benefit Payments	0	0
Equipment Rental	17,645	0
Administrative	45,700	21,900
	<u> </u>	<u> </u>
Total Operating Expenses	\$ 666,216	\$ 290,665
Operating Income (Loss)	<u>\$ 57,709</u>	<u>\$ 34,635</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 400	\$ 3,308
Interest Expense	(24,175)	0
	<u> </u>	<u> </u>
Total Nonoperating Revenues (Expenses)	\$ (23,775)	\$ 3,308
Changes In Net Assets	\$ 33,934	\$ 37,943
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>494,997</u>	<u>254,364</u>
<u>TOTAL NET ASSETS - End of Year</u>	<u>\$ 528,931</u>	<u>\$ 292,307</u>

SELF- INSURANCE	SAFETY	TOTALS
\$ 870,731	\$ 9,000	\$ 1,928,956
95,921	0	95,921
<hr/>		
\$ 966,652	\$ 9,000	\$ 2,024,877
<hr/>		
\$ 0	\$ 4,117	\$ 170,867
51,466	804	263,297
0	1,085	165,550
0	0	27,933
0	0	211,807
0	0	89,654
812,283	0	812,283
0	0	17,645
0	0	67,600
<hr/>		
\$ 863,749	\$ 6,006	\$ 1,826,636
<hr/>		
\$ 102,903	\$ 2,994	\$ 198,241
<hr/>		
\$ 58,594	\$ 399	\$ 62,701
0	0	(24,175)
<hr/>		
\$ 58,594	\$ 399	\$ 38,526
<hr/>		
\$ 161,497	\$ 3,393	\$ 236,767
<hr/>		
1,144,545	11,799	1,905,705
<hr/>		
\$ 1,306,042	\$ 15,192	\$ 2,142,472
<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 719,648	\$ 325,300
Cash Payments to Suppliers for Goods and Services	(388,811)	(200,474)
Cash Payments to Employees for Services	(138,867)	(15,063)
Other Operating Revenues	135	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 192,105	\$ 109,763
	<hr/>	<hr/>
Cash Flows from Capital and Related		
Financing Activities:		
Principal Paid	\$ (50,000)	\$ 0
Interest Paid	(16,343)	0
Acquisition and Construction of Capital Assets	(57,520)	(113,980)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (123,863)	\$ (113,980)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 400	\$ 3,308
Purchase of Investment Securities	(15)	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ 385	\$ 3,308
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 68,627	\$ (909)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	39,148	6,575
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 107,775	\$ 5,666
	<hr/> <hr/>	<hr/> <hr/>

SELF- INSURANCE	SAFETY	TOTALS
\$ 968,322	\$ 9,000	\$ 2,022,270
(817,469)	(271)	(1,407,025)
0	(1,617)	(155,547)
0	0	135
<u>\$ 150,853</u>	<u>\$ 7,112</u>	<u>\$ 459,833</u>
\$ 0	\$ 0	\$ (50,000)
0	0	(16,343)
0	0	(171,500)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (237,843)</u>
\$ 59,322	\$ 399	\$ 63,429
(175,130)	0	(175,145)
<u>\$ (115,808)</u>	<u>\$ 399</u>	<u>\$ (111,716)</u>
\$ 35,045	\$ 7,511	\$ 110,274
28,104	11,799	85,626
<u>\$ 63,149</u>	<u>\$ 19,310</u>	<u>\$ 195,900</u>

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

	<u>CENTRAL</u>	<u>STORES AND</u>
	<u>MUNICIPAL</u>	<u>INFORMATION</u>
	<u>GARAGE</u>	<u>TECHNOLOGY</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 57,709	\$ 34,635
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 133,774	\$ 78,033
(Increase) Decrease in Current Assets		
Accounts Receivable	(572)	0
Due from Other Funds	(3,570)	0
Inventory	(5,005)	0
Prepaid Expense	(1,810)	75,717
Increase (Decrease) in Current Liabilities		
Accounts Payable	5,028	1,194
Other Accrued Expenses	6,342	184
Due to Other Funds	209	(80,000)
Total Adjustments	\$ 134,396	\$ 75,128
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 192,105	\$ 109,763

SELF- INSURANCE	SAFETY	TOTALS
\$ 102,903	\$ 2,994	\$ 198,241
\$ 0	\$ 0	\$ 211,807
1,670	0	1,098
0	0	(3,570)
0	0	(5,005)
37,728	0	111,635
8,552	4,118	18,892
0	0	6,526
0	0	(79,791)
\$ 47,950	\$ 4,118	\$ 261,592
\$ 150,853	\$ 7,112	\$ 459,833

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 107,775	\$ 39,148
Investments	353	338
Receivables		
Accounts	5,583	5,011
Due from Other Funds	16,980	13,410
Inventory, At Cost	56,330	51,325
Prepaid Expense	20,654	18,844
	<hr/>	<hr/>
Total Current Assets	\$ 207,675	\$ 128,076
	<hr/>	<hr/>
<u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 93,971	\$ 93,971
Buildings	411,945	411,945
Machinery and Equipment	1,696,062	1,638,541
	<hr/>	<hr/>
	\$ 2,201,978	\$ 2,144,457
	<hr/>	<hr/>
Less Accumulated Depreciation	1,341,810	1,208,035
	<hr/>	<hr/>
Net Capital Assets	\$ 860,168	\$ 936,422
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,067,843	\$ 1,064,498
	<hr/>	<hr/>

	<u>2008</u>	<u>2007</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 15,783	\$ 10,755
Accrued Interest	22,212	14,380
Other Accrued Expenses	50,708	44,366
Due to Other Funds	209	0
Current Portion of Note Payable	50,000	50,000
	<hr/>	
Total Current Liabilities	\$ 138,912	\$ 119,501
 <u>LONG-TERM LIABILITIES</u>		
Note Payable	400,000	450,000
	<hr/>	
TOTAL LIABILITIES	\$ 538,912	\$ 569,501
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 860,168	\$ 936,422
Unrestricted (Deficit)	(331,237)	(441,425)
	<hr/>	
TOTAL NET ASSETS	\$ 528,931	\$ 494,997
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Services and Materials	\$ 20,661	\$ 35,710
Equipment Rentals	703,129	466,243
Other Revenue	135	26
Total Operating Revenues	\$ 723,925	\$ 501,979
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 145,209	\$ 174,275
Employee Benefits	82,115	95,890
Contractual Services	260	1,852
Employee Safety	1,700	900
Operating Supplies	149,316	122,480
Audit	3,150	3,000
Data Processing	23,000	21,000
Insurance	12,118	15,255
Property Taxes	2,177	2,064
Travel and Education	1,672	1,201
Heat, Light and Power	26,006	27,329
Equipment Maintenance	10,296	7,179
Equipment Rental	987	734
Depreciation	133,774	133,550
Outside Work		
Salaries and Wages	6,294	7,194
Employee Benefits	3,660	3,849
Operating Supplies	2,124	2,976
Equipment Rental	10,261	7,276
Vehicle Lease	6,397	7,037
Administrative	45,700	47,400
Total Operating Expenses	\$ 666,216	\$ 682,441
Operating Income (Loss)	\$ 57,709	\$ (180,462)

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	<u>2008</u>	<u>2007</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 400	\$ 443
Interest Expense	(24,175)	(14,380)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ (23,775)	\$ (13,937)
	<hr/>	<hr/>
Change in Net Assets	\$ 33,934	\$ (194,399)
<u>TOTAL NET ASSETS</u> - Beginning of Year	494,997	689,396
	<hr/>	<hr/>
<u>TOTAL NET ASSETS</u> - End of Year	\$ 528,931	\$ 494,997
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2008	2007
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 719,648	\$ 493,432
Cash Payments to Suppliers for Goods and Services	(388,811)	(414,355)
Cash Payments to Employees for Services	(138,867)	(173,027)
Other Operating Revenues	135	26
	\$ 192,105	\$ (93,924)
Cash Flows from Capital and Related Financing Activities		
Principal Paid	\$ (50,000)	\$ 0
Interest Paid	(16,343)	0
Acquisition and Construction of Capital Assets	(57,520)	(184,748)
Loan Proceeds	0	500,000
	\$ (123,863)	\$ 315,252
Cash Flows from Investing Activities:		
Interest Received	\$ 400	\$ 443
Purchase of Investment Securities	(15)	(17)
	\$ 385	\$ 426
Net Cash Provided (Used) By Investing Activities	\$ 385	\$ 426
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 68,627	\$ 221,754
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	39,148	(182,606)
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 107,775	\$ 39,148

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 57,709	\$ (180,462)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 133,774	\$ 133,550
(Increase) Decrease in Current Assets		
Accounts Receivable	(572)	2,887
Due from Other Funds	(3,570)	(11,408)
Inventory	(5,005)	(2,802)
Prepaid Expense	(1,810)	66,481
Increase (Decrease) in Current Liabilities		
Accounts Payable	5,028	403
Accrued Expenses	6,342	1,248
Due to Other Funds	209	(103,821)
Total Adjustments	<u>\$ 134,396</u>	<u>\$ 86,538</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 192,105</u>	<u>\$ (93,924)</u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 5,666	\$ 6,575
Prepaid Expense	67	75,784
Total Current Assets	<u>\$ 5,733</u>	<u>\$ 82,359</u>
 <u>CAPITAL ASSETS</u>		
Furniture, Fixtures and Equipment	\$ 871,808	\$ 815,404
Less Accumulated Depreciation	483,040	462,583
Net Capital Assets	<u>\$ 388,768</u>	<u>\$ 352,821</u>
TOTAL ASSETS	<u>\$ 394,501</u>	<u>\$ 435,180</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 1,668	\$ 474
Other Accrued Expenses	526	342
Due to Other Funds	100,000	180,000
TOTAL LIABILITIES	<u>\$ 102,194</u>	<u>\$ 180,816</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 388,768	\$ 352,821
Unrestricted (Deficit)	(96,461)	(98,457)
TOTAL NET ASSETS	<u><u>\$ 292,307</u></u>	<u><u>\$ 254,364</u></u>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

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

	2008	2007
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 325,300	\$ 300,800
<u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 15,247	\$ 36,193
Employee Benefits	3,879	12,679
Audit	850	800
Insurance	159	161
Computer Programming	151,964	126,966
Telephone	1,927	549
Travel and Education	966	2,124
Office Supplies	13,025	10,777
Depreciation	78,033	66,767
Repairs and Maintenance	2,715	2,968
Administrative	21,900	20,300
Total Operating Expenses	\$ 290,665	\$ 280,284
Operating Income (Loss)	\$ 34,635	\$ 20,516
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 3,308	\$ 1,843
Gain (Loss) on Sale of Capital Assets	0	1,260
Total Nonoperating Revenues (Expenses)	\$ 3,308	\$ 3,103
Change In Net Assets	\$ 37,943	\$ 23,619
<u>TOTAL NET ASSETS</u> - Beginning of Year	254,364	230,745
<u>TOTAL NET ASSETS</u> - End of Year	\$ 292,307	\$ 254,364

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 325,300	\$ 300,800
Cash Payments to Suppliers for Goods and Services	(200,474)	(143,081)
Cash Payments to Employees for Services	(15,063)	(39,632)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 109,763	\$ 118,087
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (113,980)	\$ (97,734)
Proceeds from Sale of Capital Assets	0	1,260
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (113,980)	\$ (96,474)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 3,308	\$ 1,843
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (909)	\$ 23,456
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	6,575	(16,881)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 5,666	\$ 6,575
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
INFORMATION TECHNOLOGY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 34,635	\$ 20,516
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 78,033	\$ 66,767
(Increase) Decrease in Current Assets		
Prepaid Expense	75,717	(72,481)
Increase (Decrease) in Current Liabilities		
Accounts Payable	1,194	(204)
Other Accrued Expenses	184	(3,439)
Due to Other Funds	(80,000)	106,928
Total Adjustments	<u>\$ 75,128</u>	<u>\$ 97,571</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 109,763</u>	<u>\$ 118,087</u>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 63,149	\$ 28,104
Investments	1,270,524	1,095,394
Receivables		
Accounts	0	1,670
Accrued Interest	11,243	11,971
Prepaid Expenditures	0	37,728
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,344,916	\$ 1,174,867
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 38,874	\$ 30,322
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Restricted for:		
Retirees' Life Insurance	\$ 199,366	\$ 198,424
Employees' Life and Health Insurance	1,106,676	946,121
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 1,306,042	\$ 1,144,545
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

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

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Employer Contributions	\$ 870,731	\$ 864,920
Other Revenue	95,921	49,609
	\$ 966,652	\$ 914,529
<u>OPERATING EXPENSES</u>		
Contractual Services		
Administration	\$ 51,466	\$ 33,440
Benefit Payments		
Insurance Premiums	523,277	392,668
Medical Claims	289,006	255,713
	\$ 863,749	\$ 681,821
Total Operating Expenses		
	\$ 102,903	\$ 232,708
<u>NONOPERATING REVENUES</u>		
Interest Revenue	58,594	46,445
	\$ 161,497	\$ 279,153
Change in Net Assets		
<u>TOTAL NET ASSETS - Beginning of Year</u>	1,144,545	865,392
<u>TOTAL NET ASSETS - End of Year</u>	\$ 1,306,042	\$ 1,144,545

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 968,322	\$ 1,003,005
Cash Payments to Suppliers for Goods and Services	(817,469)	(746,397)
Net Cash Provided (Used) by Operating Activities	<u>\$ 150,853</u>	<u>\$ 256,608</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 59,322	\$ 44,793
Purchase of Investment Securities	(175,130)	(347,182)
Proceeds from Sale and Maturities of Investment Securities	0	32,629
Net Cash Provided (Used) by Investing Activities	<u>\$ (115,808)</u>	<u>\$ (269,760)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 35,045	\$ (13,152)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>28,104</u>	<u>41,256</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 63,149</u>	<u>\$ 28,104</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ 102,903</u>	<u>\$ 232,708</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	\$ 1,670	\$ (1,670)
Due from Other Funds	0	90,146
Prepaid Expense	37,728	(37,728)
Increase (Decrease) in Current Liabilities		
Accounts Payable	8,552	(25,923)
Due to Other Funds	0	(925)
Total Adjustments	<u>\$ 47,950</u>	<u>\$ 23,900</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 150,853</u>	<u>\$ 256,608</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 19,310	\$ 11,799
 <u>LIABILITIES</u>		
Due to Other Funds	<u>4,118</u>	<u>0</u>
 <u>NET ASSETS</u>		
Unrestricted	<u>\$ 15,192</u>	<u>\$ 11,799</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

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

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 9,000	\$ 5,300
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 4,117	\$ 2,000
Operating Supplies	1,085	382
Dues and Publications	234	32
Audit	450	400
Travel and Education	120	95
Total Operating Expenses	\$ 6,006	\$ 2,909
Operating Income (Loss)	\$ 2,994	\$ 2,391
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Revenue	399	541
Change in Net Assets	\$ 3,393	\$ 2,932
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>11,799</u>	<u>8,867</u>
<u>TOTAL NET ASSETS - End of Year</u>	<u>\$ 15,192</u>	<u>\$ 11,799</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services		
Provided and Used	\$ 9,000	\$ 5,300
Cash Payments to Suppliers for Goods and Services	(271)	(2,243)
Cash Payments to Employees for Services	(1,617)	(2,000)
Net Cash Provided (Used) by Operating Activities	\$ 7,112	\$ 1,057
Cash Flows from Investing Activities		
Interest Received	399	541
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 7,511	\$ 1,598
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>11,799</u>	<u>10,201</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 19,310</u>	<u>\$ 11,799</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 2,994	\$ 2,391
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Due to Other Funds	4,118	(1,334)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 7,112</u>	<u>\$ 1,057</u>

PENSION TRUST FUND

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

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 167,533	\$ 179,757
Investments		
Mutual Funds	1,842	1,767
Municipal Employees' Retirement System	6,575,666	6,730,522
Due from Other Funds	46,664	0
Prepaid Deductions	0	5,007
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,791,705	\$ 6,917,053
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,453	\$ 24,440
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 6,790,252	\$ 6,892,613
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

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

	2008	2007
<u>ADDITIONS</u>		
Contributions		
Employer	\$ 558,831	\$ 556,555
Employee	42,165	30,974
Total Contributions	\$ 600,996	\$ 587,529
Investment Income		
Interest and Dividend Income	\$ 5,244	\$ 5,603
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	(124,724)	975,835
Investment Expenses	(30,132)	(27,533)
Net Investment Income (Loss)	\$ (149,612)	\$ 953,905
Total Additions (Deletions)	\$ 451,384	\$ 1,541,434
<u>DEDUCTIONS</u>		
Benefit Payments		
Retirement	\$ 536,428	\$ 442,196
Administrative Expenses		
Contracted Services		
Actuarial Fees	16,117	18,282
Auditing	1,200	2,100
Total Deductions	\$ 553,745	\$ 462,578
Net Increase (Decrease) in Plan Assets	\$ (102,361)	\$ 1,078,856
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of Year	6,892,613	5,813,757
End of Year	\$ 6,790,252	\$ 6,892,613

AGENCY FUND

CURRENT TAX COLLECTION FUND

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2008

	<u>BALANCE</u>			<u>BALANCE</u>
	<u>7/1/2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>6/30/2008</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ 74,549	\$ 8,952,624	\$ 9,027,003	\$ 170
Due from Other Funds	7,386	14,938	7,386	14,938
Due from Other Governments	288	4,002	0	4,290
	<hr/>			
Total Assets	\$ 82,223	\$ 8,971,564	\$ 9,034,389	\$ 19,398
	<hr/>			
<u>LIABILITIES</u>				
Due to Other Governments	\$ 76,731	\$ 8,953,740	\$ 9,011,073	\$ 19,398
Due to Other Funds	5,492	0	5,492	0
	<hr/>			
Total Liabilities	\$ 82,223	\$ 8,953,740	\$ 9,016,565	\$ 19,398
	<hr/>			

COMPONENT UNITS

MAJOR COMPONENT UNIT

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

L.D.F.A. Debt Retirement Fund - This fund accounts for the accumulation of resources and payment of bond principal and interest.

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

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

NONMAJOR COMPONENT UNITS

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

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

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

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

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2008

	<u>MAJOR</u>	<u>TOTAL</u>	<u>TOTALS</u>
	<u>L.D.F.A.</u>	<u>NONMAJOR</u>	<u>TOTALS</u>
<u>ASSETS</u>	<u>UNITS</u>	<u>UNITS</u>	<u>TOTALS</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 99,823	\$ 88,847	\$ 188,670
Investments	2,020,751	241,059	2,261,810
Receivables			
Taxes	0	50	50
Accounts	1,335	60	1,395
Accrued Interest	2,177	111	2,288
Due from Other Governments	4,876	230	5,106
Prepaid Expenditures	0	3,236	3,236
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT ASSETS	\$ 2,128,962	\$ 333,593	\$ 2,462,555
	<hr/>	<hr/>	<hr/>
<u>CAPITAL ASSETS</u>			
Investment in System	\$ 226,767	\$ 0	\$ 226,767
Less Accumulated Depreciation	59,313	0	59,313
	<hr/>	<hr/>	<hr/>
Net Capital Assets	\$ 167,454	\$ 0	\$ 167,454
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,296,416	\$ 333,593	\$ 2,630,009
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,352	\$ 3,673	\$ 9,025
Accrued Expenditures	991	790	1,781
Security Deposit Payable	0	5,000	5,000
Due to Other Governments	0	34,100	34,100
Deferred Revenue	0	50	50
Total Liabilities	\$ 6,343	\$ 43,613	\$ 49,956
	<hr/>	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2008

	<u>MAJOR</u>	<u>TOTAL</u> <u>NONMAJOR</u>	
	<u>L.D.F.A.</u>	<u>COMPONENT</u>	<u>TOTALS</u>
		<u>UNITS</u>	
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 167,454	\$ 0	\$ 167,454
Unrestricted	188,559	0	188,559
Fund Balance			
Reserved for:			
Prepaid Expenditures	0	3,236	3,236
Capital Projects	257,862	0	257,862
Ground Water Clean-up	1,676,198	0	1,676,198
Unreserved	0	286,744	286,744
Total Net Assets/Fund Balance	<u>\$ 2,290,073</u>	<u>\$ 289,980</u>	<u>\$ 2,580,053</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,296,416</u>	<u>\$ 333,593</u>	<u>\$ 2,630,009</u>

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2008

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
<u>REVENUES</u>			
Taxes	\$ 327,761	\$ 143,463	\$ 471,224
Interest and Rents	89,735	7,403	97,138
Other Revenues	0	9,345	9,345
Total Revenues	\$ 417,496	\$ 160,211	\$ 577,707
<u>EXPENDITURES</u>			
Economic Development	\$ 0	\$ 81,566	\$ 81,566
Public Works	244,717	0	244,717
Intergovernmental Expenditures	0	34,100	34,100
Total Expenditures	\$ 244,717	\$ 115,666	\$ 360,383
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,779	\$ 44,545	\$ 217,324
<u>FUND BALANCES</u> - Beginning of Year	1,761,281	245,435	2,006,716
<u>FUND BALANCES</u> - End of Year	\$ 1,934,060	\$ 289,980	\$ 2,224,040

CITY OF CADILLAC, MICHIGAN

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

JUNE 30, 2008

	<u>OPERATING</u>	<u>DEBT</u>	<u>CAPITAL</u>
	<u>FUND</u>	<u>RETIREMENT</u>	<u>PROJECTS</u>
		<u>FUND</u>	<u>FUND</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 31,667	\$ 0	\$ 54,269
Investments	1,649,924	0	197,356
Receivables			
Accounts	0	0	0
Accrued Interest	747	0	1,361
Due from Other Governments	0	0	4,876
Total Current Assets	<u>\$ 1,682,338</u>	<u>\$ 0</u>	<u>\$ 257,862</u>
<u>CAPITAL ASSETS</u>			
Investment in System	\$ 0	\$ 0	\$ 0
Less Accumulated Depreciation	0	0	0
Net Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL ASSETS	<u>\$ 1,682,338</u>	<u>\$ 0</u>	<u>\$ 257,862</u>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,352	\$ 0	\$ 0
Accrued Expenditures	788	0	0
Total Liabilities	<u>\$ 6,140</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 0	\$ 0	\$ 0
Unrestricted	0	0	0
Fund Balance			
Reserved for:			
Capital Projects	0	0	257,862
Ground Water Clean-up	1,676,198	0	0
Total Net Assets/Fund Balance	<u>\$ 1,676,198</u>	<u>\$ 0</u>	<u>\$ 257,862</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,682,338</u>	<u>\$ 0</u>	<u>\$ 257,862</u>

UTILITIES	
FUND	TOTAL
\$ 13,887	\$ 99,823
173,471	2,020,751
1,335	1,335
69	2,177
0	4,876
<u>\$ 188,762</u>	<u>\$ 2,128,962</u>
\$ 226,767	\$ 226,767
59,313	59,313
<u>\$ 167,454</u>	<u>\$ 167,454</u>
<u>\$ 356,216</u>	<u>\$ 2,296,416</u>
\$ 0	\$ 5,352
203	991
<u>\$ 203</u>	<u>\$ 6,343</u>
\$ 167,454	\$ 167,454
188,559	188,559
0	257,862
0	1,676,198
<u>\$ 356,013</u>	<u>\$ 2,290,073</u>
<u>\$ 356,216</u>	<u>\$ 2,296,416</u>

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	OPERATING FUND	DEBT RETIREMENT FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>				
Taxes	\$ 219,226	\$ 0	\$ 108,535	\$ 327,761
Interest and Rents	87,649	0	2,086	89,735
Total Revenues	\$ 306,875	\$ 0	\$ 110,621	\$ 417,496
<u>EXPENDITURES</u>				
Public Works	\$ 244,717	\$ 0	\$ 0	\$ 244,717
Excess (Deficiency) of Revenues Over Expenditures	\$ 62,158	\$ 0	\$ 110,621	\$ 172,779
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 0	\$ 0	\$ 147,241	\$ 147,241
Transfers Out	(138,988)	(8,253)	0	(147,241)
Total Other Financing Sources (Uses)	\$ (138,988)	\$ (8,253)	\$ 147,241	\$ 0
Net Change in Fund Balance	\$ (76,830)	\$ (8,253)	\$ 257,862	\$ 172,779
<u>FUND BALANCE - Beginning of Year</u>	1,753,028	8,253	0	1,761,281
<u>FUND BALANCE - End of Year</u>	\$ 1,676,198	\$ 0	\$ 257,862	\$ 1,934,060

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 31,667	\$ 13,672
Investments	1,649,924	1,663,762
Receivables		
Accrued Interest	747	13,377
Due from Other Governments	0	79,625
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,682,338</u>	<u>\$ 1,770,436</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 5,352	\$ 16,780
Accrued Expenditures	788	628
	<hr/>	<hr/>
Total Liabilities	\$ 6,140	\$ 17,408
 <u>FUND BALANCE</u>		
Reserved for Groundwater Cleanup	1,676,198	1,753,028
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,682,338</u>	<u>\$ 1,770,436</u>

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

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

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 0	\$ 0	\$ 79,625
Groundwater Cleanup Special Assessment	220,000	219,226	196,482
Total Taxes	\$ 220,000	\$ 219,226	\$ 276,107
Interest and Rents			
Interest	67,500	87,649	75,529
Total Revenues	\$ 287,500	\$ 306,875	\$ 351,636
<u>EXPENDITURES</u>			
Public Works			
Personal Services	\$ 18,100	\$ 17,999	\$ 18,254
Employee Benefits	8,800	7,269	6,863
Audit	900	850	400
Legal Fees	8,000	4,686	13,910
Supplies	15,200	11,958	10,143
Contractual Services	97,000	62,632	85,251
Heat, Light and Power	118,000	125,947	124,265
Equipment Maintenance	21,500	13,376	30,038
Total Expenditures	\$ 287,500	\$ 244,717	\$ 289,124
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 62,158	\$ 62,512
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)			
L.D.F.A. Capital Projects	\$ (139,000)	\$ (138,988)	\$ 0
Net Change in Fund Balance	\$ (139,000)	\$ (76,830)	\$ 62,512
<u>FUND BALANCE</u> - Beginning of Year	1,696,616	1,753,028	1,690,516
<u>FUND BALANCE</u> - End of Year	\$ 1,557,616	\$ 1,676,198	\$ 1,753,028

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
<u>ASSETS</u>		
Cash	\$ 0	\$ 3,376
Investments	0	1
Due from Other Governments	0	4,876
	\$ 0	\$ 8,253
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	0	8,253
	\$ 0	\$ 8,253
	\$ 0	\$ 8,253

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2008	2007
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 0	\$ 147
<u>EXPENDITURES</u>		
General Government		
Audit	0	400
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (253)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfer In (Out)		
L.D.F.A. Capital Projects	\$ (8,253)	\$ 0
Net Change in Fund Balance	\$ (8,253)	\$ (253)
<u>FUND BALANCE</u> - Beginning of Year	8,253	8,506
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 8,253

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

BALANCE SHEET
JUNE 30, 2008

ASSETS

Cash	\$ 54,269
Investments	197,356
Receivables	
Accrued Interest	1,361
Due from Other Governments	<u>4,876</u>
 TOTAL ASSETS	 <u><u>\$ 257,862</u></u>

LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	\$ 0
 <u>FUND BALANCE</u>	
Reserved for Capital Projects	<u>257,862</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 257,862</u></u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

REVENUES

Taxes		
Property Taxes		\$ 108,535
Interest and Rents		
Interest		2,086
		0
Total Revenues		\$ 110,621

EXPENDITURES

Excess (Deficiency) of Revenues Over Expenditures		\$ 110,621

OTHER FINANCING SOURCES (USES)

Transfer In (Out)		
L.D.F.A. Operating		\$ 138,988
L.D.F.A. Debt Retirement		8,253
		0
Total Transfer In (Out)		\$ 147,241
Net Change in Fund Balance		\$ 257,862

<u>FUND BALANCE</u> - Beginning of Year	0
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<u>FUND BALANCE</u> - End of Year	\$ 257,862
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CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 13,887	\$ 49,257
Investments	173,471	116,971
Receivables		
Accounts	1,335	2,119
Accrued Interest	69	1,322
	<hr/>	<hr/>
Total Current Assets	\$ 188,762	\$ 169,669
	<hr/>	<hr/>
<u>CAPITAL ASSETS</u>		
Investment in System	\$ 226,767	\$ 226,767
Less Accumulated Depreciation	59,313	54,778
	<hr/>	<hr/>
Net Capital Assets	\$ 167,454	\$ 171,989
	<hr/>	<hr/>
TOTAL ASSETS	\$ 356,216	\$ 341,658
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accrued Expenses	\$ 203	\$ 74
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 167,454	\$ 171,989
Unrestricted	188,559	169,595
	<hr/>	<hr/>
Total Net Assets	\$ 356,013	\$ 341,584
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Water Charges to Customers	\$ 16,403	\$ 16,248
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,707	\$ 2,639
Employee Benefits	800	707
Audit	400	400
Depreciation	4,535	4,536
Total Operating Expenses	<u>\$ 8,442</u>	<u>\$ 8,282</u>
Operating Income (Loss)	\$ 7,961	\$ 7,966
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	<u>6,468</u>	<u>7,298</u>
Change in Net Assets	\$ 14,429	\$ 15,264
<u>NET ASSETS - Beginning of Year</u>	<u>341,584</u>	<u>326,320</u>
<u>NET ASSETS - End of Year</u>	<u>\$ 356,013</u>	<u>\$ 341,584</u>

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

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 17,187	\$ 16,748
Cash Payments to Suppliers for Goods and Services	(1,200)	(1,107)
Cash Payments to Employees for Services	(2,578)	(2,780)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 13,409	\$ 12,861
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest Received	\$ 7,721	\$ 7,295
Proceeds from Sales and Maturities	0	5,800
Purchase of Investment Securities	(56,500)	(5,644)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (48,779)	\$ 7,451
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (35,370)	\$ 20,312
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	49,257	28,945
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 13,887	\$ 49,257
	<hr/> <hr/>	<hr/> <hr/>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income	\$ 7,961	\$ 7,966
	<hr/>	<hr/>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 4,535	\$ 4,536
(Increase) Decrease in Current Assets		
Accounts Receivable	784	(699)
Due from Other Governments	0	1,199
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	129	(141)
	<hr/>	<hr/>
Total Adjustments	\$ 5,448	\$ 4,895
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 13,409	\$ 12,861
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2008

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
<u>ASSETS</u>				
Cash	\$ 81,376	\$ 1,167	\$ 6,304	\$ 88,847
Investments	146,000	0	95,059	241,059
Receivables				
Taxes	50	0	0	50
Accounts	60	0	0	60
Accrued Interest	30	0	81	111
Due from Other Governments	0	0	230	230
Prepaid Expenditures	3,236	0	0	3,236
TOTAL ASSETS	\$ 230,752	\$ 1,167	\$ 101,674	\$ 333,593
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 693	\$ 0	\$ 2,980	\$ 3,673
Accrued Expenditures	790	0	0	790
Security Deposits Payable	0	0	5,000	5,000
Due to Other Governments	34,100	0	0	34,100
Deferred Revenue	50	0	0	50
Total Liabilities	\$ 35,633	\$ 0	\$ 7,980	\$ 43,613
<u>FUND BALANCE</u>				
Reserved for Prepaid Expenditures	\$ 3,236	\$ 0	\$ 0	\$ 3,236
Unreserved	191,883	1,167	93,694	286,744
Total Fund Balances	\$ 195,119	\$ 1,167	\$ 93,694	\$ 289,980
TOTAL LIABILITIES AND FUND BALANCES	\$ 230,752	\$ 1,167	\$ 101,674	\$ 333,593

CITY OF CADILLAC, MICHIGAN

NONMAJOR COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>	<u>BROWNFIELD REDEVELOPMENT AUTHORITY</u>	<u>TOTALS</u>
<u>REVENUES</u>				
Taxes	\$ 131,331	\$ 0	\$ 12,132	\$ 143,463
Interest and Rents	1,668	0	5,735	7,403
Other Revenues	9,345	0	0	9,345
Total Revenues	<u>\$ 142,344</u>	<u>\$ 0</u>	<u>\$ 17,867</u>	<u>\$ 160,211</u>
<u>EXPENDITURES</u>				
Economic Development	\$ 50,025	\$ 0	\$ 31,541	\$ 81,566
Intergovernmental	34,100	0	0	34,100
Total Expenditures	<u>\$ 84,125</u>	<u>\$ 0</u>	<u>\$ 31,541</u>	<u>\$ 115,666</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,219	\$ 0	\$ (13,674)	\$ 44,545
<u>FUND BALANCES</u> - Beginning of Year	<u>136,900</u>	<u>1,167</u>	<u>107,368</u>	<u>245,435</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 195,119</u>	<u>\$ 1,167</u>	<u>\$ 93,694</u>	<u>\$ 289,980</u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2008

	CAPITAL		
	OPERATING	PROJECTS	TOTAL
	FUND	FUND	
<u>ASSETS</u>			
Cash	\$ 7,043	\$ 74,333	\$ 81,376
Investments	0	146,000	146,000
Receivables			
Taxes	50	0	50
Accounts	60	0	60
Accrued Interest	0	30	30
Prepaid Expenditures	3,236	0	3,236
	<hr/>		
TOTAL ASSETS	\$ 10,389	\$ 220,363	\$ 230,752
	<hr/> <hr/>		
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 94	\$ 599	\$ 693
Accrued Expenditures	790	0	790
Due to Other Governments	0	34,100	34,100
Deferred Revenue	50	0	50
	<hr/>		
Total Liabilities	\$ 934	\$ 34,699	\$ 35,633
	<hr/>		
<u>FUND BALANCE</u>			
Reserved for Prepaid Expenditures	\$ 3,236	\$ 0	\$ 3,236
Unreserved	6,219	185,664	191,883
	<hr/>		
Total Fund Balance	\$ 9,455	\$ 185,664	\$ 195,119
	<hr/>		
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,389	\$ 220,363	\$ 230,752
	<hr/> <hr/>		

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 29,977	\$ 101,354	\$ 131,331
Interest and Rents	665	1,003	1,668
Other Revenues	9,345	0	9,345
Total Revenues	<u>\$ 39,987</u>	<u>\$ 102,357</u>	<u>\$ 142,344</u>
<u>EXPENDITURES</u>			
Economic Development	\$ 38,713	\$ 11,312	\$ 50,025
Intergovernmental Expenditures	0	34,100	34,100
Total Expenditures	<u>\$ 38,713</u>	<u>\$ 45,412</u>	<u>\$ 84,125</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,274	\$ 56,945	\$ 58,219
<u>FUND BALANCES</u> - Beginning of Year	<u>8,181</u>	<u>128,719</u>	<u>136,900</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 9,455</u>	<u>\$ 185,664</u>	<u>\$ 195,119</u>

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 7,043	\$ 9,385
Receivables		
Taxes	50	135
Accounts	60	120
Prepaid Expenditures	3,236	82
	<hr/>	<hr/>
TOTAL ASSETS	\$ 10,389	\$ 9,722
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 94	\$ 280
Accrued Expenditures	790	1,126
Deferred Revenue	50	135
	<hr/>	<hr/>
Total Liabilities	\$ 934	\$ 1,541
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 3,236	\$ 82
Unreserved	6,219	8,099
	<hr/>	<hr/>
Total Fund Balance	\$ 9,455	\$ 8,181
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,389	\$ 9,722
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 32,000	\$ 29,977	\$ 31,097
Interest and Rents			
Interest	700	665	999
Other Revenues			
DEQ Management Fee	5,000	5,000	5,000
Contributions from Private Sources	2,500	4,345	3,585
Total Revenues	<u>\$ 40,200</u>	<u>\$ 39,987</u>	<u>\$ 40,681</u>
<u>EXPENDITURES</u>			
Economic Development			
Personal Services	\$ 25,000	\$ 26,287	\$ 25,058
Employee Benefits	5,400	5,743	3,316
Audit	700	850	700
Contractual Services	8,000	2,939	8,542
Postage	500	692	456
Printing and Publishing	0	0	1,220
Office Supplies	1,500	792	601
Travel and Education	300	0	302
Downtown Marketing	2,500	1,410	0
Total Expenditures	<u>\$ 43,900</u>	<u>\$ 38,713</u>	<u>\$ 40,195</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,700)	\$ 1,274	\$ 486
<u>FUND BALANCE</u> - Beginning of Year	8,695	8,181	7,695
<u>FUND BALANCE</u> - End of Year	<u>\$ 4,995</u>	<u>\$ 9,455</u>	<u>\$ 8,181</u>

CITY OF CADILLAC, MICHIGAN

D.D.A. CAPITAL PROJECTS FUND

A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 74,333	\$ 12,063
Investments	146,000	0
Receivables		
Accrued Interest	30	0
Due from Other Governments	0	116,656
	<hr/>	<hr/>
TOTAL ASSETS	\$ 220,363	\$ 128,719
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 599	\$ 0
Due to Other Governments	34,100	0
	<hr/>	<hr/>
Total Liabilities	\$ 34,699	\$ 0
<u>FUND BALANCE</u>		
Unreserved	185,664	128,719
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 220,363	\$ 128,719
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 107,000	\$ 101,354	\$ 116,656
Interest and Rents			
Interest	1,000	1,003	886
Total Revenues	<u>\$ 108,000</u>	<u>\$ 102,357</u>	<u>\$ 117,542</u>
<u>EXPENDITURES</u>			
Economic Development			
Construction	\$ 1,000	\$ 933	\$ 1,335
Audit	400	0	0
Contracted Services	9,800	10,379	9,610
Intergovernmental Expenditures			
Public Works	34,000	34,100	30,000
Total Expenditures	<u>\$ 45,200</u>	<u>\$ 45,412</u>	<u>\$ 40,945</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,800</u>	<u>\$ 56,945</u>	<u>\$ 76,597</u>
<u>FUND BALANCE</u> - Beginning of Year	81,222	128,719	52,122
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 144,022</u></u>	<u><u>\$ 185,664</u></u>	<u><u>\$ 128,719</u></u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 1,167	\$ 1,167
	<u>1,167</u>	<u>1,167</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	1,167	1,167
	<u>1,167</u>	<u>1,167</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,167</u>	<u>\$ 1,167</u>

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>1,167</u>	<u>1,167</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 1,167</u></u>	<u><u>\$ 1,167</u></u>

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 6,304	\$ 15,973
Investments	95,059	88,900
Receivables		
Accrued Interest	81	809
Due from Other Governments	230	1,686
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 101,674</u>	<u>\$ 107,368</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Security Deposit Payable	\$ 5,000	\$ 0
Accounts Payable	2,980	0
	<hr/>	<hr/>
Total Liabilities	\$ 7,980	\$ 0
 <u>FUND BALANCE</u>		
Unreserved	93,694	107,368
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 101,674</u>	<u>\$ 107,368</u>

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

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

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 27,000	\$ 12,132	\$ 1,686
Interest and Rents			
Interest on Investments	2,000	5,735	4,681
Total Revenues	<u>\$ 29,000</u>	<u>\$ 17,867</u>	<u>\$ 6,367</u>
<u>EXPENDITURES</u>			
Economic Development			
Contracted Services	\$ 28,200	\$ 30,691	\$ 0
Audit	800	850	800
Total Expenditures	<u>\$ 29,000</u>	<u>\$ 31,541</u>	<u>\$ 800</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (13,674)	\$ 5,567
<u>FUND BALANCE</u> - Beginning of Year	<u>103,001</u>	<u>107,368</u>	<u>101,801</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 103,001</u>	<u>\$ 93,694</u>	<u>\$ 107,368</u>

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	1996 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>			\$ 230,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 135,000	
During Current Period		<u>20,000</u>	<u>155,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>			<u><u>\$ 75,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.50 %	\$ 25,000	\$ 2,063	\$ 27,063
April 1, 2009			1,375	1,375
October 1, 2009	5.50 %	25,000	1,375	26,375
April 1, 2010			687	687
October 1, 2010	5.50 %	25,000	687	25,687
		<u>\$ 75,000</u>	<u>\$ 6,187</u>	<u>\$ 81,187</u>

CITY OF CADILLAC, MICHIGAN

1997 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	1997 Michigan Transportation Fund Bonds	
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952 as amended.	
<u>DATE OF ISSUE</u>	May 1, 1997	
<u>AMOUNT OF ISSUE</u>		\$ 110,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 80,000	
During Current Period	15,000	95,000
<u>BALANCE OUTSTANDING - June 30, 2008</u>		\$ 15,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.35 %	\$ 15,000	\$ 401	\$ 15,401

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	2000 Michigan Transportation Fund Bonds	
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.	
<u>DATE OF ISSUE</u>	June 1, 2000	
<u>AMOUNT OF ISSUE</u>		\$ 300,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 80,000	
During Current Period	20,000	100,000
<u>BALANCE OUTSTANDING</u> - June 30, 2008		\$ 200,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.45 %	\$ 25,000	\$ 5,505	\$ 30,505
April 1, 2009			4,824	4,824
October 1, 2009	5.45 %	25,000	4,824	29,824
April 1, 2010			4,142	4,142
October 1, 2010	5.50 %	25,000	4,142	29,142
April 1, 2011			3,455	3,455
October 1, 2011	5.50 %	25,000	3,455	28,455
April 1, 2012			2,768	2,768
October 1, 2012	5.50 %	30,000	2,768	32,768
April 1, 2013			1,943	1,943
October 1, 2013	5.55 %	35,000	1,943	36,943
April 1, 2014			971	971
October 1, 2014	5.55 %	35,000	971	35,971
		\$ 200,000	\$ 41,711	\$ 241,711

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac Building Authority 1997 Building Authority Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public parking lot improvements in the City of Cadillac		
<u>DATE OF ISSUE</u>	December 1, 1997		
<u>AMOUNT OF ISSUE</u>		\$	310,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	145,000	
During Current Period		<u>25,000</u>	<u>170,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>		\$	<u><u>140,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.05 %	\$ 25,000	\$ 3,609	\$ 28,609
April 1, 2009			2,978	2,978
October 1, 2009	5.10 %	25,000	2,978	27,978
April 1, 2010			2,340	2,340
October 1, 2010	5.15 %	30,000	2,340	32,340
April 1, 2011			1,568	1,568
October 1, 2011	5.20 %	30,000	1,568	31,568
April 1, 2012			788	788
October 1, 2012	5.25 %	30,000	788	30,788
		<u>\$ 140,000</u>	<u>\$ 18,957</u>	<u>\$ 158,957</u>

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac 2004 General Obligation Capital Improvement Bonds		
<u>PURPOSE</u>	For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001.		
<u>DATE OF ISSUE</u>	November 1, 2004		
<u>AMOUNT OF ISSUE</u>		\$	995,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	110,000	
During Current Period		55,000	165,000
<u>BALANCE OUTSTANDING - June 30, 2008</u>			\$ 830,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2008	2.60 %	\$ 55,000	\$ 15,170	\$ 70,170
March 1, 2009			14,455	14,455
September 1, 2009	2.90 %	60,000	14,455	74,455
March 1, 2010			13,585	13,585

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2008

	INTEREST RATES	REQUIREMENTS		
		PRINCIPAL	INTEREST	TOTAL
September 1, 2010	3.15 %	60,000	13,585	73,585
March 1, 2011			12,640	12,640
September 1, 2011	3.35 %	65,000	12,640	77,640
March 1, 2012			11,551	11,551
September 1, 2012	3.50 %	65,000	11,551	76,551
March 1, 2013			10,414	10,414
September 1, 2013	3.65 %	65,000	10,414	75,414
March 1, 2014			9,228	9,228
September 1, 2014	3.75 %	70,000	9,228	79,228
March 1, 2015			7,915	7,915
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
		\$ 830,000	\$ 208,598	\$ 1,038,598

CITY OF CADILLAC, MICHIGAN

1993 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	1993 Special Assessment Limited Tax Bonds	
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.	
<u>DATE OF ISSUE</u>	June 1, 1993	
<u>AMOUNT OF ISSUE</u>		\$ 220,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 205,000	
During Current Period	15,000	220,000
	<hr/>	<hr/>
<u>BALANCE OUTSTANDING - June 30, 2008</u>		<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac 1996 Special Assessment Limited Tax Bonds	
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac	
<u>DATE OF ISSUE</u>	May 1, 1996	
<u>AMOUNT OF ISSUE</u>		\$ 425,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 340,000	
During Current Period	<u>30,000</u>	<u>370,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>		<u><u>\$ 55,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.50 %	\$ 30,000	\$ 1,527	\$ 31,527
April 1, 2009			703	703
October 1, 2009	5.60 %	15,000	703	15,703
April 1, 2010			283	283
October 1, 2010	5.65 %	<u>10,000</u>	<u>283</u>	<u>10,283</u>
		<u><u>\$ 55,000</u></u>	<u><u>\$ 3,499</u></u>	<u><u>\$ 58,499</u></u>

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac 1997 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
<u>DATE OF ISSUE</u>	May 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 360,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 240,000	
During Current Period		<u>25,000</u>	<u>265,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>			<u><u>\$ 95,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.35 %	\$ 25,000	\$ 2,563	\$ 27,563
April 1, 2009			1,894	1,894
October 1, 2009	5.40 %	25,000	1,894	26,894
April 1, 2010			1,220	1,220
October 1, 2010	5.40 %	25,000	1,220	26,220
April 1, 2011			545	545
October 1, 2011	5.45 %	<u>20,000</u>	<u>545</u>	<u>20,545</u>
		<u><u>\$ 95,000</u></u>	<u><u>\$ 9,881</u></u>	<u><u>\$ 104,881</u></u>

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac 2000 Special Assessment Limited Tax Bonds
<u>PURPOSE</u>	Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac
<u>DATE OF ISSUE</u>	June 1, 2000
<u>AMOUNT OF ISSUE</u>	\$ 210,000
<u>AMOUNT REDEEMED</u>	
Prior to Current Period	\$ 125,000
During Current Period	<u>20,000</u>
	<u>145,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>	<u>\$ 65,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	5.45 %	\$ 15,000	\$ 1,781	\$ 16,781
April 1, 2009			1,373	1,373
October 1, 2009	5.45 %	20,000	1,373	21,373
April 1, 2010			827	827
October 1, 2010	5.50 %	5,000	827	5,827
April 1, 2011			690	690
October 1, 2011	5.50 %	5,000	690	5,690
April 1, 2012			553	553
October 1, 2012	5.50 %	10,000	553	10,553
April 1, 2013			277	277
October 1, 2013	5.55 %	5,000	277	5,277
April 1, 2014			139	139
October 1, 2014	5.55 %	5,000	139	5,139
		<u>\$ 65,000</u>	<u>\$ 9,499</u>	<u>\$ 74,499</u>

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	2002 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	For the purpose of constructing public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	June 1, 2002		
<u>AMOUNT OF ISSUE</u>			\$ 325,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 145,000	
During Current Period		<u>30,000</u>	<u>175,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>			<u><u>\$ 150,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	4.00 %	\$ 35,000	\$ 3,262	\$ 38,262
April 1, 2009			2,562	2,562
October 1, 2009	4.20 %	30,000	2,562	32,562
April 1, 2010			1,932	1,932
October 1, 2010	4.40 %	30,000	1,932	31,932
April 1, 2011			1,272	1,272
October 1, 2011	4.50 %	30,000	1,272	31,272
April 1, 2012			597	597
October 1, 2012	4.60 %	10,000	597	10,597
April 1, 2013			367	367
October 1, 2013	4.75 %	5,000	367	5,367
April 1, 2014			248	248
October 1, 2014	4.90 %	5,000	248	5,248
April 1, 2015			125	125
October 1, 2015	5.00 %	<u>5,000</u>	<u>125</u>	<u>5,125</u>
		<u><u>\$ 150,000</u></u>	<u><u>\$ 17,468</u></u>	<u><u>\$ 167,468</u></u>

CITY OF CADILLAC, MICHIGAN

1993 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS
JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac Water Supply and Wastewater System Revenue Refunding Bonds, Series 1993	
<u>PURPOSE</u>	Paying the cost of refunding a portion of the City's Water Supply and Wastewater System Revenue Bonds, Series 1988 and the City's Water Supply and Wastewater System Revenue Bonds, Series 1989 and to pay the cost of issuance of the Bonds	
<u>DATE OF ISSUE</u>	July 1, 1993	
<u>AMOUNT OF ISSUE</u>		\$ 1,655,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 1,435,000	
During Current Period	<u>220,000</u>	<u>1,655,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>		<u><u>\$ 0</u></u>

CITY OF CADILLAC, MICHIGAN

1995 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac Water Supply and Wastewater System Revenue Bonds, Series 1995	
<u>PURPOSE</u>	To defray the cost of acquiring and constructing additions, improvements and extensions to the system. This bond is issued pursuant to an ordinance duly adopted by the City council of the City, under and in full compliance with the charter of the City and the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended.	
<u>DATE OF ISSUE</u>	October 30, 1995	
<u>AMOUNT OF ISSUE</u>		\$ 2,300,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 2,205,000	
During Current Period	<u>95,000</u>	<u>2,300,000</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2008		<u><u>\$ 0</u></u>
<u>CALL PROVISIONS</u>	Scheduled redemption during years 2004-2007, with option to redeem resting with the Issuer, thereafter.	

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS
JUNE 30, 2008

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

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

DATE OF ISSUE May 5, 1999

AMOUNT OF ISSUE \$ 2,110,000

AMOUNT REDEEMED

Prior to Current Period	\$ 665,000	
During Current Period	<u>60,000</u>	<u>725,000</u>

BALANCE OUTSTANDING - June 30, 2008 \$ 1,385,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2008	4.25 %	\$ 305,000	\$ 32,313	\$ 337,313
March 1, 2009			25,831	25,831
September 1, 2009	4.35 %	5,000	25,831	30,831

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001		
<u>PURPOSE</u>	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and sewer system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1995, maturing in the years 2008 through and including 2012 on August 22, 2001, and (3) paying certain expenses relating to the issuance of the Bonds.		
<u>DATE OF ISSUE</u>	August 1, 2001		
<u>AMOUNT OF ISSUE</u>			\$ 5,215,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	50,000	
During Current Period		<u>10,000</u>	<u>60,000</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>			<u><u>\$ 5,155,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2008	4.38 %	\$ 105,000	\$ 126,588	\$ 231,588
March 1, 2009			124,291	124,291
September 1, 2009	4.50 %	425,000	124,292	549,292
March 1, 2010			114,729	114,729
September 1, 2010	4.63 %	450,000	114,729	564,729
March 1, 2011			104,322	104,322

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2008

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2011	4.75 %	480,000	104,322	584,322
March 1, 2012			92,923	92,923
September 1, 2012	4.75 %	505,000	92,923	597,923
March 1, 2013			80,929	80,929
September 1, 2013	4.60 %	80,000	80,929	160,929
March 1, 2014			79,089	79,089
September 1, 2014	4.75 %	85,000	79,089	164,089
March 1, 2015			77,070	77,070
September 1, 2015	4.80 %	100,000	77,070	177,070
March 1, 2016			74,670	74,670
September 1, 2016	5.00 %	100,000	74,670	174,670
March 1, 2017			72,170	72,170
September 1, 2017	5.00 %	100,000	72,170	172,170
March 1, 2018			69,670	69,670
September 1, 2018	5.00 %	105,000	69,670	174,670
March 1, 2019			67,045	67,045
September 1, 2019	5.10 %	115,000	67,045	182,045
March 1, 2020			64,112	64,112
September 1, 2020	5.10 %	305,000	64,112	369,112
March 1, 2021			56,335	56,335
September 1, 2021	5.10 %	320,000	56,335	376,335
March 1, 2022			48,175	48,175
September 1, 2022	5.125 %	340,000	48,175	388,175
March 1, 2023			39,463	39,463
September 1, 2023	5.125 %	355,000	39,463	394,463
March 1, 2024			30,366	30,366
September 1, 2024	5.125 %	375,000	30,366	405,366
March 1, 2025			20,756	20,756
September 1, 2025	5.125 %	395,000	20,756	415,756
March 1, 2026			10,634	10,634
September 1, 2026	5.125 %	415,000	10,634	425,634
		<u>\$ 5,155,000</u>	<u>\$ 2,580,087</u>	<u>\$ 7,735,087</u>

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2008

<u>TITLE OF ISSUE</u>	1999 Building Authority Refunding Bonds		
<u>PURPOSE</u>	For the purpose of advance refunding the 1994 Building Authority Bonds dated December 1, 1994 maturing in the years 2006 through and including 2015 on October 1, 1999		
<u>DATE OF ISSUE</u>	February 2, 1999		
<u>AMOUNT OF ISSUE</u>		\$	1,265,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	185,000	
During Current Period		105,000	290,000
<u>BALANCE OUTSTANDING - June 30, 2008</u>			\$ 975,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2008	4.25 %	\$ 105,000	\$ 21,933	\$ 126,933
April 1, 2009			19,701	19,701
October 1, 2009	4.30 %	110,000	19,701	129,701
April 1, 2010			17,336	17,336
October 1, 2010	4.35 %	115,000	17,336	132,336
April 1, 2011			14,835	14,835
October 1, 2011	4.60 %	115,000	14,835	129,835
April 1, 2012			12,190	12,190

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2008

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2012	4.60 %	125,000	12,190	137,190
April 1, 2013			9,315	9,315
October 1, 2013	4.60 %	130,000	9,315	139,315
April 1, 2014			6,325	6,325
October 1, 2014	4.60 %	135,000	6,325	141,325
April 1, 2015			3,220	3,220
October 1, 2015	4.60 %	140,000	3,220	143,220
		<u>\$ 975,000</u>	<u>\$ 187,777</u>	<u>\$ 1,162,777</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2007 TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 229,670,975	8.0797	\$ 1,855,627	\$ 1,778,090	\$ 77,537
Cadillac Area Public Schools					
Operating	125,672,972	18.0000	2,262,101	2,144,661	117,440
Debt Retirement	229,281,342	2.9000	664,872	631,042	33,830
State Education Tax	229,303,542	6.0000	1,375,805	1,324,118	51,687
Wexford-Missaukee Intermediate School District	229,281,342	5.9419	1,362,340	1,274,882	87,458
Cadillac-Wexford Transit Authority	229,670,975	0.6000	137,783	128,954	8,829
Cadillac-Wexford Public Library	229,670,975	0.6785	155,806	145,822	9,984
Wexford County Council on Aging	229,670,975	0.9976	229,094	214,413	14,681
City of Cadillac					
General Fund	229,670,975	13.9473	3,203,264	3,083,112	120,152
Policemen and Firemen					
Retirement System	229,670,975	2.8000	643,059	618,939	24,120
Public Improvement					
Special Assessments			295,367	267,028	28,339
Unpaid Invoices			2,719	2,069	650
Administration Fees			134,945	127,930	7,015
			<u>\$ 12,322,782</u>	<u>\$ 11,741,060</u>	<u>\$ 581,722</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2007 TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 2,196,027	8.0797	\$ 17,743	\$ 0	\$ 17,743	\$ (17,743)	\$ 0
Cadillac Area Public Schools							
Operating	2,196,027	18.0000	39,528	0	39,528	0	39,528
Debt Retirement	2,196,027	2.9000	6,368	0	6,368	0	6,368
State Education Tax	2,196,027	6.0000	13,176	0	13,176	0	13,176
Wexford-Missaukee Intermediate							
School District	2,196,027	5.9419	13,049	0	13,049	0	13,049
Cadillac-Wexford Transit Authority	2,196,027	0.6000	1,318	0	1,318	(1,318)	0
Cadillac-Wexford Public Library	2,196,027	0.6785	1,490	0	1,490	(1,490)	0
Wexford County Council on Aging	2,196,027	0.9976	2,191	0	2,191	(2,191)	0
Local Development Finance Authority							
Capture	(2,196,027)	27.1031	0	0	0	59,520	59,520
Groundwater Treatment							
Special Assessments			219,226	34,512	184,714	0	184,714
City of Cadillac							
General Fund	2,196,027	13.9473	30,629	0	30,629	(30,629)	0
Policemen and Firemen							
Retirement System	2,196,027	2.8000	6,149	0	6,149	(6,149)	0
			\$ 350,867	\$ 34,512	\$ 316,355	\$ 0	\$ 316,355

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2007 TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 15,348,803	8.0797	\$ 124,014	\$ 13,623	\$ 110,391	\$ (30,215)	\$ 80,176
Cadillac Area Public Schools							
Operating	15,348,803	18.0000	276,278	30,350	245,928	0	245,928
Debt Retirement	15,348,803	2.9000	44,512	4,890	39,622	0	39,622
State Education Tax	15,348,803	6.0000	92,093	10,117	81,976	0	81,976
Wexford-Missaukee Intermediate							
School District	15,348,803	5.9419	91,201	10,019	81,182	0	81,182
Cadillac-Wexford Transit Authority	15,348,803	0.6000	9,209	1,012	8,197	(2,244)	5,953
Cadillac-Wexford Public Library	15,348,803	0.6785	10,414	1,144	9,270	(2,537)	6,733
Wexford County Council on Aging	15,348,803	0.9976	15,312	1,682	13,630	(3,731)	9,899
Downtown Development Authority							
Special Assessments	15,348,803	1.9548	30,004	3,296	26,708	0	26,708
Capture	(3,739,589)	27.1031	0	0	0	101,355	101,355
City of Cadillac							
General Fund	15,348,803	13.9473	214,074	23,516	190,558	(52,157)	138,401
Policemen and Firemen Retirement System	15,348,803	2.8000	42,977	4,721	38,256	(10,471)	27,785
			\$ 950,088	\$ 104,370	\$ 845,718	\$ 0	\$ 845,718

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2007 TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 10,503	8.07970	\$ 85	\$ 0	\$ 85	\$ (85)	\$ 0
Cadillac Area Public Schools							
Operating	400,136	18.00000	7,202	0	7,202	(7,202)	0
Debt Retirement	400,136	2.90000	1,160	0	1,160	0	1,160
State Education Tax	377,936	6.00000	2,268	0	2,268	(2,268)	0
Wexford-Missaukee Intermediate							
School District	400,136	5.94190	2,378	0	2,378	(2,378)	0
Cadillac-Wexford Transit Authority	10,503	0.60000	6	0	6	(6)	0
Cadillac-Wexford Public Library	10,503	0.67850	7	0	7	(7)	0
Wexford County Council on Aging	10,503	0.99760	10	0	10	(10)	0
Brownfield Redevelopment District Capture							
Intermediated School District	400,136	5.94190	0	0	0	2,378	2,378
Cadillac Area Public Schools	400,136	18.00000	0	0	0	7,202	7,202
State Education Tax	377,936	6.00000	0	0	0	2,268	2,268
All Other Levies	10,503	33.04500	0	0	0	283	283
City of Cadillac							
General Fund	10,503	13.94730	146	0	146	(146)	0
Policemen and Firemen Retirement System	10,503	2.80000	29	0	29	(29)	0
			\$ 13,291	\$ 0	\$ 13,291	\$ 0	\$ 13,291

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2007 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 19,023,534	4.03985	\$ 76,850	\$ 75,988	\$ 862
Cadillac Area Public Schools					
Operating (State Share)					
After Proposal A	19,023,534	9.00000	171,212	169,292	1,920
Debt Retirement	19,023,534	1.45000	27,582	27,273	309
State Education Tax	15,378,708	6.00000	92,272	90,992	1,280
State Education Tax	1,490,300	3.00000	4,471	4,471	0
Wexford-Missaukee Intermediate					
School District					
Operating	19,023,534	0.13570	2,581	2,581	0
State Share	19,023,534	2.83525	53,932	53,298	634
Cadillac-Wexford Transit Authority	19,023,534	0.30000	5,707	5,643	64
Cadillac-Wexford Public Library	19,023,534	0.33925	6,451	6,379	72
Wexford County Council on Aging	19,023,534	0.49880	9,488	9,382	106
City of Cadillac					
General Fund	19,023,534	6.97365	132,661	131,173	1,488
Policemen and Firemen					
Retirement System	19,023,534	1.40000	26,633	26,334	299
Administration Fees			7,289	7,219	70
			<u>\$ 617,129</u>	<u>\$ 610,025</u>	<u>\$ 7,104</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2007 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 3,616,998	4.03985	\$ 14,612	\$ 0	\$ 14,612	\$ (14,612)	\$ 0
Cadillac Area Public Schools							
Operating (State Share)							
After Proposal A	3,616,998	9.00000	32,553	0	32,553	0	32,553
Debt Retirement	3,616,998	1.45000	5,245	0	5,245	0	5,245
State Education Tax	3,616,998	6.00000	21,702	0	21,702	0	21,702
Wexford-Missaukee Intermediate							
School District							
Operating	3,616,998	0.13570	491	0	491	0	491
State Share	3,616,998	2.83525	10,255	0	10,255	0	10,255
Cadillac-Wexford Transit Authority	3,616,998	0.30000	1,085	0	1,085	(1,085)	0
Cadillac-Wexford Public Library	3,616,998	0.33925	1,227	0	1,227	(1,227)	0
Wexford County Council on Aging	3,616,998	0.49880	1,804	0	1,804	(1,804)	0
Local Development Finance							
Authority Capture			0	0	0	49,016	49,016
City of Cadillac							
General Fund	3,616,998	6.97365	25,224	0	25,224	(25,224)	0
Policemen and Firemen							
Retirement System	3,616,998	1.40000	5,064	0	5,064	(5,064)	0
			\$ 119,262	\$ 0	\$ 119,262	\$ 0	\$ 119,262

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2007 OBSOLETE PROPERTIES TAX ROLL
JUNE 30, 2008

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 53,900	8.0797	\$ 435	\$ 435	\$ 0
Cadillac Area Public Schools					
Operating	127,733	18.0000	2,299	2,299	0
Debt Retirement	127,733	2.9000	370	370	0
State Education Tax	127,733	6.0000	766	766	0
Wexford-Missaukee Intermediate School District	53,900	5.9419	320	320	0
Cadillac-Wexford Transit Authority	53,900	0.6000	32	32	0
Cadillac-Wexford Public Library	53,900	0.6785	37	37	0
Wexford County Council on Aging	53,900	0.9976	54	54	0
City of Cadillac					
General Fund	53,900	13.9473	752	752	0
Policemen and Firemen					
Retirement System	53,900	2.8000	151	151	0
Public Improvement					
Special Assessments			765	765	0
Administration Fees			61	61	0
			<u>\$ 6,042</u>	<u>\$ 6,042</u>	<u>\$ 0</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	254-259
<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	260-263
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	264-268
<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	269-270
<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	271-273
<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	274-288

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

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

	<i>Fiscal Year</i>					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 10,989	\$ 11,190	\$ 11,980	\$ 12,563	\$ 13,560	\$ 13,847
Restricted	981	495	457	792	1,162	1,361
Unrestricted	6,229	6,826	6,537	5,907	5,534	6,108
Total governmental activities net assets	<u>\$ 18,199</u>	<u>\$ 18,511</u>	<u>\$ 18,974</u>	<u>\$ 19,262</u>	<u>\$ 20,256</u>	<u>\$ 21,316</u>
Business-type Activities						
Invested in capital assets, net of related debt	\$ 10,128	\$ 11,219	\$ 11,317	\$ 11,404	\$ 11,610	\$ 12,457
Restricted	1,982	1,964	2,048	1,656	1,799	1,490
Unrestricted	2,950	2,114	1,756	2,384	2,772	2,376
Total business-type activities net assets	<u>\$ 15,060</u>	<u>\$ 15,297</u>	<u>\$ 15,121</u>	<u>\$ 15,444</u>	<u>\$ 16,181</u>	<u>\$ 16,323</u>
Primary Government						
Invested in capital assets, net of related debt	\$ 21,117	\$ 22,409	\$ 23,297	\$ 23,967	\$ 25,170	\$ 26,304
Restricted	2,963	2,459	2,505	2,448	2,961	2,851
Unrestricted	9,179	8,940	8,293	8,291	8,306	8,484
Total primary government net assets	<u>\$ 33,259</u>	<u>\$ 33,808</u>	<u>\$ 34,095</u>	<u>\$ 34,706</u>	<u>\$ 36,437</u>	<u>\$ 37,639</u>

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

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

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

	<i>Fiscal Year</i>					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-Type Activities:						
Charges for Services:						
Water and Sewer System	\$ 3,037	\$ 3,258	\$ 3,395	\$ 3,670	\$ 3,735	\$ 3,771
Building Authority Operating	196	196	196	196	196	197
Automobile Parking System	44	44	46	50	49	49
Operating Grants and Contributions	0	0	14	0	0	0
Capital Grants and Contributions	50	213		76	410	0
Total Business-Type Activities Program Revenues	<u>\$ 3,327</u>	<u>\$ 3,711</u>	<u>\$ 3,651</u>	<u>\$ 3,992</u>	<u>\$ 4,390</u>	<u>\$ 4,017</u>
Total Primary Government Program Revenues	<u>\$ 6,813</u>	<u>\$ 6,860</u>	<u>\$ 6,539</u>	<u>\$ 6,883</u>	<u>\$ 8,281</u>	<u>\$ 7,720</u>

General Revenues and Other Changes in

Net Assets

Governmental Activities:						
Property Taxes	\$ 3,205	\$ 3,547	\$ 3,667	\$ 4,188	\$ 4,364	\$ 4,553
State Shared Revenue - Unrestricted	1,163	1,147	1,066	1,055	1,043	1,014
Investment Earnings - Unrestricted	224	135	182	215	271	263
Gain (Loss) on Sale of Capital Assets	16	(2)	16	134	109	0
Other	142	8	14	14	25	71
Transfers	(193)	0		0	0	0
Special Items	0	0	212	0	0	0
Total Governmental Activities	<u>\$ 4,557</u>	<u>\$ 4,835</u>	<u>\$ 5,157</u>	<u>\$ 5,606</u>	<u>\$ 5,812</u>	<u>\$ 5,901</u>

Business-Type Activities

Investment Earnings - Unrestricted	54	66	90	115	161	104
Gain (Loss) on Sale of Capital Assets	-	(36)	0	0	0	0
Transfers	255	0	0	0	0	0
Total Business-Type Activities	<u>\$ 309</u>	<u>\$ 30</u>	<u>\$ 90</u>	<u>\$ 115</u>	<u>\$ 161</u>	<u>\$ 104</u>
Total Primary Government	<u>\$ 4,866</u>	<u>\$ 4,865</u>	<u>\$ 5,247</u>	<u>\$ 5,721</u>	<u>\$ 5,973</u>	<u>\$ 6,005</u>

Change in Net Assets

Governmental Activities	\$ 946	\$ 253	\$ 78	\$ 287	\$ 993	\$ 855
Business-Type Activities	243	237	75	323	737	142
Total Primary Government	<u>\$ 1,189</u>	<u>\$ 490</u>	<u>\$ 153</u>	<u>\$ 610</u>	<u>\$ 1,730</u>	<u>\$ 997</u>

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

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

	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 102,042	\$ 79,838	\$ 45,422	\$ 54,960	\$ 154,162	\$ 338,335	\$ 143,221	\$ 170,765	\$ 93,586	\$ 125,961
Unreserved	862,509	998,011	864,736	657,674	984,548	1,022,612	1,159,268	1,365,783	1,724,440	1,899,984
Total General Fund	<u>\$ 964,551</u>	<u>\$ 1,077,849</u>	<u>\$ 910,158</u>	<u>\$ 712,634</u>	<u>\$ 1,138,710</u>	<u>\$ 1,360,947</u>	<u>\$ 1,302,489</u>	<u>\$ 1,536,548</u>	<u>\$ 1,818,026</u>	<u>\$ 2,025,945</u>
All Other Governmental Funds										
Reserved	\$ 1,272,837	\$ 1,416,485	\$ 1,051,026	\$ 1,286,653	\$ 2,302,924	\$ 2,096,445	\$ 2,053,122	\$ 2,189,636	\$ 2,546,390	\$ 2,417,486
Unreserved, reported in:										
Special Revenue Funds	1,072,074	2,161,666	2,325,242	2,357,246	2,138,562	2,159,694	2,593,396	2,115,529	1,933,446	1,711,208
Total All Other Governmental Funds	<u>\$ 2,344,911</u>	<u>\$ 3,578,151</u>	<u>\$ 3,376,268</u>	<u>\$ 3,643,899</u>	<u>\$ 4,441,486</u>	<u>\$ 4,256,139</u>	<u>\$ 4,646,518</u>	<u>\$ 4,305,165</u>	<u>\$ 4,479,836</u>	<u>\$ 4,128,694</u>

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

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Taxes and Special Assessments	\$3,019,776	\$3,020,518	\$3,076,836	\$3,169,173	\$3,432,606	\$3,752,186	\$3,851,994	\$4,353,294	\$ 4,600,263	\$ 4,785,912
Licenses and Permits	67,702	1,935	1,700	1,455	940	1,390	1,160	1,345	1,730	1,210
Federal Grants	756,253	518,532	972,834	717,706	800,708	132,878	551,158	286,568	618,992	1,161,824
State Grants	2,408,901	2,078,448	2,305,913	2,198,060	2,448,492	2,271,457	1,975,966	2,062,398	2,423,778	1,937,266
Contributions from Local Units	117,291	150,990	128,628	182,121	216,529	210,905	290,625	223,321	219,612	205,298
Charges for Services	778,014	785,258	789,248	799,010	931,470	919,017	921,931	1,086,646	1,195,636	1,142,942
Fines and Forfeits	29,288	27,962	27,175	29,316	28,226	36,247	35,306	28,110	28,546	29,083
Interest and Rents	519,775	517,884	536,806	492,843	293,478	208,833	249,077	282,366	337,882	320,498
Gain (Loss) on Investments	0	0	0	0	542	124,939	28,978	56,275	173,057	(115,439)
Other Revenue	372,138	1,177,897	456,707	369,293	631,093	577,932	350,624	492,252	507,353	476,811
Total Revenues	\$8,069,138	\$8,279,424	\$8,295,847	\$7,958,977	\$8,784,084	\$8,235,784	\$8,256,819	\$8,872,575	\$ 10,106,849	\$ 9,945,405
Expenditures										
General Government	\$1,334,440	\$1,345,093	\$1,485,144	\$1,575,793	\$1,364,291	\$1,892,716	\$1,674,851	\$1,691,254	\$ 1,929,941	\$ 1,756,290
Public Safety	2,473,027	2,748,774	2,713,177	2,603,464	2,670,927	2,824,591	3,132,114	3,612,327	3,328,541	3,439,788
Public Works	2,144,587	1,725,089	2,795,225	2,033,717	2,560,945	2,115,134	2,621,945	2,337,285	2,733,378	3,483,417
Redevelopment and Housing	106,839	89,180	92,554	85,637	192,495	57,426	119,110	51,964	0	0
Community & Economic Development	575,478	381,831	360,294	42,247	40,149	257,993	73,528	57,593	384,223	270,559
Capital Outlay	483,767	158,231	85,945	479,346	262,902	271,730	122,759	127,120	29,536	106,876
Culture and Recreation	135,505	189,685	280,963	344,621	654,700	354,368	418,927	268,500	469,798	267,288
Debt Service										
Principal	359,500	641,387	348,500	412,760	292,907	313,679	322,404	395,443	325,082	310,971
Interest	233,374	224,985	213,750	211,881	112,080	102,365	101,871	116,395	98,785	90,532
Other Charges	68,590	0	0	0	6,120	6,040	26,002	5,240	5,650	4,770
Intergovernmental	248,816	290,772	287,015	285,105	295,177	309,852	306,387	316,748	372,116	358,137
Total Expenditures	\$8,163,923	\$7,795,027	\$8,662,567	\$8,074,571	\$8,452,693	\$8,505,894	\$8,919,898	\$8,979,869	\$ 9,677,050	\$ 10,088,628

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Other Financing Sources (Uses)										
Transfers In	\$1,071,136	\$1,004,848	\$1,667,877	\$1,147,028	\$1,208,058	\$ 765,974	\$ 716,087	\$ 817,632	\$ 1,045,678	\$ 947,915
Transfers Out	(1,003,317)	(924,856)	(1,625,750)	(1,054,664)	(1,400,791)	(765,974)	(716,087)	(817,632)	(1,045,678)	(947,915)
Bond Proceeds	50,158	510,000	0	321,750	0	0	995,000	0	0	0
Loan Proceeds	163,000	272,149	0	0	231,905	307,000	0	0	26,350	0
Total Other Financing Sources (Uses)	\$ 280,977	\$ 862,141	\$ 42,127	\$ 414,114	\$ 39,172	\$ 307,000	\$ 995,000	\$ 0	\$ 26,350	\$ 0
Net Change in Fund Balances	\$ 186,192	\$1,346,538	\$ (324,593)	\$ 298,520	\$ 370,563	\$ 36,890	\$ 331,921	\$ (107,294)	\$ 456,149	\$ (143,223)
Debt Service as a percentage of non-capital expenditures	8.61%	11.34%	6.56%	8.22%	5.88%	5.62%	6.06%	6.52%	5.30%	4.72%

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

Fiscal Year Ended June 30,	Real Property Valuation	Personal Property Valuation	Total Taxable Valuation	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
1999	134,086,505	32,023,100	166,109,605	353,761,900	46.96%	13.9600
2000	138,456,334	35,290,222	173,746,556	376,610,300	46.13%	14.0900
2001	143,791,718	33,979,991	177,771,709	398,922,200	44.56%	14.0371
2002	153,053,692	35,377,232	188,430,924	429,828,200	43.84%	13.9907
2003	165,243,210	31,372,200	196,615,410	470,913,500	41.75%	13.9473
2004	168,351,258	43,240,100	211,591,358	508,916,600	41.58%	13.9473
2005	178,282,339	41,399,800	219,682,139	544,632,400	40.34%	13.9473
2006	184,439,086	44,135,005	228,574,091	572,365,010	39.94%	13.9473
2007	194,615,475	40,780,000	235,395,475	595,311,200	39.54%	13.9473
2008	206,863,302	40,257,800	247,121,102	609,799,600	40.52%	13.9473

Source: City of Cadillac Treasurer's Office

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

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

Fiscal Year	<i>Direct Tax Rates</i>			<i>Overlapping Tax Rates ^a</i>							Total Direct & Overlapping Rates
	<i>City of Cadillac</i>			<i>Wexford County</i>				<i>Cadillac Area Public Schools</i>	<i>Wexford Missaukee Intermediate Schools</i>	<i>State Education Tax</i>	
	General	Police & Fire Retirement	Total City	Wexford County	Cadillac-Wexford Transit Authority	Council on Aging	Wexford County Library				
1999	13.9600	1.3000	15.2600	8.3718	0.4000	1.0000	0.5000	22.4000	6.1500	6.0000	60.0818
2000	14.0900	1.1000	15.1900	8.3383	0.3984	0.9960	0.5500	22.2717	6.1232	6.0000	59.8676
2001	14.0371	1.0000	15.0371	8.2506	0.3942	0.9960	0.5500	20.5594	6.0882	6.0000	57.8755
2002	13.9907	1.0000	14.9907	8.2506	0.3942	0.9913	0.5500	21.7149	6.0882	6.0000	58.9799
2003	13.9473	1.4000	15.3473	8.1678	0.4000	0.9950	0.6500	21.3763	6.0388	6.0000	58.9752
2004	13.9473	1.6000	15.5473	8.1040	0.3910	0.9872	0.6838	21.3005	6.0000	5.0000	58.0138
2005	13.9473	1.8000	15.7473	8.0893	0.3960	0.9942	0.6825	21.4505	5.9853	6.0000	59.3451
2006	13.9473	1.8000	15.7473	8.0665	0.3948	0.9913	0.6805	21.4505	5.9614	6.0000	59.2923
2007	13.9473	2.7000	16.6473	8.0797	0.6000	0.9976	0.6785	20.5505	5.9419	6.0000	59.4955
2008	13.9473	2.8000	16.7473	8.0797	0.6000	0.9976	0.6785	20.9000	5.9419	6.0000	59.9450

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.

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

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^a</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value ^b</u>
Cadillac Renewable Energy ^c	\$ 12,300,000	1	4.98%	\$ 16,315,300	1	9.82%
Cadillac Rubber & Plastics ^e	6,852,406	2	2.77%	8,310,828	3	5.00%
Cadillac Casting ^d	6,596,400	3	2.67%	16,270,300	2	9.79%
Consumers Energy	5,852,150	4	2.37%	4,613,600	6	2.78%
Rexair, Inc.	5,520,467	5	2.23%	5,857,600	5	3.53%
FIAMM Technologies, Inc.	4,726,894	6	1.91%	6,047,800	4	3.64%
AAR Cadillac Manufacturing	4,694,349	7	1.90%			
Michigan Rubber Products	4,314,870	8	1.75%	4,359,622	7	2.62%
Paulstra CRC Corporation	4,206,100	9	1.70%	3,450,900	8	2.08%
Four Winns Boats, LLC	3,408,230	10	1.38%			
Transpro Group				3,418,500	9	2.06%
Mich Consolidated				2,341,800	10	1.41%
Totals	<u>\$ 58,471,866</u>		<u>23.66%</u>	<u>\$ 70,986,250</u>		<u>42.73%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$247,121,102

^b Based on total taxable value of \$166,109,605

^c Formerly Beaver MI Associates LTD Partnership.

^d Formerly CMI Cast Parts.

^e Formerly AVON Rubber and Plastics.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date ^a	
		Fiscal year of Levy Amount	Percentage of Levy		Amount	Percentage of Levy
1999	2,785,428	2,641,637	94.84%	143,791	2,785,428	100.00%
2000	2,879,032	2,740,866	95.20%	138,166	2,879,032	100.00%
2001	3,107,601	2,950,978	94.96%	156,623	3,107,601	100.00%
2002	3,167,040	3,029,463	95.66%	137,577	3,167,040	100.00%
2003	3,265,098	3,136,141	96.05%	128,957	3,265,098	100.00%
2004	3,481,675	3,364,230	96.63%	117,445	3,481,675	100.00%
2005	3,648,449	3,529,267	96.73%	119,182	3,648,449	100.00%
2006	3,803,126	3,691,936	97.08%	111,190	3,803,126	100.00%
2007	4,109,224	3,952,750	96.19%	156,474	4,109,224	100.00%
2008	4,329,051	4,163,604	96.18%	165,447	4,329,051	100.00%

Source: City of Cadillac Treasurer's Office

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

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u> ¹	<u>Per Capita</u> ¹
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Other Debt</u> ²	<u>Water & Sewer Revenue Bonds</u>	<u>Building Authority Revenue Bonds</u>			
1999	960	1,445	620	6,145	1,740	10,910	5.26%	1,080
2000	1,175	1,205	893	5,890	1,670	10,833	4.89%	1,083
2001	1,080	1,060	776	5,620	1,600	10,136	4.80%	1,014
2002	985	1,240	671	8,615	1,525	13,036	6.08%	1,304
2003	890	1,075	963	8,530	1,225	12,683	5.83%	1,268
2004	785	925	1,255	7,975	1,365	12,305	5.31%	1,231
2005	1,665	775	1,036	7,640	1,275	12,391	5.21%	1,239
2006	1,525	625	928	7,290	1,180	11,548	4.67%	1,155
2007	1,395	485	1,432	6,925	1,080	11,317	N/A	1,132
2008	1,260	365	1,292	7,851	975	11,743	N/A	1,174

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

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

² Other debt includes City obligations to the State of Michigan for two community development loans, three internal loans, and accrued and unused paid leave for City employees.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
1999	960	8	952	0.573%	94.22
2000	1,175	8	1,167	0.672%	116.70
2001	1,080	14	1,066	0.600%	106.60
2002	985	13	972	0.516%	97.20
2003	890	7	883	0.449%	88.30
2004	785	10	775	0.366%	77.50
2005	1,665	9	1,656	0.754%	165.60
2006	1,525	6	1,519	0.665%	151.90
2007	1,395	5	1,390	0.590%	139.00
2008	1,260	7	1,253	0.507%	125.30

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

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

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

CITY OF CADILLAC, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Wexford County	\$ 5,202	24.36%	\$ 1,267
Cadillac Area Public Schools	19,479	33.84%	6,592
Subtotal Overlapping Debt			<u>\$ 7,860</u>
City of Cadillac Direct Debt			<u>1,253</u>
Total Direct and Overlapping Debt			<u><u>\$ 9,113</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>\$247,121,102</i>
<i>Wexford County Taxable Value:</i>	<i>\$1,014,585,906</i>
<i>CAPS Taxable Value:</i>	<i>\$730,174,185</i>

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

	<i>Fiscal Year</i>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 17,375	\$ 17,777	\$ 18,843	\$ 19,662	\$ 21,159	\$ 22,085	\$ 22,862	\$ 23,652	\$ 27,161	\$ 24,712
Total net debt applicable to limit	952	1,167	1,066	972	883	775	1,656	1,519	1,390	1,253
Legal debt margin	\$ 16,423	\$ 16,610	\$ 17,777	\$ 18,690	\$ 20,276	\$ 21,310	\$ 21,206	\$ 22,133	\$ 25,771	\$ 23,459
Total net debt applicable to the limit as a percentage of debt limit	5.48%	6.56%	5.66%	4.94%	4.17%	3.51%	7.24%	6.42%	5.12%	5.07%

Legal Debt Margin Calculation for Fiscal Year 2008

Taxable Value	<u>\$ 247,121</u>
Statutory Debt Limit (10% of total taxable value)	\$ 24,712
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	11,743
Less:	
Assets Available for Debt Service	7
Bond Debt not Subject to Limit:	
Special Assessment Bonds	365
Revenue Bonds	8,826
Other Debt	<u>1,292</u>
Total Amount of Debt Applicable to Debt Limit	<u>1,253</u>
Legal Debt Margin	<u>\$ 23,459</u>

Note: Under State finance law, the City of Cadillac's outstanding general obligation debt should not exceed 10 percent of total taxable property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF CADILLAC, MICHIGAN
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Water & Sewer Revenue Bonds</u>						<u>Special Assessment Bonds</u>			
	<u>Water & Sewer Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>			<u>Principal</u>	<u>Interest</u>	
1999	2,817	1,734	1,083	225	315	2.01	330	202	89	1.13
2000	3,185	1,840	1,345	255	315	2.36	270	453	82	0.50
2001	3,241	1,810	1,431	270	289	2.56	256	171	66	1.08
2002	3,330	1,982	1,348	280	278	2.42	281	230	62	0.96
2003	3,088	2,111	977	310	414	1.35	293	184	62	1.19
2004	3,321	2,193	1,128	330	399	1.55	293	196	56	1.16
2005	3,480	2,284	1,196	335	383	1.67	259	195	52	1.05
2006	3,777	2,460	1,317	350	366	1.84	206	161	38	1.04
2007	3,886	2,514	1,372	365	348	1.92	130	151	31	0.71
2008	3,869	2,662	1,207	385	330	1.69	150	131	25	0.96

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

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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income</u> (amounts expressed in thousands)	<u>Per Capita Personal Income²</u>	<u>School Enrollment³</u>	<u>Local Unemployment Percentage Rate⁴</u>	<u>State Unemployment Percentage Rate⁴</u>	<u>Civilian Labor Force⁴</u>
1999	10,104	207,425	20,529	3,787	6.4	3.8	22,267
2000	10,000	212,550	21,255	3,608	6.4	3.7	22,596
2001	10,000	211,310	21,131	3,514	9.4	5.2	21,836
2002	10,000	214,410	21,441	3,465	8.3	6.2	21,369
2003	10,000	217,400	21,740	3,639	9.8	7.1	21,298
2004	10,000	231,600	23,160	3,674	8.2	7.0	21,553
2005	10,000	237,690	23,769	3,614	7.3	6.7	21,707
2006	10,000	247,540	24,754	3,479	7.9	7.1	22,088
2007	10,000	N/A	N/A	3,460	8.1	7.7	21,648
2008	10,000	N/A	N/A	3,381	9.7	8.7	21,563

Data Sources:

¹ Bureau of the Census

² Bureau of Economic Analysis

³ School Districts

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

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

CITY OF CADILLAC, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Four Winns Boats	823	1	4.23%	550	3	2.55%
AAR Mobility Systems	720	2	3.70%	320	8	1.48%
Mercy Hospital Cadillac	516	3	2.65%	610	2	2.83%
Cadillac Area Public Schools	420	4	2.16%	420	7	1.95%
Cadillac Castings ¹	384	5	1.97%	460	5	2.13%
Avon Automotive	370	6	1.90%			
Michigan Rubber Products	293	7	1.50%	500	4	2.32%
Avon Protection Systems	250	8	1.28%			
Rexair, Inc.	218	9	1.12%	450	6	2.09%
BorgWarner Cooling Systems ²	182	10	0.93%	183	10	0.85%
Avon Rubber and Plastics				892	1	4.13%
FIAMM Technologies, LLC				240	9	1.11%
	<u>4,176</u>		<u>21.45%</u>	<u>4,625</u>		<u>21.44%</u>

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

¹ Formerly known as CMI Cadillac.

² Formerly known as Kysor of Cadillac.

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

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

<u>Function</u>	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government										
City Manager	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administrative Services	0.85	0.85	0.85	0.85	1.00	0.90	0.90	0.90	0.90	0.90
Finance	3.00	3.00	3.00	3.00	2.20	1.94	1.94	1.94	1.94	1.94
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Hall	1.45	0.45	1.45	1.75	2.50	1.90	1.30	1.30	1.30	1.30
City Engineer	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Public Safety										
Police	19.50	19.50	19.50	19.50	18.50	17.15	18.41	18.41	18.41	17.41
Fire	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Building Inspector	1.28	1.28	1.28	1.28	1.28	1.38	1.38	1.38	1.38	1.38
Planning/Zoning	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Public Works	14.50	14.50	14.50	14.50	14.17	14.22	14.22	14.22	14.22	14.22
Data Processing	1.00	1.00	1.00	1.30	1.20	1.26	1.06	1.06	0.06	0.06
Auto Parking	0.00	0.00	0.00	0.40	0.35	0.35	0.09	0.09	0.09	0.09
Water & Sewer	21.00	21.00	21.00	21.00	21.20	21.20	21.00	21.00	21.00	20.00
Community Development	0.30	0.30	0.30	0.30	0.30	0.40	0.40	0.40	0.40	0.40
Cemetery	0.50	0.50	0.50	0.50	0.68	0.68	0.68	0.68	0.68	0.68
Total	84.00	83.00	84.00	85.00	84.00	82.00	82.00	82.00	81.00	79.00

Source: City of Cadillac Finance Department

CITY OF CADILLAC, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Traffic Citations	2,843	1,699	1,167	895	857	1,530	1,468	1,257	1,015	N/A ¹
Fire										
Number of Fire Inspections	30	50	30	50	50	57	129	370	376	N/A ¹
Number of Fires Reported	70	63	52	33	57	54	64	51	55	N/A ¹
Number of EMT Runs	837	516	463	949	1,347	1,414	1,322	1,119	1,171	N/A ¹
Building Inspection										
Number of Permits Issued	560	571	512	565	523	525	466	403	316	N/A ¹
Water										
Total Customers	3,383	3,408	3,414	3,407	3,456	3,487	3,520	3,524	3,517	3,544
Average Daily Consumption (thousands of gallons)	2,298	2,417	2,349	2,132	2,202	2,155	2,252	2,310	2,564	2,302
Wastewater										
Total Customers	3,481	3,499	3,504	3,493	3,526	3,544	3,569	3,573	3,564	3,592
Average Daily Treatment (thousands of gallons)	2,028	2,227	2,260	2,231	2,087	2,103	2,173	2,098	2,467	2,215

¹ Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2008.

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

Source: Various government departments

CITY OF CADILLAC, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	7	9	9	9	9	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	7	6	6	6	6	6	6	6
Culture and Recreation										
Parks Acreage	117	117	117	117	117	117	117	117	117	117
Parks	4	4	4	4	4	4	4	4	4	4
Streets										
Streets (Miles)	66	66	66	68	68	68	68	68	68	68
Street Lights	572	568	570	571	573	574	574	574	574	587
Water										
Fire Hydrants	414	422	432	432	453	455	454	454	458	477
Miles of Water Mains	61	61	61	63	63	63	63	64	64	74
Water Mains Replaced (Feet)	7,000	7,858	7,200	6,330	4,700	3,450	3,185	200 ⁽¹⁾	2,360	620
Wastewater										
Miles of Sewer Mains	63	63	63	59	59	59	59	59	59	62
Feet of Sanitary Sewers										
Inspected with TV Cameras	2,010	2,150	2,805	4,600	3,670	2,949	3,380	1,900	1,350	2,550

(1) Water mains replaced were low in 2006, but the main projects through the year, including North Boulevard, Paluster Street and Kenwood Street were all projects where a total of one mile of new water mains were added.

Note: Capital asset statistics are not available for the general government function.

Source: Various City government departments

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
1999	6,744,595	8,840,153	131.1	(2,095,558)
2000	7,370,963	9,439,499	128.1	(2,068,536)
2001	7,992,526	9,785,299	122.4	(1,792,773)
2002	8,358,393	9,712,366	116.2	(1,353,973)
2003	8,910,724	10,053,522	112.8	(1,142,798)
2004	9,170,012	9,990,746	109.2	(820,734)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
8.03		733,548	23	44	31,156	44.6	11
9.98	(2)	724,015	25				
5.56	(3)	123,639	4				
11.31	(4)	469,628	18				
8.14	(5)	80,674	1				
7.90	(6)	174,064	3				
7.22		831,695	27	45	30,921	43.4	10
6.43	(2)	682,151	24				
6.05	(3)	122,066	4				
7.98	(4)	523,126	19				
6.89	(5)	78,851	1				
6.84	(6)	173,952	3				
7.55		874,910	27	49	32,069	43.5	10.5
6.80	(2)	735,799	25				
8.20	(3)	126,638	4				
8.42	(4)	470,240	17				
6.51	(5)	83,075	1				
7.19	(6)	178,648	3				
7.59		873,693	26	45	32,734	44.3	11.1
6.83	(2)	747,685	25				
8.10	(3)	126,412	4				
8.43	(4)	502,884	18				
6.51	(5)	87,693	1				
7.19	(6)	182,115	3				
7.61		883,818	25	46	34,267	45.5	11.5
6.95	(2)	811,027	26				
8.16	(3)	154,700	5				
8.54	(4)	507,863	17				
6.52	(5)	92,455	1				
7.19	(6)	188,722	3				
7.83		883,119	24	46	36,051	46.8	12.9
7.56	(2)	872,706	27				
8.34	(3)	129,730	4				
8.61	(4)	274,145	9				
7.17	(5)	96,440	1				
7.81	(6)	195,344	3				

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2005	9,727,339	10,274,211	105.6	(546,872)
2006	10,161,879	10,812,671	106.4	(650,792)
2007	10,847,928	11,468,618	105.7	(620,690)
2008	N/A	N/A	N/A	N/A

NOTES:

- (1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

Source: Gabriel, Roeder, Smith & Company, Actuaries

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
7.93		856,613	23	46	37,997	48.1	13.9
7.63	(2)	872,436	25				
8.36	(3)	140,049	4				
8.63	(4)	293,606	9				
7.17	(5)	103,690	1				
7.80	(6)	203,413	3				
7.93		1,015,806	26	47	38,799	48.0	13.6
7.63	(2)	775,555	25				
8.36	(3)	144,512	4				
8.63	(4)	307,119	9				
7.17	(5)	108,458	1				
7.80	(6)	209,300	3				
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				
N/A		N/A		N/A	N/A	N/A	N/A

- (2) Local 14317 includes additional negotiated benefit for the union.
- (3) Separate benefits for Housing Commission.
- (4) Separate benefits for Library.
- (5) Separate benefits for City Manager.
- (6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
1999	5,336,204	5,241,694	98.2	94,510
2000	5,600,202	5,724,442	102.2	(124,240)
2001	5,949,789	6,034,859	101.4	(85,070)
2002	6,958,880	6,041,096	86.8	917,784
2003	7,348,465	5,891,594	80.2	1,456,871
2004	7,982,006	5,848,560	73.3	2,133,446
2005	8,519,041	5,865,340	68.8	2,653,701
2006	9,627,000	6,892,613	71.6	2,734,387
2007	9,992,000	6,790,252	68.0	3,201,748
2008	N/A	N/A	N/A	N/A

NOTES:

- (1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
- (2) Data from Gabriel, Roeder, Smith and Co., Actuaries.
- (3) Police 11.47%, Fire 12.91%
- (4) Police 12.73%, Fire 11.25%
- (5) Police 15.50%, Fire 17.44%
- (6) Police 17.34%, Fire 23.89%
- (7) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE
13.11		1,274,419	29	21	43,945	39.8	11.6
11.99	(3)	1,347,171	29	21	46,454	40.8	12.6
12.19	(4)	1,406,654	29	21	48,505	41.8	13.6
16.41	(5)	1,352,466	28	24	48,302	41.4	12.5
20.01	(6)	1,237,171	26	26	47,584	41.5	13.1
27.61	(7)	1,391,450	27	27	51,535	41.2	12.6
31.10	(8)	1,446,234	27	30	53,564	41.6	13.1
38.39	(9)	1,437,073	27	28	53,225	42.6	14.1
38.68	(10)	1,482,941	27	28	54,924	42	13.7
N/A		N/A	N/A	N/A	N/A	N/A	N/A

(8) Police 30.83%, Fire 31.51% (Each group contributes 3% of salary to cover benefit enhancements.)

(9) Police 38.39%, Fire 38.40% (Each group contributes 3% of salary to cover benefit enhancements.)

(10) Police 39.03%, Fire 38.15% (Each group contributes 3% of salary to cover benefit enhancements.)

CITY OF CADILLAC, MICHIGAN
LABOR AGREEMENTS
JUNE 30, 2008

	DATE EFFECTIVE JULY 1,	EXPIRATION DATE JUNE 30,
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2005	2008
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA)	2007	2010
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2006	2009
<u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317	2007	2010

Source: City of Cadillac Human Resources Department

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2008

TAXES DUE AND

PAYABLE:

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

PENALTIES FOR

DELINQUENCY:

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

LIEN ON PROPERTY:

Unpaid real property taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

<u>Date of Sale</u> <u>May,</u>	<u>Delinquent Tax</u> <u>Properties to be Sold</u> <u>Year</u>
1999	1996
2000	1997
2001	1998 and 1999
2002	2000
2003	2001
2004	2002
2005	2003
2006	2004
2007	2005
2008	2006

CITY OF CADILLAC, MICHIGAN

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

<u>FISCAL YEAR</u>	<u>WATER SUPPLY CUSTOMERS</u>		<u>WASTEWATER TREATMENT CUSTOMERS</u>	
	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>	<u>NUMBER</u>	<u>PERCENTAGE OF CHANGE</u>
1999	3,383	0.20	3,481	0.10
2000	3,408	0.74	3,499	0.52
2001	3,414	0.20	3,504	0.10
2002	3,407	(0.21)	3,493	(0.31)
2003	3,456	1.40	3,526	0.94
2004	3,487	0.90	3,544	0.51
2005	3,520	0.95	3,569	0.71
2006	3,524	0.11	3,573	0.11
2007	3,517	(0.20)	3,564	(0.25)
2008	3,544	0.76	3,592	0.78

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2007

<u>METER CLASSIFICATION</u>	<u>AVERAGE CUSTOMERS</u>	
	<u>WATER SUPPLY</u>	<u>WASTEWATER TREATMENT</u>
Unmetered	0	174
5/8"	3,205	3,138
3/4"	6	6
1"	133	109
1 1/2"	89	73
2"	83	68
3"	9	9
4"	13	11
6"	5	3
8"	1	1
TOTAL	<u>3,544</u>	<u>3,592</u>

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

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2008

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 1.90
1"	3.25
1 1/2"	6.45
2"	10.40
3"	22.60
4"	38.85
6"	81.10
8"	116.85
10"	188.20
12"	278.95

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 1999 THROUGH 2008

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
1999	4.48	6.78	7.98	10.22	15.35	42.34	58.25	94.08	102.83
2000	4.61	6.98	8.22	10.53	15.81	43.61	60.00	96.90	105.92
2001	4.00	6.01	10.02	20.04	32.06	70.13	120.23	250.47	360.68
2002	4.12	6.19	10.32	20.64	33.02	72.22	123.84	257.98	371.50
2003	4.25	6.40	10.65	21.25	34.00	74.40	127.55	265.70	382.65
2004	4.40	6.60	10.95	21.90	35.00	76.65	131.40	273.65	394.15
2005	4.60	6.85	11.40	22.80	36.40	79.70	136.65	284.60	409.90
2006	4.80	7.10	11.85	23.70	37.85	82.90	142.10	296.00	426.30
2007	4.95	7.30	12.20	24.40	39.00	85.40	146.35	304.90	439.10
2008	5.30	7.80	13.00	26.05	41.55	91.00	156.00	325.05	468.05

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
THROUGH FISCAL YEAR JUNE 30, 2008

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
1999	7.31	11.03	13.01	16.28	24.80	68.73	93.75	152.21	237.51
2000	7.53	11.36	13.40	16.77	25.54	70.79	96.56	156.78	244.64
2001	6.60	9.90	16.50	33.00	52.80	115.50	198.00	412.50	594.00
2002	6.80	10.20	17.00	34.00	54.38	118.97	203.94	424.88	611.82
2003	7.00	10.50	17.50	35.00	56.00	122.55	210.05	437.60	630.20
2004	7.20	10.80	18.05	36.05	57.70	126.25	216.35	450.35	649.10
2005	7.50	11.25	18.75	37.50	60.00	131.30	225.00	468.80	675.05
2006	7.80	11.70	19.50	39.00	62.40	136.55	234.00	487.55	702.05
2007	8.05	12.05	20.10	40.15	64.30	140.65	241.00	502.15	723.10
2008	8.55	12.85	21.40	42.80	68.50	149.95	256.90	535.30	770.80

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

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

	CUBIC FEET		GALLONS		DOLLARS
	WATER	SEWER	WATER	SEWER	WATER AND SEWER
1) AAR Cadillac Manufacturing	17,543,200	7,255,100	131,223,136	54,268,148	\$ 264,279
2) Cadillac Castings, Inc.	10,843,200	9,216,800	81,107,136	68,941,664	254,452
3) Avon Rubber & Plastics, Inc.	9,351,800	8,607,500	69,951,464	64,384,100	244,785
4) Paulstra CRC	346,500	3,265,700	2,591,820	24,427,436	85,304
5) Mercy Hospital	1,817,500	1,817,500	13,594,900	13,594,900	63,720
6) Piranha Hose	2,162,000	2,162,000	16,171,760	16,171,760	58,742
7) Michigan Rubber Products	1,528,700	1,528,700	11,434,676	11,434,676	44,074
8) Cadillac Renewable Energy	929,500	1,612,600	6,952,660	12,062,248	41,009
9) Borg-Warner	1,362,500	1,362,500	10,191,500	10,191,500	39,645
10) Pheasant Ridge Estates	1,839,000	1,839,000	13,755,720	13,755,720	34,133
11) Country Acres	1,027,700	1,027,700	7,687,196	7,687,196	30,643
12) 4- WINNS	740,700	740,700	5,540,436	5,540,436	27,252
13) Fiamm Technologies	426,000	426,000	3,186,480	3,186,480	13,011
14) Kolarevic Car Wash	309,600	309,600	2,315,808	2,315,808	9,739
15) Leisure Park	400,500	400,500	2,995,740	2,995,740	9,621
TOTAL					<u><u>\$ 1,220,409</u></u>

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1999 THROUGH 2008

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
1999	0.68	0.82	0.61	0.50	0.43
2000	0.70	0.84	0.63	0.52	0.45
2001	0.84	0.74	0.65	0.55	0.46
2002	0.87	0.76	0.67	0.57	0.48
2003	0.90	0.78	0.69	0.59	0.50
2004	0.93	0.80	0.71	0.61	0.52
2005	0.97	0.83	0.74	0.63	0.54
2006	1.01	0.86	0.77	0.66	0.57
2007	1.04	0.89	0.79	0.68	0.59
2008	1.11	0.95	0.84	0.73	0.64

CITY OF CADILLAC, MICHIGAN

MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u> <u>ENDED OR</u> <u>ENDING JUNE 30,</u>	<u>CHARGE PER</u> <u>100 CF</u>	<u>PERCENT</u> <u>CHANGE</u>
1999	1.45	3.0
2000	1.49	3.0
2001	1.52	2.0
2002	1.57	3.3
2003	1.62	3.2
2004	1.67	3.1
2005	1.74	4.2
2006	1.81	4.0
2007	1.86	2.8
2008	1.98	6.5

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

CITY OF CADILLAC, MICHIGAN

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
LAST TEN FISCAL YEARS

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
	CUBIC FEET	GALLONS	CHANGE IN PERCENT	CUBIC FEET	GALLONS	CHANGE IN PERCENT	
1999	112,150,000	838,900,000	(0.90)	98,940,000	740,100,000	(8.90)	88.20
2000	117,928,000	882,100,000	5.10	108,663,000	812,800,000	9.80	78.60
2001	114,643,000	857,528,000	(2.80)	110,280,000	824,893,000	1.50	96.20
2002	104,011,000	778,000,000	(9.30)	108,877,000	814,400,000	1.30	104.70
2003	107,473,262	803,900,000	0.03	101,844,920	761,800,000	(0.06)	94.76
2004	105,160,428	786,600,000	(0.02)	102,606,952	767,750,000	0.01	97.60
2005	109,906,000	822,100,000	0.05	106,048,000	793,240,000	0.03	96.49
2006	112,727,000	843,200,000	2.60	102,366,000	765,700,000	(3.50)	90.80
2007	125,094,000	935,700,000	10.97	120,361,000	900,300,000	17.58	96.22
2008	112,331,550	840,240,000	(10.20)	108,066,911	808,340,500	(10.21)	96.20

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2008

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered	0		N/A	
5/8"	28,005,700	29.02	26,660,000	32.53
3/4"	39,600	0.04	39,600	0.05
1"	4,387,400	4.55	2,996,200	3.66
1 1/2"	5,538,600	5.74	3,931,600	4.80
2"	16,332,300	16.92	23,099,500	28.19
3"	2,286,300	2.37	2,295,000	2.80
4"	15,370,400	15.93	8,721,500	10.64
6"	22,860,000	23.69	12,927,200	15.77
8"	1,678,000	1.74	1,278,000	1.56
TOTAL	96,498,300	100.00	81,948,600	100.00

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2008

<u>METER CLASSIFICATION</u>	<u>WATER SUPPLY</u>		<u>WASTEWATER TREATMENT</u>	
	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>	<u>REVENUE</u>	<u>PERCENT OF TOTAL</u>
Unmetered			\$ 46,103	2.30
5/8"	\$ 480,382	41.95	731,823	36.46
3/4"	908	0.08	1,218	0.06
1"	61,170	5.34	78,884	3.93
1 1/2"	77,254	6.75	108,606	5.41
2"	175,896	15.36	491,682	24.50
3"	29,641	2.59	61,281	3.05
4"	132,886	11.60	200,290	9.98
6"	168,674	14.73	267,645	13.34
8"	18,352	1.60	19,461	0.97
TOTAL	\$ 1,145,163	100.00	\$ 2,006,993	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*

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

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October 17, 2008

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

Mayor and City Council
City of Cadillac, Michigan

We have audited the basic financial statements of City of Cadillac as of and for the year ended June 30, 2008, and have issued our report thereon dated October 17, 2008. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

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

This report is intended solely for the information and use of the mayor and city council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

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October 17, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and City Council
City of Cadillac, Michigan

COMPLIANCE

We have audited the compliance of the City of Cadillac, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City of Cadillac, Michigan's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express an opinion on the City of Cadillac, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cadillac, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Cadillac, Michigan's compliance with those requirements.

In our opinion, the City of Cadillac, Michigan complied in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City of Cadillac, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cadillac, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than remote likelihood that noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

This report is intended solely for the information and use of the mayor and city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

CITY OF CADILLAC, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/Passthrough Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Awards Expended</u>
<u>U.S. Department of Transportation</u>		
<u>Passed Through Michigan Department of Environmental Quality</u>	66.458	
State Revolving Fund - Project No. 527701		\$ 208,394
<u>U.S. Department of Transportation</u>		
<u>Passed Through Michigan Office of Highway Safety Planning</u>	20.609	
Safety Belt Performance Grant Project No. TR-08-06		24,253
<u>U.S. Department of Housing and Economic Development</u>		
<u>Passed Through the Michigan Strategic Fund</u>		
Community Development Block Grant/State's Program Project No. MSC 206050-EDIG	14.228	<u>690,341</u>
Total Federal Expenditures		<u>\$ 922,988</u>
Reconciliation to financial statements:		
Amount recorded as federal grants revenue		\$ 1,161,824
Amount recorded as federal grant revenue in the Major Streets Fund that was administered by MDOT (Note B)		(447,230)
Amount recorded as Bonds Payable within the Water and Sewer Fund		<u>208,394</u>
		<u>\$ 922,988</u>

CITY OF CADILLAC, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(A) Significant Accounting Policies Used in Preparing Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting and presents transactions in the same manner as reflected in the basic financial statements of the City.

(B) Michigan Department of Transportation Grants

The Michigan Department of Transportation (MDOT) acts as the agent of the Federal Highway Administration (FHWA) in the administration of federal funds provided to the City for the improvement of road systems in the City. These funds cover projects under the certification of acceptance procedures or the secondary road plan procedures approved by FHWA. Although these funds are provided for the improvement of road systems in the City, MDOT, as the agency of FHWA, is responsible for controlling the receipts and disbursements related to these funds. In this capacity, MDOT also awards construction contracts and, in some instances, contracts for services. The City receives interim and final accounting of project receipts and disbursements from MDOT. Since all project administration is performed by MDOT, the amounts are not included in the City's schedule of expenditures of federal awards.

CITY OF CADILLAC, MICHIGAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

There were no prior year findings.

CITY OF CADILLAC, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Section I - Summary of Auditors Results

Financial Statements

Type of auditors' report issued: Unqualified

Material weakness(es) identified: _____ Yes X No

Significant deficiencies identified as material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified: _____ Yes X No

Significant deficiencies identified as material weakness(es)? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant/ States Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None



Cadillac City Council (seated, left to right): Councilmember Shari Spoelman, Councilmember Tom Dyer, Mayor William S. Barnett, Councilmember Art Stevens, Mayor Pro-Tem James Dean.

Cadillac Administrative Staff (standing, left to right): City Attorney Michael Figliomeni, City Manager Peter D. Stalker, City Clerk and Treasurer Janice Nelson.

CITY OF
CADILLAC
MICHIGAN

