CITY OF CADILLAC
WEXFORD COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020

GABRIDGE & CO

CITY OF CADILLAC, MICHIGAN

ELECTED OFFICIALS

Carla J. Filkins, Mayor
At Large

Bryan Elenbaas, Councilmember
Ward 1

Antoinette Schippers, Mayor Pro-Tem
Ward 2

Robert Engels, Councilmember
Ward 3

Stephen King, Councilmember
Ward 4

CITY ADMINISTRATION

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

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CITY OF CADILLAC, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

Prepared by: Financial Services Department

Director of Finance
Owen Roberts

Accounting Manager
Carol Pacella

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

December 28, 2020

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

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2020 is hereby submitted.

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

Gabridge & Company, PLC, have issued an unmodified ("clean") opinion on the City of Cadillac's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City is financially accountable for the Cadillac Building Authority, the Downtown Development Authority, the Local Development

Finance Authority, the Economic Development Corporation, the Brownfield Redevelopment Authority and the Policemen and Firemen Retirement System; therefore, these activities are included in the reporting entity. However, the Wexford County Airport Authority, the Cadillac Area Public School District, the Cadillac-Wexford Transit Authority, and the Cadillac Housing Commission have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

The City Council is required to adopt an annual budget by the second council meeting in May of each year. The annual budget serves as the foundation of the City of Cadillac's financial planning and control. The budget is prepared by fund and department. The budget is adopted by total fund for all funds except the General Fund. The General Fund is adopted by department (i.e. Police Department, Fire Department). The level of budgetary control for all transfers for the budget amounts within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed appropriations at the major function level. Expenditures in all other funds may not exceed appropriations at the total fund level. The budget is approved by the city council annually by ordinance and amended by resolution quarterly as needed. Cadillac is an extremely stable local unit of government, serving a well-rounded community. This stability has allowed for a long-term philosophy to be incorporated into the budgeting process for the City of Cadillac.

LOCAL ECONOMY AND FUTURE OUTLOOK

The local Cadillac economy is comprised of a healthy mixture of manufacturing, tourism, recreation, retail, and professional services, including major health care providers and ancillary services. However, 2020's global COVID-19 Pandemic ("the pandemic") has certainly created challenges for local businesses.

Cadillac's manufacturing sector provides significant employment opportunities and is a critical component of the overall local economic condition. Fortunately, there have been several federal and state economic safety nets put into place to assist employers during the pandemic to keep operations afloat, along with cash flow going to their personnel during this unprecedented time. These governmental assistance programs, some of which are grants and others that are loans, have helped prevent many small businesses from having to permanently close their doors. Consequently, it has directly benefited the City because revenues have overall been stable.

Another foundational reason why this community continues to be able to weather these economic storms - even during this unique time of the global pandemic - is because of the vast recreational opportunities that are available locally. These include hunting, fishing, snowmobiling, biking, camping, golf, water sports and other activities. The City benefits from the proximity of these activities that bring in visitors from around the country to spend their tourism and recreational dollars in this community. Most of these opportunities have not been restricted or have only been minimally impacted by temporary pandemic-related regulations.

Despite the pandemic and other economic and social pressures, economic conditions in the community continue to be strong. The City is actively involved in several public community development initiatives, and creating new and improved public gathering spaces is essential in keeping Cadillac a destination location.

To that end, the City recently received an extension from the State of Michigan to utilize grant dollars from the Department of Natural Resources to extend the White Pine Trail closer into our downtown core and create a formal trailhead. This facility would constitute the final placemaking location in Cadillac Commons, and will further enhance the quality of life for the community. For reference, Cadillac Commons is the public development that has transformed several open areas adjacent to the Lake in the core downtown into a significant magnet for festivals, events, and activities by creating several placemaking locations such as The Plaza and The Market at Cadillac Commons.

Construction of the first building in the Cadillac Lofts development is completed, and construction of the second building is anticipated to start sometime hopefully in 2021, but likely may not start in 2022. Due to the pandemic, the City does not yet have access to Community Development Block Grant funds through the Michigan Economic Development Corporation. However, qualifying for these funds is still a priority since additional public improvements are required as a part of construction of the second building. Redevelopment of the former Northwood Hotel property into a new mixed-use residential/commercial project is also still in the pipeline, and redevelopment of the former Cadillac Sands into the Lake Cadillac Resort is well underway. Development of vacant land downtown for Cadillac Castle (senior living) is also still a possibility but is contingent on the Michigan State Housing Development Authority granting tax credits along with continued local support from the City. All of these projects will further enhance the local economic base by creating much needed attainable housing units for a wide spectrum of people.

Cadillac remains one of the largest manufacturing bases north of Grand Rapids, with a significant concentration of automotive suppliers, specialty product manufacturers that produce unique components and products for the Department of Defense, packaging and containers, vacuum cleaners, castings, metal fabrication and boats. The City's industrial base is comprised of over fifty companies that employ over four thousand people and produce approximately $1 billion worth of products annually. These industries are an incredibly valuable and important factor in the fiscal sustainability of our City. This sector continues to improve with recent examples including significant investment in a new Community Solar Garden project in tandem with the clean-up of the Mitchell-Bentley site. It is anticipated that the new Consumers Solar Garden project will be operational by spring or summer of 2021.

Prospective marihuana industry companies and entrepreneurs are still creating excitement since the City opted into medical marihuana legislation, and legislatively agreed to regulate adult-use or recreational marihuana through the granting of licenses. To date, four conditional retail licenses, two for adult-use facilities and two for medical-use facilities have been granted, and these new establishments should be operational in 2021. All four locations will dramatically improve the parcels/facilities they are being developed on, and although no industrial type licenses have been awarded, a solicitation for proposals will be released early in 2021.

LONG TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City of Cadillac has available fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund of $3,710,352. In accordance with City policy, 15% of annual expenditures will be assigned as a working capital reserve. The City has also had a long-standing practice of assigning an amount to fully fund accrued but unpaid sick and vacation leave. As of June 30, 2020, this amount was $308,080. These two amounts help stabilize the financial position of the City.

The City also adopts a five-year capital improvement plan (CIP) each year. This plan identifies all capital projects in excess of $7,500 and with an expected life of more than one year. Identifying these projects in the CIP aids in prioritizing appropriations and in identifying relevant sources of funding for future capital projects. The most significant project identified in the CIP is the final phase of relocating the City's well field. Phase I of this project, which included about half of the required system capacity, has been online for several years, while engineering and design is complete for Phase II and is anticipated to begin construction in 2021. This project is estimated to cost $10.2 million. The CIP also identified over $4.8 million in street and infrastructure maintenance projects, $3.0 million in major equipment purchases, and $355,000 in technology upgrades.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device. This award has been received for thirty-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 Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,

Marcus A. Peccia, City Manager

Owen E. Roberts, Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

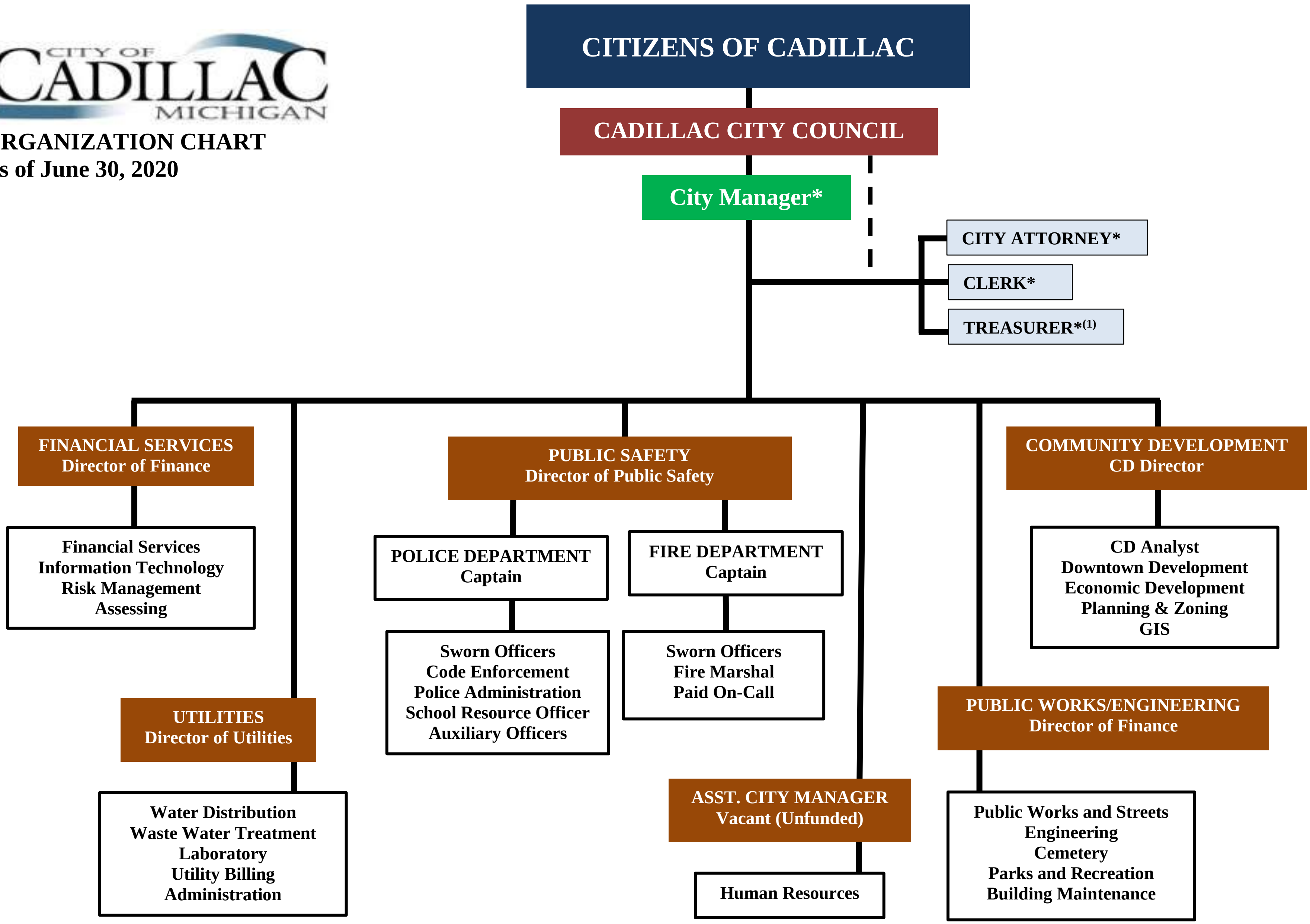
City of Cadillac
Michigan

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Executive Director/CEO

ORGANIZATION CHART
As of June 30, 2020



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

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, debt and tax roll schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cadillac, Michigan's internal control over financial reporting and compliance.

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, Michigan
December 28, 2020

Management's Discussion and Analysis

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, 2020, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of this fiscal year by $31,339,437 (shown as *Net Position)*, representing a decrease of $473,652 after an increase of $828,486 in the previous fiscal year. Governmental Activities decreased $296,735, while the Net Position of the Business-Type activities decreased by $176,917.

- As of June 30, 2020, the governmental funds of the City of Cadillac reported combined ending fund balances of $7,243,276. This is an increase of $127,430. Fund balance in the General Fund increased by $322,184 but decreased by $194,754 in all other Governmental Funds. This decrease is due to the spending of reserves on hand to fund local street construction (Local Street Fund), final spending of revenue received in a prior year to finish construction of The Market at Cadillac Commons (The Market Capital Projects Fund), utilization of prior funds on hand for treatment of Lake Cadillac (Milfoil Fund), and use of prior fund balance to cover initial street construction design costs for several upcoming projects (Special Assessment Capital Projects Fund).

- In accordance with the City's policy, an amount equal to 15% of total General Fund expenditures and transfers has been assigned as a working capital reserve.

- In the General Fund, total Assigned and Unassigned Fund Balance increased to $3,710,352 as of June 30, 2020. Of this amount, $2,259,269 represents fund balance that is unassigned and therefore available for future appropriation. The Fund Balance increased as the result of a combination of increased and unexpected revenue as well as expenditures ending the year below appropriations. This is further discussed on page 15 of this report.

- The City of Cadillac's total outstanding debt **decreased** by $725,300 during the fiscal year. This decrease is the result of no new debt being issued, and all debt service payments on the city's outstanding bond issues being made in a timely manner.

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 20-21 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 22-25 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

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

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

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

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

Notes to the Financial Statements
The Notes to the 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 34 of this report.

Other Information
In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements. This information can be found beginning on page 75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City exceeded liabilities by $31,339,437 at June 30, 2020. A comparison with the previous fiscal year is presented in order to show the change in Net Position over the previous fiscal year.

City of Cadillac Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Current and Other Assets	$8,339	$8,287	$3,286	$4,113	$11,625	$12,400
Capital Assets	13,020	13,309	22,667	22,766	35,687	36,075
Total Assets	$21,359	$21,596	$25,953	$26,879	$47,312	$48,475
Deferred Outflows of Resources	$1,432	$1,042	$128	$155	$1,560	$1,197
Current and Other Liabilities	$1,013	$929	$848	$1,136	$1,861	$2,065
Long-Term Liabilities	7,639	7,618	6,979	7,731	14,618	15,349
Total Liabilities	$8,652	$8,547	$7,827	$8,867	$16,479	$17,414
Deferred Inflows of Resources	$967	$622	$87	$84	$1,054	$706
Net Position						
Net Investment in Capital Assets	$11,586	$11,797	$16,838	$16,332	$28,424	$28,129
Restricted	2,456	2,537	664	654	3,120	3,191
Unrestricted	(870)	(865)	665	1,358	(205)	493
Total Net Position	$13,172	$13,469	$18,167	$18,344	$31,339	$31,813

The most significant portion of the City's Net Position (90%) 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 a negative balance in unrestricted Net Position for Governmental Activities. This deficit balance was a direct result of the implementation of GASB Statement Nos. 68 and 75. These new standards require reporting a net pension liability when the actuarial liabilities of a pension system exceed the actuarial value of the system's assets and a net OPEB liability when the same is true for an OPEB plan. For Cadillac, this added liabilities of $6,088,703 in FY2020, up from $5,940,983 in FY2019 in the governmental funds, and additional liabilities of $1,640,728 in FY2020, down from $1,775,665 in FY2019 in the business-type activities. An additional portion of net position (10%) represents resources that are subject to external restrictions on how they may be used.

The total net position of the City decreased by $473,652 during the fiscal year. Reasons for this change in net position are discussed in upcoming sections.

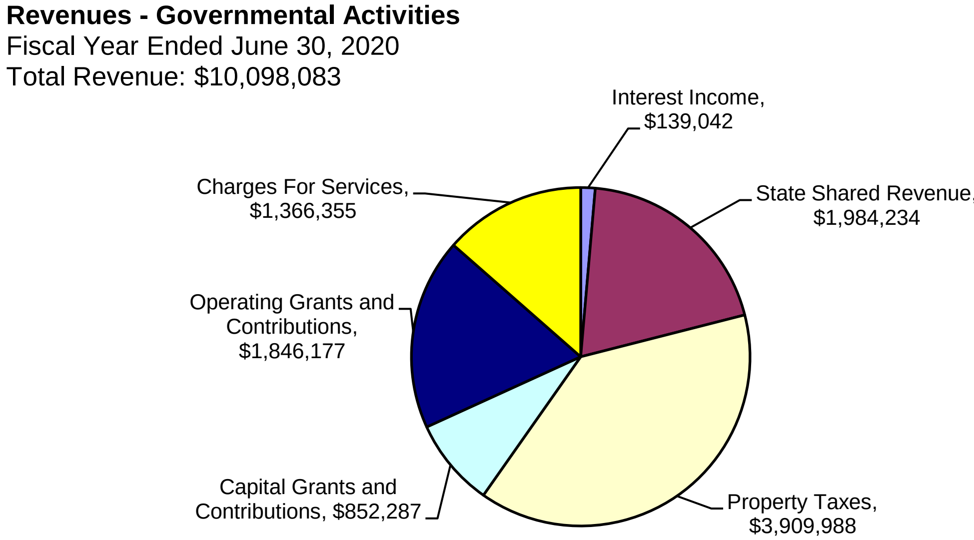
City of Cadillac Change in Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	$1,367	$1,661	$4,124	$4,965	$5,491	$6,626
Operating Grants and Contributions	1,846	1,985	0	0	1,846	1,985
Capital Grants	853	991	0	0	853	991
General Revenues						
Property Taxes and Assessments	3,910	3,830	0	0	3,910	3,830
State Shared Revenue	1,984	2,027	0	0	1,984	2,027
Unrestricted Investment Earnings	139	145	60	54	199	199
Other	0	0	0	0	0	0
Total Revenues	$10,099	$10,639	$4,184	$5,019	$14,283	$15,658
Expenses						
General Government, Administrative	$1,957	$2,095	$0	$0	$1,957	$2,095
Public Safety	3,718	3,542	0	0	3,718	3,542
Public Works	3,020	2,916	0	0	3,020	2,916
Recreation and Culture	499	527	0	0	499	527
Economic Development/Assistance	1,153	1,020	0	0	1,153	1,020
Interest on Long-Term Debt	48	40	0	0	48	40
Water and Sewer	0	0	4,185	4,480	4,185	4,480
Automobile Parking System	0	0	86	84	86	84
Building Authority Operating	0	0	90	125	90	125
Total Expenses	$10,395	$10,140	$4,361	$4,689	$14,756	$14,829
Changes in Net Position	(296)	498	(177)	330	(473)	828
Beginning Net Position	13,468	12,970	18,344	18,014	31,812	30,984
Ending Net Position	$13,172	$13,468	$18,167	$18,344	$31,339	$31,812

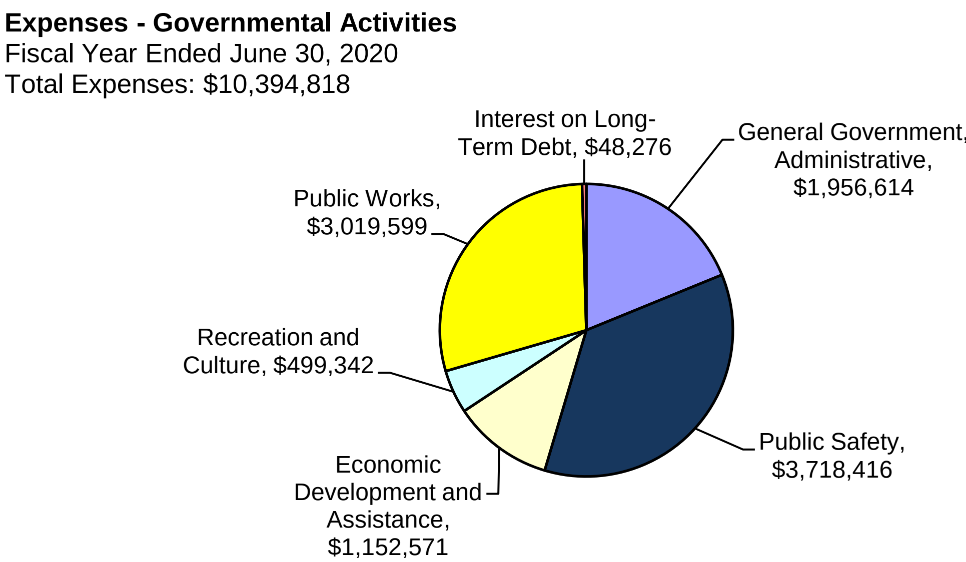
Governmental Activities

The net position of the City's governmental activities decreased by $296,735 during the year. Much of this decrease can be attributed to adjustments made related to pension and other post-employment benefit expenses.

The following chart summarizes the revenue sources for the City's governmental activities for the year ended June 30, 2020:



Total expenses for governmental activities for the year ended June 30, 2020 are summarized below:



Business-Type Activities
Net position within the City's business-type activities decreased by $176,917 during the year. Net Position in the City's Water and Sewer Fund decreased by $220,456 for the year. Total revenues were under budget by $427,621 primarily because of local industrial shutdowns due to the pandemic. The Building Authority Fund, which reports the activities related to the rental of a City building to the Michigan Department of Environmental Quality, had an increase in net position of $69,244.

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2020, governmental funds reported combined ending fund balances of $7,243,276. This ending fund balance is $127,430 higher than the end of the previous fiscal year. Of the total ending fund balance, $376,614, or 5%, is nonspendable. An additional amount of $1,711,173, or 24%, is restricted to spending for specific purposes, including street projects, lake treatment, debt service and perpetual care of Maple Hill Cemetery. Portions of total fund balance have also been assigned for various uses, including a 15% working capital reserve and an amount equal to the estimated cost of sick and vacation leave benefits. This portion of fund balance totals $2,896,220, or 40% of the total. Finally, $2,259,269 is unassigned and available for appropriation at the discretion of the City.

Detailed information regarding the various classifications of fund balance on hand as of June 30, 2020 can be found on page 70 of this report.

General Fund – The General Fund is the main operating fund of the City. The fund balance in the General Fund on June 30, 2020 was $3,753,512. This represents a 9.4% **increase** from the prior year. An amount equal to 15% of total annual expenditures is assigned as a working capital reserve in accordance with City policy. This level has been maintained or exceeded for many years. There is also $308,080 assigned to fund sick and vacation benefits that have accrued but have not yet been paid out.

Total fund balance in the City of Cadillac's General Fund increased by $322,184 in the current fiscal year. As discussed in the General Fund Budgetary Highlights below, revenues exceeded the final amended budget by $95,100 and expenditures were below appropriations by $546,584 which contributed to the positive year-end results. The final amended budget planned for the use of $319,500 in fund balance.

Proprietary Funds The City's proprietary funds provide virtually the same information as the government-wide statements; however, more detail may be found in the fund financial statements. The Water and Sewer Fund decreased net position by $220,456 during the year. The issues discussed prior detail the primary contributors to the increase. Total Net Position in the City's other Enterprise Funds increased by $43,539 for the year.

General Fund Budgetary Highlights

Budget Amendments
During the year, two amendments of the General Fund budget were approved by City Council. These amendments decreased total General Fund appropriations by $168,100. The major appropriation increases were related to the following:

- Additional salary expense and vehicle allowance in the City Manager department related to the renewal of the contract for the City Manager. Total increase of $10,100.
- Appropriate funds for the replacement of vehicle for Police Captain. Total increase of $30,000.
- Additional salary expense for final benefit payout due to retirement of long-term Parks and Cemetery Superintendent. Total increase of $35,000.
- Recognize additional revenue from State of Michigan for personal property tax loss reimbursement, application fees for marihuana licenses, and additional Interest Income. Total revenue increase of $445,600.
- Additional salary expense in the Financial Services Department due to the retirement of two (2) employees during the fiscal year. Total increase of $19,000.
- Additional salary expense and equipment rental in Community Promotions and Sidewalks/Alleys activities within the public works department to cover costs of increased labor in these activities. Total increase of $58,000.
- Several other small appropriation increases were included in the budget amendments.

Budget Variances
Overall, actual expenditures were $546,584 below the legal appropriations. Several factors contributed to this positive variance:

- Total Legal Fees for the year were $50,140 favorable to budget.
- Buildings and Grounds expenditures were $21,433 favorable to budget due to the deferral of a capital purchase.
- Police Department expenditures were favorable to budget by $135,089. This was primarily due to vacancies in the department resulting in fringe benefit costs being lower than planned.
- Fire Department expenditures were below budget by $242,372. This was primarily due to the timing of the purchase of a new fire truck. The budget appropriated $600,000 for this purchase, and only $397,109 in progress payments were paid to the vendor by year end.
- The Parks Department expenditures were $35,098 favorable to budget because of the delay of a sign upgrade due to the pandemic.
- General savings and smaller cost-reduction actions accounted for the remainder of the positive variances within the General Fund.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for the governmental and business-type activities as of June 30, 2020, amounted to $35,686,969 (net of accumulated depreciation). This represents a decrease of $387,908 during the year, primarily from applying normal government-wide depreciation costs of $1,983,982 (net of disposals). The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Infrastructure	$22,656	$22,656	$0	$0	$22,656	$22,656
Land and Land Improvements	3,426	3,409	1,567	1,567	4,993	4,976
Buildings	6,563	6,548	2,437	2,437	9,000	8,985
Machinery & Equipment	5,860	5,572	1,557	1,500	7,417	7,072
Investment in Water and Sewer Systems	0	0	40,786	40,592	40,786	40,592
Subtotal	$38,505	$38,185	$46,347	$46,096	$84,852	$84,281
Construction in Progress	418	7	1,308	694	1,726	701
Accumulated Depreciation	(25,903)	(24,883)	(24,988)	(24,024)	(50,891)	(48,907)
Net Capital Assets	$13,020	$13,309	$22,667	$22,766	$35,687	$36,075

Capital assets of the City include any items purchased that cost in excess of $5,000 and have an expected useful life greater than one year. Additional information regarding the City's capital assets can be found in the Notes to Financial Statements section on pages 50-52.

Long-Term Debt. As of June 30, 2020, the City had total long-term debt outstanding of approximately $7,879,768. This is a decrease of $725,300 compared to the prior fiscal year. No new debt was issued, and total debt was reduced by normal debt service requirements that were met throughout the year.

Of the City's total outstanding debt, $1,517,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. The City's revenue bonds are associated with the Water and Sewer Fund and are backed by revenues pledged from user charges generated in the Water and Sewer system, and have been used to finance major capital projects within the system.

City of Cadillac Outstanding Debt
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
General Obligation Bonds	$1,517	$1,640	$0	$0	$1,517	$1,640
Contracts, Notes, and Other	347	348	187	183	534	531
Revenue Bonds	0	0	5,829	6,434	5,829	6,434
Total Outstanding Debt	$1,864	$1,988	$6,016	$6,617	$7,880	$8,605

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of total assessed valuation. The current debt limitation based on the City's taxable valuation of $230,679,351 is $23,067,935 which significantly exceeds the City's outstanding general obligation debt of $1,517,000. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on pages 53-54.

Contacting the City's Financial Services Department

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

Basic Financial Statements

City of Cadillac
Statement of Net Position
June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets				
Cash and Pooled Investments	$ 7,254,272	$ 1,846,200	$ 9,100,472	$ 2,084,074
Receivables	454,802	545,344	1,000,146	15,576
Prepaids	86,781	835	87,616	--
Inventory	82,628	229,846	312,474	--
Due from Fiduciary Funds	460,715	--	460,715	--
Total Current Assets	8,339,198	2,622,225	10,961,423	2,099,650
Noncurrent Assets				
Restricted Cash	--	664,063	664,063	--
Capital Assets not being Depreciated	2,666,874	1,647,867	4,314,741	529,080
Capital Assets being Depreciated	10,352,970	21,019,258	31,372,228	1,507,595
Total Noncurrent Assets	13,019,844	23,331,188	36,351,032	2,036,675
Total Assets	21,359,042	25,953,413	47,312,455	4,136,325
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	372,446	25,253	397,699	--
Pension related	1,059,772	102,447	1,162,219	--
Total Deferred Outflows of Resources	1,432,218	127,700	1,559,918	--
LIABILITIES				
Current Liabilities				
Accounts Payable	461,113	63,624	524,737	13,138
Accrued Liabilities	141,493	58,720	200,213	1,562
Customer Deposits	--	8,780	8,780	--
Accrued Interest	5,220	38,911	44,131	2,610
Unearned revenue	75,000	--	75,000	--
Current Portion of Compensated Absences	187,416	57,982	245,398	1,046
Current Portion of Long-term Debt	126,600	620,000	746,600	69,032
Due to Other Governmental Units	813	--	813	--
Due to Fiduciary Funds	15,594	--	15,594	--
Total Current Liabilities	1,013,249	848,017	1,861,266	87,388
Noncurrent Liabilities				
Compensated Absences	159,651	129,058	288,709	891
Long-term Debt	1,390,000	5,209,061	6,599,061	777,352
Net OPEB Liability	871,249	59,076	930,325	--
Net Pension Liability	5,217,454	1,581,652	6,799,106	--
Total Noncurrent Liabilities	7,638,354	6,978,847	14,617,201	778,243
Total Liabilities	8,651,603	7,826,864	16,478,467	865,631
DEFERRED INFLOWS OF RESOURCES				
OPEB related	386,553	26,211	412,764	--
Pension related	580,919	60,786	641,705	--
Total Deferred Inflows of Resources	967,472	86,997	1,054,469	--
NET POSITION				
Net Investment in Capital Assets	11,586,360	16,838,064	28,424,424	1,218,275
Restricted for:				
Nonexpendable Trusts	375,411	--	245,000	--
Debt Service	896	664,063	664,959	--
Groundwater Clean Up	--	--	--	25,785
Capital Projects	151,023	--	151,023	1,514,182
Economic Development	--	--	--	512,452
General Government	396,680			
Public Works	1,128,104	--	331,075	--
Other Purposes (*see Note 15*)	404,092	--	168,864	--
Unrestricted	(870,381)	665,125	(205,256)	--
Total Net Position	**$ 13,172,185**	**$ 18,167,252**	**$ 31,339,437**	**$ 3,270,694**

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

City of Cadillac
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue – Primary Government: Governmental Activities	Net (Expense) Revenue – Primary Government: Business-type Activities	Net (Expense) Revenue – Primary Government: Total	Component Units
Primary Government								
Governmental Activities:								
General Government	$ 1,956,614	$ 624,851	$ --	$ --	$ (1,331,763)	$ --	$ (1,331,763)	$ --
Public Safety	3,718,416	180,476	263,351	--	(3,274,589)	--	(3,274,589)	--
Public Works	3,019,599	559,478	1,582,826	--	(877,295)	--	(877,295)	--
Recreation and Culture	499,342	--	--	5,000	(494,342)	--	(494,342)	--
Economic Development	1,152,571	1,550	--	847,287	(303,734)	--	(303,734)	--
Interest Expense	48,276	--	--	--	(48,276)	--	(48,276)	--
Total Governmental Activities	10,394,818	1,366,355	1,846,177	852,287	(6,329,999)	--	(6,329,999)	--
Business-type Activities:								
Auto Parking	85,614	56,229	--	--	--	(29,385)	(29,385)	--
Building Authority	90,699	154,440	--	--	--	63,741	63,741	--
Water and Sewer	4,184,834	3,913,111	--	--	--	(271,723)	(271,723)	--
Total Business-type Activities	4,361,147	4,123,780	--	--	--	(237,367)	(237,367)	--
Total Primary Government	$ 14,755,965	$ 5,490,135	$ 1,846,177	$ 852,287	$ (6,329,999)	$ (237,367)	$ (6,567,366)	--
Component Units								
Brownfield Redevelopment Authority	$ 64,717	$ --	$ --	$ --	--	--	--	(64,717)
Downtown Development Authority	143,308	--	27,610	--	--	--	--	(115,698)
Local Development Finance Authority	284,529	2,344	--	--	--	--	--	(282,185)
Economic Development Corporation	--	--	--	--	--	--	--	--
Total Component Units	$ 492,554	$ 2,344	$ 27,610	$ --	--	--	--	(462,600)
General Purpose Revenues and Transfers:								
Revenues								
Interest Income					139,042	60,450	199,492	35,728
Property Taxes					3,909,988	--	3,909,988	257,413
Unrestricted State Revenue Sharing					1,984,234	--	1,984,234	49,425
Transfers					--	--	--	--
Total General Revenues and Transfers					6,033,264	60,450	6,093,714	342,566
Change in Net Position					**(296,735)**	**(176,917)**	**(473,652)**	**(120,034)**
Net Position at Beginning of Period					13,468,920	18,344,169	31,813,089	3,390,728
Net Position at End of Period					**$ 13,172,185**	**$ 18,167,252**	**$ 31,339,437**	**$ 3,270,694**

City of Cadillac
Balance Sheet
Governmental Funds
June 30, 2020

	General		Special Revenue: Major Streets		Other Governmental Funds		Total Governmental Funds
ASSETS							
Cash and Pooled Investments	$	3,518,324	$	795,074	$	2,463,674	$ 6,777,072
Receivables		123,457		137,028		190,668	451,153
Prepaids		1,203		--		--	1,203
Due from Fiduciary Funds		460,715		--		--	460,715
Due from Other Funds		16,924		--		--	16,924
Advance to Other Funds		--		--		255,000	255,000
Total Assets	$	**4,120,623**	$	**932,102**	$	**2,909,342**	$ **7,962,067**
LIABILITIES							
Accounts Payable	$	162,451	$	143,939	$	85,125	$ 391,515
Accrued Liabilities		113,253		4,746		12,757	130,756
Unearned revenue		75,000		--		--	75,000
Due to Other Governmental Units		813		--		--	813
Due to Fiduciary Funds		15,594		--		--	15,594
Due to Other Funds		--		--		31,851	31,851
Total Liabilities		367,111		148,685		129,733	645,529
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue		--		--		73,262	73,262
Total Liabilities and Deferred Inflows of Resources		367,111		148,685		202,995	718,791
FUND BALANCE							
Nonspendable		1,203		--		375,411	376,614
Restricted		41,957		783,417		885,799	1,711,173
Assigned		1,451,083		--		1,445,137	2,896,220
Unassigned		2,259,269		--		--	2,259,269
Total Fund Balance		3,753,512		783,417		2,706,347	7,243,276
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$	**4,120,623**	$	**932,102**	$	**2,909,342**	$ **7,962,067**

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

City of Cadillac
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance - Governmental Funds	$	7,243,276
Net Position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements		1,250,372
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(5,220)
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		73,262
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		(1,516,600)
Compensated absences are not due in and payable in the current period, and therefore, are not reported in the funds.		(308,080)
The net pension liability and related deferred items are not paid from current financial resources and, therefore, are excluded from the fund financial statements but are included as a liability or deferred item in the government-wide financial statements.		(2,713,693)
Changes to the net pension liability and related items are not shown in the fund financial statements.		(1,789,248)
Changes to the net OPEB liability and related items are not shown in the fund financial statements.		123,826
The net OPEB liability and related deferred items are not paid from current financial resources and, therefore, are excluded from the fund financial statements but are included as a liability or deferred item in the government-wide financial statements.		(949,148)
General government capital assets of $35,528,041, net of accumulated depreciation of $23,764,603, are not financial resources, and accordingly are not reported in the funds.		11,763,438
Total Net Position - Governmental Activities	$	**13,172,185**

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

City of Cadillac
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	General	Special Revenue Major Streets	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 3,909,988	$ --	$ --	$ 3,909,988
Licenses and Permits	131,882	--	63,104	194,986
Federal Revenue	18,112	--	--	18,112
State Revenue	2,056,886	1,193,672	1,177,707	4,428,265
Local Revenue	228,083	1,250	23,415	252,748
Charges for Services	1,059,021	--	62,753	1,121,774
Fines	9,685	--	--	9,685
Miscellaneous	23,083	--	10,899	33,982
Interest Income	65,060	11,474	52,830	129,364
Total Revenues	7,501,800	1,206,396	1,390,708	10,098,904
Expenditures				
General Government	1,681,895	--	155,551	1,837,446
Public Safety	3,866,939	--	62,059	3,928,998
Public Works	892,826	926,876	658,578	2,478,280
Economic Development	222,354	--	937,491	1,159,845
Recreation and Culture	375,602	--	--	375,602
Capital Outlay	--	--	30,040	30,040
Debt Service - Principal	--	--	123,400	123,400
Debt Service - Interest	--	--	37,863	37,863
Total Expenditures	7,039,616	926,876	2,004,982	9,971,474
Excess of Revenues Over (Under) Expenditures	462,184	279,520	(614,274)	127,430
Other Financing Sources (Uses)				
Transfers In	--	--	480,550	480,550
Transfers Out	(140,000)	(250,550)	(90,000)	(480,550)
Net Other Financing Sources (Uses)	(140,000)	(250,550)	390,550	--
Net Change in Fund Balance	**322,184**	**28,970**	**(223,724)**	**127,430**
Fund Balance at Beginning of Period	3,431,328	754,447	2,930,071	7,115,846
Fund Balance at End of Period	**$ 3,753,512**	**$ 783,417**	**$ 2,706,347**	**$ 7,243,276**

City of Cadillac
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	$	127,430
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements		(3)
Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of $542,990 are exceeded by depreciation expense of $999,904.		(456,914)
Changes to accrued interest are not shown in the fund financial statements.		462
Change to compensated absences are not shown in the fund financial statements.		1,466
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.		123,400
Some receivables are long-term in nature and are collectible over several years. However, the current receipts are reflected as revenues on the fund statements.		(10,499)
Changes to the net pension liability and related items are not shown in the fund financial statements.		(527,417)
Changes to the net OPEB liability and related items are not shown in the fund financial statements.		445,340
Changes in Net Position - Governmental Activities	$	**(296,735)**

City of Cadillac
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS				
Current Assets				
Cash and Pooled Investments	$ 1,329,174	$ 517,026	$ 1,846,200	$ 477,200
Receivables	544,796	548	545,344	3,649
Prepaids	835	--	835	85,578
Inventory	229,846	--	229,846	82,628
Due from Other Funds	--	--	--	15,111
Total Current Assets	2,104,651	517,574	2,622,225	664,166
Noncurrent Assets				
Restricted Cash	664,063	--	664,063	--
Capital Assets not being Depreciated	1,308,201	339,666	1,647,867	25,000
Capital Assets being Depreciated	19,884,076	1,135,182	21,019,258	1,231,406
Total Noncurrent Assets	21,856,340	1,474,848	23,331,188	1,256,406
Total Assets	23,960,991	1,992,422	25,953,413	1,920,572
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related	25,253	--	25,253	25,253
Pension related	102,447	--	102,447	15,677
Total Deferred Outflows of Resources	127,700	--	127,700	40,930
LIABILITIES				
Current Liabilities				
Accounts Payable	61,697	1,927	63,624	69,598
Accrued Liabilities	57,039	1,681	58,720	10,737
Customer Deposits	8,780	--	8,780	--
Accrued Interest	38,911	--	38,911	--
Current Portion of Compensated Absences	57,982	--	57,982	21,053
Current Portion of Long-term Debt	620,000	--	620,000	--
Due to Other Funds	--	--	--	184
Total Current Liabilities	844,409	3,608	848,017	101,572
Noncurrent Liabilities				
Compensated Absences	129,058	--	129,058	17,934
Long-term Debt	5,209,061	--	5,209,061	--
Net OPEB Liability	59,076	--	59,076	59,076
Net Pension Liability	1,581,652	--	1,581,652	242,035
Advance from Other Funds	--	--	--	255,000
Total Noncurrent Liabilities	6,978,847	--	6,978,847	574,045
Total Liabilities	7,823,256	3,608	7,826,864	675,617
DEFERRED INFLOWS OF RESOURCES				
OPEB related	26,211	--	26,211	26,211
Pension related	60,786	--	60,786	9,302
Total Deferred Inflows of Resources	86,997	--	86,997	35,513
NET POSITION				
Net Investment in Capital Assets	15,363,216	1,474,848	16,838,064	1,256,406
Restricted for:				
Debt Service	664,063	--	664,063	--
Internal Service - Retirees' Life Insurance	--	--	--	168,864
Internal Service - Employees' Life and Health Insurance	--	--	--	181,368
Unrestricted	151,159	513,966	665,125	(356,266)
Total Net Position	**$ 16,178,438**	**$ 1,988,814**	**$ 18,167,252**	**$ 1,250,372**

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

City of Cadillac
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Operating Revenues				
Charges for Services	$ 3,888,116	$ 155,996	$ 4,044,112	$ 2,225,838
Operating Grants and Contributions	--	--	--	140,000
Total Operating Revenues	3,888,116	155,996	4,044,112	2,365,838
Operating Expenses				
Salaries and Wages	1,826,312	19,075	1,845,387	292,683
Materials and Supplies	253,623	14,052	267,675	127,553
Utilities	379,017	3,487	382,504	31,453
Repair and Maintenance	69,795	27,801	97,596	76,185
Equipment Rental	285,293	36,603	321,896	54,027
Contracted Services	333,317	10,469	343,786	227,202
Professional Fees	--	500	500	--
Insurance	--	--	--	1,445,902
Depreciation	899,275	64,326	963,601	160,477
Total Operating Expenses	4,046,632	176,313	4,222,945	2,415,482
Operating Income (Loss)	(158,516)	(20,317)	(178,833)	(49,644)
Non-Operating Revenues (Expenses)				
Interest Income	51,267	9,183	60,450	9,678
Gain on Sale of Capital Assets	606	--	606	50,838
Special Assessment Revenue	--	54,673	54,673	--
Other non-operating Rental Revenue	24,389	--	24,389	--
Interest Expense	(138,202)	--	(138,202)	(10,875)
Net Non-Operating Revenues (Expenses)	(61,940)	63,856	1,916	49,641
Change In Net Position	**(220,456)**	**43,539**	**(176,917)**	**(3)**
Net Position at Beginning of Period	16,398,894	1,945,275	18,344,169	1,250,375
Net Position at End of Period	$ **16,178,438**	$ **1,988,814**	$ **18,167,252**	$ **1,250,372**

City of Cadillac
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from Customers and Local Contributions	$ 4,194,567	$ 155,866	$ 4,350,433	$ 2,376,079
Cash Payments to Employees for Services and Fringe Benefits	(1,665,132)	(17,394)	(1,682,526)	(271,085)
Cash Payments to Suppliers for Goods and Services	(1,620,417)	(104,766)	(1,725,183)	(1,944,480)
Net Cash Provided by Operating Activities	909,018	33,706	942,724	160,514
Cash Flows from Non-capital and Related Financing Activities				
Change in Interfund Balances	-	-	-	(14,927)
Increase in Advance from Other Funds	-	-	-	105,000
Interest Paid on Internal Advance	-	-	-	(10,875)
Other Non-operating Rental Revenue	24,389	-	24,389	-
Net Cash Provided by Non-capital and Related Financing Activities	24,389	-	24,389	79,198
Cash Flows from Capital and Related Financing Activities				
Principal Paid	(605,000)	-	(605,000)	-
Interest Paid	(142,381)	-	(142,381)	-
Special Assessment Revenue	-	54,673	54,673	-
Gain on Sale of Capital Assets	606	-	606	50,838
Capital Assets Purchased	(865,208)	-	(865,208)	(327,876)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,611,983)	54,673	(1,557,310)	(277,038)
Cash Flows From Investing Activities				
Interest on Investments	51,267	9,183	60,450	9,678
Net Cash Provided by Investing Activities	51,267	9,183	60,450	9,678
Net Increase (Decrease) in Cash and Equivalents	(627,309)	97,562	(529,747)	(27,648)
Cash and Pooled Investments - Beginning of Year	2,620,546	419,464	3,040,010	504,848
Cash and Pooled Investments - End of Year	$ 1,993,237	$ 517,026	$ 2,510,263	$ 477,200
Reconciliation of Operating Loss to				
Net Cash Provided by Operating Activities				
Operating Loss	$ (158,516)	$ (20,317)	$ (178,833)	$ (49,644)
Adjustments to Reconcile Operating Loss to				
Net Cash Provided by Operating Activities				
Depreciation Expense	899,275	64,326	963,601	160,477
Changes in Assets and Liabilities				
Receivables	306,451	(130)	306,321	10,241
Inventory	(9,827)	-	(9,827)	(22,840)
Prepaid Expenses	743	-	743	22,450
Accounts Payable	(306,990)	(11,854)	(318,844)	23,061
Accrued Liabilities	16,702	1,681	18,383	(4,569)
Compensated Absences	4,023	-	4,023	544
Net OPEB Liability and Related Deferred Items	(32,390)	-	(32,390)	(32,390)
Net Pension Liability and Related Deferred Items	189,547	-	189,547	53,184
Net Cash Provided by Operating Activities	$ 909,018	$ 33,706	$ 942,724	$ 160,514

City of Cadillac
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Police and Fire Trust		Agency	
ASSETS				
Cash	$	2,692	$	12
Pooled Investments		11,603,042		--
Due from General Fund		--		15,594
Total Assets		11,605,734		15,606
LIABILITIES				
Due to Other Governmental Units		--		15,606
Due to General Fund		460,715		--
Total Liabilities		460,715	$	15,606
NET POSITION				
Held in Trust	$	**11,145,019**		

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

City of Cadillac
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2020

	Police and Fire Trust
Additions	
Contributions	
Employer	$ 675,981
Employee	17,828
Total Contributions	693,809
Investment Income	
Investment Income	264,946
Less: Investment Expense	(25,330)
Total Investment Income	239,616
Total Additions	933,425
Deductions	
Benefit Payments	1,066,325
Administrative	11,950
Total Deductions	1,078,275
Change in Net Position	**(144,850)**
Net Position at Beginning of Period	11,289,869
Net Position at End of Period	$ **11,145,019**

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

City of Cadillac
Combining Statement of Net Position
Component Units
June 30, 2020

	Brownfield Redevelopment Authority	Downtown Development Authority	Development Finance Authority	Economic Development Corporation	Total Component Units
ASSETS					
Current Assets					
Cash and Pooled Investments	$ 161,758	$ 14,717	$ 1,906,432	$ 1,167	$ 2,084,074
Receivables	--	--	15,576	--	15,576
Total Current Assets	161,758	14,717	1,922,008	1,167	2,099,650
Noncurrent Assets					
Capital Assets not being Depreciated	--	529,080	--	--	529,080
Capital Assets being Depreciated	--	1,394,565	113,030	--	1,507,595
Total Noncurrent Assets	--	1,923,645	113,030	--	2,036,675
Total Assets	161,758	1,938,362	2,035,038	1,167	4,136,325
LIABILITIES					
Current Liabilities					
Accounts Payable	4,263	1,750	7,125	--	13,138
Accrued Liabilities	--	421	1,141	--	1,562
Accrued Interest	--	2,610	--	--	2,610
Current Portion of Compensated Absences	--	1,046	--	--	1,046
Current Portion of Long-term Debt	5,632	63,400	--	--	69,032
Total Current Liabilities	9,895	69,227	8,266	--	87,388
Noncurrent Liabilities					
Compensated Absences	--	891	--	--	891
Long-term Debt	22,352	755,000	--	--	777,352
Total Noncurrent Liabilities	22,352	755,891	--	--	778,243
Total Liabilities	32,247	825,118	8,266	--	865,631
NET POSITION					
Net Investment in Capital Assets	--	1,105,245	113,030	--	1,218,275
Restricted for:					
Groundwater Clean Up	--	--	25,785	--	25,785
Capital Projects	--	--	1,514,182	--	1,514,182
Economic Development	129,511	7,999	373,775	1,167	512,452
Unrestricted	--	--	--	--	--
Total Net Position	**$ 129,511**	**$ 1,113,244**	**$ 2,026,772**	**$ 1,167**	**$ 3,270,694**

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

City of Cadillac
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2020

	Brownfield Redevelopment Authority	Downtown Development Authority	Development Finance Authority	Economic Development Corporation	Total Component Units
Expenses					
Economic Development	$ 64,717	$ 39,620	$ 279,994	$ --	$ 384,331
Depreciation	--	82,778	4,535	--	87,313
Interest on Long-term Debt	--	20,910	--	--	20,910
Total Expenses	64,717	143,308	284,529	--	492,554
Program Revenues					
Charges for Services	--	--	2,344	--	2,344
Operating Grants and Contributions	--	27,610	--	--	27,610
Total Program Revenues	--	27,610	2,344	--	29,954
Net Program Revenues (Expenses)	(64,717)	(115,698)	(282,185)	--	(462,600)
General Revenue					
Property Taxes	30,672	85,274	141,467	--	257,413
State Revenue	49,425	--	--	--	49,425
Interest Income	561	113	35,054	--	35,728
Total General Revenues	80,658	85,387	176,521	--	342,566
Change in Net Position	**15,941**	**(30,311)**	**(105,664)**	**--**	**(120,034)**
Net Position at Beginning of Period	113,570	1,143,555	2,132,436	1,167	3,390,728
Net Position at End of Period	$ **129,511**	$ **1,113,244**	$ **2,026,772**	$ **1,167**	$ **3,270,694**

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

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

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

Discretely Presented Component Units

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

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

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

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

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

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

Joint Venture

Wexford County Airport Authority – The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the Mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2019, audited financial statements:

Wexford County Airport Authority - Statements	
Total Assets	$ 4,036,151
Total Liabilities	9,757
Net Investment in Capital Assets	3,751,710
Net Position - Unrestricted	274,684
Total Revenues - Governmental and Business-type Activities	645,833
Total Expenses - Governmental and Business-type Activities	600,496
Change in Net Position	45,337

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

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a City-wide cost allocation plan which allocates costs based on the number of full-time equivalents, number of transactions, and other pertinent information. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary 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.

Additionally, the City reports the following fund types:

> The ***special revenue funds*** are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
>
> The ***debt service funds*** account for the servicing of long-term debt not being financed by proprietary or nonexpendable trust funds.
>
> The ***capital projects funds*** account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.
>
> The ***permanent funds*** account for resources that are legally restricted to the extent that only earnings, and not principal may be used for purposes that support the City programs.
>
> The ***enterprise funds*** are used to account for operations of the City that are financed by charges for the services provided.
>
> The ***internal service funds*** are used to account for shared services, equipment usage, and insurance coverage provided to the City departments and funds on a cost reimbursement basis.
>
> The ***pension trust fund*** is used to account for the operations of the City Act 345 Pension Plan which provides pension benefits to public safety department employees.
>
> The ***agency funds*** are used to account for the collection and disbursement of property taxes, as well as payroll related liabilities, that are collected on behalf of outside governments or other parties.

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

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

Budgets and Budgetary Accounting

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

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.

4. All transfers of budget amounts between functions within the general fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.

5. Formal budgetary integration is employed for the governmental fund types as a management control device.

6. Budgets for the general, special revenue, debt service, and capital project funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year.

7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

Cash and Pooled Investments

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

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, banker's acceptances, federal agency instruments, money market funds, and commercial paper. Investments in commercial paper must be rated in one of the two highest rating categories by Standard and Poor's or Moody's and are limited to fifty percent of a fund's portfolio in accordance with state statutes. The policemen and firemen retirement system trust fund and cemetery perpetual care fund are also authorized to invest in corporate common and preferred stocks and bonds.

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

Receivables/Due from Other Governments

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

Special Assessments Receivable

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

Loans Receivable

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

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

Prepaid and Other Assets

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

Inventory

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

Restricted Cash

Certain resources of the water and sewer fund, which are set aside for repayment of revenue bonds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “bond reserve" account ($379,918) is used to report resources set aside to make current debt service payments and to make up potential future deficiencies in the funds available for debt service. The "bond replacement" account ($284,145) is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Capital Assets

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

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

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

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

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

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

Deferred Outflows of Resources

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

Compensated Absences

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

Long-term Obligations

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues with three sources: installment notes and mortgages, personal property taxes, and special assessments. The City also has pension and OPEB related deferred inflows. The government-wide statements and proprietary funds can report deferred inflows from the difference between expected and actual experience of the plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Property Taxes

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

The 2019 taxable valuation of the City of Cadillac totaled $229,282,866, on which ad valorem taxes levied consisted of 13.9166 mills for the City of Cadillac operating purposes and 2.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised (net of adjustments and recaptures) approximately $3,190,838 for operating purposes and $596,135 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective general fund or special revenue fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

The Downtown Development Authority also levies 1.9548 mills on $13,783,5752 of taxable value, which raised approximately $26,944 for its operations.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Changes between enterprise funds and other functions of the City are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Use of Estimates

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

Note 2 - Statutory Compliance

Excess of expenditures over appropriations in budgetary funds

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

The City's actual expenditures and budgeted expenditures for the budgeted funds have been shown at the department level. The approved budgets of the City for these budgeted funds were adopted at the major function level. The City had the following expenditures in excess of the amount appropriated at the major function level during the year ended June 30, 2020:

	Final	Actual	Variance
General Fund			
Engineering	$ 91,000	$ 94,202	$ (3,202)
Public Works	152,700	163,746	(11,046)
Grass and Weed Control	27,000	33,442	(6,442)
Waste Removal	571,500	581,269	(9,769)
Major Streets - Public Works	875,400	926,876	(51,476)
Special Assessment Capital Projects - Public Works	30,500	53,308	(22,808)
2016 GO Bonds - Debt Service - Interest	36,100	37,863	(1,763)

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

Net position deficit

The City's governmental activities had an unrestricted net position deficit of $(870,381). In addition, the City's central stores and municipal garage internal service fund had an unrestricted net position deficit of $(551,693). As current assets are in excess of current liabilities, no deficit elimination plan is necessary.

Note 3 - Cash and Investments

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and Pooled Investments	$ 9,100,472	$ 2,084,074	$ 11,184,546
Restricted Cash	664,063	-	664,063
Statement of Fiduciary Net Position			
Cash and Pooled Investments	2,704	-	2,704
Investments	11,603,042	-	11,603,042
Total	$ 21,370,281	$ 2,084,074	$ 23,454,355

Deposits and Investments	
Bank deposits (checking, savings, money market, and cash equivalent)	$ 2,283,969
MI CLASS account	663,644
Investments	8,903,400
Investments held in trust	11,603,042
Cash on hand	300
Total	$ 23,454,355

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

Investments

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

Investment	Maturity	Fair Value	Rating	Source
U.S. Agency Bond	Less than 1 year	$ 1,431,138	Aaa	Moody
U.S. Agency Bond	1 - 5 years	938,233	Aaa	Moody
U.S. Treasury Securities	1 - 5 years	129,547	Aaa	Moody
MI Class	N/A	663,644	AAAm	S&P
Money Market	N/A	77,166	N/A	N/A
Cash Equivalent	N/A	87,211	N/A	N/A
Equity Investments	N/A	11,603,042	N/A	N/A
Certificate of Deposit	Less than 1 year	2,441,266	N/A	N/A
Certificate of Deposit	1 - 5 years	3,598,839	N/A	N/A
Certificate of Deposit	6 - 10 years	200,000	N/A	N/A
Total		$ 21,170,086		

Investment and Deposit Risk

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

Interest Rate Risk - The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, investments are purchased with the intent of holding them until they mature or are called. The maturity date for each investment is identified above for investments held at year-end. $2,441,266 of the Certificates of Deposits mature within one year, the remainder of $3,798,839 mature in 1-5 Years.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require, and the City does not have, a policy for deposit custodial credit risk. As of year-end, $2,307,083 of the City's bank deposits and $3,046,995 of the City's certificate of deposits were exposed to custodial credit risk because the balance was uninsured and uncollateralized.

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

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

Fair Value Measurement - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

- U.S. Agency Bonds held by the City totaled $2,369,371. These are valued using Level 1 inputs.

- U.S. Treasury Bonds held by the City totaled $129,547. These are valued using Level 1 inputs.

- MI Class investments held by the City totaled $663,644. These are valued using Level 2 inputs.

- Investments held in the MERS Investment Services Program, which are primarily mutual funds used to fund Police and Fire Retiree defined benefit pensions, with a balance of $11,603,042 at June 30, 2020, are valued using Level 1 inputs.

Investments are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determine the fair value of the securities making up the investments fund/pool.

Money market accounts, cash equivalents, and bank CDs totaling $6,404,482 were not included in the fair value measurement disclosure because they are held directly in the City's name.

Note 4 - Receivables

Receivables were as follows at June 30, 2020:

	General Fund	Major Streets	Nonmajor Governmental Funds	Internal Service Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Primary Government	Component Units
Receivables								
Accounts	$ 84,326	$ 930	$ 18,546	$ 30	$ 58,762	$ -	$ 162,594	$ 14
Special Assessment	-	-	24,062	-	-	-	24,062	-
Due from State	-	129,784	47,442	-	-	-	177,226	-
Interest	39,131	6,314	26,495	3,619	18,841	548	94,948	15,562
Loans	-	-	20,250	-	-	-	20,250	-
Grants	-	-	53,873	-	-	-	53,873	-
Utilities	-	-	-	-	467,193	-	467,193	-
Total Receivables	$ 123,457	$ 137,028	$ 190,668	$ 3,649	$ 544,796	$ 548	$ 1,000,146	$ 15,576

Note 5 - Interfund Advances

Advances represent long-term loans between funds. Advances receivable and payable at June 30, 2020 were $255,000: the Cadillac development fund has an advance due of $255,000 from the central stores and municipal garage fund.

Note 6 - Interfund Transactions

Transfers in and out for the year ended June 30, 2020 are as follows:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	$ 140,000
Nonmajor Governmental	Major Streets	250,550
Nonmajor Governmental	Nonmajor Governmental	90,000

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

As of June 30, 2020, the interfund balances were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 16,740
Central Stores and Municipal Garage	Local Streets	15,111
General	Central Stores and Municipal Garage	184

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

Note 7 - Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not being Depreciated				
Land	$ 2,224,302	$ -	$ -	$ 2,224,302
Construction in Process	7,423	410,149	-	417,572
Subtotal	2,231,725	410,149	-	2,641,874
Capital Assets being Depreciated				
Buildings	6,069,782	-	-	6,069,782
Land Improvements	1,091,218	17,000	-	1,108,218
Machinery and Equipment	2,936,498	115,841	-	3,052,339
Infrastructure	22,655,828	-	-	22,655,828
Subtotal	32,753,326	132,841	-	32,886,167
Less Accumulated Depreciation				
Buildings	3,585,933	157,507	-	3,743,440
Land Improvements	739,057	32,462	-	771,519
Machinery and Equipment	2,557,568	112,337	-	2,669,905
Infrastructure	15,882,141	697,598	-	16,579,739
Subtotal	22,764,699	999,904	-	23,764,603
Capital Assets being Depreciated, Net	9,988,627	(867,063)	-	9,121,564
Capital Assets, Internal Service Funds	1,089,007	167,399	-	1,256,406
Capital Assets, Governmental Activities	$ 13,309,359	$ (289,515)	$ -	$ 13,019,844

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

Internal Service Funds	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Capital Assets not being Depreciated				
Land	$ 25,000	$ -	$ -	$ 25,000
Capital Assets being Depreciated				
Buildings	478,181	15,044	-	493,225
Land Improvements	68,971	-	-	68,971
Machinery and Equipment	2,635,033	312,832	(140,000)	2,807,865
Subtotal	3,182,185	327,876	(140,000)	3,370,061
Less Accumulated Depreciation				
Buildings	273,634	11,199	-	284,833
Land Improvements	67,919	263	-	68,182
Machinery and Equipment	1,776,625	149,015	(140,000)	1,785,640
Subtotal	2,118,178	160,477	(140,000)	2,138,655
Capital Assets being Depreciated, Net	1,064,007	167,399	-	1,231,406
Capital Assets, Internal Service Funds	$ 1,089,007	$ 167,399	$ -	$ 1,256,406

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

Business-type Activities	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Capital Assets not being Depreciated				
Land	$ 339,666	$ -	$ -	$ 339,666
Construction in Process	694,239	613,962	-	1,308,201
Subtotal	1,033,905	613,962	-	1,647,867
Capital Assets being Depreciated				
Buildings	2,437,016	-	-	2,437,016
Land Improvements	1,227,174	-	-	1,227,174
Machinery and Equipment	1,097,880	56,363	-	1,154,243
Vehicles	402,644	-	-	402,644
Water	14,816,428	91,582	-	14,908,010
Sewer	25,775,153	103,301	-	25,878,454
Subtotal	45,756,295	251,246	-	46,007,541
Less Accumulated Depreciation				
Buildings	1,320,491	48,942	-	1,369,433
Land Improvements	429,710	15,384	-	445,094
Machinery and Equipment	752,630	58,103	-	810,733
Vehicles	276,123	35,844	-	311,967
Water	6,498,577	318,039	-	6,816,616
Sewer	14,747,151	487,289	-	15,234,440
Subtotal	24,024,682	963,601	-	24,988,283
Capital Assets being Depreciated, Net	21,731,613	(712,355)	-	21,019,258
Capital Assets, Business-type Activities	$ 22,765,518	$ (98,393)	$ -	$ 22,667,125

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

Discretely Presented Component Units	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not being Depreciated				
Land	$ 529,080	$ -	$ -	$ 529,080
Subtotal	529,080	-	-	529,080
Capital Assets being Depreciated				
Land Improvements	8,965	-	-	8,965
Infrastructure	1,942,102	-	-	1,942,102
Other Equipment	244,169	-	-	244,169
Subtotal	2,195,236	-	-	2,195,236
Less Accumulated Depreciation				
Land Improvements	8,965	-	-	8,965
Infrastructure	530,321	62,896	-	593,217
Other Equipment	61,042	24,417	-	85,459
Subtotal	600,328	87,313	-	687,641
Capital Assets being Depreciated, Net	1,594,908	(87,313)	-	1,507,595
Capital Assets, Component Units	$ 2,123,988	$ (87,313)	$ -	$ 2,036,675

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

Governmental Activities	
General Government	$ 66,423
Public Safety	106,682
Public Works	675,646
Recreation and Culture	143,054
Economic Development	8,099
Internal Service Funds	160,477
Total	$ 1,160,381
Business-type Activities	
Water and Sewer	$ 899,275
Auto Parking	15,384
Building Authority	48,942
Total	$ 963,601
Component Units	
Downtown Development Authority	$ 82,778
Local Development Finance Authority	4,535
Total	$ 87,313

Note 8 - Long-term Debt

The following is a summary of the debt transactions of the City for the year ended June 30, 2020:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
$2,050,000 2016 General Obligation Limited Tax Bonds due in annual installments of $120,000 to $235,000 through May 1, 2031; interest at 2.19%	$ 1,640,000	$ -	$ 123,400	$ 1,516,600	$ 126,600
Total Governmental Activities Debt	1,640,000	-	123,400	1,516,600	126,600
Governmental Compensated Absences	309,546	171,801	173,267	308,080	166,363
Internal Service Compensated Absences	38,444	55,445	54,902	38,987	21,053
Total Compensated Absences	347,990	227,246	228,169	347,067	187,416
Total Long-term Obligations	$ 1,987,990	$ 227,246	$ 351,569	$ 1,863,667	$ 292,963

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

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
$3,865,205 Wastewater System Junior Lien Revenue Refunding Bond due in annual installments of $175,000 to $220,205 through October 1, 2028; interest at 1.625%	$ 2,085,205	$ -	$ 195,000	$ 1,890,205	$ 195,000
$2,324,906 Water Supply and Wastewater Systems Revenue Junior Lien Revenue Bonds due in annual installments of $27,671 to $150,000 through April 1, 2032; interest at 2.50%	1,643,856	-	110,000	1,533,856	110,000
$4,075,000 2013 Water Supply and Wastewater Systems Revenue Refunding Bonds due in annual installments of $255,000 to $370,000 through September 2026; interest at 2.70%	2,705,000	-	300,000	2,405,000	315,000
Total Business-type Activities Debt	6,434,061	-	605,000	5,829,061	620,000
Business-type Compensated Absences	183,017	91,264	87,241	187,040	57,982
Total Long-term Obligations	$ 6,617,078	$ 91,264	$ 692,241	$ 6,016,101	$ 677,982

Component Units	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
$1,000,000 2016 General Obligation Limited Tax Bonds due in annual installments of $60,000 to $80,000 through May 1, 2031; interest at 2.19%	$ 880,000	$ -	$ 61,600	$ 818,400	$ 63,400
$143,324 Brownfield Redemption Loan from the Department of Environmental Quality, due in annual installments of $6,052 starting October 2016 and through 2026; interest at 1.50%	32,589	-	4,605	27,984	5,632
Total Component Unit Debt	912,589	-	66,205	846,384	69,032
Compensated Absences	2,152	1,678	1,893	1,937	1,046
Total Long-term Obligations	$ 914,741	$ 1,678	$ 72,703	$ 848,321	$ 70,078

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of June 30, 2020 are as follows:

Year Ending	Governmental Activities			Business-type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2021	$ 126,600	$ 31,317	$ 157,917	$ 620,000	$ 128,161	$ 748,161
2022	130,000	28,470	158,470	640,000	113,561	753,561
2023	133,333	25,550	158,883	655,000	98,485	753,485
2024	136,667	22,557	159,224	665,000	83,167	748,167
2025	140,000	19,491	159,491	685,000	67,412	752,412
2026-2030	733,333	50,005	788,500	2,270,205	135,591	2,405,796
2031-2035	116,667	-	116,667	293,856	11,068	304,924
Totals	$ 1,516,600	$ 177,390	$ 1,699,151	$ 5,829,061	$ 637,444	$ 6,466,505

Year Ending	Component Units		
June 30,	Principal	Interest	Total
2021	$ 69,032	$ 16,078	$ 85,111
2022	70,717	14,570	85,287
2023	72,469	13,024	85,494
2024	74,223	11,441	85,664
2025	74,940	9,820	84,760
2026-2030	366,669	25,003	391,671
2031-2035	118,333	-	118,333
Totals	$ 846,384	$ 89,936	$ 936,320

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

Note 9 - Pension Plans

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

MERS Plan Description

Plan Description

Substantially all full-time employees of the City who are not members of the Policeman and Fireman Retirement System are members of the Municipal Employees Retirement System of

Michigan (MERS) which provides retirement, disability, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer pension plan administered by the State of Michigan. Act No. 427 of the Public Acts of 1984, as amended, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities. In this case, the authority rests with the City. The MERS issues a publicly available financial report that includes statements and required supplementary information for MERS. That report may be obtained by writing to The Retirement Board, Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

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

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

Employees Covered by Benefit Terms - MERS

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	57
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	47
Total employees covered by MERS	113

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

Plan Description

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

Benefits Provided

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

The benefits provided can be summarized as follows:

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

Employees Covered by Benefit Terms

Membership of the Act 345 defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2020):

Inactive plan members or beneficiaries currently receiving benefits	40
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	26
Total plan members	68

Contributions

MERS

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

For the year ended June 30, 2020, the active employee contribution rate was 0% percent of annual pay and the City's contribution rate was 10.79% to 41.47% of covered payroll depending on division.

PFRS

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

The City is required to contribute at an actuarially determined rate of 21.89% of payroll for police members and 33.25% of payroll for fire members. These rates totaled an actuarially determined contribution of $468,400 for the year ending June 30, 2020, of which $675,981 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The net pension liability reported for MERS at June 30, 2020 was determined using a measure of the total pension liability and the pension net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of that date. The PFRS net pension liability reported at June 30, 2020 was determined using a measure of the total pension liability and the pension net position as of June 30, 2020. The June 30, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

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

MERS	Increase (Decrease)		
Changes in Net Pension Liability	**Total Pension Liability**	**Plan Net Position**	**Net Pension Liability**
Balance at December 31, 2018	$ 13,117,383	$ 9,389,783	$ 3,727,600
Service cost	198,164	-	198,164
Interest	1,026,791	-	1,026,791
Differences between expected and actual experience	(162,935)	-	(162,935)
Changes in benefit terms	-	-	-
Changes in Assumptions	407,156	-	407,156
Contributions - employer	-	371,775	(371,775)
Net investment loss	-	1,261,012	(1,261,012)
Benefit payments, including refunds	(763,157)	(763,157)	-
Administrative expenses/other changes	-	(21,709)	21,709
Net changes	706,019	847,921	(141,902)
Balance at December 31, 2019	$ 13,823,402	$ 10,237,704	$ 3,585,698

PFRS	Increase (Decrease)		
Changes in Net Pension Liability	**Total Pension Liability**	**Plan Net Position**	**Net Pension Liability**
Balance at June 30, 2019	$ 14,207,245	$ 11,289,870	$ 2,917,375
Service cost	252,670	-	252,670
Interest on total pension liability	1,021,231	-	1,021,231
Difference between expected and actual experience	(590,780)	-	(590,780)
Changes in assumptions	534,387	-	534,387
Contributions - employer	-	675,981	(675,981)
Contributions - employee	-	17,828	(17,828)
Net investment income	-	239,616	(239,616)
Benefit payments, including refunds	(1,066,326)	(1,066,326)	-
Administrative expenses/other changes	-	(11,950)	11,950
Net changes	151,182	(144,851)	296,033
Balance at June 30, 2020	$ 14,358,427	$ 11,145,019	$ 3,213,408

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

For the year ended June 30, 2020, the City recognized pension expense of $531,315 for the MERS plan and $835,002 for the PFRS plan for a total of $1,366,317. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MERS

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,226	$ 137,805
Net differences between projected and actual earnings on pension plan investments	34,673	-
Contributions subsequent to the measurement date	196,354	-
Total	$ 232,253	$ 137,805

PFRS

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 503,900
Changes in assumptions	455,801	-
Net differences between projected and actual earnings on pension plan investments	474,165	-
Total	$ 929,966	$ 503,900

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

MERS		PFRS	
Year Ending June 30,	Amount	Year Ending June 30,	Amount
2021	$ (74,911)	2021	$ 106,517
2022	(14,172)	2022	106,517
2023	92,448	2023	106,517
2024	(105,271)	2024	106,515
Total	$ (101,906)	Total	$ 426,066

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

	Balance at June 30, 2019	Net Change	Balance at June 30, 2020	Amounts Allocated to Primary Government: Governmental Activities	Amounts Allocated to Primary Government: Business-type Activities
Deferred Outflows of Resources					
Difference between expected and actual experience	$ 1,840	$ (614)	$ 1,226	$ 685	$ 541
Changes in assumptions	-	455,801	455,801	455,801	-
Excess (deficit) investment returns, net	1,142,492	(633,654)	508,838	493,544	15,294
Contributions subsequent to the measurement date	172,983	23,371	196,354	109,742	86,612
Net Pension Liability	6,644,975	(1,119,741)	6,799,106	5,217,454	1,581,652
Deferred Inflows of Resources					
Difference between expected and actual experience	145,285	496,420	641,705	580,919	60,786
Changes in assumptions	35,499	(35,499)	-	-	-
		Pension Expense	$ 1,366,317	$ 1,131,954	$ 234,363

Actuarial Assumptions

MERS

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% in the long-term (plus merit and longevity from 0 to 11% based on age)

Investment rate of return: 7.35%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of RP-2014 disabled retire mortality tables of a 50% Male and 50% Female blend of disabled retires. (1994 group annuity tables is 2014)

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private investments	20.00%	9.75%	1.95%	2.50%	1.45%
	100.00%		7.35%		4.85%

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PFRS

The total pension liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Inflation	3.00%
Salary Increases	8.00% - 4.00% (includes inflation)
Investment Rate of Return	7.50% (net of expenses)

Mortality rates were based on the RP 2000 Combined Healthy Mortality Table Projected to 2014 with a 50% Male/Female Blend.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 7.16 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected Cash Flows

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its Board and City Council. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic long-term real rates of return for the MERS Total Market Fund included in the pension plan's target asset allocation as of June 30, 2020 are 7.16%.

The following was the City's asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation (%)
Global equity	60.00
Global fixed income	20.00
Real assets/diversifying strategies	20.00
Total	100.00%

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.60% and 7.16% for MERS and PFRS Respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60/6.16 %) or one percentage point higher (8.60/8.16 %) than the current rate:

MERS	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Net pension liability of the City	$ 5,128,115	$ 3,585,698	$ 2,274,859

PFRS	1% Decrease (6.16%)	Current Discount Rate (7.16%)	1% Increase (8.16%)
Net pension liability of the City	$ 4,427,425	$ 3,213,408	$ 1,642,061

Pension Plan Fiduciary Net Position

MERS

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

PFRS

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

Note 10 - Other Postemployment Benefits

Plan Description

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

Eligibility

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

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

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

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

Benefits Provided and Contributions

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

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (June 30, 2020):

Inactive plan members or beneficiaries currently receiving benefits	75
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	28
Total employees covered by the Plan	111

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation and a measurement date as of June 30, 2020 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.00%
Discount rate	7.35%
Mortality	RPH-2019 Total dataset
	Mortality table fully generational using scale MP-2019

Healthcare cost trend rates starting at 7.50% in 2020 for health and pharmacy decreasing to a rate of 4.50% for in 2025 and beyond, and dental rates starting at 6.50% in 2020 decreasing to a rate of 3.50% in 2025 and beyond.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 percent. This discount rate is used to determine the Total OPEB Liability.

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

Investment Rate of Return

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.0%	4.65%
Global fixed income	20.0%	75.00%
Private investments	20.0%	1.95%

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

	Increase (Decrease)		
Changes in OPEB Liability	**Total OPEB Liability**	**Plan Net Position**	**OPEB Liability**
Balance at June 30, 2019	$ 4,463,659	$ 3,391,986	$ 1,071,673
Service cost	43,449	-	43,449
Interest	334,599	-	334,599
Differences between expected and actual experience	116,593	-	116,593
Changes in actuarial assumptions	(316,948)	-	(316,948)
Contributions - employer	-	386,610	(386,610)
Net investment income	-	(61,366)	61,366
Benefit payments, including refunds	(386,610)	(386,610)	-
Administrative expenses	-	(6,203)	6,203
Net changes	(208,917)	(67,569)	(141,348)
Balance at June 30, 2020	$ 4,254,742	$ 3,324,417	$ 930,325
		Allocated to:	
		Governmental Activities	$ 871,249
		Business-type Activities	59,076
			$ 930,325

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

The following presents the net OPEB liability of the employer, calculated using the discount rate of 7.35%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (6.35%)	**Current Rate (7.35%)**	**1% Increase (8.35%)**
Net OPEB Liability	$ 930,328	$ 930,325	$ 1,244,617

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

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate of 7.50%, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (6.50%)	**Current Rate (7.50%)**	**1% Increase (8.50%)**
Net OPEB Liability	$ 930,328	$ 930,325	$ 609,623

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plan

For the year ended June 30, 2020, the City recognized OPEB expense of ($126,431). At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 58,296	$ 254,290
Changes in assumptions	70,920	158,474
Net difference between projected and actual earnings on OPEB investments	268,483	-
Total	$ 397,699	$ 412,764
Allocated to:		
Governmental Activities	$ 372,446	$ 386,553
Business-type Activities	25,253	26,211
	$ 397,699	$ 412,764

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (reduction of expense) as follows:

Year Ending June 30,	Amount
2021	$ (245,118)
2022	77,624
2023	87,628
2024	64,801

Note 11 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees (workers' compensation); medical benefits provided to employees, and natural disasters. The City has purchased commercial insurance for health claims, general liability, and property. The City participates in the Michigan Municipal League risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 12 - Contingent Liabilities

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

Note 13 - Commitments and Contingencies

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

Note 14 - Fund Balances - Governmental Funds

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

	General Fund	Major Streets	Nonmajor Funds	Total
Nonspendable				
Prepaid Expenditures	$ 1,203	$ -	$ -	$ 1,203
Cemetery Perpetual Care	-	-	245,000	245,000
Capital Projects	-	-	130,411	130,411
Total Nonspendable	$ 1,203	$ -	$ 375,411	$ 376,614

	General Fund	Major Streets	Nonmajor Funds	Total
Restricted for				
Veterans Memorial	$ 1,855	$ -	$ -	$ 1,855
Youth Services	844	-	-	844
Drug Forfeiture	4,656	-	-	4,656
Blackburn Skate Park	3,237	-	-	3,237
White Pine Trail	1,859	-	-	1,859
Diggins Hill Courts	50	-	-	50
Diggins Hill Park	7,528	-	-	7,528
CAMA Lighthouse	800	-	-	800
Sundial Project	2,125	-	-	2,125
Bike Routes	7,000	-	-	7,000
Cadillac Trail Signage	5,000	-	-	5,000
McKellop Walkway Plowing	3,621	-	-	3,621
Major and Local Streets	-	783,417	327,047	1,110,464
Cemetery	-	-	63,539	63,539
Milfoil	-	-	10,640	10,640
Building Inspection		-	18,903	18,903
Clam River Greenway	-	-	20,697	20,697
Mayor Wedding Fees	200	-	-	200
Naval Reserve Center	-	-	2,066	2,066
CASA Field Use	2,520	-	-	2,520
Dog Park	662	-	-	662
Debt Service	-	-	896	896
Capital Projects	-	-	110,936	110,936
Cemetery Perpetual Care	-	-	331,075	331,075
Total Restricted	41,957	783,417	885,799	1,711,173
Assigned for				
Working Capital	1,133,715	-	-	1,133,715
Sick and Vacation	308,080	-	-	308,080
Pistol Range	9,288	-	-	9,288
HL Green Operating	-	-	49,189	49,189
Cadillac Development	-	-	797,083	797,083
Industrial Development	-	-	592,966	592,966
Corridor Improvement	-	-	5,899	5,899
Total Assigned	1,451,083	-	1,445,137	2,896,220
Unassigned	2,259,269	-	-	2,259,269
Total Fund Balances - Governmental Funds	$ 3,753,512	$ 783,417	$ 2,706,347	$ 7,243,276

Note 15 - Restricted Net Position

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

	Governmental Activities	Business-type Activities	Component Units
Restricted for			
Nonexpendable Cemetery Trust	$ 245,000	$ -	$ -
Nonexpendable Capital Projects	130,411	-	-
Groundwater Cleanup	-	-	25,785
Economic Development	-	-	512,452
EE and Retiree Life and Health Insurance	350,232	-	-
General Government			
Cemetery Perpetual Care	331,075	-	-
Cemetery	63,539	-	-
Naval Reserve Center	2,066	-	-
Public Safety			
Drug Forfeiture	4,656	-	-
Fire Safety House	-	-	-
Youth Services	844	-	-
Building Inspection	18,903	-	-
Public Works			
Streets	1,110,464	-	-
Milfoil	10,640	-	-
Bike Routes	7,000	-	-
Recreation and Culture			
Veterans Memorial	1,855	-	-
Blackburn Skate Park	3,237	-	-
White Pine Trail	1,859	-	-
Diggins Hill Park	7,528	-	-
CAMA Lighthouse	800	-	-
Sundial Project	2,125	-	-
Cadillac Trail Signage	5,000	-	-
Dog Park	662	-	-
Mayor Wedding Fees	200	-	-
CASA Field Use	2,520	-	-
McKellop Walkway Plowing	3,621	-	-
Diggins Hill Courts	50	-	-
Capital Projects			
Capital Projects	151,023	-	1,514,182
Debt Service	896	664,063	-
Total Restricted Net Position	$ 2,456,206	$ 664,063	$ 2,052,419

Note 16 - Tax Abatements

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended June 30, 2020, the City's property taxes were reduced by $49,095 under this program.

Note 17 - Net Investment in Capital Assets

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

	Governmental Activities	Business-type Activities	Component Units
Related Capital Assets:			
Capital assets not being depreciated	$ 2,666,874	$ 1,647,867	$ 529,080
Capital assets being depreciated, net	10,352,970	21,019,258	1,507,595
Unspent bond proceeds	82,516	-	-
Related Long-term Debt:			
Due within one year	(126,000)	(620,000)	(63,400)
Due in more than one year	(1,390,000)	(5,209,061)	(755,000)
Net Investment in Capital Assets	$ 11,586,360	$ 16,838,064	$ 1,218,275

Note 18 - Subsequent Events

Subsequent events have been evaluated through December 28, 2020. The City will be affected by the recent and ongoing outbreak of the Coronavirus (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. COVID-19 has caused significant government and business disruptions through mandated and voluntary closings and stay at home orders.

Management is in the process of determining the significance that the outbreak will have on the City's upcoming budget. Charges for services, state revenue sharing, and grant revenues are expected to decrease during fiscal year 2021. Further, expenditures for personal protective equipment will be incurred during fiscal year 2021. Actual changes in both revenues and expenditures because of COVID-19 remain highly uncertain.

Note 19 - Upcoming New Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2021.

In June 2017, the GASB issued Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2021.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of conduit debt obligation and used by a third-party obligor. The City is evaluating the impact this standard will have on the financial statements when adopted. The requirements of the standard will be applied retrospectively and are effective for the City's financial statements for the year ending June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance Positive (Negative) Final to Actual
Revenues				
Property Taxes	$ 3,874,000	$ 3,874,000	$ 3,909,988	$ 35,988
Federal Revenue	--	--	18,112	18,112
State Revenue	1,582,000	1,949,600	2,056,886	107,286
Local Revenue Sharing	223,000	223,000	228,083	5,083
Licenses and Permits	139,500	139,500	131,882	(7,618)
Charges for Services	1,046,100	1,116,100	1,059,021	(57,079)
Fines	15,000	15,000	9,685	(5,315)
Miscellaneous	21,500	21,500	23,083	1,583
Interest Income	55,000	63,000	65,060	2,060
Total Revenues	6,956,100	7,401,700	7,501,800	100,100
Other Financing Sources				
Sale of Property	5,000	5,000	--	(5,000)
Total Revenues and Other Financing Sources	6,961,100	7,406,700	7,501,800	95,100
Expenditures				
General Government				
City Council	47,400	52,400	44,703	7,697
City Manager	305,500	315,600	314,410	1,190
Finance	261,200	280,200	277,694	2,506
Assessor	138,500	138,500	134,129	4,371
Clerk/Treasurer	311,000	311,000	309,542	1,458
Elections	14,000	20,000	18,988	1,012
Building and Grounds	359,800	359,800	338,367	21,433
City Attorney	200,000	200,000	149,860	50,140
Engineering	86,000	91,000	94,202	(3,202)
Total General Government	1,723,400	1,768,500	1,681,895	86,605
Public Safety				
Police Department	2,122,500	2,152,500	2,017,411	135,089
Fire Department	2,091,900	2,091,900	1,849,528	242,372
Total Public Safety	4,214,400	4,244,400	3,866,939	377,461
Public Works				
Public Works	152,700	152,700	163,746	(11,046)
Alleys	45,500	76,500	42,703	33,797
Leaves	57,000	57,000	33,029	23,971
Grass and Weed Control	27,000	27,000	33,442	(6,442)
Composting	10,000	10,000	4,661	5,339
Waste Removal	571,500	571,500	581,269	(9,769)
Airport	34,500	34,500	33,976	524
Total Public Works	898,200	929,200	892,826	36,374

continued on next page

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund (continued)
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Expenditures				
Economic Development				
Planning and Zoning	$ 159,400	$ 159,400	$ 153,347	$ 6,053
Community Promotions	47,000	74,000	69,007	4,993
Total Economic Development	206,400	233,400	222,354	11,046
Recreation and Culture				
Municipal Parks	274,000	309,000	273,902	35,098
Arts Commission	10,500	10,500	10,500	--
Cadillac Community TV	25,000	25,000	25,000	--
School Recreation Program	66,200	66,200	66,200	--
Total Recreation and Culture	375,700	410,700	375,602	35,098
Total Expenditures	7,418,100	7,586,200	7,039,616	546,584
Other Financing Uses				
Transfers Out	140,000	140,000	140,000	--
Total Expenditures and Other Financing Uses	7,558,100	7,726,200	7,179,616	546,584
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(597,000)	(319,500)	322,184	641,684
Net Change in Fund Balance	**(597,000)**	**(319,500)**	**322,184**	**641,684**
Fund Balance at Beginning of Period	3,431,328	3,431,328	3,431,328	--
Fund Balance at End of Period	$ **2,834,328**	$ **3,111,828**	$ **3,753,512**	$ **641,684**

Concluded.

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Major Streets
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
State Revenue	$ 1,112,600	$ 1,112,600	$ 1,193,672	$ 81,072
Local Revenue Sharing	--	--	1,250	1,250
Interest Income	3,000	3,000	11,474	8,474
Total Revenues	1,115,600	1,115,600	1,206,396	90,796
Expenditures				
Public Works	875,400	875,400	926,876	(51,476)
Total Expenditures	875,400	875,400	926,876	(51,476)
Other Financing Uses				
Transfers Out	305,000	306,800	250,550	56,250
Total Expenditures and Other Financing Uses	1,180,400	1,182,200	1,177,426	4,774
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(64,800)	(66,600)	28,970	95,570
Net Change in Fund Balance	**(64,800)**	**(66,600)**	**28,970**	**95,570**
Fund Balance at Beginning of Period	754,447	754,447	754,447	--
Fund Balance at End of Period	$ **689,647**	$ **687,847**	$ **783,417**	$ **95,570**

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

	2020	2019	2018	2017	2016	2015	2014	Information Unavailable 2013	2012	2011
Total Pension Liability										
Service cost	$ 252,670	$ 245,277	$ 251,482	$ 265,532	$ 244,157	$ 244,157	$ 236,694	$ -	$ -	$ -
Interest	1,021,231	1,006,242	971,056	943,431	927,642	895,778	852,820	-	-	-
Differences between expected and actual experience	(590,780)	(40,161)	242,609	59,257	(23,128)	119,335	250,448	-	-	-
Changes in assumptions	534,387	(41,620)	41,836	(67,609)	48,937	78,308	-	-	-	-
Benefit payments, including refunds	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)	-	-	-
Net Change in Pension Liability	151,182	183,603	547,016	346,589	370,002	539,243	596,438	-	-	-
Total Pension Liability - Beginning	14,207,245	14,023,642	13,476,626	13,130,037	12,760,035	12,220,792	11,624,354	-	-	-
Total Pension Liability - Ending (a)	$ 14,358,427	$ 14,207,245	$ 14,023,642	$ 13,476,626	$ 13,130,037	$ 12,760,035	$ 12,220,792	$ -	$ -	$ -
Plan Fiduciary Net Position										
Contributions - employer	$ 675,981	$ 683,213	$ 701,533	$ 630,432	$ 629,917	$ 631,963	$ 633,673	$ -	$ -	$ -
Contributions - member	17,828	12,203	29,842	38,283	37,461	36,346	42,195	-	-	-
Net investment income	239,616	288,698	798,574	1,193,963	56,318	258,280	1,146,932	-	-	-
Benefit payments, including refunds	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)	-	-	-
Administrative expenses	(11,950)	(12,500)	(14,921)	(11,100)	(10,400)	(9,700)	(7,200)	-	-	-
Net Change in Plan Fiduciary Net Position	(144,851)	(14,521)	555,061	997,556	(114,310)	118,554	1,072,076	-	-	-
Plan Fiduciary Net Position - Beginning	11,289,870	11,304,391	10,749,330	9,751,774	9,866,084	9,747,530	8,675,454	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ 11,145,019	$ 11,289,870	$ 11,304,391	$ 10,749,330	$ 9,751,774	$ 9,866,084	$ 9,747,530	$ -	$ -	$ -
Net Pension Liability - Ending (a) - (b)	$ 3,213,408	$ 2,917,375	$ 2,719,251	$ 2,727,296	$ 3,378,263	$ 2,893,951	$ 2,473,262	$ -	$ -	$ -
Plan fiduciary net position as a percentage of total pension liability	77.6%	79.5%	80.6%	79.8%	74.3%	77.3%	79.8%	N/A	N/A	N/A
Covered payroll	$ 1,644,794	$ 1,522,152	$ 1,498,704	$ 1,528,849	$ 1,607,792	$ 1,595,473	$ 1,568,160	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	195.4%	191.7%	181.4%	178.4%	210.1%	181.4%	157.7%	N/A	N/A	N/A

** Built prospectively upon implementation of GASB 68*

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 499,948	$ 496,076	$ 520,516	$ 533,253	$ 543,315	$ 549,400	$ 543,315	$ 549,400	$ 545,530	$ 513,543
Contributions in relation to the actuarially determined contribution	675,981	683,213	701,533	630,432	629,917	631,963	633,673	651,762	666,098	1,051,479
Contribution deficiency (excess)	$ (176,033)	$ (187,137)	$ (181,017)	$ (97,179)	$ (86,602)	$ (82,563)	$ (90,358)	$ (102,362)	$ (120,568)	$ (537,936)
Covered payroll	1,644,794	1,522,152	1,498,704	1,528,849	1,607,792	1,595,473	1,568,160	2,647,200	2,522,912	2,413,371
Contributions as a percentage of covered payroll	41.1%	44.9%	46.8%	41.2%	39.2%	39.6%	40.4%	24.6%	26.4%	43.6%

Notes

Valuation Date

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	10 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	4.00% - 8.00%, including inflation
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	1994 Group Annuity Mortality Table - 50% Male/50% Female

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

	2020	2019	2018	2017	2016	2015	2014	Information Unavailable 2013	2012	2011
Annual money-weighted rate of return, net of investment expense	5.0%	5.3%	7.1%	7.6%	5.5%	8.4%	9.6%	N/A	N/A	N/A

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

	2019	2018	2017	2016	2015	2014	Information Unavailable 2012	2011	2010	2009
Total Pension Liability										
Service cost	$ 198,164	$ 193,437	$ 171,940	$ 183,064	$ 178,507	$ 182,201	$ -	$ -	$ -	$ -
Interest	1,026,791	993,570	966,451	962,346	912,790	861,002	-	-	-	-
Other changes	-	1	(1,081)	-	-	-	-	-	-	-
Differences between expected and actual experience	(162,935)	2,454	(39,013)	(350,495)	18,275	-	-	-	-	-
Changes in assumptions	407,156	-	-	-	579,967	-	-	-	-	-
Benefit payments, including refunds	(763,157)	(789,976)	(750,139)	(725,564)	(728,028)	(696,532)	-	-	-	-
Net Change in Pension Liability	706,019	399,486	348,158	69,351	961,511	346,671	-	-	-	-
Total Pension Liability - Beginning	13,117,383	12,717,897	12,369,739	12,300,388	11,338,877	10,992,206	-	-	-	-
Total Pension Liability - Ending (a)	$ 13,823,402	$ 13,117,383	$ 12,717,897	$ 12,369,739	$ 12,300,388	$ 11,338,877	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position										
Contributions - employer	$ 371,775	$ 331,009	$ 304,055	$ 281,993	$ 260,636	$ 274,762	$ -	$ -	$ -	$ -
Net investment income (loss)	1,261,012	(390,671)	1,237,501	1,001,110	(139,307)	617,338	-	-	-	-
Benefit payments, including refunds	(763,157)	(789,976)	(750,139)	(725,196)	(728,028)	(696,532)	-	-	-	-
Administrative expenses	(21,709)	(19,637)	(19,622)	(19,782)	(20,636)	(22,612)	-	-	-	-
Net Change in Plan Fiduciary Net Position	847,921	(869,275)	771,795	538,125	(627,335)	172,956	-	-	-	-
Plan Fiduciary Net Position - Beginning	9,389,783	10,259,058	9,487,263	8,949,138	9,576,473	9,883,508	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ 10,237,704	$ 9,389,783	$ 10,259,058	$ 9,487,263	$ 8,949,138	$ 10,056,464	$ -	$ -	$ -	$ -
Net Pension Liability - Ending (a) - (b)	$ 3,585,698	$ 3,727,600	$ 2,458,839	$ 2,882,476	$ 3,351,250	$ 1,282,413	$ -	$ -	$ -	$ -
Plan fiduciary net position as a percentage of total pension liability	74.1%	71.6%	80.7%	76.7%	72.8%	88.7%	N/A	N/A	N/A	N/A
Covered payroll	$ 2,349,644	$ 2,301,503	$ 2,066,937	$ 2,195,369	$ 2,186,192	$ 2,712,307	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	152.6%	162.0%	119.0%	131.3%	153.3%	47.3%	N/A	N/A	N/A	N/A

** Built prospectively upon implementation of GASB 68*

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 679,980	$ 344,803	$ 317,092	$ 281,993	$ 260,636	$ 274,762	$ 261,878	$ 227,945	$ 211,857	$ 159,007
Contributions in relation to the actuarially determined contribution	395,146	344,803	317,092	281,993	260,636	274,762	261,878	227,945	211,857	159,007
Contribution deficiency (excess)	$ 284,834	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	2,428,384	2,367,018	2,209,279	2,217,872	2,193,625	2,739,769	2,647,200	2,522,912	2,413,371	2,552,000
Contributions as a percentage of covered payroll	16.3%	14.6%	14.4%	12.7%	11.9%	10.0%	9.9%	9.0%	8.8%	6.2%

Notes

Valuation Date

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, open
Remaining amortization period	19 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the RP-2014 Group Mortality Table

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

					Information Unavailable					
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	$ 43,449	$ 102,983	$ 97,328	$ 111,956	$ -	$ -	$ -	$ -	$ -	$ -
Interest	334,599	283,251	276,000	275,650	-	-	-	-	-	-
Differences between expected and actual experience	116,593	(762,868)	-	(184,047)	-	-	-	-	-	-
Changes in assumptions	(316,948)	211,883	-	53,886	-	-	-	-	-	-
Benefit payments, including refunds	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-	-	-	-
Net Change in total OPEB Liability	(208,917)	(448,416)	147,797	(38,868)	-	-	-	-	-	-
Total OPEB Liability - Beginning	4,463,659	4,912,075	4,764,278	4,803,146	-	-	-	-	-	-
Total OPEB Liability - Ending (a)	$ 4,254,742	$ 4,463,659	$ 4,912,075	$ 4,764,278	$ -	$ -	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position										
Contributions/benefit payments made from general operating funds	$ 386,610	$ 58,134	$ 225,531	$ 296,313	$ -	$ -	$ -	$ -	$ -	$ -
Net investment income (loss)	(61,366)	91,017	247,199	370,924	-	-	-	-	-	-
Benefit payments, including refunds	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-	-	-	-
Administrative expenses	(6,203)	(7,227)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(67,569)	(141,741)	247,199	370,924	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,391,986	3,533,727	3,286,528	2,915,604	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ 3,324,417	$ 3,391,986	$ 3,533,727	$ 3,286,528	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability - Ending (a) - (b)	$ 930,325	$ 1,071,673	$ 1,378,348	$ 1,477,750	$ -	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position as a percentage of total OPEB liability	78.1%	76.0%	71.9%	69.0%	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 1,232,840	$ 1,362,246	$ 1,873,871	$ 1,806,140	$ 1,985,694	$ 2,519,304	$ 2,519,304	$ 3,569,960	$ 3,423,195	$ 3,282,482
Net OPEB liability as a percentage of payroll	75.5%	78.7%	73.6%	81.8%	N/A	N/A	N/A	N/A	N/A	N/A

** Built prospectively upon implementation of GASB 75*

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 386,610	$ 283,665	$ 244,032	$ 296,313	$ 271,847	$ 267,660	$ 276,378	$ 238,334	$ 228,717	$ 219,490
Contributions in relation to the actuarially determined contribution	246,610	58,134	225,531	296,313	271,847	187,747	181,183	103,690	183,525	246,547
Contribution deficiency (excess)	$ 140,000	$ 225,531	$ 18,501	$ -	$ -	$ 79,913	$ 95,195	$ 134,644	$ 45,192	$ (27,057)
Covered payroll	$ 1,232,840	$ 1,362,246	$ 1,873,871	$ 1,806,140	$ 1,985,694	$ 2,519,304	$ 2,519,304	$ 3,569,960	$ 3,423,195	$ 3,282,482
Contributions as a percentage of covered payroll	20.0%	4.3%	12.0%	16.4%	13.7%	7.5%	7.2%	2.9%	5.4%	7.5%

Notes

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected Unit Credit (level dollar)
Amortization method	Average Future Service
Remaining amortization period	13 years
Asset valuation method	Equal to market value of assets
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.00%
Retirement Age	Varies depending on plan adoption
Mortality	IRS 1.430 (h) Annuitant and non-annuitant (sex distinct) tables

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

DEBT SERVICE FUND

2016 GO Bonds Fund - A 2016 General Obligation Bond issue to acquire and construct various municipality improvements.

CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

PERMANENT FUNDS

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

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

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue						
	Local Streets	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection
ASSETS							
Cash and Pooled Investments	$ 315,630	$ 69,768	$ 10,640	$ 521,207	$ 731	$ 49,189	$ 25,059
Receivables	64,405	--	--	75,871	1,500	--	--
Advance to Other Funds	--	--	--	255,000	--	--	--
Total Assets and Deferred Outflows of Resources	**$ 380,035**	**$ 69,768**	**$ 10,640**	**$ 852,078**	**$ 2,231**	**$ 49,189**	**$ 25,059**
LIABILITIES							
Accounts Payable	$ 13,918	$ 1,814	$ --	$ --	$ 165	$ --	$ 6,156
Accrued Liabilities	7,219	4,415	--	1,123	--	--	--
Due to Other Funds	31,851	--	--	--	--	--	--
Total Liabilities	52,988	6,229	--	1,123	165	--	6,156
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	--	--	--	53,872	--	--	--
Total Liabilities and Deferred Inflows of Resources	52,988	6,229	--	54,995	165	--	6,156
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	327,047	63,539	10,640	--	2,066	--	18,903
Assigned	--	--	--	797,083	--	49,189	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	327,047	63,539	10,640	797,083	2,066	49,189	18,903
Total Liabilities, Deferred Inflows of Resources and Fund Balance	**$ 380,035**	**$ 69,768**	**$ 10,640**	**$ 852,078**	**$ 2,231**	**$ 49,189**	**$ 25,059**

Continued...

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Debt Service	Capital Projects					
	2016 GO Bonds	Market Capital Project	Cadillac Trailhead Project	Mitchell-Bentley Cleanup Project	Industrial Park	Clam River Greenway	Special Assessment Capital Projects
ASSETS							
Cash and Pooled Investments	$ 896	$ 5,878	$ 17,059	$ 60,614	$ 585,440	$ 20,697	$ 81,459
Receivables	--	--	--	--	7,526	--	24,062
Advance to Other Funds	--	--	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	**$ 896**	**$ 5,878**	**$ 17,059**	**$ 60,614**	**$ 592,966**	**$ 20,697**	**$ 105,521**
LIABILITIES							
Accounts Payable	$ --	$ --	$ 504	$ 58,953	$ --	$ --	$ 3,615
Accrued Liabilities	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--
Total Liabilities	--	--	504	58,953	--	--	3,615
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	--	--	--	--	--	--	19,390
Total Liabilities and Deferred Inflows of Resources	--	--	504	58,953	--	--	23,005
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	896	5,878	16,555	1,661	--	20,697	82,516
Assigned	--	--	--	--	592,966	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	896	5,878	16,555	1,661	592,966	20,697	82,516
Total Liabilities, Deferred Inflows of Resources and Fund Balance	**$ 896**	**$ 5,878**	**$ 17,059**	**$ 60,614**	**$ 592,966**	**$ 20,697**	**$ 105,521**

Continued...

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Capital Projects		Permanent		
	Rotary Park Project	**Corridor Improvement**	**Cemetery Perpetual**	**Capital Projects Trust**	**Total Nonmajor Governmental Funds**
ASSETS					
Cash and Pooled Investments	$ 4,326	$ 5,899	$ 558,887	$ 130,295	$ 2,463,674
Receivables	--	--	17,188	116	190,668
Advance to Other Funds	--	--	--	--	255,000
Total Assets and Deferred Outflows of Resources	**$ 4,326**	**$ 5,899**	**$ 576,075**	**$ 130,411**	**$ 2,909,342**
LIABILITIES					
Accounts Payable	$ --	$ --	$ --	$ --	$ 85,125
Accrued Liabilities	--	--	--	--	12,757
Due to Other Funds	--	--	--	--	31,851
Total Liabilities	--	--	--	--	129,733
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	--	--	--	--	73,262
Total Liabilities and Deferred Inflows of Resources	--	--	--	--	202,995
FUND BALANCE					
Nonspendable	--	--	245,000	130,411	375,411
Restricted	4,326	--	331,075	--	885,799
Assigned	--	5,899	--	--	1,445,137
Unassigned	--	--	--	--	--
Total Fund Balance	4,326	5,899	576,075	130,411	2,706,347
Total Liabilities, Deferred Inflows of Resources and Fund Balance	**$ 4,326**	**$ 5,899**	**$ 576,075**	**$ 130,411**	**$ 2,909,342**

Concluded.

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue						
	Local Streets	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection
Revenues							
Licenses and Permits	$ --	$ --	$ --	$ --	$ --	$ --	$ 63,104
State Revenue	341,985	--	--	--	--	--	--
Local Revenue	1,250	--	--	5,600	--	--	--
Charges for Services	--	39,539	--	--	18,339	--	--
Miscellaneous	--	--	--	--	6,000	--	--
Interest Income	5,325	192	294	20,794	--	705	--
Total Revenues	348,560	39,731	294	26,394	24,339	705	63,104
Expenditures							
General Government	--	109,276	--	--	22,273	--	--
Public Safety	--	--	--	--	--	--	62,059
Public Works	583,588	--	21,682	--	--	--	--
Economic Development	--	--	--	57,179	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--
Total Expenditures	583,588	109,276	21,682	57,179	22,273	--	62,059
Excess of Revenues Over (Under) Expenditures	(235,028)	(69,545)	(21,388)	(30,785)	2,066	705	1,045
Other Financing Sources (Uses)							
Transfers In	248,750	70,000	--	--	--	--	--
Transfers Out	(80,000)	--	--	--	--	--	--
Net Other Financing Sources (Uses)	168,750	70,000	--	--	--	--	--
Net Change in Fund Balance	**(66,278)**	**455**	**(21,388)**	**(30,785)**	**2,066**	**705**	**1,045**
Fund Balance at Beginning of Period	393,325	63,084	32,028	827,868	--	48,484	17,858
Fund Balance at End of Period	**$ 327,047**	**$ 63,539**	**$ 10,640**	**$ 797,083**	**$ 2,066**	**$ 49,189**	**$ 18,903**

Continued...

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Debt Service	Capital Projects					
	2016 GO Bonds	Market Capital Project	Cadillac Trailhead Project	Mitchell-Bentley Cleanup Project	Industrial Park	Clam River Greenway	Special Assessment Capital Projects
Revenues							
Licenses and Permits	$ --	$ --	$ --	$ --	$ --	$ --	$ --
State Revenue	--	--	--	835,722	--	--	--
Local Revenue	--	--	5,000	11,565	--	--	--
Charges for Services	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	4,899
Interest Income	--	--	--	--	8,541	--	3,700
Total Revenues	--	--	5,000	847,287	8,541	--	8,599
Expenditures							
General Government	500	--	--	--	22,502	--	--
Public Safety	--	--	--	--	--	--	--
Public Works	--	--	--	--	--	--	53,308
Economic Development	--	34,686	--	845,626	--	--	--
Capital Outlay	--	17,000	13,040	--	--	--	--
Debt Service - Principal	123,400	--	--	--	--	--	--
Debt Service - Interest	37,863	--	--	--	--	--	--
Total Expenditures	161,763	51,686	13,040	845,626	22,502	--	53,308
Excess of Revenues Over (Under) Expenditures	(161,763)	(51,686)	(8,040)	1,661	(13,961)	--	(44,709)
Other Financing Sources (Uses)							
Transfers In	161,800	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	161,800	--	--	--	--	--	--
Net Change in Fund Balance	**37**	**(51,686)**	**(8,040)**	**1,661**	**(13,961)**	**--**	**(44,709)**
Fund Balance at Beginning of Period	859	57,564	24,595	--	606,927	20,697	127,225
Fund Balance at End of Period	**$ 896**	**$ 5,878**	**$ 16,555**	**$ 1,661**	**$ 592,966**	**$ 20,697**	**$ 82,516**

Continued...

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Capital Projects		Permanent		
	Rotary Park Project	**Corridor Improvement**	**Cemetery Perpetual**	**Capital Projects Trust**	**Total Nonmajor Governmental Funds**
Revenues					
Licenses and Permits	$ --	$ --	$ --	$ --	$ 63,104
State Revenue	--	--	--	--	1,177,707
Local Revenue	--	--	--	--	23,415
Charges for Services	--	--	4,875	--	62,753
Miscellaneous	--	--	--	--	10,899
Interest Income	--	--	10,459	2,820	52,830
Total Revenues	--	--	15,334	2,820	1,390,708
Expenditures					
General Government	--	--	500	500	155,551
Public Safety	--	--	--	--	62,059
Public Works	--	--	--	--	658,578
Economic Development	--	--	--	--	937,491
Capital Outlay	--	--	--	--	30,040
Debt Service - Principal	--	--	--	--	123,400
Debt Service - Interest	--	--	--	--	37,863
Total Expenditures	--	--	500	500	2,004,982
Excess of Revenues Over (Under) Expenditures	--	--	14,834	2,320	(614,274)
Other Financing Sources (Uses)					
Transfers In	--	--	--	--	480,550
Transfers Out	--	--	(10,000)	--	(90,000)
Net Other Financing Sources (Uses)	--	--	(10,000)	--	390,550
Net Change in Fund Balance	--	--	**4,834**	**2,320**	**(223,724)**
Fund Balance at Beginning of Period	4,326	5,899	571,241	128,091	2,930,071
Fund Balance at End of Period	$ **4,326**	$ **5,899**	$ **576,075**	$ **130,411**	$ **2,706,347**

Concluded.

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Streets
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
State Revenue	$ 310,000	$ 310,000	$ 341,985	$ 31,985
Local Revenue Sharing	770,000	770,000	1,250	(768,750)
Interest Income	2,000	2,000	5,325	3,325
Total Revenues	1,082,000	1,082,000	348,560	(733,440)
Other Financing Sources				
Transfers In	305,000	305,000	248,750	(56,250)
Total Revenues and Other Financing Sources	1,387,000	1,387,000	597,310	(789,690)
Expenditures				
Public Works	1,262,100	1,262,100	583,588	678,512
Total Expenditures	1,262,100	1,262,100	583,588	678,512
Other Financing Uses				
Transfers Out	80,000	80,000	80,000	--
Total Expenditures and Other Financing Uses	1,342,100	1,342,100	663,588	678,512
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	44,900	44,900	(66,278)	(111,178)
Net Change in Fund Balance	**44,900**	**44,900**	**(66,278)**	**(111,178)**
Fund Balance at Beginning of Period	393,325	393,325	393,325	--
Fund Balance at End of Period	**$ 438,225**	**$ 438,225**	**$ 327,047**	**$ (111,178)**

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

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Charges for Services	$ 56,000	$ 56,000	$ 39,539	$ (16,461)
Interest Income	--	--	192	192
Total Revenues	56,000	56,000	39,731	(16,269)
Other Financing Sources				
Transfers In	60,000	70,000	70,000	--
Total Revenues and Other Financing Sources	116,000	126,000	109,731	(16,269)
Expenditures				
General Government	115,400	125,400	109,276	16,124
Total Expenditures	115,400	125,400	109,276	16,124
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	600	600	455	(145)
Net Change in Fund Balance	**600**	**600**	**455**	**(145)**
Fund Balance at Beginning of Period	63,084	63,084	63,084	--
Fund Balance at End of Period	**$ 63,684**	**$ 63,684**	**$ 63,539**	**$ (145)**

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

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Interest Income	$ --	$ --	$ 294	$ 294
Total Revenues	--	--	294	294
Expenditures				
Public Works	23,300	23,300	21,682	1,618
Total Expenditures	23,300	23,300	21,682	1,618
Excess (Deficiency) of Revenues Over Expenditures	(23,300)	(23,300)	(21,388)	1,912
Net Change in Fund Balance	**(23,300)**	**(23,300)**	**(21,388)**	**1,912**
Fund Balance at Beginning of Period	32,028	32,028	32,028	--
Fund Balance at End of Period	**$ 8,728**	**$ 8,728**	**$ 10,640**	**$ 1,912**

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

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Revenue Sharing	$ --	$ --	$ 5,600	$ 5,600
Interest Income	25,000	25,000	20,794	(4,206)
Total Revenues	25,000	25,000	26,394	1,394
Expenditures				
Economic Development	56,000	86,000	57,179	28,821
Total Expenditures	56,000	86,000	57,179	28,821
Other Financing Uses				
Transfers Out	20,000	20,000	--	20,000
Total Expenditures and Other Financing Uses	76,000	106,000	57,179	48,821
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(51,000)	(81,000)	(30,785)	50,215
Net Change in Fund Balance	**(51,000)**	**(81,000)**	**(30,785)**	**50,215**
Fund Balance at Beginning of Period	827,868	827,868	827,868	--
Fund Balance at End of Period	$ **776,868**	$ **746,868**	$ **797,083**	$ **50,215**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Naval Reserve Center
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Charges for Services	$ 18,000	$ 18,000	$ 18,339	$ 339
Miscellaneous	5,000	5,000	6,000	1,000
Total Revenues	23,000	23,000	24,339	1,339
Expenditures				
General Government	23,000	23,000	22,273	727
Total Expenditures	23,000	23,000	22,273	727
Excess (Deficiency) of Revenues Over Expenditures	--	--	2,066	2,066
Net Change in Fund Balance	**--**	**--**	**2,066**	**2,066**
Fund Balance at Beginning of Period	--	--	--	--
Fund Balance at End of Period	$ **--**	$ **--**	$ **2,066**	$ **2,066**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
HL Green Operating
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Interest Income	$ 500	$ 500	$ 705	$ 205
Total Revenues	500	500	705	205
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over Expenditures	500	500	705	205
Net Change in Fund Balance	**500**	**500**	**705**	**205**
Fund Balance at Beginning of Period	48,484	48,484	48,484	--
Fund Balance at End of Period	**$ 48,984**	**$ 48,984**	**$ 49,189**	**$ 205**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Building Inspection
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Licenses and Permits	$ 90,000	$ 90,000	$ 63,104	$ (26,896)
Total Revenues	90,000	90,000	63,104	(26,896)
Expenditures				
Code Enforcement	90,000	90,000	62,059	27,941
Total Expenditures	90,000	90,000	62,059	27,941
Excess (Deficiency) of Revenues Over Expenditures	--	--	1,045	1,045
Net Change in Fund Balance	**--**	**--**	**1,045**	**1,045**
Fund Balance at Beginning of Period	17,858	17,858	17,858	--
Fund Balance at End of Period	$ **17,858**	$ **17,858**	$ **18,903**	$ **1,045**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2016 GO Bonds
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Total Revenues	--	--	--	--
Other Financing Sources				
Transfers In	$ 160,000	$ 160,000	$ 161,800	$ 1,800
Total Revenues and Other Financing Sources	160,000	160,000	161,800	1,800
Expenditures				
Finance	500	500	500	--
Debt Service - Principal	123,400	123,400	123,400	--
Debt Service - Interest	36,100	36,100	37,863	(1,763)
Total Expenditures	160,000	160,000	161,763	(1,763)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	37	37
Net Change in Fund Balance	**--**	**--**	**37**	**37**
Fund Balance at Beginning of Period	859	859	859	--
Fund Balance at End of Period	$ **859**	$ **859**	$ **896**	$ **37**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Market Capital Project
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Total Revenues	--	--	--	--
Expenditures				
Economic Development	$ --	$ 37,000	$ 34,686	$ 2,314
Capital Outlay	--	17,000	17,000	--
Total Expenditures	--	54,000	51,686	2,314
Excess (Deficiency) of Revenues Over Expenditures	--	(54,000)	(51,686)	2,314
Net Change in Fund Balance	**--**	**(54,000)**	**(51,686)**	**2,314**
Fund Balance at Beginning of Period	57,564	57,564	57,564	--
Fund Balance at End of Period	**$ 57,564**	**$ 3,564**	**$ 5,878**	**$ 2,314**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Trailhead Project
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Revenue Sharing	$ --	$ --	$ 5,000	$ 5,000
Total Revenues	--	--	5,000	5,000
Expenditures				
Capital Outlay	--	20,000	13,040	6,960
Total Expenditures	--	20,000	13,040	6,960
Excess (Deficiency) of Revenues				
Over Expenditures	--	(20,000)	(8,040)	11,960
Net Change in Fund Balance	**--**	**(20,000)**	**(8,040)**	**11,960**
Fund Balance at Beginning of Period	24,595	24,595	24,595	--
Fund Balance at End of Period	$ **24,595**	$ **4,595**	$ **16,555**	$ **11,960**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Mitchell-Bentley Cleanup Project
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
State Revenue	$ --	$ 700,000	$ 835,722	$ 135,722
Local Revenue	--	300,000	11,565	(288,435)
Total Revenues	--	1,000,000	847,287	(152,713)
Expenditures				
Economic Development	--	1,000,000	845,626	154,374
Total Expenditures	--	1,000,000	845,626	154,374
Excess (Deficiency) of Revenues				
Over Expenditures	--	--	1,661	1,661
Net Change in Fund Balance	**--**	**--**	**1,661**	**1,661**
Fund Balance at Beginning of Period	--	--	--	--
Fund Balance at End of Period	$ **--**	$ **--**	$ **1,661**	$ **1,661**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Industrial Park
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
State Revenue	$ --	$ 100,000	$ --	$ (100,000)
Interest Income	12,000	12,000	8,541	(3,459)
Total Revenues	12,000	112,000	8,541	(103,459)
Expenditures				
General Government	2,500	127,500	22,502	104,998
Total Expenditures	2,500	127,500	22,502	104,998
Excess (Deficiency) of Revenues Over Expenditures	9,500	(15,500)	(13,961)	1,539
Net Change in Fund Balance	**9,500**	**(15,500)**	**(13,961)**	**1,539**
Fund Balance at Beginning of Period	606,927	606,927	606,927	--
Fund Balance at End of Period	**$ 616,427**	**$ 591,427**	**$ 592,966**	**$ 1,539**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Clam River Greenway
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Total Revenues	--	--	--	--
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues and Over Expenditures	--	--	--	--
Net Change in Fund Balance	**--**	**--**	**--**	**--**
Fund Balance at Beginning of Period	20,697	20,697	20,697	--
Fund Balance at End of Period	$ **20,697**	$ **20,697**	$ **20,697**	$ **--**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Special Assessment Capital Projects
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Miscellaneous	$ 7,000	$ 7,000	$ 4,899	$ (2,101)
Interest Income	500	500	3,700	3,200
Total Revenues	7,500	7,500	8,599	1,099
Expenditures				
Public Works	30,500	30,500	53,308	(22,808)
Total Expenditures	30,500	30,500	53,308	(22,808)
Excess (Deficiency) of Revenues Over Expenditures	(23,000)	(23,000)	(44,709)	(21,709)
Net Change in Fund Balance	**(23,000)**	**(23,000)**	**(44,709)**	**(21,709)**
Fund Balance at Beginning of Period	127,225	127,225	127,225	--
Fund Balance at End of Period	**$ 104,225**	**$ 104,225**	**$ 82,516**	**$ (21,709)**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Rotary Park Project
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Total Revenues	--	--	--	--
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues and Over Expenditures	--	--	--	--
Net Change in Fund Balance	**--**	**--**	**--**	**--**
Fund Balance at Beginning of Period	4,326	4,326	4,326	--
Fund Balance at End of Period	$ **4,326**	$ **4,326**	$ **4,326**	$ **--**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Corridor Improvement
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Total Revenues	--	--	--	--
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues and Over Expenditures	--	--	--	--
Net Change in Fund Balance	**--**	**--**	**--**	**--**
Fund Balance at Beginning of Period	5,899	5,899	5,899	--
Fund Balance at End of Period	$ **5,899**	$ **5,899**	$ **5,899**	$ **--**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cemetery Perpetual
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Charges for Services	$ 9,500	$ 9,500	$ 4,875	$ (4,625)
Interest Income	10,000	10,000	10,459	459
Total Revenues	19,500	19,500	15,334	(4,166)
Expenditures				
General Government	500	500	500	--
Total Expenditures	500	500	500	--
Other Financing Uses				
Transfers Out	--	10,000	10,000	--
Total Expenditures and Other Financing Uses	500	10,500	10,500	--
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	19,000	9,000	4,834	(4,166)
Net Change in Fund Balance	**19,000**	**9,000**	**4,834**	**(4,166)**
Fund Balance at Beginning of Period	571,241	571,241	571,241	--
Fund Balance at End of Period	**$ 590,241**	**$ 580,241**	**$ 576,075**	**$ (4,166)**

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Capital Projects Trust
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Interest Income	$ 1,500	$ 1,500	$ 2,820	$ 1,320
Total Revenues	1,500	1,500	2,820	1,320
Expenditures				
General Government	500	500	500	--
Total Expenditures	500	500	500	--
Excess (Deficiency) of Revenues Over Expenditures	1,000	1,000	2,320	1,320
Net Change in Fund Balance	**1,000**	**1,000**	**2,320**	**1,320**
Fund Balance at Beginning of Period	128,091	128,091	128,091	--
Fund Balance at End of Period	**$ 129,091**	**$ 129,091**	**$ 130,411**	**$ 1,320**

NONMAJOR PROPRIETARY FUNDS

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

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

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

City of Cadillac
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Enterprise		
	Auto Parking	**Building Authority**	**Total Enterprise Funds**
ASSETS			
Current Assets			
Cash and Pooled Investments	$ 181,123	$ 335,903	$ 517,026
Receivables	88	460	548
Total Current Assets	181,211	336,363	517,574
Noncurrent Assets			
Capital Assets not being Depreciated	249,221	90,445	339,666
Capital Assets being Depreciated	180,187	954,995	1,135,182
Total Noncurrent Assets	429,408	1,045,440	1,474,848
Total Assets	610,619	1,381,803	1,992,422
LIABILITIES			
Current Liabilities			
Accounts Payable	898	1,029	1,927
Accrued Liabilities	1,681	--	1,681
Total Liabilities	2,579	1,029	3,608
NET POSITION			
Net Investment in Capital Assets	429,408	1,045,440	1,474,848
Unrestricted	178,632	335,334	513,966
Total Net Position	$ **608,040**	$ **1,380,774**	$ **1,988,814**

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Enterprise		
	Auto Parking	**Building Authority**	**Total Enterprise Funds**
Operating Revenues			
Charges for Services	$ 1,556	$ 154,440	$ 155,996
Total Operating Revenues	1,556	154,440	155,996
Operating Expenses			
Salaries and Wages	19,075	--	19,075
Materials and Supplies	14,052	--	14,052
Utilities	--	3,487	3,487
Repair and Maintenance	--	27,801	27,801
Equipment Rental	36,603	--	36,603
Contracted Services	--	10,469	10,469
Professional Fees	500	--	500
Depreciation	15,384	48,942	64,326
Total Operating Expenses	85,614	90,699	176,313
Operating Income (Loss)	(84,058)	63,741	(20,317)
Non-Operating Revenues			
Interest Income	3,680	5,503	9,183
Special Assessment Revenue	54,673	--	54,673
Net Non-Operating Revenues	58,353	5,503	63,856
Change In Net Position	**(25,705)**	**69,244**	**43,539**
Net Position at Beginning of Period	633,745	1,311,530	1,945,275
Net Position at End of Period	$ **608,040**	$ **1,380,774**	$ **1,988,814**

City of Cadillac
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Enterprise		
	Auto Parking	Building Authority	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers and Special Assessments	$ 1,642	$ 154,224	$ 155,866
Cash Payments to Employees for Services and Fringe Benefits	(17,394)	-	(17,394)
Cash Payments to Suppliers for Goods and Services	(57,889)	(46,877)	(104,766)
Net Cash Provided by (Used in) Operating Activities	(73,641)	107,347	33,706
Cash Flows from Capital and Related Financing Activities			
Special Assessment Revenue	54,673	-	54,673
Net Cash Provided by Capital and Related Financing Activities	54,673	-	54,673
Cash Flows From Investing Activities			
Interest on Investments	3,680	5,503	9,183
Net Cash Provided by Investing Activities	3,680	5,503	9,183
Net Increase (Decrease) in Cash and Equivalents	(15,288)	112,850	97,562
Cash and Pooled Investments - Beginning of Year	196,411	223,053	419,464
Cash and Pooled Investments - End of Year	$ 181,123	$ 335,903	$ 517,026
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (84,058)	$ 63,741	$ (20,317)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Depreciation Expense	15,384	48,942	64,326
Changes in Assets and Liabilities			
Receivables	86	(216)	(130)
Accounts Payable	(6,734)	(5,120)	(11,854)
Accrued Liabilities	1,681	-	1,681
Net Cash Provided by (Used in) Operating Activities	$ (73,641)	$ 107,347	$ 33,706

INTERNAL SERVICE FUNDS

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

The City of Cadillac central stores and municipal garage fund, information technology fund, insurance fund, and safety fund make up the internal service funds category.

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

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

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

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

City of Cadillac
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
ASSETS					
Current Assets					
Cash and Pooled Investments	$ 187,891	$ --	$ 281,477	$ 7,832	$ 477,200
Receivables	3,302	30	317	--	3,649
Prepaids	--	--	85,578	--	85,578
Inventory	--	82,628	--	--	82,628
Due from Other Funds	--	15,111	--	--	15,111
Total Current Assets	191,193	97,769	367,372	7,832	664,166
Noncurrent Assets					
Capital Assets not being Depreciated	--	25,000	--	--	25,000
Capital Assets being Depreciated	128,761	1,102,645	--	--	1,231,406
Total Noncurrent Assets	128,761	1,127,645	--	--	1,256,406
Total Assets	319,954	1,225,414	367,372	7,832	1,920,572
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related	--	25,253	--	--	25,253
Pension related	--	15,677	--	--	15,677
Total Deferred Outflows of Resources	--	40,930	--	--	40,930
LIABILITIES					
Current Liabilities					
Accounts Payable	3,132	52,813	13,653	--	69,598
Accrued Liabilities	466	6,784	3,487	--	10,737
Current Portion of Compensated Absences	--	21,053	--	--	21,053
Due to Other Funds	--	184	--	--	184
Total Current Liabilities	3,598	80,834	17,140	--	101,572
Noncurrent Liabilities					
Compensated Absences	--	17,934	--	--	17,934
Net OPEB Liability	--	59,076	--	--	59,076
Net Pension Liability	--	242,035	--	--	242,035
Advance from Other Funds	--	255,000	--	--	255,000
Total Noncurrent Liabilities	--	574,045	--	--	574,045
Total Liabilities	3,598	654,879	17,140	--	675,617
DEFERRED INFLOWS OF RESOURCES					
OPEB related	--	26,211	--	--	26,211
Pension related	--	9,302	--	--	9,302
Total Deferred Inflows of Resources	--	35,513	--	--	35,513
NET POSITION					
Net Investment in Capital Assets	128,761	1,127,645	--	--	1,256,406
Restricted for:					
Internal Service - Retirees' Life Insurance	--	--	168,864	--	168,864
Internal Service - Employees' Life and Health Insurance	--	--	181,368	--	181,368
Unrestricted	187,595	(551,693)	--	7,832	(356,266)
Total Net Position	**$ 316,356**	**$ 575,952**	**$ 350,232**	**$ 7,832**	**$ 1,250,372**

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2020

	Internal Service				
	Information Technology	**Central Stores and Municipal Garage**	**Insurance**	**Safety**	**Total Internal Service Funds**
Operating Revenues					
Charges for Services	$ 195,000	$ 634,172	$ 1,387,666	$ 9,000	$ 2,225,838
Operating Grants and Contributions	--	--	140,000	--	140,000
Total Operating Revenues	195,000	634,172	1,527,666	9,000	2,365,838
Operating Expenses					
Salaries and Wages	19,590	267,922	--	5,171	292,683
Materials and Supplies	24,824	101,021	--	1,708	127,553
Utilities	8,487	22,966	--	--	31,453
Repair and Maintenance	--	76,185	--	--	76,185
Equipment Rental	--	54,027	--	--	54,027
Contracted Services	138,838	51,210	36,654	500	227,202
Insurance	--	--	1,445,902	--	1,445,902
Depreciation	32,242	128,235	--	--	160,477
Total Operating Expenses	223,981	701,566	1,482,556	7,379	2,415,482
Operating Income (Loss)	(28,981)	(67,394)	45,110	1,621	(49,644)
Non-Operating Revenues (Expenses)					
Interest Income	4,762	--	4,916	--	9,678
Gain on Sale of Capital Assets	--	50,838	--	--	50,838
Interest Expense	--	(10,875)	--	--	(10,875)
Net Non-Operating Revenues (Expenses)	4,762	39,963	4,916	--	49,641
Change In Net Position	**(24,219)**	**(27,431)**	**50,026**	**1,621**	**(3)**
Net Position at Beginning of Period	340,575	603,383	300,206	6,211	1,250,375
Net Position at End of Period	**$ 316,356**	**$ 575,952**	**$ 350,232**	**$ 7,832**	**$ 1,250,372**

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers and Local Contributions	$ 192,262	$ 647,151	$ 1,527,666	$ 9,000	$ 2,376,079
Cash Payments to Employees for Services and Fringe Benefits	(23,843)	(242,071)	-	(5,171)	(271,085)
Cash Payments to Suppliers for Goods and Services	(178,822)	(281,434)	(1,482,005)	(2,219)	(1,944,480)
Net Cash Provided by (Used in) Operating Activities	(10,403)	123,646	45,661	1,610	160,514
Cash Flows From Non-capital and Related Financing Activities					
Change in Interfund Balances	-	(14,927)	-	-	(14,927)
Increase in Advance from Other Funds	-	105,000	-	-	105,000
Interest Paid on Internal Advance	-	(10,875)	-	-	(10,875)
Net Cash Provided by Non-capital and Related Financing Activities	-	79,198	-	-	79,198
Cash Flows from Capital and Related Financing Activities					
Gain on Sale of Capital Assets	-	50,838	-	-	50,838
Capital Assets Purchased	(4,721)	(323,155)	-	-	(327,876)
Net Cash Used in Capital and Related Financing Activities	(4,721)	(272,317)	-	-	(277,038)
Cash Flows From Investing Activities					
Interest on Investments	4,762	-	4,916	-	9,678
Net Cash Provided by Investing Activities	4,762	-	4,916	-	9,678
Net Increase (Decrease) in Cash and Equivalents	(10,362)	(69,473)	50,577	1,610	(27,648)
Cash and Pooled Investments - Beginning of Year	198,253	69,473	230,900	6,222	504,848
Cash and Pooled Investments - End of Year	$ 187,891	$ -	$ 281,477	$ 7,832	$ 477,200

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ (28,981)	$ (67,394)	$ 45,110	$ 1,621	$ (49,644)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	32,242	128,235	-	-	160,477
Changes in Assets and Liabilities					
Receivables	(2,738)	12,979	-	-	10,241
Inventory	-	(22,840)	-	-	(22,840)
Prepaid Expenses	-	1,372	21,078	-	22,450
Accounts Payable	(6,673)	43,639	(13,894)	(11)	23,061
Accrued Liabilities	260	1,804	(6,633)	-	(4,569)
Compensated Absences	(4,513)	5,057	-	-	544
Net OPEB Liability and Related Deferred Items	-	(32,390)	-	-	(32,390)
Net Pension Liability and Related Deferred Items	-	53,184	-	-	53,184
Net Cash Provided by (Used in) Operating Activities	$ (10,403)	$ 123,646	$ 45,661	$ 1,610	$ 160,514

AGENCY FUNDS

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

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

City of Cadillac
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency	
	Current Tax	**Payroll**
ASSETS		
Cash and Pooled Investments	$ 151	$ --
Due from General Fund	15,594	--
Total Assets	15,606	--
LIABILITIES		
Due to Other Governmental Units	15,606	--
Total Liabilities	$ 15,606	$ --

City of Cadillac
Combining Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2020

	Current Tax Collection Fund			
	June 30, 2019	Additions	Deductions	June 30, 2020
ASSETS				
Cash and Pooled Investments	$ 151	$ 12,707,339	$ 12,707,478	$ 12
Due from General Fund	-	8,787,688	8,772,094	15,594
Total Assets	151	12,707,339	12,707,478	12
LIABILITIES				
Due to Other Governmental Units	-	21,287,562	21,271,956	15,606
Total Liabilities	$ -	$ 21,287,562	$ 21,271,956	$ 15,606

	Payroll			
	June 30, 2019	Additions	Deductions	June 30, 2020
ASSETS				
Cash and Pooled Investments	$ -	$ 7,993,426	$ 7,993,426	$ -
Total Assets	-	7,993,426	7,993,426	-
LIABILITIES				
Due to Others	-	11,864,937	11,864,937	-
Total Liabilities	$ -	$ 11,864,937	$ 11,864,937	$ -

	Total Agency Funds			
	June 30, 2019	Additions	Deductions	June 30, 2020
ASSETS				
Cash and Pooled Investments	$ 151	$ 20,700,765	$ 20,700,904	$ 12
Due from General Fund	-	8,787,688	8,772,094	15,594
Total Assets	151	20,700,765	20,700,904	12
LIABILITIES				
Due to Other Governmental Units	-	33,152,499	33,136,893	15,606
Total Liabilities	$ -	$ 33,152,499	$ 33,136,893	$ 15,606

COMPONENT UNITS

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

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

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

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

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

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

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

City of Cadillac
Brownfield Redevelopment Balance Sheet and Statement of Net Position
June 30, 2020

	Brownfield Redevelopment	Adjustments		Statement of Net Position
ASSETS				
Cash and Pooled Investments	$ 161,758	$ --		$ 161,758
Total Assets	**$ 161,758**	**$ --**		**$ 161,758**
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 4,263	$ --		$ 4,263
Current Portion of Long-term Debt	--	5,632	[1]	5,632
Total Current Liabilities	4,263	5,632		9,895
Noncurrent Liabilities				
Long-term Debt	--	22,352	[1]	22,352
Total Noncurrent Liabilities	--	22,352		22,352
Total Liabilities	4,263	27,984		32,247
FUND BALANCE				
Restricted for:				
Economic Development	157,495	(157,495)		--
Unassigned	--	--		--
Total Fund Balance	157,495	(157,495)		--
Total Liabilities and Fund Balance	**$ 161,758**	**$ (129,511)**		**$ 32,247**
NET POSITION				
Restricted for:				
Economic Development		$ 129,511		$ 129,511
Total Net Position		**$ 129,511**		**$ 129,511**

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

City of Cadillac
Brownfield Redevelopment Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2020

	Brownfield Redevelopment	Adjustments		Statement of Activities
Revenues				
Property Taxes	$ 30,672	$ --		$ 30,672
State Revenue	49,425	--		49,425
Interest Income	561	--		561
Total Revenues	80,658	--		80,658
Expenditures				
Economic Development	69,322	(4,605)	[1]	64,717
Total Expenditures	69,322	(4,605)		64,717
Excess of Revenues Over (Under) Expenditures	11,336	4,605		15,941
Net Change in Fund Balance / Net Position	**11,336**	**4,605**		**15,941**
Fund Balance / Net Position at Beginning of Period	146,159	(32,589)		113,570
Fund Balance / Net Position at End of Period	**$ 157,495**	**$ (27,984)**		**$ 129,511**

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

City of Cadillac
DDA Combining Balance Sheet and Statement of Net Position
June 30, 2020

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments		Statement of Net Position
ASSETS						
Current Assets						
Cash and Pooled Investments	$ 9,476	$ 5,241	$ 14,717	--		$ 14,717
Total Current Assets	9,476	5,241	14,717	--		14,717
Noncurrent Assets						
Capital Assets not being Depreciated	--	--	--	529,080	[1]	529,080
Capital Assets being Depreciated	--	--	--	1,394,565	[1]	1,394,565
Total Noncurrent Assets	--	--	--	1,923,645		1,923,645
Total Assets	**$ 9,476**	**$ 5,241**	**$ 14,717**	**$ 1,923,645**		**$ 1,938,362**
LIABILITIES						
Current Liabilities						
Accounts Payable	$ 1,750	$ --	$ 1,750	$ --		$ 1,750
Accrued Liabilities	421	--	421	--		421
Accrued Interest	--	--	--	2,610	[4]	2,610
Current Portion of Compensated Absences	--	--	--	1,046	[2]	1,046
Current Portion of Long-term Debt	--	--	--	63,400	[3]	63,400
Total Current Liabilities	2,171	--	2,171	67,056		69,227
Noncurrent Liabilities						
Compensated Absences	--	--	--	891	[2]	891
Long-term Debt	--	--	--	755,000	[3]	755,000
Total Noncurrent Liabilities	--	--	--	755,891		755,891
Total Liabilities	2,171	--	2,171	822,947		825,118
FUND BALANCE						
Restricted	7,305	5,241	12,546	(12,546)		--
Unassigned	--	--	--	--		--
Total Fund Balance	7,305	5,241	12,546	(12,546)		--
Total Liabilities and Fund Balance	**$ 9,476**	**$ 5,241**	**$ 14,717**	**$ 810,401**		**$ 825,118**
NET POSITION						
Net Investment in Capital Assets				$ 1,105,245		$ 1,105,245
Restricted for:						
Economic Development				7,999		7,999
Total Net Position				**$ 1,113,244**		**$ 1,113,244**

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

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

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

City of Cadillac
DDA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2020

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments		Statement of Activities
Revenues						
Property Tax Captures	$ 26,897	$ 58,377	$ 85,274	$ -		$ 85,274
Local Revenue Sharing	--	22,792	22,792	--		22,792
Miscellaneous	4,818	--	4,818	--		4,818
Interest Income	113	--	113	--		113
Total Revenues	31,828	81,169	112,997	-		112,997
Expenditures						
Economic Development	34,376	5,459	39,835	(215)	[1]	39,620
Debt Service - Principal	--	61,600	61,600	(61,600)	[3]	--
Debt Service - Interest	--	18,300	18,300	2,610	[4]	20,910
Depreciation	--	--	--	82,778	[2]	82,778
Total Expenditures	34,376	85,359	119,735	23,573		143,308
Excess of Revenues Over						--
(Under) Expenditures	(2,548)	(4,190)	(6,738)	(23,573)		(30,311)
Net Change in Fund Balance / Net Position	**(2,548)**	**(4,190)**	**(6,738)**	**(23,573)**		**(30,311)**
Fund Balance / Net Position at Beginning of Period	9,853	9,431	19,284	1,124,271		1,143,555
Fund Balance / Net Position at End of Period	**$ 7,305**	**$ 5,241**	**$ 12,546**	**$ 1,100,698**		**$ 1,113,244**

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

[2] In the funds, capital outlay is recorded as an expenditure in the year paid for, while, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $82,778 is in excess of capital outlay expenditures of $0.

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

City of Cadillac
LDFA Combining Balance Sheet and Statement of Net Position
June 30, 2020

	LDFA	LDFA Capital Projects	LDFA Utilities	Total LDFA Funds	Adjustments	Statement of Net Position
ASSETS						
Current Assets						
Cash and Pooled Investments	$ 31,505	$ 1,504,344	$ 370,583	$ 1,906,432	$ --	$ 1,906,432
Accounts Receivable	--	--	14	14	--	14
Interest Receivable	1,166	11,081	3,315	15,562	--	15,562
Total Current Assets	32,671	1,515,425	373,912	1,922,008	--	1,922,008
Noncurrent Assets						
Capital Assets being Depreciated	--	--	--	--	113,030 [1]	113,030
Total Noncurrent Assets	--	--	--	--	113,030	113,030
Total Assets	**$ 32,671**	**$ 1,515,425**	**$ 373,912**	**$ 1,922,008**	**$ 113,030**	**$ 2,035,038**
LIABILITIES						
Current Liabilities						
Accounts Payable	$ 5,882	$ 1,243	$ --	$ 7,125	$ --	$ 7,125
Accrued Liabilities	1,004	--	137	1,141	--	1,141
Total Current Liabilities	6,886	1,243	137	8,266	--	8,266
FUND BALANCE						
Restricted for:						
Ground Water Cleanup	25,785	--	--	25,785	(25,785)	--
Capital Projects	--	1,514,182	--	1,514,182	(1,514,182)	--
Economic Development	--	--	373,775	373,775	(373,775)	--
Total Fund Balance	25,785	1,514,182	373,775	1,913,742	(1,913,742)	--
Total Liabilities and Fund Balance	**$ 32,671**	**$ 1,515,425**	**$ 373,912**	**$ 1,922,008**	**$ (1,913,742)**	**$ 8,266**
NET POSITION						
Net Investment in Capital Assets					$ 113,030	$ 113,030
Restricted for:						
Ground Water Cleanup					25,785	25,785
Capital Projects					1,514,182	1,514,182
Economic Development					373,775	373,775
Total Net Position					**$ 2,026,772**	**$ 2,026,772**

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

City of Cadillac
LDFA Combining Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2020

	LDFA	LDFA Capital Projects	LDFA Utilities	Total LDFA Funds	Adjustments	Statement of Activities
Revenues						
Property Taxes	$ --	$ 141,467	$ --	$ 141,467	$ --	$ 141,467
Charges for Services	--	--	2,344	2,344	--	2,344
Interest Income	699	28,355	6,000	35,054	--	35,054
Total Revenues	699	169,822	8,344	178,865	--	178,865
Expenditures						
Economic Development	251,342	25,782	--	277,124	--	277,124
Salaries and Wages	--	--	2,870	2,870	--	2,870
Depreciation	--	--	--	--	4,535 [1]	4,535
Total Expenditures	251,342	25,782	2,870	279,994	4,535	284,529
Excess of Revenues Over (Under) Expenditures	(250,643)	144,040	5,474	(101,129)	(4,535)	(105,664)
Other Financing Sources (Uses)						
Transfers from Other Funds	255,643	--	--	--	--	--
Transfers to Other Funds	--	(255,643)	--	--	--	--
Net Other Financing Sources (Uses)	255,643	(255,643)	--	--	--	--
Net Change in Fund Balance / Net Position	**5,000**	**(111,603)**	**5,474**	**(101,129)**	**(4,535)**	**(105,664)**
Fund Balance / Net Position at Beginning of Period	20,785	1,625,785	368,301	2,014,871	117,565	2,132,436
Fund Balance / Net Position at End of Period	**$ 25,785**	**$ 1,514,182**	**$ 373,775**	**$ 1,913,742**	**$ 113,030**	**$ 2,026,772**

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

City of Cadillac
EDC Balance Sheet and Statement of Net Position
June 30, 2020

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

City of Cadillac
EDC Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2020

	Economic Development Corporation	Adjustments	Statement of Activities
Revenues			
Total Revenues	--	--	--
Expenditures			
Total Expenditures	--	--	--
Excess of Revenues Over (Under) Expenditures	--	--	--
Net Change in Fund Balance / Net Position	--	--	--
Fund Balance / Net Position at Beginning of Period	1,167	--	1,167
Fund Balance / Net Position at End of Period	$ **1,167**	$ **--**	$ **1,167**

City of Cadillac
2016 General Obligation Limited Tax Bonds
June 30, 2020

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

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

Date of Issue August 3, 2016

Amount of Issue		$ 3,050,000
Amount Redeemed		
Prior to Current Period	$ 530,000	
During Current Period	185,000	
Total Redeemed		715,000
Balance Outstanding		$ 2,335,000

Due Dates	Interest Rates	Requirements Principal	Requirements Interest	Requirements Total
May 1, 2021	2.19%	$ 190,000	$ 46,976	$ 236,976
May 1, 2022	2.19%	195,000	42,705	237,705
May 1, 2023	2.19%	200,000	38,325	238,325
May 1, 2024	2.19%	205,000	33,836	238,836
May 1, 2025	2.19%	210,000	29,237	239,237
May 1, 2026	2.19%	210,000	24,638	234,638
May 1, 2027	2.19%	215,000	19,929	234,929
May 1, 2028	2.19%	220,000	15,111	235,111
May 1, 2029	2.19%	225,000	10,184	235,184
May 1, 2030	2.19%	230,000	5,147	235,147
May 1, 2031	2.19%	235,000	-	235,000
		$ 2,335,000	$ 266,085	$ 2,601,085

City of Cadillac
2007 Wastewater System Junior Lien Revenue Bonds
June 30, 2020

Title of Issue 2007 Wastewater System Junior Lien Revenue Bonds

Purpose

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

Date of Issue September 20, 2007

Amount of Issue		$ 3,865,205
Amount Redeemed		
Prior to Current Period	$ 1,780,000	
During Current Period	195,000	
Total Redeemed		1,975,000
Balance Outstanding		$ 1,890,205

Due Dates	Interest Rates	Requirements Principal	Interest	Total
October 1, 2020	1.625%	$ 195,000	$ 15,358	$ 210,358
April 1, 2021			13,774	13,774
October 1, 2021	1.625%	200,000	13,774	213,774
April 1, 2022			12,149	12,149
October 1, 2022	1.625%	205,000	12,149	217,149
April 1, 2023			10,483	10,483
October 1, 2023	1.625%	205,000	10,483	215,483
April 1, 2024			8,817	8,817
October 1, 2024	1.625%	210,000	8,817	218,817
April 1, 2025			7,111	7,111
October 1, 2025	1.625%	215,000	7,111	222,111
April 1, 2026			5,364	5,364
October 1, 2026	1.625%	220,000	5,364	225,364
April 1, 2027			3,577	3,577
October 1, 2027	1.625%	220,000	3,577	223,577
April 1, 2028			1,789	1,789
October 1, 2028	1.625%	220,205	1,789	221,994
		$ 1,890,205	$ 141,486	$ 2,031,691

City of Cadillac
2011 Drinking Water Revolving Fund Loan
June 30, 2020

Title of Issue 2011 Drinking Water Revolving Fund Loan

Purpose

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

Date of Issue September 23, 2011

Amount of Issue		$ 2,324,906
Amount Redeemed		
Prior to Current Period	$ 681,050	
During Current Period	110,000	
Total Redeemed		791,050
Balance Outstanding		$ 1,533,856

Due Dates	Interest Rates	Requirements Principal	Requirements Interest	Requirements Total
October 1, 2020			$ 19,173	$ 19,173
April 1, 2021	2.50%	$ 110,000	19,173	129,173
October 1, 2021			17,798	17,798
April 1, 2022	2.50%	115,000	17,798	132,798
October 1, 2022			16,361	16,361
April 1, 2023	2.50%	115,000	16,361	131,361
October 1, 2023			14,923	14,923
April 1, 2024	2.50%	120,000	14,923	134,923
October 1, 2024			13,423	13,423
April 1, 2025	2.50%	120,000	13,423	133,423
October 1, 2025			11,923	11,923
April 1, 2026	2.50%	125,000	11,923	136,923
October 1, 2026			10,361	10,361
April 1, 2027	2.50%	130,000	10,361	140,361
October 1, 2027			8,736	8,736
April 1, 2028	2.50%	130,000	8,736	138,736
October 1, 2028			7,111	7,111
April 1, 2029	2.50%	135,000	7,111	142,111
October 1, 2029			5,423	5,423
April 1, 2030	2.50%	140,000	5,423	145,423
October 1, 2030			3,673	3,673
April 1, 2031	2.50%	145,000	3,673	148,673
October 1, 2031			1,861	1,861
April 1, 2032	2.50%	148,856	1,861	150,717
		$ 1,533,856	$ 261,532	$ 1,795,388

City of Cadillac
2013 Water Supply & Wastewater System Revenue Refunding Bonds
June 30, 2020

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

Purpose

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

Date of Issue July 19, 2013

Amount of Issue		$ 4,075,000
Amount Redeemed		
Prior to Current Period	$ 1,370,000	
During Current Period	300,000	
Total Redeemed		1,670,000
Balance Outstanding		$ 2,405,000

		Requirements		
Due Dates	**Interest Rates**	**Principal**	**Interest**	**Total**
September 1, 2020	2.70%	$ 315,000	$ 32,468	$ 347,468
March 1, 2021			28,215	28,215
September 1, 2021	2.70%	325,000	28,215	353,215
March 1, 2022			23,828	23,828
September 1, 2022	2.70%	335,000	23,828	358,828
March 1, 2023			19,305	19,305
September 1, 2023	2.70%	340,000	19,305	359,305
March 1, 2024			14,715	14,715
September 1, 2024	2.70%	355,000	14,715	369,715
March 1, 2025			9,923	9,923
September 1, 2025	2.70%	365,000	9,923	374,923
March 1, 2026			4,995	4,995
September 1, 2026	2.70%	370,000	4,995	374,995
		$ 2,405,000	$ 234,430	$ 2,639,430

City of Cadillac
Primary Government
Statement of 2019 Ad Valorem Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	$ 230,679,351	6.7797	$ 1,554,736	$ 1,499,737	54,999
Wexford County - Public Safety	230,679,351	1.4500	334,513	317,057	17,456
Wexford County - Animal Control	230,679,351	0.2000	46,124	43,718	2,406
Wexford County - Veteran's Relief	230,679,351	0.1000	23,053	21,850	1,203
Wexford County - MSUE	230,679,351	0.1700	39,197	37,153	2,044
Cadillac Area Public Schools					-
Operating	230,679,351	18.0000	2,075,891	1,987,402	88,489
Debt Retirement	230,679,351	5.8000	1,414,542	1,352,577	61,965
State Education Tax	230,679,351	6.0000	1,325,882	1,277,208	48,674
Wexford-Missaukee Intermediate School District	230,679,351	6.1604	1,421,266	1,347,095	74,171
Cadillac-Wexford Transit Authority	230,679,351	0.6000	138,408	131,186	7,222
Cadillac-Wexford Public Library	230,679,351	0.7500	173,014	163,986	9,028
Wexford County Council on Aging	230,679,351	1.0000	230,696	218,658	12,038
City of Cadillac					-
General Fund	230,679,351	13.9166	3,191,139	3,078,242	112,897
Policemen and Firemen Retirement System	230,679,351	2.6000	596,177	575,086	21,091
Downtown Development Authority	13,773,272	1.9548	26,923	25,769	1,154
Public Improvement Special Assessments			60,646	56,386	4,260
Water and Sewer Delinquent Accounts			22,458	11,220	11,238
Unpaid Invoices			1,059	880	179
Administration Fees			126,636	121,335	5,301
			$ 12,802,360	$ 12,266,545	$ 535,815

City of Cadillac
Local Development Finance Authority
Statement of 2019 Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	$ 5,314,700	6.7797	$ 29,959	$ 29,903	$ 26,221	$ 3,682
Wexford County - Public Safety	5,314,700	1.4500	6,407	6,392	5,608	784
Wexford County - Animal Control	5,314,700	0.2000	884	882	773	109
Wexford County - Veteran's Relief	5,314,700	0.1000	442	441	387	54
Wexford County - MSU Extension	5,314,700	0.1700	751	749	657	92
Cadillac Area Public Schools						
Operating	5,314,700	18.0000	77,180	77,007	-	77,007
Debt Retirement	5,314,700	5.8000	27,176	27,118	-	27,118
State Education Tax	5,314,700	6.0000	25,727	25,677	-	25,677
Wexford-Missaukee Intermediate School District	5,314,700	6.1604	27,223	27,156	-	27,156
Cadillac-Wexford Transit Authority	5,314,700	0.6000	2,651	2,645	2,320	325
Cadillac-Wexford Public Library	5,314,700	0.7500	3,314	3,306	2,901	405
Wexford County Council on Aging	5,314,700	1.0000	4,419	4,408	3,868	540
City of Cadillac						
General Fund	5,314,700	13.9166	61,497	61,381	53,824	7,557
Policemen and Firemen Retirement System	5,314,700	2.6000	11,489	11,468	10,056	1,412
Downtown Development Authority	5,314,700	1.9548	-	-	-	-
			$ 279,119	$ 278,533	$ 106,615	$ 171,918

City of Cadillac
Downtown Development Authority
Statement of Ad Valorem 2019 Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by DDA	Net Collections Due to Units
Wexford County	$ 13,773,272	6.7797	$ 93,377	$ 89,374	$ 14,255	$ 75,119
Wexford County - Public Safety	13,773,272	1.4500	19,970	18,937	3,042	15,895
Wexford County - Animal Control	13,773,272	0.2000	2,754	2,611	419	2,192
Wexford County - Veteran's Relief	13,773,272	0.1000	1,377	1,305	209	1,096
Wexford County - MSU Extension	13,773,272	0.1700	2,340	2,219	356	1,863
Cadillac Area Public Schools						
Operating	13,773,272	18.0000	230,896	219,330	437	218,893
Debt Retirement	13,773,272	5.8000	84,704	80,696	-	80,696
State Education Tax	13,773,272	6.0000	82,159	78,616	-	78,616
Wexford-Missaukee Intermediate School District	13,773,272	6.1604	84,848	80,457	-	80,457
Cadillac-Wexford Transit Authority	13,773,272	0.6000	8,263	7,836	1,259	6,577
Cadillac-Wexford Public Library	13,773,272	0.7500	10,329	9,795	1,573	8,222
Wexford County Council on Aging	13,773,272	1.0000	13,772	13,060	2,098	10,962
City of Cadillac						
General Fund	13,773,272	13.9166	191,676	183,457	29,263	154,194
Policemen and Firemen Retirement System	13,773,272	2.6000	35,810	34,274	5,466	28,808
Downtown Development Authority	13,773,272	1.9548	26,923	25,769	-	25,769
			$ 889,198	$ 847,736	$ 58,377	$ 789,359

City of Cadillac
Brownfield Redevelopment Authority
Statement of 2019 Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by Brownfield	Net Collections Due to Units
Wexford County	$ 745,328	6.7797	$ 5,053	5,053	$ 2,980	$ 2,073
Wexford County - Public Safety	745,328	1.4500	1,081	1,081	637	444
Wexford County - Animal Control	745,328	0.2000	149	149	88	61
Wexford County - Veteran's Relief	745,328	0.1000	75	75	44	31
Wexford County - MSU Extension	745,328	0.1700	127	127	75	52
Cadillac Area Public Schools						
Operating	745,328	18.0000	13,416	13,416	11,074	2,342
Debt Retirement	745,328	5.8000	4,584	4,584	-	4,584
State Education Tax	745,328	6.0000	4,472	4,472	3,691	781
Wexford-Missaukee Intermediate School District	745,328	6.1604	4,592	4,592	3,790	802
Cadillac-Wexford Transit Authority	745,328	0.6000	447	447	264	183
Cadillac-Wexford Public Library	745,328	0.7500	559	559	330	229
Wexford County Council on Aging	745,328	1.0000	745	745	440	305
City of Cadillac						
General Fund	745,328	13.9166	10,372	10,372	6,117	4,255
Policemen and Firemen Retirement System	745,328	2.6000	1,938	1,938	1,143	795
Downtown Development Authority	745,328	1.9548		-		-
			$ 47,610	$ 47,610	$ 30,673	$ 16,937

City of Cadillac
Primary Government
Statement of 2019 Industrial Facilities Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	$ 5,944,977	6.7797	$ 20,152	$ 20,152	$ -
Wexford County - Public Safety	5,944,977	1.4500	4,310	4,310	-
Wexford County - Animal Control	5,944,977	0.2000	594	594	-
Wexford County - Veteran's Relief	5,944,977	0.1000	297	297	-
Wexford County - MSU Extension	5,944,977	0.1700	505	505	-
Cadillac Area Public Schools					
Operating	5,944,977	18.0000	30,727	30,727	-
Debt Retirement	5,944,977	5.8000	18,280	18,280	-
State Education Tax	5,944,977	6.0000	20,485	20,485	-
Wexford-Missaukee Intermediate School District	5,944,977	6.1604	18,311	18,311	-
Cadillac-Wexford Transit Authority	5,944,977	0.6000	1,783	1,783	-
Cadillac-Wexford Public Library	5,944,977	0.7500	2,229	2,229	-
Wexford County Council on Aging	5,944,977	1.0000	2,972	2,972	-
City of Cadillac					
General Fund	5,944,977	13.9166	41,367	41,367	-
Policemen and Firemen Retirement System	5,944,977	2.6000	7,728	7,728	-
Admin			1,697	1,697	-
			$ 171,437	$ 171,437	$ -

City of Cadillac
Local Development Finance Authority
Statement of 2019 Industrial Facilities Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	$ 2,528,682	6.7797	$ 8,572	$ 8,572	$ 8,572	$ -
Wexford County - Public Safety	2,528,682	1.4500	1,833	1,833	1,833	-
Wexford County - Animal Control	2,528,682	0.2000	253	253	253	-
Wexford County - Veteran's Relief	2,528,682	0.1000	126	126	126	-
Wexford County - MSU Extension	2,528,682	0.1700	215	215	215	
Cadillac Area Public Schools						
Operating	2,528,682	18.0000	18,274	18,274	-	18,274
Debt Retirement	2,528,682	5.8000	7,776	7,776	-	7,776
State Education Tax	2,528,682	6.0000	12,183	12,183	-	12,183
Wexford-Missaukee Intermediate School District	2,528,682	6.1604	7,789	7,789	-	7,789
Cadillac-Wexford Transit Authority	2,528,682	0.6000	759	759	759	-
Cadillac-Wexford Public Library	2,528,682	0.7500	948	948	948	-
Wexford County Council on Aging	2,528,682	1.0000	1,264	1,264	1,264	-
City of Cadillac						
General Fund	2,528,682	13.9166	17,595	17,595	17,595	-
Policemen and Firemen Retirement System	2,528,682	2.6000	3,287	3,287	3,287	-
Downtown Development Authority	2,528,682	1.9548	-	-	-	-
						-
			$ 80,874	$ 80,874	$ 34,852	$ 46,022

City of Cadillac
Primary Government
Statement of 2019 Obsolete Properties Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	$ 335,920	6.7797	$ 1,433	$ 1,433	$ -
Wexford County - Public Safety	335,920	1.4500	306	306	-
Wexford County - Animal Control	335,920	0.2000	42	42	-
Wexford County - Veteran's Relief	335,920	0.1000	21	21	-
Wexford County - MSU Extension	335,920	0.1700	36	36	-
Cadillac Area Public Schools					
Operating	335,920	18.0000	6,047	6,047	-
Debt Retirement	335,920	5.8000	1,299	1,299	-
State Education Tax	335,920	6.0000	2,016	2,016	-
Wexford-Missaukee Intermediate School District	335,920	6.1604	1,302	1,302	-
Cadillac-Wexford Transit Authority	335,920	0.6000	127	127	-
Cadillac-Wexford Public Library	335,920	0.7500	158	158	-
Wexford County Council on Aging	335,920	1.0000	211	211	-
City of Cadillac					
General Fund	335,920	13.9166	2,941	2,941	-
Policemen and Firemen Retirement System	335,920	2.6000	549	549	-
Downtown Development Authority	335,920	1.9548	-	-	-
Special Assessment			-	-	-
Admin			165	165	-
			$ 16,654	$ 16,654	$ -

City of Cadillac
Primary Government
Statement of 2019 DNR/PILT Tax Roll
June 30, 2020

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	$ 871,043	6.7797	$ 5,905	$ 5,905	$ -
Wexford County - Public Safety	871,043	1.4500	1,263	1,263	-
Wexford County - Animal Control	871,043	0.2000	174	174	-
Wexford County - Veteran's Relief	871,043	0.1000	87	87	-
Wexford County - MSU Extension	871,043	0.1700	148	148	-
Cadillac Area Public Schools					
Debt Retirement	871,043	5.8000	5,357	5,357	-
Wexford-Missaukee Intermediate School District	871,043	6.1604	5,366	5,366	-
Cadillac-Wexford Transit Authority	871,043	0.6000	523	523	-
Cadillac-Wexford Public Library	871,043	0.7500	653	653	-
Wexford County Council on Aging	871,043	1.0000	871	871	-
City of Cadillac					
General Fund	871,043	13.9166	12,122	12,122	-
Policemen and Firemen Retirement System	871,043	2.6000	2,265	2,265	-
Special Assessments			50	50	-
			$ 34,784	$ 34,784	$ -

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.

Contents | **Page**

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	$ 13,114	$ 12,618	$ 12,131	$ 11,469	$ 11,723	$ 10,986	$ 10,955	$ 10,652	$ 11,797	$ 11,586
Restricted for Specific Purpose	3,202	2,744	2,688	3,369	3,090	3,420	4,717	3,554	2,537	2,456
Restricted for Specific Purpose, Temporarily Restricted	366	364	349	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	757	757	756	-	-	-	-	-	-	-
Unrestricted	3,071	3,404	3,498	4,078	(106)	(503)	(3,699)	(1,236)	(865)	(870)
Total Governmental Activities Net Position	$ 20,510	$ 19,887	$ 19,422	$ 18,916	$ 14,707	$ 13,903	$ 11,973	$ 12,970	$ 13,469	$ 13,172
Business-type Activities										
Net Investment in Capital Assets	$ 12,789	$ 13,558	$ 13,560	$ 13,972	$ 13,999	$ 14,116	$ 15,250	$ 15,861	$ 16,332	$ 16,838
Restricted for Specific Purpose	1,350	1,363	671	626	626	643	643	644	654	664
Unrestricted	2,447	2,661	3,457	3,069	2,747	2,405	1,777	1,509	1,358	665
Total Business-type Activities Net Position	$ 16,586	$ 17,582	$ 17,688	$ 17,667	$ 17,372	$ 17,164	$ 17,670	$ 18,014	$ 18,344	$ 18,167
Primary Government										
Net Investment in Capital Assets	$ 25,903	$ 26,176	$ 25,691	$ 25,441	$ 25,722	$ 25,102	$ 26,205	$ 26,513	$ 28,129	$ 28,424
Restricted for Specific Purpose	4,552	4,107	3,359	3,995	3,716	4,063	$ 5,360	$ 4,198	$ 3,191	$ 3,120
Restricted for Specific Purpose, Temporarily Restricted	366	364	349	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	757	757	756	-	-	-	-	-	-	-
Unrestricted	5,518	6,065	6,955	7,147	2,641	1,902	(1,922)	273	493	(205)
Total Primary Government Net Position	$ 37,096	$ 37,469	$ 37,110	$ 36,583	$ 32,079	$ 31,067	$ 29,643	$ 30,984	$ 31,813	$ 31,339

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	$ 1,746	$ 1,796	$ 1,862	$ 1,987	$ 1,988	$ 1,918	$ 1,998	$ 1,841	$ 2,095	$ 1,957
Public Safety	3,427	3,236	3,224	3,199	3,757	3,858	4,130	2,815	3,542	3,718
Public Works	2,634	2,513	2,456	2,570	2,516	3,988	2,957	2,603	2,916	3,020
Recreation and Culture	421	538	520	421	452	462	492	506	527	499
Economic Development/Assistance	255	244	198	257	235	287	280	234	1,020	1,153
Interest on Long-Term Debt	55	47	39	21	17	15	105	45	39	48
Total Governmental Activities Expenses	$ 8,538	$ 8,374	$ 8,299	$ 8,455	$ 8,965	$ 10,528	$ 9,962	$ 8,044	$ 10,139	$ 10,395
Business-Type Activities:										
Water and Sewer	$ 3,823	$ 3,767	$ 4,025	$ 4,138	$ 4,275	$ 4,136	$ 3,982	$ 4,276	$ 4,479	$ 4,185
Building Authority Operating	107	114	95	88	92	101	118	123	124	90
Automobile Parking System	56	45	57	63	62	56	50	62	84	86
Total Business-Type Activities Expenses	$ 3,986	$ 3,926	$ 4,177	$ 4,289	$ 4,429	$ 4,293	$ 4,150	$ 4,461	$ 4,687	$ 4,361
Total Primary Government Expenses	$ 12,524	$ 12,300	$ 12,476	$ 12,744	$ 13,394	$ 14,821	$ 14,112	$ 12,505	$ 14,826	$ 14,756
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	$ 377	$ 482	$ 472	$ 509	$ 520	$ 562	$ 628	$ 265	$ 594	$ 625
Public Safety	282	266	258	106	99	114	227	196	216	180
Public Works	579	547	527	733	726	748	661	1,044	847	559
Recreation and Culture	1	2	1	25	-	15	-	-	-	-
Economic Development	-	-	-	2	2	2	3	3	3	3
Operating Grants and Contributions	1,059	1,119	1,193	1,148	1,090	2,512	1,573	1,180	1,985	1,846
Capital Grants and Contributions	104	269	47	0	520	306	69	47	990	853
Total Governmental Activities Program Revenues	$ 2,402	$ 2,685	$ 2,498	$ 2,523	$ 2,957	$ 4,259	$ 3,161	$ 2,735	$ 4,635	$ 4,066
Business-Type Activities:										
Charges for Services:										
Water and Sewer System	$ 3,823	$ 3,995	$ 4,073	$ 4,032	$ 4,060	$ 4,197	$ 4,573	$ 4,509	$ 4,754	$ 3,914
Building Authority Operating	196	194	196	196	196	149	113	196	154	154
Automobile Parking System	36	1	37	42	51	49	50	56	56	56
Operating Grants and Contributions	-	-	-	-	10	-	-	-	-	-
Capital Grants and Contributions	-	509	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	$ 4,055	$ 4,699	$ 4,306	$ 4,270	$ 4,317	$ 4,395	$ 4,736	$ 4,761	$ 4,964	$ 4,124
Total Primary Government Program Revenues	$ 6,457	$ 7,384	$ 6,804	$ 6,793	$ 7,274	$ 8,654	$ 7,897	$ 7,496	$ 9,599	$ 8,190

Continued...

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes	$ 4,681	$ 4,443	$ 4,339	$ 4,338	$ 4,213	$ 4,207	$ 3,814	$ 3,872	$ 3,830	$ 3,910
State Shared Revenue - Unrestricted	896	896	924	988	1,027	1,133	1,922	2,138	2,027	1,984
Investment Earnings - Unrestricted	203	103	62	67	68	55	68	101	145	139
Gain (Loss) on Sale of Capital Assets	2	3	7	-	65	-	-	-	-	-
Other	5	16	4	10	93	2	115	195	-	-
Transfers	-	-	-	-	(9)	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	$ 5,787	$ 5,461	$ 5,336	$ 5,403	$ 5,457	$ 5,397	$ 5,919	$ 6,306	$ 6,002	$ 6,033
Business-Type Activities										
Investment Earnings - Unrestricted	65	15	13	19	20	22	31	44	53	60
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Other	-	209	-	-	76	-	-	-	-	-
Transfers	-	-	-	-	9	-	-	-	-	-
Total Business-Type Activities	$ 65	$ 224	$ 13	$ 19	$ 105	$ 22	$ 31	$ 44	$ 53	$ 60
Total Primary Government	$ 5,852	$ 5,685	$ 5,349	$ 5,422	$ 5,562	$ 5,419	$ 5,950	$ 6,350	$ 6,055	$ 6,093
Change in Net Assets										
Governmental Activities	$ (348)	$ (228)	$ (465)	$ (527)	$ (550)	$ (873)	$ (882)	$ 997	$ 498	$ (296)
Business-Type Activities	134	996	142	(1)	(7)	125	617	344	330	(177)
Total Primary Government	$ (214)	$ 768	$ (323)	$ (528)	$ (557)	$ (748)	$ (265)	$ 1,341	$ 828	$ (473)

Concluded.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Unreserved, Designated, reported in General Fund										
Unreserved, Undesignated, reported in General Fund										
Nonspendable	$ 91,453	$ 36,033	$ -	$ 37,127	$ 106,085	$ 9,641	$ 54,583	$ 10,415	$ 9,071	$ 1,203
Restricted	58,273	42,884	56,855	54,076	56,970	61,116	38,423	38,421	41,772	41,957
Committed	1,574,414	-	-	-	-	-	-	-	-	-
Assigned	201,647	1,782,955	1,622,467	1,579,291	1,552,612	1,551,812	1,463,890	1,426,129	2,047,888	1,451,083
Unassigned	509,256	320,880	480,251	371,323	221,245	486,455	1,118,374	1,445,491	1,332,597	2,259,269
Total General Fund	$ 2,435,043	$ 2,182,752	$ 2,159,573	$ 2,041,817	$ 1,936,912	$ 2,109,024	$ 2,675,270	$ 2,920,456	$ 3,431,328	$ 3,753,512
All Other Governmental Funds										
Reserved										
Unreserved, reported in Special Revenue Funds										
Unreserved, Designated, reported in Special Rev. Funds										
Unreserved, Undesignated, reported in Special Rev. Funds										
Nonspendable	$ 1,195,312	$ 759,938	$ 1,111,293	$ 1,030,200	$ 973,345	$ 906,666	$ 848,688	$ 372,190	$ 373,091	$ 375,411
Restricted	1,188,188	1,314,116	1,358,831	1,478,859	1,209,298	1,678,116	3,325,714	2,811,751	1,822,249	1,669,216
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,555,880	1,958,609	1,576,316	1,620,764	1,623,918	1,606,108	1,537,971	1,620,926	1,489,178	1,445,137
Unassigned	(8,072.00)	(10,734.00)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 3,931,308	$ 4,021,929	$ 4,046,440	$ 4,129,823	$ 3,806,561	$ 4,190,890	$ 5,712,373	$ 4,804,867	$ 3,684,518	$ 3,489,764
Total Fund Balance	$ 6,366,351	$ 6,204,681	$ 6,206,013	$ 6,171,640	$ 5,743,473	$ 6,299,914	$ 8,387,643	$ 7,725,323	$ 7,115,846	$ 7,243,276

Note: GASB Statement Number 54 redefined how the components of fund balance are reported. Under GASB Statement 54, the total amount reported as fund balance remains unchanged; the components, or categories, of fund balance have been redefined to further reflect the purpose for which fund balance can be spent. The information presented on this chart is derived from data reported in accordance with the prior reporting model and data reported following GASB Statement Number 54, which took effect for statements for periods beginning after June 15, 2010. Upon redefinition of Committed Fund Balance, items reported as Committed in fiscal 2011 were redefined as Assigned in fiscal year 2012.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes and Special Assessments	$ 4,756,554	$ 4,616,673	$ 4,496,524	$ 4,338,224	$ 4,212,996	$ 4,209,449	$ 3,829,896	$ 3,872,306	$ 3,829,539	$ 3,909,988
Licenses and Permits	765	109,775	122,102	129,179	139,623	190,504	264,019	230,572	238,257	194,986
Federal Grants	111,133	72,656	42,314	4,779	44,800	65,168	121,569	-	741,980	18,112
State Grants	1,833,017	2,003,498	1,883,928	2,015,816	2,501,558	3,603,240	3,432,181	3,364,315	3,985,598	4,428,265
Contributions from Local Units	206,991	205,615	227,103	215,823	160,595	244,845	195,607	195,039	295,637	252,748
Charges for Services	1,013,530	979,459	943,558	939,858	984,807	986,860	921,127	1,033,777	1,120,793	1,121,774
Fines and Forfeits	37,966	20,001	14,887	13,582	13,621	17,018	14,857	12,320	10,721	9,685
Interest and Rents	173,363	128,240	108,040	67,443	60,115	55,452	67,677	94,157	135,851	129,364
Gain (Loss) on Investments	37,501	(17,101)	(45,257)	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	2,050,000	-	-	-
Other Revenue	351,383	349,441	90,447	135,930	178,837	300,491	248,948	48,803	41,042	33,982
Total Revenues	$ 8,522,203	$ 8,468,257	$ 7,883,646	$ 7,860,634	$ 8,296,952	$ 9,673,027	$ 11,145,881	$ 8,851,289	$ 10,399,418	$ 10,098,904
Expenditures										
General Government	$ 1,640,771	$ 1,672,482	$ 1,734,475	$ 1,819,501	$ 1,791,790	$ 1,720,714	$ 1,670,025	$ 1,784,670	$ 1,848,736	$ 1,837,446
Public Safety	3,709,362	3,196,361	3,256,156	3,152,675	3,191,801	3,177,094	3,307,809	3,359,134	3,379,298	3,928,998
Public Works	2,049,646	2,175,179	1,903,925	1,914,351	1,867,467	3,276,524	2,295,445	1,947,792	2,165,166	2,478,280
Community & Economic Development	234,664	226,141	184,069	248,307	238,222	250,708	233,669	226,027	992,104	1,159,845
Capital Outlay	3,815	4,114	138,359	209,926	1,200,423	277,327	872,476	1,781,414	2,092,986	30,040
Culture and Recreation	389,069	343,517	340,874	295,547	320,267	311,265	327,380	358,168	370,543	375,602
Debt Service										
Principal	272,729	218,832	188,832	229,943	87,721	87,721	253,862	365,000	120,000	123,400
Interest	51,326	43,904	32,631	24,757	17,895	15,233	54,835	49,906	40,062	37,863
Other Charges	4,200	3,300	2,235	-	-	-	42,650	-	-	-
Intergovernmental	324,964	351,006	100,758	-	-	-	-	-	-	-
Total Expenditures	$ 8,680,546	$ 8,234,836	$ 7,882,314	$ 7,895,007	$ 8,715,586	$ 9,116,586	$ 9,058,151	$ 9,872,111	$ 11,008,895	$ 9,971,474
Other Financing Sources (Uses)										
Sale of Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 394,504	$ -	$ -
Transfers In	839,922	819,768	649,500	806,035	492,404	407,750	769,650	1,618,316	625,323	480,550
Transfers Out	(839,922)	(819,768)	(649,500)	(806,035)	(501,937)	(407,750)	(769,650)	(1,654,319)	(625,323)	(480,550)
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ (9,533)	$ -	$ -	$ 358,501	$ -	$ -
Net Change in Fund Balances	$ (158,343)	$ 233,421	$ 1,332	$ (34,373)	$ (428,167)	$ 556,441	$ 2,087,730	$ (662,321)	$ (609,477)	$ 127,430
Debt Service as a percentage of non-capital expenditures	3.96%	3.36%	3.00%	3.40%	1.24%	1.30%	3.52%	4.61%	1.80%	1.62%

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
2011	$214,108,421	$ 42,873,550	$ 256,981,971	$ 565,558,400	45.44%	16.5473
2012	202,455,519	50,840,200	253,295,719	537,969,400	47.08%	17.0473
2013	196,431,899	50,777,800	247,209,699	516,593,200	47.85%	17.0473
2014	191,926,234	52,972,480	244,898,714	506,343,018	48.37%	17.0473
2015	190,071,183	52,897,700	242,968,883	510,726,600	47.57%	16.5473
2016	190,288,151	53,285,900	243,574,051	525,383,000	46.36%	16.5473
2017	190,631,321	31,243,800	221,875,121	493,984,600	44.92%	16.5473
2018	192,217,626	31,297,400	223,515,026	508,651,200	43.94%	16.5473
2019	198,547,361	24,640,400	223,187,761	514,587,200	43.37%	16.5166
2020	206,299,451	24,379,900	230,679,351	539,083,200	42.79%	16.5166

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

	Direct Tax Rates				*Overlapping Tax Rates* [a]							
	City of Cadillac				*Wexford County*							
Fiscal Year	**General** [b]	**Police & Fire Retirement**	**Lake Cadillac Treatment**	**Total City**	**Wexford County** [c]	**Cadillac-Wexford Transit Authority**	**Council on Aging**	**Wexford County Library**	**Cadillac Area Public Schools** [d]	**Wexford Missaukee Intermediate Schools**	**State Education Tax**	**Total Direct & Overlapping Rates**
2011	13.9473	2.6000	N/A	**16.5473**	8.2297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	**59.9689**
2012	13.9473	2.6000	0.5000	**17.0473**	8.2297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	**60.4689**
2013	13.9473	2.6000	0.5000	**17.0473**	7.7297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	**59.9689**
2014	13.9473	2.6000	0.5000	**17.0473**	7.7297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	**59.9689**
2015	13.9473	2.6000	N/A	**16.5473**	8.1297	0.6000	1.0000	0.7500	20.9000	5.9419	6.0000	**59.8689**
2016	13.9473	2.6000	N/A	**16.5473**	8.0297	0.6000	1.0000	0.7500	20.9000	6.1604	6.0000	**59.9874**
2017	13.9473	2.6000	N/A	**16.5473**	8.1997	0.6000	1.0000	0.7500	20.9000	6.1604	6.0000	**60.1574**
2018	13.9473	2.6000	N/A	**16.5473**	8.1997	0.6000	1.0000	0.7500	20.9000	6.1604	6.0000	**60.1574**
2019	13.9166	2.6000	N/A	**16.5166**	8.6997	0.6000	1.0000	0.7500	23.8000	6.1604	6.0000	**63.5267**
2020	13.9166	2.6000	N/A	**16.5166**	8.6997	0.6000	1.0000	0.7500	24.1500	6.1604	6.0000	**63.8767**

Source: *City of Cadillac Treasurer's Office*

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

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

[c] Current year includes allocated mills of 6.7797 and extra voted mills of 0.10 for Veterans Relief, 1.45 mills for Road Patrol, 0.20 mills for Animal Control and 0.17 mills for MSU-Extension.

[d] Current year includes Cadillac Area Public Schools operating rate of 18 mills and school debt rate of 5.8 mills.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections to Date [a]	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	4,408,769	4,167,763	94.53%	241,006	4,408,769	100.00%
2012	4,487,315	4,273,383	95.23%	213,931	4,487,315	100.00%
2013	4,409,413	4,190,778	95.04%	218,635	4,409,413	100.00%
2014	4,300,632	4,128,524	96.00%	172,108	4,300,632	100.00%
2015	4,148,351	3,992,785	96.25%	155,566	4,148,351	100.00%
2016	4,165,174	4,015,955	96.42%	149,219	4,165,174	100.00%
2017	3,739,341	3,615,423	96.69%	123,918	3,739,341	100.00%
2018	3,782,234	3,643,714	96.34%	138,521	3,782,234	100.00%
2019	3,749,906	3,612,489	96.34%	137,418	3,749,906	100.00%
2020	3,840,060	3,706,106	96.51%	133,954	3,840,060	100.00%

Source: *City of Cadillac Treasurer's Office*

[a] In 1977 the Wexford County Treasurer began pooling all delinquent taxes together and financing delinquencies through bond sales. The proceeds from the bond sale are paid to the City giving the effect of 100% tax collection in a given year. The responsibility for the collection of the delinquent tax is shifted to the county treasurer.

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

	2020			2011		
Taxpayer	Taxable Value	Rank	Percentage of Total City Taxable Value [a]	Taxable Value	Rank	Percentage of Total City Taxable Value [b]
Cadillac Renewable Energy [c]	$ 12,898,431	1	5.59%	$ 12,971,767	1	5.05%
Consumers Energy	8,846,554	2	3.84%	6,117,949	4	2.38%
AAR Cadillac Manufacturing	4,686,881	3	2.03%	5,009,448	6	1.95%
927 Frisbie Street LLC[e]	2,801,523	4	1.21%	3,703,662	9	1.44%
Hutchinson Antivibration System	2,620,664	5	1.14%			
Avon Protection	2,262,300	6	0.98%			
Piranha Hose Products Inc.	2,183,192	7	0.95%			
Store Capital Acquisitions LLC	1,967,344	8	0.85%			
Rexair, Inc.	1,853,328	9	0.80%	5,074,061	5	1.97%
FHC ONE LDHA	1,461,578	10	0.63%			
Cadillac Casting [d]				10,760,600	2	4.19%
Paulstra CRC Corporation				6,423,506	3	2.50%
Avon Automotive				4,481,800	7	1.74%
FIAMM Technologies, Inc.				4,110,884	8	1.60%
Borgwarner Inc				3,443,000	10	1.34%
Totals	$ 41,581,795		18.03%	$ 62,096,677		24.16%

Source: *City of Cadillac Treasurer's Office*

[a] Based on total taxable value of $230,679,351

[b] Based on total taxable value of $256,981,971

[c] Formerly Beaver MI Associates LTD Partnership.

[d] Formerly CMI Cast Parts.

[e] Formerly Four Winn's Boats, LLC.

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

	Governmental Activities			*Business-Type Activities*				
Fiscal Year	**General Obligation Bonds**	**Special Assessment Bonds**	**Other Debt [2]**	**Water & Sewer Revenue Bonds**	**Building Authority Revenue Bonds**	**Total Primary Government**	**Percentage of Personal Income [1]**	**Per Capita [1]**
2011	840	100	202	8,775	645	10,562	3.72%	1,020
2012	720	45	158	10,145	530	11,598	3.86%	1,120
2013	595	25	114	9,633	405	10,772	3.57%	1,040
2014	460	-	44	9,224	275	10,003	3.23%	966
2015	390	-	26	8,694	140	9,250	2.84%	893
2016	320	-	8	8,144	-	8,472	2.48%	818
2017	2,125	-	-	7,584	-	9,709	2.75%	938
2018	1,760	-	-	7,014	-	8,774	2.35%	847
2019	1,640	-	-	6,434	-	8,074	2.10%	780
2020	1,517	-	-	5,829	-	7,346	N/A	709

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

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

[2] Other Debt includes City obligations to the State of Michigan for one community development loan.

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

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value[1] of Property	Per Capita[2]
2011	840	3	837	0.326%	80.83
2012	720	2	718	0.283%	69.34
2013	595	2	593	0.240%	57.27
2014	460	2	458	0.187%	44.23
2015	390	2	388	0.160%	37.47
2016	320	2	318	0.131%	30.71
2017	2,125	7	2,118	0.955%	204.54
2018	1,760	-	1,760	0.787%	169.97
2019	1,640	-	1,640	0.735%	158.38
2020	1,517	-	1,517	0.687%	146.50

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, 2020
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Wexford County	$ 15,188	23.30%	$ 3,539
Cadillac Area Public Schools	37,190	33.80%	12,568
Subtotal Overlapping Debt			16,107
City of Cadillac Direct Debt			1,517
Total Direct and Overlapping Debt			$ 17,624

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:

City of Cadillac Taxable Value:	***$230,679,351***
Wexford County Taxable Value:	***$990,089,191***
CAPS Taxable Value:	***$682,583,530***

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

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Debt Limit	$ 25,698	$ 25,330	$ 24,721	$ 24,490	$ 24,297	$ 24,357	$ 22,188	$ 22,352	$ 22,319	$ 23,068
Total net debt applicable to limit	837	718	593	458	529	326	2,118	1,760	1,640	1,517
Legal debt margin	$ 24,861	$ 24,612	$ 24,128	$ 24,032	$ 23,768	$ 24,031	$ 20,070	$ 20,592	$ 20,679	$ 21,551
Total net debt applicable to the limit as a percentage of debt limit	3.26%	2.83%	2.40%	1.87%	2.18%	1.34%	9.55%	7.87%	7.35%	6.58%

Legal Debt Margin Calculation for Fiscal Year 2020

Taxable Value			$ 230,679
Statutory Debt Limit (10%) of total taxable value)			$ 23,068
Debt Applicable to Limit:			
Gross Bonded Debt and Other Long-Term Debt		7,346	
Less:			
Assets Available for Debt Service	-		
Bond Debt not Subject to Limit:			
Special Assessment Bonds	-		
Revenue Bonds	5,829		
Other Debt	-	5,829	
Total Amount of Debt Applicable to Debt Limit			1,517
Legal Debt Margin			$ 21,551

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)

	Water & Sewer Revenue Bonds						*Special Assessment Bonds*			
	Water & Sewer	**Less: Operating**	**Net Available**	***Debt Service***			**Special Assessment**	***Debt Service***		
Fiscal Year	**Revenue**	**Expenses**	**Revenue**	**Principal**	**Interest**	**Coverage**	**Collections**	**Principal**	**Interest**	**Coverage**
2011	3,887	2,570	1,317	625	330	1.38	88	70	8	1.13
2012	4,218	2,546	1,672	655	308	1.74	60	55	7	0.97
2013	4,084	2,807	1,277	781	329	1.15	39	20	2	1.77
2014	4,049	2,898	1,151	392	358	1.53	31	25	1	1.19
2015	4,077	3,140	937	530	208	1.27	All S.A. bond issues paid in full as of 6/30/14)			
2016	4,217	3,037	1,180	550	195	1.58				
2017	4,602	2,971	1,631	560	182	2.20				
2018	4,549	3,251	1,298	570	169	1.76				
2019	4,778	3,439	1,339	580	156	1.82				
2020	3,964	3,148	816	605	138	1.10				

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

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2]	School Enrollment[3]	Local Unemployment Percentage Rate[4]	State Unemployment Percentage Rate[4]	Civilian Labor Force[4]
2011	10,355	283,862	27,413	3,267	12.0	11.1	18,540
2012	10,355	300,647	29,034	3,262	9.8	9.3	18,960
2013	10,355	301,652	29,131	3,378	11.7	9.0	19,399
2014	10,355	310,018	29,939	3,371	7.6	7.2	19,491
2015	10,355	325,903	31,473	3,388	5.1	5.0	21,481
2016	10,355	341,228	32,953	3,616	4.4	4.6	21,206
2017	10,355	352,981	34,088	3,459	5.1	4.3	21,605
2018	10,355	372,708	35,993	3,414	3.9	4.0	21,622
2019	10,355	384,595	37,141	3,533	4.2	4.2	22,513
2020	10,355	N/A	N/A	3,490	6.8	8.6	22,994

Data Sources:

[1] *Bureau of the Census*

[2] *Bureau of Economic Analysis*

[3] *School Districts*

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

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

City of Cadillac, Michigan
Principal Employers
Current Year and Nine Years Ago

Employer	Industry Description	2020 Employees	2011 Employees
Akwel [4]	Other Motor Vehicle Parts Manufacturing	500-999	250-499
Cadillac Area Public Schools	Elementary and Secondary Schools	500-999	250-500
Four Winn's/Glastron/Wellcraft/Rec Boat	Ship and Boat Building	500-999	250-500
Avon Protection Systems Inc	Coating, Engraving & Heat Treating Metal	250-499	250-500
Cadillac Casting Inc	Ferrous Metal Foundries	250-499	250-500
Munson Healthcare Cadillac Hospital[1]	General Medical and Surgical Hospitals	250-499	500-999
Rexair	Vacuum Cleaners-Houshold Dealers	250-499	100-249
AAR Mobility Systems	Rapid deployment mobile equipment mfg	100-249	250-500
Michigan Rubber Products Inc	Other Rubber Product Manufacturing	100-249	100-249
Fiamm Technologies	Other Motor Vehicle Parts Manufacturing	100-249	100-249
Samaritas Senior Care[2]	Residential Care Homes	100-249	100-249
BorgWarner Cadillac	Other Motor Vehicle Parts Manufacturing	100-249	
Hutchinson Antivibration Systems Inc[3]	Other Rubber Product Manufacturing	100-249	
Piranha Hose Products Inc	Rubber and Plastic Hoses and Tubing	100-249	

Note: Data is representative of the City of Cadillac.
[1] Formerly Mercy Hospital Cadillac
[2] Formerly Lakeview Lutheran Manor
[3] Formerly Paulstra CRC
[4] Formerly Avon Automotive

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

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

	Full-Time Equivalent Employees as of June 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
General Government										
City Manager	1.50	2.37	2.20	2.20	2.20	2.20	2.20	2.75	2.75	2.75
Administrative Services	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Services	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.15	2.15	2.15
Clerk/Treasurer	3.88	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.75	3.75
City Hall	1.28	1.32	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
City Engineer	1.79	1.80	1.80	1.80	1.80	1.80	1.80	0.80	0.80	0.80
Public Safety										
Police	16.91	16.91	17.36	16.86	16.95	16.95	16.95	16.45	16.95	16.95
Fire	11.85	11.85	11.50	11.00	11.00	11.00	11.00	11.50	11.50	11.50
Code Enforcement	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00
Building Inspector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning/Zoning	1.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other										
Public Works	13.03	12.70	12.10	12.10	12.10	12.10	12.00	12.10	12.10	12.10
Data Processing	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Auto Parking	0.09	0.09	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00
Water/Sewer	19.87	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Community Development	0.40	2.21	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Cemetery	0.92	0.90	0.90	0.90	0.90	0.90	0.00	0.00	0.00	0.00
Total FTE	77.00	77.00	76.00	75.00	75.00	75.00	74.00	74.00	74.00	74.00

Source: *City of Cadillac Financial Services Department*

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

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
Police										
Traffic Citations	640	688	586	536	538	344	583	650	550	N/A [1]
Fire										
Number of Fire Inspections	50	50	98	86	55	80	51	35	20	N/A [1]
Number of Rental Inspections			332	455	285	586	412	302	256	N/A [1]
Number of Fires Reported	51	38	30	34	39	52	42	51	49	N/A [1]
Number of EMT Runs	1,358	1,341	1,059	1,545	1,788	1,792	1,760	1,983	2,095	N/A [1]
Building Inspection										
Number of Permits Issued	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]	276 [2]	438 [2]	438 [2]	484 [2]	N/A [1]
Water										
Total Customers	3,497	3,551	3,553	3,578	3,554	3,549	3,567	3,589	3,574	3,559
Average Daily Consumption (thousands of gallons)	2,102	1,896	2,040	1,942	2,265	2,183	2,021	2,018	1,576	1,692
Wastewater										
Total Customers	3,542	3,582	3,581	3,604	3,575	3,569	3,608	3,623	3,610	3,598
Average Daily Treatment (thousands of gallons)	2,118	1,561	2,625	2,323	1,904	1,766	1,989	1,939	1,284	1,778

[1] Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2020.

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

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

Source: *Various government departments*

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	11	11	11	11	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)	68	68	68	68	63	63	63	63	63	63
Street Lights	578	578	591	591	591	592	592	593	593	593
Water										
Fire Hydrants	482	483	483	483	483	483	484	503	503	503
Miles of Water Mains	74	75	75	75	75	75	76	76	76	76
Water Mains Replaced (Feet)	1,500	2,110	1,000	100	2,400	1,000	1,800	4,220	100	390
Wastewater										
Miles of Sewer Mains	62	62	62	62	62	62	63	63	63	63
Feet of Sanitary Sewers										
Inspected with TV Cameras	600	1,084	1,000	1,491	322	106,716	62,000	10,000	1,100	1,100
Cleaned with Vacon		9,382	8,942	28,673	22,991	111,101	60,000	41,567	35,773	36,988

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

Note: Capital asset statistics are not available for the general government function.

Source: *Various City government departments*

City of Cadillac, Michigan
Municipal Employees Retirement System - Comparative Schedule
Last Ten Fiscal Years

Fiscal Years	Actuarial Accrued Liability	Assets Allocated to Funding	Percent Funded	Unfunded Actuarial Accrued Liability	Employer Contributions % of Payroll (1)	Valuation Payroll	Active Members	Retirants and Beneficiaries	Active Members Average Annual Pay	Active Members Average Age	Active Members Average Service
2011	12,411,116	11,622,971	93.6	788,145	0.00% - 26.58%	2,601,489	60	63	41,837	46.2	12.7
2012	12,815,528	11,554,072	90.2	1,261,456	0.00% - 22.55%	2,459,166	59	60	41,958	47.1	12.1
2013	13,097,078	11,667,590	89.1	1,429,488	0.00% - 23.25%	2,568,174	61	67	42,376	48.3	12.3
2014	13,683,183	11,828,362	86.4	1,854,821	0.00% - 23.74%	2,649,762	61	68	43,747	49.3	12.2
2015	14,869,776	12,095,154	81.3	2,774,622	0.00% - 20.59%	2,713,353	62	70	43,764	49.7	12.8
2016	15,013,109	12,257,453	81.6	2,755,656	0.00% - 21.50%	2,746,059	61	67	45,017	51.0	13.9
2017	15,475,178	12,519,865	80.9	2,955,313	0.00% - 30.15%	2,529,521	57	70	44,378	50.8	13.3
2018	15,997,369	12,403,252	77.5	3,594,117	0.00% - 34.12%	2,715,874	58	73	46,825	50.4	12.9
2019	16,906,895	12,502,677	74.0	4,404,218	0.00% - 41.47%	2,746,887	57	73	48,191	50.5	13.5
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

Employee Group:	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Non-Union	8.43%	9.17%	9.83%	11.00%	12.54%	14.08%	15.67%	17.35%	19.24%	
Steelworkers	11.06%	12.73%	13.64%	14.43%	16.17%	15.03%	15.34%	15.81%	16.74%	
Housing Commission	11.22%	10.40%	10.19%	10.23%	10.55%	10.11%	10.19%	12.04%	15.54%	
Library	11.73%	13.56%	9.51%	10.69%	10.02%	0.00%	0.00%	0.00%	0.00%	
City Manager	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.88%	
Department Heads	26.58%	22.55%	23.25%	23.74%	20.59%	21.50%	30.15%	34.12%	38.75%	

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

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

Fiscal Years	Actuarial Accrued Liability	Assets Allocated to Funding	Percent Funded	Unfunded Actuarial Accrued Liability	Employer Contributions % of Payroll	Valuation Payroll	Active Members	Retirants and Beneficiaries	Active Members Average Annual Pay	Active Members Average Age	Active Members Average Service
2011	10,852,937	7,989,372	73.6	2,863,565	Note (3)	1,544,766	26	33	59,414	39.3	12.4
2012	11,246,821	8,200,264	72.9	3,046,557	Note (3)	1,600,665	26	31	61,564	40.5	13.3
2013	11,624,354	8,565,010	73.7	3,059,344	Note (3)	1,513,913	25	34	60,557	39.2	11.8
2014	12,220,792	9,304,981	76.1	2,915,811	Note (3)	1,568,160	25	35	62,726	39.3	11.7
2015	12,681,727	9,937,183	78.4	2,744,544	Note (3)	1,595,473	26	36	61,364	38.6	10.7
2016	12,882,578	10,310,333	80.0	2,572,245	Note (3)	1,607,792	26	35	61,838	38.8	10.9
2017	13,300,486	10,888,703	81.9	2,411,783	Note (3)	1,528,849	25	36	61,154	38.4	10.9
2018	13,806,343	11,414,620	82.7	2,391,723	Note (3)	1,498,704	24	37	62,446	37.0	9.0
2019	14,035,425	11,705,358	83.4	2,330,067	Note (3)	1,522,152	25	40	60,886	33.8	6.5
2020	13,690,326	11,895,703	86.9	1,794,623	Note (3)	1,644,794	26	40	63,262	35.1	6.8

Notes:

1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
2) Prior to 2009, data from Gabriel, Roeder, Smith and Co., Actuaries. From 2009 forward, data from Rodwan Consulting Co., Actuarial Consultants.
3) Employer Contributions as a Percent of Payroll are broken down as follows*:

Member Type:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police	37.10%	38.18%	38.00%	38.15%	37.24%	33.68%	31.94%	32.93%	34.76%	32.54%
Fire	33.41%	28.03%	29.98%	34.59%	32.76%	34.69%	34.76%	33.56%	30.14%	36.55%

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

City of Cadillac, Michigan
Labor Agreements

Command Officers Association of Michigan (COAM)

Contract Dates:	July 1, 2017 to June 30, 2020
Membership:	Police Captain (1)
	Sergeants (4)

Police Officers Association of Michigan (POAM)

Contract Dates:	July 1, 2017 to June 30, 2020
Membership:	Patrol Officers (9)
	School Resource Officer (1)

International Association of Firefighters Local 704

Contract Dates:	July 1, 2018 to June 30, 2021
Membership:	Fire Captains (2)
	Fire Lieutnenants (2)
	Firefighters (6)

United Steelworkers of America Local 14317

Contract Dates:	July 1, 2019 to June 30, 2022
Membership:	Water Division (6)
	Sewer Division (6)
	Laboratory Division (1)
	Street Division (10)

Source: *City of Cadillac Human Resources Department*

City of Cadillac, Michigan
Tax Information
As of June 30, 2020

TAXES DUE AND PAYABLE: City, School, and County taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

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

LEIN ON PROPERTY: Unpaid real property taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

Date of Sale May,	Delinquent Tax Properties to be Sold Year,
2011	2009
2012	2010
2013	2011
2014	2012
2015	2013
2016	2014
2017	2015
2018	2016
2019	2017
2020	2018

City of Cadillac, Michigan

Number of Water Supply and Wastewater Treatment Customers
Last Ten Fiscal Years

	WATER SUPPLY CUSTOMERS		WASTEWATER TREATMENT CUSTOMERS	
FISCAL YEAR	NUMBER	PERCENTAGE OF CHANGE	NUMBER	PERCENTAGE OF CHANGE
2011	3,497	0.66	3,542	0.43
2012	3,551	1.54	3,582	1.13
2013	3,553	0.06	3,581	(0.03)
2014	3,578	0.70	3,604	0.64
2015	3,554	(0.67)	3,576	(0.78)
2016	3,549	(0.14)	3,569	(0.20)
2017	3,567	0.51	3,608	1.09
2018	3,589	0.62	3,623	0.42
2019	3,574	(0.42)	3,610	(0.36)
2020	3,559	(0.42)	3,598	(0.33)

Average Number of Water Supply and Wastewater Treatment Customers
By Meter Classification
Fiscal Year Ended June 30, 2020

	AVERAGE CUSTOMERS	
METER CLASSIFICATION	WATER SUPPLY	WASTEWATER TREATMENT
Unmetered	2	140
5/8"	3242	3181
3/4"	8	9
1"	126	106
1 1/2"	80	72
2"	75	68
3"	10	10
4"	12	10
6"	4	3
8"	1	
TOTAL	3,561	3,599

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 Change for Fire Protection
Through Fiscal Year June 30, 2020

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	$ 2.59
1"	$ 4.43
1 1/2"	$ 8.80
2"	$ 14.20
3"	$ 30.84
4"	$ 53.04
6"	$ 110.69
8"	$ 159.50
10"	$ 256.89
12"	$ 380.78

Monthly Water Supply Ready-To-Serve Charge by Meter Classification
Fiscal Years Ended June 30, 2011 through 2020

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2011	5.79	8.52	14.20	28.45	45.37	99.37	170.36	354.96	511.12
2012	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2013	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2014	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2015	6.05	8.90	14.84	29.73	47.42	103.85	178.02	370.94	534.12
2016	6.23	9.17	15.29	30.62	48.84	106.97	183.36	382.06	550.15
2017	6.39	9.40	15.66	31.38	50.06	109.64	187.95	391.62	563.90
2018	6.39	9.40	15.66	31.38	50.06	109.64	187.95	391.62	563.90
2019	6.58	9.68	16.13	32.33	51.56	112.92	193.59	403.36	580.82
2020	7.24	1.65	17.74	35.56	56.72	124.21	212.95	443.70	638.90

City of Cadillac, Michigan

Monthly Ready-To-Serve Charge for Wastewater Treatment
Fiscal Years Ended June 30, 2011 through 2020

YEAR ENDING JUNE 30,	METER CLASSIFICATION 5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
2011	9.34	14.03	23.37	46.74	74.80	163.75	280.54	584.56	841.73
2012	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2013	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2014	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2015	9.76	14.66	24.42	48.84	78.17	171.12	293.17	610.87	879.61
2016	10.05	15.10	25.15	50.31	80.52	176.25	301.97	629.20	906.00
2017	10.30	15.48	25.78	51.56	82.53	180.66	309.51	644.92	928.62
2018	10.30	15.48	25.78	51.56	82.53	180.66	309.51	644.92	928.62
2019	10.61	15.95	26.56	53.11	85.00	186.08	318.79	664.27	956.51
2020	10.77	16.19	26.96	53.91	86.28	188.87	323.57	674.23	970.86

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, 2019 through December 31, 2019

		CUBIC FEET		GALLONS		DOLLARS
		WATER	SEWER	WATER	SEWER	WATER AND SEWER
1)	Avon Rubber & Plastics	12,729,700	9,012,100	95,218,156	67,410,508	$ 425,997
2)	Cadillac Castings	11,709,700	5,379,800	87,588,556	40,240,904	$ 345,300
3)	AAR Cadillac Manufacturing	10,463,100	5,351,900	78,263,988	40,032,212	$ 243,653
4)	Piranha Hose	3,100,800	3,100,800	23,193,984	23,193,984	$ 80,481
5)	Cadillac Renewable Energy	200	2,102,900	1,496	15,729,692	$ 65,109
6)	Munson Healthcare	1,052,000	1,052,000	7,868,960	7,868,960	$ 57,083
7)	Country Acres	1,622,900	1,622,900	12,139,292	12,139,292	$ 53,355
8)	Borg-Warner	901,600	901,600	6,743,968	6,743,968	$ 35,140
9)	Pheasant Ridge	745,500	745,500	5,576,340	5,576,340	$ 34,996
10)	Hutchinson Antivibration	482,000	482,000	3,605,360	3,605,360	$ 23,463
11)	Four Winns	392,000	392,000	2,932,160	2,932,160	$ 22,500
12)	Michigan Rubber Products	328,200	328,200	2,454,936	2,454,936	$ 15,334
13)	Leisure Park	339,000	339,000	2,535,720	2,535,720	$ 13,262
14)	Lakeside Auto Wash	308,900	308,900	2,310,572	2,310,572	$ 12,855
15)	Superclean Car Wash	275,500	275,500	2,060,740	2,060,740	$ 11,622
TOTAL						$ 1,440,148

City of Cadillac, Michigan

Water Supply and Wastewater Treatment Volume as Pumped
Last Ten Fiscal Years

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED CUBIC FEET	GALLONS	CHANGE IN PERCENT	WASTEWATER TREATMENT VOLUME AS PUMPED CUBIC FEET	GALLONS	CHANGE IN PERCENT	WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
2011	102,593,850	767,402,000	2.76	103,347,594	773,040,000	17.83	100.73
2012	92,542,200	692,215,656	(9.80)	76,188,700	569,891,476	(26.28)	82.34
2013	99,548,074	744,619,590	7.57	128,070,856	957,970,000	68.10	128.65
2014	94,771,123	708,888,000	(4.80)	113,340,909	847,790,000	(11.50)	119.59
2015	110,512,032	826,630,000	16.61	92,928,609	695,106,000	(18.01)	84.09
2016	112,178,342	839,094,000	1.51	94,115,374	703,983,000	1.28	83.90
2017	98,630,882	737,759,000	(12.08)	97,055,749	725,977,000	3.12	98.40
2018	98,481,818	736,644,000	(0.15)	94,632,353	707,850,000	(2.50)	96.09
2019	75,324,300	563,425,764	(0.24)	61,973,282	463,560,149	(0.35)	82.28
2020	86,767,245	649,019,000	15.19	82,545,454	617,440,000	33.20	95.13

Water Supply and Wastewater Treatment Volume by Meter Classification
Fiscal Year Ended June 30, 2020

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED CUBIC FEET	PERCENT OF TOTAL	WASTEWATER TREATMENT VOLUME AS BILLED CUBIC FEET	PERCENT OF TOTAL
Unmetered	N/A	0.00	N/A	0.00
5/8"	21,566,000	27.97%	17,676,116	28.37%
3/4"	74,800	0.10%	61,200	0.10%
1"	3,042,100	3.94%	2,243,900	3.60%
1 1/2"	3,226,200	4.18%	2,503,300	4.02%
2"	12,529,600	16.25%	15,907,500	25.53%
3"	2,847,300	3.69%	2,627,200	4.22%
4"	13,429,500	17.41%	15,204,600	24.40%
6"	19,664,600	25.50%	6,084,800	9.77%
8"	737,000	0.96%		
TOTAL	77,117,100	100%	62,308,616	100%

City of Cadillac, Michigan
Water Supply and Wastewater Treatment Revenue
As Billed by Meter Classification
Fiscal Year Ended June 30, 2020

	WATER SUPPLY		WASTEWATER TREATMENT	
METER CLASSIFICATION	REVENUE	PERCENT OF TOTAL	REVENUE	PERCENT OF TOTAL
Unmetered	$68	0.01%	$50,246	2.23%
5/8"	$568,333	45.37%	$855,380	37.93%
3/4"	$2,041	0.16%	$3,132	0.14%
1"	$65,895	5.26%	$90,066	3.99%
1 1/2"	$75,164	6.00%	$108,640	4.82%
2"	$194,252	15.51%	$467,467	20.73%
3"	$47,628	3.80%	$88,238	3.91%
4"	$164,621	13.14%	$415,907	18.44%
6"	$118,598	9.47%	$176,039	7.81%
8"	$16,069	1.28%		
TOTAL	$ 1,252,670	100%	$ 2,255,115	100%

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