



City of
CADILLACMICHIGAN

People, Place, Partnerships: The Cadillac Standard

**CITY OF CADILLAC
WEXFORD COUNTY, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

CITY OF CADILLAC, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

Prepared by: Financial Services Department

Director of Finance

Owen Roberts

Accounting Manager

Carol Pacella

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INTRODUCTORY SECTION



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

December 22, 2021

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, 2021 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, 2021. 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 continues to be expanding. Cadillac has seen the opening of a first of its kind mixed-use commercial/residential development downtown, in addition to experiencing a real-estate market that shows no signs of slowing.

Cadillac's local economy is diverse and composed of a healthy mixture of manufacturing, tourism, recreation, retail, and professional services, including major health care providers and ancillary services. The global COVID-19 pandemic ("the pandemic") has resulted in challenges, but fortunately the majority of businesses that call Cadillac home remain today.

Cadillac's manufacturing sector provides significant employment opportunities and is a critical component of the overall local economic condition. Government funding to help the country address the pandemic funded several federal and state economic protection-type programs to assist employers. It appears that within our community those programs and local employers themselves have found a way to remain in business and even grow, which directly benefits 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 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. Cadillac 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. 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.

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.

Prospective marihuana industry companies and entrepreneurs are 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 the City is working through the process of creating an environment more geared to cultivation centers, by examining several modifications to its Zoning Code and Ordinances.

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 \$4,682,765. 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, 2021, this amount was \$283,899. 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 projects identified in the CIP are typically street, water, and sewer infrastructure projects. The CIP identified nearly \$7.3 million in street infrastructure maintenance projects and over \$3.2 million in water and sewer infrastructure projects. In addition, the plan identified \$2.6 million in major equipment purchases, and \$280,000 in technology upgrades.

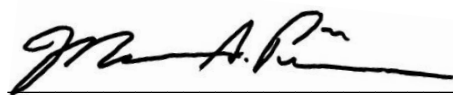
AWARDS AND ACKNOWLEDGEMENTS

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, 2020. This was the thirty-sixth 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 must satisfy 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 GFOA to determine its eligibility for another certificate.

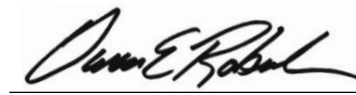
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award has been received for thirty-eight 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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

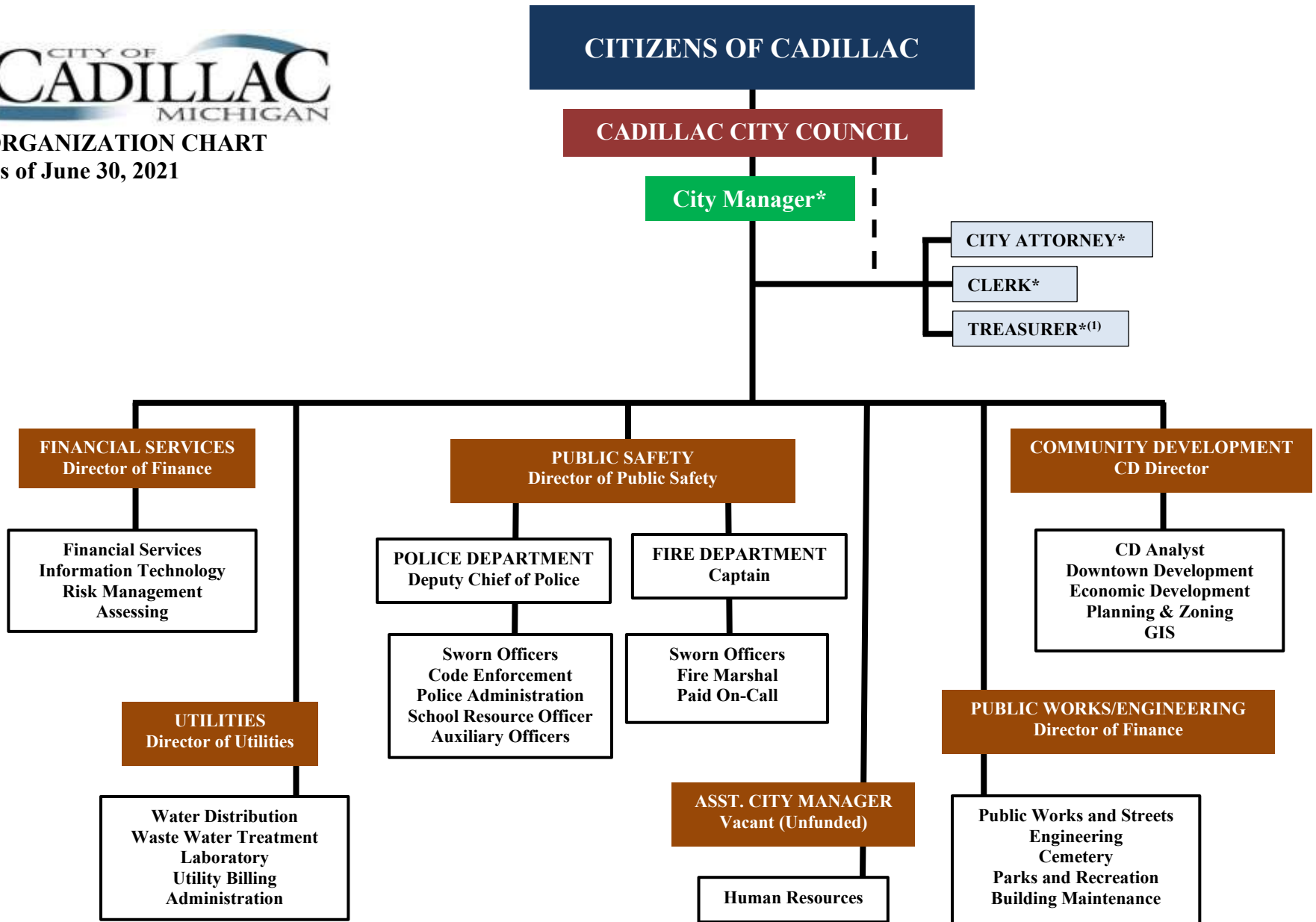
Stephen King, Councilmember
Ward 4

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



ORGANIZATION CHART
As of June 30, 2021



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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2021, 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, 2021, 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.

Change in Accounting Principle

As stated in Note 19 to the basic financial statements, the City adopted **GASB Statement No. 84 *Fiduciary Activities*** in the fiscal year June 30, 2021, which represents a change in its policy for reporting fiduciary activities. Beginning net position of the fiduciary fund was not restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension 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 22, 2021, 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.

A handwritten signature in dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC
Grand Rapids, Michigan
December 22, 2021

Management's Discussion and Analysis

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

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, 2021, 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

- o The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of this fiscal year by \$33,713,765 (shown as *Net Position*), representing an increase of \$2,374,328 after a decrease of \$473,652 in the previous fiscal year. Governmental Activities increased \$2,003,506, while the Net Position of the Business-Type activities increased by \$370,822.
- o As of June 30, 2021, the governmental funds of the City of Cadillac reported combined ending fund balances of \$11,262,991. This is an increase of \$3,042,832. Fund balance in the General Fund increased by \$972,937 and increased by \$2,069,895 in all other Governmental Funds. This increase is due to additional revenue and spending below appropriations in the General Fund, and the receipt of bond proceeds in the Major and Local Street Funds. These bond proceeds will be spent down over the next several years.
- o 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.
- o In the General Fund, total Assigned and Unassigned Fund Balance increased to \$4,682,765 as of June 30, 2021. Of this amount, \$3,288,693 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 20 of this report.
- o The City of Cadillac's total outstanding debt **increased** by \$4,637,742 during the fiscal year. This increase is the result of \$5,619,442 of new debt being issued, and all debt service payments of \$981,700 on the city's outstanding bond issues being made in a timely manner.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

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 25-26 of this report.

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

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

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, the Major Streets Fund, and the Local Streets 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 27-30 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 31-33 of this report.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

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 a custodial fund used to report resources held by the City for other governments.

The fiduciary fund financial statements can be found on pages 34-35 of this report.

Component Units The City's Annual Comprehensive 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 39 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 83 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 \$33,713,765 at June 30, 2021. A comparison with the previous fiscal year is presented in order to show the change in Net Position over the previous fiscal year.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

City of Cadillac Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$11,332	\$8,339	\$5,009	\$3,286	\$16,341	\$11,625
Capital Assets	14,538	13,020	23,748	22,667	38,286	35,687
Total Assets	\$25,870	\$21,359	\$28,757	\$25,953	\$54,627	\$47,312
Deferred Outflows of Resources	\$1,042	\$1,432	\$289	\$128	\$1,331	\$1,560
Current and Other Liabilities	\$1,463	\$1,013	\$2,363	\$848	\$3,826	\$1,861
Long-Term Liabilities	7,467	7,639	7,917	6,979	15,384	14,618
Total Liabilities	\$8,930	\$8,652	\$10,280	\$7,827	\$19,210	\$16,479
Deferred Inflows of Resources	\$2,806	\$967	\$227	\$87	\$3,033	\$1,054
Net Position						
Net Investment in Capital Assets	\$11,476	\$11,586	\$16,919	\$16,838	\$28,395	\$28,424
Restricted	4,486	2,456	670	664	5,156	3,120
Unrestricted	(786)	(870)	950	665	164	(205)
Total Net Position	\$15,176	\$13,172	\$18,539	\$18,167	\$33,715	\$31,339

The most significant portion of the City's Net Position (84%) 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 \$2,520,331 in FY2021, down from \$6,088,703 in FY2020 in the governmental funds, and additional liabilities of \$1,587,004 in FY2021, down from \$1,640,728 in FY2020 in the business-type activities. An additional portion of net position represents resources that are subject to external restrictions on how they may be used.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

The total net position of the City increased by \$2,374,328 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	
	2021	2020	2021	2020	2021	2020
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$1,535	\$1,417	\$4,540	\$4,124	\$6,075	\$5,541
Operating Grants and Contributions	2,373	1,846	0	0	2,373	1,846
Capital Grants	232	853	0	0	232	853
General Revenues						
Property Taxes and Assessments	4,035	3,910	0	0	4,035	3,910
Unrestricted State Shared Revenue	2,011	1,984	0	0	2,011	1,984
Unrestricted Investment Earnings	75	139	16	60	91	199
Total Revenues	\$10,261	\$10,149	\$4,556	\$4,184	\$14,817	\$14,333
<u>Expenses</u>						
General Government, Administrative	\$2,106	\$1,957	\$0	\$0	\$2,106	\$1,957
Public Safety	2,359	3,721	0	0	2,359	3,721
Public Works	2,559	3,067	0	0	2,559	3,067
Recreation and Culture	440	499	0	0	440	499
Economic Development/Assistance	589	1,153	0	0	589	1,153
Interest on Long-Term Debt	122	48	0	0	122	48
Bond Issuance Costs	47	0	0	0	47	0
Water and Sewer	0	0	4,053	4,185	4,053	4,185
Automobile Parking System	0	0	72	86	72	86
Building Authority Operating	0	0	94	90	94	90
Total Expenses	\$8,222	\$10,445	\$4,219	\$4,361	\$12,441	\$14,806
Transfers, Net	(35)	0	35	0	0	0
Changes in Net Position	2,004	(296)	372	(177)	2,376	(473)
Beginning Net Position	13,172	13,468	18,167	18,344	31,339	31,812
Ending Net Position	\$15,176	\$13,172	\$18,539	\$18,167	\$33,715	\$31,339

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

Governmental Activities

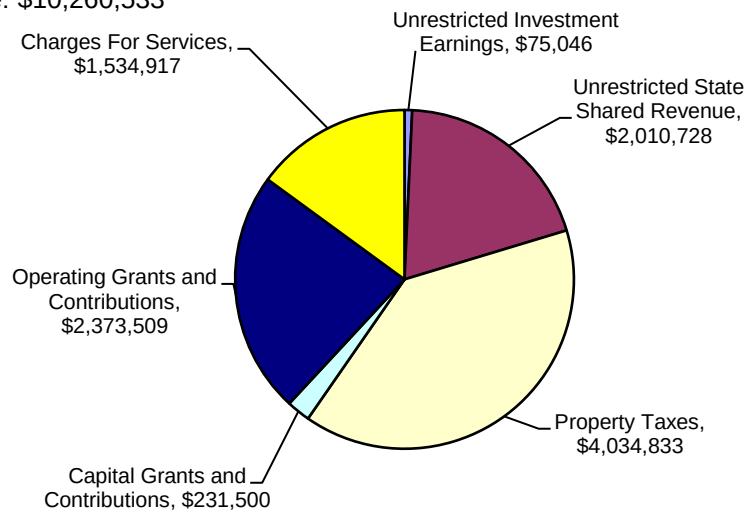
The net position of the City's governmental activities increased by \$2,003,506 during the year. Much of this increase can be attributed to a surplus in the General Fund and the Water and Sewer Fund, as well as adjustments made related to pension and reductions in other post-employment benefit liabilities.

The following chart summarizes the revenue sources for the City's governmental activities for the year ended June 30, 2021:

Revenues - Governmental Activities

Fiscal Year Ended June 30, 2021

Total Revenue: \$10,260,533

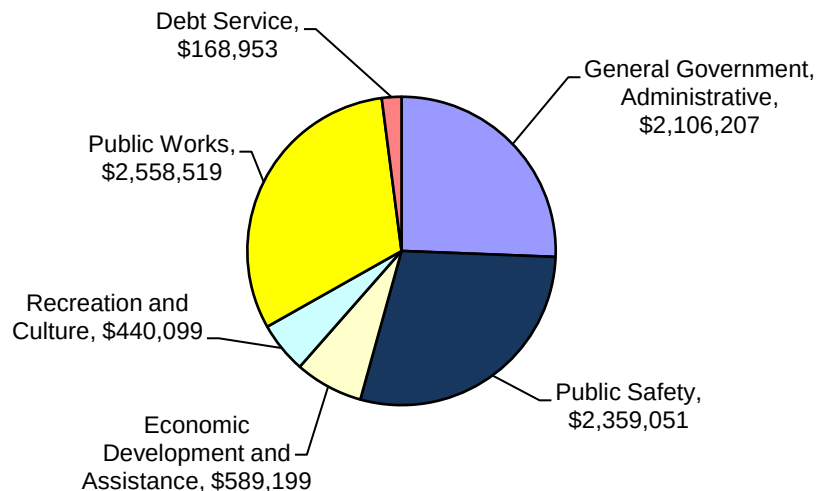


Total expenses for governmental activities for the year ended June 30, 2021 are summarized below:

Expenses - Governmental Activities

Fiscal Year Ended June 30, 2021

Total Expenses: \$8,222,028



City of Cadillac
Management's Discussion and Analysis
June 30, 2021

Business-Type Activities

Net position within the City's business-type activities increased by \$370,822 during the year. Net Position in the City's Water and Sewer Fund increased by \$278,772 for the year. Total revenues were slightly under budget, but spending was well below budget due to a reduction in Other Post-Employment Benefits liabilities, a vacancy throughout the year, and other general spending that was below appropriations. 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 \$71,035.

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2021, governmental funds reported combined ending fund balances of \$10,286,108. This ending fund balance is \$3,042,832 higher than the end of the previous fiscal year. Of the total ending fund balance, \$377,739, or 4%, is nonspendable. An additional amount of \$3,887,452, or 38%, 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 \$2,732,224, or 27% of the total. Finally, \$3,288,693, or 31%, 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, 2021 can be found on page 77 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, 2021 was \$4,726,449. This represents a 25.9% **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 \$283,899 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 \$972,937 in the current fiscal year. As discussed in the General Fund Budgetary Highlights below, revenues exceeded the final amended budget by \$169,864 and expenditures were below appropriations by \$575,473 which contributed to the positive year-end results. The final amended budget planned for a surplus of \$227,600 in the General Fund.

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 increased net position by \$278,772 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 \$92,050 for the year.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

General Fund Budgetary Highlights

Budget Amendments

During the year, four amendments of the General Fund budget were approved by City Council. These amendments increased total General Fund revenue by \$717,000 and appropriations by \$490,800. The major appropriation increases were related to the following:

- Appropriate \$203,000 for final payments on a fire truck that was ordered and partially paid for in a prior year, but final payments were made during the current year.
- Recognize \$301,000 in revenue from various federal and State Coronavirus relief programs and related expenditures for Public Safety hazard pay expenditures in the total amount of \$37,000.
- Recognize additional revenue from State of Michigan for personal property tax loss reimbursement and telecommunications right of way, additional Fire Protection revenue and revenues from Sale of Property, and additional Interest Income. Total revenue increase of \$409,000.
- Appropriate \$20,000 to transfer out to Naval Reserve Center Fund to cover costs of new boiler.
- Appropriate \$51,000 to the Police Department for the cost of a second patrol vehicle ordered during the year.
- Several other small appropriation increases were included in the budget amendments.

Budget Variances

Overall, actual revenues were \$169,902 above budget, while expenditures were over \$575,000 below the legal appropriations. Several factors contributed to these positive variances:

- Ad valorem Property Tax revenues exceeded budget by \$40,717.
- Constitutional Revenue Sharing revenue exceeded budget by \$80,988.
- Travel and Education expenditures across the General Fund were \$32,481 below budget due to minimal travel for conferences, etc. during the pandemic.
- Total Legal Fees for the year were \$14,475 favorable to budget.
- Buildings and Grounds expenditures were \$57,544 favorable to budget due to the deferral of capital purchases.
- Police Department expenditures were favorable to budget by \$218,125. This was primarily due to vacancies in the department, and delay in delivery of two patrol vehicles that were ordered during the year.
- Fire Department expenditures were below budget by \$131,598. Fringe benefit costs were \$24,935 favorable to budget, vehicle repair costs were \$20,727 favorable to budget, and capital outlay was \$24,893 below budget.
- General savings and smaller cost-reduction actions accounted for the remainder of the positive variances within the General Fund.

City of Cadillac
Management's Discussion and Analysis
June 30, 2021

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, 2021, amounted to \$38,285,118 (net of accumulated depreciation). This represents an increase of \$2,598,149 during the year, primarily from infrastructure projects during the year and applying normal government-wide depreciation costs of \$1,661,063 (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	
	2021	2020	2021	2020	2021	2020
Infrastructure	\$23,878	\$22,656	\$0	\$0	\$23,878	\$22,656
Land and Land Improvements	3,450	3,426	1,567	1,567	5,017	4,993
Buildings	6,581	6,563	2,437	2,437	9,018	9,000
Machinery, Vehicles, and Equipment	6,461	5,860	1,669	1,557	8,130	7,417
Investment in Water and Sewer Systems	0	0	40,844	40,786	40,844	40,786
Subtotal	\$40,370	\$38,505	\$46,517	\$46,347	\$86,887	\$84,852
Construction in Progress	771	418	3,181	1,308	3,952	1,726
	(26,603)	(25,903)	(25,950)	(24,988)	(52,553)	(50,891)
Accumulated Depreciation	)	)	)	)	)	)
Net Capital Assets	\$14,538	\$13,020	\$23,748	\$22,667	\$38,286	\$35,687

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 56-58.

Long-Term Debt. As of June 30, 2021, the City had total long-term debt outstanding of approximately \$11,983,403. This is an increase of \$4,637,742 compared to the prior fiscal year. \$5,619,442 of new debt was issued, and total debt was reduced by normal debt service requirements of \$981,700 that were met throughout the year.

Of the City's total outstanding debt, \$5,154,900 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
Management's Discussion and Analysis
June 30, 2021

City of Cadillac Outstanding Debt
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$5,155	\$1,517	\$0	\$0	\$5,155	\$1,517
Contracts, Notes, and Other	331	347	205	187	536	534
Revenue Bonds	0	0	6,829	5,829	6,829	5,829
Total Outstanding Debt	\$5,486	\$1,864	\$7,034	\$6,016	\$12,520	\$7,880

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 \$238,808,545 is \$23,880,855 which significantly exceeds the City's outstanding general obligation debt of \$5,154,900. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on pages 59-60.

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, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
<i>Current Assets</i>				
Cash and Pooled Investments	\$ 10,271,709	\$ 3,386,188	\$ 13,657,897	\$ 1,966,210
Receivables	490,820	628,533	1,119,353	31,352
Prepays	91,227	860	92,087	--
Inventory	123,417	323,885	447,302	--
Due from Fiduciary Funds	354,879	--	354,879	--
Total Current Assets	11,332,052	4,339,466	15,671,518	1,997,562
<i>Noncurrent Assets</i>				
Restricted Cash	--	669,561	669,561	--
Capital Assets not being Depreciated	3,020,229	3,520,814	6,541,043	529,080
Capital Assets being Depreciated	11,517,378	20,226,697	31,744,075	1,420,282
Total Assets	25,869,659	28,756,538	54,626,197	3,946,924
DEFERRED OUTFLOWS OF RESOURCES				
OPEB Related	177,087	12,008	189,095	--
Pension Related	865,297	276,737	1,142,034	--
Total Deferred Outflows of Resources	1,042,384	288,745	1,331,129	--
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	545,429	1,515,111	2,060,540	18,036
Accrued Liabilities	160,046	49,170	209,216	1,585
Customer Deposits	--	8,780	8,780	--
Accrued Interest	18,362	86,632	104,994	2,373
Unearned revenue	70,000	--	70,000	--
Current Portion of Compensated Absences	178,812	63,634	242,446	1,150
Current Portion of Long-term Debt	360,000	640,000	1,000,000	65,000
Due to Fiduciary Funds	130,446	--	130,446	--
Total Current Liabilities	1,463,095	2,363,327	3,826,422	88,144
<i>Noncurrent Liabilities</i>				
Compensated Absences	152,321	141,636	293,957	980
Long-term Debt	4,794,900	6,188,503	10,983,403	690,100
Net OPEB Liability	20,587	1,396	21,983	--
Net Pension Liability	2,499,744	1,585,608	4,085,352	--
Total Liabilities	8,930,647	10,280,470	19,211,117	779,224
DEFERRED INFLOWS OF RESOURCES				
OPEB Related	463,408	31,422	494,830	--
Pension Related	2,342,297	195,317	2,537,614	--
Total Deferred Inflows of Resources	2,805,705	226,739	3,032,444	--
NET POSITION				
Net Investment in Capital Assets	11,476,377	16,919,008	28,395,385	1,194,262
Restricted (Note 15)	4,485,454	669,561	5,155,015	1,973,438
Unrestricted	(786,140)	949,505	163,365	--
Total Net Position	\$ 15,175,691	\$ 18,538,074	\$ 33,713,765	\$ 3,167,700

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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 2,106,207	\$ 591,880	\$ 47,212	\$ --	\$ (1,467,115)	\$ --	\$ (1,467,115)	\$ --
Public Safety	2,359,051	174,722	614,670	--	(1,569,659)	--	(1,569,659)	--
Public Works	2,558,519	764,870	1,685,677	--	(107,972)	--	(107,972)	--
Recreation and Culture	440,099	--	2,500	2,800	(434,799)	--	(434,799)	--
Economic Development	589,199	3,445	23,450	228,700	(333,604)	--	(333,604)	--
Interest Expense	122,140	--	--	--	(122,140)	--	(122,140)	--
Bond Issuance Costs	46,813	--	--	--	(46,813)	--	(46,813)	--
Total Governmental Activities	8,222,028	1,534,917	2,373,509	231,500	(4,082,102)	--	(4,082,102)	--
Business-type Activities:								
Auto Parking	71,878	57,007	--	--	--	(14,871)	(14,871)	--
Building Authority	94,671	164,141	--	--	--	69,470	69,470	--
Water and Sewer	4,052,930	4,318,351	--	--	--	265,421	265,421	--
Total Business-type Activities	4,219,479	4,539,499	--	--	--	320,020	320,020	--
Total Primary Government	\$ 12,441,507	\$ 6,074,416	\$ 2,373,509	\$ 231,500	(4,082,102)	320,020	(3,762,082)	--
Component Units								
Brownfield Redevelopment Authority	\$ 68,589	\$ --	\$ --	\$ --	--	--	--	(68,589)
Downtown Development Authority	132,119	--	31,397	--	--	--	--	(100,722)
Local Development Finance Authority	281,389	12,915	--	--	--	--	--	(268,474)
Economic Development Corporation	--	--	--	--	--	--	--	--
Total Component Units	\$ 482,097	\$ 12,915	\$ 31,397	\$ --	--	--	--	(437,785)
General Purpose Revenues and Transfers:								
Revenues								
Interest Income					75,047	15,802	90,849	22,455
Property Taxes					4,034,833	--	4,034,833	280,443
Unrestricted State Revenue					2,010,728	--	2,010,728	31,893
Transfers					(35,000)	35,000	--	--
Total General Revenues and Transfers					6,085,608	50,802	6,136,410	334,791
Change in Net Position					2,003,506	370,822	2,374,328	(102,994)
Net Position at Beginning of Period					13,172,185	18,167,252	31,339,437	3,270,694
Net Position at End of Period					\$ 15,175,691	\$ 18,538,074	\$ 33,713,765	\$ 3,167,700

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

**City of Cadillac
Balance Sheet
Governmental Funds
June 30, 2021**

	<u>Special Revenue</u>			Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>		
ASSETS					
Cash and Pooled Investments	\$ 4,701,174	\$ 636,895	\$ 2,221,474	\$ 2,395,391	\$ 9,954,934
Receivables	72,925	171,472	61,228	181,963	487,588
Prepays	1,530	--	--	--	1,530
Due from Fiduciary Funds	354,879	--	--	--	354,879
Due from Other Funds	59,060	--	--	--	59,060
Advance to Other Funds	--	--	--	405,000	405,000
<i>Total Assets</i>	<u>\$ 5,189,568</u>	<u>\$ 808,367</u>	<u>\$ 2,282,702</u>	<u>\$ 2,982,354</u>	<u>\$ 11,262,991</u>
LIABILITIES					
Accounts Payable	\$ 133,107	\$ 23,068	\$ 223,753	\$ 120,712	\$ 500,640
Accrued Liabilities	129,566	7,970	5,311	9,156	152,003
Unearned revenue	70,000	--	--	--	70,000
Due to Fiduciary Funds	130,446	--	--	--	130,446
Due to Other Funds	--	--	--	59,060	59,060
<i>Total Liabilities</i>	<u>463,119</u>	<u>31,038</u>	<u>229,064</u>	<u>188,928</u>	<u>912,149</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	--	--	--	64,734	64,734
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>463,119</u>	<u>31,038</u>	<u>229,064</u>	<u>253,662</u>	<u>976,883</u>
FUND BALANCE					
Nonspendable	1,530	--	--	376,209	377,739
Restricted	42,154	777,329	2,053,638	1,014,331	3,887,452
Assigned	1,394,072	--	--	1,338,152	2,732,224
Unassigned	3,288,693	--	--	--	3,288,693
<i>Total Fund Balance</i>	<u>4,726,449</u>	<u>777,329</u>	<u>2,053,638</u>	<u>2,728,692</u>	<u>10,286,108</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 5,189,568</u>	<u>\$ 808,367</u>	<u>\$ 2,282,702</u>	<u>\$ 2,982,354</u>	<u>\$ 11,262,991</u>

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

City of Cadillac
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds	\$ 10,286,108
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.	1,362,466
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(18,362)
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	64,734
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,154,900)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(283,899)
Net pension liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(3,800,302)
Net OPEB liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and, therefore, are not reported in the funds.	(286,098)
General government capital assets of \$37,749,201, net of accumulated depreciation of \$24,743,257, are not financial resources, and accordingly are not reported in the funds.	13,005,944
Total Net Position - Governmental Activities	\$ <u>15,175,691</u>

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

City of Cadillac
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue			Other	Total
	General	Major Streets	Local Streets	Governmental Funds	Governmental Funds
Revenues					
Property Taxes	\$ 4,034,833	\$ --	\$ --	\$ --	\$ 4,034,833
Licenses and Permits	132,886	--	--	70,928	203,814
Federal Revenue	371,551	--	--	50,000	421,551
State Revenue	2,067,609	1,265,270	373,931	127,527	3,834,337
Local Revenue	241,558	--	--	82,923	324,481
Charges for Services	1,071,237	--	--	81,010	1,152,247
Fines	7,634	--	--	--	7,634
Miscellaneous	80,957	--	--	13,028	93,985
Interest Income	38,199	6,170	320	24,998	69,687
Total Revenues	8,046,464	1,271,440	374,251	450,414	10,142,569
Expenditures					
General Government	1,734,459	--	--	191,002	1,925,461
Public Safety	3,633,640	--	--	67,293	3,700,933
Public Works	968,553	1,803,528	735,660	514,011	4,021,752
Economic Development	247,959	--	--	323,010	570,969
Recreation and Culture	313,916	--	--	--	313,916
Capital Outlay	--	--	--	19,355	19,355
Debt Service - Principal	--	--	--	361,700	361,700
Debt Service - Interest	--	--	--	103,838	103,838
Debt Service - Bond Issuance Costs	--	--	--	46,813	46,813
Total Expenditures	6,898,527	1,803,528	735,660	1,627,022	11,064,737
Excess of Revenues Over					
(Under) Expenditures	1,147,937	(532,088)	(361,409)	(1,176,608)	(922,168)
Other Financing Sources (Uses)					
GOLT Bonds Issued	--	858,000	1,858,000	1,284,000	4,000,000
Transfers In	--	--	310,000	285,450	595,450
Transfers Out	(175,000)	(332,000)	(80,000)	(43,450)	(630,450)
Net Other Financing Sources (Uses)	(175,000)	526,000	2,088,000	1,526,000	3,965,000
Net Change in Fund Balance	972,937	(6,088)	1,726,591	349,392	3,042,832
Fund Balance at Beginning of Period	3,753,512	783,417	327,047	2,379,300	7,243,276
Fund Balance at End of Period	\$ 4,726,449	\$ 777,329	\$ 2,053,638	\$ 2,728,692	\$ 10,286,108

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

City of Cadillac
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds	\$ 3,042,832
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.	112,094
Current year bond proceeds are other financing sources in the fund financial statements but are additions in long-term debt in the government-wide financial statements.	(4,000,000)
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 represented by the amount by which capital outlay of \$2,241,536 exceeds depreciation expense of \$999,030.	1,242,506
Changes to accrued interest do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	(13,142)
Changes to compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	24,181
Current year long-term debt principal payments on are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.	361,700
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.	(8,528)
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.	702,639
The statement of activities reports changes to net OPEB liability and OPEB related deferrals as OPEB expense; however, the expenditures recorded on the governmental funds equals actual OPEB contributions.	539,224
Changes in Net Position - Governmental Activities	\$ <u>2,003,506</u>

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

City of Cadillac
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	
ASSETS				
<i>Current Assets</i>				
Cash and Pooled Investments	\$ 2,713,907	\$ 672,281	\$ 3,386,188	\$ 316,775
Receivables	628,231	302	628,533	3,232
Prepays	860	--	860	89,697
Inventory	323,885	--	323,885	123,417
Total Current Assets	3,666,883	672,583	4,339,466	533,121
<i>Noncurrent Assets</i>				
Restricted Cash	669,561	--	669,561	--
Capital Assets not being Depreciated	3,181,148	339,666	3,520,814	25,000
Capital Assets being Depreciated	19,155,842	1,070,855	20,226,697	1,506,663
Total Assets	26,673,434	2,083,104	28,756,538	2,064,784
DEFERRED OUTFLOWS OF RESOURCES				
OPEB Related	12,008	--	12,008	12,008
Pension Related	276,737	--	276,737	32,461
Total Deferred Outflows of Resources	288,745	--	288,745	44,469
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	1,512,871	2,240	1,515,111	44,789
Accrued Liabilities	49,170	--	49,170	8,043
Customer Deposits	8,780	--	8,780	--
Accrued Interest	86,632	--	86,632	--
Current Portion of Compensated Absences	63,634	--	63,634	25,506
Current Portion of Long-term Debt	640,000	--	640,000	--
Total Current Liabilities	2,361,087	2,240	2,363,327	78,338
<i>Noncurrent Liabilities</i>				
Compensated Absences	141,636	--	141,636	21,728
Long-term Debt	6,188,503	--	6,188,503	--
Net OPEB Liability	1,396	--	1,396	1,396
Net Pension Liability	1,585,608	--	1,585,608	185,992
Advance from Other Funds	--	--	--	405,000
Total Liabilities	10,278,230	2,240	10,280,470	692,454
DEFERRED INFLOWS OF RESOURCES				
OPEB Related	31,422	--	31,422	31,422
Pension Related	195,317	--	195,317	22,911
Total Deferred Inflows of Resources	226,739	--	226,739	54,333
NET POSITION				
Net Investment in Capital Assets	15,508,487	1,410,521	16,919,008	1,531,663
<i>Restricted for:</i>				
Debt Service	669,561	--	669,561	--
Internal Service - Retirees' Life Insurance	--	--	--	168,866
Internal Service - Employees' Life and Health Insurance	--	--	--	42,065
<i>Unrestricted</i>	279,162	670,343	949,505	(380,128)
Total Net Position	\$ 16,457,210	\$ 2,080,864	\$ 18,538,074	\$ 1,362,466

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, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Charges for Services	\$ 4,287,175	\$ 166,870	\$ 4,454,045	\$ 2,300,616
Total Operating Revenues	4,287,175	166,870	4,454,045	2,300,616
Operating Expenses				
Salaries and Wages	1,566,880	14,940	1,581,820	154,552
Materials and Supplies	240,854	11,900	252,754	102,272
Utilities	411,438	3,785	415,223	27,952
Repair and Maintenance	117,450	14,514	131,964	57,946
Equipment Rental	289,038	29,154	318,192	38,525
Contracted Services	314,283	27,430	341,713	227,639
Professional Fees	--	500	500	--
Insurance	--	--	--	1,457,571
Depreciation	897,023	64,326	961,349	191,398
Total Operating Expenses	3,836,966	166,549	4,003,515	2,257,855
Operating Income (Loss)	450,209	321	450,530	42,761
Non-Operating Revenues (Expenses)				
Interest Income	13,351	2,451	15,802	5,360
Gain on Sale of Capital Assets	7,426	--	7,426	69,133
Special Assessment Revenue	--	54,278	54,278	--
Miscellaneous Revenue	23,750	--	23,750	--
Interest Expense	(175,882)	--	(175,882)	(5,160)
Bond Issuance Costs	(40,082)	--	(40,082)	--
Net Non-Operating Revenues (Expenses)	(171,437)	56,729	(114,708)	69,333
Income Before Transfers	278,772	57,050	335,822	112,094
Transfers In	--	35,000	35,000	--
Change In Net Position	278,772	92,050	370,822	112,094
Net Position at Beginning of Period	16,178,438	1,988,814	18,167,252	1,250,372
Net Position at End of Period	\$ 16,457,210	\$ 2,080,864	\$ 18,538,074	\$ 1,362,466

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

City of Cadillac
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
Cash Flows from Operating Activities				
Cash Receipts from Customers and Local Contributions	\$ 4,203,740	\$ 167,116	\$ 4,370,856	\$ -
Cash Receipts from Interfund Services Provided	-	-	-	2,301,033
Cash Payments to Employees for Services and Fringe Benefits	(1,623,677)	(16,621)	(1,640,298)	(245,213)
Cash Payments to Suppliers for Goods and Services	(23,823)	(86,969)	(110,792)	(1,983,850)
Net Cash Provided by Operating Activities	2,556,240	63,526	2,619,766	71,970
Cash Flows from Non-capital Financing Activities				
Change in Interfund Balances	-	-	-	14,927
Increase in Advance from Other Funds	-	-	-	150,000
Interest Paid on Internal Advance	-	-	-	(5,160)
Transfers In	-	35,000	35,000	-
Other Non-operating Rental Revenue	23,750	-	23,750	-
Net Cash Provided by Non-capital Financing Activities	23,750	35,000	58,750	159,767
Cash Flows from Capital and Related Financing Activities				
Principal Paid on Long-term Debt	(620,000)	-	(620,000)	-
Interest and Bond Issuance Costs Paid on Long-term Debt	(168,243)	-	(168,243)	-
Issuance of Long-term Debt	1,619,442	-	1,619,442	-
Special Assessment Revenue	-	54,278	54,278	-
Proceeds on Sale of Capital Assets	7,426	-	7,426	69,133
Capital Assets Purchased	(2,041,735)	-	(2,041,735)	(466,655)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,203,110)	54,278	(1,148,832)	(397,522)
Cash Flows From Investing Activities				
Interest on Investments	13,351	2,451	15,802	5,360
Net Cash Provided by Investing Activities	13,351	2,451	15,802	5,360
Net Increase (Decrease) in Cash and Pooled Investments	1,390,231	155,255	1,545,486	(160,425)
Cash and Pooled Investments - Beginning of Year	1,993,237	517,026	2,510,263	477,200
Cash and Pooled Investments - End of Year	\$ 3,383,468	\$ 672,281	\$ 4,055,749	\$ 316,775
Statement of Net Position				
Cash and Pooled Investments	\$ 2,713,907	\$ 672,281	\$ 3,386,188	\$ 316,775
Restricted Cash	669,561	-	669,561	-
Total Statement of Net Position	\$ 3,383,468	\$ 672,281	\$ 4,055,749	\$ 316,775
Reconciliation of Operating Income to				
Net Cash Provided by Operating Activities				
Operating Loss	\$ 450,209	\$ 321	\$ 450,530	\$ 42,761
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities				
Depreciation Expense	897,023	64,326	961,349	191,398
Changes in Assets, Liabilities, and Deferred Items				
Receivables	(83,435)	246	(83,189)	417
Inventory	(94,039)	-	(94,039)	(40,789)
Prepaid Expenses	(25)	-	(25)	(4,119)
Accounts Payable	1,451,174	314	1,451,488	(24,809)
Accrued Liabilities	(7,870)	(1,681)	(9,551)	(2,694)
Compensated Absences	18,230	-	18,230	8,247
Net OPEB Liability and Related Deferred Items	(39,224)	-	(39,224)	(39,224)
Net Pension Liability and Related Deferred Items	(35,803)	-	(35,803)	(59,218)
Net Cash Provided by Operating Activities	\$ 2,556,240	\$ 63,526	\$ 2,619,766	\$ 71,970

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

City of Cadillac
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Pension and Benefit Trust</u>	<u>Custodial Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 138,185	\$ 95
Investments		
Equity Investments - MERS Investment Services	14,073,169	--
Due from General Fund	--	130,446
Total Assets	<u>14,211,354</u>	<u>130,541</u>
LIABILITIES		
Undistributed Collections	--	130,541
Due to General Fund	354,879	--
Total Liabilities	<u>354,879</u>	<u>130,541</u>
NET POSITION		
Restricted for Pensions	<u>\$ 13,856,475</u>	<u>\$ --</u>

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

City of Cadillac
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension and Benefit Trust	Custodial Fund
Additions		
<i>Contributions</i>		
Employer	\$ 695,833	\$ -
Employee	28,800	-
<i>Total Contributions</i>	724,633	-
<i>Investment Income</i>		
Investment Income	3,092,875	-
Less: Investment Expense	(22,749)	-
<i>Total Investment Income</i>	3,070,126	-
<i>Property Taxes Collected for Other Governments</i>	-	8,846,398
<i>Total Additions</i>	3,794,759	8,846,398
Deductions		
Benefit Payments	1,071,653	-
Administrative	11,650	-
Payments of Property Taxes to Other Governments	-	8,846,398
<i>Total Deductions</i>	1,083,303	8,846,398
<i>Change in Net Position</i>	2,711,456	-
<i>Net Position at Beginning of Period</i>	11,145,019	-
<i>Net Position at End of Period</i>	\$ 13,856,475	\$ -

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, 2021

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Economic Development Corporation	Total Component Units
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 130,536	\$ 18,332	\$ 1,816,175	\$ 1,167	\$ 1,966,210
Receivables	15,711	--	15,641	--	31,352
Total Current Assets	146,247	18,332	1,831,816	1,167	1,997,562
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	529,080	--	--	529,080
Capital Assets being Depreciated	--	1,311,787	108,495	--	1,420,282
Total Assets	146,247	1,859,199	1,940,311	1,167	3,946,924
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	--	1,975	16,061	--	18,036
Accrued Liabilities	--	397	1,188	--	1,585
Accrued Interest	--	2,373	--	--	2,373
Current Portion of Compensated Absences	--	1,150	--	--	1,150
Current Portion of Long-term Debt	--	65,000	--	--	65,000
Total Current Liabilities	--	70,895	17,249	--	88,144
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	980	--	--	980
Long-term Debt	--	690,100	--	--	690,100
Total Liabilities	--	761,975	17,249	--	779,224
NET POSITION					
Net Investment in Capital Assets	--	1,085,767	108,495	--	1,194,262
<i>Restricted for:</i>					
Groundwater Clean Up	--	--	38,004	--	38,004
Capital Projects	--	--	1,390,973	--	1,390,973
Economic Development	146,247	11,457	385,590	1,167	544,461
<i>Unrestricted</i>	--	--	--	--	--
Total Net Position	\$ 146,247	\$ 1,097,224	\$ 1,923,062	\$ 1,167	\$ 3,167,700

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, 2021

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Economic Development Corporation	Total Component Units
Expenses					
Economic Development	\$ 65,731	\$ 32,258	\$ 276,854	\$ --	\$ 374,843
Depreciation	--	82,778	4,535	--	87,313
Interest on Long-term Debt	2,858	17,083	--	--	19,941
Total Expenses	68,589	132,119	281,389	--	482,097
Program Revenues					
Charges for services	--	--	12,915	--	12,915
Operating grants and contributions	--	31,397	--	--	31,397
Total Program Revenues	--	31,397	12,915	--	44,312
Net Program Revenues (Expenses)	(68,589)	(100,722)	(268,474)	--	(437,785)
General Revenue					
Property Taxes	53,432	84,702	142,309	--	280,443
State Revenue	31,893	--	--	--	31,893
Interest Income	--	--	22,455	--	22,455
Total General Revenues	85,325	84,702	164,764	--	334,791
Change in Net Position	16,736	(16,020)	(103,710)	--	(102,994)
<i>Net Position at Beginning of Period</i>	<i>129,511</i>	<i>1,113,244</i>	<i>2,026,772</i>	<i>1,167</i>	<i>3,270,694</i>
Net Position at End of Period	\$ 146,247	\$ 1,097,224	\$ 1,923,062	\$ 1,167	\$ 3,167,700

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

Notes to the Financial Statements

City of Cadillac

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

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

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

Discretely Presented Component Units

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

City of Cadillac

Notes to the Financial Statements

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

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

Local Development Finance Authority – The Local Development Finance Authority (the “LDFA”) was created by the City Council pursuant to the provisions of Act 251, Public Acts of 1986. The members of the board of the LDFA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The LDFA has a stated purpose to provide for the acquisition, construction, and financing of a groundwater treatment facility, which will consist of a complex of wells and pumps installed on property where contaminated groundwater is located; piping sufficient to carry the contaminated groundwater to a cleaning facility; and the cleaning facility itself. The LDFA has also indicated that, if funds are available, they will construct roads 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. Its operational and capital budget and bonded debt must be approved by the City Council. Because the BRA board members are appointed by the City Council, and the City Council approves the BRA’s operations and capital budgets along with bonded debt, the City exercises effective control over the activity of the BRA.

Financial statements of the individual component units are included as supplemental information in the comprehensive annual financial report of the City of Cadillac, Michigan

City of Cadillac

Notes to the Financial Statements

located at 200 N. Lake Street, Cadillac, Michigan 49601. The discretely presented component units listed above do not issue separate financial reports.

The following entity is 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, 2020, audited financial statements:

Wexford County Airport Authority - Basic Financial Statements

Total Assets	\$ 3,870,236
Total Liabilities	5,860
Net Investment in Capital Assets	3,498,022
Net Position - Unrestricted	366,354
Total Revenues - Governmental and Business-type Activities	391,875
Total Expenses - Governmental and Business-type Activities	553,893
Change in Net Position	(162,018)

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

City of Cadillac

Notes to the Financial Statements

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. 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

City of Cadillac

Notes to the Financial Statements

and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

The ***local 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 local 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 ***custodial fund*** is used to account for the collection and disbursement of property taxes, 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.

City of Cadillac

Notes to the Financial Statements

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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.

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.

Endowed funds are reported within the City's permanent funds. The original principal endowment amounts are recorded as nonspendable fund balance and investment earnings are reported as restricted fund balance within the fund financial statements. Both the nonspendable and restricted fund balance are reported as restricted net position on the government-wide financial statements. The investment earnings from the endowments can be used for cemetery operations or capital projects, as deemed appropriate by the City Council and by state law.

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

City of Cadillac

Notes to the Financial Statements

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 consists 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, 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 (\$289,643) 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.

City of Cadillac

Notes to the Financial Statements

Capital assets are defined by the government as assets with an initial, individual cost of more than \$7,500 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

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.

City of Cadillac

Notes to the 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 Outflows / Inflows of Resources

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position. These items relate to the City's net pension liability and net OPEB liability. The net pension liability and net OPEB liability amounts are related to differences between expected and actual experience, changes of assumptions, differences between projected and actual pension plan/OPEB investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

Additionally, the City has an additional deferred inflow, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, this item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: receivables for revenues that are not considered to be available to liquidate liabilities of the current period and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

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

City of Cadillac

Notes to the Financial Statements

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.

City of Cadillac

Notes to the Financial Statements

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 2020 taxable valuation of the City of Cadillac totaled \$238,808,545, on which ad valorem taxes levied consisted of 13.7774 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 \$3,290,161 for operating purposes and \$620,902 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 1.9387 mills on \$13,866,620 of taxable value, which raised approximately \$26,883 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.

City of Cadillac

Notes to the Financial Statements

Note 2 - Stewardship, Compliance, and Accountability

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.

Excess of Expenditures Over Budget Appropriations in Budgetary Funds

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

City of Cadillac

Notes to the Financial Statements

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 amounts appropriated during the year ended June 30, 2021:

	Final Budget	Actual Amount	Negative Variance
General Fund			
<i>Public Works</i>			
Alleys	\$ 45,200	\$ 52,178	\$ (6,978)
Grass and Weed Control	28,400	31,029	(2,629)
Waste Removal	581,000	584,910	(3,910)
Industrial Park - Transfers Out	-	23,450	(23,450)
2020 CI Bonds - Debt Service - Principal	215,000	235,000	(20,000)

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

Deficit Net Position

The City's governmental activities had an unrestricted net position deficit of \$(786,140) and a total net position of \$15,175,691. The Central Stores and Municipal Garage Fund, an internal service fund, had an unrestricted net position deficit of \$(537,076) and a total net position of \$821,599. As current assets are in excess of current liabilities, no deficit elimination plan is necessary.

City of Cadillac

Notes to the Financial Statements

Note 3 - Cash and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2021:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Position			
Cash and Pooled Investments	13,657,897	1,966,210	15,624,107
Restricted Cash	669,561	-	669,561
Statement of Fiduciary Net Position			
Cash and Cash Equivalents	138,280	-	138,280
Pooled Investments	14,073,169	-	14,073,169
Total Cash and Pooled Investments	<u>28,538,907</u>	<u>\$ 1,966,210</u>	<u>\$ 30,505,117</u>
Deposits and Investments			
Bank Deposits (Checking, Savings, Money Market, and Cash Equivalents)			6,463,046
Investments Held in Trust			14,073,169
Other Pooled Investments			9,968,602
Cash on hand			300
Total Deposits and Investments			<u>30,505,117</u>

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.

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

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
U.S. Agency Bonds	Less than 1 year	\$ 252,984	Aaa	Moody
U.S. Agency Bonds	1 - 5 years	1,279,961	Aaa	Moody
U.S. Treasury Securities	Less than 1 year	129,866	Aaa	Moody
MI Class	N/A	664,308	AAAm	S&P
Money Market	N/A	1,608,582	N/A	N/A
Cash Equivalent	N/A	1,167,118	N/A	N/A
Equity Investments	N/A	14,073,169	N/A	N/A
Certificate of Deposit	Less than 1 year	1,344,382	N/A	N/A
Certificate of Deposit	1 - 5 years	3,021,401	N/A	N/A
Certificate of Deposit	6 - 10 years	500,000	N/A	N/A
Total Pooled Investments		<u>\$ 24,041,771</u>		

City of Cadillac

Notes to the Financial Statements

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might 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, \$6,233,255 of the City's bank balance of \$6,483,255 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the City believes it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment credit risk. The rating information on the City's investments is presented in the table above.

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. In total, the City held \$1,727,232 of investments that mature within one year, \$4,301,362 of investments that mature between 1 and 5 years, \$500,000 of investments that mature between 6 and 10 years, and \$17,513,177 of investments that have no maturity date.

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 is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

City of Cadillac

Notes to the Financial Statements

The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

As of June 30, 2021, the City had the following fair value measurements:

- U.S. Agency Bonds held by the City totaled \$1,532,945. These are valued using Level 1 inputs.
- U.S. Treasury Securities held by the City totaled \$129,866. These are valued using Level 1 inputs.
- MI Class investments held by the City totaled \$664,308. 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 \$14,073,169 at June 30, 2021, are valued using Level 1 inputs.

Money market accounts, cash equivalents, and certificates of deposit totaling \$7,641,483 were not included in the fair value measurement disclosure because they are held directly in the City's name.

Note 4 - Receivables

Details regarding receivables were as follows at June 30, 2021:

	General	Major Streets	Local Streets	Other Governmental Funds	Internal Service Funds	Water and Sewer	Other Enterprise Funds	Total Primary Government	Component Units
Receivables									
Accounts	\$ 54,340	\$ -	\$ -	\$ 23,533	\$ 3,212	\$ 77,017	\$ -	\$ 158,102	\$ -
Special Assessment	-	-	-	15,169	-	-	-	15,169	-
Due from State	-	168,912	61,228	-	-	-	-	230,140	-
Interest	18,585	2,560	-	25,428	20	4,966	302	51,861	15,641
Loans	-	-	-	16,250	-	-	-	16,250	-
Grants	-	-	-	101,583	-	-	-	101,583	15,711
Utilities	-	-	-	-	-	546,248	-	546,248	-
Total Receivables	\$ 72,925	\$ 171,472	\$ 61,228	\$ 181,963	\$ 3,232	\$ 628,231	\$ 302	\$ 1,119,353	\$ 31,352

City of Cadillac

Notes to the Financial Statements

Note 5 - Interfund Advances

Advances represent long-term loans between funds. Advances receivable and payable at June 30, 2021 were \$405,000: the Cadillac development fund has an advance due of \$405,000 from the central stores and municipal garage fund.

Note 6 - Interfund Receivables, Payables, and Transfers

Transfers in and out for the year ended June 30, 2021 are as follows:

Transfer In	Transfer Out	Amount
Local Streets	General	\$ 60,000
Local Streets	Major Streets	250,000
Nonmajor Governmental	Major Streets	82,000
Nonmajor Governmental	Local Streets	80,000
Nonmajor Governmental	General	100,000
Nonmajor Proprietary	General	15,000
Nonmajor Proprietary	Nonmajor Governmental	20,000
Nonmajor Governmental	Nonmajor Governmental	23,450

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, 2021, the interfund balances were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 59,060

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.

City of Cadillac

Notes to the Financial Statements

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	417,572	770,927	(417,572)	770,927
<i>Subtotal</i>	<u>2,641,874</u>	<u>770,927</u>	<u>(417,572)</u>	<u>2,995,229</u>
Capital Assets being Depreciated				
Buildings	6,069,782	18,344	-	6,088,126
Land Improvements	1,091,218	40,455	-	1,131,673
Machinery and Equipment	3,069,339	607,430	(20,376)	3,656,393
Infrastructure	22,655,828	1,221,952	-	23,877,780
<i>Subtotal</i>	<u>32,886,167</u>	<u>1,888,181</u>	<u>(20,376)</u>	<u>34,753,972</u>
Less Accumulated Depreciation				
Buildings	(3,687,504)	(102,030)	-	(3,789,534)
Land Improvements	(769,484)	(30,426)	-	(799,910)
Machinery and Equipment	(2,681,716)	(141,098)	20,376	(2,802,438)
Infrastructure	(16,625,899)	(725,476)	-	(17,351,375)
<i>Subtotal</i>	<u>(23,764,603)</u>	<u>(999,030)</u>	<u>20,376</u>	<u>(24,743,257)</u>
Capital Assets being Depreciated, net	<u>9,121,564</u>	<u>889,151</u>	<u>-</u>	<u>10,010,715</u>
Capital Assets, Internal Service Funds, net	<u>1,256,406</u>	<u>275,257</u>	<u>-</u>	<u>1,531,663</u>
Capital Assets, net	<u>\$ 13,019,844</u>	<u>\$ 1,935,335</u>	<u>\$ (417,572)</u>	<u>\$ 14,537,607</u>

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	493,225	-	-	493,225
Land Improvements	68,971	-	-	68,971
Machinery and Equipment	2,807,865	466,655	(470,338)	2,804,182
<i>Subtotal</i>	<u>3,370,061</u>	<u>466,655</u>	<u>(470,338)</u>	<u>3,366,378</u>
Less Accumulated Depreciation				
Buildings	(284,833)	(11,951)	-	(296,784)
Land Improvements	(68,182)	(262)	-	(68,444)
Machinery and Equipment	(1,785,640)	(179,185)	470,338	(1,494,487)
<i>Subtotal</i>	<u>(2,138,655)</u>	<u>(191,398)</u>	<u>470,338</u>	<u>(1,859,715)</u>
Capital Assets being Depreciated, net	<u>1,231,406</u>	<u>275,257</u>	<u>-</u>	<u>1,506,663</u>
Capital Assets, net	<u>\$ 1,256,406</u>	<u>\$ 275,257</u>	<u>\$ -</u>	<u>\$ 1,531,663</u>

City of Cadillac

Notes to the Financial Statements

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	1,308,201	1,872,947	-	3,181,148
<i>Subtotal</i>	<u>1,647,867</u>	<u>1,872,947</u>	<u>-</u>	<u>3,520,814</u>
Capital Assets being Depreciated				
Buildings	2,437,016	-	-	2,437,016
Land Improvements	1,227,174	-	-	1,227,174
Machinery and Equipment	1,154,243	112,079	-	1,266,322
Vehicles	402,644	-	-	402,644
Water	14,908,010	-	-	14,908,010
Sewer	25,878,454	56,709	-	25,935,163
<i>Subtotal</i>	<u>46,007,541</u>	<u>168,788</u>	<u>-</u>	<u>46,176,329</u>
Less Accumulated Depreciation				
Buildings	(1,369,433)	(57,002)	-	(1,426,435)
Land Improvements	(445,094)	(24,642)	-	(469,736)
Machinery and Equipment	(810,733)	(63,363)	-	(874,096)
Vehicles	(311,967)	(45,521)	-	(357,488)
Water	(6,816,616)	(269,916)	-	(7,086,532)
Sewer	(15,234,440)	(500,905)	-	(15,735,345)
<i>Subtotal</i>	<u>(24,988,283)</u>	<u>(961,349)</u>	<u>-</u>	<u>(25,949,632)</u>
Capital Assets being Depreciated, net	<u>21,019,258</u>	<u>(792,561)</u>	<u>-</u>	<u>20,226,697</u>
Capital Assets, net	<u>\$ 22,667,125</u>	<u>\$ 1,080,386</u>	<u>\$ -</u>	<u>\$ 23,747,511</u>

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
<i>Subtotal</i>	<u>529,080</u>	<u>-</u>	<u>-</u>	<u>529,080</u>
Capital Assets being Depreciated				
Land Improvements	8,965	-	-	8,965
Infrastructure	1,942,102	-	-	1,942,102
Other Equipment	244,169	-	-	244,169
<i>Subtotal</i>	<u>2,195,236</u>	<u>-</u>	<u>-</u>	<u>2,195,236</u>
Less Accumulated Depreciation				
Land Improvements	(8,965)	-	-	(8,965)
Infrastructure	(593,217)	(62,896)	-	(656,113)
Other Equipment	(85,459)	(24,417)	-	(109,876)
<i>Subtotal</i>	<u>(687,641)</u>	<u>(87,313)</u>	<u>-</u>	<u>(774,954)</u>
Capital Assets being Depreciated, net	<u>1,507,595</u>	<u>(87,313)</u>	<u>-</u>	<u>1,420,282</u>
Capital Assets, net	<u>\$ 2,036,675</u>	<u>\$ (87,313)</u>	<u>\$ -</u>	<u>\$ 1,949,362</u>

City of Cadillac

Notes to the Financial Statements

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General Government	\$ 65,746
Public Safety	122,404
Public Works	662,607
Recreation and Culture	140,174
Economic Development	8,099
Internal Service Funds	191,398
<i>Total</i>	<u>\$ 1,190,428</u>

Business-type Activities

Water and Sewer	\$ 897,023
Auto Parking	15,384
Building Authority	48,942
<i>Total</i>	<u>\$ 961,349</u>

Component Units

Downtown Development Authority	\$ 82,778
Local Development Finance Authority	4,535
<i>Total</i>	<u>\$ 87,313</u>

City of Cadillac

Notes to the Financial Statements

Note 8 - Long-term Obligations

The following is a summary of the long-term obligations' transactions of the City for the year ended June 30, 2021:

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%	\$ 1,516,600	\$ -	\$ (126,700)	\$ 1,389,900	\$ 130,000
\$4,000,000 2020 Michigan Transportation Fund Bonds due in annual installments of \$235,000 to \$310,000 through May 1, 2035; interest at 2.17%	-	4,000,000	(235,000)	3,765,000	230,000
Total Governmental Activities Debt	1,516,600	4,000,000	(361,700)	5,154,900	360,000
Governmental Compensated Absences	308,080	11,339	(35,520)	283,899	153,306
Internal Service Compensated Absences	38,987	8,247	-	47,234	25,506
Total Compensated Absences	347,067	19,586	(35,520)	331,133	178,812
Total Long-term Obligations	\$ 1,863,667	\$ 19,586	\$ (397,220)	\$ 5,486,033	\$ 513,306
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%	\$ 1,890,205	\$ -	\$ (195,000)	\$ 1,695,205	\$ 200,000
\$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%	1,533,856	-	(110,000)	1,423,856	115,000
\$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%	2,405,000	-	(315,000)	2,090,000	325,000
\$9,795,000 2021 Water Supply System Revenue Bonds due in annual installments of \$235,000 to \$435,000 through April 1, 2052; interest at 2.125%	-	1,619,442	-	1,619,442	-
Total Business-type Activities Debt	5,829,061	1,619,442	(620,000)	6,828,503	640,000
Business-type Compensated Absences	187,040	19,193	(963)	205,270	63,634
Total Long-term Obligations	\$ 6,016,101	\$ 1,638,635	\$ (620,963)	\$ 7,033,773	\$ 703,634
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%	\$ 818,400	\$ -	\$ (63,300)	\$ 755,100	\$ 65,000
\$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%	27,984	-	(27,984)	-	-
Total Component Unit Debt	846,384	-	(91,284)	755,100	65,000
Compensated Absences	1,937	193	-	2,130	1,150
Total Long-term Obligations	\$ 848,321	\$ 193	\$ (119,268)	\$ 757,230	\$ 66,150

City of Cadillac

Notes to the Financial Statements

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

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of June 30, 2021 are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities*			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 360,000	\$ 110,171	\$ 470,171	\$ 640,000	\$ 321,705	\$ 961,705	\$ 65,000	\$ 14,235	\$ 79,235
2023	373,333	102,260	475,593	890,000	304,132	1,194,132	66,667	12,775	79,442
2024	381,667	94,059	475,726	905,000	283,767	1,188,767	68,333	11,279	79,612
2025	390,000	85,676	475,676	930,000	262,859	1,192,859	70,000	9,746	79,746
2026	395,000	77,185	472,185	955,000	241,427	1,196,427	70,000	8,213	78,213
2027-2031	2,059,900	252,208	2,312,108	3,060,205	958,698	4,018,903	415,100	16,789	431,889
2032-2052	1,195,000	65,532	1,260,532	7,623,856	1,793,767	9,417,623	-	-	-
Totals	\$ 5,154,900	\$ 787,091	\$ 5,941,991	\$ 15,004,061	\$ 4,166,355	\$ 19,170,416	\$ 755,100	\$ 73,037	\$ 828,137

*The business-type activities maturity table includes annual principal and interest requirements as if the full amount of the \$9,795,000 2021 water supply system revenue bonds were drawn. As of June 30, 2021, only \$1,619,442 of the bonds were drawn.

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.

City of Cadillac

Notes to the Financial Statements

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, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	62
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	48
Total Employees Covered by MERS	<u>118</u>

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.

City of Cadillac

Notes to the Financial Statements

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 are summarized on the following page.

City of Cadillac

Notes to the Financial Statements

	<u>Eligibility</u>	<u>Amount</u>
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 10 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.

City of Cadillac

Notes to the Financial Statements

Employees Covered by Benefit Terms

Membership of the Act 345 defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2021):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	38
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	28
Total Employees Covered by PFRS	<u>69</u>

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, 2021, the active employee contribution rate and the City's contribution rate was a percentage of covered payroll depending on division, as follows:

<u>Division</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
General Other - Open	17.35%	0.00%
General Local - Open	15.81%	0.00%
City Manager - Open	2.49%	0.00%
Dept Heads - Open	34.12%	0.00%

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 19.18% of payroll for police members and 31.08% of payroll for fire members. These rates totaled an actuarially determined contribution of \$510,426 for the year ending June 30, 2021, of which \$695,833 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate

City of Cadillac

Notes to the Financial Statements

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, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date. The PFRS net pension liability reported at June 30, 2021 was determined using a measure of the total pension liability and the pension net position as of June 30, 2021. The June 30, 2021 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)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	<u>\$ 13,823,402</u>	<u>\$ 10,237,704</u>	<u>\$ 3,585,698</u>
<i>Changes for the Year:</i>			
Service Cost	213,993	-	213,993
Interest on Total Pension Liability	1,027,749	-	1,027,749
Differences Between Expected and Actual Experience	206,873	-	206,873
Changes of Assumptions	396,202	-	396,202
Contributions - Employer	-	431,742	(431,742)
Net Investment Income	-	1,276,898	(1,276,898)
Benefit Payments, Including Refunds	(814,800)	(814,800)	-
Administrative Expenses	-	(20,414)	20,414
<i>Net Changes</i>	<u>1,030,017</u>	<u>873,426</u>	<u>156,591</u>
Balance at December 31, 2020	<u>\$ 14,853,419</u>	<u>\$ 11,111,130</u>	<u>\$ 3,742,289</u>
Allocated to:			
Governmental Activities			\$ 2,156,681
Business-type Activities			1,585,608
			<u>\$ 3,742,289</u>

City of Cadillac

Notes to the Financial Statements

PFRS	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 14,358,427	\$ 11,145,019	\$ 3,213,408
<i>Changes for the Year:</i>			
Service Cost	295,754	-	295,754
Interest on Total Pension Liability	1,010,874	-	1,010,874
Differences Between Expected and Actual Experience	(63,673)	-	(63,673)
Changes of Assumptions	(357,603)	-	(357,603)
Changes in Benefit Terms	27,412	-	27,412
Contributions - Employer	-	695,833	(695,833)
Contributions - Employee	-	28,800	(28,800)
Net Investment Income	-	3,070,126	(3,070,126)
Benefit Payments, Including Refunds	(1,071,653)	(1,071,653)	-
Administrative Expenses	-	(11,650)	11,650
<i>Net Changes</i>	(158,889)	2,711,456	(2,870,345)
Balance at June 30, 2021	\$ 14,199,538	\$ 13,856,475	\$ 343,063
		Allocated to:	
		Governmental Activities	\$ 343,063

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

For the year ended June 30, 2021, the City recognized pension expense of \$465,100 for the MERS plan and \$(160,700) for the PFRS plan for a net total of \$304,400. At June 30, 2021, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

MERS

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 155,767	\$ 89,269
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	371,711
Changes of Assumptions	297,152	-
Contributions Subsequent to the Measurement Date*	200,227	-
Total	\$ 653,146	\$ 460,980
	Allocated to:	
Governmental Activities	\$ 376,409	\$ 265,663
Business-type Activities	276,737	195,317
	\$ 653,146	\$ 460,980

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2022.

City of Cadillac

Notes to the Financial Statements

PFRS

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 94,208	\$ 496,626
Changes of Assumptions	394,680	348,351
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,231,657
Total	\$ 488,888	\$ 2,076,634
Allocated to:		
Governmental Activities	\$ 488,888	\$ 2,076,634

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

Year Ending June 30,	MERS Amount	PFRS Amount
2022	\$ 26,417	\$ (252,882)
2023	133,037	(250,833)
2024	(64,682)	(399,313)
2025	(102,833)	(520,112)
2026	-	(59,288)
2027 - 2029	-	(105,318)
Total	\$ (8,061)	\$ (1,587,746)

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, 2020	Net Change	Balance at June 30, 2021	Amounts Allocated To	
				Governmental Activities	Business-type Activities
Deferred Outflows of Resources					
Differences Between Expected and Actual Experience	\$ 1,226	\$ 248,749	\$ 249,975	\$ 183,977	\$ 65,998
Changes of Assumptions	-	691,832	691,832	565,929	125,903
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	490,474	(490,474)	-	-	-
Contributions Subsequent to the Measurement Date	670,519	(470,292)	200,227	115,391	84,836
Total Deferred Outflows of Resources	1,162,219	(20,185)	1,142,034	865,297	276,737
Net Pension Liability	6,799,106	(2,713,754)	4,085,352	2,499,744	1,585,608
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	641,705	(55,810)	585,895	548,072	37,823
Changes of Assumptions	-	348,351	348,351	348,351	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,603,368	1,603,368	1,445,874	157,494
Total Deferred Inflows of Resources	641,705	1,895,909	2,537,614	2,342,297	195,317
		Pension Expense	\$ 304,400	\$ 107,337	\$ 197,063

City of Cadillac

Notes to the Financial Statements

Actuarial Assumptions

MERS

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.00% plus merit and longevity: 3.00% in the long-term

Investment Rate of Return: 7.35%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00-4.00%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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 Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global Equity	60.00%	7.45%	4.47%	2.50%	3.15%
Global Fixed Income	20.00%	4.90%	0.98%	2.50%	0.25%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.45%
Total	100.00%		7.35%		4.85%

Discount Rate

The discount rate used to measure the total pension liability in the current year and prior year was 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

City of Cadillac

Notes to the Financial Statements

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, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Inflation	2.50%
Salary Increases	4.00% Wage Inflation with 0.00%-1.50% Merit and Longevity Increases
Investment Rate of Return	7.00%

Mortality rates were based on 50% Male – 50% Female blend of the 1994 Group Annuity Mortality Table. The actuarial assumptions used in the June 30, 2021 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 in the current year was 7.50% and in the prior year was 7.16%. 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

City of Cadillac

Notes to the Financial Statements

Total Market Fund included in the pension plan's target asset allocation as of June 30, 2021 are 7.00%. The following was the City's asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation (%)
Global Equity	60.00
Global Fixed Income	20.00
Real Assets/Diversifying Strategies	20.00
	<u>100.00%</u>

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.00%. 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 7.50% 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 (6.60/6.50 %) or one percentage point higher (8.60/8.50 %) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
MERS			
Net Pension Liability of the City	\$ 5,463,756	\$ 3,742,289	\$ 2,290,059

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PFRS			
Net Pension Liability of the City	\$ 1,890,917	\$ 343,063	\$ (961,817)

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

City of Cadillac

Notes to the Financial Statements

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.

Significant Changes to the Pension Valuation - MERS

At the February 27, 2020, board meeting, the MERS Retirement Board adopted demographic assumptions effective with the December 31, 2020, annual actuarial valuation, which will impact contributions beginning in 2022. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020, actuarial valuation, first impacting 2022 contributions.

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

City of Cadillac

Notes to the Financial Statements

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, 2021):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	76
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	22
Total Employees Covered by OPEB	<u>105</u>

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation and a measurement date as of June 30, 2021 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00% Wage Inflation with 0.00%-6.70% Merit and Longevity Increases
Investment Rate of Return	7.00%
Discount Rate	7.18%

Healthcare cost trend rates starting at 8.00% in FYE 2022 for health and pharmacy decreasing to a rate of 4.50% for in FYE 2029 and beyond, and dental rates starting at 5.00% in FYE 2022 decreasing to a rate of 3.00% in FYE 2026 and beyond.

City of Cadillac

Notes to the Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability was 7.18% . 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	54.4%	7.75%
Global Fixed Income	24.7%	3.75%
Real Assets	20.9%	9.75%
	100.00%	7.18%

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 4,254,742	\$ 3,324,417	\$ 930,325
<i>Changes for the Year:</i>			
Service Cost	47,012	-	47,012
Interest on Total OPEB Liability	303,046	-	303,046
Differences Between Expected and Actual Experience	(345,171)	-	(345,171)
Changes of Assumptions	378,190	-	378,190
Contributions - Employer	-	363,822	(363,822)
Net Investment Income	-	934,470	(934,470)
Benefit Payments, Including Refunds	(363,822)	(363,822)	-
Administrative Expenses	-	(6,873)	6,873
<i>Net Changes</i>	19,255	927,597	(908,342)
Balance at June 30, 2021	\$ 4,273,997	\$ 4,252,014	\$ 21,983

Allocated to:	
Governmental Activities	\$ 20,587
Business-type Activities	1,396
	\$ 21,983

City of Cadillac

Notes to the Financial Statements

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 7.18%, 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 (6.18%)	Current Rate (7.18%)	1% Increase (8.18%)
Net OPEB Liability (Asset)	\$ 342,403	\$ 21,983	\$ (266,460)

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, 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	Current Rate	1% Increase
Net OPEB Liability (Asset)	\$ (286,068)	\$ 21,983	\$ 368,603

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

For the year ended June 30, 2021, the City recognized OPEB expense of (\$253,850). At June 30, 2021, the City reported deferred outflows/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	\$ -	\$ 172,585
Changes of Assumptions	189,095	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	322,245
Total	\$ 189,095	\$ 494,830
Allocated to:		
Governmental Activities	\$ 177,087	\$ 463,408
Business-type Activities	12,008	31,422
	\$ 189,095	\$ 494,830

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2022	\$ (43,941)
23	(50,447)
2024	(73,274)
2025	(138,073)

City of Cadillac

Notes to the Financial Statements

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.

City of Cadillac

Notes to the Financial Statements

The City has the following contract commitments:

	Total Contract	Incurred as of June 30, 2021	Remaining Commitment
Street Construction (Funded by the Major and Local Street Funds)			
Stimson Street	\$ 269,795	\$ -	\$ 269,795
Evert Street	763,306	218,784	544,522
Chestnut Street *	475,370	-	475,370
M-55 Roundabout **	858,705	-	858,705
Total	2,367,176	218,784	2,148,392
* Grant funding covers \$375,000 of total project contract costs			
** Grant funding covers \$600,000 of total project contract costs			
Well Field and Water Headquarters (Funded by the Water and Sewer Fund)	9,795,000	2,241,186	7,553,814
Total Construction Commitments	\$ 12,162,176	\$ 2,459,970	\$ 9,702,206

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.

City of Cadillac

Notes to the Financial Statements

The following summarizes the City's fund balances as of June 30, 2021:

	General	Major Streets	Local Streets	Nonmajor Funds	Total
Nonspendable for:					
Prepaid Expenditures	\$ 1,530	\$ -	\$ -	\$ -	\$ 1,530
Cemetery Perpetual Care	-	-	-	245,000	245,000
Capital Projects	-	-	-	131,209	131,209
Total Nonspendable	\$ 1,530	\$ -	\$ -	\$ 376,209	\$ 377,739
Restricted for:					
Veterans Memorial	1,855	-	-	-	1,855
Youth Services	844	-	-	-	844
Drug Forfeiture	4,656	-	-	-	4,656
Mayor's Youth Council	262	-	-	-	262
Blackburn Skate Park	3,272	-	-	-	3,272
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
Downtown Infrastructure	-	-	-	457,781	457,781
Major and Local Streets	-	777,329	2,053,638	-	2,830,967
Cemetery	-	-	-	33,397	33,397
Milfoil	-	-	-	6,210	6,210
Building Inspection	-	-	-	22,538	22,538
Clam River Greenway	-	-	-	23,197	23,197
Mayor Wedding Fees	100	-	-	-	100
Naval Reserve Center	-	-	-	8,816	8,816
CASA Field Use	2,520	-	-	-	2,520
Dog Park	662	-	-	-	662
Debt Service	-	-	-	1,056	1,056
Other Capital Projects	-	-	-	110,278	110,278
Cemetery Perpetual Care	-	-	-	351,058	351,058
Total Restricted	42,154	777,329	2,053,638	1,014,331	3,887,452
Assigned for:					
Working Capital	1,098,885	-	-	-	1,098,885
Sick and Vacation	283,899	-	-	-	283,899
Pistol Range	11,288	-	-	-	11,288
HL Green Operating	-	-	-	49,210	49,210
Cadillac Development	-	-	-	712,035	712,035
Industrial Development	-	-	-	571,008	571,008
Corridor Improvement	-	-	-	5,899	5,899
Total Assigned	1,394,072	-	-	1,338,152	2,732,224
Unassigned	3,288,693	-	-	-	3,288,693
Total Fund Balances	\$ 4,726,449	\$ 777,329	\$ 2,053,638	\$ 2,728,692	\$ 10,286,108

City of Cadillac

Notes to the Financial Statements

Note 15 - Restricted Net Position

The City reports restricted net position in its government-wide financial statements as listed on the following page.

City of Cadillac

Notes to the Financial Statements

	Governmental Activities	Business-type Activities	Component Units
Restricted for			
Nonexpendable Cemetery Trust	\$ 245,000	\$ -	\$ -
Nonexpendable Capital Projects	131,209	-	-
Groundwater Cleanup	-	-	38,004
Economic Development	-	-	544,461
EE and Retiree Life and Health Insurance	210,931	-	-
General Government			
Cemetery Perpetual Care	351,058	-	-
Cemetery	33,397	-	-
Naval Reserve Center	8,816	-	-
Public Safety			
Drug Forfeiture	4,656	-	-
Youth Services	844	-	-
Building Inspection	22,538	-	-
Public Works			
Streets	2,830,967	-	-
Downtown Infrastructure	457,781	-	-
Milfoil	6,210	-	-
Bike Routes	7,000	-	-
Recreation and Culture			
Veterans Memorial	1,855	-	-
Blackburn Skate Park	3,272	-	-
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	100	-	-
Mayor's Youth Council	262	-	-
CASA Field Use	2,520	-	-
McKellop Walkway Plowing	3,621	-	-
Diggins Hill Courts	50	-	-
Capital Projects			
Capital Projects	144,337	-	1,390,973
Debt Service	1,056	669,561	-
Total Restricted Net Position	\$ 4,485,454	\$ 669,561	\$ 1,973,438

City of Cadillac

Notes to the Financial Statements

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, 2021, the City's operating property taxes were reduced by \$40,914 and the City's police and fire retirement taxes by \$7,725 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
Add: Related Capital Assets:			
Capital Assets not being Depreciated	\$ 3,020,229	\$ 3,520,814	\$ 529,080
Capital Assets being Depreciated, net	11,517,378	20,226,697	1,420,282
Unspent Bond Proceeds	2,093,670	-	-
Less: Related Long-term Debt:			
Due within One Year	(360,000)	(875,000)	(65,000)
Due in more than One Year	(4,794,900)	(5,953,503)	(690,100)
Net Investment in Capital Assets	\$ 11,476,377	\$ 16,919,008	\$ 1,194,262

Note 18 - Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted business operations. During the 2020-2021 fiscal year, the City's operations were significantly impacted, as shelter-in-place orders and government mandates impacted census volumes. The City has moved to mitigate the impact by managing the workforce, actively managing cash balances, and implementing other cost reduction measures.

City of Cadillac

Notes to the Financial Statements

Note 19 - New Pronouncement Adopted

The City adopted the provisions of **GASB Statement No. 84, *Fiduciary Activities***, in the current year. As a result of this change, the activity of the payroll agency fund was merged into the general fund and the current tax collection agency fund was converted into a custodial fund. In addition, the custodial fund now shows activity that occurred throughout the year.

Note 20 - Upcoming New Pronouncements

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, 2023.

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, 2023.

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, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 3,975,000	\$ 3,975,000	\$ 4,034,833	\$ 59,833
Federal Revenue	--	372,000	371,551	(449)
State Revenue	1,672,000	1,991,000	2,067,609	76,609
Local Revenue	225,000	240,000	241,558	1,558
Licenses and Permits	141,500	141,500	132,886	(8,614)
Charges for Services	1,059,600	1,059,600	1,071,237	11,637
Fines	15,000	15,000	7,634	(7,366)
Miscellaneous	21,500	47,500	80,957	33,457
Interest Income	50,000	35,000	38,199	3,199
Total Revenues	7,159,600	7,876,600	8,046,464	169,864
Expenditures				
General Government				
City Council	53,100	53,100	42,444	10,656
City Manager	303,100	303,100	291,708	11,392
Finance	335,200	343,200	336,284	6,916
Assessor	138,500	138,500	137,216	1,284
Clerk/Treasurer	319,000	352,000	314,046	37,954
Elections	14,200	24,600	24,480	120
Building and Grounds	356,400	356,400	298,846	57,554
City Attorney	200,000	200,000	185,526	14,474
Engineering	85,500	104,500	103,909	591
Total General Government	1,805,000	1,875,400	1,734,459	140,941

Continued...

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Expenditures				
Public Safety				
Police Department	\$ 2,153,000	\$ 2,221,000	\$ 2,002,877	\$ 218,123
Code Enforcement	16,700	16,700	16,659	41
Fire Department	1,522,700	1,745,700	1,614,104	131,596
<i>Total Public Safety</i>	<u>3,692,400</u>	<u>3,983,400</u>	<u>3,633,640</u>	<u>349,760</u>
Public Works				
Alleys	45,200	45,200	52,178	(6,978)
Leaves	56,500	56,500	55,070	1,430
Grass and Weed Control	28,400	28,400	31,029	(2,629)
Composting	11,600	11,600	7,088	4,512
Waste Removal	581,000	581,000	584,910	(3,910)
Airport	34,500	34,500	33,016	1,484
Other Public Works	182,200	231,000	205,262	25,738
<i>Total Public Works</i>	<u>939,400</u>	<u>988,200</u>	<u>968,553</u>	<u>19,647</u>
Economic Development				
Planning and Zoning	163,000	196,000	183,280	12,720
Community Promotions	55,400	73,000	64,679	8,321
<i>Total Economic Development</i>	<u>218,400</u>	<u>269,000</u>	<u>247,959</u>	<u>21,041</u>
Recreation and Culture				
Municipal Parks	256,300	256,300	252,143	4,157
Arts Commission	10,500	10,500	10,500	--
Cadillac Community TV	25,000	25,000	25,000	--
School Recreation Program	66,200	66,200	26,273	39,927
<i>Total Recreation and Culture</i>	<u>358,000</u>	<u>358,000</u>	<u>313,916</u>	<u>44,084</u>
Total Expenditures	<u>7,013,200</u>	<u>7,474,000</u>	<u>6,898,527</u>	<u>575,473</u>
Other Financing Uses				
Transfers Out	145,000	175,000	175,000	--
<i>Total Expenditures and Other Financing Uses</i>	<u>7,158,200</u>	<u>7,649,000</u>	<u>7,073,527</u>	<u>575,473</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>1,400</u>	<u>227,600</u>	<u>972,937</u>	<u>745,337</u>
Net Change in Fund Balance	<u>1,400</u>	<u>227,600</u>	<u>972,937</u>	<u>745,337</u>
<i>Fund Balance at Beginning of Period</i>	<u>3,753,512</u>	<u>3,753,512</u>	<u>3,753,512</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 3,754,912</u>	<u>\$ 3,981,112</u>	<u>\$ 4,726,449</u>	<u>\$ 745,337</u>

Concluded.

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Major Streets
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 1,223,700	\$ 1,223,700	\$ 1,265,270	\$ 41,570
Interest Income	5,000	5,000	6,170	1,170
Total Revenues	1,228,700	1,228,700	1,271,440	42,740
Other Financing Sources				
GOLT Bonds Issued	1,750,000	1,750,000	858,000	(892,000)
Total Revenues and Other Financing Sources	2,978,700	2,978,700	2,129,440	(849,260)
Expenditures				
Public Works	1,394,900	1,869,900	1,803,528	66,372
Total Expenditures	1,394,900	1,869,900	1,803,528	66,372
Other Financing Uses				
Transfers Out	472,000	472,000	332,000	140,000
Total Expenditures and Other Financing Uses	1,866,900	2,341,900	2,135,528	206,372
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,111,800	636,800	(6,088)	(642,888)
Net Change in Fund Balance	1,111,800	636,800	(6,088)	(642,888)
Fund Balance at Beginning of Period	783,417	783,417	783,417	--
Fund Balance at End of Period	\$ 1,895,217	\$ 1,420,217	\$ 777,329	\$ (642,888)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Streets
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 370,000	\$ 370,000	\$ 373,931	\$ 3,931
Interest Income	2,000	2,000	320	(1,680)
Total Revenues	372,000	372,000	374,251	2,251
Other Financing Sources				
GOLT Bonds Issued	1,750,000	1,750,000	1,858,000	108,000
Transfers In	310,000	310,000	310,000	--
Total Revenues and Other Financing Sources	2,432,000	2,432,000	2,542,251	110,251
Expenditures				
Public Works	809,400	809,400	735,660	73,740
Total Expenditures	809,400	809,400	735,660	73,740
Other Financing Uses				
Transfers Out	222,000	222,000	80,000	142,000
Total Expenditures and Other Financing Uses	1,031,400	1,031,400	815,660	215,740
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,400,600	1,400,600	1,726,591	325,991
Net Change in Fund Balance	1,400,600	1,400,600	1,726,591	325,991
Fund Balance at Beginning of Period	327,047	327,047	327,047	--
Fund Balance at End of Period	\$ 1,727,647	\$ 1,727,647	\$ 2,053,638	\$ 325,991

City of Cadillac
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Police and Fire
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	Information Unavailable*	
									2013	2012
Total Pension Liability										
Service Cost	\$ 295,754	\$ 252,670	\$ 245,277	\$ 251,482	\$ 265,532	\$ 244,157	\$ 244,157	\$ 236,694	\$ -	\$ -
Interest on Total Pension Liability	1,010,874	1,021,231	1,006,242	971,056	943,431	927,642	895,778	852,820	-	-
Differences Between Expected and Actual Experience	(63,673)	(590,780)	(40,161)	242,609	59,257	(23,128)	119,335	250,448	-	-
Changes of Assumptions	(357,603)	534,387	(41,620)	41,836	(67,609)	48,937	78,308	-	-	-
Changes in Benefit Terms	27,412	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds	(1,071,653)	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)	-	-
Net Change in Pension Liability	(158,889)	151,182	183,603	547,016	346,589	370,002	539,243	596,438	-	-
Total Pension Liability - Beginning	14,358,427	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)	\$ 14,199,538	\$ 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	\$ 695,833	\$ 675,981	\$ 683,213	\$ 701,533	\$ 630,432	\$ 629,917	\$ 631,963	\$ 633,673	\$ -	\$ -
Contributions - Employee	28,800	17,828	12,203	29,842	38,283	37,461	36,346	42,195	-	-
Net Investment Income	3,070,126	239,616	288,698	798,574	1,193,963	56,318	258,280	1,146,932	-	-
Benefit Payments, Including Refunds	(1,071,653)	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)	-	-
Administrative Expenses	(11,650)	(11,950)	(12,500)	(14,921)	(11,100)	(10,400)	(9,700)	(7,200)	-	-
Net Change in Plan Fiduciary Net Position	2,711,456	(144,851)	(14,521)	555,061	997,556	(114,310)	118,554	1,072,076	-	-
Plan Fiduciary Net Position - Beginning	11,145,019	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)	\$ 13,856,475	\$ 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)	\$ 343,063	\$ 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	97.6%	77.6%	79.5%	80.6%	79.8%	74.3%	77.3%	79.8%	N/A	N/A
Covered Payroll	\$ 1,732,053	\$ 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
Net Pension Liability as a Percentage of Covered Payroll	19.8%	195.4%	191.7%	181.4%	178.4%	210.1%	181.4%	157.7%	N/A	N/A

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**In 2021, the following were significant changes to economic and demographic assumptions:

Average final compensation for fire members was updated from a 5-year average to a 3-year average
Assumed administrative expenses were added to the calculation of the contribution requirement

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution	\$ 510,426	\$ 499,948	\$ 496,076	\$ 520,516	\$ 533,253	\$ 543,315	\$ 549,400	\$ 543,315	\$ 549,400	\$ 545,530
Contributions in Relation to the Actuarially Determined Contribution	695,833	675,981	683,213	701,533	630,432	629,917	631,963	633,673	651,762	666,098
Contribution Deficiency (Excess)	<u>\$ (185,407)</u>	<u>\$ (176,033)</u>	<u>\$ (187,137)</u>	<u>\$ (181,017)</u>	<u>\$ (97,179)</u>	<u>\$ (86,602)</u>	<u>\$ (82,563)</u>	<u>\$ (90,358)</u>	<u>\$ (102,362)</u>	<u>\$ (120,568)</u>
Covered Payroll	\$ 1,732,053	\$ 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
Contributions as a Percentage of Covered Payroll	40.2%	41.1%	44.9%	46.8%	41.2%	39.2%	39.6%	40.4%	24.6%	26.4%

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.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	10 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	4.00% Wage Inflation with 0.00%-1.50% Merit and Longevity Increases
Investment Rate of Return	7.00%, Net of Investment Expense, including Inflation
Retirement Age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Pub-2010 with MP-2019

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Information Unavailable*</u>	
									<u>2013</u>	<u>2012</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.00%	5.00%	5.30%	7.10%	7.60%	5.50%	8.44%	9.55%	N/A	N/A

* Built prospectively upon implementation on GASB Statement No.68. Ultimately, 10 years of data will be provided.

City of Cadillac
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - MERS
Last 10 Plan Years

	2020	2019	2018	2017	2016	2015	2014	Information Unavailable*		
								2012	2011	2010
Total Pension Liability										
Service Cost	\$ 213,993	\$ 198,164	\$ 193,437	\$ 171,940	\$ 183,064	\$ 178,507	\$ 182,201	\$ -	\$ -	\$ -
Interest on Total Pension Liability	1,027,749	1,026,791	993,571	966,451	962,346	912,790	861,002	-	-	-
Differences Between Expected and Actual Experience	206,873	(162,935)	2,454	(39,013)	(350,495)	18,275	-	-	-	-
Changes of Assumptions**	396,202	407,156	-	-	-	579,967	-	-	-	-
Benefit Payments, Including Refunds	(814,800)	(763,157)	(789,976)	(750,139)	(725,564)	(728,028)	(696,532)	-	-	-
Other Changes	-	-	-	(1,081)	-	-	-	-	-	-
Net Change in Pension Liability	1,030,017	706,019	399,486	348,158	69,351	961,511	346,671	-	-	-
<i>Total Pension Liability - Beginning</i>	13,823,402	13,117,383	12,717,897	12,369,739	12,300,388	11,338,877	10,992,206	-	-	-
Total Pension Liability - Ending (a)	\$ 14,853,419	\$ 13,823,402	\$ 13,117,383	\$ 12,717,897	\$ 12,369,739	\$ 12,300,388	\$ 11,338,877	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 431,742	\$ 371,775	\$ 331,009	\$ 304,055	\$ 281,993	\$ 260,636	\$ 274,762	\$ -	\$ -	\$ -
Net Investment Income (Loss)	1,276,898	1,261,012	(390,671)	1,237,501	1,001,110	(139,307)	617,338	-	-	-
Benefit Payments, Including Refunds	(814,800)	(763,157)	(789,976)	(750,139)	(725,196)	(728,028)	(696,532)	-	-	-
Administrative Expenses	(20,414)	(21,709)	(19,637)	(19,622)	(19,782)	(20,636)	(22,612)	-	-	-
Net Change in Plan Fiduciary Net Position	873,426	847,921	(869,275)	771,795	538,125	(627,335)	172,956	-	-	-
<i>Plan Fiduciary Net Position - Beginning</i>	10,237,704	9,389,783	10,259,058	9,487,263	8,949,138	9,576,473	9,883,508	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 11,111,130	\$ 10,237,704	\$ 9,389,783	\$ 10,259,058	\$ 9,487,263	\$ 8,949,138	\$ 10,056,464	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a) - (b)	\$ 3,742,289	\$ 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	74.8%	74.1%	71.6%	80.7%	76.7%	72.8%	88.7%	N/A	N/A	N/A
Covered Payroll	\$ 2,515,900	\$ 2,349,644	\$ 2,301,503	\$ 2,066,937	\$ 2,195,369	\$ 2,186,192	\$ 2,712,307	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	148.7%	152.6%	162.0%	119.0%	131.3%	153.3%	47.3%	N/A	N/A	N/A

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution	\$ 743,760	\$ 679,980	\$ 344,803	\$ 317,092	\$ 281,993	\$ 260,636	\$ 274,762	\$ 261,878	\$ 227,945	\$ 211,857
Contributions in Relation to the Actuarially Determined Contribution	436,183	395,146	344,803	317,092	281,993	260,636	274,762	261,878	227,945	211,857
Contribution Deficiency (Excess)	<u>\$ 307,577</u>	<u>\$ 284,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,515,900	\$ 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
Contributions as a Percentage of Covered Payroll	17.3%	16.3%	14.6%	14.4%	12.7%	11.9%	10.0%	9.9%	9.0%	8.8%

Notes

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	18 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	3.00% Wage Inflation with 0.00%-11.00% Merit and Longevity Increases
Investment Rate of Return	7.35%, Net of Investment Expense, including Inflation
Retirement Age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Rates Used were Based on the RP-2019 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

City of Cadillac
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	Information Unavailable*				
						2016	2015	2014	2013	2012
Total OPEB Liability										
Service Cost	\$ 47,012	\$ 43,449	\$ 102,983	\$ 97,328	\$ 111,956	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Total OPEB Liability	303,046	334,599	283,251	276,000	275,650	-	-	-	-	-
Differences Between Expected and Actual Experience	(345,171)	116,593	(762,868)	-	(184,047)	-	-	-	-	-
Changes of Assumptions**	378,190	(316,948)	211,883	-	53,886	-	-	-	-	-
Benefit Payments, Including Refunds	(363,822)	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-	-	-
Net Change in total OPEB Liability	19,255	(208,917)	(448,416)	147,797	(38,868)	-	-	-	-	-
Total OPEB Liability - Beginning	4,254,742	4,463,659	4,912,075	4,764,278	4,803,146	-	-	-	-	-
Total OPEB Liability - Ending (a)	\$ 4,273,997	\$ 4,254,742	\$ 4,463,659	\$ 4,912,075	\$ 4,764,278	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 363,822	\$ 386,610	\$ 58,134	\$ 225,531	\$ 296,313	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income (Loss)	934,470	(61,366)	91,017	247,199	370,924	-	-	-	-	-
Benefit Payments, Including Refunds	(363,822)	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-	-	-
Administrative Expenses	(6,873)	(6,203)	(7,227)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	927,597	(67,569)	(141,741)	247,199	370,924	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,324,417	3,391,986	3,533,727	3,286,528	2,915,604	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 4,252,014	\$ 3,324,417	\$ 3,391,986	\$ 3,533,727	\$ 3,286,528	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a) - (b)	\$ 21,983	\$ 930,325	\$ 1,071,673	\$ 1,378,348	\$ 1,477,750	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	99.5%	78.1%	76.0%	71.9%	69.0%	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 1,245,605	\$ 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
Net OPEB Liability as a Percentage of Covered Payroll	1.8%	75.5%	78.7%	73.6%	81.8%	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.75. An additional year will be added each year until ten years are presented.

**In 2020, the following were significant changes to economic and demographic assumptions:

The mortality and medical trend rates were changed to reflect anticipated experience under Public Act 202.

The expected retirement age was changed to reflect retiree experience.

The premiums have decreased from the previous year.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution	\$ 363,822	\$ 386,610	\$ 283,665	\$ 244,032	\$ 296,313	\$ 271,847	\$ 267,660	\$ 276,378	\$ 238,334	\$ 228,717
Contributions in Relation to the Actuarially Determined Contribution	<u>363,822</u>	<u>246,610</u>	<u>58,134</u>	<u>225,531</u>	<u>296,313</u>	<u>271,847</u>	<u>187,747</u>	<u>181,183</u>	<u>103,690</u>	<u>183,525</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 225,531</u>	<u>\$ 18,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,913</u>	<u>\$ 95,195</u>	<u>\$ 134,644</u>	<u>\$ 45,192</u>
Covered Payroll	\$ 1,245,605	\$ 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
Contributions as a Percentage of Covered Payroll	29.2%	20.0%	4.3%	12.0%	16.4%	13.7%	7.5%	7.2%	2.9%	5.4%

Notes

Valuation Date: June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	12 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	3.00% Wage Inflation with 0.00%-6.70% Merit and Longevity Increases
Investment Rate of Return	7.00%, Net of Investment Expense, including Inflation
Healthcare Cost Trend Rate	8.00% for health and pharmacy; 5.00% for dental
Retirement Age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Pub-2010 with MP-2020

Combining and Individual Fund Statements and Schedules

City of Cadillac

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

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 – This fund was established to account for the principal and interest payments on a 2016 General Obligation Bond issued to acquire and construct various municipality improvements.

2020 CI Bonds Fund – This fund was established to account for the principal and interest payments on a 2020 Michigan Transportation Bond issued to acquire and construct various municipality improvements.

City of Cadillac

Nonmajor Governmental Fund Descriptions

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.

Downtown Infrastructure Fund - This fund was established to account for improvements on downtown infrastructure.

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, 2021**

	Special Revenue					
	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection
ASSETS						
Cash and Pooled Investments	\$ 51,983	\$ 6,210	\$ 291,572	\$ 8,991	\$ 49,210	\$ 41,993
Receivables	--	--	70,393	--	--	--
Advance to Other Funds	--	--	405,000	--	--	--
Total Assets	\$ 51,983	\$ 6,210	\$ 766,965	\$ 8,991	\$ 49,210	\$ 41,993
LIABILITIES						
Accounts Payable	\$ 10,488	\$ --	\$ --	\$ 175	\$ --	\$ 19,455
Accrued Liabilities	8,098	--	1,058	--	--	--
Due to Other Funds	--	--	--	--	--	--
Total Liabilities	18,586	--	1,058	175	--	19,455
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	--	--	53,872	--	--	--
Total Liabilities and Deferred Inflows of Resources	18,586	--	54,930	175	--	19,455
FUND BALANCE						
Nonspendable	--	--	--	--	--	--
Restricted	33,397	6,210	--	8,816	--	22,538
Assigned	--	--	712,035	--	49,210	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	33,397	6,210	712,035	8,816	49,210	22,538
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 51,983	\$ 6,210	\$ 766,965	\$ 8,991	\$ 49,210	\$ 41,993

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Debt Service		Capital Projects				
	2016 GO Bonds	2020 CI Bonds	Market Capital Project	Cadillac Trailhead Project	Mitchell-Bentley Cleanup Project	Downtown Infrastructure	Industrial Park
ASSETS							
Cash and Pooled Investments	\$ 1,056	\$ --	\$ 38,228	\$ --	\$ --	\$ 519,459	\$ 571,809
Receivables	--	--	--	--	71,160	--	201
Advance to Other Funds	--	--	--	--	--	--	--
Total Assets	\$ 1,056	\$ --	\$ 38,228	\$ --	\$ 71,160	\$ 519,459	\$ 572,010
LIABILITIES							
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ 11,571	\$ 61,678	\$ 1,002
Accrued Liabilities	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	59,060	--	--
Total Liabilities	--	--	--	--	70,631	61,678	1,002
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	--	--	--	70,631	61,678	1,002
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	1,056	--	38,228	--	529	457,781	--
Assigned	--	--	--	--	--	--	571,008
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	1,056	--	38,228	--	529	457,781	571,008
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,056	\$ --	\$ 38,228	\$ --	\$ 71,160	\$ 519,459	\$ 572,010

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Capital Projects				Permanent		Total Nonmajor Governmental Funds
	Clam River Greenway	Special Assessment Capital Projects	Rotary Park Project	Corridor Improvement	Cemetery Perpetual	Capital Projects Trust	
ASSETS							
Cash and Pooled Investments	\$ 23,197	\$ 78,962	\$ 4,326	\$ 5,899	\$ 571,287	\$ 131,209	\$ 2,395,391
Receivables	--	15,438	--	--	24,771	--	181,963
Advance to Other Funds	--	--	--	--	--	--	405,000
Total Assets	\$ 23,197	\$ 94,400	\$ 4,326	\$ 5,899	\$ 596,058	\$ 131,209	\$ 2,982,354
LIABILITIES							
Accounts Payable	\$ --	\$ 16,343	\$ --	\$ --	\$ --	\$ --	\$ 120,712
Accrued Liabilities	--	--	--	--	--	--	9,156
Due to Other Funds	--	--	--	--	--	--	59,060
Total Liabilities	--	16,343	--	--	--	--	188,928
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	--	10,862	--	--	--	--	64,734
Total Liabilities and Deferred Inflows of Resources	--	27,205	--	--	--	--	253,662
FUND BALANCE							
Nonspendable	--	--	--	--	245,000	131,209	376,209
Restricted	23,197	67,195	4,326	--	351,058	--	1,014,331
Assigned	--	--	--	5,899	--	--	1,338,152
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	23,197	67,195	4,326	5,899	596,058	131,209	2,728,692
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 23,197	\$ 94,400	\$ 4,326	\$ 5,899	\$ 596,058	\$ 131,209	\$ 2,982,354

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					
	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection
Revenues						
Licenses and Permits	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 70,928
Federal Revenue	--	--	--	--	--	--
State Revenue	--	--	--	--	--	--
Local Revenue	3,000	--	--	--	--	--
Charges for Services	49,862	--	--	18,248	--	--
Miscellaneous	--	--	--	4,500	--	--
Interest Income	--	--	10,147	--	21	--
Total Revenues	52,862	--	10,147	22,748	21	70,928
Expenditures						
General Government	153,004	--	--	35,998	--	--
Public Safety	--	--	--	--	--	67,293
Public Works	--	14,430	--	--	--	--
Economic Development	--	--	75,195	--	--	--
Capital Outlay	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--
Debt Service - Bond Issuance Costs	--	--	--	--	--	--
Total Expenditures	153,004	14,430	75,195	35,998	--	67,293
Excess of Revenues Over (Under) Expenditures	(100,142)	(14,430)	(65,048)	(13,250)	21	3,635
Other Financing Sources (Uses)						
GOLT Bonds Issued	--	--	--	--	--	--
Transfers In	70,000	10,000	--	20,000	--	--
Transfers Out	--	--	(20,000)	--	--	--
Net Other Financing Sources (Uses)	70,000	10,000	(20,000)	20,000	--	--
Net Change in Fund Balance	(30,142)	(4,430)	(85,048)	6,750	21	3,635
Fund Balance at Beginning of Period	63,539	10,640	797,083	2,066	49,189	18,903
Fund Balance at End of Period	\$ 33,397	\$ 6,210	\$ 712,035	\$ 8,816	\$ 49,210	\$ 22,538

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Debt Service		Capital Projects				
	2016 GO Bonds	2020 CI Bonds	Market Capital Project	Cadillac Trailhead Project	Mitchell-Bentley Cleanup Project	Downtown Infrastructure	Industrial Park
Revenues							
Licenses and Permits	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Federal Revenue	--	--	50,000	--	--	--	--
State Revenue	--	--	--	--	105,498	--	22,029
Local Revenue	--	--	--	2,800	74,623	--	--
Charges for Services	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	--
Interest Income	--	--	--	--	--	--	5,425
Total Revenues	<u>--</u>	<u>--</u>	<u>50,000</u>	<u>2,800</u>	<u>180,121</u>	<u>--</u>	<u>27,454</u>
Expenditures							
General Government	500	--	--	--	--	--	500
Public Safety	--	--	--	--	--	--	--
Public Works	--	--	--	--	--	475,208	--
Economic Development	--	--	17,650	--	204,703	--	25,462
Capital Outlay	--	--	--	19,355	--	--	--
Debt Service - Principal	126,700	235,000	--	--	--	--	--
Debt Service - Interest	34,640	69,198	--	--	--	--	--
Debt Service - Bond Issuance Costs	--	46,813	--	--	--	--	--
Total Expenditures	<u>161,840</u>	<u>351,011</u>	<u>17,650</u>	<u>19,355</u>	<u>204,703</u>	<u>475,208</u>	<u>25,962</u>
Excess of Revenues Over (Under) Expenditures	<u>(161,840)</u>	<u>(351,011)</u>	<u>32,350</u>	<u>(16,555)</u>	<u>(24,582)</u>	<u>(475,208)</u>	<u>1,492</u>
Other Financing Sources (Uses)							
GOLT Bonds Issued	--	351,011	--	--	--	932,989	--
Transfers In	162,000	--	--	--	23,450	--	--
Transfers Out	--	--	--	--	--	--	(23,450)
Net Other Financing Sources (Uses)	<u>162,000</u>	<u>351,011</u>	<u>--</u>	<u>--</u>	<u>23,450</u>	<u>932,989</u>	<u>(23,450)</u>
Net Change in Fund Balance	160	--	32,350	(16,555)	(1,132)	457,781	(21,958)
Fund Balance at Beginning of Period	896	--	5,878	16,555	1,661	--	592,966
Fund Balance at End of Period	\$ 1,056	\$ --	\$ 38,228	\$ --	\$ 529	\$ 457,781	\$ 571,008

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Capital Projects				Permanent		Total Nonmajor Governmental Funds
	Clam River Greenway	Special Assessment Capital Projects	Rotary Park Project	Corridor Improvement	Cemetery Perpetual	Capital Projects Trust	
Revenues							
Licenses and Permits	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 70,928
Federal Revenue	--	--	--	--	--	--	50,000
State Revenue	--	--	--	--	--	--	127,527
Local Revenue	2,500	--	--	--	--	--	82,923
Charges for Services	--	--	--	--	12,900	--	81,010
Miscellaneous	--	8,528	--	--	--	--	13,028
Interest Income	--	524	--	--	7,583	1,298	24,998
Total Revenues	<u>2,500</u>	<u>9,052</u>	<u>--</u>	<u>--</u>	<u>20,483</u>	<u>1,298</u>	<u>450,414</u>
Expenditures							
General Government	--	--	--	--	500	500	191,002
Public Safety	--	--	--	--	--	--	67,293
Public Works	--	24,373	--	--	--	--	514,011
Economic Development	--	--	--	--	--	--	323,010
Capital Outlay	--	--	--	--	--	--	19,355
Debt Service - Principal	--	--	--	--	--	--	361,700
Debt Service - Interest	--	--	--	--	--	--	103,838
Debt Service - Bond Issuance Costs	--	--	--	--	--	--	46,813
Total Expenditures	<u>--</u>	<u>24,373</u>	<u>--</u>	<u>--</u>	<u>500</u>	<u>500</u>	<u>1,627,022</u>
Excess of Revenues Over (Under) Expenditures	<u>2,500</u>	<u>(15,321)</u>	<u>--</u>	<u>--</u>	<u>19,983</u>	<u>798</u>	<u>(1,176,608)</u>
Other Financing Sources (Uses)							
GOLT Bonds Issued	--	--	--	--	--	--	1,284,000
Transfers In	--	--	--	--	--	--	285,450
Transfers Out	--	--	--	--	--	--	(43,450)
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,526,000</u>
Net Change in Fund Balance	<u>2,500</u>	<u>(15,321)</u>	<u>--</u>	<u>--</u>	<u>19,983</u>	<u>798</u>	<u>349,392</u>
Fund Balance at Beginning of Period	<u>20,697</u>	<u>82,516</u>	<u>4,326</u>	<u>5,899</u>	<u>576,075</u>	<u>130,411</u>	<u>2,379,300</u>
Fund Balance at End of Period	<u>\$ 23,197</u>	<u>\$ 67,195</u>	<u>\$ 4,326</u>	<u>\$ 5,899</u>	<u>\$ 596,058</u>	<u>\$ 131,209</u>	<u>\$ 2,728,692</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cemetery
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Local Revenue	\$ --	\$ --	\$ 3,000	\$ 3,000
Charges for Services	56,000	56,000	49,862	(6,138)
Total Revenues	56,000	56,000	52,862	(3,138)
Other Financing Sources				
Transfers In	97,500	97,500	70,000	(27,500)
Total Revenues and Other Financing Sources	153,500	153,500	122,862	(30,638)
Expenditures				
General Government	179,400	179,400	153,004	26,396
Total Expenditures	179,400	179,400	153,004	26,396
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(25,900)	(25,900)	(30,142)	(4,242)
Net Change in Fund Balance	(25,900)	(25,900)	(30,142)	(4,242)
Fund Balance at Beginning of Period	63,539	63,539	63,539	--
Fund Balance at End of Period	\$ 37,639	\$ 37,639	\$ 33,397	\$ (4,242)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Milfoil
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
<i>Total Revenues</i>	--	--	--	--
Other Financing Sources				
Transfers In	\$ --	\$ 10,000	\$ 10,000	\$ --
<i>Total Revenues and Other Financing Sources</i>	--	10,000	10,000	--
Expenditures				
Public Works	16,000	16,000	14,430	1,570
<i>Total Expenditures</i>	16,000	16,000	14,430	1,570
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	(16,000)	(6,000)	(4,430)	1,570
<i>Net Change in Fund Balance</i>	(16,000)	(6,000)	(4,430)	1,570
Fund Balance at Beginning of Period	10,640	10,640	10,640	--
<i>Fund Balance at End of Period</i>	\$ (5,360)	\$ 4,640	\$ 6,210	\$ 1,570

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Development
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 23,000	\$ 23,000	\$ 10,147	\$ (12,853)
Total Revenues	<u>23,000</u>	<u>23,000</u>	<u>10,147</u>	<u>(12,853)</u>
Expenditures				
Economic Development	58,000	78,000	75,195	2,805
Total Expenditures	<u>58,000</u>	<u>78,000</u>	<u>75,195</u>	<u>2,805</u>
Other Financing Uses				
Transfers Out	20,000	20,000	20,000	--
Total Expenditures and Other Financing Uses	<u>78,000</u>	<u>98,000</u>	<u>95,195</u>	<u>2,805</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>(55,000)</u>	<u>(75,000)</u>	<u>(85,048)</u>	<u>(10,048)</u>
Net Change in Fund Balance	(55,000)	(75,000)	(85,048)	(10,048)
Fund Balance at Beginning of Period	797,083	797,083	797,083	--
Fund Balance at End of Period	\$ 742,083	\$ 722,083	\$ 712,035	\$ (10,048)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Naval Reserve Center
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 18,000	\$ 18,000	\$ 18,248	\$ 248
Miscellaneous	5,000	5,000	4,500	(500)
Total Revenues	23,000	23,000	22,748	(252)
Other Financing Sources				
Transfers In	--	20,000	20,000	--
Total Revenues and Other Financing Sources	23,000	43,000	42,748	(252)
Expenditures				
General Government	23,000	43,000	35,998	7,002
Total Expenditures	23,000	43,000	35,998	7,002
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	6,750	6,750
Net Change in Fund Balance	--	--	6,750	6,750
Fund Balance at Beginning of Period	2,066	2,066	2,066	--
Fund Balance at End of Period	\$ 2,066	\$ 2,066	\$ 8,816	\$ 6,750

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
HL Green Operating
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 500	\$ 500	\$ 21	\$ (479)
Total Revenues	500	500	21	(479)
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over Expenditures	500	500	21	(479)
Net Change in Fund Balance	500	500	21	(479)
Fund Balance at Beginning of Period	49,189	49,189	49,189	--
Fund Balance at End of Period	\$ 49,689	\$ 49,689	\$ 49,210	\$ (479)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Building Inspection
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$ 90,000	\$ 90,000	\$ 70,928	\$ (19,072)
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>70,928</u>	<u>(19,072)</u>
Expenditures				
Code Enforcement	90,000	90,000	67,293	22,707
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>67,293</u>	<u>22,707</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>3,635</u>	<u>3,635</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>3,635</u>	<u>3,635</u>
Fund Balance at Beginning of Period	18,903	18,903	18,903	--
Fund Balance at End of Period	<u>\$ 18,903</u>	<u>\$ 18,903</u>	<u>\$ 22,538</u>	<u>\$ 3,635</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2016 GO Bonds
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
<i>Total Revenues</i>	--	--	--	--
Other Financing Sources				
Transfers In	\$ 160,000	\$ 162,000	\$ 162,000	\$ --
<i>Total Revenues and Other Financing Sources</i>	160,000	162,000	162,000	--
Expenditures				
General Government	500	500	500	--
Debt Service - Principal	126,600	126,600	126,700	(100)
Debt Service - Interest	32,900	34,900	34,640	260
<i>Total Expenditures</i>	160,000	162,000	161,840	160
Excess (Deficiency) of Revenues Other Sources Over Expenditures	--	--	160	160
Net Change in Fund Balance	--	--	160	160
Fund Balance at Beginning of Period	896	896	896	--
Fund Balance at End of Period	\$ 896	\$ 896	\$ 1,056	\$ 160

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2020 CI Bonds
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
<i>Total Revenues</i>	--	--	--	--
Other Financing Sources				
GOLT Bonds Issued	\$ --	\$ 47,000	\$ 351,011	\$ 304,011
Transfers In	325,000	325,000	--	(325,000)
<i>Total Revenues and Other Financing Sources</i>	325,000	372,000	351,011	(20,989)
Expenditures				
Debt Service - Principal	215,000	215,000	235,000	(20,000)
Debt Service - Interest	110,000	110,000	69,198	40,802
Debt Service - Bond Issuance Costs	--	47,000	46,813	187
<i>Total Expenditures</i>	325,000	372,000	351,011	20,989
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<i>Fund Balance at End of Period</i>	\$ --	\$ --	\$ --	\$ --

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Market Capital Project
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Federal Revenue	\$ --	\$ 50,000	\$ 50,000	\$ --
Total Revenues	--	50,000	50,000	--
Expenditures				
Economic Development	--	25,000	17,650	7,350
Total Expenditures	--	25,000	17,650	7,350
Excess (Deficiency) of Revenues Over Expenditures	--	25,000	32,350	7,350
Net Change in Fund Balance	--	25,000	32,350	7,350
Fund Balance at Beginning of Period	5,878	5,878	5,878	--
Fund Balance at End of Period	\$ 5,878	\$ 30,878	\$ 38,228	\$ 7,350

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Trailhead Project
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 265,000	\$ 265,000	\$ --	\$ (265,000)
Local Revenue	175,500	175,500	2,800	(172,700)
Total Revenues	<u>440,500</u>	<u>440,500</u>	<u>2,800</u>	<u>(437,700)</u>
Expenditures				
Capital Outlay	450,000	450,000	19,355	430,645
Total Expenditures	<u>450,000</u>	<u>450,000</u>	<u>19,355</u>	<u>430,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,500)</u>	<u>(9,500)</u>	<u>(16,555)</u>	<u>(7,055)</u>
Net Change in Fund Balance	(9,500)	(9,500)	(16,555)	(7,055)
Fund Balance at Beginning of Period	16,555	16,555	16,555	--
Fund Balance at End of Period	\$ 7,055	\$ 7,055	\$ --	\$ (7,055)

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, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ --	\$ 75,000	\$ 105,498	\$ 30,498
Local Revenue	--	150,000	74,623	(75,377)
Total Revenues	--	225,000	180,121	(44,879)
Other Financing Sources				
Transfers In	--	--	23,450	23,450
Total Revenues and Other Financing Sources	--	225,000	203,571	(21,429)
Expenditures				
Economic Development	--	225,000	204,703	20,297
Total Expenditures	--	225,000	204,703	20,297
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	(1,132)	(1,132)
Net Change in Fund Balance	--	--	(1,132)	(1,132)
Fund Balance at Beginning of Period	1,661	1,661	1,661	--
Fund Balance at End of Period	\$ 1,661	\$ 1,661	\$ 529	\$ (1,132)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Downtown Infrastructure
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Other Financing Sources				
GOLT Bonds Issued	\$ 1,000,000	\$ 1,000,000	\$ 932,989	\$ (67,011)
Total Revenues and Other Financing Sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>932,989</u>	<u>(67,011)</u>
Expenditures				
Construction	<u>1,000,000</u>	<u>1,000,000</u>	<u>475,208</u>	<u>524,792</u>
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>475,208</u>	<u>524,792</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>--</u>	<u>--</u>	<u>457,781</u>	<u>457,781</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>457,781</u>	<u>457,781</u>
Fund Balance at Beginning of Period	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 457,781</u>	<u>\$ 457,781</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Industrial Park
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 60,000	\$ 60,000	\$ 22,029	\$ (37,971)
Interest Income	12,000	12,000	5,425	(6,575)
Total Revenues	72,000	72,000	27,454	(44,546)
Expenditures				
Economic Development	85,000	85,000	25,462	59,538
General Government	2,500	2,500	500	2,000
Total Expenditures	87,500	87,500	25,962	61,538
Other Financing Uses				
Transfers Out	--	--	23,450	(23,450)
Total Expenditures and Other Financing Uses	87,500	87,500	49,412	38,088
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(15,500)	(15,500)	(21,958)	(6,458)
Net Change in Fund Balance	(15,500)	(15,500)	(21,958)	(6,458)
Fund Balance at Beginning of Period	592,966	592,966	592,966	--
Fund Balance at End of Period	\$ 577,466	\$ 577,466	\$ 571,008	\$ (6,458)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Clam River Greenway
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Local Revenue	\$ --	\$ --	\$ 2,500	\$ 2,500
<i>Total Revenues</i>	<u>--</u>	<u>--</u>	<u>2,500</u>	<u>2,500</u>
Expenditures				
<i>Total Expenditures</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>--</u>	<u>--</u>	<u>2,500</u>	<u>2,500</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>2,500</u>	<u>2,500</u>
Fund Balance at Beginning of Period	20,697	20,697	20,697	--
<i>Fund Balance at End of Period</i>	<u>\$ 20,697</u>	<u>\$ 20,697</u>	<u>\$ 23,197</u>	<u>\$ 2,500</u>

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, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 8,528	\$ 3,528
Interest Income	500	500	524	24
Total Revenues	5,500	5,500	9,052	3,552
Expenditures				
Public Works	30,500	30,500	24,373	6,127
Total Expenditures	30,500	30,500	24,373	6,127
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	(25,000)	(15,321)	9,679
Net Change in Fund Balance	(25,000)	(25,000)	(15,321)	9,679
Fund Balance at Beginning of Period	82,516	82,516	82,516	--
Fund Balance at End of Period	\$ 57,516	\$ 57,516	\$ 67,195	\$ 9,679

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Rotary Park Project
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
<i>Total Revenues</i>	--	--	--	--
Expenditures				
<i>Total Expenditures</i>	--	--	--	--
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	4,326	4,326	4,326	--
<i>Fund Balance at End of Period</i>	\$ 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, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
<i>Total Revenues</i>	--	--	--	--
Expenditures				
<i>Total Expenditures</i>	--	--	--	--
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	5,899	5,899	5,899	--
<i>Fund Balance at End of Period</i>	\$ 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, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 9,500	\$ 9,500	\$ 12,900	\$ 3,400
Interest Income	10,000	10,000	7,583	(2,417)
Total Revenues	19,500	19,500	20,483	983
Expenditures				
General Government	500	500	500	--
Total Expenditures	500	500	500	--
Other Financing Uses				
Transfers Out	27,500	27,500	--	27,500
Total Expenditures and Other Financing Uses	28,000	28,000	500	27,500
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(8,500)	(8,500)	19,983	28,483
Net Change in Fund Balance	(8,500)	(8,500)	19,983	28,483
Fund Balance at Beginning of Period	576,075	576,075	576,075	--
Fund Balance at End of Period	\$ 567,575	\$ 567,575	\$ 596,058	\$ 28,483

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Capital Projects Trust
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 1,500	\$ 15,000	\$ 1,298	\$ (13,702)
Total Revenues	1,500	15,000	1,298	(13,702)
Expenditures				
General Government	500	500	500	--
Total Expenditures	500	500	500	--
Excess (Deficiency) of Revenues Over Expenditures	1,000	14,500	798	(13,702)
Net Change in Fund Balance	1,000	14,500	798	(13,702)
Fund Balance at Beginning of Period	130,411	130,411	130,411	--
Fund Balance at End of Period	\$ 131,411	\$ 144,911	\$ 131,209	\$ (13,702)

City of Cadillac

Nonmajor Proprietary Fund Descriptions

NONMAJOR PROPRIETARY FUNDS

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

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

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

City of Cadillac
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	<u>Enterprise</u>		
	<u>Automobile Parking System</u>	<u>Building Authority</u>	<u>Total Enterprise Funds</u>
ASSETS			
<i>Current Assets</i>			
Cash and Pooled Investments	\$ 216,373	\$ 455,908	\$ 672,281
Receivables	109	193	302
<i>Total Current Assets</i>	<u>216,482</u>	<u>456,101</u>	<u>672,583</u>
<i>Noncurrent Assets</i>			
Capital Assets not being Depreciated	249,221	90,445	339,666
Capital Assets being Depreciated	164,803	906,052	1,070,855
<i>Total Assets</i>	<u>630,506</u>	<u>1,452,598</u>	<u>2,083,104</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	1,451	789	2,240
<i>Total Liabilities</i>	<u>1,451</u>	<u>789</u>	<u>2,240</u>
NET POSITION			
Net Investment in Capital Assets	414,024	996,497	1,410,521
Unrestricted	215,031	455,312	670,343
<i>Total Net Position</i>	<u>\$ 629,055</u>	<u>\$ 1,451,809</u>	<u>\$ 2,080,864</u>

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Enterprise		
	Automobile Parking System	Building Authority	Total Enterprise Funds
Operating Revenues			
Charges for Services	\$ 2,729	\$ 164,141	\$ 166,870
<i>Total Operating Revenues</i>	2,729	164,141	166,870
Operating Expenses			
Salaries and Wages	14,940	--	14,940
Materials and Supplies	11,900	--	11,900
Utilities	--	3,785	3,785
Repair and Maintenance	--	14,514	14,514
Equipment Rental	29,154	--	29,154
Contracted Services	--	27,430	27,430
Professional Fees	500	--	500
Depreciation	15,384	48,942	64,326
<i>Total Operating Expenses</i>	71,878	94,671	166,549
<i>Operating Income (Loss)</i>	(69,149)	69,470	321
Non-Operating Revenues (Expenses)			
Interest Income	886	1,565	2,451
Special Assessment Revenue	54,278	--	54,278
<i>Net Non-Operating Revenues (Expenses)</i>	55,164	1,565	56,729
<i>Income Before Transfers</i>	(13,985)	71,035	57,050
Transfers In	35,000	--	35,000
Transfers Out	--	--	--
<i>Change In Net Position</i>	21,015	71,035	92,050
<i>Net Position at Beginning of Period</i>	608,040	1,380,774	1,988,814
<i>Net Position at End of Period</i>	\$ 629,055	\$ 1,451,809	\$ 2,080,864

City of Cadillac
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Enterprise		
	Auto Parking	Building Authority	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers and Special Assessments	\$ 2,708	\$ 164,408	\$ 167,116
Cash Payments to Employees for Services and Fringe Benefits	(16,621)	-	(16,621)
Cash Payments to Suppliers for Goods and Services	(41,001)	(45,968)	(86,969)
Net Cash Provided by (Used in) Operating Activities	(54,914)	118,440	63,526
Cash Flows from Non-capital Financing Activities			
Transfers In	35,000	-	35,000
Net Cash Provided by Non-capital Financing Activities	35,000	-	35,000
Cash Flows from Capital and Related Financing Activities			
Special Assessment Revenue	54,278	-	54,278
Net Cash Provided by Capital and Related Financing Activities	54,278	-	54,278
Cash Flows From Investing Activities			
Interest on Investments	886	1,565	2,451
Net Cash Provided by Investing Activities	886	1,565	2,451
Net Increase in Cash and Pooled Investments	35,250	120,005	155,255
Cash and Pooled Investments - Beginning of Year	181,123	335,903	517,026
Cash and Pooled Investments - End of Year	\$ 216,373	\$ 455,908	\$ 672,281
Reconciliation of Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (69,149)	\$ 69,470	\$ 321
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	(21)	267	246
Accounts Payable	553	(239)	314
Accrued Liabilities	(1,681)	-	(1,681)
Net Cash Provided by (Used in) Operating Activities	\$ (54,914)	\$ 118,440	\$ 63,526

City of Cadillac

Internal Service Fund Descriptions

INTERNAL SERVICE FUNDS

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

The City of Cadillac central stores and municipal garage fund, information technology fund, 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, 2021

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 141,895	\$ 8,790	\$ 154,611	\$ 11,479	\$ 316,775
Receivables	20	3,212	--	--	3,232
Prepays	7,358	--	82,339	--	89,697
Inventory	--	123,417	--	--	123,417
Total Current Assets	149,273	135,419	236,950	11,479	533,121
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	25,000	--	--	25,000
Capital Assets being Depreciated	172,988	1,333,675	--	--	1,506,663
Total Assets	322,261	1,494,094	236,950	11,479	2,064,784
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	--	12,008	--	--	12,008
Pension Related	--	32,461	--	--	32,461
Total Deferred Outflows of Resources	--	44,469	--	--	44,469
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	3,804	17,427	23,558	--	44,789
Accrued Liabilities	--	5,582	2,461	--	8,043
Current Portion of Compensated Absences	--	25,506	--	--	25,506
Total Current Liabilities	3,804	48,515	26,019	--	78,338
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	21,728	--	--	21,728
Net OPEB Liability	--	1,396	--	--	1,396
Net Pension Liability	--	185,992	--	--	185,992
Advance from Other Funds	--	405,000	--	--	405,000
Total Liabilities	3,804	662,631	26,019	--	692,454
DEFERRED INFLOWS OF RESOURCES					
OPEB Related	--	31,422	--	--	31,422
Pension Related	--	22,911	--	--	22,911
Total Deferred Inflows of Resources	--	54,333	--	--	54,333
NET POSITION					
Net Investment in Capital Assets	172,988	1,358,675	--	--	1,531,663
<i>Restricted for:</i>					
Internal Service - Retirees' Life Insurance	--	--	168,866	--	168,866
Internal Service - Employees' Life and Health Insurance	--	--	42,065	--	42,065
<i>Unrestricted</i>	145,469	(537,076)	--	11,479	(380,128)
Total Net Position	\$ 318,457	\$ 821,599	\$ 210,931	\$ 11,479	\$ 1,362,466

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Operating Revenues					
Charges for Services	\$ 206,600	\$ 737,511	\$ 1,344,505	\$ 12,000	\$ 2,300,616
Total Operating Revenues	<u>206,600</u>	<u>737,511</u>	<u>1,344,505</u>	<u>12,000</u>	<u>2,300,616</u>
Operating Expenses					
Salaries and Wages	4,181	145,179	--	5,192	154,552
Materials and Supplies	18,666	80,945	--	2,661	102,272
Utilities	7,500	20,452	--	--	27,952
Repair and Maintenance	--	57,946	--	--	57,946
Equipment Rental	--	38,525	--	--	38,525
Contracted Services	141,408	56,742	28,989	500	227,639
Insurance	--	--	1,457,571	--	1,457,571
Depreciation	35,334	156,064	--	--	191,398
Total Operating Expenses	<u>207,089</u>	<u>555,853</u>	<u>1,486,560</u>	<u>8,353</u>	<u>2,257,855</u>
Operating Income (Loss)	<u>(489)</u>	<u>181,658</u>	<u>(142,055)</u>	<u>3,647</u>	<u>42,761</u>
Non-Operating Revenues (Expenses)					
Interest Income	2,590	16	2,754	--	5,360
Gain on Sale of Capital Assets	--	69,133	--	--	69,133
Interest Expense	--	(5,160)	--	--	(5,160)
Net Non-Operating Revenues (Expenses)	<u>2,590</u>	<u>63,989</u>	<u>2,754</u>	<u>--</u>	<u>69,333</u>
Change In Net Position	<u>2,101</u>	<u>245,647</u>	<u>(139,301)</u>	<u>3,647</u>	<u>112,094</u>
Net Position at Beginning of Period	316,356	575,952	350,232	7,832	1,250,372
Net Position at End of Period	<u>\$ 318,457</u>	<u>\$ 821,599</u>	<u>\$ 210,931</u>	<u>\$ 11,479</u>	<u>\$ 1,362,466</u>

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Receipts from Interfund Services Provided	\$ 209,882	\$ 734,329	\$ 1,344,822	\$ 12,000	\$ 2,301,033
Cash Payments to Employees for Services and Fringe Benefits	(4,647)	(235,374)	-	(5,192)	(245,213)
Cash Payments to Suppliers for Goods and Services	(174,260)	(331,987)	(1,474,442)	(3,161)	(1,983,850)
Net Cash Provided by (Used in) Operating Activities	<u>30,975</u>	<u>166,968</u>	<u>(129,620)</u>	<u>3,647</u>	<u>71,970</u>
Cash Flows From Non-capital Financing Activities					
Change in Interfund Balances	-	14,927	-	-	14,927
Increase in Advance from Other Funds	-	150,000	-	-	150,000
Interest Paid on Internal Advance	-	(5,160)	-	-	(5,160)
Net Cash Provided by Non-capital Financing Activities	<u>-</u>	<u>159,767</u>	<u>-</u>	<u>-</u>	<u>159,767</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds on Sale of Capital Assets	-	69,133	-	-	69,133
Capital Assets Purchased	(79,561)	(387,094)	-	-	(466,655)
Net Cash Used in Capital and Related Financing Activities	<u>(79,561)</u>	<u>(317,961)</u>	<u>-</u>	<u>-</u>	<u>(397,522)</u>
Cash Flows From Investing Activities					
Interest on Investments	2,590	16	2,754	-	5,360
Net Cash Provided by Investing Activities	<u>2,590</u>	<u>16</u>	<u>2,754</u>	<u>-</u>	<u>5,360</u>
Net Increase (Decrease) in Cash and Pooled Investments	(45,996)	8,790	(126,866)	3,647	(160,425)
Cash and Pooled Investments - Beginning of Year	187,891	-	281,477	7,832	477,200
Cash and Pooled Investments - End of Year	<u>\$ 141,895</u>	<u>\$ 8,790</u>	<u>\$ 154,611</u>	<u>\$ 11,479</u>	<u>\$ 316,775</u>

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Internal Service				Total Internal Service Funds
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (489)	\$ 181,658	\$ (142,055)	\$ 3,647	\$ 42,761
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	35,334	156,064	-	-	191,398
Changes in Assets, Liabilities, and Deferred Items					
Receivables	3,282	(3,182)	317	-	417
Inventory	-	(40,789)	-	-	(40,789)
Prepaid Expenses	(7,358)	-	3,239	-	(4,119)
Accounts Payable	672	(35,386)	9,905	-	(24,809)
Accrued Liabilities	(466)	(1,202)	(1,026)	-	(2,694)
Compensated Absences	-	8,247	-	-	8,247
Net OPEB Liability and Related Deferred Items	-	(39,224)	-	-	(39,224)
Net Pension Liability and Related Deferred Items	-	(59,218)	-	-	(59,218)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 30,975</u>	<u>\$ 166,968</u>	<u>\$ (129,620)</u>	<u>\$ 3,647</u>	<u>\$ 71,970</u>

City of Cadillac

Component Unit Fund Descriptions

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, 2021

	Brownfield Redevelopment	Adjustments	Statement of Net Position
ASSETS			
Cash and Pooled Investments	\$ 130,536	\$ --	\$ 130,536
Receivables	15,711	--	15,711
<i>Total Assets</i>	<u>\$ 146,247</u>	<u>\$ --</u>	<u>\$ 146,247</u>
LIABILITIES			
<i>Total Liabilities</i>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE			
<i>Restricted for:</i>			
Economic Development	146,247	(146,247)	--
<i>Total Fund Balance</i>	<u>146,247</u>	<u>(146,247)</u>	<u>--</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 146,247</u>	<u>\$ (146,247)</u>	<u>\$ --</u>
NET POSITION			
<i>Restricted for:</i>			
Economic Development		\$ 146,247	\$ 146,247
<i>Total Net Position</i>		<u>\$ 146,247</u>	<u>\$ 146,247</u>

City of Cadillac
Brownfield Redevelopment Statement of Revenues, Expenditures, and
Change in Fund Balance and Statement of Activities
For the Year Ended June 30, 2021

	<u>Brownfield Redevelopment</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Property Taxes	\$ 53,432	\$ --	\$ 53,432
State Revenue	31,893	--	31,893
<i>Total Revenues</i>	<u>85,325</u>	<u>--</u>	<u>85,325</u>
Expenditures			
Economic Development	93,715	(27,984) [1]	65,731
Interest on Long-term Debt	2,858	--	2,858
<i>Total Expenditures</i>	<u>96,573</u>	<u>(27,984)</u>	<u>68,589</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,248)</u>	<u>27,984</u>	<u>16,736</u>
<i>Net Change in Fund Balance / Net Position</i>	<u>(11,248)</u>	<u>27,984</u>	<u>16,736</u>
<i>Fund Balance / Net Position at Beginning of Period</i>	157,495	(27,984)	129,511
<i>Fund Balance / Net Position at End of Period</i>	<u>\$ 146,247</u>	<u>\$ --</u>	<u>\$ 146,247</u>

[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, 2021

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments	Statement of Net Position
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 11,363	\$ 6,969	\$ 18,332	--	\$ 18,332
Total Current Assets	11,363	6,969	18,332	--	18,332
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	--	--	529,080 [1]	529,080
Capital Assets being Depreciated	--	--	--	1,311,787 [1]	1,311,787
Total Noncurrent Assets	--	--	--	1,840,867	1,840,867
Total Assets	\$ 11,363	\$ 6,969	\$ 18,332	\$ 1,840,867	\$ 1,859,199
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	\$ 1,975	\$ --	\$ 1,975	\$ --	\$ 1,975
Accrued Liabilities	397	--	397	--	397
Accrued Interest	--	--	--	2,373 [4]	2,373
Current Portion of Compensated Absences	--	--	--	1,150 [2]	1,150
Current Portion of Long-term Debt	--	--	--	65,000 [3]	65,000
Total Current Liabilities	2,372	--	2,372	68,523	70,895
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	--	--	980 [2]	980
Long-term Debt	--	--	--	690,100 [3]	690,100
Total Noncurrent Liabilities	--	--	--	691,080	691,080
Total Liabilities	2,372	--	2,372	759,603	761,975
FUND BALANCE					
Restricted	8,991	6,969	15,960	(15,960)	--
Total Fund Balance	8,991	6,969	15,960	(15,960)	--
Total Liabilities and Fund Balance	\$ 11,363	\$ 6,969	\$ 18,332	\$ 743,643	\$ 761,975
NET POSITION					
Net Investment in Capital Assets				\$ 1,085,767	\$ 1,085,767
<i>Restricted for:</i>					
Economic Development				11,457	11,457
Total Net Position				\$ 1,097,224	\$ 1,097,224

[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.

[4] Accrued interest is not due and payable in the current period and, therefore, is 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, 2021

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments	Statement of Activities
Revenues					
Property Taxes	\$ 26,726	\$ 57,976	\$ 84,702	\$ -	\$ 84,702
Local Revenue	--	24,752	24,752	--	24,752
Miscellaneous	6,645	--	6,645	--	6,645
Total Revenues	33,371	82,728	116,099	-	116,099
Expenditures					
Economic Development	31,685	380	32,065	193 [1]	32,258
Debt Service - Principal	--	63,300	63,300	(63,300) [3]	--
Debt Service - Interest	--	17,320	17,320	(237) [4]	17,083
Depreciation	--	--	--	82,778 [2]	82,778
Total Expenditures	31,685	81,000	112,685	19,434	132,119
Excess of Revenues Over (Under) Expenditures	1,686	1,728	3,414	(19,434)	(16,020)
Net Change in Fund Balance / Net Position	1,686	1,728	3,414	(19,434)	(16,020)
<i>Fund Balance / Net Position at Beginning of Period</i>	<i>7,305</i>	<i>5,241</i>	<i>12,546</i>	<i>1,100,698</i>	<i>1,113,244</i>
Fund Balance / Net Position at End of Period	\$ 8,991	\$ 6,969	\$ 15,960	\$ 1,081,264	\$ 1,097,224

[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 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.

[4] Changes to accrued interest do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.

City of Cadillac
LDFA Combining Balance Sheet and Statement of Net Position
June 30, 2021

	<u>LDFA</u>	<u>LDFA Capital Projects</u>	<u>LDFA Utilities</u>	<u>Total LDFA Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
<i>Current Assets</i>						
Cash and Pooled Investments	\$ 44,146	\$ 1,388,114	\$ 383,915	\$ 1,816,175	\$ --	\$ 1,816,175
Receivables	1,863	12,033	1,745	15,641	--	15,641
<i>Total Current Assets</i>	46,009	1,400,147	385,660	1,831,816	--	1,831,816
<i>Noncurrent Assets</i>						
Capital Assets being Depreciated	--	--	--	--	108,495 [1]	108,495
<i>Total Noncurrent Assets</i>	--	--	--	--	113,030	113,030
<i>Total Assets</i>	\$ 46,009	\$ 1,400,147	\$ 385,660	\$ 1,831,816	\$ 108,495	\$ 1,940,311
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	\$ 6,887	\$ 9,174	\$ --	\$ 16,061	\$ --	\$ 16,061
Accrued Liabilities	1,118	--	70	1,188	--	1,188
<i>Total Current Liabilities</i>	8,005	9,174	70	17,249	--	17,249
FUND BALANCE						
<i>Restricted for:</i>						
Ground Water Cleanup	38,004	--	--	38,004	(38,004)	--
Capital Projects	--	1,390,973	--	1,390,973	(1,390,973)	--
Economic Development	--	--	385,590	385,590	(385,590)	--
<i>Total Fund Balance</i>	38,004	1,390,973	385,590	1,814,567	(1,814,567)	--
<i>Total Liabilities and Fund Balance</i>	\$ 46,009	\$ 1,400,147	\$ 385,660	\$ 1,831,816	\$ (1,814,567)	\$ 17,249
NET POSITION						
Net Investment in Capital Assets					\$ 108,495	\$ 108,495
<i>Restricted for:</i>						
Ground Water Cleanup					38,004	38,004
Capital Projects					1,390,973	1,390,973
Economic Development					385,590	385,590
<i>Total Net Position</i>					\$ 1,923,062	\$ 1,923,062

[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, 2021

	LDFA	LDFA Capital Projects	LDFA Utilities	Total LDFA Funds	Adjustments	Statement of Activities
Revenues						
Property Taxes	\$ --	\$ 142,309	\$ --	\$ 142,309	\$ --	\$ 142,309
Charges for Services	--	--	12,915	12,915	--	12,915
Interest Income	697	19,156	2,602	22,455	--	22,455
Total Revenues	697	161,465	15,517	177,679	--	177,679
Expenditures						
Economic Development	263,478	9,674	3,702	276,854	--	276,854
Depreciation	--	--	--	--	4,535 [1]	4,535
Total Expenditures	263,478	9,674	3,702	276,854	4,535	281,389
Excess of Revenues Over (Under) Expenditures	(262,781)	151,791	11,815	(99,175)	(4,535)	(103,710)
Other Financing Sources (Uses)						
Transfers In	275,000	--	--	--	--	--
Transfers Out	--	(275,000)	--	--	--	--
Net Other Financing Sources (Uses)	275,000	(275,000)	--	--	--	--
Net Change in Fund Balance / Net Position	12,219	(123,209)	11,815	(99,175)	(4,535)	(103,710)
<i>Fund Balance / Net Position at Beginning of Period</i>	<i>25,785</i>	<i>1,514,182</i>	<i>373,775</i>	<i>1,913,742</i>	<i>113,030</i>	<i>2,026,772</i>
Fund Balance / Net Position at End of Period	\$ 38,004	\$ 1,390,973	\$ 385,590	\$ 1,814,567	\$ 108,495	\$ 1,923,062

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

City of Cadillac
EDC Balance Sheet and Statement of Net Position
June 30, 2021

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

City of Cadillac
EDC Statement of Revenues, Expenditures, and Change in Fund Balance and Statement of Activities
For the Year Ended June 30, 2021

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

City of Cadillac
2016 General Obligation Limited Tax Bonds
June 30, 2021

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 \$ 715,000

During Current Period 190,000

Total Redeemed 905,000

Balance Outstanding \$ 2,145,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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
		<u>\$ 2,145,000</u>	<u>\$ 219,110</u>	<u>\$ 2,364,110</u>

City of Cadillac
2020 Michigan Transportation Bonds
June 30, 2021

Title of Issue City of Cadillac Michigan Transportation Bonds, Series 2020

Purpose To finance the cost of (1) preserving, designing, constructing, reconstructing, paving, repaving, acquiring, extending, and repairing major and local street systems in the City, and conducting all work necessary or incidental to those systems, including street lighting, as authorized by Act 51 and (2) paying certain expenses related to the issuance of bonds.

Date of Issue July 14, 2020

Amount of Issue \$ 4,000,000

Amount Redeemed	
Prior to Current Period	\$ -
During Current Period	235,000
Total Redeemed	<u>235,000</u>
Balance Outstanding	<u>\$ 3,765,000</u>

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
November 1, 2021			40,850	\$ 40,850
May 1, 2022	2.170%	\$ 230,000	40,850	270,850
November 1, 2022			38,355	38,355
May 1, 2023	2.170%	240,000	38,355	278,355
November 1, 2023			35,751	35,751
May 1, 2024	2.170%	245,000	35,751	280,751
November 1, 2024			33,093	33,093
May 1, 2025	2.170%	250,000	33,093	283,093
November 1, 2025			30,380	30,380
May 1, 2026	2.170%	255,000	30,380	285,380
November 1, 2026			27,613	27,613
May 1, 2027	2.170%	260,000	27,613	287,613
November 1, 2027			24,792	24,792
May 1, 2028	2.170%	265,000	24,792	289,792
November 1, 2028			21,917	21,917
May 1, 2029	2.170%	270,000	21,917	291,917
November 1, 2029			18,988	18,988
May 1, 2030	2.170%	275,000	18,988	293,988
November 1, 2030			16,004	16,004
May 1, 2031	2.170%	280,000	16,004	296,004
November 1, 2031			12,966	12,966
May 1, 2032	2.170%	290,000	12,966	302,966
November 1, 2032			9,819	9,819
May 1, 2033	2.170%	295,000	9,819	304,819
November 1, 2033			6,619	6,619
May 1, 2034	2.170%	300,000	6,619	306,619
November 1, 2034			3,364	3,364
May 1, 2035	2.170%	310,000	3,364	313,364
		<u>\$ 3,765,000</u>	<u>\$ 641,022</u>	<u>\$ 4,406,022</u>

City of Cadillac
2007 Wastewater System Junior Lien Revenue Bonds
June 30, 2021

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	\$	1,975,000
During Current Period		195,000
<i>Total Redeemed</i>		<u>2,170,000</u>
Balance Outstanding	\$	<u>1,695,205</u>

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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
		\$ 1,695,205	\$ 112,354	\$ 1,807,559

City of Cadillac
2011 Drinking Water Revolving Fund Loan
June 30, 2021

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	\$ 791,050	
During Current Period	<u>110,000</u>	
Total Redeemed		<u>901,050</u>
Balance Outstanding		<u>\$ 1,423,856</u>

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
October 1, 2021			\$ 17,798	\$ 17,798
April 1, 2022	2.50%	\$ 115,000	17,798	132,798
October 1, 2022			16,361	16,361
April 1, 2023	2.50%	115,000	16,361	131,361
October 1, 2023			14,923	14,923
April 1, 2024	2.50%	120,000	14,923	134,923
October 1, 2024			13,423	13,423
April 1, 2025	2.50%	120,000	13,423	133,423
October 1, 2025			11,923	11,923
April 1, 2026	2.50%	125,000	11,923	136,923
October 1, 2026			10,361	10,361
April 1, 2027	2.50%	130,000	10,361	140,361
October 1, 2027			8,736	8,736
April 1, 2028	2.50%	130,000	8,736	138,736
October 1, 2028			7,111	7,111
April 1, 2029	2.50%	135,000	7,111	142,111
October 1, 2029			5,423	5,423
April 1, 2030	2.50%	140,000	5,423	145,423
October 1, 2030			3,673	3,673
April 1, 2031	2.50%	145,000	3,673	148,673
October 1, 2031			1,861	1,861
April 1, 2032	2.50%	148,856	1,861	150,717
		<u>\$ 1,423,856</u>	<u>\$ 223,186</u>	<u>\$ 1,647,042</u>

City of Cadillac
2013 Water Supply & Wastewater System Revenue Refunding Bonds
June 30, 2021

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 \$ 1,670,000

During Current Period 315,000

Total Redeemed 1,985,000

Balance Outstanding \$ 2,090,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
September 1, 2021	2.70%	\$ 325,000	\$ 28,215	\$ 353,215
March 1, 2022			23,828	23,828
September 1, 2022	2.70%	335,000	23,828	358,828
March 1, 2023			19,305	19,305
September 1, 2023	2.70%	340,000	19,305	359,305
March 1, 2024			14,715	14,715
September 1, 2024	2.70%	355,000	14,715	369,715
March 1, 2025			9,923	9,923
September 1, 2025	2.70%	365,000	9,923	374,923
March 1, 2026			4,995	4,995
September 1, 2026	2.70%	370,000	4,995	374,995
		<u>\$ 2,090,000</u>	<u>\$ 173,747</u>	<u>\$ 2,263,747</u>

City of Cadillac
2021 Water Supply System Revenue Refunding Bonds
June 30, 2021

Title of Issue City of Cadillac Water Supply System Revenue Refunding Bonds,
Series 2021

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

Date of Issue March 26, 2021

Amount of Issue \$ 9,795,000

Amount Drawn* 1,619,442

Amount Redeemed				
Prior to Current Period	\$	-		
During Current Period		-		
Total Redeemed				-
Balance Outstanding				\$ 1,619,442

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
October 1, 2021			\$ 104,072	\$ 104,072
April 1, 2022	2.13%		104,072	104,072
October 1, 2022			104,072	104,072
April 1, 2023	2.13%	\$ 235,000	101,575	336,575
October 1, 2023			101,575	101,575
April 1, 2024	2.13%	240,000	99,025	339,025
October 1, 2024			99,025	99,025
April 1, 2025	2.13%	245,000	96,422	341,422
October 1, 2025			96,422	96,422
April 1, 2026	2.13%	250,000	93,766	343,766
October 1, 2026			93,766	93,766
April 1, 2027	2.13%	260,000	91,003	351,003
October 1, 2027			91,003	91,003
April 1, 2028	2.13%	265,000	88,188	353,188
October 1, 2028			88,188	88,188
April 1, 2029	2.13%	270,000	85,319	355,319
October 1, 2029			85,319	85,319
April 1, 2030	2.13%	275,000	82,397	357,397
October 1, 2030			82,397	82,397
April 1, 2031	2.13%	280,000	79,422	359,422
October 1, 2031			79,422	79,422
April 1, 2032	2.13%	285,000	76,394	361,394
October 1, 2032			76,394	76,394
April 1, 2033	2.13%	290,000	73,313	363,313
October 1, 2033			73,313	73,313
April 1, 2034	2.13%	300,000	70,125	370,125
October 1, 2034			70,125	70,125
April 1, 2035	2.13%	305,000	66,884	371,884
October 1, 2035			66,884	66,884
April 1, 2036	2.13%	310,000	63,591	373,591
October 1, 2036			63,591	63,591

Continued...

City of Cadillac
2021 Water Supply System Revenue Refunding Bonds
June 30, 2021

Title of Issue City of Cadillac Water Supply System Revenue Refunding Bonds,
Series 2021

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

Date of Issue March 26, 2021

Amount of Issue \$ 9,795,000

Amount Drawn* 1,619,442

Amount Redeemed		
Prior to Current Period	\$	-
During Current Period		-
Total Redeemed		-
Balance Outstanding	\$	1,619,442

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
April 1, 2037	2.13%	\$ 320,000	\$ 60,191	380,191
October 1, 2037			60,191	60,191
April 1, 2038	2.13%	325,000	56,738	381,738
October 1, 2038			56,738	56,738
April 1, 2039	2.13%	330,000	53,231	383,231
October 1, 2039			53,231	53,231
April 1, 2040	2.13%	340,000	49,619	389,619
October 1, 2040			49,619	49,619
April 1, 2041	2.13%	345,000	45,953	390,953
October 1, 2041			45,953	45,953
April 1, 2042	2.13%	355,000	42,181	397,181
October 1, 2042			42,181	42,181
April 1, 2043	2.13%	360,000	38,356	398,356
October 1, 2043			38,356	38,356
April 1, 2044	2.13%	370,000	34,425	404,425
October 1, 2044			34,425	34,425
April 1, 2045	2.13%	375,000	30,441	405,441
October 1, 2045			30,441	30,441
April 1, 2046	2.13%	385,000	26,350	411,350
October 1, 2046			26,350	26,350
April 1, 2047	2.13%	390,000	22,206	412,206
October 1, 2047			22,206	22,206
April 1, 2048	2.13%	400,000	17,956	417,956
October 1, 2048			17,956	17,956
April 1, 2049	2.13%	410,000	13,600	423,600
October 1, 2049			13,600	13,600
April 1, 2050	2.13%	420,000	9,138	429,138
October 1, 2050			9,138	9,138
April 1, 2051	2.13%	425,000	4,622	429,622
October 1, 2051			4,622	4,622
April 1, 2052	2.13%	435,000		435,000
		<u>\$ 9,795,000</u>	<u>\$ 3,657,072</u>	<u>\$ 13,452,072</u>

*As of June 30, 2021, the City has only drawn down \$1,619,442 of the \$9,795,000 available balance.

Concluded.

City of Cadillac
Primary Government
Statement of 2020 Ad Valorem Tax Roll
June 30, 2021

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 230,679,351	6.7708	\$ 1,618,104	\$ 1,552,714	65,390
Wexford County - Public Safety	230,679,351	1.4481	346,052	326,417	19,635
Wexford County - Animal Control	230,679,351	0.1997	47,700	44,995	2,705
Wexford County - Veteran's Relief	230,679,351	0.0998	23,827	22,476	1,351
Wexford County - MSU Extension	230,679,351	0.1697	40,532	38,233	2,299
Cadillac Area Public Schools					-
Operating	230,679,351	18.0000	2,089,336	1,988,735	100,601
Debt Retirement	230,679,351	6.1500	1,469,622	1,398,230	71,392
State Education Tax	230,679,351	6.0000	1,376,645	1,318,700	57,945
Wexford-Missaukee Intermediate School District	230,679,351	6.1604	1,472,226	1,388,690	83,536
Cadillac-Wexford Transit Authority	230,679,351	0.5992	143,176	135,053	8,123
Cadillac-Wexford Public Library	230,679,351	0.7490	178,976	168,822	10,154
Wexford County Council on Aging	230,679,351	0.9987	238,651	225,111	13,540
City of Cadillac					-
General Fund	230,679,351	13.7774	3,291,945	3,158,887	133,058
Policemen and Firemen Retirement System	230,679,351	2.6000	621,218	596,109	25,109
Downtown Development Authority	13,773,272	1.9387	26,882	25,367	1,515
Public Improvement Special Assessments			61,434	52,942	8,492
Water and Sewer Delinquent Accounts			28,310	17,961	10,349
Unpaid Invoices			324	202	122
Administration Fees			130,629	124,480	6,149
			<u>\$ 13,205,589</u>	<u>\$ 12,584,124</u>	<u>\$ 621,465</u>

City of Cadillac
Local Development Finance Authority
Statement of 2020 Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	\$ 4,442,325	6.7708	\$ 30,078	\$ 30,018	\$ 26,345	\$ 3,673
Wexford County - Public Safety	4,442,325	1.4481	6,433	6,433	5,634	799
Wexford County - Animal Control	4,442,325	0.1997	887	887	777	110
Wexford County - Veteran's Relief	4,442,325	0.0998	443	443	388	55
Wexford County - MSU Extension	4,442,325	0.1697	753	753	660	93
Cadillac Area Public Schools		-	-	-		
Operating	4,442,325	18.0000	77,850	77,771	-	77,771
Debt Retirement	4,442,325	6.1500	27,320	27,293	-	27,293
State Education Tax	4,442,325	6.0000	25,949	25,897	-	25,897
Wexford-Missaukee Intermediate School District	4,442,325	6.1604	27,366	27,366	-	27,366
Cadillac-Wexford Transit Authority	4,442,325	0.5992	2,662	2,662	2,331	331
Cadillac-Wexford Public Library	4,442,325	0.7490	3,327	3,327	2,914	413
Wexford County Council on Aging	4,442,325	0.9987	4,436	4,436	3,886	550
City of Cadillac		-	-	-		
General Fund	4,442,325	13.7774	61,204	61,083	53,607	7,476
Policemen and Firemen Retirement System	4,442,325	2.6000	11,550	11,528	10,116	1,412
Downtown Development Authority	4,442,325	1.9387	-	-	-	-
			<u>\$ 280,258</u>	<u>\$ 279,897</u>	<u>\$ 106,658</u>	<u>\$ 173,239</u>

City of Cadillac
Downtown Development Authority
Statement of Ad Valorem 2020 Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by DDA	Net Collections Due to Units
Wexford County	\$ 13,774,680	6.7708	\$ 93,887	\$ 88,594	\$ 14,322	\$ 74,272
Wexford County - Public Safety	13,774,680	1.4481	20,079	18,073	3,062	15,011
Wexford County - Animal Control	13,774,680	0.1997	2,768	2,768	421	2,347
Wexford County - Veteran's Relief	13,774,680	0.0998	1,383	1,245	210	1,035
Wexford County - MSU Extension	13,774,680	0.1697	2,352	2,117	358	1,759
Cadillac Area Public Schools						
Operating	13,774,680	18.0000	232,162	214,393	-	214,393
Debt Retirement	13,774,680	6.1500	85,278	78,614	-	78,614
State Education Tax	13,774,680	6.0000	82,750	78,060	-	78,060
Wexford-Missaukee Intermediate School District	13,774,680	6.1604	85,423	76,889	-	76,889
Cadillac-Wexford Transit Authority	13,774,680	0.5992	8,308	7,478	1,266	6,212
Cadillac-Wexford Public Library	13,774,680	0.7490	10,385	9,347	1,583	7,764
Wexford County Council on Aging	13,774,680	0.9987	13,848	12,464	2,111	10,353
City of Cadillac						
General Fund	13,774,680	13.7774	191,045	180,275	29,144	151,131
Policemen and Firemen Retirement System	13,774,680	2.6000	36,052	34,020	5,499	28,521
Downtown Development Authority	13,774,680	1.9387	26,882	25,367	-	25,367
			<u>\$ 892,602</u>	<u>\$ 829,704</u>	<u>\$ 57,976</u>	<u>\$ 771,728</u>

City of Cadillac
Brownfield Redevelopment Authority
Statement of 2020 Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by Brownfield	Net Collections Due to Units
Wexford County	\$ 1,173,839	6.7708	\$ 7,948	7,948	\$ 4,811	\$ 3,137
Wexford County - Public Safety	1,173,839	1.4481	1,700	1,700	1,326	374
Wexford County - Animal Control	1,173,839	0.1997	234	234	183	51
Wexford County - Veteran's Relief	1,173,839	0.0998	117	117	91	26
Wexford County - MSU Extension	1,173,839	0.1697	199	199	155	44
Cadillac Area Public Schools						
Operating	1,173,839	18.0000	21,129	21,129	19,741	1,388
Debt Retirement	1,173,839	6.1500	7,219	7,219	-	7,219
State Education Tax	1,173,839	6.0000	7,043	7,043	6,580	463
Wexford-Missaukee Intermediate School District	1,173,839	6.1604	7,231	7,231	6,756	475
Cadillac-Wexford Transit Authority	1,173,839	0.5992	703	703	549	154
Cadillac-Wexford Public Library	1,173,839	0.7490	879	879	686	193
Wexford County Council on Aging	1,173,839	0.9987	1,172	1,172	915	257
City of Cadillac						
General Fund	1,173,839	13.7774	16,172	16,172	9,791	6,381
Policemen and Firemen Retirement System	1,173,839	2.6000	3,052	3,052	1,848	1,204
Downtown Development Authority	1,173,839	1.9387		-		-
			<u>\$ 74,800</u>	<u>\$ 74,800</u>	<u>\$ 53,432</u>	<u>\$ 21,368</u>

City of Cadillac
Primary Government
Statement of 2020 Industrial Facilities Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 5,942,190	6.7708	\$ 20,116	\$ 20,116	\$ -
Wexford County - Public Safety	5,942,190	1.4481	4,302	4,289	13
Wexford County - Animal Control	5,942,190	0.1997	593	591	2
Wexford County - Veteran's Relief	5,942,190	0.0998	296	295	1
Wexford County - MSU Extension	5,942,190	0.1697	504	503	1
Cadillac Area Public Schools		-			
Operating	5,942,190	18.0000	33,138	33,058	80
Debt Retirement	5,942,190	6.1500	18,272	18,245	27
State Education Tax	5,942,190	6.0000	21,702	21,702	-
Wexford-Missaukee Intermediate School District	5,942,190	6.1604	18,303	18,248	55
Cadillac-Wexford Transit Authority	5,942,190	0.5992	1,780	1,775	5
Cadillac-Wexford Public Library	5,942,190	0.7490	2,225	2,218	7
Wexford County Council on Aging	5,942,190	0.9987	2,967	2,958	9
City of Cadillac		-			
General Fund	5,942,190	13.7774	40,933	40,933	-
Policemen and Firemen Retirement System	5,942,190	2.6000	7,725	7,725	-
Admin			1,729	1,727	2
			<u>\$ 174,585</u>	<u>\$ 174,383</u>	<u>\$ 202</u>

City of Cadillac
Local Development Finance Authority
Statement of 2020 Industrial Facilities Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	\$ 2,601,104	6.7708	\$ 8,806	\$ 8,806	\$ 8,806	\$ -
Wexford County - Public Safety	2,601,104	1.4481	1,883	1,883	1,883	-
Wexford County - Animal Control	2,601,104	0.1997	260	260	260	-
Wexford County - Veteran's Relief	2,601,104	0.0998	130	130	130	-
Wexford County - MSU Extension	2,601,104	0.1697	221	221	221	-
Cadillac Area Public Schools						
Operating	2,601,104	18.0000	19,300	19,300	-	19,300
Debt Retirement	2,601,104	6.1500	7,998	7,998	-	7,998
State Education Tax	2,601,104	6.0000	12,867	12,867	-	12,867
Wexford-Missaukee Intermediate School District	2,601,104	6.1604	8,012	8,012	-	8,012
Cadillac-Wexford Transit Authority	2,601,104	0.5992	779	779	779	-
Cadillac-Wexford Public Library	2,601,104	0.7490	974	974	974	-
Wexford County Council on Aging	2,601,104	0.9987	1,299	1,299	1,299	-
City of Cadillac						
General Fund	2,601,104	13.7774	17,918	17,918	17,918	-
Policemen and Firemen Retirement System	2,601,104	2.6000	3,381	3,381	3,381	-
Downtown Development Authority	2,601,104	1.9387	-	-	-	-
			<u>\$ 83,828</u>	<u>\$ 83,828</u>	<u>\$ 35,651</u>	<u>\$ 48,177</u>

City of Cadillac
Primary Government
Statement of 2020 Obsolete Properties Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 166,467	6.7708	\$ 667	\$ -	\$ 667
Wexford County - Public Safety	166,467	1.4481	142	-	142
Wexford County - Animal Control	166,467	0.1997	20	-	20
Wexford County - Veteran's Relief	166,467	0.0998	10	-	10
Wexford County - MSU Extension	166,467	0.1697	17	-	17
Cadillac Area Public Schools					
Operating	166,467	18.0000	2,996	-	2,996
Debt Retirement	166,467	6.1500	606	-	606
State Education Tax	166,467	6.0000	999	-	999
Wexford-Missaukee Intermediate School District	166,467	6.1604	607	-	607
Cadillac-Wexford Transit Authority	166,467	0.5992	59	-	59
Cadillac-Wexford Public Library	166,467	0.7490	74	-	74
Wexford County Council on Aging	166,467	0.9987	98	-	98
City of Cadillac					
General Fund	166,467	13.7774	1,357	-	1,357
Policemen and Firemen Retirement System	166,467	2.6000	256	-	256
Downtown Development Authority	166,467	1.9387	-	-	-
Special Assessment			-	-	-
Admin			79	-	79
			<u>\$ 7,987</u>	<u>\$ -</u>	<u>\$ 7,987</u>

City of Cadillac
Primary Government
Statement of 2020 DNR/PILT Tax Roll
June 30, 2021

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 887,591	6.7708	\$ 6,010	\$ 6,010	\$ -
Wexford County - Public Safety	887,591	1.4481	1,285	1,285	-
Wexford County - Animal Control	887,591	0.1997	177	177	-
Wexford County - Veteran's Relief	887,591	0.0998	88	88	-
Wexford County - MSU Extension	887,591	0.1697	151	151	-
Cadillac Area Public Schools					
Debt Retirement	887,591	6.1500	5,459	5,459	-
Wexford-Missaukee Intermediate School District	887,591	6.1604	5,468	5,468	-
Cadillac-Wexford Transit Authority	887,591	0.5992	532	532	-
Cadillac-Wexford Public Library	887,591	0.7490	665	665	-
Wexford County Council on Aging	887,591	0.9987	886	886	-
City of Cadillac					
General Fund	887,591	13.7774	12,229	12,229	-
Policemen and Firemen Retirement System	887,591	2.6000	2,308	2,308	-
Special Assessments			300	300	-
			<u>\$ 35,558</u>	<u>\$ 35,558</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	157
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	162
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	166
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	171
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	173
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
Other Schedules	176

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 12,618	\$ 12,131	\$ 11,469	\$ 11,723	\$ 10,986	\$ 10,955	\$ 10,652	\$ 11,797	\$ 11,586	\$ 11,476
Restricted for Specific Purpose	2,744	2,688	3,369	3,090	3,420	4,717	3,554	2,537	2,456	4,486
Restricted for Specific Purpose, Temporarily Restricted	364	349	-	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	757	756	-	-	-	-	-	-	-	-
Unrestricted	3,404	3,498	4,078	(106)	(503)	(3,699)	(1,236)	(865)	(870)	(786)
Total governmental activities net position	<u>\$ 19,887</u>	<u>\$ 19,422</u>	<u>\$ 18,916</u>	<u>\$ 14,707</u>	<u>\$ 13,903</u>	<u>\$ 11,973</u>	<u>\$ 12,970</u>	<u>\$ 13,469</u>	<u>\$ 13,172</u>	<u>\$ 15,176</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 13,558	\$ 13,560	\$ 13,972	\$ 13,999	\$ 14,116	\$ 15,250	\$ 15,861	\$ 16,332	\$ 16,838	\$ 16,919
Restricted for Specific Purpose	1,363	671	626	626	643	643	644	654	664	670
Unrestricted	2,661	3,457	3,069	2,747	2,405	1,777	1,509	1,358	665	950
Total business-type activities net position	<u>\$ 17,582</u>	<u>\$ 17,688</u>	<u>\$ 17,667</u>	<u>\$ 17,372</u>	<u>\$ 17,164</u>	<u>\$ 17,670</u>	<u>\$ 18,014</u>	<u>\$ 18,344</u>	<u>\$ 18,167</u>	<u>\$ 18,539</u>
Primary Government										
Net Investment in Capital Assets	\$ 26,176	\$ 25,691	\$ 25,441	\$ 25,722	\$ 25,102	\$ 26,205	\$ 26,513	\$ 28,129	\$ 28,424	\$ 28,395
Restricted for Specific Purpose	4,107	3,359	3,995	3,716	4,063	5,360	4,198	3,191	3,120	5,156
Restricted for Specific Purpose, Temporarily Restricted	364	349	-	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	757	756	-	-	-	-	-	-	-	-
Unrestricted	6,065	6,955	7,147	2,641	1,902	(1,922)	273	493	(205)	164
Total primary government net position	<u>\$ 37,469</u>	<u>\$ 37,110</u>	<u>\$ 36,583</u>	<u>\$ 32,079</u>	<u>\$ 31,067</u>	<u>\$ 29,643</u>	<u>\$ 30,984</u>	<u>\$ 31,813</u>	<u>\$ 31,339</u>	<u>\$ 33,715</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental Activities:										
General Government	\$ 1,796	\$ 1,862	\$ 1,987	\$ 1,988	\$ 1,918	\$ 1,998	\$ 1,841	\$ 2,095	\$ 1,957	\$ 2,106
Public Safety	3,236	3,224	3,199	3,757	3,858	4,130	2,815	3,542	3,718	2,359
Public Works	2,513	2,456	2,570	2,516	3,988	2,957	2,603	2,916	3,020	2,559
Recreation and Culture	538	520	421	452	462	492	506	527	499	440
Economic Development/Assistance	244	198	257	235	287	280	234	1,020	1,153	589
Interest and Bond Issuance Costs on Long-Term Debt	47	39	21	17	15	105	45	39	48	169
Total Governmental Activities Expenses	<u>\$ 8,374</u>	<u>\$ 8,299</u>	<u>\$ 8,455</u>	<u>\$ 8,965</u>	<u>\$ 10,528</u>	<u>\$ 9,962</u>	<u>\$ 8,044</u>	<u>\$ 10,139</u>	<u>\$ 10,395</u>	<u>\$ 8,222</u>
Business-Type Activities:										
Water and Sewer	\$ 3,767	\$ 4,025	\$ 4,138	\$ 4,275	\$ 4,136	\$ 3,982	\$ 4,276	\$ 4,479	\$ 4,185	\$ 4,053
Building Authority Operating	114	95	88	92	101	118	123	124	90	94
Automobile Parking System	45	57	63	62	56	50	62	84	86	72
Total Business-Type Activities Expenses	<u>\$ 3,926</u>	<u>\$ 4,177</u>	<u>\$ 4,289</u>	<u>\$ 4,429</u>	<u>\$ 4,293</u>	<u>\$ 4,150</u>	<u>\$ 4,461</u>	<u>\$ 4,687</u>	<u>\$ 4,361</u>	<u>\$ 4,219</u>
Total Primary Government Expenses	<u><u>\$ 12,300</u></u>	<u><u>\$ 12,476</u></u>	<u><u>\$ 12,744</u></u>	<u><u>\$ 13,394</u></u>	<u><u>\$ 14,821</u></u>	<u><u>\$ 14,112</u></u>	<u><u>\$ 12,505</u></u>	<u><u>\$ 14,826</u></u>	<u><u>\$ 14,756</u></u>	<u><u>\$ 12,441</u></u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 482	\$ 472	\$ 509	\$ 520	\$ 562	\$ 628	\$ 265	\$ 594	\$ 625	\$ 592
Public Safety	266	258	106	99	114	227	196	216	180	175
Public Works	547	527	733	726	748	661	1,044	847	559	765
Recreation and Culture	2	1	25	0	15	0	0	0	0	0
Economic Development	0	0	2	2	2	3	3	3	3	3
Operating Grants and Contributions	1,119	1,193	1,148	1,090	2,512	1,573	1,180	1,985	1,846	2,373
Capital Grants and Contributions	269	47	0	520	306	69	47	990	853	232
Total Governmental Activities Program Revenues	<u>\$ 2,685</u>	<u>\$ 2,498</u>	<u>\$ 2,523</u>	<u>\$ 2,957</u>	<u>\$ 4,259</u>	<u>\$ 3,161</u>	<u>\$ 2,735</u>	<u>\$ 4,635</u>	<u>\$ 4,066</u>	<u>\$ 4,140</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Business-Type Activities:										
Charges for Services:										Continued...
Water and Sewer System	\$ 3,995	\$ 4,073	\$ 4,032	\$ 4,060	\$ 4,197	\$ 4,573	\$ 4,509	\$ 4,754	\$ 3,914	\$ 4,319
Building Authority Operating	194	196	196	196	149	113	196	154	154	164
Automobile Parking System	1	37	42	51	49	50	56	56	56	57
Operating Grants and Contributions	0	0	0	10	0	0	0	0	0	0
Capital Grants and Contributions	509	0	0	0	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	\$ 4,699	\$ 4,306	\$ 4,270	\$ 4,317	\$ 4,395	\$ 4,736	\$ 4,761	\$ 4,964	\$ 4,124	\$ 4,540
Total Primary Government Program Revenues	\$ 7,384	\$ 6,804	\$ 6,793	\$ 7,274	\$ 8,654	\$ 7,897	\$ 7,496	\$ 9,599	\$ 8,190	\$ 8,680

**General Revenues and Other Changes in
Net Position**

Governmental Activities:

Property Taxes	\$ 4,443	\$ 4,339	\$ 4,338	\$ 4,213	\$ 4,207	\$ 3,814	\$ 3,872	\$ 3,830	\$ 3,910	\$ 4,035
State Shared Revenue - Unrestricted	896	924	988	1,027	1,133	1,922	2,138	2,027	1,984	2,011
Investment Earnings - Unrestricted	103	62	67	68	55	68	101	145	139	75
Gain (Loss) on Sale of Capital Assets	3	7	0	65	0	0	0	0	0	0
Other	16	4	10	93	2	115	195	0	0	0
Transfers	0	0	0	(9)	0	0	0	0	0	(35)
Total Governmental Activities	\$ 5,461	\$ 5,336	\$ 5,403	\$ 5,457	\$ 5,397	\$ 5,919	\$ 6,306	\$ 6,002	\$ 6,033	\$ 6,086

Business-Type Activities

Investment Earnings - Unrestricted	15	13	19	20	22	31	44	53	60	16
Other	209	0	0	76	0	0	0	0	0	0
Transfers	0	0	0	9	0	0	0	0	0	35
Total Business-Type Activities	\$ 224	\$ 13	\$ 19	\$ 105	\$ 22	\$ 31	\$ 44	\$ 53	\$ 60	\$ 51
Total Primary Government	\$ 5,685	\$ 5,349	\$ 5,422	\$ 5,562	\$ 5,419	\$ 5,950	\$ 6,350	\$ 6,055	\$ 6,093	\$ 6,137

Change in Net Position

Governmental Activities	\$ (228)	\$ (465)	\$ (527)	\$ (550)	\$ (873)	\$ (882)	\$ 997	\$ 498	\$ (296)	\$ 2,004
Business-Type Activities	996	142	(1)	(7)	125	617	344	330	(177)	372
Total Primary Government	\$ 768	\$ (323)	\$ (528)	\$ (557)	\$ (748)	\$ (265)	\$ 1,341	\$ 828	\$ (473)	\$ 2,376

Concluded.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nondisposable	\$ 36,033	\$ -	\$ 37,127	\$ 106,085	\$ 9,641	\$ 54,583	\$ 10,415	\$ 9,071	\$ 1,203	\$ 1,530
Restricted	42,884	56,855	54,076	56,970	61,116	38,423	38,421	41,772	41,957	42,154
Assigned	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	1,394,072
Unassigned	320,880	480,251	371,323	221,245	486,455	1,118,374	1,445,491	1,332,597	2,259,269	3,288,693
Total General Fund	<u>\$ 2,182,752</u>	<u>\$ 2,159,573</u>	<u>\$ 2,041,817</u>	<u>\$ 1,936,912</u>	<u>\$ 2,109,024</u>	<u>\$ 2,675,270</u>	<u>\$ 2,920,456</u>	<u>\$ 3,431,328</u>	<u>\$ 3,753,512</u>	<u>\$ 4,726,449</u>
All Other Governmental Funds										
Nondisposable	\$ 759,938	\$ 1,111,293	\$ 1,030,200	\$ 973,345	\$ 906,666	\$ 848,688	\$ 372,190	\$ 373,091	\$ 375,411	\$ 376,209
Restricted	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	3,845,298
Assigned	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	1,338,152
Unassigned	(10,734)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 4,021,929</u>	<u>\$ 4,046,440</u>	<u>\$ 4,129,823</u>	<u>\$ 3,806,561</u>	<u>\$ 4,190,890</u>	<u>\$ 5,712,373</u>	<u>\$ 4,804,867</u>	<u>\$ 3,684,518</u>	<u>\$ 3,489,764</u>	<u>\$ 5,559,659</u>
Total Fund Balance	<u><u>\$ 6,204,681</u></u>	<u><u>\$ 6,206,013</u></u>	<u><u>\$ 6,171,640</u></u>	<u><u>\$ 5,743,473</u></u>	<u><u>\$ 6,299,914</u></u>	<u><u>\$ 8,387,643</u></u>	<u><u>\$ 7,725,323</u></u>	<u><u>\$ 7,115,846</u></u>	<u><u>\$ 7,243,276</u></u>	<u><u>\$ 10,286,108</u></u>

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes and Special Assessments	\$ 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	\$ 4,034,833
Licenses and Permits	109,775	122,102	129,179	139,623	190,504	264,019	230,572	238,257	194,986	203,814
Federal Grants	72,656	42,314	4,779	44,800	65,168	121,569	-	741,980	18,112	421,551
State Grants	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	3,834,337
Contributions from Local Units	205,615	227,103	215,823	160,595	244,845	195,607	195,039	295,637	252,748	324,481
Charges for Services	979,459	943,558	939,858	984,807	986,860	921,127	1,033,777	1,120,793	1,121,774	1,152,247
Fines and Forfeits	20,001	14,887	13,582	13,621	17,018	14,857	12,320	10,721	9,685	7,634
Interest and Rents	128,240	108,040	67,443	60,115	55,452	67,677	94,157	135,851	129,364	69,687
Gain (Loss) on Investments	(17,101)	(45,257)	-	-	-	-	-	-	-	-
Other Revenue	349,441	90,447	135,930	178,837	300,491	248,948	48,803	41,042	33,982	93,985
Total Revenues	\$ 8,468,257	\$ 7,883,646	\$ 7,860,634	\$ 8,296,952	\$ 9,673,027	\$ 9,095,881	\$ 8,851,289	\$ 10,399,418	\$ 10,098,904	\$ 10,142,569
Expenditures										
General Government	\$ 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	\$ 1,925,461
Public Safety	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	3,700,933
Public Works	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	4,021,752
Community & Economic Development	226,141	184,069	248,307	238,222	250,708	233,669	226,027	992,104	1,159,845	570,969
Capital Outlay	4,114	138,359	209,926	1,200,423	277,327	872,476	1,781,414	2,092,986	30,040	19,355
Culture and Recreation	343,517	340,874	295,547	320,267	311,265	327,380	358,168	370,543	375,602	313,916
Debt Service										
Principal	218,832	188,832	229,943	87,721	87,721	253,862	365,000	120,000	123,400	361,700
Interest	43,904	32,631	24,757	17,895	15,233	54,835	49,906	40,062	37,863	103,838
Other Charges	3,300	2,235	-	-	-	42,650	-	-	-	46,813
Intergovernmental	351,006	100,758	-	-	-	-	-	-	-	-
Total Expenditures	\$ 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	\$ 11,064,737
Other Financing Sources (Uses)										
Sale of Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394,504	\$ -	\$ -	\$ -
Transfers In	819,768	649,500	806,035	492,404	407,750	769,650	1,618,316	625,323	480,550	595,450
Transfers Out	(819,768)	(649,500)	(806,035)	(501,937)	(407,750)	(769,650)	(1,654,319)	(625,323)	(480,550)	(630,450)
Bond Proceeds	-	-	-	-	-	2,050,000	-	-	-	4,000,000
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (9,533)	\$ -	\$ 2,050,000	\$ 358,501	\$ -	\$ -	\$ 3,965,000
Net Change in Fund Balances	\$ 233,421	\$ 1,332	\$ (34,373)	\$ (428,167)	\$ 556,441	\$ 2,087,730	\$ (662,321)	\$ (609,477)	\$ 127,430	\$ 3,042,832
Debt Service as a percentage of non-capital expenditures	3.40%	2.96%	3.31%	1.41%	1.16%	3.77%	5.13%	1.80%	1.62%	4.21%

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
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
2021	212,531,605	26,549,700	239,081,305	586,476,706	40.77%	16.3774

Source: City of Cadillac Treasurer's Office

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

City of Cadillac, Michigan
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	<i>Direct Tax Rates</i>				<i>Overlapping Tax Rates ^a</i>							
	<i>City of Cadillac</i>				<i>Wexford County</i>				Cadillac Area Public Schools ^d	Wexford Missaukee Intermediate Schools	State Education Tax	Total Direct & Overlapping Rates
	General ^b	Police & Fire Retirement	Lake Cadillac Treatment	Total City	Wexford County ^c	Cadillac- Wexford Transit Authority	Council on Aging	Wexford County Library				
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
2021	13.7774	2.6000	N/A	16.3774	8.6881	0.5992	0.9987	0.7490	24.1500	6.1604	6.0000	63.7228

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 6.15 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
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%
2021	3,963,594	3,803,814	95.97%	159,780	3,963,594	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

Taxpayer	2021			2012		
	Taxable Value	Rank	Percentage of Total City Taxable Value ^a	Taxable Value	Rank	Percentage of Total City Taxable Value ^b
Consumers Energy	\$ 10,109,895	1	4.23%	\$ 6,117,949	4	2.42%
Cadillac Renewable Energy ^c	9,831,635	2	4.11%	\$ 12,971,767	1	5.12%
Hutchinson Antivibration System	5,769,040	3	2.41%			
AAR Cadillac Manufacturing	4,656,954	4	1.95%	5,009,448	6	1.98%
925 Frisbie Street LLC ^c	2,849,006	5	1.19%	3,703,662	9	1.46%
Store Capital Acquisitions LLC	2,635,700	6	1.10%			
Piranha Hose Products Inc.	3,449,869	7	1.44%			
Rexair, Inc.	1,888,540	8	0.79%	5,074,061	5	2.00%
FHC ONE LDHA	1,489,347	9	0.62%			
DTE Gas Company	1,285,859	10	0.54%			
Cadillac Casting ^d				10,760,600	2	4.25%
Paulstra CRC Corporation				6,423,506	3	2.54%
Avon Automotive				4,481,800	7	1.77%
FIAMM Technologies, Inc.				4,110,884	8	1.62%
Borgwarner Inc				3,443,000	10	1.36%
Totals	<u>\$ 43,965,845</u>		<u>18.39%</u>	<u>\$ 62,096,677</u>		<u>24.52%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$239,081,305

^b Based on total taxable value of \$253,295,719

^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)

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Bonds	Other Debt ²	Water & Sewer Revenue Bonds	Building Authority Revenue Bonds			
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
2021	5,155	-	-	6,829	-	11,984	N/A	1,157

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)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
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	0.658%	146.50
2021	5,155	-	5,155	2.156%	497.83

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

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

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

City of Cadillac, Michigan
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Wexford County	\$ 14,763	23.27%	\$ 3,436
Cadillac Area Public Schools	34,530	33.80%	11,672
Subtotal Overlapping Debt			15,108
City of Cadillac Direct Debt			<u>5,155</u>
Total Direct and Overlapping Debt			<u><u>\$ 20,263</u></u>

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

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

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

<i>City of Cadillac Taxable Value:</i>	<i>\$239,081,305</i>
<i>Wexford County Taxable Value:</i>	<i>\$1,027,247,490</i>
<i>CAPS Taxable Value:</i>	<i>\$707,314,538</i>

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

	<i>Fiscal Year</i>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 25,330	\$ 24,721	\$ 24,490	\$ 24,297	\$ 24,357	\$ 22,188	\$ 22,352	\$ 22,319	\$ 23,068	\$ 23,881
Total net debt applicable to limit	718	593	458	529	326	2,118	1,760	1,640	1,517	5,155
Legal debt margin	<u>\$ 24,612</u>	<u>\$ 24,128</u>	<u>\$ 24,032</u>	<u>\$ 23,768</u>	<u>\$ 24,031</u>	<u>\$ 20,070</u>	<u>\$ 20,592</u>	<u>\$ 20,679</u>	<u>\$ 21,551</u>	<u>\$ 18,726</u>
Total net debt applicable to the limit as a percentage of debt limit	2.83%	2.40%	1.87%	2.18%	1.34%	9.55%	7.87%	7.35%	6.58%	21.59%

Legal Debt Margin Calculation for Fiscal Year 2018

Taxable Value	<u>\$ 238,809</u>
Statutory Debt Limit (10%) of total taxable value)	\$ 23,881
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	11,984
Less:	
Assets Available for Debt Service	-
Bond Debt not Subject to Limit:	
Special Assessment Bonds	-
Revenue Bonds	6,829
Other Debt	<u>- 6,829</u>
Total Amount of Debt Applicable to Debt Limit	<u>5,155</u>
Legal Debt Margin	<u>\$ 18,726</u>

Note: Under State finance law, the City of Cadillac's outstanding general obligation debt should not exceed 10 percent of total taxable property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Cadillac, Michigan
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Water & Sewer Revenue Bonds</u>						<u>Special Assessment Bonds</u>			
	<u>Water & Sewer Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>			<u>Principal</u>	<u>Interest</u>	
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				
2021	4,287	3,837	450	620	176	0.57				

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	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income²	School Enrollment³	Local Unemployment Percentage Rate⁴	State Unemployment Percentage Rate⁴	Civilian Labor Force⁴
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	426,191	41,158	3,490	6.8	8.6	22,994
2021	10,355	N/A	N/A	3,477	4.2	6.3	21,956

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

<u>Employer</u>	<u>Industry Description</u>	<u>2021</u>	<u>2012</u>
		<u>Employees</u>	<u>Employees</u>
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	250-499	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-Household Dealers	250-499	100-249
AAR Mobility Systems	Rapid deployment mobile equipment mfg	100-249	500-999
Michigan Rubber Products Inc	Other Rubber Product Manufacturing	10-19?	100-249
Fiamm Technologies	Other Motor Vehicle Parts Manufacturing	100-249	100-249
Samaritas Senior Care ²	Residential Care Homes	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 Information

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

Function	<i>Full-Time Equivalent Employees as of June 30,</i>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
City Manager	2.37	2.20	2.20	2.20	2.20	2.20	2.75	2.75	2.75	2.25
Financial Services	2.25	2.25	2.25	2.25	2.25	2.25	2.15	2.15	2.15	2.90
Clerk/Treasurer	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.75	3.75	3.75
City Hall	1.32	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.00
City Engineer	1.80	1.80	1.80	1.80	1.80	1.80	0.80	0.80	0.80	0.80
Public Safety										
Police	16.91	17.36	16.86	16.95	16.95	16.95	16.45	16.95	16.95	16.75
Fire	11.85	11.50	11.00	11.00	11.00	11.00	11.50	11.50	11.50	11.50
Code Enforcement	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.25
Other										
Public Works	12.70	12.10	12.10	12.10	12.10	12.00	12.00	12.05	12.05	12.55
Data Processing	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.05
Auto Parking	0.09	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water/Sewer	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Community Development	2.21	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Cemetery	0.90	0.90	0.90	0.90	0.90	0.00	0.00	0.00	0.00	0.00
Total FTE	77.00	76.00	75.00	75.00	75.00	74.00	73.90	73.95	73.95	74.00

Source: City of Cadillac Financial Services Department

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Traffic Citations	688	586	536	538	344	583	650	550	324	N/A ¹
Fire										
Number of Fire Inspections	50	98	86	55	80	51	35	20	0	N/A ¹
Number of Rental Inspections		332	455	285	586	412	302	256	71	N/A ¹
Number of Fires Reported	38	30	34	39	52	42	51	49	45	N/A ¹
Number of EMT Runs	1,341	1,059	1,545	1,788	1,792	1,760	1,983	2,095	1,895	N/A ¹
Building Inspection										
Number of Permits Issued	0 ²	0 ²	0 ²	0 ²	276 ²	438 ²	416 ²	484 ²	420 ²	N/A ¹
Water										
Total Customers	3,551	3,553	3,578	3,554	3,549	3,567	3,589	3,574	3,559	3,578
Average Daily Consumption (thousands of gallons)	1,896	2,040	1,942	2,265	2,183	2,021	2,018	1,576	1,692	1,738
Wastewater										
Total Customers	3,582	3,581	3,604	3,575	3,569	3,608	3,623	3,610	3,598	3,612
Average Daily Treatment (thousands of gallons)	1,561	2,625	2,323	1,904	1,766	1,989	1,939	1,284	1,778	1,633

¹ Public Safety and Building Inspection statistics are kept on a calendar year basis and are therefore not yet available for 2021.

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	11	11	11	9	9	9	9	9	9	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	6	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	63	63	63	63	63	63	63
Street Lights	578	591	591	591	592	592	593	593	593	593
Water										
Fire Hydrants	483	483	483	483	483	484	503	503	503	506
Miles of Water Mains	75	75	75	75	75	76	76	76	76	76
Water Mains Replaced (Feet)	2,110	1,000	100	2,400	1,000	1,800	4,220	100	390	850
Wastewater										
Miles of Sewer Mains	62	62	62	62	62	63	63	63	63	63
Feet of Sanitary Sewers										
Inspected with TV Cameras	1,084	1,000	1,491	322	106,716	62,000	10,000	1,100	1,100	900
Cleaned with Vacon	9,382	8,942	28,673	22,991	111,101	60,000	41,567	35,773	36,988	24,296

(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	Age	Service
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	6.88% - 38.75%	2,746,887	57	73	48,191	50.5	13.5
2020	18,192,647	12,957,681	71.2	5,234,966	8.93% - 39.86%	2,956,551	58	79	50,975	48.7	12.5
2021	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:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non-Union	9.17%	9.83%	11.00%	12.54%	14.08%	15.67%	17.35%	19.24%	20.29%	N/A
Steelworkers	12.73%	13.64%	14.43%	16.17%	15.03%	15.34%	15.81%	16.74%	16.45%	N/A
Housing Commission	10.40%	10.19%	10.23%	10.55%	10.11%	10.19%	12.04%	15.54%	17.78%	N/A
Library	13.56%	9.51%	10.69%	10.02%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
City Manager	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.49%	6.88%	8.93%	N/A
Department Heads	22.55%	23.25%	23.74%	20.59%	21.50%	30.15%	34.12%	38.75%	39.86%	N/A

Source: From 2020, 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	Age	Service
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	63,261	35.7	6.8
2021	14,017,155	12,701,878	90.6	1,315,277	Note (3)	1,812,799	28	39	61,859	36.4	7.6

Notes:

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

Member Type:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police	38.18%	38.00%	38.15%	37.24%	33.68%	31.94%	32.93%	34.76%	32.54%	24.89%
Fire	28.03%	29.98%	34.59%	32.76%	34.69%	34.76%	33.56%	30.14%	36.55%	33.25%

* - 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, 2020 to June 30, 2023

Membership: Sergeants (4)

Police Officers Association of Michigan (POAM)

Contract Dates: July 1, 2020 to June 30, 2023

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 Lieutenants (2)

Firefighters (6)

Fire Marshal (1)

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, 2021

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,
2012	2010
2013	2011
2014	2012
2015	2013
2016	2014
2017	2015
2018	2016
2019	2017
2020	2018
2021	2019

City of Cadillac, Michigan

Number of Water Supply and Wastewater Treatment Customers
Through Fiscal Year June 30, 2021

FISCAL YEAR	WATER SUPPLY CUSTOMERS		WASTEWATER TREATMENT CUSTOMERS	
	NUMBER	PERCENTAGE OF CHANGE	NUMBER	PERCENTAGE OF CHANGE
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)
2021	3,578	0.53	3,612	0.39

Average Number of Water Supply and Wastewater Treatment Customers
By Meter Classification
Fiscal Year Ended June 30, 2021

METER CLASSIFICATION	AVERAGE CUSTOMERS	
	WATER SUPPLY	WASTEWATER TREATMENT
Unmetered	2	136
5/8"	3257	3198
3/4"	8	9
1"	127	106
1 1/2"	81	73
2"	76	67
3"	10	10
4"	12	10
6"	4	3
8"	1	
TOTAL	<u>3,578</u>	<u>3,612</u>

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

City of Cadillac, Michigan

Monthly Ready-To-Serve Charge for Fire Protection
Through Fiscal Year June 30, 2021

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 2.78
1"	\$ 4.76
1 1/2"	\$ 9.46
2"	\$ 15.27
3"	\$ 33.15
4"	\$ 57.02
6"	\$ 118.99
8"	\$ 171.46
10"	\$ 276.16
12"	\$ 409.34

Monthly Water Supply Ready-To-Serve Charge by Meter Classification
Fiscal Years Ended June 30, 2012 through 2021

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2021	7.78	11.45	19.07	38.23	60.97	133.53	228.92	476.97	686.82

City of Cadillac, Michigan

Monthly Ready-To-Serve Charge for Wastewater Treatment
Fiscal Years Ended June 30, 2012 through 2021

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2021	11.31	17.00	28.31	56.60	90.59	198.31	339.75	707.95	1,019.40

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
Through Fiscal Year June 30, 2021

		CUBIC FEET		GALLONS		DOLLARS
		WATER	SEWER	WATER	SEWER	WATER AND SEWER
1)	Avon Rubber & Plastics	11,542,900	8,308,100	86,340,892	62,144,588	\$ 400,504
2)	Cadillac Castings	11,168,300	5,131,100	83,538,884	38,380,628	\$ 341,793
3)	AAR Cadillac Manufacturing	7,624,400	3,954,200	57,030,512	29,577,416	\$ 195,698
4)	Piranha Hose	2,380,100	2,380,100	17,803,148	17,803,148	\$ 88,185
5)	Cadillac Renewable Energy	0	664,500	0	4,970,460	\$ 75,013
6)	Munson Healthcare	954,500	954,500	7,139,660	7,139,660	\$ 55,710
7)	Country Acres	1,475,400	1,475,400	11,035,992	11,035,992	\$ 53,740
8)	Pheasant Ridge	884,700	884,700	6,617,556	6,617,556	\$ 41,624
9)	Four Winns	389,800	389,800	2,915,704	2,915,704	\$ 22,851
10)	Borg-Warner	441,700	441,700	3,303,916	3,303,916	\$ 20,389
11)	Hutchinson Antivibration	320,500	320,500	2,397,340	2,397,340	\$ 18,559
12)	Leisure Park	402,100	402,100	3,007,708	3,007,708	\$ 16,093
13)	Michigan Rubber Products	279,900	279,900	2,093,652	2,093,652	\$ 13,972
14)	Lakeside Auto Wash	270,100	270,100	2,020,348	2,020,348	\$ 11,916
15)	Superclean Car Wash	257,200	257,200	1,923,856	1,923,856	\$ 11,426
TOTAL						<u>\$ 1,367,474</u>

Monthly Water Supply Commodity Charge
Fiscal Years Ended or Ending June 30, 2011 through 2021

FISCAL YEAR ENDED OR ENDING JUNE 30,	0 TO 600 CF	600 TO 10,000 CF	10,000 TO 100,000 CF	100,000 TO 250,000 CF	OVER 250,000 CF
2012	1.26	1.08	0.96	0.83	0.73
2013	1.26	1.08	0.96	0.83	0.73
2014	1.26	1.08	0.96	0.83	0.73
2015	1.26	1.08	0.96	0.83	0.73
2016	1.30	1.11	0.99	0.85	0.75
2017	1.34	1.14	1.01	0.88	0.77
2018	1.34	1.14	1.01	0.88	0.77
2019	1.38	1.17	1.04	0.91	0.79
2020	1.52	1.29	1.14	1.00	0.87
2021	1.63	1.39	1.23	1.08	0.94

City of Cadillac, Michigan

Monthly Wastewater Treatment Commodity Charge
Last Ten Fiscal Years

FISCAL YEAR ENDED OR ENDING JUNE 30,	CHARGE PER 100 CF	PERCENT CHANGE
2012	2.26	4.6
2013	2.26	0.0
2014	2.26	0.0
2015	2.26	0.0
2016	2.33	3.1
2017	2.39	2.6
2018	2.39	0.0
2019	2.46	2.9
2020	2.50	1.6
2021	2.62	4.8

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

City of Cadillac, Michigan

Water Supply and Wastewater Treatment Volume as Pumped
Through Fiscal Year June 30, 2021

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
	CUBIC FEET	GALLONS	CHANGE	CUBIC FEET	GALLONS	CHANGE	
			IN PERCENT			IN PERCENT	
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
2021	84,796,203	634,275,600	(2.27)	79,708,556	596,220,000	(3.44)	94.00

Water Supply and Wastewater Treatment Volume by Meter Classification
Fiscal Year Ended June 30, 2021

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered		0.00		0.00
5/8"	24,760,800	31.96%	18,005,848	29.50%
3/4"	113,100	0.15%	104,000	0.17%
1"	3,298,400	4.26%	2,305,800	3.78%
1 1/2"	4,093,500	5.28%	2,968,300	4.86%
2"	13,134,200	16.95%	15,795,100	25.88%
3"	2,525,200	3.26%	2,406,900	3.94%
4"	15,552,516	20.07%	10,354,516	16.97%
6"	12,995,300	16.77%	9,090,500	14.89%
8"	1,004,500	1.30%		0.00%
TOTAL	77,477,516	100%	61,030,964	100%

City of Cadillac, Michigan
Water Supply and Wastewater Treatment Revenue
As Billed by Meter Classification
Through Fiscal Year June 30, 2021

METER CLASSIFICATION	WATER SUPPLY		WASTEWATER TREATMENT	
	REVENUE	PERCENT OF TOTAL	REVENUE	PERCENT OF TOTAL
Unmetered	\$105	0.01%	\$51,267	2.21%
5/8"	\$652,407	44.89%	\$893,914	38.59%
3/4"	\$2,677	0.18%	\$4,505	0.19%
1"	\$73,157	5.03%	\$95,277	4.11%
1 1/2"	\$91,075	6.27%	\$126,170	5.45%
2"	\$213,943	14.72%	\$480,864	20.76%
3"	\$47,405	3.26%	\$85,803	3.70%
4"	\$195,421	13.45%	\$317,889	13.72%
6"	\$156,696	10.78%	\$261,017	11.27%
8"	\$20,318	1.40%		
TOTAL	\$ 1,453,205	100%	\$ 2,316,707	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*