



City of
CADILLACMICHIGAN

People, Place, Partnerships: The Cadillac Standard

**CITY OF CADILLAC
WEXFORD COUNTY, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

CITY OF CADILLAC, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared by: Financial Services Department

Director of Finance

Owen Roberts

Accounting Manager

Carol Pacella

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December 15, 2023

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

The annual comprehensive financial report of the City of Cadillac for the fiscal year ended June 30, 2023 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, 2023. 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. As the largest manufacturing base north of Grand Rapids, Cadillac provides good 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

Cadillac's local economy is a strong, diverse mixture of manufacturing, tourism, recreation, retail, and professional services, including major health care providers and ancillary services. The City's core downtown area has seen significant investment in public infrastructure over the last few years, and this has brought in several outside investors that have witnessed this public investment and chosen Cadillac as their development destination.

Looking ahead, Cadillac is on the cusp of seeing several new developments. Currently, four residential developments, two commercial developments, and one industrial development are being discussed, and it is possible that construction will start on several of them in 2024. Recently, a new internationally owned boat company celebrated their grand opening in Cadillac as well - all very exciting for our community.

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.

Foundational to this community's success are 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 year-round activities that bring in visitors from around the country to spend their tourism and recreational dollars in this community.

Cadillac continues to be involved in many community development initiatives and will be embarking in 2024 on a major update to one of our facilities, The Market at Cadillac Commons. The City is the recipient of a nearly \$800,000 Community Development Block Grant which will enable the installation of new mechanical sides (garage door style), electric vehicle parking, permanent, year-round bathroom facilities and other new special amenities that will be added to the facility.

The City continues to explore opportunities to further invest in public infrastructure to help spur private development in the City. A significant amount of our ARPA COVID-relief funds are still on hand; the City will be drawing down on these funds, especially to contribute \$100,000 towards matching the Community Development Block Grant. An additional \$100,000 may also be contributed towards a special assessment to replace downtown sidewalks. Leveraging these dollars to provide matching funds for grant opportunities and/or to help spur projects to increase quality of life and spark economic development and otherwise support the City's needs will continue to be our focus until they are fully spent.

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 \$4,989,909. In accordance with City policy, 15% of annual expenditures will be assigned as a working capital reserve. The City has a long-standing practice of assigning an amount to fully fund accrued but unpaid sick and vacation leave. As of June 30, 2023, this amount was \$251,794. 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 \$6 million in street infrastructure maintenance projects and \$3.5 million in water and sewer infrastructure projects. In addition, the plan identified \$4 million in major equipment purchases, and \$280,000 in technology upgrades.

AWARDS AND ACKNOWLEDGEMENTS

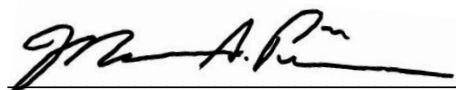
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirty-seventh consecutive year that the City has achieved this prestigious award.

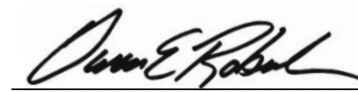
In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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, 2023. 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-nine consecutive years.

The preparation of the annual comprehensive 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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF CADILLAC, MICHIGAN

As of June 30, 2023

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

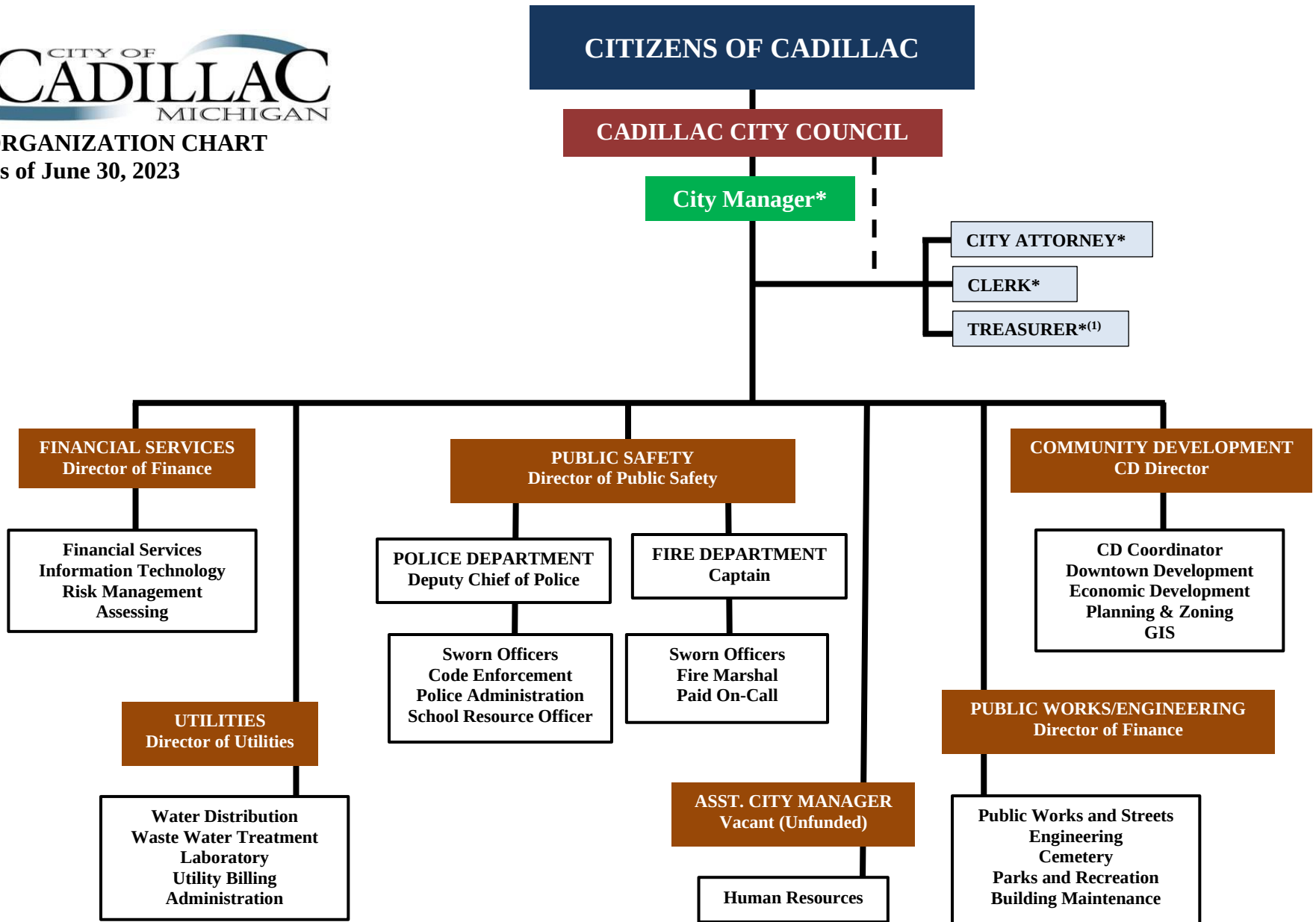
Stephen King, Councilmember
Ward 4

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 Lanning
City Attorney	Foster Swift Collins & Smith PC



ORGANIZATION CHART
As of June 30, 2023



* 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 Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the debt and tax roll schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City'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's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC
Grand Rapids, Michigan
December 15, 2023

Management's Discussion and Analysis

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

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, 2023, for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of this fiscal year by \$34,699,454 (shown as *Net Position*), representing a decrease of \$376,803 after increasing \$1,362,492 in the previous fiscal year. Governmental Activities decreased \$440,422 while the Net Position of the Business-Type activities increased by \$63,619.
- As of June 30, 2023, the governmental funds of the City of Cadillac reported combined ending fund balances of \$9,338,362. This is a decrease of \$711,673. Fund balance decreased in the General Fund by \$215,175 and by \$496,498 in all other Governmental Funds. These decreases are primarily due to the General Fund transferring \$1.4 million to the Major and Local Street Funds, and these funds spending these funds on road construction.
- In accordance with the City's policy, an amount equal to 15% of total General Fund expenditures and transfers has been assigned as a working capital reserve.
- In the General Fund, total Assigned and Unassigned Fund Balance decreased to \$5,116,499 as of June 30, 2023. Of this amount, \$2,895,472 represents fund balance that is unassigned and therefore available for future appropriation. The Fund Balance decreased as the result of transfers to the Major and Local Street Funds for road construction. This is further discussed on page 21 of this report.
- The City of Cadillac's total outstanding debt **increased** by \$731,890 during the fiscal year. This increase is the result of \$1,995,223 of new revenue-backed debt being issued for a major well field project in the Water and Sewer Fund, and all debt service payments of \$1,263,333 on the city's outstanding bond issues being made in a timely manner.

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

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 27-28 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, 2023

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 29-32 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 33-35 of this report.

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

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 36-37 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 41 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 \$34,699,454 at June 30, 2023. 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, 2023

City of Cadillac Net Position
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$11,253	\$12,173	\$5,638	\$3,655	\$16,891	\$15,828
Capital Assets	16,013	15,551	30,782	31,999	46,795	47,550
Total Assets	\$27,266	\$27,724	\$36,420	\$35,654	\$63,686	\$63,378
Deferred Outflows of Resources	\$2,996	\$2,920	\$709	\$418	\$3,705	\$3,338
Current and Other Liabilities	\$2,155	\$2,688	\$1,550	\$1,999	\$3,705	\$4,687
Long-Term Liabilities	11,731	10,444	14,636	12,658	26,367	23,102
Total Liabilities	\$13,886	\$13,132	\$16,186	\$14,657	\$30,072	\$27,789
Deferred Inflows of Resources	\$551	\$1,246	\$2,069	\$2,603	\$2,620	\$3,849
Net Position						
Net Investment in Capital Assets	\$11,591	\$10,756	\$17,764	\$17,325	\$29,355	\$28,081
Restricted	3,267	3,683	676	675	3,943	4,358
Unrestricted	967	1,827	434	812	1,401	2,639
Total Net Position	\$15,825	\$16,266	\$18,874	\$18,812	\$34,699	\$35,078

The most significant portion of the City's Net Position (85%) represents net 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 implementation of GASB Statement Nos. 68 and 75 required 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 \$7,551,825 for FY2023 and \$5,879,529 for FY2022 in the governmental activities, and additional liabilities of \$2,391,996 for FY2023 and \$1,505,320 for FY2022 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. Total net position of the City decreased by \$376,803 during the fiscal year. Reasons for this change in net position are discussed in upcoming sections.

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$1,858	\$1,695	\$5,319	\$4,959	\$7,177	\$6,654
Operating Grants and Contributions	3,032	2,032	0	0	3,032	2,032
Capital Grants	150	314	0	0	150	314
General Revenues						
Property Taxes and Assessments	4,546	4,383	0	0	4,546	4,383
State Shared Revenue	2,168	2,102	0	0	2,168	2,102
Unrestricted Investment Earnings	209	27	26	5	235	32
Total Revenues	\$11,963	\$10,553	\$5,345	\$4,964	\$17,308	\$15,517
<u>Expenses</u>						
General Government, Administrative	\$2,190	\$1,827	\$0	\$0	\$2,190	\$1,827
Public Safety	4,459	3,837	0	0	4,459	3,837
Public Works	4,719	2,684	0	0	4,719	2,684
Recreation and Culture	278	509	0	0	278	509
Economic Development/Assistance	653	480	0	0	653	480
Interest on Long-Term Debt	104	112	0	0	104	112
Bond Issuance Costs	0	0	0	0	0	0
Water and Sewer	0	0	5,079	4,510	5,079	4,510
Automobile Parking System	0	0	77	71	77	71
Building Authority Operating	0	0	125	125	125	125
Total Expenses	\$12,403	\$9,449	\$5,281	\$4,706	\$17,684	\$14,155
Changes in Net Position before Transfers	(440)	1,104	64	258	(376)	1,362
Transfers, Net	0	(15)	0	15	0	0
Changes in Net Position	(440)	1,089	64	273	(376)	1,362
Beginning Net Position	16,265	15,176	18,810	18,538	35,075	33,714
Ending Net Position	\$15,825	\$16,265	\$18,874	\$18,811	\$34,699	\$35,076

Governmental Activities

The net position of the City's governmental activities decreased by \$440,422 during the year. Most of this decrease can be attributed to road construction, as well as adjustments made related to pension and other post-employment benefit liabilities.

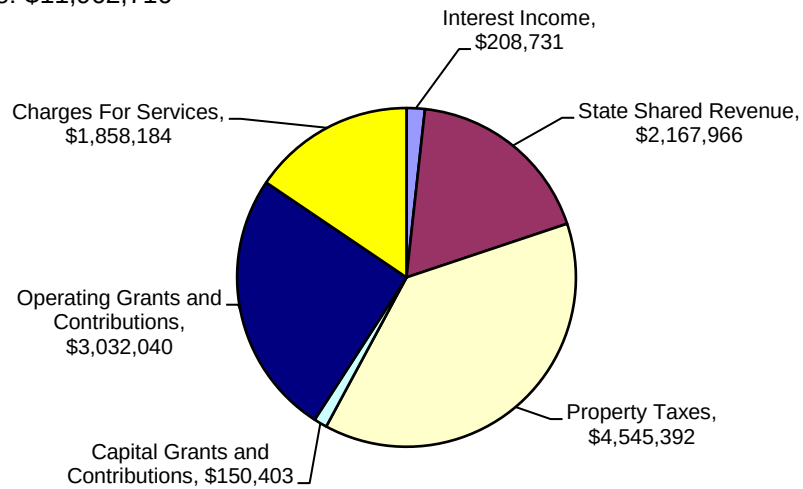
City of Cadillac
Management's Discussion and Analysis
June 30, 2023

The following chart summarizes the revenue sources for the City's governmental activities for the year ended June 30, 2023:

Revenues - Governmental Activities

Fiscal Year Ended June 30, 2023

Total Revenue: \$11,962,716

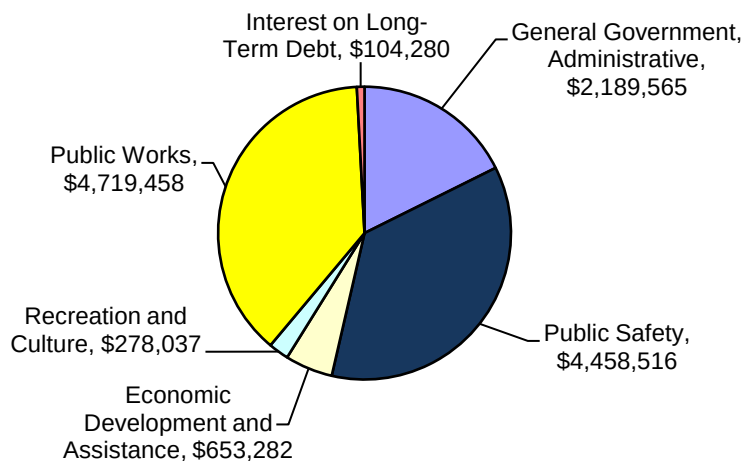


Total expenses for governmental activities for the year ended June 30, 2023 are summarized below:

Expenses - Governmental Activities

Fiscal Year Ended June 30, 2023

Total Expenses: \$12,403,138



City of Cadillac
Management's Discussion and Analysis
June 30, 2023

Business-Type Activities

Net position within the City's business-type activities increased by \$63,619 during the year. Net Position in the City's Water and Sewer Fund increased by \$38,101 for the year. Total revenues were slightly over budget, and spending was below budget due to an employee vacancy, 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 \$99,168.

Financial Analysis of the Government's Funds

Governmental Funds At the completion of the City's fiscal year ended June 30, 2023, governmental funds reported combined ending fund balances of \$9,338,362. This ending fund balance is \$711,673 lower than the end of the previous fiscal year. This reduction is primarily due to the General Fund transferring some excess reserves to the Major and Local Street Funds for major road construction, and these funds then spending these resources on various projects. Of the total ending fund balance, \$830,259, or 9%, is nonspendable. An additional amount of \$2,712,502, or 29%, is restricted to spending for specific purposes, including street maintenance, 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 working capital reserve and an amount equal to the estimated cost of sick and vacation leave benefits. This portion of fund balance totals \$2,900,129, or 31% of the total. Finally, \$2,895,472, 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, 2023 can be found on page 78 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, 2023 was \$5,116,499. This represents a 4% **decrease** from the prior year. An amount 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 \$251,794 assigned to fund sick and vacation benefits that have accrued but have not yet been paid out.

Fund balance in the City of Cadillac's General Fund decreased by \$215,175 in the current fiscal year. As discussed in the General Fund Budgetary Highlights below, revenues and other financing sources exceeded the final amended budget by \$664,886 and expenditures were below appropriations by \$584,238 which contributed to the positive year-end results. The final amended budget planned for a surplus of \$1,464,300 in the General Fund. Federal grant revenues of \$621,069 and opioid settlement funds of \$34,256 are reserved or assigned for future authorized expenditures.

The decrease in the General Fund was the result of the transfer of an additional \$1.4 million in unassigned fund balance to the Major and Local Street Funds to be used for major street

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

construction projects. The impact of these transfers on total fund balance were largely offset by other factors as discussed below in the budget variance details.

Major Streets Fund – The Major Streets Fund is a major special revenue fund of the City. The fund balance in the Major Streets Fund on June 30, 2023 was \$620,584. This represents an increase of \$206,742 from the prior year. The primary reason for the increase was a transfer of \$750,000 from the General Fund for spending on upcoming infrastructure projects. A portion of these funds were spent in the current year, and the remainder are available for upcoming projects.

Local Streets Fund – The Local Streets Fund is a major special revenue fund of the City. The fund balance in the Local Streets Fund on June 30, 2023 was \$955,228. This represents a decrease of \$541,799 from the prior year. The primary reason for the decrease in the fund balance of the Local Streets Fund is increased spending on infrastructure projects, primarily the improvements to Ayer Street and Simons Street.

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 \$38,101 during the year. The issues discussed prior detail the primary contributors to the increase. Total Net Position in the City's Enterprise Funds increased by \$63,619 for the year.

General Fund Budgetary Highlights

Budget Amendments

During the year, two amendments of the General Fund budget were approved by City Council. These amendments increased total General Fund revenue by \$641,000 and appropriations by \$2,221,500. The major appropriation increases were related to the following:

- Recognize additional revenue from State of Michigan for personal property tax loss reimbursement (\$100,000), constitutional revenue sharing (\$130,000), and marihuana licensing fee revenue sharing (\$53,500). Also add revenues to recognize final projected property taxes (\$45,000), additional property tax administration fees (\$17,000), increased income from investment earnings (\$50,000), a private contribution received (\$135,000), additional revenue from an ambulance contract (\$23,500), insurance proceeds from a damaged vehicle (\$55,000), miscellaneous revenue (\$18,500), and additional business license revenue (\$13,500). Total revenue increase of \$641,000.
- Appropriate additional \$75,000 for lake treatment costs.
- Appropriate \$304,500 for additional costs of employees.
- Appropriate \$110,000 for the final costs of a roof repair project at the Municipal Complex; project costs originally appropriated in prior fiscal year but project completed in FY2023.
- Appropriate \$52,000 for the purchase of a police patrol vehicle.
- Appropriate \$141,000 for an emergency replaced of self-contained breathing apparatus for the Cadillac Fire Department.
- Appropriate \$145,000 for the costs of new pickleball courts; courts funded by donations.

**City of Cadillac
Management's Discussion and Analysis
June 30, 2023**

- Several other small appropriation increases were included in the budget amendments.

Budget Variances

Overall, actual revenues and other financing sources were \$664,886 above budget, while expenditures were \$584,238 below the legal appropriations. Several factors contributed to these positive variances:

- Recognized federal grant revenue related to ARPA funds received in the amount of \$621,069. These funds are preserved in an assigned funds balance.
- Personal property tax reimbursement revenues from the State of Michigan exceeded budget by \$67,687.
- Interest Income exceeded budget by \$31,073 due to favorable investment yields.
- Revenue of \$34,256 was received related to a national opioid settlement. These funds are reserved to be used for spending in accordance with settlement guidelines.
- Legal Fees were favorable to budget by \$89,134.
- Police Department expenditures were favorable to budget by \$228,373. This was primarily due to vacancies in the department, which were as high as three for a portion of the year.

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, 2023, amounted to \$46,793,957 (net of accumulated depreciation). This represents an increase of \$2,006,685 during the year, primarily from street improvement and water infrastructure projects during the year and applying normal government-wide depreciation costs of \$2,430,838 (net of disposals). The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac
Management's Discussion and Analysis
June 30, 2023

City of Cadillac Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Infrastructure	\$27,277	\$26,070	\$0	\$0	\$27,277	\$26,070
Land and Land Improvements	3,450	3,450	1,882	1,567	5,332	5,017
Buildings	6,581	6,581	2,886	2,437	9,467	9,018
Machinery & Equipment	7,813	6,772	1,921	1,669	9,734	8,441
Investment in Water and Sewer Systems	0	0	51,930	41,529	51,930	41,529
Subtotal	\$45,121	\$42,873	\$58,619	\$47,202	\$103,740	\$90,075
Construction in Progress	6	488	197	8,943	203	9,431
Accumulated Depreciation	(29,115)	(27,811)	(28,035)	(26,908)	(57,150)	(54,719)
Net Capital Assets	\$16,012	\$15,550	\$30,781	\$29,237	\$46,793	\$44,787

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 58-60.

Long-Term Debt. As of June 30, 2023, the City had total long-term debt outstanding of approximately \$17,438,655. This is an increase of \$731,890 compared to the prior fiscal year. The City issued \$1,995,223 of new revenue bonds for a major water project, and total debt was reduced by normal debt service requirements of \$1,263,333 that were met throughout the year.

Of the City's total outstanding debt, \$4,421,567 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, 2023

City of Cadillac Outstanding Debt

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$4,422	\$4,795	\$0	\$0	\$4,422	\$4,795
Contracts, Notes, and Other	304	311	192	190	496	501
Revenue Bonds	0	0	13,017	11,912	13,017	11,912
Total Outstanding Debt	\$4,726	\$5,106	\$13,209	\$12,102	\$17,935	\$17,208

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 \$270,904,206 is \$27,090,421 which significantly exceeds the City's outstanding general obligation debt of \$4,421,567. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on pages 60-62.

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, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
<i>Current Assets</i>				
Cash and Pooled Investments	\$ 10,172,478	\$ 1,751,578	\$ 11,924,056	\$ 1,965,810
Receivables	807,682	813,110	1,620,792	18,294
Prepays	151,938	12,048	163,986	44
Inventory	59,998	277,295	337,293	--
Leases Receivable	--	142,171	142,171	--
Due from Fiduciary Funds	61,345	--	61,345	--
Total Current Assets	11,253,441	2,996,202	14,249,643	1,984,148
<i>Noncurrent Assets</i>				
Restricted Cash	--	676,121	676,121	--
Capital Assets not being Depreciated	2,255,409	851,754	3,107,163	200,278
Capital Assets being Depreciated, net	13,757,146	29,929,648	43,686,794	1,574,460
Noncurrent Leases Receivable	--	1,965,791	1,965,791	--
Total Assets	27,265,996	36,419,516	63,685,512	3,758,886
DEFERRED OUTFLOWS OF RESOURCES				
OPEB Related	153,200	10,388	163,588	--
Pension Related	2,843,285	698,896	3,542,181	--
Total Deferred Outflows of Resources	2,996,485	709,284	3,705,769	--
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	1,061,445	280,070	1,341,515	21,989
Accrued Liabilities	121,314	99,855	221,169	523
Customer Deposits	--	8,780	8,780	--
Accrued Interest	15,676	74,131	89,807	1,880
Unearned Revenue	533,188	--	533,188	--
Current Portion of Compensated Absences	164,172	59,341	223,513	886
Current Portion of Long-term Debt	381,667	905,000	1,286,667	68,333
Due to Other Governmental Units	--	--	--	2,302
Internal Balances	(122,404)	122,404	--	--
Total Current Liabilities	2,155,058	1,549,581	3,704,639	95,913
<i>Noncurrent Liabilities</i>				
Compensated Absences	139,851	132,082	271,933	755
Long-term Debt	4,039,900	12,112,088	16,151,988	555,100
Net OPEB Liability	717,925	48,679	766,604	--
Net Pension Liability	6,833,900	2,343,317	9,177,217	--
Total Liabilities	13,886,634	16,185,747	30,072,381	651,768
DEFERRED INFLOWS OF RESOURCES				
Deferred Lease Revenues	--	2,052,883	2,052,883	--
Pension Related	550,835	15,728	566,563	--
Total Deferred Inflows of Resources	550,835	2,068,611	2,619,446	--
NET POSITION				
Net Investment in Capital Assets	11,590,988	17,764,314	29,355,302	1,151,305
<i>Restricted for:</i>				
Nonexpendable Cemetery Trust	245,000	--	245,000	--
Nonexpendable Capital Projects Trust	131,324	--	131,324	--
Debt Service	5,680	676,121	681,801	--
Groundwater Clean Up	--	--	--	38,142
Capital Projects	573,448	--	573,448	1,220,920
Economic Development	--	--	--	696,751
Cemetery Perpetual Care	394,726	--	394,726	--
Internal Service - Retirees' Life Insurance	168,866	--	168,866	--
Recreation and Culture	46,613	--	46,613	--
Public Safety	60,320	--	60,320	--
Public Works	1,641,344	--	1,641,344	--
<i>Unrestricted</i>	966,703	434,007	1,400,710	--
Total Net Position	\$ 15,825,012	\$ 18,874,442	\$ 34,699,454	\$ 3,107,118

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

City of Cadillac
Statement of Activities
For the Year Ended June 30, 2023

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	\$ 2,189,565	\$ 676,686	\$ 452,796	\$ --	\$ (1,477,552)	\$ --	\$ (1,477,552)	\$ --
Public Safety	4,458,516	335,479	674,036	--	(3,449,001)	--	(3,449,001)	--
Public Works	4,719,458	818,451	1,904,258	--	(1,836,220)	--	(1,836,220)	--
Recreation and Culture	278,037	25,683	--	150,403	154,989	--	154,989	--
Economic Development	653,282	1,885	950	--	(650,447)	--	(650,447)	--
Interest on Long-term Debt	104,280	--	--	--	(104,280)	--	(104,280)	--
Total Governmental Activities	12,403,138	1,858,184	3,032,040	150,403	(7,362,511)	--	(7,362,511)	--
Business-type Activities:								
Auto Parking	76,820	1,928	--	--	--	(74,892)	(74,892)	--
Building Authority	125,005	222,605	--	--	--	97,600	97,600	--
Water and Sewer	5,078,993	5,094,401	--	--	--	15,408	15,408	--
Total Business-type Activities	5,280,818	5,318,934	--	--	--	38,116	38,116	--
Total Primary Government	\$ 17,683,956	\$ 7,177,118	\$ 3,032,040	\$ 150,403	(7,362,511)	38,116	(7,324,395)	--
Component Units								
Brownfield Redevelopment Authority	\$ 93,392	\$ --	\$ 32,991	\$ --	--	--	--	(60,401)
Downtown Development Authority	142,447	--	29,543	--	--	--	--	(112,904)
Local Development Finance Authority	257,238	17,447	--	--	--	--	--	(239,791)
Economic Development Corporation	--	--	--	--	--	--	--	--
Total Component Units	\$ 493,077	\$ 17,447	\$ 62,534	\$ --	--	--	--	(413,096)
General Purpose Revenues:								
Property Taxes					4,545,392	--	4,545,392	400,657
Unrestricted State Sources					2,167,966	--	2,167,966	--
Interest Income					208,731	25,503	234,234	24,581
Total General Revenues and Transfers					6,922,089	25,503	6,947,592	425,238
Change in Net Position					(440,422)	63,619	(376,803)	12,142
<i>Net Position at Beginning of Period</i>					16,265,434	18,810,823	35,076,257	3,094,976
Net Position at End of Period					\$ 15,825,012	\$ 18,874,442	\$ 34,699,454	\$ 3,107,118

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

**City of Cadillac
Balance Sheet
Governmental Funds
June 30, 2023**

	<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	\$ 5,335,361	\$ 793,208	\$ 977,488	\$ 2,470,880	\$ 9,576,937
Receivables	152,840	229,537	69,612	351,342	803,331
Prepays	42,803	1,323	1,600	3,209	48,935
Due from Fiduciary Funds	61,345	--	--	--	61,345
Due from Other Funds	387,604	--	--	--	387,604
Advance to Other Funds	--	--	--	405,000	405,000
Total Assets	<u>\$ 5,979,953</u>	<u>\$ 1,024,068</u>	<u>\$ 1,048,700</u>	<u>\$ 3,230,431</u>	<u>\$ 11,283,152</u>
LIABILITIES					
Accounts Payable	\$ 513,757	\$ 377,383	\$ 67,210	\$ 13,678	\$ 972,028
Accrued Liabilities	50,650	26,101	26,262	13,876	116,889
Unearned Revenue	299,047	--	--	234,141	533,188
Due to Other Funds	--	--	--	265,200	265,200
Total Liabilities	<u>863,454</u>	<u>403,484</u>	<u>93,472</u>	<u>526,895</u>	<u>1,887,305</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	--	--	--	57,485	57,485
Total Liabilities and Deferred Inflows of Resources	<u>863,454</u>	<u>403,484</u>	<u>93,472</u>	<u>584,380</u>	<u>1,944,790</u>
FUND BALANCE					
Nonspendable	42,803	1,323	1,600	784,533	830,259
Restricted	83,787	619,261	953,628	1,055,826	2,712,502
Assigned	2,094,437	--	--	805,692	2,900,129
Unassigned	2,895,472	--	--	--	2,895,472
Total Fund Balance	<u>5,116,499</u>	<u>620,584</u>	<u>955,228</u>	<u>2,646,051</u>	<u>9,338,362</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,979,953</u>	<u>\$ 1,024,068</u>	<u>\$ 1,048,700</u>	<u>\$ 3,230,431</u>	<u>\$ 11,283,152</u>

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

City of Cadillac
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Funds	\$ 9,338,362
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.	1,380,183
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(15,676)
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	57,485
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,421,567)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(251,794)
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.	(4,362,477)
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.	(526,434)
General government capital assets of \$41,501,862, net of accumulated depreciation of \$26,874,932, are not financial resources, and accordingly are not reported in the funds.	14,626,930
Total Net Position - Governmental Activities	\$ <u>15,825,012</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, 2023

		<u>Special Revenue</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Governmental</u>	<u>Governmental</u>
				<u>Funds</u>	<u>Funds</u>
Revenues					
Property Taxes	\$ 4,545,392	\$ --	\$ --	\$ --	\$ 4,545,392
Licenses and Permits	139,782	--	--	49,279	189,061
Federal Revenue	625,479	--	--	--	625,479
State Revenue	2,183,263	1,478,192	410,207	177,403	4,249,065
Local Revenue	261,953	--	--	38,859	300,812
Charges for Services	1,168,628	--	--	98,511	1,267,139
Fines	9,314	--	--	--	9,314
Miscellaneous	130,461	--	--	11,318	141,779
Interest Income (Loss)	116,073	10,885	36,614	37,974	201,546
Total Revenues	9,180,345	1,489,077	446,821	413,344	11,529,587
Expenditures					
General Government	1,785,191	--	--	2,500	1,787,691
Public Safety	4,047,083	--	--	51,488	4,098,571
Public Works	1,096,199	1,539,335	1,708,620	271,522	4,615,676
Economic Development	452,806	--	--	144,876	597,682
Recreation and Culture	392,892	--	--	31,277	424,169
Capital Outlay	--	--	--	262,142	262,142
Debt Service - Principal	--	--	--	373,333	373,333
Debt Service - Interest	--	--	--	105,647	105,647
Total Expenditures	7,774,171	1,539,335	1,708,620	1,242,785	12,264,911
Excess of Revenues Over					
(Under) Expenditures	1,406,174	(50,258)	(1,261,799)	(829,441)	(735,324)
Other Financing Sources (Uses)					
Sale of Property	23,651	--	--	--	23,651
Transfers In	--	750,000	960,000	675,225	2,385,225
Transfers Out	(1,645,000)	(493,000)	(240,000)	(7,225)	(2,385,225)
Net Other Financing Sources (Uses)	(1,621,349)	257,000	720,000	668,000	23,651
Net Change in Fund Balance	(215,175)	206,742	(541,799)	(161,441)	(711,673)
<i>Fund Balance at Beginning of Period</i>	<i>5,331,674</i>	<i>413,842</i>	<i>1,497,027</i>	<i>2,807,492</i>	<i>10,050,035</i>
Fund Balance at End of Period	\$ 5,116,499	\$ 620,584	\$ 955,228	\$ 2,646,051	\$ 9,338,362

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, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ (711,673)
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	197,878
Changes to accrued interest do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	1,367
Changes to compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	23,086
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.	373,333
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.	(4,480)
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.	(489,197)
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.	(386,471)
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 \$1,992,278 exceeds depreciation expense of \$1,103,410 and net disposal of capital assets of \$333,133.	555,735
Changes in Net Position - Governmental Activities	\$ <u>(440,422)</u>

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

City of Cadillac
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Building Authority	Water and Sewer	Auto Parking (Nonmajor)	Total Enterprise Funds	
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 296,143	\$ 1,281,471	\$ 173,964	\$ 1,751,578	\$ 595,541
Receivables	414	812,506	190	813,110	4,351
Prepays	--	12,032	16	12,048	103,003
Inventory	--	277,295	--	277,295	59,998
Leases Receivable	142,171	--	--	142,171	--
Total Current Assets	438,728	2,383,304	174,170	2,996,202	762,893
<i>Noncurrent Assets</i>					
Restricted Cash	--	676,121	--	676,121	--
Capital Assets not being Depreciated	90,445	512,088	249,221	851,754	25,000
Capital Assets being Depreciated, net	1,205,662	28,589,951	134,035	29,929,648	1,360,625
Noncurrent Leases Receivable	1,965,791	--	--	1,965,791	--
Total Assets	3,700,626	32,161,464	557,426	36,419,516	2,148,518
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	--	10,388	--	10,388	10,388
Pension Related	--	698,896	--	698,896	75,344
Total Deferred Outflows of Resources	--	709,284	--	709,284	85,732
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	1,544	278,526	--	280,070	89,417
Accrued Liabilities	--	99,855	--	99,855	4,425
Customer Deposits	--	8,780	--	8,780	--
Accrued Interest	--	74,131	--	74,131	--
Current Portion of Compensated Absences	--	59,341	--	59,341	28,203
Current Portion of Long-term Debt	--	905,000	--	905,000	--
Due to Other Funds	--	122,404	--	122,404	--
Total Current Liabilities	1,544	1,548,037	--	1,549,581	122,045
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	132,082	--	132,082	24,026
Long-term Debt	--	12,112,088	--	12,112,088	--
Net OPEB Liability	--	48,679	--	48,679	48,679
Net Pension Liability	--	2,343,317	--	2,343,317	252,621
Advance from Other Funds	--	--	--	--	405,000
Total Liabilities	1,544	16,184,203	--	16,185,747	852,371
DEFERRED INFLOWS OF RESOURCES					
Deferred Lease Revenues	2,052,883	--	--	2,052,883	--
Pension Related	--	15,728	--	15,728	1,696
Total Deferred Inflows of Resources	2,052,883	15,728	--	2,068,611	1,696
NET POSITION					
Net Investment in Capital Assets	1,296,107	16,084,951	383,256	17,764,314	1,385,625
<i>Restricted for:</i>					
Debt Service	--	676,121	--	676,121	--
Internal Service - Retirees' Life Insurance	--	--	--	--	168,866
<i>Unrestricted</i>	350,092	(90,255)	174,170	434,007	(174,308)
Total Net Position	\$ 1,646,199	\$ 16,670,817	\$ 557,426	\$ 18,874,442	\$ 1,380,183

The Notes to the Financial Statements are an Intergral 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, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Building Authority	Water and Sewer	Auto Parking (Nonmajor)	Total Enterprise Funds	
Operating Revenues					
Charges for Services	\$ 168,021	\$ 5,042,782	\$ 1,928	\$ 5,212,731	\$ 2,426,646
Operating Grants and Contributions	--	--	--	--	400,000
Total Operating Revenues	168,021	5,042,782	1,928	5,212,731	2,826,646
Operating Expenses					
Salaries and Wages	--	1,971,829	21,107	1,992,936	235,163
Materials and Supplies	--	393,004	2,222	395,226	123,914
Utilities	4,013	517,401	--	521,414	35,810
Repair and Maintenance	26,231	164,881	--	191,112	108,904
Equipment Rental	--	281,921	37,607	319,528	37,021
Contracted Services	35,539	419,380	--	454,919	293,317
Professional Fees	--	--	500	500	--
Insurance	--	--	--	--	1,586,139
Depreciation	59,222	1,052,370	15,384	1,126,976	222,458
Total Operating Expenses	125,005	4,800,786	76,820	5,002,611	2,642,726
Operating Income (Loss)	43,016	241,996	(74,892)	210,120	183,920
Non-Operating Revenues (Expenses)					
Interest Income	56,152	22,693	1,242	80,087	7,185
Gain on Sale of Capital Assets	--	2,353	--	2,353	6,773
Miscellaneous Revenue	--	49,266	--	49,266	--
Interest Expense	--	(278,207)	--	(278,207)	--
Net Non-Operating Revenues (Expenses)	56,152	(203,895)	1,242	(146,501)	13,958
Change In Net Position	99,168	38,101	(73,650)	63,619	197,878
<i>Net Position at Beginning of Period</i>	<i>1,547,031</i>	<i>16,632,716</i>	<i>631,076</i>	<i>18,810,823</i>	<i>1,182,305</i>
Net Position at End of Period	\$ 1,646,199	\$ 16,670,817	\$ 557,426	\$ 18,874,442	\$ 1,380,183

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

City of Cadillac
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Building Authority	Water and Sewer	Auto Parking (Nonmajor)	Total Enterprise Funds	
Cash Flows from Operating Activities					
Cash Receipts from Customers and Local Contributions	\$ 138,466	\$ 4,921,701	\$ 1,912	\$ 5,062,079	\$ -
Cash Receipts from Interfund Services Provided	-	-	-	-	2,830,355
Cash Payments to Employees for Services and Fringe Benefits	-	(1,763,236)	(21,107)	(1,784,343)	(194,294)
Cash Payments to Suppliers for Goods and Services	(68,059)	(2,358,170)	(40,321)	(2,466,550)	(2,155,499)
Net Cash Provided by (Used in) Operating Activities	70,407	800,295	(59,516)	811,186	480,562
Cash Flows from Non-capital Financing Activities					
Change in Interfund Balances	-	122,404	-	122,404	-
Other Non-operating Refunds and Rebates Revenue	-	25,516	-	25,516	-
Other Non-operating Rental Revenue	-	23,750	-	23,750	-
Net Cash Provided by Non-capital Financing Activities	-	171,670	-	171,670	-
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Long-term Debt	-	(890,000)	-	(890,000)	-
Interest and Bond Issuance Costs Paid on Long-term Debt	-	(272,831)	-	(272,831)	-
Issuance of Long-term Debt	-	1,995,223	-	1,995,223	-
Proceeds on Sale of Capital Assets	-	2,353	-	2,353	6,773
Capital Assets Purchased	(133,824)	(2,537,979)	-	(2,671,803)	(128,581)
Net Cash Used in Capital and Related Financing Activities	(133,824)	(1,703,234)	-	(1,837,058)	(121,808)
Cash Flows From Investing Activities					
Interest Income	56,152	22,693	1,242	80,087	7,185
Net Cash Provided by Investing Activities	56,152	22,693	1,242	80,087	7,185
Net Increase (Decrease) in Cash and Pooled Investments	(7,265)	(708,576)	(58,274)	(774,115)	365,939
<i>Cash and Pooled Investments and Restricted Cash - Beginning of Year</i>	<i>303,408</i>	<i>2,666,168</i>	<i>232,238</i>	<i>3,201,814</i>	<i>229,602</i>
Cash and Pooled Investments and Restricted Cash - End of Year	\$ 296,143	\$ 1,957,592	\$ 173,964	\$ 2,427,699	\$ 595,541
Statement of Net Position					
Cash and Pooled Investments	\$ 296,143	\$ 1,281,471	\$ 173,964	\$ 1,751,578	\$ 595,541
Restricted Cash	-	676,121	-	676,121	-
Total Statement of Net Position	\$ 296,143	\$ 1,957,592	\$ 173,964	\$ 2,427,699	\$ 595,541
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 43,016	\$ 241,996	\$ (74,892)	\$ 210,120	\$ 183,920
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	59,222	1,052,370	15,384	1,126,976	222,458
Changes in Assets, Liabilities, and Deferred Items					
Receivables	(29,555)	(121,081)	(16)	(150,652)	3,709
Inventory	-	5,356	-	5,356	16,929
Prepaid Expenses	-	4,038	8	4,046	4,316
Accounts Payable	(2,276)	(595,790)	-	(598,066)	27,878
Accrued Liabilities	-	4,813	-	4,813	(19,517)
Compensated Absences	-	1,628	-	1,628	15,881
Net OPEB Liability and Related Deferred Items	-	28,110	-	28,110	28,110
Net Pension Liability and Related Deferred Items	-	178,855	-	178,855	(3,122)
Net Cash Provided by (Used in) Operating Activities	\$ 70,407	\$ 800,295	\$ (59,516)	\$ 811,186	\$ 480,562

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

City of Cadillac
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Pension and Benefit Trust</u>	<u>Custodial Fund</u>
	<u>Police and Fire Trust</u>	<u>Current Tax</u>
ASSETS		
Cash and Cash Equivalents	\$ 287,713	\$ --
Investments		
Equity Investments - MERS Investment Services	12,497,012	--
Due from Other Governments	--	61,345
Total Assets	<u>12,784,725</u>	<u>61,345</u>
LIABILITIES		
Due to General Fund	--	61,345
Total Liabilities	<u>--</u>	<u>61,345</u>
NET POSITION		
Restricted for Pension	<u>\$ 12,784,725</u>	<u>\$ --</u>

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

City of Cadillac
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Pension and Benefit Trust</u>	<u>Custodial Fund</u>
	<u>Police and Fire Trust</u>	<u>Current Tax</u>
Additions		
<i>Contributions</i>		
Employer	\$ 744,167	\$ -
Employee	30,680	-
<i>Total Contributions</i>	<u>774,847</u>	<u>-</u>
<i>Investment Income</i>		
Investment Income	932,138	-
Less: Investment Expense	(29,273)	-
<i>Total Investment Income</i>	<u>902,865</u>	<u>-</u>
Property Taxes Collected for Other Units of Governments	-	9,777,881
<i>Total Additions</i>	<u>1,677,712</u>	<u>9,777,881</u>
Deductions		
Benefit Payments	1,110,844	-
Administrative	11,650	-
Payments of Property Taxes to Other Units of Governments	-	9,777,881
<i>Total Deductions</i>	<u>1,122,494</u>	<u>9,777,881</u>
<i>Change in Net Position</i>	<u>555,218</u>	<u>-</u>
<i>Net Position at Beginning of Period</i>	12,229,507	-
<i>Net Position at End of Period</i>	<u>\$ 12,784,725</u>	<u>\$ -</u>

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

City of Cadillac
Combining Statement of Net Position
Component Units
June 30, 2023

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance	Economic Development Corporation	Total Component Units
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 245,552	\$ 55,652	\$ 1,663,439	\$ 1,167	\$ 1,965,810
Receivables	--	--	18,294	--	18,294
Prepays	--	44	--	--	44
Total Current Assets	245,552	55,696	1,681,733	1,167	1,984,148
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	200,278	--	--	200,278
Capital Assets being Depreciated, net	--	1,475,035	99,425	--	1,574,460
Total Assets	245,552	1,731,009	1,781,158	1,167	3,758,886
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	11,844	5,013	5,132	--	21,989
Accrued Liabilities	--	--	523	--	523
Accrued Interest	--	1,880	--	--	1,880
Current Portion of Compensated Absences	--	886	--	--	886
Current Portion of Long-term Debt	--	68,333	--	--	68,333
Due to Other Governmental Units	2,302	--	--	--	2,302
Total Current Liabilities	14,146	76,112	5,655	--	95,913
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	755	--	--	755
Long-term Debt	--	555,100	--	--	555,100
Total Liabilities	14,146	631,967	5,655	--	651,768
NET POSITION					
Net Investment in Capital Assets	--	1,051,880	99,425	--	1,151,305
<i>Restricted for:</i>					
Groundwater Clean Up	--	--	38,142	--	38,142
Capital Projects	--	--	1,220,920	--	1,220,920
Economic Development	231,406	47,162	417,016	1,167	696,751
<i>Unrestricted</i>	--	--	--	--	--
Total Net Position	\$ 231,406	\$ 1,099,042	\$ 1,775,503	\$ 1,167	\$ 3,107,118

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

City of Cadillac
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2023

	Brownfield Redevelopment Authority	Downtown Development Authority	Local Development Finance Authority	Economic Development Corporation	Total Component Units
Expenses					
Economic Development	\$ 93,392	\$ 45,451	\$ 252,703	\$ --	\$ 391,546
Depreciation	--	82,777	4,535	--	87,312
Interest on Long-term Debt	--	14,219	--	--	14,219
Total Expenses	93,392	142,447	257,238	--	493,077
Program Revenues					
Charges for Services	--	--	17,447	--	17,447
Operating Grants and Contributions	32,991	29,543	--	--	62,534
Total Program Revenues	32,991	29,543	17,447	--	79,981
Net Program Revenues (Expenses)	(60,401)	(112,904)	(239,791)	--	(413,096)
General Revenue					
Property Taxes	115,823	122,901	161,933	--	400,657
Interest Income	3,077	828	20,676	--	24,581
Total General Revenues	118,900	123,729	182,609	--	425,238
Change in Net Position	58,499	10,825	(57,182)	--	12,142
<i>Net Position at Beginning of Period</i>	<i>172,907</i>	<i>1,088,217</i>	<i>1,832,685</i>	<i>1,167</i>	<i>3,094,976</i>
Net Position at End of Period	\$ 231,406	\$ 1,099,042	\$ 1,775,503	\$ 1,167	\$ 3,107,118

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”). The PFRS fund is a fiduciary fund-type component unit. 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 and to third parties. 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 annual comprehensive 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 annual comprehensive financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2022, audited financial statements:

Wexford County Airport Authority - Basic Financial Statements

Total Assets	\$ 3,356,974
Total Liabilities	6,248
Net Investment in Capital Assets	3,076,334
Net Position - Unrestricted	274,392
Total Revenues - Governmental and Business-type Activities	771,719
Total Expenses - Governmental and Business-type Activities	1,044,132
Change in Net Position	(272,413)

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 funds:

The **building authority fund** accounts for operations and leasing of the City's buildings.

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

The City reports the following nonmajor proprietary fund:

The **automobile parking system fund** accounts for operations of the on-street and off-street parking facilities within the City.

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.

City of Cadillac

Notes to the Financial Statements

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

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

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.

City of Cadillac

Notes to the 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 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.

Leases Receivable

The City may lease certain assets to various third parties. The City's sole asset being leased is a building that is being occupied as office space for the State of Michigan's Department of Energy Great Lakes and Energy ("EGLE"). Payments are fixed monthly payments.

City of Cadillac

Notes to the Financial Statements

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 (\$296,203) is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Capital Assets

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

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

City of Cadillac

Notes to the Financial Statements

financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Long-term Obligations

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

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

Deferred 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 assets or fund balance, respectively, that applies to future periods 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 assets or fund balance, respectively, that applies to future periods 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, net OPEB liability, and deferred lease revenues. 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. The deferred lease revenues are related to the leases receivable for which revenue will be recognized in future years.

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

City of Cadillac

Notes to the Financial Statements

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.

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

City of Cadillac

Notes to the Financial Statements

adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Property Taxes

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

The 2021 taxable valuation of the City of Cadillac totaled \$271,111,142, on which ad valorem taxes levied consisted of 13.4922 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 \$3,657,886 for operating purposes and \$704,889 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 1.8501 mills on \$15,824,624 of taxable value, which raised approximately \$29,277 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

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. Remaining transactions are generally reflected as transfers.

Use of Estimates

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

Note 2 - 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.

City of Cadillac

Notes to the Financial Statements

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.

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, 2023:

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Negative Variance</u>
General Fund			
<i>Public Works</i>			
Waste Removal	\$ 711,300	\$ 712,423	\$ (1,123)
Major Streets - Public Works	1,504,300	1,539,335	(35,035)
Cadillac Development - Economic Development	100,500	132,189	(31,689)

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

Deficit Net Position

The City's Central Stores and Municipal Garage Fund, an internal service fund, had an unrestricted net position deficit of \$(392,832) and a total net position of \$863,924. Internal service funds as a whole had an unrestricted net position deficit of \$(174,308) and a total net position of \$1,380,183. As current assets are in excess of current liabilities for each of these funds, 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, 2023:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Position			
Cash and Pooled Investments	\$ 11,924,056	\$ 1,965,810	\$ 13,889,866
Restricted Cash	676,121	-	676,121
Statement of Fiduciary Net Position			
Cash and Cash Equivalents	287,713	-	287,713
Pooled Investments	12,497,012	-	12,497,012
Total Cash and Pooled Investments	<u>25,384,902</u>	<u>\$ 1,965,810</u>	<u>\$ 27,350,712</u>
Deposits and Investments			
Bank Deposits (Checking, Savings, Money Market, and Cash Equivalents)			\$ 2,516,776
Investments Held in Trust			12,497,012
Other Pooled Investments			12,336,624
Cash on Hand			300
Total Deposits and Investments			<u>\$ 27,350,712</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	\$ 1,092,722	Aaa	Moody
U.S. Agency Bonds	1 - 5 years	4,919,293	Aaa	Moody
U.S. Treasury Securities	Less than 1 year	515,513	Aaa	Moody
U.S. Treasury Securities	1 - 5 years	-	Aaa	Moody
MI Class	N/A	1,211,213	AAAm	S&P
Money Market	N/A	44,451	N/A	N/A
Cash Equivalent	N/A	295,751	N/A	N/A
Equity Investments	N/A	12,497,012	N/A	N/A
Certificate of Deposit	Less than 1 year	1,569,053	N/A	N/A
Certificate of Deposit	1 - 5 years	2,688,628	N/A	N/A
Certificate of Deposit	6 - 10 years	-	N/A	N/A
Total Pooled Investments		<u>\$ 24,833,636</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, \$2,558,945 of the City's bank balance of \$2,808,945 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 \$3,177,288 of investments that mature within one year, \$7,607,921 of investments that mature between 1 and 5 years, and \$14,048,427 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).

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

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

City of Cadillac

Notes to the Financial Statements

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, 2023, the City had the following fair value measurements:

- U.S. Agency Bonds held by the City totaled \$6,012,015. These are valued using Level 1 inputs.
- U.S. Treasury Securities held by the City totaled \$515,513. These are valued using Level 1 inputs.
- MI Class investments held by the City totaled \$1,211,213. 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 \$12,497,012, are valued using Level 1 inputs.

Money market accounts, cash equivalents, and certificates of deposit totaling \$4,597,883 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, 2023:

	General	Major Streets	Local Streets	Other Governmental Funds	Internal Service Funds	Water and Sewer	Building Authority	Auto Parking	Total Primary Government	Component Units
Receivables										
Accounts	\$ 115,533	\$ -	\$ -	\$ 838	\$ 845	\$ 78,605	\$ -	\$ -	\$ 195,821	\$ 3,127
Special Assessment	-	-	-	5,463	-	-	-	-	5,463	-
Due from State	-	224,132	69,612	-	-	-	-	-	293,744	-
Interest	37,307	5,405	-	17,468	3,506	6,799	414	190	71,089	15,167
Loans	-	-	-	6,167	-	-	-	-	6,167	-
Grants	-	-	-	321,406	-	-	-	-	321,406	-
Utilities	-	-	-	-	-	727,102	-	-	727,102	-
Total Receivables	\$ 152,840	\$ 229,537	\$ 69,612	\$ 351,342	\$ 4,351	\$ 812,506	\$ 414	\$ 190	\$ 1,620,792	\$ 18,294

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, 2023 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, 2023 are as follows:

Transfer In	Transfer Out	Amount	Primary Reason
Major Streets	General Fund	\$ 750,000	Street Construction
Local Streets	General Fund	710,000	Street Construction
Nonmajor Governmental	General Fund	185,000	Lake Treatment, Cemetery Maintenance
Local Streets	Major Streets	250,000	Street Maintenance
Nonmajor Governmental	Major Streets	243,000	Debt Service
Nonmajor Governmental	Local Streets	240,000	Debt Service
Nonmajor Governmental	Nonmajor Governmental	7,225	Cemetery Capital Purchase

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, 2023, the interfund balances were as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	\$ 122,404
General	Nonmajor Governmental	265,200

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	488,358	6,107	(488,358)	6,107
<i>Subtotal</i>	<u>2,712,660</u>	<u>6,107</u>	<u>(488,358)</u>	<u>2,230,409</u>
Capital Assets being Depreciated				
Buildings	6,088,126	-	-	6,088,126
Land Improvements	1,131,673	-	-	1,131,673
Machinery and Equipment	3,862,064	926,046	(13,465)	4,774,645
Infrastructure	26,070,200	1,548,483	(341,674)	27,277,009
<i>Subtotal</i>	<u>37,152,063</u>	<u>2,474,529</u>	<u>(355,139)</u>	<u>39,271,453</u>
Less Accumulated Depreciation				
Buildings	(3,892,023)	(45,073)	-	(3,937,096)
Land Improvements	(831,336)	(1,504)	-	(832,840)
Machinery and Equipment	(2,963,440)	(502,471)	13,462	(3,452,449)
Infrastructure	(18,106,729)	(554,362)	8,544	(18,652,547)
<i>Subtotal</i>	<u>(25,793,528)</u>	<u>(1,103,410)</u>	<u>22,006</u>	<u>(26,874,932)</u>
Capital Assets being Depreciated, net	<u>11,358,535</u>	<u>1,371,119</u>	<u>(333,133)</u>	<u>12,396,521</u>
Capital Assets, Internal Service Funds, net	<u>1,479,502</u>	<u>(93,877)</u>	<u>-</u>	<u>1,385,625</u>
Capital Assets, net	<u>\$ 15,550,697</u>	<u>\$ 1,283,349</u>	<u>\$ (821,491)</u>	<u>\$ 16,012,555</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	2,909,794	128,581	-	3,038,375
<i>Subtotal</i>	<u>3,471,990</u>	<u>128,581</u>	<u>-</u>	<u>3,600,571</u>
Less Accumulated Depreciation				
Buildings	(308,735)	(11,951)	-	(320,686)
Land Improvements	(68,707)	(264)	-	(68,971)
Machinery and Equipment	(1,640,046)	(210,243)	-	(1,850,289)
<i>Subtotal</i>	<u>(2,017,488)</u>	<u>(222,458)</u>	<u>-</u>	<u>(2,239,946)</u>
Capital Assets being Depreciated, net	<u>1,454,502</u>	<u>(93,877)</u>	<u>-</u>	<u>1,360,625</u>
Capital Assets, net	<u>\$ 1,479,502</u>	<u>\$ (93,877)</u>	<u>\$ -</u>	<u>\$ 1,385,625</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	\$ 314,776	\$ -	\$ 654,442
Construction in Process	8,942,731	197,312	(8,942,731)	197,312
<i>Subtotal</i>	<u>9,282,397</u>	<u>512,088</u>	<u>(8,942,731)</u>	<u>851,754</u>
Capital Assets being Depreciated				
Buildings	2,437,016	449,083	-	2,886,099
Land Improvements	1,227,174	-	-	1,227,174
Machinery and Equipment	1,266,322	110,834	-	1,377,156
Vehicles	402,644	140,775	-	543,419
Water	15,418,269	9,890,345	-	25,308,614
Sewer	26,110,356	511,409	-	26,621,765
<i>Subtotal</i>	<u>46,861,781</u>	<u>11,102,446</u>	<u>-</u>	<u>57,964,227</u>
Less Accumulated Depreciation				
Buildings	(1,482,787)	(59,222)	-	(1,542,009)
Land Improvements	(494,378)	(1,925)	-	(496,303)
Machinery and Equipment	(941,225)	(176,839)	-	(1,118,064)
Vehicles	(395,039)	(15,386)	-	(410,425)
Water	(7,358,817)	(373,032)	-	(7,731,849)
Sewer	(16,235,357)	(500,572)	-	(16,735,929)
<i>Subtotal</i>	<u>(26,907,603)</u>	<u>(1,126,976)</u>	<u>-</u>	<u>(28,034,579)</u>
Capital Assets being Depreciated, net	<u>19,954,178</u>	<u>9,975,470</u>	<u>-</u>	<u>29,929,648</u>
Capital Assets, net	<u>\$ 29,236,575</u>	<u>\$ 10,487,558</u>	<u>\$ (8,942,731)</u>	<u>\$ 30,781,402</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	\$ 200,278	\$ -	\$ -	\$ 200,278
Capital Assets being Depreciated				
Land Improvements	8,965	-	-	8,965
Infrastructure	2,270,904	-	-	2,270,904
Other Equipment	244,169	-	-	244,169
<i>Subtotal</i>	<u>2,524,038</u>	<u>-</u>	<u>-</u>	<u>2,524,038</u>
Less Accumulated Depreciation				
Land Improvements	(8,965)	-	-	(8,965)
Infrastructure	(719,007)	(62,895)	-	(781,902)
Other Equipment	(134,294)	(24,417)	-	(158,711)
<i>Subtotal</i>	<u>(862,266)</u>	<u>(87,312)</u>	<u>-</u>	<u>(949,578)</u>
Capital Assets being Depreciated, net	<u>1,661,772</u>	<u>(87,312)</u>	<u>-</u>	<u>1,574,460</u>
Capital Assets, net	<u>\$ 1,862,050</u>	<u>\$ (87,312)</u>	<u>\$ -</u>	<u>\$ 1,774,738</u>

City of Cadillac

Notes to the Financial Statements

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General Government	\$ 71,517
Public Safety	161,979
Public Works	719,207
Recreation and Culture	142,607
Economic Development	8,100
Internal Service Funds	222,458
Total	\$ 1,325,868

Business-type Activities

Water and Sewer	\$ 1,052,370
Auto Parking	15,384
Building Authority	59,222
Total	\$ 1,126,976

Component Units

Downtown Development Authority	\$ 82,778
Local Development Finance Authority	4,534
Total	\$ 87,312

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, 2023:

City of Cadillac

Notes to the Financial Statements

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<i>Direct Borrowings and Direct Placements</i>					
\$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%	\$ 1,259,900	\$ -	\$ (133,333)	\$ 1,126,567	\$ 136,667
 \$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%	3,535,000	-	(240,000)	3,295,000	245,000
<i>Total Governmental Activities Debt</i>	4,794,900	-	(373,333)	4,421,567	381,667
Governmental Compensated Absences	274,880	275,018	(298,104)	251,794	135,969
Internal Service Compensated Absences	36,348	45,238	(29,357)	52,229	28,203
<i>Total Compensated Absences</i>	311,228	320,256	(327,461)	304,023	164,172
<i>Total Long-term Obligations</i>	\$ 5,106,128	\$ 320,256	\$ (700,794)	\$ 4,725,590	\$ 517,636
<i>Business-type Activities</i>	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<i>Direct Borrowings and Direct Placements</i>					
\$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%	\$ 1,495,205	\$ -	\$ (205,000)	\$ 1,290,205	\$ 205,000
 \$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%	1,308,856	-	(115,000)	1,193,856	120,000
 \$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%	1,765,000	-	(335,000)	1,430,000	340,000
 \$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%	7,342,804	1,995,223	(235,000)	9,103,027	240,000
<i>Total Business-type Activities Debt</i>	11,911,865	1,995,223	(890,000)	13,017,088	905,000
Business-type Compensated Absences	189,795	202,793	(201,165)	191,423	59,341
<i>Total Long-term Obligations</i>	\$ 12,101,660	\$ 2,198,016	\$ (1,091,165)	\$ 13,208,511	\$ 964,341
<i>Component Units</i>	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<i>Direct Borrowings and Direct Placements</i>					
\$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%	\$ 690,100	\$ -	\$ (66,667)	\$ 623,433	\$ 68,333
<i>Total Component Unit Debt</i>	690,100	-	(66,667)	623,433	68,333
Compensated Absences	1,661	2,098	(2,118)	1,641	755
<i>Total Long-term Obligations</i>	\$ 691,761	\$ 2,098	\$ (68,785)	\$ 625,074	\$ 69,088

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, 2023 are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities *			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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	\$ 403,333	\$ 68,513	471,846	980,000	219,426	1,199,426	71,667	6,643	78,310
2027	\$ 411,667	\$ 59,659	471,326	615,000	202,028	817,028	73,333	5,037	78,370
2029-2033	\$ 1,829,900	\$ 169,607	1,999,507	2,189,061	846,487	3,035,548	270,100	5,110	275,210
2034-2052	\$ 610,000	\$ 19,962	629,962	6,900,000	1,484,524	8,384,524	-	-	-
Totals	\$ 4,421,567	\$ 574,661	\$ 4,996,228	\$ 13,474,061	\$ 3,540,518	\$ 17,014,579	\$ 623,433	\$ 46,028	\$ 669,461

*The full amount of \$9,795,000 2021 Water Supply System Revenue Bonds hasn't been withdrawn yet but is shown here; however, the schedule does not show every five years as the majority belongs to the full amount of the 2021 Water Supply System Revenue Bonds.

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. The City currently has no unused lines of credit.

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 multiple-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, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

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, 2022 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	9
Active Plan Members	47
<i>Total Employees Covered by MERS</i>	<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>
Regular Retirement	Age 50 with 25 or more years of service or age 60 regardless of service.	Straight life pension equals 2.50% of 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: Police, highest 5 years out of last 10 and includes base pay; Fire, average of highest 3 years out last 10. Overtime pay, longevity pay, cost of living allowance, holiday and vacation time pay.
Duty Disability Retirement	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.
Non-Duty Disability Retirement	Payable upon the total and permanent disability of a member with 5 or more years of service.	To Age 55: 1.50% of AFC times years of service. At Age 55: Same as Service Retirement Pension.
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.
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 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.
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.

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, 2023):

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>26</u>
Total plan members	<u>69</u>

Contributions

MERS

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 cost of benefits earned by employees 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, 2023, 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	20.29%	0.00%
General Local - Open	16.45%	0.00%
City Manager - Open	8.93%	0.00%
Dept Heads - Open	39.86%	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 29.91% of payroll for police members and 33.03% of payroll for fire members. These rates totaled an actuarially determined contribution of \$573,038 for the year ending June 30, 2023, of which \$774,847 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

City of Cadillac

Notes to the Financial Statements

Net Pension Liability

MERS

The employer's Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

PFRS

The employer's Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation 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, 2021	\$ 15,775,316	\$ 12,230,694	\$ 3,544,622
<i>Changes for the Year:</i>			
Service Cost	229,038	-	229,038
Interest on Total Pension Liability	1,120,058	-	1,120,058
Differences Between Expected and Actual Experience	49,430	-	49,430
Contributions - Employer	-	515,232	(515,232)
Net Investment Income	-	(1,265,134)	1,265,134
Benefit Payments, Including Refunds	(881,511)	(881,511)	-
Administrative Expenses	-	(22,357)	22,357
<i>Net Changes</i>	517,015	(1,653,770)	2,170,785
Balance at December 31, 2022	\$ 16,292,331	\$ 10,576,924	\$ 5,715,407
		Allocated to:	
		Governmental Activities	\$ 3,372,090
		Business-type Activities	2,343,317
		Total	\$ 5,715,407

City of Cadillac

Notes to the Financial Statements

PFRS	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Changes in Net Pension Liability			
Balance at June 30, 2022	\$ 15,613,284	\$ 12,229,508	\$ 3,383,776
<i>Changes for the Year:</i>			
Service Cost	236,544	-	236,544
Interest on Total Pension Liability	1,108,844	-	1,108,844
Differences Between Expected and Actual Experience	398,708	-	398,708
Contributions - Employer	-	744,167	(744,167)
Contributions - Employee	-	30,680	(30,680)
Net Investment Income	-	908,988	(908,988)
Benefit Payments, Including Refunds	(1,110,844)	(1,110,844)	-
Administrative Expenses	-	(17,773)	17,773
<i>Net Changes</i>	633,252	555,218	78,034
Balance at June 30, 2023	\$ 16,246,536	\$ 12,784,726	\$ 3,461,810

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

For the year ended June 30, 2023, the City recognized pension expense of \$464,495 for the MERS plan and \$916,476 for the PFRS plan for a net total of \$1,380,971. At June 30, 2023, 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	\$ 88,791	\$ 38,362
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	960,192	-
Changes of Assumptions	385,664	-
Contributions Subsequent to the Measurement Date*	269,977	-
Totals	\$ 1,704,624	\$ 38,362
Allocated to:		
Governmental Activities	\$ 1,005,728	\$ 22,634
Business-type Activities	698,896	15,728
Totals	\$ 1,704,624	\$ 38,362

* 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, 2024.

City of Cadillac

Notes to the Financial Statements

PFRS

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 377,905	\$ 293,686
Changes of Assumptions	944,775	234,515
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	514,877	-
Total	<u>\$ 1,837,557</u>	<u>\$ 528,201</u>

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
2024	\$ 355,442	\$ 309,330
2025	317,291	188,531
2026	295,998	649,355
2027	427,554	214,799
2028	-	(52,659)
Total	<u>\$ 1,396,285</u>	<u>\$ 1,309,356</u>

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, 2022	Net Change	Balance at June 30, 2023	Amounts Allocated To Primary Government	
				Governmental Activities	Business-type Activities
Deferred Outflows of Resources					
Differences Between Expected and Actual Experience	\$ 216,860	\$ 249,836	\$ 466,696	\$ 430,292	\$ 36,404
Changes of Assumptions	1,839,253	(508,814)	1,330,439	1,172,317	158,122
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	759,863	715,206	1,475,069	1,081,390	393,679
Contributions Subsequent to the Measurement Date	225,843	44,134	269,977	159,286	110,691
Total Deferred Outflows of Resources	<u>3,041,819</u>	<u>500,362</u>	<u>3,542,181</u>	<u>2,843,285</u>	<u>698,896</u>
Net Pension Liability	<u>6,928,398</u>	<u>2,248,819</u>	<u>9,177,217</u>	<u>6,833,900</u>	<u>2,343,317</u>
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	492,708	(160,660)	332,048	316,320	15,728
Changes of Assumptions	286,447	(51,932)	234,515	234,515	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	870,935	(870,935)	-	-	-
Total Deferred Inflows of Resources	<u>1,650,090</u>	<u>(1,083,527)</u>	<u>566,563</u>	<u>550,835</u>	<u>15,728</u>
Pension Expense			<u>\$ 1,380,971</u>	<u>\$ 1,187,509</u>	<u>\$ 193,462</u>

Actuarial Assumptions

MERS

The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Cadillac

Notes to the Financial Statements

Inflation: 2.50%

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

Investment Rate of Return: 7.00%, 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 geometric 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%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
Totals	100.00%		7.00%		4.50%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Cadillac

Notes to the Financial Statements

PFRS

The total pension liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary Increases: 3.00% to 10.00% depending on years of service

Investment Rate of Return: 7.25%, net of investment and administrative expense including inflation

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, 2023 valuation were based on the results of an actuarial experience study dated March 7, 2022.

Discount Rate

The discount rate used to measure the total pension liability in the current year was 7.25% and in the prior year was 7.25%. 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 Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. 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 (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability. For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25 percent. The municipal bond rate is 4.13 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 7.25%.

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

City of Cadillac

Notes to the Financial Statements

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic long-term real rates of return for the MERS Total Market Fund included in the pension plan's target asset allocation as of June 30, 2023 is 7.25%. The following was the City's asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Global Equity	60.00%
Global Fixed Income	20.00%
Real Assets/Diversifying Strategies	20.00%
Total	100.00%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.25%. 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 7.25% and 7.25% 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 (6.25/6.25%) or one percentage point higher (8.25/8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
MERS			
Net Pension Liability of the City	\$ 7,436,874	\$ 5,715,407	\$ 4,263,177
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PFRS			
Net Pension Liability of the City	\$ 5,372,372	\$ 3,461,810	\$ 1,869,145

Note - MERS: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

City of Cadillac

Notes to the Financial Statements

Pension Plan Fiduciary Net Position

MERS

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

PFRS

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

Note 10 - Other Postemployment Benefits

Plan Description

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

Eligibility

General employees hired prior to the hire date cutoff (shown below) are eligible for retiree health benefits until Medicare eligibility at the earlier of age 55 with 25 years of service or age 60 with 10 years of service. Police and fire employees hire prior to the hire date cutoff (shown below) are eligible for retiree health benefits until Medicare eligibility at the earlier of age 50 with 25 years of service or age 60 with 10 years of service.

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

- City manager, department heads, and non-union – January 1, 2007

City of Cadillac

Notes to the Financial Statements

- 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, 2022 rolled forward to June 30, 2023):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	78
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	16
<i>Total Employees Covered by OPEB</i>	<u>102</u>

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation and a measurement date as of June 30, 2023 and the following actuarial assumptions, applied to all periods included in the measurement:

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

Healthcare cost trend rates starting at 7.50% in FYE 2023 decreasing to an ultimate rate of 4.50% for in FYE 2029 and beyond, and dental rates starting at 4.50% in FYE 2023 decreasing to a rate of 3.00% in FYE 2026 and beyond.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% . 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.

City of Cadillac

Notes to the Financial Statements

Investment Rate of Return

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	60.0%	7.00%
Global Fixed Income	20.0%	4.50%
Private Investments	20.0%	9.50%
Totals	100.00%	7.00%

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, 2022	\$ 4,350,938	\$ 3,894,487	\$ 456,451
<i>Changes for the Year:</i>			
Service Cost	47,342	-	47,342
Interest on Total OPEB Liability	295,095	-	295,095
Differences Between Expected and Actual Experience	(641,791)	-	(641,791)
Changes of Assumptions	833,672	-	833,672
Change in Benefit Terms	21,335	-	21,335
Contributions - Employer	-	226,527	(226,527)
Net Investment Income	-	281,128	(281,128)
Benefit Payments, Including Refunds	(371,572)	(626,527)	254,955
Administrative Expenses	-	(7,200)	7,200
<i>Net Changes</i>	184,081	(126,072)	310,153
Balance at June 30, 2023	\$ 4,535,019	\$ 3,768,415	\$ 766,604
		Allocated to:	
		Governmental Activities	\$ 717,925
		Business-type Activities	48,679
		Total	\$ 766,604

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 7.00%, 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 (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	<u>\$ 1,089,737</u>	<u>\$ 766,604</u>	<u>\$ 472,407</u>

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	<u>\$ 440,111</u>	<u>\$ 766,604</u>	<u>\$ 1,133,604</u>

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$414,263. At June 30, 2023, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	<u>\$ 163,588</u>
Total	<u>\$ 163,588</u>
Allocated to:	
Governmental Activities	\$ 153,200
Business-type Activities	10,388
Totals	<u>\$ 163,588</u>

City of Cadillac

Notes to the Financial Statements

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

Year Ending	
June 30,	Amount
2024	\$ 53,206
2025	(11,593)
2026	126,480
2027	(4,505)

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

City of Cadillac

Notes to the Financial Statements

regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the City.

The City of Cadillac had the following contract commitments outstanding as of June 30, 2023:

	Total Contract	Incurred as of June 30, 2023	Remaining Commitment
Street Construction (Funded by the Major and Local Street Funds)			
Lester Street	\$ 769,820	\$ 121,006	\$ 648,814
HMA Paving - Various Streets	713,746	657,943	55,803
Total	1,483,566	778,949	704,617
Water and Sewer Infrastructure Construction (Funded by Water and Sewer Fund)			
Lester Street	231,008	43,349	187,659
Utilities Infrastructure	128,582	33,766	94,816
Chestnut Street Water Main	194,797	120,197	74,600
Total	554,387	197,312	357,075
Total Construction Commitments	\$ 2,037,953	\$ 976,261	\$ 1,061,692

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.

The following schedule summarizes the City's fund balances as of June 30, 2023:

	General	Major Streets	Local Streets	Nonmajor Funds	Total
Nonspendable for:					
Prepaid Expenditures	\$ 42,803	\$ 1,323	\$ 1,600	\$ 3,209	\$ 48,935
Long-term Advances	-	-	-	405,000	405,000
Cemetery Perpetual Care	-	-	-	245,000	245,000
Capital Projects	-	-	-	131,324	131,324
Total Nonspendable	42,803	1,323	1,600	784,533	830,259
Restricted for:					
Opioid Settlement	34,256	-	-	-	34,256
Veterans Memorial	1,855	-	-	-	1,855
Flags Forever	684	-	-	-	684
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

City of Cadillac

Notes to the Financial Statements

	General	Major Streets	Local Streets	Nonmajor Funds	Total
Restricted for (Continued...):					
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
Leadership Projects	6,643	-	-	-	6,643
Downtown Infrastructure	-	-	-	451,829	451,829
Major and Local Streets	-	619,261	953,628	-	1,572,889
Cemetery	-	-	-	37,787	37,787
Milfoil	-	-	-	21,670	21,670
Building Inspection	-	-	-	20,564	20,564
Clam River Greenway	-	-	-	23,491	23,491
Mayor Wedding Fees	150	-	-	-	150
Naval Reserve Center	-	-	-	2,582	2,582
CASA Field Use	2,520	-	-	-	2,520
Dog Park	662	-	-	-	662
Consumers Energy Prosperity Grant	-	-	-	2,982	2,982
Debt Service	-	-	-	5,680	5,680
Other Capital Projects	-	-	-	94,515	94,515
Cemetery Perpetual Care	-	-	-	394,726	394,726
Total Restricted	83,787	619,261	953,628	1,055,826	2,712,502
Assigned for:					
Working Capital	1,098,885	-	-	-	1,098,885
Sick and Vacation	251,794	-	-	-	251,794
Police and Fire	104,101	-	-	-	104,101
Pistol Range	18,588	-	-	-	18,588
ARPA Residual	621,069	-	-	-	621,069
HL Green Operating	-	-	-	50,674	50,674
Cadillac Development	-	-	-	162,977	162,977
Industrial Development	-	-	-	586,067	586,067
Corridor Improvement	-	-	-	5,974	5,974
Total Assigned	2,094,437	-	-	805,692	2,900,129
Unassigned	2,895,472	-	-	-	2,895,472
Total Fund Balances	\$ 5,116,499	\$ 620,584	\$ 955,228	\$ 2,646,051	\$ 9,338,362

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

Restricted for	Governmental Activities	Business-type Activities	Component Units
General Government			
Nonexpendable Cemetery Trust	\$ 245,000	\$ -	\$ -
Nonexpendable Capital Projects	131,324	-	-
Retirees' Life and Health Insurance	168,866	-	-
Cemetery Perpetual Care	394,726	-	-
Public Safety			
Drug Forfeiture	4,656	-	-
Youth Services	844	-	-
Building Inspection	20,564	-	-
Opioid Settlement	34,256	-	-
Public Works			
Groundwater Cleanup	-	-	38,142
Cemetery	38,380	-	-
Streets	1,575,812	-	-
Milfoil	24,170	-	-
Consumers Energy Prosperity Grant	2,982	-	-
Economic Development	-	-	696,751
Recreation and Culture			
Naval Reserve Center	2,582	-	-
Veterans Memorial	1,855	-	-
Flags Forever	684	-	-
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	150	-	-
Mayor's Youth Council	262	-	-
CASA Field Use	2,520	-	-
McKellop Walkway Plowing	3,621	-	-
Leadership Projects	6,643	-	-
Diggins Hill Courts	50	-	-
Bike Routes	7,000	-	-
Capital Projects			
Capital Projects	573,448	-	1,220,920
Debt Service	5,680	676,121	-
Total Restricted Net Position	\$ 3,267,321	\$ 676,121	\$ 1,955,813

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, 2023, the City's operating property taxes were reduced by \$26,337 and the City's police and fire retirement taxes by \$5,075 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	\$ 2,255,409	\$ 851,754	\$ 200,278
Capital Assets being Depreciated, net	13,757,146	29,929,648	1,574,460
Less: Related Long-term Debt:			
Due within One Year	(381,667)	(905,000)	(68,333)
Due in more than One Year	(4,039,900)	(12,112,088)	(555,100)
Net Investment in Capital Assets	\$ 11,590,988	\$ 17,764,314	\$ 1,151,305

Note 18 - Subsequent Events

Events subsequent to the financial statement date have been evaluated through December 15, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have a significant impact on the financial condition of the City.

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, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 4,353,000	\$ 4,518,500	\$ 4,545,392	\$ 26,892
Licenses and Permits	132,500	146,000	139,782	(6,218)
Federal Revenue	--	--	625,479	625,479
State Revenue	1,921,000	2,101,000	2,183,263	82,263
Local Revenue	250,000	250,000	261,953	11,953
Charges for Services	1,150,100	1,173,600	1,168,628	(4,972)
Fines	10,000	10,000	9,314	(686)
Miscellaneous	41,500	231,500	130,461	(101,039)
Interest Income	35,000	85,000	116,073	31,073
Total Revenues	7,893,100	8,515,600	9,180,345	664,745
Other Financing Sources				
Sale of Property	5,000	23,500	23,651	151
Total Revenues and Other Financing Sources	7,898,100	8,539,100	9,203,996	664,896
Expenditures				
General Government				
City Council	55,000	55,000	43,679	11,321
City Manager	332,300	334,700	321,915	12,785
Finance	378,100	387,100	365,156	21,944
Assessor	144,000	144,000	141,911	2,089
Clerk/Treasurer	358,000	378,000	353,024	24,976
Elections	16,000	27,000	24,732	2,268
Building and Grounds	355,100	477,100	423,908	53,192
City Attorney	200,000	200,000	110,866	89,134
Total General Government	1,838,500	2,002,900	1,785,191	217,709

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Expenditures				
Public Safety				
Police Department	\$ 2,273,000	\$ 2,379,000	\$ 2,150,627	\$ 228,373
Fire Department	1,600,900	1,920,400	1,896,456	23,944
<i>Total Public Safety</i>	<u>3,873,900</u>	<u>4,299,400</u>	<u>4,047,083</u>	<u>252,317</u>
Public Works				
Engineering	45,000	45,000	44,907	93
Alleys	44,400	62,000	51,413	10,587
Leaves	56,400	56,400	10,605	45,795
Grass and Weed Control	32,000	32,000	28,151	3,849
Composting	8,900	8,900	5,385	3,515
Waste Removal	711,300	711,300	712,423	(1,123)
Airport	33,000	33,000	33,000	--
Other Public Works	193,300	209,800	210,315	(515)
<i>Total Public Works</i>	<u>1,124,300</u>	<u>1,158,400</u>	<u>1,096,199</u>	<u>62,201</u>
Economic Development				
Code Enforcement	19,000	19,000	17,565	1,435
Planning and Zoning	239,500	384,500	361,353	23,147
Community Promotions	63,500	79,000	73,888	5,112
<i>Total Economic Development</i>	<u>322,000</u>	<u>482,500</u>	<u>452,806</u>	<u>29,694</u>
Recreation and Culture				
Municipal Parks	271,500	293,500	293,333	167
Arts Commission	10,500	10,500	10,500	--
Cadillac Community TV	25,000	25,000	25,000	--
Other Recreation and Culture	66,200	66,200	64,059	2,141
<i>Total Recreation and Culture</i>	<u>373,200</u>	<u>395,200</u>	<u>392,892</u>	<u>2,308</u>
Total Expenditures	<u>7,531,900</u>	<u>8,338,400</u>	<u>7,774,171</u>	<u>564,229</u>
Other Financing Uses				
Transfers Out	190,000	1,665,000	1,645,000	20,000
<i>Total Expenditures and Other Financing Uses</i>	<u>7,721,900</u>	<u>10,003,400</u>	<u>9,419,171</u>	<u>584,229</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	176,200	(1,464,300)	(215,175)	1,249,125
Net Change in Fund Balance	<u>176,200</u>	<u>(1,464,300)</u>	<u>(215,175)</u>	<u>1,249,125</u>
<i>Fund Balance at Beginning of Period</i>	5,331,674	5,331,674	5,331,674	--
Fund Balance at End of Period	<u>\$ 5,507,874</u>	<u>\$ 3,867,374</u>	<u>\$ 5,116,499</u>	<u>\$ 1,249,125</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Major Streets
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 1,522,500	\$ 1,522,500	\$ 1,478,192	\$ (44,308)
Interest Income	5,000	5,000	10,885	5,885
Total Revenues	1,527,500	1,527,500	1,489,077	(38,423)
Other Financing Sources				
Transfers In	--	750,000	750,000	--
Total Revenues and Other Financing Sources	1,527,500	2,277,500	2,239,077	(38,423)
Expenditures				
Public Works	1,504,300	1,504,300	1,539,335	(35,035)
Total Expenditures	1,504,300	1,504,300	1,539,335	(35,035)
Other Financing Uses				
Transfers Out	540,000	540,000	493,000	47,000
Total Expenditures and Other Financing Uses	2,044,300	2,044,300	2,032,335	11,965
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(516,800)	233,200	206,742	(26,458)
Net Change in Fund Balance	(516,800)	233,200	206,742	(26,458)
<i>Fund Balance at Beginning of Period</i>	<i>413,842</i>	<i>413,842</i>	<i>413,842</i>	<i>--</i>
Fund Balance at End of Period	\$ (102,958)	\$ 647,042	\$ 620,584	\$ (26,458)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Streets
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ 405,000	\$ 405,000	\$ 410,207	\$ 5,207
Interest Income	1,000	1,000	36,614	35,614
Total Revenues	406,000	406,000	446,821	40,821
Other Financing Sources				
Transfers In	360,000	1,010,000	960,000	(50,000)
Total Revenues and Other Financing Sources	766,000	1,416,000	1,406,821	(9,179)
Expenditures				
Public Works	1,109,600	1,709,600	1,708,620	980
Total Expenditures	1,109,600	1,709,600	1,708,620	980
Other Financing Uses				
Transfers Out	240,000	240,000	240,000	--
Total Expenditures and Other Financing Uses	1,349,600	1,949,600	1,948,620	980
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(583,600)	(533,600)	(541,799)	(8,199)
Net Change in Fund Balance	(583,600)	(533,600)	(541,799)	(8,199)
<i>Fund Balance at Beginning of Period</i>	<i>1,497,027</i>	<i>1,497,027</i>	<i>1,497,027</i>	<i>--</i>
Fund Balance at End of Period	\$ 913,427	\$ 963,427	\$ 955,228	\$ (8,199)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 236,544	\$ 275,100	\$ 295,754	\$ 252,670	\$ 245,277	\$ 251,482	\$ 265,532	\$ 244,157	\$ 244,157	\$ 236,694
Interest on Total Pension Liability	1,108,844	1,045,280	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	398,708	82,440	(63,673)	(590,780)	(40,161)	242,609	59,257	(23,128)	119,335	250,448
Changes of Assumptions**	-	1,086,063	(357,603)	534,387	(41,620)	41,836	(67,609)	48,937	78,308	-
Changes in Benefit Terms	-	-	27,412	-	-	-	-	-	-	-
Benefit Payments, Including Refunds	(1,110,844)	(1,075,137)	(1,071,653)	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)
Net Change in Pension Liability	633,252	1,413,746	(158,889)	151,182	183,603	547,016	346,589	370,002	539,243	596,438
<i>Total Pension Liability - Beginning</i>	15,613,284	14,199,538	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)	<u>\$ 16,246,536</u>	<u>\$ 15,613,284</u>	<u>\$ 14,199,538</u>	<u>\$ 14,358,427</u>	<u>\$ 14,207,245</u>	<u>\$ 14,023,642</u>	<u>\$ 13,476,626</u>	<u>\$ 13,130,037</u>	<u>\$ 12,760,035</u>	<u>\$ 12,220,792</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 744,167	\$ 624,807	\$ 695,833	\$ 675,981	\$ 683,213	\$ 701,533	\$ 630,432	\$ 629,917	\$ 631,963	\$ 633,673
Contributions - Employee	30,680	23,740	28,800	17,828	12,203	29,842	38,283	37,461	36,346	42,195
Net Investment Income	908,988	(1,183,327)	3,070,126	239,616	288,698	798,574	1,193,963	56,318	258,280	1,146,932
Benefit Payments, Including Refunds	(1,110,844)	(1,075,137)	(1,071,653)	(1,066,326)	(986,135)	(959,967)	(854,022)	(827,606)	(798,335)	(743,524)
Administrative Expenses	(17,773)	(17,050)	(11,650)	(11,950)	(12,500)	(14,921)	(11,100)	(10,400)	(9,700)	(7,200)
Net Change in Plan Fiduciary Net Position	555,218	(1,626,967)	2,711,456	(144,851)	(14,521)	555,061	997,556	(114,310)	118,554	1,072,076
<i>Plan Fiduciary Net Position - Beginning</i>	12,229,508	13,856,475	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)	<u>\$ 12,784,726</u>	<u>\$ 12,229,508</u>	<u>\$ 13,856,475</u>	<u>\$ 11,145,019</u>	<u>\$ 11,289,870</u>	<u>\$ 11,304,391</u>	<u>\$ 10,749,330</u>	<u>\$ 9,751,774</u>	<u>\$ 9,866,084</u>	<u>\$ 9,747,530</u>
Net Pension Liability - Ending (a) - (b)	\$ 3,461,810	\$ 3,383,776	\$ 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	78.7%	78.3%	97.6%	77.6%	79.5%	80.6%	79.8%	74.3%	77.3%	79.8%
Covered Payroll	\$ 2,042,001	\$ 1,764,272	\$ 1,732,053	\$ 1,644,794	\$ 1,522,152	\$ 1,498,704	\$ 1,528,849	\$ 1,607,792	\$ 1,595,473	\$ 1,568,160
Net Pension Liability as a Percentage of Covered Payroll	169.5%	191.8%	19.8%	195.4%	191.7%	181.4%	178.4%	210.1%	181.4%	157.7%

Notes to Schedule:

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 434,410	\$ 468,400	\$ 510,426	\$ 499,948	\$ 496,076	\$ 520,516	\$ 533,253	\$ 543,315	\$ 549,400	\$ 543,315
Contributions in Relation to the Actuarially Determined Contribution	468,400	624,807	695,833	675,981	683,213	701,533	630,432	629,917	631,963	633,673
Contribution Deficiency (Excess)	<u>\$ (33,990)</u>	<u>\$ (156,407)</u>	<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>
Covered Payroll	\$ 2,042,001	\$ 1,764,272	\$ 1,732,053	\$ 1,644,794	\$ 1,522,152	\$ 1,498,704	\$ 1,528,849	\$ 1,607,792	\$ 1,595,473	\$ 1,568,160
Contributions as a Percentage of Covered Payroll	22.9%	35.4%	40.2%	41.1%	44.9%	46.8%	41.2%	39.2%	39.6%	40.4%

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 Percent of Pay
Remaining Amortization Period	9 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	Service-based rates
Investment Rate of Return	7.25%, Net of Investment Expense, including Inflation
Retirement Age	Immediate retirement upon reaching eligibility
Mortality	PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.54%	7.25%	7.00%	5.00%	5.30%	7.10%	7.60%	5.50%	8.44%	9.55%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	Information Unavailable 2013
Total Pension Liability										
Service Cost	\$ 229,038	\$ 203,873	\$ 213,993	\$ 198,164	\$ 193,437	\$ 171,940	\$ 183,064	\$ 178,507	\$ 182,201	\$ -
Interest on Total Pension Liability	1,120,060	1,103,107	1,027,749	1,026,791	993,571	966,451	962,346	912,790	861,002	-
Differences Between Expected and Actual Experience	49,430	(76,724)	206,873	(162,935)	2,454	(39,013)	(350,495)	18,275	-	-
Changes of Assumptions**	-	573,227	396,202	407,156	-	-	-	579,967	-	-
Benefit Payments, Including Refunds	(881,511)	(881,586)	(814,800)	(763,157)	(789,976)	(750,139)	(725,564)	(728,028)	(696,532)	-
Net Change in Pension Liability	517,017	921,897	1,030,017	706,019	399,486	348,158	69,351	961,511	346,671	-
<i>Total Pension Liability - Beginning</i>	15,775,316	14,853,419	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)	<u>\$ 16,292,333</u>	<u>\$ 15,775,316</u>	<u>\$ 14,853,419</u>	<u>\$ 13,823,402</u>	<u>\$ 13,117,383</u>	<u>\$ 12,717,897</u>	<u>\$ 12,369,739</u>	<u>\$ 12,300,388</u>	<u>\$ 11,338,877</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 515,232	\$ 471,166	\$ 431,742	\$ 371,775	\$ 331,009	\$ 304,055	\$ 281,993	\$ 260,636	\$ 274,762	\$ -
Net Investment Income (Loss)	(1,265,132)	1,547,742	1,276,898	1,261,012	(390,671)	1,237,501	1,001,110	(139,307)	617,338	-
Benefit Payments, Including Refunds	(881,511)	(881,586)	(814,800)	(763,157)	(789,976)	(750,139)	(725,196)	(728,028)	(696,532)	-
Administrative Expenses	(22,357)	(17,758)	(20,414)	(21,709)	(19,637)	(19,622)	(19,782)	(20,636)	(22,612)	-
Net Change in Plan Fiduciary Net Position	(1,653,768)	1,119,564	873,426	847,921	(869,275)	771,795	538,125	(627,335)	172,956	-
<i>Plan Fiduciary Net Position - Beginning</i>	12,230,694	11,111,130	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)	<u>\$ 10,576,926</u>	<u>\$ 12,230,694</u>	<u>\$ 11,111,130</u>	<u>\$ 10,237,704</u>	<u>\$ 9,389,783</u>	<u>\$ 10,259,058</u>	<u>\$ 9,487,263</u>	<u>\$ 8,949,138</u>	<u>\$ 10,056,464</u>	<u>\$ -</u>
Net Pension Liability - Ending (a) - (b)	\$ 5,715,407	\$ 3,544,622	\$ 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	64.9%	77.5%	74.8%	74.1%	71.6%	80.7%	76.7%	72.8%	88.7%	N/A
Covered Payroll	\$ 2,596,291	\$ 2,849,619	\$ 2,515,900	\$ 2,349,644	\$ 2,301,503	\$ 2,066,937	\$ 2,195,369	\$ 2,186,192	\$ 2,712,307	N/A
Net Pension Liability as a Percentage of Covered Payroll	220.1%	124.4%	148.7%	152.6%	162.0%	119.0%	131.3%	153.3%	47.3%	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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 559,363	\$ 500,464	\$ 436,183	\$ 395,146	\$ 344,803	\$ 317,092	\$ 281,993	\$ 260,636	\$ 274,762	\$ 261,878
Contributions in Relation to the Actuarially Determined Contribution	559,363	500,464	436,183	395,146	344,803	317,092	281,993	260,636	274,762	261,878
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,762,285	\$ 2,519,655	\$ 2,533,002	\$ 2,428,384	\$ 2,367,018	\$ 2,209,279	\$ 2,217,872	\$ 2,193,625	\$ 2,739,769	\$ 2,647,200
Contributions as a Percentage of Covered Payroll	20.3%	19.9%	17.2%	16.3%	14.6%	14.4%	12.7%	11.9%	10.0%	9.9%

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	17 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	7.00%, 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 a version of the Pub-2010 and fully generational MP-2019

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

	2023	2022	2021	2020	2019	2018	Information Unavailable			
							2017	2016	2015	2014
Total OPEB Liability										
Service Cost	\$ 47,342	\$ 43,635	\$ 47,012	\$ 43,449	\$ 102,983	\$ 97,328	\$ 111,956	\$ -	\$ -	\$ -
Interest on Total OPEB Liability	295,095	298,262	303,046	334,599	283,251	276,000	275,650	-	-	-
Differences Between Expected and Actual Experience	(641,791)	14,587	(345,171)	116,593	(762,868)	-	(184,047)	-	-	-
Changes of Assumptions**	833,672	53,374	378,190	(316,948)	211,883	-	53,886	-	-	-
Changes in Benefit Terms***	21,335	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds	(371,572)	(332,917)	(363,822)	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-
Net Change in total OPEB Liability	184,081	76,941	19,255	(208,917)	(448,416)	147,797	(38,868)	-	-	-
<i>Total OPEB Liability - Beginning</i>	4,350,938	4,273,997	4,254,742	4,463,659	4,912,075	4,764,278	4,803,146	-	-	-
Total OPEB Liability - Ending (a)	\$ 4,535,019	\$ 4,350,938	\$ 4,273,997	\$ 4,254,742	\$ 4,463,659	\$ 4,912,075	\$ 4,764,278	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 226,527	\$ 332,917	\$ 363,822	\$ 386,610	\$ 58,134	\$ 225,531	\$ 296,313	\$ -	\$ -	\$ -
Net Investment Income (Loss)	281,128	(349,899)	934,470	(61,366)	91,017	247,199	370,924	-	-	-
Benefit Payments, Including Refunds	(626,527)	(332,917)	(363,822)	(386,610)	(283,665)	(225,531)	(296,313)	-	-	-
Administrative Expenses	(7,200)	(7,628)	(6,873)	(6,203)	(7,227)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(126,072)	(357,527)	927,597	(67,569)	(141,741)	247,199	370,924	-	-	-
<i>Plan Fiduciary Net Position - Beginning</i>	3,894,487	4,252,014	3,324,417	3,391,986	3,533,727	3,286,528	2,915,604	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 3,768,415	\$ 3,894,487	\$ 4,252,014	\$ 3,324,417	\$ 3,391,986	\$ 3,533,727	\$ 3,286,528	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a) - (b)	\$ 766,604	\$ 456,451	\$ 21,983	\$ 930,325	\$ 1,071,673	\$ 1,378,348	\$ 1,477,750	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	83.1%	89.5%	99.5%	78.1%	76.0%	71.9%	69.0%	N/A	N/A	N/A
Covered Payroll	\$ 1,179,235	\$ 1,245,605	\$ 1,245,605	\$ 1,232,840	\$ 1,362,246	\$ 1,873,871	\$ 1,806,140	\$ 1,985,694	\$ 2,519,304	\$ 2,519,304
Net OPEB Liability as a Percentage of Covered Payroll	65.0%	36.6%	1.8%	75.5%	78.7%	73.6%	81.8%	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.

** In 2022 the mortality improvement scale applied to all mortality tables has been updated. Trend rates for medical/RX and dental have been adjusted. Per capita costs were updated from using per subscriber average cost to per member average cost.

*** In 2022 an enhancement to include all future terminated vested employees was made. Also, the Steelworkers surviving spouse benefit has been revised.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 226,527	\$ 332,917	\$ 363,822	\$ 386,610	\$ 283,665	\$ 244,032	\$ 296,313	\$ 271,847	\$ 267,660	\$ 276,378
Contributions in Relation to the Actuarially Determined Contribution	226,527	332,917	363,822	246,610	58,134	225,531	296,313	271,847	187,747	181,183
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<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>
Covered Payroll	\$ 1,179,235	\$ 1,245,605	\$ 1,245,605	\$ 1,232,840	\$ 1,362,246	\$ 1,873,871	\$ 1,806,140	\$ 1,985,694	\$ 2,519,304	\$ 2,519,304
Contributions as a Percentage of Covered Payroll	19.2%	26.7%	29.2%	20.0%	4.3%	12.0%	16.4%	13.7%	7.5%	7.2%

Notes

Valuation Date: June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	10 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	4.5% to 7.5% for health and pharmacy; 4.00% for dental
Retirement Age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	General participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
	Police/Fire participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
	Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

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 City to enforce the State Construction Code Act.

Consumers Energy Prosperity Grant Fund - This fund was established to account for the receipts and expenditures related to the Consumers Energy Prosperity Grant.

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.

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, 2023**

	Special Revenue						
	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection	Consumers Energy Prosperity Grant
ASSETS							
Cash and Pooled Investments	\$ 49,361	\$ 21,670	\$ 154,268	\$ 3,218	\$ 49,234	\$ 25,129	\$ 237,928
Receivables	--	--	62,581	--	1,440	838	--
Prepays	593	2,500	116	--	--	--	--
Advance to Other Funds	--	--	405,000	--	--	--	--
Total Assets	\$ 49,954	\$ 24,170	\$ 621,965	\$ 3,218	\$ 50,674	\$ 25,967	\$ 237,928
LIABILITIES							
Accounts Payable	\$ 6,834	\$ --	\$ --	\$ 636	\$ --	\$ 5,403	\$ 805
Accrued Liabilities	4,740	--	--	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	234,141
Due to Other Funds	--	--	--	--	--	--	--
Total Liabilities	11,574	--	--	636	--	5,403	234,946
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	--	--	53,872	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	11,574	--	53,872	636	--	5,403	234,946
FUND BALANCE							
Nonspendable	593	2,500	405,116	--	--	--	--
Restricted	37,787	21,670	--	2,582	--	20,564	2,982
Assigned	--	--	162,977	--	50,674	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	38,380	24,170	568,093	2,582	50,674	20,564	2,982
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 49,954	\$ 24,170	\$ 621,965	\$ 3,218	\$ 50,674	\$ 25,967	\$ 237,928

City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Debt Service		Capital Projects			
	2016 GO Bonds	2020 CI Bonds	Market Capital Project	Cadillac Trailhead Project	Downtown Infrastructure	Industrial Park
ASSETS						
Cash and Pooled Investments	\$ 1,538	\$ 4,142	\$ 26,005	\$ 9,252	\$ 451,816	\$ 580,928
Receivables	--	--	--	265,200	13	5,139
Prepays	--	--	--	--	--	--
Advance to Other Funds	--	--	--	--	--	--
Total Assets	\$ 1,538	\$ 4,142	\$ 26,005	\$ 274,452	\$ 451,829	\$ 586,067
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued Liabilities	--	--	--	9,136	--	--
Unearned Revenue	--	--	--	--	--	--
Due to Other Funds	--	--	--	265,200	--	--
Total Liabilities	--	--	--	274,336	--	--
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	--	--	274,336	--	--
FUND BALANCE						
Nonspendable	--	--	--	--	--	--
Restricted	1,538	4,142	26,005	116	451,829	--
Assigned	--	--	--	--	--	586,067
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,538	4,142	26,005	116	451,829	586,067
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,538	\$ 4,142	\$ 26,005	\$ 274,452	\$ 451,829	\$ 586,067

**City of Cadillac
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	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	\$ 23,491	\$ 62,163	\$ 4,381	\$ 5,974	\$ 629,058	\$ 131,324	\$ 2,470,880
Receivables	--	5,463	--	--	10,668	--	351,342
Prepays	--	--	--	--	--	--	3,209
Advance to Other Funds	--	--	--	--	--	--	405,000
Total Assets	\$ 23,491	\$ 67,626	\$ 4,381	\$ 5,974	\$ 639,726	\$ 131,324	\$ 3,230,431
LIABILITIES							
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,678
Accrued Liabilities	--	--	--	--	--	--	13,876
Unearned Revenue	--	--	--	--	--	--	234,141
Due to Other Funds	--	--	--	--	--	--	265,200
Total Liabilities	--	--	--	--	--	--	526,895
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	--	3,613	--	--	--	--	57,485
Total Liabilities and Deferred Inflows of Resources	--	3,613	--	--	--	--	584,380
FUND BALANCE							
Nonspendable	--	--	--	--	245,000	131,324	784,533
Restricted	23,491	64,013	4,381	--	394,726	--	1,055,826
Assigned	--	--	--	5,974	--	--	805,692
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	23,491	64,013	4,381	5,974	639,726	131,324	2,646,051
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 23,491	\$ 67,626	\$ 4,381	\$ 5,974	\$ 639,726	\$ 131,324	\$ 3,230,431

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue						Consumers
	Cemetery	Milfoil	Cadillac Development	Naval Reserve Center	HL Green Operating	Building Inspection	Energy Prosperity Grant
Revenues							
Licenses and Permits	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 49,279	\$ --
State Revenue	--	--	50,000	--	--	--	--
Local Revenue	--	--	--	--	--	--	15,859
Charges for Services	59,603	--	--	19,683	--	--	--
Miscellaneous	--	--	950	6,000	--	--	--
Interest Income	403	272	3,368	40	1,457	315	2,982
Total Revenues	<u>60,006</u>	<u>272</u>	<u>54,318</u>	<u>25,723</u>	<u>1,457</u>	<u>49,594</u>	<u>18,841</u>
Expenditures							
General Government	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	51,488	--
Public Works	145,725	101,143	--	--	--	--	15,859
Economic Development	--	--	132,189	--	--	--	--
Recreation and Culture	--	--	--	31,277	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--
Total Expenditures	<u>145,725</u>	<u>101,143</u>	<u>132,189</u>	<u>31,277</u>	<u>--</u>	<u>51,488</u>	<u>15,859</u>
Excess of Revenues Over							
(Under) Expenditures	<u>(85,719)</u>	<u>(100,871)</u>	<u>(77,871)</u>	<u>(5,554)</u>	<u>1,457</u>	<u>(1,894)</u>	<u>2,982</u>
Other Financing Sources (Uses)							
Transfers In	87,225	105,000	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>87,225</u>	<u>105,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>1,506</u>	<u>4,129</u>	<u>(77,871)</u>	<u>(5,554)</u>	<u>1,457</u>	<u>(1,894)</u>	<u>2,982</u>
<i>Fund Balance at Beginning of Period</i>	36,874	20,041	645,964	8,136	49,217	22,458	--
Fund Balance at End of Period	<u>\$ 38,380</u>	<u>\$ 24,170</u>	<u>\$ 568,093</u>	<u>\$ 2,582</u>	<u>\$ 50,674</u>	<u>\$ 20,564</u>	<u>\$ 2,982</u>

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Debt Service		Capital Projects			
	2016 GO Bonds	2020 CI Bonds	Market Capital Project	Cadillac Trailhead Project	Downtown Infrastructure	Industrial Park
Revenues						
Licenses and Permits	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State Revenue	--	--	--	127,403	--	--
Local Revenue	--	--	--	23,000	--	--
Charges for Services	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--
Interest Income	19	52	326	116	6,505	6,868
Total Revenues	19	52	326	150,519	6,505	6,868
Expenditures						
General Government	500	500	--	--	--	500
Public Safety	--	--	--	--	--	--
Public Works	--	--	--	--	--	--
Economic Development	--	--	12,687	--	--	--
Recreation and Culture	--	--	--	--	--	--
Capital Outlay	--	--	--	262,142	--	--
Debt Service - Principal	133,333	240,000	--	--	--	--
Debt Service - Interest	28,937	76,710	--	--	--	--
Total Expenditures	162,770	317,210	12,687	262,142	--	500
Excess of Revenues Over (Under) Expenditures	(162,751)	(317,158)	(12,361)	(111,623)	6,505	6,368
Other Financing Sources (Uses)						
Transfers In	163,000	320,000	--	--	--	--
Transfers Out	--	--	--	--	--	--
Net Other Financing Sources (Uses)	163,000	320,000	--	--	--	--
Net Change in Fund Balance	249	2,842	(12,361)	(111,623)	6,505	6,368
<i>Fund Balance at Beginning of Period</i>	<i>1,289</i>	<i>1,300</i>	<i>38,366</i>	<i>111,739</i>	<i>445,324</i>	<i>579,699</i>
Fund Balance at End of Period	\$ 1,538	\$ 4,142	\$ 26,005	\$ 116	\$ 451,829	\$ 586,067

City of Cadillac
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 49,279
State Revenue	--	--	--	--	--	--	177,403
Local Revenue	--	--	--	--	--	--	38,859
Charges for Services	--	--	--	--	19,225	--	98,511
Miscellaneous	--	4,368	--	--	--	--	11,318
Interest Income	294	779	55	75	13,248	800	37,974
Total Revenues	<u>294</u>	<u>5,147</u>	<u>55</u>	<u>75</u>	<u>32,473</u>	<u>800</u>	<u>413,344</u>
Expenditures							
General Government	--	--	--	--	500	500	2,500
Public Safety	--	--	--	--	--	--	51,488
Public Works	--	8,795	--	--	--	--	271,522
Economic Development	--	--	--	--	--	--	144,876
Recreation and Culture	--	--	--	--	--	--	31,277
Capital Outlay	--	--	--	--	--	--	262,142
Debt Service - Principal	--	--	--	--	--	--	373,333
Debt Service - Interest	--	--	--	--	--	--	105,647
Total Expenditures	<u>--</u>	<u>8,795</u>	<u>--</u>	<u>--</u>	<u>500</u>	<u>500</u>	<u>1,242,785</u>
Excess of Revenues Over (Under) Expenditures	<u>294</u>	<u>(3,648)</u>	<u>55</u>	<u>75</u>	<u>31,973</u>	<u>300</u>	<u>(829,441)</u>
Other Financing Sources (Uses)							
Transfers In	--	--	--	--	--	--	675,225
Transfers Out	--	--	--	--	(7,225)	--	(7,225)
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(7,225)</u>	<u>--</u>	<u>668,000</u>
Net Change in Fund Balance	<u>294</u>	<u>(3,648)</u>	<u>55</u>	<u>75</u>	<u>24,748</u>	<u>300</u>	<u>(161,441)</u>
<i>Fund Balance at Beginning of Period</i>	23,197	67,661	4,326	5,899	614,978	131,024	2,807,492
Fund Balance at End of Period	<u>\$ 23,491</u>	<u>\$ 64,013</u>	<u>\$ 4,381</u>	<u>\$ 5,974</u>	<u>\$ 639,726</u>	<u>\$ 131,324</u>	<u>\$ 2,646,051</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cemetery
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 57,000	\$ 57,000	\$ 59,603	\$ 2,603
Interest Income	--	--	403	403
Total Revenues	57,000	57,000	60,006	3,006
Other Financing Sources				
Transfers In	95,000	95,000	87,225	(7,775)
Total Revenues and Other Financing Sources	152,000	152,000	147,231	(4,769)
Expenditures				
Cemetery	160,000	160,000	145,725	14,275
Total Expenditures	160,000	160,000	145,725	14,275
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(8,000)	(8,000)	1,506	9,506
Net Change in Fund Balance	(8,000)	(8,000)	1,506	9,506
Fund Balance at Beginning of Period	36,874	36,874	36,874	--
Fund Balance at End of Period	\$ 28,874	\$ 28,874	\$ 38,380	\$ 9,506

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Milfoil
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ --	\$ --	\$ 272	\$ 272
Total Revenues	--	--	272	272
Other Financing Sources				
Transfers In	30,000	105,000	105,000	--
Total Revenues and Other Financing Sources	30,000	105,000	105,272	272
Expenditures				
Public Works	30,000	105,000	101,143	3,857
Total Expenditures	30,000	105,000	101,143	3,857
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	4,129	4,129
Net Change in Fund Balance	--	--	4,129	4,129
Fund Balance at Beginning of Period	20,041	20,041	20,041	--
Fund Balance at End of Period	\$ 20,041	\$ 20,041	\$ 24,170	\$ 4,129

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Development
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ --	\$ 25,000	\$ 50,000	\$ 25,000
Miscellaneous	--	--	950	950
Interest Income	13,500	13,500	3,368	(10,132)
Total Revenues	<u>13,500</u>	<u>38,500</u>	<u>54,318</u>	<u>15,818</u>
Expenditures				
Economic Development	75,500	100,500	132,189	(31,689)
Total Expenditures	<u>75,500</u>	<u>100,500</u>	<u>132,189</u>	<u>(31,689)</u>
Other Financing Uses				
Transfers Out	15,000	15,000	--	15,000
Total Expenditures and Other Financing Uses	<u>90,500</u>	<u>115,500</u>	<u>132,189</u>	<u>(16,689)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>(77,000)</u>	<u>(77,000)</u>	<u>(77,871)</u>	<u>(871)</u>
Net Change in Fund Balance	<u>(77,000)</u>	<u>(77,000)</u>	<u>(77,871)</u>	<u>(871)</u>
<i>Fund Balance at Beginning of Period</i>	645,964	645,964	645,964	--
Fund Balance at End of Period	<u>\$ 568,964</u>	<u>\$ 568,964</u>	<u>\$ 568,093</u>	<u>\$ (871)</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Naval Reserve Center
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 21,800	\$ 21,800	\$ 19,683	\$ (2,117)
Miscellaneous	4,000	4,000	6,000	2,000
Interest Income	--	--	40	40
Total Revenues	<u>25,800</u>	<u>25,800</u>	<u>25,723</u>	<u>(77)</u>
Expenditures				
Culture and Recreation	<u>25,500</u>	<u>31,700</u>	<u>31,277</u>	<u>423</u>
Total Expenditures	<u>25,500</u>	<u>31,700</u>	<u>31,277</u>	<u>423</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>300</u>	<u>(5,900)</u>	<u>(5,554)</u>	<u>346</u>
Net Change in Fund Balance	<u>300</u>	<u>(5,900)</u>	<u>(5,554)</u>	<u>346</u>
Fund Balance at Beginning of Period	8,136	8,136	8,136	--
Fund Balance at End of Period	<u>\$ 8,436</u>	<u>\$ 2,236</u>	<u>\$ 2,582</u>	<u>\$ 346</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
HL Green Operating
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 500	\$ 500	\$ 1,457	\$ 957
Total Revenues	<u>500</u>	<u>500</u>	<u>1,457</u>	<u>957</u>
Expenditures				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>500</u>	<u>500</u>	<u>1,457</u>	<u>957</u>
Net Change in Fund Balance	500	500	1,457	957
Fund Balance at Beginning of Period	49,217	49,217	49,217	--
Fund Balance at End of Period	\$ 49,717	\$ 49,717	\$ 50,674	\$ 957

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Building Inspection
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$ 70,000	\$ 70,000	\$ 49,279	\$ (20,721)
Interest Income	--	--	315	315
Total Revenues	70,000	70,000	49,594	(20,406)
Expenditures				
Code Enforcement	70,000	70,000	51,488	18,512
Total Expenditures	70,000	70,000	51,488	18,512
Excess (Deficiency) of Revenues Over Expenditures	--	--	(1,894)	(1,894)
Net Change in Fund Balance	--	--	(1,894)	(1,894)
Fund Balance at Beginning of Period	22,458	22,458	22,458	--
Fund Balance at End of Period	\$ 22,458	\$ 22,458	\$ 20,564	\$ (1,894)

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consumers Energy Prosperity Grant
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Local Revenue	\$ --	\$ 50,000	\$ 15,859	\$ (34,141)
Interest Income	--	--	2,982	2,982
Total Revenues	<u>--</u>	<u>50,000</u>	<u>18,841</u>	<u>(31,159)</u>
Expenditures				
Public Works	--	50,000	15,859	34,141
Total Expenditures	<u>--</u>	<u>50,000</u>	<u>15,859</u>	<u>34,141</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>2,982</u>	<u>2,982</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>2,982</u>	<u>2,982</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>\$ 2,982</u>	<u>\$ 2,982</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ --	\$ --	\$ 19	\$ 19
Total Revenues	--	--	19	19
Other Financing Sources				
Transfers In	160,000	163,000	163,000	--
Total Revenues and Other Financing Sources	160,000	163,000	163,019	19
Expenditures				
General Government	500	500	500	--
Debt Service - Principal	133,500	133,500	133,333	167
Debt Service - Interest	26,000	29,000	28,937	63
Total Expenditures	160,000	163,000	162,770	230
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	249	249
Net Change in Fund Balance	--	--	249	249
Fund Balance at Beginning of Period	1,289	1,289	1,289	--
Fund Balance at End of Period	\$ 1,289	\$ 1,289	\$ 1,538	\$ 249

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2020 CI Bonds
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Interest Income	\$ --	\$ --	\$ 52	\$ 52
Total Revenues	--	--	52	52
Other Financing Sources				
Transfers In	317,500	317,500	320,000	2,500
Total Revenues and Other Financing Sources	317,500	317,500	320,052	2,552
Expenditures				
General Government	500	500	500	--
Debt Service - Principal	240,000	240,000	240,000	--
Debt Service - Interest	77,000	77,000	76,710	290
Total Expenditures	317,500	317,500	317,210	290
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	--	2,842	2,842
Net Change in Fund Balance	--	--	2,842	2,842
<i>Fund Balance at Beginning of Period</i>	1,300	1,300	1,300	--
Fund Balance at End of Period	\$ 1,300	\$ 1,300	\$ 4,142	\$ 2,842

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Market Capital Project
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ --	\$ --	\$ 326	\$ 326
Total Revenues	--	--	326	326
Expenditures				
Economic Development	--	13,500	12,687	813
Total Expenditures	--	13,500	12,687	813
Excess (Deficiency) of Revenues Over Expenditures	--	(13,500)	(12,361)	1,139
Net Change in Fund Balance	--	(13,500)	(12,361)	1,139
Fund Balance at Beginning of Period	38,366	38,366	38,366	--
Fund Balance at End of Period	\$ 38,366	\$ 24,866	\$ 26,005	\$ 1,139

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cadillac Trailhead Project
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
State Revenue	\$ --	\$ 130,000	\$ 127,403	\$ (2,597)
Local Revenue	--	23,000	23,000	--
Interest Income	--	--	116	116
Total Revenues	<u>--</u>	<u>153,000</u>	<u>150,519</u>	<u>(2,481)</u>
Expenditures				
Capital Outlay	--	264,000	262,142	1,858
Total Expenditures	<u>--</u>	<u>264,000</u>	<u>262,142</u>	<u>1,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>(111,000)</u>	<u>(111,623)</u>	<u>(623)</u>
Net Change in Fund Balance	<u>--</u>	<u>(111,000)</u>	<u>(111,623)</u>	<u>(623)</u>
Fund Balance at Beginning of Period	111,739	111,739	111,739	--
Fund Balance at End of Period	<u>\$ 111,739</u>	<u>\$ 739</u>	<u>\$ 116</u>	<u>\$ (623)</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Downtown Infrastructure
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ --	\$ --	\$ 6,505	\$ 6,505
Total Revenues	--	--	6,505	6,505
Expenditures				
Construction	455,000	455,000	--	455,000
Total Expenditures	455,000	455,000	--	455,000
Excess (Deficiency) of Revenues Over Expenditures	(455,000)	(455,000)	6,505	461,505
Net Change in Fund Balance	(455,000)	(455,000)	6,505	461,505
Fund Balance at Beginning of Period	445,324	445,324	445,324	--
Fund Balance at End of Period	\$ (9,676)	\$ (9,676)	\$ 451,829	\$ 461,505

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Industrial Park
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 5,000	\$ 5,000	\$ 6,868	\$ 1,868
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>6,868</u>	<u>1,868</u>
Expenditures				
Economic Development	50,000	50,000	--	50,000
General Government	<u>500</u>	<u>500</u>	<u>500</u>	<u>--</u>
Total Expenditures	<u>50,500</u>	<u>50,500</u>	<u>500</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(45,500)</u>	<u>(45,500)</u>	<u>6,368</u>	<u>51,868</u>
Net Change in Fund Balance	<u>(45,500)</u>	<u>(45,500)</u>	<u>6,368</u>	<u>51,868</u>
Fund Balance at Beginning of Period	579,699	579,699	579,699	--
Fund Balance at End of Period	<u>\$ 534,199</u>	<u>\$ 534,199</u>	<u>\$ 586,067</u>	<u>\$ 51,868</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Clam River Greenway
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ --	\$ --	\$ 294	\$ 294
Total Revenues	<u>--</u>	<u>--</u>	<u>294</u>	<u>294</u>
Expenditures				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>294</u>	<u>294</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>294</u>	<u>294</u>
Fund Balance at Beginning of Period	23,197	23,197	23,197	--
Fund Balance at End of Period	<u>\$ 23,197</u>	<u>\$ 23,197</u>	<u>\$ 23,491</u>	<u>\$ 294</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, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Miscellaneous	\$ 3,300	\$ 3,300	\$ 4,368	\$ 1,068
Interest Income	--	--	779	779
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>5,147</u>	<u>1,847</u>
Expenditures				
Public Works	<u>25,500</u>	<u>25,500</u>	<u>8,795</u>	<u>16,705</u>
Total Expenditures	<u>25,500</u>	<u>25,500</u>	<u>8,795</u>	<u>16,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,200)</u>	<u>(22,200)</u>	<u>(3,648)</u>	<u>18,552</u>
Net Change in Fund Balance	(22,200)	(22,200)	(3,648)	18,552
<i>Fund Balance at Beginning of Period</i>	67,661	67,661	67,661	--
Fund Balance at End of Period	\$ 45,461	\$ 45,461	\$ 64,013	\$ 18,552

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Rotary Park Project
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ --	\$ --	\$ 55	\$ 55
Total Revenues	<u>--</u>	<u>--</u>	<u>55</u>	<u>55</u>
Expenditures				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>55</u>	<u>55</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>55</u>	<u>55</u>
Fund Balance at Beginning of Period	4,326	4,326	4,326	--
Fund Balance at End of Period	<u>\$ 4,326</u>	<u>\$ 4,326</u>	<u>\$ 4,381</u>	<u>\$ 55</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Corridor Improvement
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ --	\$ --	\$ 75	\$ 75
Total Revenues	<u>--</u>	<u>--</u>	<u>75</u>	<u>75</u>
Expenditures				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>75</u>	<u>75</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>75</u>	<u>75</u>
Fund Balance at Beginning of Period	5,899	5,899	5,899	--
Fund Balance at End of Period	<u>\$ 5,899</u>	<u>\$ 5,899</u>	<u>\$ 5,974</u>	<u>\$ 75</u>

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Cemetery Perpetual
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 9,500	\$ 9,500	\$ 19,225	\$ 9,725
Interest Income	6,000	6,000	13,248	7,248
Total Revenues	15,500	15,500	32,473	16,973
Expenditures				
General Government	500	500	500	--
Total Expenditures	500	500	500	--
Other Financing Uses				
Transfers Out	15,000	15,000	7,225	7,775
Total Expenditures and Other Financing Uses	15,500	15,500	7,725	7,775
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	--	--	24,748	24,748
Net Change in Fund Balance	--	--	24,748	24,748
Fund Balance at Beginning of Period	614,978	614,978	614,978	--
Fund Balance at End of Period	\$ 614,978	\$ 614,978	\$ 639,726	\$ 24,748

City of Cadillac
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Capital Projects Trust
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Interest Income	\$ 1,500	\$ 1,500	\$ 800	\$ (700)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>800</u>	<u>(700)</u>
Expenditures				
General Government	500	500	500	--
Total Expenditures	<u>500</u>	<u>500</u>	<u>500</u>	<u>--</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,000</u>	<u>1,000</u>	<u>300</u>	<u>(700)</u>
Net Change in Fund Balance	1,000	1,000	300	(700)
Fund Balance at Beginning of Period	131,024	131,024	131,024	--
Fund Balance at End of Period	\$ 132,024	\$ 132,024	\$ 131,324	\$ (700)

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, 2023

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 172,217	\$ 223,181	\$ 193,271	\$ 6,872	\$ 595,541
Receivables	3,506	261	584	--	4,351
Prepays	6	16,044	86,946	7	103,003
Inventory	--	59,998	--	--	59,998
Total Current Assets	175,729	299,484	280,801	6,879	762,893
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	25,000	--	--	25,000
Capital Assets being Depreciated, net	128,869	1,231,756	--	--	1,360,625
Total Assets	304,598	1,556,240	280,801	6,879	2,148,518
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	--	10,388	--	--	10,388
Pension Related	--	75,344	--	--	75,344
Total Deferred Outflows of Resources	--	85,732	--	--	85,732
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	405	15,576	73,436	--	89,417
Accrued Liabilities	--	2,247	2,178	--	4,425
Current Portion of Compensated Absences	--	28,203	--	--	28,203
Total Current Liabilities	405	46,026	75,614	--	122,045
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	24,026	--	--	24,026
Net OPEB Liability	--	48,679	--	--	48,679
Net Pension Liability	--	252,621	--	--	252,621
Advance from Other Funds	--	405,000	--	--	405,000
Total Liabilities	405	776,352	75,614	--	852,371
DEFERRED INFLOWS OF RESOURCES					
Pension Related	--	1,696	--	--	1,696
Total Deferred Inflows of Resources	--	1,696	--	--	1,696
NET POSITION					
Net Investment in Capital Assets	128,869	1,256,756	--	--	1,385,625
<i>Restricted for:</i>					
Internal Service - Retirees' Life Insurance	--	--	168,866	--	168,866
<i>Unrestricted</i>	175,324	(392,832)	36,321	6,879	(174,308)
Total Net Position	\$ 304,193	\$ 863,924	\$ 205,187	\$ 6,879	\$ 1,380,183

City of Cadillac
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Operating Revenues					
Charges for Services	\$ 198,400	\$ 827,366	\$ 1,388,880	\$ 12,000	\$ 2,426,646
Operating Grants and Contributions	--	--	400,000	--	400,000
Total Operating Revenues	198,400	827,366	1,788,880	12,000	2,826,646
Operating Expenses					
Salaries and Wages	3,903	225,045	--	6,215	235,163
Materials and Supplies	10,275	112,145	--	1,494	123,914
Utilities	7,651	28,159	--	--	35,810
Repair and Maintenance	--	108,904	--	--	108,904
Equipment Rental	--	37,021	--	--	37,021
Contracted Services	165,741	54,974	72,102	500	293,317
Insurance	--	--	1,586,139	--	1,586,139
Depreciation	32,039	190,419	--	--	222,458
Total Operating Expenses	219,609	756,667	1,658,241	8,209	2,642,726
Operating Income (Loss)	(21,209)	70,699	130,639	3,791	183,920
Non-Operating Revenues (Expenses)					
Interest Income	4,251	1,758	1,090	86	7,185
Gain on Sale of Capital Assets	--	6,773	--	--	6,773
Net Non-Operating Revenues (Expenses)	4,251	8,531	1,090	86	13,958
Change In Net Position	(16,958)	79,230	131,729	3,877	197,878
<i>Net Position at Beginning of Period</i>	321,151	784,694	73,458	3,002	1,182,305
Net Position at End of Period	\$ 304,193	\$ 863,924	\$ 205,187	\$ 6,879	\$ 1,380,183

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	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	\$ 195,033	\$ 831,939	\$ 1,791,383	\$ 12,000	\$ 2,830,355
Cash Payments to Employees for Services and Fringe Benefits	(3,903)	(184,176)	-	(6,215)	(194,294)
Cash Payments to Suppliers for Goods and Services	(177,149)	(341,970)	(1,634,389)	(1,991)	(2,155,499)
Net Cash Provided by Operating Activities	13,981	305,793	156,994	3,794	480,562
Cash Flows from Capital and Related Financing Activities					
Proceeds on Sale of Capital Assets	-	6,773	-	-	6,773
Capital Assets Purchased	-	(128,581)	-	-	(128,581)
Net Cash Used in Capital and Related Financing Activities	-	(121,808)	-	-	(121,808)
Cash Flows From Investing Activities					
Interest Income	4,251	1,758	1,090	86	7,185
Net Cash Provided by Investing Activities	4,251	1,758	1,090	86	7,185
Net Increase in Cash and Pooled Investments	18,232	185,743	158,084	3,880	365,939
<i>Cash and Pooled Investments - Beginning of Year</i>	<i>153,985</i>	<i>37,438</i>	<i>35,187</i>	<i>2,992</i>	<i>229,602</i>
<i>Cash and Pooled Investments - End of Year</i>	<i>\$ 172,217</i>	<i>\$ 223,181</i>	<i>\$ 193,271</i>	<i>\$ 6,872</i>	<i>\$ 595,541</i>

City of Cadillac
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Internal Service				
	Information Technology	Central Stores and Municipal Garage	Insurance	Safety	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (21,209)	\$ 70,699	\$ 130,639	\$ 3,791	\$ 183,920
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation Expense	32,039	190,419	-	-	222,458
Changes in Assets, Liabilities, and Deferred Items					
Receivables	(3,367)	4,573	2,503	-	3,709
Inventory	-	16,929	-	-	16,929
Prepaid Expenses	7,729	2,744	(6,160)	3	4,316
Accounts Payable	(1,211)	(2,511)	31,600	-	27,878
Accrued Liabilities	-	(17,929)	(1,588)	-	(19,517)
Compensated Absences	-	15,881	-	-	15,881
Net OPEB Liability and Related Deferred Items	-	28,110	-	-	28,110
Net Pension Liability and Related Deferred Items	-	(3,122)	-	-	(3,122)
Net Cash Provided by Operating Activities	\$ 13,981	\$ 305,793	\$ 156,994	\$ 3,794	\$ 480,562

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.

Downtown Development 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, 2023

	Brownfield Redevelopment	Adjustments	Statement of Net Position
ASSETS			
Cash and Pooled Investments	\$ 245,552	\$ --	\$ 245,552
<i>Total Assets</i>	<u>\$ 245,552</u>	<u>\$ --</u>	<u>\$ 245,552</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	\$ 11,844	\$ --	\$ 11,844
Due to Other Governmental Units	2,302	--	2,302
<i>Total Liabilities</i>	<u>14,146</u>	<u>--</u>	<u>14,146</u>
FUND BALANCE			
<i>Restricted for:</i>			
Economic Development	231,406	(231,406)	--
<i>Total Fund Balance</i>	<u>231,406</u>	<u>(231,406)</u>	<u>--</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 245,552</u>	<u>\$ (231,406)</u>	<u>\$ 14,146</u>
NET POSITION			
<i>Restricted for:</i>			
Economic Development		\$ 231,406	\$ 231,406
<i>Total Net Position</i>		<u>\$ 231,406</u>	<u>\$ 231,406</u>

City of Cadillac
Brownfield Redevelopment Statement of Revenues, Expenditures, and
Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2023

	Brownfield Redevelopment	Adjustments	Statement of Activities
Revenues			
Property Taxes	\$ 115,823	\$ --	\$ 115,823
State Revenue	32,991	--	32,991
Interest Income	3,077	--	3,077
Total Revenues	151,891	--	151,891
Expenditures			
Economic Development	93,392	--	93,392
Total Expenditures	93,392	--	93,392
Excess of Revenues Over (Under) Expenditures	58,499	--	58,499
Net Change in Fund Balance / Net Position	58,499	--	58,499
<i>Fund Balance / Net Position at Beginning of Period</i>	172,907	--	172,907
Fund Balance / Net Position at End of Period	\$ 231,406	\$ --	\$ 231,406

City of Cadillac
DDA Combining Balance Sheet and Statement of Net Position
June 30, 2023

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments	Statement of Net Position
ASSETS					
<i>Current Assets</i>					
Cash and Pooled Investments	\$ 18,036	\$ 37,616	\$ 55,652	--	\$ 55,652
Prepays	44	--	44	--	44
Total Current Assets	18,080	37,616	55,696	--	55,696
<i>Noncurrent Assets</i>					
Capital Assets not being Depreciated	--	--	--	200,278 [1]	200,278
Capital Assets being Depreciated	--	--	--	1,475,035 [1]	1,475,035
Total Noncurrent Assets	--	--	--	1,675,313	1,675,313
Total Assets	\$ 18,080	\$ 37,616	\$ 55,696	\$ 1,675,313	\$ 1,731,009
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	\$ --	\$ 5,013	\$ 5,013	\$ --	\$ 5,013
Accrued Interest	--	--	--	1,880 [4]	1,880
Current Portion of Compensated Absences	--	--	--	886 [2]	886
Current Portion of Long-term Debt	--	--	--	68,333 [3]	68,333
Total Current Liabilities	--	5,013	5,013	71,099	76,112
<i>Noncurrent Liabilities</i>					
Compensated Absences	--	--	--	755 [2]	755
Long-term Debt	--	--	--	555,100 [3]	555,100
Total Noncurrent Liabilities	--	--	--	555,855	555,855
Total Liabilities	--	5,013	5,013	626,954	631,967
FUND BALANCE					
Restricted	18,080	32,603	50,683	(50,683)	--
Total Fund Balance	18,080	32,603	50,683	(50,683)	--
Total Liabilities and Fund Balance	\$ 18,080	\$ 37,616	\$ 55,696	\$ 576,271	\$ 631,967
NET POSITION					
Net Investment in Capital Assets				\$ 1,051,880	\$ 1,051,880
<i>Restricted for:</i>					
Economic Development				47,162	47,162
Total Net Position				\$ 1,099,042	\$ 1,099,042

[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, 2023

	Downtown Development Authority	Downtown Development Capital Projects	Total DDA Funds	Adjustments	Statement of Activities
Revenues					
Property Taxes	\$ 29,404	\$ 93,497	\$ 122,901	\$ -	\$ 122,901
Local Revenue	--	22,733	22,733	--	22,733
Investment Income	357	471	828	--	828
Miscellaneous	6,810	--	6,810	--	6,810
Total Revenues	36,571	116,701	153,272	-	153,272
Expenditures					
Economic Development	29,844	15,627	45,471	(20) [1]	45,451
Debt Service - Principal	--	66,667	66,667	(66,667) [3]	--
Debt Service - Interest	--	14,468	14,468	(249) [4]	14,219
Depreciation	--	--	--	82,777 [2]	82,777
Total Expenditures	29,844	96,762	126,606	15,841	142,447
Excess of Revenues Over (Under) Expenditures	6,727	19,939	26,666	(15,841)	10,825
Net Change in Fund Balance / Net Position	6,727	19,939	26,666	(15,841)	10,825
<i>Fund Balance / Net Position at Beginning of Period</i>	<i>11,353</i>	<i>12,664</i>	<i>24,017</i>	<i>1,064,200</i>	<i>1,088,217</i>
Fund Balance / Net Position at End of Period	\$ 18,080	\$ 32,603	\$ 50,683	\$ 1,048,359	\$ 1,099,042

[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 \$82,777 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, 2023

	<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	\$ 42,862	\$ 1,210,337	\$ 410,240	\$ 1,663,439	\$ --	\$ 1,663,439
Receivables	910	10,583	6,801	18,294	--	18,294
Total Current Assets	43,772	1,220,920	417,041	1,681,733	--	1,681,733
<i>Noncurrent Assets</i>						
Capital Assets being Depreciated	--	--	--	--	99,425 [1]	99,425
Total Noncurrent Assets	--	--	--	--	--	113,030
Total Assets	\$ 43,772	\$ 1,220,920	\$ 417,041	\$ 1,681,733	\$ 99,425	\$ 1,781,158
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	\$ 5,132	\$ --	\$ --	\$ 5,132	\$ --	\$ 5,132
Accrued Liabilities	498	--	25	523	--	523
Total Current Liabilities	5,630	--	25	5,655	--	5,655
FUND BALANCE						
<i>Restricted for:</i>						
Ground Water Cleanup	38,142	--	--	38,142	(38,142)	--
Capital Projects	--	1,220,920	--	1,220,920	(1,220,920)	--
Economic Development	--	--	417,016	417,016	(417,016)	--
Total Fund Balance	38,142	1,220,920	417,016	1,676,078	(1,676,078)	--
Total Liabilities and Fund Balance	\$ 43,772	\$ 1,220,920	\$ 417,041	\$ 1,681,733	\$ (1,676,078)	\$ 5,655
NET POSITION						
Net Investment in Capital Assets					\$ 99,425	\$ 99,425
<i>Restricted for:</i>						
Ground Water Cleanup					38,142	38,142
Capital Projects					1,220,920	1,220,920
Economic Development					417,016	417,016
Total Net Position					\$ 1,775,503	\$ 1,775,503

[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, 2023

	<u>LDFA</u>	<u>LDFA Capital Projects</u>	<u>LDFA Utilities</u>	<u>Total LDFA Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues						
Property Taxes	\$ --	\$ 161,933	\$ --	\$ 161,933	\$ --	\$ 161,933
Charges for Services	--	--	17,447	17,447	--	17,447
Interest Income (Loss)	(36)	16,712	4,000	20,676	--	20,676
Total Revenues	<u>(36)</u>	<u>178,645</u>	<u>21,447</u>	<u>200,056</u>	<u>--</u>	<u>200,056</u>
Expenditures						
Economic Development	246,827	3,581	2,295	252,703	4,535 ^[1]	257,238
Total Expenditures	<u>246,827</u>	<u>3,581</u>	<u>2,295</u>	<u>252,703</u>	<u>4,535</u>	<u>257,238</u>
Excess of Revenues Over (Under) Expenditures	<u>(246,863)</u>	<u>175,064</u>	<u>19,152</u>	<u>(52,647)</u>	<u>(4,535)</u>	<u>(57,182)</u>
Other Financing Sources (Uses)						
Transfers In	247,001	--	--	--	--	--
Transfers Out	--	(247,001)	--	--	--	--
Net Other Financing Sources (Uses)	<u>247,001</u>	<u>(247,001)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance / Net Position	<u>138</u>	<u>(71,937)</u>	<u>19,152</u>	<u>(52,647)</u>	<u>(4,535)</u>	<u>(57,182)</u>
<i>Fund Balance / Net Position at Beginning of Period</i>	38,004	1,292,857	397,864	1,728,725	103,960	1,832,685
Fund Balance / Net Position at End of Period	<u>\$ 38,142</u>	<u>\$ 1,220,920</u>	<u>\$ 417,016</u>	<u>\$ 1,676,078</u>	<u>\$ 99,425</u>	<u>\$ 1,775,503</u>

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

City of Cadillac
EDC Balance Sheet and Statement of Net Position
June 30, 2023

	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, 2023

	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, 2023

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 \$ 1,100,000

During Current Period 200,000

Total Redeemed 1,300,000

Balance Outstanding \$ 1,750,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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>\$ 1,750,000</u>	<u>\$ 138,080</u>	<u>\$ 1,888,080</u>

City of Cadillac
2020 Michigan Transportation Bonds
June 30, 2023

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	\$ 465,000	
During Current Period	240,000	
Total Redeemed		705,000
Balance Outstanding		\$ 3,295,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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
		\$ 3,295,000	\$ 482,612	\$ 3,777,612

City of Cadillac
2007 Wastewater System Junior Lien Revenue Bonds
June 30, 2023

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 \$ 2,370,000

During Current Period 205,000

Total Redeemed 2,575,000

Balance Outstanding \$ 1,290,205

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
October 1, 2023	1.625%	\$ 205,000	\$ 10,483	\$ 215,483
April 1, 2024			8,817	8,817
October 1, 2024	1.625%	210,000	8,817	218,817
April 1, 2025			7,111	7,111
October 1, 2025	1.625%	215,000	7,111	222,111
April 1, 2026			5,364	5,364
October 1, 2026	1.625%	220,000	5,364	225,364
April 1, 2027			3,577	3,577
October 1, 2027	1.625%	220,000	3,577	223,577
April 1, 2028			1,789	1,789
October 1, 2028	1.625%	220,205	1,789	221,994
		<u>\$ 1,290,205</u>	<u>\$ 63,799</u>	<u>\$ 1,354,004</u>

City of Cadillac
2013 Water Supply & Wastewater System Revenue Refunding Bonds
June 30, 2023

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 \$ 2,310,000

During Current Period 335,000

Total Redeemed 2,645,000

Balance Outstanding \$ 1,430,000

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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%	<u>370,000</u>	<u>4,995</u>	<u>374,995</u>
		<u>\$ 1,430,000</u>	<u>\$ 78,571</u>	<u>\$ 1,508,571</u>

City of Cadillac
2021 Water Supply System Revenue Refunding Bonds
June 30, 2023

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* 9,338,027

Amount Redeemed		
Prior to Current Period	\$	-
During Current Period		235,000
Total Redeemed		235,000
Balance Outstanding	\$	9,103,027

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
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

Continued...

City of Cadillac
2021 Water Supply System Revenue Refunding Bonds
June 30, 2023

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*			9,338,027
Amount Redeemed			
Prior to Current Period	\$	-	
During Current Period		235,000	
Total Redeemed			235,000
Balance Outstanding		\$	9,103,027

Due Dates	Interest Rates	Requirements		
		Principal	Interest	Total
October 1, 2036			\$ 63,591	\$ 63,591
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
		\$ 9,560,000	\$ 3,243,281	\$ 12,803,281

*As of June 30, 2023, the City has only drawn down \$9,338,027 of the \$9,795,000 available balance.

Concluded.

City of Cadillac
Primary Government
Statement of 2022 Ad Valorem Tax Roll
June 30, 2023

	<u>Taxable Valuation</u>	<u>Mills Levied</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Returned Delinquent</u>
Wexford County	\$ 270,904,206	6.7234	\$ 1,804,625	\$ 1,752,248	52,377
Wexford County - Public Safety	270,904,206	1.4246	385,910	367,864	18,046
Wexford County - Animal Control	270,904,206	0.1964	53,182	50,696	2,486
Wexford County - Veteran's Relief	270,904,206	0.0981	26,551	25,311	1,240
Wexford County - MSU Extension	270,904,206	0.1669	45,190	43,078	2,112
Cadillac Area Public Schools					
Operating	270,904,206	18.0000	2,381,393	2,284,221	97,172
Debt Retirement	270,904,206	6.0600	1,641,614	1,579,406	62,208
State Education Tax	270,904,206	6.0000	1,549,723	1,502,547	47,176
Wexford-Missaukee Intermediate School District	270,904,206	6.1044	1,653,693	1,576,356	77,337
Cadillac-Wexford Transit Authority	270,904,206	0.5895	159,675	152,209	7,466
Cadillac-Wexford Public Library	270,904,206	0.7368	199,580	190,248	9,332
Wexford County Council on Aging	270,904,206	0.9825	266,142	253,697	12,445
City of Cadillac					
General Fund	270,904,206	13.4922	3,655,147	3,549,061	106,086
Policemen and Firemen Retirement System	270,904,206	2.6000	704,330	683,888	20,442
Downtown Development Authority	15,821,424	1.8501	31,750	30,419	1,331
Public Improvement Special Assessments			3,255	2,931	324
Water and Sewer Delinquent Accounts			6,408	4,079	2,329
Administration Fees			145,463	140,295	5,168
			<u>\$ 14,713,631</u>	<u>\$ 14,188,554</u>	<u>\$ 525,077</u>

City of Cadillac
Local Development Finance Authority
Statement of 2022 Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	\$ 4,924,151	6.7234	\$ 32,802	\$ 32,802	\$ 32,573	\$ 229
Wexford County - Public Safety	4,924,151	1.4246	7,015	7,015	7,015	-
Wexford County - Animal Control	4,924,151	0.1964	967	967	967	-
Wexford County - Veteran's Relief	4,924,151	0.0981	483	483	483	-
Wexford County - MSU Extension	4,924,151	0.1669	822	822	822	-
Cadillac Area Public Schools						
Operating	4,924,151	18.0000	84,394	82,288	-	82,288
Debt Retirement	4,924,151	6.0600	29,840	29,131	-	29,131
State Education Tax	4,924,151	6.0000	29,165	29,165	-	29,165
Wexford-Missaukee Intermediate School District	4,924,151	6.1044	30,059	28,631	-	28,631
Cadillac-Wexford Transit Authority	4,924,151	0.5895	2,903	2,903	2,903	-
Cadillac-Wexford Public Library	4,924,151	0.7368	3,628	3,628	3,628	-
Wexford County Council on Aging	4,924,151	0.9825	4,838	4,838	4,838	-
City of Cadillac						
General Fund	4,924,151	13.4922	66,438	66,438	66,438	-
Policemen and Firemen Retirement System	4,924,151	2.6000	12,803	12,803	12,803	-
Downtown Development Authority	4,924,151	1.8501	-	-	-	-
			<u>\$ 306,157</u>	<u>\$ 301,914</u>	<u>\$ 132,470</u>	<u>\$ 169,444</u>

City of Cadillac
Downtown Development Authority
Statement of Ad Valorem 2022 Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by DDA	Net Collections Due to Units
Wexford County	\$ 15,821,424	6.7234	\$ 105,393	100,602	\$ 23,112	\$ 77,490
Wexford County - Public Safety	15,821,424	1.4246	22,538	21,195	4,943	16,252
Wexford County - Animal Control	15,821,424	0.1964	3,106	2,921	681	2,240
Wexford County - Veteran's Relief	15,821,424	0.0981	1,551	1,459	340	1,119
Wexford County - MSU Extension	15,821,424	0.1669	2,640	2,482	579	1,903
Cadillac Area Public Schools						
Operating	15,821,424	18.0000	262,222	247,380	-	247,380
Debt Retirement	15,821,424	6.0600	95,876	90,839	-	90,839
State Education Tax	15,821,424	6.0000	94,512	90,196	-	90,196
Wexford-Missaukee Intermediate School District	15,821,424	6.1044	96,579	90,822	-	90,822
Cadillac-Wexford Transit Authority	15,821,424	0.5895	9,326	8,770	2,045	6,725
Cadillac-Wexford Public Library	15,821,424	0.7368	11,656	10,961	2,556	8,405
Wexford County Council on Aging	15,821,424	0.9825	15,544	14,617	3,409	11,208
City of Cadillac						
General Fund	15,821,424	13.4922	213,465	203,760	46,811	156,949
Policemen and Firemen Retirement System	15,821,424	2.6000	41,135	39,265	9,021	30,244
Downtown Development Authority	15,821,424	1.8501	29,270	27,940	-	27,940
			<u>\$ 1,004,813</u>	<u>\$ 953,209</u>	<u>\$ 93,497</u>	<u>\$ 859,712</u>

City of Cadillac
Brownfield Redevelopment Authority
Statement of 2022 Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by Brownfield	Net Collections Due to Units
Wexford County	\$ 4,624,949	6.7234	\$ 31,095	31,095	\$ 16,311	\$ 14,784
Wexford County - Public Safety	4,624,949	1.4246	6,589	6,589	3,494	3,095
Wexford County - Animal Control	4,624,949	0.1964	908	908	482	426
Wexford County - Veteran's Relief	4,624,949	0.0981	454	454	241	213
Wexford County - MSU Extension	4,624,949	0.1669	772	772	409	363
Cadillac Area Public Schools			-			
Operating	4,624,949	18.0000	83,249	83,249	24,576	58,673
Debt Retirement	4,624,949	6.0600	28,027	28,027	-	28,027
State Education Tax	4,624,949	6.0000	27,750	27,750	8,898	18,852
Wexford-Missaukee Intermediate School District	4,624,949	6.1044	28,233	28,233	16,282	11,951
Cadillac-Wexford Transit Authority	4,624,949	0.5895	2,726	2,726	1,446	1,280
Cadillac-Wexford Public Library	4,624,949	0.7368	3,408	3,408	1,807	1,601
Wexford County Council on Aging	4,624,949	0.9825	4,544	4,544	2,410	2,134
City of Cadillac						
General Fund	4,624,949	13.4922	62,401	62,401	33,102	29,299
Policemen and Firemen Retirement System	4,624,949	2.6000	12,025	12,025	6,366	5,659
Downtown Development Authority	4,624,949	1.8501	8,557	8,557		8,557
			<u>\$ 300,737</u>	<u>\$ 300,737</u>	<u>\$ 115,824</u>	<u>\$ 184,913</u>

City of Cadillac
Primary Government
Statement of 2022 Industrial Facilities Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 4,545,299	6.7234	\$ 13,003	13,003	\$ -
Wexford County - Public Safety	4,545,299	1.4246	2,781	2,781	-
Wexford County - Animal Control	4,545,299	0.1964	383	383	-
Wexford County - Veteran's Relief	4,545,299	0.0981	191	191	-
Wexford County - MSU Extension	4,545,299	0.1669	325	325	-
Cadillac Area Public Schools					
Operating	4,545,299	18.0000	30,718	30,718	-
Debt Retirement	4,545,299	6.0600	11,828	11,828	-
State Education Tax	4,545,299	6.0000	19,739	19,739	-
Wexford-Missaukee Intermediate School District	4,545,299	6.1044	11,916	11,916	-
Cadillac-Wexford Transit Authority	4,545,299	0.5895	1,150	1,150	-
Cadillac-Wexford Public Library	4,545,299	0.7368	1,438	1,438	-
Wexford County Council on Aging	4,545,299	0.9825	1,918	1,918	-
City of Cadillac					
General Fund	4,545,299	13.4922	26,337	26,337	-
Policemen and Firemen Retirement System	4,545,299	2.6000	5,075	5,075	-
Downtown Development Authority	4,545,299	1.8501	228	228	-
			<u>\$ 127,030</u>	<u>\$ 127,030</u>	<u>\$ -</u>

City of Cadillac
Local Development Finance Authority
Statement of 2022 Industrial Facilities Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Less Taxes Captured by LDFA	Net Collections Returned to Units
Wexford County	\$ 2,190,424	6.7234	\$ 8,437	\$ 8,437	7,245	\$ 1,192
Wexford County - Public Safety	2,190,424	1.4246	1,817	1,817	1,560	257
Wexford County - Animal Control	2,190,424	0.1964	250	250	215	35
Wexford County - Veteran's Relief	2,190,424	0.0981	125	125	107	18
Wexford County - MSU Extension	2,190,424	0.1669	213	213	183	30
Cadillac Area Public Schools						
Operating	2,190,424	18.0000	18,960	18,960	-	18,960
Debt Retirement	2,190,424	6.0600	7,718	7,718	-	7,718
State Education Tax	2,190,424	6.0000	12,640	12,640	-	12,640
Wexford-Missaukee Intermediate School District	2,190,424	6.1044	7,731	7,731	-	7,731
Cadillac-Wexford Transit Authority	2,190,424	0.5895	752	752	646	106
Cadillac-Wexford Public Library	2,190,424	0.7368	940	940	807	133
Wexford County Council on Aging	2,190,424	0.9825	1,253	1,253	1,076	177
City of Cadillac						
General Fund	2,190,424	13.4922	14,777	14,777	14,777	-
Policemen and Firemen Retirement System	2,190,424	2.6000	2,848	2,848	2,848	-
Downtown Development Authority	2,190,424	1.8501	-	-	-	-
			<u>\$ 78,461</u>	<u>\$ 78,461</u>	<u>\$ 29,464</u>	<u>\$ 48,997</u>

City of Cadillac
Primary Government
Statement of 2022 Obsolete Properties Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 167,418	6.7234	\$ 656	656	\$ -
Wexford County - Public Safety	167,418	1.4246	140	140	-
Wexford County - Animal Control	167,418	0.1964	19	19	-
Wexford County - Veteran's Relief	167,418	0.0981	10	10	-
Wexford County - MSU Extension	167,418	0.1669	16	16	-
Cadillac Area Public Schools					
Operating	167,418	18.0000	3,054	3,054	-
Debt Retirement	167,418	6.0600	597	597	-
State Education Tax	167,418	6.0000	1,018	1,018	-
Wexford-Missaukee Intermediate School District	167,418	6.1044	601	601	-
Cadillac-Wexford Transit Authority	167,418	0.5895	58	58	-
Cadillac-Wexford Public Library	167,418	0.7368	73	73	-
Wexford County Council on Aging	167,418	0.9825	97	97	-
City of Cadillac				-	
General Fund	167,418	13.4922	1,329	1,329	-
Policemen and Firemen Retirement System	167,418	2.6000	256	256	-
Downtown Development Authority	167,418	1.8501	-	-	-
				-	
			<u>\$ 7,924</u>	<u>\$ 7,924</u>	<u>\$ -</u>

City of Cadillac
Primary Government
Statement of 2022 DNR/PILT Tax Roll
June 30, 2023

	Taxable Valuation	Mills Levied	Taxes Assessed	Taxes Collected	Taxes Returned Delinquent
Wexford County	\$ 929,713	6.7234	\$ 6,193	6,193	\$ -
Wexford County - Public Safety	929,713	1.4246	1,324	1,324	-
Wexford County - Animal Control	929,713	0.1964	183	183	-
Wexford County - Veteran's Relief	929,713	0.0981	91	91	-
Wexford County - MSU Extension	929,713	0.1669	155	155	-
Cadillac Area Public Schools					
Debt Retirement	929,713	6.0600	5,634	5,634	-
Wexford-Missaukee Intermediate School District	929,713	6.1044	5,675	5,675	-
Cadillac-Wexford Transit Authority	929,713	0.5895	548	548	-
Cadillac-Wexford Public Library	929,713	0.7368	685	685	-
Wexford County Council on Aging	929,713	0.9825	913	913	-
City of Cadillac					
General Fund	929,713	13.4922	12,544	12,544	-
Policemen and Firemen Retirement System	929,713	2.6000	2,417	2,417	-
Special Assessments			200	200	-
			<u>\$ 36,562</u>	<u>\$ 36,562</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Cadillac's annual comprehensive 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	153
<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	158
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	162
<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	167
<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	169
<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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 11,469	\$ 11,723	\$ 10,986	\$ 10,955	\$ 10,652	\$ 11,797	\$ 11,586	\$ 11,476	\$ 10,756	\$ 11,591
Restricted for Specific Purpose	3,369	3,090	3,420	4,717	3,554	2,537	2,456	4,486	3,683	3,267
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,078	(106)	(503)	(3,699)	(1,236)	(865)	(870)	(786)	1,826	967
Total governmental activities net assets	<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>	<u>\$ 16,265</u>	<u>\$ 15,825</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 13,972	\$ 13,999	\$ 14,116	\$ 15,250	\$ 15,861	\$ 16,332	\$ 16,838	\$ 16,919	\$ 17,325	\$ 17,764
Restricted for Specific Purpose	626	626	643	643	644	654	664	670	675	676
Unrestricted	3,069	2,747	2,405	1,777	1,509	1,358	665	950	811	434
Total business-type activities net assets	<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>	<u>\$ 18,811</u>	<u>\$ 18,874</u>
Primary Government										
Net Investment in Capital Assets	\$ 25,441	\$ 25,722	\$ 25,102	\$ 26,205	\$ 26,513	\$ 28,129	\$ 28,424	\$ 28,395	\$ 28,081	\$ 29,355
Restricted for Specific Purpose	3,995	3,716	4,063	5,360	4,198	3,191	3,120	5,156	4,358	3,943
Restricted for Specific Purpose, Temporarily Restricted	-	-	-	-	-	-	-	-	-	-
Restricted for Specific Purpose, Permanently Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,147	2,641	1,902	(1,922)	273	493	(205)	164	2,637	1,401
Total primary government net assets	<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>	<u>\$ 35,076</u>	<u>\$ 34,699</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental Activities:										
General Government	\$ 1,987	\$ 1,988	\$ 1,918	\$ 1,998	\$ 1,841	\$ 2,095	\$ 1,957	\$ 2,106	\$ 1,827	\$ 2,190
Public Safety	3,199	3,757	3,858	4,130	2,815	3,542	3,718	2,359	3,837	4,458
Public Works	2,570	2,516	3,988	2,957	2,603	2,916	3,020	2,559	2,684	4,719
Recreation and Culture	421	452	462	492	506	527	499	440	509	279
Economic Development/Assistance	257	235	287	280	234	1,020	1,153	589	480	653
Interest on Long-Term Debt	21	17	15	105	45	39	48	169	112	104
Total Governmental Activities Expenses	<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>	<u>\$ 9,449</u>	<u>\$ 12,403</u>
Business-Type Activities:										
Water and Sewer	\$ 4,138	\$ 4,275	\$ 4,136	\$ 3,982	\$ 4,276	\$ 4,479	\$ 4,185	\$ 4,053	\$ 4,510	\$ 5,079
Building Authority Operating	88	92	101	118	123	124	90	94	125	125
Automobile Parking System	63	62	56	50	62	84	86	72	71	77
Total Business-Type Activities Expenses	<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>	<u>\$ 4,706</u>	<u>\$ 5,281</u>
Total Primary Government Expenses	<u>\$ 12,744</u>	<u>\$ 13,394</u>	<u>\$ 14,821</u>	<u>\$ 14,112</u>	<u>\$ 12,505</u>	<u>\$ 14,826</u>	<u>\$ 14,756</u>	<u>\$ 12,441</u>	<u>\$ 14,155</u>	<u>\$ 17,684</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 509	\$ 520	\$ 562	\$ 628	\$ 265	\$ 594	\$ 625	\$ 592	\$ 608	\$ 677
Public Safety	106	99	114	227	196	216	180	175	322	335
Public Works	733	726	748	661	1,044	847	559	765	725	819
Recreation and Culture	25	0	15	0	0	0	0	0	24	26
Economic Development	2	2	2	3	3	3	3	3	16	2
Operating Grants and Contributions	1,148	1,090	2,512	1,573	1,180	1,985	1,846	2,373	2,032	3,032
Capital Grants and Contributions	0	520	306	69	47	990	853	232	314	150
Total Governmental Activities Program Revenues	<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>\$ 4,041</u>	<u>\$ 5,041</u>

Continued...

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Water and Sewer System	\$ 4,032	\$ 4,060	\$ 4,197	\$ 4,573	\$ 4,509	\$ 4,754	\$ 3,914	\$ 4,319	\$ 4,682	\$ 5,094
Building Authority Operating	196	196	149	113	196	154	154	164	219	223
Automobile Parking System	42	51	49	50	56	56	56	57	58	2
Operating Grants and Contributions	0	10	0	0	0	0	0	0	0	0
Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	\$ 4,270	\$ 4,317	\$ 4,395	\$ 4,736	\$ 4,761	\$ 4,964	\$ 4,124	\$ 4,540	\$ 4,959	\$ 5,319
Total Primary Government Program Revenues	\$ 6,793	\$ 7,274	\$ 8,654	\$ 7,897	\$ 7,496	\$ 9,599	\$ 8,190	\$ 8,680	\$ 9,000	\$ 10,360
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes	\$ 4,338	\$ 4,213	\$ 4,207	\$ 3,814	\$ 3,872	\$ 3,830	\$ 3,910	\$ 4,035	\$ 4,384	\$ 4,545
State Shared Revenue - Unrestricted	988	1,027	1,133	1,922	2,138	2,027	1,984	2,011	2,102	2,168
Investment Earnings - Unrestricted	67	68	55	68	101	145	139	75	27	209
Gain (Loss) on Sale of Capital Assets	0	65	0	0	0	0	0	0	0	0
Other	10	93	2	115	195	0	0	0	0	0
Transfers	0	(9)	0	0	0	0	0	(35)	(15)	0
Total Governmental Activities	\$ 5,403	\$ 5,457	\$ 5,397	\$ 5,919	\$ 6,306	\$ 6,002	\$ 6,033	\$ 6,086	\$ 6,498	\$ 6,922
Business-Type Activities										
Investment Earnings - Unrestricted	19	20	22	31	44	53	60	16	5	26
Other	0	76	0	0	0	0	0	0	0	0
Transfers	0	9	0	0	0	0	0	35	15	0
Total Business-Type Activities	\$ 19	\$ 105	\$ 22	\$ 31	\$ 44	\$ 53	\$ 60	\$ 51	\$ 20	\$ 26
Total Primary Government	\$ 5,422	\$ 5,562	\$ 5,419	\$ 5,950	\$ 6,350	\$ 6,055	\$ 6,093	\$ 6,137	\$ 6,518	\$ 6,948
Change in Net Assets										
Governmental Activities	\$ (527)	\$ (550)	\$ (873)	\$ (882)	\$ 997	\$ 498	\$ (296)	\$ 2,004	\$ 1,090	\$ (440)
Business-Type Activities	(1)	(7)	125	617	344	330	(177)	372	273	64
Total Primary Government	\$ (528)	\$ (557)	\$ (748)	\$ (265)	\$ 1,341	\$ 828	\$ (473)	\$ 2,376	\$ 1,363	\$ (376)

Continued...

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 37,127	\$ 106,085	\$ 9,641	\$ 54,583	\$ 10,415	\$ 9,071	\$ 1,203	\$ 1,530	\$ 48,531	\$ 42,803
Restricted	54,076	56,970	61,116	38,423	38,421	41,772	41,957	42,154	68,729	83,787
Assigned	1,579,291	1,552,612	1,551,812	1,463,890	1,426,129	2,047,888	1,451,083	1,394,072	1,494,454	2,094,437
Unassigned	371,323	221,245	486,455	1,118,374	1,445,491	1,332,597	2,259,269	3,288,693	3,719,960	2,895,472
Total General Fund	<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>	<u>\$ 5,331,674</u>	<u>\$ 5,116,499</u>
All Other Governmental Funds										
Nonspendable	\$1,030,200	\$ 973,345	\$ 906,666	\$ 848,688	\$ 372,190	\$ 373,091	\$ 375,411	\$ 376,209	\$ 381,013	\$ 787,456
Restricted	1,478,859	1,209,298	1,678,116	3,325,714	2,811,751	1,822,249	1,669,216	3,845,298	3,056,734	2,628,715
Assigned	1,620,764	1,623,918	1,606,108	1,537,971	1,620,926	1,489,178	1,445,137	1,338,152	1,280,614	805,692
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>4,718,361</u>	<u>4,221,863</u>
Total Fund Balance	<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>	<u><u>\$10,050,035</u></u>	<u><u>\$ 9,338,362</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.

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

	<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>	<u>2022</u>	<u>2023</u>
Revenues											
Taxes and Special Assessments	\$ 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	\$ 4,383,505	\$ 4,545,392
Licenses and Permits	122,102	129,179	139,623	190,504	264,019	230,572	238,257	194,986	203,814	182,148	189,061
Federal Grants	42,314	4,779	44,800	65,168	121,569	-	741,980	18,112	421,551	218,000	625,479
State Grants	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	4,138,011	4,249,065
Contributions from Local Units	227,103	215,823	160,595	244,845	195,607	195,039	295,637	252,748	324,481	273,104	300,812
Charges for Services	943,558	939,858	984,807	986,860	921,127	1,033,777	1,120,793	1,121,774	1,152,247	1,152,222	1,267,139
Fines and Forfeits	14,887	13,582	13,621	17,018	14,857	12,320	10,721	9,685	7,634	8,488	9,314
Interest and Rents	108,040	67,443	60,115	55,452	67,677	94,157	135,851	129,364	69,687	27,874	201,546
Gain (Loss) on Investments	(45,257)	-	-	-	-	-	-	-	-	-	-
Other Revenue	90,447	135,930	178,837	300,491	248,948	48,803	41,042	33,982	93,985	155,520	141,779
Total Revenues	<u>\$ 7,883,646</u>	<u>\$ 7,860,634</u>	<u>\$ 8,296,952</u>	<u>\$ 9,673,027</u>	<u>\$ 9,095,881</u>	<u>\$ 8,851,289</u>	<u>\$10,399,418</u>	<u>\$10,098,904</u>	<u>\$10,142,569</u>	<u>\$10,538,872</u>	<u>\$11,529,587</u>
Expenditures											
General Government	\$ 1,734,475	\$ 1,819,501	\$ 1,791,790	\$ 1,720,714	\$ 1,670,025	\$ 1,784,670	\$ 1,848,736	\$ 1,837,446	\$ 1,907,117	\$ 1,696,054	\$ 1,694,065
Public Safety	3,256,156	3,152,675	3,191,801	3,177,094	3,307,809	3,359,134	3,379,298	3,928,998	3,496,678	3,731,415	3,889,835
Public Works	1,903,925	1,914,351	1,867,467	3,276,524	2,295,445	1,947,792	2,165,166	2,478,280	2,042,162	1,921,271	3,489,861
Community & Economic Development	184,069	248,307	238,222	250,708	233,669	226,027	992,104	1,159,845	570,969	469,957	597,682
Capital Outlay	138,359	209,926	1,200,423	277,327	872,476	1,781,414	2,092,986	30,040	2,241,536	2,115,522	1,992,278
Culture and Recreation	340,874	295,547	320,267	311,265	327,380	358,168	370,543	375,602	293,924	370,176	122,210
Debt Service											
Principal	188,832	229,943	87,721	87,721	253,862	365,000	120,000	123,400	361,700	360,000	373,333
Interest	32,631	24,757	17,895	15,233	54,835	49,906	40,062	37,863	103,838	113,467	105,647
Other Charges	2,235	-	-	-	42,650	-	-	-	46,813	-	-
Intergovernmental	100,758	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 7,882,314</u>	<u>\$ 7,895,007</u>	<u>\$ 8,715,586</u>	<u>\$ 9,116,586</u>	<u>\$ 9,058,151</u>	<u>\$ 9,872,111</u>	<u>\$11,008,895</u>	<u>\$ 9,971,474</u>	<u>\$11,064,737</u>	<u>\$10,777,862</u>	<u>\$12,264,911</u>
Other Financing Sources (Uses)											
Sale of Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394,504	\$ -	\$ -	\$ -	\$ 17,915	\$ 23,651
Transfers In	649,500	806,035	492,404	407,750	769,650	1,618,316	625,323	480,550	595,450	1,045,500	2,385,225
Transfers Out	(649,500)	(806,035)	(501,937)	(407,750)	(769,650)	(1,654,319)	(625,323)	(480,550)	(630,450)	(1,060,500)	(2,385,225)
Bond Proceeds	0	0	0	0	2,050,000	0	0	0	4,000,000	0	0
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,533)</u>	<u>\$ -</u>	<u>\$ 2,050,000</u>	<u>\$ 358,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,965,000</u>	<u>\$ 2,915</u>	<u>\$ 23,651</u>
Net Change in Fund Balances	<u>\$ 1,332</u>	<u>\$ (34,373)</u>	<u>\$ (428,167)</u>	<u>\$ 556,441</u>	<u>\$ 2,087,730</u>	<u>\$ (662,321)</u>	<u>\$ (609,477)</u>	<u>\$ 127,430</u>	<u>\$ 3,042,832</u>	<u>\$ (236,075)</u>	<u>\$ (711,673)</u>
Debt Service as a percentage of non-capital expenditures	2.96%	3.31%	1.41%	1.16%	3.77%	5.13%	1.80%	1.62%	5.28%	5.47%	4.66%

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
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
2022	221,321,737	32,887,200	254,208,937	645,626,400	39.37%	16.2630
2023	235,068,706	35,835,500	270,904,206	688,907,400	39.32%	16.0922

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				
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
2022	13.6630	2.6000	N/A	16.2630	8.6272	0.5950	0.9917	0.7437	24.1500	6.1323	6.0000	63.5029
2023	13.4922	2.6000	N/A	16.0922	8.5475	0.5895	0.9825	0.7368	24.0600	6.1044	6.0000	63.1129

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 6.7234 and extra voted mills of 0.0991 for Veterans Relief, 1.4379 mills for Road Patrol, 0.1983 mills for Animal Control and 0.1685 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
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%
2022	4,184,156	4,060,183	97.04%	123,973	4,184,156	100.00%
2023	4,398,915	4,270,803	97.09%	128,113	4,398,915	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	2023			2014		
	Taxable Value	Rank	Percentage of Total City Taxable Value ^a	Taxable Value	Rank	Percentage of Total City Taxable Value ^b
Cadillac Renewable Energy	\$ 13,622,045	1	5.03%	\$ 13,021,800	1	5.32%
Consumers Energy	13,048,909	2	4.82%	\$ 6,802,666	4	2.78%
AAR Cadillac Manufacturing	5,877,545	3	2.17%	3,880,600	8	1.58%
Avon Protection System	5,750,006	4	2.12%	7,020,687	3	2.87%
925 Frisbie Street LLC	3,257,019	5	1.20%			0.00%
Piranha Hose Products Inc.	3,176,731	6	1.17%	3,696,370	9	1.51%
FEDEX Ground Package	3,003,700	7	1.11%			0.00%
Store Capital Acquisitions LLC	2,760,794	8	1.02%			0.00%
Hutchinson Antivibration System	2,188,194	9	0.81%			0.00%
Rexair, Inc.	1,978,172	10	0.73%	4,350,490	7	1.78%
Cadillac Casting				10,395,100	2	4.24%
Paulstra CRC Corporation				6,537,060	5	2.67%
Avon Automotive				4,415,000	6	1.80%
FIAMM Technologies, Inc.				3,569,600	10	1.46%
Totals	<u>\$54,663,115</u>		<u>20.18%</u>	<u>\$63,689,373</u>		<u>26.01%</u>

Source: City of Cadillac Treasurer's Office

^a Based on total taxable value of \$270,904,206

^b Based on total taxable value of \$244,898,714

^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			
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	1.72%	709
2021	5,155	-	-	6,829	-	11,984	2.61%	1,157
2022	4,795	-	-	11,912	-	16,707	N/A	1,620
2023	4,422	-	-	13,017	-	17,439	N/A	1,691

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>
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
2022	4,795	-	4,795	1.886%	464.86
2023	4,422	-	4,422	1.632%	428.70

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, 2023
(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	\$ 13,885	23.74%	\$ 3,297
Cadillac Area Public Schools	55,445	34.40%	\$ 19,073
Subtotal Overlapping Debt			\$ 22,370
City of Cadillac Direct Debt			<u>4,422</u>
Total Direct and Overlapping Debt			<u><u>\$ 26,792</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:

City of Cadillac Taxable Value:	\$270,904,206
Wexford County Taxable Value:	\$1,141,037,480
CAPS Taxable Value:	\$787,511,032

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

	<i>Fiscal Year</i>										
	<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>	<u>2022</u>	<u>2022</u>
Debt Limit	\$ 24,721	\$ 24,490	\$ 24,297	\$ 24,357	\$ 22,188	\$ 22,352	\$ 22,319	\$ 23,068	\$ 23,881	\$ 25,421	\$ 27,090
Total net debt applicable to limit	593	458	529	326	2,118	1,760	1,640	1,517	5,155	4,795	4,422
Legal debt margin	<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>	<u>\$ 20,626</u>	<u>\$ 22,668</u>
Total net debt applicable to the limit as a percentage of debt limit	2.40%	1.87%	2.18%	1.34%	9.55%	7.87%	7.35%	6.58%	21.59%	18.86%	16.32%

Legal Debt Margin Calculation for Fiscal Year 2018

Taxable Value	<u>\$270,904</u>
Statutory Debt Limit (10%) of total taxable value)	\$ 27,090
Debt Applicable to Limit:	
Gross Bonded Debt and Other Long-Term Debt	17,439
Less:	
Assets Available for Debt Service	-
Bond Debt not Subject to Limit:	
Special Assessment Bonds	-
Revenue Bonds	13,017
Other Debt	<u>- 13,017</u>
Total Amount of Debt Applicable to Debt Limit	<u>4,422</u>
Legal Debt Margin	<u>\$ 22,668</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)

Fiscal Year	<i>Water & Sewer Revenue Bonds</i>						<i>Special Assessment Bonds</i>			
	Water & Sewer Revenue	Less: Operating Expenses	Net Available Revenue	<i>Debt Service</i>		Coverage	Special Assessment Collections	<i>Debt Service</i>		Coverage
				Principal	Interest			Principal	Interest	
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				
2022	4,658	4,347	311	640	164	0.39				
2022	5,043	4,801	242	640	164	0.30				

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
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	459,358	44,361	3,477	4.2	6.3	21,956
2022	10,315	N/A	N/A	3,552	4.3	4.1	21,763
2023	10,315	N/A	N/A	3,532	4.3	3.9	21,891

Data Sources:

¹ Bureau of the Census

² Bureau of Economic Analysis

³ School Districts

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

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

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

Employer	Industry Description	2023	2014
		Employees	Employees
Cadillac Area Public Schools	Elementary and Secondary Schools	500-999	250-499
Hutchinson Antivibration Systems Inc ³	Other Rubber Product Manufacturing	500-999	250-499
Akwel ⁴	Other Motor Vehicle Parts Manufacturing	250-499	250-499
Avon Protection Systems Inc	Coating, Engraving & Heat Treating Metal	250-499	100-249
Cadillac Casting Inc	Ferrous Metal Foundries	250-499	250-499
Four Winn's/Glastron/Wellcraft/Rec Boat	Ship and Boat Building	250-499	250-499
Munson Healthcare Cadillac Hospital ¹	General Medical and Surgical Hospitals	250-499	250-499
Rexair	Vacuum Cleaners-Household Dealers	250-499	100-249
AAR Mobility Systems	Rapid deployment mobile equipment mfg.	100-249	500-999
BorgWarner Cadillac	Other Motor Vehicle Parts Manufacturing	100-249	
Fiamm Technologies	Other Motor Vehicle Parts Manufacturing	100-249	100-249
Michigan Rubber Products Inc	Other Rubber Product Manufacturing	100-249	
Piranha Hose Products Inc	Rubber and Plastic Hoses and Tubing	100-249	100-249
Samaritas Senior Care ²	Residential Care Homes	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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
City Manager	2.20	2.20	2.20	2.20	2.75	2.75	2.75	2.25	2.25	2.25
Financial Services	2.25	2.25	2.25	2.25	2.15	2.15	2.15	2.90	2.90	2.90
Clerk/Treasurer	3.80	3.80	3.80	3.80	3.75	3.75	3.75	3.75	3.75	3.75
City Hall	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.00	1.00	1.00
City Engineer	1.80	1.80	1.80	1.80	0.80	0.80	0.80	0.80	0.80	0.80
Public Safety										
Police	16.86	16.95	16.95	16.95	16.45	16.95	16.95	16.75	16.75	16.75
Fire	11.00	11.00	11.00	11.00	11.50	11.50	11.50	11.50	11.50	11.50
Code Enforcement	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.25	0.25	0.25
Other										
Public Works	12.10	12.10	12.10	12.00	12.00	12.05	12.05	12.55	12.55	12.55
Data Processing	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.05	0.05	0.05
Auto Parking	0.09	0.00	0.00	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	19.00	19.00
Community Development	2.20	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total FTE	75.00	75.00	75.00	74.00	73.90	73.95	73.95	74.00	73.00	73.00

Source: City of Cadillac Financial Services Department

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

<u>Function</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>	<u>2022</u>	<u>2023</u>
Police										
Traffic Citations	536	538	344	583	650	550	324	318	378	N/A ¹
Fire										
Number of Fire Inspections	86	55	80	51	35	20	0	9	338	N/A ¹
Number of Rental Inspections	455	285	586	412	302	256	71	282	230	N/A ¹
Number of Fires Reported	34	39	52	42	51	49	45	53	38	N/A ¹
Number of EMT Runs	1,545	1,788	1,792	1,760	1,983	2,095	1,895	2,619	2,050	N/A ¹
Building Inspection										
Number of Permits Issued	0 ²	0 ²	276 ²	438 ²	416 ²	484 ²	420 ²	350 ²	402 ²	N/A ¹
Water										
Total Customers	3,578	3,554	3,549	3,567	3,589	3,574	3,559	3,578	3,580	3,591
Average Daily Consumption (thousands of gallons)	1,942	2,265	2,183	2,021	2,018	1,576	1,692	1,738	1,848	1,987
Wastewater										
Total Customers	3,604	3,575	3,569	3,608	3,623	3,610	3,598	3,612	3,606	3,620
Average Daily Treatment (thousands of gallons)	2,323	1,904	1,766	1,989	1,939	1,284	1,778	1,633	1,811	1,813

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	11	9	9	9	9	9	9	10	10	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	6	6	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	63	63	63	63	63	63	63	63	63
Street Lights	591	591	592	592	593	593	593	593	593	593
Water										
Fire Hydrants	483	483	483	484	503	503	503	506	515	518
Miles of Water Mains	75	75	75	76	76	76	76	76	76	76
Water Mains Replaced (Feet)	100	2,400	1,000	1,800	4,220	100	390	850	2,580	540
Wastewater										
Miles of Sewer Mains	62	62	62	63	63	63	63	63	63	63
Feet of Sanitary Sewers										
Inspected with TV Cameras	1,491	322	106,716	62,000	10,000	1,100	1,100	900	250	250
Cleaned with Vacon	28,673	22,991	111,101	60,000	41,567	35,773	36,988	24,296	37,256	28,400

(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	Valuation Payroll	Active Members	Retirants and Beneficiaries	Active Members Average		
									Annual Pay	Age	Service
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	19,324,079	14,588,090	75.5	4,735,989	9.15% - 38.99%	2,849,619	55	84	51,811	47.4	12.1
2022	19,781,495	14,561,339	73.6	5,220,156	12.95% - 46.77%	2,979,027	55	79	54,164	47.9	12.5
2023	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:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non-Union	11.00%	12.54%	14.08%	15.67%	17.35%	19.24%	20.29%	20.95%	22.71%	N/A
Steelworkers	14.43%	16.17%	15.03%	15.34%	15.81%	16.74%	16.45%	15.28%	16.81%	N/A
Housing Commission	10.23%	10.55%	10.11%	10.19%	12.04%	15.54%	17.78%	17.98%	20.76%	N/A
Library	10.69%	10.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
City Manager	0.00%	0.00%	0.00%	0.00%	2.49%	6.88%	8.93%	9.15%	12.95%	N/A
Department Heads	23.74%	20.59%	21.50%	30.15%	34.12%	38.75%	39.86%	38.99%	46.77%	N/A

Source: From 2011, data from actuaries employed by MERS.

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

Fiscal Years	Actuarial Accrued Liability	Assets Allocated to Funding	Percent Funded	Unfunded Actuarial Accrued Liability	Employer Contributions % of Payroll	Valuation Payroll	Active Members	Retirants and Beneficiaries	Active Members Average		
									Annual Pay	Age	Service
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
2022	15,634,629	12,970,887	83.0	2,663,742	Note (3)	1,849,376	26	40	67,857	36.8	7.9
2023	16,270,145	13,319,401	81.9	2,950,744	Note (3)	2,142,027	26	41	78,538	38.4	7.7

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police	38.15%	37.24%	33.68%	31.94%	32.93%	34.76%	32.54%	24.89%	19.18%	31.04%
Fire	34.59%	32.76%	34.69%	34.76%	33.56%	30.14%	36.55%	33.25%	31.08%	34.40%

* - 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, 2023 to June 30, 2026

Membership: Sergeants (3)
Detective Sergeant (1)

Fraternal Order of Police Labor Council (FOPLC)

Contract Dates: July 1, 2023 to June 30, 2026

Membership: Patrol Officers (9)
School Resource Officer (1)

International Association of Firefighters Local 704

Contract Dates: July 1, 2021 to June 30, 2024

Membership: Fire Captains (2)
Fire Lieutenants (2)
Firefighters (6)
Fire Marshal (1)

United Steelworkers of America Local 14317

Contract Dates: July 1, 2022 to June 30, 2025

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, 2023

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,
2014	2012
2015	2013
2016	2014
2017	2015
2018	2016
2019	2017
2020	2018
2021	2019
2022	2020
2023	2021

City of Cadillac, Michigan

Number of Water Supply and Wastewater Treatment Customers
Through Fiscal Year June 30, 2023

FISCAL YEAR	WATER SUPPLY CUSTOMERS		WASTEWATER TREATMENT CUSTOMERS	
	NUMBER	PERCENTAGE OF CHANGE	NUMBER	PERCENTAGE OF CHANGE
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
2022	3,580	0.06	3,606	(0.17)
2023	3,591	0.31	3,620	0.39

Average Number of Water Supply and Wastewater Treatment Customers
By Meter Classification
Fiscal Year Ended June 30, 2022

METER CLASSIFICATION	AVERAGE CUSTOMERS	
	WATER SUPPLY	WASTEWATER TREATMENT
Unmetered	1	127
5/8"	3267	3208
3/4"	9	10
1"	129	109
1 1/2"	82	74
2"	76	69
3"	10	10
4"	12	10
6"	4	3
8"	1	
TOTAL	<u>3,591</u>	<u>3,620</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
Fiscal Year Ended June 30, 2023

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$ 3.16
1"	\$ 5.41
1 1/2"	\$ 10.74
2"	\$ 17.34
3"	\$ 37.64
4"	\$ 64.75
6"	\$ 135.12
8"	\$ 194.70
10"	\$ 313.60
12"	\$ 464.84

Monthly Water Supply Ready-To-Serve Charge by Meter Classification
Fiscal Years Ended June 30, 2014 through 2023

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2022	8.17	12.02	20.03	40.14	64.02	140.20	240.37	500.82	721.16
2023	8.84	13.00	21.66	42.27	69.24	151.63	259.96	541.63	779.93

City of Cadillac, Michigan

Monthly Ready-To-Serve Charge for Wastewater Treatment
Fiscal Years Ended June 30, 2014 through 2023

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2022	11.87	17.85	29.72	59.43	95.12	208.23	356.74	743.34	1,070.37
2023	12.84	19.31	32.14	64.27	102.87	225.20	385.81	803.92	1,157.60

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
Fiscal Year Ended June 30, 2023

		CUBIC FEET		GALLONS		DOLLARS
		WATER	SEWER	WATER	SEWER	WATER AND SEWER
1)	Avon Rubber & Plastics	13,484,200	12,351,400	100,861,816	92,388,472	\$ 514,564
2)	Cadillac Castings	6,443,300	5,476,300	48,195,884	40,962,724	\$ 400,761
3)	AAR Cadillac Manufacturing	15,097,800	6,276,800	112,931,544	46,950,464	\$ 296,057
4)	Piranha Hose	4,210,704	4,210,704	31,496,066	31,496,066	\$ 139,738
5)	Country Acres	2,402,900	2,402,900	17,973,692	17,973,692	\$ 85,409
6)	Cadillac Renewable Energy	743,600	2,510,800	5,562,128	18,780,784	\$ 85,376
7)	Munson Healthcare	1,289,000	1,289,000	9,641,720	9,641,720	\$ 77,439
8)	Pheasant Ridge	1,042,700	1,042,700	7,799,396	7,799,396	\$ 52,861
9)	Lakeside Auto Wash	1,167,900	1,167,900	8,735,892	8,735,892	\$ 49,051
10)	Borg-Warner	838,600	838,600	6,272,728	6,272,728	\$ 39,096
11)	Four Winns	511,900	511,900	3,829,012	3,829,012	\$ 30,788
12)	Hutchinson Antivibration	396,700	396,700	2,967,316	2,967,316	\$ 25,787
13)	Leisure Park	415,900	415,900	3,110,932	3,110,932	\$ 20,207
14)	Michigan Rubber Products	223,200	223,200	1,669,536	1,669,536	\$ 13,330
15)	Superclean Car Wash	255,600	255,600	1,911,888	1,911,888	\$ 12,604
TOTAL						<u>\$ 1,843,068</u>

Monthly Water Supply Commodity Charge
Fiscal Years Ended or Ending June 30, 2014 through 2023

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
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
2022	1.71	1.46	1.29	1.13	0.99
2023	1.85	1.58	1.40	1.22	1.07

City of Cadillac, Michigan

Monthly Wastewater Treatment Commodity Charge
Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30,	CHARGE PER 100 CF	PERCENT CHANGE
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
2022	2.75	5.0
2023	2.97	5.0

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

City of Cadillac, Michigan

Water Supply and Wastewater Treatment Volume as Pumped
Through Fiscal Year June 30, 2023

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	
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
2022	90,198,663	674,686,000	6.37	88,382,353	661,100,000	10.88	97.99
2023	95,413,235	713,691,000	5.78	87,760,160	656,446,000	(0.70)	91.98

Water Supply and Wastewater Treatment Volume by Meter Classification
Fiscal Year Ended June 30, 2023

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered				
5/8"	238,573	29.14%	184,508	26.69%
3/4"	1,743	0.21%	952	0.14%
1"	32,799	4.01%	22,485	3.25%
1 1/2"	47,474	5.80%	36,143	5.23%
2"	152,467	18.62%	204,234	29.54%
3"	48,011	5.86%	42,235	6.11%
4"	182,163	22.25%	104,696	15.14%
6"	104,460	12.76%	96,160	13.91%
8"	10,986	1.34%		
TOTAL	818,676	100%	691,413	100%

City of Cadillac, Michigan
Water Supply and Wastewater Treatment Revenue
As Billed by Meter Classification
Fiscal Year Ended June 30, 2023

METER CLASSIFICATION	WATER SUPPLY		WASTEWATER TREATMENT	
	PERCENT		PERCENT	
	REVENUE	OF TOTAL	REVENUE	OF TOTAL
Unmetered	\$55	0.00%	\$52,233	1.92%
5/8"	\$729,134	43.57%	\$982,666	36.19%
3/4"	\$4,028	0.24%	\$4,626	0.17%
1"	\$81,183	4.85%	\$103,587	3.81%
1 1/2"	\$108,954	6.51%	\$156,884	5.78%
2"	\$260,508	15.57%	\$658,649	24.26%
3"	\$77,855	4.65%	\$140,355	5.17%
4"	\$241,726	14.45%	\$316,733	11.66%
6"	\$146,342	8.75%	\$299,695	11.04%
8"	\$23,555	1.41%		
TOTAL	\$ 1,673,340	100%	\$ 2,715,430	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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being particularly stylized.

Gabridge & Company, PLC
Grand Rapids, Michigan
December 15, 2023

December 15, 2023

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan (the “City”) as of and for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. There were no new accounting policies adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2023. We noted no transactions entered by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

- Management’s estimate of the useful life of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- The assumptions used in the actuarial valuations of the pension and OPEB plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedule, and the pension schedules and OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules and the debt and tax roll schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Gabridge & Company, PLC
Grand Rapids, MI