

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Cadillac	County Wexford
Audit Date 6/30/04	Opinion Date 9/30/04	Date Accountant Report Submitted to State: 12/1/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

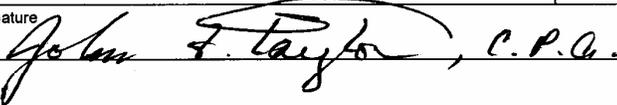
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- Yes No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- Yes No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- Yes No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- Yes No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- Yes No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- Yes No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- Yes No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- Yes No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- Yes No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).	✓		
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C.			
Street Address 134 W. Harris Street	City Cadillac	State MI	ZIP 49601
Accountant Signature 		Date 12/1/04	



Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2004

City Officials



Legislative

Mayor	Ronald J. Blanchard
Mayor Pro-Tem	Gordon Baas
Councilmember	James Dean
Councilmember	Thomas Dyer
Councilmember	Arthur Stevens

Administrative

City Manager	Peter D. Stalker
Deputy City Manager/Director of Finance	Dale M. Walker
Assistant City Manager	Precia Garland
Director of Public Utilities	Larry Campbell
Director of Public Safety	Jeff Hawke
Director of Public Works	Robert Johnson
City Engineer	Bruce DeWitt
City Clerk and Treasurer	Janice Nelson
City Attorney	McCurdy and Wotila, P.C.



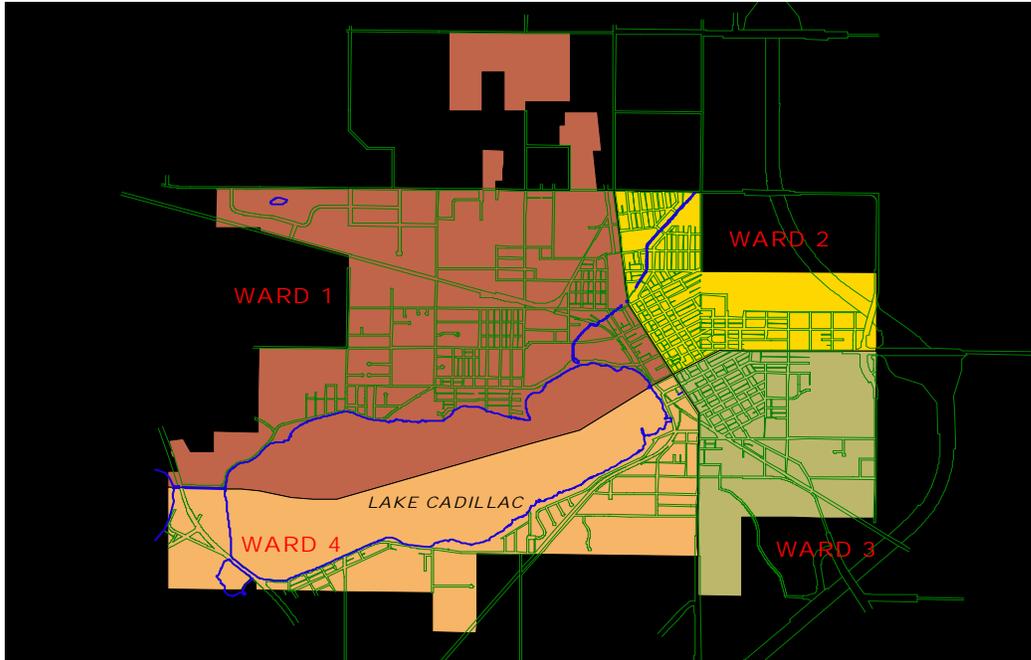
Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2004

Dale M. Walker

Director of Finance

City of Cadillac Ward Map



Mayor Ronald J. Blanchard

Councilmember from City at large
Population of City: 10,000
Occupation: Retired Businessman
Term Expires: 12/31/05
Salary: \$3,900



Gordon Baas, Mayor Pro-Tem

Councilmember from Ward 1
Population of ward: 3,350
Occupation: Probation Officer
Term Expires: 12/31/07
Salary: \$2,600



Councilmember James Dean

Councilmember from Ward 4
Population of ward: 2,227
Occupation: Manufacturing
Term Expires: 12/31/05
Salary: \$2,600



Councilmember Tom Dyer

Councilmember from Ward 2
Population of ward: 2,543
Occupation: Manufacturing
Term Expires: 12/31/05
Salary: \$2,600



Councilmember Art Stevens

Councilmember from Ward 3
Population of ward: 1,880
Occupation: Financial Advisor
Term Expires: 12/31/07
Salary: \$2,600

CITY OF CADILLAC, MICHIGAN

JUNE 30, 2004

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October 22, 2004

To the citizens of the City of Cadillac:

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2004, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Baird, Cotter and Bishop, P.C., was selected once again this year to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2004, are free of material misstatement. The firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cadillac's financial statements for the fiscal year ended June 30, 2004, are fairly presented in conformity with generally accepted accounting principles (GAAP).

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

PROFILE OF GOVERNMENT

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The Cadillac community benefits from a local economy anchored in three very separate but distinct forms of commerce. These include industrial development, commercial development, and a very diverse tourist base. The different economic sectors are not mutually exclusive, but actually enhance and support one another.

The industrial community in Cadillac serves as the foundation for all other economic activity. The City of Cadillac continues to plan for the continued expansion of this industrial base with the construction of a new industrial park being completed this year. The James E. Potvin Industrial Park is the third park and added 30 additional acres of industrial property. The first new tenant, Piranha Hose, has recently embarked upon an expansion activity. Piranha is a specialty rubber hose manufacturer and plans on adding a significant number of employees over the next few years. The Cadillac Industrial Fund has taken responsibility for the development of a spec building in the new park in an attempt to attract new employment as quickly as possible so that a state loan for the construction of the park can be converted to grant dollars. The spec building is 20,000 sq. ft. in size and can readily be expanded to 40,000 sq. ft. Current interest indicates that this building will be leased in the very near future. Additionally, three local industries are either currently planning for, or engaged in significant expansion projects. These include BorgWarner Cooling Systems, Four Winns Boats, and AAR Mobility Systems. On a related note, one of the major employers in the community, Hayes Lemmerz International, Inc., has recently implemented a water conservation program which has resulted in a significant reduction in their water and sewer usage. This cut in revenue to the City Water and Sewer Fund should easily be offset by the other expansion activities.

The City continues to invest heavily in public infrastructure utilizing a variety of financial tools including bonding activities and infusion of new grant dollars into the community. As Michigan continues to struggle through a modest recovery after the recession, grant dollars remain crucial so that the community can continue to invest in new public infrastructure. A very significant activity occurred last year with the turn back of M-55 East from the State of Michigan to the City of Cadillac. The City was able to negotiate a complete reconstruction of this roadway costing in excess of \$1 million prior to its return to local control. This will ensure a viable roadway for many years to come, that will not become a drain on local resources.

Much attention was focused on improving recreational opportunities this past year. To this end, the Clam River Greenway project completed a major phase this year, and improvements to the main city boat launch were completed as well. The City has also agreed to collaborate with a local service club to construct a boardwalk along the Clam River, which will be an excellent complement to existing recreational offerings in this area.

The retail segment of the local economy has been the focal point of much activity, with particular emphasis being placed on downtown Cadillac. To this end, a number of new initiatives have been implemented in the past year including the Cadillac Downtown Development Authority undertaking a comprehensive corridor study focused on U.S. 131 through the downtown area. This activity will be coordinated with the Governor's "Cool Cities" program and also a Neighborhood of Choice pilot program in cooperation with the state to thoroughly study the downtown area in an attempt to allow for a much improved pedestrian environment. The recent U.S. 131 bypass project has created the opportunity for the community to investigate a number of options to improve this business corridor. Additionally, new private development has been spurred in the downtown area through partnerships with the City of Cadillac and the local business community, which have allowed for the development of a new bank, a new professional office building, and also a residential condominium project.

The internal structure of the City of Cadillac has also been painstakingly reviewed over the past year in an attempt to improve efficiencies where possible. This is especially important given the current

financial climate in Michigan which has greatly restricted local revenue streams. To this end, a significant undertaking involving the replacement of existing financial software has been implemented, which will result in gained efficiencies for the municipal operation. This has involved a significant effort on the part of existing employees not only with the review and selection of the new program, but also with the necessary training in order to take full advantage of the benefits provided by this software.

FUTURE OUTLOOK

The City of Cadillac, like many other municipalities throughout the state of Michigan has witnessed the permanent restriction of its revenue stream due to state initiatives such as Proposal A and other tax limiting legislation. These factors will continue to affect the local revenue stream for many years to come. Cadillac will experience a loss of more than \$750,000 this year alone, which is solely attributable to the effects of Proposal A. This, when coupled with the economic slow down currently impacting the country, and especially the State of Michigan, requires that municipalities must carefully plan for activities to ensure that those municipal services provided are as cost effective and efficient as possible.

Continuing with a study that was begun a year-and-a-half ago, the City of Cadillac has performed a comprehensive analysis of all revenue streams. This study reviewed revenue received by the City between the years of 1990 and 2003. Even though Cadillac is a very successful and growing community, this revenue analysis indicates that in virtually all cases, the local municipal revenue stream is simply not keeping up with inflation. This scenario has been created by various state initiatives and it is only now becoming apparent to the decision makers in Lansing that the current financing mechanism for municipalities in Michigan is flawed and needs to be corrected. This fact is evidenced by a number of municipal governments in Michigan experiencing severe financial concerns, leading to state intervention. The City of Cadillac is fortunate that it has been proactive in addressing these reductions in revenue, but if long-term core municipal services are to be maintained by all municipalities, changes will need to be made at the state level with regard to how local communities are financed. Cadillac has positioned itself well to continue to provide quality services while this matter is debated at the state level. However, the City has found the need to become increasingly involved in Lansing-level politics as it pertains to maintaining revenue streams, due to the tendency of the State to attempt to address its budget concerns on the back of local communities.

Based upon the uncertainty of local revenue streams, the City of Cadillac continues to painstakingly review all services in an effort to streamline operations where possible. To this end, a significant change in staffing occurred in the Fire Department this year with the elimination of the fire marshal position and the creation of a fire inspector. This transition from a generalist position to a technical one focused on the maintenance and expansion of an inspection program will result in additional administrative demands being placed on existing officers. However, it will also allow for improved public safety through a focused effort on fire prevention activities. Additionally, the pre-existing planning/zoning administrator position has been modified to include duties associated with community development, which will help the City properly plan for future growth in a more coordinated manner. This again will result in additional duties being borne by existing staff, but at the same time, this planning activity is crucial to the long-term viability of the local community.

This City is also collaborating with surrounding local units of government in a unique partnership that is identified as The Lakes Area Partnership. The purpose of this organization is to allow all local units of

government in the immediate area to consider what options are available to consolidate and/or cooperatively work together in an attempt to save costs associated with municipal services. This program is in the infancy stage, but initial discussions are very promising. Key to any cooperative effort is the concept of equity in taxation, and for the first time, outlying communities appear to recognize the importance of the core urban community, and the need to share municipal costs fairly. The City of Cadillac believes that through the implementation of various initiatives discussed previously, the community can be properly positioned for controlled and positive growth in the coming years.

OTHER INFORMATION

Debt Administration: At June 30, 2004, the City had a number of debt issues outstanding. These issues included \$785,000 of general obligation bonds, \$925,000 of special assessment debt, and \$1,255,000 of other long-term debt. Cadillac has obtained a bond rating of an A- from Standard and Poor's for its general obligation issues and a rating of BBB+ for the revenue bonds. The City also received a rating of Baal from Moody's Investors Service for the revenue bond issues. The net bonded debt per capita equaled \$77.45, which decreased from the 2003 figure of \$88.33.

Cash Management: Cash temporarily idle during the year was invested in demand deposits and certificates of deposit. The investments follow the investment policy set by the City Council to maximize the return but at a reduced risk and concern for liquidity. Interest earned on idle funds decreased from \$398,816 in 2003 to \$376,491 in 2004. This represents a loss in interest revenue of \$22,325. The decrease is primarily due to declining interest rates and the variability of the idle funds to invest.

Risk Management: The City of Cadillac renegotiated an agreement with its current liability carrier. This arrangement allows the City to control insurance costs and safeguard against large single-year rate increases that can occur as a result of poor claims experience. However, aggressive risk control strategies, including an active safety training program and a recently adopted sidewalk inspection program have been employed to minimize losses and place the City in a favorable renewal posture. The City reviews its liability rates annually in order to secure the highest level of service at the most competitive rate.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2003. This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2004. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device. This award has been received twenty consecutive years.

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

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

Sincerely,



PETER D. STALKER,
CITY MANAGER



DALE M. WALKER,
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cadillac,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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



Nancy L. Zielle

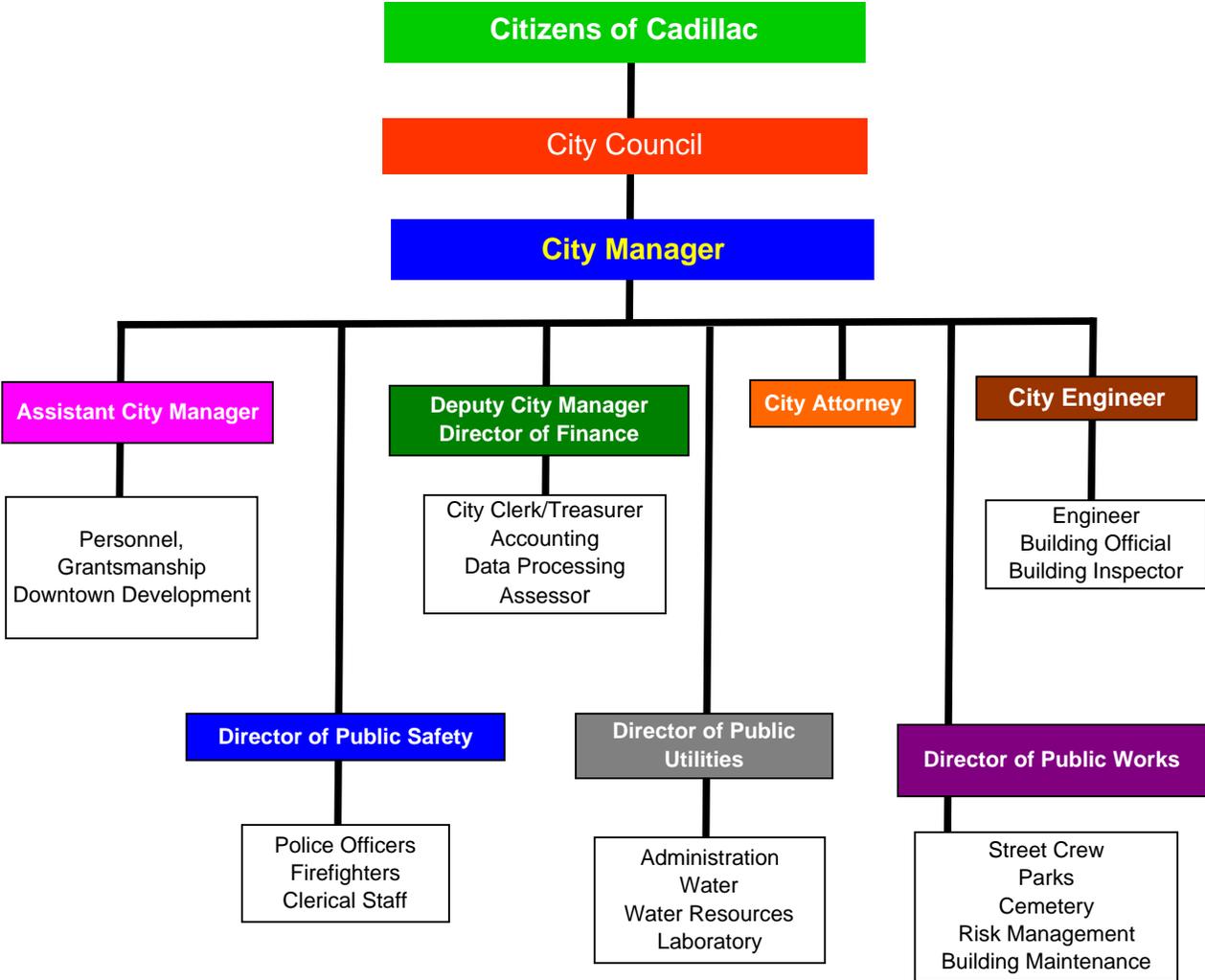
President

Jeffrey R. Emery

Executive Director

City of Cadillac Chart of Organization

2004-2005



134 WEST HARRIS STREET
CADILLAC, MICHIGAN 49601
231-775-9789
FAX: 231-775-9749

M. WAYNE BEATTIE, C.P.A.
1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 8, 2004

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan, management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position, the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac Michigan, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, other supplementary information and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BAIRD, COTTER AND BISHOP, P.

Baird, Cotter & Bishop, P.C

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan ("the City") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2004 for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

Government-Wide

- ❖ The assets of the City exceeded its liabilities at the close of this fiscal year by \$33.9 million (shown as *Net Assets*), representing an increase of \$489,849 over the previous fiscal year. Governmental Funds represented \$252,590 of this increase, while Business-Type activities accounted for \$237,259 of the increase.

Fund Level Financial Highlights

- ❖ As of June 30, 2004, the governmental funds of the City of Cadillac reported combined ending fund balances of \$5,617,086, of which \$3,182,306 is unreserved.
- ❖ The unreserved fund balance of the City's General Fund increased this year to \$1,022,612, or 21% of total general fund expenditures.

Long-Term Debt

- ❖ The City of Cadillac's total debt **decreased** by \$378,000 during the fiscal year.

Overview of the Financial Statements

The City of Cadillac's 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 This report includes government-wide statements as required by GASB Statement Number 34. The *government-wide financial statements* are designed to provide a broad overview of the City's financial position. The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the City as a whole, and provide measurements of long-term trends. They are presented using a method of accounting that is similar to a private-sector business.

The *Statement of Net Assets* (Pages 1-2) presents information on all of the City's assets and liabilities, the difference between the two being reported as the Net Assets of the City. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the City is improving or deteriorating. An increase in net assets would indicate an

improvement in financial condition. On the other hand, a consistent decrease over time in net assets may indicate a decline in the financial health of an organization.

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

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

Focus on Funds

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus has shifted, however, to Major Funds, rather than the previous focus on fund types. The City's major Governmental Funds include the General Fund, Major Street Fund, and Local Street Fund. The major Proprietary Funds include the Water & Sewer Fund and the Building Authority Operating Fund. Presentation of major funds can be found on pages 66-102 of this document.

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. There are three basic types of funds: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

Component Units The City's Comprehensive Annual Financial Report includes reporting on separate legal entities for which the City has some level of financial responsibility. These funds are shown in a separate column. The City's component units include the Downtown Development Authority, the Downtown Development Authority Capital Projects, the Local Development Finance Authority Operating, Debt Retirement 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 27 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 65 of this report.

Government-Wide Financial Analysis

The Statement of Net Assets is the first statement in the Government-Wide Financial Statements section of this document. This statement is useful for providing an indicator of the City's financial position over time. The Net Assets of the City are \$33,942,738 at June 30, 2004, meaning that the City's assets were greater than its liabilities by this amount. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. A comparison with the previous fiscal year is presented in order to show the change in Net Assets over the previous fiscal year.

City of Cadillac Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 7,820	\$ 7,576	\$ 4,499	\$ 5,682	\$ 12,319	\$ 13,258
Capital Assets	14,294	14,110	20,421	19,535	34,715	33,645
Total Assets	\$ 22,114	\$ 21,686	\$ 24,920	\$ 25,217	\$ 47,034	\$ 46,903
Long-term liabilities	\$ 2,229	\$ 2,273	\$ 8,776	\$ 9,176	\$ 11,005	\$ 11,449
Other liabilities	1,239	1,020	847	981	2,086	2,001
Total Liabilities	\$ 3,468	\$ 3,293	\$ 9,623	\$ 10,157	\$ 13,091	\$ 13,450
Net Assets						
Invested in capital assets net of related debt	11,324	11,183	11,219	10,129	22,543	21,312
Restricted	495	981	1,964	1,981	2,459	2,962
Unrestricted	6,827	6,229	2,114	2,950	8,941	9,179
Total Net Assets	\$ 18,646	\$ 18,393	\$ 15,297	\$ 15,060	\$ 33,943	\$ 33,453

The most significant portion of the City's Net Assets is the 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. The City has \$8,940,154 in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by City policies regarding their use.

The total net assets of the City increased \$489,849 in this fiscal year, which is a good indicator that the City experienced positive financial growth during the year. As a result, the City ended the fiscal year in better condition than when the year started.

The following table illustrates and summarizes the results of the changes in the Net Assets for the City. The condensed information was derived from the Government-wide Statement of Activities.

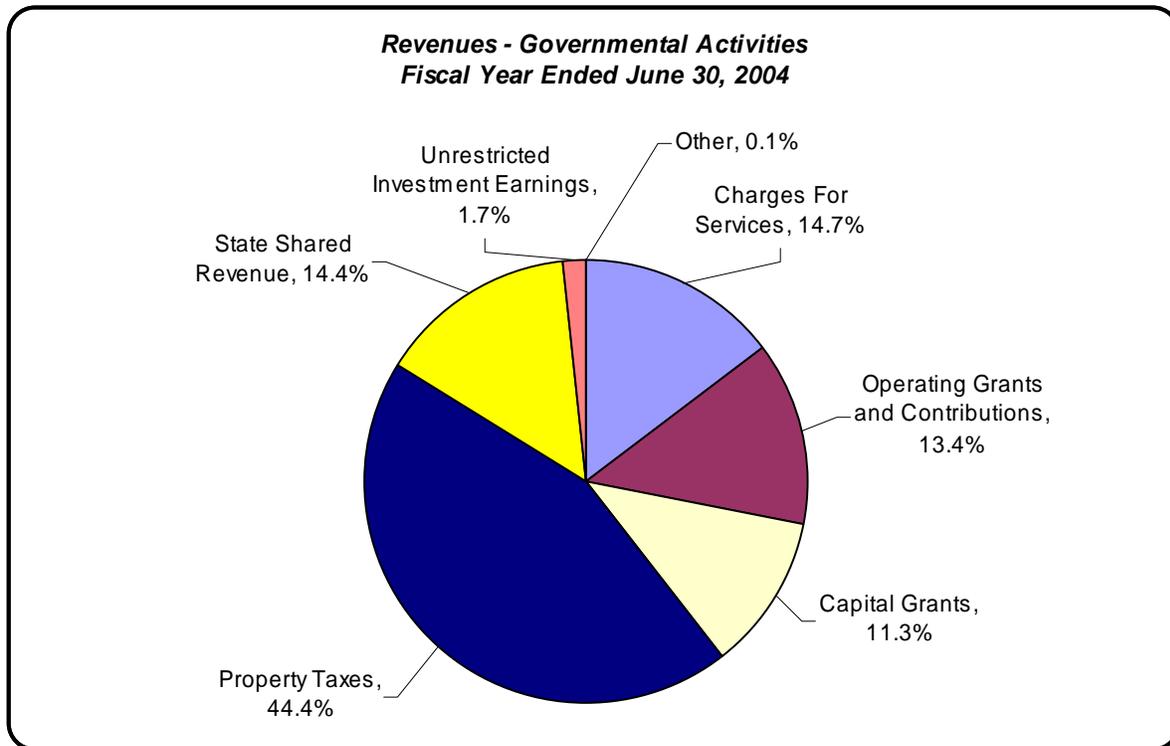
City of Cadillac
Change in Net Assets

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,172	\$ 1,182	\$ 3,498	\$ 3,277	\$4,670	\$ 4,459
Operating Grants and Contributions	1,072	941			1,072	941
Capital Grants	905	1,426	213	50	1,118	1,476
General Revenues						
Property Taxes and Assessments	3,547	3,205			3,547	3,205
State Shared Revenue	1,147	1,162			1,147	1,162
Unrestricted Investment Earnings	135	224	66	54	201	278
Other	6	158	(36)	255	(30)	413
Total Revenues	\$ 7,984	\$ 8,298	\$ 3,741	\$ 3,636	\$ 1,725	\$ 11,934
Expenses						
General Government, Administrative	\$ 1,672	\$ 1,328			\$ 1,672	\$ 1,328
Public Safety	2,908	2,623			2,908	2,623
Public Works	2,340	2,218			2,340	2,218
Recreation and Culture	214	263			214	263
Redevelopment and Housing	56	191			56	191
Economic Development/Assistance	268	50			268	50
Intergovernmental Expenditures	97	97			97	97
Interest on Long-Term Debt	176	133			176	133
Water and Sewer		255	3,312	3,201	3,312	3,456
Automobile Parking System			144	138	144	138
Building Authority Operating			48	54	48	54
Total Expenses	\$ 7,731	\$ 7,158	\$ 3,504	\$ 3,393	\$11,235	\$10,551
Increase in Net Assets	\$ 253	\$ 1,140	\$ 237	\$ 243	\$ 490	\$ 1,383
Beginning Net Assets	\$18,393	\$17,253	\$15,060	\$14,817	\$33,453	\$32,070
Ending Net Assets	<u>\$18,646</u>	<u>\$18,393</u>	<u>\$15,297</u>	<u>\$15,060</u>	<u>\$33,943</u>	<u>\$33,453</u>

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2004:

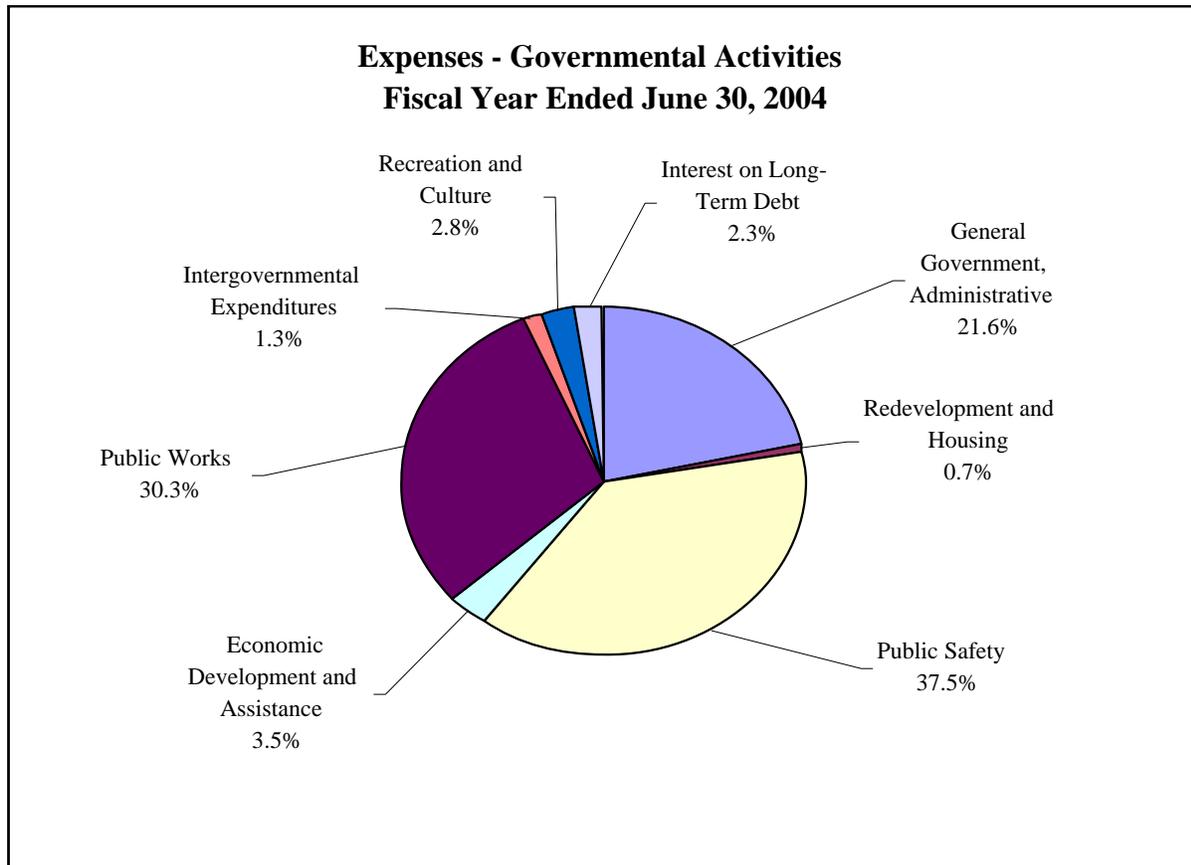


The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (44.4%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2004 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to State statutes, the City is currently at its maximum tax levy, and is unable to increase the millage without the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2004, the amount of state shared revenue received by the City once again trended downward, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

Capital Grants represents grant dollars - whether federal, state, or local - that the City has secured in order to assist in capital asset construction and infrastructure improvement within the City. During this fiscal year, these grants helped the City with the construction of the Clam River Greenway path, the Upper Clam River Stabilization project, continued development of the White Pine Trail Bike Path and Sound Garden, as well as various other street construction projects.

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2004:

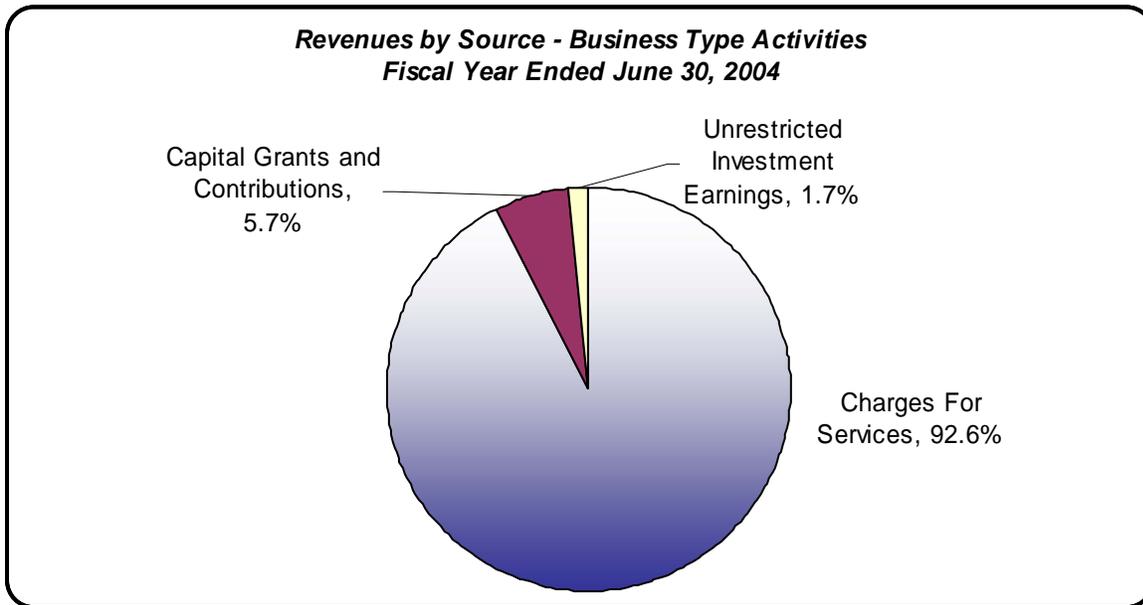


The City's governmental activities expenses are dominated by the Public Safety expenses that total 37.5% of total expenses. The City spent \$2.9 million in FY2004 on Public Safety. Public Works represented the next largest expense at \$2.3 million, or 30.3% of total expenses within the governmental activities. Expenses in the Major Street Fund (\$565,183) and Local Street Fund (\$938,134) represent a majority of the Public Works expenditures.

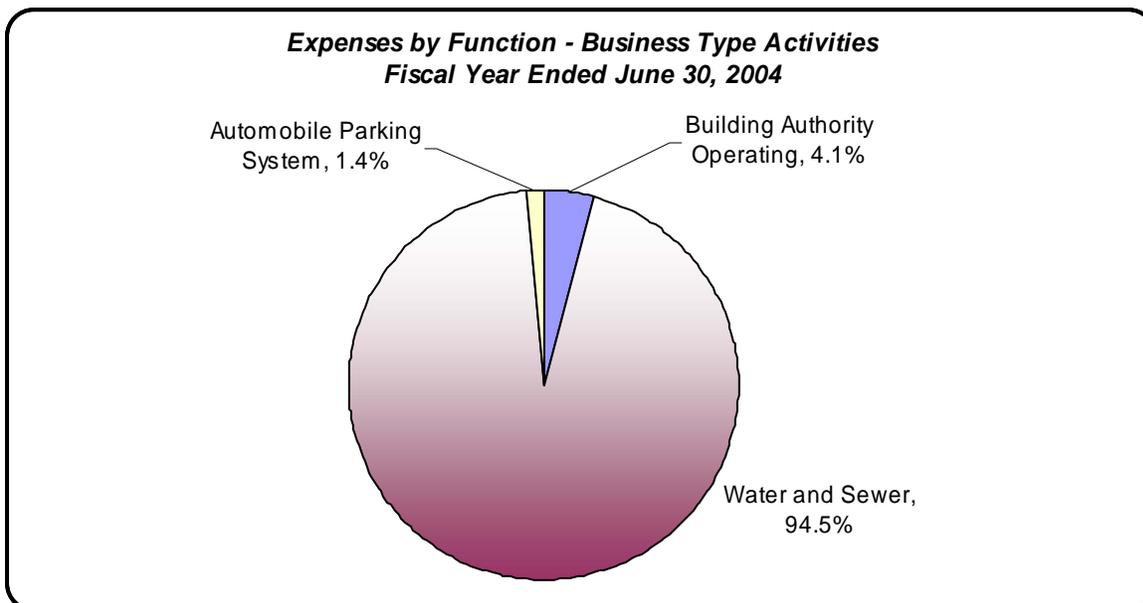
Business-Type Activities

The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of \$237,259 in the City's Net Assets, or about 43% of the total growth in the City's net assets for the fiscal year ended June 30, 2004.

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



The Water and Sewer activity represents a significant portion of the business-type activities of the City. This activity accounts for 94.5% of the total expenses and 89.2% of the total revenue of the business-type activities.



Financial Analysis of the Government's Funds

Governmental Activities At the completion of the City's fiscal year ended June 30, 2004, its governmental funds reported fund balances of \$5,617,086. Of this amount, \$3,182,306, or 55% is unreserved. This amount includes \$331,204 designated for street improvements, \$891,317 designated for working capital, and \$111,789 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken. An additional \$1,828,490 of unreserved and undesignated fund balance exists in the City's Special Revenue funds. The remaining \$2,434,780 of fund balance of the governmental funds is reserved for specific purposes and is therefore not available for new appropriation.

General Fund – The General Fund is the main operating fund of the City. The General Fund increased its fund balance in this fiscal year by \$222,237, bringing the balance to \$1,360,947. Unreserved fund balance increased by \$38,064. All of the General Fund's major functions with the exception of General Government, Public Works and Intergovernmental Expenditures ended the year with expenditures below appropriated amounts. The General Government function saw an increase in legal fees due in large part to extensive negotiations of labor contracts for two of the City's three bargaining units. Additionally, a number of bad debts were recaptured by Wexford County in the current fiscal year. These two items accounted for nearly all of the overage. In the Public Works function, an increase in the removal contract for the City's waste removal service accounted for much of the overage. In the Intergovernmental Expenditures function there was an overage in Housing Commission expenditures. Interest income for the General Fund was reduced by \$16,192, or 37.9% over the previous fiscal year due primarily to current market conditions producing reduced rates of return. Property tax revenues in the General Fund increased \$313,200 in 2004, an increase of 9.8%. State shared revenue decreased by \$16,088 from the amount received in the previous fiscal year, representing a 1.4% reduction which resulted from State actions in response to the economic slowdown experienced throughout the State.

Major Street Fund – The Major Street Fund completed \$86,799 in street improvements in this fiscal year. Major projects included Harris Street and Cobb Street. The fund balance of the Major Street Fund ended the year at \$329,173. This was a reduction of \$34,416 from the previous year. The City used funds accumulated from previous years in order to complete this year's projects.

Local Street Fund – The Local Street Fund completed \$497,725 in street construction and improvements in this fiscal year. The major share of this amount came from Stimson Street and Plett Road construction. Federal and state grant funds provided \$321,074 for construction costs, or nearly 65% of total costs. The fund balance of this fund is at \$3,627.

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

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$1,921,200 in unrestricted net assets. All Water and Sewer rates were increased by 3% for this fiscal year. This yielded an overall increase in operating revenues from \$3,036,846 in 2003 to \$3,258,542, a 7.3%

increase. This fund experienced an increase in interest income of \$11,011, or 21.5% from the previous fiscal year. The net assets of the fund decreased by \$74,975 in 2004, but much of this decrease was attributable to the write-off of one of the systems lift stations that was abandoned. This fund remains in sound fiscal condition moving forward.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$54,245. Rental income from the Michigan Department of Environmental Quality totaled \$195,870, which holds steady from year to year in accordance with the City’s lease with the State of Michigan.

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, 2004 amounted to \$34,714,925 (net of accumulated depreciation). Capital assets of the City include any items purchased that cost in excess of \$5,000 and have an expected useful life of over one year. The City has invested in a broad range of capital assets, as detailed below:

**City of Cadillac
Capital Assets as of June 30, 2004**

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Land and Land Improvements	\$ 3,300	\$ 3,266	\$ 1,029	\$ 815	\$ 4,329	\$ 4,081
Infrastructure	13,228	12,258			13,228	12,258
Buildings	4,234	4,100	2,625	2,628	6,859	6,728
Improvements other than Buildings			27,026	25,108	27,026	25,108
Machinery and Equipment	3,376	3,266	1,143	1,251	4,519	4,517
Subtotal	\$24,138	\$22,890	\$31,823	\$29,802	\$55,961	\$52,692
Construction in Progress	11	194	75	552	86	746
Accumulated Depreciation	(9,855)	(8,974)	(11,477)	(10,819)	(21,332)	(19,793)
Net Capital Assets	\$14,294	\$14,110	\$20,421	\$19,535	\$34,715	\$33,645

Major capital asset events during FY2004 included the following:

- The City’s Wastewater Treatment Plant was expanded at a total cost of \$1,123,644. This project crossed a couple of fiscal years but was completed in 2004.
- A number of street improvement projects were completed, including Plett Road, Balsam Street, Selma Street, Lakeshore Drive and Stimson Street. Over \$517,000 of street construction and improvement took place in this fiscal year.
- A police patrol car was replaced at a cost of \$19,286.
- One underbody plow truck was replaced at a cost of \$85,629.
- The air handling units in the municipal complex were replaced at a cost of \$125,229.
- Another phase of the Clam River Greenway was completed at a cost of \$173,116.

- Two new service vehicles were purchased for the utilities department for \$42,870.
- A new parking lot was constructed on West Pine Street at a cost of \$96,533.

Additional information regarding the City’s capital assets can be found in the Notes to Financial Statements section on pages 40-42.

Long-Term Debt. As of June 30, 2004, the City had total bonded debt outstanding of \$12,305,000. Of this amount, \$774,528 comprises debt backed by the full faith and credit of the City, while \$925,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City’s debt represents bonds secured solely by specified revenue sources. The majority of the revenue bonds are associated with the Water and Sewer Fund (\$7,975,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the Water and Sewer systems.

**City of Cadillac Outstanding Debt
General Obligation and Revenue Bonds
as of June 30, 2004**

(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$ 785	\$ 890			\$ 785	\$ 890
Special Assessment Debt with governmental commitment	925	1,075			925	1,075
Contracts and Notes	1,255	963			1,255	963
Revenue Bonds			9,340	9,755	9,340	9,755
Total	\$ 2,965	\$ 2,928	\$ 9,340	\$ 9,755	\$ 12,305	\$ 12,683

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation based on the City’s assessed valuation of \$219,682,139 is \$21,968,214, which is significantly in excess of the City’s outstanding general obligation debt of \$1,255,000.

The City issued no new bonded debt in FY2004, and the total debt decreased from \$12,683,000 at June 30, 2003, to \$12,305,000 at June 30, 2004, a reduction of \$378,000. More information on the City’s long-term debt is available in the Notes to Financial Statements section of this document, on pages 45-52.

Economic Condition and Outlook

The City saw its unemployment rate decrease this year from 9.8% a year ago to 8.2% as of August 31, 2004. This continues to be above the statewide unemployment rate of 6.7%, which is also down from 7.1% last year. This represents a trend that the City will have to continue to monitor in preparing for future budget years.

More information regarding the economic outlook of the City can be found in the Transmittal Letter on pages I-VI of this document.

Contacting the City's Finance Department

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

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CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2004

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>ASSETS</u>				
Cash	\$ 536,669	\$ 148,008	\$ 684,677	\$ 28,296
Investments	4,897,358	1,604,620	6,501,978	3,133,669
Receivables				
Taxes	9,438	0	9,438	289
Accounts	145,466	235,901	381,367	2,687
Unbilled Services	0	233,568	233,568	0
Cylinder Deposits	0	10,500	10,500	0
Mortgages and Notes	356,100	0	356,100	0
Accrued Interest	104,763	39,129	143,892	39,676
Special Assessments	1,017,557	0	1,017,557	0
External Parties (Fiduciary Funds)	122,223	0	122,223	0
Internal Balances	15,555	(15,555)	0	0
Due from Other Governments	329,577	24,086	353,663	7,329
Inventory, At Cost	41,999	182,367	224,366	0
Prepaid Expenses	242,948	56,260	299,208	875
Total Current Assets	\$ 7,819,653	\$ 2,518,884	\$ 10,338,537	\$ 3,212,821
<u>RESTRICTED ASSETS</u>				
Investments				
Bond Reserve Account	\$ 0	\$ 1,375,543	\$ 1,375,543	\$ 0
Bond Replacement Account	0	409,552	409,552	0
Total Restricted Assets	\$ 0	\$ 1,785,095	\$ 1,785,095	\$ 0
<u>CAPITAL ASSETS</u>				
Land and Land Improvements	\$ 3,299,707	\$ 1,028,805	\$ 4,328,512	\$ 0
Infrastructure	13,228,283	0	13,228,283	0
Buildings	4,234,260	2,625,327	6,859,587	0
Improvements Other Than Buildings	0	27,025,957	27,025,957	214,812
Machinery and Equipment	3,376,101	1,143,301	4,519,402	0
Construction Work In Progress	11,255	75,129	86,384	0
	\$ 24,149,606	\$ 31,898,519	\$ 56,048,125	\$ 214,812
Less Accumulated Depreciation	9,855,736	11,477,464	21,333,200	41,530
Net Capital Assets	\$ 14,293,870	\$ 20,421,055	\$ 34,714,925	\$ 173,282
<u>OTHER ASSETS</u>				
Deferred Charge - Bond Issuance Costs	\$ 0	\$ 195,185	\$ 195,185	\$ 0
TOTAL ASSETS	\$ 22,113,523	\$ 24,920,219	\$ 47,033,742	\$ 3,386,103

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Bank Overdraft	\$ 0	\$ 24,492	\$ 24,492	\$ 0
Accounts Payable	236,161	75,104	311,265	15,772
Security Deposit Payable	1,086	0	1,086	0
Accrued Expenditures	95,346	171,116	266,462	762
Accrued Interest	76,258	146,181	222,439	19,039
Due to Other Governments	4,903	2,374	7,277	34,395
Utility Deposits	0	1,815	1,815	0
Capital Lease Payable	4,364	1,034	5,398	0
Current Portion of Long-Term Debt	736,326	425,000	1,161,326	718,639
Deferred Revenue	84,576	0	84,576	166,953
Total Current Liabilities	\$ 1,239,020	\$ 847,116	\$ 2,086,136	\$ 955,560
<u>LONG-TERM LIABILITIES</u>				
Revenue Bonds				
(Net of Deferred Refunding Amount)	\$ 0	\$ 9,200,742	\$ 9,200,742	\$ 0
General Obligation Bonds	785,000	0	785,000	1,210,000
Special Assessment Bonds	925,000	0	925,000	0
Notes Payable	777,085	0	777,085	0
Contracts Payable	54,000	0	54,000	0
Accrued Compensated Sick and Vacation	424,367	0	424,367	3,639
Less: Current Portion	(736,326)	(425,000)	(1,161,326)	(718,639)
Total Long-Term Liabilities	\$ 2,229,126	\$ 8,775,742	\$ 11,004,868	\$ 495,000
TOTAL LIABILITIES	\$ 3,468,146	\$ 9,622,858	\$ 13,091,004	\$ 1,450,560
<u>EQUITY</u>				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 11,324,054	\$ 11,219,279	\$ 22,543,333	\$ 173,282
Restricted for Debt Service	0	1,785,095	1,785,095	0
Restricted for Ground Water Clean-Up	0	0	0	1,692,016
Restricted for Life Insurance	126,280	49,280	175,560	0
Restricted for Employees' Life and Health Insurance	234,903	129,573	364,476	0
Restricted for Special Purposes	134,120	0	134,120	0
Unrestricted	6,826,020	2,114,134	8,940,154	70,245
TOTAL NET ASSETS	\$ 18,645,377	\$ 15,297,361	\$ 33,942,738	\$ 1,935,543

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	PRIMARY GOVERNMENT			COMPONENT UNITS
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General Government, Administrative	\$ 1,671,413	\$ 404,899	\$ 91,251	\$ 0	\$ (1,175,263)	\$ 0	\$ (1,175,263)	\$ 0
Public Safety	2,908,305	766,810	5,229	19,400	(2,116,866)	0	(2,116,866)	0
Public Works	2,339,682	0	839,521	545,010	(955,151)	0	(955,151)	0
Recreation and Culture	214,309	0	135,736	285,945	207,372	0	207,372	0
Redevelopment and Housing	55,977	0	0	0	(55,977)	0	(55,977)	0
Economic Development and Assistance	268,311	0	0	54,542	(213,769)	0	(213,769)	0
Intergovernmental Expenditures	97,171	0	0	0	(97,171)	0	(97,171)	0
Interest on Long-Term Debt	175,517	0	0	0	(175,517)	0	(175,517)	0
Total Governmental Activities	\$ 7,730,685	\$ 1,171,709	\$ 1,071,737	\$ 904,897	\$ (4,582,342)	\$ 0	\$ (4,582,342)	\$ 0
BUSINESS-TYPE ACTIVITIES								
Water and Sewer System	\$ 3,312,182	\$ 3,258,542	\$ 0	\$ 0	\$ 0	\$ (53,640)	\$ (53,640)	\$ 0
Building Authority Operating	144,114	195,870	0	0	0	51,756	51,756	0
Automobile Parking System	48,013	43,932	0	213,453	0	209,372	209,372	0
Total Business-Type Activities	\$ 3,504,309	\$ 3,498,344	\$ 0	\$ 213,453	\$ 0	\$ 207,488	\$ 207,488	\$ 0
TOTAL PRIMARY GOVERNMENT	\$ 11,234,994	\$ 4,670,053	\$ 1,071,737	\$ 1,118,350	\$ (4,582,342)	\$ 207,488	\$ (4,374,854)	\$ 0
COMPONENT UNITS								
Local Development Finance Authority	\$ 322,708	\$ 14,944	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (307,764)
Non-Major Component Units	197,749	0	4,515	0	0	0	0	(193,234)
TOTAL COMPONENT UNITS	\$ 520,457	\$ 14,944	\$ 4,515	\$ 0	\$ 0	\$ 0	\$ 0	\$ (500,998)
GENERAL REVENUES								
Property Tax and Special Assessments					\$ 3,547,310	\$ 0	\$ 3,547,310	\$ 1,172,178
State Shared Revenue					1,146,751	0	1,146,751	0
Unrestricted Investment Earnings					134,693	65,896	200,589	65,419
Gain (Loss) on Sale of Capital Assets					(1,967)	(36,125)	(38,092)	0
Other					8,145	0	8,145	5,000
Total General Revenues					\$ 4,834,932	\$ 29,771	\$ 4,864,703	\$ 1,242,597
Change in Net Assets					\$ 252,590	\$ 237,259	\$ 489,849	\$ 741,599
NET ASSETS - Beginning of Year					18,392,787	15,060,102	33,452,889	1,193,944
NET ASSETS - End of Year					\$ 18,645,377	\$ 15,297,361	\$ 33,942,738	\$ 1,935,543

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

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CITY OF CADILLAC, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2004

	<u>GENERAL</u> <u>FUND</u>	<u>LOCAL</u> <u>STREET</u>	<u>MAJOR</u> <u>STREET</u>	<u>NON-</u> <u>MAJOR</u> <u>FUNDS</u>	<u>TOTALS</u>
<u>ASSETS</u>					
Cash	\$ 197,797	\$ 3,760	\$ 30,903	\$ 266,041	\$ 498,501
Investments	575,225	0	168,070	3,815,758	4,559,053
Receivables					
Taxes	9,438	0	0	0	9,438
Accounts	139,924	0	0	475	140,399
Mortgages and Notes	51,058	0	0	305,042	356,100
Accrued Interest	5,135	0	3,937	90,147	99,219
Special Assessments					
Current	0	0	0	155,557	155,557
Deferred	0	0	0	862,000	862,000
Due from Other Funds	504,802	235,293	46,514	285,286	1,071,895
Due from Other Governments	158,380	35,261	106,472	29,464	329,577
Inventory, At Cost	5,739	0	0	0	5,739
Prepaid Expenditures	69,599	769	827	976	72,171
TOTAL ASSETS	<u>\$ 1,717,097</u>	<u>\$ 275,083</u>	<u>\$ 356,723</u>	<u>\$ 5,810,746</u>	<u>\$ 8,159,649</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 137,922	\$ 155	\$ 4,212	\$ 46,789	\$ 189,078
Security Deposit Payable	0	0	0	1,086	1,086
Accrued Expenditures	50,247	5,762	3,096	1,573	60,678
Due to Other Funds	21,943	265,539	20,242	671,087	978,811
Due to Other Governments	1,974	0	0	0	1,974
Deferred Revenue	144,064	0	0	1,166,872	1,310,936
Total Liabilities	<u>\$ 356,150</u>	<u>\$ 271,456</u>	<u>\$ 27,550</u>	<u>\$ 1,887,407</u>	<u>\$ 2,542,563</u>

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

	GENERAL FUND	LOCAL STREET	MAJOR STREET	NON- MAJOR FUNDS	TOTALS
<u>FUND BALANCE</u>					
Reserved for:					
Inventory	\$ 5,739	\$ 0	\$ 0	\$ 0	\$ 5,739
Prepaid Expenditures	69,599	769	827	475	71,670
Pistol Range	2,875	0	0	0	2,875
Antique Fire Truck	2,059	0	0	0	2,059
Veterans Memorial	1,855	0	0	0	1,855
Youth Services	844	0	0	0	844
Fountain Restoration	19,010	0	0	0	19,010
Drug Forfeiture	1,287	0	0	0	1,287
Fire Truck	126,002	0	0	0	126,002
Fire Safety House	11,008	0	0	0	11,008
Blackburn Skate Park	98,057	0	0	0	98,057
Capital Improvements	0	0	0	875,950	875,950
Cemetery Perpetual Care	0	0	0	432,021	432,021
Debt Service	0	0	0	786,163	786,163
Other Purposes	0	0	0	240	240
Unreserved:					
Designated for:					
Street Improvements	0	2,858	328,346	0	331,204
Sick and Vacation	111,789	0	0	0	111,789
Working Capital	891,317	0	0	0	891,317
Tax Tribunal	19,506	0	0	0	19,506
Undesignated, Reported in Nonmajor:					
Special Revenue Funds	0	0	0	1,828,490	1,828,490
Total Fund Balance	\$ 1,360,947	\$ 3,627	\$ 329,173	\$ 3,923,339	\$ 5,617,086
TOTAL LIABILITIES					
AND FUND BALANCE	\$ 1,717,097	\$ 275,083	\$ 356,723	\$ 5,810,746	\$ 8,159,649

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances for Governmental Funds \$ 5,617,086

Amounts Reported for Governmental Activities in the
Statement of Net Assets are Different Because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds.

Land	\$ 2,745,018	
Land Improvements	463,979	
Buildings	3,836,609	
Equipment	1,479,146	
Infrastructure	13,228,283	
Construction in Progress	11,255	
Accumulated Depreciation	<u>(8,325,975)</u>	13,438,315

Other long-term assets are not available to pay for current period
expenditures and therefore are not reported in the funds

Special Assessment Receivables	\$ 862,000	
Personal Property Taxes Receivable	8,430	
Deferred Revenue - Loans Receivable	<u>355,930</u>	1,226,360

Internal service funds are used by management to charge costs of
certain activities, such as insurance and data processing, to
individual funds. The assets and liabilities of the internal service
funds are included in governmental activities in the Statement of
Net Assets.

1,405,326

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

General Obligation Bonds Payable	\$ (785,000)	
Special Assessment Bonds Payable	(925,000)	
Notes Payable	(777,085)	
Contracts Payable	(54,000)	
Accrued Interest Payable	(76,258)	
Compensated Absences	<u>(424,367)</u>	<u>(3,041,710)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 18,645,377

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	GENERAL FUND	LOCAL STREET	MAJOR STREET	NON-MAJOR FUNDS	TOTALS
<u>REVENUES</u>					
Taxes	\$ 3,512,502	\$ 0	\$ 0	\$ 239,684	\$ 3,752,186
Licenses and Permits	1,390	0	0	0	1,390
Federal Grants	0	64,982	0	67,896	132,878
State Grants	1,157,855	256,092	632,047	225,463	2,271,457
Contributions from Local Units	161,936	0	4,220	44,749	210,905
Charges for Services	820,459	0	0	98,558	919,017
Fines and Forfeits	36,247	0	0	0	36,247
Interest and Rents	28,895	241	0	179,697	208,833
Gain (Loss) on Investments	0	0	0	124,939	124,939
Other Revenue	371,040	0	0	206,892	577,932
Total Revenues	<u>\$ 6,090,324</u>	<u>\$ 321,315</u>	<u>\$ 636,267</u>	<u>\$ 1,187,878</u>	<u>\$ 8,235,784</u>
<u>EXPENDITURES</u>					
General Government	\$ 1,752,397	\$ 0	\$ 0	\$ 140,319	\$ 1,892,716
Public Safety	2,739,754	0	0	84,837	2,824,591
Public Works	611,817	938,134	565,183	0	2,115,134
Culture and Recreation	160,109	0	0	194,259	354,368
Redevelopment and Housing	0	0	0	57,426	57,426
Economic Development and Assistance	40,418	0	0	217,575	257,993
Capital Outlay	0	0	0	271,730	271,730
Debt Service	0	0	0	422,084	422,084
Intergovernmental Expenditures	309,852	0	0	0	309,852
Total Expenditures	<u>\$ 5,614,347</u>	<u>\$ 938,134</u>	<u>\$ 565,183</u>	<u>\$ 1,388,230</u>	<u>\$ 8,505,894</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 475,977</u>	<u>\$ (616,819)</u>	<u>\$ 71,084</u>	<u>\$ (200,352)</u>	<u>\$ (270,110)</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2004

	<u>GENERAL FUND</u>	<u>LOCAL STREET</u>	<u>MAJOR STREET</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTALS</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Loan Proceeds	\$ 0	\$ 235,000	\$ 0	\$ 72,000	\$ 307,000
Operating Transfers In	4,260	470,636	0	291,078	765,974
Operating Transfers Out	(258,000)	(86,200)	(105,500)	(316,274)	(765,974)
Total Other Financing Sources (Uses)	\$ (253,740)	\$ 619,436	\$ (105,500)	\$ 46,804	\$ 307,000
Net Change in Fund Balance	\$ 222,237	\$ 2,617	\$ (34,416)	\$ (153,548)	\$ 36,890
<u>FUND BALANCE</u> - Beginning of Year	1,138,710	1,010	363,589	4,076,887	5,580,196
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,360,947</u>	<u>\$ 3,627</u>	<u>\$ 329,173</u>	<u>\$ 3,923,339</u>	<u>\$ 5,617,086</u>

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Net change in Fund Balance - Total Governmental Funds	\$ 36,890
Amounts reported for governmental activities are different because:	
Governmental funds report capital outlays as expenditures in the statement of activities. These costs are allocated over their estimated useful lives as depreciation in the statement of activities.	
Depreciation Expense	(797,618)
Capital Outlay	996,862
In the statement of activities, only the gain or loss on the sale of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balances by the cost of the fixed assets sold net of accumulated depreciation.	
Governmental Funds	(2,371)
Internal Service Funds	(2,655)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not record in governmental funds until it is paid.	
Accrued Interest Payable - Beginning of Year	55,325
Accrued Interest Payable - End of Year	(76,258)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities).	313,679
Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where it is a reduction of assets).	(31,230)
Loan proceeds provide current financial resources to governmental funds by issuing debt which increases long-term debt in the Statement of Net Assets.	(307,000)
Under modified accrual basis of accounting, revenue is recognized when measurable and certain. The entity wide statements recognize revenue when earned.	
Special assessments levied during the current fiscal year and thus are recognized when earned for the entity wide statements.	276,649
Special assessment revenue previously recognized when earned for the entity wide statements.	(189,895)
Other revenue previously recognized for the entity wide statements	(92,742)

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in personal property tax revenue deferred using the modified accrual method	2,416
Employees compensated absences are reported on the accrual method in the statement of activities, and recorded as expenditures when financial resources are used in the governmental funds.	
Compensated Absences - Beginning of Year	379,993
Compensated Absences - End of Year	(424,367)
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net revenue (expense) of the internal service funds is reported within the governmental activities.	<u>114,912</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 252,590</u></u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 136,153	\$ 1,185	\$ 0
Investments	1,259,154	123,474	90,076
Receivables			
Accounts	235,719	0	0
Unbilled Services	233,568	0	0
Accrued Interest	34,517	1,701	748
Cylinder Deposits	10,500	0	0
Due from Other Funds	57,840	0	5,865
Due from Other Governments	24,086	0	0
Inventory, At Cost	180,972	0	0
Prepaid Expense	11,402	1,425	23
	<hr/>		
Total Current Assets	\$ 2,183,911	\$ 127,785	\$ 96,712
<hr/>			
<u>NONCURRENT ASSETS</u>			
<u>RESTRICTED ASSETS</u>			
Investments			
Bond Reserve Account	\$ 1,375,543	\$ 0	\$ 0
Bond Replacement Account	409,552	0	0
	<hr/>		
Total Restricted Assets	\$ 1,785,095	\$ 0	\$ 0
<hr/>			
<u>CAPITAL ASSETS</u>			
Land and Land Improvements	\$ 124,058	\$ 90,445	\$ 811,041
Buildings	912,022	1,699,011	0
Improvements Other Than Buildings	27,025,957	0	0
Machinery and Equipment	998,711	0	0
Construction Work In Progress	75,129	0	0
	<hr/>		
	\$ 29,135,877	\$ 1,789,456	\$ 811,041
Less Accumulated Depreciation	10,954,069	288,832	116,464
	<hr/>		
Net Capital Assets	\$ 18,181,808	\$ 1,500,624	\$ 694,577
<hr/>			
<u>OTHER ASSETS</u>			
Deferred Charge - Bond Issuance Costs	\$ 165,693	\$ 29,492	\$ 0
	<hr/>		
Total Noncurrent Assets	\$ 20,132,596	\$ 1,530,116	\$ 694,577
	<hr/>		
TOTAL ASSETS	\$ 22,316,507	\$ 1,657,901	\$ 791,289
	<hr/>		

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 137,338	\$ 48,838
1,472,704	470,221
235,719	5,249
233,568	0
36,966	7,707
10,500	0
63,705	186,310
24,086	0
180,972	37,655
12,850	214,187
<u>\$ 2,408,408</u>	<u>\$ 970,167</u>
\$ 1,375,543	\$ 0
409,552	0
<u>\$ 1,785,095</u>	<u>\$ 0</u>
\$ 1,025,544	\$ 93,971
2,611,033	411,945
27,025,957	0
998,711	2,041,545
75,129	0
<u>\$ 31,736,374</u>	<u>\$ 2,547,461</u>
11,359,365	1,647,860
<u>\$ 20,377,009</u>	<u>\$ 899,601</u>
<u>\$ 195,185</u>	<u>\$ 0</u>
<u>\$ 22,357,289</u>	<u>\$ 899,601</u>
<u>\$ 24,765,697</u>	<u>\$ 1,869,768</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2004

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	\$ 0	\$ 0	\$ 24,492
Accounts Payable	55,160	4,964	0
Accrued Interest	130,385	15,796	0
Other Accrued Expenses	169,295	0	0
Due to Other Funds	71,749	0	0
Due to Other Governments	0	2,374	0
Utility Deposits	1,815	0	0
Capital Leases	0	0	0
Current Portion of Revenue Bonds	335,000	90,000	0
Total Current Liabilities	\$ 763,404	\$ 113,134	\$ 24,492
<u>LONG-TERM LIABILITIES</u>			
1993 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	\$ 593,321	\$ 0	\$ 0
1994 Revenue Bonds	0	80,000	0
1995 Revenue Bonds	280,000	0	0
1999 Revenue and Refunding Bonds (Net of Deferred Refunding Amount)	1,529,333	1,195,000	0
2001 Revenue Bonds (Net of Deferred Refunding Amount)	5,098,088	0	0
Total Long-Term Liabilities	\$ 7,500,742	\$ 1,275,000	\$ 0
TOTAL LIABILITIES	\$ 8,264,146	\$ 1,388,134	\$ 24,492
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 10,346,066	\$ 135,624	\$ 694,577
Restricted for Programs	1,785,095	0	0
Unrestricted	0	0	0
	1,921,200	134,143	72,220
TOTAL NET ASSETS	\$ 14,052,361	\$ 269,767	\$ 766,797

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 24,492	\$ 0
60,124	62,063
146,181	0
169,295	36,489
71,749	149,127
2,374	2,929
1,815	0
0	5,398
425,000	0
<u>\$ 901,030</u>	<u>\$ 256,006</u>
\$ 593,321	\$ 0
80,000	0
280,000	0
2,724,333	0
5,098,088	0
<u>\$ 8,775,742</u>	<u>\$ 0</u>
<u>\$ 9,676,772</u>	<u>\$ 256,006</u>
\$ 11,176,267	\$ 894,203
1,785,095	0
0	540,036
2,127,563	179,523
<u>\$ 15,088,925</u>	<u>\$ 1,613,762</u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Net Assets - Total Proprietary Funds	\$ 15,088,925
Amounts reported for proprietary activities in the statement of net assets are different because:	
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are allocated to governmental and business activities.	<u>208,436</u>
NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 15,297,361</u></u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2004

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>MAJOR FUNDS</u>		
	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
<u>OPERATING REVENUES</u>			
Operating Revenues	\$ 3,258,542	\$ 195,870	\$ 43,932
<u>OPERATING EXPENSES</u>			
Personal Services	\$ 670,610	\$ 0	\$ 7,616
Contractual Services	405,856	33,880	18,718
Supplies	289,616	0	414
Heat, Light and Power	241,995	2,318	0
Depreciation and Amortization	750,380	38,052	15,825
Employee Benefits	412,674	0	5,043
Administrative	172,000	5,000	0
Total Operating Expenses	\$ 2,943,131	\$ 79,250	\$ 47,616
Operating Income (Loss)	\$ 315,411	\$ 116,620	\$ (3,684)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Revenue	\$ 62,160	\$ 2,489	\$ 1,247
Interest and Fiscal Charges	(416,516)	(64,864)	0
Contributions from Local Units	0	0	96,903
Contributions and Donations from Private Sources	0	0	116,550
Gain (Loss) on Sale of Assets	(36,030)	0	0
Total Nonoperating Revenues (Expenses)	\$ (390,386)	\$ (62,375)	\$ 214,700
Income (Loss)	\$ (74,975)	\$ 54,245	\$ 211,016
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>14,127,336</u>	<u>215,522</u>	<u>555,781</u>
<u>TOTAL NET ASSETS -End of Year</u>	<u>\$ 14,052,361</u>	<u>\$ 269,767</u>	<u>\$ 766,797</u>

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

TOTALS	INTERNAL SERVICE FUNDS
<u>\$ 3,498,344</u>	<u>\$ 1,633,971</u>
\$ 678,226	\$ 174,765
458,454	136,185
290,030	116,269
244,313	20,126
804,257	174,779
417,717	797,969
177,000	62,000
<u>\$ 3,069,997</u>	<u>\$ 1,482,093</u>
<u>\$ 428,347</u>	<u>\$ 151,878</u>
\$ 65,896	\$ 11,233
(481,380)	(1,131)
96,903	0
116,550	0
(36,030)	(2,750)
<u>\$ (238,061)</u>	<u>\$ 7,352</u>
\$ 190,286	\$ 159,230
<u>14,898,639</u>	<u>1,454,532</u>
<u><u>\$ 15,088,925</u></u>	<u><u>\$ 1,613,762</u></u>

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Net Change in Fund Net Assets - Total Proprietary Funds	\$ 190,286
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net revenue (expense) of internal service funds is reported with governmental and business-type activities	<u>46,973</u>
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	<u><u>\$ 237,259</u></u>

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

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CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
MAJOR FUNDS

	<u>WATER AND SEWER</u>	<u>BUILDING AUTHORITY OPERATING</u>	<u>NONMAJOR ENTERPRISE FUND</u>
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:

Cash Received from Customers	\$ 3,200,191	\$ 195,870	\$ 37,294
Cash Received from Quasi-External Operating Transactions with Other Funds	0	0	0
Cash Payments to Suppliers for Goods and Services	(1,616,364)	(45,444)	(46,893)
Cash Payments to Employees for Services	(655,692)	0	(7,722)
Other Operating Revenues	0	0	773

Net Cash Provided (Used) by Operating Activities	\$ 928,135	\$ 150,426	\$ (16,548)
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Cash Flows from Capital and Related Financing Activities:

Acquisition and Construction of Capital Assets	\$ (1,492,254)	\$ 0	\$ (96,903)
Grant Proceeds	34,766	0	0
Principal Paid on Bonds	(330,000)	(85,000)	0
Interest Paid on Bonds	(400,870)	(66,094)	0
Transfers In	0	0	96,903

Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (2,188,358)	\$ (151,094)	\$ 0
--	----------------	--------------	------

Cash Flows from Investing Activities:

Interest Received	\$ 56,302	\$ 2,787	\$ 499
Purchase of Investment Securities	(1,202,489)	(94,000)	(91,370)
Proceeds from Sale and Maturities of Investment Securities	2,467,929	90,718	56,492

Net Cash Provided (Used) by Investing Activities	\$ 1,321,742	\$ (495)	\$ (34,379)
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Net Increase (Decrease) in Cash and Cash Equivalents	\$ 61,519	\$ (1,163)	\$ (50,927)
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<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	74,634	2,348	26,435
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<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 136,153	\$ 1,185	\$ (24,492)
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SIGNIFICANT NONCASH TRANSACTIONS

Contributed Investment in System	\$ 0	\$ 0	\$ 116,550
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The accompanying notes are an integral part of the financial statements.

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 3,433,355	\$ 0
0	1,510,476
(1,708,701)	(1,157,773)
(663,414)	(157,849)
773	0
<u>\$ 1,062,013</u>	<u>\$ 194,854</u>
\$ (1,589,157)	\$ (156,182)
34,766	0
(415,000)	(31,462)
(466,964)	(1,131)
96,903	0
<u>\$ (2,339,452)</u>	<u>\$ (188,775)</u>
\$ 59,588	\$ 6,688
(1,387,859)	(609,820)
2,615,139	498,319
<u>\$ 1,286,868</u>	<u>\$ (104,813)</u>
\$ 9,429	\$ (98,734)
103,417	147,572
<u>\$ 112,846</u>	<u>\$ 48,838</u>
\$ 116,550	\$ 0

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

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

RECONCILIATION OF OPERATING INCOME
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 315,411	\$ 116,620	\$ (3,684)
Adjustments to Reconcile Operating Income			
To Net Cash Provided by Operating Activities			
Depreciation and Amortization	\$ 750,380	\$ 38,052	\$ 15,825
(Increase) Decrease in Current Assets			
Accounts Receivable	1,856	0	0
Due from Other Funds	(51,763)	0	(5,865)
Due from Other Governments	(8,444)	0	0
Inventory	372	0	0
Prepaid Expense	14,264	(898)	7
Increase (Decrease) in Current Liabilities			
Accounts Payable	(161,172)	2,362	(21,671)
Other Accrued Expenses	14,918	0	(106)
Due to Other Funds	51,469	(5,710)	(1,054)
Due to Other Governments	0	0	0
Utility Deposits	844	0	0
Total Adjustments	\$ 612,724	\$ 33,806	\$ (12,864)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 928,135	\$ 150,426	\$ (16,548)

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

<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>
<u>\$ 428,347</u>	<u>\$ 151,878</u>
\$ 804,257	\$ 174,779
1,856	1,093
(57,628)	(124,587)
(8,444)	0
372	(9,582)
13,373	(146,384)
(180,481)	32,239
14,812	10,024
44,705	102,465
0	2,929
844	0
<u>\$ 633,666</u>	<u>\$ 42,976</u>
<u><u>\$ 1,062,013</u></u>	<u><u>\$ 194,854</u></u>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004

	PENSION TRUST FUND	AGENCY	TOTAL
<u>ASSETS</u>	<hr/>	<hr/>	<hr/>
Cash	\$ 8,571	\$ 44,189	\$ 52,760
Investments			
Corporate Bonds and Notes	1,030,471	0	1,030,471
U.S. Government Securities	159,089	0	159,089
Common Stocks	3,283,240	0	3,283,240
Preferred Stocks	292,770	0	292,770
International Bonds	163,681	0	163,681
Mutual Funds	290,367	0	290,367
Receivables			
Accrued Interest	8,914	0	8,914
Due from Other Governments	0	6,116	6,116
Prepaid Deductions	4,025	0	4,025
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 5,241,128	\$ 50,305	\$ 5,291,433
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 122,223	\$ 0	\$ 122,223
Due to Other Governments	0	50,305	50,305
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 122,223	\$ 50,305	\$ 172,528
	<hr/>	<hr/>	<hr/>
<u>NET ASSETS</u>			
Held in Trust for Employees' Pension Benefits	\$ 5,118,905	\$ 0	\$ 5,118,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2004

	<u>PENSION TRUST FUND</u>
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 334,368
Employee	42,431
Total Contributions	<u>\$ 376,799</u>
Investment Income	
Interest and Dividend Income	\$ 107,672
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	614,306
Investment Expenses	(52,681)
Net Investment Income (Loss)	<u>\$ 669,297</u>
Total Additions (Deletions)	<u>\$ 1,046,096</u>
<u>DEDUCTIONS</u>	
Benefit Payments	
Retirement	\$ 378,258
Administrative Expenses	
Contracted Services	
Actuarial Fees	9,075
Auditing	1,300
Total Deductions	<u>\$ 388,633</u>
Net Increase (Decrease) in Plan Assets	\$ 657,463
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	
Beginning of Year	<u>4,461,442</u>
End of Year	<u><u>\$ 5,118,905</u></u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2004

	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
<u>ASSETS</u>			
Cash	\$ 22,584	\$ 5,712	\$ 28,296
Investments	2,998,295	135,374	3,133,669
Receivables			
Taxes	0	289	289
Accounts	2,687	0	2,687
Accrued Interest	38,552	1,124	39,676
Due from Other Governments	2,374	4,955	7,329
Prepaid Expenses	0	875	875
Total Current Assets	<u>\$ 3,064,492</u>	<u>\$ 148,329</u>	<u>\$ 3,212,821</u>
<u>CAPITAL ASSETS</u>			
Improvements Other Than Buildings	\$ 214,812	\$ 0	\$ 214,812
Less Accumulated Depreciation	41,530	0	41,530
Net Capital Assets	<u>\$ 173,282</u>	<u>\$ 0</u>	<u>\$ 173,282</u>
 TOTAL ASSETS	 <u>\$ 3,237,774</u>	 <u>\$ 148,329</u>	 <u>\$ 3,386,103</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 13,732	\$ 2,040	\$ 15,772
Accrued Expenditures	425	337	762
Accrued Interest	19,039	0	19,039
Due to Other Governments	18,266	16,129	34,395
Current Portion of Long-Term Debt	715,000	3,639	718,639
Deferred Revenue	166,953	0	166,953
Total Current Liabilities	<u>\$ 933,415</u>	<u>\$ 22,145</u>	<u>\$ 955,560</u>
<u>LONG-TERM LIABILITIES</u>			
General Obligation Bonds	\$ 1,210,000	\$ 0	\$ 1,210,000
Accrued Compensated Sick and Vacation	0	3,639	3,639
Less: Current Portion	(715,000)	(3,639)	(718,639)
Total Long-Term Liabilities	<u>\$ 495,000</u>	<u>\$ 0</u>	<u>\$ 495,000</u>
 TOTAL LIABILITIES	 <u>\$ 1,428,415</u>	 <u>\$ 22,145</u>	 <u>\$ 1,450,560</u>
<u>EQUITY</u>			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 173,282	\$ 0	\$ 173,282
Restricted for Groundwater Clean-Up	1,692,016	0	1,692,016
Unrestricted (Deficit)	(55,939)	126,184	70,245
 TOTAL NET ASSETS	 <u>\$ 1,809,359</u>	 <u>\$ 126,184</u>	 <u>\$ 1,935,543</u>

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
<u>Local Development Finance Authority</u>						
Public Works	\$ 243,590	\$ 14,944	\$ 0	\$ (228,646)	\$ 0	\$ (228,646)
Interest on Long-Term Debt	79,118	0	0	(79,118)	0	(79,118)
	\$ 322,708	\$ 14,944	\$ 0	\$ (307,764)	\$ 0	\$ (307,764)
<u>Nonmajor Component Units</u>						
Economic Development and Assistance	\$ 51,877	\$ 0	\$ 4,515	\$ 0	\$ (47,362)	\$ (47,362)
Intergovernmental Expenditures	145,872	0	0	0	(145,872)	(145,872)
Total Nonmajor Component Units	\$ 197,749	\$ 0	\$ 4,515	\$ 0	\$ (193,234)	\$ (193,234)
TOTAL COMPONENT UNITS	\$ 520,457	\$ 14,944	\$ 4,515	\$ (307,764)	\$ (193,234)	\$ (500,998)
<u>GENERAL REVENUES</u>						
Property Tax				\$ 1,000,017	\$ 172,161	\$ 1,172,178
Unrestricted Investment Earnings				62,164	3,255	65,419
Other				0	5,000	5,000
Total General Revenues				\$ 1,062,181	\$ 180,416	\$ 1,242,597
Change in Net Assets				\$ 754,417	\$ (12,818)	\$ 741,599
NET ASSETS - Beginning of Year				1,054,942	139,002	1,193,944
NET ASSETS - End of Year				\$ 1,809,359	\$ 126,184	\$ 1,935,543

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

BLENDDED COMPONENT UNITS

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

Economic Development Corporation of the City of Cadillac (EDC) - The EDC is a nonstock, nonprofit corporation. Its purpose is to act as an economic development corporation for the City of Cadillac in accordance with state law. Directors of the corporation are appointed by the mayor with the advice and consent of the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council.

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

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

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

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

B. Government-wide and Fund Financial Statements

During fiscal year 2003, the City adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statements No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

Invested in Capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, and contributions, or imposed by law through constitutional provisions or enabling legislation.

CITY OF CADILLAC, MICHIGAN
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Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets are often designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be modified or removed.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. 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 responsible.

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

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements are similar to the financial statements presented in the previous financial reporting model.

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

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

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

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

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

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

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

The City of Cadillac reports the following major governmental funds:

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

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

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

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The City of Cadillac reports the following major proprietary funds:

The *Water and Sewer Fund* records financial activity of the seven-well water system which provides water to customers and the operations of the City's tertiary treatment plant. The *Building Authority Operating Fund* accounts for the rental of the DNR office building.

Additionally the City of Cadillac reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

2. Receivables and Payables

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

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

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

The 2003 taxable valuation of the City of Cadillac totaled \$210,209,775, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 1.6000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$2,932,348 for operating purposes and \$336,378 for the Policemen and Firemen Retirement System. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue.

CITY OF CADILLAC, MICHIGAN
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3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
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6. *Compensated Absences*

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

7. *Long-term Obligations*

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

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

8. *Fund Equity*

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

9. *Use of Estimates*

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

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. Four budget amendments were made during the year in a legally permissible manner.
7. Budgets were not adopted for the Mitchell Corporation Bankruptcy Fund, the Rental Rehabilitation Grant Fund, the 1992 Michigan Transportation Debt Retirement Fund, the 1998 Special Assessment Debt Retirement Fund and the Sound Garden Grant Fund.
8. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

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

	<u>APPROPRIATIONS</u>		<u>EXPENDITURES</u>
General Fund			
General Government	\$ 1,686,100	\$	1,752,397
Public Works	599,400		611,817
Intergovernmental Expenditures	302,800		309,852

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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These overages were funded by greater than anticipated revenues in the General Fund.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Cash balances of most City funds are pooled and invested. Interest earned on the investments purchased with pooled cash is allocated back to each of the funds based on the fund's average equity balance. In addition, investments are separately held by several of the City's funds. The deposits and investments of the Policemen and Firemen Retirement System Trust Fund are held separately from those of the other City funds.

At year end, the carrying amount of the City's deposits was \$6,935,514 and the bank balance was \$6,914,360. Of the bank balance, \$1,721,064 was covered by federal depository insurance and \$5,193,296 was uninsured and uncollateralized. The carrying amount included \$6,268,536 of time certificates of deposit and money market accounts which have been classified as investments or restricted assets on the balance sheets.

The carrying amount of deposits for the discretely presented component units, was \$2,891,726 and the bank balance was \$2,803,701. Of the bank balance, \$1,382,155 was covered by Federal Depository Insurance and \$1,421,546 was uninsured and uncollateralized. The carrying amount includes \$2,863,430 of time certificates of deposit which have been classified as investments on the balance sheet.

The City's investments are categorized in the following schedule to give an indication of the level of risk assumed by the entity at year end.

Category 1 - Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department (if a bank), or agent in the City's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the broker, dealer, or agent but not in the City's name.

	CATEGORY			CARRYING AMOUNT	FAIR VALUE
	1	2	3		
Investments - Primary Government					
U.S. Government					
Securities	\$ 303,002	\$ 0	\$ 159,089	\$ 462,091	\$ 462,091

CITY OF CADILLAC, MICHIGAN

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Corporate					
Bonds and Notes	141,724	0	1,030,471	1,172,195	1,172,195
International Bonds	0	0	163,681	163,681	163,681
Common Stocks	0	0	3,815,710	3,815,710	3,815,710
Preferred Stocks	0	0	304,511	304,511	304,511
Government Notes	351,779	0	0	351,779	351,779
	<u>\$ 796,505</u>	<u>\$ 0</u>	<u>\$ 5,473,462</u>	<u>\$ 6,269,967</u>	<u>\$ 6,269,967</u>

Investments Not Subject to Categorization

 Mutual Funds

	<u>1,012,955</u>	<u>1,012,955</u>
	<u><u>\$ 7,282,922</u></u>	<u><u>\$ 7,282,922</u></u>

	<u>CATEGORY</u>			<u>CARRYING</u>	<u>FAIR</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>AMOUNT</u>	<u>VALUE</u>

Investments - Component Units

 U.S. Government

 Securities

	<u>\$ 216,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 216,691</u>	<u>\$ 216,691</u>
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Investments Not Subject to Categorization

 Mutual Funds

	<u>53,548</u>	<u>53,548</u>
	<u><u>\$ 270,239</u></u>	<u><u>\$ 270,239</u></u>

A reconciliation of cash and investments follows:

	<u>PRIMARY</u>	<u>COMPONENT</u>
	<u>GOVERNMENT</u>	<u>UNITS</u>
Cash on Hand	\$ 1,200	\$ 0
Carrying amount of Deposits	6,935,514	2,891,726
Carrying amount of Investments	<u>7,282,922</u>	<u>270,239</u>
Total	<u>\$ 14,219,636</u>	<u>\$ 3,161,965</u>

Government-wide Statement of Net Assets

 Cash

 Investments

 Restricted Assets - Investments

 Overdraft - Liability

\$ 684,677	\$ 28,296
6,501,978	3,133,669
1,785,095	0
(24,492)	0

Statement of Fiduciary Net Assets

 Cash

 Investments

52,760	0
<u>5,219,618</u>	<u>0</u>

 Total

<u>\$ 14,219,636</u>	<u>\$ 3,161,965</u>
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CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

B. Receivables

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

	General	Major Street	Local Street	Water and Sewer	Building Authority Operating	Nonmajor And Other Funds	Total
Receivables							
Taxes	\$ 9,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,438
Accounts	139,924	0	0	235,719	0	5,724	381,367
Unbilled							
Services	0	0	0	233,568	0	0	233,568
Special Assessments							
Current	0	0	0	0	0	155,557	155,557
Deferred	0	0	0	0	0	862,000	862,000
Mortgages and Notes	51,058	0	0	0	0	305,042	356,100
Accrued Interest	5,135	3,937	0	34,517	1,701	107,516	152,806
Cylinder Deposits	0	0	0	10,500	0	0	10,500
Receivables	\$ 205,555	\$ 3,937	\$ 0	\$ 514,304	\$ 1,701	\$ 1,435,839	\$ 2,161,336

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

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

	Deferred Revenue	
	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 8,430	\$ 0
Special assessment receivables prepaid (General Fund)	0	12,045
Property taxes prepaid (General Fund)	0	4,844
Accounts receivable (General Fund)	0	1,041
Deferred grant revenue (General Fund)	0	31,176
Prepaid contributions from local units – fire protection (General Fund)	0	35,470

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

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Mortgages and notes receivable (General Fund)	51,058	0
Mortgages and notes receivable (Special Revenue Funds)	304,872	0
Special assessment receivables (Debt Service Funds)	552,433	0
Special assessment receivables (Capital Projects Funds)	309,567	0
	<u>\$ 1,226,360</u>	<u>\$ 84,576</u>
	<u>\$ 1,226,360</u>	<u>\$ 1,310,936</u>

C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 2,745,018	\$ 0	\$ 0	\$ 2,745,018
Construction in Progress	193,399	11,255	193,399	11,255
Total capital assets, not being depreciated	<u>\$ 2,938,417</u>	<u>\$ 11,255</u>	<u>\$ 193,399</u>	<u>\$ 2,756,273</u>
Capital assets, being depreciated				
Buildings	\$ 3,700,323	\$ 136,286	\$ 0	\$ 3,836,609
Land Improvements	430,191	33,788	0	463,979
Machinery and Equipment	1,440,560	38,586	0	1,479,146
Infrastructure	12,257,937	970,346	0	13,228,283
Total capital assets, being depreciated	<u>\$ 17,829,011</u>	<u>\$ 1,179,006</u>	<u>\$ 0</u>	<u>\$ 19,008,017</u>
Less accumulated depreciation for:				
Buildings	\$ 2,154,145	\$ 77,071	\$ 0	\$ 2,231,216
Land Improvements	264,315	19,325	0	283,640
Machinery and Equipment	856,540	116,776	0	973,316
Infrastructure	4,253,357	584,446	0	4,837,803
Total accumulated depreciation	<u>\$ 7,528,357</u>	<u>\$ 797,618</u>	<u>\$ 0</u>	<u>\$ 8,325,975</u>
Total capital assets, being depreciated, net	<u>\$ 10,300,654</u>	<u>\$ 381,388</u>	<u>\$ 0</u>	<u>\$ 10,682,042</u>
Governmental activities capital assets, net	<u>\$ 13,239,071</u>	<u>\$ 392,643</u>	<u>\$ 193,399</u>	<u>\$ 13,438,315</u>
Internal Service Fund net capital assets				855,555
Net Capital Assets per Statement of Net Assets				<u>\$ 14,293,870</u>

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 245,612	\$ 116,920	\$ 0	\$ 362,532
Construction in Progress	551,632	1,985,670	2,462,173	75,129
Total capital assets, not being depreciated	\$ 797,244	\$ 2,102,590	\$ 2,462,173	\$ 437,661
Capital assets, being depreciated				
Buildings	\$ 2,615,963	\$ 0	\$ 4,930	\$ 2,611,033
Improvements other than buildings	25,674,785	2,065,289	51,105	27,688,969
Machinery and Equipment	1,102,367	0	103,656	998,711
Total capital assets, being depreciated	\$ 29,393,115	\$ 2,065,289	\$ 159,691	\$ 31,298,713
Less accumulated depreciation for:				
Buildings	\$ 781,215	\$ 70,150	\$ 4,930	\$ 846,435
Improvements other than buildings	9,153,477	658,478	15,076	9,796,879
Machinery and Equipment	771,206	48,501	103,656	716,051
Total accumulated depreciation	\$ 10,705,898	\$ 777,129	\$ 123,662	\$ 11,359,365
Total capital assets, being depreciated, net	\$ 18,687,217	\$ 1,288,160	\$ 36,029	\$ 19,939,348
Business-type activities capital assets, net	\$ 19,484,461	\$ 3,390,750	\$ 2,498,202	\$ 20,377,009
Internal Service Fund net capital assets				44,046
Net Capital Assets per Statement of Net Assets				\$ 20,421,055

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

Governmental activities:	
General Government	\$ 50,412
Public Safety	102,742
Public Works, including depreciation of general infrastructure assets	569,743
Recreation and Culture	64,138
Economic Development and Assistance	10,583
Total depreciation expense - governmental activities	\$ 797,618

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Business-type activities:	
Water and Sewer	\$ 750,380
Automobile Parking System	15,825
Building Authority Operating	38,052
Total depreciation expense - business-type activities	\$ 804,257

Construction Commitments:

The City has active construction projects as of June 30, 2004. The constructions projects are for street construction and for the underlying water and sewer infrastructure. The total contract balances were approximately \$235,432 with \$106,730 being expended as of June 30, 2004. The remaining commitments total \$128,702. The projects are being funded with water and sewer revenues, general revenues and Act 51 Street revenues.

Discretely Presented Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities</u>				
Capital assets, being depreciated				
Improvements other than buildings	\$ 214,812	\$ 0	\$ 0	\$ 214,812
Less accumulated depreciation for:				
Improvements other than buildings	37,234	4,296	0	41,530
Total capital assets, being depreciated, net	\$ 177,578	\$ 4,296	\$ 0	\$ 173,282

D. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2004, were:

	FUND	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund		\$ 504,802	\$ 21,943
Special Revenue Funds			
Major Street		46,514	20,242
Local Street		235,293	265,539
Cemetery Operating		1,097	1,553
Community Development		25	26,149
H. L. Green Operating		1,245	0

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Naval Reserve	0	1,133
Mitchell Corporation Bankruptcy	0	4,260
Upper Clam River Watershed	0	293
Cadillac Development	302	312,735
White Pine Trail Bike Path	0	1,000
Clam River Greenway	50,000	64,009
Building Inspection	5,938	13,310
Downtown Gateway Project	0	9,726
Debt Service Funds		
1992 Special Assessment	0	1,775
1993 Special Assessment	0	14
1996 Special Assessment	1,239	184
1997 Building Authority	0	6,480
2000 Special Assessment	188	12,670
2002 Special Assessment	3,325	0
Capital Projects Funds		
Special Assessment Capital Projects	217,361	214,588
James E. Potvin Industrial Park	3,403	0
Permanent Funds		
Cemetery Perpetual Care	1,163	1,122
Capital Projects Trust	0	86
Enterprise Funds		
Water and Sewer	57,840	71,749
Automobile Parking System	5,865	0
Internal Service Funds		
Central Stores and Municipal Garage	141,491	45,417
Data Processing	0	95,847
Self-Insurance	44,819	6,913
Safety	0	950
Fiduciary Funds		
Police and Fire Retirement System	0	122,223
	<u>\$ 1,321,910</u>	<u>\$ 1,321,910</u>

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2004, are expected to be repaid within one year.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Interfund Transfers as of June 30, 2004, were:

	TRANSFERS	
	IN	OUT
<u>Primary Government</u>		
General Fund	\$ 4,260	\$ 258,000
Major Street Fund	0	105,500
Local Street Fund	470,636	86,200
Nonmajor Special Revenue Funds	40,220	154,731
Nonmajor Debt Service Funds	250,858	126,058
Nonmajor Permanent Funds	0	35,485
	\$ 765,974	\$ 765,974

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

E. Leases

Operating Leases - The City is committed under three noncancelable leases for office equipment and two noncancelable leases for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately \$19,268 for the year ended June 30, 2004. Future minimum lease payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>AMOUNT</u>
2005	\$ 19,268
2006	9,898
	\$ 29,166

Capital Leases - The City of Cadillac has entered into a lease agreement as lessee for financing the acquisition of data processing computer equipment. A security deposit of \$5,432 was required. A \$1 purchase option exists at the end of the lease. This lease qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the Data Processing Internal Service Fund.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The assets acquired through the lease are as follows:

<u>ASSETS</u>	<u>DATA PROCESSING FUND</u>
Machinery and equipment	\$ 144,190
Less: Accumulated Depreciation	<u>129,771</u>
TOTAL	<u>\$ 14,419</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2004 were as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>DATA PROCESSING FUND</u>
2005	\$ 5,432
Less: Amount representing interest	<u>(34)</u>
Present value of minimum lease payments.	<u>\$ 5,398</u>

F. Long-Term Debt

1. Primary Government

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2004 (in thousands of dollars):

Governmental Activities:

	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	CONTRACTS AND NOTES	SICK AND VACATION PAY	TOTAL
Debt Payable at July 1, 2003	\$ 890	\$ 1,075	\$ 583	\$ 380	\$ 2,928
New Debt Incurred	0	0	307	44	351
Debt Retired	<u>(105)</u>	<u>(150)</u>	<u>(59)</u>	0	<u>(314)</u>
Debt Payable at June 30, 2004	<u>\$ 785</u>	<u>\$ 925</u>	<u>\$ 831</u>	<u>\$ 424</u>	<u>\$ 2,965</u>
Due within one year	<u>\$ 115</u>	<u>\$ 150</u>	<u>\$ 47</u>	<u>\$ 0</u>	<u>\$ 312</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Debt payable at June 30, 2004 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

\$335,000 1990 Michigan Transportation Fund Bonds due in annual installments of \$35,000 through October 1, 2004; interest at 5.00	\$ 35
\$185,000 1993 Michigan Transportation Fund Bonds due in annual installments of \$20,000 through October 1, 2005; interest at 5.30 to 5.40 percent	40
\$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of \$15,000 to \$25,000 through October 1, 2010; interest at 5.50 percent	150
\$110,000 1997 Michigan Transportation Fund Bonds due in annual installments of \$10,000 to \$15,000 through October 1, 2008; interest at 5.10 to 5.35 percent	65
\$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of \$15,000 to \$35,000 through October 1, 2014; interest at 5.35 to 5.55 percent	270
\$310,000 1997 Building Authority Bonds due in annual installments of \$20,000 to \$30,000 through October 1, 2012; interest at 4.85 to 5.25 percent	225
	\$ 785

Special Assessment Bonds

\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2006; interest at 6.00 to 6.20 percent	\$ 70
\$220,000 Special Assessment Limited Tax Bonds due in annual installments of \$15,000 through October 1, 2007; interest at 5.30 to 5.60 percent	60
\$425,000 Special Assessment Limited Tax Bonds due in annual installments of \$10,000 to \$30,000 through October 1, 2010; interest at 5.25 to 5.65 percent	175
\$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2011; interest at 5.10 to 5.45 percent	195
\$210,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$20,000 through October 1, 2014; interest at 5.35 to 5.55 percent	145
\$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$35,000 through October 1, 2015; interest at 3.25 to 5.00 percent	280
	\$ 925

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Other Long-Term Debt:

\$163,000 Loan, Due in Annual Installments of \$5,485 through 2013; interest at 5.00 percent	\$	37
\$200,000 Michigan Jobs Commission Loan due in annual installments of \$12,500 through May 1, 2005 and one installment of \$41,500 on May 1, 2006; this loan is interest-free		54
\$425,306 Michigan Jobs Commission loan due in quarterly installments of \$14,215 beginning March 1, 2005 and running through December 1, 2016; interest at 6.00 percent		425
\$72,149 Loan, due in annual installments of \$1,083 through 2014; interest at 6.00 percent		8
\$27,000 Loan, due in annual installments of \$9,000 through 2008; interest at 3.00 percent		27
\$235,000 Loan, due in annual installments of \$23,500 through 2014; interest at 3.00 percent		235
\$45,000 Loan, due in annual installments of \$9,000 through 2009; interest at 3.00 percent		45
Vested sick and vacation pay owed to City employees under various contracts and collective bargaining agreements (this debt is payable from the General Fund and various Special Revenue Funds)		424
	\$	<u>1,255</u>
	\$	<u><u>2,965</u></u>

The annual requirements to amortize debt outstanding other than vested sick and vacation pay as of June 30, 2004, are as follows (in thousands of dollars):

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	INSTALLMENT LOANS	TOTAL
2005				
PRINCIPAL	\$ 115	\$ 150	\$ 47	\$ 312
INTEREST	39	43	39	121
TOTAL	\$ 154	\$ 193	\$ 86	\$ 433
2006				
PRINCIPAL	\$ 85	\$ 150	\$ 87	\$ 322
INTEREST	34	35	67	136
TOTAL	\$ 119	\$ 185	\$ 154	\$ 458
2007				
PRINCIPAL	\$ 75	\$ 140	\$ 62	\$ 277
INTEREST	29	28	49	106
TOTAL	\$ 104	\$ 168	\$ 111	\$ 383
2008				
PRINCIPAL	\$ 80	\$ 120	\$ 79	\$ 279
INTEREST	25	21	31	77
TOTAL	\$ 105	\$ 141	\$ 110	\$ 356
2009				
PRINCIPAL	\$ 90	\$ 105	\$ 73	\$ 268
INTEREST	21	15	28	64
TOTAL	\$ 111	\$ 120	\$ 101	\$ 332
2010-2014				
PRINCIPAL	\$ 305	\$ 245	\$ 352	\$ 902
INTEREST	45	24	86	155
TOTAL	\$ 350	\$ 269	\$ 438	\$ 1,057
2015-2018				
PRINCIPAL	\$ 35	\$ 15	\$ 131	\$ 181
INTEREST	1	1	11	13
TOTAL	\$ 36	\$ 16	\$ 142	\$ 194
GRAND TOTAL				
PRINCIPAL	\$ 785	\$ 925	\$ 831	\$ 2,541
INTEREST	194	167	311	672
TOTAL	\$ 979	\$ 1,092	\$ 1,142	\$ 3,213

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2004, (in thousands of dollars) reported in Business-Type Activities:

	<u>REVENUE BONDS</u>
Debt Payable at July 1, 2003	\$ 9,755
New Debt Incurred	0
Debt Retired	(415)
Debt Payable at June 30, 2004	<u>\$ 9,340</u>

Revenue Bonds:

\$1,655,000 Water Supply and Wastewater System Revenue Refunding Bonds due in annual installments of \$185,000 to \$220,000 through September 1, 2007; interest at 5.25 to 5.50 percent	\$ 800
\$2,300,000 Water Supply and Wastewater System Revenue Bonds due in annual installments starting September 1, 2004, of \$80,000 to \$95,000 through September 1, 2007, interest at 5.375 percent	360
\$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of \$5,000 to \$305,000 through September 1, 2019; interest at 3.85 to 4.90 percent	1,620
\$5,215,000 Water and Sewer Revenue and Revenue Refunding Bonds due in annual installments of \$10,000 to \$505,000 through September 1, 2026; interest at 4.00 to 5.125 percent	5,195
\$1,740,000 1994 Building Authority Bonds due in annual installments of \$75,000 to \$80,000 through October 1, 2005; interest at 6.20 percent. These bonds are a limited tax full faith and credit general obligation	155
\$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$15,000 to \$140,000 through October 1, 2015; interest at 3.95 to 4.60 percent	1,210
	<u>\$ 9,340</u>
Less unamortized deferred charges	139
Long-term debt per Statement of Net Assets	<u>\$ 9,201</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2004, are as follows (in thousands of dollars):

<u>YEAR</u> <u>ENDING JUNE 30,</u>	<u>REVENUE</u> <u>BONDS</u>
2005	
PRINCIPAL	\$ 425
INTEREST	443
TOTAL	\$ 868
2006	
PRINCIPAL	\$ 445
INTEREST	421
TOTAL	\$ 866
2007	
PRINCIPAL	\$ 465
INTEREST	398
TOTAL	\$ 863
2008	
PRINCIPAL	\$ 490
INTEREST	374
TOTAL	\$ 864
2009	
PRINCIPAL	\$ 515
INTEREST	351
TOTAL	\$ 866
2010-2014	
PRINCIPAL	\$ 2,685
INTEREST	1,375
TOTAL	\$ 4,060
2015-2019	
PRINCIPAL	\$ 1,520
INTEREST	883
TOTAL	\$ 2,403
2020-2024	
PRINCIPAL	\$ 1,610
INTEREST	518
TOTAL	\$ 2,128

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

<u>YEAR</u> <u>ENDING JUNE 30,</u>	<u>REVENUE</u> <u>BONDS</u>
2025-2028	
PRINCIPAL	\$ 1,185
INTEREST	93
TOTAL	<u>\$ 1,278</u>
GRAND TOTAL	
PRINCIPAL	\$ 9,340
INTEREST	4,856
TOTAL	<u><u>\$ 14,196</u></u>

\$786,163 is available in the Debt Service Funds to service the General Obligation and Special Assessment bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

At June 30, 2004, outstanding revenue bonds (including prior year's refundings) of \$2,425,000 are considered to be defeased. These are by fund type, as follows:

Enterprise Funds	<u><u>\$ 2,425,000</u></u>
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2. Component Units

The following is a summary of debt transactions of the City of Cadillac's discretely presented component units for the year ended June 30, 2004, (in thousands of dollars):

	<u>REVENUE</u> <u>BONDS</u>
Debt Payable at July 1, 2003	\$ 1,987
New Debt Incurred	0
Debt Retired	(777)
Debt Payable at June 30, 2004	<u><u>\$ 1,210</u></u>

Debt payable at June 30, 2004, is comprised of the following issues (in thousands of dollars):

\$3,640,000 Local Development Refunding Bonds, Series 2000 (Limited Tax General Obligation) due in annual installments of \$495,000 and \$715,000 through March 1, 2006; interest at 4.70 to 4.75 percent	<u><u>\$ 1,210</u></u>
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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The annual requirements to amortize this debt as of June 30, 2004, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	TAX INCREMENT REVENUE BONDS
2005	
PRINCIPAL	\$ 715
INTEREST	57
TOTAL	\$ 772
2006	
PRINCIPAL	\$ 495
INTEREST	24
TOTAL	\$ 519
GRAND TOTAL	
PRINCIPAL	\$ 1,210
INTEREST	81
TOTAL	\$ 1,291

\$1,042,085 is available in the L.D.F.A. Debt Service Fund to be used in servicing the Tax Increment Revenue Refunding Bonds.

At June 30, 2004, outstanding L.D.F.A. Revenue Bonds (including prior year's refundings of \$3,985,000) are considered to be defeased.

G. Fund Balance Reserves and Designations

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

NET ASSETS

Restricted

General Fund

Special Purposes \$ 134,120

Self-Insurance Fund

Retirees' Life Insurance \$ 175,560

Employees' Life and Health Insurance 364,476 540,036

Water and Sewer Fund

Debt Service 1,785,095

\$ 2,459,251

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

FUND BALANCE/NET ASSETS

Reserved

General Fund

Inventory	\$	5,739	
Prepaid Expenditures		69,599	
Veterans Memorial		1,855	
Pistol Range		2,875	
Antique Fire Truck		2,059	
Youth Services		844	
Fountain Restoration		19,010	
Drug Forfeiture		1,287	
Fire Truck		126,002	
Fire Safety House		11,008	
Blackburn Skate Park		98,057	\$ 338,335

Special Revenue Funds

Major Street Fund

Prepaid Expenditures	\$	827	
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Local Street Fund

Prepaid Expenditures		769	
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Cemetery Operating Fund

Prepaid Expenditures		418	
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Capital Improvements		15,357	
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Community Development Fund

Prepaid Expenditures		57	
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Cadillac Development Fund

Loans Receivable		170	
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Clam River Greenway Fund

Parks		70	17,668
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Debt Service Funds

Reserved for Debt Service

1990 Michigan Transportation Fund

Debt Retirement Fund	\$	643	
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1992 Special Assessment Debt Retirement Fund		150,218	
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1993 Special Assessment Debt Retirement Fund		79,251	
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1993 Michigan Transportation Fund

Debt Retirement Fund		2,837	
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1996 Special Assessment Debt Retirement Fund		355,264	
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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1996 Michigan Transportation Fund			
Debt Retirement Fund		5,047	
1997 Special Assessment Debt Retirement Fund		62,770	
1997 Michigan Transportation Fund			
Debt Retirement Fund		1,547	
1997 Building Authority Debt Retirement Fund		1	
1998 Special Assessment Debt Retirement Fund		77,759	
2000 Special Assessment Debt Retirement Fund		5,474	
2000 Michigan Transportation Fund			
Debt Retirement Fund		398	
2002 Special Assessment Debt Retirement Fund		44,954	786,163
Capital Projects Funds			
Industrial Park Fund			
Industrial Development	\$	184,954	
Special Assessment Capital Projects Fund			
Special Assessment Project Construction		16,895	201,849
Reserved			
Trust Funds			
Policemen and Firemen Retirement System			
Employee's Pension Benefits	\$	5,118,905	
Cemetery Perpetual Care Fund			
Cemetery Perpetual Care Endowment		432,021	
Capital Projects Trust Fund			
Capital Projects		658,744	6,209,670
Component Units			
L.D.F.A. Debt Retirement Fund			
Debt Service	\$	1,042,085	
L.D.F.A. Operating Fund			
Groundwater Cleanup		1,692,016	2,734,101
TOTAL FUND BALANCE/NET ASSETS RESERVES			\$ 10,287,786
Unreserved - Designated			
General Fund			
Sick and Vacation	\$	111,789	
Working Capital		891,317	
Tax Tribunal		19,506	\$ 1,022,612
Special Revenue Funds			
Major Street Fund			
Street Improvements	\$	328,346	

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Local Street Fund		
Street Improvements	2,858	331,204
TOTAL FUND BALANCE DESIGNATIONS		\$ 1,353,816

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

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

B. Mortgages and Notes Receivable

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

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

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling \$925,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has cash and investments totaling \$611,360 to be used for retirement of these bonds. This amount is on deposit in the various special assessment debt retirement funds.

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Total Assets	\$ 2,235,110
Total Liabilities	63,528
Investment in Capital Assets	2,067,593
Net Assets Invested in Capital Assets	
Net of Related Debt	2,041,591
Net Assets – Unrestricted	129,991
Total Revenues – Governmental and Business Type Activities	406,088
Total Expenses – Governmental and Business Type Activities	440,224
Change in Net Assets	(34,136)

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

Accounts Payable	\$ 23,346
Accrued Expenses	6,270
Notes Payable (Long-Term)	26,002
Accumulated Sick Pay (Long-Term)	7,910

The note payable is secured by a fuel farm which the Authority constructed. The note is a non-interest bearing \$46,002 promissory note due in annual installments of \$10,000 each through 2004, with a balloon payment of \$16,002 due December 15, 2005.

The annual payments required to amortize this debt as of December 31, 2003, are as follows:

<u>YEAR ENDED</u> <u>DECEMBER 31,</u>	<u>PAYMENT</u> <u>AMOUNT</u>
2004	\$ 10,000
2005	16,002
	<u>\$ 26,002</u>

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

E. Statement of Cash Flows

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

F. Due from Other Governments

Amounts due from other governments consists of \$353,663 in state-shared revenues and undrawn grants.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

G. Contingent Liabilities

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

H. Employee Retirement Systems

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

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

Funding Policy. The contribution requirements of the City are established and may be amended by the retirement board. Police department members are required to contribute 5.50% of their annual covered payroll. The City is required to contribute at actuarially determined rates; the current rates are 17.34% for police and 23.89% for fire of annual covered payroll. The City pays all costs of administering the plan.

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

Annual required contribution	\$	334,368
Interest on net pension obligation		0
Adjustment to annual required contribution		0
Annual pension cost	\$	334,368
Contributions made		334,368
Increase (decrease) in net pension obligation	\$	0
Net pension obligation beginning of year		0
Net pension obligation end of year	\$	0

The annual required contribution for the current year was determined as part of the June 30, 2003, actuarial valuation using the entry-age normal cost valuation method. The actuarial assumptions

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

included (a) 7.50% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.50% to 7.50% per year. Both (a) and (b) included an inflation component of 4.50%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a closed period of 15 future years.

Four-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/01	168,828	100.0	0
6/30/02	228,793	100.0	0
6/30/03	268,859	100.0	0
6/30/04	334,368	100.0	0

Schedule of Funding Progress for PFRS

(Dollar amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially Accrued Liability(AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/00	\$ 5.7	\$ 5.6	\$ (0.1)	101.8	% \$ 1.3	(7.80) %
6/30/01	6.0	5.9	(0.1)	101.7	1.4	(7.14)
6/30/02	6.0	7.0	1.0	85.7	1.4	71.43
6/30/03	5.9	7.3	1.4	80.8	1.2	116.70

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

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 0% of annual covered payroll because the plan is over funded. The contribution requirements of plan members and the City are established and may be amended by the MERS board of trustees.

Annual Pension Cost. Because the plan is overfunded, there have been no required or actual contributions for over ten years. The required contribution was most recently determined as part of the December 31, 2003 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 8.66% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Positive unfunded accrued liability (if any) is amortized as a level percentage of payroll over a closed period of 30 years, while negative unfunded liability (if any) is amortized as a level percentage of payroll over a closed period of 10 years.

Four-Year Trend Information for MERS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/00	\$ 0	100.0 %	\$ 0
6/30/01	0	100.0	0
6/30/02	0	100.0	0
6/30/03	0	100.0	0

Schedule of Funding Progress for MERS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially Accrued Liability(AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/00	\$ 9,439	\$ 7,371	\$ (2,068)	128.1%	\$ 2,412	(85.74%)
12/31/01	9,785	7,992	(1,793)	122.4%	2,469	(72.62%)
12/31/02	9,712	8,358	(1,354)	116.2%	2,520	(53.73%)
12/31/03	10,054	8,911	(1,143)	112.8%	2,639	(43.31%)

I. Component Unit Disclosures

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

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CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Condensed Financial Statements - Discretely Presented Component Units
Balance Sheets

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>	<u>LOCAL DEVELOPMENT FINANCE AUTHORITY</u>
Assets			
Current Assets	\$ 51,256	\$ 1,167	\$ 3,067,271
Fixed Assets	<u>0</u>	<u>0</u>	<u>173,282</u>
TOTAL ASSETS	<u>\$ 51,256</u>	<u>\$ 1,167</u>	<u>\$ 3,240,553</u>
Liabilities			
Current Liabilities	\$ 2,587	\$ 0	\$ 184,340
Due to Other Governments	<u>16,129</u>	<u>0</u>	<u>18,266</u>
Total Liabilities	<u>\$ 18,716</u>	<u>\$ 0</u>	<u>\$ 202,606</u>
Equity			
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 0	\$ 173,282
Fund Balance/ Net Assets	<u>32,540</u>	<u>1,167</u>	<u>2,864,665</u>
Total Equity	<u>\$ 32,540</u>	<u>\$ 1,167</u>	<u>\$ 3,037,947</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 51,256</u>	<u>\$ 1,167</u>	<u>\$ 3,240,553</u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

BROWNFIELD REDEVELOPMENT AUTHORITY	TOTAL
\$ 99,136	\$ 3,218,830
0	173,282
\$ 99,136	\$ 3,392,112
\$ 2,779	\$ 189,706
0	34,395
\$ 2,779	\$ 224,101
\$ 0	\$ 173,282
96,357	2,994,729
\$ 96,357	\$ 3,168,011
\$ 99,136	\$ 3,392,112

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Statements of Revenues, Expenditures, and Changes in Equity

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>	<u>LOCAL DEVELOPMENT FINANCE AUTHORITY</u>
Revenues	\$ 141,746	\$ 0	\$ 1,060,971
Expenditures			
Operating and Other	\$ 49,967	\$ 0	\$ 234,766
Intergovernmental Expenditures	145,872	0	0
Debt Service	0	0	779,468
Total Expenditures	\$ 195,839	\$ 0	\$ 1,014,234
Excess of Revenues Over (Under) Expenditures	\$ (54,093)	\$ 0	\$ 46,737
Equity - Beginning of Year	86,633	1,167	2,687,364
Equity - End of Year	\$ 32,540	\$ 1,167	\$ 2,734,101

Statements of Revenues, Expenses, and Changes in Net Assets

	<u>L.D.F.A. UTILITIES</u>
Revenues	\$ 16,154
Expenses	
Operating and Other	8,824
Change in Net Assets	\$ 7,330
Net Assets - Beginning of Year	296,516
Net Assets - End of Year	\$ 303,846

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

<u>BROWNFIELD REDEVELOPMENT AUTHORITY</u>	<u>TOTAL</u>
\$ <u>43,146</u>	\$ <u>1,245,863</u>
\$ 800	\$ 285,533
0	145,872
<u>86,733</u>	<u>866,201</u>
\$ <u>87,533</u>	\$ <u>1,297,606</u>
\$ (44,387)	\$ (51,743)
<u>140,744</u>	<u>2,915,908</u>
\$ <u><u>96,357</u></u>	\$ <u><u>2,864,165</u></u>

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

J. Risk Management

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

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

On January 5, 1981, the City Council approved Resolution 81.8 which, as amended provides \$2,500 to \$5,500 of life insurance benefits for all employees who retired on or after April 1, 1968 under either the municipal employee's retirement system (MERS) or under Act 345. Currently, 47 retirees meet those eligibility requirements. Expenditures for post-retirement life insurance benefits are recognized as claims are reported. During the year, the City incurred \$10,000 in post-retirement life insurance benefits. Life insurance benefits are funded by a one-time deposit to the self-insurance fund upon retirement of individual employees. The expense is charged to the retiring employee's department. The City has \$175,560 set aside for future claims.

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$325,096 for aggregate plan benefits paid to all participants per year. This policy also provides group life insurance coverage for all active City employees. All fund types are charged premiums based on the number of employees they have.

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

	2004	2003
Unpaid Claims, Beginning of Year	\$ 9,811	\$ 33,170
Incurred Claims (Including IBNR's)	205,373	233,087
Claim Payments	(163,552)	(256,446)
Unpaid Claims, End of Year	\$ 51,632	\$ 9,811

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

K. Restatement

The beginning net assets of the governmental activities on the statement of activities was increased by \$193,399 to correct for construction in progress that should have been capitalized as of June 30, 2003.

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

YEAR ENDED JUNE 30, 2004

	GENERAL FUND				LOCAL STREET FUND				MAJOR STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES												
Taxes	\$ 3,289,400	\$3,475,800	\$ 3,512,502	\$ 36,702	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	1,600	1,600	1,390	(210)	0	0	0	0	0	0	0	0
Federal Grants	0	0	0	0	0	0	64,982	64,982	0	0	0	0
State Grants	1,070,500	1,157,200	1,157,855	655	232,000	232,000	256,092	24,092	588,200	588,200	632,047	43,847
Contributions from Local Units	128,000	168,000	161,936	(6,064)	0	0	0	0	0	0	4,220	4,220
Charges for Services	787,800	796,000	820,459	24,459	0	0	0	0	0	0	0	0
Fines and Forfeits	28,200	28,200	36,247	8,047	0	0	0	0	0	0	0	0
Interest and Rents	91,300	71,300	28,895	(42,405)	100	100	241	141	12,000	12,000	0	(12,000)
Other Revenue	203,700	224,600	371,040	146,440	0	0	0	0	0	0	0	0
Total Revenues	\$ 5,600,500	\$5,922,700	\$ 6,090,324	\$ 167,624	\$ 232,100	\$ 232,100	\$ 321,315	\$ 89,215	\$ 600,200	\$ 600,200	\$ 636,267	\$ 36,067
EXPENDITURES												
General Government	\$ 1,548,900	\$1,686,100	\$ 1,752,397	\$ (66,297)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	2,660,600	2,766,900	2,739,754	27,146	0	0	0	0	0	0	0	0
Public Works	583,900	599,400	611,817	(12,417)	951,000	951,000	938,134	12,866	607,600	607,300	565,183	42,117
Culture and Recreation	163,800	170,300	160,109	10,191	0	0	0	0	0	0	0	0
Economic Development and Assistance	40,900	41,900	40,418	1,482	0	0	0	0	0	0	0	0
Intergovernmental Expenditures	272,800	302,800	309,852	(7,052)	0	0	0	0	0	0	0	0
Total Expenditures	\$ 5,270,900	\$5,567,400	\$ 5,614,347	\$ (46,947)	\$ 951,000	\$ 951,000	\$ 938,134	\$ 12,866	\$ 607,600	\$ 607,300	\$ 565,183	\$ 42,117
Excess (Deficiency) of Revenues												
Over Expenditures	\$ 329,600	\$ 355,300	\$ 475,977	\$ 120,677	\$(718,900)	\$(718,900)	\$(616,819)	\$ 102,081	\$ (7,400)	\$ (7,100)	\$ 71,084	\$ 78,184
OTHER FINANCING SOURCES (USES)												
Loan Proceeds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 233,000	\$ 233,000	\$ 235,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	4,260	4,260	516,900	516,900	470,636	(46,264)	0	0	0	0
Transfers Out	(329,600)	(346,300)	(258,000)	88,300	(81,000)	(81,000)	(86,200)	(5,200)	(105,000)	(104,700)	(105,500)	(800)
Total Other Financing Sources (Uses)	\$ (329,600)	\$ (346,300)	\$ (253,740)	\$ 92,560	\$ 668,900	\$ 668,900	\$ 619,436	\$ (49,464)	\$(105,000)	\$(104,700)	\$(105,500)	\$ (800)
Net Change in Fund Balance	\$ 0	\$ 9,000	\$ 222,237	\$ 213,237	\$ (50,000)	\$ (50,000)	\$ 2,617	\$ 52,617	\$(112,400)	\$(111,800)	\$ (34,416)	\$ 77,384
FUND BALANCE - Beginning of Year	952,634	952,634	1,138,710	186,076	52,654	52,654	1,010	(51,644)	285,460	285,460	363,589	78,129
FUND BALANCE - End of Year	\$ 952,634	\$ 961,634	\$ 1,360,947	\$ 399,313	\$ 2,654	\$ 2,654	\$ 3,627	\$ 973	\$ 173,060	\$ 173,660	\$ 329,173	\$ 155,513

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR STREET FUND

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

LOCAL STREET FUND

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

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 197,797	\$ 22,486
Investments	575,225	887,512
Receivables		
Taxes	9,438	7,412
Accounts	139,924	29,518
Note	51,058	53,428
Accrued Interest	5,135	6,502
Due from Other Funds	504,802	388,498
Due from Other Governments	158,380	151,585
Inventory, At Cost	5,739	10,520
Prepaid Expenditures	69,599	136,524
TOTAL ASSETS	<u>\$ 1,717,097</u>	<u>\$ 1,693,985</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 137,922	\$ 61,553
Accrued Expenditures	50,247	33,106
Due to Other Funds	21,943	337,388
Due to Other Governments	1,974	38,793
Deferred Revenue	144,064	84,435
Total Liabilities	<u>\$ 356,150</u>	<u>\$ 555,275</u>
<u>FUND BALANCE</u>		
Reserved for:		
Inventory	\$ 5,739	\$ 10,520
Prepaid Expenditures	69,599	136,524
Pistol Range	2,875	2,050
Antique Fire Truck	2,059	2,059
Veterans Memorial	1,855	1,855
Youth Services	844	844
Fountain Restoration	19,010	310
Drug Forfeiture	1,287	0
Fire Truck	126,002	0
Fire Safety House	11,008	0
Blackburn Skate Park	98,057	0
Unreserved		
Designated for:		
Sick and Vacation	111,789	111,789
Working Capital	891,317	853,253
Tax Tribunal	19,506	19,506
Total Fund Balance	<u>\$ 1,360,947</u>	<u>\$ 1,138,710</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,717,097</u>	<u>\$ 1,693,985</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>BUDGET</u>		<u>2004</u>	<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$ 3,289,400	\$ 3,475,800	\$ 3,512,502	\$ 3,199,302
Licenses and Permits	1,600	1,600	1,390	940
Federal Grants	0	0	0	5,513
State Grants	1,070,500	1,157,200	1,157,855	1,173,943
Contributions from Local Units	128,000	168,000	161,936	171,463
Charges for Services	787,800	796,000	820,459	796,135
Fines and Forfeits	28,200	28,200	36,247	28,226
Interest and Rents	91,300	71,300	28,895	45,331
Other Revenue	203,700	224,600	371,040	244,943
Total Revenues	<u>\$ 5,600,500</u>	<u>\$ 5,922,700</u>	<u>\$ 6,090,324</u>	<u>\$ 5,665,796</u>
<u>EXPENDITURES</u>				
General Government	\$ 1,548,900	\$ 1,686,100	\$ 1,752,397	\$ 1,259,454
Public Safety	2,660,600	2,766,900	2,739,754	2,602,234
Public Works	583,900	599,400	611,817	556,110
Culture and Recreation	163,800	170,300	160,109	172,053
Economic Development and Assistance	40,900	41,900	40,418	37,830
Intergovernmental Expenditures	272,800	302,800	309,852	295,177
Total Expenditures	<u>\$ 5,270,900</u>	<u>\$ 5,567,400</u>	<u>\$ 5,614,347</u>	<u>\$ 4,922,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 329,600</u>	<u>\$ 355,300</u>	<u>\$ 475,977</u>	<u>\$ 742,938</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	\$ 0	\$ 0	\$ 4,260	\$ 0
Operating Transfers Out	(329,600)	(346,300)	(258,000)	(316,862)
Total Other Financing Sources (Uses)	<u>\$ (329,600)</u>	<u>\$ (346,300)</u>	<u>\$ (253,740)</u>	<u>\$ (316,862)</u>
Net Change in Fund Balance	\$ 0	\$ 9,000	\$ 222,237	\$ 426,076
<u>FUND BALANCE</u> - Beginning of Year	952,634	952,634	1,138,710	712,634
<u>FUND BALANCE</u> - End of Year	<u>\$ 952,634</u>	<u>\$ 961,634</u>	<u>\$ 1,360,947</u>	<u>\$ 1,138,710</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

<u>REVENUES</u>	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
Taxes			
Property Tax	\$ 2,780,000	\$ 2,907,000	\$ 2,967,331
Industrial Facilities Tax	269,000	269,000	204,664
Property Tax Administration Fee	70,600	112,000	111,932
Trailer Park Fees	3,300	3,300	2,103
Penalties and Interest	53,000	53,000	45,919
Payments in Lieu of Tax			
Housing Commission	54,500	54,500	59,154
Community Antenna Television	59,000	77,000	121,399
Total Taxes	<u>\$ 3,289,400</u>	<u>\$ 3,475,800</u>	<u>\$ 3,512,502</u>
Licenses and Permits			
Business Licenses	<u>\$ 1,600</u>	<u>\$ 1,600</u>	<u>\$ 1,390</u>
State Grants			
Sales and Use Tax	\$ 1,060,000	\$ 1,114,700	\$ 1,114,722
Telecommunications Right of Way Maintenance	0	32,000	32,029
Liquor Licenses	7,700	7,700	7,562
MJTC Grant	2,800	2,800	3,542
Total State Grants	<u>\$ 1,070,500</u>	<u>\$ 1,157,200</u>	<u>\$ 1,157,855</u>
Contributions from Local Units			
Fire Protection	\$ 128,000	\$ 128,000	\$ 134,290
Cadillac Area Public Schools - Youth Services Officer	0	40,000	27,646
Total Contributions from Local Units	<u>\$ 128,000</u>	<u>\$ 168,000</u>	<u>\$ 161,936</u>
Charges for Services			
Northflight Ambulance	\$ 45,000	\$ 45,000	\$ 46,350
Zoning Fees	4,200	4,200	4,573
Exemption Certificate Fees	300	1,500	1,850
Police Charges	3,600	3,600	2,479
Rental Housing Ordinance Fees	5,200	6,200	6,490
Engineering Fees	50,000	55,000	74,492

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Solid Waste Collection	367,000	367,000	370,272
Sale of Maps and Ordinances	1,100	1,100	558
Administration	311,400	311,400	311,400
Miscellaneous	0	1,000	1,995
Total Charges for Services	\$ 787,800	\$ 796,000	\$ 820,459
Fines and Forfeits			
Violation Bureau and Ordinance Fines	\$ 28,200	\$ 28,200	\$ 36,247
Interest and Rents			
Interest	\$ 87,500	\$ 67,500	\$ 26,575
Land and Building Rental	3,800	3,800	2,320
Total Interest and Rents	\$ 91,300	\$ 71,300	\$ 28,895
Other Revenue			
Contributions and Donations from Private Sources	\$ 4,100	\$ 10,000	\$ 149,099
Reimbursements - Housing Commission	170,000	200,000	215,538
Sale of Property and Equipment	19,200	9,200	3,059
Miscellaneous (Refunds and Rebates)	10,400	5,400	3,344
Total Other Revenue	\$ 203,700	\$ 224,600	\$ 371,040
TOTAL REVENUES	<u>\$ 5,600,500</u>	<u>\$ 5,922,700</u>	<u>\$ 6,090,324</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
<u>GENERAL GOVERNMENT</u>			
Legislative			
Personal Services	\$ 13,200	\$ 14,000	\$ 13,565
Employee Benefits	1,100	1,100	871
Office Supplies	2,500	2,500	2,309
Dues and Publications	8,400	10,400	10,063
Travel and Education	15,000	19,000	19,011
Ordinances and Proceedings	3,500	3,500	3,779
	<u>\$ 43,700</u>	<u>\$ 50,500</u>	<u>\$ 49,598</u>
Manager			
Personal Services	\$ 107,000	\$ 107,000	\$ 116,463
Employee Benefits	27,000	27,000	17,043
Office Supplies	800	1,500	1,363
Postage	200	200	325
Data Processing	2,600	2,600	2,600
Dues and Publications	2,600	2,600	1,979
Telephone	1,300	1,300	1,517
Travel and Education	5,200	6,200	6,916
Vehicle Lease	5,000	5,000	4,385
	<u>\$ 151,700</u>	<u>\$ 153,400</u>	<u>\$ 152,591</u>
Administrative Service			
Personal Services	\$ 28,500	\$ 33,000	\$ 32,103
Employee Benefits	11,500	11,500	7,502
Office Supplies	1,900	4,900	4,355
Postage	700	700	660
Data Processing	2,600	2,600	2,600
Contractual Services	30,100	47,000	62,769
Dues and Publications	1,500	1,900	1,896
Telephone	600	600	406
Travel and Education	1,500	1,900	1,902
Suggestion Award Program	600	1,200	1,000
	<u>\$ 79,500</u>	<u>\$ 105,300</u>	<u>\$ 115,193</u>
Election			
Personal Services	\$ 3,300	\$ 1,500	\$ 1,000
Office Supplies	6,300	2,300	2,169
	<u>\$ 9,600</u>	<u>\$ 3,800</u>	<u>\$ 3,169</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Finance			
Personal Services	\$ 112,000	\$ 112,000	\$ 112,088
Employee Benefits	33,000	33,000	33,499
Office Supplies	22,000	22,000	11,857
Postage	2,200	2,200	2,126
Data Processing	12,000	12,000	12,000
Audit	7,500	18,500	18,360
Dues and Publications	5,500	6,500	6,471
Telephone	1,000	1,000	804
Travel and Education	6,600	7,600	7,774
Capital Outlay	0	0	9,695
	<u>\$ 201,800</u>	<u>\$ 214,800</u>	<u>\$ 214,674</u>
Assessor			
Employee Benefits	\$ 0	\$ 0	\$ 44
Office Supplies	100	100	45
Postage	1,900	3,900	3,964
Data Processing	30,000	31,400	31,400
Contractual Services	60,000	110,000	109,464
Wexford County Contract	86,000	103,000	102,721
Board of Review	800	800	578
	<u>\$ 178,800</u>	<u>\$ 249,200</u>	<u>\$ 248,216</u>
Legal			
Office Supplies	\$ 2,500	\$ 2,500	\$ 1,700
Contractual Services	72,100	72,100	75,000
Travel and Education	700	700	846
	<u>\$ 75,300</u>	<u>\$ 75,300</u>	<u>\$ 77,546</u>
City Clerk/Treasurer			
Personal Services	\$ 118,600	\$ 120,600	\$ 121,646
Employee Benefits	58,000	58,000	48,218
Office Supplies	2,100	2,100	1,721
Postage	5,000	8,000	5,574
Data Processing	30,000	30,000	30,000
Dues and Publications	800	800	729
Telephone	300	300	0
Travel and Education	2,000	2,000	303
Bad Debt Expense	10,000	10,000	54,685
	<u>\$ 226,800</u>	<u>\$ 231,800</u>	<u>\$ 262,876</u>

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
City Hall			
Personal Services	\$ 40,500	\$ 40,500	\$ 35,604
Employee Benefits	25,000	25,000	29,786
Operating Supplies	12,000	12,000	14,990
Contractual Services	17,000	17,000	14,480
Service Contracts	8,500	8,500	9,309
Insurance	60,000	87,000	88,618
Utilities	70,000	70,000	79,056
Repairs and Maintenance	24,000	24,000	16,791
Equipment Rental	6,100	6,100	3,397
Capital Outlay	131,200	131,200	164,586
Parking Lot	1,800	1,800	1,711
	<u>\$ 396,100</u>	<u>\$ 423,100</u>	<u>\$ 458,328</u>
Engineer			
Personal Services	\$ 104,100	\$ 109,100	\$ 102,233
Employee Benefits	39,000	39,000	38,247
Office Supplies	2,800	3,600	3,273
Postage	200	200	147
Contractual Services	16,700	10,000	10,248
Data Processing	12,000	12,000	12,000
Dues and Publications	1,000	1,000	725
Telephone	600	600	474
Travel and Education	1,100	300	264
Equipment Rental	3,100	3,100	2,595
Capital Outlay	5,000	0	0
	<u>\$ 185,600</u>	<u>\$ 178,900</u>	<u>\$ 170,206</u>
Total General Government	<u>\$ 1,548,900</u>	<u>\$ 1,686,100</u>	<u>\$ 1,752,397</u>

PUBLIC SAFETY

Police

 Personal Services

Supervisory	\$ 133,100	\$ 134,000	\$ 137,559
Regular	610,000	660,000	599,469
Staff	63,000	71,000	72,111
Overtime	74,400	74,400	70,840
Crossing Guards	10,900	10,900	8,040
Volunteers	5,000	5,000	3,545
Summer Patrol	18,000	18,000	18,230

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Employee Benefits	416,000	441,000	476,675
Office Supplies	6,500	8,900	8,940
Operating Supplies	36,500	41,500	43,025
Community Service Supplies	2,000	2,100	2,014
Uniform Cleaning	9,000	9,000	9,175
Data Processing	38,000	38,500	38,500
Dues and Publications	2,100	1,200	1,354
Radio and Equipment Maintenance	3,400	1,800	1,743
Telephone	7,300	5,100	4,560
Travel and Education	32,800	32,200	32,258
Car Allowance	3,000	3,000	2,750
Vehicle Repairs and Maintenance	27,300	25,500	25,819
Uniforms and Maintenance	12,000	12,000	12,400
Equipment Rental	14,300	14,200	13,152
Copier Lease	3,800	3,800	3,561
Capital Outlay	27,900	41,400	40,461
	<u>\$ 1,556,300</u>	<u>\$ 1,654,500</u>	<u>\$ 1,626,181</u>
Fire			
Personal Services			
Supervisory	\$ 30,100	\$ 31,000	\$ 31,559
Regular	455,000	455,000	399,782
Overtime	103,000	103,000	125,918
Volunteers	30,000	30,000	23,960
Employee Benefits	302,000	302,000	342,131
Office Supplies	1,000	1,800	1,610
Operating Supplies	24,000	18,500	18,743
Community Service Supplies	2,500	2,500	2,011
Uniform Cleaning	2,200	2,200	2,100
Subsistence Allowance	10,000	10,000	13,272
Data Processing	6,000	9,600	9,211
Dues and Publications	1,300	2,200	1,645
Radio and Equipment Maintenance	2,800	2,800	2,101
Telephone	3,100	1,500	998
Travel and Education	15,000	13,300	13,304
Vehicle Repairs and Maintenance	16,000	15,600	15,522
Uniforms and Maintenance	13,100	13,100	13,096
Employee Safety	3,200	3,200	3,200

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Capital Outlay	9,800	14,800	15,728
	<u>\$ 1,030,100</u>	<u>\$ 1,032,100</u>	<u>\$ 1,035,891</u>
Planning and Zoning			
Personal Services	\$ 41,500	\$ 44,500	\$ 44,101
Employee Benefits	19,000	19,000	18,146
Office Supplies	1,600	2,000	2,011
Postage	600	600	572
Contractual Services	5,500	7,500	7,678
Data Processing	2,600	2,600	2,600
Dues and Publications	1,200	1,200	314
Telephone	600	600	0
Travel and Education	700	1,400	1,337
Publishing	0	0	46
Equipment Rental	900	900	877
	<u>\$ 74,200</u>	<u>\$ 80,300</u>	<u>\$ 77,682</u>
Total Public Safety	<u>\$ 2,660,600</u>	<u>\$ 2,766,900</u>	<u>\$ 2,739,754</u>
 <u>PUBLIC WORKS</u>			
Miscellaneous			
Personal Services	\$ 3,800	\$ 3,800	\$ 3,882
Employee Benefits	1,900	1,900	2,691
Property Taxes	2,400	2,400	759
Street Lighting	87,000	87,000	86,727
Maintenance of Dam	1,600	1,600	667
Equipment Rental	11,000	11,000	10,921
Hydrant Rental	21,600	21,600	22,610
	<u>\$ 129,300</u>	<u>\$ 129,300</u>	<u>\$ 128,257</u>
Sidewalks			
Personal Services	\$ 10,800	\$ 10,800	\$ 7,203
Employee Benefits	4,000	4,000	4,992
Operating Supplies	1,100	1,100	1,186
Contractual Services	10,800	10,800	7,123
Equipment Rental	10,700	15,000	14,531
	<u>\$ 37,400</u>	<u>\$ 41,700</u>	<u>\$ 35,035</u>
Leaves			
Personal Services	\$ 6,000	\$ 6,000	\$ 5,663
Employee Benefits	3,000	3,000	3,925

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Equipment Rental	30,600	30,600	25,786
	\$ 39,600	\$ 39,600	\$ 35,374
Grass and Weed Control			
Personal Services	\$ 3,400	\$ 5,000	\$ 6,703
Employee Benefits	1,700	1,700	4,645
Equipment Rental	6,200	15,800	21,520
	\$ 11,300	\$ 22,500	\$ 32,868
Composting			
Personal Services	\$ 5,200	\$ 5,200	\$ 4,431
Employee Benefits	2,500	2,500	3,071
Contractual Services	3,400	3,400	0
Equipment Rental	5,000	5,000	3,766
	\$ 16,100	\$ 16,100	\$ 11,268
Waste Removal			
Personal Services	\$ 200	\$ 200	\$ 14
Employee Benefits	100	100	9
Operating Supplies	1,500	1,500	240
Removal Contract	345,000	345,000	365,268
County Landfill Fees	3,300	3,300	3,480
Equipment Rental	100	100	4
	\$ 350,200	\$ 350,200	\$ 369,015
Total Public Works	\$ 583,900	\$ 599,400	\$ 611,817
<u>CULTURE AND RECREATION</u>			
Arts Council	\$ 10,500	\$ 10,500	\$ 10,500
Parks			
Personal Services	58,000	64,500	64,538
Employee Benefits	14,000	14,000	14,867
Operating Supplies	16,000	16,000	13,984
Contractual Services	3,500	3,500	1,960
Telephone	600	600	382
Travel and Education	200	200	0
Utilities	15,300	15,300	11,794
Repairs and Maintenance	17,600	17,600	15,183
Equipment Rental	12,000	12,000	12,471
Building Rental	1,100	1,100	1,100

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2004

	<u>BUDGET</u>		<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	
Capital Outlay	15,000	15,000	13,330
Total Culture and Recreation	\$ 163,800	\$ 170,300	\$ 160,109
 <u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u>			
Community Promotions			
Personal Services	\$ 11,000	\$ 11,000	\$ 11,023
Employee Benefits	5,500	5,500	7,640
Operating Supplies	2,000	2,000	1,634
Newsletter	3,500	3,500	3,400
Contractual Services	4,800	4,800	4,768
Utilities	3,100	3,100	1,801
Equipment Rental	9,000	9,000	7,160
Special Projects	1,000	2,000	1,992
Chamber of Commerce	1,000	1,000	1,000
Total Economic Development and Assistance	\$ 40,900	\$ 41,900	\$ 40,418
 <u>INTERGOVERNMENTAL EXPENDITURES</u>			
Recreation			
Cadillac Community Schools Recreation Program	\$ 66,200	\$ 66,200	\$ 66,100
Wexford County Swimmers' Itch Control Program	5,500	5,500	0
Housing			
Cadillac Housing Commission	170,000	200,000	212,681
Airport			
Wexford County Airport Authority	30,200	30,200	30,200
Clam Lake Township	900	900	871
Total Intergovernmental Expenditures	\$ 272,800	\$ 302,800	\$ 309,852
TOTAL EXPENDITURES	\$ 5,270,900	\$ 5,567,400	\$ 5,614,347
 <u>OTHER FINANCING USES</u>			
Transfers Out			
Sick and Vacation Funding	\$ 10,600	\$ 27,300	\$ 0
Local Street Fund	258,000	258,000	258,000
Policemen and Firemen Retirement Fund	61,000	61,000	0
	\$ 329,600	\$ 346,300	\$ 258,000

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 30,903	\$ 42,910
Investments	168,070	278,908
Receivables		
Accrued Interest	3,937	6,599
Due from Other Funds	46,514	72,145
Due from Other Governments	106,472	110,967
Prepaid Expenditures	827	176
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 356,723</u>	<u>\$ 511,705</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 4,212	\$ 1,309
Accrued Expenditures	3,096	318
Due to Other Funds	20,242	146,489
	<hr/>	<hr/>
Total Liabilities	<u>\$ 27,550</u>	<u>\$ 148,116</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 827	\$ 176
Unreserved		
Designated for Street Improvements	328,346	363,413
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 329,173</u>	<u>\$ 363,589</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 356,723</u>	<u>\$ 511,705</u>

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	BUDGET		2004	2003
	ORIGINAL	FINAL	ACTUAL	ACTUAL
<u>REVENUES</u>				
Federal Construction Grant	\$ 0	\$ 0	\$ 0	\$ 438,609
State Grants				
Motor Vehicle Highway Fund (Act 51)	480,000	480,000	532,359	483,700
State Trunkline Maintenance	108,200	108,200	99,688	111,952
Contributions from Local Units				
D.D.A. Capital Projects	0	0	4,220	0
Interest and Rents				
Interest	12,000	12,000	0	16,871
Total Revenues	<u>\$ 600,200</u>	<u>\$ 600,200</u>	<u>\$ 636,267</u>	<u>\$ 1,051,132</u>
<u>EXPENDITURES</u>				
Major Streets				
Construction - Streets	\$ 79,000	\$ 79,000	\$ 86,799	\$ 582,424
Surface Maintenance				
Personal Services	\$ 24,400	\$ 18,100	\$ 14,018	\$ 11,616
Employee Benefits	12,200	12,200	9,715	6,381
Materials	11,000	11,000	7,243	11,192
Equipment Rental	12,500	12,500	10,216	10,295
	<u>\$ 60,100</u>	<u>\$ 53,800</u>	<u>\$ 41,192</u>	<u>\$ 39,484</u>
Sweeping and Flushing				
Personal Services	\$ 4,800	\$ 4,800	\$ 3,183	\$ 2,849
Employee Benefits	2,400	2,400	2,206	1,565
Equipment Rental	29,500	19,500	17,926	17,984
	<u>\$ 36,700</u>	<u>\$ 26,700</u>	<u>\$ 23,315</u>	<u>\$ 22,398</u>
Forestry				
Personal Services	\$ 17,500	\$ 17,500	\$ 10,328	\$ 11,279
Employee Benefits	8,800	8,800	7,158	6,196
Materials	2,000	2,000	2,959	2,275
Contractual Services	800	800	0	0
Repairs and Maintenance	0	0	0	118

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	BUDGET		2004	2003
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Travel and Education	700	700	643	0
Equipment Rental	12,300	14,300	16,128	16,189
	\$ 42,100	\$ 44,100	\$ 37,216	\$ 36,057
Catch Basins				
Personal Services	\$ 5,400	\$ 5,400	\$ 2,662	\$ 1,463
Employee Benefits	2,700	2,700	1,845	654
Materials	5,000	5,000	75	4,341
Contractual Services	7,000	7,000	2,000	3,103
Equipment Rental	7,400	7,400	6,200	1,362
	\$ 27,500	\$ 27,500	\$ 12,782	\$ 10,923
Drainage				
Personal Services	\$ 4,100	\$ 5,100	\$ 6,404	\$ 3,384
Employee Benefits	2,100	2,100	4,438	1,859
Materials	100	100	0	0
Equipment Rental	1,200	3,200	2,430	1,906
	\$ 7,500	\$ 10,500	\$ 13,272	\$ 7,149
Traffic Services				
Personal Services	\$ 12,800	\$ 12,800	\$ 7,952	\$ 10,992
Employee Benefits	6,400	6,400	5,511	6,038
Materials	11,000	11,000	13,368	10,316
Equipment Rental	5,600	5,600	3,785	5,612
Contractual Services	21,000	16,000	15,378	17,362
	\$ 56,800	\$ 51,800	\$ 45,994	\$ 50,320
Winter Maintenance				
Personal Services	\$ 20,100	\$ 20,100	\$ 19,797	\$ 18,468
Employee Benefits	10,100	10,100	13,720	10,145
Materials	13,400	13,400	11,750	15,272
Equipment Rental	36,300	52,300	55,709	53,544
	\$ 79,900	\$ 95,900	\$ 100,976	\$ 97,429
Administration				
Personal Services	\$ 39,400	\$ 39,400	\$ 37,797	\$ 31,626
Employee Benefits	14,300	14,300	13,394	17,373
Audit	1,800	1,800	1,800	1,875

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	BUDGET		2004	2003
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Data Processing	13,900	13,900	13,900	13,900
Office Supplies	0	0	528	0
Travel and Education	1,400	1,400	335	0
Equipment Rental	5,800	5,800	6,518	8,036
Administrative	33,200	33,200	33,200	32,300
	<u>\$ 109,800</u>	<u>\$ 109,800</u>	<u>\$ 107,472</u>	<u>\$ 105,110</u>
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	\$ 1,900	\$ 1,900	\$ 491	\$ 828
Employee Benefits	1,000	1,000	341	455
Materials	1,300	1,300	354	322
Equipment Rental	1,200	1,200	456	1,328
	<u>\$ 5,400</u>	<u>\$ 5,400</u>	<u>\$ 1,642</u>	<u>\$ 2,933</u>
Sweeping and Flushing				
Personal Services	\$ 300	\$ 300	\$ 544	\$ 510
Employee Benefits	200	200	377	280
Equipment Rental	1,300	1,300	2,554	2,703
	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 3,475</u>	<u>\$ 3,493</u>
Winter Maintenance				
Personal Services	\$ 18,800	\$ 18,800	\$ 14,612	\$ 14,973
Employee Benefits	9,400	9,400	10,127	8,225
Materials	20,000	15,000	12,957	20,082
Equipment Rental	30,000	30,000	28,632	32,518
	<u>\$ 78,200</u>	<u>\$ 73,200</u>	<u>\$ 66,328</u>	<u>\$ 75,798</u>
Traffic Signals				
Utilities	\$ 7,800	\$ 7,800	\$ 6,748	\$ 6,893
Drainage				
Personal Services	\$ 1,200	\$ 1,200	\$ 491	\$ 355
Employee Benefits	600	600	561	195
Materials	500	500	0	3,212
Repairs and Maintenance	500	500	0	0

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	BUDGET		2004	2003
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Equipment Rental	100	100	11	11
Contractual Services	1,000	1,000	3,397	9,928
	\$ 3,900	\$ 3,900	\$ 4,460	\$ 13,701
Snow Hauling				
Personal Services	\$ 3,600	\$ 5,600	\$ 3,796	\$ 2,292
Employee Benefits	1,800	1,800	2,631	1,259
Equipment Rental	5,700	8,700	7,085	4,440
	\$ 11,100	\$ 16,100	\$ 13,512	\$ 7,991
Total Expenditures	\$ 607,600	\$ 607,300	\$ 565,183	\$ 1,062,103
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,400)	\$ (7,100)	\$ 71,084	\$ (10,971)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)				
1990 Michigan Transportation Fund Debt Retirement Fund	\$ (38,100)	\$ (37,800)	\$ (38,600)	\$ (35,000)
Local Street Fund	(66,900)	(66,900)	(66,900)	(66,900)
Net Other Financing Sources (Uses)	\$ (105,000)	\$ (104,700)	\$ (105,500)	\$ (101,900)
Net Change in Fund Balance	\$ (112,400)	\$ (111,800)	\$ (34,416)	\$ (112,871)
<u>FUND BALANCE</u> - Beginning of Year	285,460	285,460	363,589	476,460
<u>FUND BALANCE</u> - End of Year	\$ 173,060	\$ 173,660	\$ 329,173	\$ 363,589

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 3,760	\$ 1,293
Due from Other Funds	235,293	58,989
Due from Other Governments	35,261	33,447
Prepaid Expenditures	769	152
	<hr/>	<hr/>
TOTAL ASSETS	\$ 275,083	\$ 93,881
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 155	\$ 0
Accrued Expenditures	5,762	4,273
Due to Other Funds	265,539	88,598
	<hr/>	<hr/>
Total Liabilities	\$ 271,456	\$ 92,871
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 769	\$ 152
Unreserved		
Designated for Street Improvements	2,858	858
	<hr/>	<hr/>
Total Fund Balance	\$ 3,627	\$ 1,010
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 275,083	\$ 93,881
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>BUDGET</u>		<u>2004</u>	<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>				
Federal Grants				
MDOT - Street Improvements	\$ 0	\$ 0	\$ 64,982	\$ 0
State Grants				
Parks and Recreation Grant	40,000	40,000	48,618	0
Motor Vehicle Highway Fund (Act 51)	192,000	192,000	207,474	193,714
Interest and Rents				
Interest	100	100	241	497
	<u>\$ 232,100</u>	<u>\$ 232,100</u>	<u>\$ 321,315</u>	<u>\$ 194,211</u>
<u>EXPENDITURES</u>				
Street Construction				
Operating Supplies	\$ 0	\$ 0	\$ 67	\$ 0
Contractual Services	455,000	455,000	497,725	513,986
	<u>\$ 455,000</u>	<u>\$ 455,000</u>	<u>\$ 497,792</u>	<u>\$ 513,986</u>
Surface Maintenance				
Personal Services	\$ 25,400	\$ 22,400	\$ 15,087	\$ 19,180
Employee Benefits	12,700	12,700	10,457	10,536
Materials	17,100	16,100	8,729	19,797
Equipment Rental	22,100	22,100	18,367	20,349
	<u>\$ 77,300</u>	<u>\$ 73,300</u>	<u>\$ 52,640</u>	<u>\$ 69,862</u>
Sweeping and Flushing				
Personal Services	\$ 8,400	\$ 7,600	\$ 5,546	\$ 5,600
Employee Benefits	4,200	4,200	3,844	3,076
Equipment Rental	51,400	41,400	30,805	34,992
	<u>\$ 64,000</u>	<u>\$ 53,200</u>	<u>\$ 40,195</u>	<u>\$ 43,668</u>
Forestry				
Personal Services	\$ 42,000	\$ 42,000	\$ 23,081	\$ 26,030
Employee Benefits	21,000	21,000	15,996	14,299
Materials	4,400	4,400	4,169	2,914
Contractual Services	1,700	1,700	1,550	2,100
Equipment Rental	28,800	28,800	30,311	33,566
	<u>\$ 97,900</u>	<u>\$ 97,900</u>	<u>\$ 75,107</u>	<u>\$ 78,909</u>

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>BUDGET</u>		<u>2004</u>	<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Catch Basins				
Personal Services	\$ 17,100	\$ 17,100	\$ 18,028	\$ 12,048
Employee Benefits	8,600	8,600	10,306	1,398
Materials	2,100	2,100	89	7,267
Contractual Services	6,000	6,000	3,075	697
Utilities	400	400	463	381
Equipment Rental	18,400	18,400	15,555	4,995
	<u>\$ 52,600</u>	<u>\$ 52,600</u>	<u>\$ 47,516</u>	<u>\$ 26,786</u>
Drainage				
Personal Services	\$ 9,700	\$ 9,700	\$ 9,924	\$ 5,403
Employee Benefits	4,900	4,900	6,878	2,968
Materials	300	300	0	0
Equipment Rental	2,600	2,600	4,276	3,247
	<u>\$ 17,500</u>	<u>\$ 17,500</u>	<u>\$ 21,078</u>	<u>\$ 11,618</u>
Traffic Services				
Personal Services	\$ 10,000	\$ 10,000	\$ 10,695	\$ 7,855
Employee Benefits	5,000	5,000	7,412	4,315
Materials	2,400	3,400	3,208	1,815
Contractual Services	300	300	300	0
Equipment Rental	2,600	4,600	4,279	3,422
	<u>\$ 20,300</u>	<u>\$ 23,300</u>	<u>\$ 25,894</u>	<u>\$ 17,407</u>
Winter Maintenance				
Personal Services	\$ 18,300	\$ 18,300	\$ 14,851	\$ 13,823
Employee Benefits	9,200	9,200	10,292	7,593
Materials	9,800	9,800	7,612	11,049
Equipment Rental	33,200	45,000	51,193	46,987
	<u>\$ 70,500</u>	<u>\$ 82,300</u>	<u>\$ 83,948</u>	<u>\$ 79,452</u>
Administration				
Personal Services	\$ 35,300	\$ 35,300	\$ 34,172	\$ 33,019
Employee Benefits	12,700	12,700	11,875	18,138
Audit	1,600	1,600	1,650	1,760
Office Supplies	0	0	24	0
Data Processing	10,500	10,500	10,500	10,500

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>BUDGET</u>		<u>2004</u>	<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Equipment Rental	5,800	5,800	5,743	7,692
Administrative	30,000	30,000	30,000	28,300
	<u>\$ 95,900</u>	<u>\$ 95,900</u>	<u>\$ 93,964</u>	<u>\$ 99,409</u>
 Total Expenditures	 <u>\$ 951,000</u>	 <u>\$ 951,000</u>	 <u>\$ 938,134</u>	 <u>\$ 941,097</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (718,900)</u>	 <u>\$ (718,900)</u>	 <u>\$ (616,819)</u>	 <u>\$ (746,886)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Loan Proceeds	\$ 233,000	\$ 233,000	\$ 235,000	\$ 0
Transfers In (Out)				
General Fund	258,000	258,000	258,000	313,700
Special Assessments Capital Projects Fund	182,000	182,000	0	82,760
Capital Projects Trust Fund	10,000	10,000	10,000	0
James E. Potvin Industrial Park Fund	0	0	0	353,632
Major Street Fund	66,900	66,900	66,900	66,900
Upper Clam River Watershed Fund	0	0	135,736	0
1997 Michigan Transportation Fund Debt Retirement Fund	(13,900)	(13,900)	(13,900)	(10,000)
1992 Michigan Transportation Fund Debt Retirement Fund	0	0	0	(150)
1996 Michigan Transportation Fund Debt Retirement Fund	(24,000)	(24,000)	(29,200)	(25,000)
1993 Michigan Transportation Fund Debt Retirement Fund	(17,800)	(17,800)	(17,800)	(18,000)
2000 Michigan Transportation Fund Debt Retirement Fund	(25,300)	(25,300)	(25,300)	(26,000)
	<u>\$ 668,900</u>	<u>\$ 668,900</u>	<u>\$ 619,436</u>	<u>\$ 737,842</u>
 Net Other Financing Sources (Uses)	 <u>\$ 668,900</u>	 <u>\$ 668,900</u>	 <u>\$ 619,436</u>	 <u>\$ 737,842</u>
 Net Change In Fund Balance	 <u>\$ (50,000)</u>	 <u>\$ (50,000)</u>	 <u>\$ 2,617</u>	 <u>\$ (9,044)</u>
 <u>FUND BALANCE</u> - Beginning of Year	 <u>52,654</u>	 <u>52,654</u>	 <u>1,010</u>	 <u>10,054</u>
 <u>FUND BALANCE</u> - End of Year	 <u>\$ 2,654</u>	 <u>\$ 2,654</u>	 <u>\$ 3,627</u>	 <u>\$ 1,010</u>

MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

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

BUILDING AUTHORITY OPERATING FUND

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

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 136,153	\$ 74,634
Investments	1,259,154	2,434,775
Receivables		
Accounts	235,719	225,972
Unbilled Services	233,568	245,171
Accrued Interest	34,517	28,659
Cylinder Deposits	10,500	10,500
Due from Other Funds	57,840	6,077
Due from Other Governments	24,086	50,408
Inventory, At Cost	180,972	181,344
Prepaid Expense	11,402	25,666
	<hr/>	<hr/>
Total Current Assets	\$ 2,183,911	\$ 3,283,206
 <u>NONCURRENT ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Investments		
Bond Reserve Account	\$ 1,375,543	\$ 1,464,203
Bond Replacement Account	409,552	410,711
	<hr/>	<hr/>
Total Restricted Assets	\$ 1,785,095	\$ 1,874,914
 <u>CAPITAL ASSETS</u>		
Land and Land Improvements	\$ 124,058	\$ 124,058
Buildings	912,022	916,952
Improvements Other than Buildings	27,025,957	25,108,306
Machinery and Equipment	998,711	1,102,367
Construction Work in Progress	75,129	551,632
	<hr/>	<hr/>
	\$ 29,135,877	\$ 27,803,315
Less Accumulated Depreciation	10,954,069	10,350,407
	<hr/>	<hr/>
Net Fixed Assets	\$ 18,181,808	\$ 17,452,908
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	\$ 165,693	\$ 185,262
	<hr/>	<hr/>
Total Noncurrent Assets	\$ 20,132,596	\$ 19,513,084
	<hr/>	<hr/>
TOTAL ASSETS	\$ 22,316,507	\$ 22,796,290

	<u>2004</u>	<u>2003</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 55,160	\$ 216,332
Accrued Interest	130,385	135,711
Other Accrued Expenses	169,295	154,377
Due to Other Funds	71,749	20,280
Utility Deposits	1,815	971
Current Portion of Revenue Bonds	335,000	330,000
	<hr/>	
Total Current Liabilities	\$ 763,404	\$ 857,671
	<hr/>	
<u>LONG-TERM LIABILITIES</u>		
1993 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	\$ 593,321	\$ 766,345
1995 Revenue Bonds	280,000	360,000
1999 Revenue and Refunding Bonds (Net of Deferred Refunding Amount)	1,529,333	1,586,180
2001 Revenue Bonds (Net of Deferred Refunding Amount)	5,098,088	5,098,758
	<hr/>	
Total Long-Term Liabilities	\$ 7,500,742	\$ 7,811,283
	<hr/>	
TOTAL LIABILITIES	\$ 8,264,146	\$ 8,668,954
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 10,346,066	\$ 9,175,914
Unrestricted	1,785,095	1,874,914
	1,921,200	3,076,508
	<hr/>	
TOTAL NET ASSETS	\$ 14,052,361	\$ 14,127,336
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

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

	2004	2003
<u>OPERATING REVENUES</u>		
Sewer Charges to Customers	\$ 1,937,225	\$ 1,860,948
Water Charges to Customers	966,279	944,541
Fire Protection	66,380	60,824
Hydrant Rental	22,700	21,691
Hazardous Waste Removal	0	21,769
Sales of Services and Materials	265,958	127,073
	<u>\$ 3,258,542</u>	<u>\$ 3,036,846</u>
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 670,610	\$ 647,137
Contractual Services	405,856	405,338
Supplies	289,616	330,795
Heat, Light and Power	241,995	206,925
Depreciation and Amortization	750,380	690,602
Employee Benefits	412,674	352,659
Administrative	172,000	168,300
	<u>\$ 2,943,131</u>	<u>\$ 2,801,756</u>
Total Operating Expenses		
	<u>\$ 2,943,131</u>	<u>\$ 2,801,756</u>
Operating Income	<u>\$ 315,411</u>	<u>\$ 235,090</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 62,160	\$ 51,149
Interest and Fiscal Charges	(416,516)	(435,042)
Loss on Sale of Assets	(36,030)	0
State Wellhead Protection Grant	0	50,000
	<u>\$ (390,386)</u>	<u>\$ (333,893)</u>
Total Nonoperating Revenues (Expenses)		
	<u>\$ (390,386)</u>	<u>\$ (333,893)</u>
Income (Loss) Before Transfers	<u>\$ (74,975)</u>	<u>\$ (98,803)</u>
<u>TRANSFERS</u>		
Transfers In - Potvin Industrial Park Fund	0	234,856
	<u>\$ (74,975)</u>	<u>\$ 136,053</u>
Change in Net Assets		
	<u>\$ (74,975)</u>	<u>\$ 136,053</u>
<u>TOTAL NET ASSETS</u> - Beginning of Year	<u>14,127,336</u>	<u>13,991,283</u>
<u>TOTAL NET ASSETS</u> - End of Year	<u>\$ 14,052,361</u>	<u>\$ 14,127,336</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 3,200,191	\$ 3,211,728
Cash Payments to Suppliers for Goods and Services	(1,616,364)	(1,220,924)
Cash Payments to Employees for Services	(655,692)	(632,929)
Net Cash Provided by Operating Activities	<u>\$ 928,135</u>	<u>\$ 1,357,875</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (1,492,254)	\$ (2,570,356)
Grant Proceeds	34,766	0
Principal Paid on Bonds	(330,000)	(310,000)
Interest Paid on Bonds	(400,870)	(415,777)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>\$ (2,188,358)</u>	<u>\$ (3,296,133)</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 56,302	\$ 58,901
Purchase of Investment Securities	(1,202,489)	(793,901)
Proceeds from Sale and Maturities of Investment Securities	2,467,929	2,701,927
Net Cash Provided (Used) by Investing Activities	<u>\$ 1,321,742</u>	<u>\$ 1,966,927</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 61,519	\$ 28,669
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>74,634</u>	<u>45,965</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 136,153</u>	<u>\$ 74,634</u>
<u>SIGNIFICANT NONCASH TRANSACTIONS</u>		
Contributed Investment in System	\$ 0	\$ 234,856

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 315,411	\$ 235,090
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities		
Depreciation and Amortization	\$ 750,380	\$ 690,602
(Increase) Decrease in Current Assets		
Accounts Receivable	1,856	173,978
Due from Other Funds	(51,763)	176,114
Due from Other Governments	(8,444)	5,199
Inventory	372	19,162
Prepaid Expense	14,264	(22,710)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(161,172)	132,983
Other Accrued Expenses	14,918	14,208
Due to Other Funds	51,469	(67,722)
Utility Deposits	844	971
Total Adjustments	<u>\$ 612,724</u>	<u>\$ 1,122,785</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 928,135</u></u>	<u><u>\$ 1,357,875</u></u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>ADMINISTRATIVE</u>			
Personal Services	\$ 270,000	\$ 256,309	\$ 243,673
Employee Benefits	100,000	157,725	139,980
Office Supplies	8,500	7,051	9,251
Postage	9,900	10,586	10,080
Safety Supplies	3,500	3,241	4,215
Property Taxes	7,100	7,017	7,017
Contractual Services	47,300	55,459	41,631
Engineering Fees	25,000	18,168	7,184
Legal Fees	5,000	7,127	0
Audit	4,500	4,800	4,500
State Mandated Fees	11,500	19,941	12,885
Data Processing	38,000	38,000	33,800
Bad Debt Expenses	200	1,051	5,389
Insurance	37,000	22,420	37,093
Dues and Publications	3,100	2,689	3,246
Repairs and Maintenance	1,300	995	64
Telephone	3,600	2,501	2,972
Alarm System	5,500	4,188	5,255
Travel and Education	7,000	7,361	8,305
Employee Safety	1,200	1,501	1,292
Public Relations	800	796	206
Grant Match	12,000	0	0
Administration	172,000	172,000	168,300
	<u>\$ 774,000</u>	<u>\$ 800,926</u>	<u>\$ 746,338</u>
<u>BUILDINGS AND WATER TANK</u>			
Personal Services	\$ 12,400	\$ 16,409	\$ 5,261
Employee Benefits	3,900	10,098	2,770
Operating Supplies	8,800	10,507	12,136
Repairs and Maintenance	2,000	137	879
	<u>\$ 27,100</u>	<u>\$ 37,151</u>	<u>\$ 21,046</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>GENERAL STREET EXPENSE</u>			
Personal Services	\$ 1,500	\$ 144	\$ 404
Employee Benefits	700	89	212
Operating Supplies	5,300	16,217	12,428
Contractual Services	26,000	8,209	23,860
	<u>\$ 33,500</u>	<u>\$ 24,659</u>	<u>\$ 36,904</u>
<u>METER READING AND COLLECTION</u>			
Personal Services	\$ 26,500	\$ 18,341	\$ 16,531
Employee Benefits	12,200	11,287	8,702
Operating Supplies	300	0	0
	<u>\$ 39,000</u>	<u>\$ 29,628</u>	<u>\$ 25,233</u>
<u>CUSTOMER SERVICES</u>			
Personal Services	\$ 13,500	\$ 5,282	\$ 5,545
Employee Benefits	6,200	3,251	2,919
	<u>\$ 19,700</u>	<u>\$ 8,533</u>	<u>\$ 8,464</u>
<u>PUMPING STATION</u>			
Personal Services	\$ 9,500	\$ 6,699	\$ 3,684
Employee Benefits	4,400	4,122	1,940
Operating Supplies	7,500	6,534	9,600
Chemicals	20,500	17,490	16,696
Laboratory Control	23,500	23,993	20,393
Utilities	91,600	95,682	90,902
Repairs and Maintenance	1,800	1,433	1,250
	<u>\$ 158,800</u>	<u>\$ 155,953</u>	<u>\$ 144,465</u>
<u>MAINTENANCE - MAINS AND HYDRANTS</u>			
Personal Services	\$ 54,200	\$ 61,212	\$ 58,923
Employee Benefits	24,900	37,668	31,019

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
Operating Supplies	19,500	31,602	36,730
Contractual Services	5,000	2,628	8,263
	<u>\$ 103,600</u>	<u>\$ 133,110</u>	<u>\$ 134,935</u>
 <u>MAINTENANCE - SERVICE CONNECTIONS</u>			
Personal Services	\$ 4,500	\$ 5,906	\$ 7,185
Employee Benefits	2,100	3,634	3,783
Operating Supplies	4,400	5,700	9,014
Contractual Services	0	0	9,250
Repairs and Maintenance	200	0	0
	<u>\$ 11,200</u>	<u>\$ 15,240</u>	<u>\$ 29,232</u>
 <u>METER - OPERATIONS</u>			
Personal Services	\$ 73,300	\$ 78,676	\$ 80,331
Employee Benefits	33,700	48,415	42,290
Operating Supplies	12,000	21,415	22,710
	<u>\$ 119,000</u>	<u>\$ 148,506</u>	<u>\$ 145,331</u>
 <u>WELLS AND WELL FIELDS</u>			
Personal Services	\$ 6,500	\$ 2,877	\$ 1,406
Employee Benefits	3,000	1,770	740
Operating Supplies	2,500	2,270	3,053
Contractual Services	16,500	16,562	18,329
Repairs and Maintenance	12,500	12,615	3,037
	<u>\$ 41,000</u>	<u>\$ 36,094</u>	<u>\$ 26,565</u>
 <u>NEW SERVICES</u>			
Personal Services	\$ 4,500	\$ 1,818	\$ 3,720
Employee Benefits	2,100	1,119	1,958
Operating Supplies	14,400	20,538	28,510
Contractual Services	1,400	600	1,003
	<u>\$ 22,400</u>	<u>\$ 24,075</u>	<u>\$ 35,191</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>PRELIMINARY TREATMENT</u>			
Personal Services	\$ 6,300	\$ 8,471	\$ 8,743
Employee Benefits	2,900	5,213	4,602
Operating Supplies	500	559	998
Utilities	2,300	1,572	2,413
Repairs and Maintenance	800	12,960	1,091
	<u>\$ 12,800</u>	<u>\$ 28,775</u>	<u>\$ 17,847</u>
<u>PRIMARY TREATMENT</u>			
Personal Services	\$ 12,300	\$ 11,229	\$ 11,270
Employee Benefits	5,700	6,910	5,933
Operating Supplies	300	281	50
Repairs and Maintenance	200	228	49
	<u>\$ 18,500</u>	<u>\$ 18,648</u>	<u>\$ 17,302</u>
<u>SECONDARY TREATMENT</u>			
Personal Services	\$ 15,000	\$ 11,110	\$ 12,088
Employee Benefits	6,900	6,837	6,364
Operating Supplies	1,800	1,925	3,735
Utilities	40,500	39,291	36,268
Repairs and Maintenance	500	463	141
	<u>\$ 64,700</u>	<u>\$ 59,626</u>	<u>\$ 58,596</u>
<u>TERTIARY TREATMENT</u>			
Personal Services	\$ 12,000	\$ 11,677	\$ 10,589
Employee Benefits	5,500	7,185	5,575
Operating Supplies	3,000	2,281	1,484
Utilities	22,500	22,003	20,401
Repairs and Maintenance	7,500	7,906	2,669
	<u>\$ 50,500</u>	<u>\$ 51,052</u>	<u>\$ 40,718</u>

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>SLUDGE TREATMENT AND DISPOSAL</u>			
Personal Services	\$ 27,500	\$ 24,877	\$ 25,438
Employee Benefits	12,700	15,309	13,391
Operating Supplies	3,500	5,982	5,087
Laboratory Control	4,800	6,955	4,447
Injection Contract Costs	36,000	35,050	32,700
Utilities	4,200	3,929	3,649
Repairs and Maintenance	4,100	5,455	4,671
	<u>\$ 92,800</u>	<u>\$ 97,557</u>	<u>\$ 89,383</u>
<u>NUTRIENT REMOVAL</u>			
Personal Services	\$ 10,000	\$ 7,499	\$ 7,207
Employee Benefits	4,600	4,615	3,794
Operating Supplies	3,200	171	1,450
Chemicals	31,000	38,296	29,477
Repairs and Maintenance	1,300	1,064	366
	<u>\$ 50,100</u>	<u>\$ 51,645</u>	<u>\$ 42,294</u>
<u>EFFLUENT DISPOSAL</u>			
Personal Services	\$ 10,800	\$ 12,323	\$ 12,336
Employee Benefits	5,000	7,583	6,494
Operating Supplies	7,900	7,341	9,683
Chemicals	12,000	11,566	37,611
Laboratory Control	7,500	8,392	7,160
Repairs and Maintenance	4,000	3,106	2,217
	<u>\$ 47,200</u>	<u>\$ 50,311</u>	<u>\$ 75,501</u>
<u>INDUSTRIAL SURVEILLANCE</u>			
Personal Services	\$ 17,300	\$ 11,642	\$ 11,570
Employee Benefits	8,000	7,164	6,091

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
Operating Supplies	3,000	509	896
Laboratory Control	3,700	4,420	1,608
Repairs and Maintenance	400	226	18
	<u>\$ 32,400</u>	<u>\$ 23,961</u>	<u>\$ 20,183</u>
 <u>BUILDINGS AND GROUNDS</u>			
Personal Services	\$ 52,500	\$ 47,775	\$ 38,777
Employee Benefits	21,500	29,400	20,692
Operating Supplies	17,700	20,362	24,071
Utilities	39,000	47,169	35,998
Repairs and Maintenance	9,000	11,466	14,081
	<u>\$ 139,700</u>	<u>\$ 156,172</u>	<u>\$ 133,619</u>
 <u>SANITARY SEWERS</u>			
Personal Services	\$ 45,000	\$ 21,552	\$ 36,246
Employee Benefits	20,700	13,262	19,081
Operating Supplies	6,400	4,401	12,847
Contractual Services	29,600	8,807	22,667
Repairs and Maintenance	600	0	1,206
	<u>\$ 102,300</u>	<u>\$ 48,022</u>	<u>\$ 92,047</u>
 <u>LIFT STATIONS</u>			
Personal Services	\$ 26,500	\$ 18,769	\$ 18,172
Employee Benefits	12,200	11,550	9,567
Operating Supplies	4,300	5,888	3,259
Disposal Fees	1,300	407	1,152
Utilities	18,500	32,350	17,293
Repairs and Maintenance	8,500	13,706	21,960
	<u>\$ 71,300</u>	<u>\$ 82,670</u>	<u>\$ 71,403</u>
 <u>VEHICLES - WATER</u>			
Personal Services	\$ 1,100	\$ 1,394	\$ 1,293

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
Employee Benefits	500	858	681
Operating Supplies	1,300	492	388
Fuel and Oil	2,700	2,947	2,536
Repairs and Maintenance	5,200	2,545	3,538
	<u>\$ 10,800</u>	<u>\$ 8,236</u>	<u>\$ 8,436</u>
 <u>VEHICLES - DISTRIBUTION</u>			
Personal Services	\$ 300	\$ 0	\$ 0
Employee Benefits	100	0	0
Operating Supplies	500	1,018	592
Fuel and Oil	9,500	10,225	8,788
Repairs and Maintenance	12,200	15,723	18,279
	<u>\$ 22,600</u>	<u>\$ 26,966</u>	<u>\$ 27,659</u>
 <u>LABORATORY</u>			
Personal Services	\$ 34,800	\$ 28,617	\$ 26,746
Employee Benefits	16,000	17,610	14,080
Operating Supplies	17,800	19,923	11,924
Repairs and Maintenance	5,600	6,509	7,263
Equipment Rental	1,100	1,176	1,604
Research and Development	1,000	1,400	845
	<u>\$ 76,300</u>	<u>\$ 75,235</u>	<u>\$ 62,462</u>
 <u>OTHER EXPENSE</u>			
Depreciation and Amortization	<u>\$ 635,000</u>	<u>\$ 750,380</u>	<u>\$ 690,602</u>
 TOTAL OPERATING EXPENSES	 <u><u>\$ 2,776,300</u></u>	 <u><u>\$ 2,943,131</u></u>	 <u><u>\$ 2,801,756</u></u>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 1,185	\$ 2,348
Investments	123,474	120,192
Receivables		
Interest	1,701	1,999
Prepaid Expense	1,425	527
	<hr/>	<hr/>
Total Current Assets	\$ 127,785	\$ 125,066
 <u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 90,445	\$ 90,445
Buildings	1,699,011	1,699,011
	<hr/>	<hr/>
	\$ 1,789,456	\$ 1,789,456
Less Accumulated Depreciation	288,832	254,852
	<hr/>	<hr/>
Net Fixed Assets	\$ 1,500,624	\$ 1,534,604
 <u>OTHER ASSETS</u>		
Deferred Charge - Bond Issuance Costs	29,492	33,564
	<hr/>	<hr/>
Total Noncurrent Assets	\$ 1,530,116	\$ 1,568,168
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,657,901	\$ 1,693,234
	<hr/>	<hr/>

	<u>2004</u>	<u>2003</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 4,964	\$ 2,602
Accrued Interest	15,796	17,026
Due to Other Funds	0	8,084
Due to Other Governments	2,374	0
Current Portion of Revenue Bonds	90,000	85,000
	<hr/>	
Total Current Liabilities	\$ 113,134	\$ 112,712
	<hr/>	
<u>LONG-TERM LIABILITIES</u>		
1994 Revenue Bonds	\$ 80,000	\$ 155,000
1999 Revenue Refunding Bonds	1,195,000	1,210,000
	<hr/>	
Total Long-Term Liabilities	\$ 1,275,000	\$ 1,365,000
	<hr/>	
TOTAL LIABILITIES	\$ 1,388,134	\$ 1,477,712
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 135,624	\$ 84,604
Unrestricted	134,143	130,918
	<hr/>	
TOTAL NET ASSETS	\$ 269,767	\$ 215,522
	<hr/> <hr/>	

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Building Rental	\$ 195,870	\$ 195,870
<u>OPERATING EXPENSES</u>		
Contractual Services	\$ 18,707	\$ 26,081
Supplies	0	29
Audit	900	1,060
Insurance	527	542
Building Maintenance	13,746	3,892
Utilities	2,318	1,981
Depreciation and Amortization	38,052	38,088
Administration	5,000	5,000
Total Operating Expenses	<u>\$ 79,250</u>	<u>\$ 76,673</u>
Operating Income (Loss)	<u>\$ 116,620</u>	<u>\$ 119,197</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 2,489	\$ 1,738
Interest Expense	(64,864)	(69,579)
Total Nonoperating Revenues (Expenses)	<u>\$ (62,375)</u>	<u>\$ (67,841)</u>
Change in Net Assets	\$ 54,245	\$ 51,356
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>215,522</u>	<u>164,166</u>
<u>TOTAL NET ASSETS -End of Year</u>	<u>\$ 269,767</u>	<u>\$ 215,522</u>

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 195,870	\$ 195,870
Cash Payments to Suppliers for Goods and Services	(45,444)	(31,452)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 150,426	\$ 164,418
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	\$ (85,000)	\$ (75,000)
Interest Paid on Bonds	(66,094)	(70,680)
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (151,094)	\$ (145,680)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 2,787	\$ 430
Purchase of Investment Securities	(94,000)	(178,814)
Proceeds from Sale and Maturities of Investment Securities	90,718	137,683
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (495)	\$ (40,701)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,163)	\$ (21,963)
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	2,348	24,311
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 1,185	\$ 2,348
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ 116,620</u>	<u>\$ 119,197</u>
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 38,052	\$ 38,088
(Increase) Decrease in Current Assets		
Prepaid Expense	(898)	(527)
Increase (Decrease) in Current Liabilities		
Accounts Payable	2,362	(424)
Due to Other Funds	<u>(5,710)</u>	<u>8,084</u>
Total Adjustments	<u>\$ 33,806</u>	<u>\$ 45,221</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 150,426</u></u>	<u><u>\$ 164,418</u></u>

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

COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 104,540	\$ 128,324	\$ 5,627
Investments	2,080,810	493,781	180,375
Receivables			
Accounts	475	0	0
Mortgages and Notes	305,042	0	0
Accrued Interest	21,661	51,382	14,636
Special Assessments			
Current	0	122,839	32,718
Deferred	0	552,433	309,567
Due from Other Funds	58,607	4,752	220,764
Due from Other Governments	23,256	6,208	0
Prepaid Expenditures	976	0	0
TOTAL ASSETS	\$ 2,595,367	\$ 1,359,719	\$ 763,687
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,106	\$ 0	\$ 37,683
Accrued Expenditures	1,573	0	0
Security Deposits Payable	1,086	0	0
Due to Other Funds	434,168	21,123	214,588
Deferred Revenues	304,872	552,433	309,567
Total Liabilities	\$ 750,805	\$ 573,556	\$ 561,838
<u>FUND BALANCE</u>			
Reserved	\$ 16,072	\$ 786,163	\$ 201,849
Unreserved			
Undesignated	1,828,490	0	0
Total Fund Balance	\$ 1,844,562	\$ 786,163	\$ 201,849
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,595,367	\$ 1,359,719	\$ 763,687

PERMANENT FUNDS	TOTALS
\$ 27,550	\$ 266,041
1,060,792	3,815,758
0	475
0	305,042
2,468	90,147
0	155,557
0	862,000
1,163	285,286
0	29,464
0	976
<u>\$ 1,091,973</u>	<u>\$ 5,810,746</u>

\$ 0	\$ 46,789
0	1,573
0	1,086
1,208	671,087
0	1,166,872
<u>\$ 1,208</u>	<u>\$ 1,887,407</u>

\$ 1,090,765	\$ 2,094,849
0	1,828,490
<u>\$ 1,090,765</u>	<u>\$ 3,923,339</u>

<u>\$ 1,091,973</u>	<u>\$ 5,810,746</u>
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CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 147,199	\$ 92,485
Federal Grants	67,896	0	0
State Grants	225,463	0	0
Contributions from Local Units	12,357	32,392	0
Charges for Services	98,558	0	0
Interest and Rents	85,680	52,958	12,476
Gain (Loss) on Investments	0	0	0
Other Revenue	200,017	0	0
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 689,971	\$ 232,549	\$ 104,961
<u>EXPENDITURES</u>			
General Government	\$ 138,919	\$ 0	\$ 0
Public Safety	84,837	0	0
Cultural and Recreation	194,259	0	0
Redevelopment and Housing	57,426	0	0
Economic Development	217,575	0	0
Capital Outlay	0	0	271,730
Debt Service	12,500	359,551	50,033
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 705,516	\$ 359,551	\$ 321,763
Excess (Deficiency) of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>
	\$ (15,545)	\$ (127,002)	\$ (216,802)
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	\$ 27,000	\$ 0	\$ 45,000
Transfers In	40,220	250,858	0
Transfers Out	(154,731)	(126,058)	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	\$ (87,511)	\$ 124,800	\$ 45,000
Net Change in Fund Balances	\$ (103,056)	\$ (2,202)	\$ (171,802)
<u>FUND BALANCES</u> - Beginning of Year	<hr/>	<hr/>	<hr/>
	1,947,618	788,365	373,651
<u>FUND BALANCES</u> - End of Year	<hr/>	<hr/>	<hr/>
	\$ 1,844,562	\$ 786,163	\$ 201,849

PERMANENT FUNDS	TOTALS
\$ 0	\$ 239,684
0	67,896
0	225,463
0	44,749
0	98,558
28,583	179,697
124,939	124,939
6,875	206,892
<u>\$ 160,397</u>	<u>\$ 1,187,878</u>
\$ 1,400	\$ 140,319
0	84,837
0	194,259
0	57,426
0	217,575
0	271,730
0	422,084
<u>\$ 1,400</u>	<u>\$ 1,388,230</u>
<u>\$ 158,997</u>	<u>\$ (200,352)</u>
\$ 0	\$ 72,000
0	291,078
(35,485)	(316,274)
<u>\$ (35,485)</u>	<u>\$ 46,804</u>
\$ 123,512	\$ (153,548)
967,253	4,076,887
<u>\$ 1,090,765</u>	<u>\$ 3,923,339</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds in the City of Cadillac include:

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

Community Development Fund - This fund was established with grant monies from H.U.D. to assist low and moderate income families to bring their homes up to the city building code. Assistance is given through low-interest loans to qualifying individuals. As loans are repaid, money is made available for new loans.

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.

Upper Clam River Watershed Grant Fund - This fund was established to account for a Clean Michigan Initiative Grant.

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.

White Pine Trail Bike Path Grant Fund - This fund was established to account for a TEA-21 and DNR Recreation Trails Grant.

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

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

Downtown Gateway Project Fund - This fund was established to account for a Michigan Economic Development Grant to build a clock tower plaza as a gateway to the downtown district.

Sound Garden Grant Fund - This fund was established to account for a Michigan Association of Community Arts Agencies and Kellogg and Youth Foundation Grant.

Mitchell Corporation Bankruptcy Fund - This fund was established to account for funds received from the bankruptcy court which will be disbursed at a later date based on instructions from the court.

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>CEMETERY</u>	<u>COMMUNITY</u>	<u>H.L. GREEN</u>
	<u>OPERATING</u>	<u>DEVELOPMENT</u>	<u>OPERATING</u>
<u>ASSETS</u>			
Cash	\$ 20,934	\$ 41,844	\$ 10,749
Investments	126,475	328,477	71,954
Receivables			
Accounts	0	0	0
Mortgages and Notes	0	84,400	220,472
Accrued Interest	3,399	3,016	342
Due from Other Funds	1,097	25	1,245
Due from Other Governments	0	0	0
Prepaid Expenditures	418	57	0
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 152,323	\$ 457,819	\$ 304,762
<hr/> <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,445	\$ 6,708	\$ 0
Accrued Expenditures	844	251	0
Security Deposits Payable	0	0	0
Due to Other Funds	1,553	26,149	0
Deferred Revenues	0	84,400	220,472
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 3,842	\$ 117,508	\$ 220,472
<hr/> <u>FUND BALANCES</u>			
Reserved for:			
Prepaid Expenditures	\$ 418	\$ 57	\$ 0
Capital Improvements	15,357	0	0
Mortgages and Notes Receivable	0	0	0
Parks	0	0	0
Unreserved	132,706	340,254	84,290
	<hr/>	<hr/>	<hr/>
Total Fund Balances	\$ 148,481	\$ 340,311	\$ 84,290
<hr/> <u>TOTAL LIABILITIES AND</u>			
<u>FUND BALANCES</u>			
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 152,323	\$ 457,819	\$ 304,762

UPPER CLAM RIVER WATERSHED GRANT	CADILLAC DEVELOPMENT	NAVAL RESERVE CENTER
\$ 293	\$ 0	\$ 17,948
0	1,529,782	24,122
0	0	0
0	170	0
0	14,663	241
0	302	0
0	0	0
0	0	0
<u>\$ 293</u>	<u>\$ 1,544,917</u>	<u>\$ 42,311</u>
\$ 0	\$ 0	\$ 864
0	0	0
0	0	1,086
293	312,735	1,133
0	0	0
<u>\$ 293</u>	<u>\$ 312,735</u>	<u>\$ 3,083</u>
\$ 0	\$ 0	\$ 0
0	0	0
0	170	0
0	0	0
0	1,232,012	39,228
<u>\$ 0</u>	<u>\$ 1,232,182</u>	<u>\$ 39,228</u>
<u>\$ 293</u>	<u>\$ 1,544,917</u>	<u>\$ 42,311</u>

WHITE PINE TRAIL BIKE PATH GRANT	CLAM RIVER GREENWAY	BUILDING INSPECTION
\$ 1,000	\$ 549	\$ 6,963
0	0	0
0	0	475
0	0	0
0	0	0
0	50,000	5,938
0	13,530	0
0	0	501
<u>\$ 1,000</u>	<u>\$ 64,079</u>	<u>\$ 13,877</u>
\$ 0	\$ 0	\$ 89
0	0	478
0	0	0
1,000	64,009	13,310
0	0	0
<u>\$ 1,000</u>	<u>\$ 64,009</u>	<u>\$ 13,877</u>
\$ 0	\$ 0	\$ 0
0	0	0
0	0	0
0	70	0
0	0	0
<u>\$ 0</u>	<u>\$ 70</u>	<u>\$ 0</u>
<u>\$ 1,000</u>	<u>\$ 64,079</u>	<u>\$ 13,877</u>

DOWNTOWN GATEWAY PROJECT	SOUND GARDEN GRANT	MITCHELL CORPORATION BANKRUPTCY	RENTAL REHABILITATION GRANT	TOTALS
\$ 0	\$ 0	\$ 4,260	\$ 0	\$ 104,540
0	0	0	0	2,080,810
0	0	0	0	475
0	0	0	0	305,042
0	0	0	0	21,661
0	0	0	0	58,607
9,726	0	0	0	23,256
0	0	0	0	976
<u>\$ 9,726</u>	<u>\$ 0</u>	<u>\$ 4,260</u>	<u>\$ 0</u>	<u>\$ 2,595,367</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,106
0	0	0	0	1,573
0	0	0	0	1,086
9,726	0	4,260	0	434,168
0	0	0	0	304,872
<u>\$ 9,726</u>	<u>\$ 0</u>	<u>\$ 4,260</u>	<u>\$ 0</u>	<u>\$ 750,805</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 475
0	0	0	0	15,357
0	0	0	0	170
0	0	0	0	70
0	0	0	0	1,828,490
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,844,562</u>
<u>\$ 9,726</u>	<u>\$ 0</u>	<u>\$ 4,260</u>	<u>\$ 0</u>	<u>\$ 2,595,367</u>

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	CEMETERY OPERATING	COMMUNITY DEVELOPMENT	H.L. GREEN OPERATING
<u>REVENUES</u>			
Federal Grants	\$ 0	\$ 0	\$ 0
State Grants	0	0	0
Contributions from Local Units	0	0	0
Charges for Services	45,389	0	0
Interest and Rents	1,466	7,645	7,763
Other Revenue	31,950	107,851	22,414
Total Revenues	\$ 78,805	\$ 115,496	\$ 30,177
<u>EXPENDITURES</u>			
General Government	\$ 114,236	\$ 0	\$ 0
Public Safety	0	0	0
Cultural and Recreation	0	0	0
Redevelopment and Housing	0	56,826	600
Economic Development	0	0	0
Debt Service	0	0	12,500
Total Expenditures	\$ 114,236	\$ 56,826	\$ 13,100
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,431)	\$ 58,670	\$ 17,077
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	\$ 0	\$ 0	\$ 0
Transfers In	25,485	0	0
Transfers Out	0	0	(6,000)
Total Other Financing Sources (Uses)	\$ 25,485	\$ 0	\$ (6,000)
Net Change in Fund Balances	\$ (9,946)	\$ 58,670	\$ 11,077
<u>FUND BALANCES</u> - Beginning of Year	158,427	281,641	73,213
<u>FUND BALANCES</u> - End of Year	\$ 148,481	\$ 340,311	\$ 84,290

UPPER CLAM RIVER WATERSHED GRANT	CADILLAC DEVELOPMENT	NAVAL RESERVE CENTER
\$ 0	\$ 0	\$ 0
135,736	0	0
0	0	0
0	0	0
0	24,536	43,588
0	0	50
<u>\$ 135,736</u>	<u>\$ 24,536</u>	<u>\$ 43,638</u>
\$ 0	\$ 0	\$ 24,683
0	0	0
0	0	0
0	0	0
0	33,033	0
0	0	0
<u>\$ 0</u>	<u>\$ 33,033</u>	<u>\$ 24,683</u>
<u>\$ 135,736</u>	<u>\$ (8,497)</u>	<u>\$ 18,955</u>
\$ 0	\$ 0	\$ 0
0	6,000	0
(135,736)	(8,735)	0
<u>\$ (135,736)</u>	<u>\$ (2,735)</u>	<u>\$ 0</u>
\$ 0	\$ (11,232)	\$ 18,955
0	1,243,414	20,273
<u>\$ 0</u>	<u>\$ 1,232,182</u>	<u>\$ 39,228</u>

CLAM RIVER GREENWAY	BUILDING INSPECTION	DOWNTOWN GATEWAY PROJECT
\$ 6,404	\$ 0	\$ 6,950
89,727	0	0
0	0	12,357
0	53,169	0
0	0	0
35,227	1,515	0
<hr/>	<hr/>	<hr/>
\$ 131,358	\$ 54,684	\$ 19,307
<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 0
0	84,837	0
173,516	0	19,307
0	0	0
0	0	0
0	0	0
<hr/>	<hr/>	<hr/>
\$ 173,516	\$ 84,837	\$ 19,307
<hr/>	<hr/>	<hr/>
\$ (42,158)	\$ (30,153)	\$ 0
<hr/>	<hr/>	<hr/>
\$ 27,000	\$ 0	\$ 0
0	8,735	0
0	0	0
<hr/>	<hr/>	<hr/>
\$ 27,000	\$ 8,735	\$ 0
<hr/>	<hr/>	<hr/>
\$ (15,158)	\$ (21,418)	\$ 0
15,228	21,418	0
<hr/>	<hr/>	<hr/>
\$ 70	\$ 0	\$ 0
<hr/>	<hr/>	<hr/>

SOUND GARDEN GRANT	MITCHELL CORPORATION BANKRUPTCY	RENTAL REHABILITATION GRANT	TOTALS
\$ 0	\$ 0	\$ 54,542	\$ 67,896
0	0	0	225,463
0	0	0	12,357
0	0	0	98,558
0	682	0	85,680
1,010	0	0	200,017
<u>\$ 1,010</u>	<u>\$ 682</u>	<u>\$ 54,542</u>	<u>\$ 689,971</u>
\$ 0	\$ 0	\$ 0	\$ 138,919
0	0	0	84,837
1,436	0	0	194,259
0	0	0	57,426
0	130,000	54,542	217,575
0	0	0	12,500
<u>\$ 1,436</u>	<u>\$ 130,000</u>	<u>\$ 54,542</u>	<u>\$ 705,516</u>
\$ (426)	\$ (129,318)	\$ 0	\$ (15,545)
\$ 0	\$ 0	\$ 0	\$ 27,000
0	0	0	40,220
0	(4,260)	0	(154,731)
<u>\$ 0</u>	<u>\$ (4,260)</u>	<u>\$ 0</u>	<u>\$ (87,511)</u>
\$ (426)	\$ (133,578)	\$ 0	\$ (103,056)
426	133,578	0	1,947,618
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,844,562</u>

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 20,934	\$ 23,045
Investments	126,475	110,068
Receivables		
Accrued Interest	3,399	2,959
Due from Other Funds	1,097	23,754
Prepaid Expenditures	418	196
	<u>\$ 152,323</u>	<u>\$ 160,022</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,445	\$ 1,572
Accrued Expenditures	844	0
Due to Other Funds	1,553	23
	<u>\$ 3,842</u>	<u>\$ 1,595</u>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 418	\$ 196
Capital Improvements	15,357	17,195
Unreserved	132,706	141,036
	<u>\$ 148,481</u>	<u>\$ 158,427</u>
	<u>\$ 152,323</u>	<u>\$ 160,022</u>

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Sale of Lots and Burial Rights	\$ 10,000	\$ 6,450	\$ 7,800
Grave Openings and Storage	31,000	31,345	36,100
Foundations and Miscellaneous	8,000	7,594	5,376
Interest and Rents			
Interest	5,000	1,466	7,242
Other Revenue			
Contributions From Private Sources	0	31,950	17,195
Total Revenues	<u>\$ 54,000</u>	<u>\$ 78,805</u>	<u>\$ 73,713</u>
<u>EXPENDITURES</u>			
General Government			
Personal Services	\$ 44,200	\$ 38,908	\$ 35,446
Employee Benefits	11,000	10,344	8,624
Operating Supplies	7,400	8,625	8,879
Contractual Services	1,000	250	360
Audit	600	600	560
Data Processing	3,000	3,000	2,500
Insurance	100	68	70
Travel and Education	300	470	448
Utilities	6,900	7,009	8,394
Repairs and Maintenance	6,000	4,672	3,971
Equipment Rental	4,000	4,120	5,504
Capital Outlay	5,700	36,170	7,035
Total Expenditures	<u>\$ 90,200</u>	<u>\$ 114,236</u>	<u>\$ 81,791</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (36,200)</u>	<u>\$ (35,431)</u>	<u>\$ (8,078)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In			
Cemetery Perpetual Care Fund	25,300	25,485	21,442
Net Change In Fund Balance	<u>\$ (10,900)</u>	<u>\$ (9,946)</u>	<u>\$ 13,364</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>127,763</u>	<u>158,427</u>	<u>145,063</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 116,863</u>	<u>\$ 148,481</u>	<u>\$ 158,427</u>

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 41,844	\$ 18,804
Investments	328,477	285,478
Receivables		
Accounts	0	92,742
Installment Notes	7,485	11,109
Mortgages	76,915	82,107
Accrued Interest	3,016	2,782
Due from Other Funds	25	2,982
Prepaid Expenditures	57	18
	<hr/>	<hr/>
TOTAL ASSETS	\$ 457,819	\$ 496,022
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 6,708	\$ 26,423
Retainage Payable	0	2,000
Accrued Expenditures	251	0
Due to Other Funds	26,149	0
Deferred Revenues		
Installment Notes and Mortgages	84,400	185,958
	<hr/>	<hr/>
Total Liabilities	\$ 117,508	\$ 214,381
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 57	\$ 18
Unreserved	340,254	281,623
	<hr/>	<hr/>
Total Fund Balance	\$ 340,311	\$ 281,641
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 457,819	\$ 496,022
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Loans	\$ 400	\$ 299	\$ 384
Interest on Investments	11,500	7,346	13,977
Other Revenues			
Contributions From Private Sources	0	99,000	55,932
Loan Principal Collections	18,000	8,816	25,963
Penalties and Miscellaneous	100	35	55
Total Revenues	<u>\$ 30,000</u>	<u>\$ 115,496</u>	<u>\$ 96,311</u>
<u>EXPENDITURES</u>			
Redevelopment and Housing			
Personal Services	\$ 22,000	\$ 21,101	\$ 15,845
Employee Benefits	6,700	6,326	3,970
Audit	900	950	910
Office Supplies	600	461	484
Postage	600	474	283
Contracted Services	0	1,625	0
Data Processing	3,200	3,200	3,200
Communications	700	192	19
Travel and Education	1,200	1,435	272
Dues and Publications	600	267	197
Rehabilitation	0	0	33
Municipal Parks			
Engineering Fees	0	6,595	2,739
Construction	0	0	143,883
Site Work	0	0	6,400
Administrative	14,200	14,200	13,700
Total Expenditures	<u>\$ 50,700</u>	<u>\$ 56,826</u>	<u>\$ 191,935</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (20,700)	\$ 58,670	\$ (95,624)
<u>FUND BALANCE</u> - Beginning of Year	190,513	281,641	377,265
<u>FUND BALANCE</u> - End of Year	<u>\$ 169,813</u>	<u>\$ 340,311</u>	<u>\$ 281,641</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 10,749	\$ 16,832
Investments	71,954	56,381
Due from Other Funds	1,245	0
Receivables		
Accrued Interest	342	0
Note	220,472	242,886
	<u>\$ 304,762</u>	<u>\$ 316,099</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 220,472	\$ 242,886
 <u>FUND BALANCE</u>		
Unreserved	84,290	73,213
	<u>\$ 304,762</u>	<u>\$ 316,099</u>
 TOTAL ASSETS		
 TOTAL LIABILITIES AND FUND BALANCE		

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

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest on Installment Note	\$ 1,000	\$ 6,835	\$ 8,279
Interest on Investments	0	928	760
Other Revenue			
Note Principal Collections	30,000	22,414	21,698
	<u>30,000</u>	<u>22,414</u>	<u>21,698</u>
Total Revenues	<u>\$ 31,000</u>	<u>\$ 30,177</u>	<u>\$ 30,737</u>
<u>EXPENDITURES</u>			
Redevelopment and Housing			
Audit	\$ 600	\$ 600	\$ 560
Debt Service			
Principal Payments	18,500	12,500	12,500
	<u>18,500</u>	<u>12,500</u>	<u>12,500</u>
Total Expenditures	<u>\$ 19,100</u>	<u>\$ 13,100</u>	<u>\$ 13,060</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 11,900	\$ 17,077	\$ 17,677
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out			
Cadillac Development Fund	0	(6,000)	(6,000)
	<u>0</u>	<u>(6,000)</u>	<u>(6,000)</u>
Net Change In Fund Balance	<u>\$ 11,900</u>	<u>\$ 11,077</u>	<u>\$ 11,677</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>73,236</u>	<u>73,213</u>	<u>61,536</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 85,136</u>	<u>\$ 84,290</u>	<u>\$ 73,213</u>

CITY OF CADILLAC, MICHIGAN
UPPER CLAM RIVER WATERSHED GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 293	\$ 576
Due from Other Governments	0	424
TOTAL ASSETS	<u>\$ 293</u>	<u>\$ 1,000</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 293	\$ 1,000
<u>FUND BALANCE</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 293</u>	<u>\$ 1,000</u>

CITY OF CADILLAC, MICHIGAN
UPPER CLAM RIVER WATERSHED FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
<u>REVENUES</u>	BUDGET	ACTUAL	ACTUAL
State Grants			
Clean Michigan Initiative Grant	\$ 143,900	\$ 135,736	\$ 1,000
<u>EXPENDITURES</u>			
Public Works			
Administration	192,700	0	1,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (48,800)	\$ 135,736	\$ 0
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
Local Streets Fund	\$ 0	\$ (135,736)	\$ 0
Water and Sewer Fund	48,800	0	0
Total Other Financing Sources (Uses)	\$ 48,800	\$ (135,736)	\$ 0
Net Change In Fund Balance	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	0	0	0
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 0	\$ 0

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 15,116
Investments	1,529,782	1,014,144
Receivables		
Notes	170	6,948
Accrued Interest	14,663	12,262
Due from Other Funds	302	194,944
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,544,917	\$ 1,243,414
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 312,735	\$ 0
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for Notes Receivable	\$ 170	\$ 6,948
Unreserved	1,232,012	1,236,466
	<hr/>	<hr/>
Total Fund Balance	\$ 1,232,182	\$ 1,243,414
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,544,917	\$ 1,243,414
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 40,000	\$ 24,536	\$ 55,198
<u>EXPENDITURES</u>			
Economic Development			
Audit	\$ 400	\$ 400	\$ 360
Site Analysis	35,000	32,633	0
Total Expenditures	\$ 35,400	\$ 33,033	\$ 360
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,600	\$ (8,497)	\$ 54,838
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)			
H.L. Green Operating Fund	\$ 6,000	\$ 6,000	\$ 6,000
Community Development Fund	(10,000)	0	0
Automobile Parking System	0	0	(20,000)
Building Inspection Fund	(3,000)	(8,735)	(3,000)
Total Transfers In (Out)	\$ (7,000)	\$ (2,735)	\$ (17,000)
Net Change in Fund Balance	\$ (2,400)	\$ (11,232)	\$ 37,838
<u>FUND BALANCE</u> - Beginning of Year	1,235,176	1,243,414	1,205,576
<u>FUND BALANCE</u> - End of Year	\$ 1,232,776	\$ 1,232,182	\$ 1,243,414

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 17,948	\$ 17,627
Investments	24,122	4,726
Receivables		
Accrued Interest	241	0
Prepaid Expenditures	0	537
	<hr/>	<hr/>
TOTAL ASSETS	\$ 42,311	\$ 22,890
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 864	\$ 0
Security Deposit Payable	1,086	1,086
Due To General Fund	1,133	0
Deferred Revenues	0	1,531
	<hr/>	<hr/>
Total Liabilities	\$ 3,083	\$ 2,617
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for:		
Prepaid Expenditures	\$ 0	\$ 537
Unreserved	39,228	19,736
	<hr/>	<hr/>
Total Fund Balance	\$ 39,228	\$ 20,273
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 42,311	\$ 22,890
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 100	\$ 351	\$ 170
Rents	40,100	43,237	40,116
Other Revenues			
Contributions from Private Sources	1,000	50	0
 Total Revenues	 \$ 41,200	 \$ 43,638	 \$ 40,286
<u>EXPENDITURES</u>			
General Government			
Audit	\$ 400	\$ 400	\$ 360
Insurance	600	537	552
Utilities	18,000	19,059	15,467
Building Maintenance	15,000	4,687	5,377
 Total Expenditures	 \$ 34,000	 \$ 24,683	 \$ 21,756
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 7,200	 \$ 18,955	 \$ 18,530
 <u>FUND BALANCE</u> - Beginning of Year	 743	 20,273	 1,743
 <u>FUND BALANCE</u> - End of Year	 \$ 7,943	 \$ 39,228	 \$ 20,273

CITY OF CADILLAC, MICHIGAN
WHITE PINE TRAIL BIKE PATH GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 1,000	\$ 1,676
Accounts Receivable	0	4,000
Due from Other Governments	0	9,105
TOTAL ASSETS	1,000	14,781
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,000	\$ 14,781
<u>FUND BALANCE</u>		
Unreserved	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,000	\$ 14,781

CITY OF CADILLAC, MICHIGAN
WHITE PINE TRAIL BIKE PATH GRANT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Federal Grants		
TEA-21 Grant	\$ 0	\$ 25,781
DNR Recreational Trails Program Grant	0	58,506
Other Revenue		
Contributions from Private Sources	0	9,000
	<hr/>	<hr/>
Total Revenues	\$ 0	\$ 93,287
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Cultural and Recreation		
Engineering Fees	\$ 0	\$ 180
Construction	0	96,269
	<hr/>	<hr/>
Total Expenditures	\$ 0	\$ 96,449
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (3,162)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	0	3,162
	<hr/>	<hr/>
Net Change in Fund Balance	\$ 0	\$ 0
 <u>FUND BALANCE</u> - Beginning of Year	 <hr/>	 <hr/>
	0	0
 <u>FUND BALANCE</u> - End of Year	 <hr/>	 <hr/>
	\$ 0	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 549	\$ 7,853
Due from Other Funds	50,000	0
Due from Other Governments	13,530	57,868
	<hr/>	<hr/>
TOTAL ASSETS	\$ 64,079	\$ 65,721
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 30,755
Due to Other Funds	64,009	19,738
	<hr/>	<hr/>
Total Liabilities	\$ 64,009	\$ 50,493
 <u>FUND BALANCE</u>		
Reserved for Parks	70	15,228
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 64,079	\$ 65,721
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Federal Grants			
Department of Transportation			
Highway Planning and Construction	\$ 0	\$ 6,404	\$ 124,257
State Grants			
Clean Michigan Initiative Recreation Bond Grant	133,000	89,727	45,574
Other Revenue			
Contributions and Donations from			
Private Sources	106,200	35,227	33,000
Total Revenues	<u>\$ 239,200</u>	<u>\$ 131,358</u>	<u>\$ 202,831</u>
<u>EXPENDITURES</u>			
Cultural and Recreation			
Audit	\$ 400	\$ 400	\$ 360
Engineering Fees	16,700	0	3,539
Construction	218,100	173,116	189,860
Total Expenditures	<u>\$ 235,200</u>	<u>\$ 173,516</u>	<u>\$ 193,759</u>
Excess (Deficiency) of Revenues			
Over Expenditures	\$ 4,000	\$ (42,158)	\$ 9,072
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Proceeds	0	27,000	0
Net Change in Fund Balance	\$ 0	\$ (15,158)	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>7,056</u>	<u>15,228</u>	<u>6,156</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 11,056</u>	<u>\$ 70</u>	<u>\$ 15,228</u>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 6,963	\$ 20,887
Accounts Receivable	475	90
Due from Other Funds	5,938	912
Prepaid Expenditures	501	164
Total Assets	\$ 13,877	\$ 22,053
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 89	\$ 0
Accrued Expenditures	478	0
Due to Other Funds	13,310	635
Total Liabilities	\$ 13,877	\$ 635
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 0	\$ 164
Unreserved	0	21,254
Total Fund Balance	\$ 0	\$ 21,418
TOTAL LIABILITIES AND FUND BALANCE	\$ 13,877	\$ 22,053

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Charges for Services			
Building Permits	\$ 40,000	\$ 35,760	\$ 65,999
Heating and Fence Permits	20,000	17,409	20,060
Other Revenue			
Miscellaneous	200	1,515	919
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 60,200</u>	<u>\$ 54,684</u>	<u>\$ 86,978</u>
<u>EXPENDITURES</u>			
Public Safety			
Building Inspection			
Personal Services	\$ 51,000	\$ 52,067	\$ 44,149
Employee Benefits	21,000	20,912	15,234
Office Supplies	1,900	4,314	2,065
Postage	900	1,228	1,075
Audit	400	400	360
Data Processing	2,600	2,600	2,400
Dues and Publications	700	230	792
Communication	300	0	5
Travel and Education	1,800	1,779	1,013
Contracted Services	0	330	0
Equipment Rental	900	977	1,600
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 81,500</u>	<u>\$ 84,837</u>	<u>\$ 68,693</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>\$ (21,300)</u>	<u>\$ (30,153)</u>	<u>\$ 18,285</u>

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
Cadillac Development Fund	\$ 3,000	\$ 8,735	\$ 3,000
Net Change in Fund Balance	\$ (18,300)	\$ (21,418)	\$ 21,285
<u>FUND BALANCE</u> - Beginning of Year	433	21,418	133
<u>FUND BALANCE</u> - End of Year (Deficit)	\$ (17,867)	\$ 0	\$ 21,418

CITY OF CADILLAC, MICHIGAN
DOWNTOWN GATEWAY PROJECT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 0	\$ 84
Due from Other Governments	9,726	30,524
Total Assets	\$ 9,726	\$ 30,608
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 2,760
Due to Other Funds	9,726	27,848
Total Liabilities	\$ 9,726	\$ 30,608
<u>FUND BALANCE</u>		
Unreserved	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,726	\$ 30,608

CITY OF CADILLAC, MICHIGAN
DOWNTOWN GATEWAY PROJECT FUND

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

YEAR ENDED JUNE 30,

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Federal Grants			
Michigan Economic Development Grant	\$ 23,000	\$ 6,950	\$ 149,740
Contributions from Local Units			
D.D.A. Capital Projects	0	12,357	33,723
Total Revenues	<u>\$ 23,000</u>	<u>\$ 19,307</u>	<u>\$ 183,463</u>
<u>EXPENDITURES</u>			
Cultural and Recreation			
Advertising	\$ 0	\$ 0	\$ 290
Engineering Fees	0	0	17,149
Demolition	0	0	23,110
Construction	23,000	19,307	142,914
Total Expenditures	<u>\$ 23,000</u>	<u>\$ 19,307</u>	<u>\$ 183,463</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN
SOUND GARDEN GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 1,210
Due from Other Funds	0	226
	<hr/>	
Total Assets	<u>\$ 0</u>	<u>\$ 1,436</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 0	\$ 1,010
<u>FUND BALANCE</u>		
Unreserved	0	426
	<hr/>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 0</u>	<u>\$ 1,436</u>

CITY OF CADILLAC, MICHIGAN
SOUND GARDEN GRANT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2004	2003
<u>REVENUES</u>		
Other Revenue		
Contributions from Private Sources	\$ 1,010	\$ 9,402
<u>EXPENDITURES</u>		
Cultural and Recreation		
Operating Supplies	\$ 0	\$ 607
Downtown Marketing	0	807
Contracted Services	1,436	5,350
Audit	0	360
Rent	0	1,400
Utilities	0	452
Total Expenditures	\$ 1,436	\$ 8,976
Excess (Deficiency) of Revenues Over Expenditures	\$ (426)	\$ 426
<u>FUND BALANCE</u> - Beginning of Year	426	0
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 426

CITY OF CADILLAC, MICHIGAN
MITCHELL CORPORATION BANKRUPTCY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 4,260	\$ 133,578
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 4,260	\$ 0
<u>FUND BALANCE</u>		
Reserved For Bankruptcy Court Escrow	0	133,578
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,260	\$ 133,578

CITY OF CADILLAC, MICHIGAN
MITCHELL CORPORATION BANKRUPTCY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2004	2003
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 682	\$ 1,477
Other Revenue		
Bankruptcy Settlement	0	132,101
	\$ 682	\$ 133,578
<u>EXPENDITURES</u>		
Economic Development	130,000	0
	\$ (129,318)	\$ 133,578
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfer Out		
General Fund	(4,260)	0
	\$ (133,578)	\$ 133,578
<u>FUND BALANCE</u> - Beginning of Year	133,578	0
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 133,578

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30, 2004

	2004	2003
<u>ASSETS</u>		
Due from Other Governments	\$ 0	\$ 1,959
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 1,959
<u>FUND BALANCE</u>		
Unreserved	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 1,959

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Federal		
Community Development Block Grant Funds	\$ 54,542	\$ 1,959
<u>EXPENDITURES</u>		
Economic Development		
Rehabilitation	\$ 50,000	\$ 0
Administration	4,542	1,959
Total Expenditures	\$ 54,542	\$ 1,959
Excess (Deficiency) of		
Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	0	0
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 0</u>

NONMAJOR DEBT SERVICE FUNDS

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

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

1990 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

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

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

1993 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

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

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

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

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

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

1998 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

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

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

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

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	1990 MICHIGAN TRANSPORTATION FUND	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT
<u>ASSETS</u>			
Cash	\$ 643	\$ 27,684	\$ 5,224
Investments	0	76,020	61,193
Receivables			
Accrued Interest	0	7,605	3,608
Special Assessments			
Current	0	40,684	9,240
Deferred	0	38,089	27,811
Due from Other Funds	0	0	0
Due from Other Governments	0	0	0
TOTAL ASSETS	\$ 643	\$ 190,082	\$ 107,076
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 1,775	\$ 14
Deferred Revenues	0	38,089	27,811
Total Liabilities	\$ 0	\$ 39,864	\$ 27,825
<u>FUND BALANCES</u>			
Reserved for Debt Service	643	150,218	79,251
TOTAL LIABILITIES AND FUND BALANCE	\$ 643	\$ 190,082	\$ 107,076

1993 MICHIGAN TRANSPORTATION FUND	1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND
\$ 2,837	\$ 20,352	\$ 5,047
0	305,194	0
0	12,427	0
0	16,236	0
0	94,315	0
0	1,239	0
0	0	0
<hr/>		
\$ 2,837	\$ 449,763	\$ 5,047
<hr/> <hr/>		
\$ 0	\$ 184	\$ 0
0	94,315	0
<hr/>		
\$ 0	\$ 94,499	\$ 0
2,837	355,264	5,047
<hr/>		
\$ 2,837	\$ 449,763	\$ 5,047
<hr/> <hr/>		

	1997		
	1997	MICHIGAN	1997
	SPECIAL	TRANSPORTATION	BUILDING
	ASSESSMENT	FUND	AUTHORITY
	\$ 18,644	\$ 1,547	\$ 273
	14,757	0	0
	9,779	0	0
	19,590	0	0
	137,128	0	0
	0	0	0
	0	0	6,208
	<u>\$ 199,898</u>	<u>\$ 1,547</u>	<u>\$ 6,481</u>
	\$ 0	\$ 0	\$ 6,480
	137,128	0	0
	\$ 137,128	\$ 0	\$ 6,480
	62,770	1,547	1
	<u>\$ 199,898</u>	<u>\$ 1,547</u>	<u>\$ 6,481</u>

1998	2000	2000	2002	
SPECIAL	SPECIAL	MICHIGAN	SPECIAL	
ASSESSMENT	ASSESSMENT	TRANSPORTATION	ASSESSMENT	TOTALS
		FUND		
\$ 21,536	\$ 3,463	\$ 398	\$ 20,676	\$ 128,324
36,617	0	0	0	493,781
6,575	4,602	0	6,786	51,382
13,031	9,891	0	14,167	122,839
83,909	62,008	0	109,173	552,433
0	188	0	3,325	4,752
0	0	0	0	6,208
<u>\$ 161,668</u>	<u>\$ 80,152</u>	<u>\$ 398</u>	<u>\$ 154,127</u>	<u>\$ 1,359,719</u>
\$ 0	\$ 12,670	\$ 0	\$ 0	\$ 21,123
83,909	62,008	0	109,173	552,433
\$ 83,909	\$ 74,678	\$ 0	\$ 109,173	\$ 573,556
77,759	5,474	398	44,954	786,163
<u>\$ 161,668</u>	<u>\$ 80,152</u>	<u>\$ 398</u>	<u>\$ 154,127</u>	<u>\$ 1,359,719</u>

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	1990 MICHIGAN TRANSPORTATION FUND	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT
<u>REVENUES</u>			
Taxes and Special Assessments	\$ 0	\$ 43,930	\$ 9,353
Contributions from Local Units	0	0	0
Interest and Rents	8	6,371	5,897
Total Revenues	<u>\$ 8</u>	<u>\$ 50,301</u>	<u>\$ 15,250</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 35,000	\$ 25,000	\$ 15,000
Interest and Fiscal Charges	3,217	5,310	3,968
Audit	400	540	540
Total Expenditures	<u>\$ 38,617</u>	<u>\$ 30,850</u>	<u>\$ 19,508</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (38,609)</u>	<u>\$ 19,451</u>	<u>\$ (4,258)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	\$ 38,600	\$ 0	\$ 5,100
Transfers Out	0	(126,058)	0
Total Other Financing Sources (Uses)	<u>\$ 38,600</u>	<u>\$ (126,058)</u>	<u>\$ 5,100</u>
Net Change in Fund Balances	\$ (9)	\$ (106,607)	\$ 842
<u>FUND BALANCES</u> - Beginning of Year	<u>652</u>	<u>256,825</u>	<u>78,409</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 643</u>	<u>\$ 150,218</u>	<u>\$ 79,251</u>

1993 MICHIGAN TRANSPORTATION FUND	1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND
\$ 0	\$ 18,587	\$ 0
0	0	0
0	14,192	0
\$ 0	\$ 32,779	\$ 0
\$ 15,000	\$ 35,000	\$ 15,000
2,830	10,670	9,018
400	540	400
\$ 18,230	\$ 46,210	\$ 24,418
\$ (18,230)	\$ (13,431)	\$ (24,418)
\$ 17,800	\$ 120,958	\$ 29,200
0	0	0
\$ 17,800	\$ 120,958	\$ 29,200
\$ (430)	\$ 107,527	\$ 4,782
3,267	247,737	265
\$ 2,837	\$ 355,264	\$ 5,047

	1997		
1997 SPECIAL ASSESSMENT	MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY	
\$ 21,970	\$ 0	\$ 0	
0	0	32,392	
9,804	0	0	
<u>\$ 31,774</u>	<u>\$ 0</u>	<u>\$ 32,392</u>	
\$ 25,000	\$ 10,000	\$ 20,000	
11,298	3,980	12,487	
540	400	400	
<u>\$ 36,838</u>	<u>\$ 14,380</u>	<u>\$ 32,887</u>	
\$ (5,064)	\$ (14,380)	\$ (495)	
\$ 0	\$ 13,900	\$ 0	
0	0	0	
<u>\$ 0</u>	<u>\$ 13,900</u>	<u>\$ 0</u>	
\$ (5,064)	\$ (480)	\$ (495)	
67,834	2,027	496	
<u>\$ 62,770</u>	<u>\$ 1,547</u>	<u>\$ 1</u>	

1998 SPECIAL ASSESSMENT	2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	TOTALS
\$ 18,725	\$ 10,501	\$ 0	\$ 24,133	\$ 147,199
0	0	0	0	32,392
7,291	4,651	0	4,744	52,958
<u>\$ 26,016</u>	<u>\$ 15,152</u>	<u>\$ 0</u>	<u>\$ 28,877</u>	<u>\$ 232,549</u>
\$ 0	\$ 20,000	\$ 10,000	\$ 30,000	\$ 255,000
8	8,950	15,040	11,735	98,511
400	540	400	540	6,040
<u>\$ 408</u>	<u>\$ 29,490</u>	<u>\$ 25,440</u>	<u>\$ 42,275</u>	<u>\$ 359,551</u>
<u>\$ 25,608</u>	<u>\$ (14,338)</u>	<u>\$ (25,440)</u>	<u>\$ (13,398)</u>	<u>\$ (127,002)</u>
\$ 0	\$ 0	\$ 25,300	\$ 0	\$ 250,858
0	0	0	0	(126,058)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,300</u>	<u>\$ 0</u>	<u>\$ 124,800</u>
\$ 25,608	\$ (14,338)	\$ (140)	\$ (13,398)	\$ (2,202)
52,151	19,812	538	58,352	788,365
<u>\$ 77,759</u>	<u>\$ 5,474</u>	<u>\$ 398</u>	<u>\$ 44,954</u>	<u>\$ 786,163</u>

CITY OF CADILLAC, MICHIGAN
1990 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 643	\$ 652
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	643	652
TOTAL LIABILITIES AND FUND BALANCE	\$ 643	\$ 652

CITY OF CADILLAC, MICHIGAN
1990 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 0	\$ 8	\$ 7
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 35,000	\$ 35,000	\$ 30,000
Interest and Fiscal Charges	3,000	3,217	5,368
Audit	400	400	360
Total Expenditures	<u>\$ 38,400</u>	<u>\$ 38,617</u>	<u>\$ 35,728</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (38,400)	\$ (38,609)	\$ (35,721)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - Major Street	<u>38,400</u>	<u>38,600</u>	<u>35,000</u>
Net Change in Fund Balance	\$ 0	\$ (9)	\$ (721)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,311</u>	<u>652</u>	<u>1,373</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,311</u>	<u>\$ 643</u>	<u>\$ 652</u>

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 27,684	\$ 21,008
Investments	76,020	173,301
Receivables		
Accrued Interest	7,605	10,687
Special Assessments - Current	40,684	51,017
Special Assessments - Deferred	38,089	81,945
Due from Other Funds	0	1,849
	<u>\$ 190,082</u>	<u>\$ 339,807</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,775	\$ 1,037
Deferred Revenues	38,089	81,945
	<u>\$ 39,864</u>	<u>\$ 82,982</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	150,218	256,825
	<u>\$ 190,082</u>	<u>\$ 339,807</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 190,082	\$ 339,807

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 38,000	\$ 43,767	\$ 56,813
Penalties and Interest	400	163	145
Interest and Rents			
Interest on Assessments	12,000	5,411	8,663
Interest on Investments	4,500	960	5,371
Total Revenues	<u>\$ 54,900</u>	<u>\$ 50,301</u>	<u>\$ 70,992</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	5,300	5,310	6,616
Audit	400	540	500
Total Expenditures	<u>\$ 30,700</u>	<u>\$ 30,850</u>	<u>\$ 32,116</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 24,200	\$ 19,451	\$ 38,876
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out			
1993 Special Assessment Debt Retirement	\$ 0	\$ (5,100)	\$ 0
1996 Special Assessment Debt Retirement	(180,000)	(120,958)	(80,000)
Total Other Financing Sources (Uses)	<u>\$ (180,000)</u>	<u>\$ (126,058)</u>	<u>\$ (80,000)</u>
Net Change in Fund Balance	\$ (155,800)	\$ (106,607)	\$ (41,124)
<u>FUND BALANCE - Beginning of Year</u>	<u>138,097</u>	<u>256,825</u>	<u>297,949</u>
<u>FUND BALANCE - End of Year (Deficit)</u>	<u>\$ (17,703)</u>	<u>\$ 150,218</u>	<u>\$ 256,825</u>

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 5,224	\$ 2,943
Investments	61,193	62,601
Receivables		
Accrued Interest	3,608	3,603
Special Assessments - Current	9,240	9,262
Special Assessments - Deferred	27,811	37,051
	\$ 107,076	\$ 115,460
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 14	\$ 0
Deferred Revenues	27,811	37,051
	\$ 27,825	\$ 37,051
<u>FUND BALANCE</u>		
Reserved for Debt Service	79,251	78,409
	\$ 107,076	\$ 115,460

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 8,000	\$ 9,240	\$ 10,940
Penalties and Interest	0	113	60
Interest and Rents			
Interest on Investments	3,000	3,118	2,452
Interest on Assessments	3,200	2,779	2,779
Total Revenues	<u>\$ 14,200</u>	<u>\$ 15,250</u>	<u>\$ 16,231</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	3,900	3,968	4,609
Audit	400	540	500
Total Expenditures	<u>\$ 19,300</u>	<u>\$ 19,508</u>	<u>\$ 20,109</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,100)	\$ (4,258)	\$ (3,878)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - 1992 Special Assessment Debt Retirement	<u>5,100</u>	<u>5,100</u>	<u>0</u>
Net Change in Fund Balance	\$ 0	\$ 842	\$ (3,878)
<u>FUND BALANCE - Beginning of Year</u>	<u>194,979</u>	<u>78,409</u>	<u>82,287</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 194,979</u>	<u>\$ 79,251</u>	<u>\$ 78,409</u>

CITY OF CADILLAC, MICHIGAN
1993 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 2,837	\$ 3,267
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>2,837</u>	<u>3,267</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,837</u>	<u>\$ 3,267</u>

CITY OF CADILLAC, MICHIGAN
1993 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	2,800	2,830	3,453
Audit	400	400	360
Total Expenditures	\$ 18,200	\$ 18,230	\$ 18,813
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,200)	\$ (18,230)	\$ (18,813)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - Local Street	18,200	17,800	18,000
Net Change in Fund Balance	\$ 0	\$ (430)	\$ (813)
<u>FUND BALANCE</u> - Beginning of Year	90	3,267	4,080
<u>FUND BALANCE</u> - End of Year	\$ 90	\$ 2,837	\$ 3,267

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 20,352	\$ 1,490
Investments	305,194	206,213
Receivables		
Accrued Interest	12,427	9,235
Special Assessments - Current	16,236	18,228
Special Assessments - Deferred	94,315	112,730
Due from Other Funds	1,239	12,571
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 449,763</u>	<u>\$ 360,467</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 184	\$ 0
Deferred Revenues	94,315	112,730
	<hr/>	<hr/>
Total Liabilities	\$ 94,499	\$ 112,730
 <u>FUND BALANCE</u>		
Reserved for Debt Service	355,264	247,737
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 449,763</u>	<u>\$ 360,467</u>

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 23,000	\$ 18,469	\$ 30,477
Penalties and Interest	0	118	164
Interest and Rents			
Interest on Investments	1,500	6,960	1,876
Interest on Assessments	11,300	7,232	9,013
Total Revenues	<u>\$ 35,800</u>	<u>\$ 32,779</u>	<u>\$ 41,530</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 35,000	\$ 35,000	\$ 35,000
Interest and Fiscal Charges	10,600	10,670	12,607
Audit	500	540	500
Total Expenditures	<u>\$ 46,100</u>	<u>\$ 46,210</u>	<u>\$ 48,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,300)</u>	<u>\$ (13,431)</u>	<u>\$ (6,577)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In			
1992 Special Assessment Debt Retirement	\$ 180,000	\$ 120,958	\$ 80,000
1994 Special Assessment Debt Retirement	0	0	39,882
Total Other Financing Sources (Uses)	<u>\$ 180,000</u>	<u>\$ 120,958</u>	<u>\$ 119,882</u>
Net Change in Fund Balance	\$ 169,700	\$ 107,527	\$ 113,305
<u>FUND BALANCE - Beginning of Year</u>	<u>246,939</u>	<u>247,737</u>	<u>134,432</u>
<u>FUND BALANCE - End of Year</u>	<u>\$ 416,639</u>	<u>\$ 355,264</u>	<u>\$ 247,737</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 5,047	\$ 265
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	5,047	265
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,047	\$ 265

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

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Retirement			
Principal Retirement	\$ 15,000	\$ 15,000	\$ 15,000
Interest and Fiscal Charges	8,900	9,018	9,676
Audit	400	400	360
Total Expenditures	\$ 24,300	\$ 24,418	\$ 25,036
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,300)	\$ (24,418)	\$ (25,036)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - Local Street	25,000	29,200	25,000
Net Change in Fund Balance	\$ 700	\$ 4,782	\$ (36)
<u>FUND BALANCE</u> - Beginning of Year	363	265	301
<u>FUND BALANCE</u> - End of Year	\$ 1,063	\$ 5,047	\$ 265

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 18,644	\$ 21,484
Investments	14,757	14,653
Receivables		
Accrued Interest	9,779	11,399
Special Assessments - Current	19,590	20,298
Special Assessments - Deferred	137,128	159,097
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 199,898</u>	<u>\$ 226,931</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenues	\$ 137,128	\$ 159,097
<u>FUND BALANCE</u>		
Reserved for Debt Service	62,770	67,834
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 199,898</u>	<u>\$ 226,931</u>

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 18,000	\$ 21,970	\$ 29,637
Penalties and Interest	0	0	32
Interest and Rents			
Interest on Investments	300	104	175
Interest on Assessments	12,500	9,700	11,705
Total Revenues	<u>\$ 30,800</u>	<u>\$ 31,774</u>	<u>\$ 41,549</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 25,000	\$ 25,000	\$ 25,000
Interest and Fiscal Charges	11,200	11,298	12,384
Audit	500	540	500
Total Expenditures	<u>\$ 36,700</u>	<u>\$ 36,838</u>	<u>\$ 37,884</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (5,900)	\$ (5,064)	\$ 3,665
<u>FUND BALANCE</u> - Beginning of Year	<u>58,550</u>	<u>67,834</u>	<u>64,169</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 52,650</u>	<u>\$ 62,770</u>	<u>\$ 67,834</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 1,547	\$ 1,877
Due from Other Funds	0	150
TOTAL ASSETS	<u>\$ 1,547</u>	<u>\$ 2,027</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>1,547</u>	<u>2,027</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,547</u>	<u>\$ 2,027</u>

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

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 0	\$ 0	\$ 70
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 10,000	\$ 10,000	\$ 10,000
Interest and Fiscal Charges	3,900	3,980	4,367
Audit	400	400	360
Total Expenditures	\$ 14,300	\$ 14,380	\$ 14,727
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,300)	\$ (14,380)	\$ (14,657)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - Local Street	14,300	13,900	10,000
Net Change in Fund Balance	\$ 0	\$ (480)	\$ (4,657)
<u>FUND BALANCE</u> - Beginning of Year	2,424	2,027	6,684
<u>FUND BALANCE</u> - End of Year	\$ 2,424	\$ 1,547	\$ 2,027

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 273	\$ 496
Due from Other Funds	0	150
Due from Other Governments	6,208	0
Total Assets	\$ 6,481	\$ 646
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 6,480	\$ 150
 <u>FUND BALANCE</u>		
Reserved for Debt Service	1	496
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,481	\$ 646

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Contributions from Local Units			
D.D.A. Capital Projects	\$ 32,600	\$ 32,392	\$ 28,400
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 15,000
Interest and Fiscal Charges	12,100	12,487	12,900
Audit	500	400	360
Total Expenditures	\$ 32,600	\$ 32,887	\$ 28,260
Excess (Deficiency) of			
Revenues Over Expenditures	\$ 0	\$ (495)	\$ 140
<u>FUND BALANCE</u> - Beginning of Year	33	496	356
<u>FUND BALANCE</u> - End of Year	\$ 33	\$ 1	\$ 496

CITY OF CADILLAC, MICHIGAN
1998 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 21,536	\$ 11,095
Investments	36,617	36,358
Receivables		
Accrued Interest	6,575	7,899
Special Assessments - Current	13,031	13,799
Special Assessments - Deferred	83,909	102,634
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 161,668</u>	<u>\$ 171,785</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 0	\$ 17,000
Deferred Revenues	83,909	102,634
	<hr/>	<hr/>
Total Liabilities	\$ 83,909	\$ 119,634
<u>FUND BALANCE</u>		
Reserved for Debt Service	77,759	52,151
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 161,668</u>	<u>\$ 171,785</u>

CITY OF CADILLAC, MICHIGAN
1998 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2004	2003
<u>REVENUES</u>		
Taxes and Special Assessments		
Special Assessments	\$ 18,725	\$ 32,528
Penalties and Interest	0	183
Interest and Rents		
Interest on Investments	260	435
Interest on Assessments	7,031	8,290
	\$ 26,016	\$ 41,436
 <u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 0	\$ 13,407
Interest and Fiscal Charges	8	3,600
Audit	400	360
	\$ 408	\$ 17,367
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,608	\$ 24,069
<u>FUND BALANCE</u> - Beginning of Year	52,151	28,082
<u>FUND BALANCE</u> - End of Year	\$ 77,759	\$ 52,151

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 3,463	\$ 4,051
Receivables		
Accrued Interest	4,602	5,383
Special Assessments - Current	9,891	10,378
Special Assessments - Deferred	62,008	72,509
Due from Other Funds	188	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 80,152	\$ 92,321
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 12,670	\$ 0
Deferred Revenues	62,008	72,509
	<hr/>	<hr/>
Total Liabilities	\$ 74,678	\$ 72,509
 <u>FUND BALANCE</u>		
Reserved for Debt Service	5,474	19,812
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 80,152	\$ 92,321
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 15,000	\$ 10,501	\$ 25,496
Penalties and Interest	100	0	96
Interest and Rents			
Interest on Assessments	6,000	4,651	6,046
	<u>6,000</u>	<u>4,651</u>	<u>6,046</u>
Total Revenues	<u>\$ 21,100</u>	<u>\$ 15,152</u>	<u>\$ 31,638</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 20,000	\$ 20,000	\$ 20,000
Interest and Fiscal Charges	8,600	8,950	9,611
Audit	500	540	500
	<u>500</u>	<u>540</u>	<u>500</u>
Total Expenditures	<u>\$ 29,100</u>	<u>\$ 29,490</u>	<u>\$ 30,111</u>
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (8,000)	\$ (14,338)	\$ 1,527
<u>FUND BALANCE</u> - Beginning of Year	<u>13,337</u>	<u>19,812</u>	<u>18,285</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 5,337</u>	<u>\$ 5,474</u>	<u>\$ 19,812</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 398	\$ 538
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Debt Service	398	538
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 398</u>	<u>\$ 538</u>

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

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>	\$ 0	\$ 0	\$ 0
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 10,000	\$ 10,000	\$ 10,000
Interest and Fiscal Charges	15,300	15,040	15,724
Audit	0	400	360
Total Expenditures	\$ 25,300	\$ 25,440	\$ 26,084
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,300)	\$ (25,440)	\$ (26,084)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In - Local Street	25,300	25,300	26,000
Net Change in Fund Balance	\$ 0	\$ (140)	\$ (84)
<u>FUND BALANCE</u> - Beginning of Year	607	538	622
<u>FUND BALANCE</u> - End of Year	\$ 607	\$ 398	\$ 538

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 20,676	\$ 27,457
Receivables		
Accrued Interest	6,786	10,306
Special Assessments - Current	14,167	19,310
Special Assessments - Deferred	109,173	170,044
Due from Other Funds	3,325	1,279
	\$ 154,127	\$ 228,396
TOTAL ASSETS		
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 109,173	\$ 170,044
<u>FUND BALANCE</u>		
Reserved for Debt Service	44,954	58,352
	\$ 154,127	\$ 228,396
TOTAL LIABILITIES AND FUND BALANCE		

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes and Special Assessments			
Special Assessments	\$ 25,000	\$ 24,133	\$ 41,428
Penalties and Interest	0	0	49
Interest and Rents			
Interest on Assessments	5,500	4,744	10,492
Interest on Investments	900	0	0
	<u>31,400</u>	<u>28,877</u>	<u>51,969</u>
Total Revenues	\$ 31,400	\$ 28,877	\$ 51,969
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 30,000	\$ 30,000	\$ 15,000
Interest and Fiscal Charges	11,700	11,735	10,089
Audit	500	540	600
	<u>42,200</u>	<u>42,275</u>	<u>25,689</u>
Total Expenditures	\$ 42,200	\$ 42,275	\$ 25,689
Excess (Deficiency) of			
Revenues Over Expenditures	\$ (10,800)	\$ (13,398)	\$ 26,280
<u>FUND BALANCE</u> - Beginning of Year	<u>5,400</u>	<u>58,352</u>	<u>32,072</u>
<u>FUND BALANCE</u> - End of Year (Deficit)	<u>\$ (5,400)</u>	<u>\$ 44,954</u>	<u>\$ 58,352</u>

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

Special Assessments Capital Projects Fund - Accounts for preliminary and construction work on projects that are subsequently paid from special assessments.

James E. Potvin Industrial Park Fund - The purpose is to develop the infrastructure of the 40 acres acquired to house the expanded industrial park. Grants are the major source of revenue for this fund.

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	JAMES E. POTVIN INDUSTRIAL PARK	TOTALS
<u>ASSETS</u>				
Cash	\$ 902	\$ 4,297	\$ 428	\$ 5,627
Investments	180,375	0	0	180,375
Receivables				
Accrued Interest	3,677	10,959	0	14,636
Special Assessments				
Current	0	32,718	0	32,718
Deferred	0	309,567	0	309,567
Due from Other Funds	0	217,361	3,403	220,764
TOTAL ASSETS	\$ 184,954	\$ 574,902	\$ 3,831	\$ 763,687
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 33,852	\$ 3,831	\$ 37,683
Due to Other Funds	0	214,588	0	214,588
Deferred Revenue	0	309,567	0	309,567
Total Liabilities	\$ 0	\$ 558,007	\$ 3,831	\$ 561,838
<u>FUND BALANCES</u>				
Reserved for				
Industrial Development	\$ 184,954	\$ 0	\$ 0	\$ 184,954
Special Assessment Project				
Construction	0	16,895	0	16,895
Total Fund Balances	\$ 184,954	\$ 16,895	\$ 0	\$ 201,849
TOTAL LIABILITIES AND FUND BALANCES	\$ 184,954	\$ 574,902	\$ 3,831	\$ 763,687

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	JAMES E. POTVIN INDUSTRIAL PARK	TOTALS
<u>REVENUES</u>				
Taxes and Special Assessments	\$ 0	\$ 92,485	\$ 0	\$ 92,485
Interest and Rents	254	12,222	0	12,476
Total Revenues	<u>\$ 254</u>	<u>\$ 104,707</u>	<u>\$ 0</u>	<u>\$ 104,961</u>
<u>EXPENDITURES</u>				
Capital Outlay	\$ 32,853	\$ 238,877	\$ 0	\$ 271,730
Debt Service	0	50,033	0	50,033
Total Expenditures	<u>\$ 32,853</u>	<u>\$ 288,910</u>	<u>\$ 0</u>	<u>\$ 321,763</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,599)	\$ (184,203)	\$ 0	\$ (216,802)
<u>OTHER FINANCING SOURCES (USES)</u>				
Loan Proceeds	0	45,000	0	45,000
Net Change in Fund Balances	\$ (32,599)	\$ (139,203)	\$ 0	\$ (171,802)
<u>FUND BALANCES</u> - Beginning of Year	<u>217,553</u>	<u>156,098</u>	<u>0</u>	<u>373,651</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 184,954</u>	<u>\$ 16,895</u>	<u>\$ 0</u>	<u>\$ 201,849</u>

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 902	\$ 10,146
Investments	180,375	203,730
Receivables		
Accrued Interest	3,677	3,677
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 184,954</u>	<u>\$ 217,553</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Reserved for Industrial Development	184,954	217,553
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 184,954</u>	<u>\$ 217,553</u>

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30,

	2004	2003
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 254	\$ 5,374
Other Revenue		
Sale of Property	0	66,650
	\$ 254	\$ 72,024
<u>EXPENDITURES</u>		
Capital Outlay		
Contracted Services	\$ 28,718	\$ 421
Fees and Commissions	250	6,150
Office Supplies	0	50
Property Taxes	3,235	3,235
Audit	650	600
	\$ 32,853	\$ 10,456
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,599)	\$ 61,568
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out - James E. Potvin Industrial Park Fund	0	(61,307)
	\$ (32,599)	\$ 261
<u>FUND BALANCE</u> - Beginning of Year	217,553	217,292
<u>FUND BALANCE</u> - End of Year	\$ 184,954	\$ 217,553

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 4,297	\$ 67
Receivables		
Accrued Interest	10,959	2,762
Special Assessments - Current	32,718	5,174
Special Assessments - Deferred	309,567	39,237
Due from Other Funds	217,361	209,673
	<u>\$ 574,902</u>	<u>\$ 256,913</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 33,852	\$ 483
Due to Other Funds	214,588	61,095
Deferred Revenues	309,567	39,237
	<u>\$ 558,007</u>	<u>\$ 100,815</u>
Total Liabilities		
<u>FUND BALANCE</u>		
Reserved for Special Assessment Project Construction	16,895	156,098
	<u>\$ 574,902</u>	<u>\$ 256,913</u>
Total Liabilities and Fund Balance		

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Taxes and Special Assessments		
Special Assessments	\$ 92,485	\$ 5,221
Contributions from Local Units	0	45,066
Interest and Rents		
Interest on Assessments	12,222	3,161
Other Revenue		
Contributions from Private Sources	0	5,200
Total Revenues	<u>\$ 104,707</u>	<u>\$ 58,648</u>
<u>EXPENDITURES</u>		
Capital Outlay		
Audit	\$ 2,000	\$ 2,100
Public Improvements	236,877	110,670
Debt Service		
Principal Retirement	46,179	5,521
Interest and Fiscal Charges	3,854	1,479
Total Expenditures	<u>\$ 288,910</u>	<u>\$ 119,770</u>
Excess (Deficiency) of		
Revenues Over Expenditures	<u>\$ (184,203)</u>	<u>\$ (61,122)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Loan Proceeds	\$ 45,000	\$ 0
Transfers Out - Local Street Fund - Street Construction Costs	0	(82,760)
Net Other Financing Sources (Uses)	<u>\$ 45,000</u>	<u>\$ (82,760)</u>
Net Change in Fund Balance	<u>\$ (139,203)</u>	<u>\$ (143,882)</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>156,098</u>	<u>299,980</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 16,895</u>	<u>\$ 156,098</u>

CITY OF CADILLAC, MICHIGAN
JAMES E. POTVIN INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 428	\$ 428
Due from Other Funds	3,403	0
Due from Other Governments	0	88,771
	\$ 3,831	\$ 89,199
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 3,831	\$ 0
Due to Other Funds	0	87,164
Deferred Revenues	0	2,035
	\$ 3,831	\$ 89,199
Total Liabilities	\$ 3,831	\$ 89,199
<u>FUND BALANCE</u>	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,831	\$ 89,199

CITY OF CADILLAC, MICHIGAN
JAMES E. POTVIN INDUSTRIAL PARK FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Federal Grants		
United States Economic Development Administration		
Public Works and Development Facilities Grant	\$ 0	\$ 434,952
<u>EXPENDITURES</u>		
Capital Outlay		
Industrial Park Development	0	139,676
Excess (Deficiency) of		
Revenues Over Expenditures	\$ 0	\$ 295,276
<u>OTHER FINANCING SOURCES (USES)</u>		
Community Development Block Grant Loan Proceeds	\$ 0	\$ 231,905
Transfers In - Industrial Park Fund	0	61,307
Transfers (Out)		
Local Street Fund	0	(353,632)
Water and Sewer Fund	0	(234,856)
Total Other Financing Sources (Uses)	\$ 0	\$ (295,276)
Net Change in Fund Balance	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	0	0
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 0

NONMAJOR PERMANENT FUNDS

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>CEMETERY PERPETUAL CARE</u>	<u>CAPITAL PROJECTS TRUST</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 5,714	\$ 21,836	\$ 27,550
Investments	426,266	634,526	1,060,792
Receivables			
Accrued Interest	0	2,468	2,468
Due from Other Funds	1,163	0	1,163
	<u>\$ 433,143</u>	<u>\$ 658,830</u>	<u>\$ 1,091,973</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 1,122	\$ 86	\$ 1,208
<u>FUND BALANCES</u>			
Reserved For:			
Cemetery Perpetual Care	\$ 432,021	\$ 0	\$ 432,021
Capital Projects	0	658,744	658,744
	<u>\$ 432,021</u>	<u>\$ 658,744</u>	<u>\$ 1,090,765</u>
Total Fund Balances	\$ 432,021	\$ 658,744	\$ 1,090,765
	<u>\$ 433,143</u>	<u>\$ 658,830</u>	<u>\$ 1,091,973</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>			

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	<u>CEMETERY PERPETUAL CARE FUND</u>	<u>CAPITAL PROJECTS TRUST FUND</u>	<u>TOTALS</u>
<u>REVENUES</u>			
Interest and Rents			
Interest	\$ 25,485	\$ 3,098	\$ 28,583
Gain on Investments	26,891	98,048	124,939
Other Revenues	6,875	0	6,875
Total Revenues	\$ 59,251	\$ 101,146	\$ 160,397
<u>EXPENDITURES</u>			
General Government			
Contractual Services	1,000	400	1,400
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,251	\$ 100,746	\$ 158,997
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(25,485)	(10,000)	(35,485)
Net Change in Fund Balances	\$ 32,766	\$ 90,746	\$ 123,512
<u>FUND BALANCES</u> - Beginning of Year	399,255	567,998	967,253
<u>FUND BALANCES</u> - End of Year	\$ 432,021	\$ 658,744	\$ 1,090,765

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 5,714	\$ 24,457
Investments	426,266	398,552
Due from Other Funds	1,163	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 433,143	\$ 423,009
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 1,122	\$ 23,754
<u>FUND BALANCE</u>		
Reserved for Cemetery Perpetual Care	432,021	399,255
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 433,143	\$ 423,009
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

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

	2004	2003
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 25,485	\$ 21,442
Gain on Investments	26,891	17,355
Other Revenue		
Perpetual Care of Lots	6,875	8,400
	\$ 59,251	\$ 47,197
<u>EXPENDITURES</u>		
General Government		
Audit	1,000	930
	\$ 58,251	\$ 46,267
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Cemetery Operating Fund	(25,485)	(21,442)
	\$ 32,766	\$ 24,825
<u>FUND BALANCE</u> - Beginning of Year	399,255	374,430
<u>FUND BALANCE</u> - End of Year	\$ 432,021	\$ 399,255

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 21,836	\$ 27,265
Investments	634,526	537,208
Receivables		
Accrued Interest	2,468	3,525
TOTAL ASSETS	<u>\$ 658,830</u>	<u>\$ 567,998</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 86	\$ 0
<u>FUND BALANCE</u>		
Reserved for:		
Capital Projects Endowment	658,744	567,998
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 658,830</u>	<u>\$ 567,998</u>

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

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

	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>		
Interest and Rents		
Interest	\$ 3,098	\$ 5,464
Gain (Loss) on Investments	98,048	(16,813)
	<hr/>	<hr/>
Total Revenues (Loss)	\$ 101,146	\$ (11,349)
 <u>EXPENDITURES</u>		
General Government		
Audit	400	360
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$ 100,746	\$ (11,709)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers (Out)		
Local Street Fund	(10,000)	0
	<hr/>	<hr/>
Net Change in Fund Balance	\$ 90,746	\$ (11,709)
 <u>FUND BALANCE</u> - Beginning of Year	 <hr/>	 <hr/>
	567,998	579,707
 <u>FUND BALANCE</u> - End of Year	 <hr/>	 <hr/>
	\$ 658,744	\$ 567,998
	<hr/> <hr/>	<hr/> <hr/>

NONMAJOR PROPRIETARY FUND

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

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

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF NET ASSETS

JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 0	\$ 26,435
Receivables		
Interest	748	0
Investments	90,076	55,198
Prepaid Expense	23	30
Due from Other Funds	5,865	0
	<hr/>	<hr/>
Total Current Assets	\$ 96,712	\$ 81,663
	<hr/>	<hr/>
<u>NONCURRENT ASSETS</u>		
<u>CAPITAL ASSETS</u>		
Land	\$ 249,221	\$ 132,301
Land Improvements	561,820	465,287
	<hr/>	<hr/>
	\$ 811,041	\$ 597,588
Less Accumulated Depreciation	116,464	100,639
	<hr/>	<hr/>
Net Fixed Assets	\$ 694,577	\$ 496,949
	<hr/>	<hr/>
Total Noncurrent Assets	\$ 694,577	\$ 496,949
	<hr/>	<hr/>
TOTAL ASSETS	\$ 791,289	\$ 578,612
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Bank Overdraft	\$ 24,492	\$ 0
Accounts Payable	0	21,671
Other Accrued Expenses	0	106
Due to Other Funds	0	1,054
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 24,492	\$ 22,831
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 694,577	\$ 496,949
Unrestricted	72,220	58,832
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 766,797	\$ 555,781
	<hr/>	<hr/>

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

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

	2004	2003
<u>OPERATING REVENUES</u>		
Charges for Services		
Parking Lot Assessments	\$ 40,216	\$ 40,710
Parking Violations	1,723	1,931
Courtesy Parking	1,220	1,675
Other Revenue	773	100
	\$ 43,932	\$ 44,416
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,048	\$ 7,759
Employee Benefits	1,184	4,262
Office Supplies	196	665
Audit	800	720
Data Processing	2,600	2,400
Depreciation	15,825	13,678
Snow Removal		
Personal Services	5,474	4,366
Employee Benefits	3,794	2,399
Operating Supplies	169	0
Equipment Rental	15,186	10,774
Lot Maintenance		
Personal Services	94	2,045
Employee Benefits	65	1,123
Operating Supplies	49	1,695
Equipment Rental	132	1,668
	\$ 47,616	\$ 53,554
Operating Income (Loss)	\$ (3,684)	\$ (9,138)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 1,247	\$ 997
Contributions from Local Units - D.D.A. Capital Projects	96,903	0
Contributions and Donations from Private Sources	116,550	0
	\$ 214,700	\$ 997
Income (Loss)	211,016	(8,141)

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

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

	<u>2004</u>	<u>2003</u>
<u>TRANSFERS</u>		
Transfer In - Cadillac Development Fund	\$ 0	\$ 20,000
Change in Net Assets	\$ 211,016	\$ 11,859
<u>TOTAL NET ASSETS</u> - Beginning of Year	<u>555,781</u>	<u>543,922</u>
<u>TOTAL NET ASSETS</u> -End of Year	<u>\$ 766,797</u>	<u>\$ 555,781</u>

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 37,294	\$ 44,316
Cash Payments to Suppliers for Goods and Services	(46,893)	(7,187)
Cash Payments to Employees for Services	(7,722)	(14,064)
Other Operating Revenues	773	100
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (16,548)	\$ 23,165
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	\$ (96,903)	\$ (20,546)
Transfer In - Cadillac Development Fund	0	20,000
Contributions from Local Units	96,903	0
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ 0	\$ (546)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 499	\$ 997
Purchase of Investment Securities	(91,370)	(659)
Proceeds from Sale and Maturities of Investment Securities	56,492	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (34,379)	\$ 338
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (50,927)	\$ 22,957
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	26,435	3,478
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS (OVERDRAFT)</u> - End of Year	\$ (24,492)	\$ 26,435
	<hr/> <hr/>	<hr/> <hr/>
<u>SIGNIFICANT NONCASH TRANSACTIONS</u>		
Land Donation	\$ 116,550	\$ 0

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>RECONCILIATION OF OPERATING INCOME</u>		
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (3,684)	\$ (9,138)
Adjustments to Reconcile Operating Income		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 15,825	\$ 13,678
(Increase) Decrease in Current Assets		
Prepaid Expense	7	(6)
Due from Other Funds	(5,865)	0
Increase (Decrease) in Current Liabilities		
Accounts Payable	(21,671)	21,671
Other Accrued Expenses	(106)	106
Due to Other Funds	(1,054)	(3,146)
Total Adjustments	\$ (12,864)	\$ 32,303
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (16,548)</u>	<u>\$ 23,165</u>

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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, Data Processing Fund, Self-Insurance Fund and Safety Fund make up the internal service funds category.

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

Data Processing Fund - Provides computer services to the various other funds that use the City's computer.

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

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

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2004

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>DATA PROCESSING</u>
<u>ASSETS</u>		
Cash	\$ 12,032	\$ 234
Investments	302	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	5,249	0
Accrued Interest	0	0
Due from Other Funds	141,491	0
Inventory, At Cost	37,092	563
Prepaid Expense	11,442	155,798
Fixed Assets (Net of Accumulated Depreciation)	817,781	81,820
	\$ 1,025,389	\$ 238,415
<u>LIABILITIES</u>		
Accounts Payable	\$ 9,635	\$ 797
Other Accrued Expenses	32,955	3,534
Due to Other Governments	2,929	0
Due to Other Funds	45,417	95,847
Capital Lease	0	5,398
TOTAL LIABILITIES	\$ 90,936	\$ 105,576
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 817,781	\$ 76,422
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted	116,672	56,417
	\$ 934,453	\$ 132,839

SELF- INSURANCE	SAFETY	TOTALS
\$ 29,188	\$ 7,384	\$ 48,838
469,919	0	470,221
0	0	5,249
7,707	0	7,707
44,819	0	186,310
0	0	37,655
46,947	0	214,187
0	0	899,601
<u>\$ 598,580</u>	<u>\$ 7,384</u>	<u>\$ 1,869,768</u>
\$ 51,631	\$ 0	\$ 62,063
0	0	36,489
0	0	2,929
6,913	950	149,127
0	0	5,398
<u>\$ 58,544</u>	<u>\$ 950</u>	<u>\$ 256,006</u>
\$ 0	\$ 0	\$ 894,203
175,560	0	175,560
364,476	0	364,476
0	6,434	179,523
<u>\$ 540,036</u>	<u>\$ 6,434</u>	<u>\$ 1,613,762</u>

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2004

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>DATA PROCESSING</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 461,847	\$ 224,600
Other Revenue	0	0
Total Operating Revenues	\$ 461,847	\$ 224,600
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 129,265	\$ 43,589
Contractual Services	64,845	32,563
Supplies	94,610	21,364
Heat, Light and Power	19,645	481
Depreciation	114,448	60,331
Employee Benefits	90,337	18,701
Benefit Payments	0	0
Equipment Rental	14,779	0
Administrative	43,000	19,000
Total Operating Expenses	\$ 570,929	\$ 196,029
Operating Income (Loss)	\$ (109,082)	\$ 28,571
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 0	\$ 1,562
Interest and Fiscal Charges	0	(1,131)
Gain (Loss) on Sale of Fixed Assets	(2,750)	0
Total Nonoperating Revenues (Expenses)	\$ (2,750)	\$ 431
Changes In Net Assets	\$ (111,832)	\$ 29,002
<u>TOTAL NET ASSETS</u> - Beginning of Year	1,046,285	103,837
<u>TOTAL NET ASSETS</u> - End of Year	\$ 934,453	\$ 132,839

SELF- INSURANCE	SAFETY	TOTALS
\$ 937,796	\$ 5,300	\$ 1,629,543
4,428	0	4,428
<u>\$ 942,224</u>	<u>\$ 5,300</u>	<u>\$ 1,633,971</u>
\$ 0	\$ 1,911	\$ 174,765
22,035	1,963	121,406
0	295	116,269
0	0	20,126
0	0	174,779
0	0	109,038
688,931	0	688,931
0	0	14,779
0	0	62,000
<u>\$ 710,966</u>	<u>\$ 4,169</u>	<u>\$ 1,482,093</u>
<u>\$ 231,258</u>	<u>\$ 1,131</u>	<u>\$ 151,878</u>
\$ 9,642	\$ 29	\$ 11,233
0	0	(1,131)
0	0	(2,750)
<u>\$ 9,642</u>	<u>\$ 29</u>	<u>\$ 7,352</u>
\$ 240,900	\$ 1,160	\$ 159,230
299,136	5,274	1,454,532
<u>\$ 540,036</u>	<u>\$ 6,434</u>	<u>\$ 1,613,762</u>

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>DATA PROCESSING</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$ 382,816	\$ 224,600
Cash Payments to Suppliers for Goods and Services	(287,535)	(147,194)
Cash Payments to Employees for Services	(113,774)	(42,164)
	\$ (18,493)	\$ 35,242
Cash Flows from Capital and Related Financing Activities:		
Purchase of Fixed Assets	\$ (134,375)	\$ (21,807)
Principal Payments	0	(31,462)
Interest Paid	0	(1,131)
	\$ (134,375)	\$ (54,400)
Cash Flows from Investing Activities:		
Interest Received	\$ 983	\$ 1,562
Purchase of Investment Securities	(2,976)	(81,490)
Proceeds from Sale and Maturities of Investment Securities	49,156	98,795
	\$ 47,163	\$ 18,867
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (105,705)	\$ (291)
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	117,737	525
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 12,032	\$ 234

<u>SELF- INSURANCE</u>	<u>SAFETY</u>	<u>TOTALS</u>
\$ 897,760	\$ 5,300	\$ 1,510,476
(721,275)	(1,769)	(1,157,773)
0	(1,911)	(157,849)
<u>\$ 176,485</u>	<u>\$ 1,620</u>	<u>\$ 194,854</u>
\$ 0	\$ 0	\$ (156,182)
0	0	(31,462)
0	0	(1,131)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (188,775)</u>
\$ 4,114	\$ 29	\$ 6,688
(525,354)	0	(609,820)
350,368	0	498,319
<u>\$ (170,872)</u>	<u>\$ 29</u>	<u>\$ (104,813)</u>
\$ 5,613	\$ 1,649	\$ (98,734)
23,575	5,735	147,572
<u>\$ 29,188</u>	<u>\$ 7,384</u>	<u>\$ 48,838</u>

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004

	<u>CENTRAL STORES AND MUNICIPAL GARAGE</u>	<u>DATA PROCESSING</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (109,082)	\$ 28,571
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 114,448	\$ 60,331
(Increase) Decrease in Current Assets		
Accounts Receivable	737	0
Due from Other Funds	(79,768)	0
Inventory	(9,806)	224
Prepaid Expense	7,480	(150,177)
Increase (Decrease) in Current Liabilities		
Accounts Payable	3,746	446
Other Accrued Expenses	8,599	1,425
Due to Other Funds	42,224	94,422
Due to Other Governments	2,929	0
Total Adjustments	<u>\$ 90,589</u>	<u>\$ 6,671</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (18,493)</u></u>	<u><u>\$ 35,242</u></u>

<u>SELF- INSURANCE</u>	<u>SAFETY</u>	<u>TOTALS</u>
\$ 231,258	\$ 1,131	\$ 151,878
\$ 0	\$ 0	\$ 174,779
356	0	1,093
(44,819)	0	(124,587)
0	0	(9,582)
(3,687)	0	(146,384)
28,262	(215)	32,239
0	0	10,024
(34,885)	704	102,465
0	0	2,929
<u>\$ (54,773)</u>	<u>\$ 489</u>	<u>\$ 42,976</u>
<u>\$ 176,485</u>	<u>\$ 1,620</u>	<u>\$ 194,854</u>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2004	2003
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 12,032	\$ 117,737
Investments	302	46,482
Receivables		
Accounts	5,249	5,986
Accrued Interest	0	983
Due from Other Funds	141,491	61,723
Inventory, At Cost	37,092	27,286
Prepaid Expense	11,442	18,922
	\$ 207,608	\$ 279,119
Total Current Assets		
<u>FIXED ASSETS</u>		
Land and Land Improvements	\$ 93,971	\$ 93,970
Buildings	411,945	411,945
Machinery and Equipment	1,571,213	1,510,627
	\$ 2,077,129	\$ 2,016,542
Less Accumulated Depreciation	1,259,348	1,215,938
Net Fixed Assets	\$ 817,781	\$ 800,604
<u>TOTAL ASSETS</u>	\$ 1,025,389	\$ 1,079,723

	<u>2004</u>	<u>2003</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 9,635	\$ 5,889
Other Accrued Expenses	32,955	24,356
Due to Other Governments	2,929	0
Due to Other Funds	45,417	3,193
	<hr/>	
TOTAL LIABILITIES	\$ 90,936	\$ 33,438
	<hr/>	
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 817,781	\$ 800,604
Unrestricted	116,672	245,681
	<hr/>	
TOTAL NET ASSETS	\$ 934,453	\$ 1,046,285
	<hr/>	

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Services and Materials	\$ 14,178	\$ 30,531
Equipment Rentals	447,669	433,249
Total Operating Revenues	\$ 461,847	\$ 463,780
 <u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 122,373	\$ 107,631
Contractual Services	2,194	6,764
Employee Safety	900	900
Operating Supplies	88,308	69,049
Audit	3,000	2,880
Bad Debts	50	50
Data Processing	15,000	10,600
Insurance	15,556	14,912
Property Taxes	1,804	1,804
Travel and Education	236	805
Employee Benefits	85,560	61,398
Heat, Light and Power	19,645	19,301
Equipment Maintenance	26,105	12,253
Equipment Rental	972	2,351
Depreciation	114,448	129,627
Outside Work		
Salaries and Wages	6,892	9,746
Operating Supplies	6,302	3,455
Employee Benefits	4,777	5,354
Equipment Rental	5,288	10,940
Vehicle Lease	8,519	9,249
Administrative	43,000	41,700
Total Operating Expenses	\$ 570,929	\$ 520,769
Operating Income (Loss)	\$ (109,082)	\$ (56,989)

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

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

	2004	2003
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 0	\$ 1,959
Gain (Loss) on Sale of Fixed Assets	(2,750)	2,140
	\$ (2,750)	\$ 4,099
Total Nonoperating Revenues (Expenses)		
Change in Net Assets	\$ (111,832)	\$ (52,890)
<u>TOTAL NET ASSETS</u> - Beginning of Year	1,046,285	1,099,175
<u>TOTAL NET ASSETS</u> - End of Year	\$ 934,453	\$ 1,046,285

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$ 382,816	\$ 553,351
Cash Payments to Suppliers for Goods and Services	(287,535)	(285,564)
Cash Payments to Employees for Services	(113,774)	(106,657)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (18,493)	\$ 161,130
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
Purchase of Fixed Assets	\$ (134,375)	\$ (99,010)
Proceeds from Sale of Fixed Assets	0	2,140
	<hr/>	<hr/>
Net Cash Provided (Used) for Capital and Related Financing Activities	\$ (134,375)	\$ (96,870)
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Interest Received	\$ 983	\$ 976
Purchase of Investment Securities	(2,976)	(46,627)
Proceeds from Sale and Maturity of Investment Securities	49,156	55,000
	<hr/>	<hr/>
Net Cash Provided (Used) By Investing Activities	\$ 47,163	\$ 9,349
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (105,705)	\$ 73,609
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	117,737	44,128
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 12,032	\$ 117,737
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (109,082)	\$ (56,989)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 114,448	\$ 129,627
(Increase) Decrease in Current Assets		
Accounts Receivable	737	(5,626)
Due from Other Funds	(79,768)	95,197
Inventory	(9,806)	10,347
Prepaid Expense	7,480	(15,925)
Increase (Decrease) in Current Liabilities		
Accounts Payable	3,746	1,315
Accrued Expenses	8,599	(9)
Due to Other Funds	42,224	3,193
Due to Other Governments	2,929	0
Total Adjustments	<u>\$ 90,589</u>	<u>\$ 218,119</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (18,493)</u></u>	<u><u>\$ 161,130</u></u>

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 234	\$ 525
Investments	0	17,305
Inventory, at Cost	563	787
Prepaid Expense	155,798	5,621
	<hr/>	<hr/>
Total Current Assets	\$ 156,595	\$ 24,238
	<hr/>	<hr/>
<u>FIXED ASSETS</u>		
Furniture, Fixtures and Equipment	\$ 470,332	\$ 463,638
Less Accumulated Depreciation	388,512	343,294
	<hr/>	<hr/>
Net Fixed Assets	\$ 81,820	\$ 120,344
	<hr/>	<hr/>
TOTAL ASSETS	<hr/> <u>\$ 238,415</u>	<hr/> <u>\$ 144,582</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 797	\$ 351
Other Accrued Expenses	3,534	2,109
Due to Other Funds	95,847	1,425
Current Portion of Capital Lease	5,398	31,462
	<hr/>	<hr/>
Total Current Liabilities	\$ 105,576	\$ 35,347
	<hr/>	<hr/>
<u>LONG TERM LIABILITIES</u>		
Capital Lease	\$ 0	\$ 5,398
	<hr/>	<hr/>
TOTAL LIABILITIES	<hr/> <u>\$ 105,576</u>	<hr/> <u>\$ 40,745</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 76,422	\$ 114,946
Unrestricted (Deficit)	56,417	(11,109)
	<hr/>	<hr/>
TOTAL NET ASSETS	<hr/> <u>\$ 132,839</u>	<hr/> <u>\$ 103,837</u>

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 0	\$ 25
Interdepartmental Billings	224,600	193,900
	<hr/>	<hr/>
Total Revenues	\$ 224,600	\$ 193,925
 <u>OPERATING EXPENSES</u>		
Salaries and Wages	\$ 43,589	\$ 41,253
Employee Benefits	18,701	14,490
Dues and Publications	193	84
Audit	800	720
Insurance	152	290
Computer Programming	20,413	13,982
Telephone	481	419
Travel and Education	1,484	922
Office Supplies	21,364	10,769
Depreciation	60,331	56,766
Repairs and Maintenance	9,521	7,043
Administrative	19,000	16,600
	<hr/>	<hr/>
Total Operating Expenses	\$ 196,029	\$ 163,338
Operating Income (Loss)	<hr/>	<hr/>
	\$ 28,571	\$ 30,587
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	\$ 1,562	\$ 1,098
Interest and Fiscal Charges	(1,131)	(2,666)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	\$ 431	\$ (1,568)
Change In Net Assets	<hr/>	<hr/>
	\$ 29,002	\$ 29,019
 <u>TOTAL NET ASSETS</u> - Beginning of Year	 <hr/>	 <hr/>
	103,837	74,818
 <u>TOTAL NET ASSETS</u> - End of Year	 <hr/>	 <hr/>
	\$ 132,839	\$ 103,837
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2004	2003
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$ 224,600	\$ 193,900
Cash Received from Customers	0	25
Cash Payments to Suppliers for Goods and Services	(147,194)	(66,993)
Cash Payments to Employees for Services	(42,164)	(41,144)
	\$ 35,242	\$ 85,788
Cash Flows from Capital and Related Financing Activities:		
Purchase of Fixed Assets	\$ (21,807)	\$ (72,232)
Principal Paid on Capital Lease	(31,462)	(29,927)
Interest Paid on Capital Lease	(1,131)	(2,666)
	\$ (54,400)	\$ (104,825)
Cash Flows from Investing Activities:		
Interest Received	\$ 1,562	\$ 1,098
Purchase of Investment Securities	(81,490)	(100,796)
Proceeds from Sale and Maturities of Investment Securities	98,795	115,000
	\$ 18,867	\$ 15,302
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (291)	\$ (3,735)
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	525	4,260
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 234	\$ 525

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2004	2003
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 28,571	\$ 30,587
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 60,331	\$ 56,766
(Increase) Decrease in Current Assets		
Inventory	224	501
Prepaid Expense	(150,177)	(160)
Increase (Decrease) in Current Liabilities		
Accounts Payable	446	(883)
Other Accrued Expenses	1,425	109
Due to Other Funds	94,422	(1,132)
Total Adjustments	\$ 6,671	\$ 55,201
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 35,242	\$ 85,788

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 29,188	\$ 23,575
Investments	469,919	294,933
Receivables		
Accounts	0	356
Accrued Interest	7,707	2,179
Due from Other Funds	44,819	0
Prepaid Expense	46,947	43,260
	<hr/>	<hr/>
TOTAL ASSETS	\$ 598,580	\$ 364,303
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 51,631	\$ 23,369
Due to Other Funds	6,913	41,798
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 58,544	\$ 65,167
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Restricted for:		
Retirees' Life Insurance	\$ 175,560	\$ 154,574
Employees' Life and Health Insurance	364,476	144,562
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 540,036	\$ 299,136
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Charges for Services		
Employer Contributions	\$ 937,796	\$ 740,493
Other Revenue	4,428	11,080
Total Operating Revenues	\$ 942,224	\$ 751,573
<u>OPERATING EXPENSES</u>		
Contractual Services		
Administration	\$ 22,035	\$ 24,534
Benefit Payments		
Insurance Premiums	483,558	383,593
Medical Claims	205,373	233,087
Total Operating Expenses	\$ 710,966	\$ 641,214
Operating Income (Loss)	\$ 231,258	\$ 110,359
<u>NONOPERATING REVENUES</u>		
Interest Revenue	9,642	11,608
Change in Net Assets	\$ 240,900	\$ 121,967
<u>TOTAL NET ASSETS</u> - Beginning of Year	299,136	177,169
<u>TOTAL NET ASSETS</u> - End of Year	\$ 540,036	\$ 299,136

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$ 897,760	\$ 872,475
Cash Payments to Suppliers for Goods and Services	(721,275)	(651,468)
Net Cash Provided (Used) by Operating Activities	<u>\$ 176,485</u>	<u>\$ 221,007</u>
Cash Flows from Investing Activities:		
Interest Received	\$ 4,114	\$ 9,429
Purchase of Investment Securities	(525,354)	(723,254)
Proceeds from Sale and Maturities of Investment Securities	350,368	467,022
Net Cash Provided (Used) by Investing Activities	<u>\$ (170,872)</u>	<u>\$ (246,803)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 5,613</u>	<u>\$ (25,796)</u>
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>23,575</u>	<u>49,371</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u><u>\$ 29,188</u></u>	<u><u>\$ 23,575</u></u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	<u>\$ 231,258</u>	<u>\$ 110,359</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	\$ 356	\$ 69
Due from Other Funds	(44,819)	123,012
Prepaid Expense	(3,687)	(41,930)
Increase (Decrease) in Current Liabilities		
Accounts Payable	28,262	(12,301)
Due to Other Funds	(34,885)	41,798
Total Adjustments	<u>\$ (54,773)</u>	<u>\$ 110,648</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u><u>\$ 176,485</u></u>	<u><u>\$ 221,007</u></u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 7,384	\$ 5,735
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 215
Due to Other Funds	950	246
TOTAL LIABILITIES	\$ 950	\$ 461
<u>NET ASSETS</u>		
Unrestricted	\$ 6,434	\$ 5,274

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Interdepartmental Billings	\$ 5,300	\$ 5,300
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 1,911	\$ 500
Operating Supplies	295	912
Dues and Publications	1,390	10
Audit	350	310
Travel and Education	223	25
Total Operating Expenses	\$ 4,169	\$ 1,757
Operating Income (Loss)	\$ 1,131	\$ 3,543
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Revenue	29	25
Change in Net Assets	\$ 1,160	\$ 3,568
<u>TOTAL NET ASSETS - Beginning of Year</u>	<u>5,274</u>	<u>1,706</u>
<u>TOTAL NET ASSETS - End of Year</u>	<u>\$ 6,434</u>	<u>\$ 5,274</u>

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2004	2003
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$ 5,300	\$ 5,300
Cash Payments to Suppliers for Goods and Services	(1,769)	(2,514)
Cash Payments to Employees for Services	(1,911)	(500)
	\$ 1,620	\$ 2,286
Cash Flows from Investing Activities		
Interest Received	29	25
	\$ 1,649	\$ 2,311
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	5,735	3,424
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	\$ 7,384	\$ 5,735
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 1,131	\$ 3,543
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Accounts Payable	\$ (215)	\$ 215
Due to Other Funds	704	(1,472)
	\$ 489	\$ (1,257)
Total Adjustments	\$ 489	\$ (1,257)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,620	\$ 2,286

PENSION TRUST FUND

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

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 8,571	\$ 9,270
Investments		
Corporate Bonds and Notes	1,030,471	1,161,180
U.S. Government Securities	159,089	264,513
Common Stocks	3,283,240	2,554,379
Preferred Stocks	292,770	309,418
International Bonds	163,681	38,487
Mutual Funds	290,367	217,250
Receivables		
Accrued Interest	8,914	15,814
Prepaid Deductions	4,025	0
	\$ 5,241,128	\$ 4,570,311
 <u>LIABILITIES</u>		
Due to Other Funds	122,223	108,869
 <u>NET ASSETS</u>		
Held in Trust for Employees' Pension Benefits	\$ 5,118,905	\$ 4,461,442

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

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

	2004	2003
<u>ADDITIONS</u>		
Contributions		
Employer	\$ 334,368	\$ 268,859
Employee	42,431	46,942
Total Contributions	\$ 376,799	\$ 315,801
Investment Income		
Interest and Dividend Income	\$ 107,672	\$ 117,652
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	614,306	(64,356)
Investment Expenses	(52,681)	(43,865)
Net Investment Income (Loss)	\$ 669,297	\$ 9,431
Total Additions (Deletions)	\$ 1,046,096	\$ 325,232
<u>DEDUCTIONS</u>		
Benefit Payments		
Retirement	\$ 378,258	\$ 340,713
Administrative Expenses		
Contracted Services		
Actuarial Fees	9,075	10,375
Auditing	1,300	1,350
Total Deductions	\$ 388,633	\$ 352,438
Net Increase (Decrease) in Plan Assets	\$ 657,463	\$ (27,206)
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of Year	4,461,442	4,488,648
End of Year	\$ 5,118,905	\$ 4,461,442

AGENCY FUNDS

CURRENT TAX COLLECTION FUND

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

PAYROLL FUND

The Payroll Fund is used to account for the payroll paid to all employees. This fund has its own depository and has no revenue or expenditure accounts; it is composed of only balance sheet accounts.

CITY OF CADILLAC, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004

	BALANCE 7/1/2003	ADDITIONS	DEDUCTIONS	BALANCE 6/30/2004
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ 59,633	\$ 15,781,022	\$ 15,781,288	\$ 59,367
Due from Other Governments	902	5,594	380	6,116
Total Assets	\$ 60,535	\$ 15,786,616	\$ 15,781,668	\$ 65,483
<u>LIABILITIES</u>				
Due to Other Governments	\$ 47,124	\$ 7,825,482	\$ 7,822,301	\$ 50,305
Due to Other Funds	13,411	13,412	11,645	15,178
Total Liabilities	\$ 60,535	\$ 7,838,894	\$ 7,833,946	\$ 65,483
 <u>PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash	\$ 2,389	\$ 4,374,419	\$ 4,374,287	\$ 2,521
Due from Other Funds	0	1,820,600	1,820,600	0
Prepaid Items	46	1,725,600	1,725,646	0
Total Assets	\$ 2,435	\$ 7,920,619	\$ 7,920,533	\$ 2,521
<u>LIABILITIES</u>				
Due to Other Funds	\$ 2,435	\$ 2,797,489	\$ 2,797,403	\$ 2,521
Payroll Withholdings	0	1,129,813	1,129,813	0
Total Liabilities	\$ 2,435	\$ 3,927,302	\$ 3,927,216	\$ 2,521

CITY OF CADILLAC, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004

	<u>BALANCE</u>		<u>DEDUCTIONS</u>	<u>BALANCE</u>
	<u>7/1/2003</u>	<u>ADDITIONS</u>		<u>6/30/2004</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 62,022	\$ 20,155,441	\$ 20,155,575	\$ 61,888
Due from Other Funds	0	1,820,600	1,820,600	0
Due from Other Governments	902	5,594	380	6,116
Prepaid Items	46	1,725,600	1,725,646	0
	<hr/>			
Total Assets	\$ 62,970	\$ 23,707,235	\$ 23,702,201	\$ 68,004
	<hr/> <hr/>			
<u>LIABILITIES</u>				
Due to Other Governments	\$ 47,124	\$ 7,825,482	\$ 7,822,301	\$ 50,305
Due to Other Funds	15,846	2,810,901	2,809,048	17,699
Payroll Withholdings	0	1,129,813	1,129,813	0
	<hr/>			
Total Liabilities	\$ 62,970	\$ 11,766,196	\$ 11,761,162	\$ 68,004
	<hr/> <hr/>			

COMPONENT UNITS

MAJOR COMPONENT UNIT

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

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

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

NONMAJOR COMPONENT UNITS

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

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

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

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

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2004

<u>ASSETS</u>	<u>MAJOR L.D.F.A.</u>	<u>TOTAL NONMAJOR COMPONENT UNITS</u>	<u>TOTALS</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 22,584	\$ 5,712	\$ 28,296
Investments	2,998,295	135,374	3,133,669
Receivables			
Taxes	0	289	289
Accounts	2,687	0	2,687
Accrued Interest	38,552	1,124	39,676
Due from Other Governments	2,374	4,955	7,329
Due from Component Units	2,779	3,230	6,009
Prepaid Expenditures	0	875	875
	<u>\$ 3,067,271</u>	<u>\$ 151,559</u>	<u>\$ 3,218,830</u>
 <u>CAPITAL ASSETS</u>			
Investment in System	\$ 214,812	\$ 0	\$ 214,812
Less Accumulated Depreciation	41,530	0	41,530
	<u>\$ 173,282</u>	<u>\$ 0</u>	<u>\$ 173,282</u>
Net Capital Assets	<u>\$ 173,282</u>	<u>\$ 0</u>	<u>\$ 173,282</u>
	<u>\$ 3,240,553</u>	<u>\$ 151,559</u>	<u>\$ 3,392,112</u>
 <u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 13,732	\$ 2,040	\$ 15,772
Accrued Expenditures	425	337	762
Due to Other Governments	18,266	16,129	34,395
Due to Component Units	3,230	2,779	6,009
Deferred Revenue	166,953	210	167,163
Total Liabilities	<u>\$ 202,606</u>	<u>\$ 21,495</u>	<u>\$ 224,101</u>

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>MAJOR L.D.F.A.</u>	<u>TOTAL NONMAJOR COMPONENT UNITS</u>	<u>TOTALS</u>
<u>EQUITY</u>			
Net Assets			
Invested in Capital Assets	\$ 173,282	\$ 0	\$ 173,282
Unrestricted	130,564	0	130,564
Fund Balance			
Reserved for:			
Prepaid Expenditures	0	875	875
Debt Service	1,042,085	0	1,042,085
Ground Water Clean-up	1,692,016	0	1,692,016
Unreserved	0	129,189	129,189
Total Net Assets/Fund Balance	<u>\$ 3,037,947</u>	<u>\$ 130,064</u>	<u>\$ 3,168,011</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,240,553</u>	<u>\$ 151,559</u>	<u>\$ 3,392,112</u>

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2004

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
<u>REVENUES</u>			
Taxes	\$ 1,000,017	\$ 172,122	\$ 1,172,139
Interest and Rents	60,954	3,255	64,209
Other Revenues	0	9,515	9,515
Total Revenues	<u>\$ 1,060,971</u>	<u>\$ 184,892</u>	<u>\$ 1,245,863</u>
<u>EXPENDITURES</u>			
Economic Development	\$ 0	\$ 50,767	\$ 50,767
Public Works	234,766	0	234,766
Intergovernmental Expenditures	0	145,872	145,872
Debt Service			
Principal Retirement	690,000	86,733	776,733
Interest and Fiscal Charges	89,468	0	89,468
Total Expenditures	<u>\$ 1,014,234</u>	<u>\$ 283,372</u>	<u>\$ 1,297,606</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,737	\$ (98,480)	\$ (51,743)
<u>FUND BALANCES</u> - Beginning of Year	<u>2,687,364</u>	<u>228,544</u>	<u>2,915,908</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 2,734,101</u>	<u>\$ 130,064</u>	<u>\$ 2,864,165</u>

CITY OF CADILLAC, MICHIGAN

NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>DOWNTOWN</u> <u>DEVELOPMENT</u> <u>AUTHORITY</u>	<u>ECONOMIC</u> <u>DEVELOPMENT</u> <u>CORPORATION</u>
<u>ASSETS</u>		
Cash	\$ 3,043	\$ 1,167
Investments	43,085	0
Receivables		
Taxes	289	0
Accrued Interest	983	0
Due from Other Governments	2,981	0
Due from Component Units	0	0
Prepaid Expenditures	875	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 51,256	\$ 1,167
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,040	\$ 0
Accrued Expenditures	337	0
Due to Other Governments	16,129	0
Due to Component Units	0	0
Deferred Revenue	210	0
	<hr/>	<hr/>
Total Liabilities	\$ 18,716	\$ 0
<u>FUND BALANCE</u>		
Fund Balance		
Reserved for Prepaid Expenditures	\$ 875	\$ 0
Unreserved	31,665	1,167
	<hr/>	<hr/>
Total Fund Balance	\$ 32,540	\$ 1,167
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 51,256	\$ 1,167
	<hr/> <hr/>	<hr/> <hr/>

BROWNFIELD
REDEVELOPMENT
AUTHORITY

TOTALS

\$	1,502	\$	5,712
	92,289		135,374

0	289
141	1,124
1,974	4,955
3,230	3,230
0	875

\$	99,136	\$	151,559
----	--------	----	---------

\$	0	\$	2,040
	0		337
	0		16,129
	2,779		2,779
	0		210

\$	2,779	\$	21,495
----	-------	----	--------

\$	0	\$	875
	96,357		129,189

\$	96,357	\$	130,064
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\$	99,136	\$	151,559
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CITY OF CADILLAC, MICHIGAN

NONMAJOR COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>
<u>REVENUES</u>		
Taxes	\$ 131,098	\$ 0
Interest and Rents	1,133	0
Other Revenues	9,515	0
Total Revenues	<u>\$ 141,746</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>		
Economic Development	\$ 49,967	\$ 0
Intergovernmental Expenditures	145,872	0
Debt Service		
Principal Retirement	0	0
Total Expenditures	<u>\$ 195,839</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (54,093)	\$ 0
<u>FUND BALANCES</u> - Beginning of Year	<u>86,633</u>	<u>1,167</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 32,540</u>	<u>\$ 1,167</u>

BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
\$ 41,024	\$ 172,122
2,122	3,255
0	9,515
<u>\$ 43,146</u>	<u>\$ 184,892</u>
\$ 800	\$ 50,767
0	145,872
86,733	86,733
<u>\$ 87,533</u>	<u>\$ 283,372</u>
\$ (44,387)	\$ (98,480)
<u>140,744</u>	<u>228,544</u>
<u><u>\$ 96,357</u></u>	<u><u>\$ 130,064</u></u>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2004

	<u>OPERATING</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 3,043	\$ 0	\$ 3,043
Investments	0	43,085	43,085
Receivables			
Taxes	289	0	289
Accrued Interest	0	983	983
Due from Other Governments	52	2,929	2,981
Prepaid Expenditures	50	825	875
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 3,434	\$ 47,822	\$ 51,256
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 900	\$ 1,140	\$ 2,040
Accrued Expenditures	337	0	337
Due to Other Governments	195	15,934	16,129
Deferred Revenue	210	0	210
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 1,642	\$ 17,074	\$ 18,716
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE</u>			
Reserved for Prepaid Expenditures	\$ 50	\$ 825	\$ 875
Unreserved	1,742	29,923	31,665
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ 1,792	\$ 30,748	\$ 32,540
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,434	\$ 47,822	\$ 51,256
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	<u>OPERATING FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes	\$ 30,391	\$ 100,707	\$ 131,098
Interest and Rents	109	1,024	1,133
Other Revenues	9,015	500	9,515
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 39,515	\$ 102,231	\$ 141,746
 <u>EXPENDITURES</u>			
Economic Development	\$ 48,963	\$ 1,004	\$ 49,967
Intergovernmental Expenditures	0	145,872	145,872
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 48,963	\$ 146,876	\$ 195,839
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (9,448)	 \$ (44,645)	 \$ (54,093)
 <u>FUND BALANCES</u> - Beginning of Year	 <hr/> 11,240	 <hr/> 75,393	 <hr/> 86,633
 <u>FUND BALANCES</u> - End of Year	 <hr/> \$ 1,792	 <hr/> \$ 30,748	 <hr/> \$ 32,540

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 3,043	\$ 9,867
Investments	0	4,907
Receivables		
Taxes	289	171
Due from Other Governments	52	73
Prepaid Expenditures	50	15
TOTAL ASSETS	<u>\$ 3,434</u>	<u>\$ 15,033</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 900	\$ 3,040
Accrued Expenditures	337	0
Due to Other Governments	195	582
Deferred Revenue	210	171
Total Liabilities	<u>\$ 1,642</u>	<u>\$ 3,793</u>
<u>FUND BALANCE</u>		
Reserved for Prepaid Expenditures	\$ 50	\$ 15
Unreserved	1,742	11,225
Total Fund Balance	<u>\$ 1,792</u>	<u>\$ 11,240</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,434</u>	<u>\$ 15,033</u>

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

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	2004		2003
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 29,000	\$ 30,301	\$ 27,369
Penalties and Interest	0	90	0
Total Taxes	<u>\$ 29,000</u>	<u>\$ 30,391</u>	<u>\$ 27,369</u>
Interest and Rents			
Interest	\$ 500	\$ 109	\$ 375
Other Revenues			
DEQ Management Fee	\$ 5,000	\$ 5,000	\$ 5,000
Contributions from Private Sources	10,600	4,015	2,550
Total Other Revenues	<u>\$ 15,600</u>	<u>\$ 9,015</u>	<u>\$ 7,550</u>
Total Revenues	<u>\$ 45,100</u>	<u>\$ 39,515</u>	<u>\$ 35,294</u>
<u>EXPENDITURES</u>			
Economic Development			
Personal Services	\$ 21,600	\$ 21,380	\$ 21,041
Employee Benefits	6,000	5,893	4,887
Audit	800	700	670
Contractual Services	7,000	5,769	6,530
Postage	600	663	535
Printing and Publishing	1,600	1,214	1,668
Office Supplies	500	378	506
Travel and Education	200	135	275
Downtown Marketing	15,000	11,441	0
Miscellaneous	3,000	1,390	2,083
Capital Outlay	0	0	38,486
Total Expenditures	<u>\$ 56,300</u>	<u>\$ 48,963</u>	<u>\$ 76,681</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,200)	\$ (9,448)	\$ (41,387)
<u>FUND BALANCES</u> - Beginning of Year	<u>11,200</u>	<u>11,240</u>	<u>52,627</u>
<u>FUND BALANCES</u> - End of Year	<u>\$ 0</u>	<u>\$ 1,792</u>	<u>\$ 11,240</u>

CITY OF CADILLAC, MICHIGAN

D.D.A. CAPITAL PROJECTS FUND

A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 84,297
Investments	43,085	20,720
Receivables		
Accrued Interest	983	0
Due from Other Governments	2,929	0
Prepaid Expenditures	825	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 47,822</u>	<u>\$ 105,017</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 1,140	\$ 2,061
Due to Other Governments	15,934	27,563
	<hr/>	<hr/>
Total Liabilities	\$ 17,074	\$ 29,624

FUND BALANCE

Reserved for Prepaid Expenditures	\$ 825	\$ 0
Unreserved	29,923	75,393
	<hr/>	<hr/>
Total Fund Balance	\$ 30,748	\$ 75,393

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 47,822</u>	<u>\$ 105,017</u>
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CITY OF CADILLAC, MICHIGAN
D.D.A. CAPITAL PROJECTS FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 105,000	\$ 100,707	\$ 58,402
Interest and Rents			
Interest	300	1,024	217
Other Revenue			
Contributions and Donations from Private Sources	0	500	0
Total Revenues	<u>\$ 105,300</u>	<u>\$ 102,231</u>	<u>\$ 58,619</u>
<u>EXPENDITURES</u>			
Economic Development			
Construction	\$ 0	\$ 0	\$ 321
Audit	400	0	
Contracted Services	1,000	850	1,600
Office Supplies	0	154	0
Intergovernmental Expenditures			
Public Works	138,000	133,515	28,400
Recreation and Cultural	0	12,357	33,723
Total Expenditures	<u>\$ 139,400</u>	<u>\$ 146,876</u>	<u>\$ 64,044</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,100)	\$ (44,645)	\$ (5,425)
<u>FUND BALANCE</u> - Beginning of Year	<u>99,418</u>	<u>75,393</u>	<u>80,818</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 65,318</u>	<u>\$ 30,748</u>	<u>\$ 75,393</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 1,167	\$ 1,167
	1,167	1,167
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Unreserved	1,167	1,167
	1,167	1,167
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,167	\$ 1,167

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2004	2003
<u>REVENUES</u>	\$ 0	\$ 0
<u>EXPENDITURES</u>	0	0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0
<u>FUND BALANCE</u> - Beginning of Year	1,167	1,167
<u>FUND BALANCE</u> - End of Year	\$ 1,167	\$ 1,167

CITY OF CADILLAC, MICHIGAN

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

JUNE 30, 2004

<u>ASSETS</u>	<u>OPERATING</u>	<u>DEBT</u>	<u>UTILITIES</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>RETIREMENT</u>	<u>FUND</u>	
		<u>FUND</u>	<u>FUND</u>	
<u>CURRENT ASSETS</u>				
Cash	\$ 616	\$ 12,425	\$ 9,543	\$ 22,584
Investments	1,862,523	1,021,284	114,488	2,998,295
Receivables				
Accounts	0	0	2,687	2,687
Accrued Interest	24,455	11,606	2,491	38,552
Due from Other Governments	2,374	0	0	2,374
Due from Component Units	0	0	2,779	2,779
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	\$ 1,889,968	\$ 1,045,315	\$ 131,988	\$ 3,067,271
<u>CAPITAL ASSETS</u>				
Investment in System	\$ 0	\$ 0	\$ 214,812	\$ 214,812
Less Accumulated Depreciation	0	0	41,530	41,530
	<hr/>	<hr/>	<hr/>	<hr/>
Net Capital Assets	\$ 0	\$ 0	\$ 173,282	\$ 173,282
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,889,968	\$ 1,045,315	\$ 305,270	\$ 3,240,553
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,732	\$ 0	\$ 0	\$ 13,732
Accrued Expenditures	380	0	45	425
Due to Other Governments	16,887	0	1,379	18,266
Due to Component Units	0	3,230	0	3,230
Deferred Revenue	166,953	0	0	166,953
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 197,952	\$ 3,230	\$ 1,424	\$ 202,606
<u>EQUITY</u>				
Net Assets				
Invested in Capital Assets	\$ 0	\$ 0	\$ 173,282	\$ 173,282
Unrestricted	0	0	130,564	130,564
Fund Balance				
Reserved for:				
Debt Service	0	1,042,085	0	1,042,085
Ground Water Clean-up	1,692,016	0	0	1,692,016
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets/Fund Balance	\$ 1,692,016	\$ 1,042,085	\$ 303,846	\$ 3,037,947
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND EQUITY	\$ 1,889,968	\$ 1,045,315	\$ 305,270	\$ 3,240,553

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2004

	OPERATING FUND	DEBT RETIREMENT FUND	TOTAL
<u>REVENUES</u>			
Taxes	\$ 217,874	\$ 782,143	\$ 1,000,017
Interest and Rents	38,749	22,205	60,954
Total Revenues	<u>\$ 256,623</u>	<u>\$ 804,348</u>	<u>\$ 1,060,971</u>
<u>EXPENDITURES</u>			
Public Works	\$ 234,766	\$ 0	\$ 234,766
Debt Service			
Principal Retirement	0	690,000	690,000
Interest and Fiscal Charges	0	89,468	89,468
Total Expenditures	<u>\$ 234,766</u>	<u>\$ 779,468</u>	<u>\$ 1,014,234</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,857	\$ 24,880	\$ 46,737
<u>FUND BALANCE</u> - Beginning of Year	<u>1,670,159</u>	<u>1,017,205</u>	<u>2,687,364</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,692,016</u>	<u>\$ 1,042,085</u>	<u>\$ 2,734,101</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2004	2003
<u>ASSETS</u>		
Cash	\$ 616	\$ 692
Investments	1,862,523	1,955,696
Receivables		
Accrued Interest	24,455	18,980
Due from Other Governments	2,374	0
	\$ 1,889,968	\$ 1,975,368
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 13,732	\$ 10,589
Accrued Expenditures	380	421
Due to Other Governments	16,887	2,011
Deferred Revenue	166,953	292,188
	\$ 197,952	\$ 305,209
 <u>FUND BALANCE</u>		
Reserved for Groundwater Cleanup	1,692,016	1,670,159
	\$ 1,889,968	\$ 1,975,368

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

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

YEAR ENDED JUNE 30, 2004
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Groundwater Cleanup Special Assessment	\$ 196,500	\$ 217,517	\$ 145,400
Penalties and Interest	400	357	0
Total Taxes	<u>\$ 196,900</u>	<u>\$ 217,874</u>	<u>\$ 145,400</u>
Interest and Rents			
Interest	<u>60,500</u>	<u>38,749</u>	<u>99,345</u>
Total Revenues	<u>\$ 257,400</u>	<u>\$ 256,623</u>	<u>\$ 244,745</u>
<u>EXPENDITURES</u>			
Public Works			
Personal Services	\$ 11,500	\$ 13,006	\$ 12,919
Employee Benefits	5,300	8,004	6,801
Audit	400	400	360
Legal Fees	10,000	14,834	0
Supplies	9,700	12,289	8,739
Contractual Services	190,000	40,883	60,526
Heat, Light and Power	97,000	100,880	92,958
Chemicals	0	0	146
Equipment Maintenance	3,700	561	8,279
Interest on Tax Repayments to County	0	43,909	0
Total Expenditures	<u>\$ 327,600</u>	<u>\$ 234,766</u>	<u>\$ 190,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (70,200)</u>	<u>\$ 21,857</u>	<u>\$ 54,017</u>
<u>FUND BALANCE</u> - Beginning of Year	<u>1,628,042</u>	<u>1,670,159</u>	<u>1,616,142</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,557,842</u>	<u>\$ 1,692,016</u>	<u>\$ 1,670,159</u>

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 12,425	\$ 674
Investments	1,021,284	982,704
Receivables		
Accrued Interest	11,606	11,617
Due from Other Governments	0	22,210
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,045,315</u>	<u>\$ 1,017,205</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Component Units	\$ 3,230	\$ 0
 <u>FUND BALANCE</u>		
Reserved for Debt Service	1,042,085	1,017,205
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,045,315</u>	<u>\$ 1,017,205</u>

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

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Tax	\$ 780,000	\$ 782,143	\$ 780,864
Interest and Rents			
Interest	40,000	22,205	40,376
	<u>\$ 820,000</u>	<u>\$ 804,348</u>	<u>\$ 821,240</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal Retirement	\$ 690,000	\$ 690,000	\$ 660,000
Interest and Fiscal Charges	90,000	88,468	119,338
Audit	900	1,000	930
	<u>\$ 780,900</u>	<u>\$ 779,468</u>	<u>\$ 780,268</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 39,100	\$ 24,880	\$ 40,972
<u>FUND BALANCE</u> - Beginning of Year	<u>1,017,795</u>	<u>1,017,205</u>	<u>976,233</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,056,895</u>	<u>\$ 1,042,085</u>	<u>\$ 1,017,205</u>

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

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 9,543	\$ 18,074
Investments	114,488	98,626
Receivables		
Accounts	2,687	2,358
Accrued Interest	2,491	0
Due from Other Units	2,779	0
	\$ 131,988	\$ 119,058
 <u>CAPITAL ASSETS</u>		
Investment in System	\$ 214,812	\$ 214,812
Less Accumulated Depreciation	41,530	37,234
	\$ 173,282	\$ 177,578
 <u>TOTAL ASSETS</u>		
	\$ 305,270	\$ 296,636
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accrued Expenses	\$ 45	\$ 53
Due to Other Governments	1,379	67
	\$ 1,424	\$ 120
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 173,282	\$ 177,578
Unrestricted	130,564	118,938
	\$ 303,846	\$ 296,516

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

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

	<u>2004</u>	<u>2003</u>
<u>OPERATING REVENUES</u>		
Water Charges to Customers	\$ 14,944	\$ 14,815
<u>OPERATING EXPENSES</u>		
Personal Services	\$ 2,555	\$ 1,759
Employee Benefits	1,573	927
Audit	400	360
Depreciation	4,296	4,296
Total Operating Expenses	<u>\$ 8,824</u>	<u>\$ 7,342</u>
Operating Income (Loss)	\$ 6,120	\$ 7,473
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Revenue	<u>1,210</u>	<u>1,251</u>
Change in Net Assets	\$ 7,330	\$ 8,724
<u>NET ASSETS - Beginning of Year</u>	<u>296,516</u>	<u>287,792</u>
<u>NET ASSETS - End of Year</u>	<u>\$ 303,846</u>	<u>\$ 296,516</u>

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

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 14,615	\$ 15,229
Cash Payments to Suppliers for Goods and Services	(3,224)	(3,726)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 11,391	\$ 11,503
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest Received	\$ 1,498	\$ 1,251
Proceeds from Sales and Maturities	80,000	0
Purchase of Investment Securities	(101,420)	(1,178)
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ (19,922)	\$ 73
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (8,531)	\$ 11,576
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	18,074	6,498
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 9,543	\$ 18,074
	<hr/> <hr/>	<hr/> <hr/>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income	\$ 6,120	\$ 7,473
	<hr/>	<hr/>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 4,296	\$ 4,296
(Increase) Decrease in Current Assets		
Accounts Receivable	(329)	415
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	(8)	30
Due to Other Governments	1,312	(711)
	<hr/>	<hr/>
Total Adjustments	\$ 5,271	\$ 4,030
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 11,391	\$ 11,503
	<hr/> <hr/>	<hr/> <hr/>

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash	\$ 1,502	\$ 98,402
Investments	92,289	25,759
Receivables		
Accrued Interest	141	0
Due from Other Governments	1,974	16,583
Due from Component Units	3,230	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 99,136	\$ 140,744
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Component Units	\$ 2,779	\$ 0
 <u>FUND BALANCE</u>		
Unreserved	96,357	140,744
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 99,136	\$ 140,744
	<hr/> <hr/>	<hr/> <hr/>

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

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

YEAR ENDED JUNE 30, 2004

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2003

	<u>2004</u>		<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Taxes			
Property Taxes	\$ 81,000	\$ 41,024	\$ 43,429
Interest and Rents			
Interest on Investments	100	2,122	308
Total Revenues	<u>\$ 81,100</u>	<u>\$ 43,146</u>	<u>\$ 43,737</u>
<u>EXPENDITURES</u>			
Economic Development			
Operating Supplies	\$ 200	\$ 0	\$ 0
Contracted Services	0	0	281
Audit	800	800	515
Debt Service			
Revitalization Loan Principal	86,800	86,733	0
Total Expenditures	<u>\$ 87,800</u>	<u>\$ 87,533</u>	<u>\$ 796</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,700)	\$ (44,387)	\$ 42,941
<u>FUND BALANCE</u> - Beginning of Year	<u>167,103</u>	<u>140,744</u>	<u>97,803</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 160,403</u>	<u>\$ 96,357</u>	<u>\$ 140,744</u>

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

	COST	MARKET VALUE	
<u>MBIA Municipal Investors Service Corporation</u>			
<u>Investment Trust Funds</u>			
Michigan Class Account	\$ 1,582	\$ 1,582	
<u>Smith-Barney Account Managed by Lord Abbett Capital</u>			
<u>Investment Trust Funds</u>			
Cash	\$ 126	\$ 126	
Dreyfus Liquid Assets, Inc.	56,905	56,905	
	\$ 57,031	\$ 57,031	
<u>Equity Shares</u>			
<u>Common Stocks</u>			
314 Shares	AMR Corp.	\$ 1,975	\$ 3,803
144 Shares	Abbott Laboratories	6,204	5,869
466 Shares	Alcoa Inc.	13,527	15,392
298 Shares	American Intl. Group Inc.	20,566	21,241
681 Shares	Apple Computer Inc.	12,990	22,160
429 Shares	Archer-Daniels Midland Co.	5,239	7,199
383 Shares	Baker Hughes Inc.	12,301	14,420
175 Shares	Bank of America Corp.	9,858	14,809
369 Shares	Bank New York Inc.	11,117	10,878
400 Shares	Bank One Corp.	16,589	20,400
304 Shares	Baxter Intl. Inc.	9,142	10,491
133 Shares	BMC Software Inc.	1,898	2,461
268 Shares	CSX Corp.	8,353	8,782
164 Shares	Cardinal Health Inc.	10,408	11,488
103 Shares	CIGNA Corp.	7,001	7,087
467 Shares	Citigroup, Inc.	12,429	21,716
229 Shares	Clear Channel Communications	6,913	8,462
583 Shares	Comcast Corp	14,384	16,097
142 Shares	Cox Communications Inc.	4,667	3,946
385 Shares	Deere & Co.	18,102	27,004
947 Shares	Walt Disney Co.	20,329	24,139
270 Shares	E I Du Pont De Nemours & Co.	10,928	11,993
1447 Shares	EMC Corp.	13,456	16,496
232 Shares	Eaton Corp	7,700	15,020
151 Shares	Emerson Electric Co.	8,377	9,596

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		<u>COST</u>	<u>MARKET VALUE</u>
1105 Shares	Exxon Mobil Corp.	44,309	49,073
574 Shares	GAP, Inc.	7,545	13,919
533 Shares	General Electric Co.	16,681	17,269
61 Shares	General Mills Inc.	2,885	2,899
199 Shares	Gillette Co.	6,253	8,438
166 Shares	Illinois Tool Works Inc.	12,672	15,918
489 Shares	International Paper Co.	20,526	21,858
240 Shares	JP Morgan Chase & Co.	6,011	9,305
563 Shares	Kraft Foods Inc.	16,886	17,836
66 Shares	Limited Brands Inc.	1,008	1,234
558 Shares	Mellon Financial Corp.	14,025	16,366
277 Shares	Merck & Company, Inc.	13,884	13,157
240 Shares	Merrill Lynch & Co. Inc.	10,554	12,955
198 Shares	Monsanto Co	2,972	7,623
1241 Shares	Motorola Inc.	15,402	22,648
293 Shares	Newell Rubbermaid Inc.	7,730	6,885
335 Shares	Newmont Mining Corp.	10,201	12,985
123 Shares	Nike	5,554	9,317
588 Shares	Nortel Networks Corp.	2,290	2,934
249 Shares	Novartis	9,628	11,080
86 Shares	Parker-Hannifin Corp.	3,945	5,114
334 Shares	Pepsico Inc.	15,614	17,996
104 Shares	Potash Corp. Sask Inc.	6,307	10,078
378 Shares	Praxair Inc.	9,662	15,086
196 Shares	Progress Energy Inc.	8,528	8,634
221 Shares	Rohm & Haas Co.	7,200	9,189
404 Shares	SBC Communications, Inc.	12,487	9,797
885 Shares	Schering Plough Corp.	24,728	16,355
206 Shares	Schlumberger Ltd.	10,819	13,083
1027 Shares	Solelectron Corp.	5,517	6,645
225 Shares	St Paul Travelers Cos Inc.	9,187	9,122
205 Shares	Target Corp.	5,779	8,706
157 Shares	Teradyne Inc.	1,985	3,564
357 Shares	Tribune Co.	16,338	16,258
588 Shares	Tyco Intl. Ltd.	7,702	19,486
159 Shares	Union Pacific Corp.	9,567	9,453
584 Shares	Verizon Communications	22,350	21,135

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		<u>COST</u>	<u>MARKET VALUE</u>
446 Shares	Viacom Inc.	19,628	15,931
314 Shares	Wachovia Corp.	11,235	13,973
304 Shares	Waste Management, Inc.	8,396	9,318
236 Shares	Wells Fargo & Co.	11,236	13,506
24 Shares	Weyerhaeuser Co.	1,301	1,515
453 Shares	Wyeth	18,325	16,380
1144 Shares	Xerox Corp.	8,721	16,588
		<u>\$ 748,026</u>	<u>\$ 891,560</u>
		<u>\$ 805,057</u>	<u>\$ 948,591</u>

Smith-Barney Account Managed by Rittenhouse Capital Management

Investment Trust Funds

Cash	\$ 45	\$ 45
Dreyfus Liquid Assets, Inc.	23,996	23,996
	<u>\$ 24,041</u>	<u>\$ 24,041</u>

Equity Shares

Common Stocks

164 Shares	AFLAC, Inc.	\$ 5,326	\$ 6,693
240 Shares	American International Group	7,788	17,107
226 Shares	Amgen, Inc.	13,103	12,333
196 Shares	Anheuser-Busch Companies Inc.	10,018	10,584
130 Shares	Bed, Bath & Beyond	4,522	4,999
427 Shares	Cisco Systems, Inc.	7,034	10,120
342 Shares	Citigroup, Inc.	13,810	15,903
145 Shares	Colgate Palmolive Co.	6,121	8,475
300 Shares	Dell Computer Corp.	9,347	10,746
210 Shares	First Data Corp.	8,246	9,349
115 Shares	Gannett Co. Inc.	9,299	9,758
573 Shares	General Electric Co.	11,000	18,565
521 Shares	Intel Corp.	12,974	14,380
138 Shares	International Business Machines, Corp.	13,150	12,165
190 Shares	Johnson & Johnson	11,015	10,583
78 Shares	Eli Lilly & Co.	5,895	5,453
100 Shares	Lowes Companies Inc.	4,130	5,255
341 Shares	MBNA Corp.	7,178	8,794

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		<u>COST</u>	<u>MARKET VALUE</u>
148 Shares	Marsh & McLennan Cos Inc.	7,183	6,716
251 Shares	Medtronic, Inc.	9,548	12,229
528 Shares	Microsoft Corp.	17,707	15,080
112 Shares	Morgan Stanley	5,182	5,910
48 Shares	Omnicom Group, Inc.	3,771	3,643
439 Shares	Oracle Corp.	6,502	5,237
195 Shares	Pepsico Inc.	9,104	10,507
510 Shares	Pfizer, Inc.	12,290	17,483
196 Shares	Procter & Gamble Co.	8,938	10,670
158 Shares	State Street Corp.	5,919	7,748
72 Shares	Stryker Corp.	2,811	3,960
201 Shares	Sysco Corp.	5,878	7,210
132 Shares	Target Corp.	4,655	5,606
218 Shares	Texas Instruments, Inc.	7,547	5,271
126 Shares	3 M Company	7,675	11,341
138 Shares	United Parcel Service	8,696	10,373
155 Shares	United Health Group Inc.	7,076	9,649
44 Shares	United Technologies Corp.	3,957	4,025
179 Shares	Wal-Mart Stores, Inc.	9,203	9,444
258 Shares	Walgreen Co.	7,805	9,342
101 Shares	Wells Fargo & Co.	5,861	5,780
		<u>\$ 317,264</u>	<u>\$ 368,486</u>
		<u>\$ 341,305</u>	<u>\$ 392,527</u>

Smith-Barney Account Managed by Kayne Anderson

Investment Trust Funds

Cash		\$ 56	\$ 56
Dreyfus Liquid Assets, Inc.		40,480	40,480
		<u>\$ 40,536</u>	<u>\$ 40,536</u>

Equity Shares

Common Stocks

421 Shares	Axcan Pharma Inc.	\$ 8,066	\$ 8,883
1140 Shares	Bemis Co. Inc.	28,556	32,205
540 Shares	Brown & Brown, Inc..	17,323	23,274
890 Shares	C.H. Robinson Worldwide, Inc.	28,915	40,798

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		COST	MARKET VALUE
1032 Shares	Catalina Marketing Corp.	29,337	18,875
705 Shares	Certegy Inc.	27,218	27,354
572 Shares	Cincinnati Financial Group	23,435	24,893
495 Shares	Cintas Corp.	24,778	23,597
1335 Shares	Copart Inc.	21,407	35,645
682 Shares	Diagnostic Products Corp.	27,864	29,967
512 Shares	Donaldson Co., Inc.	9,758	15,002
730 Shares	Eaton Vance Corp.	24,406	27,893
635 Shares	Equifax Inc.	16,750	15,716
790 Shares	Fair Isaac & Co., Inc.	20,316	26,370
1611 Shares	First Health Group Corp.	40,946	25,148
1395 Shares	Jack Henry & Associates Inc.	25,028	28,040
1730 Shares	IMS Health, Inc.	34,559	40,551
635 Shares	Mettler Toledo Intl Inc.	28,540	31,204
1035 Shares	Microchip Technology Inc.	25,259	32,644
1490 Shares	99 Cents Only Stores	36,415	22,723
1120 Shares	Patina Oil & Gas Corp.	22,116	33,454
710 Shares	Regis Corporation	20,393	31,659
630 Shares	Reinsurance Group of America	19,366	25,609
1341 Shares	Rent-A-Center Inc.	32,015	40,136
250 Shares	Stancorp Financial Group	14,389	16,750
490 Shares	Teleflex Inc.	27,064	24,573
234 Shares	Tootsie Roll Industries Inc.	8,817	7,605
690 Shares	Valspar Corp.	31,386	34,769
500 Shares	Zebra Technologies Inc.	18,884	43,500
		<u>\$ 693,306</u>	<u>\$ 788,837</u>
		<u>\$ 733,842</u>	<u>\$ 829,373</u>

Smith-Barney Account Managed by Calamos Asset Management

Investment Trust Funds

Dreyfus Liquid Assets, Inc.

\$ 66,044	\$ 66,044
<u>\$ 66,044</u>	<u>\$ 66,044</u>

Equity Shares

Preferred Stocks

1000 Shares	Albertson's Inc.	\$ 24,960	\$ 27,690
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CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		COST	MARKET VALUE
220 Shares	Amerada Hess Corp.	11,928	15,939
360 Shares	Baxter Intl. Inc.	18,304	20,506
235 Shares	Capital One Financial Corp.	12,496	11,853
850 Shares	Chubb Corp.	23,562	23,749
525 Shares	Ford Motor Company	21,905	28,749
1700 Shares	General Motors 4.50% Ser A Conv.	43,321	43,452
250 Shares	Motorola Inc. 7% Equity	12,688	12,345
40 Shares	Phelps Dodge Corp.	6,775	6,200
350 Shares	Prudential Financial Inc. 6.75% CV Equity	20,737	24,475
400 Shares	Reinsurance Group of America	18,425	22,840
210 Shares	Southern Union Co 5.75% CV PFD	12,209	13,392
850 Shares	Travelers Property Casualty 4.50% Conv.	21,501	20,230
400 Shares	Washington Mutual Inc.	21,324	21,350
		\$ 270,135	\$ 292,770

International Bonds and Notes

ST Micro Electronics			
0.000%, Due 07/5/2013		\$ 23,537	\$ 21,230
TYCO Intl Group SA CV SR DEBS			
2.750%, Due 01/15/2018		35,759	49,582
INCO LTD CV			
0.000%, Due 03/29/2021		20,988	31,639
Schlumberger LTD CV			
2.125%, Due 06/01/2023		23,647	26,125
TEVA Pharmaceutical FIN BV CNV			
0.500%, Due 02/01/2024		34,128	35,105
		\$ 138,059	\$ 163,681

Corporate Bonds and Notes

Agilent Technologies Inc. Global			
3.000%, Due 12/01/2021		\$ 35,489	\$ 35,785
Alza Corp			
0.000%, Due 07/28/2020		14,369	15,375
American Finl. Group			
1.486%, Due 06/02/2033		25,237	25,275
American Intl Group Inc.			
0.500%, Due 05/15/2007		14,850	14,419

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

	<u>COST</u>	<u>MARKET VALUE</u>
Aon Corp 3.500%, Due 11/15/2012	23,466	27,950
Avent Inc. 2.000%, Due 03/15/2034	25,659	24,781
Bunge Ltd. Fin. Corp. Global 3.750%, Due 11/15/2022	25,271	28,902
Carnival Corp 2.000%, Due 04/15/2021	10,240	14,286
Cendant Corp 3.875%, Due 11/27/2011	41,574	40,992
Countrywide Credit Inds. 0.000%, Due 02/08/2031	24,594	55,675
Walt Disney Co. 2.125%, Due 04/15/2023	36,144	37,538
Electronic Data Systems 3.875%, Due 07/15/2023	26,578	24,000
Fluor Corp. New Cash Pay 1.500%, Due 02/15/2024	25,344	25,844
General Mills Inc. 0.000%, Due 10/28/2022	35,036	35,250
Hasbro Inc. 2.750%, Due 12/01/2021	24,465	23,870
Health Management Association, Notes 0.000%, Due 01/28/2022	35,382	35,750
Intl Game Technology 0.000%, Due 01/29/2033	29,034	38,194
Liberty Media Corp. Notes 0.750%, Due 03/30/2023	35,880	36,520
Manpower Inc. 0.000%, Due 08/17/2021	18,622	21,450
Nabors Inds. Inc. 0.000%, Due 06/15/2023	13,650	13,912
JC Penny CO 5.000%, Due 10/15/2008	24,536	26,750
Quest Diagnostic Inc. 1.750%, Due 11/30/2021	25,576	25,260

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

	<u>COST</u>	<u>MARKET VALUE</u>
Royal Caribbean Cruises LTD Notes 0.000%, Due 02/21/2021	28,954	37,450
RPM Intl. Inc. 1.389%, Due 05/13/2033	24,090	23,978
Selective Ins. Group 1.615%, Due 09/24/2032	12,000	13,812
Silicon Valley Bancshare 0.000%, Due 06/15/2008	13,860	15,300
Watson Pharmaceuticals 1.750%, Due 03/15/2023	33,556	27,369
	<u>\$ 683,456</u>	<u>\$ 745,687</u>
	<u>\$ 1,157,694</u>	<u>\$ 1,268,182</u>

Smith-Barney Account Managed by Lazard Freres Asset Management

Investment Trust Funds

Dreyfus Liquid Assets, Inc.	<u>\$ 60,395</u>	<u>\$ 60,395</u>
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Equity Shares

Common Stocks

665 Shares	Allied Irish Banks Spons ADR	\$ 18,252	\$ 20,608
271 Shares	Aventis Spons ADR	6,985	20,615
1010 Shares	AXA - S.A. Spons	19,063	22,361
430 Shares	BP Amoco PLC	18,653	23,035
1010 Shares	Barclays PLC-ADR	30,825	35,209
920 Shares	Cadbury Schweppes PLC	21,369	32,274
475 Shares	Canon, Inc.	14,440	25,365
705 Shares	CIE *Financiere Richemont	11,941	18,408
690 Shares	Credit Suisse Group	23,946	24,709
700 Shares	Danske Bank	4,445	16,586
480 Shares	Diageo PLC	18,913	26,280
270 Shares	Eni Spa Sponsored	14,401	27,092
565 Shares	Glaxosmithkline PLC	32,487	23,425
493 Shares	HSBC Holdings PLC	19,074	36,931
816 Shares	Heineken N V	24,773	26,815
79 Shares	Kao Corp.	20,251	19,041
370 Shares	Nestle S A	9,661	24,827

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		COST	MARKET VALUE
1550 Shares	Nokia Corp.	35,774	22,537
1410 Shares	Nomura Holdings Inc.	24,424	21,079
523 Shares	Novartis	14,932	23,273
160 Shares	Roche Hldg.	13,005	15,842
432 Shares	Royal Dutch Petroleum Co.	13,527	22,321
620 Shares	San Paolo-IMI SPA	14,933	15,109
240 Shares	Siemens A G	26,227	17,405
1610 Shares	Societe Generale	9,454	27,365
200 Shares	Swiss Reinsurance	12,930	12,991
1300 Shares	Tesco PLC	14,725	18,831
269 Shares	Total SA Spons ADR	6,235	25,846
875 Shares	Unilever PLC	25,813	34,799
520 Shares	UBS AG	22,312	36,951
1350 Shares	Vodafone Group PLC	25,574	29,835
		<u>\$ 569,344</u>	<u>\$ 747,765</u>
		<u>\$ 629,739</u>	<u>\$ 808,160</u>

Smith-Barney Account Managed by Large Cap Growth

Investment Trust Funds

Cash	\$ 329	\$ 329
Dreyfus Liquid Assets, Inc.	13,411	13,411
	<u>\$ 13,740</u>	<u>\$ 13,740</u>

Equity Shares

Common Stocks

325 Shares	AFLAC Inc.	\$ 10,362	\$ 13,263
698 Shares	Amazon Com. Inc.	32,967	37,971
127 Shares	American Group Inc.	7,544	9,053
349 Shares	Amgen Inc.	23,613	19,045
106 Shares	Apollo Group Inc.	9,571	9,359
771 Shares	Applied Materials Inc.	16,800	15,127
512 Shares	CISCO Sys Inc.	10,578	12,134
480 Shares	Dell Inc.	16,790	17,194
348 Shares	Ebay Inc.	18,635	31,999
628 Shares	Genentech, Inc.	25,334	35,294
252 Shares	General Electric Co.	7,840	8,165
90 Shares	Harley-Davidson Inc.	4,419	5,575

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

		COST	MARKET VALUE
459 Shares	Intel Corp.	13,288	12,668
201 Shares	Eli Lilly & Co.	12,357	14,052
521 Shares	Maxim Integrated Products Inc.	22,888	27,311
1116 Shares	Network Appliance Inc.	26,617	24,027
191 Shares	Pixar Inc.	14,134	13,276
443 Shares	Progressive Corp.	32,476	37,788
285 Shares	Qualcomm Inc.	15,324	20,799
1526 Shares	Schwab Charles Corp.	17,213	14,665
368 Shares	Starbucks Corp.	11,449	16,004
202 Shares	Wal-Mart Stores Inc.	11,908	10,657
273 Shares	Walgreen Co.	8,653	9,885
510 Shares	XM Satellite Radio Holdings	12,737	13,918
496 Shares	XILINX Inc.	16,386	16,522
1122 Shares	Yahoo Inc.	20,022	40,841
		<u>\$ 419,905</u>	<u>\$ 486,592</u>
		<u>\$ 433,645</u>	<u>\$ 500,332</u>

Smith-Barney Account Managed by Madison Investment Advisors

Investment Trust Funds

Dreyfus Liquid Assets, Inc.	\$ 26,998	\$ 26,998
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Corporate Bonds and Notes

Bank One Corp. Notes		
6.000%, Due 08/01/2008	\$ 11,137	\$ 10,627
Citigroup Inc. Notes		
5.750%, Due 05/10/2006	21,796	20,953
Coca Cola Enterprises Notes		
5.375%, Due 08/15/2006	20,268	20,749
Countrywide Home Loan		
5.625%, Due 03/01/2007	21,701	20,974
Ford Motor Credit Co. Notes		
6.125%, Due 1/09/2006	18,010	20,690
General Electric Cap Corp		
4.625%, Due 09/15/2009	30,203	30,319
Goldman Sachs Group, Inc. Notes		
6.650%, Due 05/15/2009	33,230	32,663

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2004

	<u>COST</u>	<u>MARKET VALUE</u>
Household Finance Corp. Notes 7.875%, Due 03/01/2007	19,561	22,097
International Business Machines Corp. Notes 6.45%, Due 8/01/2007	19,431	21,641
Lehman Brothers HLDG Inc. 6.625%, Due 02/05/2006	21,822	21,091
SBC Communications 5.750%, Due 05/02/2006	19,953	20,918
Wal-Mart Stores Inc. 5.450%, Due 08/01/2006	21,657	20,806
Wells Fargo & Co. Sub Notes 6.875%, Due 04/01/2006	21,395	21,256
	<u>\$ 280,164</u>	<u>\$ 284,784</u>

Government Bonds

Federal Home Loan Mortgage Corp. Dated 09/12/2003, 3.625%, Due 09/15/2008	\$ 35,317	\$ 34,508
Federal National Mortgage Association Global Debs Dated 12/08/2000, 6.000%, Due 12/15/2005	55,524	52,406
Federal National Mortgage Association Global Debs Dated 03/26/2003, 5.250%, Due 04/15/2007	42,810	41,850
US Treasury Notes SER-G-2004 Dated 08/15/1999, 6.000%, Due 08/15/2004	26,477	25,148
US Treasury Notes SER-E-2006 Dated 05/15/2001, 4.625%, Due 05/15/2006	5,457	5,177
	<u>\$ 165,585</u>	<u>\$ 159,089</u>
	<u>\$ 472,747</u>	<u>\$ 470,871</u>
 GRAND TOTAL	 <u>\$ 4,575,611</u>	 <u>\$ 5,219,618</u>

CITY OF CADILLAC, MICHIGAN

1990 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1990 Michigan Transportation Fund Bonds	
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.	
<u>DATE OF ISSUE</u>	June 1, 1990	
<u>AMOUNT OF ISSUE</u>		\$ 335,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 265,000	
During Current Period	<u>35,000</u>	<u>300,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>		<u><u>\$ 35,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.00 %	<u>\$ 35,000</u>	<u>\$ 875</u>	<u>\$ 35,875</u>

CITY OF CADILLAC, MICHIGAN

1993 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1993 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	Defraying a portion of the cost of local street improvements in the City.		
<u>DATE OF ISSUE</u>	June 1, 1993		
<u>AMOUNT OF ISSUE</u>			\$ 185,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 130,000	
During Current Period		<u>15,000</u>	<u>145,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u><u>\$ 40,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.30 %	\$ 20,000	\$ 1,070	\$ 21,070
April 1, 2005			540	540
October 1, 2005	5.40	<u>20,000</u>	<u>540</u>	<u>20,540</u>
		<u>\$ 40,000</u>	<u>\$ 2,150</u>	<u>\$ 42,150</u>

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1996 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>			\$ 230,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 65,000	
During Current Period		<u>15,000</u>	<u>80,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u><u>\$ 150,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.50 %	\$ 15,000	\$ 4,125	\$ 19,125
April 1, 2005			3,712	3,712
October 1, 2005	5.50	20,000	3,712	23,712
April 1, 2006			3,162	3,162
October 1, 2006	5.50	20,000	3,162	23,162
April 1, 2007			2,612	2,612
October 1, 2007	5.50	20,000	2,612	22,612
April 1, 2008			2,063	2,063
October 1, 2008	5.50	25,000	2,063	27,063
April 1, 2009			1,375	1,375
October 1, 2009	5.50	25,000	1,375	26,375
April 1, 2010			687	687
October 1, 2010	5.50	<u>25,000</u>	<u>687</u>	<u>25,687</u>
		<u>\$ 150,000</u>	<u>\$ 31,347</u>	<u>\$ 181,347</u>

CITY OF CADILLAC, MICHIGAN

1997 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1997 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952 as amended.		
<u>DATE OF ISSUE</u>	May 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 110,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 35,000	
During Current Period		<u>10,000</u>	<u>45,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 65,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.10 %	\$ 10,000	\$ 1,715	\$ 11,715
April 1, 2005			1,460	1,460
October 1, 2005	5.20	10,000	1,460	11,460
April 1, 2006			1,200	1,200
October 1, 2006	5.30	15,000	1,200	16,200
April 1, 2007			802	802
October 1, 2007	5.35	15,000	802	15,802
April 1, 2008			401	401
October 1, 2008	5.35	15,000	401	15,401
		<u>\$ 65,000</u>	<u>\$ 9,441</u>	<u>\$ 74,441</u>

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	2000 Michigan Transportation Fund Bonds		
<u>PURPOSE</u>	To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended.		
<u>DATE OF ISSUE</u>	June 1, 2000		
<u>AMOUNT OF ISSUE</u>			\$ 300,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 20,000	
During Current Period		<u>10,000</u>	<u>30,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 270,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.35 %	\$ 15,000	\$ 7,387	\$ 22,387
April 1, 2005			6,986	6,986
October 1, 2005	5.35	15,000	6,986	21,986
April 1, 2006			6,585	6,585
October 1, 2006	5.40	20,000	6,585	26,585
April 1, 2007			6,045	6,045
October 1, 2007	5.40	20,000	6,045	26,045
April 1, 2008			5,505	5,505
October 1, 2008	5.45	25,000	5,505	30,505
April 1, 2009			4,824	4,824
October 1, 2009	5.45	25,000	4,824	29,824
April 1, 2010			4,142	4,142
October 1, 2010	5.50	25,000	4,142	29,142
April 1, 2011			3,455	3,455

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2011	5.50	25,000	3,455	28,455
April 1, 2012			2,768	2,768
October 1, 2012	5.50	30,000	2,768	32,768
April 1, 2013			1,943	1,943
October 1, 2013	5.55	35,000	1,943	36,943
April 1, 2014			971	971
October 1, 2014	5.55	35,000	971	35,971
		<u>\$ 270,000</u>	<u>\$ 93,835</u>	<u>\$ 363,835</u>

CITY OF CADILLAC, MICHIGAN

1992 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1992 Special Assessment Limited Tax Bonds	
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.	
<u>DATE OF ISSUE</u>	June 1, 1992	
<u>AMOUNT OF ISSUE</u>		\$ 360,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 265,000	
During Current Period	<u>25,000</u>	<u>290,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>		<u><u>\$ 70,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	6.00 %	\$ 25,000	\$ 2,132	\$ 27,132
April 1, 2005			1,383	1,383
October 1, 2005	6.10	25,000	1,383	26,383
April 1, 2006			620	620
October 1, 2006	6.20	<u>20,000</u>	<u>620</u>	<u>20,620</u>
		<u><u>\$ 70,000</u></u>	<u><u>\$ 6,138</u></u>	<u><u>\$ 76,138</u></u>

CITY OF CADILLAC, MICHIGAN

1993 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1993 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
<u>DATE OF ISSUE</u>	June 1, 1993		
<u>AMOUNT OF ISSUE</u>			\$ 220,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 145,000	
During Current Period		<u>15,000</u>	<u>160,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u><u>\$ 60,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.30 %	\$ 15,000	\$ 1,635	\$ 16,635
April 1, 2005			1,238	1,238
October 1, 2005	5.40	15,000	1,237	16,237
April 1, 2006			833	833
October 1, 2006	5.50	15,000	833	15,833
April 1, 2007			420	420
October 1, 2007	5.60	15,000	420	15,420
		<u>\$ 60,000</u>	<u>\$ 6,616</u>	<u>\$ 66,616</u>

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac 1996 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	May 1, 1996		
<u>AMOUNT OF ISSUE</u>			\$ 425,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 215,000	
During Current Period		<u>35,000</u>	<u>250,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 175,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.25 %	\$ 30,000	\$ 4,722	\$ 34,722
April 1, 2005			3,935	3,935
October 1, 2005	5.30	30,000	3,935	33,935
April 1, 2006			3,140	3,140
October 1, 2006	5.35	30,000	3,140	33,140
April 1, 2007			2,337	2,337
October 1, 2007	5.40	30,000	2,337	32,337
April 1, 2008			1,527	1,527
October 1, 2008	5.50	30,000	1,527	31,527
April 1, 2009			703	703
October 1, 2009	5.60	15,000	703	15,703
April 1, 2010			283	283
October 1, 2010	5.65	10,000	283	10,283
		<u>\$ 175,000</u>	<u>\$ 28,572</u>	<u>\$ 203,572</u>

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac 1997 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
<u>DATE OF ISSUE</u>	May 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 360,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 140,000	
During Current Period		<u>25,000</u>	<u>165,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 195,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.10 %	\$ 25,000	\$ 5,182	\$ 30,182
April 1, 2005			4,544	4,544
October 1, 2005	5.20	25,000	4,544	29,544
April 1, 2006			3,895	3,895
October 1, 2006	5.30	25,000	3,895	28,895
April 1, 2007			3,232	3,232
October 1, 2007	5.35	25,000	3,232	28,232
April 1, 2008			2,563	2,563
October 1, 2008	5.35	25,000	2,563	27,563
April 1, 2009			1,894	1,894
October 1, 2009	5.40	25,000	1,894	26,894
April 1, 2010			1,220	1,220
October 1, 2010	5.40	25,000	1,220	26,220
April 1, 2011			545	545
October 1, 2011	5.45	20,000	545	20,545
		<u>\$ 195,000</u>	<u>\$ 40,968</u>	<u>\$ 235,968</u>

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac 2000 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac		
<u>DATE OF ISSUE</u>	June 1, 2000		
<u>AMOUNT OF ISSUE</u>			\$ 210,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	45,000	
During Current Period		<u>20,000</u>	<u>65,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u><u>\$ 145,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	5.35 %	\$ 20,000	\$ 3,931	\$ 23,931
April 1, 2005			3,396	3,396
October 1, 2005	5.35	20,000	3,396	23,396
April 1, 2006			2,861	2,861
October 1, 2006	5.40	20,000	2,861	22,861
April 1, 2007			2,322	2,322
October 1, 2007	5.40	20,000	2,322	22,322
April 1, 2008			1,781	1,781
October 1, 2008	5.45	15,000	1,781	16,781
April 1, 2009			1,373	1,373
October 1, 2009	5.45	20,000	1,373	21,373
April 1, 2010			827	827
October 1, 2010	5.50	5,000	827	5,827
April 1, 2011			690	690

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

DUE DATES	INTEREST RATES	REQUIREMENTS		
		PRINCIPAL	INTEREST	TOTAL
October 1, 2011	5.50	5,000	690	5,690
April 1, 2012			553	553
October 1, 2012	5.50	10,000	553	10,553
April 1, 2013			277	277
October 1, 2013	5.55	5,000	277	5,277
April 1, 2014			139	139
October 1, 2014	5.55	5,000	139	5,139
		\$ 145,000	\$ 32,369	\$ 177,369

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	2002 Special Assessment Limited Tax Bonds		
<u>PURPOSE</u>	For the purpose of constructing public improvements in certain Special Assessment Districts		
<u>DATE OF ISSUE</u>	June 1, 2002		
<u>AMOUNT OF ISSUE</u>			\$ 325,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 15,000	
During Current Period		<u>30,000</u>	<u>45,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 280,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	3.25 %	\$ 35,000	\$ 5,506	\$ 40,506
April 1, 2005			4,937	4,937
October 1, 2005	3.40	35,000	4,937	39,937
April 1, 2006			4,342	4,342
October 1, 2006	3.40	30,000	4,342	34,342
April 1, 2007			3,832	3,832
October 1, 2007	3.80	30,000	3,832	33,832
April 1, 2008			3,262	3,262
October 1, 2008	4.00	35,000	3,262	38,262
April 1, 2009			2,562	2,562
October 1, 2009	4.20	30,000	2,562	32,562
April 1, 2010			1,932	1,932
October 1, 2010	4.40	30,000	1,932	31,932
April 1, 2011			1,272	1,272

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2011	4.50	30,000	1,272	31,272
April 1, 2012			597	597
October 1, 2012	4.60	10,000	597	10,597
April 1, 2013			367	367
October 1, 2013	4.75	5,000	367	5,367
April 1, 2014			248	248
October 1, 2014	4.90	5,000	248	5,248
April 1, 2015			125	125
October 1, 2015	5.00	5,000	125	5,125
		<u>\$ 280,000</u>	<u>\$ 52,458</u>	<u>\$ 332,458</u>

CITY OF CADILLAC, MICHIGAN

1993 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac Water Supply and Wastewater System Revenue Refunding Bonds, Series 1993		
<u>PURPOSE</u>	Paying the cost of refunding a portion of the City's Water Supply and Wastewater System Revenue Bonds, Series 1988 and the City's Water Supply and Wastewater System Revenue Bonds, Series 1989 and to pay the cost of issuance of the Bonds		
<u>DATE OF ISSUE</u>	July 1, 1993		
<u>AMOUNT OF ISSUE</u>			\$ 1,655,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 590,000	
During Current Period		<u>265,000</u>	<u>855,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 800,000</u>

DUE DATES	INTEREST RATES	REQUIREMENTS		
		PRINCIPAL	INTEREST	TOTAL
September 1, 2004	5.25 %	\$ 185,000	\$ 21,476	\$ 206,476
March 1, 2005			16,620	16,620
September 1, 2005	5.30	190,000	16,620	206,620
March 1, 2006			11,585	11,585
September 1, 2006	5.40	205,000	11,585	216,585
March 1, 2007			6,050	6,050
September 1, 2007	5.50	220,000	6,050	226,050
		<u>\$ 800,000</u>	<u>\$ 89,986</u>	<u>\$ 889,986</u>

CITY OF CADILLAC, MICHIGAN

1995 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE BONDS

JUNE 30, 2004

TITLE OF ISSUE City of Cadillac Water Supply and Wastewater System Revenue Bonds, Series 1995

PURPOSE To defray the cost of acquiring and constructing additions, improvements and extensions to the system. This bond is issued pursuant to an ordinance duly adopted by the City council of the City, under and in full compliance with the charter of the City and the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended.

DATE OF ISSUE October 30, 1995

AMOUNT OF ISSUE \$ 2,300,000

<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 1,940,000	
During Current Period		<u>0</u>	<u>1,940,000</u>

BALANCE OUTSTANDING - June 30, 2004 \$ 360,000

CALL PROVISIONS Scheduled redemption during years 2004-2007, with option to redeem resting with the Issuer, thereafter.

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2004	5.375 %	\$ 80,000	\$ 9,675	\$ 89,675
March 1, 2005			7,525	7,525
September 1, 2005	5.375	95,000	7,525	102,525
March 1, 2006			4,972	4,972
September 1, 2006	5.375	90,000	4,972	94,972
March 1, 2007			2,553	2,553
September 1, 2007	5.375	95,000	2,553	97,553
		<u>\$ 360,000</u>	<u>\$ 39,775</u>	<u>\$ 399,775</u>

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac Water Supply and Wastewater System Revenue and Revenue Refunding Bonds, Series 1999	
<u>PURPOSE</u>	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and wastewater system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1989, maturing in the years 2000, 2001 and 2008 on September 1, 1999, (3) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1993, maturing in the years 2000 through and including 2008 on September 1, 1999, and (4) paying certain expenses relating to the issuance of the Bonds.	
<u>DATE OF ISSUE</u>	May 5, 1999	
<u>AMOUNT OF ISSUE</u>		\$ 2,110,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 435,000	
During Current Period	55,000	490,000
	<hr/>	<hr/>
<u>BALANCE OUTSTANDING - June 30, 2004</u>		<u>\$ 1,620,000</u>

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS

JUNE 30, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2004	3.85 %	\$ 60,000	\$ 37,014	\$ 97,014
March 1, 2005			35,859	35,859
September 1, 2005	3.95	55,000	35,859	90,859
March 1, 2006			34,773	34,773
September 1, 2006	4.05	60,000	34,773	94,773
March 1, 2007			33,557	33,557
September 1, 2007	4.15	60,000	33,557	93,557
March 1, 2008			32,313	32,313
September 1, 2008	4.25	305,000	32,313	337,313
March 1, 2009			25,831	25,831
September 1, 2009	4.35	5,000	25,831	30,831
March 1, 2010			25,723	25,723
September 1, 2010	4.70	5,000	25,723	30,723
March 1, 2011			25,605	25,605
September 1, 2011	4.70	5,000	25,605	30,605
March 1, 2012			25,488	25,488
September 1, 2012	4.70	5,000	25,488	30,488
March 1, 2013			25,370	25,370
September 1, 2013	4.70	130,000	25,370	155,370
March 1, 2014			22,315	22,315
September 1, 2014	4.70	135,000	22,315	157,315
March 1, 2015			19,142	19,142
September 1, 2015	4.70	145,000	19,142	164,142
March 1, 2016			15,735	15,735
September 1, 2016	4.70	150,000	15,735	165,735
March 1, 2017			12,210	12,210
September 1, 2017	4.85	160,000	12,210	172,210
March 1, 2018			8,330	8,330
September 1, 2018	4.90	165,000	8,330	173,330
March 1, 2019			4,287	4,287
September 1, 2019	4.90	175,000	4,287	179,287
		<u>\$ 1,620,000</u>	<u>\$ 730,090</u>	<u>\$ 2,350,090</u>

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001		
<u>PURPOSE</u>	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and sewer system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1995, maturing in the years 2008 through and including 2012 on August 22, 2001, and (3) paying certain expenses relating to the issuance of the Bonds.		
<u>DATE OF ISSUE</u>	August 1, 2001		
<u>AMOUNT OF ISSUE</u>			\$ 5,215,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 10,000	
During Current Period		10,000	20,000
		<u>10,000</u>	<u>20,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 5,195,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2004	4.00 %	\$ 10,000	\$ 127,413	\$ 137,413
March 1, 2005			127,213	127,213
September 1, 2005	4.00	10,000	127,213	137,213
March 1, 2006			127,013	127,013
September 1, 2006	4.25	10,000	127,013	137,013
March 1, 2007			126,801	126,801
September 1, 2007	4.25	10,000	126,801	136,801
March 1, 2008			126,588	126,588
September 1, 2008	4.38	105,000	126,588	231,588
March 1, 2009			124,291	124,291
September 1, 2009	4.50	425,000	124,292	549,292

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDSJUNE 30, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
March 1, 2010			114,729	114,729
September 1, 2010	4.63	450,000	114,729	564,729
March 1, 2011			104,322	104,322
September 1, 2011	4.75	480,000	104,322	584,322
March 1, 2012			92,923	92,923
September 1, 2012	4.75	505,000	92,923	597,923
March 1, 2013			80,929	80,929
September 1, 2013	4.60	80,000	80,929	160,929
March 1, 2014			79,089	79,089
September 1, 2014	4.75	85,000	79,089	164,089
March 1, 2015			77,070	77,070
September 1, 2015	4.80	100,000	77,070	177,070
March 1, 2016			74,670	74,670
September 1, 2016	5.00	100,000	74,670	174,670
March 1, 2017			72,170	72,170
September 1, 2017	5.00	100,000	72,170	172,170
March 1, 2018			69,670	69,670
September 1, 2018	5.00	105,000	69,670	174,670
March 1, 2019			67,045	67,045
September 1, 2019	5.10	115,000	67,045	182,045
March 1, 2020			64,112	64,112
September 1, 2020	5.10	305,000	64,112	369,112
March 1, 2021			56,335	56,335
September 1, 2021	5.10	320,000	56,335	376,335
March 1, 2022			48,175	48,175
September 1, 2022	5.125	340,000	48,175	388,175
March 1, 2023			39,463	39,463
September 1, 2023	5.125	355,000	39,463	394,463
March 1, 2024			30,366	30,366
September 1, 2024	5.125	375,000	30,366	405,366
March 1, 2025			20,756	20,756
September 1, 2025	5.125	395,000	20,756	415,756
March 1, 2026			10,634	10,634
September 1, 2026	5.125	415,000	10,634	425,634
			<u>\$ 5,195,000</u>	<u>\$ 3,596,142</u>
				<u>\$ 8,791,142</u>

CITY OF CADILLAC, MICHIGAN

LOCAL DEVELOPMENT REFUNDING BONDS, SERIES 2000

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	Local Development Refunding Bonds, Series 2000 (Limited Tax General Obligation)	
<u>PURPOSE</u>	For the purpose (i) advance refunding the Authority's Tax Increment Revenue Refunding Bonds, Series 1994, dated October 1, 1994 (the "1994 Bonds") maturing in the years 2004 through 2010 on March 1, 2003 at 102% of par, (ii) defeasing the 1994 Bonds maturing in the years 2001, 2002 and 2003 (the "Defeased Bonds") as the same shall become due (the "Defeasance") and (iii) paying certain expenses relating to the issuance of the Bonds.	
<u>DATE OF ISSUE</u>	October 10, 2000	
<u>AMOUNT OF ISSUE</u>		\$ 3,640,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 1,740,000	
During Current Period	<u>690,000</u>	<u>2,430,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>		<u>\$ 1,210,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
September 1, 2004			\$ 28,558	\$ 28,558
March 1, 2005	4.70	\$ 715,000	28,558	743,558
September 1, 2005			11,756	11,756
March 1, 2006	4.75	<u>495,000</u>	<u>11,756</u>	<u>506,756</u>
		<u>\$ 1,210,000</u>	<u>\$ 80,628</u>	<u>\$ 1,290,628</u>

CITY OF CADILLAC, MICHIGAN

1994 BUILDING AUTHORITY BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1994 Building Authority Bonds	
<u>PURPOSE</u>	For the purpose of defraying the cost of acquiring and constructing a new office building in the City, together with the land and site improvements therefor, and all appurtenances and attachments thereto.	
<u>DATE OF ISSUE</u>	December 1, 1994	
<u>AMOUNT OF ISSUE</u>		\$ 1,740,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Period	\$ 1,515,000	
During Current Period	<u>70,000</u>	<u>1,585,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>		<u><u>\$ 155,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	6.20 %	\$ 75,000	\$ 4,805	\$ 79,805
April 1, 2005			2,480	2,480
October 1, 2005	6.20	80,000	2,480	82,480
		<u>\$ 155,000</u>	<u>\$ 9,765</u>	<u>\$ 164,765</u>

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	City of Cadillac Building Authority 1997 Building Authority Bonds		
<u>PURPOSE</u>	Paying all or part of the cost of public parking lot improvements in the City of Cadillac		
<u>DATE OF ISSUE</u>	December 1, 1997		
<u>AMOUNT OF ISSUE</u>			\$ 310,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period		\$ 65,000	
During Current Period		<u>20,000</u>	<u>85,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 225,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	4.85 %	\$ 20,000	\$ 5,704	\$ 25,704
April 1, 2005			5,218	5,218
October 1, 2005	4.90	20,000	5,218	25,218
April 1, 2006			4,728	4,728
October 1, 2006	4.95	20,000	4,728	24,728
April 1, 2007			4,234	4,234
October 1, 2007	5.00	25,000	4,234	29,234
April 1, 2008			3,609	3,609
October 1, 2008	5.05	25,000	3,609	28,609
April 1, 2009			2,978	2,978
October 1, 2009	5.10	25,000	2,978	27,978
April 1, 2010			2,340	2,340
October 1, 2010	5.15	30,000	2,340	32,340
April 1, 2011			1,568	1,568
October 1, 2011	5.20	30,000	1,568	31,568
April 1, 2012			788	788
October 1, 2012	5.25	30,000	788	30,788
		<u>\$ 225,000</u>	<u>\$ 56,630</u>	<u>\$ 281,630</u>

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2004

<u>TITLE OF ISSUE</u>	1999 Building Authority Refunding Bonds		
<u>PURPOSE</u>	For the purpose of advance refunding the 1994 Building Authority Bonds dated December 1, 1994 maturing in the years 2006 through and including 2015 on October 1, 1999		
<u>DATE OF ISSUE</u>	February 2, 1999		
<u>AMOUNT OF ISSUE</u>			\$ 1,265,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Period	\$	40,000	
During Current Period		15,000	55,000
			<u>55,000</u>
<u>BALANCE OUTSTANDING - June 30, 2004</u>			<u>\$ 1,210,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2004	3.95 %	\$ 15,000	\$ 26,787	\$ 41,787
April 1, 2005			26,491	26,491
October 1, 2005	4.05	15,000	26,491	41,491
April 1, 2006			26,188	26,188
October 1, 2006	4.10	100,000	26,188	126,188
April 1, 2007			24,138	24,138
October 1, 2007	4.20	105,000	24,138	129,138
April 1, 2008			21,933	21,933
October 1, 2008	4.25	105,000	21,933	126,933
April 1, 2009			19,701	19,701
October 1, 2009	4.30	110,000	19,701	129,701
April 1, 2010			17,336	17,336
October 1, 2010	4.35	115,000	17,336	132,336
April 1, 2011			14,835	14,835

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2004

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2011	4.60	115,000	14,835	129,835
April 1, 2012			12,190	12,190
October 1, 2012	4.60	125,000	12,190	137,190
April 1, 2013			9,315	9,315
October 1, 2013	4.60	130,000	9,315	139,315
April 1, 2014			6,325	6,325
October 1, 2014	4.60	135,000	6,325	141,325
April 1, 2015			3,220	3,220
October 1, 2015	4.60	140,000	3,220	143,220
		<u>\$ 1,210,000</u>	<u>\$ 390,131</u>	<u>\$ 1,600,131</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 179,884,861	8.1040	\$ 1,457,436	\$ 1,356,157	\$ 101,279
Cadillac Area Public Schools					
Operating	94,990,600	17.5505	1,667,110	1,575,774	91,336
Debt Retirement	179,884,861	3.7500	674,371	637,404	36,967
State Education Tax	179,884,861	5.0000	893,877	858,882	34,995
State of Michigan - MSHDA Fee	1,107,926	33.2000	36,783	36,783	0
Wexford-Missaukee Intermediate School District	179,884,861	6.0003	1,079,164	1,003,684	75,480
Cadillac-Wexford Transit Authority	179,884,861	0.3910	70,293	65,388	4,905
Cadillac-Wexford Public Library	179,884,861	0.6838	122,952	114,365	8,587
Wexford County Council on Aging	179,884,861	0.9872	177,517	165,115	12,402
City of Cadillac					
General Fund	179,884,861	13.9473	2,509,397	2,413,672	95,725
Policemen and Firemen					
Retirement System	179,884,861	1.6000	287,858	276,807	11,051
Public Improvement					
Special Assessments			269,171	235,155	34,016
Water and Sewer Delinquent Accounts			6,134	3,916	2,218
Unpaid Invoices			1,400	796	604
Administration Fees			103,252	97,921	5,331
			<u>\$ 9,356,715</u>	<u>\$ 8,841,819</u>	<u>\$ 514,896</u>

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 14,584,496	8.1040	\$ 118,193	\$ 0	\$ 118,193	\$ (117,043)	\$ 1,150
Cadillac Area Public Schools							
Operating	14,584,496	17.5505	255,965	0	255,965	(251,086)	4,879
Debt Retirement	14,584,496	3.7500	54,692	0	54,692	0	54,692
State Education Tax	14,584,496	5.0000	72,922	0	72,922	(73,030)	(108)
Wexford-Missaukee Intermediate							
School District	14,584,496	6.0003	87,511	0	87,511	(86,660)	851
Cadillac-Wexford Transit Authority	14,584,496	0.3910	5,703	0	5,703	(5,647)	56
Cadillac-Wexford Public Library	14,584,496	0.6838	9,973	0	9,973	(9,876)	97
Wexford County Council on Aging	14,584,496	0.9872	14,398	0	14,398	(14,258)	140
Local Development Finance Authority							
Capture	(14,584,496)	54.2641	0	0	0	782,143	782,143
Groundwater Treatment							
Special Assessments			195,719	30,161	165,558	0	165,558
City of Cadillac							
General Fund	14,584,496	13.9473	203,414	0	203,414	(201,435)	1,979
Policemen and Firemen							
Retirement System	14,584,496	1.6000	23,335	0	23,335	(23,108)	227
			\$ 1,041,825	\$ 30,161	\$ 1,011,664	\$ 0	\$ 1,011,664

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 15,532,836	8.1040	\$ 125,878	\$ 5,561	\$ 120,317	\$ (31,748)	\$ 88,569
Cadillac Area Public Schools							
Operating	15,532,836	17.5505	272,609	12,044	260,565	0	260,565
Debt Retirement	15,532,836	3.7500	58,248	2,573	55,675	0	55,675
State Education Tax	15,532,836	5.0000	77,664	3,431	74,233	0	74,233
Wexford-Missaukee Intermediate							
School District	15,532,836	6.0003	93,202	4,118	89,084	0	89,084
Cadillac-Wexford Transit Authority	15,532,836	0.3910	6,073	268	5,805	(1,532)	4,273
Cadillac-Wexford Public Library	15,532,836	0.6838	10,621	469	10,152	(2,679)	7,473
Wexford County Council on Aging	15,532,836	0.9872	15,334	677	14,657	(3,867)	10,790
Downtown Development Authority							
Special Assessments	15,532,836	1.9548	30,488	1,347	29,141	0	29,141
Capture	(4,039,836)	25.7133	0	0	0	100,733	100,733
City of Cadillac							
General Fund	15,532,836	13.9473	216,641	9,571	207,070	(54,639)	152,431
Policemen and Firemen Retirement System	15,532,836	1.6000	24,853	1,098	23,755	(6,268)	17,487
			\$ 931,611	\$ 41,157	\$ 890,454	\$ 0	\$ 890,454

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2003 TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 207,582	8.10400	\$ 1,682	\$ 0	\$ 1,682	\$ (1,682)	\$ 0
Cadillac Area Public Schools							
Operating	207,582	17.55050	3,643	0	3,643	0	3,643
Debt Retirement	207,582	3.75000	778	0	778	0	778
State Education Tax	207,582	5.00000	1,038	0	1,038	0	1,038
Wexford-Missaukee Intermediate							
School District	196,692	6.00030	1,180	0	1,180	(1,180)	0
Cadillac-Wexford Transit Authority	207,582	0.39100	81	0	81	(81)	0
Cadillac-Wexford Public Library	207,582	0.68380	142	0	142	(142)	0
Wexford County Council on Aging	207,582	0.98720	205	0	205	(205)	0
Brownfield Redevelopment District							
Capture	(207,582)	31.71360	0	0	0	6,518	6,518
City of Cadillac							
General Fund	207,582	13.94730	2,896	0	2,896	(2,896)	0
Policemen and Firemen Retirement System	207,582	1.60000	332	0	332	(332)	0
			<u>\$ 11,977</u>	<u>\$ 0</u>	<u>\$ 11,977</u>	<u>\$ 0</u>	<u>\$ 11,977</u>

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2003 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	\$ 26,328,200	4.05200	\$ 106,681	\$ 106,681	\$ 0
Cadillac Area Public Schools					
Operating (State Share)					
Prior to Proposal A	9,716,300	16.60000	161,290	161,290	0
After Proposal A	16,611,900	8.77525	145,772	145,772	0
Debt Retirement	26,328,200	1.87500	49,364	49,364	0
State Education Tax	14,744,000	5.00000	73,720	73,720	0
Wexford-Missaukee Intermediate School District					
Operating (State Share)	26,328,200	3.00015	78,986	78,986	0
Cadillac-Wexford Transit Authority	26,328,200	0.19550	5,147	5,147	0
Cadillac-Wexford Public Library	26,328,200	0.34190	9,001	9,001	0
Wexford County Council on Aging	26,328,200	0.49360	12,995	12,995	0
City of Cadillac					
General Fund	26,328,200	6.97365	183,602	183,602	0
Policemen and Firemen Retirement System	26,328,200	0.80000	21,062	21,062	0
			<u>\$ 847,620</u>	<u>\$ 847,620</u>	<u>\$ 0</u>

CITY OF CADILLAC, MICHIGAN
BROWNFIELD DEVELOPMENT AUTHORITY
STATEMENT OF 2003 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2004

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	\$ 2,176,100	4.05200	\$ 8,818	\$ 0	\$ 8,818	\$ (8,818)	\$ 0
Cadillac Area Public Schools							
Operating (State Share)							
Prior to Proposal A	(158,700)	16.60000	(2,634)	0	(2,634)	0	(2,634)
After Proposal A	2,334,800	8.77525	20,488	0	20,488	0	20,488
Debt Retirement	2,176,100	1.87500	4,080	0	4,080	0	4,080
State Education Tax	2,176,100	5.00000	10,881	0	10,881	0	10,881
Wexford-Missaukee Intermediate School District							
Operating (State Share)	2,176,100	3.00015	6,529	0	6,529	(6,529)	0
Cadillac-Wexford Transit Authority	2,176,100	0.19550	425	0	425	(425)	0
Cadillac-Wexford Public Library	2,176,100	0.34190	744	0	744	(744)	0
Wexford County Council on Aging	2,176,100	0.49360	1,074	0	1,074	(1,074)	0
Brownfield Redevelopment District							
Capture	(2,176,100)	15.85680	0	0	0	34,506	34,506
City of Cadillac							
General Fund	2,176,100	6.97365	15,175	0	15,175	(15,175)	0
Policemen and Firemen Retirement System	2,176,100	0.80000	1,741	0	1,741	(1,741)	0
			\$ 67,321	\$ 0	\$ 67,321	\$ 0	\$ 67,321

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CITY OF CADILLAC, MICHIGAN

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
FOR THE FISCAL YEARS 1995 THROUGH 2004

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>
1995	\$ 1,168,288	\$ 2,155,139	\$ 1,284,330
1996	1,106,832	2,172,555	1,593,079
1997	1,147,979	2,393,172	2,171,414
1998	1,243,528	2,437,941	1,929,315
1999	1,334,440	2,473,027	2,144,587
2000	1,345,093	2,748,774	1,725,089
2001	1,485,144	2,713,177	2,795,225
2002	1,575,793	2,603,464	2,033,717
2003	1,364,291	2,670,927	2,560,945
2004	1,364,291	2,670,927	2,560,945

NOTES:

(1) Includes General Fund, Special Revenue and Debt Service

(2) Principal, interest and fiscal charges

TABLE 1

CULTURE AND RECREATION	(2) DEBT SERVICE	OTHER FUNCTIONS	TOTAL
\$ 139,504	\$ 366,006	\$ 5,960,342	\$ 11,073,609
118,962	441,912	470,391	5,903,731
128,461	536,241	454,572	6,831,839
140,278	623,644	995,138	7,369,844
135,505	661,464	1,091,352	7,840,375
189,685	866,372	761,783	7,636,796
280,963	562,250	739,863	8,576,622
344,621	624,641	892,335	8,074,571
654,700	411,107	790,723	8,452,693
654,700	411,107	790,723	8,452,693

CITY OF CADILLAC, MICHIGAN

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)
FOR THE FISCAL YEARS 1995 THROUGH 2004

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>INTERGOVERNMENTAL REVENUES</u>	<u>CHARGES FOR SERVICES</u>
1995	\$ 2,575,951	\$ 48,975	\$ 2,249,968	\$ 591,135
1996	2,770,194	39,171	1,995,427	574,112
1997	2,828,652	52,919	2,296,999	680,699
1998	2,907,263	49,789	2,639,947	704,540
1999	3,019,776	67,702	3,282,445	778,014
2000	3,020,518	1,935	2,711,794	785,258
2001	3,076,836	1,700	3,407,375	789,248
2002	3,169,173	1,455	2,429,696	799,010
2003	3,432,606	940	3,465,729	932,389
2004	3,752,186	1,390	2,566,271	919,017

NOTES:

- (1) Includes General Fund, Special Revenue and Debt Service
- (2) Private contributions from industries for expansion grants totalled \$4,777,106.

TABLE 2

<u>FINES AND FORFEITS</u>	<u>OTHER REVENUE</u>	<u>TOTAL</u>
\$ 32,036	\$ 5,442,466 (2)	\$ 10,940,531
29,546	647,059	6,055,509
28,681	781,959	6,669,909
37,172	912,127	7,250,838
29,288	779,805	7,957,030
27,962	1,685,484	8,232,951
27,175	984,063	8,286,397
29,316	772,557	7,201,207
28,226	924,194	8,784,084
36,247	911,704	8,186,815

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CITY OF CADILLAC, MICHIGAN

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
FOR THE FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	GENERAL FUND			TOTAL FUND BALANCE AS PERCENT OF EXPENDITURES
	RESERVED AND DESIGNATED FUND BALANCE	TOTAL FUND BALANCE	ANNUAL EXPENDITURES	
1995	\$ 726,060	\$ 726,060	\$ 4,219,187	17.21
1996	795,707	795,707	4,251,400	18.72
1997	908,523	908,523	4,437,638	20.47
1998	991,107	991,107	4,651,684	21.31
1999	964,551	964,551	4,886,393	19.74
2000	1,077,849	1,077,849	5,081,170	21.00
2001	910,158	910,158	5,256,920	17.31
2002	712,634	712,634	5,092,484	13.99
2003	1,138,710	1,138,710	4,922,858	23.13
2004	1,360,947	1,360,947	5,614,347	24.24

CITY OF CADILLAC, MICHIGAN

PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE FISCAL YEARS 1995 THROUGH 2004

TAX ROLL	FISCAL YEAR	TAX LEVY			TOTAL LEVY
		TAXES ASSESSED	(2) INDUSTRIAL FACILITIES	(3) COMMERCIAL FACILITIES	
1994	1995	\$ 1,987,760	\$ 256,572	\$ 3,739	\$ 2,248,071
1995	1996	2,342,858	276,988	2,564	2,622,410
1996	1997	2,404,555	272,165	2,223	2,678,943
1997	1998	2,508,861	251,845	71	2,760,777
1998	1999	2,539,614	245,814	0	2,785,428
1999	2000	2,635,349	243,683	0	2,879,032
2000	2001	2,813,834	293,767	0	3,107,601
2001	2002	2,897,188	269,852	0	3,167,040
2002	2003	2,989,927	275,171	0	3,265,098
2003	2004	3,260,095	221,580	0	3,481,675

NOTES:

- (1) Wexford County pays the City of Cadillac the full amount of delinquent real property taxes upon settlement in the subsequent March of each year. Delinquent personal property taxes are negligible. This revolving tax fund began in 1977.
- (2) Industrial facilities tax exempts 50% of industrial tax for new construction (P.A. 198 of 1974).
- (3) Commercial facilities tax exempts 50% of commercial tax for new and remodeled facilities (P.A. 255).
- (4) 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.

TABLE 4

TAXES COLLECTED (1)				TOTAL COLLECTED	PERCENTAGE COLLECTED	(4) DELINQUENT TAXES RECEIVABLE
TAXES	(2) INDUSTRIAL FACILITIES	(3) COMMERCIAL FACILITIES				
\$ 1,853,354	\$ 256,572	\$ 3,739	\$ 2,113,665	94.02 %	\$ 0	
2,215,464	276,988	2,564	2,495,016	95.14	0	
2,276,015	272,165	2,223	2,550,403	95.20	0	
2,363,299	250,750	71	2,614,120	94.69	0	
2,396,889	244,748	0	2,641,637	94.84	0	
2,497,183	243,683	0	2,740,866	95.20	0	
2,657,211	293,767	0	2,950,978	94.96	0	
2,759,737	269,726	0	3,029,463	95.66	0	
2,860,970	275,171	0	3,136,141	96.05	0	
3,142,650	221,580	0	3,364,230	96.63	0	

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CITY OF CADILLAC, MICHIGAN

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE FISCAL YEARS 1994 THROUGH 2003

FISCAL (2) YEAR	REAL PROPERTY VALUATION	PERSONAL PROPERTY VALUATION	(1) TOTAL ASSESSED VALUATION	ESTIMATED ACTUAL VALUE	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
1994-1995 (3)	\$ 124,016,746	\$ 24,481,600	\$ 148,498,346	\$ 368,802,008	40.27%
1995-1996 (3)	126,211,933	27,596,800	153,808,733	376,918,846	40.81%
1996-1997 (3)	130,428,194	31,998,600	162,426,794	391,131,998	41.53%
1997-1998 (3)	134,086,505	32,023,100	166,109,605	397,886,136	41.75%
1998-1999 (3)	138,456,334	35,290,222	173,746,556	411,683,512	42.20%
1999-2000 (3)	143,791,718	33,979,991	177,771,709	398,922,200	44.56%
2000-2001 (3)	153,053,692	35,377,232	188,430,924	429,828,200	43.84%
2001-2002 (3)	165,243,210	31,372,200	196,615,410	470,913,500	41.75%
2002-2003 (3)	168,351,258	43,240,100	211,591,358	508,916,600	41.58%
2003-2004 (3)	178,282,339	41,399,800	219,682,139	544,632,400	40.34%

NOTES:

- (1) Includes industrial and commercial facilities tax.
- (2) In Michigan, tax day is December 31st, prior to the beginning of the fiscal year. Taxes are mailed July 1st of the fiscal year to cover the period from July 1st through June 30th.
- (3) Based on taxable value instead of assessed value per Proposal A.

CITY OF CADILLAC, MICHIGAN

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)

FOR THE FISCAL YEARS 1995 THROUGH 2004

<u>FISCAL YEAR</u>	<u>DIRECT TAX RATES</u>		
	<u>CITY OF CADILLAC</u>		
	<u>GENERAL</u>	<u>POLICE & FIRE RETIREMENT</u>	<u>TOTAL CITY</u>
1995	14.0800	1.70	15.7800
1996	13.9200	1.60	15.5200
1997	13.9600	1.50	15.4600
1998	13.9600	1.30	15.2600
1999	14.0900	1.10	15.1900
2000	14.0371	1.00	15.0371
2001	13.9907	1.00	14.9907
2002	13.9473	1.40	15.3473
2003	13.9473	1.60	15.5473
2004	13.9473	1.80	15.7473

NOTES:

- (1) Includes county millage at 8.82, Cadillac-Wexford Transit Authority at .4, Council on Aging at .4, and Library at .60.
- (2) Includes county millage at 8.3718, Cadillac-Wexford Transit Authority at .3772, Council on Aging at .4, and Library at .50.
- (3) Includes school operational millage and school debt.
- (4) Includes county millage at 8.3718, Cadillac-Wexford Transit Authority at 0.4, Council on Aging at 1.0 and Library at .5.

TABLE 6

OVERLAPPING TAX RATES					DIRECT AND OVERLAPPING TOTAL ANNUAL TAX RATE
WEXFORD COUNTY	(3) CADILLAC AREA PUBLIC SCHOOLS	WEXFORD MISSAUKEE INTERMEDIATE SCHOOL	STATE EDUCATION TAX		
10.2200	(1)	19.5000	6.1500	6.00	57.6500
9.6490	(2)	23.6500	6.1500	6.00	60.9690
9.6490	(2)	23.1000	6.1500	6.00	60.3590
10.2718	(4)	22.4000	6.1500	6.00	60.0818
10.2827	(5)	22.2717	6.1232	6.00	59.8676
10.1908	(6)	20.5594	6.0882	6.00	57.8755
10.1860	(7)	21.7149	6.0882	6.00	58.9798
10.2128	(8)	21.3763	6.0388	6.00	58.9752
10.1660	(9)	21.3005	6.0000	5.00	58.0138
N/A		N/A	N/A	N/A	N/A

(5) Includes county millage at 8.3383 Cadillac-Wexford Transit Authority at 0.3984, Council on Aging at 0.9960 and Library at 0.55.

(6) Includes county millage at 8.2506, Cadillac-Wexford Transit Authority at 0.3942, Council on Aging at 0.9960 and Library at 0.55.

(7) Includes county millage at 8.2506, Cadillac-Wexford Transit Authority at 0.3942, Council on Aging at 0.9913 and Library at 0.55.

(8) Includes county millage at 8.1678, Cadillac-Wexford Transit Authority at 0.4000, Council on Aging at 0.995 and Library at 0.65.

(9) Includes county millage at 8.1040, Cadillac-Wexford Transit Authority at 0.3910, Council on Aging at 0.9872 and Library at 0.6838.

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CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENT COLLECTIONS
FOR THE FISCAL YEARS 1995 THROUGH 2004

<u>TAX ROLL</u>	<u>FISCAL YEAR</u>	<u>CURRENT PUBLIC IMPROVEMENT ASSESSMENTS DUE</u>	<u>CURRENT PUBLIC IMPROVEMENT ASSESSMENTS COLLECTED</u>	<u>(1) RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING PUBLIC IMPROVEMENT ASSESSMENTS</u>
1994	1995	\$ 222,669	\$ 181,784	81.64	\$ 1,248,017
1995	1996	258,717	223,851	86.52	1,445,360
1996	1997	267,100	234,321	87.73	1,568,364
1997	1998	288,711	248,555	86.09	1,647,000
1998	1999	310,980	275,232	88.50	1,445,000
1999	2000	304,449	259,932	85.38	1,205,000
2000	2001	301,958	248,413	82.27	1,062,474
2001	2002	364,473	282,455	77.50	1,240,000
2002	2003	492,544	375,427	76.22	1,429,525
2003	2004	472,148	408,272	86.47	1,017,557

NOTE:

- (1) 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

RATIO OF NET GENERAL BONDED DEBT
TO TAXABLE VALUE AND NET BONDED DEBT PER CAPITA

FOR THE FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	(1) POPULATION	TAXABLE VALUE (IN THOUSANDS)	GROSS BONDED DEBT	(2) DEBT SERVICE MONIES AVAILABLE	SPECIAL ASSESSMENT AND REVENUE BONDS PAYABLE
1995	10,104	\$ 148,498	\$ 7,252,000	\$ 10,115	\$ 6,662,000
1996	10,104	153,809	9,815,000	9,058	9,050,000
1997	10,104	162,427	9,808,000	6,340	8,998,000
1998	10,104	166,110	9,576,522	1,732	8,527,000
1999	10,104	173,747	10,290,000	8,363	9,330,000
2000	10,000	177,772	9,940,000	7,848	8,765,000
2001	10,000	188,431	9,360,000	14,366	8,280,000
2002	10,000	196,615	12,365,000	13,060	11,380,000
2003	10,000	211,591	11,720,000	6,749	10,830,000
2004	10,000	219,682	11,050,000	10,472	10,265,000

NOTES:

- (1) U.S. Department of Commerce, Bureau of Census.
- (2) Excluding special assessment and revenue bond issues.

TABLE 8

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO TAXABLE VALUE	NET BONDED DEBT PER CAPITA
\$ 579,885	0.003	\$ 57.39
755,942	0.004	74.82
803,660	0.004	79.54
1,047,790	0.005	103.70
951,637	0.005	94.18
1,167,152	0.006	116.72
1,065,634	0.005	106.56
971,940	0.004	97.19
883,251	0.004	88.33
774,528	0.004	77.45

CITY OF CADILLAC, MICHIGAN

LEGAL DEBT MARGIN

JUNE 30, 2004

Taxable Valuation at December 31, 2003		<u>\$ 219,682,139</u>
Statutory Debt Limit - 10% of Taxable Valuation		\$ 21,968,214
Amount of Debt Applicable to Limit:		
Gross Bonded Debt and Other Long-Term Debt	\$ 12,305,000	
Less		
Assets Available for Debt Service	\$ 10,472	
Bond Debt not Subject to Limit:		
Special Assessment Bonds	925,000	
Revenue Bonds	9,340,000	
Other Debt	<u>1,255,000</u>	<u>11,530,472</u>
Total Amount of Debt Applicable to Debt Limit		<u>774,528</u>
LEGAL DEBT MARGIN		<u>\$ 21,193,686</u>

CITY OF CADILLAC, MICHIGAN

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2004

<u>DIRECT DEBT:</u>		GROSS BONDED DEBT	(1) EXCLUSIONS	NET BONDED DEBT
Outstanding Bonds				
General Obligation		\$ 785,000	\$ 10,472	\$ 774,528
Special Assessment		925,000	925,000	0
Revenue Bonds				
Water and Sewer		7,975,000	7,975,000	0
Primary Government		1,365,000	1,365,000	0
Other		1,255,000	1,255,000	0
		<hr/>	<hr/>	<hr/>
Total Direct Debt		\$ 12,305,000	\$ 11,530,472	\$ 774,528
	(2)			
<u>GROSS OVERLAPPING DEBT:</u>	<u>% APPLICABLE</u>			
Cadillac Area Public Schools	25.72%	\$ 6,506,686	\$ 0	\$ 6,506,686
Wexford County	27.60%	1,860,403	0	1,860,403
		<hr/>	<hr/>	<hr/>
Total Gross Overlapping Debt		\$ 8,367,089	\$ 0	\$ 8,367,089
		<hr/>	<hr/>	<hr/>
NET DIRECT AND OVERLAPPING DEBT		\$ 20,672,089	\$ 11,530,472	\$ 9,141,617

NOTES:

- (1) Exclusions represent all bonds which are not general obligation bonds of the City of Cadillac, and general obligation bonds which are self-supporting.
- (2) Percentage applicable to City of Cadillac calculated using state taxable valuation of City divided by state taxable valuation of taxing district.

CITY OF CADILLAC, MICHIGAN

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

FOR THE FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	(1) <u>GENERAL OBLIGATION BOND</u>		TOTAL DEBT SERVICE	(1) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
	PRINCIPAL	INTEREST AND PAYING AGENT FEES			
1995	\$ 202,000	\$ 127,548	\$ 329,548	\$ 11,073,609	3.0
1996	214,500	227,412	441,912	5,903,731	7.5
1997	289,500	246,741	536,241	6,831,839	7.9
1998	367,000	256,644	623,644	7,369,844	8.5
1999	359,500	301,964	661,464	7,840,375	8.4
2000	641,387	224,985	866,372	7,636,796	11.3
2001	348,500	213,750	562,250	8,576,622	6.6
2002	382,986	210,655	593,641	7,595,225	7.8
2003	360,907	189,381	550,288	8,452,693	6.5
2004	267,500	(2) 98,511	366,011	8,505,894	4.3

NOTES:

- (1) Includes General Fund, Special Revenue Funds and Debt Service Funds.
- (2) 1994 Building Authority Debt Service Fund was closed out. Debt service on the two bond issues now being paid from Cadillac Building Authority Fund, an Enterprise Fund. Amounts no longer included in this total.

CITY OF CADILLAC, MICHIGANREVENUE BOND COVERAGE
WATER AND SEWER BONDSFOR FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	(1) GROSS REVENUE	(2) OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			(3) COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1995	\$ 2,529,879	\$ 1,601,637	\$ 928,242	\$ 175,000	\$ 222,937	\$ 397,937	2.33
1996	2,725,607	1,643,391	1,082,216	190,000	320,044	510,044	2.12
1997	2,658,216	1,683,239	974,977	200,000	327,694	527,694	1.85
1998	2,738,146	1,736,802	1,001,344	220,000	313,902	533,902	1.88
1999	2,817,326	1,733,731	1,083,595	225,000	314,949	539,949	2.01
2000	3,185,465	1,840,361	1,345,104	255,000	314,717	569,717	2.36
2001	3,241,433	1,809,910	1,431,523	270,000	288,656	558,656	2.56
2002	3,329,623	1,981,893	1,347,730	280,000	277,941	557,941	2.42
2003	3,087,995	2,111,154	976,841	310,000	414,477	724,477	1.35
2004	3,320,702	2,192,751	1,127,951	330,000	399,145	729,145	1.55

NOTES:

- (1) Operating revenue plus interest income.
- (2) Operating expenses are the total operating expenses, less depreciation, plus transfers out.
- (3) Coverage is defined as "Net Revenue Available for Debt Service, Divided by Total Debt Service Requirements".

CITY OF CADILLAC, MICHIGANDEMOGRAPHIC STATISTICS - MISCELLANEOUS
FOR THE FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	(1) POPULATION	(2) PER CAPITA PERSONAL INCOME	(3) SCHOOL ENROLLMENT	(4) LOCAL UNEMPLOYMENT PERCENTAGE RATE	(4) STATE OF MICHIGAN UNEMPLOYMENT PERCENTAGE RATE	(4) CIVILIAN LABOR FORCE
1995	10,104	\$17,597	3,986	11.1	5.3	13,850
1996	10,104	18,276	3,991	9.1	4.9	13,850
1997	10,104	19,016	3,980	8.9	4.2	14,375
1998	10,104	18,522	3,834	8.2	3.9	14,750
1999	10,104	21,179	3,787	6.4	4.2	15,700
2000	10,000	21,781	3,608	6.4	3.5	15,600
2001	10,000	21,700	3,514	9.4	5.1	16,075
2002	10,000	22,362	3,465	8.3	6.2	14,600
2003	10,000	N/A	3,639	9.8	7.1	15,250
2004	10,000	N/A	3,674	8.2*	6.7*	14,925

* Through 8/31/04

NOTES:

- (1) U.S. Department of Commerce, Bureau of Census.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis; Regional Accounts Data; www.bea.gov: Wexford County Data
- (3) Annual School Census
- (4) Michigan Department of Career Development - Labor Market Information; www.michlmi.org

CITY OF CADILLAC, MICHIGAN
DEMOGRAPHIC STATISTICS
POPULATION BY CENSUS COUNT

1880-2000

<u>YEAR</u>	<u>POPULATION TRENDS</u>	
	<u>WEXFORD COUNTY</u>	<u>CADILLAC</u>
1880	6,815	2,213
1890	11,278	4,461
1900	16,845	5,997
1910	20,769	8,357
1920	18,207	9,750
1930	16,827	9,570
1940	17,976	9,855
1950	18,628	10,425
1960	18,466	10,112
1970	19,717	9,990
1980	25,102	10,199
1990	26,412	10,104
2000	30,484	10,000

CITY OF CADILLAC, MICHIGAN

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
FOR THE YEARS 1995 THROUGH 2004

YEAR	CONSTRUCTION										PROPERTY VALUE (3)		
	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER						(1)		
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	COMMERCIAL	RESIDENTIAL	OTHER	COMMERCIAL	RESIDENTIAL	OTHER		
	OF	OF	OF	OF	OF								
	UNITS	UNITS	UNITS	UNITS	UNITS								
1995	236	(2)	174	(2)	40	(2)	18	(2)	4	(2)	51,438,796	142,499,458	103,058,438
1996	252	(2)	196	(2)	36	(2)	15	(2)	5	(2)	52,092,148	146,776,540	108,748,778
1997	261	(2)	188	(2)	44	(2)	25	(2)	4	(2)	52,488,216	152,567,308	119,798,064
1998	264	(2)	201	(2)	38	(2)	19	(2)	6	(2)	53,467,206	159,924,730	118,827,274
1999	269	(2)	216	(2)	25	(2)	19	(2)	9	(2)	55,522,844	165,154,112	126,816,156
2000	302	(2)	256	(2)	26	(2)	14	(2)	6	(2)	57,122,826	172,248,176	126,172,416
2001	278	(2)	235	(2)	30	(2)	8	(2)	5	(2)	68,014,800	227,913,400	133,900,000
2002	290	(2)	231	(2)	25	(2)	19	(2)	15	(2)	94,582,800	247,005,500	129,325,200
2003	261	(2)	214	(2)	20	(2)	20	(2)	7	(2)	91,835,400	271,624,400	145,456,800
2004	N/A	(2)	N/A	(2)	N/A	(2)	N/A	(2)	N/A	(2)	118,304,200	303,863,000	122,465,200

NOTES:

- (1) Includes Personal, Agricultural, Industrial, Industrial Facilities Tax, and Commercial Facilities Tax
- (2) In 1995, the values were eliminated from reporting
- (3) Based on two times the Assessed Value of the property

CITY OF CADILLAC, MICHIGAN

PRINCIPAL TAXPAYERS
JUNE 30, 2004 AND 2003

AS OF JUNE 30,	TAXPAYER	TYPE OF BUSINESS	TAXABLE VALUE	PERCENTAGE
2004	CMI Cast Parts, Inc.	Ironworks	\$ 15,529,500	7.07%
	Cadillac Renewable Energy	Electric Utility	13,358,600	6.08%
	Avon Rubber & Plastics	Extruded & Molded Rubber	9,262,500	4.22%
	Rexair, Inc.	Vacuum Cleaner Manufacturer	6,697,800	3.05%
	Consumers Energy	Electric Utility	5,343,854	2.43%
	FIAMM Technologies, Inc.	Automotive and Marine Horns	5,054,200	2.30%
	Michigan Rubber	Fabricated & Molded Rubber	4,892,545	2.23%
	AAR Cadillac Mfg.	Industrial Handling Equipment	4,191,000	1.91%
	Four Winns Boat Group	Boat Manufacturer	3,838,396	1.75%
	Paulstra CRC Corp.	Rubber By-Products Manufacturer	2,887,900	1.31%
	Total of Principal Taxpayers		\$ 71,056,295	32.35%
	Total of Remainder of Taxpayers		148,625,844	67.65%
	TOTAL TAXABLE VALUATION		\$ 219,682,139	100.00%
2003	CMI Cast Parts, Inc.	Ironworks	\$ 17,322,284	8.18%
	Cadillac Renewable Energy	Electric Utility	13,263,400	6.27%
	Avon Rubber & Plastics	Extruded & Molded Rubber	9,528,201	4.50%
	FIAMM Technologies, Inc.	Automotive and Marine Horns	7,009,748	3.31%
	Rexair, Inc.	Vacuum Cleaner Manufacturer	6,810,463	3.22%
	Consumers Energy	Electric Utility	4,993,016	2.36%
	Michigan Rubber	Fabricated & Molded Rubber	4,676,569	2.21%
	AAR Cadillac Mfg.	Industrial Handling Equipment	3,995,520	1.89%
	Four Winns Boat Group	Boat Manufacturer	3,890,849	1.84%
	Paulstra CRC Corp.	Rubber By-Products Manufacturer	2,909,600	1.38%
	Total of Principal Taxpayers		\$ 74,399,650	35.16%
	Total of Remainder of Taxpayers		137,191,708	64.84%
	TOTAL TAXABLE VALUATION		\$ 211,591,358	100.00%

The above value includes both real and personal of the: Advalorem roll; IFT's; and CFT's. The above does not reflect any changes by the Michigan Tax Tribunal or December Board of Review.

CITY OF CADILLAC, MICHIGAN

MISCELLANEOUS STATISTICAL DATA

JUNE 30, 2004

DATE OF INCORPORATION	MARCH 9, 1877
PRESENT CHARTER ADOPTED	NOVEMBER 2, 1976
FORM OF GOVERNMENT	COUNCIL-MANAGER
AREA OF CITY	9 SQUARE MILES
MILES OF STREET	61.33 MILES PLUS 7 MILES OF STATE HIGHWAYS
NUMBER OF STREET LIGHTS	574

PUBLIC SAFETY:

	<u>POLICE</u>	<u>FIRE</u>
Number of Stations	1	1
Number of Employees - Full-Time	17.5	11.5
Number of Employees - Volunteers	18	19
Mobile Equipment	9	6

UTILITIES:

	<u>WATER</u>	<u>WASTEWATER</u>
Number of Customers	3,487	3,544
Gallons of Flow Per Year	786.6 Million Gal.	767.8 Million Gal.
Average Daily Flow	2.20 Million Gal./Day	2.10 Million Gal./Day
Miles of Mains	63 Miles	59 Miles
Employees	9	7

BUILDING PERMITS ISSUED

1995-2002 Average Permits Issued	268
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CITY EMPLOYEES

Full-Time	82
Part-Time	40

CITY OF CADILLAC, MICHIGANMISCELLANEOUS STATISTICAL DATAJUNE 30, 2004RECREATION AND CULTURE

Number of City Parks	4 (117 Acres)
Number of State Parks	1 (245.9 Acres)
Number of Libraries	1 (Approximately 70,000 Volumes)
City Completely Surrounds Lake Cadillac	1.9 Square Mile Lake (1,216 Acres)

EDUCATION

Elementary Schools	5
Middle Schools	2
High Schools	1
Parochial Schools	3
Community College	1
Vocational Technical School	1
Number of Personnel - C.A.P.S.	
Teachers	198
Administrative Staff	15
Wexford-Missaukee Intermediate School District	
Taxable Valuation	\$1,449,732,489
Public School Membership	9,499
Cadillac Area Public Schools	
Taxable Value	
Debt	\$572,290,575
Non-Homestead	\$281,974,744
Public School Membership (K-12)	3,290
Parochial Schools	
Membership	384

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
FOR THE FISCAL YEARS 1995-2004

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
1995	5,258,827	6,363,345	121	(1,104,518)
1996	5,691,629	6,823,047	119.9	(1,131,418)
1997	5,788,268	7,322,452	127	(1,534,184)
1998	6,218,592	7,923,062	127.4	(1,704,470)
1999	6,744,595	8,840,153	131.1	(2,095,558)
2000	\$ 7,370,963	\$ 9,439,499	128.1	\$ (2,068,536)

TABLE 18

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
8.17		875,392	32	41	26,103	43.6	11
10.7	(2)	558,461	23				
4.36	(3)	94,148	4				
11.89	(4)	354,688	14				
8.92	(5)	49,006	1				
8.44		674,557	26	41	27,460	44.3	11
10.67	(2)	631,548	25				
5.56	(3)	86,334	4				
11.9	(4)	373,707	14				
8.93	(5)	64,369	1				
8.94	(6)	201,537	4				
7.95		706,666	28	42	26,669	44	11
10	(2)	600,549	25				
5.41	(3)	106,036	4				
11.29	(4)	416,678	16				
8.23	(5)	66,162	1				
7.94	(6)	157,452	3				
8.03		740,444	25	45	29,392	43.8	10.7
9.97	(2)	630,344	24				
5.53	(3)	85,466	3				
11.23	(4)	423,784	16				
8.14	(5)	73,862	1				
7.90	(6)	162,341	3				
8.03		733,548	23	44	31,156	44.6	11
9.98	(2)	724,015	25				
5.56	(3)	123,639	4				
11.31	(4)	469,628	18				
8.14	(5)	\$ 80,674	1				
7.90	(6)	174,064	3				
7.22		831,695	27	45	\$ 30,921	43.4	10
6.43	(2)	682,151	24				
6.05	(3)	122,066	4				

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
FOR THE FISCAL YEARS 1995-2004

<u>FISCAL YEARS</u>	<u>ACTUARIAL ACCRUED LIABILITY</u>	<u>ASSETS ALLOCATED TO FUNDING</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u>
2001	7,992,526	9,785,299	122.4	(1,792,773)
2002	8,358,393	9,712,366	116.2	(1,353,973)
2003	8,910,724	10,053,522	112.8	(1,142,798)
2004	N/A	N/A	N/A	N/A

NOTES:

(1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

TABLE 18

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE		
					ANNUAL PAY	AGE	SERVICE
7.98	(4)	523,126	19				
6.89	(5)	78,851	1				
6.84	(6)	173,952	3				
7.55		874,910	27	49	32,069	43.5	10.5
6.80	(2)	735,799	25				
8.20	(3)	126,638	4				
8.42	(4)	470,240	17				
6.51	(5)	83,075	1				
7.19	(6)	178,648	3				
7.59		873,693	26	45	32,734	44.3	11.1
6.83	(2)	747,685	25				
8.10	(3)	126,412	4				
8.43	(4)	502,884	18				
6.51	(5)	87,693	1				
7.19	(6)	182,115	3				
7.61		883,818	25	46	34,267	45.5	11.5
6.95	(2)	811,027	26				
8.16	(3)	154,700	5				
8.54	(4)	507,863	17				
6.52	(5)	92,455	1				
7.19	(6)	188,722	3				
N/A		N/A		N/A	N/A	N/A	N/A

- (2) Local 14317 includes additional negotiated benefit for the union.
- (3) Separate benefits for Housing Commission.
- (4) Separate benefits for Library.
- (5) Separate benefits for City Manager.
- (6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN

POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE

FOR THE FISCAL YEARS 1994-2004

<u>FISCAL</u> <u>YEARS</u>		(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
1994	(3)	\$ 3,949,644	\$ 3,260,350	82.6	\$ 689,294
1995		4,128,967	3,497,286	84.7	631,681
1996		4,530,631	3,789,087	83.6	741,544
1997	(4)	4,985,777	4,183,932	83.9	801,845
1998		5,021,702	4,721,444	94.0	300,258
1999		5,336,204	5,241,694	98.2	94,510
2000		5,600,202	5,724,442	102.2	(124,240)
2001		5,949,789	6,034,859	101.4	(85,070)
2002		6,958,880	6,041,096	86.8	917,784
2003		7,348,465	5,891,594	80.2	1,456,871
2004		N/A	N/A	N/A	N/A

NOTES:

- (1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
- (2) Data from Gabriel, Roeder, Smith and Co., Actuaries.
- (3) Actuarial assumptions revised as a result of an experience study for the five-year period ending 6-30-97. Actuarial assumptions concerning rates of withdrawal, rates of retirement, rates of post-retirement mortality, investment return and wage inflation were all changed as a direct result of the study. The net effect was a decrease in the employer contribution rate of 2.1% of payroll.
- (4) Police 11.47%, Fire 12.91%
- (5) Police 12.73%, Fire 11.25%
- (6) Police 15.50%, Fire 17.44%
- (7) Police 17.34%, Fire 23.89%

TABLE 19

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL	VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE
19.18	\$ 1,002,299	27	19	\$ 37,122	38.4	11.1
18.56	1,065,487	28	18	38,053	38.5	11.0
17.92	1,135,240	29	18	39,146	39.1	11.6
15.87	1,197,184	30	19	39,906	39.2	11.8
14.3	1,188,026	29	20	40,966	39.7	12.2
13.11	1,274,419	29	21	43,945	39.8	11.6
11.99	(4) 1,347,171	29	21	46,454	40.8	12.6
12.19	(5) 1,406,654	29	21	48,505	41.8	13.6
16.41	(6) 1,352,466	28	24	48,302	41.4	12.5
20.01	(7) 1,237,171	26	26	47,584	41.5	13.1
N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF CADILLAC, MICHIGAN

LABOR AGREEMENTS

JUNE 30, 2004

	<u>DATE EFFECTIVE JULY 1,</u>	<u>EXPIRATION DATE JUNE 30,</u>
<u>POLICE</u>		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2002	2005
<u>FIRE</u>		
International Association of Fire Fighters Local 704	2003	2006
<u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u>		
United Steelworkers of America Local Union No. 14317 [Currently in Negotiations]	2001	2004

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2004

TAXES DUE AND

PAYABLE:

City and School taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

PENALTIES FOR

DELINQUENCY:

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

LIEN ON PROPERTY:

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

Date of Sale May,	Delinquent Tax Properties to be Sold Year
1997	1994
1998	1995
1999	1996
2000	1997
2001	1998 and 1999
2002	2000
2003	2001
2004	2002

CITY OF CADILLAC, MICHIGANLARGEST EMPLOYERS AND NUMBER OF EMPLOYEESJUNE 30, 2004

<u>COMPANY</u>	<u>NUMBER OF FULL-TIME EMPLOYEES</u>	<u>TYPE OF BUSINESS</u>
<i>Principal Economic Base Employers (October 2003)</i>		
Avon Rubber & Plastics, Inc.	802	Extruded & Molded Rubber
Four Winns, Inc.	750	Boats & Cruisers
Michigan Rubber Products, Inc.	700	Fabricated & Molded Rubber
Mercy Hospital Cadillac	560	Health Care
Hayes Lemmerz Cadillac Operation	540	Castings & Malleable Iron
Cadillac Area Public Schools	450	Public Education
Rexair, Inc.	450	Household Vacuum Cleaners
AAR Mobility Systems	394	Industrial Handling Equipment
FIAMM Technologies, Inc.	240	Automotive & Marine Air Horns
Lakeview Lutheran Manor	220	Skilled Care Facility
Paulstra CRC Cadillac	190	Industrial Molded Rubber
BorgWarner Cooling Systems	183	Auto Parts and Accessories
Hope Network North Michigan (NOC)	121	Light Assembly

*Source: Cadillac Area Chamber of Commerce

CITY OF CADILLAC, MICHIGAN

NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	WATER SUPPLY CUSTOMERS		WASTEWATER TREATMENT CUSTOMERS	
	NUMBER	PERCENTAGE OF CHANGE	NUMBER	PERCENTAGE OF CHANGE
1995	3,286	2.40	3,420	2.90
1996	3,322	1.10	3,445	0.70
1997	3,342	0.60	3,461	0.50
1998	3,375	1.00	3,477	0.50
1999	3,383	0.20	3,481	0.10
2000	3,408	0.74	3,499	0.52
2001	3,414	0.20	3,504	0.10
2002	3,407	(0.21)	3,493	(0.31)
2003	3,456	1.40	3,526	0.94
2004	3,487	0.90	3,544	0.51

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2004

METER CLASSIFICATION	AVERAGE CUSTOMERS	
	WATER SUPPLY	WASTEWATER TREATMENT
Unmetered	0	183
5/8"	3,170	3,102
3/4"	3	3
1"	124	103
1 1/2"	79	63
2"	81	66
3"	9	9
4"	15	12
6"	5	3
8"	1	0
TOTAL	<u>3,487</u>	<u>3,544</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.

CITY OF CADILLAC, MICHIGANMONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2004

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	\$1.65
1"	2.75
1 1/2"	5.45
2"	8.75
3"	19.05
4"	32.75
6"	68.3
8"	98.3
10"	158.45
12"	234.95

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 1995 THROUGH 2004

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
1995	3.95	5.95	7.00	9.00	13.50	37.25	51.25	82.80	90.50
1996	4.10	6.20	7.30	9.35	14.05	38.75	53.30	86.10	94.10
1997	4.22	6.39	7.52	9.63	14.47	39.91	54.90	88.68	96.92
1998	4.35	6.58	7.75	9.92	14.90	41.11	56.55	91.34	99.83
1999	4.48	6.78	7.98	10.22	15.35	42.34	58.25	94.08	102.83
2000	4.61	6.98	8.22	10.53	15.81	43.61	60.00	96.90	105.92
2001	4.00	6.01	10.02	20.04	32.06	70.13	120.23	250.47	360.68
2002	4.12	6.19	10.32	20.64	33.02	72.22	123.84	257.98	371.50
2003	4.25	6.40	10.65	21.25	34.00	74.40	127.55	265.70	382.65
2004	4.40	6.60	10.95	21.90	35.00	76.65	131.40	273.65	394.15

CITY OF CADILLAC, MICHIGANMONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2004

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
1995	6.45	9.70	11.45	14.35	21.85	60.50	82.50	133.95	209.00
1996	6.70	10.10	11.90	14.90	22.70	62.90	85.80	139.30	217.35
1997	6.90	10.40	12.26	15.35	23.38	64.79	88.37	143.48	223.87
1998	7.10	10.71	12.63	15.81	24.08	66.73	91.02	147.78	230.59
1999	7.31	11.03	13.01	16.28	24.80	68.73	93.75	152.21	237.51
2000	7.53	11.36	13.40	16.77	25.54	70.79	96.56	156.78	244.64
2001	6.60	9.90	16.50	33.00	52.80	115.50	198.00	412.50	594.00
2002	6.80	10.20	17.00	34.00	54.38	118.97	203.94	424.88	611.82
2003	7.00	10.50	17.50	35.00	56.00	122.55	210.05	437.60	630.20
2004	7.20	10.80	18.05	36.05	57.70	126.25	216.35	450.35	649.10

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.

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2003 THROUGH DECEMBER 31, 2003

	CUBIC FEET		GALLONS		DOLLARS
	WATER	SEWER	WATER	SEWER	WATER AND SEWER
1) Hayes Lemmerz International	15,424,000	13,102,772	115,371,520	98,008,735	\$ 307,486
2) Avon Rubber and Plastics, Inc.	12,552,500	12,552,500	93,892,700	93,892,700	162,973
3) AAR Cadillac Manufacturing	5,936,000	3,420,033	44,401,280	25,581,847	98,072
4) Paulstra CRC	268,500	44,679,700	2,008,380	33,433,356	91,324
5) Mercy Hospital	1,742,000	1,742,000	13,030,160	13,030,160	53,609
6) Country Acres	2,462,400	2,462,400	18,418,752	18,418,752	48,282
7) Piranha Hose	1,770,100	1,770,100	13,240,348	13,240,348	41,978
8) Borg-Warner	1,466,600	1,466,600	10,970,168	10,970,168	36,888
9) Cadillac Renewable Energy	0	1,519,629	0	11,366,825	34,024
10) Michigan Rubber Products	1,144,200	1,144,200	8,558,616	8,558,616	29,321
11) Pheasant Ridge	1,301,900	1,301,900	9,738,212	9,738,212	27,696
12) Lakeshore Linen	863,300	863,300	6,457,484	6,457,484	25,944
13) 4-WINNS	808,080	808,080	6,044,438	6,044,438	25,146
14) Leisure Park	509,900	509,900	3,814,052	3,814,052	12,953
15) Rexair, Inc.	156,000	156,000	1,166,880	1,166,880	8,751
TOTAL					<u>\$ 1,004,447</u>

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1995 THROUGH 2004

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
1995	\$ 0.60	\$ 0.74	\$ 0.53	\$ 0.42	\$ 0.35
1996	0.62	0.78	0.55	0.44	0.37
1997	0.64	0.79	0.57	0.46	0.39
1998	0.66	0.80	0.57	0.48	0.41
1999	0.68	0.82	0.61	0.50	0.43
2000	0.70	0.84	0.63	0.52	0.45
2001	0.84	0.74	0.65	0.55	0.46
2002	0.87	0.76	0.67	0.57	0.48
2003	0.90	0.78	0.69	0.59	0.50
2004	0.93	0.80	0.71	0.61	0.52

CITY OF CADILLAC, MICHIGANMONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1995 THROUGH 2004

<u>FISCAL YEAR</u> <u>ENDED OR</u> <u>ENDING JUNE 30,</u>	<u>CHARGE PER</u> <u>100 CF</u>	<u>PERCENT</u> <u>CHANGE</u>
1995	\$ 1.28	4.1
1996	1.33	3.9
1997	1.37	3.0
1998	1.41	3.0
1999	1.45	3.0
2000	1.49	3.0
2001	1.52	2.0
2002	1.57	3.3
2003	1.62	3.2
2004	1.67	3.1

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.

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
FISCAL YEARS 1995 THROUGH 2004

FISCAL YEAR	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
	CUBIC FEET	GALLONS	CHANGE IN PERCENT	CUBIC FEET	GALLONS	CHANGE IN PERCENT	
1995	129,545,456	969,000,011	0.50	95,989,305	718,000,001	2.30	74.10
1996	126,724,600	947,900,008	(2.20)	97,767,000	731,297,160	1.90	77.10
1997	128,649,700	962,300,000	1.50	121,911,800	911,900,000	24.70	94.70
1998	113,222,000	846,900,000	(12.00)	108,570,000	812,100,000	(10.90)	95.90
1999	112,150,000	838,900,000	(0.90)	98,940,000	740,100,000	(8.90)	88.20
2000	117,928,000	882,100,000	5.10	108,663,000	812,800,000	9.80	78.60
2001	114,643,000	857,528,000	(2.80)	110,280,000	824,893,000	1.50	96.20
2002	104,011,000	778,000,000	(9.30)	108,877,000	814,400,000	1.30	104.70
2003	107,473,262	803,900,000	0.03	101,844,920	761,800,000	(0.06)	94.76
2004	105,160,428	786,600,000	(0.02)	102,606,952	767,750,000	0.01	97.60

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2004

METER CLASSIFICATION	WATER SUPPLY VOLUME AS BILLED		PERCENT OF TOTAL	WASTEWATER TREATMENT VOLUME AS BILLED		PERCENT OF TOTAL
	CUBIC FEET			CUBIC FEET		
Unmetered	0			N/A		
5/8"	30,100,709		31.59	28,432,312		32.34
3/4"	27,400		0.03	27,400		0.03
1"	4,377,792		4.60	3,347,010		3.81
1 1/2"	3,485,292		3.66	2,187,792		2.49
2"	18,091,400		18.99	24,657,325		28.04
3"	3,685,300		3.87	3,810,900		4.33
4"	18,266,000		19.18	10,851,289		12.34
6"	16,017,500		16.82	14,613,449		16.62
8"	1,199,500		1.26	0		0.00
TOTAL	95,250,893		100.00	87,927,477		100.00

CITY OF CADILLAC, MICHIGANWATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATIONFISCAL YEAR ENDED JUNE 30, 2004

<u>METER</u> <u>CLASSIFICATION</u>	<u>WATER SUPPLY</u>		<u>WASTEWATER TREATMENT</u>	
	<u>REVENUE</u>	<u>PERCENT</u> <u>OF</u> <u>TOTAL</u>	<u>REVENUE</u>	<u>PERCENT</u> <u>OF</u> <u>TOTAL</u>
Unmetered			\$ 42,260	2.26
5/8"	\$ 423,009	43.32	686,009	36.71
3/4"	3,443	0.35	5,801	0.31
1"	50,825	5.21	77,634	4.15
1 1/2"	47,967	4.91	62,707	3.36
2"	162,291	16.63	449,872	24.09
3"	33,625	3.44	71,261	3.81
4"	135,671	13.89	213,245	11.41
6"	106,518	10.91	259,807	13.90
8"	13,091	1.34	0	0.00
TOTAL	<u>\$ 976,440</u>	<u>100.00</u>	<u>\$ 1,868,596</u>	<u>100.00</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.

"The City of Cadillac is built upon the premise that its Citizens deserve to be treated with

Respect and **Honesty**

at all times. We believe that public service is a privilege and honorable pursuit. Because this is true, we promise to prioritize and deliver

Quality

public services that are

Efficient and **Cost Effective**

doing so in a way that provides for the utmost in public peace, health, safety, and quality of life.

The City of Cadillac will deliberately work to ensure that those in your service will act with the highest levels of personal and professional

Integrity.

City of Cadillac

Mission Statement

City of Cadillac, Michigan





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FAX: 231-775-9749

M. WAYNE BEATTIE, C.P.A.
1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER., C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 8, 2004

To the Mayor and City Council
City of Cadillac, Michigan

Having completed our audit of the financial statements of the City of Cadillac, Michigan, for the year ended June 30, 2004, we would like to make the following comments and recommendations:

General Condition of Records

During the 2003-2004 fiscal year, the City maintained over fifty separate funds. We found the accounting records to be in balance and reconciled to the bank accounts. We commend the accounting personnel for a job well done.

Financial Reporting Award

We would like to congratulate the City for receiving its nineteenth consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its June 30, 2003, comprehensive annual financial report. We believe this year's report will qualify also.

Financial Condition

During the year ended June 30, 2004, the City's entity-wide financial condition improved by \$489,849 from beginning net assets of \$33,452,889 to ending net assets of \$33,942,738. The general fund modified accrual basis fund balance increased by \$222,237 from \$1,138,710 to \$1,360,710. We feel these results are noteworthy given the pressures that the City has faced from decreased state revenue sharing and limited property tax increases. It is obvious that the City's cost containment efforts have been very effective.

New Accounting Pronouncements

Looking to the future, the Government Accounting Standards Board (GASB) has issued two new standards. Both standards deal with how to account for the liability created by the City's commitment to provide health insurance benefits to its retirees. The first one is Statement No. 43 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* which sets accounting and reporting standards for trust funds that are established to fund these other post employment benefits (OPEB). GASB 43 provides standards for measuring the dollar amount of the OPEB liability and preparing financial statements for the fund that are similar to the standards established for retirement plans such as the City's Policeman and Fireman Retirement System. If the

City decides to begin actual funding of the liability through establishment of such a trust fund, GASB 43 must be adopted no later than it's year ended June 30, 2008. Early application of the standard is encouraged, and, if such a fund is established, it would make the most sense to apply the new standard immediately.

The second standard is Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This standard applies to the City's basic financial statements instead of the trust fund financial statements. The accrued actuarial liability for the future benefits will need to be reported as a liability on the City's entity-wide statement of net assets. The standard must be adopted in the year following the year that GASB 43 is adopted. As is the case with GASB 43, early adoption of GASB 45 is encouraged. In order to implement either standard, the City will need to engage an actuary to calculate the amount of the liability as of the beginning and end of the first year of adoption.

We wish to express our appreciation for the cooperation and courtesy extended our staff by the various municipal employees during the course of our audit of the financial statements of the City of Cadillac. We would like to thank the Council for again awarding our firm the audit engagement for the City. If there are any questions relative to the above comments and recommendations, or any other areas of your annual accounting, please call on us.

Very truly yours,

BAIRD, COTTER AND BISHOP, P.C.

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